



Dallas Park & Recreation

# **Downtown Dallas Priority Parks DEVELOPMENT AND FUNDING AGREEMENT**



**Park and Recreation Board  
April 19, 2018**

# Purpose

- Provide background information on the four (4) priority Downtown Parks
  - Carpenter Park
  - Harwood Park
  - Pacific Plaza
  - West End Plaza
- Present deal points for a Development and Funding Agreement with Pacific Plaza LLC, Harwood Park LLC, West End Plaza Park LLC, Carpenter Park, LLC and Parks for Downtown Dallas (PfDD) for the four (4) priority parks
  - Development Agreement previously approved by the Park Board and City Council for Pacific Plaza remains in place, unchanged by this Development and Funding Agreement
- Agreement tentatively scheduled for Park and Recreation Board consideration on May 3, 2018

# Background

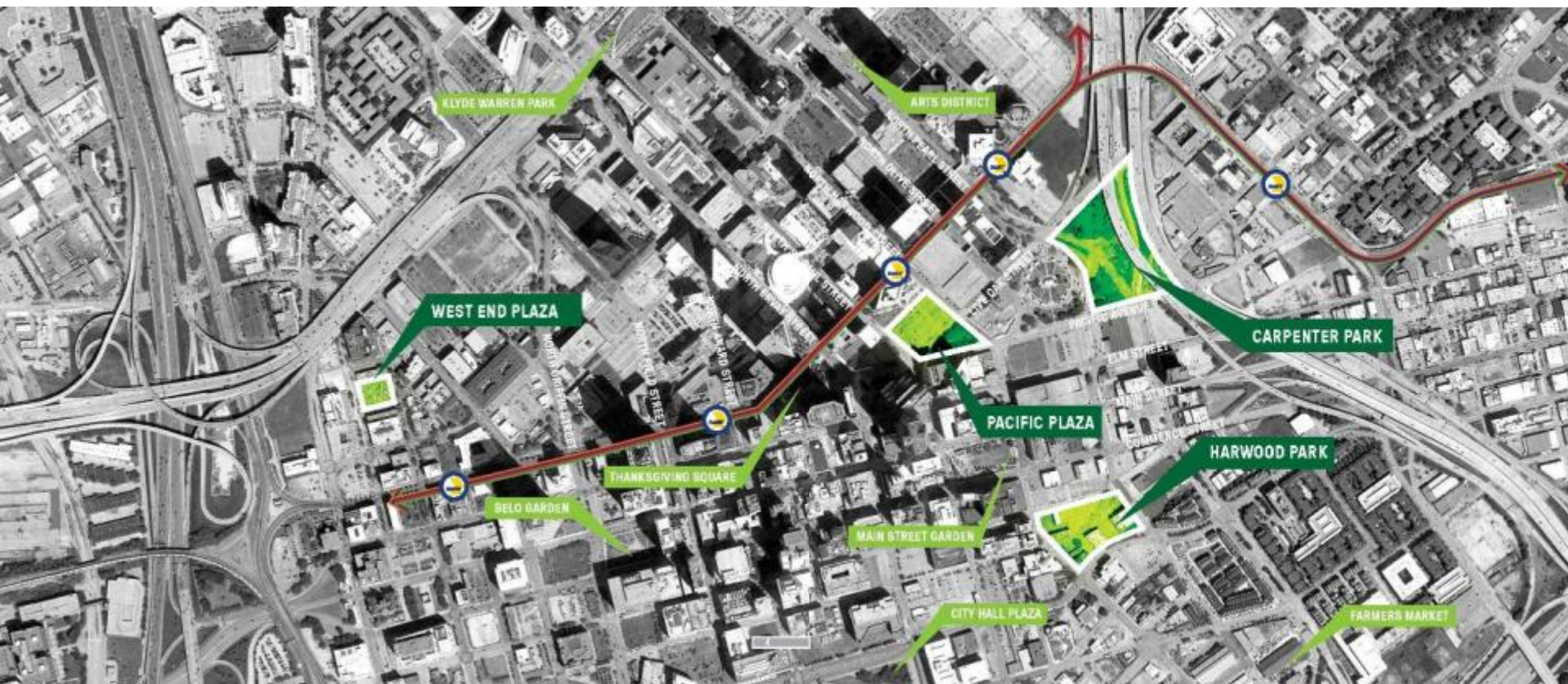
- Downtown Parks Master Plan unanimously approved by the Park Board and City Council in 2004
- Downtown Parks Master Plan Update unanimously approved by Park Board in 2013
- Four priority parks identified in 2013 Update:
  - Carpenter Park
  - Harwood Park
  - Pacific Plaza
  - West End Plaza

# Background - continued

- PfDD is investing up to \$45.1 million which, together with City funds of \$39.4 million, will develop the four priority parks
- Park Board and City Council previously approved Development Agreement for Pacific Plaza
  - PfDD is funding 100% of the design and construction costs for Pacific Plaza
  - Groundbreaking Ceremony - April 17, 2018

# Background - continued

Identified below in dark green are the four priority park sites in the 2013 Master Plan Update



# Carpenter Park Background

- 5.6 acre site
- City owns entire site; City and Carpenter Family built original park in 1979-81
- To date, PfDD funded:
  - Design Development by Hargreaves Associates (completed in 2017)
  - Removal and re-fabrication of “Portal Piece (Slice)” sculpture by Robert Irwin and the removal of the John W. Carpenter, Sr. statue by Robert Berks. Both pieces will be reinstalled
- Public input meetings held as part of design development process





# Harwood Park Background

- 3.8 acre site
- PfDD owns the site
  - A portion of Wood Street will be closed and incorporated into the park
- PfDD funded conceptual design by Ten Eyck Landscape Architects (completed in 2016)
- Public input meetings held as part of conceptual design process



# Harwood Park Background - continued

- City to purchase land owned by Parks for Downtown Dallas
  - PfDD will use the proceeds towards design and construction of the park
- Funds have been expended by PfDD for land acquisition, including due diligence, and design
- Developer entity is Harwood Park LLC, owned by Parks for Downtown Dallas

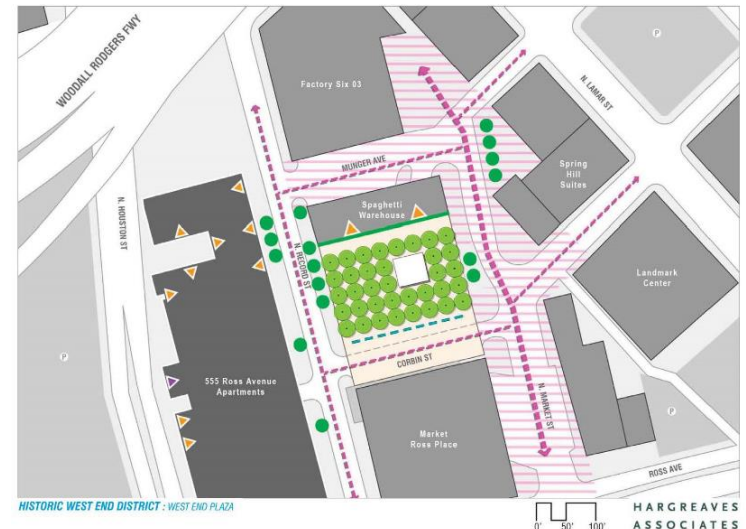


# West End Plaza Background

- 0.78 acre site
- PfDD owns entire site
- James Corner Field Operations recently engaged as landscape architect following a selection process prescribed by DPARD
- Public input meetings will be held as part of the design process

# West End Plaza Background - continued

- City to purchase site from Parks for Downtown Dallas
  - PfDD will use the proceeds towards construction of the park
- Funds have been expended by PfDD for land and due diligence
- Developer entity West End Plaza Park LLC, owned by Parks for Downtown Dallas



# Deal Points: Development and Funding Agreement



# Deal Points: Agreement

## Term

- Development Agreement commences on execution and terminates one year after completion of construction and issuance of final acceptance letter from City for each park

## Funding

- PfDD will fund the balance of its \$45.1 million commitment toward the development of the four priority parks
- City will fund \$35 million in proceeds from the 2017 bond program and \$4.4 million in proceeds from the 2006 bond program towards land acquisition and the development of these priority parks



# Deal Points: Agreement

## Funding - continued

- The \$35M in 2017 bond funds requires a \$35M match
  - The amount that PfDD has already spent on all four priority parks can apply towards the match funding requirement
- The 2006 Bond Funds are not subject to a match funding requirement
  - 2006 Bond Funds are designated for the purchase of the West End Plaza site
- Any proceeds City earns from parking and building rentals on the West End Plaza and Harwood properties, after the City's acquisition, may be used for the benefit of Harwood Park, Carpenter Park or West End Plaza



# Deal Points: Agreement

## Land Ownership

- The City owns Pacific Plaza and Carpenter Parks
- PfDD has acquired the properties for West End Plaza and Harwood Park
- City to purchase West End Plaza and Harwood Park properties from PfDD
  - West End Plaza: 2006 and 2017 Bond Funds
  - Harwood Park: 2017 Bond Funds
- City to purchase properties from PfDD for no greater than the amount that PfDD paid

# Deal Points: Agreement

## Design and Construction Responsibilities

- LLCs formed by PfDD will manage the design and construction of each park
  - Subject to the City Representative's review and approval
  - Park and Recreation Department Director (or Director's designee) to serve as City's representative for this agreement
- For City bond-funded costs, City will procure construction contracts in accordance with all applicable laws and assign said contracts, upon award, to PfDD to manage
  - For Carpenter Park, Harwood Park and West End Plaza, as an alternative, City can reimburse PfDD for up to 30% of the public improvement costs, in accordance with state law developer participation requirements

# Deal Points: Agreement - continued

## Design and Construction Responsibilities – continued

- Any contracts entered into by LLCs formed by PfDD related to agreements for design or construction of the parks, shall:
  - Comply with the City's Business Inclusion and Development Plan (BID Plan) to facilitate M/WBE participation
    - PfDD to provide reports to the City on their good faith efforts to comply with the BID Plan
  - Contain insurance provisions with limits acceptable to the City
  - Release, indemnify and hold the City harmless
  - Obligate the contractor or firm to comply with all applicable state, federal, and local laws

# Deal Points: Agreement - continued

## Design and Construction Responsibilities – continued

- City representative will review and approve design development and construction documents
- City representative has right to inspect construction
- After completion of construction and acceptance by the City representative, each park will be turned over to the City for maintenance and operation

# Deal Points: Agreement - continued

## Naming Rights

- PfDD reserves naming rights for Pacific Plaza, Harwood Park and West End Plaza, subject to Park and Recreation Board approval
  - A minimum of \$10 million to name Pacific Plaza or Harwood Park
  - A minimum of \$5 million to name West End Plaza
- Components of each park can be named subject to PfDD and Director approvals
- Naming rights proceeds will be used only for Downtown Parks
  - First for construction of the four priority parks and then for permanent endowments benefiting new or existing parks

# Deal Points: Agreement - continued

## Environmental

- Required environmental clean-up of the Pacific Plaza, Harwood Park and Carpenter Park sites, if needed, shall be the responsibility of the City, up to \$2M
  - Pacific Plaza agreement allowed for up to \$2M of City funds for environmental remediation for that Park
  - In this agreement, the balance of the \$2M in City funds approved for Pacific Plaza could be utilized for Harwood Park, Carpenter Park and West End Plaza for costs associated with environmental remediation and required Phase 2 reports
  - Typically the City is responsible for environmental remediation of their properties
- A Phase 1 Environmental Assessment of each of the sites has been completed



# Summary of Funding

## Projected Estimated Allocations as of April 19, 2018

(Summary Includes Land Acquisition Costs and

\$1 million Endowment Established by PfDD for Pacific Plaza)

	PfDD Funding to Date*		PfDD Funding Remaining	City Bond Funding
Carpenter Park	\$ 1,475,000		\$ 7,770,000	\$ 15,000,000
Harwood Park	\$ 11,215,000			\$ 15,800,000**
West End Plaza	\$ 8,600,000			\$ 8,600,000**
Pacific Plaza	\$ 2,540,000		\$ 13,500,000	
	\$ 23,830,000		\$ 21,270,000	\$ 39,400,000

\$45,100,000

\* Amounts provided by PfDD

\*\* Amounts for Harwood and West End include the estimated costs for the City's acquisition of land from PfDD. PfDD will use the land proceeds towards the development costs of the 3 parks: Carpenter, Harwood and West End Plaza

# Estimated Project Schedule

- Execute Development Agreement May 2018
- Finalize construction documents From January 2019 to July 2020
- City delivers building sites to Parks for Downtown Dallas LLCs No later than 24 months after effective date of Agreement
- Anticipated construction period From August 2019 to December 2022

# Next Steps

- Park and Recreation Board consideration of Development Agreement *May 3, 2018*
- Presentation to City Council Quality of Life Committee *May 7, 2018*
- City Council consideration of Agreement *May 23, 2018*
- Park and Recreation Board and Council consideration of land acquisition for West End Plaza and Harwood Park from PfDD *TBD - 2018*



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