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CITY SECRETARY  
DALLAS, TEXAS



CITY OF DALLAS

## Memorandum

DATE August 15, 2014

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

SUBJECT **Economic Development Committee**  
**Monday August 18, 2014, 9:00 – 10:30 a.m.**  
**1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201**

### AGENDA

1. Approval of August 4, 2014 Minutes of the Economic Development Committee
2. Dallas Public Improvement Districts (PIDs):  
Overview and Update  
Karl Zavitkovsky, Director  
Office of Economic Development  
**(Estimated time 20 minutes)**
3. Deep Ellum TIF District Plan Amendment  
Karl Zavitkovsky, Director  
Office of Economic Development  
**(Estimated time 20 minutes)**
4. Desoto Boundary Adjustment and  
ETJ Waiver Proposal  
David Cossum, Director  
Sustainable Development and Construction  
**(Estimated time 20 minutes)**
5. Upcoming agenda items:
  - Amendment to the Vickery Meadow TIF District Plan
  - Sports Arena TIF District: UST South parking Garage Development Agreement Amendment
  - Amendment to Loan Agreement For GBG BDM, LLC (Belinda Marsaw, DDS - Dental Delite Project)
  - Stoneridge Distribution Center

  
Tennell Atkins, Chair  
Economic Development Committee

C: The Honorable Mayor and Members of the City Council

A.C. Gonzalez, City Mgr.	Daniel Solis, Administrative Judge
Craig D. Kinton, City Auditor	Jeanne Chipperfield, Chief Financial Officer
Rosa A. Rios, City Secretary	Karl Zavitkovsky, Director, OED
Jill A. Jordan, P.E., Assistant City Mgr.	Shawn Williams, (I) Public Information Officer
Joey Zapata, Assistant City Mgr.	J. Hammond Perot, Assistant Director, OED
Charles M. Cato, (I) Assistant City Mgr.	Ryan S. Evans, 1st Assistant City Manager
Warren M.S. Ernst, City Attorney	Elsa Cantu, Asst. to CM - Mayor, and Council
Theresa O'Donnell, (I) Assistant City Mgr.	Forest E. Turner, Assistant City Mgr.

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

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, if 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 August 4, 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:** August 4, 2014      **Meeting Start time:** 9:13 AM

**Committee Members Present:**

Tennell Atkins  
Rick Callahan  
Jerry R. Allen  
Adam Medrano  
Scott Griggs

**Other Council Members Present:**

**Staff Present:**

Ryan Evans, Interim First Assistant City Manager, City Managers Office  
Karl Zavitkovsky, Director, Office of Economic Development  
J Hammond Perot, Assistant Director, Office of Economic Development  
Karl Stundins Manager, Office of Economic Development

**Other Presenters:**

Audra Buckley, Land Planner/Project Manager, Permitted Development  
Mark Miller, CFO, Active Network, LLC-Lanyon  
Jeff Lambert, CLO, Active Network, LLC-Lanyon  
John K. Graham, CEO, Omnitrac, LLC

**1. Approval of June 16, 2014 Minutes of the Economic Development Committee**

**Presenter(s):**

**Action Taken/Committee Recommendation(s):** Motion made to approve the minutes.

**Motion made by:** Mr. Allen

**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):**

**2. Cedar Branch Townhouse and Bridge Project Southwestern Medical TIF District**

**Presenter(s):** Karl Zavitkovsky, Director, Office of Economic Development

**Action Taken/Committee Recommendation(s):** Motion made to recommend item to full council for approval

**Motion made by:** Mr. Medrano

**Motion seconded by:** Mr. Griggs

Item passed unanimously:  X

Item passed on a divided vote:      

Item failed unanimously:      

Item failed on a divided vote:      

**Follow-up (if necessary):**

**3. Upcoming Items**

**Active Network, LLC-Lanyon**

**Presenter(s): J Hammond Perot, Assistant Director, Office of Economic Development**

**Action Taken/Committee Recommendation(s):** Motion made to recommend item to full council for approval

**Motion made by:** Mr. Allen

**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):**

**Omnitracs, LLC**

**Presenter(s): J. Hammond, Assistant Director Office of Economic Development**

**Action Taken/Committee Recommendation(s):** No Action Taken

**Motion made by:** Mr. Allen

**Motion seconded by:** Mr. Griggs

Item passed unanimously:  \_\_\_\_\_

Item passed on a divided vote:  \_\_\_\_\_

Item failed unanimously:  \_\_\_\_\_

Item failed on a divided vote:  \_\_\_\_\_

**Follow-up (if necessary):**

**Mid Elm Lofts (City Center TIF District) RRAEF Holdings (MID Elm), LLC**

**Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development**

**Action Taken/Committee Recommendation(s):** Motion made to recommend item to full council for approval

**Motion made by:** Mr. Griggs

**Motion seconded by:** Mr. Allen

Item passed unanimously:  X

Item passed on a divided vote:  \_\_\_\_\_

Item failed unanimously:  \_\_\_\_\_

Item failed on a divided vote:  \_\_\_\_\_

**Follow-up (if necessary):**

**Meeting Adjourned: 10:22 AM**

**Approved By: \_\_\_\_\_**



# Memorandum



DATE August 15, 2014

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

SUBJECT **Dallas Public Improvement Districts (PIDs): Overview and Update**

On Monday, August 18, 2014, the Economic Development Committee will be briefed on the Dallas Public Improvement Districts (PIDs) – Overview and Update.

Briefing material is attached.

Should you have any questions, please contact me at (214) 671-9837.



Ryan S. Evans  
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzales, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
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Theresa O'Donnell, (I) Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Shawn Williams, (I) Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council  
J. Hammond Perot, Assistant Director, OED  
Karl Zavitkovsky, Director, OED

# Dallas Public Improvement Districts (PIDs) Overview and Update

Economic Development Committee  
August 18, 2014

# Dallas PID Overview - Purpose

- Review PID governance, operating parameters, management and reporting
- Provide the Economic Development Committee with brief overview of the 12 PIDs including:
  - 2014 Assessment Rates; and
  - Review of updated PID 2014/2015 Service Plans
- Request Economic Development Committee approval of 2014 Assessment Rate and 2014/2015 Service Plans for twelve PIDs

# Dallas PID Overview – Current PIDs

- Dallas Downtown Improvement District
- Deep Ellum Public Improvement District
- Klyde Warren Park/Dallas Arts District Public Improvement District
- Knox Street Public Improvement District
- Lake Highlands Public Improvement District
- Oak Lawn-Hi Line Public Improvement District
- Prestonwood Public Improvement District
- South Side Public Improvement District
- Tourism Public Improvement District
- University Crossing Public Improvement District
- Uptown Public Improvement District
- Vickery Meadow Public Improvement District

# Dallas PID Policy – Governance

- PIDs governed by state law and the City of Dallas PID Policy (originally adopted in December 2005 and last amended on October 23, 2013)
- Individual PIDs governed by property owner elected boards and managed by a specifically formed non-profit organization or homeowners' association
- State law requires that City Council annually to:
  - Adopt updated PID Service Plan,
  - Hold a public hearing to give property owners a chance to state concerns/positive comments about PID operations, and
  - Set annual PID assessment rate for each district

# Dallas PID Policy – Governance (cont.)

- Special Purpose PIDs may be requested by the City Manager's Office to address unique issues, subject to state law requirements
  - These Special Purpose PIDs are allowed to fund any item allowable under state law
  - May be used for special facilities, such as parking garages
- The maximum PID assessment is \$0.15/\$100 valuation
- PID administrative expenses are limited by policy

# Dallas PID Policy – Boundaries

- With the exception of the Klyde Warren Park/Dallas Arts District and Tourism PIDs, no future PIDs will be allowed to be created that overlap the boundaries of another Dallas PID
- Boundaries of existing PIDs can ONLY be modified as part of a renewal process
- An existing PID may petition the City to be dissolved and re-created with a new boundary subject to petition requirements and approval by City Council (\$15,000 application fee required to cover City costs for review)
- The boundary of the Tourism PID includes all hotels located in Dallas that contain 100 or more rooms at the time of creation. Hotels that drop below the 100 room level will be removed from the Tourism PID assessment rolls. New hotels may only be added as part of renewal process

# Dallas PID Policy – Creation/Operating Parameters

- To create a PID, property owners petition City to authorize special assessments on all property located within defined PID boundaries to improve services and infrastructure
- In new and renewing PIDs, the City requires signed petitions of support from:
  - Owners representing at least 60% of the value; **AND**
  - Owners representing at least 60% of land area **OR** 60% of all record Owners
- There is a higher requirement in Single-Family PIDs,
  - Owners representing at least 66.7% of the value; **AND**
  - Owners representing at least 66.7% of land area **OR** 66.7% of all record Owners



# Dallas PID Policy – Creation/Operating Parameters (cont.)

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- In Dallas, PIDs are authorized for a period of up to seven (7) years with the option of renewal
- The renewal process requires preparing a budget, service plan and assessment plan for the district and petitioning property owner concerning the renewal
- A PID application for creating or renewing a PID shall include a section that clearly identifies the benefit of the PID to the affected property owners and to the city as a whole, an assessment plan, and also evidence of insurance
- PID applications include a map and a legal or clear description of the property included in the District

# Dallas PID Policy – Creation/Operating Parameters (cont.)

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- PIDs are required to be self-sufficient and not adversely impact ordinary service delivery of the City
- PIDs in Dallas will be allowed to fund any item provided by state law
- Most of the PIDs are in mixed-use districts but the PID policy allows for the establishment of PIDs in residential districts like Prestonwood
- The PID Policy does NOT allow the creation of PID Districts in undeveloped subdivisions

# Dallas PID Policy – Creation/Operating Parameters (cont.)

- With the exception of the Tourism PID, PID assessments will be based on a set rate applied to total property value. The maximum PID assessment in Dallas shall be \$0.15 per \$100 valuation
- The assessment rate for the Tourism PID is unique – it is based on 2% of hotel room nights sold
- PID petitions for new or renewing districts will be due on April 1st annually for approval by October 1st. Signatures for PID petitions must be gathered between October 1 and April 1 prior to the submission of the petition

# Dallas PID Policy – Creation/Operating Parameters (cont.)

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- Administrative expenses, including costs for day to day City Staff administration, for a PID are limited to 15% of the total budget in any year
- A PID Service Plan shall contain procedures for the termination of the PID without imposing unintended costs on the City of Dallas.
- A PID cannot be dissolved without a petition from property owners and must be sufficient as for creation or renewal in accordance with Chapter 372, Section 372.005(b).

# Dallas PID Policy

## Management and Reporting

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All PID management entities are required to:

- Submit quarterly reports on activities and expenditures
- Have an independent audit annually
- Hold an annual open meeting with at least two weeks prior notice to all property owners for input on the service plan (budget)
- Allow City representatives to attend regular board meetings

# Dallas PID Policy – City Staff PID Oversight Cost

## **City Staff's PID oversight cost will be charged to the PIDs**

- Costs related to the annual Assessment Rate and Service Plan approval process:
  - Public hearing notice printing, stuffing, postage and mailing to the property owners in the PID.
  - Staff time for City Council items preparation
  - Public hearing notice publication cost in the Dallas Morning News. For example, in 2013, the publication cost for each PID was \$1,492 (subject to change).
  - Chapter 372.016, section b and c: The assessment notice must be published in a newspaper of general circulation before the 10th day of the public hearing and mailed to the property owners
- Cost of PID oversight (including City staff time for attending meetings, reviewing reports, preparing tax rolls, etc.)

This allows the PID monitoring process to be budget neutral for the City.

# Dallas PID Policy – City Staff PID Oversight Cost (cont.)

## PID oversight cost (staff time, publication cost etc.):

- DID \$20,877
- Deep Ellum PID \$14,147
- Klyde Warren \$18,071
- Knox Street \$4,551
- Lake Highland \$6,174
- Oak Lawn \$4,711
- Prestonwood \$6,101
- Southside \$6,557
- University Crossing \$12,699
- Uptown \$9,731
- Vickery Meadow \$8,380

PIDs	Dallas Morning News publication cost	Estimated City staff administrative expenses October 1, 2012 to September 30, 2013	Accounts	Mailing cost	Total estimated cost (October 1, 2012 to September 30, 2013 )
DID	\$6,442	\$12,737	1,908	\$1,698	\$20,877
Deep Ellum PID	\$6,442	\$7,082	700	\$623	\$14,147
Klyde Warren	\$6,442	\$11,207	474	\$422	\$18,071
Knox	\$1,492	\$3,007	59	\$53	\$4,551
Lake Highland	\$1,492	\$3,819	970	\$863	\$6,174
Oak Lawn	\$1,492	\$3,178	46	\$41	\$4,711
Prestonwood	\$1,492	\$3,690	1,032	\$918	\$6,101
Southside	\$1,492	\$4,947	134	\$118	\$6,557
University Crossing	\$6,442	\$6,034	251	\$223	\$12,699
Uptown	\$1,492	\$6,287	2,193	\$1,952	\$9,731
Vickery Meadow	\$1,492	\$4,747	2,406	\$2,141	\$8,380
					\$93,929

Note: Deep Ellum PID, DID, University Crossing PID and Klyde Warren PID will receive an invoice/reimbursement after deducting \$15,000 renewal/creation fee.

# Dallas PID Overview – Valuation/Assessment Rates

- Property value changes in the PID districts varied from last year.
- Property values in all the PIDs has increased over last year.

PID Name	% Change in property valuation
DID	9.3%
Deep Ellum PID	4.6%
Klyde Warren Park /DAD	*New boundary
Knox Street PID	23.2%
Lake Highlands PID	13.4%
Oak Lawn-Hi Line PID	2.3%
Prestonwood PID	7.2%
Southside PID	3.8%
University Crossing PID	9.2%
Uptown PID	11.6%
Vickery Meadow	13.1%



# Dallas PID Overview – Valuation/Assessment Rates

- PID assessment rates:
  - All twelve PIDs will keep the same assessment rate as last year
- PID Service Plans
  - Tourism PID operates on October 1 – September 30 fiscal year
  - All other PIDs operation on calendar year
- The Tourism PID will collect approximately \$12.8 million in assessment revenue to enhance marketing and incentive programs to bring more conventions, meetings, and visitors to Dallas
- The remaining eleven PIDs will collect an estimated \$11.2 million in assessment revenue to provide a range of enhanced services and improvements next year that the City would not otherwise fund due to limited City resources

# Dallas PID Overview – Miscellaneous

- Expiration dates based on date of formation or last renewal.
- Number of property owners range from a low of 46 (Oak Lawn-Hi Line) to 2,330 (Vickery Meadow).
- Many Service Plan budgets focus on public safety. Other common budget line items include: parks, infrastructure improvements and business promotion/marketing.
- Dallas Downtown Improvement District (DID) is the only PID where City owned properties are assessed. The City agreed to the assessment based on benefits received by the many City owned facilities in the downtown area.

# DID – City Owned Property

## DID Assessment for City Owned Property

2003	\$176,000
2004	\$191,976
2005	\$194,411
2006	\$209,500
2007	\$278,000
2008	\$745,522
2009	\$628,776
2010	\$575,906
2011	\$578,576
2012	\$579,427
2013	\$562,608
<b>2014</b>	<b>\$612,441</b>

For each City owned property, an assessment is paid based on its market value.

# DID – City Owned Property (cont.)

## DID benefits to the City:

### ➤ Services/improvements:

- DPD supplemental security services
- Homeless court/case management
- Trash collection and public area maintenance
- Median improvements, landscaping, tree replacement
- Banners and holiday tree lighting
- Leadership to help address issues such as loitering, parking, and retail recruitment; coordination with DPD; the Downtown 360 Plan; trolley planning; marketing; and signage/wayfinding.

- ### ➤ Direct benefits to the City from the DID exceed the cumulative assessment paid by 3:1.

# Dallas PID Overview – District Comparison Chart

	Deep Ellum	Downtown	Klyde Warren Park/DAD	Knox Street	Lake Highlands	Oak Lawn Hi-Line
<b>Expiration</b>	December 31, 2020	December 31, 2020	December 31, 2021	December 31, 2017	December 31, 2015	December 31, 2016
<b>Accounts</b>	691	1,872	639	59	960	46
<b>Total Value</b>	\$236,699,260	\$4,635,989,100	\$3,203,954,640	\$154,546,760	\$235,257,660	\$181,816,260
<b>2014 Assessment</b>	\$284,039	\$5,980,426	\$800,989	\$231,820	\$305,835	\$272,724
<b>Change in value (2013 to 2014)</b>	4.6%	9.3%	*new boundary	23.2%	13.4%	2.3%
<b>Standard Assessment Rate per \$100</b>	0.12	0.1290	0.025	0.15	0.13	0.15
<b>Proposed Budget</b>	\$320,812	\$6,652,264	\$811,637	\$158,155	\$291,867	\$301,229

Note: Total assessment values are based on properties assessed in the PIDs.

# Dallas PID Overview – District Comparison Chart

	Prestonwood	South Side	Uptown	Tourism	University Crossing	Vickery Meadow
<b>Expiration</b>	December 31, 2018	December 31, 2019	December 31, 2019	July 31 2017	December 31, 2020	December 31, 2015
<b>Accounts</b>	1,032	134	2,166	105 accounts at the time of the TPID's creation	251	2,330
<b>Total Value</b>	\$382,978,150	\$88,303,320	\$3,800,111,600	N/A	\$629,918,010	\$823,718,300
<b>2014 Assessment</b>	\$306,383	\$124,510	\$1,710,050	\$1,2794,729	\$576,647	\$567,952
<b>Change in value (2013 to 2014)</b>	7.2%	3.8%	11.7%	NA	9.2%	13%
<b>Premium Assessment Rate per \$100</b>	N/A	0.15	N/A	2% assessment on hotel room-nights sold at Dallas hotels with 100 or more rooms based on hotel room nights sold	N/A	0.10
<b>Standard Assessment Rate per \$100</b>	0.0800	0.12	0.045		0.10	0.05
<b>Proposed Budget</b>	\$292,800	\$121,500	\$1,742,306	\$12,922,676	\$600,000	\$776,420

Note: Total assessment values are based on properties assessed in the PIDs.

# Recommended Next Steps

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## Economic Development Committee recommendation for Council approval of:

- ✓ Action on August 27, 2014 to call public hearings to consider annual assessment rates for all Dallas PIDs
- ✓ Hold public hearings on September 10, 2014
- ✓ At close of hearings, set 2014 Assessment Rate and adopt 2014/2015 Service Plan for the twelve PIDs (called hearing on August 27, 2014)

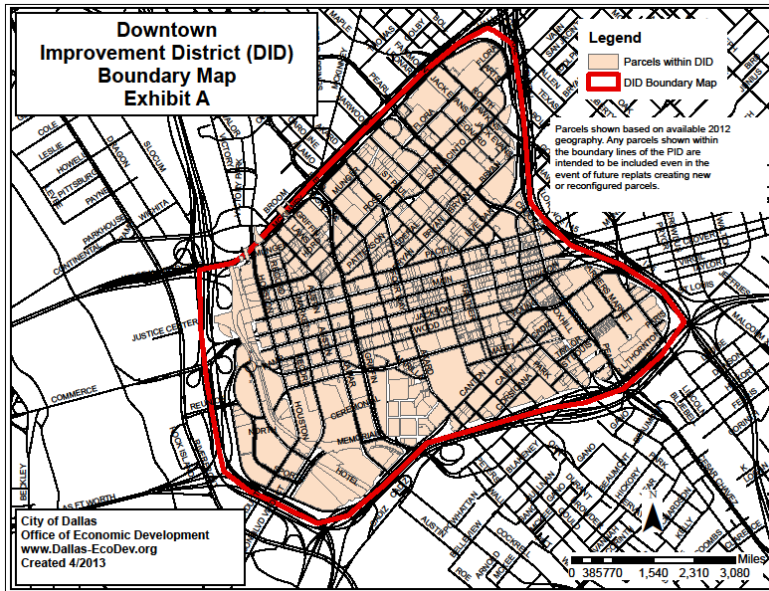
# Appendix 1

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# Public Improvement Districts Summary



# Dallas Downtown Improvement District (DID) - Annual Plan Summary



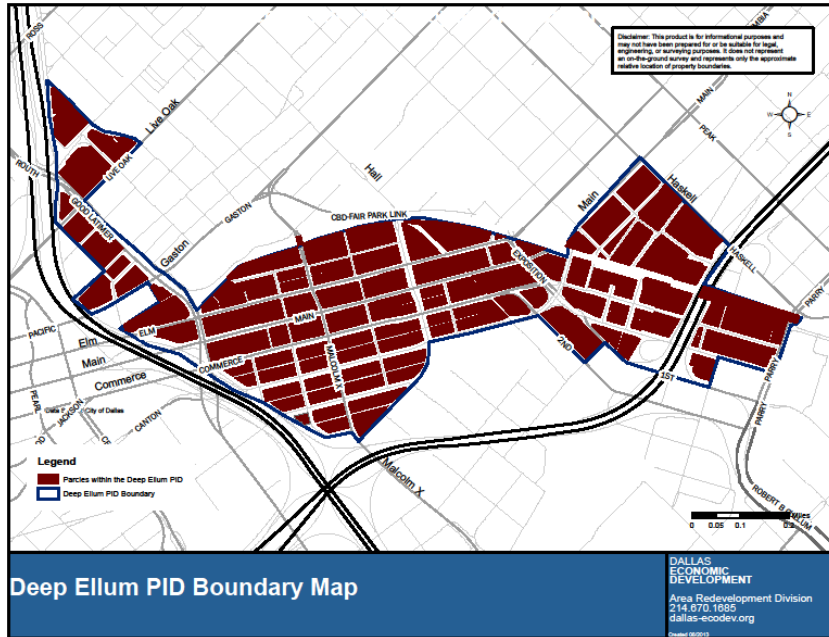
## Major Services Provided:

- DID was renewed recently on June 12, 2013 for seven years, starts operating from January 1, 2014.
- Public Improvements, landscape and parks.
- Downtown circulator, operation and maintenance of mass transportation facilities.
- Special supplemental service for promotion and improvement of the DID, including, entertainment and events, and retail recruitment.

	Downtown	
Expiration	December 31, 2020	
Accounts	1,872	
Total Value	\$4,635,989,100	
2014 Assessment Change in value (2013 to 2014)	\$5,980,426 9.3%	
Premium Assessment Rate per \$100		
Standard Assessment Rate per \$100	0.1290	
Proposed Budget	\$6,652,264	
Budget Categories	Public Safety	39%
	Capital Improvements	7%
	Transportation Improvements	6%
	Communication/Events	17%
	Administration	10%
	Services & impvmts	21%

- Community programs, Clean Team, environmental enhancements and sanitation.
- Downtown Safety Patrol, Homeless outreach, education & coordination.

# Deep Ellum PID - Annual Plan Summary

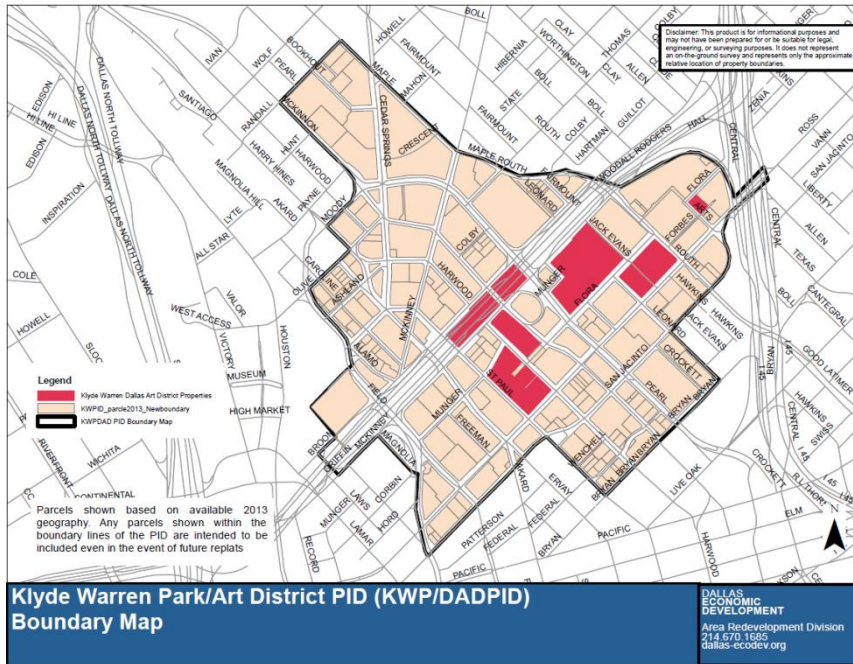


## Major Services Provided:

- Deep Ellum PID was renewed recently on August 14, 2013 for seven years, starts operating from January 1, 2014.
- Graffiti control, landscaping, park improvements, trash pickup and neighborhood improvements.
- Acquisition, construction, operation and maintenance of mass transportation facilities and wayfinding signage.
- Business development and recruitment to promote the District as the Deep Ellum Entertainment District .
- Marketing, website, and other promotional activities
- Distinctive lighting and signage

Deep Ellum	
Expiration	December 31, 2020
Accounts	691
Total Value	\$236,699,260
2014 Assessment Change in value (2013 to 2014)	\$284,039 4.6%
Premium Assessment Rate per \$100	
Standard Assessment Rate per \$100	0.12
Proposed Budget	\$267,992
Budget Categories	Improvements 20%
	Business Dev & Recruitment 8%
	Transportation Improvements 8%
	Marketing & Promotion 39%
	Audit/Insurance 6%
	Administration 14%
	Public Safety 5%

# Klyde Warren Park/Dallas Arts District PID - Annual Plan Summary



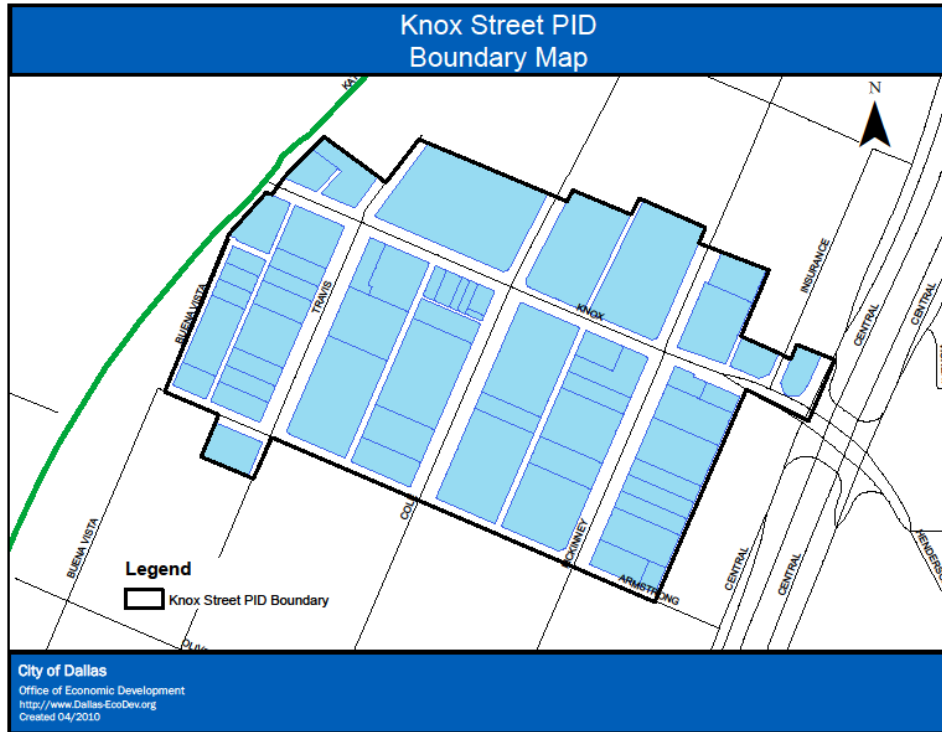
## Major Service Provided:

- Security in Klyde Warren Park (KWP)
- Trash pickup, general cleaning, graffiti control and KWP improvements
- Pavement (sidewalk) detail cleaning, staining and restoration
- Partial cost of European and Christmas Markets, programming activities
- Partial cost of promoting the district, PR, advertising, free Wi-Fi, website and Kiosk

Klyde Warren Park/DAD		
Expiration	December 31, 2021	
Accounts	639	
Total Value	\$3,203,954,640	
2014 Assessment	\$800,989	
Change in value (2013 to 2014)	* new PID	
Premium Assessment		
Rate per \$100		
Standard Assessment		
Rate per \$100	0.025	
Proposed Budget	\$811,637	
Budget Categories	Public Safety	43%
	Sanitation, paver impvmts	26%
	Landscape impvmts, lighting	7%
	General impvmts & Cultural programs	6%
	Administration	3%
	Marketing & Promotion	12%
	Audit/Insurance	3%

Klyde Warren Park/Dallas Arts District PID is a new PID, starts operating from January 1, 2015 (created on June 25, 2014).

# Knox Street Improvement District - Annual Plan Summary

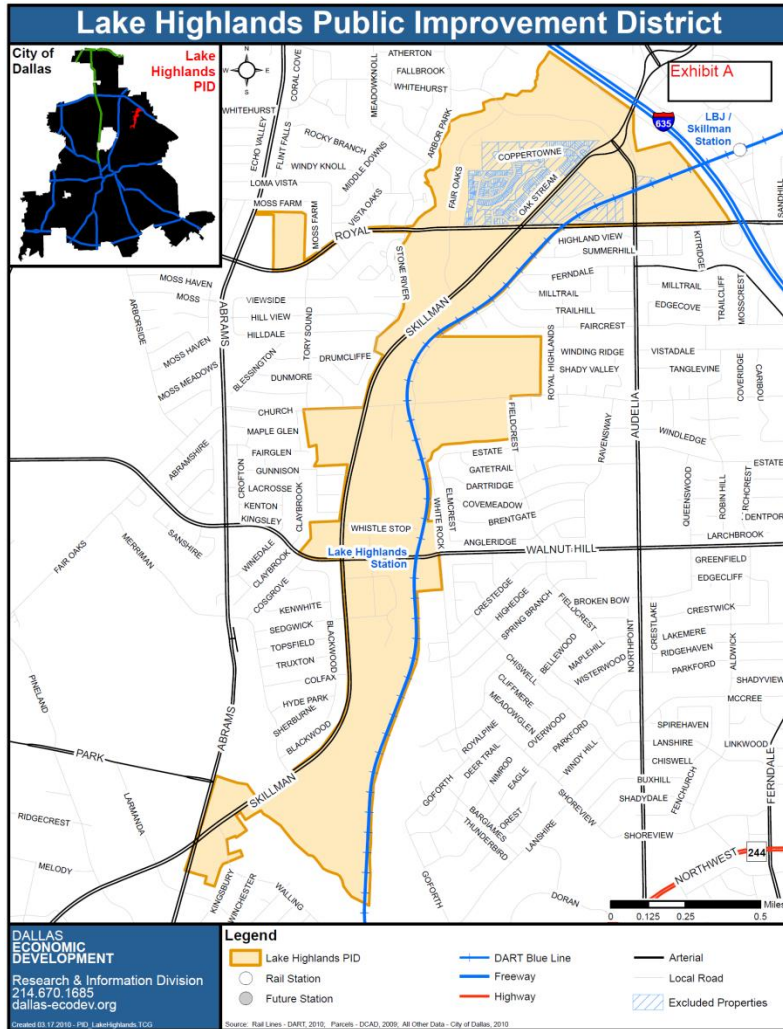


## Major Service Provided:

- Primary purpose is to enhance aesthetics of the area by enhancing the pedestrian lighting, maintaining sidewalks.
- Promote this area as an attractive retail destination.
- Enhance security

		Knox Street	
Expiration			December 31, 2017
Accounts			59
Total Value			\$154,546,760
2014 Assessment			\$231,820
Change in value (2013 to 2014)			23.2%
Premium Assessment Rate per \$100			
Standard Assessment Rate per \$100			0.15
Proposed Budget			\$158,155
Budget Categories	Public Safety	15%	
	Capital Improvements *	47%	
	Marketing/Promotion	32%	
	Audit and admin	6%	
	Funds are being carried forward from prior years to complement gateway markers and streetscape improvements and/or possibly in conjunction with Knox Complete Streets -		

# Lake Highlands PID – Annual Plan Summary



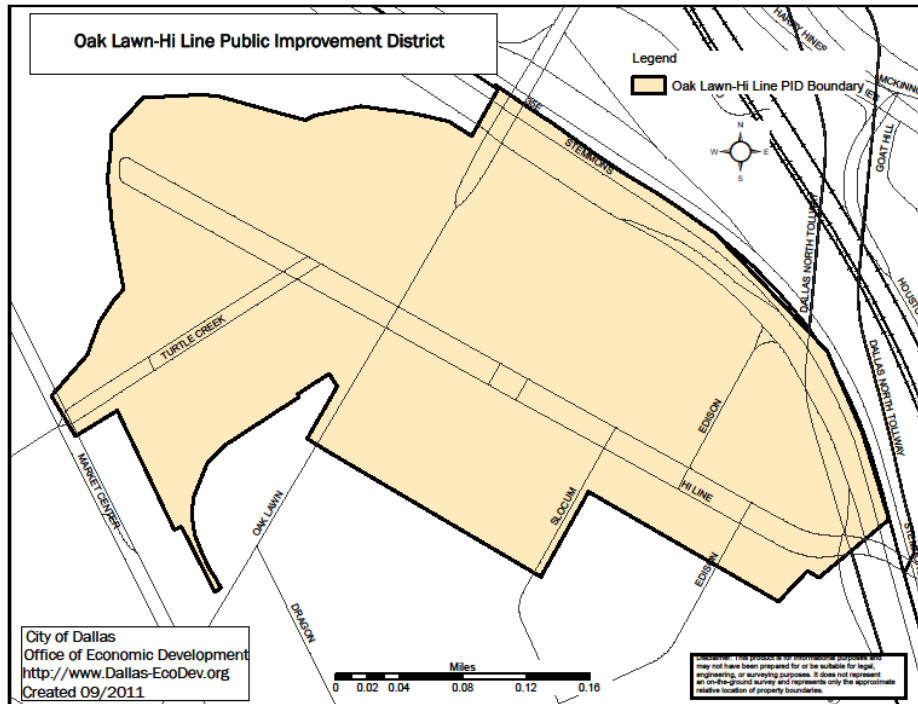
Lake Highlands	
Expiration	December 31, 2015
Accounts	960
Total Value	\$235,257,660
2014 Assessment	\$305,835
Change in value (2013 to 2014)	13.4%
Premium Assessment Rate per \$100	
Standard Assessment Rate per \$100	0.13
Proposed Budget	\$291,867
Budget Categories	Public Safety 53%
	Improvements 24%
	Promotion 6%
	Audit/Insurance 7%
	Administration 10%

## Major Service Provided:

- Enhance Security
- Landscape Enhancement & Maintenance
- Graffiti removal



# Oak Lawn-Hi Line PID – Annual Plan Summary



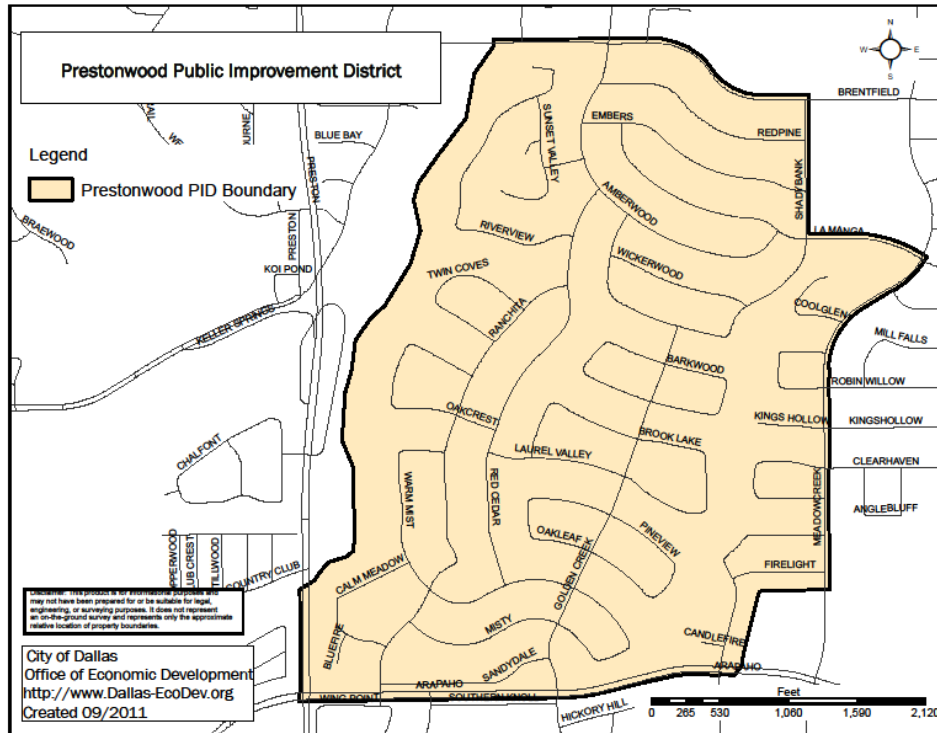
City of Dallas  
Office of Economic Development  
<http://www.Dallas-EcoDev.org>  
Created 09/2011

## Major Service Provided:

- Enhanced public safety/security
- Promotion of District
- Maintain enhanced public improvements
- Litter & Graffiti removal
- Landscape Enhancement & Maintenance

	Oak Lawn-Hi Line	
Expiration	December 31, 2016	
Accounts	46	
Total Value	\$181,816,260	
Assessment Change in value (2012 to 2013)	\$272,724	
Premium Assessment Rate per \$100	2.3%	
Standard Assessment Rate per \$100	0.15	
Proposed Budget	\$301,229	
Budget Categories	Public Safety	40%
	Improvements	45%
	Promotion	0%
	Audit/Insurance	6%
	Administration	9%

# Prestonwood PID – Annual Plan Summary

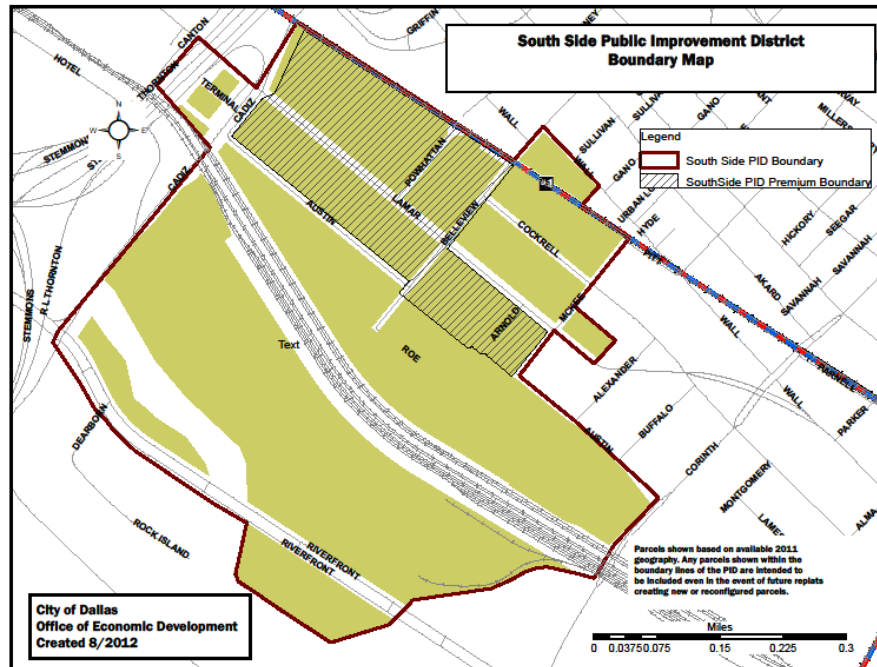


Major Service Provided:

- Primary purpose to enhance security
- 24/7 security patrols

		<b>Prestonwood</b>
Expiration	December 31, 2018	
Accounts	1,032	
Total Value	\$382,978,150	
Assessment Change in value (2012 to 2013)	\$306,383	
Premium Assessment Rate per \$100	7.2%	
Standard Assessment Rate per \$100	0.0800	
Proposed Budget	\$292,800	
Budget Categories	Public Safety	90%
	Administration	2%
	Audit/Insurance	8%

# South Side PID – Annual Plan Summary



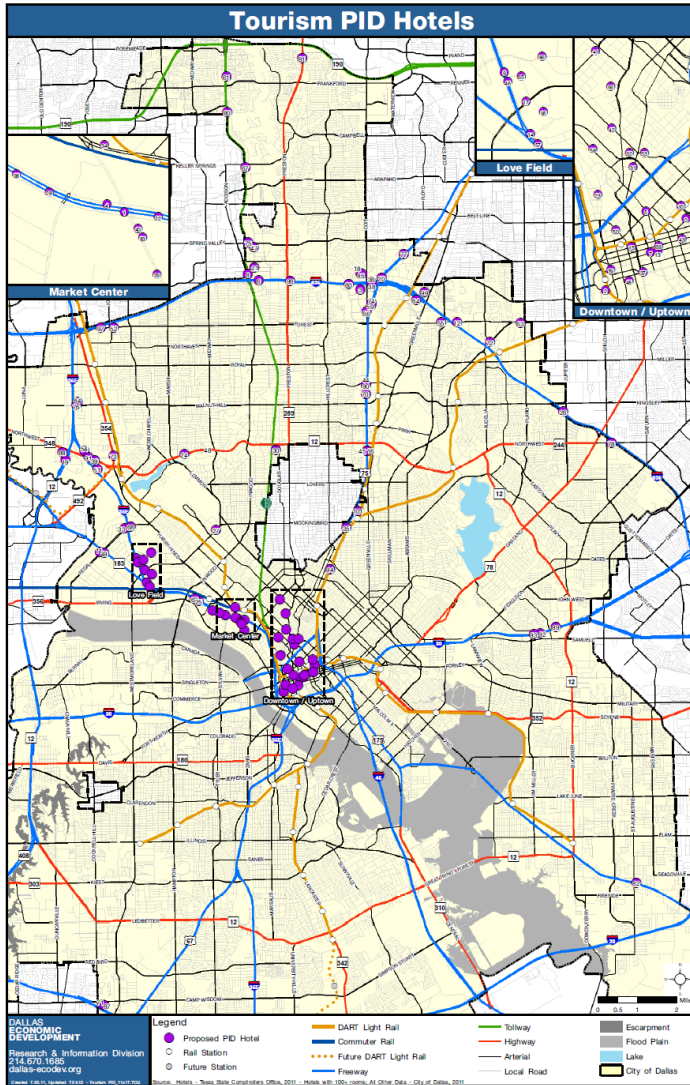
## Major Service Provided:

- 50% of budget for public courtesy patrol for the 100 acre district
- New business recruitment
- Bark Park improvements.

	South Side	
Expiration	December 31, 2019	
Accounts	134	
Total Value	\$88,303,320	
Assessment Change in value (2012 to 2013)	\$124,510	
Premium Assessment Rate per \$100	3.8%	
Standard Assessment Rate per \$100	0.15	
Proposed Budget	0.12	
Proposed Budget	\$121,500	
Budget Categories	Safety & Security	50%
	Improvements	25%
	Business Promotion	12%
	Cultural events	4%
	Administration	2%
	Audit	5%
	Insurance	2%



# Tourism PID – Annual Plan Summary

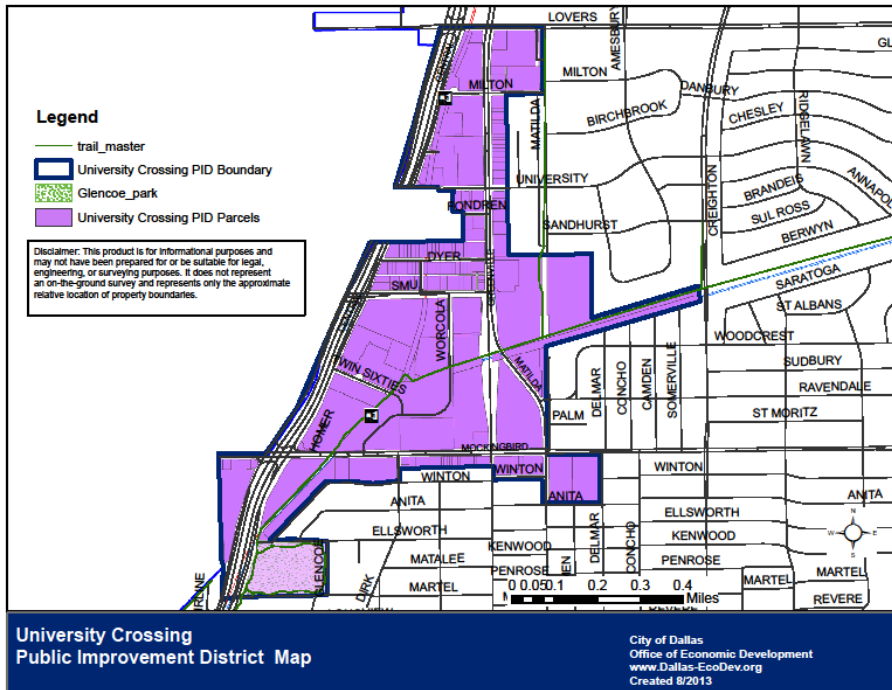


Tourism PID							
Expiration	31-Jul-17						
Accounts	105 accounts at the time of the TPID's creation						
Total Value	N/A						
2014-15 Assessment	\$1,794,729						
Change in Assessment (2013-14 to 2014-15)	-2.99%						
Premium Assessment Rate	N/A						
Standard Assessment Rate	2% assessment on hotel room-nights sold at Dallas hotels with 100 or more rooms based on hotel room nights sold						
Proposed Budget	\$12,922,676						
Budget Categories	<table border="1"> <tr> <td><b>Incentives</b></td> <td>50%</td> </tr> <tr> <td><b>Marketing</b></td> <td>45%</td> </tr> <tr> <td><b>Administration</b></td> <td>5%</td> </tr> </table>	<b>Incentives</b>	50%	<b>Marketing</b>	45%	<b>Administration</b>	5%
<b>Incentives</b>	50%						
<b>Marketing</b>	45%						
<b>Administration</b>	5%						

## Major Service Provided:

- Incentives - 50% of TPID budget used to provide incentives to bring more conventions, meetings and visitors to Dallas
- Marketing - 45% of TPID budget allocated for marketing efforts
- Administration - 5% of TPID budget dedicated for administrative expenses

# University Crossing PID – Annual Plan Summary

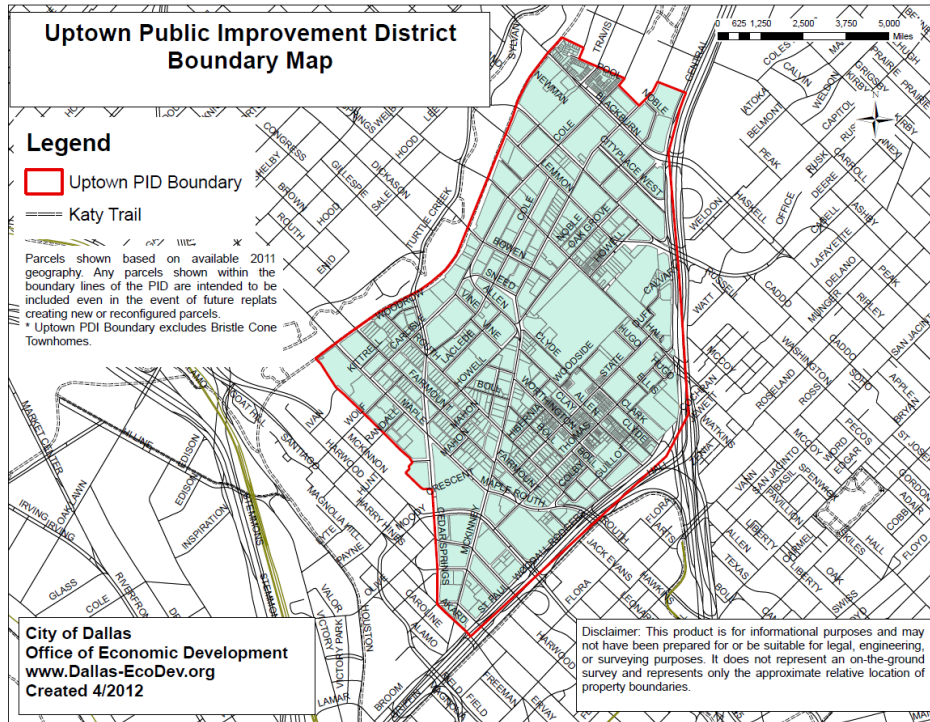


## Major Service Provided:

- Police patrol of the University Crossing area, owner safety coordination, etc.
- Public Improvements, landscape, parks and pedestrian amenities for the PID.
- Sidewalk, public planters, waste disposal, clean area programs, and landscape maintenance throughout the University Crossing area expenses.

University Crossing	
Expiration	December 31, 2020
Accounts	251
Total Value	\$629,918,010
Assessment	\$629,918
Change in value (2012 to 2013)	9.2%
Premium Assessment Rate per \$100	
Standard Assessment Rate per \$100	0.10
Proposed Budget	\$600,000
Budget Categories	Security 33%
	Improvements 20%
	Public Area Impvmts., 19%
	Promotion 11%
	Audit/Insurance 3%
	Administration 14%

# Uptown PID - Annual Plan Summary

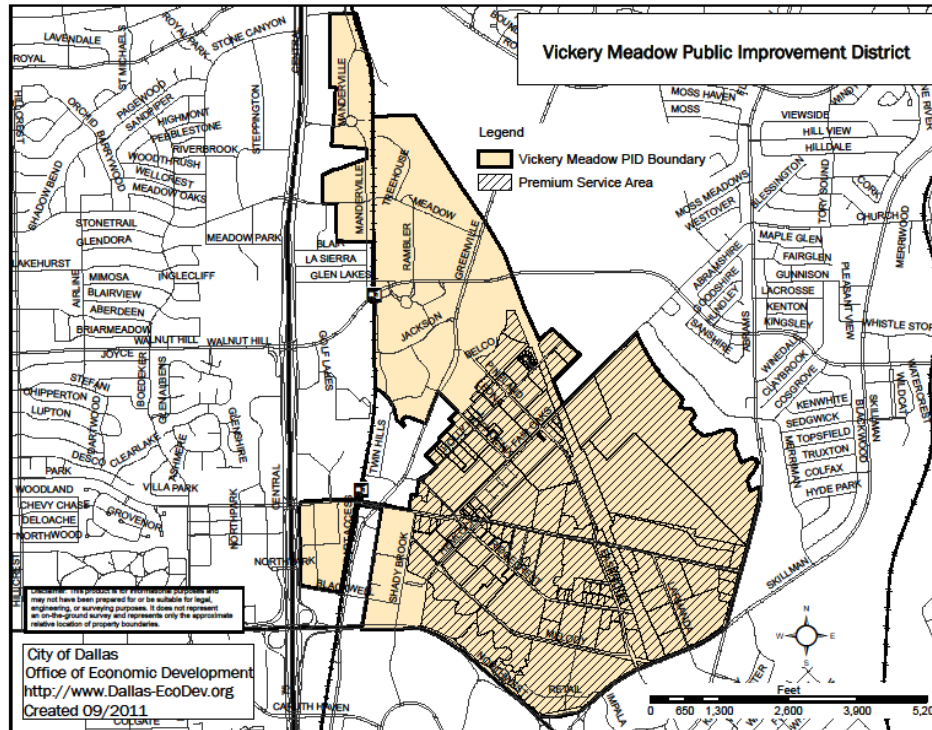


## Major Service Provided:

- Landscaping, tree care, street & sidewalk sweeping, trash cans & graffiti removal
- Off-duty police, trolley operations, marketing and promotion.
- Gateway markers, walking trails- Katy Trail improvements, parks improvements.

	<b>Uptown</b>	
Expiration	December 31, 2019	
Accounts	2,166	
Total Value	\$3,800,111,600	
Assessment	\$1,710,050	
Change in value (2012 to 2013)	11.6%	
Premium Assessment Rate per \$100		
Standard Assessment Rate per \$100	0.045	
Proposed Budget	\$1,742,306	
Budget Categories	Services (incl safety) & Promotion	22%
	Capital Improvements	30%
	Landscape Improvements	30%
	Contingency and Reserve for Griggs Park	3%
	Audit and Administration	15%

# Vickery Meadow PID - Annual Plan Summary



## Major Service Provided:

- Landscaping, Litter Removal, & Graffiti Abatement
- Maintenance of Common Areas
- Community Enrichment Activities, Youth Development Activities, & Special Events
- Marketing & Promotional Activities

- Neighborhood Planning
- Security Patrol, & Crime Prevention

Vickery Meadow	
Expiration	December 31, 2015
Accounts	2,330
Total Value	\$823,718,300
Assessment Change in value (2012 to 2013)	\$567,952
Premium Assessment Rate per \$100	13.1%
Standard Assessment Rate per \$100	0.10
Proposed Budget	0.05
Proposed Budget	\$776,420
Budget Categories	Community Service 5%
	Property Standards & Public Relations 45%
	Safety & Security 32%
	Park Lane other area Improvements, Services 7%
	Audit/Insurance 2%
	Economic Development 2%
	Administration 7%



# Appendix 2 - PID Assessment Rates 2014 -2000

2014-2000 Assessment Rates																
Assessment Rate per 100 valuation																
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	Prop Budget
Deep Ellum	0.1200	0.1200	0.1200	0.120	0.1200	0.12	0.120	0.120	0.120	0.120	0.120	0.1200	0.1200	0.1200		\$267,992
Downtown Premium	0.1290	0.1290	0.1190	0.119	0.1190	0.119	0.119	0.119	0.107	0.107	0.0953	0.0936	0.0707	0.0657	0.0715	\$6,652,264
Downtown Standard										0.070	0.0635	0.0619	0.0468	0.0420	0.0430	
Klyde Warren Park/DAD	0.0250	0.0250														\$811,637
Knox Street	0.1500	0.1500	0.1500	0.150	0.150											\$158,155
Lake Highlands	0.1300	0.1300	0.1300	0.130	0.130	0.130	0.130									\$291,867
Oak Lawn-Hi Line	0.1500	0.1500	0.1500	0.150	0.150	0.150										\$301,229
Prestonwood	0.0800	0.0800	0.0900	0.095	0.087	0.079	0.090	0.090	0.090	0.090	0.0890	0.0890	0.0788	0.0900	0.1075	\$292,800
South Side Premium	0.1500	0.1500	0.1500	0.150	0.150	0.150	0.150	0.150	0.150	0.1500						\$121,500
South Side Standard	0.1200	0.1200	0.1200	0.120	0.120	0.120	0.120	0.120	0.120	0.120						
University Crossing	0.0100	0.0100														\$600,000
Uptown Premium	0.0450	0.0450	0.0450	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.0450	0.0450	0.0450	0.0600	0.0700	\$1,742,306
Uptown Standard														0.0235	0.0024	
Vickery Meadow Prem.	0.1000	0.1000	0.1000	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.1000	0.1000	0.1000	0.1000	0.1000	\$776,420
Vickery Meadow Standard	0.0500	0.0500	0.0500	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.0500	0.0500	0.0500	0.0500	0.0500	

# Appendix 3 - Tourism PID Service Plan

Tourism Public Improvement District (PID) Service Plan						
FISCAL YEAR	2014-15 <sup>1</sup>	2015-16	2016-17 <sup>2</sup>	2017-18	2018-19	TOTAL
Assessment Revenue	\$ 12,794,729	\$ 13,178,571	\$ 13,573,928	\$ 13,981,146	\$ 14,400,580	\$ 67,928,954
Investment Income	\$ 127,947	\$ 131,786	\$ 135,739	\$ 139,811	\$ 144,006	\$ 679,290
<b>TOTAL INCOME</b>	<b>\$ 12,922,676</b>	<b>\$ 13,310,357</b>	<b>\$ 13,709,667</b>	<b>\$ 14,120,957</b>	<b>\$ 14,544,586</b>	<b>\$ 68,608,243</b>

Marketing (Promotion/Advertising)	\$ 3,876,803	\$ 3,993,107	\$ 4,112,900	\$ 4,236,287	\$ 4,363,376	\$ 20,582,473
Marketing Support for DCVB	\$ 646,134	\$ 665,518	\$ 685,483	\$ 706,048	\$ 727,229	\$ 3,430,412
Marketing/Event Application Pool	\$ 969,201	\$ 998,277	\$ 1,028,225	\$ 1,059,072	\$ 1,090,844	\$ 5,145,618
Marketing Reserve	\$ 323,067	\$ 332,759	\$ 342,742	\$ 353,024	\$ 363,615	\$ 1,715,206
<b>Marketing Sub-total</b>	<b>\$ 5,815,204</b>	<b>\$ 5,989,660</b>	<b>\$ 6,169,350</b>	<b>\$ 6,354,431</b>	<b>\$ 6,545,064</b>	<b>\$ 30,873,710</b>
Site Visits & Familiarization Tours Incentives <sup>3</sup>	\$ 1,292,268	\$ 1,331,036	\$ 1,370,967	\$ 1,412,096	\$ 1,454,459	\$ 6,860,824
Incentives Reserve	\$ 4,846,004	\$ 4,991,384	\$ 5,141,125	\$ 5,295,359	\$ 5,454,220	\$ 25,728,091
Incentives Reserve	\$ 323,067	\$ 332,759	\$ 342,742	\$ 353,024	\$ 363,615	\$ 1,715,206
<b>Incentives Sub-total</b>	<b>\$ 6,461,338</b>	<b>\$ 6,655,178</b>	<b>\$ 6,854,834</b>	<b>\$ 7,060,479</b>	<b>\$ 7,272,293</b>	<b>\$ 34,304,122</b>
Start-up expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance and Audit	\$ 129,227	\$ 133,104	\$ 137,097	\$ 141,210	\$ 145,446	\$ 686,082
Research	\$ 258,454	\$ 266,207	\$ 274,193	\$ 282,419	\$ 290,892	\$ 1,372,165
Administration	\$ 258,454	\$ 266,207	\$ 274,193	\$ 282,419	\$ 290,892	\$ 1,372,165
<b>Operations Sub-total</b>	<b>\$ 646,134</b>	<b>\$ 665,518</b>	<b>\$ 685,483</b>	<b>\$ 706,048</b>	<b>\$ 727,229</b>	<b>\$ 3,430,412</b>
<b>TOTAL EXPENSES</b>	<b>\$12,922,676</b>	<b>\$13,310,357</b>	<b>\$13,709,667</b>	<b>\$14,120,957</b>	<b>\$14,544,586</b>	<b>\$ 68,608,243</b>
<b>NET Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Notes:**

<sup>1</sup> Assessment collections are higher than originally anticipated due to increased occupancy at the hotels that comprise the District.

<sup>2</sup> Budget includes the final 10 months from the Tourism PID's initial five year term. Accordingly, expenses are estimated and are subject to the PID's successful renewal.

<sup>3</sup> Incentive funds are committed to future scheduled events. These funds will not be expended until the event occurs.

# Memorandum



CITY OF DALLAS

DATE August 18, 2014

Members of the Economic Development Committee:

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

SUBJECT **Deep Ellum TIF District – Plan Amendment**

On Monday, August 18, 2014, the Economic Development Committee will be briefed on the Deep Ellum TIF District – Plan Amendment to aid redevelopment of historic core area.

Briefing material is attached.

Should you have any questions or concerns, please contact me at (214) 671-9837.

A handwritten signature in blue ink, appearing to read 'Ry - S. Evans'.

Ryan S. Evans  
First Assistant City Manager

c: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager

Joey Zapata, Assistant City Manager  
Charles M. Cato, (I) Assistant City Manager  
Theresa O'Donnell, (I) Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Shawn Williams, (I) Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

# Deep Ellum TIF District – Plan Amendment

Economic Development Committee  
August 18, 2014





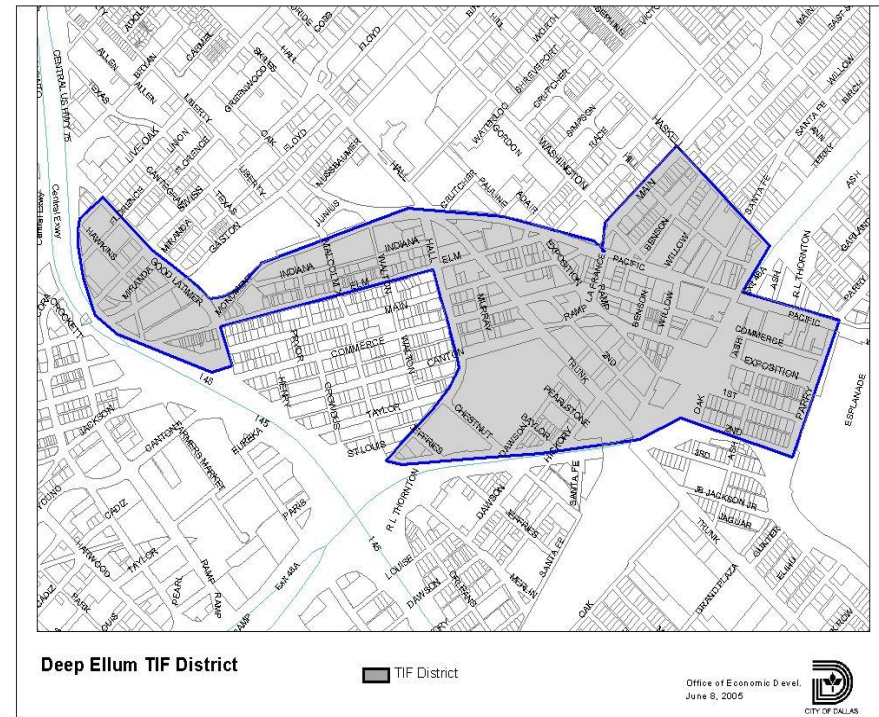
# Purpose

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- Provide background and update on the Deep Ellum TIF District
- Review Plan Amendment for the District
- Provide overview of upcoming TIF Projects
- Obtain Economic Development Committee's Approval for Consideration by City Council of the following:
  - Call a Public Hearing on August 27, 2014 (required to amend Deep Ellum TIF District Plan)
  - Hold Public Hearing on September 10, 2014; and
  - At close of Public Hearing, approve Proposed Plan Amendment

# Deep Ellum TIF District: Background

- Created in 2006 with a budget of \$51,706,392 (\$27,162,083 NPV)
- Initial Term 22 Years (Through 2027)
- Created to assist in redeveloping the area into a more diversified, pedestrian friendly, mixed-use neighborhood and improve the urban fabric and connections between Central Expressway and Fair Park.
- Taxing Jurisdiction Participation Rates and Estimated Contribution (in estimated total dollars)
  - **City** – Participation Rate is 85%  
**\$46,912,330 – estimated total collections**
  - **County** – Participation Rate is 55%  
**\$4,794,062- estimated total collections**



Original Deep Ellum TIF Boundary

# Deep Ellum TIF District: Redevelopment Projects to date



Olympia Arts



Reel FX



The Ambrose

CONCEPT	APPROXIMATE LOCATION	ESTIMATED COMPLETION	ESTIMATED SIZE (SF)	ESTIMATED VALUE (\$/SF)	ESTIMATED TOTAL VALUE	BASE VALUE	INCREASED VALUE
Commerce Street Lofts	Commerce/Exposition	2007	18,000	\$109	\$1,960,130	\$325,000	\$1,635,130
Bill Reed Building	First/Canton	2008	50,000	\$70	\$3,500,000	\$700,000	\$2,800,000
The Ambrose (lofts and retail)	Indianan/Malcolm X	2008	240,000	\$135	\$32,350,000	\$1,100,000	\$31,250,000
Olympia Arts	Eastside/Hill	2008	18,000	\$100	\$1,807,570	\$100,000	\$1,707,570
Sandbar (restaurant infill)	317 S 2nd Ave	2013	3,000	\$167	\$975,000	\$503,208	\$471,792
Reel FX	301 N Crowdus	2015	101,720	\$85	\$8,646,200	\$5,358,840	\$3,287,360
City Lights Ph I	Live Oak & Good Latimer	2015	425,000	\$75	\$31,887,000	\$2,533,900	\$29,353,100
Total							\$70,504,952

# Deep Ellum TIF District: *Issues*

---

- **Cost of redevelopment** in the Deep Ellum core area is an obstacle
- **Structures with deferred maintenance** - many of the commercial structures in the District were developed prior to World War II; others built more recently lack architecture detail
- Until recently – **lack of consolidated ownership of property**
- **Deteriorated infrastructure** - inadequate sidewalks and streets, aging utility lines and storm water facilities, faulty lot layouts and platting, unsanitary or unsafe conditions, and deteriorated site improvements
- **Long blocks** – inhibit pedestrian access between Elm, Main and Commerce Streets
- **Parking issues** – not convenient for all business locations, variety of private owners, differing rates and rules for each lot
- **High commercial vacancy rates** – (now improving)
- **Lack of catalyst development** and overall redevelopment plan for Deep Ellum core
- **Inadequate connections** to downtown, Farmers Market area, Fair Park and Arts District

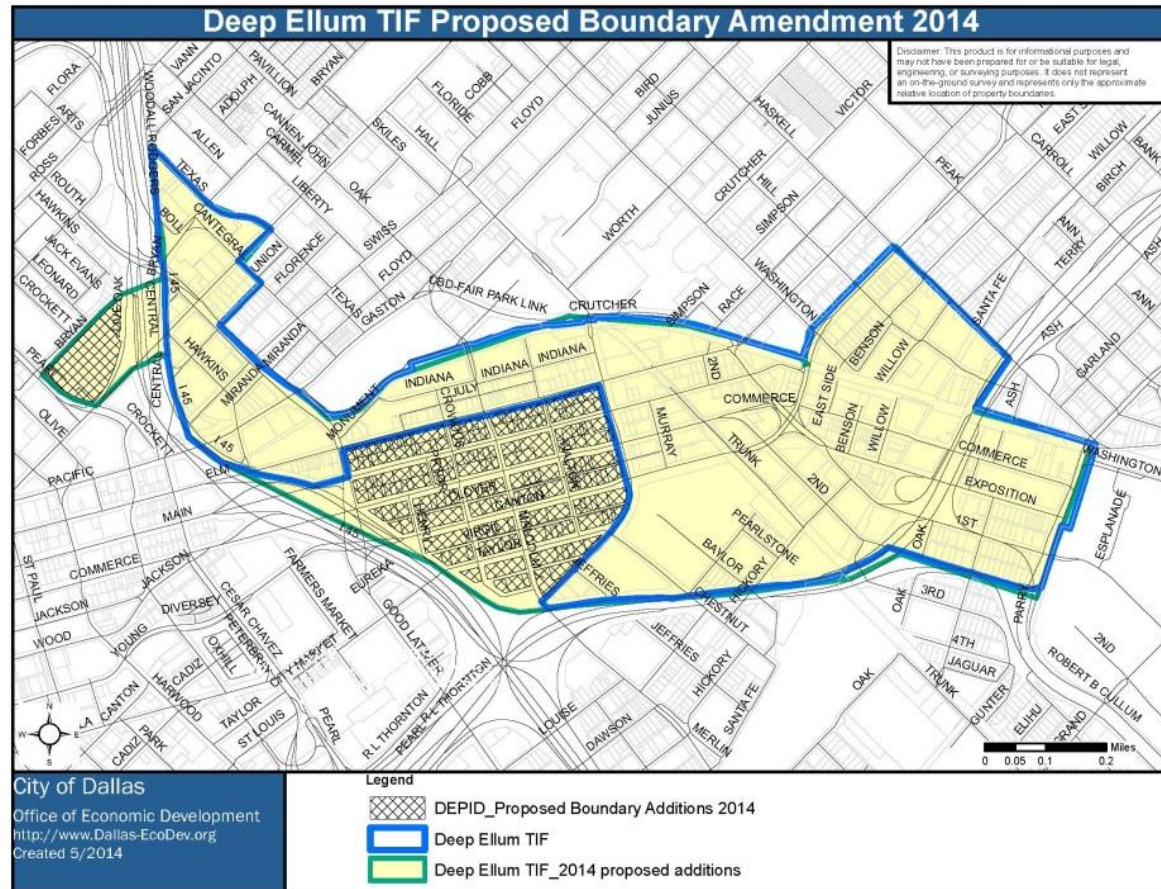


# Deep Ellum TIF District: Plan Amendment – Summary

Amend Deep Ellum TIF District boundary to include an additional 51.0 acres:

- Core area of Deep Ellum – Main, Commerce and Elm Streets between IH-45 and Hall Street; and
- Old Dallas High School site (Crozier Tech)

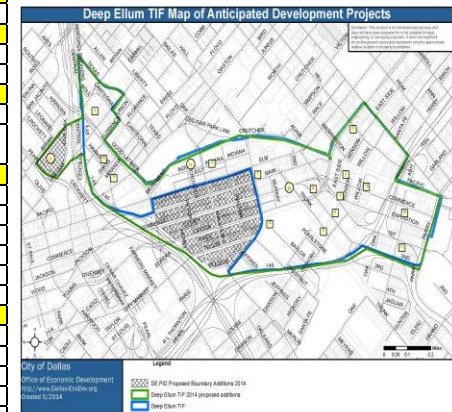
Amend Deep Ellum TIF District Plan to increase project budget by approximately \$6M



# Deep Ellum TIF District: Plan Amendment – Revised Redevelopment Projects

The proposed plan amendment is projected to encourage an additional \$50M in private investment in the Deep Ellum core and \$42M on the Old Dallas High School site

CONCEPT	APPROXIMATE LOCATION	ESTIMATED COMPLETION	ESTIMATED SIZE (SF)	ESTIMATED VALUE (\$/SF)	ESTIMATED TOTAL VALUE	BASE VALUE	INCREASED VALUE	SITE #
Deep Ellum - Rohman	Varies	2015	50,000	\$100	\$5,000,000	\$1,000,000	\$4,000,000	20
Old Dallas High School site	Live Oak & Pearl	2016	350,000	\$120	\$42,000,000	\$1,000,000	\$41,000,000	21
Deep Ellum Core	Varies	2016	50,000	\$100	\$5,000,000	\$1,000,000	\$4,000,000	20
City Lights Ph II	Live Oak & Good Latimer	2017	332,000	\$89	\$29,548,000	\$2,967,590	\$26,580,410	6
Deep Ellum Core	Varies	2017	50,000	\$100	\$5,000,000	\$1,000,000	\$4,000,000	20
Continental Gin (school)	3309 Elm (Continental Gin)	2017	60,000	\$80	\$4,800,000	\$500,000	\$4,300,000	7
Lofts, retail	Good Latimer/Swiss/Pacific	2017	420,000	\$90	\$37,800,000	\$2,500,000	\$35,300,000	
Deep Ellum Core	Varies	2018	50,000	\$100	\$5,000,000	\$1,000,000	\$4,000,000	20
Loft residences	Exposition/Commerce	2018	100,000	\$80	\$8,000,000	\$1,500,000	\$6,500,000	14
Knights of Pythias Building & surrounding site	Knights of Pythias Building Elm @ Good-Latimer	2019	500,000	\$120	\$60,000,000	\$3,000,000	\$57,000,000	11
Deep Ellum Core	Varies	2019	50,000	\$100	\$5,000,000	\$1,000,000	\$4,000,000	20
City Lights Ph III	Live Oak & Good Latimer	2019	210,000	\$89	\$18,690,000	\$1,878,240	\$16,811,760	6
Mixed-Use	Pacific/Hawkins	2019	200,000	\$89	\$17,800,000	\$2,267,320	\$15,532,680	13
Mixed-use	Unspecified infill	2019	100,000	\$90	\$9,000,000	\$1,500,000	\$7,500,000	13
First Dr. Pepper Building	Second/Hickory/Trunk/Canton	2019	110,000	\$70	\$7,700,000	\$700,000	\$7,000,000	9
Residences	Unspecified infill	2020	100,000	\$80	\$8,000,000	\$1,500,000	\$6,500,000	14
Service Center Site	Varies	2020	125,000	\$120	\$15,000,000	\$0	\$15,000,000	15
Deep Ellum Core	Varies	2020	50,000	\$100	\$5,000,000	\$1,000,000	\$4,000,000	20
Mixed-use	Parry/First	2020	100,000	\$90	\$9,000,000	\$1,500,000	\$7,500,000	13
Benson Willow Townhomes	3917 Willow/3900-3916 Benson	2020	120,000	\$120	\$14,400,000	\$800,000	\$13,600,000	
Lofts	Pacific/Good Latimer	2021	200,000	\$100	\$20,000,000	\$904,520	\$19,095,480	6
Service Center Site	Varies	2021	125,000	\$120	\$15,000,000	\$0	\$15,000,000	15
Small upscale boutique hotel	Elm/Main/Hall/Trunk	2021	130,000	\$120	\$15,600,000	\$2,000,000	\$13,600,000	12
Residences	Eastside/Hill	2021	60,000	\$80	\$4,800,000	\$1,000,000	\$3,800,000	14
Office	unspecified infill	2021	90,000	\$50	\$4,500,000	\$3,863,810	\$636,190	
Service Center Site	Varies	2022	125,000	\$120	\$15,000,000	\$0	\$15,000,000	13
Mixed-use	Unspecified infill	2022	200,000	\$105	\$21,000,000	\$1,500,000	\$19,500,000	
Service Center Site	Varies	2023	450,000	\$120	\$54,000,000	\$0	\$54,000,000	15
Upscale retail and food service	Unspecified infill	2023	100,000	\$100	\$10,000,000	\$1,500,000	\$8,500,000	16
Sum of projects			4,607,000		\$471,638,000	\$38,381,480	\$433,256,520	



# Deep Ellum TIF District: Plan Amendment – Increase TIF Budget

- The District’s budget will increase from \$51,706,392 to \$57,641,077
- Chart below shows the original Deep Ellum TIF budget, funds committed to date, recommended changes to the budget by category, and the new recommended budget

Category	TIF Budget	Committed Funds	Estimated Change	Revised TIF Budget
Water, Wastewater, Storm & Off-site Utility Replacement	\$2,375,243	\$138,183	\$22,706	\$2,397,949
Paving, Streetscape & Lighting	\$27,617,732	\$616,634	\$264,014	\$27,881,747
Open Spaces & Trails	\$2,685,057	\$42,884	\$25,668	\$2,710,725
Façade Restoration/Environmental Remediation/Demolition	\$4,730,815	\$307,288	\$5,890,541	\$10,621,356
Environmental Remediation & Demolition	\$401,089	\$0	-\$401,089	\$0
Latino Cultural Center Improvements	\$9,518,120	\$0	\$90,989	\$9,609,109
Administration and implementation	\$4,378,335	\$208,715	\$41,855	\$4,420,190
<b>Total Project Costs</b>	<b>\$51,706,392</b>	<b>\$1,313,704</b>	<b>\$5,934,685</b>	<b>\$57,641,077</b>

# Deep Ellum TIF District:

## *Plan Amendment – Total Impact of Plan Amendment*

- **Cumulative increased property value is expected to reach approximately \$883 million** during the 22-year term of the TIF District (See Appendix A)
  - Includes approximately \$545 million in increased taxable value attributable to new private investment; and
  - \$338 million in increased taxable value due to property appreciation.
- Projections assume City participation at 85% of the new property taxes created in the TIF District through 2017 and Dallas County at a 55% participation rate
- **DISD, DCCCD and DCHD** are not anticipated to participate in the extended term of the District



# Deep Ellum TIF District:

## *Proposed Plan Amendment - Rationale*

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- To provide approximately \$6M in additional funding to help reduce the cost of redevelopment in the Deep Ellum core area
  - Enables property owners to address physical needs of older/outdated buildings in the area
  - Addresses deteriorated infrastructure - inadequate sidewalks and streets, aging utility lines and storm water facilities, faulty lot layouts and platting, unsanitary or unsafe conditions, and deteriorated site improvements
  - Provides mid-block connections between Elm, Main and Commerce Streets
- To create potential funding source to help encourage redevelopment of Old Dallas High School site
- To address parking issues, potentially in combination with future bond funding
- To help address inadequate connections to downtown, Farmers Market and Fair Park areas through redevelopment of Deep Ellum core area
- To improve marketability of commercial properties through improved infrastructure and consolidated property ownership
- To attract catalyst development in the Deep Ellum core area

# Plan Amendment

## *Benefits – Potential Catalyst Project*

### Deep Ellum Crossroads –

- **Owner assembled 22 sites in Deep Ellum core** – Properties located on both the north and south sides of the 2600 and 2700 blocks of Main Street, as 2646 Elm, 2653 Commerce, and the parking lots at 2703, 2705, and 2711 Commerce
- **Buildings have varied redevelopment needs**
  - Historic red-brick buildings constructed between the 1920s and 1940s set tone for district and require sensitive renovations
  - Concrete masonry block buildings built between the 1960s and 1970s may require major renovation
  - Several are currently vacant, and are in need of repair and restoration
- **Owner developed comprehensive redevelopment plan for area, subject to City financial help**
  - New tenancing plan
  - More mid-block cut-through spaces
  - Plaza-like, multi-use north/south streets become more pedestrian and retail oriented
  - Added landscaping and lighting
  - Comprehensive parking strategy
- **Estimated private investment - \$15M**



Before and after plans – (above) Mid-block cut-through and (below) streetscape and building improvements



# Plan Amendment

## *Benefits – Potential Catalyst Project (cont.)*



# Plan Amendment

## Benefits – Potential Catalyst Project (cont.)

### CONTEXT

#### 42 DEEP ELLUM CONTROLLED PROPERTIES

##### Buildings

Street Address	Nickname	Building Area
1. 2609 Elm St.	Subway	2,500 SF
2. 2613 Elm St.	Stonedeck	2,500 SF
3. 2801 Elm St.	Hotel	7,882 SF
4. 2614 Elm St.	Rudberg	4,500 SF
5. 2640 Elm St.	Twille	4,000 SF
6. 2646 Elm St.	Click's - Elm	3,600 SF
7. 2649 Main St.	Click's - Main	3,844 SF
8. 2625 Main St.	BrainDead	5,262 SF
9. 2635 Main St.	Man Cave	5,328 SF
10. 2639 Main St.	Lula B's	7,033 SF
11. 2701 Main St.	Golden Eagle	9,722 SF
12. 2803 Main St.	Blind Lemon	9,594 SF
13. 2600 Main St.	Coppertank	13,000 SF
14. 2604 Main St.	Tiggers/Blue Cloud	7,332 SF
15. 2626 Main St.	Ad-Libs	4,500 SF
16. 2642 Main St.	Atwell	5,256 SF
17. 2646 Main St.	Nash/Life of Riley	5,000 SF
18. 2650 Main St.	Taboo Tattoo/Kettle	5,000 SF
19. 2656 Main St.	Corner	5,066 SF
20. 2631 Commerce St.	Diner	5,000 SF
21. 2645 Commerce St.	Comedy House	5,000 SF
22. 2651 Commerce St.	Skylight	5,066 SF
23. 2653 Commerce St.	Henderson Kitchen	3,895 SF
24. 2702 Main St.	Pecan Lodge	5,408 SF
25. 2708 Main St.	Lambeth	5,000 SF
26. 2810 Main St.	Gordon	4,940 SF
27. 2816 Main St.	Dance Lady	5,000 SF

##### Lots

Street Address	Nickname	Lot Area
A. 2806 Elm St.	Blind Lemon Lot	4,875 SF
B. 2607 Main St.	Baker-Main Lot	17,600 SF
C. 2647 Main St.	Lula B's Lot	5,050 SF
D. 2653 Main St.	Click's Lot	3,000 SF
E. 2611 Commerce St.	Coppertank Lot	5,000 SF
F. 2630 Main St.	Ad-Libs Lot	5,000 SF
G. 2642 Main St.	Atwell Lot	9,350 SF
H. 2625 Commerce St.	Baker-Commerce Lot	10,000 SF
I. 2629 Commerce St.	Free Lot	5,000 SF
J. 2633 Commerce St.	EBS Lot	5,000 SF
K. 2603 Commerce St.	Forberg Lot	10,000 SF
L. 2711 Commerce St.	Lambeth Lot	5,000 SF
M. 2806 Main St.	Gordon Lot	5,000 SF



# Deep Ellum TIF District: *Plan Amendment Benefits*

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- **Encourages reinvestment in the core buildings and venues that give Deep Ellum and the southeastern section of downtown its identity**
- **Stimulates redevelopment and increased development density on key sites surrounding the core, such as the Union Bankers parcel**
- **Extends private development to the eastern portion of the downtown area**
- **Assists with development or lease of parking facilities within the core area of Deep Ellum to better serve this entertainment/dining venues in the area**



# Next Steps

---

- On August 27, 2014, Call a Public Hearing to be held on September 10, 2014, to consider amendment to Deep Ellum TIF District plan to 1) increase boundaries; 2) increase the budget; and 3) make other related changes
- Hold a Public Hearing on September 10, 2014, to receive citizen comments on proposed amendments to the Deep Ellum TIF District and Project and Reinvestment Zone Financing Plan
- At the close of the Public Hearing, consider approval of the proposed amendments to the Deep Ellum TIF District and Project and Reinvestment Zone Financing Plan

# APPENDIX

# Appendix A: Proposed Deep Ellum TIF District Increment Chart

		EXHIBIT N Projected TIF Increment Schedule					
Tax Year		Property	Anticipated	TIF	TIF	Total	TOTAL TIF
		Value Total	Captured	Contribution	Contribution	TIF	2006 NPV @
			Value	City of Dallas	Dallas County	Contribution	4%
<b>Base</b>	<b>2005</b>	\$107,990,540					
	<b>Adj Base08</b>	<b>\$113,885,770</b>					
<b>1</b>	<b>2006</b>	\$114,140,302		\$0	\$0	\$0	
<b>2</b>	<b>2007</b>	\$119,293,043	\$11,302,503	\$0	\$0	\$0	
<b>3</b>	<b>2008</b>	\$151,578,174	\$37,692,404	\$269,407	\$59,926	\$329,333	\$292,776
<b>4</b>	<b>2009</b>	\$163,916,711	\$50,030,941	\$322,509	\$70,654	\$393,163	\$628,853
<b>5</b>	<b>2010</b>	\$151,873,281	\$37,987,511	\$257,346	\$68,994	\$326,341	\$897,081
<b>6</b>	<b>2011</b>	\$149,135,375	\$35,249,605	\$239,543	\$65,394	\$304,937	\$1,138,078
<b>7</b>	<b>2012</b>	\$160,159,315	\$46,273,545	\$313,480	\$77,462	\$390,942	\$1,435,161
<b>8</b>	<b>2013</b>	\$169,042,489	\$55,156,719	\$373,659	\$73,747	\$447,406	\$1,762,077
<b>9</b>	<b>2014</b>	\$171,578,126	\$57,692,356	\$390,837	\$77,138	\$467,974	\$2,090,869
<b>10</b>	<b>2015</b>	\$220,446,496	\$106,560,726	\$721,896	\$142,477	\$864,373	\$2,674,809
<b>11</b>	<b>2016</b>	\$274,401,090	\$160,515,320	\$1,087,411	\$214,617	\$1,302,028	\$3,520,581
<b>12</b>	<b>2017</b>	\$393,639,464	\$279,753,694	\$1,895,191	\$374,045	\$2,269,236	\$4,937,939
<b>13</b>	<b>2018</b>	\$418,049,087	\$304,163,317	\$2,060,554	\$406,682	\$2,467,236	\$6,419,697
<b>14</b>	<b>2019</b>	\$589,356,203	\$475,470,433	\$3,221,074	\$635,728	\$3,856,802	\$8,646,904
<b>15</b>	<b>2020</b>	\$690,064,693	\$576,178,923	\$3,903,324	\$770,380	\$4,673,704	\$11,242,046
<b>16</b>	<b>2021</b>	\$709,109,789	\$595,224,019	\$4,032,345	\$795,844	\$4,828,189	\$13,819,856
<b>17</b>	<b>2022</b>	\$795,819,605	\$681,933,835	\$4,619,761	\$911,780	\$5,531,540	\$16,659,601
<b>18</b>	<b>2023</b>	\$939,415,984	\$825,530,214	\$5,592,554	\$256,061	\$5,848,616	\$19,546,642
<b>19</b>	<b>2024</b>	\$953,507,224	\$839,621,454	\$5,688,016	\$0	\$5,688,016	\$22,246,416
<b>20</b>	<b>2025</b>	\$967,809,832	\$853,924,062	\$5,784,909	\$0	\$5,784,909	\$24,886,573
<b>21</b>	<b>2026</b>	\$982,326,980	\$868,441,210	\$5,883,255	\$0	\$5,883,255	\$27,468,343
<b>22</b>	<b>2027</b>	\$997,061,884	\$883,176,114	\$5,983,077	\$0	\$5,983,077	\$29,992,934
<b>23</b>	<b>2028</b>	\$1,012,017,813	\$898,132,043	\$0	\$0	\$27,076,123	\$40,978,430
<b>24</b>	<b>2029</b>	\$1,027,198,080	\$913,312,310	\$0	\$0	\$27,076,123	\$51,541,407
<b>25</b>	<b>2030</b>	\$1,042,606,051	\$928,720,281	\$0	\$0	\$27,076,123	\$61,698,116
<b>26</b>	<b>2031</b>	\$1,058,245,142	\$944,359,372	\$0	\$0	\$27,076,123	\$71,464,182
<b>27</b>	<b>2032</b>	\$1,074,118,819	\$960,233,049	\$0	\$0	\$27,076,123	\$80,854,630
<b>28</b>	<b>2033</b>	\$1,090,230,601	\$976,344,831	\$0	\$0	\$27,076,123	\$89,883,907
<b>29</b>	<b>2034</b>	\$1,106,584,060	\$992,698,290	\$0	\$0	\$27,076,123	\$98,565,904
<b>30</b>	<b>2035</b>	\$1,123,182,821	\$1,009,297,051	\$0	\$0	\$27,076,123	\$106,913,979
<b>TOTAL During TIF</b>				<b>\$52,640,149</b>	<b>\$5,000,928</b>	<b>\$57,641,077</b>	<b>\$29,992,934</b>



# Memorandum



CITY OF DALLAS

DATE August 18, 2014

Members of the Economic Development Committee:

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

SUBJECT **Desoto Boundary Adjustment and ETJ Waiver Proposal**

On Monday, August 18, 2014, the Economic Development Committee will be briefed on the Desoto Boundary Adjustment and ETJ Waiver Proposal.

Briefing material is attached.

Should you have any questions or concerns, please contact me at (214) 671-9837.

A handwritten signature in blue ink, appearing to read 'Ry - S. E'.

Ryan S. Evans  
First Assistant City Manager

c: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
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Theresa O'Donnell, (I) Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Shawn Williams, (I) Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

# **DeSoto Boundary Adjustment and ETJ Waiver Proposal**

**Economic Development Committee**

**August 18, 2014**



# Background

- In 2012, USAA Real Estate Company (USAA) undertook the development of a new 157-acre business park (Southfield 35 Park) located within both the City of Dallas and the City of DeSoto.
- As part of a June, 2012 development agreement with the City of Dallas, USAA committed to work with the City to secure a southward municipal boundary adjustment to ensure that three planned buildings within the business park would be fully located within the City of Dallas.

# Background

- As part of the USAA project, approximately \$2.1 million in roadway, water, and wastewater improvements along Danieldale Road and Old Hickory Trail were incorporated to support the development of Southfield 35 Park.
  - USAA has funded \$1,170,757.94 (50%) of the cost for these improvements.
  - Roadway improvements are scheduled to be completed by September, 2014.

# Background

- With the completion of the roadway improvements, USAA has now undertaken development of four new commercial warehouse buildings.
  - The proposed waiver of the ETJ and subsequent boundary adjustment will accommodate the placement of three commercial warehouse buildings totaling approximately 1.207 million square feet within the City of Dallas.
    - City staff is currently pursuing a tenant deal concerning the building site located in the northeastern corner of Southfield Park 35.
  - An additional speculative warehouse building totaling approximately 1.128 million square feet will be located within the City of DeSoto.

# Background

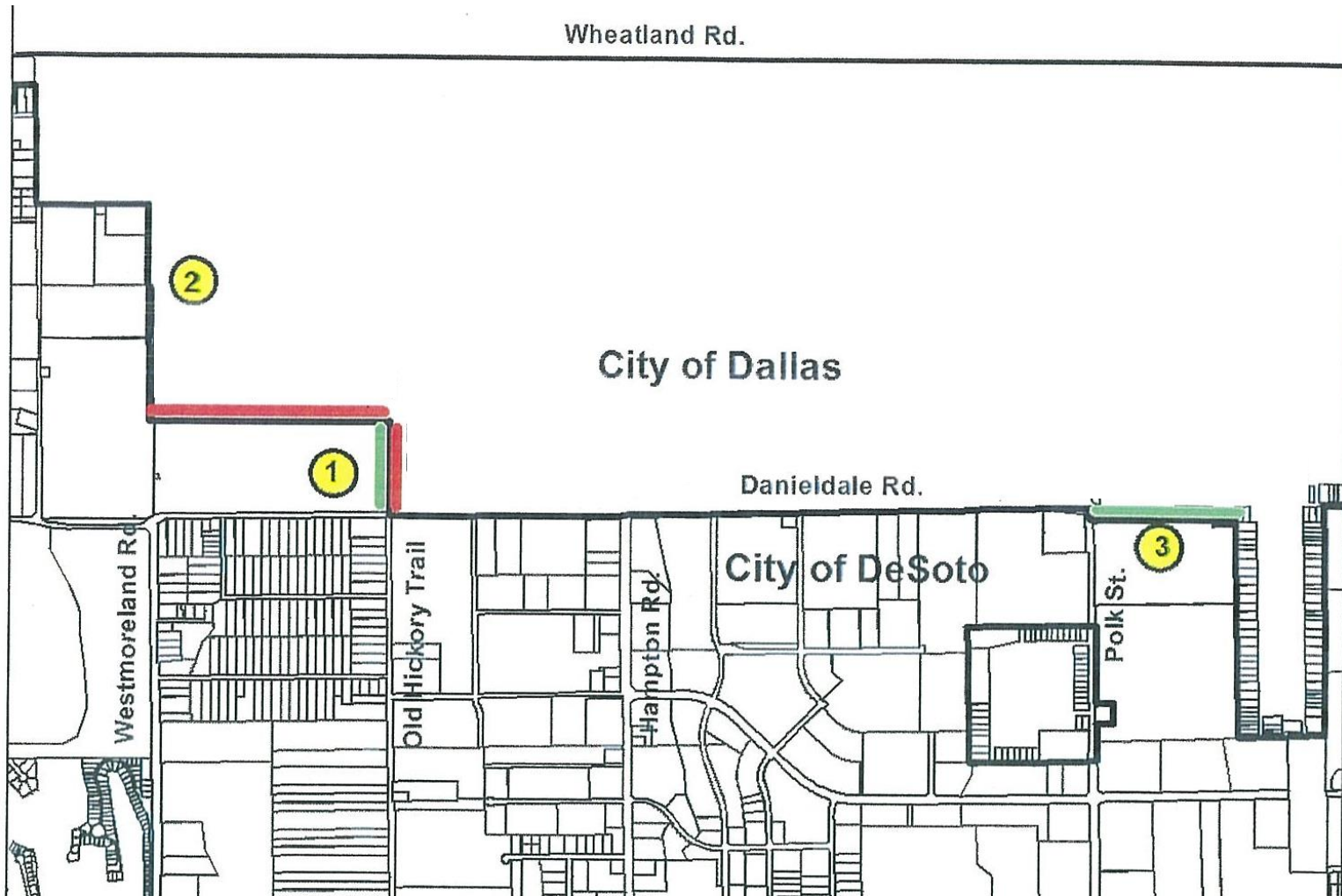
- The City of DeSoto has been approached by Dermody Properties, who is interested in developing a 95-acre tract on the southeast corner of Danieldale Road and Polk Street.
  - Development will include a distribution facility totaling approximately 1.3 million square feet.
  - To accommodate this proposed building, the city limit boundary will be adjusted to the north. This will result in the City of Dallas giving the City of DeSoto approximately 4.5 acres of land.

# Proposed Process

- **Step One: Waiver of the ETJ**
  - The City of Dallas will waive the ETJ on approximately 3.1 acres of land.
    - The City of DeSoto will annex the property, which will result in contiguous city boundaries.
- **Step Two: Two Boundary Adjustments**
  - **Boundary Adjustment Area One**
    - The boundary along the west line of Old Hickory Trail will shift to the west to include the right-of-way for the widening of Old Hickory Trail in the City of Dallas.
    - The north-south boundary will shift to the south to ensure that three planned buildings within the business park will be located within the City of Dallas.
  - **Boundary Adjustment Area Two**
    - The boundary along the south line of Daniieldale Road, east of Polk Street will shift to the north to include two planned buildings in the City of DeSoto.

# Locations of ETJ Waiver and Boundary Adjustments

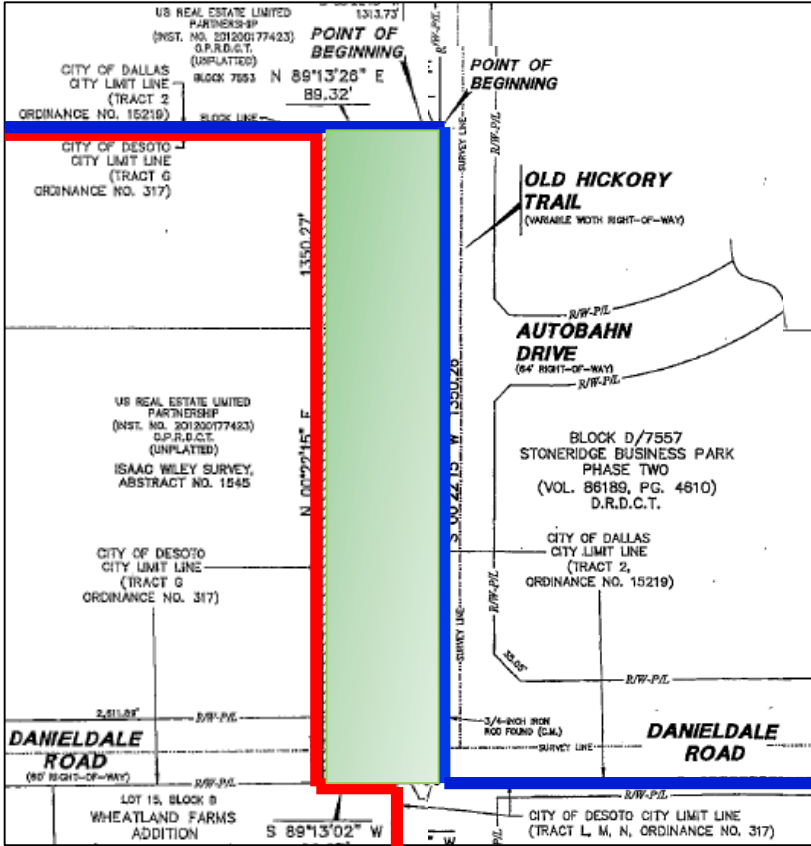
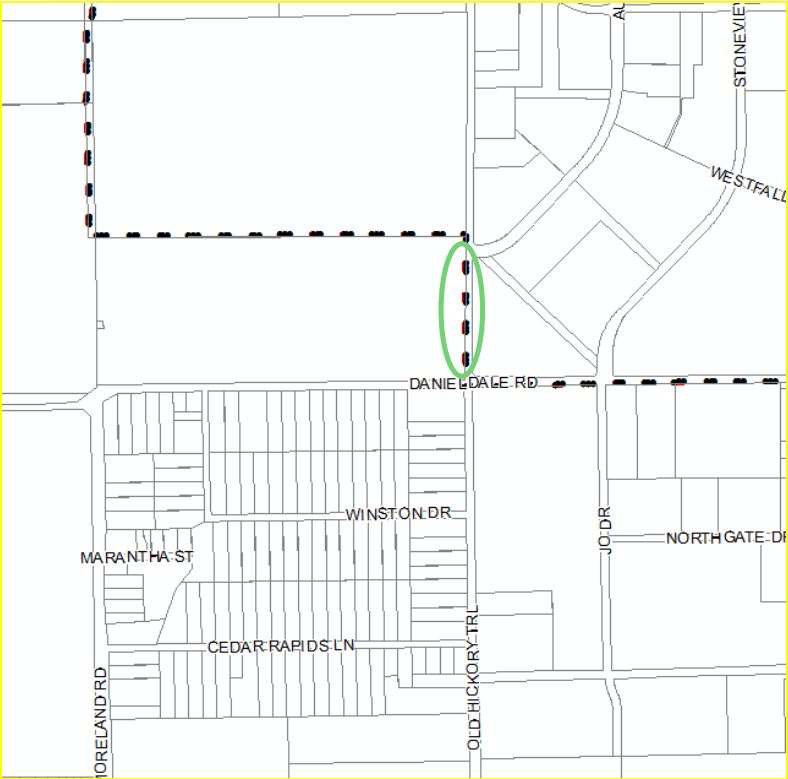
Dallas receives ±13.053 acres; DeSoto receives ±7.253 acres



**Note:** Acreages are approximate and will be determined by certified boundary surveys to be provided by the City of DeSoto.



# Step 1 Waiver of the ETJ



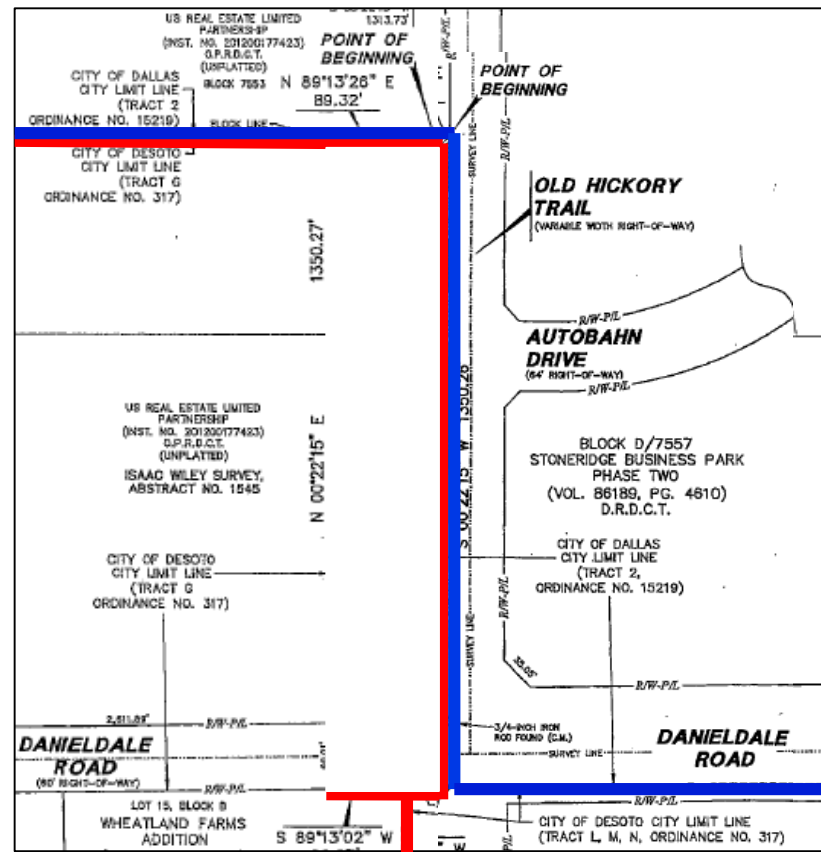
City of Dallas City Limit Line  
 City of DeSoto City Limit Line  
 ETJ

# Step 1a

## City of DeSoto annexes property

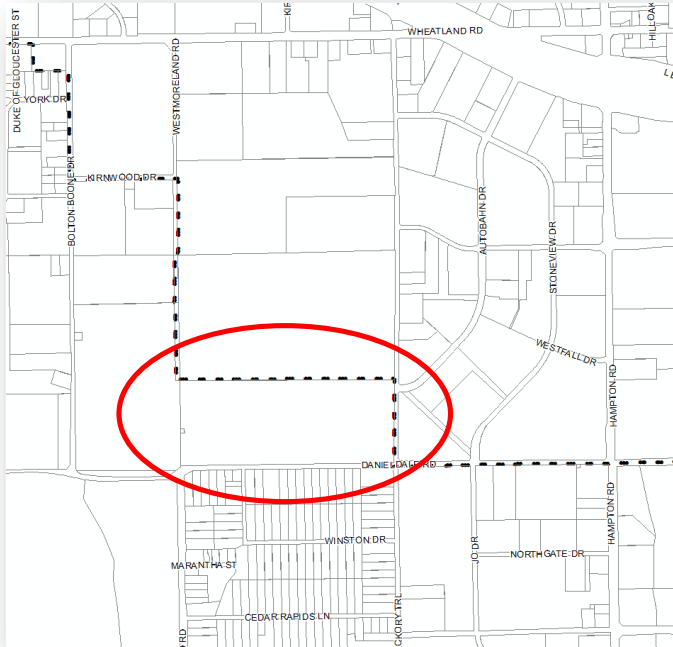
After Dallas waives the ETJ, the City of DeSoto will annex the property. The city limits will be contiguous after annexation.

After annexation by DeSoto:  
City of Dallas City Limit Line  
City of DeSoto City Limit Line

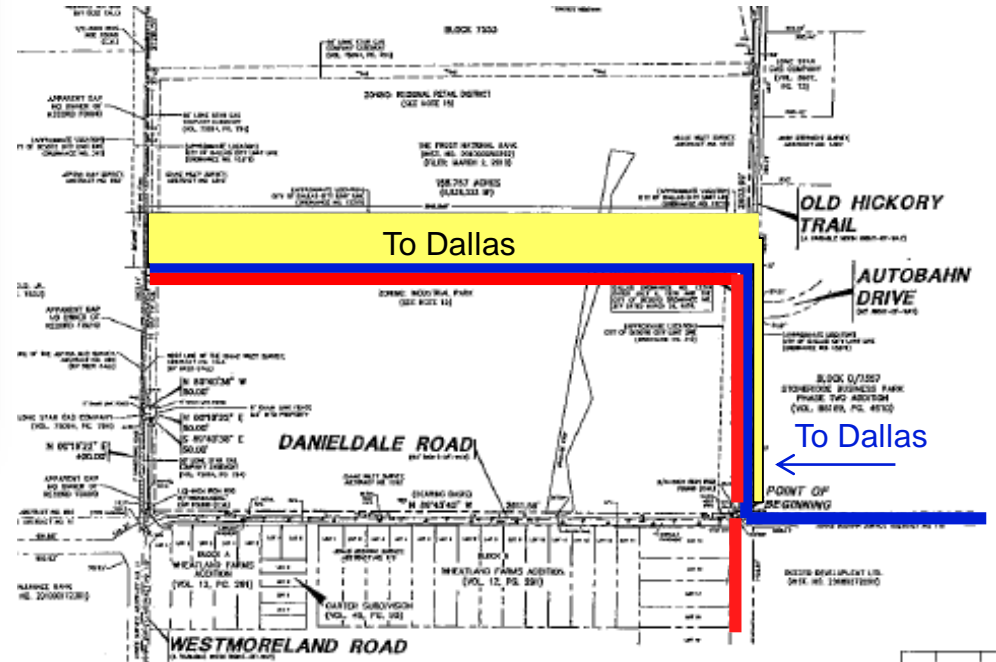


## Step 2

# Boundary Adjustment Area One – Danieldale Road and Old Hickory Trail

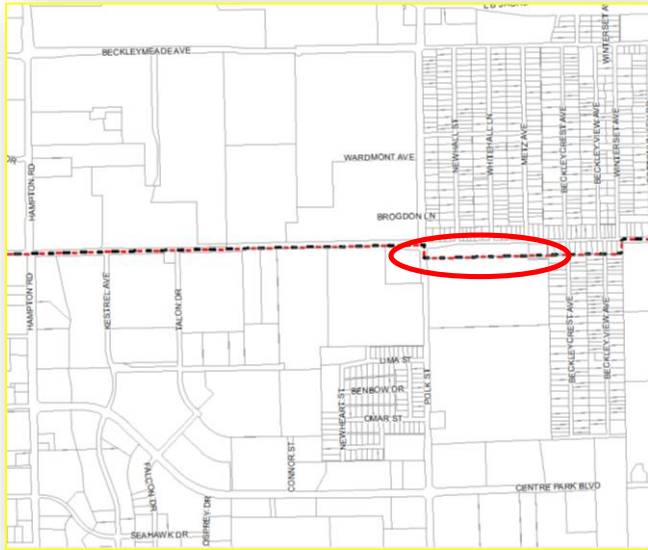


City of Dallas City Limit Line  
after boundary adjustment  
City of DeSoto City Limit Line  
after boundary adjustment



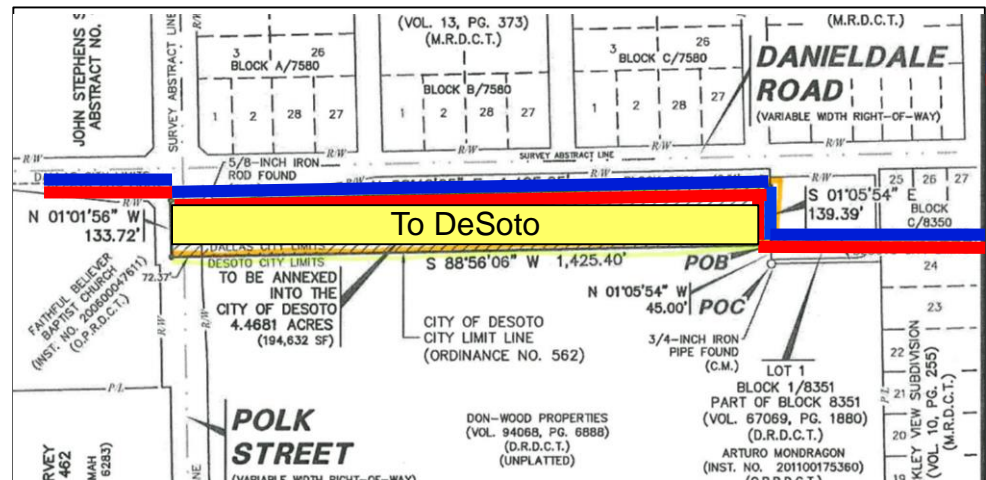
# Step 2a

## Boundary Adjustment Area Two – Daniieldale Road and Polk Street



City of Dallas City Limit Line  
after boundary adjustment

City of DeSoto City Limit Line  
after boundary adjustment



# Next Steps

- Schedule City Council consideration of the ETJ waiver (pending certified boundary surveys from the City of DeSoto).
- DeSoto annexes property
- Schedule City Council consideration of boundary adjustments at both locations

# Memorandum



CITY OF DALLAS

DATE August 15, 2014

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

SUBJECT **Amendment to the Vickery Meadow TIF District Plan**

Staff reviewed a request by Half Price Books, Records, Magazines, Inc. to consider expanding the Vickery Meadow TIF District to help facilitate the redevelopment of the former Parker Plaza along with the development of two vacant adjacent properties. The site, which is located at the northeast corner of Northwest Highway and Shady Brook, is across the street from the company's flagship store. Current uses are a Starbucks and a vacant commercial building.

Half Price Books has prepared a multi-phase plan for redeveloping this 5.7 acre site which it owns. The first phase is underway and consists of converting a vacant warehouse into a REI sporting goods store that will contain approximately 35,000 square feet of retail space. The total estimated private investment for the project is approximately \$8.1 million, including an investment of approximately \$4.8 million for the first phase. The project's anticipated build-out includes 49,000 square feet of retail/restaurant space and 356 parking spaces. The first phase is scheduled to be completed in March 2015. TIF assistance is not required for the first phase of the project. The property owner anticipates that TIF assistance will be needed for the second phase retail which is anticipated to commence in October 2014. Any specific support for this project will require review by the Vickery Meadow TIF Board of Directors and the City Council.

The completed project will help satisfy the District's Final Plan objective of diversifying its economy, eliminating unemployment or underemployment and developing or expanding commercial activity within the area. In addition, it provides an attractive gateway to the Vickery Meadow area from the south. It would also increase the taxable value of the properties that comprise the project site and encourage redevelopment activity at the District's southern gateway.

## **Fiscal Information**

No Cost Consideration to the City

## **Staff**

Karl Stundins, Manager, Area Redevelopment Division  
Telemachus Evans, Economic Development Analyst

**Recommendation**

Staff recommends City Council approval of the proposed amendments to the Vickery Meadow TIF District boundary and Final Plan.

**Map**

Attached

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



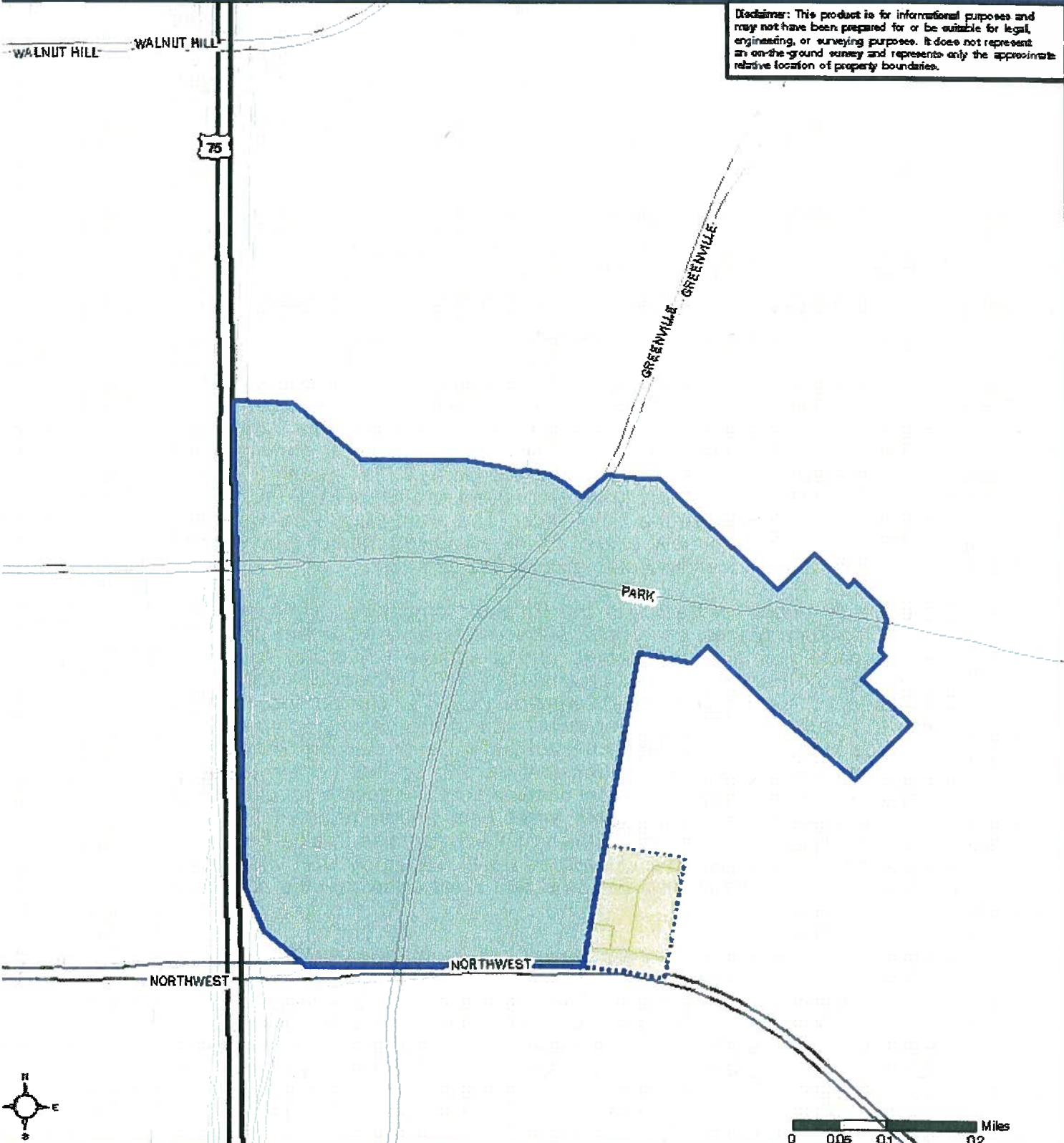
Ryan S. Evans  
First Assistant City Manager

- C: The Honorable Mayor and Members of the City Council
- A.C. Gonzales, City Manager
- Warren M.S. Ernst, City Attorney
- Craig D. Kinton, City Auditor
- Rosa A. Rios, City Secretary
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- Theresa O'Donnell, (I) Assistant City Manager
- Jeanne Chipperfield, Chief Financial Officer
- Shawn Williams, (I) Public Information Officer
- Elsa Cantu, Assistant to the City Manager – Mayor & Council
- J. Hammond Perot, Assistant Director, OED
- Karl Zavitkovsky, Director, OED



# Vickery Meadow TIF District Boundary Amendment Proposed Changes

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



DALLAS  
ECONOMIC  
DEVELOPMENT  
Area Redevelopment Division  
14 670.1685  
dallas-econdev.org

**Legend**

- Vickery Meadow TIF District
- Parcels to be Added (Half Price Books Properties)
- Parcels
- Freeway or Tollway
- Highway
- Arterial
- Local Road

Data Source: City of Dallas, Dallas Central Appraisal District



# Memorandum



CITY OF DALLAS

DATE August 15, 2014

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

SUBJECT **Resolution Amendment for Victory South Parking Garage (Sports Arena TIF District), Victory Park UST Joint Venture I, LP**

On September 10, 2014, City Council will consider various amendments to Resolution No. 13-0324 approved by City Council on February 13, 2013. The resolution authorized a grant agreement with Victory Park UST Joint Venture I, LP, ("UST") to provide American Airlines Center ("AAC") event parking and public transient parking within UST's 629-space garage (the "South Parking Garage") located in Block D at the northwest corner of Victory Park Lane and Museum Way in the Sports Arena TIF District. The grant was to be made in installments of \$855,000 annually based on the appraised market rent for the entire garage, for a total incentive not to exceed \$12,825,000.

UST is currently under contract with the Anland Companies ("Hillwood") to provide 602 parking spaces on various surface lots for AAC event parking. Block D (consisting of both the garage and a surface lot) is not currently encumbered by the Parking Rights Agreement ("PRA") between Hillwood and the AAC operator, Center Operating Company ("COC"). The purpose of the grant was to incentivize UST to unencumber 425 of the parking spaces from UST's surface lots and to encumber instead UST's South Parking Garage for both AAC event parking and public transient parking so that certain surface parking lots could be released for vertical development. To ensure development on the surface lots released, the grant agreement further required UST to guarantee a minimum increase of \$100M in DCAD appraised value between the 2012 and 2020 tax year on undeveloped tracts owned by UST within the Sports Arena TIF District including Blocks D and N, as shown on the attached map.

The proposed changes to the grant agreement are summarized as follows:

1. Not all 425 Arena Parking Spaces will be available *in the garage*. UST currently has existing office and valet leases for 354 spaces in the South Parking Garage; accordingly, only 359 parking spaces can be reserved during Arena events for AAC event parking within the garage. The shortfall of 66 spaces will be provided on Block D on UST's *adjoining surface parking lot* ("Block D-surface lot"). Accordingly, the Block D-surface lot will now also be encumbered under the PRA.
2. The guaranteed minimum increase from the 2012 DCAD-appraised value of UST owned development tracts will be reduced from \$100M to \$50M and the time frame to achieve this increase is now 2014 to 2020. The base year for measuring the added appraised value will now be 2014.

UST's commitment to increase DCAD appraised values on its parcels will be limited to Blocks D, K and M which are undeveloped or underdeveloped, as in the case of Block D. The development parcels are shown on the attached Location Map.

Prior to this amendment, UST has completed construction for one property (Block N) and currently has another parcel under contract for development (Block G). Although these properties will generate approximately \$60M in increased property appraised value and approximately \$9.3M in TIF increment for the sub-district, Blocks N and G will not count towards UST's amended increased value commitment.

3. To the extent development of Blocks D, K and M are counted towards the \$50M commitment and such tracts are developed as a residential or mixed-use residential project, UST shall contractually ensure such residential or mixed-use residential project satisfies the 20% set aside of the units in compliance with the Mixed-Income Housing policy for the Sports Arena TIF District. Failure to comply with such Mixed-Income Housing requirement for residential or mixed-use residential development on any development block counted towards UST's commitment shall result in the total recapture of the TIF grant funds paid under the grant agreement.
4. Design review is now required for any improvements made to any of the remaining undeveloped or underdeveloped blocks (Blocks D, G, K and M).
5. The TIF Grant amount for this project was based on the value of the parking being provided in the South Parking Garage (approximately \$5.9), the increase in sub-district value and the resulting TIF increment (approximately \$15M) generated by the development of undeveloped/underdeveloped tracts (Blocks D, K and M) during the remaining term of the sub-district, and not the rent or lease value of the entire garage.

UST must still secure 204 public transient parking spaces in the garage during AAC event times while COC operates the garage and 275 public transient parking spaces during non-event times, 24 hours a day and 7 days a week, excluding AAC event times and 75% of the revenues from the public parking must still be paid to the city.

### **Fiscal Information**

\$855,000 annually for a total amount not to exceed \$12,825,000 – Sports Arena TIF District Funds

**ESTIMATED TIF GRANT TERM**

Begin Grant Payment      2014

End Grant Payment      2028 or expiration of the 1999 Center Operating Company Lease Agreement for the American Airlines Center with any exercised renewal options, whichever termination occurs first

**Developer**

**Victory Park UST Joint Venture I, LP**  
Lance Fair, Vice President

**Attachments**

Block D Site Plan  
Location Map with Development Parcels  
Redline of Revisions to Resolution/Project Funding Conditions

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



Ryan S. Evans  
First Assistant City Manager

c: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
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Elsa Cantu, Assistant to the City Manager – Mayor & Council

**Block D Site Plan**







### Redline of Proposed Revisions to Resolution No. 13-0324

**Section 2.** That the Sports Arena TIF District Board of Directors is authorized to dedicate future Sports Arena TIF District revenues, attributable to the Victory Sub-district in an amount not to exceed \$12,825,000, in the form of an annual Economic Development TIF Grant in an amount not to exceed \$855,000 for providing public parking in the private Victory South Parking Garage in the Victory Sub-district of the Sports Arena TIF District. ~~The annual TIF Grant amount is based on the appraised market rent of the entire garage.~~

**Section 6.** That in addition to the conditions set out in the Sections above, the Grant Agreement is hereby expressly made subject to all of the following contingencies which must be provided, performed and/or occur:

- A. ~~A minimum of 629 public parking spaces shall be made available, as follows: 425 public parking spaces and 204 public transient parking spaces for all American Airlines Center (AAC) events and general transient parking during non-AAC event times~~ A minimum of 359 parking spaces shall be reserved for American Airlines Center (AAC) event parking, with up to an additional 66 unreserved parking spaces available for AAC event parking in the garage or on the adjoining surface lot and 204 parking spaces for public/transient parking during AAC event times. An event time is defined as the period of time commencing 2 hours before an AAC event and continuing until 2 hours after the conclusion of the event;
- B. At the AAC/Event Parking operator's discretion, 50 of the 359 spaces reserved for AAC event parking may be provided on the surface parking lot adjacent to the garage;
- C. A minimum of 275 parking spaces for public/transient parking during non-event times. A non-event time is defined as 24 hours a day and 7 days a week, excluding AAC event times, as defined above;
- D. If during any year, the City is not able to pay the entire TIF Grant payment, Owner may elect to (i) maintain the TIF Grant and defer unpaid amounts without interest until TIF funds become available, or (ii) reduce the number or Public Parking Spaces made available for AAC event and transient parking on a pro-rata basis;
- E. In addition to the other stated conditions, the first TIF Grant payment shall be conditioned on Owner having provided documentation of approval and acceptance by the Center Operating Company and Lender of the 425-AAC event parking spaces made available for AAC event parking in the Victory South Parking Garage (or other garages or the adjoining surface lot



pursuant to Subparagraph 5.G. below) by the Center Operating Company and Lender as required under the Parking Rights Agreements (PRAs) for the District and that these event parking spaces count towards a total credit of not less than 359 spaces against the minimum parking requirement for the American Airlines Center under the Parking Rights Agreements—(the first TIF Grant payment is scheduled to occur on July 31, 2013);

- F. Owner shall certify in a written letter to the City by May 31st of each year throughout the term of the TIF Grant that ~~425~~ the parking spaces ~~will be~~ made available for AAC event parking in the Victory South Parking Garage (or other garages pursuant to Subparagraph 5.E. below) and these ~~425~~ event parking spaces count towards a total credit of not less than 359 spaces against the 602 parking space obligation of the Owner. Failure of Owner to submit annual certification letter may result in the loss of the TIF Grant payment for the year. Owner will have a 10 day right to cure a failure to provide written certification after receipt of notice by the City that it did not receive such certification;
- G. Owner shall reserve the right to relocate the ~~425~~359 ~~public reserved~~ parking spaces for AAC event parking from the Victory South Parking Garage in accordance with the PRAs to other parking garages which have been developed subsequent to the TIF Grant. Upon relocation, terms of this TIF Grant will survive as long as the relocated spaces continue to count towards the parking space obligation of the Owner under the PRAs;
- H. Approval from the Director of the Office of Economic Development (Director) is required prior to relocation of the ~~425~~359 ~~reserved~~ parking spaces and Owner shall provide documentation the relocated spaces continue to count towards the parking space obligation of the Owner under the PRAs;
- I. The City will retain 75% of net revenues from transient parking in the Victory South Parking Garage;
- J. Owner must keep full and complete records of parking operations satisfactory to the City, including the development of a parking control system to prevent valet parkers or other contract parkers from using parking spaces to the detriment of the required minimum AAC event parking and transient parking;
- K. Owner shall submit a monthly report of AAC event parking and transient parking so long as and to the extent such data has been provided to Owner by AAC;

- L. The Victory South Parking Garage shall be managed and operated in cooperation with the owners of the AAC during AAC events and with the Owner at all other times;
- M. Without prior commercially reasonable approval from the Director, Owner shall not enter into additional parking agreements with other companies that affect the current 629 parking spaces in the Victory South Parking Garage, including valet companies, so as to ensure parking spaces are available for AAC event and transient parking;
- N. Design Review. The Urban Design Peer Review Panel (UDPRP), an independent group of design, engineering, and/or planning professionals selected by the Dallas City Manager, shall review and make recommendations on the preliminary design plans for any improvements on undeveloped property owned by Victory Park UST Joint Venture I, LP, including, in particular, blocks referred to as Block D, Block G, Block K and Block M located within the Sports Arena TIF District and provide their recommendations for the Director's consideration. Grantee commits to use commercially reasonable efforts to submit or cause to be submitted to the Director the following preliminary design plans for UDPRP review.

  - a. Site Plan. The site plan shall show the location of parcel boundaries and site improvements.
  - b. Streetscape/Sidewalk Plan. The sidewalk plan shall show the dimension of the sidewalks adjacent to the private property, location and type of all landscape materials, pedestrian lighting and other streetscape. Sidewalks within the site with high anticipated levels of pedestrian traffic shall be designed to accommodate the traffic. The sidewalks shall have a minimum 12 foot walking zone and a minimum 3 foot landscaping and lighting zone, where possible. Landscaping and pedestrian lights shall be placed in the area closest to the back of curb for the length of the sidewalk.
  - c. Elevations/Materials. Plans shall show the elevations and building materials for all sides of the building visible from the public right of way, focusing on the ground floor.
  - d. Colored Renderings. Renderings shall show the proposed development and its relationship to the adjacent area.

The Director shall review and approve the preliminary design plans after receiving recommendations from the UDPRP;



O. Mixed Income Housing Requirement. If Blocks D, K and/or M are developed into a residential or mixed use (with residential space) project and the value of the developed blocks are used to meet the Owner's property value increase requirement for the TIF Grant (as defined in Section 8.), Owner shall contractually ensure such residential or mixed-use residential project satisfies the 20% set aside of the units in compliance with the Mixed-Income Housing policy for the Sports Arena TIF District. Failure to comply with such Mixed-Income Housing requirement for residential or mixed use residential development on any development block counted towards Owner's commitment shall result in the total recapture of the TIF grant funds paid under the grant agreement.

**Section 8.** That should the ~~2012~~2014 assessed value of undeveloped property owned by Victory Park UST Joint Venture I, LP, including, not increase by ~~\$100,000,000~~ \$50,000,000 from the ~~2012~~2014 tax year to the 2020 tax year, the annual TIF Grant amount of \$855,000 shall be reduced by the percentage of which the properties' assessed value did not reach ~~\$100,000,000~~ \$50,000,000, with a floor TIF Grant amount of \$500,000. If the minimum assessed value of the properties is not reached by tax year 2020, adjustments to the base TIF Grant amount of \$855,000 shall commence tax year 2021 and the grant amount shall be reevaluated annually.

# Memorandum



CITY OF DALLAS

DATE August 15, 2014

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

SUBJECT **Amendment to Loan Agreement for GBG BDM, LLC (Belinda Marsaw, DDS-Dental Delite Project)**

On Wednesday, August 27, 2014, City Council will be asked to consider authorizing an amendment to Resolution No. 13-1865, previously approved on October 23, 2013, to: (1) further subordinate the City's lien position to accommodate all Lenders providing construction financing; and (2) correct the terms for the Deed Restrictions.

The City's loan of \$150,000 approved by CR 13-1865 is contingent upon approval of \$900K of financing from a conventional bank loan and the Small Business Administration (SBA) 504 Loan Guaranty Program. It is fully subordinated during the construction period and fully forgiven upon completion of construction and the issuance of the Certificate of Occupancy. SBA requires priority liens for all funders during construction and the release of all liens, covenants and restrictions for any non-guaranteed financing of term debt.

Dr. Belinda Marsaw is a dental practitioner, serving southern Dallas since 1984. Her practice, Dental Delite is located at 8228 Bruton Road, Dallas in the Pleasant Grove area. Her business has outgrown its existing facilities and she needs to expand to accommodate an increasing patient load. She has purchased a vacant lot next to her current location for expansion.

The project will add 10,000 square feet of space to the existing Dental Delite facility, improve a vacant lot, improve the efficiency and productivity of her practice, increase revenue and add 20 jobs. Total project cost is \$1,512,000. Dr. Marsaw will bring \$460K of equity to the project.

The development of the Property will further the City's goals for development in the Southern Sector. Completion of the redevelopment and expansion at the subject must be within three (3) years from the date of the first draw under the loan agreement.

## **FISCAL INFORMATION**

No cost consideration to the City

## **OWNER**

**GBG BDM, LLC**

Dr. Belinda Marsaw, President

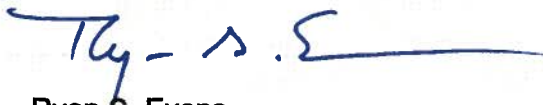
**MAP**

Attached

**RECOMMENDATION**

Staff recommends City Council approval of subject item.

Should you have any questions, please contact me at (214) 671-3296.



Ryan S. Evans  
First Assistant City Manager

- C: The Honorable Mayor and Members of the City Council
- A.C. Gonzales, City Manager
  - Warren M.S. Ernst, City Attorney
  - Craig D. Kinton, City Auditor
  - Rosa A. Rios, City Secretary
  - Daniel F. Solis, Administrative Judge
  - Jill A. Jordan, P.E., Assistant City Manager
  - Forest E. Turner, Assistant City Manager
  - Joey Zapata, Assistant City Manager
  - Charles M. Cato, (I) Assistant City Manager
  - Theresa O'Donnell, (I) Assistant City Manager
  - Jeanne Chipperfield, Chief Financial Officer
  - Shawn Williams, (I) Public Information Officer
  - Elsa Cantu, Assistant to the City Manager – Mayor & Council
  - J. Hammond Perot, Assistant Director, OED
  - Karl Zavitkovsky, Director, OED

# Dental Delite

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



ILLAS  
ONOMIC  
VELOPMENT  
search & Information Division  
4.670.1685  
llas-ecodev.org  
# 10.02.13

### Legend

### Dallas Area Roads

- Freeway
- Tollway
- Highway
- Arterial
- Local Road

# Memorandum



DATE August 15, 2014

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

SUBJECT **Stoneridge Distribution Center**

On Wednesday, August 27, 2014, City Council will be asked to consider economic development incentives for Stoneridge Distribution Center. For the past several months, City staff has been in discussions with Holt Lunsford Commercial and Frontier Equity regarding a potential three-building distribution center totaling 690,000 sq. ft. to be located on land at the Northwest corner of Hampton and Daniieldale Roads in Dallas. The proposed facilities would be constructed concurrently and include individual buildings of 400,000, 150,000 and 140,000 square feet respectively. The ownership entity is Stoneridge Fund X, LLC. They will invest approximately \$25,000,000 in construction and related costs to build the three facilities. Holt Lunsford Commercial will be the development partner on the project and manage the property going forward.

Holt Lunsford Commercial, founded in May 1993 by Holt Lunsford, CEO, is a Dallas-based commercial real estate service and investment company. The company's core lines of business include development, construction management, leasing, property management, insurance consulting as well as investments in office, industrial, land and retail sectors. Holt Lunsford Commercial is the third largest commercial real estate provider in the Dallas/Fort Metroplex, overseeing over 47 million square feet in Dallas, Fort Worth and Houston for private and institutional owners.

The developer plans to build all three buildings at the same time and anticipates construction will begin in September 2014 and be completed by the end of 2015. The City has worked with Holt Lunsford Commercial for several years on a number of different projects.

In order to develop this project, Council is requested to consider the following:

1. A 90 percent Real Property Tax Abatement for ten years on added value of Building One (Stoneridge XI - approximately 400,000 sq. ft.)
2. A 75 percent Real Property Tax Abatement for eight years on added value of improvements of Buildings Two and Three (Stoneridge XII and XIII - totaling approximately 290,000 sq. ft.)

**Stoneridge Distribution Center**

August 15, 2014

Page 2 of 2

This incentive will help offset costs associated with developing the site and allow the project to compete with other developments in Southern Dallas County, including sites in DeSoto, Lancaster, Wilmer and Hutchins.

In consideration of the tax abatements proposed, Stoneridge Fund X, LLC will: 1) Invest a minimum of \$20,000,000 in real property improvements and other related project costs such as design, engineering, architects, etc. and 2) Obtain substantial completion of all three building shells by December 31, 2015.

Forgone revenue associated with the abatements is \$1,175,771. The 10-year net estimated fiscal impact, net of incentives is \$314,032. This fiscal impact estimate does not reflect potential value of jobs created because of the speculative nature of the project. Staff recommends the proposed incentives.

**Owner**

**Stoneridge Fund X, LLC**

David Cartwright, Partner, Holt Lunsford Commercial

**Staff**

J. Hammond Perot, Assistant Director

Christopher O'Brien, Sr. Coordinator

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.



**Ryan S. Evans**

**First Assistant City Manager**

c: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Jill A. Jordan, P.E., Assistant City Manager  
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Joey Zapata, Assistant City Manager  
Charles M. Cato, (I) Assistant City Manager  
Theresa O'Donnell, (I) Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Shawn Williams, (I) Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council



# Stoneridge Business Park

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



Stoneridge Business Park  
Dallas, TX 75237

**DALLAS  
ECONOMIC  
DEVELOPMENT**

Research & Information Division  
214.670.1685  
dallas-ecodev.org

## Legend

- Site
- City of Dallas

- Freeway
- Arterial
- Local Road

Source: City of Dallas, 2014

## Proposed Project Information Worksheet Economic Development Committee

### A. Project Summary/Assumptions

<b>City Council District</b>	8	
<b>Project/Company Name</b>	Stoneridge Distribution Center	
<b>Project Location</b>	NW Corner Hampton and Danieldale	
<b>Project Type</b>	Spec Warehouse	
<b>Facilities (Square Feet)</b>	690,000	
<b>Construction Schedule</b>	Begin	August, 2014
	Complete	December, 2015
<b>Private Improvement Investment</b>	Real Property	\$21,880,000
	Business Property	\$0
<b>Jobs</b>	Created	0
	Retained	N/A
<b>Average Wage Rate</b>	Salary	N/A
	Hourly	N/A
<b>City Incentive Summary</b>	Tax Abatements	\$ 1,175,771
	Infrastructure	N/A
	Other - Grant	N/A

### B. Economic Impact Estimates (Dallas City Economy Only, \$ Million)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	0	21,880,000	0	21,880,000
Indirect and Induced Impact*	0	17,504,000	0	17,504,000
<b>Total Impact</b>	<b>0</b>	<b>39,384,000</b>	<b>0</b>	<b>39,384,000</b>

### C. City of Dallas General Fund Fiscal Impact (\$ Million)

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	1,829,988	3,846,515
Total City GF Service Costs	340,184	340,184
Net Impact Before Incentives	1,489,804	3,506,331
City Incentives	1,175,771	1,260,767
<b>Net City Fiscal Impact</b>	<b>314,033</b>	<b>2,245,564</b>

\* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

### D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue

	Property Taxes	Sales Taxes
DISD	\$ 280,520	N/A
Dallas County	\$ 55,378	N/A
DCCCD	\$ 27,284	N/A
Parkland Hospital	\$ 60,389	N/A
DART	\$ -	N/A