

# Memorandum



CITY OF DALLAS

DATE June 19, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Agenda Item #66, June 24, 2020 City Council Agenda - Cypress Waters Public Safety Building/Fire Station 58 (Cypress Waters TIF District)**

On June 24, 2020, the City Council will be asked to authorize:

- 1) an ordinance amending the Project Plan and Reinvestment Zone Financing Plan ("Plan") for Tax Increment Financing Reinvestment Zone Number Nineteen ("Cypress Waters TIF District") to reprogram \$820,000 2010 NPV dollars (approximately \$1,490,579 total dollars) in the Cypress Waters TIF District's budget from the Infrastructure Improvements line item to increase the Public Safety Improvements line item to \$6,820,000 2010 NPV dollars (approximately \$12,397,255 total dollars) to support the development of a permanent public safety facility in the District;
- 2) a development agreement with Billingsley LD, Ltd. ("Developer") and/or its affiliates in an amount not to exceed \$12,300,000, payable from future Cypress Waters TIF District Funds, for reimbursement of development costs (excluding land costs) associated with development and conveyance of a Public Safety Building/Fire Station 58 in Cypress Waters TIF District;
- 3) the City Manager, upon completion of the Cypress Waters Public Safety Building/Fire Station 58, to execute customary and reasonable closing documents, as may be required and approved as to form by the City Attorney, to transfer ownership of the land and facility to the City of Dallas; and
- 4) an increase in appropriations in an amount not to exceed \$12,300,000 in the Cypress Waters TIF District Fund.

## **Background**

The Cypress Waters TIF District ("District") was created in 2010 to provide a mechanism to fund significant infrastructure improvements required to provide basic utility and public safety services not provided or budgeted for by the City. Cypress Waters presented an opportunity to create a large mixed-use employment center in the city of Dallas that could compete with northern DFW suburbs such as Plano and Frisco for corporate relocations. The 960-acre District is located north and east of the intersection of LBJ Freeway (I-635) and South Belt Line Road and is entirely within the jurisdictional boundaries of the City of Dallas.

Prior to the creation of the District, the City of Dallas entered into a Memorandum of Understanding ("MOU") with Billingsley, LD, Ltd., an affiliate of Billingsley Company and owner/developer of all property located in the Cypress Waters area. The MOU outlined anticipated public financial incentives and developer obligations related to the development of the area.

In 2011-2012, City Council approved two projects for TIF funding support from the Cypress Waters TIF District. Both of these projects are complete. The first TIF-supported project included reimbursing the Developer for the costs of public infrastructure improvements (water, wastewater, and roadway improvements) that enabled the development of 814 residential units (with 20% of the units reserved for occupants whose household income is 80% or less of the Area Median

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Income) and a temporary public safety building to support both police and fire services. The first TIF-supported project will be paid off this summer.

The second TIF-supported project included reimbursing the Developer for the costs of public infrastructure improvements that enabled the development of approximately 1.2 million square feet of office space. The second TIF-supported project is projected to be paid off in 2022.

As a result of TIF-supported improvements and the resulting private development in the District, the daytime population is now estimated at over 13,000; the resident population is estimated at 1,880; four Coppell ISD schools have opened; and approximately 1,900 residential units and 2.1 million square feet of office space have been constructed. Based on development that is complete, under construction, or planned in the District, Dallas Fire-Rescue anticipates a growing demand for services beyond what can be supported by the current temporary public safety facility.

The MOU and the District's Plan and budget contemplated the future construction of a permanent public safety building in a central location in the District. Specifically, the MOU obligated the Developer to procure and deed land necessary for the construction, operation, and maintenance of the public improvement. Additionally, the District dedicated a budget line item to the construction of a permanent public safety facility.

### **Project Overview**

Since 2019, staff has been coordinating with the Developer specifically regarding the development of permanent public safety facility. Since the City does not have general funds or bond funds allocated or available to construct the permanent public safety facility, the Developer has agreed to secure financing, design, and construct the public safety facility and be reimbursed for those project costs from the District in future years (2022, 2023, and 2024).

The proposed Cypress Waters Public Safety Building/Fire Station 58 (a minimum of 16,800 square feet in size) will house Dallas Fire-Rescue (office, living quarters, and apparatus storage space), Dallas Police Department (small office space), and a small meeting space for the community. A training fire tower will also be constructed on the site. Upon completion, the Developer will convey the land (at no cost to the City) and the facility to the City of Dallas. Completion of construction is anticipated on or before July 31, 2022. After all conditions of payment have been satisfied, the City will commence annual TIF payments to the Developer.

To ensure enough TIF funds are allocated to the project, an amendment of the District's budget is required to reprogram (i.e. shift) \$820,000 (2010 NPV dollars) from the Public Infrastructure Improvements line item to the Public Safety Improvements line item. This minor amendment does not increase the overall District budget.

### **Prior Action/Review**

On December 8, 2010, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Nineteen (the Cypress Waters TIF District) in accordance with the Tax Increment Financing Act, as amended, V.T.C.A Texas Tax Code, Chapter 311 (the "Act") to promote development and redevelopment in the District through the use of tax increment financing by Resolution No. 10-3052; Ordinance No. 28074, as amended.

On June 8, 2011, City Council authorized the Cypress Waters TIF District Project Plan and Reinvestment Zone Financing Plan by Resolution No. 11-1545; Ordinance No. 28224, as amended.

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On June 10, 2015, City Council authorized an amendment to the Cypress Waters TIF District Project Plan and Reinvestment Zone Financing Plan by Resolution No. 15-1106; Ordinance No. 299769.

On December 9, 2019, the Public Safety Committee directed city management and the Chief of Dallas Fire-Rescue to work with the Office of Economic Development and the Developer to construct a permanent public safety facility in the Cypress Waters TIF District.

On May 28, 2020, the Cypress Waters TIF District Board of Directors was briefed on this matter and voted unanimously to forward staff's recommendation to City Council for approval.

On June 1, 2020, the Economic Development Committee was briefed on this matter and voted unanimously to forward staff's recommendation to the full City Council for approval.

Should you have any questions, please contact Courtney Pogue, Director, Office of Economic Development at (214) 670-1696, or Kevin Spath, Assistant Director, Office of Economic Development at (214) 670-1691.

Sincerely,



Dr. Eric A. Johnson  
Chief of Economic Development and Neighborhood Services



Jon Fortune  
Assistant City Manager



Dominique Artis  
Chief, Dallas Fire-Rescue

[Attachment]

c: Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

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

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### Attachment

## Preliminary Design and Floor Plan (design is subject to change)

