

Memorandum

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CITY OF DALLAS

DATE April 17, 2015

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, April 20, 2015, 9:00 – 10:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of April 6, 2015 Minutes of the Economic Development Committee
2. Development Review Process Enhancement Initiative Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
3. Progress Update - UNT Dallas Area Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
4. 1712 Commerce Hotel: Downtown Connection TIF Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
5. Upcoming agenda items
 - Amendments to the Chapter 380 Grant II agreement with Bishop Arts LLC for the Bishop Arts Phase I project (Oak Cliff Gateway TIF District)
 - DalParc I-20 Logistics Phase I Project
 - 211 North Ervay Redevelopment Project Deadline Extension (City Center TIF District)
 - Transportation for Hire Regulation at Dallas Love Field

Tennell Atkins, Chair
Economic Development Committee

C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Ryan Evans, First Assistant City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

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 April 6, 2015

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

Meeting Date: April 6, 2015 **Meeting Start time:** 9:07 AM

Committee Members Present:

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

Staff Present:

Ryan Evans, First Assistant City Manager,
City Manager Office
Karl Zavitkovsky, Director, Office of Economic
Development
Karl Stundins, Manager, Office of Economic
Development

Other Council Members Present:

Other Presenters:

Kristian Teleki, Senior Vice President,
Matthews Southwest

1. Approval of April 6, 2015 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. Alamo Drafthouse Cinema Project (TOD 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. Callahan

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

Follow-up (if necessary):

3. Westdale 2800 DE Redevelopment Project (Deep Ellum 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):

4. Upcoming Agenda Items

- Business Assistant Center (BAC) Contracts
- NMTC Transaction for Serta/Dormae

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

Motion made by: Mr. Kleinman

Motion seconded by: Mr. Medrano

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: 9:46 AM

Approved By: _____

Memorandum



DATE April 17, 2015

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

SUBJECT **Development Review Process Enhancement Initiative**

On Monday, April 20, 2015 the Economic Development Committee will be briefed on the Development Review Process Enhancement Initiative.

A copy of the briefing material is attached. Staff will be available at the meeting to answer questions.

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



Ryan S. Evans
First Assistant City Manager

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Development Review Process Enhancement Initiative

Economic Development Committee

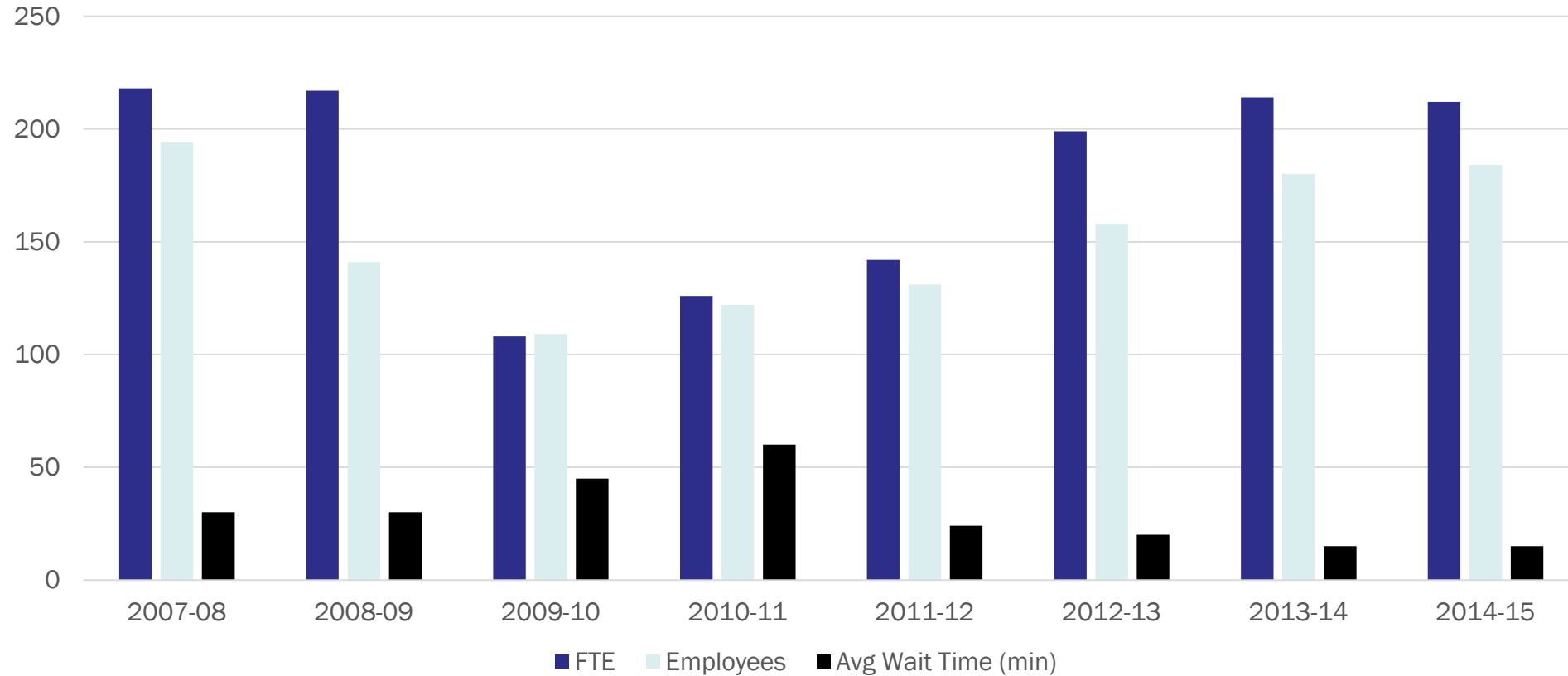
April 20, 2015



Purpose

- Provide background and perspective
 - Process overview
 - Impact of recession and recovery
 - Service delivery improvements already underway
- Describe origin and scope of Development Process Review Work Group to vet and identify additional issues and opportunities
- Summarize key findings and issues remaining to be addressed
- Outline a recommended course of action and next steps
- Seek Committee feedback and support

From Recession to Recovery: Building Inspection Staffing



From Recession to Recovery: Building Inspection Activity Trends

Value of permits issued (in billions)



From Recession to Recovery

Accomplishments Since Recovery

- Hiring
 - 41 Building Inspection new hires or vacancies filled FY 2013/2014
 - 29 Building Inspection new hires or vacancies filled YTD 2014/2015
- Multi-year budgeting
 - Permit fees distributed to match project timelines
- Gold Card system implemented for Home Builders
- Q-Team re-established and expanded to 2 teams
- Pre-development meetings formalized to help facilitate development and anticipate issues

From Recession to Recovery

Accomplishments Since Recovery

- Electronic Plan Review implementation
 - Available for Q-Team
 - Roll out for additional projects in 4th Quarter
- OCMC remodel underway
- Re-opening of field offices
 - Northwest open
 - Southwest open in May
- Concierge service created to facilitate permitting
- Central files equipment replaced
- Assigned staff to address policy and procedures

From Recession to Recovery

Other Technology Enhancements

- Implemented
 - iPads for field inspection personnel
 - MyInspections application
 - QR codes on red tags (customer survey)
 - Dashboard technology (daily tracking of BI activity)
- Nearing completion
 - Electronic Document Management System
 - June 2015
 - Electronic Plan Review System
 - Phase 2: Rollout to other than Q-team reviews: 4th Qtr

From Recession to Recovery

Challenges

- Hiring
 - Competition
 - Compensation
 - Training
 - Promotion vacuum
- Facilities
 - Adequate and efficient space
 - Quality environment for customers

Background: Origins of Workgroup

- City has made and is making a number of changes/improvements to enhance Development Review Process but recognizes need for a more holistic approach to process
- Discussions with TREC led to public/private enhancement initiative and creation of a working group to address issues:
 - Desire for process enhancements, more predictability and transparency, as well as better communication (internally and externally) throughout entirety of review process
 - Recognized need for public/private collaboration and larger dialogue to fully vet and identify issues and opportunities
- Outcome of workgroup effort with TREC and industry representatives will be the publishing of a collaborative workgroup report

Background: Origins of Workgroup

- Representatives from multiple city departments, commercial developers, engineers, zoning consultants, planners, permit expeditors, and attorneys [see Appendix A]
- Meeting regularly since September 2014
- Focused on individual elements of the development process, as well as the overall process
 - Zoning/Current Planning; Building Inspection/Q-Team; Engineering; CityDesign Studio; Real Estate
- Additional separate meetings held with individual developers, architects, contractors, construction trade association representatives, and small businesses in order to further identify and define issues
- Studied best practices from around the country to develop an inventory of model solutions

Primary Findings

- While many positive strides have been made in vertical construction review and inspection, the development community remains concerned with the overall development review process
- Projects that require multiple processes (zoning, platting, abandonments, construction permitting) are too unpredictable
- Improvement is needed on pre-construction infrastructure and site development review
- Better understanding and coordination on applications that may touch many divisions and departments

Private Sector Perceptions

- Predictability and transparency need to be improved
- Timeliness of the process does not match expectations
- Consistency of interpretation and application of the rules need improvement
- Inter-departmental coordination needs improvement
- Communication of requirements and expectations would benefit the process
- Lack of procedure for resolving issues

Public Sector Perspective

- City Staff has multiple layers of responsibility with primary objectives to uphold the City's regulations and protect public safety
- Customer Service
- Code requirements
- Balance various interests [neighborhood, applicant, City's vision] to address private desires with public good
- Staffing challenges following the recession (loss of experienced talent remains an issue)
- Challenges with submittals and review
- Incomplete and inaccurate submittals
- Lack of familiarity of and compliance with the existing regulations
- Lack of communication among applicant team
- Complexities of planned development districts

Desired Outcomes for Enhancements

- Provide a development review process and regulatory environment that better facilitates desired growth, development, and achieving the City's vision
- Add predictability and transparency
- Improve efficiency and effectiveness
- Improve coordination and communication throughout entirety of review process, both internally and externally

Where We Are Today

- Improved service delivery for review and approval of vertical construction
- Walk-in wait times in the Building Inspection permit center have been reduced by 41%, from 27 minutes to 16 minutes
- Single-family permit issuance increased 32% over last two fiscal years
- Majority of single-family permits are now issued same day
- Most field inspections now completed within 24 hours
- Preconstruction Infrastructure and Site Development review and approval processes are the primary opportunity areas for improvement
- Includes better documentation on process and procedure
- Developers need enhanced ability to track processes apart from Building Inspection (Zoning Engineering Review, Abandonments)

Where We Are Today: Internal Status

- 900+ PDs and outdated codes complicate overall review process
- Still somewhat understaffed (increased hires for engineering and survey)
- Pay adjustments will allow City to be more competitive in filling vacancies
- Electronic plan review well received for building permits, but needs to be expanded throughout the review process
- Working to clear backlog of plat reviews
- Many building inspection and zoning process improvements being implemented (Q-team a success story)
- Work group formed to evaluate OCMC space needs
- Interdepartmental meeting instituted to review development-related applications

Where We Are Today: Outside Perspective

- Accountability for entire spectrum of review process needs improvement
- Need for enhancing communication and documentation on platting and infrastructure issues (disconnect between reality and expectations)
- Desire to publish updated review time targets/develop efficiency metrics to track performance
- General need to improve protocols, checklists and development guide
- Lack of understanding in development community (and within the City) concerning role of the CityDesign Studio and Peer Review process

Where We Want to Be

- Fully staffed with service-oriented space configuration
- Predictability added to entire review process
- Enhanced use of technology to allow real time customer interaction and overall communication improvements
- Encouragement of collaborative mindset through implementation of project management approach that identifies critical path items and responsible parties at project inception
- Improved transparency through development of meaningful measurement standards and consistent reporting
- Identify needed code amendments

Where We Want to Be (Continued)

- Internal training/education for staff to improve coordination of applications that touch multiple divisions and departments
- Ongoing program to educate constituency through updated process protocols, development guide and interpretation manual for consistent application of City codes
- Improved internal and external communication
 - Quarterly meetings between City and industry leaders
 - Monthly internal staff meeting with relevant directors and ACMs
- Emphasis on customer-oriented service
- Effective integration of Design Studio and Peer Review function into development review process

More Strategic Approach Required

- Organization and Culture
- Coordination and Processes
- Communication, Education/Training, and Outreach

Next Steps: Organization and Culture

Strategic Initiatives:

- Assemble a *permanent* project management team focused on enhancing development review (3Q FY15)
 - Responsible for the continuation of this initiative
 - Provide comprehensive development coordination to facilitate projects through the entire spectrum of development review
 - Provide feedback loop to identify additional opportunities for enhanced service
- Identify needed amendments to the Development Code for consideration by City Council (ongoing/FY16)

Key Tactical Actions:

- Fill key vacancies in all departments and hire temporary staffing and/or third party contract personnel to address backlogs (Sept 15)
- Identify immediate space needs as well as functions that benefit from physical proximity (ongoing)

Next Steps: Coordination and Processes

Strategic Initiatives:

- Develop detailed implementation strategy focused on pre-development functions (1Q FY16)
- Continue rollout of technology upgrades (ongoing)

Key Tactical Actions:

- Convene regular summits of ACMs and Directors engaged in development review and approval process (4Q FY15)
- Target focused conversations with staff and development industry regarding Fire protection reviews and inspections (4Q FY15)
- Continued rollout of e-plan review and other technology initiatives including:
 - Improved communication protocols for building permit review
 - Digitizing of archives for engineering drawings
 - Zoning intake log online (also indicating application status)
- Clear backlog of plat review by summer 2015
- Amend Fee Ordinance to add express review option to engineering review and review certain fees (FY16)

Next Steps: Communication, Education/Training, and Outreach

Strategic Initiative:

- Development and implementation of communication, education, and outreach strategy (1Q FY16, ongoing updates)

Key Tactical Actions:

- Form a permanent working group composed of key City Staff and private sector stakeholders to meet quarterly to discuss issues and monitor progress (4Q FY15)
- Create regularly recurring “Development 101” Symposiums
- Establish customer feedback processes (FY16)
- Update real estate brochures, checklists and protocols to provide more accurate timelines and required steps for abandonment procedures (FY16)

Next Steps: Communication, Education/Training, and Outreach

- **Key Tactical Actions (cont):**
 - Publish updated review time targets and work with Lean/Six Sigma team to develop efficiency metrics to track performance across all departments (FY16/ongoing)
 - Clear articulation of CityDesign Studio/Peer Review function in development review process (4Q FY15)
 - Work with industry representatives to communicate shared responsibility in realizing program enhancements (ongoing)
 - Create a communication and training curriculum geared toward all customers from large to small (FY16)

Next Steps

- Publish collaborative workgroup report (May 2015)
- Council consideration of a resolution endorsing the outlined collaborative enhancement initiative (see Appendix B) (May 2015)

Appendices



Appendix A: Workgroup Participants

Development Community

- CityPlace
- Corinth Properties
- Masterplan Consultants
- Pacheco Koch
- BDD Engineering
- Kimley Horn
- RLG
- Davis Advocates , representing TREC
- Winstead McGuire
- Jackson Walker

Internal Departments

- Economic Development
- Sustainable Development and Construction
 - Current Planning
 - Building and Inspections
 - Q-Team
 - Engineering
 - Real Estate
- City Design Studio
- City Attorney's Office

Appendix B: Proposed Council Resolution

WHEREAS, The City of Dallas is one of the national leaders in entrepreneurial pursuits and business creation; and

WHEREAS, The City of Dallas has regained economic vibrancy following a national recession and is now part of one of the fastest growing regions in the nation; and

WHEREAS, The City of Dallas is experiencing an economic boom from large-scale redevelopment projects in the Downtown core to emerging neighborhoods throughout the city ; and

WHEREAS, The City of Dallas should be a leader among its neighboring municipalities as a welcoming, responsive, efficient and cooperative place in which to do business; and

WHEREAS, Efficiency, transparency, and predictability of the development process is of paramount importance to encouraging continued growth and economic development opportunities; and

WHEREAS, Customer service and a “can do” spirit plays a critical role in the development process; and

WHEREAS, An honest, open and continuing dialogue between the public and private sector can result in meaningful improvements to the development process; and

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY DALLAS:

SECTION 1. That the City Manager is instructed to recognize a team including the Real Estate Council and Dallas City staff which will deliver collaborative and constructive recommendations to enhance the development services process at the City of Dallas, and to make recommendations on any actions that would be necessary to implement these findings.

SECTION 2. That these two organizations will continue to meet on a quarterly basis to monitor the progress of these recommendations, share best industry and municipal practices, and identify areas of strengths to applaud and weaknesses to improve on an ongoing basis.

SECTION 3. That this resolution shall take effect immediately from and after its passage, in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

Memorandum



DATE April 17, 2015

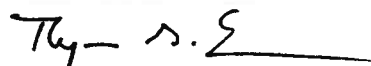
TO Members of the Economic Development Committee: Tennell Atkins (Chair), Rick Callahan (Vice Chair) Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman

SUBJECT **Progress Update - UNT-Dallas Area**

On Monday, April 20, 2015, the Economic Development Committee will be briefed on progress regarding economic development activities and pending private investment in the UNT-Dallas area.

Briefing material is attached.

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



Ryan S. Evans
First Assistant City Manager

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PROGRESS UPDATE - UNT- DALLAS AREA

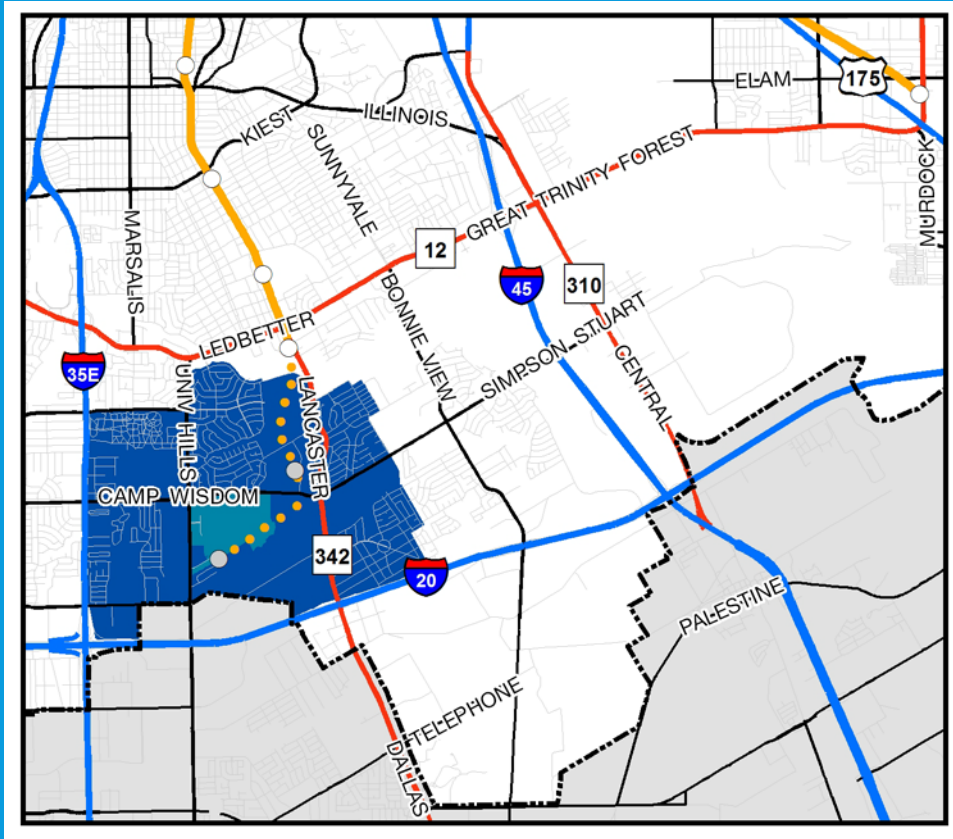
Economic Development Committee

April 20, 2015

PURPOSE

- To update the Economic Development Committee on efforts to promote economic development activity in the area surrounding UNT-Dallas.

GEOGRAPHY



- The UNT-Dallas area is bounded by IH-35 to the west, I-20 and Lancaster city limits to the south, Tracy Road to the east and Laureland Road and Wagon Wheel Trail to the north.
- Major arterials are Camp Wisdom/Simpson Stuart east-west, and University Hills north-south.
- It covers approximately 5 square miles.

NATURAL ATTRIBUTES



The area's natural attributes are many:

- 8 – 10 minute drive time to/from downtown.
- Direct access to three major highways: I-20, I-35 and I-45.
- Close to the 30 corporations who have made IPOD their home.
- Beautiful rolling terrain with spectacular views of downtown.
- Large tracts of undeveloped land.

UNT-DALLAS AS A CATALYST

- In 2002, the City of Dallas purchased 202 acres of land, at a value of \$3 million, and donated it to the University of North Texas system to create UNT-Dallas, the only 4-year university in the City of Dallas.
- The City of Dallas facilitated additional land contributions by a private owner, expanding the UNT-Dallas campus to 264 acres.
- UNT-Dallas' location was strategically chosen to be a catalyst for economic activity in Southeast Oak Cliff.



UNT-DALLAS AS A CATALYST

- UNT-Dallas opened its first building in 2007 with full-time enrollment of 1,000 students.
- In 2012, with the encouragement of the City of Dallas and under the leadership of its new President Ron Brown, UNT-Dallas began proactively opening up its campus to the community.
- UNT-Dallas now has 2 academic buildings, 2,600 full-time students and will graduate it's second class in May.



UNT-DALLAS AS A CATALYST

- A 3rd building is on its way, as UNT-Dallas is moving forward with plans to build a privately financed 120-bed residence hall and learning center on its campus, with a target opening date of summer 2016.
- A 4th building is potentially on the way, as The Texas House of Representatives just approved a bill containing \$60 million for a UNT-Dallas library and student success center as part of the tuition revenue bond program. (Senate approval is pending.)
- Additionally, UNT-Dallas has privately raised \$400,000 of \$600,000 needed to build an on-campus amphitheater for students and the community.



LEVERAGING OUR INVESTMENT

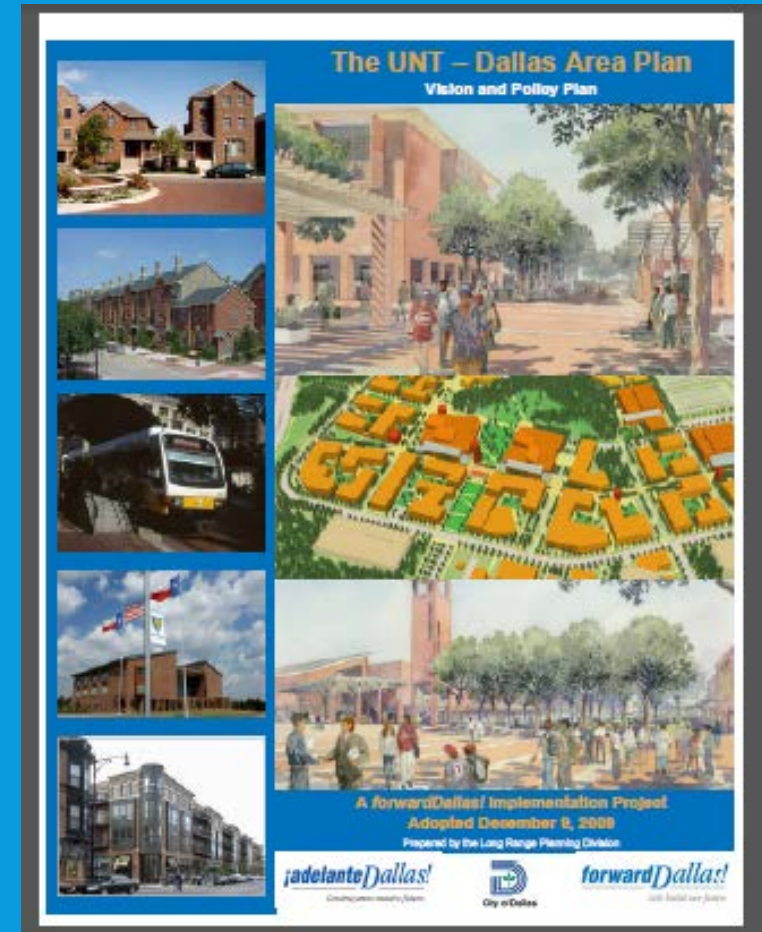
- A key component of the GrowSouth initiative, the City of Dallas is leveraging its catalytic investment in the UNT-area via:
 - Planning
 - Infrastructure
 - Facilitation of private investment

PLANNING

- In 2005, the UNT-Dallas area was designated as one of five catalyst projects in the Office of Economic Development's 2005 Strategic Engagement development plan.
- In 2006, the *forwardDallas!* Comprehensive Plan identified the UNT-Dallas area as a top priority for area planning.
- A 14-member advisory committee including neighborhood residents and property owners was formed.
- 2 public meetings and 5 advisory committee meetings were held between April 2007 and May 2008, resulting in a draft Consensus Vision.

PLANNING

- The draft Consensus Vision was followed by 2 additional public meetings, a town hall meeting in conjunction with DART, 3 neighborhood meetings and multiple property owner meetings.
- As a result, in 2009, the UNT-Dallas Area Plan, the first post - *forwardDallas!* small area plan, was adopted. (See Appendix A for details of plan.)



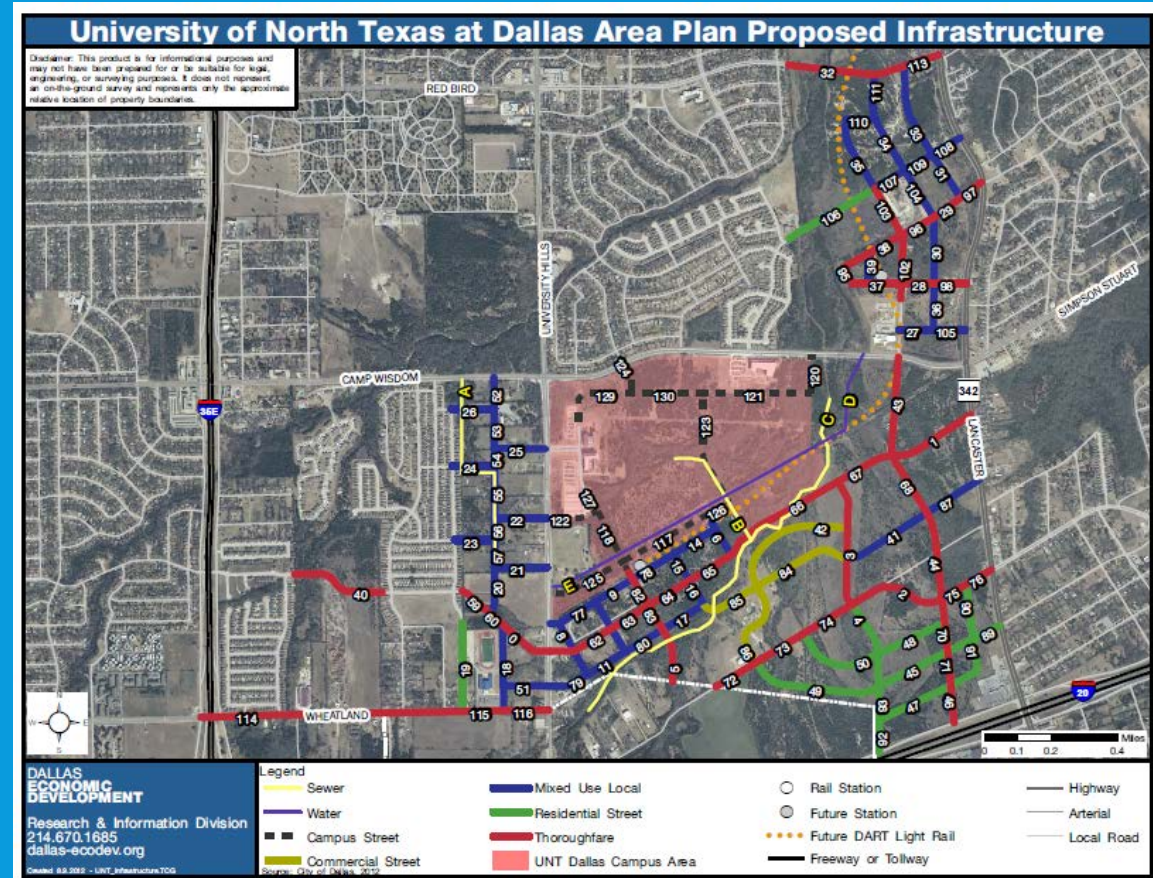
PLANNING



- Complementing City of Dallas' planning efforts, the City of Lancaster adopted a Campus District Plan.
- Their plan envisions research and development land uses within a 450 acre district at the City of Dallas/City of Lancaster border.

PLANNING

- In 2013, a preliminary analysis of infrastructure needs was completed by DWU and Transportation Planning to address future water, sewer, streets and transportation needs.
- The analysis ultimately plans for development not just directly adjacent to UNT-Dallas, but also across University Hills to the west and along Lancaster north of Camp Wisdom. (See Appendix B for details.)
- Analysis is ongoing to determine cost and funding sources.



PLANNING

- In 2013, Town Hall Associates was hired to prepare an Economic Development Assessment, which was presented to the community at a town hall meeting on UNT-Dallas' campus.
 - The report included a Community Needs Assessment and an Area Assessment. (See Appendix C for key findings.)
- In 2014, The Retail Coach, a national consulting firm, conducted a retail market analysis of key intersections in the UNT-Dallas area. (See Appendix D for key findings.)
- In 2015, DWU and Transportation Planning continue to refine their infrastructure plans to support future development.

INFRASTRUCTURE - COMPLETED

- Houston School Road was reconstructed and made into a 6-lane boulevard, and renamed University Hills Boulevard.
- A new Dallas Police Department South Central Patrol Division substation was built at Camp Wisdom Road and Patrol Way, directly across from UNT-Dallas.
- A new police service area was established to improve public safety in south central Dallas.



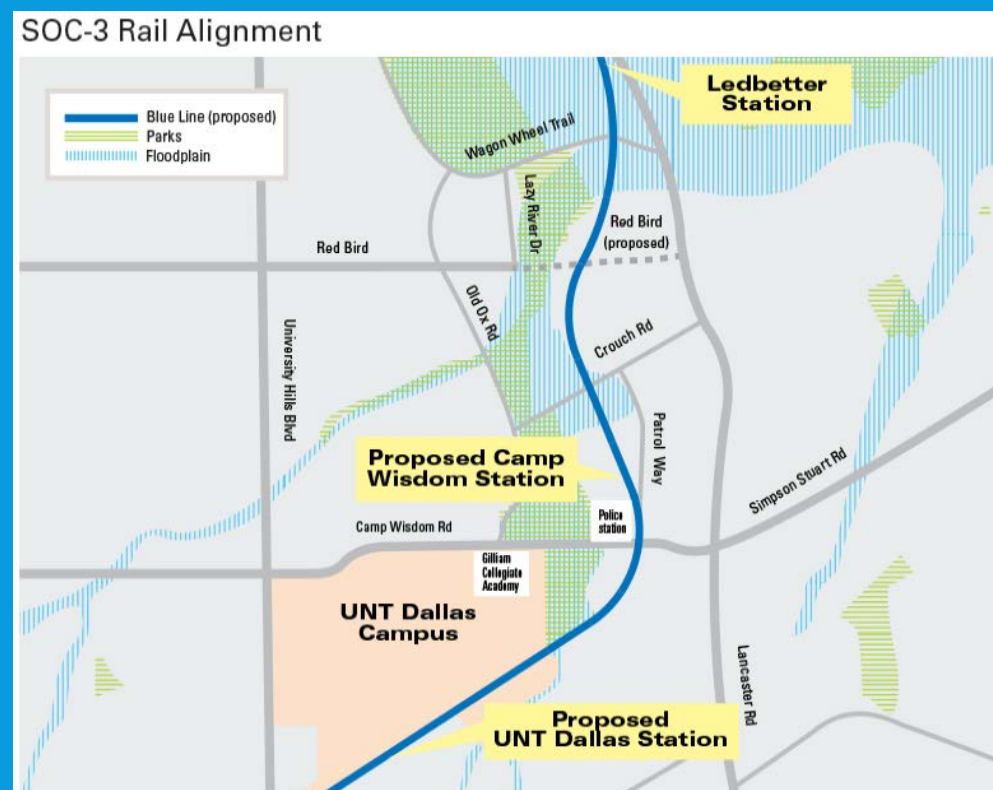
INFRASTRUCTURE - ONGOING

- The City of Dallas proactively worked with DART to expedite the extension of the Blue Line to serve the UNT-Dallas area.
- A ground-breaking ceremony was held in October, 2014 with participation from DART, UNT-Dallas, City of Dallas and community members.



INFRASTRUCTURE - ONGOING

- Construction is underway and on-schedule for a December 2016 completion, two years earlier than originally anticipated.
- As part of the extension, two new stations are being built in the UNT-Dallas area, one at Patrol Way north of the South Central Patrol Division substation and one at the southern edge of the UNT-Dallas campus.



INFRASTRUCTURE - ONGOING

- Construction has begun on a new Singing Hills Recreation Center to be located adjacent to the new Camp Wisdom DART station, replacing an obsolete existing recreation center.
 - It will be the first recreation center to connect directly to a DART station (via a plaza).
 - Construction is anticipated to be completed by year-end 2016, coincident with the opening of the DART station.



INFRASTRUCTURE - ONGOING



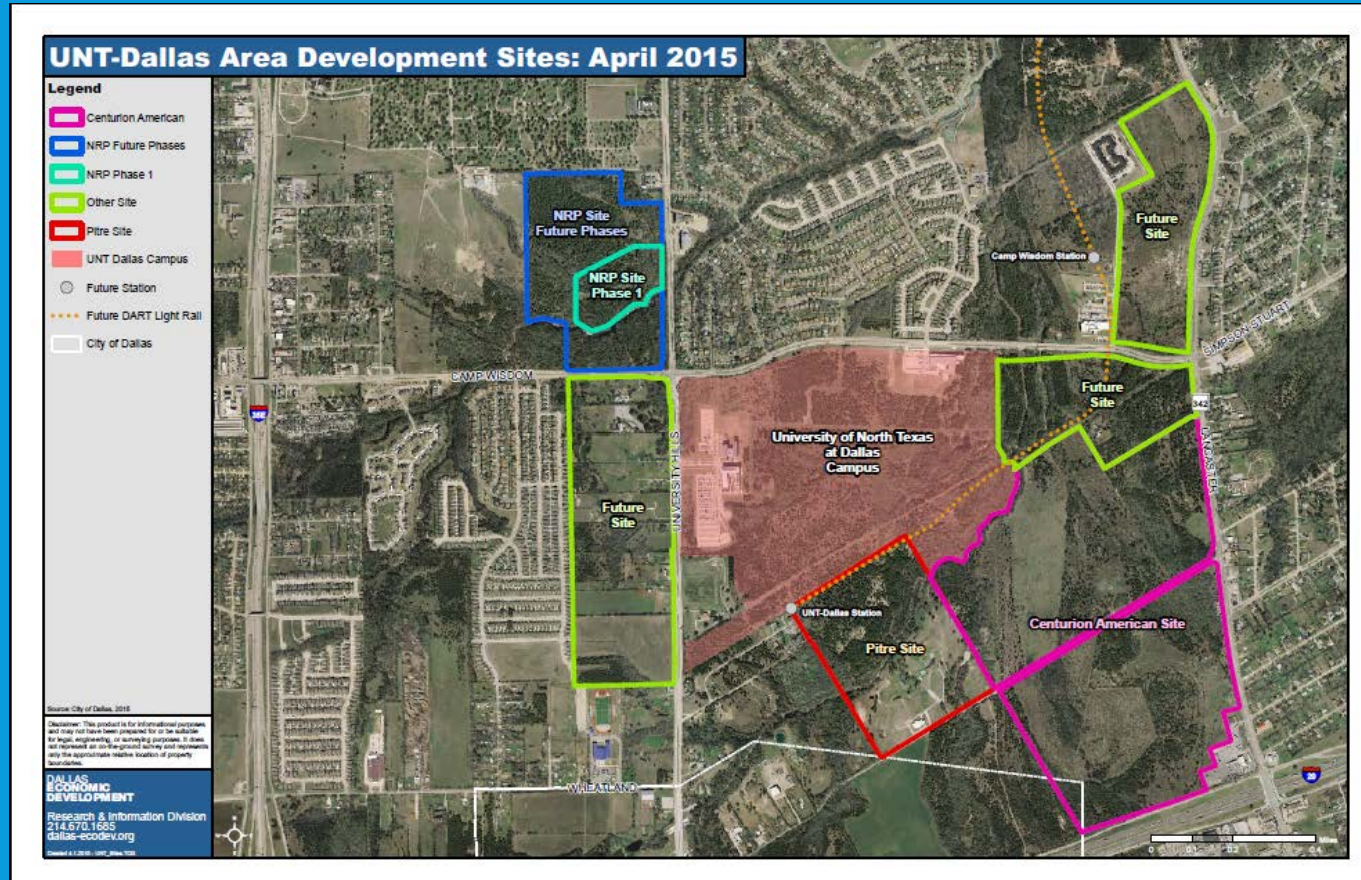
- A new 3-mile hike and bike trail, Runyon Creek Greenbelt, indicated in red on the map, is being designed to connect 5 Mile Trail with both DART stations and will be constructed as funding allows.
- The Department of Public Works has completed the design for a re-alignment of Wheatland Road between University Hills Boulevard and Lancaster Road, and is in the process of acquiring right-of-way.

OTHER INVESTMENT

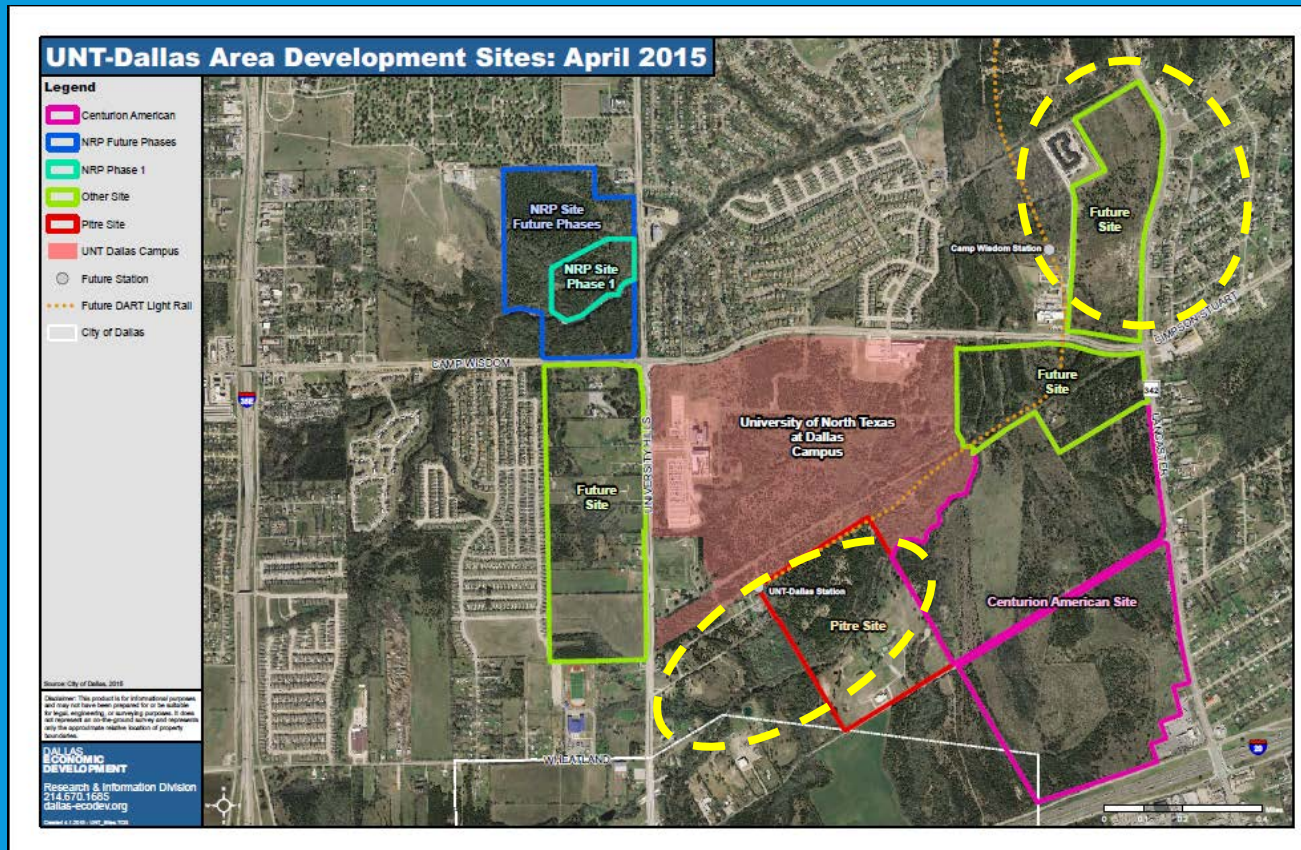
- Kathlyn Joy Gilliam Collegiate Academy
 - Early college high school, magnet school
 - Targets 1st generation college students
 - Opened 2008, has approximately 400 students
- Magnolia trace
 - Senior community, income restricted
 - 100 + units
 - Opened in 2011



POTENTIAL DEVELOPMENT SITES



TRANSIT - ORIENTED DEVELOPMENT OPPORTUNITIES



- The new Camp Wisdom and UNT-Dallas DART stations create potential transit-oriented development opportunities at adjacent sites.

PENDING FUTURE PRIVATE INVESTMENT

- As a result of all of the previous efforts, the UNT-Dallas Area is beginning to attract interest from private developers.
- Two potential projects are in the planning stage and have approached the City of Dallas for assistance in moving forward:
 - University Hills – Centurion American
 - Savannah Estates – NRP/Pettis Norman

UNIVERSITY HILLS

- Centurion American is planning a 260-acre mixed-use project including:
 - Single family villas and townhomes
 - Multifamily residential
 - Retail/restaurants
 - Hotel
 - Entertainment district
 - Wedding chapel
 - Sports facility



UNIVERSITY HILLS

Single family villa and townhome examples:


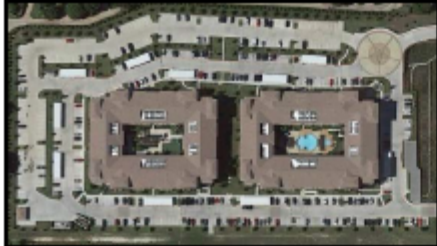

The collage displays five types of residential housing:

- Townhomes (Alley & Front-loaded):** A row of multi-story townhomes with gabled roofs and stone accents.
- Villas on 50's (Alley & Front Loaded):** A large, two-story villa with a prominent gable and stone facade.
- Villas on 40's (Alley & Front Loaded):** A smaller villa with a gabled roof and a covered front porch.
- Cluster Homes:** A 3D architectural rendering of a cluster of homes with courtyards, labeled 'COURTYARD / CLUSTER HOMES'.
- Row Homes:** A row of three-story row homes with white facades and arched windows.

On the right side of the collage, there is a vertical red banner with the text "PROPOSED RESIDENTIAL USES" and a logo at the top right.

UNIVERSITY HILLS

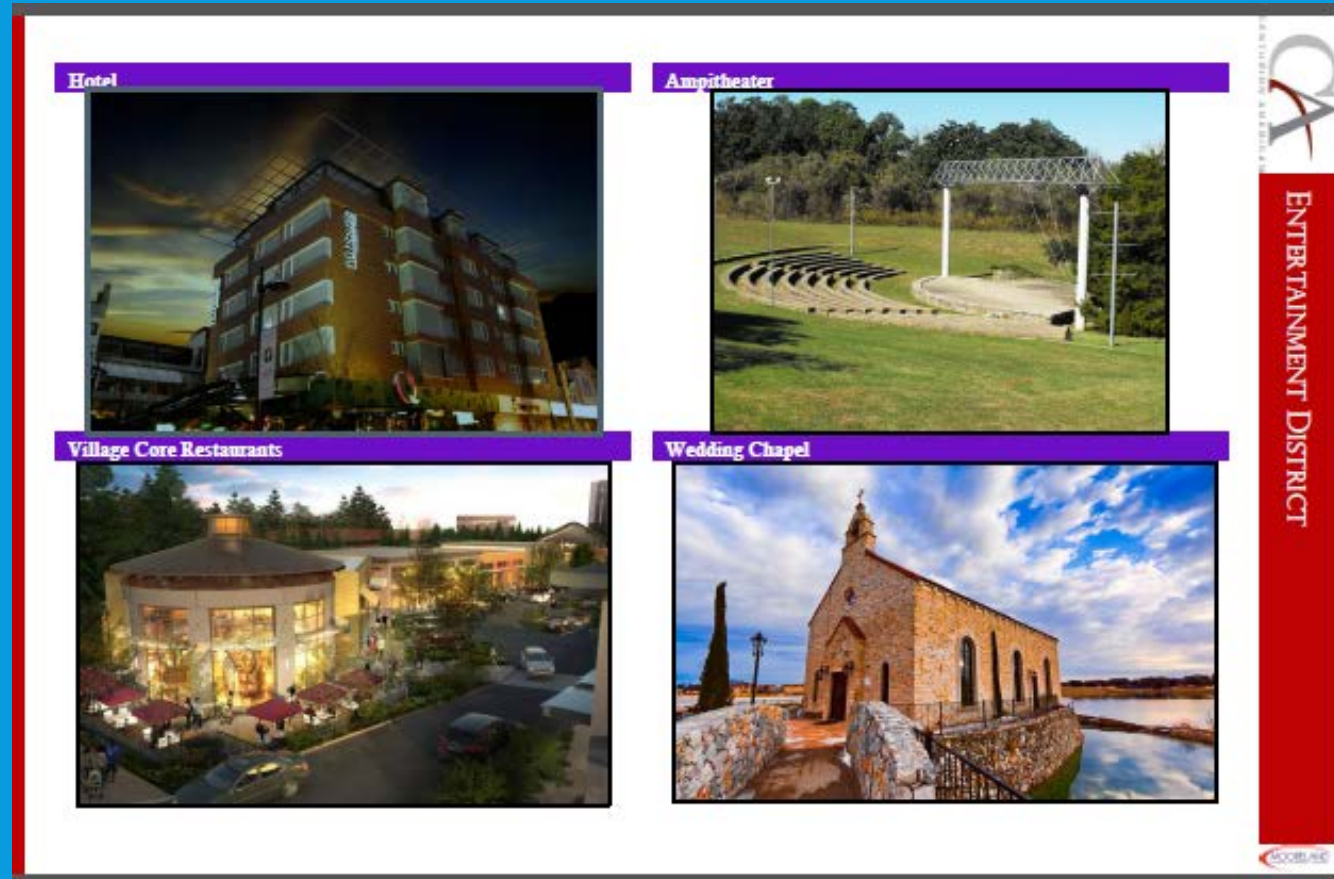
Multifamily examples:

Multi-Family	Multi-Family
<ul style="list-style-type: none">• 20-25 Units Per Acre• Surface Parked, but arranged to be similar in style to Podium-Parked Product• Interior Pool and Courtyards• 3-Stories	
	

MULTIFAMILY

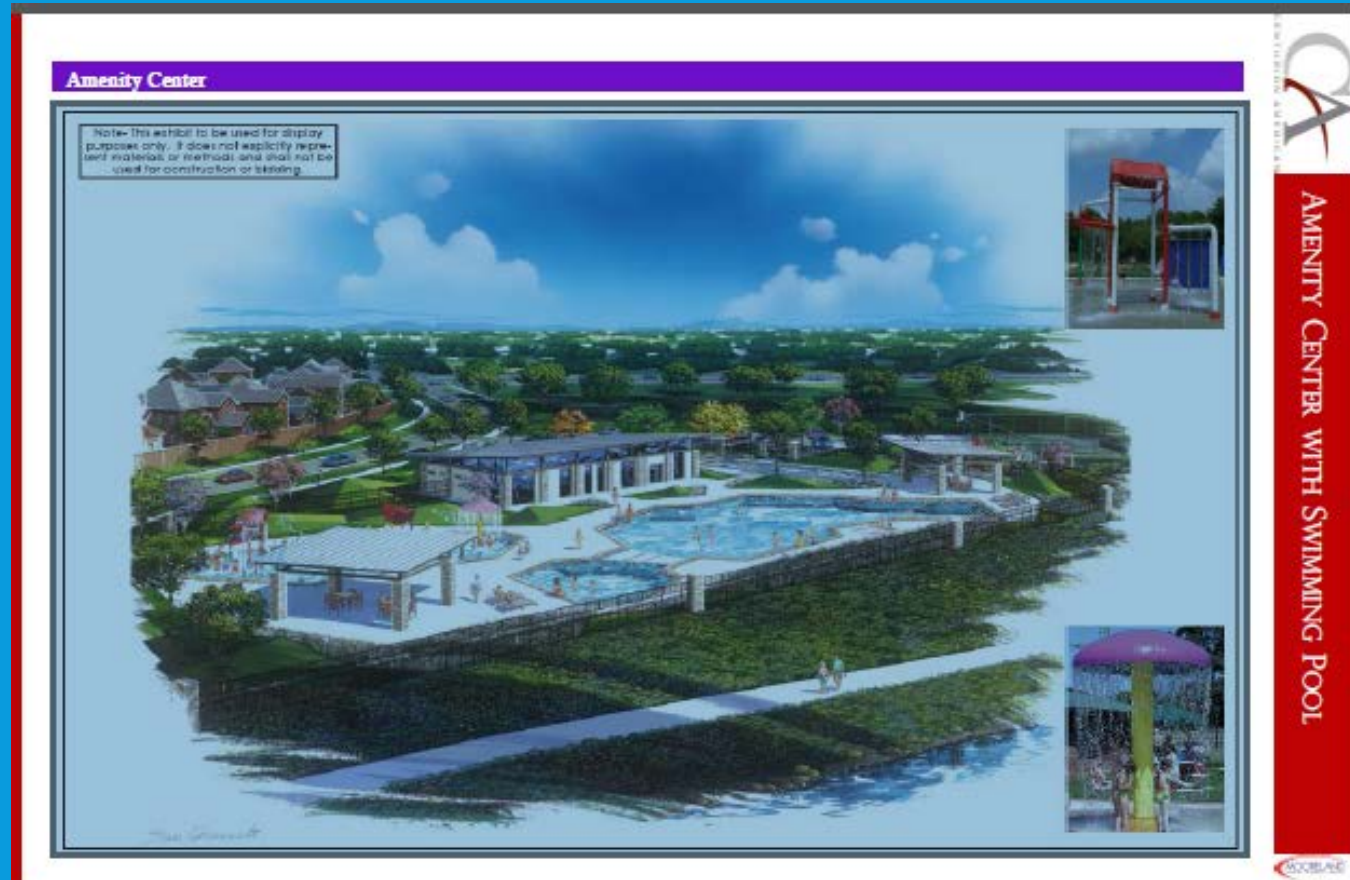
UNIVERSITY HILLS

Entertainment district and wedding chapel examples:



UNIVERSITY HILLS

Amenity center example:



SAVANNAH ESTATES

- National multifamily developer NRP, in partnership with Pettis Norman, is proposing a mixed-use, mixed-income project consisting of:

Phase I:

- 265 apartments, 50% at 80% AMI
- 10,000 sf of retail
- A common green

Future Phases:

- For-sale single family
- Retail/Commercial



SAVANNAH ESTATES

Phase I multi-family:



SAVANNAH ESTATES

Phase I retail/
live work:



SAVANNAH ESTATES

Future phases plan:



PENDING FUTURE PRIVATE INVESTMENT

- To move forward, future projects will require significant public infrastructure investment:
 - \$5 million was approved in the 2012 bond program that can be used for economic development in the UNT-Dallas area.
 - \$5.2 million was approved in the 2006 bond program for the alignment of Wheatland Road between University Hills and Lancaster.

NEXT STEPS

- Continue (DWU and PW) to evaluate the cost and funding sources of water, sewer, trail and road improvements needed to support development.
- Create a TIF District to further encourage development via infrastructure cost reimbursement.
- Continue to support UNT-Dallas as they expand their campus in the future with an amphitheater, a library and new residential and academic buildings.
- Continue to work with DART as they construct the Blue Line extension and integrate it into the existing rail network and community.

NEXT STEPS

- Evaluate potential projects for council consideration:
 - Savannah Estates
 - DHFC (May)
 - Eco/Housing Committees (late May/early June)
 - Council consideration (late May/early June)
 - University Hills
 - Council action – 4th quarter 2015 or 1st quarter 2016
 - Continue to work with DART on T.O.D. development

APPENDIX A – SUMMARY OF UNT-DALLAS AREA PLAN

Key opportunities identified in the plan:

- The UNT-Dallas Campus as anchor.
- DART light rail blue line extension.
- Strategic Location near IIPOD, Dallas Executive Airport, VA Hospital and NAFTA trade corridor (I-20).
- Undeveloped land and attractive natural features.
- Established single family neighborhoods.

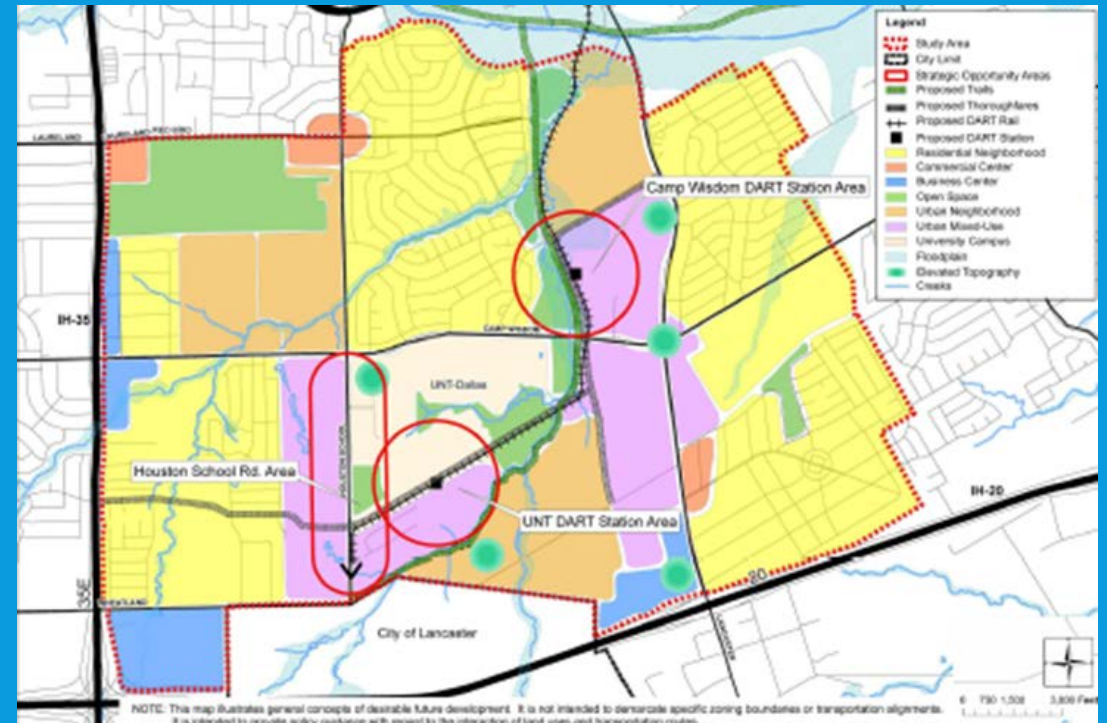
Key challenges identified in the plan:

- Utility improvements are needed.
- A coordinated transportation effort is needed to ensure multi-modal accessibility.
- Current zoning does not support a “university town”.

APPENDIX A – SUMMARY OF UNT-DALLAS AREA PLAN

Strategic opportunity areas for future development identified in the plan:

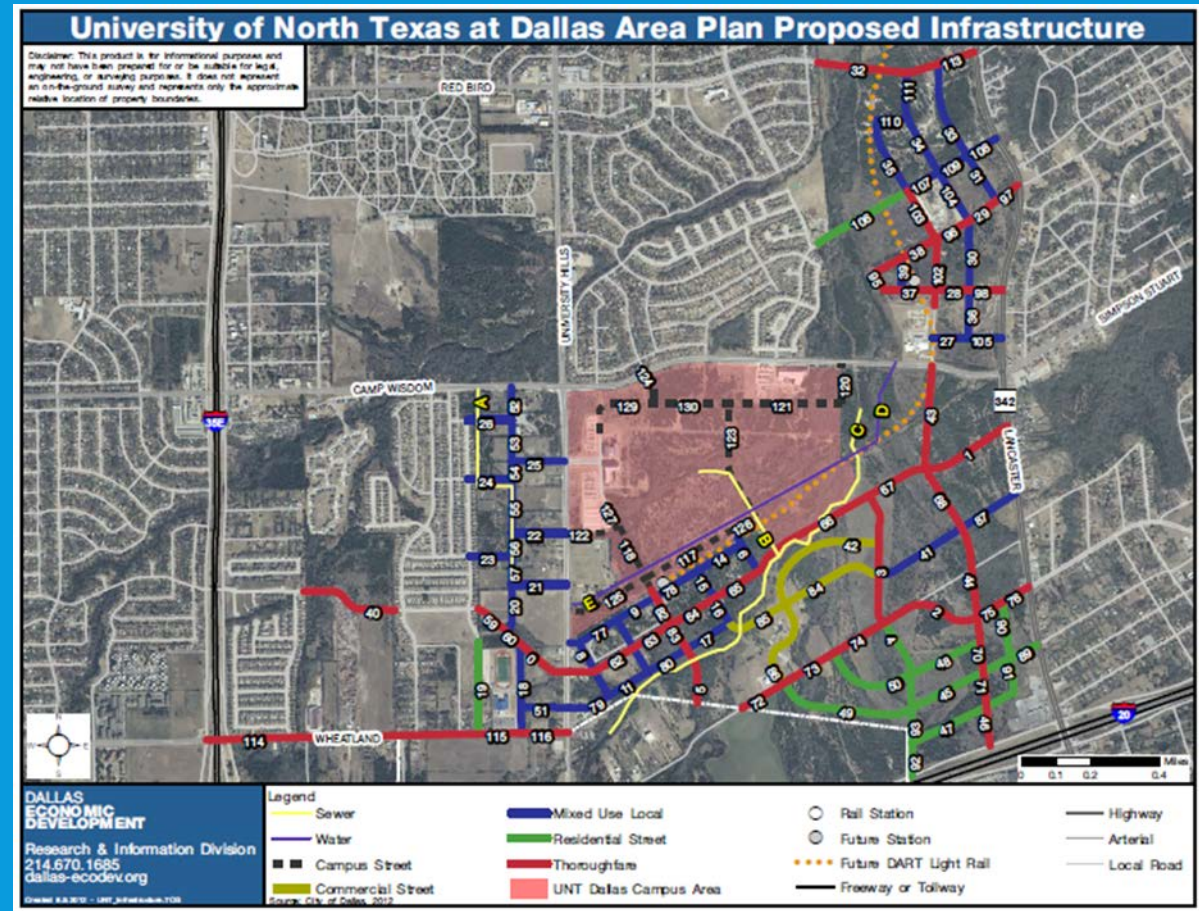
- 1) UNT DART Station Area – Promote a vibrant walkable mixed-use neighborhood near the UNT-Dallas DART station.
- 2) University Hills Area – Establish a university gateway corridor to serve as the primary business address in the area.
- 3) Camp Wisdom DART Station Area – create a transit-oriented town center at the proposed DART station.



APPENDIX B – PRELIMINARY INFRASTRUCTURE ANALYSIS

Estimated infrastructure costs (2009 estimates):

- Streets – approximately \$43 - \$56 million.
- Water & Sewer – approximately \$15 - \$16 million.



APPENDIX C – KEY FINDINGS: TOWN HALL ASSOCIATES

Community Assets:

- Available Land
- Education Corridor
- Regional transportation/transit network

Community Priorities:

- Create a community planning/development structure.
- Improve SEOC engagement with community institutions.
- Address current service access issues.
- Invest in public/private maintenance and repairs.
- Implement an investment/workforce strategy.

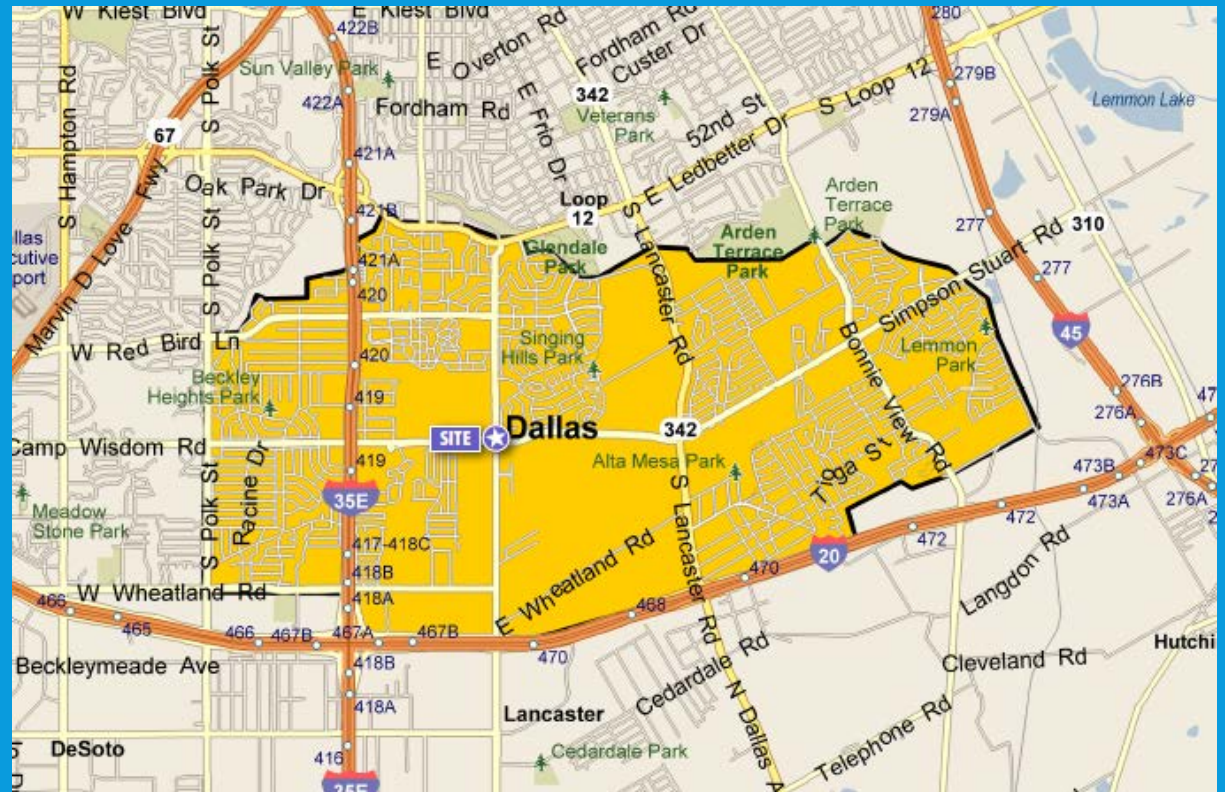
APPENDIX C – KEY FINDINGS: TOWN HALL ASSOCIATES

Recommendation Summary:

- Develop infrastructure to allow growth.
- Improve current transportation options.
- Plan for regional business anchors with detailed business development strategy, marketing and incentives.
- Create a corridor plan along Lancaster
- Form a regional development coalition.
- Grow the community from the anchors.
- Strengthen neighborhoods with infill housing.
- Improve current food service options.

APPENDIX D – KEY FINDINGS: THE RETAIL COACH

- The Retail Coach performed a Retail Site Profile of the University Hills/Camp Wisdom corner and identified a specific retail trade area for the intersection.



APPENDIX D – KEY FINDINGS: THE RETAIL COACH

- Trade area leakage analysis:
 - Total retail trade area potential sales - \$394,000,000
 - Actual retail trade area sales - \$20,000,000
 - Difference, i.e. “leakage” - \$374,000,000
- Top leakage categories, in order:
 - Food and beverage stores - \$56,000,000
 - General merchandise stores - \$52,000,000
 - Motor vehicle and parts dealers - \$51,000,000
 - Food service and drinking places - \$37,000,000
 - Gasoline stations - \$36,000,000
 - Building material, garden equipment stores - \$35,000,000

Memorandum



DATE April 17, 2015

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

SUBJECT **1712 Commerce Hotel: Downtown Connection TIF District**

On Monday, April 20, 2015, the Economic Development Committee will be briefed on the proposed 1712 Commerce Hotel Project – Downtown Connection TIF District.

Briefing material is 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. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager

Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

1712 Commerce Hotel Project
Downtown Connection TIF District

Economic Development Committee
April 20, 2015

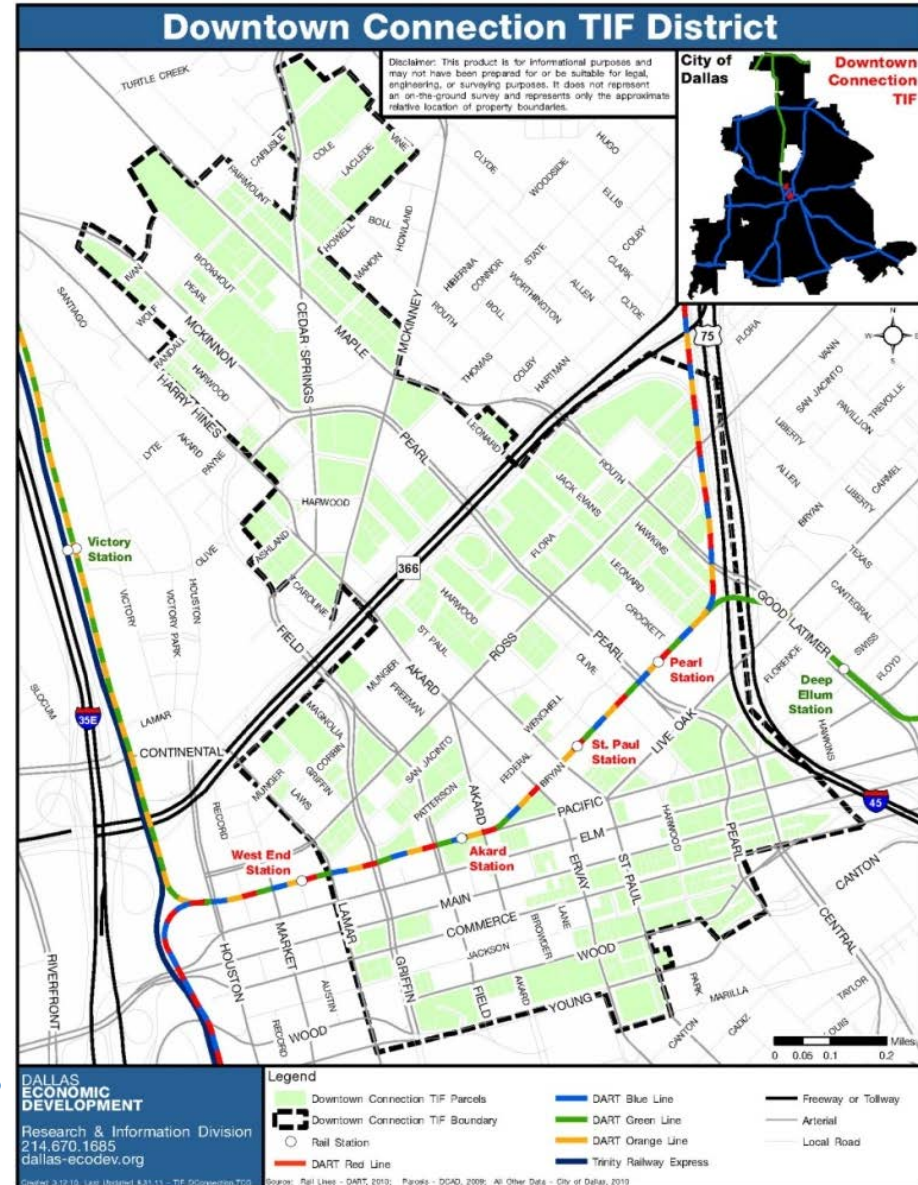
Purpose

- Provide background information on Downtown Connection TIF District
- Review the 1712 Commerce Hotel project
- Review Budget Status of Downtown Connection TIF District
- Obtain Economic Development Committee's approval for consideration of the project by City Council on May 13, 2015

Downtown Connection TIF District

Background

- Created June 2005
- Project Plan and Reinvestment Zone Financing Plan originally approved August 2005, amended May 2013 to increase budget for district
- Expires December 31, 2035, or when approximately \$514.9 million in TIF increment has been collected (NPV of \$231.6 million), see Appendix E.
- Established to fund projects creating a greater density/critical mass of development within an expanded Downtown core with focus on strengthening connectivity to/between the core and growing downtown areas

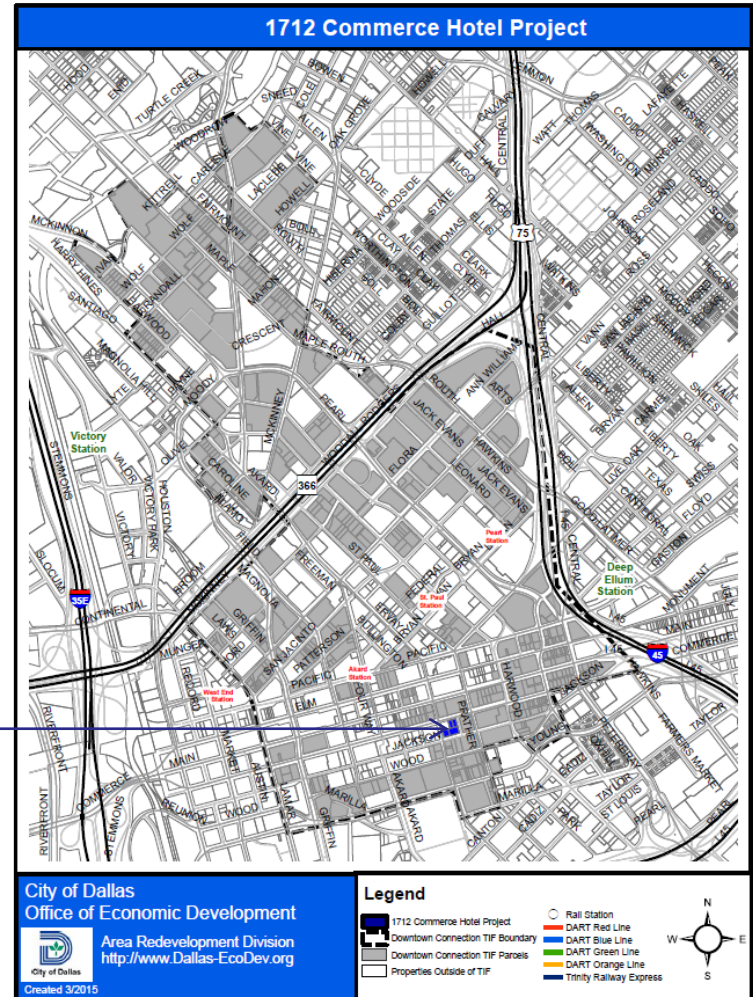


1712 Commerce Hotel

Project Location

- Original building was built in 1955
- Located at the corner of Commerce Street, Prather Street, and Jackson Street
- Building has been vacant for the past 20 years

1712 Commerce Hotel



1712 Commerce Hotel

Project Description

- **Hotel:** 206 hotel rooms (approximately 158,992 square feet)
- **Retail:** 16,428 square feet of retail space on ground floor
- **Parking:** 360 guest/public parking spaces (approximately 158,992 square feet) – new construction
- **Project Cost:** \$50,909,700
- **Start Construction:** 12/2015
- **Complete Construction:** 07/2017
- **Design Review:** Design Peer Review Panel (12/19/2014) reviewed and approved design of project
- **Historic Tax Credits:** Developer applied for Historic Tax Credits for project
- **Developer also renovating 1700 Commerce Building:** 136,637 square feet of hotel space/176 rooms and 4,000 square feet of retail space, with an estimated project cost of \$35M (This project is in City Center TIF District and not eligible for TIF funding).

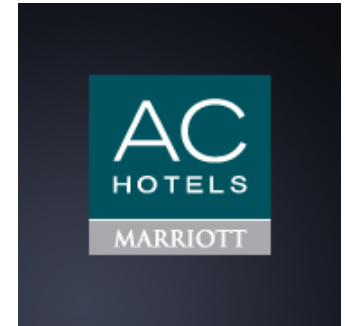


1712 and 1700 Commerce Hotel

Potential Hotel Brands

1712 Commerce Hotel

- Residence Inn
 - 121 Rooms
- AC Hotels by Marriott
 - 123 Rooms(a new luxury brand boutique hotel)



1700 Commerce Hotel

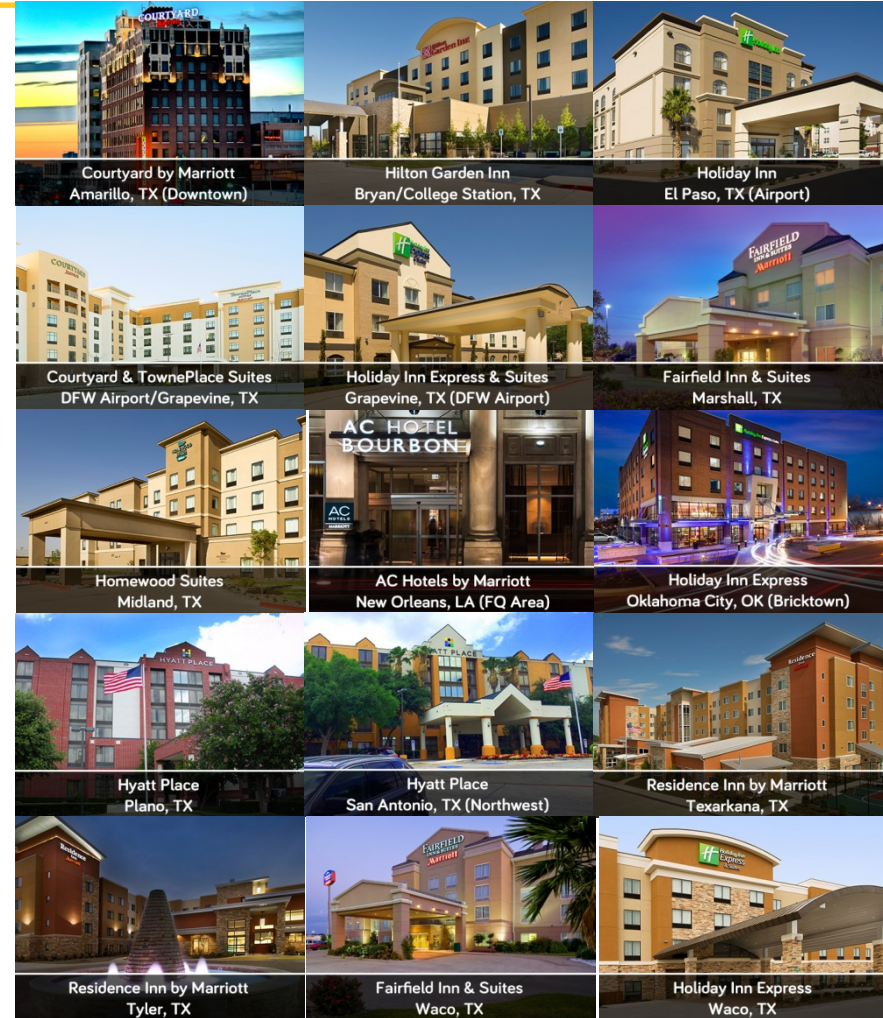
- Hampton Inn
 - 176 rooms



These two buildings will be connected internally, at the first floor for the public and at basement level for services.

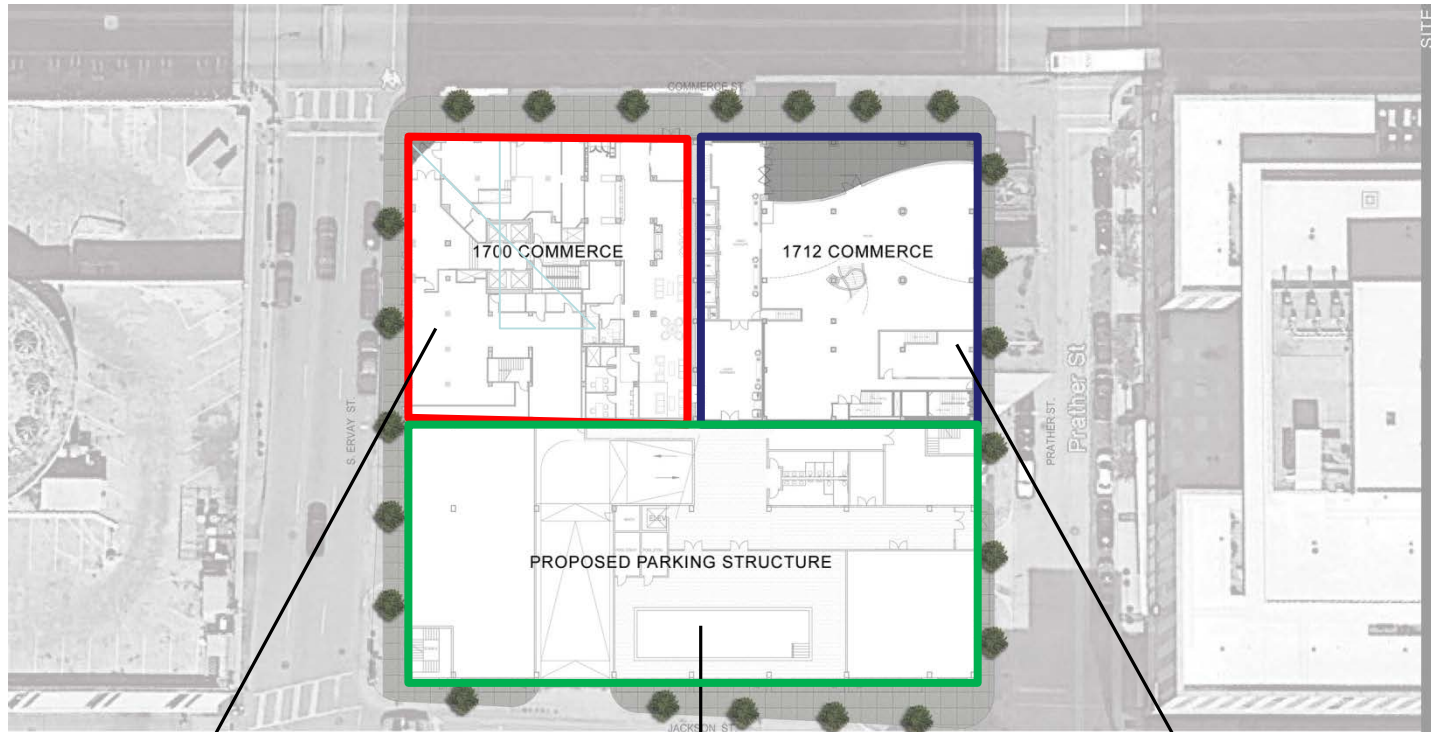
1712 Commerce Hotel *Developer*

- NewcrestImage, LLC, parent company of Supreme Bright Dallas II, LLC, is privately owned and operated since 1977.
- Texas based hotel development, construction, and management firm (see Appendix D).
- Successful track record in rehabilitating historic buildings
 - Fisk Medical Arts Building in Amarillo, TX
- Earned top recognition in hospitality excellence
 - Courtyard by Marriott at the Historic Fisk Building in Downtown Amarillo, TX won the top design award for adaptive reuse of a historic building from the Texas Downtown Association (TDA) in 2011
 - Hampton Inn & Suites in Waco, TX received Hilton's most prestigious award, the Connie Award in 2010
 - Fairfield Inn & Suites in Marshall, TX received Marriott's prestigious award, the Diamond Award in 2010



1712 Commerce Hotel

Project Site Plan



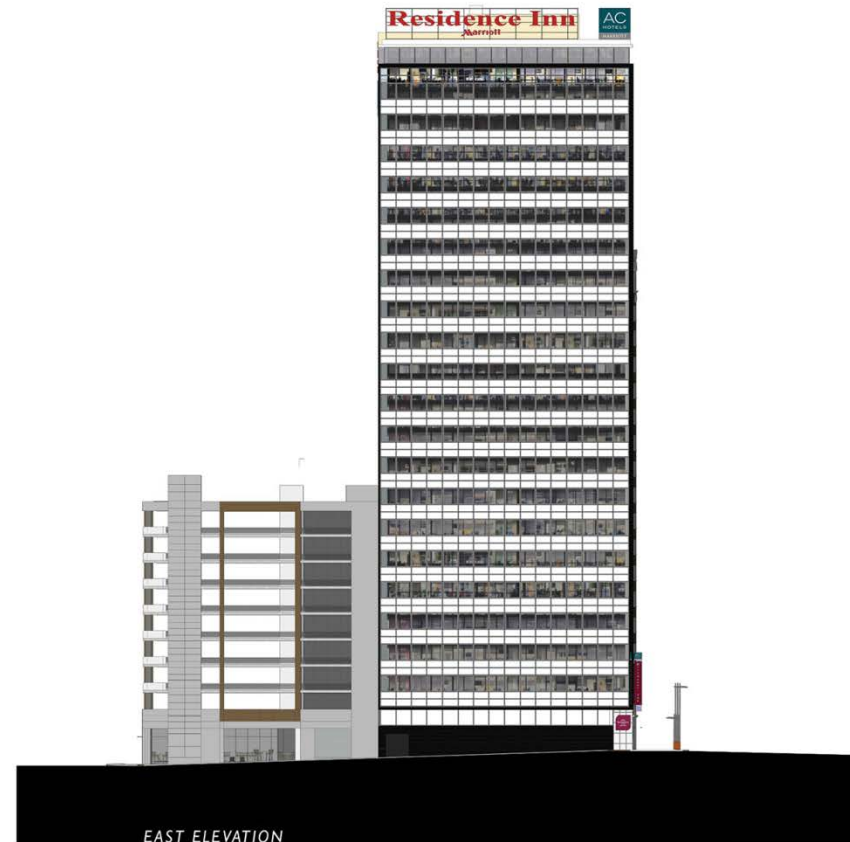
1700 Commerce Hotel
City Center TIF
Not eligible for TIF Funding

New construction on existing
surface parking lot

1712 Commerce Hotel
Downtown Connection TIF
Requesting \$10.5 M TIF funding

1712 Commerce Hotel

Project elevations



1712 Commerce Hotel *Parking Garage*



NEW PROPOSED GARAGE LOOKING NORTH



NEW PROPOSED GARAGE LOOKING NORTHWEST



NEW PROPOSED GARAGE LOOKING NORTH



NEW PROPOSED GARAGE LOOKING NORTHEAST

1712 Commerce Hotel

Project Funding Sources and Uses

Sources	Amount	%	Uses
Developer Equity	\$3,909,700	8%	Acquisition and Construction
Primary Lender for Hotel	\$32,000,000	63%	Construction & Renovation
Federal and State Historic Tax Credit	\$15,000,000	29%	Construction & Renovation
	\$50,909,700	100%	

1712 Commerce Hotel

Proposed TIF Funding

- Proposed TIF funds will reimburse costs associated with redeveloping a vacant building: environmental remediation/demolition , historic façade restoration, streetscape and utilities
- 1712 Commerce Hotel redevelopment project would not occur, but for TIF funding

Description	Amount
Redevelopment of Vacant Underutilized Downtown Buildings	
<i>Façade Restoration</i>	\$2,050,000
<i>Environmental Remediation/Demolition</i>	\$1,000,000
<i>Streetscape Improvements</i>	\$1,150,000
<i>Water and Sewer upgrades</i>	\$600,000
<i>Economic Development TIF Grant (offset costs of building mechanical systems and cost of the parking)</i>	\$5,700,000
Total TIF Funding Recommended	\$10,500,000

Note: (1) Costs may be moved between the categories based on actual expenditures except for the TIF Grant and as long as the total TIF reimbursement does not exceed \$10.5 million. (2) No interest shall accrue on any portion of the TIF Reimbursement; and (3) If Dallas Water Utility (DWU) reimburses/funds partially or completely towards the utility upgrades on Commerce Street, Prather Street, Jackson Street and Ervay Street, TIF reimbursement will be reduced by amount of DWU funding.

1712 Commerce Hotel

Summary of Project Highlights

1712 Commerce Building Project Facts	
Minimum Hotel Space	100,000 s.f. Approx. 190 rooms
Minimum Retail Space	9,000 s.f.
Parking Spaces – new construction	100,000 s.f /300 spaces inside building
Required Private Investment – (construction hard and soft costs)	Min. \$42,000,000
Expected Total Project Cost	\$50,909,700
TIF Funding	\$10,500,000
% TIF funds to total project cost	20.6%
Return on Investment without TIF	5.94%
Return on Investment with TIF	6.22%
Deadline to Obtain Building Permit	December 1, 2015
Deadline to Obtain Final CO	July 1, 2017

1712 Commerce Hotel

Project Proforma

PROJECT DESCRIPTION:	1712 Commerce Hotel
SITE AREA:	
NUMBER OF FLOORS/STORIES:	22
BUILDING AREA (g.s.f.):	179,656
CONSTRUCTION PERIOD:	14 mo.
ANTICIPATED CONSTR START DATE:	April 2015

Project Component	SF	Rooms	Total SF	\$ per SF
Residence Inn Hotel Lobby	2,197		2,197	-
Residence Inn Hotel Rooms	158,992	206	158,992	-
Basement (Common Back of Hou	11,575		11,575	
Retail Space	6,892		6,892	-
Total	179,656	206	179,656	\$4.11

<u>Income (Annual)</u>	
Revenue year 5	\$7,602,277
plus misc income	\$1,263,752
plus retail space	\$271,285
less vacancy	27%
less expenses	(\$6,114,368)
NOI (w/o TIF)	\$3,022,946

<u>Project Costs</u>	
Acquisition Costs	\$7,975,000
Hard Costs	\$30,724,700
Soft Costs	\$4,885,000
FFE Costs	\$3,000,000
Public Improvement costs	\$4,325,000
Total Project Cost (incl. public)	\$50,909,700

Total Project Cost (incl. public costs)	\$50,909,700
CITY ASSISTANCE (current \$)	\$2,285,071
Total Project Cost (with City \$)	\$48,624,629
<u>Return on Cost Analysis</u>	
<u>NOI/Total Project Costs</u>	
Return on Cost (no City \$)	5.94%
Return on Cost (with City \$)	6.22%

1712 Commerce Hotel

TIF Board Funding Recommendation

- On March 12, 2015, the Downtown Connection TIF District Board of Directors reviewed and approved TIF funding for the 1712 Commerce Hotel redevelopment project in an amount not to exceed \$10,500,000 (see Appendix A).

Strategic Importance of Proposed Project

- Activates a vacant building in the downtown core
- Activates the ground floor of a building located on a street with heavy pedestrian activity



Remaining Downtown Projects/Priorities

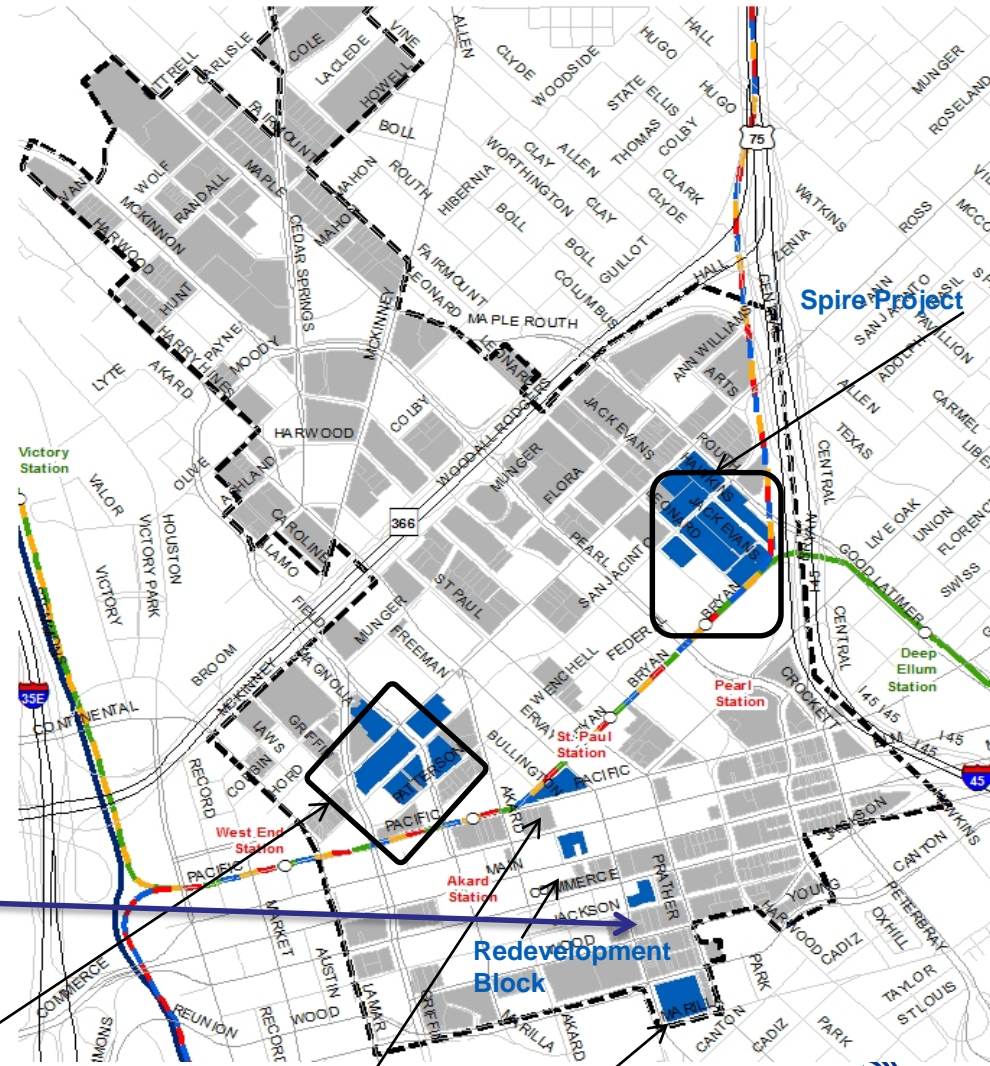
- \$21.3 M left for project funding (see Appendix C)
- Projects Anticipated to Request TIF Funding:
 - Ross/Field Project
 - Spire Project
 - Redevelopment Block (1607 Main Street, 1615 Main Street, 1600 - 1614 Elm Street)
 - Thanksgiving Square
 - 500 S. Ervay Street

Project under consideration
1712 Commerce

Ross/Field Project

Thanksgiving Square

500 S. Ervay



Recommendation

- Staff requests ECO Committee's approval of consideration of a development agreement with Supreme Bright Dallas II, LLC, for TIF reimbursement not to exceed \$10,500,000 for the 1712 Commerce Hotel project by City Council at their May 13, 2015 Council meeting.

APPENDICES

Appendix A: 1712 Commerce Hotel

TIF Funding Conditions

- Minimum private investment of \$39,000,000 for the Project, inclusive of acquisition, construction and construction related soft costs.
- Redevelopment of the Property shall include :
 - Minimum 9,000 square feet of retail space;
 - Minimum 100,000 square feet (approximately 190 hotel rooms) of hotel space; and
 - Minimum 100,000 square feet of parking garage (approximately 300 parking spaces)
- Obtain building permit and start construction and/or demolition for Project by September 30, 2015;
- Obtain a building and/or demolition permit by December 1, 2015;
- Obtain final acceptance of public infrastructure improvements associated with Project by July 1, 2017 and submit documentation to the Office of Economic Development (the “OED”);
- Execute Operating and Maintenance agreement for non-standard public infrastructure improvements by July 1, 2017, for a period of 20 years;

Appendix A: 1712 Commerce Hotel

TIF Funding Conditions (Continued)

- On December 19, 2014, Urban Design Peer Review Panel (the “UDPRP”), met and recommended the following changes:
 - Utilize the pool area as a way to activate the street level interaction and suggests increasing the height of the pool area to vibrate the presence along the street
 - Soften parking structure lighting and articulate building façade lighting to better integrate into the urban setting
- Construction shall be in general conformance with site plans approved by the Downtown Connection TIF Board of Directors and Dallas City Council;
- Submit quarterly status reports for ongoing work on the project
- 25% MWBE participation for TIF reimbursable improvements; 25% Good Faith Effort for private construction
- Project deadline can be extended 6 months, with Director and Downtown Connection TIF District Board of Directors approval

Appendix B: Downtown Connection TIF District Reimbursement Queue

Downtown Connection TIF District
Reimbursement Queue
As of April 2015

Reimbursement Priority ¹	Project Name	Priority Date	Construction Status	Primary TIF Reimbursement	Maximum Interest	Total Eligible TIF Reimbursement	Project Generated Increment Only ⁴	Reimbursement Status
1	Stoneleigh Hotel	5/30/2010	Completed	\$2,500,000	\$0	\$2,500,000	Yes	In Progress
2	Hall Lone Star ²	5/30/2010	Completed	\$852,764	\$2,000,000	\$1,078,635	No	Paid In Full
3	Santa Fe IV - Aloft Hotel	5/30/2010	Completed	\$3,734,419	\$0	\$3,734,419	No	To Be Paid
4	Grand Ricchi Dallas - 1600 Pacific	10/26/2010	Completed	\$8,830,000	\$4,040,200	\$9,230,391	No	Paid In Full
5	Joule Hotel Expansion	1/19/2011	Completed	\$20,658,500	\$0	\$20,658,500	No	In Progress
6	Atmos Complex Phase I	6/20/2011	Completed	\$3,250,000	\$3,000,000	\$6,250,000	No	To Be Paid
7	Joule Hotel Expansion Amendment	8/10/2011	Completed	\$3,194,409	\$0	\$3,194,409	No	To Be Paid
8	Continental Building ³	9/16/2011	Completed	\$13,305,700	\$4,222,588	\$17,528,288	No	N/A
9	Atmos Complex Phase II	5/21/2013	Completed	\$11,750,000	\$5,000,000	\$16,750,000	No	N/A
10	Hall Lone Star Project - Phase II ²	8/22/2013	Under Construction	\$5,000,000	\$0	\$5,000,000	No	N/A
11	PetroCorrigan Project	2/13/2014	Approved	\$10,300,000	\$0	\$10,300,000	No	N/A
12	LTV Tower Project	5/5/2014	Under Construction	\$17,500,000	\$0	\$17,500,000	No	N/A
13	The Olympic	10/24/2014	Under Construction	\$45,000,000	\$5,000,000	\$50,000,000	No	N/A
TBD	500 S. Ervay	TBD	Under Construction	\$5,000,000	\$0	\$5,000,000	Yes	N/A
TBD	Statler/Library/Jackson Street	TBD	Under Construction	\$46,500,000	\$0	\$46,500,000	No	N/A
TBD	Mayflower Building (411 N. Akard St.)	TBD	Approved	\$10,000,000	\$0	\$9,000,000	No	N/A
TBD	1712 Commerce	TBD	Under Consideration	\$10,500,000	\$0	\$10,500,000	No	N/A
						\$234,724,642		

Appendix C: Downtown Connection TIF District

Budget Status

- Total Remaining Funds for Projects: \$21,360,475 (subject to 1712 Commerce Project approval)
- Projects Anticipated to Request TIF Funding
 - Ross/Field Project
 - Spire Project
 - Redevelopment Block (1607 Main Street, 1615 Main Street, 1600 - 1614 Elm Street)
 - Thanksgiving Plaza Area
 - 500 S. Ervay Street
 - Tower Petroleum & Corrigan Tower

Downtown Connection TIF District			
Current Projected Increment Revenues to Retire TIF Fund Obligations			
Category	B	C	B - C
	Estimated Total Dollar TIF Budget	Allocated ³	Estimated Total Dollar Balance
Catalyst Projects: - Environmental remediation, demolition, historic façade, restoration, street/utility improvements & streetscape improvements, land acquisition, and non project costs, including, but not limited to machinery, equipment, materials and supplies	\$68,000,000	\$68,000,000	\$0
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, TIF grants, affordable housing	\$256,031,117	\$234,724,642	\$21,306,475
Uptown/Downtown connection improvements	\$0	\$0	\$0
Park and plaza design and acquisition	\$3,181,489	\$0	\$3,181,489
Affordable Housing²	\$3,000,000	\$3,000,000	\$0
Retail Initiative/Streetscape Improvements	\$1,985,000	\$459,845	\$1,525,155
Downtown Area Plan	\$515,000	\$512,464	\$2,536
Administration and Implementation	\$8,132,568	\$1,299,539	\$6,833,029
Debt Service (Interest Only)	\$150,363,000	\$150,363,000	\$0
Total Project Costs	\$491,208,174	\$458,359,490	\$32,848,684

¹TIF Budget shown above in total dollars; TIF Project Plan shows the budget in net present value
²The Affordable Housing line item has been reduced by the amount of money allocated to the Continental and 411 N. Akard projects
³The Allocated total shown for the Redevelopment of Vacant/Underutilized Downtown Building line item reflects the total TIF District's commitment to projects currently in the Reimbursement Queue

Budget values may fluctuate as a result of district property value changes as provided by DCAD, completion of projects within the district, changes in tax rates for taxing jurisdictions, etc.

Appendix D: 1712 Commerce Hotel

Project Team

- Developer – Supreme Bright Dallas II, LLC

Leadership Team

- Mehul Patel, Chairman & Chief Executive Officer
- Chirag Patel, Chief Financial Officer
- Daxesh Patel, Chief Operating Officer Construction Finance
- Yogi Patel, Chief Operating Officer Hotel Management
- Mital Patel, Chief Administrative Officer
- Sanjay Patel, Chief Officer Construction Project Manager

- Architect – Merriman Associates Architects, Inc

Appendix E: Increment Collection Projections

Year	Property Value	Property Value	Comp. Value	Anticipated Captured	Anticipated Increment	Anticipated Increment	Anticipated Increment	TOTAL
Funds Arrive	Total	Growth	Growth	Value	Revenue CITY	Revenue COUNTY	Revenue TOTAL	2006 NPV @ 5.00%
2006	\$561,696,137							
2007	\$759,033,448	35.13%	35.13%	\$197,337,311	\$1,208,059		\$1,438,614	\$1,370,108
	\$759,016,948			\$197,320,811		\$230,555		
2008	\$989,078,707	30.31%	76.09%	\$427,382,570	\$2,844,731		\$3,396,536	\$4,450,867
	\$988,341,787			\$426,645,650		\$551,805		
2009	\$1,515,616,786	53.24%	169.83%	\$953,920,649	\$6,065,898		\$7,224,872	\$10,691,983
	\$1,595,047,713			\$1,033,501,376		\$1,158,974		
2010	\$ 1,512,292,589	-0.22%	169.24%	\$ 947,375,272	\$6,768,369		\$7,886,151	\$17,179,939
	\$1,559,199,640			\$ 994,432,123		\$1,117,782		
2011	\$1,539,047,900	1.77%	173.01%	\$ 974,130,583	\$6,849,382		\$8,182,245	\$23,590,942
	\$1,583,755,734			\$ 1,018,988,217		\$1,332,864		
2012	\$1,546,807,101	0.50%	174.38%	\$ 981,889,784	\$7,235,640		\$8,557,298	\$29,976,530
	\$1,589,222,014			\$ 1,024,304,697		\$1,321,658		
2013	\$1,747,004,927	12.94%	209.25%	\$ 1,182,087,610	\$8,408,406		\$10,024,261	\$37,100,585
	\$1,791,557,491			\$ 1,226,640,174		\$1,615,855		
2014	\$2,151,461,278	23.15%	281.42%	\$ 1,586,543,961	\$11,306,531		\$13,429,720	\$46,190,348
	\$2,194,764,321			\$ 1,629,847,004		\$2,123,189		
2015	\$2,343,360,262	8.92%	315.38%	\$ 1,778,442,945	\$12,756,771		\$15,198,483	\$55,987,426
	\$2,391,110,733			\$ 1,826,193,416		\$2,441,712		
2016	\$2,663,588,801	13.67%	372.07%	\$ 2,098,671,484	\$15,053,771	\$2,806,029	\$17,859,799	\$66,951,794
2017	\$2,948,820,237	10.71%	422.56%	\$ 2,383,902,920	\$17,099,736	\$3,187,397	\$20,287,133	\$78,813,260
2018	\$3,203,957,492	8.65%	467.73%	\$ 2,639,040,175	\$18,929,835	\$3,528,529	\$22,458,364	\$91,318,918
2019	\$3,345,186,642	4.41%	492.73%	\$ 2,780,269,325	\$19,942,872	\$3,717,359	\$23,660,231	\$103,866,443
2020	\$3,669,385,290	9.69%	550.11%	\$ 3,104,467,973	\$22,268,349	\$4,150,829	\$26,419,178	\$117,209,923
2021	\$3,893,475,562	6.11%	589.78%	\$ 3,328,558,245	\$23,875,748	\$104,543	\$23,980,292	\$128,744,853
2022	\$3,996,878,724	2.66%	608.09%	\$ 3,431,961,407	\$24,617,459	\$0	\$24,617,459	\$140,022,395
2023	\$4,076,816,298	2.00%	622.24%	\$ 3,511,898,981	\$25,190,851	\$0	\$25,190,851	\$151,013,080
2024	\$4,161,541,544	2.08%	637.23%	\$ 3,596,624,227	\$25,798,586	\$0	\$25,798,586	\$161,732,925
2025	\$4,244,772,375	2.00%	651.97%	\$ 3,679,855,058	\$26,395,600	\$0	\$26,395,600	\$172,178,561
2026	\$4,335,001,203	2.13%	667.94%	\$ 3,770,083,886	\$27,042,812	\$0	\$27,042,812	\$182,370,712
2027	\$4,421,701,227	2.00%	683.29%	\$ 3,856,783,910	\$27,664,711	\$0	\$27,664,711	\$192,300,749
2028	\$4,510,135,251	2.00%	698.94%	\$ 3,945,217,934	\$28,299,048	\$0	\$28,299,048	\$201,974,775
2029	\$4,607,425,456	2.16%	716.16%	\$ 4,042,508,139	\$28,996,911	\$0	\$28,996,911	\$211,415,337
2030	\$4,699,573,965	2.00%	732.47%	\$ 4,134,656,648	\$29,657,892	\$0	\$29,657,892	\$220,611,298
2031	\$4,770,082,205	1.50%	744.96%	\$ 4,205,164,888	\$30,163,648	\$0	\$30,163,648	\$229,518,706
2032	\$4,817,783,027	1.00%	753.40%	\$ 4,252,865,710	\$7,377,478	\$0	\$7,377,478	\$231,593,554
2033	\$4,865,960,857	1.00%	761.93%	\$ 4,301,043,540	\$0	\$0	\$0	\$231,593,554
2034	\$4,914,620,466	1.00%	770.54%	\$ 4,349,703,149	\$0	\$0	\$0	\$231,593,554
2035	\$4,963,766,670	1.00%	779.24%	\$ 4,398,849,353	\$0	\$0	\$0	\$231,593,554
2036	\$5,013,404,337	1.00%	788.03%	\$ 4,448,487,020	\$0	\$0	\$0	\$231,593,554
TOTAL During TIF					\$461,819,094	\$24,824,179	\$491,208,174	\$231,593,554
2006 NPV @ 5%		4.66%			\$213,093,553	\$18,500,000	\$231,593,554	

Memorandum



DATE April 17, 2015

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

SUBJECT **Amendments to the Chapter 380 Grant II agreement with Bishop Arts LLC for the Bishop Arts Phase I project (Oak Cliff Gateway TIF District)**

On April 22, 2015, City Council will consider amendments to the Chapter 380 grant agreement ("Grant II") with Bishop Arts LLC for the Bishop Arts Phase I project, previously approved on December 10, 2014 and amended on February 25, 2015.

In the course of working to execute the agreements, the developer has requested further accommodations to the Grant II agreement that affect the City's lien position as well as the City's ability to enforce its lien or to secure performance of the Mixed Income Housing requirements.

As part of the first amendments to Grant II, Bishop Arts LLC agreed to comply with the City's Mixed-Income Housing Requirements and, in lieu of deed restrictions, the developer offered the City a second lien securing performance subordinated only to the construction loan on the project site. During the affordability period Bishop Arts LLC would be required to record deed restrictions approved as to form by the City Attorney at least five days before the property is sold to another entity or before a construction loan is refinanced. If the deed restriction is recorded during the affordability period, the city's lien will be released.

This item further subordinates the City's lien position to all construction loans and provides that the City will record its lien concurrently with Grant II disbursement and after construction costs of \$30 million have been expended. Accordingly, the City's lien position could be further subordinated to mechanics and materialmen liens and other liens that are not paid by the developer during construction. This item therefore requires the developer to 1) pay off such liens, after a 30-day notice and opportunity to cure period; or 2) if such liens are not paid off, record deed restrictions to secure compliance with the Mixed Income Housing Guidelines. Grant II funds will not be disbursed until City has verified its lien position. If additional liens arise after the City has disbursed the Grant II funds and developer fails, after a 30-day notice and opportunity to cure period, to cure those liens, developer must record deed restrictions to secure compliance with the Mixed Income Housing Guidelines during the remaining affordability period.

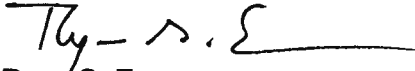
The TIF development agreement is unaffected by this change. The TIF development agreement and the Grant II agreement are not cross-defaulted, and the Grant II funds are not subject to recapture.

Under Resolution No. 10-3039 approved on December 8, 2010, the city paid a \$2 million Chapter 380 economic development grant ("Grant I") to Bishop Arts Village LLC for property assembly related to this first phase of development in the Bishop Arts area. The City holds a first lien secured by a deed of trust on collateral property owned by the developer but this first lien will be released once the Grant II agreement is executed and construction begins.

The proposed project includes approximately 218 rental residential units; 20,000 square feet of retail, restaurant and/or other commercial space; related parking; and sidewalk and landscape improvements directly adjacent to the project. As this is the first project in the Bishop/Jefferson Sub-

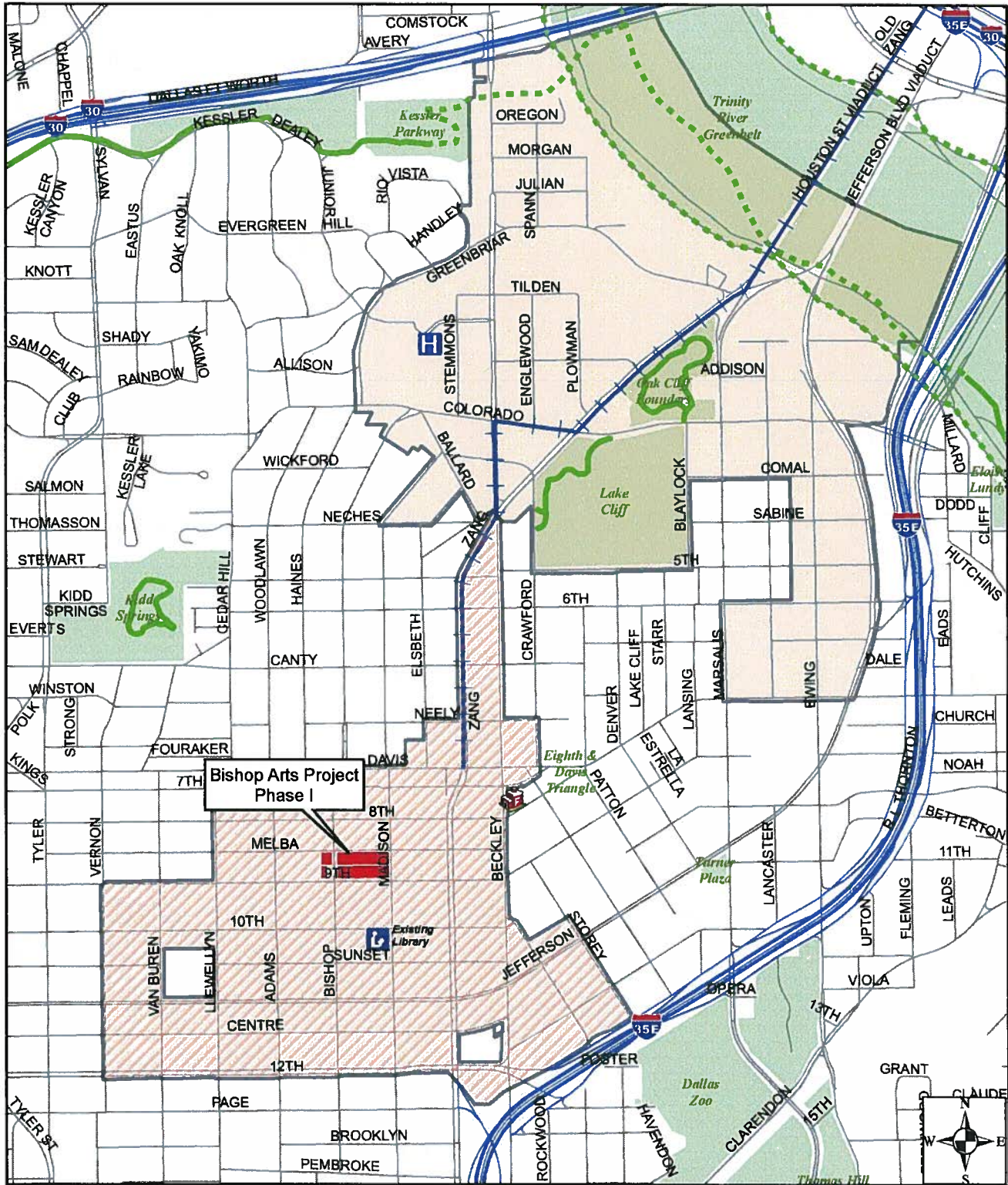
district as part of the recent expansion of the Oak Cliff Gateway TIF District, it is hoped that this project will catalyze new development in this portion of Oak Cliff.

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 Mark McDaniel, Assistant City Manager
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 Eric D. Campbell, Assistant City Manager Elsa Cantu, Assistant to the City Manager – Mayor & Council
 Jill A. Jordan, P.E., Assistant City Manager



Bishop Arts Project Ph I
Oak Cliff Gateway
 April 22, 2015



-  Police Stations
-  Fire Stations
-  Parks
-  Oak Cliff Trolley
-  Existing Trails
-  Future Trails
-  Oak Cliff Gateway Sub-district
-  Bishop/Jefferson Sub-district

Memorandum



DATE April 17, 2015

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

SUBJECT **DalParc I-20 Logistics Phase I Project**

On May 13, 2015, the City Council will be asked to consider authorization of a ten-year real property tax abatement of 90 percent and an economic development grant in an amount not to exceed \$312,000 with DalParc I-20 Logistics, LLC related to the development of a speculative industrial/warehouse facility within the Ridge Logistic Center in South Dallas.

For the past several months, City staff has negotiated with VanTrust Real Estate, LLC ("VanTrust") regarding construction of a speculative industrial/warehouse facility of at least 900,000 square feet on approximately 44 acres located south of Altamoores, north of Balmorhea and west of Dallas Avenue in Dallas, Texas within the Ridge Logistic Center in Southern Dallas. VanTrust will develop this project through a single purpose entity called DalParc I-20 Logistics, LLC ("DalParc I-20"). The new facility is a first phase of a multi-phase development which will encompass a total of approximately 2.1 million square feet of industrial/warehouse space on 127 acres within the City of Dallas. An additional 31 acres within the City of Lancaster adjacent to this site is considered for another 300,000 square feet of new development.

VanTrust is a full-service real estate development company with a regional focus and national scope. VanTrust is headquartered in Kansas City, Missouri with regional offices in Columbus, Dallas, Houston and Phoenix. The company's real estate assets include office, industrial, multifamily, retail, institutional, governmental, hospitality and recreational.

DalParc I-20 requests City Council consideration of 90 percent real property tax abatement for 10 years and an economic development grant in an amount not to exceed \$312,000. The economic development grant will help offset a portion of \$624,000 in project infrastructure costs associated with wastewater and regional detention ponds. To receive the proposed incentives, DalParc I-20 is required to spend a minimum of \$22,500,000 constructing the 900,000 square foot facility with substantial completion by December 31, 2016. Additionally, DalParc I-20 must have at least 75 percent of the facility leased and occupied in order to receive the tax abatement. If the required space is not occupied during a given year within the 10 year tax abatement period commencing January 1, 2017, the abatement is lost for that year. Furthermore, DalParc I-20 will forfeit the real property tax abatement and the economic development grant if it fails to reach the minimum investment by December 31, 2016.

In order to provide the tax abatement at this location, staff recommends the creation of City of Dallas Neighborhood Empowerment Zone No. 2. Neighborhood Empowerment Zones (NEZs)

are designated areas where municipalities can offer economic incentives that promote investment and redevelopment. According to the Texas Local Government Code (Chapter 378), an NEZ must be created for at least one (1) of the following purposes: the creation and rehabilitation of affordable housing (including manufactured housing); economic development opportunities; or an increase in the quality of social services, education, or public safety.

The forgone revenue from the proposed 90 percent, ten year real property abatement is \$1,613,925. The proposed agreement after incentives are applied is estimated to result in a 10-year net fiscal impact of \$2,457,596. The estimated twenty-year net fiscal impact of the proposed development after incentives is \$8,828,428.

This proposed project conforms to minimum eligibility criteria for the City's Public/Private Partnership Program Guidelines and Criteria as it has a private investment exceeding \$1 million. Staff recommends the proposed incentives be approved.

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



Ryan S. Evans
Assistant City Manager

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J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Proposed Project Information Worksheet Economic Development Committee

A. Project Summary

City Council District	8	
Project/Company Name	DalParc I-20 Logistics Phase I	
Project Location	Located south of Altamoor, north of Balmorhea and west of Dallas Avenue in Dallas, Texas	
Project Type	Spec Distribution/Warehouse facility	
Facilities (Square Feet)	900,000 Minimum	
Construction Schedule	Begin	September 2015
	Complete	December 31, 2016
Private Improvement	Real Property	\$22,500,000
	Business Property	
Jobs	Created	0
	Retained	0
Average Wage Rate	Salary	\$0
	Hourly	N/A
City Incentive Summary	Tax Abatement	90%/10 Years
	Infrastructure	N/A
	Other - Grant	\$312,000

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

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	0	\$199,077,963	0	\$459,062,570
Indirect and Induced Impact*	0	\$159,262,371	0	\$367,250,056
Total Impact	0	\$358,340,334	0	\$826,312,626

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	\$7,971,833	\$18,251,552
Total City GF Service Costs	\$3,466,925	\$7,142,425
Net Impact Before Incentives	\$4,504,908	\$11,109,127
City Incentives	\$2,047,312	\$2,280,699
Net City Fiscal Impact	\$2,457,596	\$8,828,428

* 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	\$ 2,884,500	N/A
Dallas County	\$ 546,975	N/A
DCCCD	\$ 280,744	N/A
Parkland Hospital	\$ 643,500	N/A
DART	-	N/A

DalParc I-20 Logistics Phase I

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
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Research & Information Division
214.670.1685
dallas-ecodev.org

Legend

- Highway
- Arterial

- Local Road
- City of Dallas

Source: City of Dallas, 2015

City of Dallas Neighborhood Empowerment Zone No.2

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Legend

- Highway
- Arterial

- Local Road
- City of Dallas

Memorandum



DATE April 17, 2015

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

SUBJECT **211 North Ervay Redevelopment Project Deadline Extension (City Center TIF District) – May 13, 2015**

On June 12, 2013, City Council approved Resolution No. 13-0989 authorizing a development agreement with Alterra 211 N. Ervay, LLC for redevelopment of the building addressed as 211 N. Ervay and dedicated TIF funding in amount not to exceed \$2,000,000 for the redevelopment project. The project includes restoration of the building's historic façade, renovation of the vacant building's office space, ground floor retail/restaurant space and completion of streetscape improvements.

Since City Council's approval, Alterra 211 N. Ervay, LLC has invested over \$13M in the redevelopment project to date. Alterra completed environmental abatement, interior demolition and façade restoration by April 2013, executed State Historic Tax Credit purchase agreement with TCF HTC Fund, LLC in May 2014 and executed Federal Historic Tax Credit investment with Sherwin Williams on June 30, 2014. Currently the building is 50% leased.

In January of this year City Council approved an amendment to the Central Business District Vehicle Circulation Plan, downtown's thoroughfare plan, to reduce Elm Street from Houston Street to Cesar Chavez Boulevard from a five lane one-way westbound street to a four lane one-way westbound street. This change shifts the dedicated DART bus lane on Elm Street over one lane to south. The vacated bus lane will allow property owners on the north side of Elm Street to widen their sidewalks creating an enhanced pedestrian environment, and in some areas create loading and valet space.

The developer is requesting an extension of the project's completion deadline from July 31, 2014 to December 31, 2016. This extension will allow the developer to design and construct public infrastructure (streetscape) improvements that take advantage of the reduction in travel lanes on Elm Street and tenant the ground floor of the building.

MAP

Attached

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

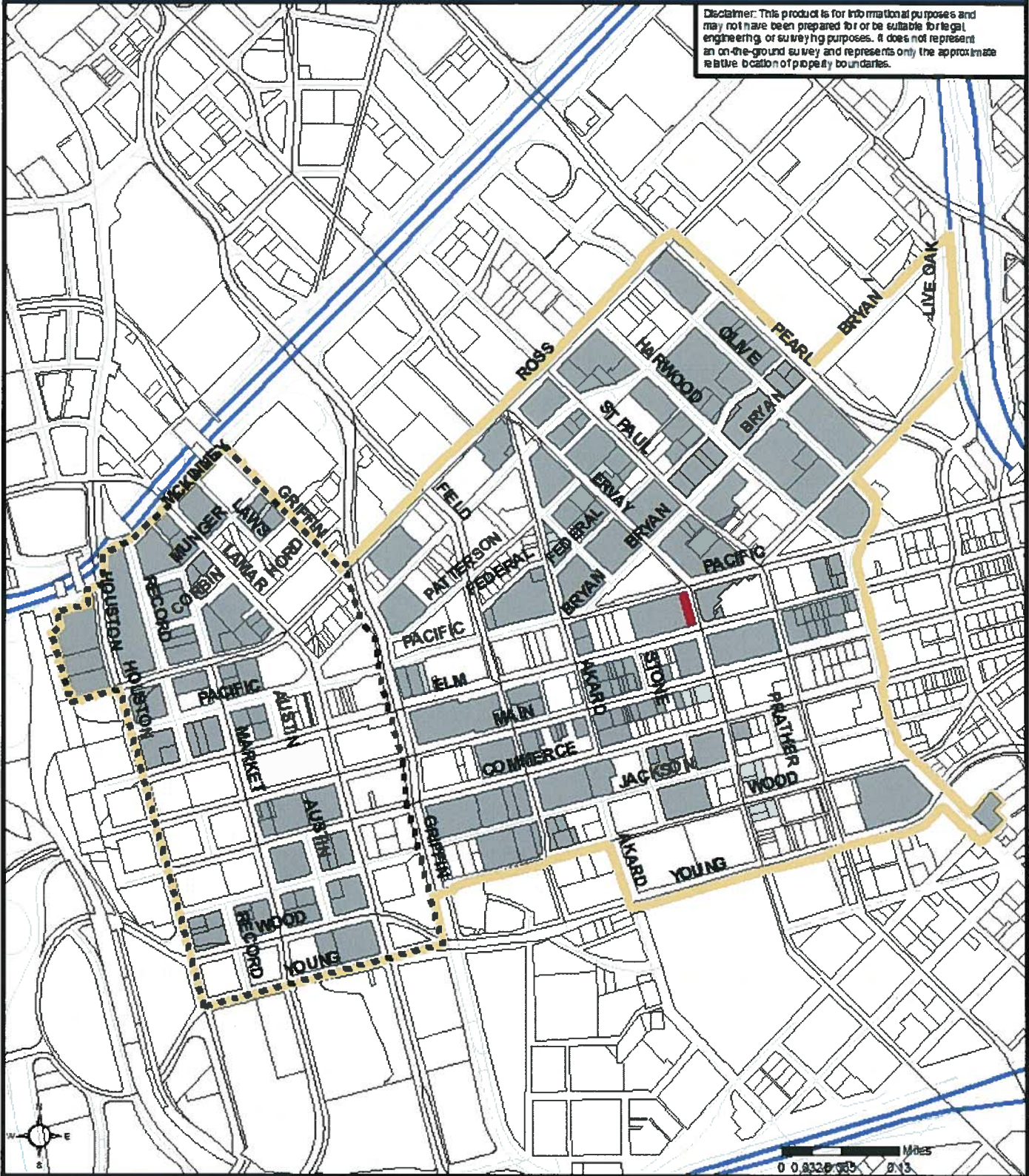
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First Assistant City Manager

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

211 N. Ervay Location Map

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DALLAS
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 Area Redevelopment Division
 214.670.1685
 dallas-ecodev.org

Legend

- City Center TIF District Boundary
- Lamar Corridor/West End Sub-District
- 211 N. Ervay

Memorandum



DATE April 17, 2015

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

SUBJECT **Transportation for Hire Regulation at Dallas Love Field**

On December 10, 2014, the Dallas City Council authorized an ordinance amending Chapter 5 "Aircraft and Airports" of the Dallas City Code to ensure consistency with the new Chapter 47A "Transportation for Hire". The December 10th ordinance amendment increased the registration fee from \$200 to \$325 annually; increased the decal fee from \$10 to \$15 per vehicle; and set a flat per trip fee of \$2.50 for all ground transportation vehicles.

Effective April 30th, Transportation Network Companies (TNC) such as Uber and Lyft will be permitted to pick up prearranged fares at Dallas Love Field. The designated pick up location for TNCs (non-limousine) at Love Field will be on the lower level roadway consistent with all other ground transportation (taxis, limousines, shared ride shuttles and courtesy vehicle) pickup. A map is attached for your review. The upper level will remain free for regular passenger pick up/drop off.

On April 22, 2015, the City Council will consider additional amendments to Chapter 5, "Aircraft and Airports" that will streamline the registration process for Transportation for Hire operators that will also go into effect on April 30th, if approved. The proposed amendments will:

- authorize transportation-for-hire vehicles permitted by the City of Dallas to operate at Love Field without registering separately with the airport;
- eliminate the registration fee for ground transportation at Dallas Love Field; and
- eliminate the decal fee for vehicles operating at Dallas Love Field that are permitted by the City of Dallas.

Courtesy vehicles that are not currently register with the City, but operate solely at Love Field will still register with the airport. They will be responsible for displaying the airport's decal and paying the decal and per trip fee.

One of the many responsibilities of the airport is to monitor vehicles that operate on property, in order to ensure a safe operation and provide quality service to airport visitors. The registration process is used to keep airport management informed of ground transportation companies and drivers operating at the airport.

Ground transportation vehicles contribute greatly to traffic congestion that exists on the airport's limited roadways. Traffic management is a group effort coordinated by the Ground Transportation Division, Dallas Police Department and the Taxi Starter Contractor. Trip fees help to recover associated costs of managing Ground Transportation at Dallas Love Field and also serve to encourage ground transportation operators to use the roadways only when they have a confirmed pick up. Trip fees will be collected using toll tag technology or an alternative method approved by the Department of Aviation.

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



Ryan S. Evans
First Assistant City Manager

















Attachment

- C: A.C. Gonzalez, City Manager
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- Forest E. Turner, Chief Wellness Officer
- Sana Syed, Public Information Officer
- Mark Duebner, Director of Aviation
- Elsa Cantu, Assistant to the City Manager – Mayor & Council

GROUND TRANSPORTATION INFORMATION

UPPER LEVEL -
PASSENGER VEHICLES

LOWER LEVEL -
COMMERCIAL VEHICLES & PARKING

-  Information Desk
-  You Are Here
-  Restrooms
-  Severe Weather Area
-  Rental Car Counter
-  Transportation Network Companies
-  Taxis
-  Shared Ride Shuttles
-  Limousines
-  Rental Car Shuttles
-  Hotel/Parking Shuttles Drop Off
-  Upper Roadway
-  Lower Roadway
-  Pay Phones
-  ATM
-  High End Vending Machines

