

Memorandum



DATE September 13, 2013

TO Members of the Economic Development Committee:
Tennell Atkins (Chair), Rick Callahan (Vice-Chair), Jerry R. Allen,
Scott Griggs, Lee Kleinman, Adam Medrano

SUBJECT **Bellevue Browder District-wide Public Improvements – Cedars TIF District**

On Monday, September 16, 2013, the Economic Development Committee will be briefed on the Bellevue Browder District-wide Public Improvements – Cedars TIF District.

Briefing material is attached.

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



Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, Interim City Manager
Rosa Rios, City Secretary
Warren M.S. Ernst, Interim City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, Administrative Judge Municipal Court
Frank Libro, Public Information Officer
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager-Council Office

Bellevue Browder District-wide Public Improvements - Cedars TIF District

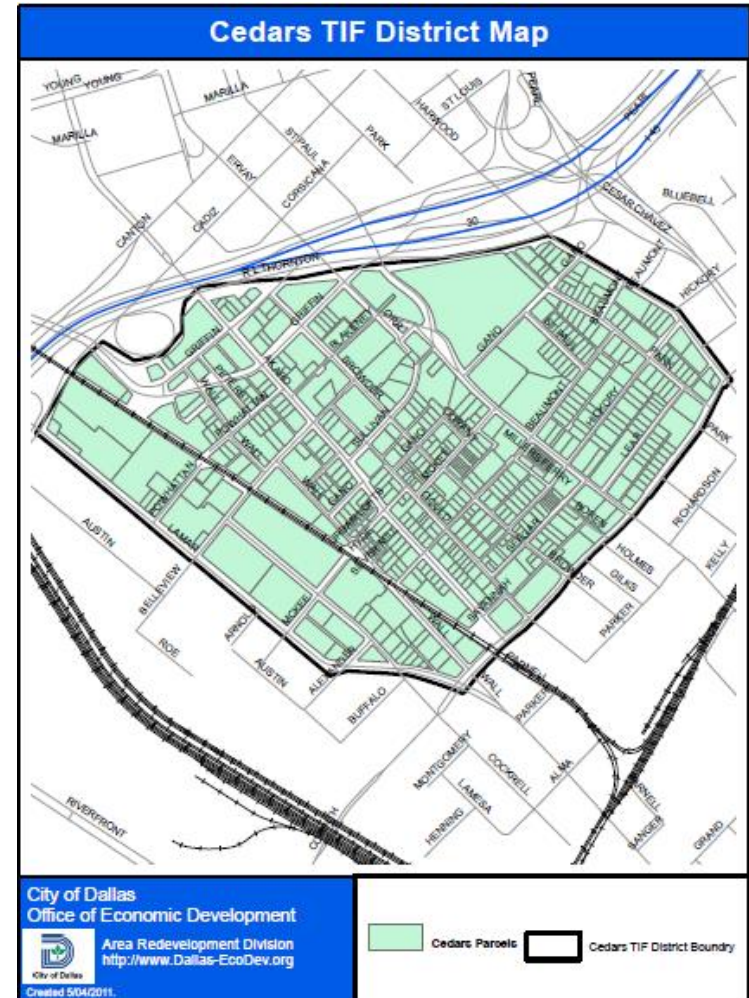
Economic Development Committee
September 16, 2013

Purpose

- Review the TIF funding request for the Belleview-Browder District-wide Public Improvements proposal in the Cedars TIF District
- Economic Development Committee recommendation for approval of funding request by City Council on September 25, 2013

Cedars TIF District: Background

- Created December 9, 1992
- Located immediately south of Downtown
- Bounded by:
 - I-30
 - South Harwood Street
 - Corinth Street
 - South Lamar Street
- Gateway to downtown
- Supports adjacent areas
 - Kay Bailey Hutchison Convention Center
 - South Lamar District
 - Dallas Heritage Village
 - Dallas Farmers Market



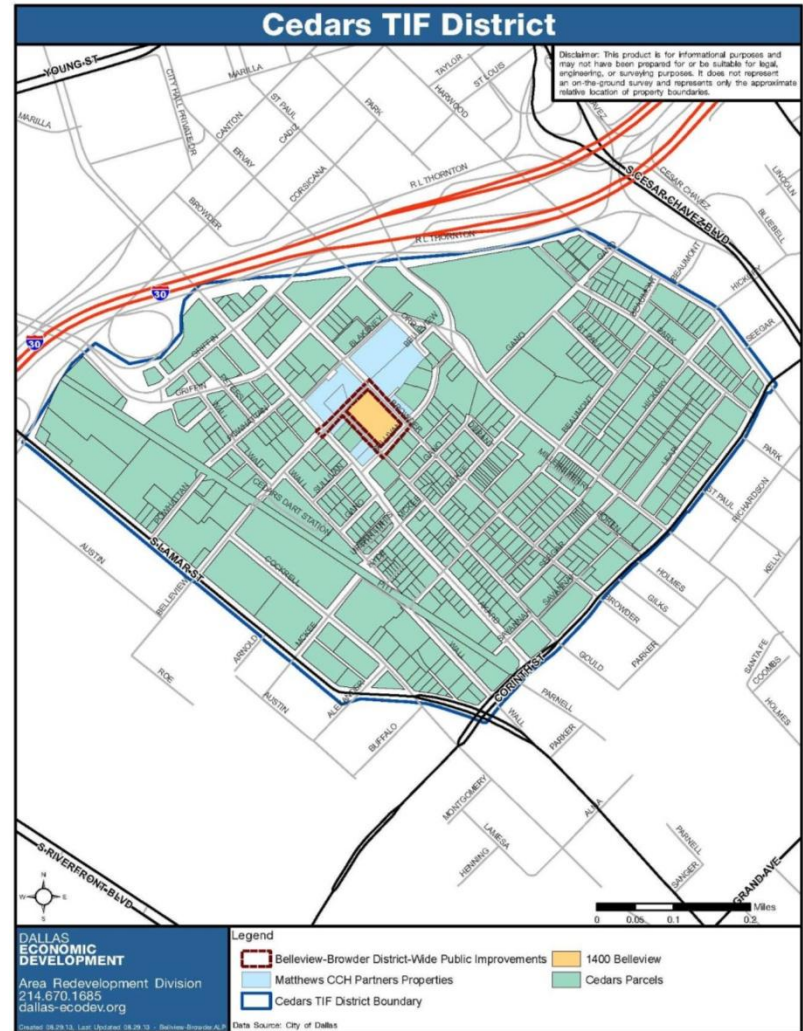
Cedars TIF District: Background (continued)

- Originally, Cedars TIF District set to expire on December 31, 2012
- City Council extended to term through December 31, 2022 (in June 2011) to encourage additional development



Bellevue Browder District-wide Public Improvements Project

- **Location:**
 - **Bellevue Street** from Browder Street to South Akard Street,
 - **Gould Street** from Bellevue Street to Sullivan Drive,
 - **Browder Street** from Bellevue Street to Sullivan Drive
 - **Sullivan Drive** from Browder Street to Gould (see adjacent map)
- **Planned Improvements:**
 - Water / wastewater and
 - Limited streetscape work
- **Project Impact:** Allows 6.05 acres that is controlled by Matthews CCH Partners to be developed



Bellevue Browder: Conceptual Site Plan



Bellevue Browder: Detailed Description

- Public Improvements funded:
 - Franchise utility relocation
 - Limited amount of modified street lighting/streetscape improvements
 - Water-wastewater/drainage improvements
- Replaces sub-standard public infrastructure and enables the redevelopment of 6.05 acres of property adjacent to 1400 Bellevue Project
- Estimated cost of public improvements is \$848,746 (\$441,225 from Cedars TIF District)
- Estimated potential private investment in build out of adjacent sites is ± \$15,000,000

Belleview Browder: TIF Subsidy

Infrastructure Improvements	
(TIF Eligible Project Costs)	
Infrastructure Improvements - Street Construction/Streetscape/Water/Wastewater/Drainage Improvements/East-West Corridor Construction/Public Open Spaces/Economic Development Grants	\$441,225
Total TIF Eligible Project Costs	\$441,225

Belleview Browder: Project Summary

Total square footage required	N/A
A) Residential Units	N/A
B) Residential Rental Space	N/A
C) Commercial (office and/or retail) space	N/A
Required private investment – site acquisition, hard costs, and soft costs, etc.	N/A
Expected total project cost	\$15,848,746*
TIF Funding	\$441,225
% TIF funds to expected total project cost	2.8%
Return on Cost without TIF Funds	N/A
Return on Cost with TIF Funds	N/A
Developer's Fee	N/A
Deadline to complete and receive a certificate of acceptance for all public infrastructure improvements	December 31, 2015

*includes anticipated private investment in adjacent sites

Previous & Recommended Actions

- On June 22, 2011, City Council approved 1400 Belleview GP, LLC's request for \$1,657,916 in TIF reimbursement for costs related to public infrastructure improvements supporting the development of 1400 Belleview, a mixed use project, located at 1401 Browder Street
- On August 23, 2013, Peer Review Committee reviewed the Conceptual Site Plan and Renderings for Belleview Browder District-wide Public Improvements Project (Appendix 3)
- On September 5, 2013, Cedars TIF Board of Directors reviewed and approved recommendation for TIF funding for Belleview Browder District-wide Public Improvements Project in an amount not to exceed \$441,225
- **Recommended Action:** Approval of a development agreement with 1400 Belleview GP, LLC to dedicate future Cedars TIF District revenues in an amount not to exceed \$441,225 for Belleview Browder District-wide Public Improvements Project on September 25, 2013

- Appendices

Appendix 1: Cedars TIF Budget

Cedars TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	TIF Budget (Total Dollars)	Allocated*	Balance
Infrastructure Improvements - Street Construction/Streetscape/Water/Wastewater/Drainage Improvements/East-West Corridor Construction/ Public Open Spaces/ Economic Development Grants	\$13,961,735	\$6,380,004	\$7,581,731
Environmental Remediation	\$3,205,102	\$0	\$3,205,102
Education/Educational Facility Improvements/Public Improvements Adjacent to Educational Facilities	\$4,807,653	\$0	\$4,807,653
Administration and Implementation*	\$1,153,837	\$705,001**	\$448,836
Total Project Costs	\$23,128,327	\$7,085,005	\$16,043,322
<p><i>The Cedars TIF term was extended by a ten-year period and is now set to terminate in 2022. Estimated TIF Collections show potential capacity in the district based on current projections, not actual current cash status. Actual capacity to be determined by new construction. Values adjusted as of September 30, 2012 to reflect current projections.</i></p> <p><i>*Includes allocations for the Bellevue Browder District-wide Public Improvements and Plaza Hotel Projects.</i></p> <p><i>**TIF administration costs shown are expensed through FY 2012.</i></p>			

Appendix 2: Cedars TIF District Increment Chart

Tax Year	Property Value Estimate City	Property Value Growth \$	Anticipated Captured Value City	Tax Increment Revenue City	Tax Increment Revenue DISD	Tax Increment Revenue DCCCD	Tax Increment Revenue County	Tax Increment Revenue DCHD	Anticipated Increment Revenue	Anticipated Accumulated Revenue (NPV)
1992	\$35,300,760									
1993	\$33,706,330		(\$1,594,430)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1994	\$31,406,528		(\$3,894,232)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1995	\$34,824,532		(\$476,228)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1996	\$32,499,522		(\$2,801,238)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1997	\$33,333,582		(\$1,967,178)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1998	\$39,631,442		\$4,330,682	\$28,110	\$0	\$0	\$0	\$0	\$28,109	\$20,976
1999	\$39,171,800		\$3,871,040	\$25,839	\$27,770	\$0	\$0	\$0	\$53,610	\$59,075
2000	\$39,634,388		\$4,333,628	\$28,927	\$33,105	\$0	\$5,521	\$7,155	\$74,708	\$109,641
2001	\$42,365,372		\$7,064,612	\$47,156	\$54,157	\$0	\$9,000	\$11,664	\$121,977	\$188,268
2002	\$42,569,912		\$7,269,152	\$50,870	\$57,180	\$0	\$9,261	\$12,001	\$129,312	\$267,655
2003	\$42,628,095		\$7,327,335	\$45,106	\$52,169	\$0	\$8,771	\$10,644	\$116,691	\$335,881
2004	\$42,745,457		\$7,444,697	\$51,430	\$60,083	\$0	\$9,545	\$11,889	\$132,947	\$409,911
2005	\$45,724,646		\$10,423,886	\$77,314	\$0	\$0	\$14,493	\$17,210	\$196,333	\$514,030
DISD	\$45,644,075		\$10,343,315	\$0	\$87,316	\$0	\$0	\$0	\$0	\$0
2006	\$48,923,596	\$3,198,950	\$13,622,836	\$87,924	\$89,407	\$0	\$17,393	\$19,907	\$214,630	\$622,433
2007	\$62,805,631	\$13,882,035	\$27,504,871	\$205,709	\$163,216	\$0	\$40,649	\$45,402	\$454,976	\$841,284
2008	\$82,965,625	\$20,159,994	\$47,664,865	\$356,486	\$282,033	\$0	\$70,670	\$78,695	\$787,884	\$1,202,223
2009	\$87,846,392	\$4,880,767	\$52,545,632	\$392,989	\$335,263	\$0	\$77,891	\$93,565	\$899,708	\$1,594,763
2010	\$81,952,804	(\$5,893,588)	\$46,652,044	\$371,817	\$290,103	\$0	\$73,700	\$82,159	\$817,779	\$1,934,567
2011	\$78,357,617	(\$3,595,187)	\$43,056,857	\$343,163	\$278,879	\$0	\$68,004	\$75,808	\$765,854	\$2,237,641
2012	\$76,404,425	(\$1,953,192)	\$41,103,665	\$327,596	\$265,190	\$0	\$64,950	\$72,404	\$730,140	\$2,512,823
2013	\$80,495,208	\$4,090,783	\$45,194,448	\$324,180	\$0	\$0	\$82,401	\$0	\$406,581	\$2,658,762
2014	\$82,910,064	\$2,414,856	\$47,609,304	\$341,502	\$0	\$0	\$86,804	\$0	\$428,305	\$2,805,178
2015	\$89,108,678	\$6,198,614	\$53,807,918	\$385,964	\$0	\$0	\$98,105	\$0	\$484,069	\$2,962,778
2016	\$184,261,518	\$95,152,840	\$148,960,758	\$1,068,496	\$0	\$0	\$271,593	\$0	\$1,340,088	\$3,378,296
2017	\$223,801,948	\$39,540,430	\$188,501,188	\$1,352,119	\$0	\$0	\$343,685	\$0	\$1,695,804	\$3,879,072
2018	\$241,861,120	\$18,059,172	\$206,560,360	\$1,481,657	\$0	\$0	\$376,611	\$0	\$1,858,269	\$4,401,692
2019	\$274,116,954	\$32,255,834	\$238,816,194	\$1,713,029	\$0	\$0	\$435,422	\$0	\$2,148,450	\$4,977,151
2020	\$332,340,462	\$58,223,509	\$297,039,702	\$2,130,666	\$0	\$0	\$541,578	\$0	\$2,672,243	\$5,658,823
2021	\$392,310,676	\$59,970,214	\$357,009,916	\$2,560,832	\$0	\$0	\$650,918	\$0	\$3,211,750	\$6,439,106
2022	\$408,579,557	\$16,268,880	\$373,278,797	\$2,677,529	\$0	\$0	\$680,581	\$0	\$3,358,109	\$7,216,097
				\$16,476,409	\$2,075,871	\$0	\$4,037,545	\$538,503	\$23,128,327	\$7,216,097
				\$4,858,523	\$952,416	\$0	\$1,163,265	\$241,893	\$7,216,097	

Appendix 3: Bellevue Browder District-wide Public Improvements Project – Urban Design Comments

- The Urban Design Peer Review Panel’s advice for the Bellevue Browder District-wide Public Improvements Project is summarized below:
 - The panel supports the extension of Bellevue Street to Ervay Street as an Important connector within the overall Cedars neighborhood
 - Regarding the *future* implementation of the extension of Bellevue Street, the proposed design of streetscape seems overly conventional and not conducive of the flexibility necessary to relate to future adjacent development
 - Park and street design should be coordinated with the development of adjacent parcels to better understand and respond to the context
 - Design for the Bellevue Extension component should return to the panel when adjacent development comes forward and further contextual information is available

Appendix 4: 1400 Belleview GP, LLC

- Matthews Affordable Income Development (MAID), an affiliate of Matthews Southwest (MSW), and Casa Linda Development Corporation (CLDC) are the Members of 1400 Belleview GP, LLC.
 - Jack Matthews, Kristian Teleki and Scott Galbraith are the principals and owners of MAID
 - Linda Brown and Sara Reidy are the principals and owners of CLDC

MSW's affiliate Matthews CCH Partners owns and manages numerous properties in the Cedars District, notably South Side on Lamar and The Beat Condos. MAID and CLDC are currently developing the 1400 Belleview Project which will consist of 164 affordable housing units and 7,500 square feet of flex space.