Memorandum



2014 APR 17 AM 8: 40



DATE April 18, 2014

то Members of the Economic Development Committee; AS Rick Callahan, (Vice-Chair), Jerry R. Allen, Scott Griggs, Adam Medrano, Lee Kleinman

SUBJECT Economic Development Committee

Monday April 21, 2014, 9:00 – 10:30 a.m.

1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of April 7, 2014 Minutes of the Economic Development Committee

Executive Session
 Pursuant to §551.071 of TOMA
 D.R. Horton - Texas, Ltd. vs. The City of Dallas, Texas, Cause No. DC-14-00682

Chris Bowers, First Assistant City Attorney City Attorney's Office (Estimated time 20 minutes)

3. Streetscape Licenses

David Cossum, Interim Director Sustainable Development and Construction (Estimated time 20 minutes)

4. Digital Billboard Review

David Cossum, Interim Director Sustainable Development and Construction (Estimated time 20 minutes)

5. Upcoming Agenda Item

Southern Dallas Adaptive Reuse Pilot Program

Tennell Atkins, Chair

Economic Development Committee

C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa Rios, City Secretary
Warren M.S. Ernst, City Attorney
Judge Daniel Solis, Administrative Judge Municipal Court
Craig Kinton, City Auditor
Frank Librio, Public Information Officer
Ryan S. Evans, Interim 1st Assistant City Manager
Forest Turner, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Mgr.
Jeanne Chipperfield, CFO, OFS
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO & Mayor and Council

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

Economic Development Committee April 18, 2014 Page 2

A closed session may be held if the discussion on any of the above agenda Items concerns one of the following:

- 1. Contemplated or pending litigation, or matters where legal advice is requested to the City Attorney. Section 551.071 of the Texas Open Meetings Act.
- 2. The Purchase, exchange, lease or value of real property, it the deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
- 3. A contract for a prospective gift or donation to the City, if deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
- 4. Personnel matters involving appointments, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
- 5. The deployment or specific occasions for implementation of security personnel or device. Section 551.076 of the Texas Open Meetings Act.
- 6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meeting Act.

Economic Development Committee DRAFT

Meeting Record April 7, 2014

The Economic Development Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

Meeting Date: April 7, 2014 Meeting Start t	ime: <u>9:02 AM</u>			
Committee Members Present: Tennell Atkins Rick Callahan Jerry R. Allen Adam Medrano Lee Kleinman Scott Griggs Other Council Members Present: Carolyn R. Davis	Staff Present: Ryan Evans, Interim First Assistant City Manager, City Managers Office Karl Zavitkovsky, Director, Office of Economic Development Kevin Spath, Senior Coordinator, Office of Economic Development Jill Jordan, Assistant City Manager, City Managers Office			
Dwaine R. Caraway Philip T. Kingston	Other Presenters: Dorothy Hopkins, President, CEO, Frazier			
Sheffie Kadane	Revitalization, Inc. Andrea Hills, Project Manager, Frazier Revitalization, Inc.			
1. <u>Approval of March 6, 2014 Minutes of t</u> Presenter(s):	he Economic Development Committee			
Action Taken/Committee Recommendation Motion made by: Mr. Allen	n(s): Motion made to approve the minutes. Motion seconded by: Mr. Callahan			
Item passed unanimously: X	Item passed on a divided vote:			
Item failed unanimously: Follow-up (if necessary):	Item failed on a divided vote:			
2. Mall Area Redevelopment TIF District P	ronosal			
Presenter(s): Karl Zavitkovsky, Director, (
Action Taken/Committee Recommendation	on(s): Motion made to recommend item to full			
Motion made by: Mr. Kleinman	Motion seconded by: Mr. Callahan			
Item passed unanimously: X	Item passed on a divided vote:			
Item failed unanimously:	Item failed on a divided vote:			
Follow-up (if necessary):	.acptil _2240 = 10, 0.001 =			
3. <u>Statler/Library/Jackson Street Project Description</u> Presenter (s): Karl Zavitkovsky, Director,				
council for approval	tion(s): Motion made to recommend item to full			
Motion made by: Mr. Kleinman	Motion seconded by: Mr. Callahan			
Item passed unanimously: X	Item passed on a divided vote:			
Item failed unanimously:	Item failed on a divided vote:			
Follow-up (if necessary):				

4. <u>Hatcher Station Village Medical Cli</u> Presenter (s): Karl Zavitkovsky, Direc	tor, Office of Economic Development
Action Taken/Committee Recomme	endation(s): Motion made to recommend item to full
Motion made by: Mr. Kleinman	Motion seconded by: Mr. Callahan
Item passed unanimously: X	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:
5. Executive Session	
Presenter (s):	
Economic Development Committee Age	
Motion made by:	Motion seconded by:
Item passed unanimously:	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:
Follow-up (if necessary):	
6. Upcoming Item	
Two Ponders Retail Eateries	
Presenter(s): Karl Zavitkovsky, Dir	ector, Office of Economic Development
Action Taken/Committee Recommo	endation(s): Motion made to recommend item to full
Motion made by: Mr. Kleinman	Motion seconded by: Mr. Callahan
Item passed unanimously: X	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:
Follow-up (if necessary):	
Marty, Inc. d/b/a Friendly Food Mart	
	ector, Office of Economic Development
Action Taken/Committee Recomm Motion made by:	endation(s): No Action Taken Motion seconded by:
Item passed unanimously:	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:
• ———	lirected staff to formulate a southern Dallas Adaptive
	iew on 4/21/14 and Council consideration on

Authorize approval of Phase II SDFPA	AB Façade
Presenter(s): Karl Zavitkovsky, Dir	ector, Office of Economic Development
Action Taken/Committee Recommo	endation(s): Motion made to recommend item to full
Motion made by: Mr. Kleinman	Motion seconded by: Mr. Callahan
Item passed unanimously: X	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:
Follow-up (if necessary):	
Jefferson Towers Amendment	
Presenter(s): Karl Zavitkovsky, Dir	ector, Office of Economic Development
Action Taken/Committee Recomme	endation(s): Motion made to recommend item to full
Motion made by: Mr. Griggs	Motion seconded by: Mr. Kleinman
Item passed unanimously: X	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:
Follow-up (if necessary):	
Trinity Forest Golf Center (FYI Only)	
Presenter(s): Karl Zavitkovsky, Dir	ector, Office of Economic Development
Action Taken/Committee Recomm	endation(s): No Action Taken
Motion made by:	Motion seconded by:
Item passed unanimously:	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:
Follow-up (if necessary):	
Meeting Adjourned: 10:31 AM	
Approved By:	

Executive Session

Pursuant to §551.071 of TOMA

-D.R. Horton – Texas, Ltd. Vs. The City of Dallas, Texas, Cause No. DC-14-00682

Memorandum



CITY OF DALLAS

Date: April 18, 2014

To: Honorable Members of the Economic Development Committee: Mayor Pro Tem

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

Kleinman and Adam Medrano

Subject: Streetscape Licenses

On Monday, April 21, you will be briefed on potential revisions to Streetscape Licenses. This item has been previously briefed to the Quality of Life Committee in June and November of 2013 which recommended approval of the revisions to reduce license fees. The item was placed on the January 22, 2015 City Council meeting where it was referred to the Economic Development Committee. A copy of the briefing is attached. Please contact David Cossum at 670-4127 should you have any questions or need additional information.

Theresa O'Donnell

Interim Assistant City Manager

cc: Honorable Mayor and Members of the City Council

A.C. Gonzalez, City Manager Warren M.S. Ernst, City Attorney Rosa A. Rios, City Secretary Craig D. Kinton, City Auditor

Judge Daniel F. Solis, Administrative Judge

Ryan S. Evans, Interim First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager Forest E. Turner, Assistant City Manager Joey Zapata, Assistant City Manager

Charles M. Cato, Interim Assistant City Manager Jeanne Chipperfield, Chief Financial Officer Shawn Williams, Interim Public Information Officer

David Cossum, Interim Director Sustainable Development and Construction

Rick Galceran, Director, Public Works

Elsa Cantu, Assistant to the City Manager - Mayor and Council

Streetscape Licenses

Economic Development Committee April 21, 2014



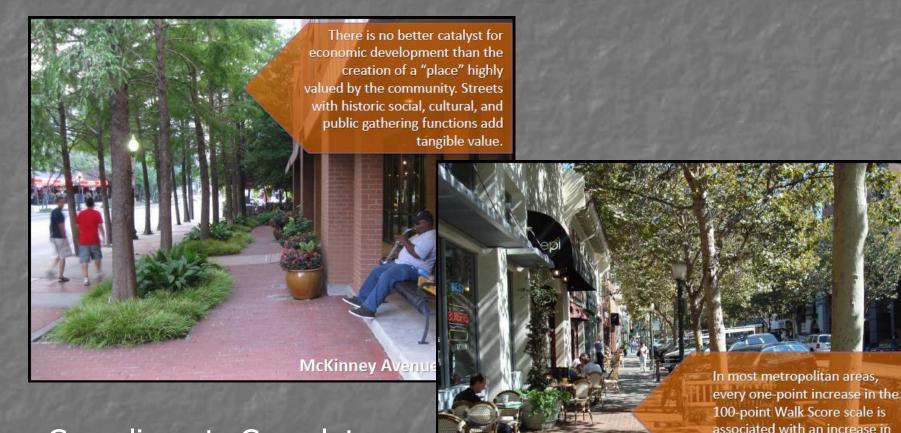


Purpose

- Follow-up to Council meeting January 22, 2014
 - Quality of Life reviewed proposal in June and November 2013
 - Committee requested staff to move forward with reduced fee options
 - Encourage increased use of street amenities
 - Encourage economic development
 - City Council requested another briefing to Economic Development Committee



Why Accommodate Use of Right-of-Way?



Compliments Complete Streets Vision



home value of \$500 - \$3,000

Examples













- Home rule cities hold the right-of-way (ROW) in trust for the public
 - Public has the right of free and full use/ passage
 - City may or may not own underlying fee title



- Licenses best fit the type of "rights" that can be granted in the right-of-way
 - Right to use; not an interest in land
 - Terminable
 - Non-exclusive
 - Not assignable without consent



- State statute (Texas Transportation Code Section 316.001 et seq) provides that:
 - Governing body of city may permit use of ROW
 - For decorative landscaping, sidewalk cafés, ornamental features and street amenities (like benches, water fountains, bus shelters, planters)
 - To abutting owner of underlying fee title or tenant with permission to use



- State statute provides that Governing body must find that:
 - Encroachment into roadway or part of sidewalk is not needed for pedestrian use;
 - Encroachment will not create a hazardous condition or obstruct travel;
 - Design and location of encroachment includes reasonable planning to minimize potential injury and interference.



- Dallas City Charter and Article VI, Sec. 43 of the Code require license:
 - Be granted by Council ordinance
 - To abutting property owners
 - Not be inconsistent with or unreasonably impair public use
 - City retaining right to terminate as necessary



- Enables staff to perform due diligence required by State and City statutes
 - Confirms grant to appropriate party
 - Location and coordination with other uses in ROW (especially utilities)
 - Insurance protection of public & City
 - Indemnification and defense of City
 - Confirm no hazards, interference, obstructions, etc.
 - Removal from and restoration of ROW upon termination



Current Process

- Applicant submits request along with:
 - \$750 non-refundable application fee
 - Field notes describing licensed area and a measured drawing showing proposed use
 - Deed showing ownership, or tenant lease
 - Written concurrence of abutting owners

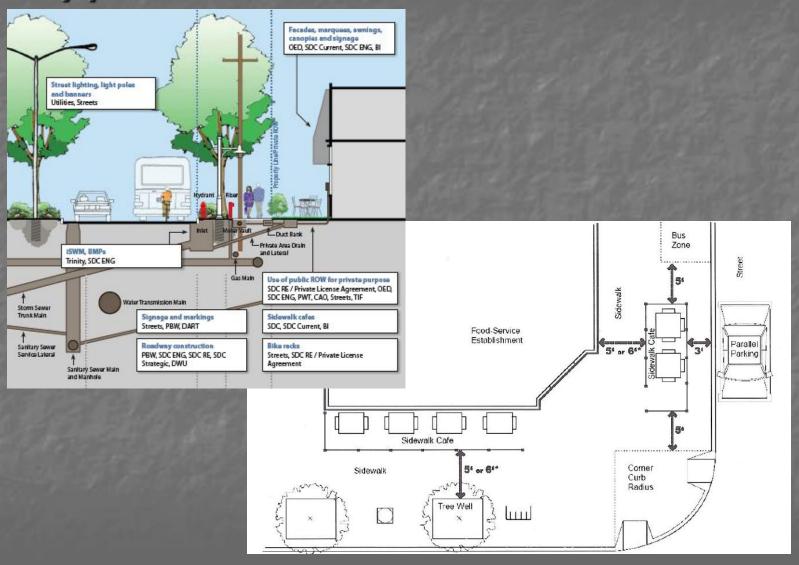


Current Process

- City routes request to departments and outside agencies / utilities for review and approval
 - Any concerns must be addressed by applicant
 - If concerns cannot be resolved, license does not progress
- License fee determined through formula based on assessed value or one-time fee
- Request submitted to City Council for authorization by ordinance



Typical Review Considerations



Key Concerns



Accessibility and sidewalk clearance



Key Concerns



Some design elements could diminish visual attributes of the public realm

Durability

Detectability for Visually Impaired



Why Fees are Charged

- Texas Constitution prohibits gifts of public funds exclusively for private benefit
 - There must be a definite public benefit to City articulated



Why Fees are Charged

- Fees pay for staff time and resources spent discussing requests with applicants, viewing details of proposed sites in the field, reviewing field notes and designs to ensure compliance, drafting legal documents and preparing agenda items for City Council consideration
- Based on existing workload and fees, annual license revenue into General Fund currently funds these FTEs at \$230,000



Three Fee Approaches:

- Market-Based past model
 - Until 2007, calculation based on assessed value
 - State law allows municipalities to receive market value (more than cost recovery)
- Partial Cost-Recovery current model
 - In 2009, reduced fees based on pilot program
 - FY 13-14 Fee Study to include Real Estate license fees
- Public Subsidy model under consideration
 - QOL Committee direction from June 2013
 - Encourage public amenities and Complete Street goals while meeting regulatory requirements



QOL Committee Direction: Café Sliding Scale; \$250 for One-Time Fees

	4 300	Assumes Equal Requests for Café Sizes			5-1233	1 1/2/1/4
	One-Time Streetscape License Fee: \$250	ANNUAL Sidewalk Café Max. 3 Tables and 6 Chairs \$300	ANNUAL Sidewalk Café Max. 6 Tables And 12 Chairs \$600	ANNUAL Sidewalk Café 7+ Tables and 13+ Chairs \$1,000	Potential Combined One-Year Revenue Cafes & One-time (Rounded)	Annual Projected Streetscape Revenue
Based on Current Volume:	\$15,000 (59 streetscape elements)	\$22,800 36 total cafes (12 of each size café)			\$39,000	\$201,000
Projecting a 25% Increase:	\$21,000 (74 streetscape elements)	\$28,500 45 total cafes (15 of each size café)			\$50,000	\$212,000



Budget Implications Assuming 25% Increase in Applications

- Reduced fees with 25% increase in applications have potential to result in:
 - Revenue reduction
 - Current streetscape revenue: \$315,000
 - Potential revenue with reduced fees and sliding scale for sidewalk cafés: \$212,000
 - Reduction in annual revenue of \$103,000
 - Increased workload
 - May have staffing and associated cost implications to the General Fund in addition to any lost revenue



Quality of Life Committee Recommendation

- Revise City Code to allow two-year trial period of the following:
 - One-time license fees of \$250 (vs. \$1,000)
 - Sidewalk café fees to a sliding scale based on number of tables / chairs of \$300 to \$1,000 (vs. formula determination based on square feet and appraised value, up to a maximum of \$2,500)



Next Steps

- Establish and implement Sidewalk Café Design Standards
 - Ensure accessibility and conformance with ADA
 - Ensure adequate sidewalk clearance for pedestrian traffic volumes at a particular location
 - Minimize conflicts with other uses of the right-of-way (i.e. bus shelters)
 - Ensure design that enhances streetscape
 - Ensure durability of proposed improvements



Next Steps

- Survey all existing sidewalk cafes and determine which:
 - Are illegal and need to be licensed or terminated
 - Meet design requirements
 - Do not meet requirements and need to be brought into conformance
- Monitor impact of trial period on revenues and expenditures for upcoming budget year

Council Action Required

Approval of amendments to Chapter 43 of the City Code to implement proposed license fees



Memorandum



CITY OF DALLAS

Date: April 18, 2014

To: Honorable Members of the Economic Development Committee: Mayor Pro Tem

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

Kleinman and Adam Medrano

Subject: Digital Billboard Review

On Monday, April 21st, you will be briefed on the status of the digital billboard ordinance passed by City Council on June 8, 2011. The ordinance will sunset on August 1st 2014 but the ordinance includes a provision that City Council will review the digital billboard provisions prior to that date. A copy of the briefing is attached. Please contact David Cossum at 670-4127 should you have any questions or need additional information.

Theresa O'Donnell

Interim Assistant City Manager

cc: Honorable Mayor and Members of the City Council

A.C. Gonzalez, City Manager

Warren M.S. Ernst, City Attorney

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David Cossum, Interim Director Sustainable Development and Construction

Rick Galceran, Director, Public Works

Elsa Cantu, Assistant to the City Manager – Mayor and Council

Digital Billboard Review

City Council
Economic Development Committee
April 21, 2014





Purpose

- The purpose of this briefing is to:
 - Update City Council on the number of signs that have been converted to digital display technology and the resulting number of signs removed to allow for the conversion based on the code amendment adopted on June 8, 2011 which will sunset on August 1, 2014.
 - Receive guidance from the Committee as to whether the existing provisions should be extended, and if any amendments to the provisions should be considered.



- On June 8, 2011, City Council approved a code amendment to allow certain billboards on freeways to convert to digital technology.
- The code amendment included a provision that the regulations allowing digital conversion would expire on August 1, 2014.
- The ordinance required that for every 1 square foot of billboard converted to digital technology 3 square feet of static billboard had to be removed elsewhere.
- The ordinance capped the number of locations that could include a digital sign at 50 locations (if a two-sided sign existed at a location, both signs may be able to be converted to digital and count as one location)



- Other ordinance provisions included:
 - Displays must automatically adjust sign brightness dependent upon ambient light conditions
 - Messages must be displayed for a minimum of 8 seconds and the message change must be accomplished in 2 seconds
 - Change of message must occur simultaneously on the entire sign face
 - No flashing, dimming or brightening of message is permitted except to accommodate the change of message
 - City may require emergency information to be displayed



- Other ordinance provisions related to location included:
 - Digital display signs must be located on an expressway
 - Signs cannot be located within 300 feet of a lot in a residential zoning district
 - Signs cannot be located within 500 feet of an historic district
 - Signs cannot be located within 2,000 feet of the Trinity
 River or within 500 feet of the escarpment zone.
 - Digital display signs must be located a minimum of 1,500 feet from another digital display sign oriented to the same traffic direction (2,000 feet if the location has back to back digital displays)



- Permit status to date:
 - All 50 location permits have been issued
 - 44 locations have been converted to include digital faces
 - 451 sign structures have been removed with 859 sign faces
 - The majority of sign faces removed were smaller signs on local arterials



Issues

- If the digital provisions sunset and are not renewed, existing digital signs will remain as non-conforming signs.
- Non-conforming signs are signs that were legally erected pursuant to a valid permit and may remain and be maintained at their current location.
- Non-conforming signs may not be repaired if the cost of repair is more than 60 percent of the cost of erecting a new sign of the same type at the same location.



Issues

- Most of the concerns expressed to the department to date have been related to the brightness of signs in conditions other than daylight.
- Some concerns have also been received relative to the message change and how that brings attention to a digital display to a greater degree than a static message had previously

Possible Additional Considerations

- Adjust brightness standards
- Allow digital conversion with reduced sign area exchange for billboard relocations due to rightof-way acquisition (would not move the sign, just convert an existing sign to digital).



Next Steps

- Receive direction from the committee and proceed as instructed.
- Continue to monitor regulatory best practices



Memorandum



DATE April 18, 2014

Members of the Economic Development Committee:
Tennell Atkins (Chair), Rick Callahan (Vice Chair), Adam Medrano, Scott Griggs
Lee Kleinman, Jerry R. Allen

SUBJECT Southern Dallas Adaptive Reuse Pilot Program; April 23, 2014 Council Agenda

BACKGROUND

On April 23, 2014, City Council will be asked to consider authorizing the Southern Dallas Adaptive Reuse Pilot Program.

This item is being placed on the Addendum based on the April 7, 2014 Economic Development Committee direction to formulate a southern Dallas Adaptive Reuse Pilot Program for Council consideration on April 23, 2014

Adaptive reuse is the practice of repurposing underutilized buildings to support better use as an alternative to demolition, vacancy or undesirable use. There are many existing occupied and vacant small buildings in southern Dallas that have fallen into disrepair and become an eyesore to the community. Many are boarded up and/or have code violations. There are opportunities to transform this existing building stock to better serve needs of the community while removing urban blight. This program will be designed to support small building owner/business operator businesses in southern Dallas and is intended to be a pilot for one year or until funding is depleted. There are established parameters and guidelines for eligibility and use. (Program Statement - Attachment A)

Area TOD plans funded by the \$2.255 million HUD Sustainable Communities Challenge Grant received by the City identified the adaptive reuse of unused and/or underutilized small commercial buildings as a crucial strategy to upgrade unsightly deteriorating structures and bring amenities to underserved neighborhoods, without the need for large-scale redevelopment. The five Dallas TOD plans funded by the grant were adopted by Dallas City Council in April 2013.

The adaptive reuse of existing buildings contributes to economic vitality, aesthetic appeal and a more vibrant community.

Public Private Partnership funding for the program in an amount not to exceed \$150,000 will be awarded on a project by project basis via Administrative Actions approved by the City Manager in accordance with program criteria and eligibility and a Grant Agreement securing the obligation of the Grantee.

Southern Dallas Adaptive Reuse Pilot Program April 18, 2014 Page 2

MAP

Attached

RECOMMENDATION

Staff recommends approval of the subject item.

Should you have any questions or concerns, please contact me at (214) 670-3296.

Ryan S. Evans

Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council

A.C. Gonzalez, City Manager

Warren M. S. Ernst, City Attorney

Judge Daniel F. Solis, Administrative Judge

Rosa A. Rios, City Secretary

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Shawn Williams, Interim, Public Information Officer

Karl Zavitkovsky, Director, Office of Economic Development

J. Hammond Perot, Assistant Director, Office of Economic Development

Lee McKinney, Assistant Director, Office of Economic Development Elsa Cantu, Assistant to the City Manager – Mayor and Council

ATTACHMENT A

Southern Dallas Adaptive Reuse Pilot Program Statement

Award Adaptive Reuse Pilot Program (Adaptive Reuse Program) building improvement grants up to \$30,000 from Public/Private Partnership funds to eligible commercial building owners who are business operators in the building being improved to repurpose underutilized buildings in southern Dallas to support new and/or expanded uses as an alternative to demolition, vacancy and/or undesirable uses.

- The Office of Economic Development (OED) will manage the Adaptive Reuse Program on behalf of the City of Dallas. The OED will:
- Post the Program on the City's Web Site
- Screen grant applicants for eligibility
- Award improvement grants up to \$30,000 per business, and execute grant agreements with the approved grant applicant
- Conduct applicable environmental reviews for each approved property/business assisted
- Conduct improvement site visits and coordinate code inspections
- Process payments upon completion of work and verification of code compliance
- · Maintain all relevant project documentation

Eligibility and Criteria

- Program period one (1)year from Council approval or depletion of funds, whichever is first
- Maximum Grant amount \$30,000 approved by Administrative Action
- Minimum project investment \$250,000(acquisition and/or improvement)
- Documented validation of investment
- · Grant recipient must be building owner, repurposing the building
- Recipient must utilize 51% of building for owner business operation
- Building must be located in southern Dallas (south of the trinity River and south of I 30 from downtown to the Dallas east boundary)
- Maximum building size 10,000 square feet
- Written Estimate of cost for work to be funded by grant
- Payment of Grant proceeds made to Grantee with Invoice for payment and approval from Code Compliance of work satisfactorily completed
- ECO to verify funds availability to Contractor prior to work starting
- Prohibited uses per Grant Agreement

