

Memorandum



CITY OF DALLAS

DATE August 18, 2014

Members of the Economic Development Committee:

TO Tennell Atkins (Chair), Rick Callahan (Vice Chair), Adam Medrano, Scott Griggs, Lee Kleinman, Jerry R. Allen

SUBJECT **Desoto Boundary Adjustment and ETJ Waiver Proposal**

On Monday, August 18, 2014, the Economic Development Committee will be briefed on the Desoto Boundary Adjustment and ETJ Waiver Proposal.

Briefing material is attached.

Should you have any questions or concerns, please contact me at (214) 671-9837.

A handwritten signature in blue ink that reads "Ry - S. E" with a long horizontal line extending to the right.

Ryan S. Evans
First Assistant City Manager

c: A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager

Joey Zapata, Assistant City Manager
Charles M. Cato, (I) Assistant City Manager
Theresa O'Donnell, (I) Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Shawn Williams, (I) Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

DeSoto Boundary Adjustment and ETJ Waiver Proposal

Economic Development Committee

August 18, 2014



Background

- In 2012, USAA Real Estate Company (USAA) undertook the development of a new 157-acre business park (Southfield 35 Park) located within both the City of Dallas and the City of DeSoto.
- As part of a June, 2012 development agreement with the City of Dallas, USAA committed to work with the City to secure a southward municipal boundary adjustment to ensure that three planned buildings within the business park would be fully located within the City of Dallas.

Background

- As part of the USAA project, approximately \$2.1 million in roadway, water, and wastewater improvements along Danieldale Road and Old Hickory Trail were incorporated to support the development of Southfield 35 Park.
 - USAA has funded \$1,170,757.94 (50%) of the cost for these improvements.
 - Roadway improvements are scheduled to be completed by September, 2014.

Background

- With the completion of the roadway improvements, USAA has now undertaken development of four new commercial warehouse buildings.
 - The proposed waiver of the ETJ and subsequent boundary adjustment will accommodate the placement of three commercial warehouse buildings totaling approximately 1.207 million square feet within the City of Dallas.
 - City staff is currently pursuing a tenant deal concerning the building site located in the northeastern corner of Southfield Park 35.
 - An additional speculative warehouse building totaling approximately 1.128 million square feet will be located within the City of DeSoto.

Background

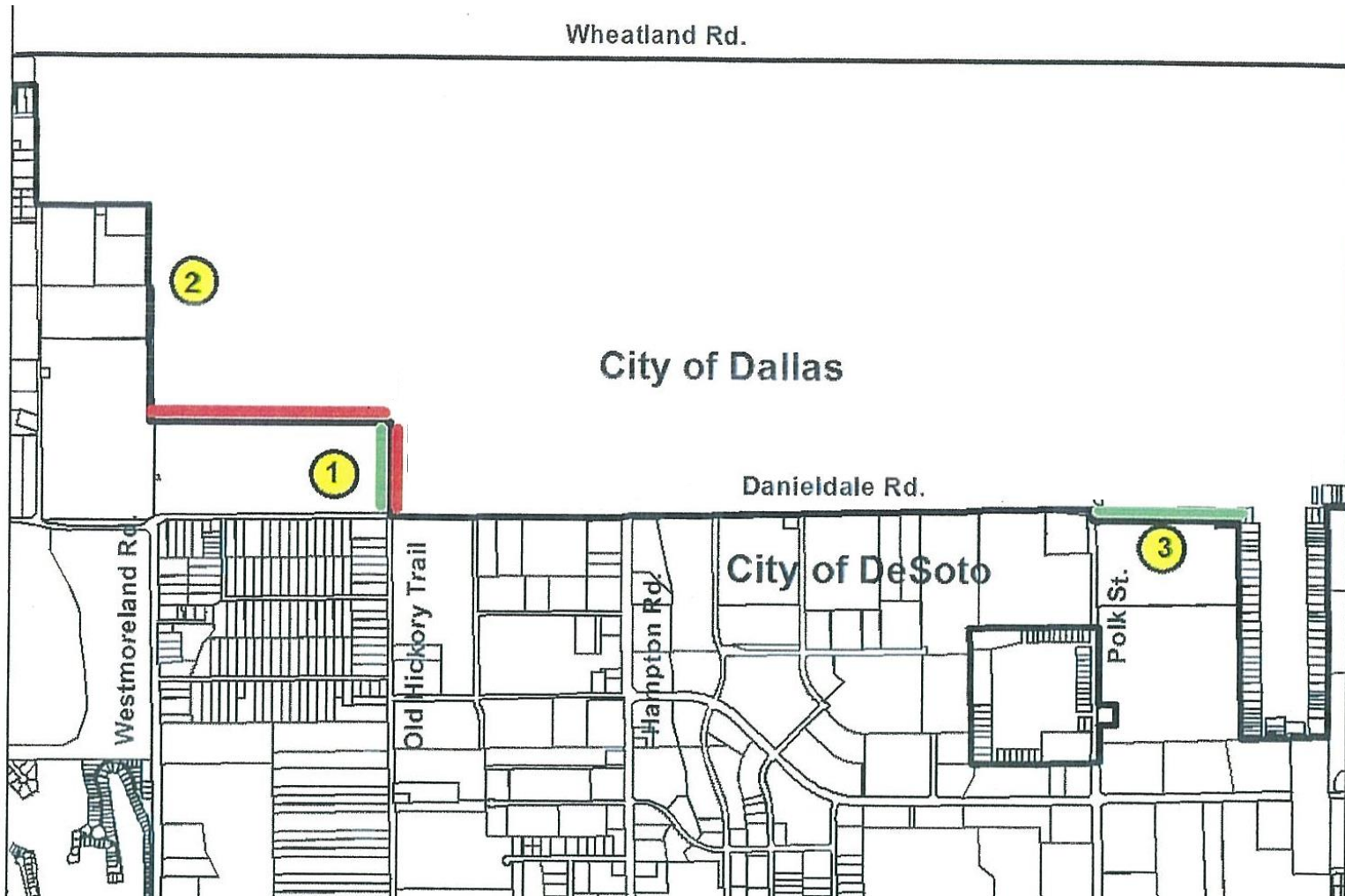
- The City of DeSoto has been approached by Dermody Properties, who is interested in developing a 95-acre tract on the southeast corner of Danieldale Road and Polk Street.
 - Development will include a distribution facility totaling approximately 1.3 million square feet.
 - To accommodate this proposed building, the city limit boundary will be adjusted to the north. This will result in the City of Dallas giving the City of DeSoto approximately 4.5 acres of land.

Proposed Process

- **Step One: Waiver of the ETJ**
 - The City of Dallas will waive the ETJ on approximately 3.1 acres of land.
 - The City of DeSoto will annex the property, which will result in contiguous city boundaries.
- **Step Two: Two Boundary Adjustments**
 - **Boundary Adjustment Area One**
 - The boundary along the west line of Old Hickory Trail will shift to the west to include the right-of-way for the widening of Old Hickory Trail in the City of Dallas.
 - The north-south boundary will shift to the south to ensure that three planned buildings within the business park will be located within the City of Dallas.
 - **Boundary Adjustment Area Two**
 - The boundary along the south line of Daniieldale Road, east of Polk Street will shift to the north to include two planned buildings in the City of DeSoto.

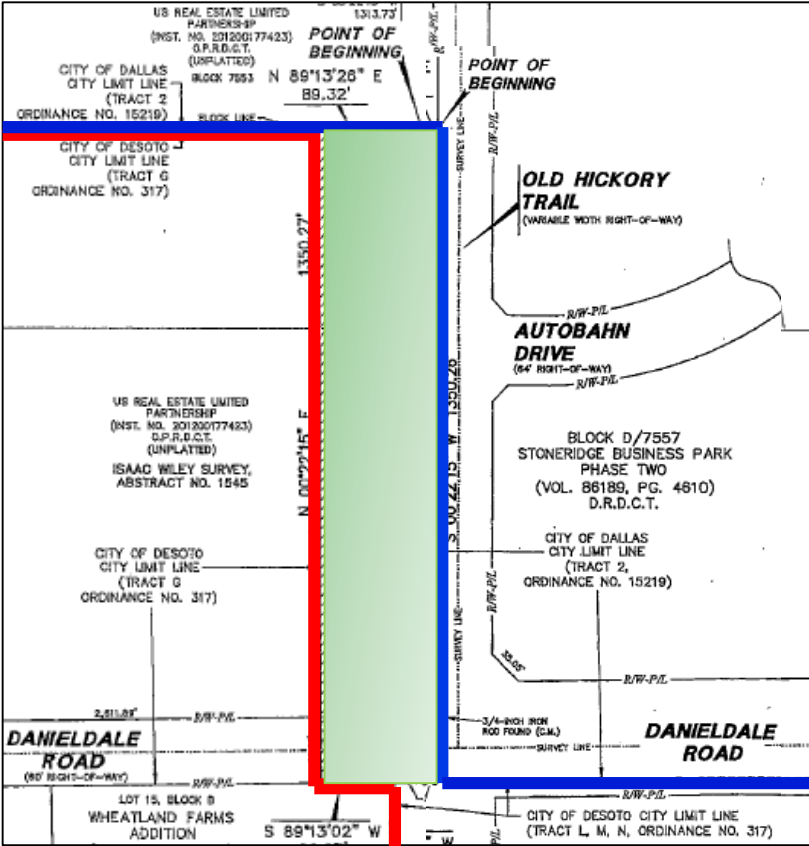
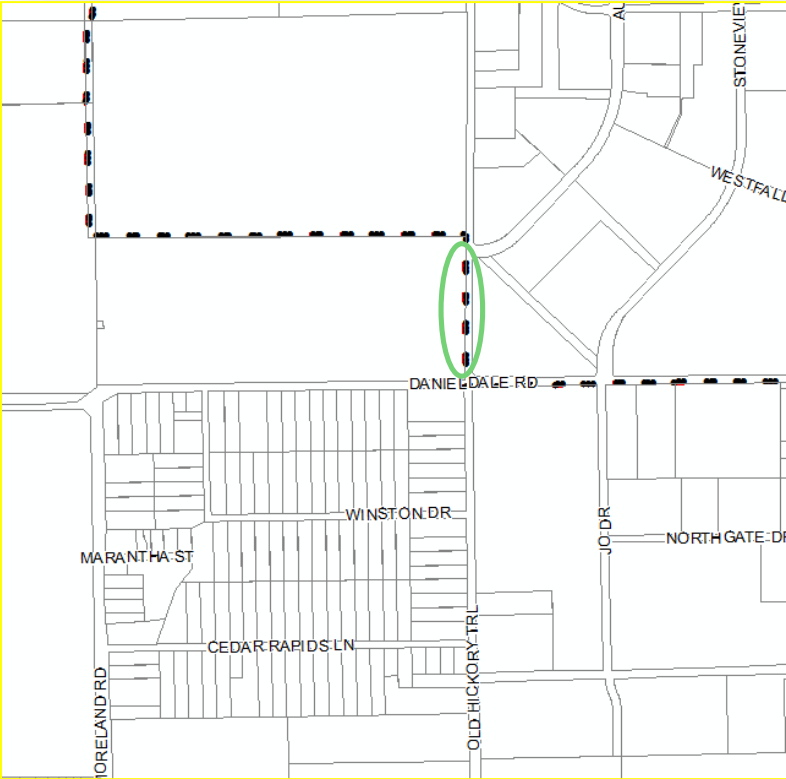
Locations of ETJ Waiver and Boundary Adjustments

Dallas receives ±13.053 acres; DeSoto receives ±7.253 acres



Note: Acreages are approximate and will be determined by certified boundary surveys to be provided by the City of DeSoto.

Step 1 Waiver of the ETJ



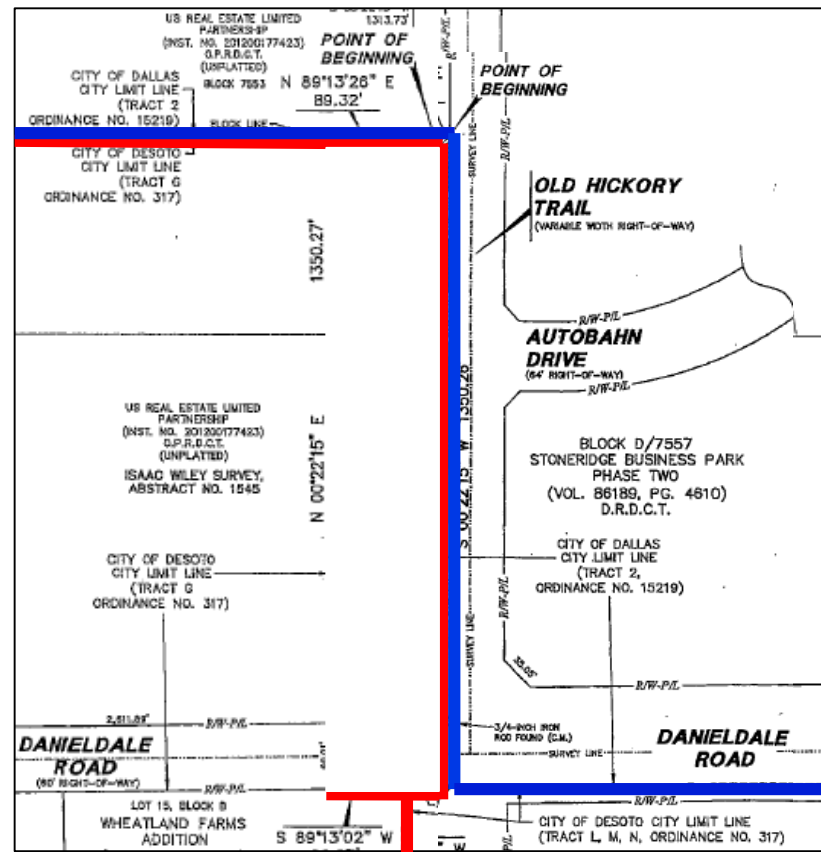
City of Dallas City Limit Line
City of DeSoto City Limit Line
ETJ

Step 1a

City of DeSoto annexes property

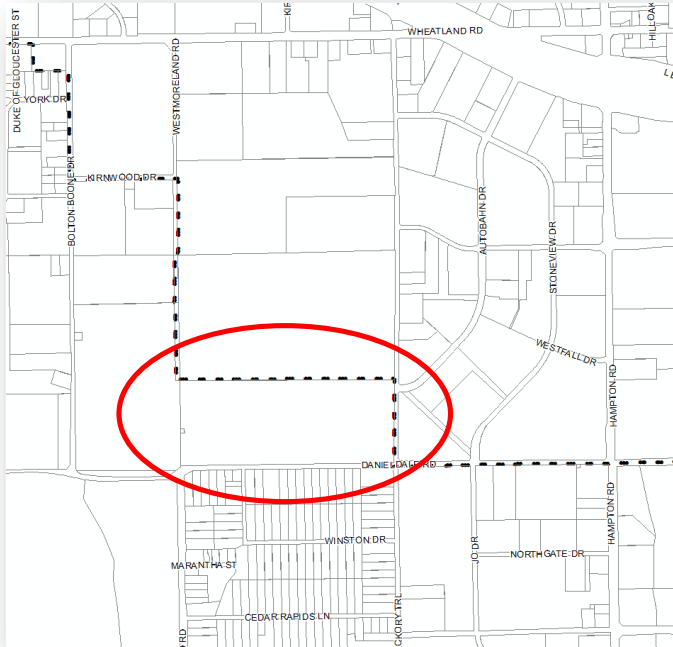
After Dallas waives the ETJ, the City of DeSoto will annex the property. The city limits will be contiguous after annexation.

After annexation by DeSoto:
 City of Dallas City Limit Line
 City of DeSoto City Limit Line

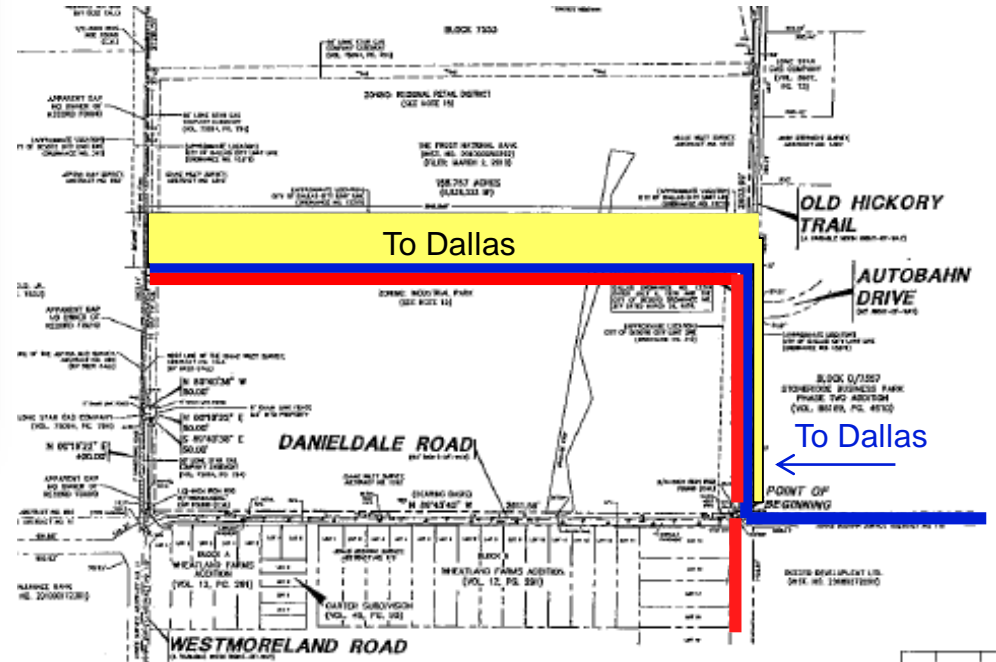


Step 2

Boundary Adjustment Area One – Danieldale Road and Old Hickory Trail



City of Dallas City Limit Line
after boundary adjustment
City of DeSoto City Limit Line
after boundary adjustment



Next Steps

- Schedule City Council consideration of the ETJ waiver (pending certified boundary surveys from the City of DeSoto).
- DeSoto annexes property
- Schedule City Council consideration of boundary adjustments at both locations