

ECONOMIC DEVELOPMENT & HOUSING COMMITTEE  
DALLAS CITY COUNCIL COMMITTEE AGENDA

RECEIVED

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CITY SECRETARY  
DALLAS, TEXAS

MONDAY, JUNE 18, 2018  
CITY HALL  
COUNCIL BRIEFING ROOM, 6ES  
1500 MARILLA STREET  
DALLAS, TEXAS 75201  
9:00 A.M.–10:30 A.M.

**Chair**, Councilmember Tennell Atkins  
**Vice Chair**, Councilmember Rickey D. Callahan  
Councilmember Lee M. Kleinman  
Councilmember Scott Griggs  
Councilmember Casey Thomas, II  
Councilmember B. Adam McGough  
Councilmember Mark Clayton  
Councilmember Kevin Felder  
Councilmember Omar Narvaez

Call to Order

1. Approval of June 4, 2018 Minutes

**BRIEFINGS**

2. Executive Session to discuss the offer of a financial or other incentive to WWF Operating Company, LLC under Section 551.087 of the Texas Govt Code  
Courtney Pogue, Director  
Office of Economic Development
3. Executive Session to discuss the offer of a financial or other incentive to Project Stellar under Section 551.087 of the Texas Govt Code  
Courtney Pogue, Director  
Office of Economic Development
4. Executive Session to discuss the offer of a financial or other incentive for the redevelopment of Hillcrest Village under Section 551.087 of the Texas Govt Code  
Courtney Pogue, Director  
Office of Economic Development

**MEMOS**

- A. Authorize (1) the assignment of a loan agreement between the City of Dallas and the Oak Cliff Foundation to 231 W. Jefferson Blvd., LLC; and (2) the City Manager to execute an assignment and restatement of the loan documents between the City of Dallas and 231 W. Jefferson Blvd., LLC – Financing: No cost consideration to the City
- B. Authorize a deadline extension for the 211 North Ervay redevelopment project to extend the certificate of occupancy and completion date from December 31, 2016 to October 31, 2018 and as additional consideration for the extension, enhance the street work to include removal of the existing ramp and loading area - Financing: No cost consideration to the City

Public Notice

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POSTED CITY SECRETARY  
DALLAS, TX

A quorum of the City Council may attend this Council Committee meeting

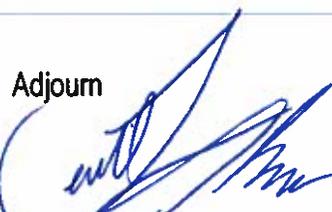
- C. Authorize an amendment to Resolution No. 18-0219, previously approved on January 24, 2018 to support either 4% or 9% Low Income Housing Tax Credit applications by 2400 Bryan Street, LP, or its affiliate, for the new construction of up to a 230-unit residential development located at 2400 Bryan Street in the Deep Ellum TIF District - Financing: No cost consideration to the City
  
  - D. Authorize (1) the rejection of the proposals received for a six-year management contract to manage the existing South Dallas/Fair Park Public Improvement District; and (2) the re-advertisement for a new solicitation - Financing: No cost consideration to the City
  
  - E. \*Authorize an ordinance amending Chapter 2, "Administration," of the Dallas City Code Sections 2-130 through 2-132 changing the name of the "South Dallas/Fair Park trust fund board" to the "South Dallas/Fair Park Opportunity Fund board" - Financing: No cost consideration to the City
- \*Authorize approval of the City of Dallas South Dallas Fair Park Opportunity Fund Program Statement – Financing: No cost consideration to the City
- F. Authorize (1) the expenditure of up to \$1,500,000 in 2006 Bond Funds proceeds for the acquisition costs of property by the Dallas Housing Acquisition and Development Corporation from the Dallas County Sheriff's tax foreclosure sales for affordable housing development, and operating expenses, including, but not limited to, professional fees, staffing costs, and insurance; and (2) revisions to the Bylaws of the Dallas Housing and Acquisition Development Corporation which expands eligible housing types to include rental housing and to allow the sale of certain property to eligible adjacent property owners - Not to exceed \$1,500,000 - Financing: 2006 Bond Funds

**UPCOMING AGENDA ITEM**

- 1. Authorize a contract for construction of Wynnewood Village Drainage Improvements Project - North Texas Contracting, lowest responsible bidder of seven - Not to exceed \$2,425,170 - Financing: 2017 Bond Funds (TWM)

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Adjourn



Tennell Atkins, Chair

Economic Development & Housing Committee

### EXECUTIVE SESSION NOTICE

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

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
  2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
  3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
  4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
  5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
  6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
  7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]
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### HANDGUN PROHIBITION NOTICE FOR MEETING OF GOVERNMENTAL ENTITIES

"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 & Housing Committee

## Meeting Record June 4, 2018

The Economic Development & Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Committee Coordinator at 214-670-3906 or 214-670-1686.

**Meeting Date:** June 4, 2018

**Meeting Start time:** 9:09 A.M.

<p><b>Committee Members Present:</b>                  Councilmember Tennell Atkins (Chair)                  Councilmember Rickey D. Callahan (Vice-Chair)                  Councilmember Casey Thomas, II                  Councilmember Lee M. Kleinman                  Councilmember Scott Griggs                  Councilmember B. Adam McGough                  Councilmember Mark Clayton                  Councilmember Kevin Felder                  Councilmember Omar Narvaez</p> <p><b><u>Other Council Members Present:</u></b></p> <p><b><u>Committee Members Absent:</u></b></p>	<p><b>Staff Present:</b>                  Raquel Favela, Chief of Economic Development &amp; Neighborhood Services                  Beverly Davis, Director of Fair Housing and Human Rights Office                  Courtney Pogue, Director of Office of Economic Development</p> <p><b><u>Other Presenters:</u></b></p>
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**AGENDA:**

**Housing Committee Meeting Called to Order by CM Tennell Atkins**

1. **Approval of May 21, 2018 Economic Development/Housing Committee Minutes**  
**Presenter(s): CM Tennell Atkins**

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

<b>Motion made by:</b> CM Casey Thomas, II	<b>Motion seconded by:</b> CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**

2. **Regional Assessment of Fair Housing Update**  
**Presenter(s):** Raquel Favela, Chief of Economic Development & Neighborhood Services  
 Beverly Davis, Assistant Director of Fair Housing and Human Rights Office  
 Dr. Stephen Mattingly, Principal Investigator, University of Texas at Arlington  
 Dr. Myriam Igoufe, Co-Principal Investigator University of Texas at Arlington

**Information Only:** X

**Action Taken/Committee Recommendation (s)**

<b>Motion made by:</b>	<b>Motion seconded by:</b>
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**

Executive Session: 9:57A.M.- 10:43 A.M.

3. **Executive Session to discuss the offer of a financial or other incentive related to the redevelopment of RedBird Mall under Section 551.087 of the Texas Govt Code**  
Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services  
Courtney Pogue, Director of Office of Economic Development

Information Only: \_\_

Action Taken/Committee Recommendation(s): Executive Session

<b>Motion made by:</b>	<b>Motion seconded by:</b>
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

4. **Executive Session to discuss the offer of a financial or other incentive related to the redevelopment of Project Apollo under Section 551.087 of the Texas Govt Code**  
Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services  
Courtney Pogue, Director of Office of Economic Development

Action Taken/Committee Recommendation(s): Executive Session

<b>Motion made by:</b>	<b>Motion seconded by:</b>
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

Meeting Adjourned: 10:43 A.M.

Approved By \_\_\_\_\_

# Memorandum



DATE June 15, 2018

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Rickey D. Callahan (Vice Chair), Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Authorize (1) the assignment of a loan agreement between the City of Dallas and the Oak Cliff Foundation to 231 W. Jefferson Blvd., LLC; and (2) the City Manager to execute an assignment and restatement of the loan documents between the City of Dallas and 231 W. Jefferson Blvd., LLC – Financing: No cost consideration to the City**

## Summary

At your June 27, 2018 Council meeting, you will consider authorizing the assignment of the loan agreement between the City of Dallas and the Oak Cliff Foundation related to the Texas Theatre from the Oak Cliff Foundation to 231 W. Jefferson Blvd., LLC and consider authorizing the City manager to execute amended and restated loan documents between the City of Dallas and 231 W. Jefferson Blvd., LLC.

## Background Information

In July 2001, the City and Oak Cliff Foundation (OCF) entered into an agreement for two loans to facilitate the acquisition and renovation of the Texas Theatre. The loans were funded through the U.S. Department of Housing and Urban Development's (HUD) Section 108 program to remove spot blight, restore an historically significant entertainment venue to an area that serves low to moderate income residents, and to stimulate continued redevelopment of Jefferson Boulevard.

One loan, the "Forgivable Loan" in the amount of \$1,200,000, was for renovation of the Texas Theatre, conditioned upon completing property improvements and compliance with HUD's requirement of continuous operation for five years after issuance of a Certificate of Occupancy. HUD requirements for forgiveness of the \$1,200,000 were fulfilled in October 2015.

The second loan, the "Term Loan" in the amount of \$400,000, had an initial term of 30 years and an interest rate of 4%. The Term Loan was for purchase of the Texas Theatre and some adjacent property. Payment terms were interest-only for the initial ten years, with principal and interest payments commencing in August 2011. The Term Loan has been modified by the City of Dallas seven times to date.

Dallas Summer Musicals (DSM) was initially identified to operate the theater after renovations were completed. Debt service payments were to be funded from revenues derived from a five-year lease contract with DSM.

OCF was unable to meet all the terms of the DSM contract, particularly related to restoration completion. As a result, the DSM contract was terminated. OCF struggled to make interest payments and meet HUD operational requirements. In December 2010, a Fifth Amendment to the Term Loan was signed and management and operation of the Texas Theatre was changed to Aviation Cinemas, Inc. (Aviation). The terms of the \$400,000 Term Loan were modified to bring the loan current and to facilitate full restoration of the theater by Aviation. Under the Fifth Amendment, the total outstanding principal balance of the loan, including accrued interest, was \$507,488. Aviation entered into a five-year lease agreement with OCF which provided for lease payments of \$4,000/month for six months, beginning March 1, 2011 and increasing to \$7,000/month for 48 months, beginning September 1, 2011. A final Certificate of Occupancy was issued in late 2010.

The theater struggled to meet revenue projections and began to suffer negative cash flow. In an effort to assure continued operation of the theater, on June 12, 2013, City Council authorized a Sixth Amendment to the Term Loan as follows: (1) all debt service payments were deferred for 36 months through April 1, 2016; (2) interest was reduced to 0%; and (3) monthly payments of \$1,500 were scheduled to commence May 1, 2016 until the loan was fully repaid, and (4) the City agreed to forgive 25% of the loan balance annually from May 1, 2017 through May 1, 2020. The Sixth Amendment was approved by Resolution No. 13-1027. At the time of this amendment, the balance due on the Term Loan was \$467,887.

In 2016, OCF approached the City with a proposal to further expand and upgrade the theater by completing renovation of the balcony which would allow for a second screening and event theater. Renovation costs were estimated at \$1,500,000. On May 11, 2016, by Resolution No. 16-0763, City Council authorized the Seventh Amendment to the Term Loan to allow OCF to obtain bank financing for the improvements. The Seventh Amendment included: (1) conversion of the existing Term Loan principal balance plus accrued interest (\$467,887.07) to a fully forgivable loan; (2) subordination of the City's lien position to bank financing for the balcony renovation; and (3) a partial lien release in the amount of \$1,200,000 reflecting forgiveness of the Forgivable Loan in the same amount.

As consideration for the new terms: (1) Aviation agreed to extend its current lease for ten years; (2) OCF agreed to ensure continuous operation of the theater through expiration of the extended Aviation lease; (3) OCF agreed to deed restrict the property to provide theatrical services to the community for ten years beginning on the date of execution of the Seventh Amendment; and (4) OCF had to provide the City with a third-party bank loan commitment for a minimum of 75% of the estimated cost of renovation. The Term Loan lien subordination and the Forgivable Loan lien release would be executed concurrently with the closing of the bank loan.

OCF recently notified the City that it intends to sell the Texas Theater to 231 W. Jefferson Blvd., LLC, an affiliate of Aviation. The buyer has agreed to assume all of the terms of the Term Loan as amended. The parties have requested that the City approve the assignment.

**Issue**

Oak Cliff Foundation wishes to sell Texas Theatre to 231 W. Jefferson Blvd., LLC and assign the loan to the buyer.

**Alternatives**

If the City does not approve the assignment of the loan, the sale may not occur.

**Coordination**

The Office of Economic Development has coordinated with the City Attorney's Office to draft the assignment and related documents.

**Fiscal Impact**

No financial impact to the City.

**Recommendation**

Staff recommends approval of the assignment to 231 W. Jefferson Blvd., LLC.

Should you have any questions, please contact me at (214) 671-5257.



**Raquel Favela**

**Chief of Economic Development and Neighborhood Services**

- |   |  |
|---|--|
| c: The Honorable Mayor and the Members of City Council      | Jon Fortune, Assistant City Manager                          |
| T.C. Broadnax, City Manager                                 | Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim) |
| Larry Casto, City Attorney                                  | Joey Zapata, Assistant City Manager                          |
| Craig D. Kinton, City Auditor                               | M. Elizabeth Reich, Chief Financial Officer                  |
| Biliera Johnson, City Secretary                             | Nadia Chandler Hardy, Chief of Community Services            |
| Daniel F. Solis, Administrative Judge                       | Theresa O'Donnell, Chief of Resilience                       |
| Kimberly Bizzor Tolbert, Chief of Staff to the City Manager | Directors and Assistant Directors                            |
| Majed A. Al-Ghafry, Assistant City Manager                  |  |

# Memorandum



DATE June 15, 2018

TO The Honorable Members of the Economic Development & Housing Committee:  
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,  
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,  
Omar Narvaez

SUBJECT Authorize a deadline extension for the 211 North Ervay redevelopment project to extend the certificate of occupancy and completion date from December 31, 2016 to October 31, 2018 and as additional consideration for the extension, enhance the street work to include removal of the existing ramp and loading area - Financing: No cost consideration to the City

## Summary

Authorize a deadline extension for the 211 North Ervay redevelopment project to extend the Certificate of Occupancy and completion date from December 31, 2016 to October 31, 2018, and, as additional consideration for the extension, enhance the street work to include removal of the existing ramp and loading area.

## Background

On June 12, 2013, City Council approved Resolution No. 13-0989 authorizing a development agreement with Alterra 211 N. Ervay, LLC for redevelopment of the building addressed as 211 N. Ervay and dedicated TIF funding in amount not to exceed \$2,000,000 for the redevelopment project. The project includes restoration of the building's historic façade, renovation of the vacant building's office space, ground floor retail/restaurant space and completion of streetscape improvements.

On May 27, 2015, City Council approved Resolution No. 15-0940 authorizing a deadline extension for the 211 North Ervay redevelopment project to extend the Certificate of Occupancy and construction completion date from July 31, 2014 to December 31, 2016.

The 211 N. Ervay building was completed prior to the December 31, 2016 deadline. However, the streetscape work that the developer, now ALT-211 North Ervay Manager, Inc, committed to has not been constructed. ALT-211 North Ervay Manager, Inc was responsible for widening the sidewalks on Elm Street as part of the TIF requirements. The sidewalk widening and streetscape enhancement work was made possible by a January 2015 City Council amendment to the Central Business District Vehicle Circulation Plan, downtown's thoroughfare plan, to reduce Elm Street from Houston Street to Cesar Chavez Boulevard from a five-lane one-way westbound street to a four-lane one-way westbound street. This change allows property owners

on the north side of Elm Street to widen their sidewalks creating an enhanced pedestrian environment.

On May 3, 2018, the Office of Economic Development received a request to complete this last remaining TIF obligation. The letter stated that over the past two years the 211 N. Ervay building owner had a dispute with one of their retail tenant, Koleksiyon furniture store, regarding the proposed sidewalk widening which would create a bulb-out on Elm Street. Koleksiyon has been using the frontage on Elm Street for deliveries and the tenant argued that the changes would adversely impact store operations. After many discussions about the bulb-out and how to improve store operations, ALT-211 North Ervay Manager, Inc, decided to make additional improvements to the sidewalk and remove the ramp and steps by the store front to be at the same grade as the bulb-out. This additional improvement provides better accessibility to the store and clears the pedestrian walkway. Given that the additional improvements have finally resolved the matter, the developer is now in a position to complete the Elm Street bulb-out.

The ground floor retail is 100% occupied and the office space is currently 55% occupied (vacancy has increased 15% since Tech Wildcatters and FortWork left the building).

The developer is requesting an extension of the project's completion deadline from December 31, 2016 to October 30, 2018 in order to complete the sidewalk improvements including removal of the ramp and steps.

On May 10, 2018, the City Center TIF District Board of Directors reviewed and recommended approval of an extension of the Certificate of Occupancy and project completion deadlines for 211 N. Ervay to complete the street work, from December 31, 2016 to October 31, 2018, and, as additional consideration for the extension, enhancement of the street work to include removal of the existing ramp and loading area.

### Issue

In accordance with the executed development agreement, the completion date for the 211 N. Ervay project was December 2016. Required streetscape work has not been completed by the deadline established in the TIF agreement due to a dispute between the developer and a tenant.

### Alternatives

City Council may choose to deny the extension, which would result in termination of the TIF agreement.

Financing

No Cost Consideration to the City. \$2,000,000 in TIF funds were approved for this project in 2013.

Coordination

Staff coordinated with the ALT-211 North Ervay Manager, Inc, the City Center TIF District Board of Directors, the City Design Studio, and City Attorney's Office.

Recommendation

Staff recommends that the Economic Development and Housing Committee recommend approval of the 211 N. Ervay deadline extension to full council.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela  
Chief of Economic Development & Neighborhood Services

- c:   The Honorable Mayor and the Members of City Council                      Jon Fortune, Assistant City Manager  
      T.C. Broadnax, City Manager    Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)  
      Larry Casto, City Attorney    Joey Zapata, Assistant City Manager  
      Craig D. Kinton, City Auditor    M. Elizabeth Reich, Chief Financial Officer  
      Billerae Johnson, City Secretary    Nadia Chandler Hardy, Chief of Community Services  
      Daniel F. Solis, Administrative Judge    Theresa O'Donnell, Chief of Resilience  
      Kimberly Bizzor Tolbert, Chief of Staff to the City Manager               Directors and Assistant Directors  
      Majed A. Al-Ghafry, Assistant City Manager

# Memorandum



DATE June 15, 2018

Members of the Economic Development & Housing Committee: Tennell Atkins, Chair,  
TO Rickey D. Callahan, Vice-Chair, Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B.  
Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

**Authorize an amendment to Resolution No. 18-0219, previously approved on  
January 24, 2018, to support either 4% or 9% Low Income Housing Tax Credit  
applications to the Texas Department of Housing and Community Affairs by 2400  
SUBJECT Bryan Street, LP, or its affiliate, for the new construction of up to a 230-unit  
residential development located at 2400 Bryan Street - Financing: No cost  
consideration to the City**

## Summary

On June 27, 2018, the Council will consider an amendment to Resolution No. 18-0219, previously approved on January 24, 2018, to support 9% Low Income Housing Tax Credit (LIHTC) applications by 2400 Bryan Street, LP, or its affiliate, for the new construction of up to a 230-unit residential development located at 2400 Bryan Street to include the support of a 4% LIHTC application in the event the 9% credits are not approved by TDHCA.

## Background

The proposed development is a 14 to 15 story structure at 2400 Bryan Street with 5 floors of parking and 9 to 10 floors of residential units (Project). The Project will be developed and owned by a to-be formed partnership called 2400 Bryan Street, LP. RMGM or an affiliate of RMGM will control the general partner of the new entity. RMGM is owned by John H. (Jack) Matthews and D. Scott Galbraith.

The Project will have a total of up to 230 units, which will include 24 efficiency units, 130 one-bedroom units, 62 two-bedroom units, and 14 three-bedroom units. Approximately 120 of the 230 total units will be offered at market value rents. The remaining approximately 110 units will be reserved for low income households, of which 12 units will be reserved for households earning at or below 30% of area median family income, 46 units will be reserved for households earning at or below 50% of area median family income, and 52 units will be reserved for households earning at or below 60% of area median family income. The income-restricted units will be distributed throughout the unit types and throughout the Project.

The Project site is located in a High Opportunity Area, the Walker Targeted Area, as described under the Walker Consent Decree, and the Project will accept Walker Settlement Vouchers, a type of voucher administered by the Dallas Housing Authority. The project is located in Census tract 48113001701 which has a poverty rate of 5.9%. The project is served by Ben Miliam Elementary School which is rated "Met Standard".

DATE June 15, 2018  
SUBJECT Amending Resolution for Letter of Support for 2400 Bryan LIHTC Application

The Project is part of a multi-phased development that includes the Project, the recently opened Old Dallas High School redevelopment, and a future phase of commercial development. In addition to the approximately 230 residential units, the Project also includes approximately 400 parking garage spaces and 10,000 square feet of retail. The Project will break ground in early 2019 and will complete construction on or before August 31, 2021.

On January 24, 2018, City Council approved Resolution 18-0219, which authorized (1) a resolution of support for 2400 Bryan Street, LP, or its affiliate, related to its application for 9% Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs for the new construction of up to a 230-unit residential development located at 2400 Bryan Street; and (2) a line of credit for the proposed development in the amount of \$500 by Resolution No. 18-0219.

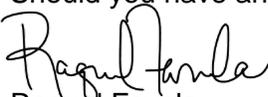
The project submitted a pre-application to TDHCA and scored well. However, the developer has requested that the City clarify its resolution to confirm that it supports the project regardless of whether the project receives 9% or 4% low income housing tax credits. This amendment is to document that clarification.

Fiscal Impact  
No fiscal impact

Staff Recommendation

Staff recommends that the Committee forward for consideration by the City Council an item amending Resolution No. 18-0219, previously approved on January 24, 2018, to support both 4% and 9% Low Income Housing Tax Credit applications by 2400 Bryan Street, LP, or its affiliate, for the new construction of up to a 230-unit residential development located at 2400 Bryan Street.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela

Chief of Economic Development & Neighborhood Services

c: The Honorable Mayor and the Members of City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
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Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Chief of Community Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# Memorandum



DATE June 15, 2018

TO The Honorable Members of the Economic Development & Housing Committee:  
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,  
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,  
Omar Narvaez

SUBJECT **Authorize (1) the rejection of the proposals received for a six-year management contract to manage the existing South Dallas/Fair Park Public Improvement District ; and (2) the re-advertisement for a new solicitation - Financing: No cost consideration to the City**

## Summary

On June 27, 2018 the Council will consider the approval of an item authorizing (1) the rejection of the proposals received for a six-year management contract to manage the existing South Dallas/Fair Park Public Improvement District (District); and (2) the re-advertisement for a new solicitation in the future.

## Background

On August 10, 2016, City Council passed Resolution No. 16-1249 which authorized and established the District as a public improvement district under Chapter 372 of the Texas Local Government Code, designated the Alliance for Greater Works (“AGW”), a Texas nonprofit corporation, as the entity responsible for the management of and provision of services and improvements to the District, and authorized the City Manager to enter into a contract with AGW for the management of the District.

AGW assigned the management contract to Hip Hop Government, Inc., a Texas corporation (“HHG”). On September 22, 2017, the Office of Economic Development sent HHG a default letter citing an insurance deficiency and on November 6, 2017, a termination letter was sent to HHG stating that the management contract terminated as of October 25, 2017.

The Office of Economic Development worked with the Office of Procurement Services to solicit a new manager for the South Dallas/Fair Park PID. Two responses were submitted in response to the procurement. However, staff has recommended that the proposals be rejected and the solicitation be re-advertised to incorporate new terms related to a change in the flow of PID funds. In the past, funds have been collected by Dallas County and distributed directly to the PID managers. Beginning in FY 2018-19, Dallas County will distribute the funds to the City of Dallas, and the City will distribute to the PID managers. The new solicitations will outline contract terms related to that procedural modification.

Issue

Any contract approved under the current RFP would require almost immediate amendment to incorporate procedural changes due to the changing flow of PID funding from Dallas County to the City. Rather than go through this two-step process, staff recommends rejecting the current proposals and re-advertising a new solicitation incorporating these new contract terms.

Alternatives

The City may terminate the District which would require reimbursing the 2017 assessment to each of the 636 property owners in the District.

Financing

No Cost Consideration to the City. District funds have been collected by the City in absence of a PID manager and will be released to the new management entity upon City Council approval and execution of the management contract.

Coordination

Staff coordinated with the City Attorney's Office and the Office of Procurement Services on the solicitation of a new manager.

Recommendation

Staff recommends (1) the rejection of the proposals received for a six-year management contract to manage the existing South Dallas/Fair Park Public Improvement District (District); and (2) the re-advertisement for a new solicitation in the future.

Should you have any questions, please contact me at (214) 671-5257.



**Raquel Favela**

**Chief of Economic Development & Neighborhood Services**

- |   |  |
|---|--|
| c: The Honorable Mayor and the Members of City Council      | Jon Fortune, Assistant City Manager                          |
| T.C. Broadnax, City Manager                                 | Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim) |
| Larry Casto, City Attorney                                  | Joey Zapata, Assistant City Manager                          |
| Craig D. Kinton, City Auditor                               | M. Elizabeth Reich, Chief Financial Officer                  |
| Billerae Johnson, City Secretary                            | Nadia Chandler Hardy, Chief of Community Services            |
| Daniel F. Solis, Administrative Judge                       | Theresa O'Donnell, Chief of Resilience                       |
| Kimberly Bizzor Tolbert, Chief of Staff to the City Manager | Directors and Assistant Directors                            |
| Majed A. Al-Ghafry, Assistant City Manager                  |  |

# Memorandum



DATE June 15, 2018

TO The Honorable Members of the Economic Development & Housing Committee:  
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,  
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,  
Omar Narvaez

SUBJECT **South Dallas/Fair Park Trust Fund**

**\*An ordinance amending Chapter 2, "Administration," of the Dallas City Code Sections 2-130 through 2-132 changing the name of the "South Dallas/Fair Park trust fund board" to the "South Dallas/Fair Park Opportunity Fund board" - Financing: No cost consideration to the City**

**\*Authorize approval of the City of Dallas South Dallas Fair Park Opportunity Fund Program Statement - Financing: No cost consideration to the City**

## Summary

On June 27, 2018 the Council will be asked to consider approval of an item authorizing (i) an ordinance renaming the "South Dallas/Fair Park trust fund board" as the "South Dallas/Fair Park Opportunity Fund board" and (ii) approval of the South Dallas/Fair Park Opportunity Fund Program Statement.

## Background

In 1987 the City Council adopted the South Dallas/Fair Park Neighborhood Preservation and Economic Development Plan (Resolution No. 87-0632), a land use plan for the neighborhoods surrounding Fair Park. One of the plan recommendations was to "establish a South Dallas/Fair Park Trust Fund that is capitalized with a special assessment on admissions to Fair Park to generate funding for the Trust Fund."

In 1989, the Council established a Fair Park Task Force to develop a strategy to invest funds generated by Fair Park into the surrounding community (Resolution No. 89-1159). Among other things, the Task Force recommended creation of an advisory board to oversee administration of the funds, and recommended annual funding from Fair Park activities, amphitheater tickets sales, general fund contributions, and other sources. The Task Force funding recommendations were adopted by Resolution No. 89-3605, and the advisory board was codified in Dallas City Code Sections 2-130 through 2-132.

The funding, policies, and purpose of the advisory board have been amended a number of times over the past 20 years. Additionally, the administration and purpose of the fund have been audited numerous times, most recently in 2014, resulting in unresolved audit findings.

Over the past year staff has worked with the City Auditor's Office, the City Attorney's Office, and the South Dallas/Fair Park trust fund board to determine how to address the auditor's findings and to make the fund a more effective tool for the Fair Park community.

As a result of those conversations, staff developed a number of recommendations which were reviewed and endorsed by the Economic Development and Housing Committee on April 2, 2018. The recommendations have been incorporated into an ordinance revision and a program statement which were reviewed by the advisory board on June 13, 2018, and are now brought for Council approval.

#### Issue

The South Dallas/Fair Park trust fund has been used primarily a social service funding program, not as an economic development tool, and the City Auditor has noted several issues with the program management and goals. Staff has recommended program changes to address open audit issues and redirect the funds to primarily economic development uses.

#### Alternatives

If Council does not approve the item, staff will recommend that the trust fund be moved from the Office of Economic Development to the Department of Human Services since the funds have historically been used primarily to fund social service programs.

#### Financing

No Cost Consideration to the City.

#### Coordination

Staff has worked with the City Auditor's Office, the City Attorney's Office, and the South Dallas/Fair Park trust fund board to determine how to address the auditor's findings and to make the fund a more effective tool for the Fair Park community.

#### Recommendation

Staff recommends that the Economic Development and Housing Committee recommend approval of the amended ordinance and new program statement.

Should you have any questions, please contact me at (214) 671-5257.



**Raquel Favela**

**Chief of Economic Development & Neighborhood Services**

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