

ECONOMIC DEVELOPMENT COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

RECEIVED

2016 APR 29 AM 8: 38

CITY SECRETARY
DALLAS, TEXAS

MONDAY, MAY 2, 2016
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA
DALLAS, TEXAS 75201
9:00 A.M. – 10:30 A.M.

Chair, Councilmember Rickey D. Callahan
Vice-Chair, Councilmember Casey Thomas, II
Councilmember Lee M. Kleinman
Councilmember Carolyn King Arnold
Councilmember Adam Medrano
Councilmember B. Adam McGough

Call to Order

1. Approval of April 18, 2016 Economic Development Committee Minutes

BRIEFINGS

2. Technical Criteria for Economic Development
2017 Bond Program *J. Hammond Perot*
Assistant Director, Office of Economic Development
3. Dallas Love Field Rental Car Operations *Mark Duebner*
Director, Aviation

4. **UPCOMING AGENDA ITEMS**

May 11, 2016

Economic Development

- A. Resolution to Create a Dallas Property Assessed Clean Energy (PACE) Program and Resolution to Authorize a Third-Party Administrator for the Dallas PACE Program
- B. Authorize (1) a public hearing to be held on June 15, 2016, in accordance with Chapter 372 of the Texas Local Government Code to consider the advisability of renewing the Oak Lawn-Hi Line Public Improvement District (District), for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District to receive comments, and, at the close of the public hearing; (2) a resolution approving renewal of the District for seven years and approval of the District's Service Plan for calendar years 2017-2023 - Financing: No cost consideration to the City
- C. Authorize a Chapter 380 economic development grant agreement with Costco Wholesale Corporation ("Costco") in an amount not to exceed \$3,000,000 in consideration of Costco's development, construction, and continued operation of a new store on approximately 13.2 acres located at 12550 Coit Road in the City of Dallas, pursuant to the Public/Private Partnership Program - Not to exceed \$3,000,000 - Financing: Public/Private Partnership Funds
- D. Authorize a Chapter 380 economic development grant agreement with Saatchi & Saatchi North America, Inc. (doing business as Saatchi and Saatchi LA Team One) in an amount up to \$75,000 to encourage relocation and stimulate business development activity in the City of Dallas in conjunction with the

location of its new office at 2021 McKinney Avenue, pursuant to the Public/Private Partnership Program
- Not to exceed \$75,000 - Financing: Public/Private Partnership Funds

- E. Authorize **(1)** the Seventh Amendment to the Loan Agreement between the City of Dallas and the Oak Cliff Foundation (OCF) to convert the Section 108 Term Loan Agreement (the "Term Loan") in the original amount of \$400,000 from one with partial repayment and forgiveness terms to a secured, zero percent interest forgivable loan, where all principal and interest will be forgiven under the loan by June 1, 2026 or over a period of 10 years from the date of execution of the Seventh Amendment whichever is later, subject to the OCF meeting certain conditions and requirements of the City; **(2)** the City to subordinate the City 's. loans with the OCF to a third party lender in order for the OCF to obtain third party bank financing, subject to the OCF meeting certain conditions and requirements of the City; **(3)** the City Manager to execute a Partial Release of Lien with respect to the 1.2 million Section 108 funded Loan Agreement between the City and the OCF; and **(4)** modifications to the Loan Agreement and the Loan documents to comport with these requirements – Financing: CDBG Program Income Foregone (\$467,888)

Sustainable Development & Construction

- F. A resolution authorizing the conveyance of approximately 23,010 square feet of land for a public mass transit easement across City-owned land to Dallas Area Rapid Transit, located near the intersection of Camp Wisdom Road and Patrol Way - Revenue: \$25,576
- G. A resolution **(1)** declaring three properties unwanted and unneeded and authorizing a sale by public auction (list attached); and **(2)** authorizing a Purchase and Sale Agreement to be prepared for each auctioned surplus property receiving the highest qualified bid that is sold absolute - Estimated Revenue - \$1,199,940
- H. An ordinance granting a revocable license to Haskell E-Bar, LLC for the use of a total of approximately 243 square feet of aerial space to occupy, maintain and utilize one sign and one awning over and above portions of Haskell Avenue right-of-way, near its intersection with Munger Avenue – Revenue: \$1,000 annually and \$100 one-time fee, plus the \$20 ordinance publication fee
- I. An ordinance granting a private license to South Tollway 3920, L.P. for the use of a total of approximately 3,116 square feet of land to occupy, maintain and utilize six street lights on portions of Maple Avenue right-of-way, near its intersection with Throckmorton Street – Revenue: \$600 one-time fee, plus the \$20 ordinance publication fee
- J. An ordinance granting a private license to Southwest Airlines Co. for the use of a total of approximately 2,620 square feet of aerial space to occupy, maintain and utilize two pedestrian bridges above and over a portion of Wyman Street and Denton Drive rights-of-way located near its intersection with Wyman Street and Denton Drive - Revenue: \$1,477 annually, plus the \$20 ordinance publication fee
- K. An ordinance abandoning a portion of a water and sanitary sewer easement to MSL Management, LLC, the abutting owner, containing approximately 4,350 square feet of land, located near the intersection of Dilido and John West Roads - Revenue: \$5,400 plus the \$20 ordinance publication fee.
- L. An ordinance abandoning two storm sewer easements, four sanitary sewer easements and one water and wastewater easement to Mockingbird Venture Partners, LLC, the abutting owner, containing a total of approximately 26,706 square feet of land, located near the intersection of West Mockingbird Lane and Forest Park Road - Revenue: \$18,695, plus the \$20 ordinance publication fee

Water Utilities

M. West Cell Development

- * Authorize the City Manager to enter into a Treated Water Service Contract, approved as to form by the City Attorney, with the City of Irving for treated water service for Dallas' portion of the West Cell Development - Not to exceed \$106,832 - Financing: Water Utilities Current Funds (subject to annual appropriations)
- * Authorize the City Manager to enter into a Wastewater Service Contract, approved as to form by the City Attorney, with the City of Irving for wastewater service for Dallas' portion of the West Cell Development - Not to exceed \$14,878 - Financing: Water Utilities Current Funds (subject to annual appropriations)
- * An ordinance adopting a boundary adjustment agreement with the City of Irving on property located south of the terminus of South Northlake Road and northwest of the intersection of Valley Vista Drive and Lakebreeze Road (within the West Cell Development) - Financing: No cost consideration to the City

Adjourn



Rickey D. Callahan, Chair
Economic Development Committee

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

Economic Development Committee **Draft**

Meeting Record

April 18, 2016

The Economic Development Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

Meeting Date: April 18, 2016 **Meeting Start time:** 9:04 AM

Committee Members Present:

Rickey D. Callahan (Chair)
Casey Thomas, II (Vice-Chair)
Lee M. Kleinman
B. Adam McGough
Carolyn King Arnold
Adam Medrano

Other Council Members Present:

Staff Present:

Allen Sims, Chief of Neighborhood Plus, City Manager's Office
Karl Zavitkovsky, Director, Office of Economic Development
Karl Stundins, Manager, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Barbara Martinez, Assistant City Attorney, City Attorney's Office

Other Presenters:

1. Approval of April 4, 2016 Minutes of the Economic Development Committee

Presenter(s):

Action Taken/Committee Recommendation(s): Motion made to approve the minutes

Motion made by: Mr. Kleinman

Motion seconded by: Mr. McGough

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

Follow-up (if necessary):

2. Old Dallas High School Redevelopment Project

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development

Action Taken/Committee Recommendation(s): Motion made to recommend all the items to full council

Motion made by: Mr. Thomas

Motion seconded by: Mr. Kleinman

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

Follow-up (if necessary):

3. Upcoming Agenda Items

April 27, 2016

Economic Development

- A. Authorize the first amendment to the development agreement and the Chapter 380 economic development grant agreement with Fairfield at Ross LLC for development of the Fairfield West End Residences in the City Center TIF District to extend the completion deadlines to September 30, 2016 – Financing: No cost consideration to the City
- B. Authorize a Chapter 380 economic development grant agreement with Zale Delaware, Inc. ("Zale"), a wholly-owned subsidiary of Signet Jewelers Limited ("Signet"), in an amount not-to-exceed \$450,000 for the relocation and expansion of its operating headquarters to a new build-to-suit office facility and an associated new build-to-suit jewelry repair facility within the Cypress Waters development in the City of Dallas, pursuant to the Public/Private Partnership Program - Not to exceed \$450,000 - Financing: Public/Private Partnership Funds

Sustainable Development & Construction

- C. Authorize settlement in lieu of proceeding with condemnation of a tract of land containing approximately 16,822 square feet from Doyle Anderton located in Kaufman County for the Lake Tawakoni 144-inch Pipeline Project - Not to exceed \$2,000 increased from \$4,585 (\$2,085, plus closing costs and title expenses not to exceed \$2,500) to \$6,585 (\$4,000, plus closing costs and title expenses not to exceed \$2,585) – Financing: Water Utilities Capital Construction Funds
- D. Authorize the quitclaim of 96 properties acquired by the taxing authorities from the Tax Foreclosure Sheriff's Sale to the highest bidders; and authorize the execution of release of liens for any non-tax liens that may have been filed by the City and were included in the foreclosure judgment (list attached) - Revenue: \$585,974
- E. Authorize an amendment to the ten-year lease agreement with Mulix Investments, LLC. to make leasehold improvements to the approximately 4,996 square feet of office space located at 2730 Coombs Creek Drive for the Southwest Building Inspection District office for the period December 1, 2014 through November 30, 2024 - Not to exceed \$13,400 - Financing: Building Inspection Current Funds (subject to annual appropriations)
- F. An ordinance granting a private license to Equity Hotel Group, LLC for the use of a total of approximately 385 square feet of aerial space to occupy, maintain and utilize two canopies over a portion of Record Street right-of-way, near its intersection with Wood Street – Revenue: \$200 one-time fee, plus the \$20 ordinance publication fee
- G. An ordinance abandoning a sanitary sewer easement to Northaven Land Investment, LP and North Haven R.E., LP, the abutting owners, containing approximately 3,664 square feet of land, located near the intersection of Northaven Road and Freda Stern Drive - Revenue: \$5,400, plus the \$20 ordinance publication fee.

Intergovernmental Services

- H. Authorize (1) the acceptance of a grant from the Texas Department of Criminal Justice (TDCJ) (Grant # 696-TC-16-17-L063), to develop and operate a pilot program for reentry services in the amount of \$1,000,000 for the period September 1, 2015 to August 31, 2017; and (2) execution of the grant agreement - Not to exceed \$1,000,000 - Financing: Texas Department of Criminal Justice Grant Funds

Action Taken/Committee Recommendation(s): No Action Taken

Motion made by:

Item passed unanimously: _____

Item failed unanimously: _____

Follow-up (if necessary):

Motion seconded by:

Item passed on a divided vote: X Ms.

Arnold Voting No on item B

Item failed on a divided vote: _____

Meeting Adjourned: 9:52 A.M.

Approved By: _____

Memorandum



DATE April 29, 2016

TO Members of the Economic Development Committee:
Rickey D. Callahan (Chair), Casey Thomas, II, (Vice Chair), Adam Medrano,
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Technical Criteria for Economic Development 2017 Bond Program**

On Monday May 2 2016, the Economic Development Committee will be briefed on the Technical Criteria for Economic Development 2017 Bond Program.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3296.

Ryan S. Evans
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council

A.C. Gonzalez, City Manager	Mark McDaniel, Assistant City Manager
Christopher D. Bowers, Interim City Attorney	Joey Zapata, Assistant City Manager
Craig D. Kinton, City Auditor	Jeanne Chipperfield, Chief Financial Officer
Rosa A. Rios, City Secretary	Sana Syed, Public Information Officer
Daniel F. Solis, Administrative Judge	Karl Zavitkovsky, Director, Office of Economic Development
Eric D. Campbell, Assistant City Manager	J. Hammond Perot, Assistant Director, Office of Economic Development
Jill A. Jordan, P.E., Assistant City Manager	Elsa Cantu, Assistant to the City Manager – Mayor & Council



Technical Criteria for Economic Development 2017 Bond Program

May 2, 2016



Purpose

- Review technical criteria for the Office of Economic Development

Technical Criteria & Policy

- What is Technical Criteria?
 - A set of measuring tools that city staff uses to rate project from a technical standpoint
 - It allows staff to categorize and prioritize projects objectively
 - Projects in the needs inventory undergo a technical criteria review
 - Needs inventory projects are compared within categories

Technical Criteria – Economic Development

- Criteria for project funding with Economic Development propositions differs from typical Needs Inventory technical criteria
 - Projects are not necessarily known in advance
 - Projects not scored and compared based on point accumulation basis
 - Availability of bond funding allows City to capitalize on moments of opportunity as they arise
 - Provides for flexibility of utilization (assuming the public purpose of economic development is met) in order to achieve City goals

Technical Criteria – Economic Development

- Project evaluation criteria includes:
 - Accomplishes/advances an established City Council priority or plan
 - Meets parameters outlined in the approved Proposition (e.g. – Southern Dallas or TOD)
 - Council adopted Public/Private Partnership Program Eligibility (e.g. – jobs and/or investment)
 - Needs Inventory Items
 - Ability to leverage direct and indirect private and public investment
 - Fiscal and Economic Impact Analysis

Economic Development Technical Criteria for Needs Inventory

- Streets - Thoroughfare Category: 40 points possible out of 100 total points for projects based on economic development criteria below (60 points for mobility and safety criteria scored by other departments)

Scoring Items	Description	Potential Points
Target Area	Area represents council identified enhanced activity area such as Neighborhood Plus	5 pts: business park, TIF, etc. 5 pts: southern Dallas 5 pts: other priority location
Distressed Area	Census tract median home values compared to county median	0 pts: if 100%+ 5 pts: >75% <100% 15 pts: < 75%
Project Adjacency	Design complete and adjacent to approved project	0 pts: if no 10 pts: if yes

Economic Development Technical Criteria for Needs Inventory

- Streets - Resurfacing and Reconstruction Categories:
 - 10 pts out of 100 possible points allocated for projects in commercial opportunity areas supporting ongoing private economic/business activity such as West Dallas, Asian Trade District, UNT-Dallas Campus, CBD, Vickery Meadows, DART stations, etc.

Next Steps

- Integrate Committee suggestions in evaluation methodology
- Prepare for October 3rd presentation of needs

Memorandum



DATE April 29, 2016

TO Members of the Economic Development Committee:
Rickey D. Callahan (Chair), Casey Thomas, II, (Vice Chair), Adam Medrano,
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Dallas Love Field Rental Car Operations**

On Monday May 2 2016, the Economic Development Committee will be briefed on Dallas Love Field Rental Car Operations.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3296.

Ryan S. Evans
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
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J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council



Dallas Love Field Rental Car Operations Economic Development Committee

May 2, 2016

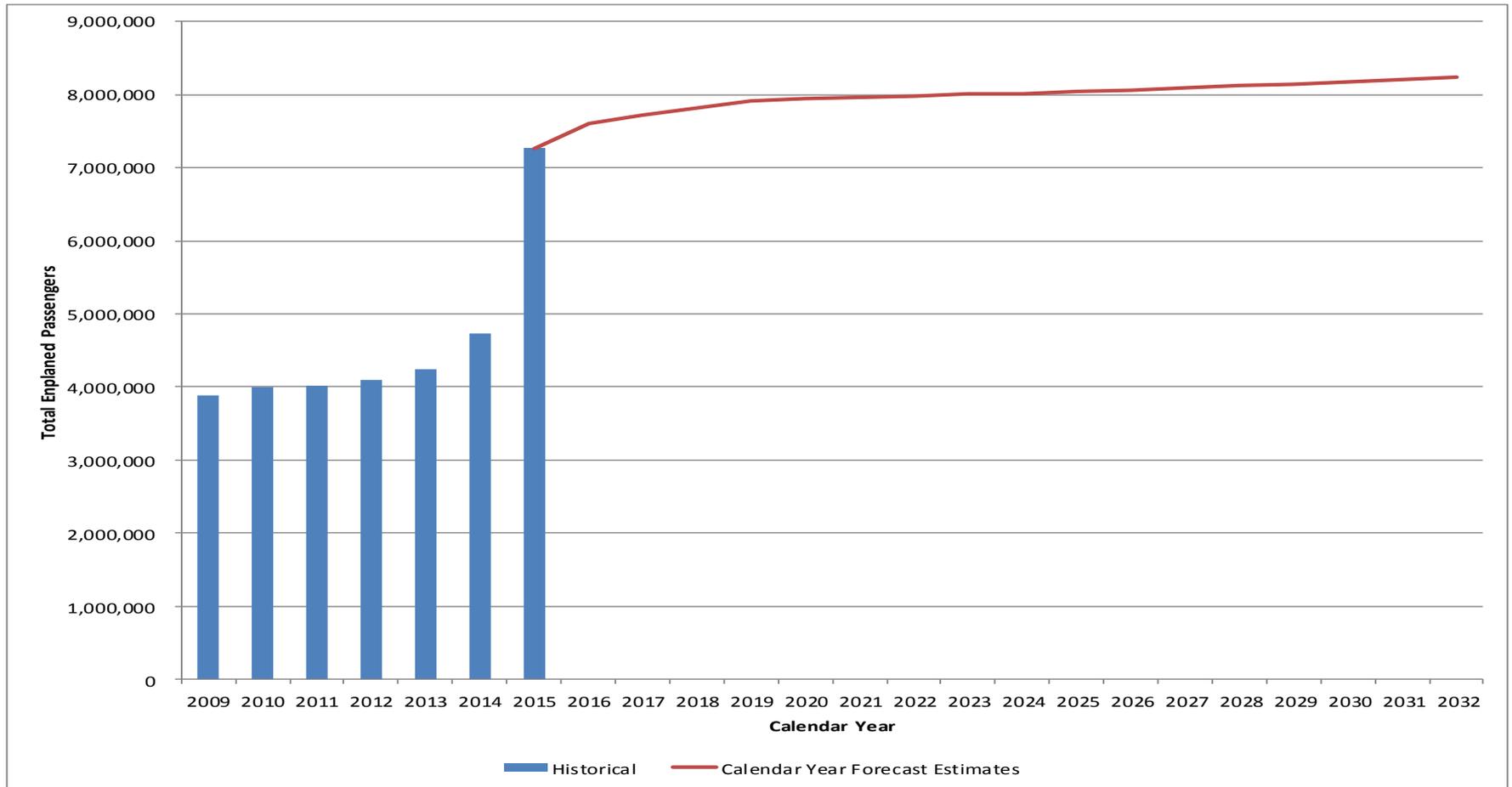


Purpose

- Provide an overview of Rental Car operations at Dallas Love Field (DAL)
- Review challenges facing DAL operations
- Evaluate Consolidated Rental Car Facility (ConRAC) options
 - Site location options
 - Funding
 - Industry trends
- Review Next Steps

Overview

Since Wright Amendment repeal, Dallas Love Field's growth has continued



-2015 DAL enplanements – 7.2m



-Note: In 2014, Lambert – St. Louis International, the highest ranking medium Hub airport had 6.1m enplanements (Source: FAA.gov – CY 2014 Passenger Boarding and All-Cargo Data for US Airports)

Overview

Increased passenger traffic impact

- Increased Parking and Ground Transportation traffic (on airport)
 - Parking garages come close to capacity on Tuesdays, Wednesdays and Thursdays
 - During holidays and peak travel season 7,000 space parking garages exceed capacity
- Experienced a surge in Ground Transportation modes causing an increased demand for airport roads and curbs
- Impact on terminal area roadways due to high demand for new off-airport rental car, Transportation Network Companies and existing taxi, shared ride shuttle, hotel and parking shuttle traffic



TNC pick-up area along lower level roadway curb

Overview

Increased passenger traffic impact

- Congested Roadways (off airport)
 - Airport Access Roadways become congested with a large mix of vehicles during peak times
 - Intersection of Herb Kelleher Way and Mockingbird Lane is the only entry/exit point to DAL
 - Increased congestion at Herb Kelleher Way and Mockingbird Lane cause long dwell times (Reduced Level of Service)

Level of Service
criteria for
signalized
intersections

LOS	Control Delay per Vehicle (Seconds/Vehicle)
A	<10
B	>10-20
C	>20-35
D	>35-55
E	>55-80
F	>80

Intersection Level Of Service (LOS)

Mockingbird Lane @ Herb Kelleher Way/Cedar Springs

- Traffic study conducted in November 2015 to determine LOS with and without Remote ConRAC
- Would conditions improve should we build ConRAC on-airport or off-airport?
- Building off-airport improves service to Level C

RAC Location	AM Level of Service	PM Level of Service
On Airport	D	D
Off Airport	C	D

DAL Rental Car Operations

Nine Rental Car Brands offer on-airport car services at Love Field. All nine have concession contracts with the City.

- Hertz, Avis, Budget, Dollar, Enterprise, National, Alamo, Thrifty and Advantage, each exclusive use leasehold includes:
 - Rental Car Company ground leases set to expire in 2017
 - All transport customers between the terminal and their facilities via individual company operated shuttle buses
 - All nine contracts include counter space inside the terminal as a part of the Rental Car Concession program
 - Third and final option set to expire September 2016
 - RFP will be issued Summer 2016 (Note: Inclusion of ConRAC language)

DAL Rental Car Operations

In addition to their main facilities, Rental Car companies have leased additional property for vehicle storage



DAL Rental Car Concession Sales

Rental Car Concession Sales						
	2013	2014	% diff.*	2015	% diff.*	Total diff. **
Sales	\$67,787,198	\$77,509,852	+14%	\$102,448,223	+32%	+51%
Revenues	\$7,428,765	\$8,075,098	+9%	\$10,265,166	+27%	+38%
Effective % Rental Rate	10.96%	10.42%		10.02%		
Lease Rentals	\$422,871	\$431,991		\$562,093		
Concession Revenue	\$7,851,636	\$8,507,089		\$10,827,259		

- Rental Car Sales are gross sales, of which, DAL receives a percentage or minimum annual guarantee (MAG)
- Lease rentals relate to Facilities leases and overflow storage lot leases

*Percent difference over previous year

**Total percent difference over 2013

DAL Rental Car Challenges

- Nine rental car brands operate on-airport on approx. 20 acres
 - Shuttle buses and customers returning vehicles to on-site location contributes to roadway congestion
 - No adequate space for rental car vehicle storage to meet demand
 - Current rental car ground leases expire 2017
- Recommend constructing Consolidated Rental Car Facility to increase LOS for landside facilities

Consolidated Rental Car Facility (ConRAC)

Consolidated Rental Car Facility (ConRAC)

- A facility that combines all rental car operations, including vehicle pick up and drop off, car storage, cleaning and fueling into a single facility
- Functional Components of a ConRAC include:
 - Customer service area
 - Ready/return area
 - Overflow Vehicle Storage
 - Vehicle Service Area/Quick Turnaround (QTA)
 - Fuel Islands
 - Wash bays
 - Maintenance bays
 - Admin Space
 - Employee Parking

Preliminary Space Requirements

- To determine space requirements for DAL RAC operations, Ricondo & Associates, Inc. issued a Questionnaire to DAL rental car companies in May 2015

- Used a conglomerate of all space needs to determine future space requirements

- Annual/Monthly Activity
- # of Rental transactions
- # of returns
- # of counter positions, self service, back office space needed in 2015, 2022, 2032
- # of ready/return spaces needed
- Employee parking
- Service/Maintenance, Storage needs

RENTAL CAR INFORMATION QUESTIONNAIRE
DALLAS LOVE FIELD
(Please complete a separate survey for each brand)

Rental Car Brand: _____
 Contact Person: _____
 Contact's Title: _____
 Mailing Address: _____

 Telephone: _____
 Fax: _____
 E-Mail Address: _____

TRANSACTION DATA

1. Annual Activity

Year	Transactions
2008	
2009	
2010	
2011	
2012	

2. Monthly Activity - 2013 and 2014 Year to Date

Month	2013 Transactions	2014 YTD Transactions
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

3. Please provide the number of rental transactions processed at your regular counter during a peak rental day in the peak month.

Use same month, week and year for questions 3, 4, 5, and 6

Month _____ Week _____ Year _____

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
12:00 AM							
1:00 AM							
2:00 AM							
3:00 AM							
4:00 AM							
5:00 AM							
6:00 AM							
7:00 AM							
8:00 AM							
9:00 AM							
10:00 AM							
11:00 AM							
12:00 PM							
1:00 PM							
2:00 PM							
3:00 PM							
4:00 PM							
5:00 PM							
6:00 PM							
7:00 PM							
8:00 PM							
9:00 PM							
10:00 PM							
11:00 PM							

Preliminary Space Requirements Methodology

- Requirements were developed using DAL-specific hourly rental car transactions for a peak rental day
 - A peak rental day was selected as the design day; ready vehicles occupy more space than the same number of return vehicles and represent the maximum space requirement during a peak period
- Planning hour activity was defined as the peak hour number of rentals and returns
- Standard industry planning factors were used to recommend other facility requirements

Preliminary Space Requirements Results Summary

	2015 SPACE PROGRAM			2024 SPACE PROGRAM			2032 SPACE PROGRAM		
	Low	Baseline	High	Low	Baseline	High	Low	Baseline	High
	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
<u>Customer Service Area</u>									
Regular Counter Positions	49	49	49	58	59	64	59	60	66
Subtotal Customer Service Area	49	49	49	58	59	64	59	60	66
<u>Ready/Return/Storage Areas</u>									
Ready Spaces	1,101	1,101	1,101	1,295	1,306	1,417	1,311	1,306	1,460
Return Spaces	478	478	478	562	567	615	569	582	634
Subtotal area Ready/Return	1,579	1,579	1,579	1,857	1,873	2,032	1,881	1,888	2,095
<u>Storage Spaces</u>									
Storage Spaces	1,169	1,169	1,169	1,374	1,386	1,504	1,392	1,424	1,550
Subtotal Storage Area	1,169	1,169	1,169	1,374	1,386	1,504	1,392	1,424	1,550
<u>Exit Booths</u>									
Exit Booths	12	12	12	14	15	16	15	15	16
Subtotal Exit Booths	12	12	12	14	15	16	15	15	16
<u>QTA/Service Site</u>									
Fueling Positions	48	48	48	56	57	62	57	58	63
Wash Bays	8	8	8	9	9	10	9	10	11
Stacking and Staging Spaces	288	288	288	336	342	372	342	348	378
Maintenance Bays	39	39	39	45	46	50	46	47	51
Administrative Area	8,824	8,824	8,824	10,376	10,465	11,355	10,511	10,748	11,705
Employee Parking	481	481	481	566	571	619	573	586	638
Subtotal QTA/Service Site	9,688	9,688	9,688	11,389	11,489	12,468	11,539	11,797	12,846
TOTAL REQUIREMENT - SQUARE FEET									
	919,924	919,924	919,924	1,081,276	1,091,065	1,184,155	1,095,711	1,109,448	1,219,305
TOTAL REQUIREMENT - ACRES									
	21	21	21	25	25	27	25	25	28

Preliminary Site Concept Analysis Overview

- Based on the requirements, four potential sites for a ConRAC were identified
 - Some sites include multiple layout and parcel configurations
- Facility “massing” layouts were developed to determine each site’s ability to accommodate the 2032 baseline facility requirements
- Key pros and cons were identified
- Each site will be evaluated based upon the site’s ability to meet an established set of evaluation criteria

Evaluation Criteria

Customer Service

- Customer wayfinding to and from facility
- Customer access (time to rent vehicle)
- Customer convenience
- Airport image

Rental Car Operations

- Operating cost considerations
- Ability to accommodate long-term needs
- Ability to accommodate space program
- Adjacency of critical operational components

Common Busing Operation

- Distance
- Drive time

Environmental Consequences

- Air quality
- Wetlands
- Hazardous materials

Site Considerations

- Ownership of land
- Offsite infrastructure improvements required
- Terps/Part 77 restrictions
- Constructability
- Length of time to commence construction
- Traffic

Airport Compatibility

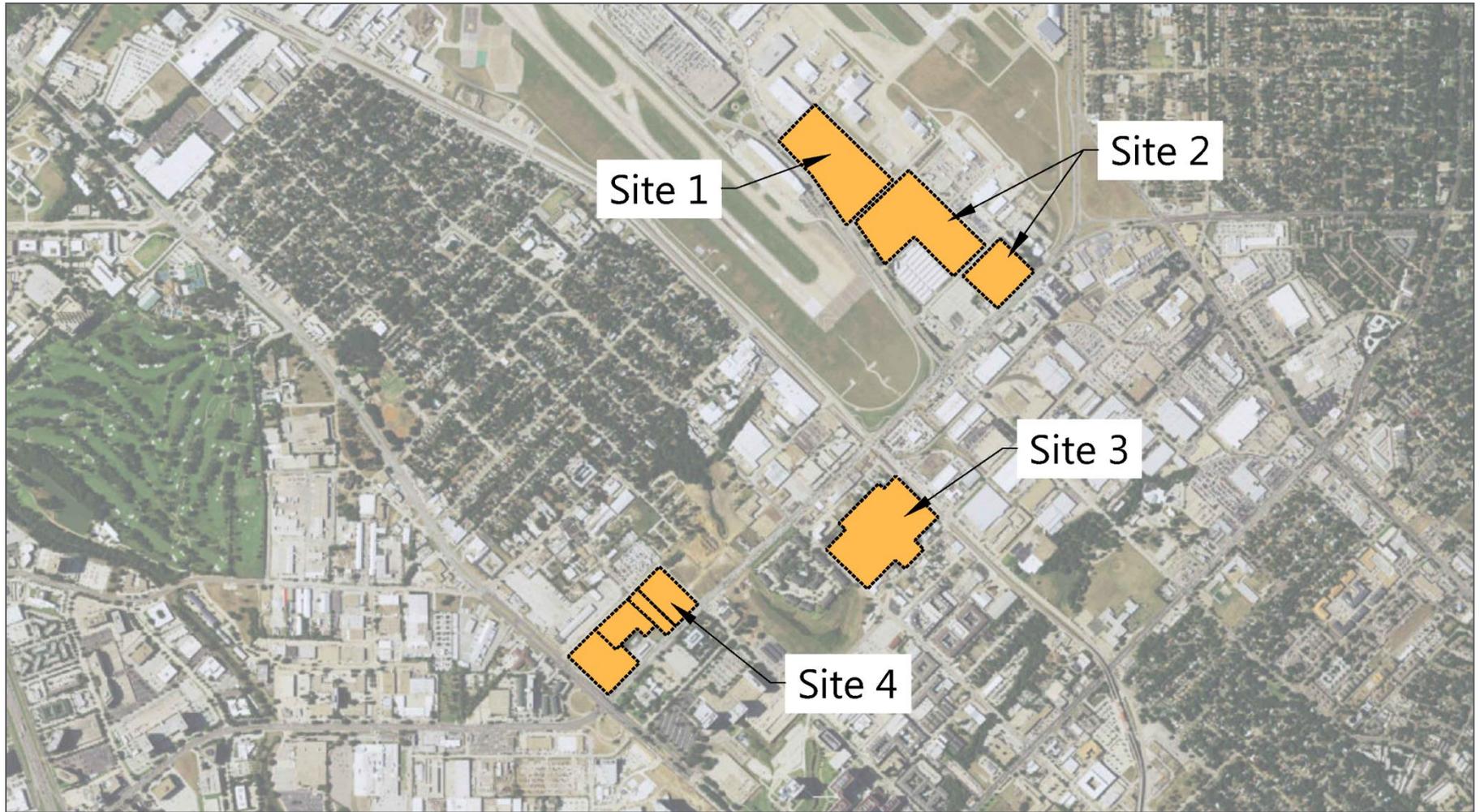
- Existing operations
- Impact on other Master Plan priorities
- Security

Project Cost

Facility Siting Objectives

- Sufficient land to accommodate space requirements through the planning horizon and to permit future expansion of facilities
- Provide easy customer access/egress to the airport area's major roadway system
- Maintain reasonable RAC customer consolidated shuttle bus driving time between the terminal and the ConRAC – 15 minute maximum with the objective being under 10 minutes
- Create stable rental car operating and facility environment while maintaining/enhancing customer service

Potential ConRAC Site Locations



Conceptual Cost Estimate Summary

- Rough order of magnitude of \$233-\$271m depending on site and capacity of facility:
 - Parking Garage with Customer Service Building
 - DAL estimates accommodate 100% of storage needs
 - Industry standard is to accommodate 30% of storage needs, if possible, which will bring down cost significantly
 - Quick Turnaround Facility
 - Site Development
 - Does not include transportation/shuttles or property costs
- Additional revenue streams include rents charged to rental car companies and concession fees

ConRACs (Planned or Recent Openings)

Airport	2014 Destination pax (m)	2014 RAC gross sales (m)	# of floors	Common Busing v. People Mover	Total Vehicle Capacity	Project Cost (m)	Current CFC rate	Funding
San Diego (Opened Jan. 2016)	8.5	\$241.8	Grade +3	Common busing	4,930	\$341.0	\$7.50/day	CFC backed taxable special facility rev bond issued by San Diego Regional Airport Authority
Tampa International (opening Nov. 2017)	7.8	\$275.7	Grade +3	People mover	6,000	\$318.7	\$5.95/day	CFC backed taxable special facility rev bond issued by Hillsborough County Aviation Authority, Florida Dept. of Transportation Grant
Salt Lake City (opening 2018)	5.5	\$180.6 (approx.)		Walk	Not provided	Not provided	\$5/day	GARBS issued by City of Salt Lake City
Austin (opened Nov. 2015)	4.8	\$112.9	4 above grade levels (grade level is public parking)	Walk	2,992	\$155.0	\$5.95/day	CFC backed taxable special facilities rev bond issued by City of Austin
San Antonio (projected opening Mar. 2018)	4.0	\$101.8	Top 5 levels of public parking structure; parking on 1 st 2 levels	Walk	3,100	\$135.0 Includes 2 public parking levels	\$5/day	CFC backed taxable special facilities rev bonds issued by City of San Antonio; GARB issued for public parking portion of facility



Funding

Customer Facility Charge (CFC)

- CFC revenue stream is the principal method utilized by airports to pay for rental car facilities and common use transportation systems (busing, APM)
- CFC is a user fee; Not a tax or surcharge
- In effect at over 130 airports
- Industry: ranges from \$1.00 to \$8.00 per transaction day; or \$3.00 to \$10.00 per transaction
- Airport pledges CFC revenue stream to pay debt service on financing instrument used to fund rental car facilities
- CFCs are collected in advance of specific project definition
- To fund planning and future construction of ConRAC, staff recommends collecting a CFC at DAL

Implementation

- DAL is city-owned and operated, DAL CFC would be implemented by Ordinance
 - Ordinance would determine CFC-eligible costs, which can include:
 - Debt Service
 - Facility Operations & Maintenance
 - Common use transportation system (Fleet acquisition, O & M, Bus maintenance facilities, APM)
 - Other (Terminal roadway and curbside improvements, Infrastructure including utilities and airport access roadways, Environmental remediation)
- When?
 - Collection of CFCs can start as soon as a project is identified
 - Project does not have to be defined
 - Early collection CFCs used as “pay-go” for preliminary planning, design, environmental studies, etc.

CFCs at Texas Airports

Airport	Fee
Abilene	\$3.00/day
Amarillo	\$3.00/day
Austin	\$5.95/day
Corpus Christi	\$3.50/day
DFW	\$4.00/day + \$2.20/day transportation fee
El Paso	\$3.50/day
Harlingen	\$3.00/day
Houston Hobby	None (but under consideration)
Houston IAH	\$4.25/day + \$4.49/transaction transportation fee
Killeen	\$2.00/day
Lubbock	\$3.50/day
San Antonio	\$5.00/day
Waco	\$1.95/day



CFCs at Other Airports

Airport	CFC Collection Rate
BWI	\$3.75 per day
Tampa	\$5.95 per day
Fort Lauderdale	\$3.95 per day
Chicago Midway	\$4.75 per day
San Diego	\$7.50 per day
Oakland	\$10.00 per transaction
Chicago O'Hare	\$8.00 per day
Philadelphia	\$8.00 per day
Raleigh Durham	pending

Trends

- Average CFC rates recently enacted are rising; \$5-\$6 per transaction day; California CFC statute permits CFC rate of up to \$9 per transaction day starting in 2017
- Facility development costs rising
- Consolidated facility O&M costs rising
- Common use transportation system vs. busing
- Affordability—a specific airport rental car market may not support facility debt service
- CFC revenue combined with other revenue sources
- Expanded definition of CFC-eligible costs

Post CFC-Implementation Demand Impacts

Chicago O'Hare - \$8.00/day CFC implemented in 2010

- Rental car transactions increased 8.9% in 2011 and increased 5.7% in 2012
- O&D passengers increased 4.2% in 2011 and 1.3% in 2012

Philadelphia - \$8.00/day CFC implemented in 2014

- Rental car transactions increased 1.3% in 2015
- O&D passengers increased 5.3% between Q3 2014 and Q3 2015

Austin - CFC rate increased from \$3.50/day to \$5.95/day effective 1/1/2011

- Rental car transactions increased 9.2% in 2011 and increased 1.0% in 2012
- O&D passengers increased 5.1% in 2011 and 3.4% in 2012

CFC Funding Capacity Analysis

Completed to assist DAL with determination of funding capacity of various CFC levels at \$5.00, \$6.50 or \$8.00 per transaction day

- Model also includes annual cash flow and debt service coverage ratios for each of the various CFC rate scenarios

Summary of Estimated CFC Funding Capacity for Project Costs

<u>CFC Rate</u>	PAYGO CFCs ^{1/}	Leveraged CFCs ^{2/}	Total Project Cost
\$5.00 Per Transaction Day	\$19,254,169	\$136,957,366	\$156,211,535
\$6.50 Per Transaction Day	\$25,030,420	\$178,044,576	\$203,074,996
\$8.00 Per Transaction Day	\$30,806,671	\$219,131,786	\$249,938,457

^{1/} CFCs projected to be available to fund project costs on a pay-as-you go basis through FY 2017.

^{2/} Leveraged CFCs represent the net CFC bond proceeds available for project cost.

Source: Dallas Love Field Airport, Ricondo & Associates, Inc., May 2015

Prepared by: Ricondo & Associates, Inc., May 2015

Third Party Development

- Several third party developers have approached the City with a request to develop, build, operate, and/or maintain a ConRAC facility
 - Some other airports have utilized third party developers to construct, and operate facilities
 - All developers require CFC's and airport financing
 - Third party may bring new potential site not currently under control by the airport
- Third party development shifts some risk, but may add cost to project for development fees
 - Rental car companies are not opposed to a third party development

Next Steps

- Draft ordinance to begin collection of CFC at a rate to be determined - Summer 2016
 - Final rate to be determined after consultation with Rental Car Companies as to final design programming for CONRAC
 - Fund future rental car facility planning efforts and ultimately fund future rental car facility projects at DAL
- Issue RFP for third party developer to assist with ConRAC construction
- Evaluate cost/benefit of third party development
- Complete evaluation of site location options and recommend project implementation
 - Identify most desirable location/ development option, and start preliminary planning

Memorandum



DATE April 29, 2016

TO Members of the Economic Development Committee:
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Upcoming agenda items: Resolution to Create a Dallas Property Assessed Clean Energy (PACE) Program and Resolution to Authorize a Third-Party Administrator for the Dallas PACE Program**

On May 11, 2016, City Council will consider two agenda items related to the creation of a Dallas Property Assessed Clean Energy (PACE) Program. The first item is a resolution to create a Dallas PACE program. The second item authorizes a service contract with Texas PACE Authority as the third-party administrator to manage the Dallas PACE Program.

In 2013, the Property Assessed Clean Energy Act (SB 385) was enacted by the State of Texas, and, since that time, City staff has been working towards the establishment of a Dallas PACE program. By establishing a PACE program, Dallas would become one of the first cities in Texas to take advantage of the legislation.

A City of Dallas PACE program furthers the goals of the City's Sustainability Plan which focuses on five areas: Air Quality; Land Use; Water Quality; Materials Management; and Energy Management. The City hopes to reduce non-renewable energy use by establishing a program to enhance sustainability for the private sector, and the PACE program can be part of this program. Additionally, reducing water usage among the City's multi-family housing stock is one of the primary goals of the City's most recent Five Year Water Conservation Program. Based on building condition data (i.e. good, average, fair or poor) available from the Dallas Central Appraisal District, City staff estimates there are over 21,000 commercial, industrial or multi-family housing properties within the City of Dallas that may be eligible for PACE financing.

PACE is an innovative financing program that allows owners of commercial, industrial, and multi-family residential properties (with five or more dwelling units) to obtain low-cost, long-term loans for long-term or permanent water conservation, energy-efficiency improvements, and renewable retrofits. The PACE Act authorizes municipalities and counties in Texas to work with private sector lenders and property owners to finance qualified improvements using contractual assessments voluntarily imposed on the property by the owner. In exchange for funds provided by a private lender to pay for the improvements, the property owner voluntarily requests that the local government place an assessment secured with a senior lien on the property until the assessment is paid in full.

The term of an assessment may extend up to the projected life of the improvement, which can result in utility cost savings that exceed the amount of the assessment payment. As a

result, improvements financed through a PACE program may generate positive cash flow upon completion without up-front, out-of-pocket cost to the property owner.

PACE enables property owners to overcome market barriers, such as lack of access to capital and the extended time period it takes for utility savings to pay back the cost of a retrofit, which discourage investment in energy efficiency and water conservation improvements. PACE provides the property owner with upfront financing for up to 100% of the cost of a qualified improvement and allows the property owner to amortize the debt over the useful life of the improvement.

If a property is sold before the full amount of the PACE loan is repaid, the remaining repayment obligation automatically transfers to the next owner because the lien securing the PACE assessment follows the title to the property without recourse for subsequent payments on the previous owner, the lender, the City, the County, or the program administrator. Successive property owners assume the lien.

As required by the PACE Act, there are five steps that a local government must complete in order to establish a PACE program: (1) Draft and publish a report for the proposed program; (2) Make the report available for public inspection; (3) Adopt a resolution of intent to create the proposed program; (4) Hold a public hearing to receive comments on the proposed program; and (5) Adopt a resolution to create the program.

The City has completed the first four steps. The resolution of intent to create the program was approved by City Council on September 22, 2015, and the public hearing was held on October 14, 2015. The final step, a resolution to authorize the establishment of a PACE program, will be considered by City Council on May 11, 2016.

Additionally, in late 2015, the City issued a Request for Competitive Sealed Proposals (RFCSP) to select a qualified third-party administrator for the Dallas PACE program. That evaluation process is now finished, and the authorization of a service contract with the most advantageous bidder will be considered as a separate but related agenda item on May 11, 2016.

The third-party administrator will be responsible for the day-to-day operations of the Dallas PACE program, including outreach, marketing and education; management and operations; and reporting. There will be no cost to the City for these services; fees will be collected by the third-party administrator from each PACE project as allowed by the legislation. The initial contract term is one-year, with the option of four one-year renewals.

Texas PACE Authority (TPA) was determined to be the most advantageous bidder of four. TPA also manages the PACE programs in Travis County and the City of Houston.

The scores from the four respondents are below.

Proposer	Address	Score
Texas Pace Authority	98 San Jacinto Blvd., Suite 1900, Austin TX 78701	72.34
Sustainable Real Estate Solutions	100 Technology Dr., Suite 209, Trumbull, CT 06611	68.61
Counterpointe	6150 Metrowest Blvd., Suite 208, Orlando, FL 32835	66.75
Cen-Tex dba BCL of Texas	2212 S. Congress Ave., Austin TX 78704	65.40

Please let me know if you have any questions.



Ryan S. Evans
First Assistant City Manager

- C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Christopher D. Bowers, Interim City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager

- Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): 6
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: 44 H D and 45 E

SUBJECT

Authorize **(1)** a public hearing to be held on June 15, 2016, in accordance with Chapter 372 of the Texas Local Government Code to consider the advisability of renewing the Oak Lawn-Hi Line Public Improvement District (District), for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District to receive comments, and, at the close of the public hearing; **(2)** a resolution approving renewal of the District for seven years and approval of the District's Service Plan for calendar years 2017-2023 - Financing: No cost consideration to the City

BACKGROUND

The Oak Lawn-Hi Line Public Improvement District was first established by the City Council on June 24, 2009 following a petition and public hearing. The Improvement Order authorized collection of the requested assessment over a seven year period. On April 1, 2016, the Oak Lawn-Hi Line Improvement District Corporation, representing property owners of the Oak Lawn-Hi Line area, presented to the City staff petitions requesting the renewal of the Oak Lawn-Hi Line Public Improvement District and approval of a seven year service plan, effective January 1, 2017. The staff reviewed the proposed Service Plan, verified the petitions and found the renewal plan to be viable and recommended approval.

This action authorizes a public hearing to be held on June 15, 2016, to consider the advisability of the request and to hear comments and concerns regarding the renewal of the Oak Lawn-Hi Line Public Improvement District (PID). This action also authorizes the Council to consider a resolution at the close of the public hearing to renew the PID for another seven year term. The Oak Lawn-Hi Line Public Improvement District was first established by the City Council on June 24, 2009.

BACKGROUND (Continued)

The public improvement district is outlined in the following way:

- a. **Nature of the Services and Improvements.** The purpose of the District is to supplement and enhance services provided within the District, but not to replace or supplant existing City services provided within the District. The general nature of the proposed services and improvements to be performed by the District includes enhanced security and public safety, capital improvements, improvement of common areas, landscaping, trash/litter removal, graffiti control, marketing and promotional activities, distinctive lighting and signage, business development and recruitment to promote the area, and related expenses incurred in establishing, administering and operating the District as authorized by the Act.

- b. **Estimated Cost of the Services and Improvements.** During the seven (7) year period, the annual cost of the improvements and services provided by the existing District is estimated to range from approximately \$374,321 to \$887,693 annually. Based on the estimated maximum cost of improvements and services, the seven year total assessment collection requested by the District shall not exceed a collective total of \$4,252,187. In the event the District requires additional funds, the District shall re-petition the property owners for such an increase. At no time shall the total amount levied exceed the total amount shown in the approved petition budget for the services and improvements to be provided for the year in which the property is assessed except as provided in the petition and subject to the collective total for the 7 year period.

The District shall not incur bonded indebtedness. The service plan budget and assessment rate are subject to annual review, a public hearing and approval by the City Council.

- c. **Boundaries.** The District is located wholly within the City of Dallas, Texas. The boundaries of the District are shown on the map of the district.

- d. **Method of Assessment.** The assessment shall apportion the costs each year among the property owners on the basis of special benefits accruing to the property. The proposed method of assessment, which may specify included or excluded classes of assessable property, shall be based on the value of the real property and real property improvements as determined by the Dallas Central Appraisal District. The assessment amount for 2016 is proposed to be \$374,321.

BACKGROUND (Continued)

This amount is approximately equal to \$0.15 per \$100.00 of appraised value as determined by the Dallas Central Appraisal District. If appraised values rise such that the assessment rate equal to the amount of \$.15 per \$100.00 valuation would yield an assessment amount that exceeds the estimated costs, the assessment rate shall be reduced until the total assessment equals or is less than to the budgeted amount approved in the petition budget, subject to the appropriations set forth in the petition.

- e. **Apportionment of Cost between the District and the Municipality as a Whole.** The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The real property of jurisdictions and entities that have obtained an exemption from City of Dallas real property taxes pursuant to the Texas Property Code (except under the provisions of Sections 11.24 and 11.28 of the Property Tax Code) will not be subject to an assessment on that portion of the assessed value of the property exempt from City real property taxes. The City of Dallas is not responsible for payment of assessment against exempt City property in the District. City right-of-way, railroad right-of-way, City parks and cemeteries are not specially benefitted and therefore are not subject to PID assessment.

Staff review of the signed petitions presented on April 1, 2016, revealed that property owners of record representing 71.3 percent of the value of the property in the specified area and representing 66.2 percent of the land area have signed the petitions requesting the renewal of the District.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 24, 2009, City Council authorized creation of the Oak Lawn-Hi Line Public Improvement District by Resolution No. 09-1679.

On September 9, 2015, City Council authorized the assessment rate for 2015 by Ordinance No. 29865.

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

No cost consideration to the City

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): 11
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: 16T

SUBJECT

Authorize a Chapter 380 economic development grant agreement with Costco Wholesale Corporation ("Costco") in an amount not to exceed \$3,000,000 in consideration of Costco's development, construction, and continued operation of a new store on approximately 13.2 acres located at 12550 Coit Road in the City of Dallas, pursuant to the Public/Private Partnership Program - Not to exceed \$3,000,000 - Financing: Public/Private Partnership Funds

BACKGROUND

For over two years, city staff has been in discussions with representatives of Costco as they have been evaluating the possibility of locating a new store in the city of Dallas.

Staff is proposing an economic development grant in an amount not to exceed \$3,000,000 to stimulate Costco to acquire approximately 13.2 acres of land (currently owned by the State of Texas) at 12550 Coit Road and develop/construct/operate a new store (approximately 150,000 square feet). Grant funds will be paid in five installments over four years, each conditioned upon achievement of benchmarks, including investment, jobs, and sales levels.

Costco's total estimated expenditure (including land acquisition, real property improvements, and business personal property investments) is approximately \$46.9 million. The new store will be a wholesale and retail general merchandise facility, which may include a pharmacy, tire sales and installation, beer and wine sales, vehicle fueling, butcher services, deli services, bakery services, optometry services, and related office space.

For Year 1 at the new store, Costco estimates:

- approximately 175 permanent jobs
- minimum hourly wage: \$13
- average hourly wage: \$22
- annualized gross sales: \$125 million

BACKGROUND (Continued)

The key terms of the proposed Chapter 380 economic development grant agreement with Costco are as follows:

- A. Costco will be eligible for the first installment (\$1,000,000) of the proposed grant upon verification by June 30, 2017 of:
 - 1. substantial completion on a minimum of \$20,000,000 in real property improvements (excluding land acquisition but including site improvements and building improvements) associated with the design, engineering, and construction (including hard and soft costs) of the new store; and
 - 2. a minimum total of 150 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour.

- B. Costco will be eligible for the second installment (\$500,000) of the proposed grant upon verification by December 31, 2017 of a minimum total of 165 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour.

- C. Costco will be eligible for the third installment (\$500,000) of the proposed grant upon verification by December 31, 2018 of:
 - 1. a minimum total of 185 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour; and
 - 2. minimum gross sales of \$100,000,000 for the prior year.

- D. Costco will be eligible for the fourth installment (\$500,000) of the proposed grant upon verification by December 31, 2019 of:
 - 1. a minimum total of 205 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour; and
 - 2. minimum gross sales of \$100,000,000 for the prior year.

- E. Costco will be eligible for the fifth installment (\$500,000) of the proposed grant upon verification by December 31, 2020 of:
 - 1. a minimum total of 225 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour; and
 - 2. minimum gross sales of \$100,000,000 for the prior year.

BACKGROUND (Continued)

- F. For the period January 1, 2021 through December 31, 2025, Costco will maintain (subject to annual verification): (1) a minimum total of 225 permanent jobs (full-time or part-time) with a minimum wage of \$13 per hour; and (2) minimum gross sales of \$100,000,000 per year. Costco will repay the City the sum of \$1,000,000 should Costco fail to document compliance with the gross sales requirement for one or more years during this period or the job requirement for one or more years during this period.
- G. If Costco permanently closes the store before December 31, 2027, then Costco will be required to repay the City an additional amount of \$500,000.
- H. Costco agrees to follow the City's Business Inclusion and Development ("BID") good faith effort goal of twenty-five (25%) participation by Minority/Women-owned Business Enterprises ("M/WBE") for all construction expenditures in contracts entered into relating to the construction and finish-out of the store (i.e. real property site improvements and building improvements).
- I. Subject to the approval of the Director of the Office of Economic Development, Costco may receive a one time, six (6) month extension of the benchmark deadlines specified in provisions A through E above.

The proposed project surpasses minimum Public/Private Partnership Program guidelines and results in an estimated net fiscal impact to the City (after payment of the proposed grant) of approximately \$4.8 million over 10 years and approximately \$16.8 million over 20 years.

Costco Wholesale Corporation and its subsidiaries began operations in 1983 in Seattle, Washington. In October 1993, Costco merged with The Price Company, which had pioneered the membership warehouse concept, to form Price/Costco, Incorporated. In 1997, after the spin-off of most of its non-warehouse assets to Price Enterprises, Incorporated, the company changed its name to Costco Companies, Incorporated. In 1999, the company reincorporated as Costco Wholesale Corporation, which trades on the NASDAQ Global Select Market under the symbol "COST."

With approximately 205,000 employees (117,000 full-time and 88,000 part-time) worldwide (as of December 2015), Costco operates a chain totaling 698 warehouses in 43 states, Washington D.C., Puerto Rico, Canada, Mexico, the United Kingdom, Japan, Korea, Taiwan, Australia, and Spain. Costco's online business operates websites in the United States, Canada, the United Kingdom, Mexico, and Korea.

BACKGROUND (Continued)

The average first year annualized sales of the twenty-three (23) new warehouses opened during Costco's 2015 fiscal year was \$83 million per location, and the average annual sales of all warehouses (686) in operation during Costco's 2015 fiscal year was \$162 million per location.

ESTIMATED SCHEDULE OF PROJECT

Begin construction	August 2016
Complete construction	February 2017

PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

\$3,000,000 - Public/Private Partnership Funds

OWNER

Costco Wholesale Corporation

Jack S. Frank, Vice President

MAP

Attached.

**Proposed Project Information Worksheet
Economic Development Committee**

A. Project Summary

City Council District	11	
Project/Company Name	Costco	
Project Location	12550 Coit Road	
Project Type	development, construction, and operation of a new wholesale and retail general merchandise facility	
Facility (Square Feet)	150,000 (approx)	
Construction Schedule	Begin	August 2016
	Complete	February 2017
Private Investment	Land Acquisition, Real Property Improvements, Business Personal Property Investment	\$46.9 million (approx)
Jobs	Created	225
Wage Rate	Minimum	\$13 per hour
	Average	\$22 per hour
City Incentive	Grant	\$3 million (not to exceed)

B. Economic Impact Estimates (Dallas City Economy Only)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact*	169***	\$140,699,664	169***	\$292,565,338
Indirect and induced Impact**	67	\$92,612,260	67	\$183,731,665
Total Impact	236	\$233,311,924	236	\$476,297,003

* Excludes sales taxes

** Indirect impacts represent supplier effects; induced impacts represent spin-off household effects.

*** Reflects conversion of the estimated # of part-time jobs to full-time equivalents

C. City of Dallas General Fund Fiscal Impact

(From direct, indirect and induced economic impacts)

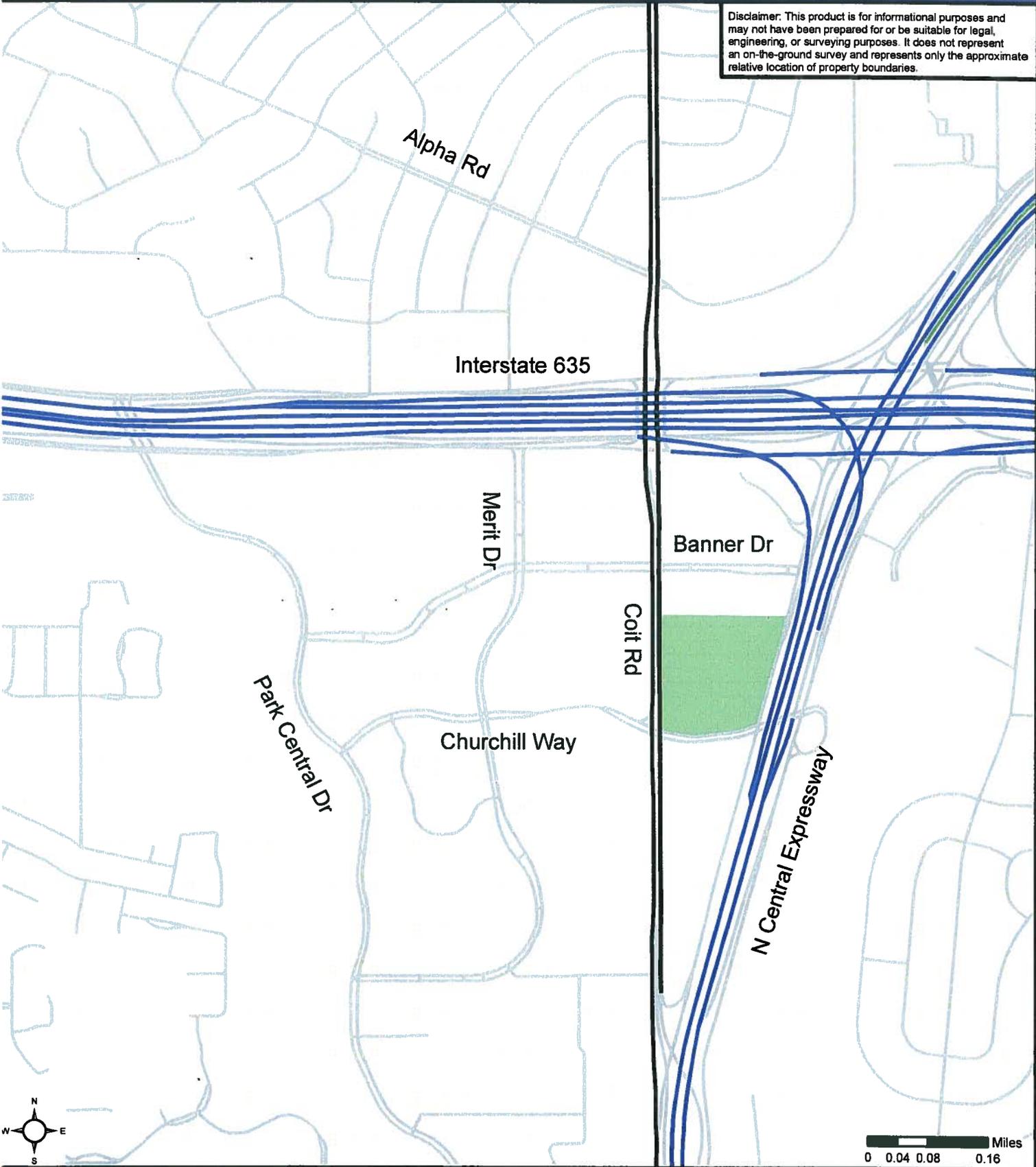
	10-Year	20-Year
Total City GF Revenue Generated	\$10,466,119	\$24,993,625
Total City GF Service Costs	\$2,684,657	\$5,161,944
Net Impact Before Incentives	\$7,781,458	\$19,831,681
City Incentive	\$3,000,000	\$3,000,000
Net City Fiscal Impact	\$4,781,458	\$16,831,681

D. Other Taxing Jurisdictions 10-year Estimated Tax Revenue

	Property Taxes	Sales Taxes
Richardson ISD	\$2,506,203	n/a
Dallas County	\$454,653	n/a
DCCCD	\$233,218	n/a
Parkland Hospital	\$516,184	n/a
DART	n/a	\$7,686,723

COSTCO SUBJECT PROPERTY

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



DALLAS
ECONOMIC
DEVELOPMENT
Research & Information Division
214.670.1685
dallas-ecodev.org
Created 02.10.16, Last Updated 04.14.16 - Costco Subject Property

Legend

 Costco Project Site - 12550 Coit Road

Data Source: City of Dallas

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): 14
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: 45 F

SUBJECT

Authorize a Chapter 380 economic development grant agreement with Saatchi & Saatchi North America, Inc. (doing business as Saatchi and Saatchi LA Team One) in an amount up to \$75,000 to encourage relocation and stimulate business development activity in the City of Dallas in conjunction with the location of its new office at 2021 McKinney Avenue, pursuant to the Public/Private Partnership Program - Not to exceed \$75,000 - Financing: Public/Private Partnership Funds

BACKGROUND

For the past year, city staff has been in discussions with representatives of Saatchi and Saatchi LA Team One regarding the location of a new full-service advertising agency office in the Dallas area to better serve a large client that is relocating to North Texas. Saatchi and Saatchi LA Team One evaluated locations in Dallas along with a number of other cities in the North Texas before selecting, with the encouragement and assistance of the Office of Economic Development, an approximately 50,000 square foot space in the new McKinney & Olive building located at 2021 McKinney Avenue.

Saatchi and Saatchi LA Team One has committed to a lease of ten (10) years at the McKinney & Olive building beginning in May 2017. The company anticipates investing \$1.5 million in business personal property at 2021 McKinney Avenue. Saatchi and Saatchi LA Team One executed the described lease after considering the City's economic development grant proposal and requests favorable City Council consideration of the proposed \$75,000 incentive. Saatchi and Saatchi LA Team One will create 131 permanent full-time positions at the office with an \$113,000 average annual salary by December 31, 2018.

BACKGROUND (Continued)

The terms of the proposed Chapter 380 economic development grant agreement are as follows:

- Saatchi and Saatchi North America, Inc. will be eligible for a \$75,000 grant upon verification of: (1) At least \$1 million invested in new business personal property (Furniture, Fixtures and Equipment) by December 31, 2017, (2) a certificate of occupancy and, (3) at least 100 full-time positions located at the facility with an \$113,000 average annual salary on or before December 31, 2018.
- Saatchi and Saatchi North America, Inc. will be required to reimburse the City in the amount of \$37,500 should it not maintain at least 100 full-time positions at the office for a period of five (5) years beginning January 1, 2019 through December 31, 2023 from the date of payment of the grant.

Net fiscal impact from the project after incentives is estimated at \$4,395,071 over the 10 year lease term. This proposed project conforms to minimum eligibility criteria for the City's Public/Private Partnership Program Guidelines and Criteria as creates over 100 jobs. Staff recommends approval of the proposed incentive.

Headquartered in Torrance and Los Angeles, California, Saatchi and Saatchi LA Team One are jointly-operating advertising agencies which have significant business relationships with Toyota and Lexus and will bring the company's advertising services to Dallas."Specifically, Saatchi & Saatchi LA has been the agency of record for Toyota Motor Sales for over four decades while Team One has served as the agency of record for Lexus for over 25 years. Saatchi and Saatchi LA Team One and Saatchi and Saatchi North America, Inc. are wholly owned by Publicis Groupe, one of the world's largest communication groups, offering a full range of services and expertise across digital, technology, consulting, creative, corporate communications and public affairs, media strategy, planning and buying, healthcare communications and brand asset production. Present in 108 countries, Publicis Groupe employs more than 77,000 professionals worldwide.

ESTIMATED SCHEDULE OF PROJECT

Begin tenant improvements	November 2016
Complete tenant improvements	May 2017

PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

\$75,000 - Public/Private Partnership Funds

OWNER

Crescent McKinney Olive LP

A Delaware limited partnership (acting as Landlord)

By: Crescent McKinney Olive GP LLC

A Delaware limited liability company (acting as General Partner)

John Zogg, Jr., Managing Director

Saatchi and Saatchi North America, Inc.

d/b/a Saatchi & Saatchi LA Team One

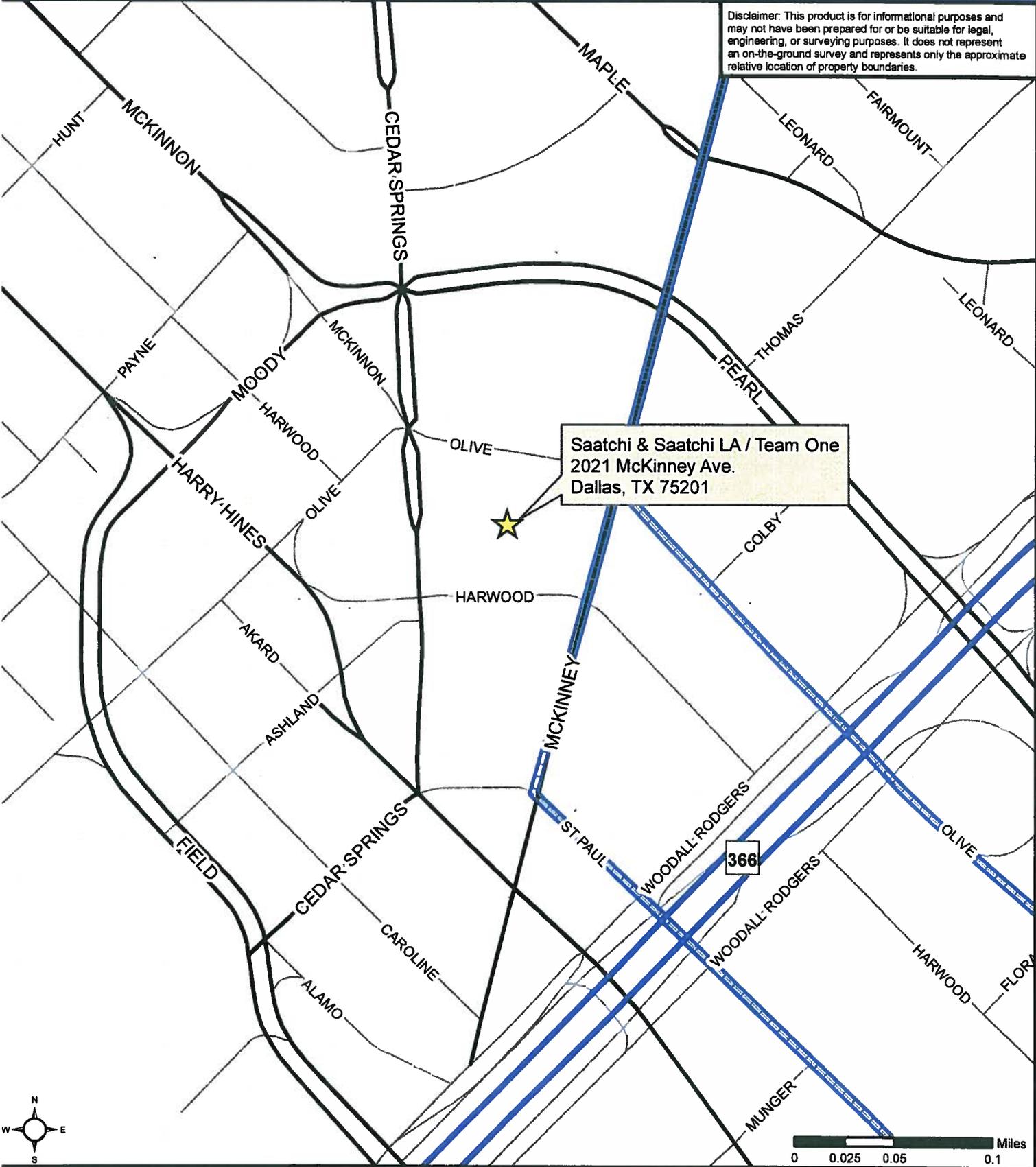
Michael Webb, Chief Financial Officer

MAP

Attached.

Saatchi & Saatchi LA / Team One

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



Saatchi & Saatchi LA / Team One
2021 McKinney Ave.
Dallas, TX 75201

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): All
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: N/A

SUBJECT

Authorize **(1)** the Seventh Amendment to the Loan Agreement between the City of Dallas and the Oak Cliff Foundation (OCF) to convert the Section 108 Term Loan Agreement (the "Term Loan") in the original amount of \$400,000 from one with partial repayment and forgiveness terms to a secured, zero percent interest forgivable loan, where all principal and interest will be forgiven under the loan by June 1, 2026 or over a period of 10 years from the date of execution of the Seventh Amendment whichever is later, subject to the OCF meeting certain conditions and requirements of the City; **(2)** the City to subordinate the City 's loans with the OCF to a third party lender in order for the OCF to obtain third party bank financing, subject to the OCF meeting certain conditions and requirements of the City; **(3)** the City Manager to execute a Partial Release of Lien with respect to the 1.2 million Section 108 funded Loan Agreement between the City and the OCF; and **(4)** modifications to the Loan Agreement and the Loan documents to comport with these requirements – Financing: CDBG Program Income Foregone (\$467,888)

BACKGROUND

In July, 2001, the City provided the Oak Cliff Foundation (OCF) with a Section 108 \$400,000 CDBG funded loan for a term of 30 years, at an interest rate of 4% for purchase of the Texas Theater and some adjacent property. Payment terms were interest only for the initial 10 years, with principal and interest payments commencing in August 2011. Additionally OCF received a \$1,200,000 HUD Section 108 loan for the purpose of renovating the theater. The 1.2 million dollar loan was forgivable, conditioned upon completing property improvements and compliance with the HUD requirement of continuous operation for 5 years after issuance of a Certificate of Occupancy. The over-arching purpose of these funding commitments was to remove blight (spot) and restore a historically significant entertainment venue to an area that serves low to moderate income residents as well as stimulate continued redevelopment of Jefferson Boulevard.

BACKGROUND (Continued)

The original plan was for Dallas Summer Musicals (DSM) to operate the theater after renovations were completed. Debt service payments were to be funded from revenues derived from a 5 year lease contract with DSM. Although an administrative Certificate of Occupancy was granted in August 2005, OCF was unable to meet all the terms of the DSM contract, particularly related to restoration finish out, and the DSM contract was nullified. OCF struggled to make interest payments and meet HUD operational requirements. In August 2010 management and operation of the Texas Theater was changed to Aviation Cinema, Inc. (Aviation). Terms of the \$400,000 Term Loan were modified to bring the loan current and facilitate full restoration of the theater by Aviation. A final Certificate of Occupancy was issued in late 2010. Aviation entered into a 5 year lease with OCF which provided for lease payments of \$4,000/month for 6 months, beginning 3/1/11 and increasing to \$7,000/month for 48 months, beginning 9/1/11.

Aviation struggled to meet revenue projections and began to suffer negative cash flow. In an effort to assure continued operation of the theater, Council authorized further amendment of the \$400,000 Term Loan as follows: (1) all debt service payments were deferred for 36 months through 4/1/16; (2) interest was reduced to 0%; (3) Monthly payments of \$1,500 were scheduled to commence 5/1/16 until the loan is fully repaid; and (4) the City agreed to forgive 25% of the loan balance annually from 5/1/17-5/1/20 in a total amount of \$397,384.09. The theater continues to be fully operational and recently featured the latest Star Wars release. HUD requirements for forgiveness of the \$1,200,000 were fulfilled in October 2015.

OCF and Aviation recently approached the City with a proposal to further expand and upgrade the theater. Renovation costs are estimated at \$1,500,000. In order to obtain bank financing, OCF has requested the following: (1) conversion of the existing loan principal balance plus accrued interest (\$467,887.07) to a fully forgivable loan (representing net additional forgiveness of \$70,502.98); (2) subordination of the City's lien position to bank financing; and (3) a partial lien release in the amount of \$1,200,000 reflecting forgiveness of the HUD Section 108 loan in the same amount. As consideration: Aviation will agree to extend its current lease until 6/1/26 or for ten years whichever is later; OCF must cause continuous operation of the theater through expiration of the extended lease; the property will be deed restricted to provide theatrical services to the community for 10 years beginning on the date of execution of the Seventh Amendment; and a third party bank loan commitment must be obtained for a minimum of 75% of the estimated cost of renovation. Lien subordination and lien releases will be concurrent with closing of the bank loan.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 24, 2000, City Council authorized an amendment to the Neighborhood Renaissance Partnership Program Section 108 Contract for Loan Guarantee Assistance (B-94-MC-48-0009) to change the final date for the draw down of funds for expenditure from December 31, 2000 to June 30, 2001 to facilitate the completion of NRP projects by Resolution No. 00-1702.

On June 27, 2001, City Council authorized an amendment to the Neighborhood Renaissance Partnership Program Section 108 contract for Loan Guarantee Assistance to change the final date for the draw down of funds for expenditure from June 30, 2001 to December 31, 2001 and provide for other matters relating thereto by Resolution No. 01-2092.

On November 14, 2001, City Council authorized an amendment to the Neighborhood Renaissance Partnership Program Section 108 contract for Loan Guarantee Assistance to change the final date from the draw down of funds for expenditure from December 31, 2001 to December 31, 2002 to accommodate the Texas Theater and provide for other matters relating thereto by Resolution No. 01-3399.

On December 11, 2002, City Council authorized an amendment to the Neighborhood Renaissance Partnership (NRP) Program Section 108 Contract for Loan Guarantee Assistance (B-94-MC-48-0009) to extend the deadline for the draw down of funds for expenditure of all Section 108 Loan Guarantee funds from December 31, 2002 to October 31, 2003 and provide for other matters relating thereto by Resolution No. 02-3534.

On May 12, 2004, City Council authorized a modification to loan documents between the Oak Cliff Foundation and the City of Dallas regarding the Texas Theater project to extend the completion date to June 30, 2005 and provide for other matters relating thereto by Resolution No. 04 -1559.

On June 12, 2013, City Council authorized the sixth amendment to the Section 108 Term Loan Documents, pursuant to Administrative Action No. 10-2683, to authorize the sixth amendment to the Loan Documents between the City of Dallas and the Oak Cliff Foundation (OCF), to amend the Section 108 Term Loan Documents in the original amount of \$400,000 to: (1) defer all payments, interest and principal for thirty six months from May 1, 2013 through April 1, 2016; (2) reduce interest rate from 4% to 0% effective May 1, 2013; and (3) begin \$1,500 monthly payments of principal beginning May 1, 2016 and forgiveness of 25% of the outstanding May 1, 2016 principal balance of the loan annually beginning May 1, 2017 (so long as OCF meets certain benchmark and criteria as established in the Loan Documents) until the principal balance of the loan is paid in full and provide for other matters relating thereto, by Resolution No. 13-1027.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

CDBG Program Income Foregone in the amount of \$467,887.07

OWNER

Oak Cliff Foundation, a Texas non-profit corporation

Decker Sachse, Chairman of the Board

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): 8
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 65V

SUBJECT

A resolution authorizing the conveyance of approximately 23,010 square feet of land for a public mass transit easement across City-owned land to Dallas Area Rapid Transit, located near the intersection of Camp Wisdom Road and Patrol Way - Revenue: \$25,576

BACKGROUND

This item will authorize the conveyance of approximately 23,010 square feet of land for a public mass transit easement across City-owned land to Dallas Area Rapid Transit (DART), located near the intersection of Camp Wisdom Road and Patrol Way. The public mass transit easement will serve DART's light rail SOC3 line. The purchase price of \$25,576 is based on an independent appraisal.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

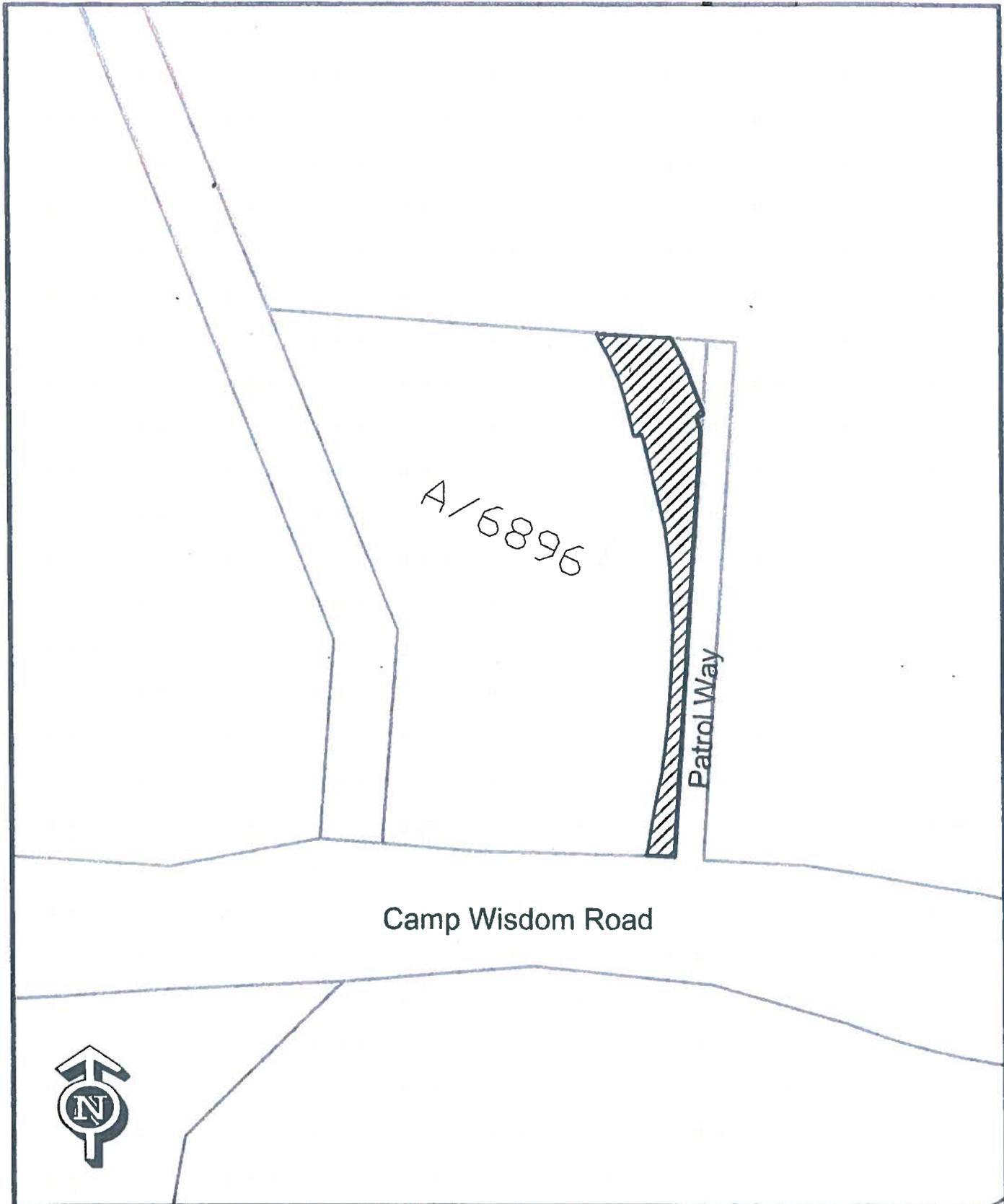
Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

Revenue: \$25,576

MAP

Attached



Legend

 DART Light Rail
Right-of-Way

DALLAS AREA RAPID TRANSIT

SOC3-10R
CITY OF DALLAS

STREET ADDRESS

1999 E. Camp Wisdom Road
Dallas, TX 75241



KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): 1, 8
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 54B 66Q

SUBJECT

A resolution **(1)** declaring two properties unwanted and unneeded and authorizing their sale by public auction (list attached); and **(2)** authorizing a Purchase and Sale Agreement to be prepared for each auctioned surplus property receiving the highest qualified bid that is sold absolute - Estimated Revenue: \$310,370

BACKGROUND

This item declares two properties unwanted and unneeded and authorizing their advertisement for sale by public auction. These properties have been routed to City departments and outside agencies to determine whether any had a need for the properties.

Texas Local Government Code Section 253.008 authorizes municipalities to sell real property owned by the municipality at an advertised public auction. Section 272.001 states fair market value may be determined by the highest bid price obtained by a municipality at an advertised auction.

All properties will be advertised for sale by public auction with a reservation of all oil, gas and other minerals in and under the property and a restriction prohibiting the placement of industrialized housing.

Upon receipt of the highest qualified bid sold absolute, a Purchase and Sale Agreement, approved as to form by the City Attorney, will be prepared for the highest bidder. Staff will ensure the highest bidders are qualified to bid and be awarded the properties. All properties will be sold by Deed without Warranty, approved as to form by the City Attorney.

These properties will return to the tax rolls upon conveyance.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

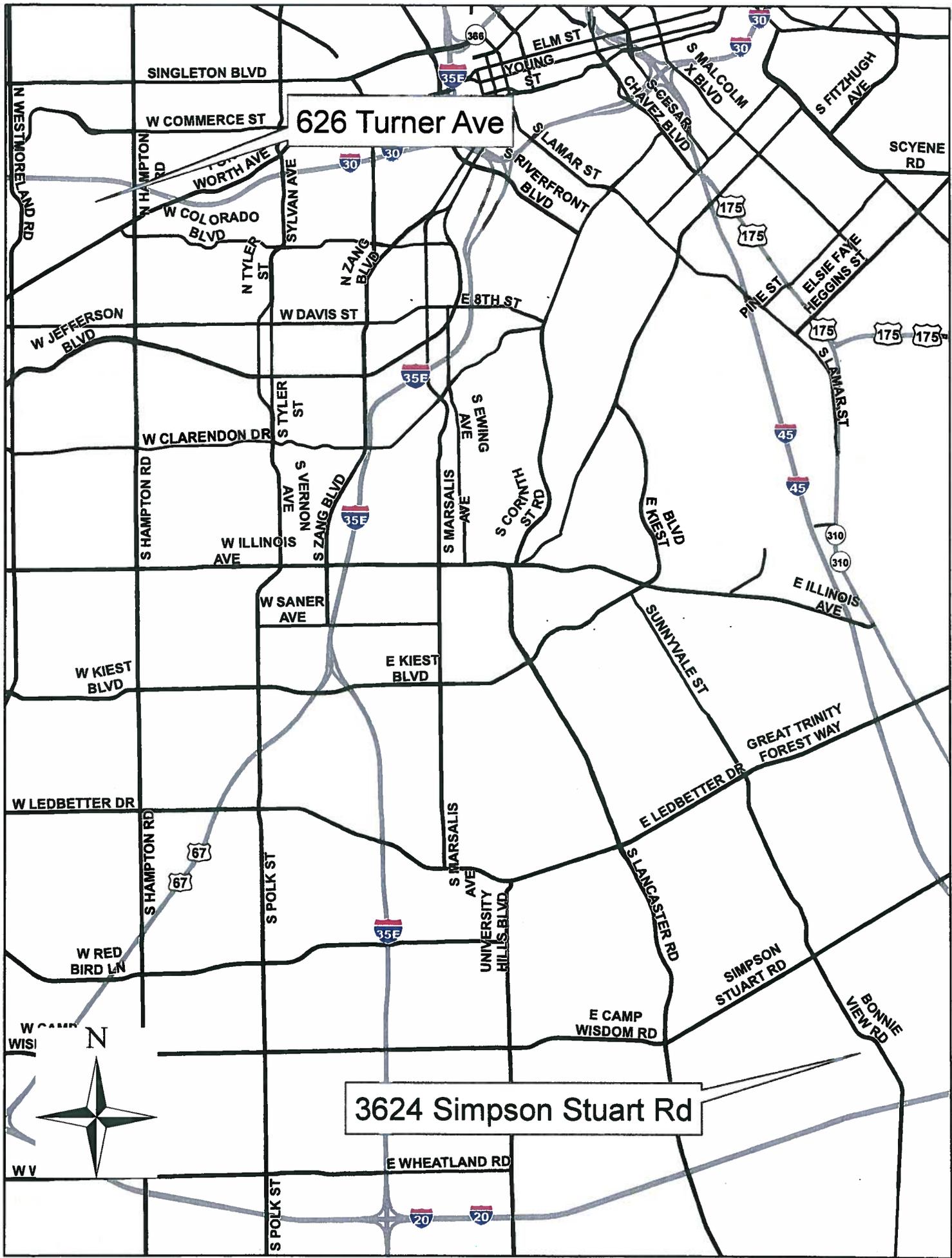
Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

Estimated Revenue: \$310,370

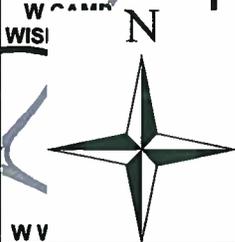
MAP

Attached



626 Turner Ave

3624 Simpson Stuart Rd



KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): 14
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 45D

SUBJECT

An ordinance granting a revocable license to Haskell E-Bar, LLC for the use of a total of approximately 243 square feet of aerial space to occupy, maintain and utilize one sign and one awning over and above portions of Haskell Avenue right-of-way, near its intersection with Munger Avenue - Revenue: \$1,000 annually and \$100 one-time fee, plus the \$20 ordinance publication fee

BACKGROUND

This item grants a revocable license to Haskell E-Bar, LLC for the use of a total of approximately 243 square feet of aerial space to occupy, maintain and utilize one sign and one awning over and above portions of Haskell Avenue right-of-way, near its intersection with Munger Avenue. The use of this area will not impede pedestrian or vehicular traffic.

The licensee will indemnify the City and carry general liability insurance naming the City as an additional insured.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

Revenue: \$1,000 annually and \$100 one-time fee, plus the \$20 ordinance publication fee

OWNER

Haskell E-Bar, LLC

Michael E. Montgomery, President

MAP

Attached



LICENSING AREA

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): 2
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 35W

SUBJECT

An ordinance granting a private license to South Tollway 3920, L.P. for the use of a total of approximately 3,116 square feet of land to occupy, maintain and utilize six street lights on portions of Maple Avenue right-of-way, near its intersection with Throckmorton Street - Revenue: \$600 one-time fee, plus the \$20 ordinance publication fee

BACKGROUND

This item grants a private license to South Tollway 3920, L.P. for the use of a total of approximately 3,116 square feet of land to occupy, maintain and utilize six street lights on portions of Maple Avenue right-of-way, near its intersection with Throckmorton Street. The use of this area will not impede pedestrian or vehicular traffic.

The licensee will indemnify the City and carry general liability insurance naming the City as an additional insured.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

Revenue: \$600 one-time fee, plus the \$20 ordinance publication fee

OWNER

South Tollway 3920, L.P.

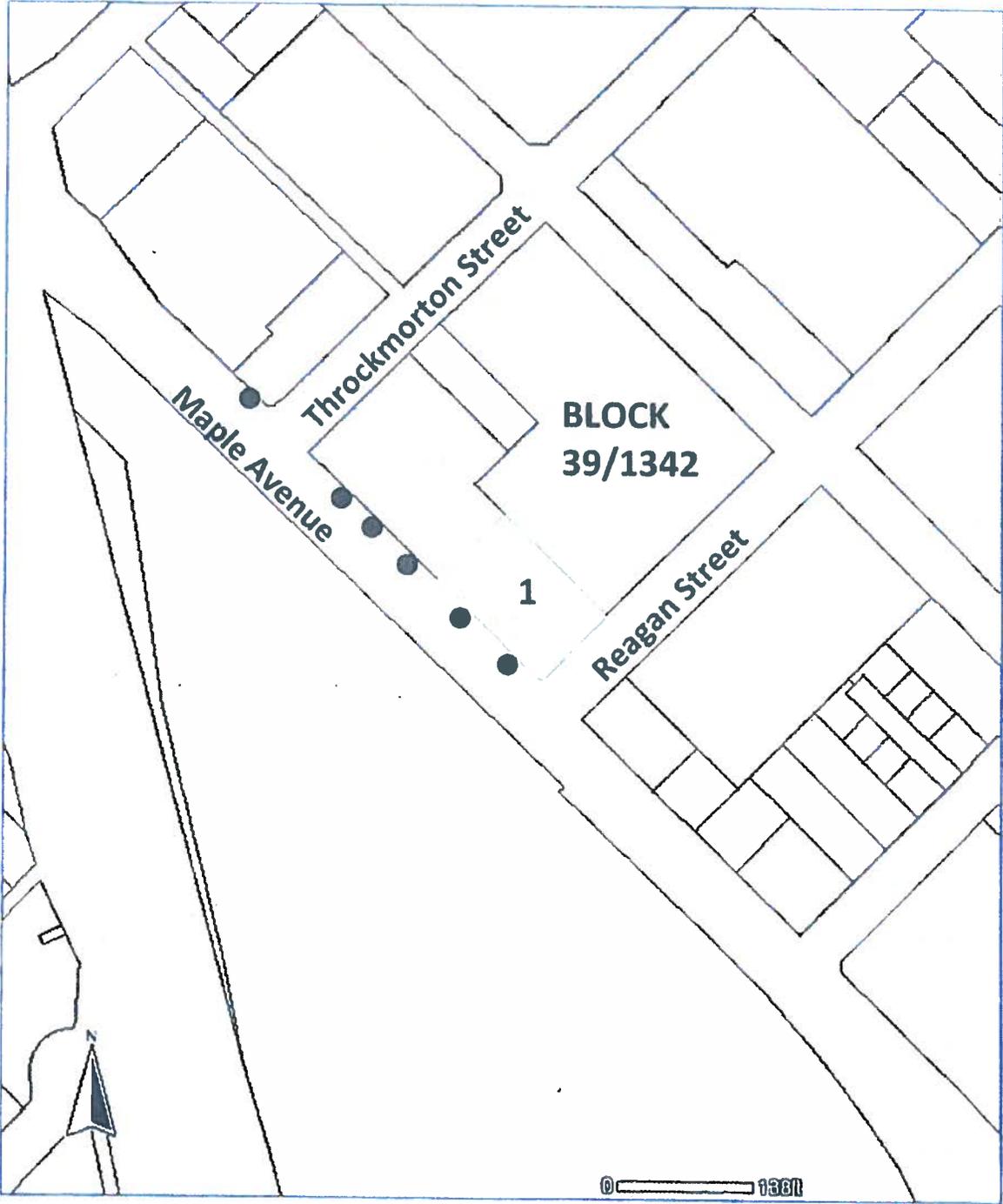
South Tollway Properties GP, L.L.C.

Crow Family, Inc.

M. Kevin Bryant, Vice President

MAP

Attached



● LICENSING AREA

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): 7
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 48B

SUBJECT

An ordinance abandoning a portion of a water and sanitary sewer easement to MSL Management, LLC, the abutting owner, containing approximately 4,350 square feet of land, located near the intersection of Dilido and John West Roads - Revenue: \$5,400, plus the \$20 ordinance publication fee

BACKGROUND

This item authorizes the abandonment of a portion of a water and sanitary sewer easement to MSL Management, LLC, the abutting owner. The area will be included with the property of the abutting owner for the new construction of a skilled nursing and assisted living facility. The cost for this abandonment is the minimum processing fee pursuant to the Dallas City Code, therefore, no appraisal is required.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

Revenue: \$5,400, plus the \$20 ordinance publication fee

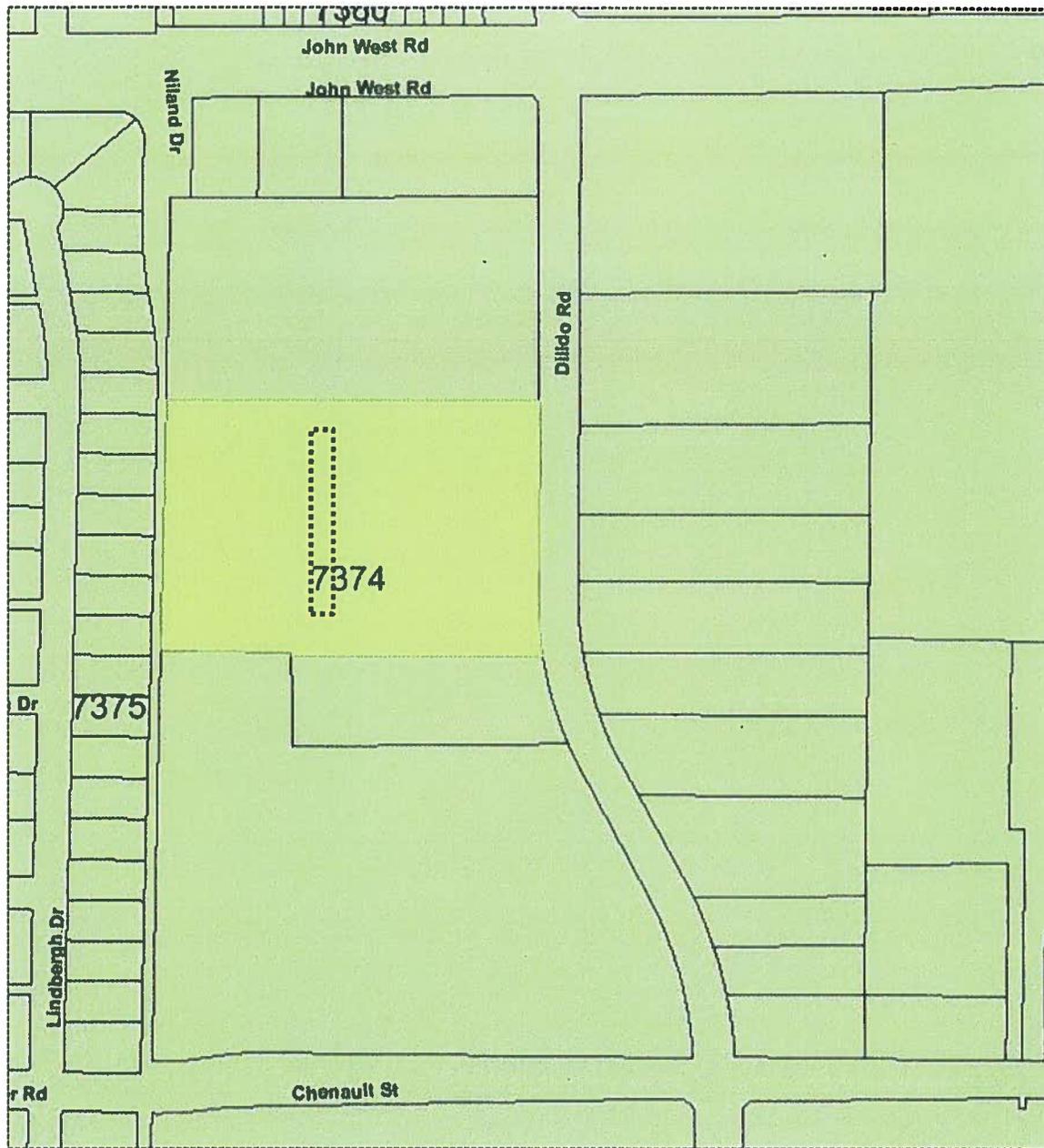
OWNER

MSL Management, LLC

Parampottil Issac, Managing Member

MAP

Attached



Log #: 42299

Applicant: MSL Management, LLC

Mapsc0: 48B

Abandonment: 

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 11, 2016
COUNCIL DISTRICT(S): 2
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 34N

SUBJECT

An ordinance abandoning two storm sewer easements, four sanitary sewer easements and one water and wastewater easement to Mockingbird Venture Partners, LLC, the abutting owner, containing a total of approximately 26,706 square feet of land, located near the intersection of West Mockingbird Lane and Forest Park Road - Revenue: \$18,695, plus the \$20 ordinance publication fee

BACKGROUND

This item authorizes the abandonment of two storm sewer easements, four sanitary sewer easements and one water and wastewater easement to Mockingbird Venture Partners, LLC, the abutting owner. The area will be included with the property of the abutting owner for the construction of retail buildings and a hotel. The abandonment fee is based on Dallas Central Appraisal District Values.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

Revenue: \$18,695, plus the \$20 ordinance publication fee

OWNER

Mockingbird Venture Partner, LLC

Parviz Vachti, Manager

MAP

Attached



Log: 41312

Abandonment: 

Applicant: Mockingbird Venture Partners, LLC

Mapsc0: 34N

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: May 11, 2016

COUNCIL DISTRICT(S): 6

DEPARTMENT: Water Utilities
Sustainable Development and Construction
Office of Economic Development

CMO: Mark McDaniel, 670-3256
Ryan S. Evans, 671-9837

MAPSCO: 11 A

SUBJECT

West Cell Development

- * Authorize the City Manager to enter into a Treated Water Service Contract, approved as to form by the City Attorney, with the City of Irving for treated water service for Dallas' portion of the West Cell Development - Not to exceed \$106,832 - Financing: Water Utilities Current Funds (subject to annual appropriations)
- * Authorize the City Manager to enter into a Wastewater Service Contract, approved as to form by the City Attorney, with the City of Irving for wastewater service for Dallas' portion of the West Cell Development - Not to exceed \$14,878 - Financing: Water Utilities Current Funds (subject to annual appropriations)
- * An ordinance adopting a boundary adjustment agreement with the City of Irving on property located south of the terminus of South Northlake Road and northwest of the intersection of Valley Vista Drive and Lakebreeze Road (within the West Cell Development) - Financing: No cost consideration to the City

BACKGROUND

The City of Irving has requested the City of Dallas to consider a boundary adjustment at the common boundary between the City of Dallas and the City of Irving on property located south of the terminus of South Northlake Road and northwest of the intersection of Valley Vista Drive and Lakebreeze Road within the West Cell development. This existing boundary does not presently allow for the efficient development and delivery of city services. The proposal includes adjusting into the City of Irving an approximate 6.5 acre property out of the 28.5 acre West Cell development currently located in the City of Dallas. The property owner, Billingsley, plans for single family development of the 6.5 acres with approximately 18 lots.

BACKGROUND (Continued)

In exchange for the boundary adjustment, the City of Irving will provide water and wastewater services to the remaining West Cell area in Dallas which consists of approximately 91 single-family lots on 22 acres of land. The estimated cost for the City of Dallas to design and construct infrastructure to provide water and wastewater service to the West Cell North would be approximately \$2.3 million. The property proposed for adjustment is less than 1,000 feet in width and qualifies under Section 43.031 of the Texas Local Government Code as a candidate for the mutually agreeable municipal boundary adjustment. On June 17, 2015, the Dallas City Council authorized the City Manager to negotiate and enter into this boundary adjustment by Resolution No. 15-1179. Dallas and Irving City Councils need to ratify and adopt the agreement by ordinance.

Dallas does not have water and wastewater facilities or agreements in place to provide for the development of West Cell. For the West Cell area, the estimated treated water average daily demand is 0.06 million gallons per day ("MGD"). The projected daily wastewater flow demand for West Cell is 0.012 MGD.

All treated water and wastewater services provided to Dallas under the contracts will be measured at metering stations designed and constructed by Dallas. Upon completion of facilities in the spring of 2017, Irving will commence providing water and wastewater services to Dallas and the metering stations will be conveyed to Irving. Irving will invoice Dallas at Irving's commercial water rate for the treated water services provided and at its industrial wastewater rate for the wastewater services provided to Dallas. The residents and businesses served under the Water and Wastewater Service Contracts will be direct customers of the City of Dallas Water Utilities.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 18, 2015, a memo was presented to the Economic Development Committee to call a public hearing for June 10, 2015, to consider the proposed TIF District and Project Plan amendments, a modification in the geographical boundary, changes to the budget of the District, and all other related changes.

On June 17, 2015, the City Council authorized the City Manager to negotiate and enter into an Interlocal Agreement with the City of Irving for water service, financial participation in water supply and infrastructure projects, and wastewater service, by Resolution No. 15-1192.

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

FISCAL INFORMATION

Dallas-Irving Water Service Contract

\$106,832 - Water Utilities Current Funds (subject to annual appropriations)

Dallas-Irving Wastewater Service Contract

\$14,878 - Water Utilities Current Funds (subject to annual appropriations)

MAP

Attached

**EXHIBIT A
BOUNDARY ADJUSTMENT AGREEMENT**

THIS BOUNDARY ADJUSTMENT AGREEMENT ("AGREEMENT") is made and entered into by and between the City of Dallas, Texas, hereinafter referred to as Dallas, and the City of Irving, Texas, hereinafter referred to as Irving, collectively referred to as Cities.

WHEREAS, a portion of Dallas's boundary is contiguous with the northern boundary of Irving; and

WHEREAS, this existing boundary does not presently allow the efficient development and delivery of city services to the area; and

WHEREAS, the Cities desire to modify their mutual boundary so as to allow more efficient development of a proposed residential subdivision and delivery of city services to the area; and

WHEREAS, representatives of Dallas and Irving have met and agreed to a mutually acceptable boundary which is in the best interest of the citizens of each city; and

WHEREAS, pursuant to water and wastewater service agreements, Irving agrees to provide potable treated water and wastewater services to a portion of Dallas known as the Dallas west cell area.

NOW THEREFORE, for and in consideration of the mutual covenants, conditions, and promises expressed herein, Dallas and Irving agree as follows:

SECTION I.

Statement of Intent

It is the intent of Dallas and Irving to modify their respective boundaries in the following manner:

Adjust 6.5 acres of land in the City of Dallas located south of the terminus of South Northlake Road and northwest of Valley Vista Drive and Lakebreeze Road, and more particularly described in Attachment No. 1 (the "Property"), attached hereto and made a part of this AGREEMENT, into the territorial limits of Irving.

SECTION II.

Release of Territory

Dallas agrees to release the Property described in Attachment No. 1 to Irving.

SECTION III.

Waiver of Extraterritorial Jurisdiction

Dallas does hereby waive all of its extraterritorial jurisdiction rights existing by reason of the Property in favor of Irving. It is expressly agreed and understood that this waiver shall operate only in favor of Irving, and shall not constitute a waiver of any right, including extraterritorial jurisdiction rights that Dallas may be able to assert against any other municipality.

SECTION IV.

Water and Wastewater Services

Irving agrees that it will provide water and wastewater services to the Dallas west cell area described in the Exhibit A to the water and wastewater service agreements attached to and made a part of this agreement as Attachment No. 4. Irving agrees that it will not unreasonably withhold or condition service after the expiration of any water and wastewater service agreements to service in whole or in part the Dallas west cell area.

SECTION V.

Service Plan

Upon ratification, adoption, and approval of this AGREEMENT, Irving does hereby agree to immediately begin implementation into the affected area of the service plan attached to and made a part of this agreement as Attachment No. 3.

SECTION VI.

Effective Date

Dallas and Irving agree that this AGREEMENT shall take effect only upon ratification and adoption by the governing body of the City of Dallas and approval by the governing body of the City of Irving.

SIGNED this the ___th day of _____ 2016.

CITY OF IRVING, TEXAS

CITY OF DALLAS, TEXAS
A.C. GONZALEZ, City Manager

Beth Van Duynes, Mayor

By _____
Assistant City Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:
CHRISTOPHER D. BOWERS, Interim City Attorney

Kuruvilla Oommen, City Attorney

By _____
Assistant City Attorney

ATTEST:

ATTEST:

Shanae Jennings, City Secretary

Rosa Rios, City Secretary

ATTACHMENT NO. 3 SERVICE PLAN

The following is a Service Plan for the property described in Attachment No. 1 attached to the AGREEMENT and also identified on the attached map.

As the result of a series of negotiations, the cities of Dallas and Irving agreed to a boundary adjustment covering the property described in the AGREEMENT.

Schedule of Municipal Services

- A. Police Protection
Police enforcement and protection services are to be provided by the extension of patrol into the boundary adjusted area and by response from the Irving Police Department to individual requests beginning on the effective date of the boundary adjustment ordinance.

- B. Fire Protection (including emergency ambulance)
Fire protection personnel and equipment, and emergency medical personnel and equipment shall be provided to the boundary adjusted area upon request beginning on the effective date of the boundary adjustment ordinance.

- C. Solid Waste Collection
Solid waste collection service is to be provided to the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations beginning on the effective date of the boundary adjustment ordinance.

- D. Water Service
 - 1. Water service is to be provided to the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations beginning on the effective date of the boundary adjustment ordinance.

 - 2. Water mains are to be extended to serve individual owners in the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations.

 - 3. As development and construction of subdivisions commence within the boundary adjusted area, water mains are to be extended with City participation in the costs of these extensions in accordance with City of Irving ordinances, resolutions, and regulations.

- E. Sanitary Sewer Service
 - 1. Wastewater service is to be provided to the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations beginning on the effective date of the boundary adjustment ordinance.

2. Sanitary sewer mains are to be extended to serve individual owners in the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations.

3. As development and construction of subdivisions commence within the boundary adjusted area, sanitary sewer mains are to be extended with City participation in the costs of these extensions in accordance with City of Irving ordinances, resolutions, and regulations.

F. Maintenance of Roads and Streets

1. Street maintenance and other street services are to be provided to the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations beginning on the effective date of the boundary adjustment ordinance.

2. As streets are constructed in undeveloped portions of the boundary adjusted areas, the City is to participate in the cost of construction, acceptance upon completion, maintenance, and other services in accordance with City of Irving ordinances, resolutions, and regulations.

G. Parks and Recreation

All of the City of Irving parks and recreation facilities are to be available for use by residents of the boundary adjusted area beginning on the effective date of the boundary adjustment ordinance.

H. Library Service

All of the City of Irving library facilities are to be available for use by residents of the boundary adjusted area beginning on the effective date of the boundary adjustment ordinance.

I. Street Lighting

The City of Irving is to provide for the placement of street lights in accordance with practices in all other areas of the city.

J. Traffic Engineering

Necessary traffic studies are to be performed to determine the need for installation of street identification signs and proper traffic control devices within the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations.

K. Planning and Zoning.

The planning and zoning jurisdiction, including the subdivision platting process, of the City of Irving extend to the boundary adjusted area.

- L. Storm Drainage (including flood plain regulations)
Studies are to be conducted to ascertain the limits of the 100-year floodplain in order to place the zoning flood plain prefix on any appropriate areas.

- M. Capital Improvements
Irving will initiate the acquisition or construction of capital improvements necessary for providing services adequate to serve the boundary adjusted area as soon as reasonably possible, consistent with generally accepted local engineering and architectural standards and practices.

- N. Miscellaneous
General municipal administrative and code enforcement services of the City of Irving will be provided to residents of the boundary adjusted area beginning on the effective date of the boundary adjustment ordinance.

ORDINANCE NO.

An ordinance ratifying and adopting an agreement between the cities of Dallas and Irving adjusting their common boundary line; releasing a certain area of land to the City of Irving; providing a savings clause; providing a severability clause; and providing an effective date.

WHEREAS, it is the desire of the cities of Dallas and Irving to adjust their common city limit boundaries in order to establish clear demarcation lines to allow the efficient development of and delivery of city services to the citizens in the area; and

WHEREAS, in consideration of water and wastewater services to be provided by Irving to the Dallas west cell area, the cities of Dallas and Irving, pursuant to Section 43.031 of the Texas Local Government Code, have entered into an agreement, authorized by Dallas city council Resolution 151179 on June 17, 2015, adjusting the common boundary line ; and

WHEREAS, the city council finds that it is in the public interest for the City of Dallas to make such an adjustment; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City of Dallas does hereby ratify and adopt the agreement attached hereto and made a part of this ordinance as Exhibit A, subject to proper execution by the City of Irving.

SECTION 2. That the City of Dallas does hereby release a certain area of land, along with all extraterritorial jurisdiction pertaining thereto, now within its city limits and described in, Attachment No. 1 to the City of Irving.

SECTION 3. That the affected corporate limits of the City of Dallas shall upon final passage of this ordinance be adjusted as set out in Exhibit A.

SECTION 4. That the sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the city council without the incorporation in this ordinance of any such unconstitutional or invalid phrase, clause, sentence, paragraph, or section.

SECTION 5. That the city secretary is hereby directed to hold publication of this ordinance until the cities of Dallas and Irving have fully executed the attached boundary adjustment agreement and water and wastewater services agreements

SECTION 6. That upon full execution of the attached boundary adjustment agreement and water and wastewater services agreements the city secretary shall publish this ordinance at least one time in the official newspaper of the City of Dallas.

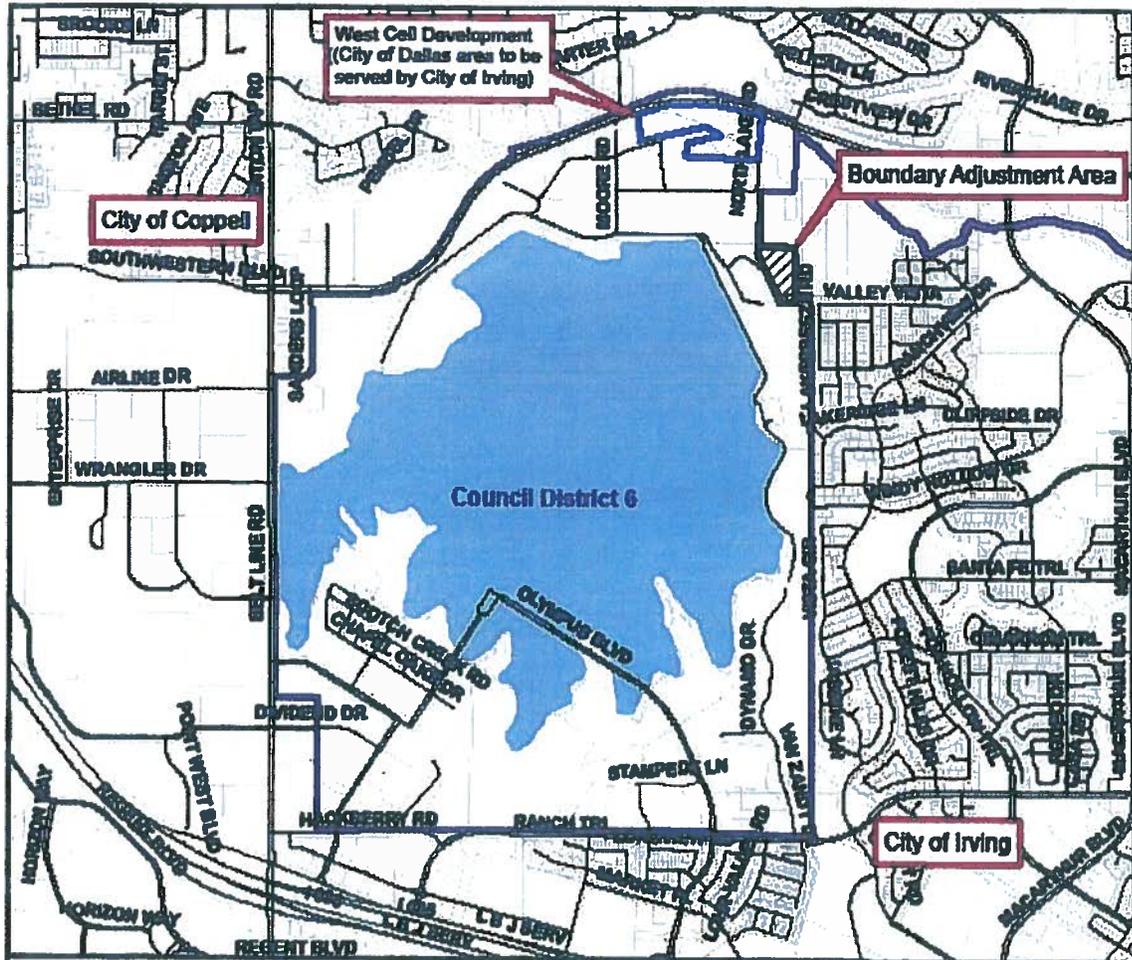
SECTION 7. That upon final passage and publication of this ordinance, the city secretary shall transmit a certified copy of this ordinance to the city secretary of the City of Irving.

SECTION 8. That this ordinance shall take effect upon ratification and adoption of the attached agreement by the City of Irving or immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, whichever occurs later, and it is accordingly so ordained.

APPROVED AS TO FORM:

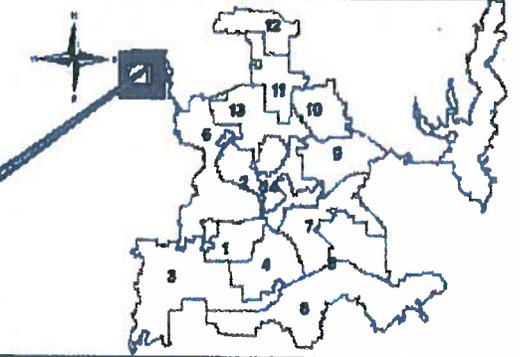
CHRISTOPER D. BOWERS, Interim City Attorney

By _____
Assistant City Attorney



Mapsc0: 11A

Council District 6



**Dallas Water Utilities
West Cell Development**