

# Memorandum



CITY OF DALLAS

DATE May 24, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **Review of City Real Estate for Sale, Development, or Redevelopment Opportunities**

## Background

Since October 2023, a multi-departmental team (Economic Development, Housing and Neighborhood Revitalization, Building Services, Public Works, and the City Manager's Office) has been reviewing assets within the City's real estate portfolio and providing the Government Performance and Financial Management (GPFM) Committee with updates on the review and identification of potential real estate assets to sell, develop, or redevelop. Over the last several months, review of the real estate portfolio and questions from the GPFM Committee have resulted in a targeted evaluation and funding of appraisals for 10 City properties.

As funding has been identified for appraisals of 10 City properties and those appraisals are underway, the purpose of this memorandum is to share with City Council, the 10 properties being appraised to potentially sell, develop, or redevelop and discuss next steps.

## Opportunities for Sale, Development or Redevelopment of City Real Estate Assets

Consistent with the April 2024 GPFM Committee update, on May 21, 2024, the GPFM Committee was informed that appraisals were underway for the following properties:

Item	Property	Current Zoning	Acres (approx.)
1.	Dallas Water Utilities (DWU) Property in Hutchins, TX	Light Industrial	313.3
2.	Dallas Executive Airport	Industrial Research	992.4
3.	Canton St. Service Center	PD-269	20.4
4.	Vilbig Auto Pound	PD-256	47.7
5.	Oak Cliff Municipal Center (OCMC)	PD-221	6.5
6.	North Oak Cliff Library	PD-830	1.2
7.	Park Forest Library	Residential-10(A)	1.2
8.	Family Gateway Building	Central Area-1(A)	0.4
9.	Downtown Courts Building, 5 <sup>th</sup> Floor	PD-846	4,500 sq. ft.
10.	606 Good Latimer	PD-357	2.1

DWU funded the cost of the appraisal for the Hutchins, TX property (Item 1 above) and the cost for the Executive Airport (Item 2 above) appraisal was funded through the Department of Aviation. The appraisal costs of \$36K, to appraise the remaining properties, was funded through General Fund contingency, approved by City Council, on May 8, 2024, as part of the mid-year budget adjustment.

Given that the inter-departmental team is working through the appraisal process for the identified properties, it is anticipated that staff should be ready to discuss the appraisals during an executive session in June 2024.

#### *Development or Redevelopment Opportunities*

While the property appraisals have commenced, City staff has also identified potential opportunities to develop or redevelop the following properties as mixed-use:

1. Vilbig Auto Pound,
2. Oak Cliff Municipal Center (OCMC),
3. North Oak Cliff Library\*,
4. Park Forest Library\*,
5. Family Gateway Building,
6. 606 Good Latimer.

*\*Note: Approximately \$32M (\$16M for each library) of 2024 Bond funds are available to potentially leverage redevelopment partnerships.*

Included in the May 21<sup>st</sup>, GPFM Committee update, was a continued discussion for potential mixed-use redevelopment for the six properties listed above. Considering the mixed-use vision for the six properties, staff requested \$600K in funding for brokerage and request for proposals (RFP)-development services for properties 1-4 (RFPs for properties 5-6 would be developed in-house).

The intent of the brokerage and RFP-development services is to provide staff with assistance from subject matter experts who specialize in mixed-use development and may have access to investors that may not be reached with a standard RFP solicitation. As a result of staff's request, included in the May 8<sup>th</sup>, mid-year budget adjustment, City Council approved \$600K from General Fund contingency to fund brokerage and RFP-development services for properties 1-4.

#### **Next Steps**

Given that the property appraisals are underway, and funding has been identified for brokerage and RFP-development services, once the appraisals have been completed, as part of a future executive session, staff will discuss and seek City Council's guidance to move forward with the sale or redevelopment of the identified properties.

In summary, this memorandum has provided background on GPFM Committee discussions regarding the review and potential opportunities to sell, develop, or redevelop assets within the City's real estate portfolio. Next steps in this process will include an executive session in June 2024, to review and discuss the land appraisals of the 10 identified parcels and to seek City Council's guidance on how to proceed with the potential sale or redevelopment of the ten properties.

DATE **May 21, 2024**  
SUBJECT **Review of City Real Estate for Sale, Development, or Redevelopment Opportunities**  
PAGE **3 of 13**

For reference, attached are maps of the 10 properties being appraised. Should there be any questions, please contact me at [robert.perez@dallas.gov](mailto:robert.perez@dallas.gov).



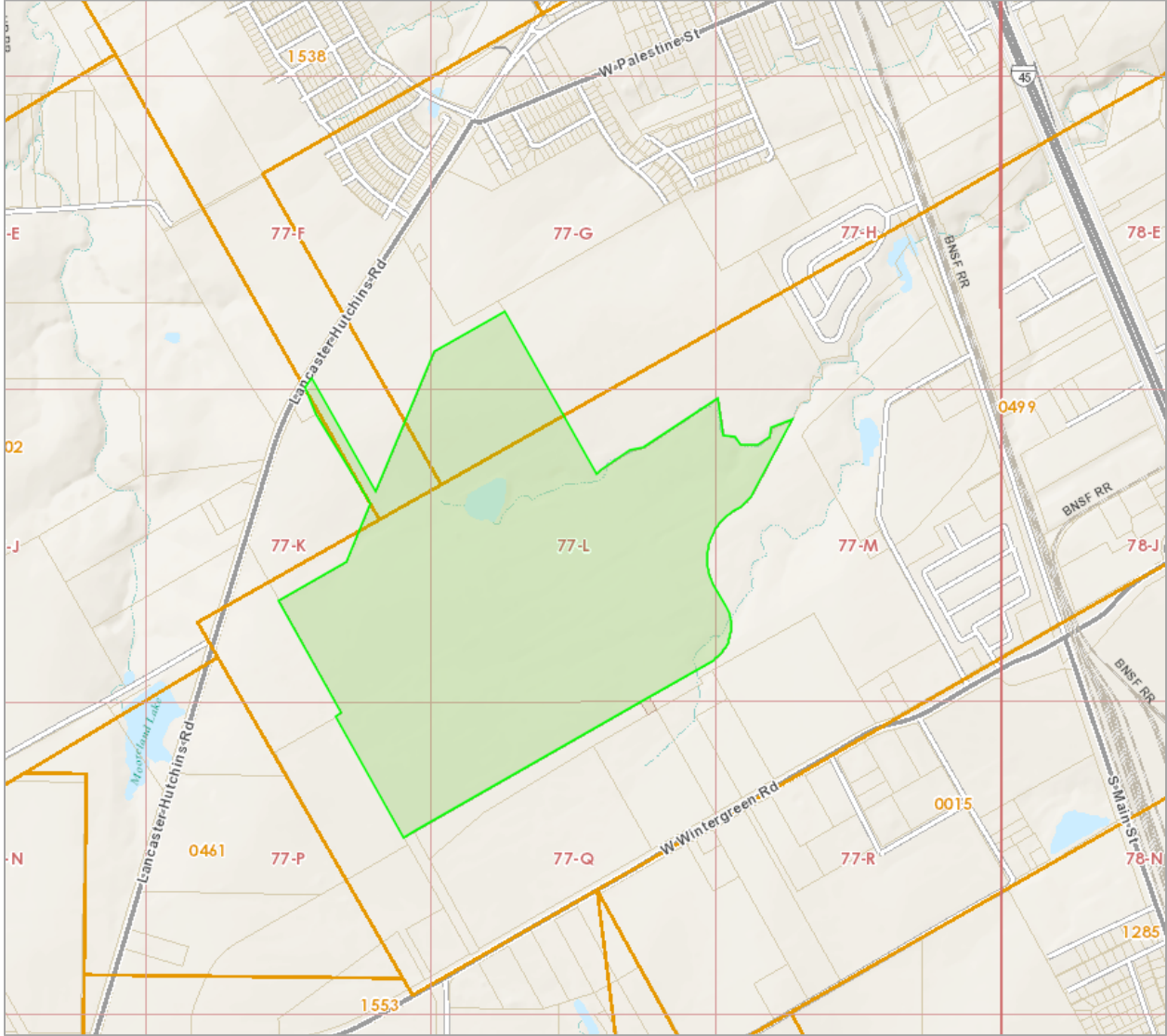
Robert M. Perez, Ph.D.  
Assistant City Manager

**[ATTACHMENT]**

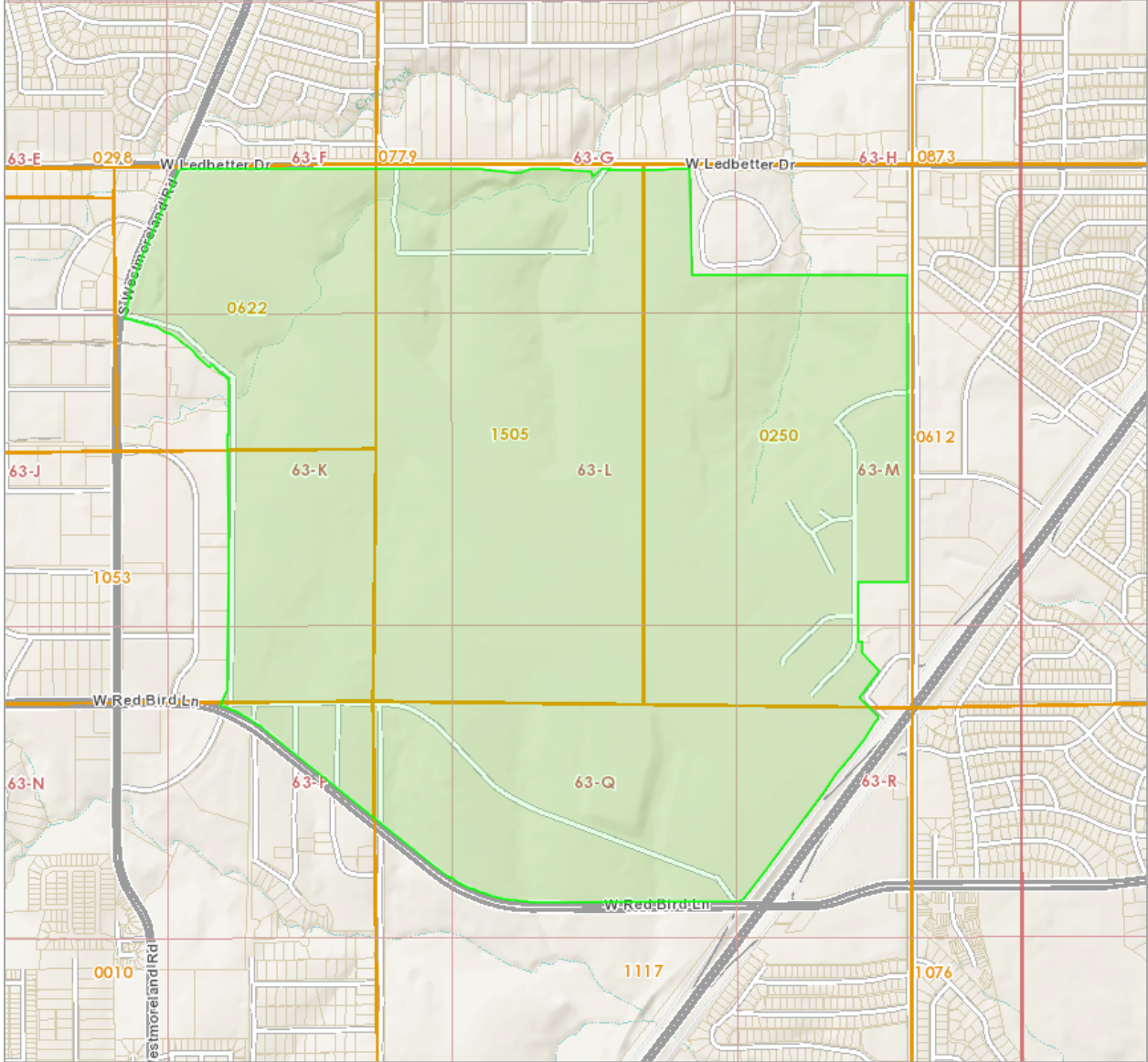
c: Kimberly Bizzor Tolbert, City Manager (I)  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Jon Fortune, Deputy City Manager  
Majed A. Al-Ghafry, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Robin Bentley, Assistant City Manager (I)  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors

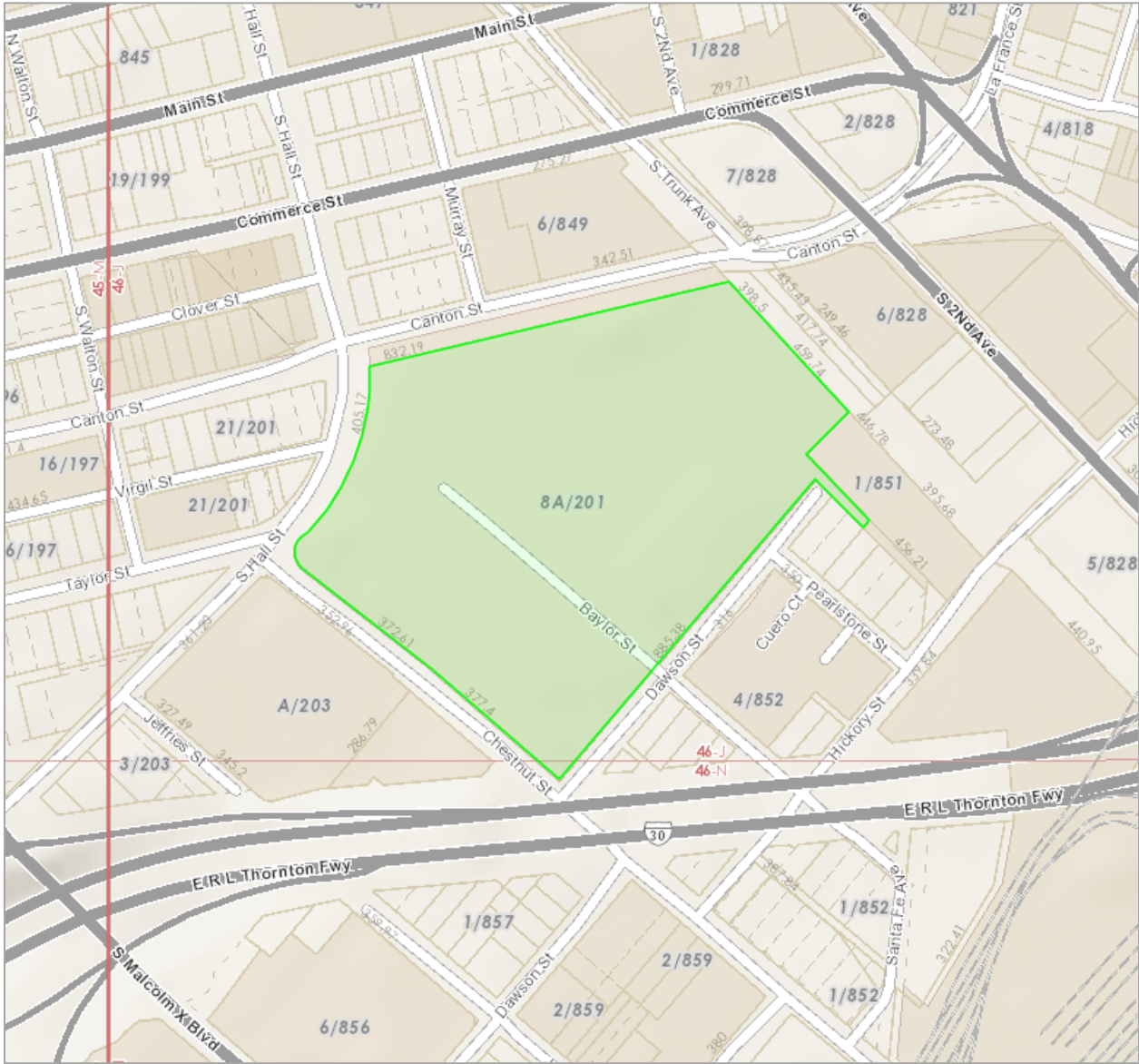
**Property 1. DWU Property in Hutchins, TX (3700 Lancaster Hutchins Rd.; 313.3 Acres)**



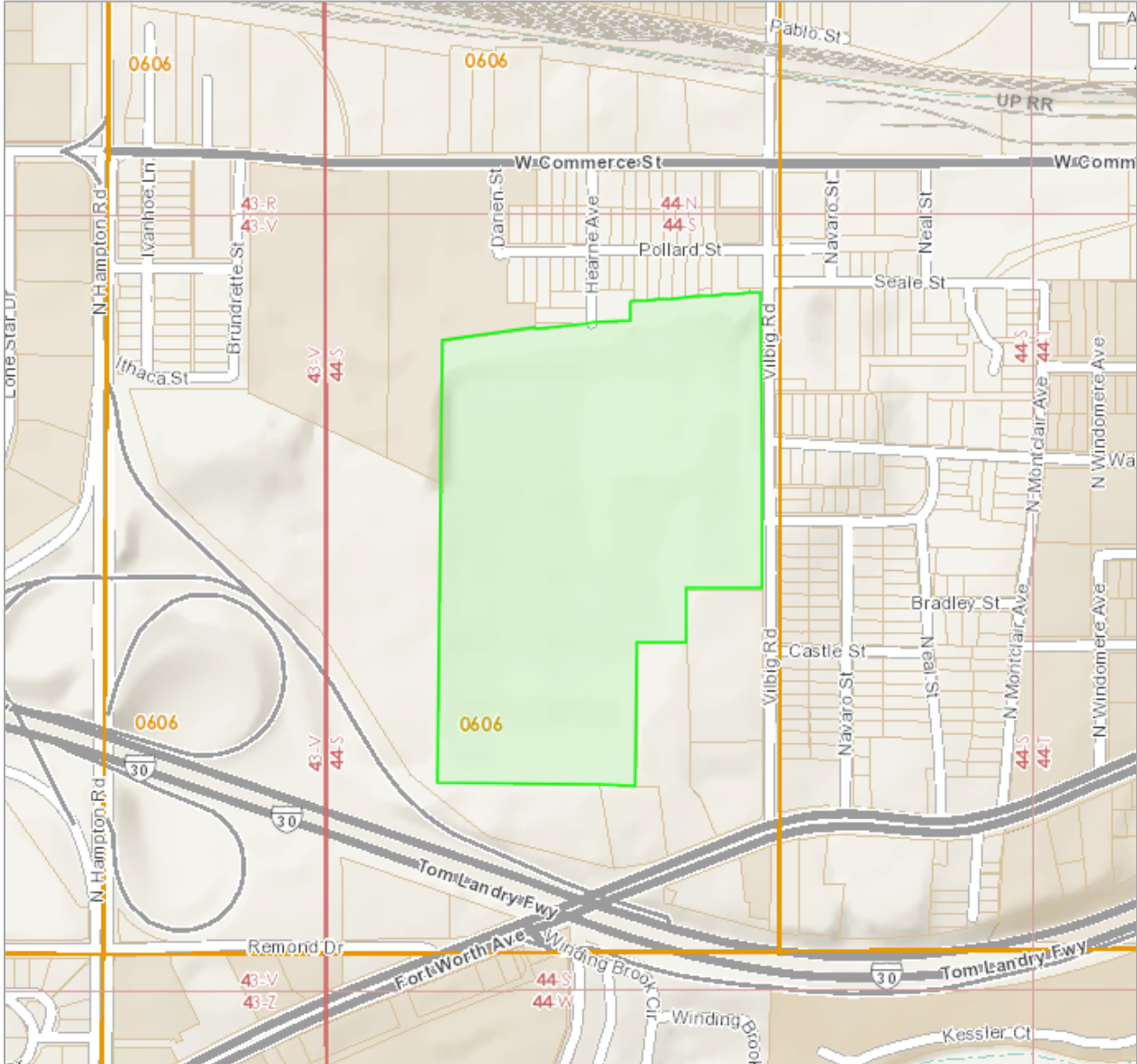
**Property 2. Dallas Executive Airport (5303 Challenger Dr.; 992.4 Acres)**



**Property 3. Canton St. Service Center (3204 Canton St.; 20.4 Acres; Multiple parcels)**



**Property 4. Vilbig Auto Pound (1675 Vilbig Rd.; 47.7 Acres)**



**Property 5. Oak Cliff Municipal Center (OCMC; 320 E. Jefferson Blvd.; 6.5 Acres; Multiple parcels)**





**Property 6. North Oak Cliff Library (302 W. 10<sup>th</sup> St.; 1.2 Acres)**



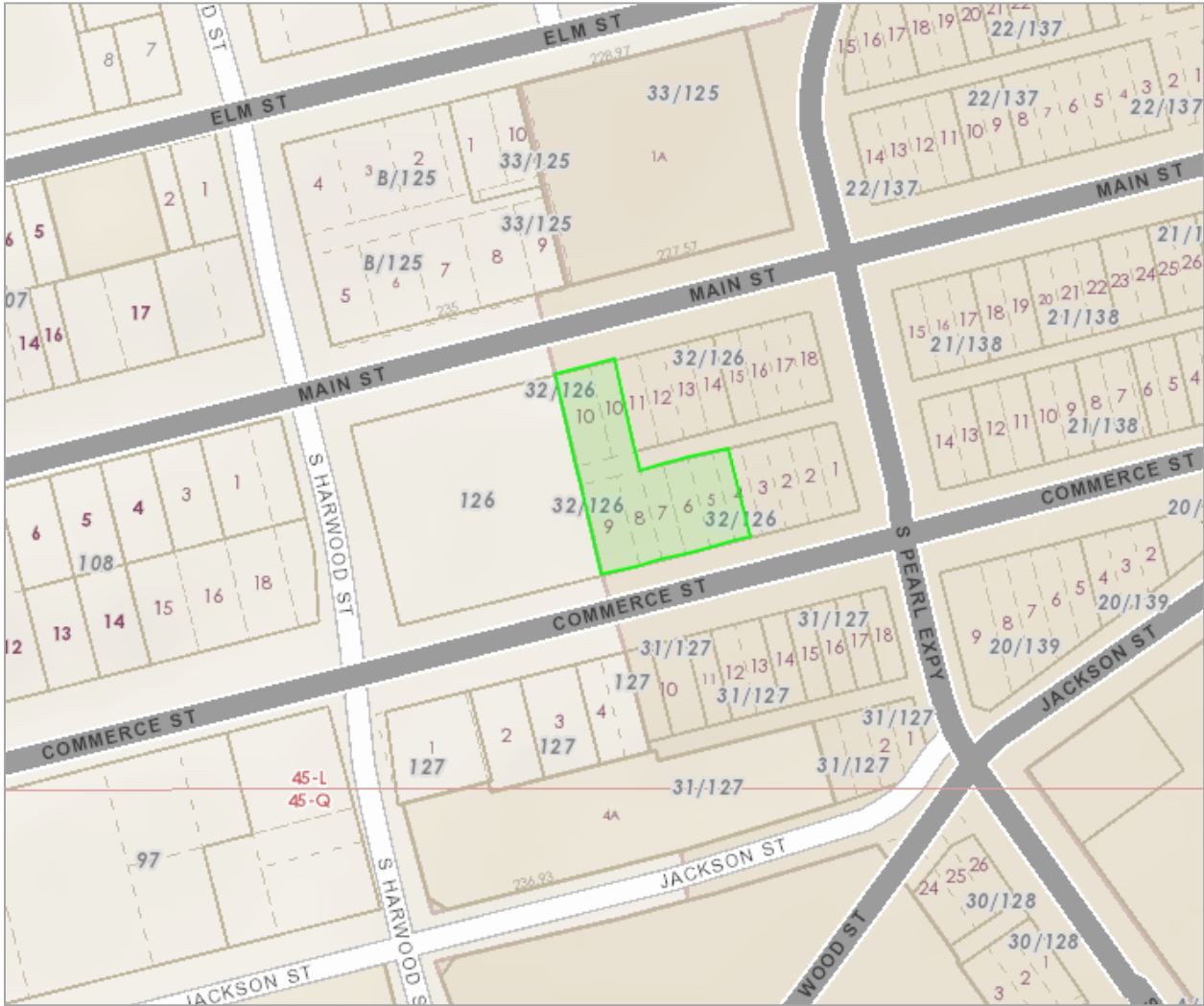
**Property 7. Park Forest Library (3421 Forest Ln.; 1.2 Acres)**



**Property 8. Family Gateway Building (1722 Marilla St.; 0.4 Acres)**



**Property 9. Downtown Courts Building, 5<sup>th</sup> Floor (2014 Main St.; 4,500 Sq. Ft., Includes multiple parcels)**



**Property 10. 606 S. Good Latimer (2.1 Acres)**

