

Memorandum



CITY OF DALLAS

DATE October 11, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Agenda Item #27, October 23, 2019 – An amendment to Resolution No. 19-0949, previously authorized on June 12, 2019, authorizing a development agreement with DD Dunhill Hotel LCC and/or its affiliates for the Virgin Hotel Infrastructure Project in the Design District TIF District**

Background

On June 12, 2019, City Council authorized a development agreement with DD Dunhill Hotel LLC (“Developer”) for Tax Increment Financing (TIF) funding not to exceed \$3,622,885 for public infrastructure improvements that provide streetscape enhancements adjacent to the Virgin Hotel development while primarily facilitating extended streetscape improvements along Hi Line Drive to connect to the Trinity Strand Trail of district-wide benefit.

The TIF-funded improvements include portions of Phase I improvements, adjacent to the Virgin Hotel, and Phase II streetscape and utility burial improvements, extending beyond the Virgin Hotel along Hi Line Drive west to the Trinity Strand Trail head. These improvements are recommended by the City’s Urban Design Peer Review Panel, and they will complete the streetscape connection to the trail.

Issue

The Developer is requesting an amendment to Resolution No. 19-0940, previously authorized on June 12, 2019. This amendment will split Phase II of the public improvements into two segments: Phase IIA and Phase IIB. Phase IIA would include enhancements to the median to the western end of Hi Line Drive, and Phase IIB would include repaving the roadway at the western end of Hi Line Drive and the sidewalks along vacant tract on the south side of Hi Line Drive. Phase I improvement will remain unchanged.

The amendment is prompted by the Developer becoming aware that a development site at 1930 Hi Line Drive, located on the northern end of Hi Line Drive will commence construction in early 2020 (with full completion by early 2023).

Activity driving by construction at this site could potentially damage new road paving on the western side of Hi Line Drive. Therefore, the Developer would like to postpone the

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paving improvements in that area until after construction of the development at 1930 Hi Line Drive is substantially completed.

Phase I and IIA would be completed under the previously authorized deadlines while Phase IIB would have a completion deadline extended from June 30, 2020 to June 30, 2023. The Developer is eligible for TIF reimbursement for Phase I and IIA at completion of all associated requirements. For Phase IIB, the Developer would be eligible for TIF reimbursement after completion of improvements outlined for the western end of Hi Line Drive. The total TIF funding for the Project would remain unchanged (not to exceed \$3,622,885.00 as previously authorized by Resolution No. 19-0949).

On September 26, 2019, the Design District TIF District Board of Directors reviewed and recommended approval of the requested amendment.

Recommendation

Staff recommends City Council's approval of the amendment on October 23, 2019.

Fiscal Information

No cost consideration to the City.

Should you have any questions, please contact me at (214) 670-3390 or Courtney Pogue, Director of the Office of Economic Development, at (214) 670-1685.



Michael A. Mendoza

Chief of Economic Development & Neighborhood Services

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors