

Memorandum



CITY OF DALLAS

DATE November 1, 2013

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

SUBJECT **Special Warranty Deed and Designation/Move Instrument for the North Parking Garage – Sports
Arena TIF District; November 12, 2013 City Council Agenda**

On June 13, 2012, City Council approved a development agreement with Anland, GP, LP (Anland) to use Sports Arena TIF District funds to construct a single-use public parking garage (North Parking Garage) at the northwest corner of the intersection of Victory Avenue and Olive Street in the Victory Sub-district that would be owned by the City.

This request is to authorize the City Manager to execute a Special Warranty Deed to accept conveyance of the North Parking Garage upon construction completion. The City Manager will also have authorization to execute a Designation/Move Instrument, designating the newly constructed garage as a parking structure for use by the American Airlines Center (AAC) during events being held at the AAC and move 1,257 parking spaces from surface parking lots in the district into the garage. These parking spaces will then count towards the district's 5,000 parking space requirement for the AAC. Execution of these documents makes the garage subject to the District's Parking Rights Agreements until the AAC lease expires, limiting its use of the garage to American Airline Center events.

This action is consistent with Council's approval of funding to reimburse Anland for the costs of constructing the North Parking Garage. The City shall take ownership of the garage upon completion of construction. The garage will house 1,257 parking spaces currently provided on surface parking lots within the District. Once the North Parking Garage is completed those surface parking lots will be released from the District's Parking Rights Agreements and available for redevelopment.

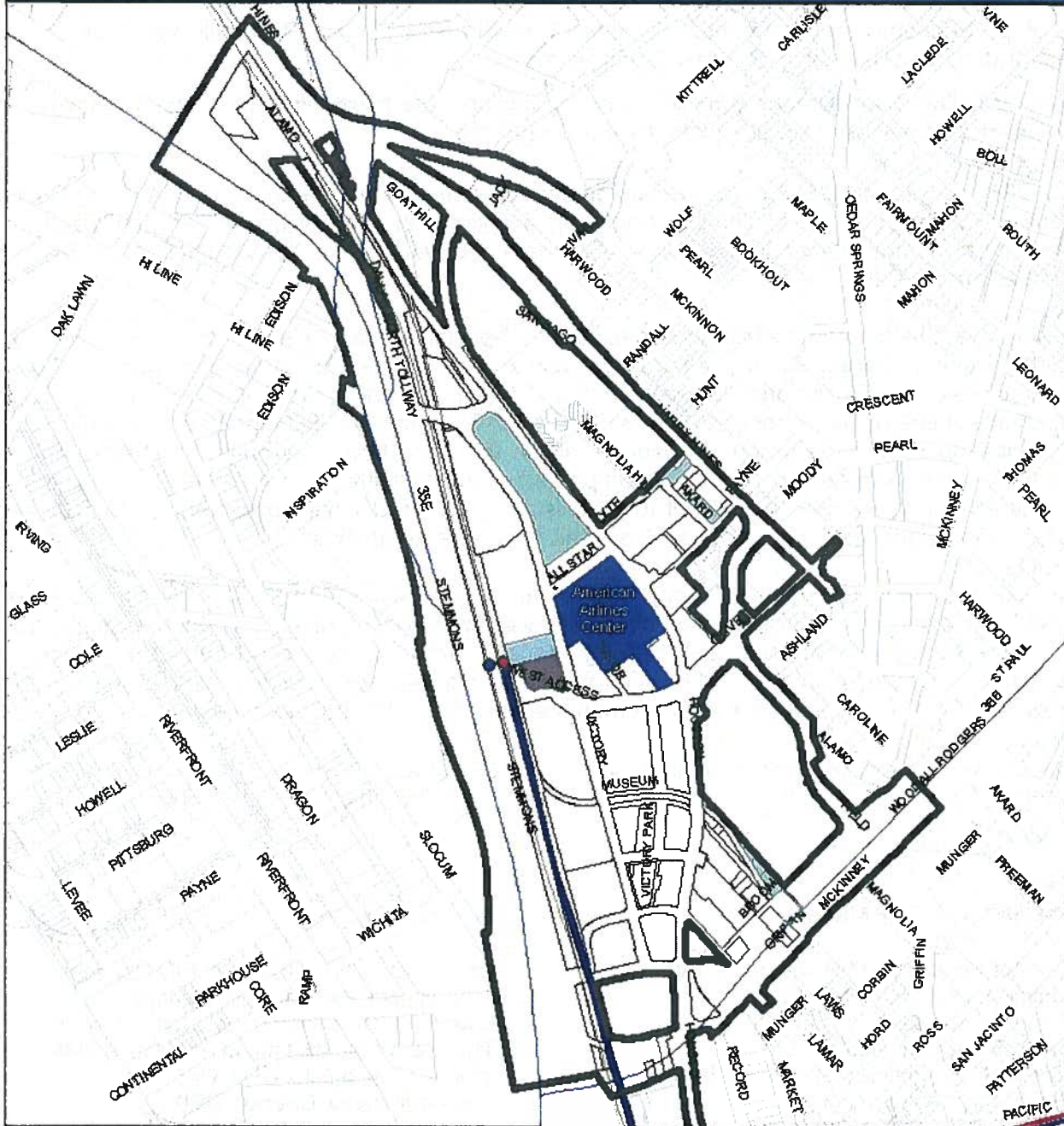
Should you have any questions, please contact me at (214) 670-3296.

Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Rosa Rios, City Secretary
Warren M.S. Ernst, City Attorney
Judge Daniel Solis, Administrative Judge Municipal Court
Craig Kinton, City Auditor
Frank Libro, 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

North Parking Garage Sports Arena TIF District - Victory Sub-district



City of Dallas
 Office of Economic Development



Area Redevelopment Division
<http://www.Dallas-EcoDev.org>

Legend

- Victory Sub-district
- North Parking Garage
- DART Plaza (Victory LR Station)
- Lots Released from Parking Requirement



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DATE November 1, 2013

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

SUBJECT **Authorize a Chapter 380 Economic Development Grant Agreement pursuant to
the Public/Private Partnership Program with Lakewest ALF Realty, LLC –
November 12, 2013 Council Agenda**

BACKGROUND

For the past couple of years, city staff has been working with Lakewest ALF Realty, LLC (Lakewest) regarding the potential development of a senior housing complex on land lease from the Dallas Housing Authority at 3494 Kingbridge that will be sub-leased to and managed by a Stonegate Company controlled entity.

In April 2011, the Dallas City Council authorized a bridge loan of \$1,500,000 in order to expedite this project that involved financing from the City of Dallas Regional Center (CDRC) in the amount of up to \$15 million through the EB-5 visa program. The bridge loan was at a 6.5 percent interest rate, and is to be repaid with the first \$1,500,000 financing raised from the CDRC. Significant delays with final approval of the EB-5 investment at the federal level have slowed the project and the bridge loan funds have been used to cover costs such as architectural, engineering and consultant fees. The loan is scheduled to be repaid in November of 2013 subject to investor approval by the U.S. Citizen and Immigration Service.

Lakewest plans to construct a 130 unit, assisted living facility for low to very low income Dallas residents who cannot live alone and are in need of help with activities of daily living. The 71,000 + square foot, single story building will feature individual suites, a dining room, commercial kitchen and laundry, activities room, examination rooms for the onsite medical director and gardens with a view of the lake.

This new facility will complete an existing senior healthcare campus in West Dallas that was built in phases by Stonegate Company. The campus currently includes 360 units of independent senior apartments (Phase I completed in 2009) and a 118 bed skilled nursing facility (Phase II completed in 2011).

Stonegate Company is a senior housing and healthcare company that operates 32 senior care properties in Texas, Oklahoma and Missouri that have residential capacity of more than 4,000 residents. Stonegate, headquartered in Lewisville where it has 35 employees, was founded in 2001 and has approximately 3500 employees across all of its facilities.

Overall, Lakewest plans to invest \$7,000,000 – 10,000,000 in improvements for the final phase of the project and estimates the creation of approximately 50-70 full time jobs. While reviewing the construction plan, Lakewest identified public infrastructure costs of approximately \$527,000 associated with sidewalks, streets, water, waste water and storm water lines. The company approached staff for assistance with the additional costs. In an effort to ensure the development and sustainability of the facility staff proposed the \$200,000 grant to offset a portion of these costs.

In consideration of the proposed grant, Lakewest has agreed to the following:

- Lakewest will create or cause to be created a minimum of 40 new jobs and invest a minimum of \$5,000,000 at the newly constructed Dallas facility to be located at 3494 Kingbridge;
- The new facility will reach substantial completion by December 31, 2014;
- The prior authorized bridge loan will be fully repaid prior to disbursement of grant funds; and
- Lakewest will have a lease in place with Stonegate Company of at least 10 years.

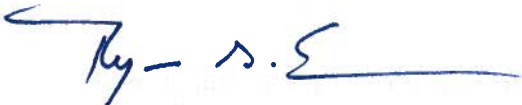
This project conforms to Public/Private Partnership Program Guidelines and Criteria as it creates or retains more than a minimum of 25 jobs at this Southern Sector zone site. Further, the development will result in a positive net fiscal impact of approximately \$48,788 over 10-years after incentives. The projected 20-year net fiscal impact of the project is \$656,680.

STAFF

J. Hammond Perot, Assistant Director, Office of Economic Development
Christopher O'Brien, Sr. Coordinator, Office of Economic Development

RECOMMENDATION

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



Ryan S. Evans
Interim First Assistant City Manager

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J. Hammond Perot, Asst. Director, OED
Elsa Cantu – Assistant to the CMO – Council Office

3494 Kingbridge Street

0 0.05 0.1 0.2 Miles



DALLAS
ECONOMIC
DEVELOPMENT

Research & Information Division
214.670.1685
dallas-ecodev.org

Legend

- Arterial
- Local Road

Source: Aerial Photography - NCTCOG, 2009; All Other Data - City of Dallas, 2011