

Memorandum

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CITY OF DALLAS

DATE May 15, 2015

2015 MAY 14 AM 8:31

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, May 18, 2015, 9:00 – 10:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of April 20, 2015 Minutes of the Economic Development Committee
2. 1712 Commerce Hotel Project:
Downtown Connection TIF
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 10 minutes)
3. Farmers Market TIF Boundary Amendment,
TIF Plan and Development Agreement
Amendments And Purchase & Sales Agreement
for Public Parking
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
4. Dalfort Redevelopment
Mark Duebner, Director
Aviation Department
(Estimated time 20 minutes)
5. Aviation Business Development Program
Mark Duebner, Director
Aviation Department
(Estimated time 20 minutes)
6. Love Field Concession Status
Mark Duebner, Director
Aviation Department
(Estimated time 10 minutes)
7. Upcoming agenda items
 - Call Hearing to Amend the Cypress Waters TIF District Plan and related items (Cypress Waters TIF District)
 - Boundary Adjustment with the City of Irving (Cypress Waters)
 - Second Amendment to Chapter 380 Economic Development Grant Agreement with SLF III – The Canyon TIF, LP
 - Economic Development Grant Agreement with CoreLogic Solutions, LLC
 - Authorize a lease agreement with a purchase option with Scarborough Forest Park IV, LP for land to be used for parking 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 S. 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 20, 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 20, 2015 Meeting Start time: 9:10 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
Art Hudman, Assistant City Attorney
City Attorney Office

Other Council Members Present:

Dwaine Caraway

Other Presenters:

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. Callahan

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):

2. Development Review Process Enhancement Initiative

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

Action Taken/Committee Recommendation(s): Motion made to postpone action on
Proposed Resolution

Motion made by: Mr. Allen

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. Progress Update-UNT Dallas Area

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

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

Motion made by: _____

Motion seconded by: _____

Item passed unanimously: _____

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

4. 1712 Commerce Hotel: Downtown Connection TIF

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

Action Taken/Committee Recommendation(s): Motion made to defer the item until the next Committee Meeting May 18, 2015

Motion made by: Mr. Kleinman

Motion seconded by: Mr. Griggs

Item passed unanimously: X with 1
appose

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

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 1 Project
- 211 North Ervay Redevelopment Project Deadline Extension(City Center TIF District)
- Transportation for Hire Regulation at Dallas Love Field

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):

Meeting Adjourned: 10:33 AM

Approved By: _____

Memorandum



DATE May 15, 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 Project: Downtown Connection TIF District**

On Monday, May 18, 2015, you will be briefed on the 1712 Commerce Hotel Project: Downtown Connection TIF District. The briefing materials are attached for your review.

If you have any questions, please let me know.



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
Eric D. Campbell, Assistant City Manager
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Elsa Cantu, Assistant to the City Manager – Mayor & Council

1712 Commerce Hotel Project
Downtown Connection TIF District

Economic Development Committee
May 18, 2015

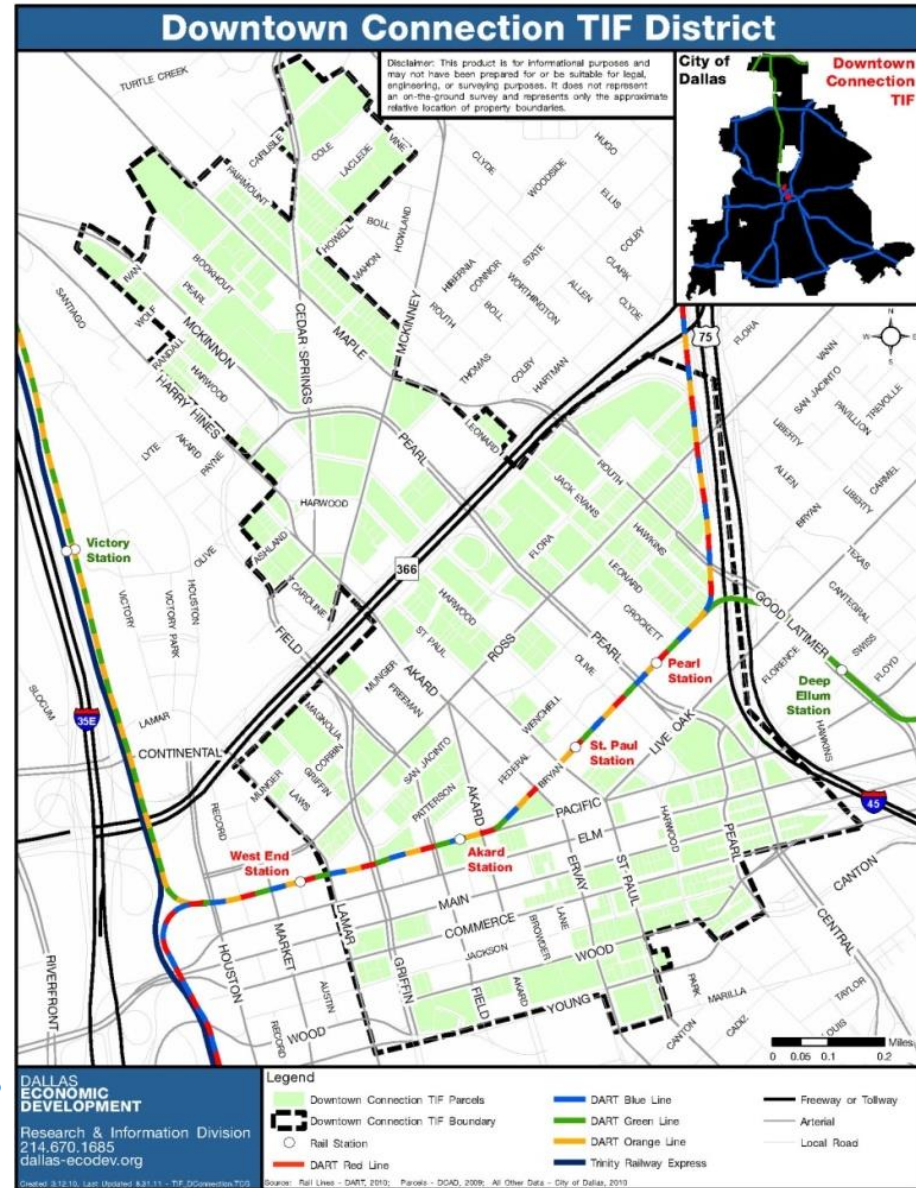


Purpose

- 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 27, 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

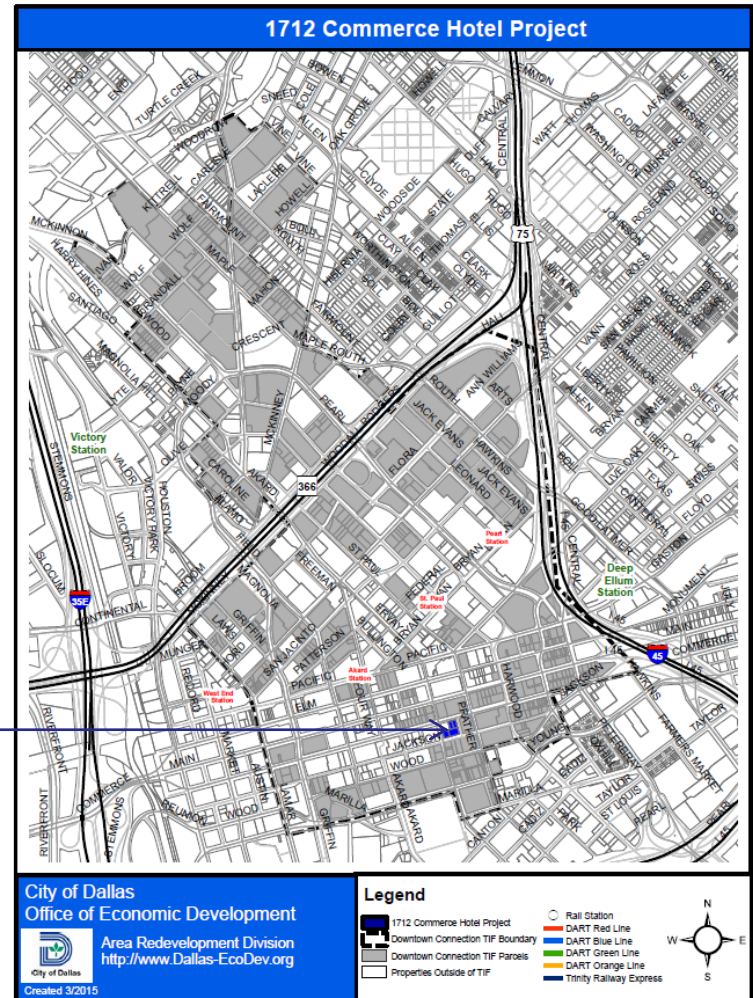


1712 Commerce Hotel

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:** 244 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:** \$54,880,025
- **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



1700 Commerce Hotel

Project Description

1712 Commerce Hotel Developer also renovating 1700 Commerce Building:

- 1700 Commerce Hotel: 176 hotel rooms (approximately 136,637 square feet)
- Retail: 4,000 square feet of retail space on ground floor
- Project Cost: \$35,000,000
- Start Construction: 12/2015
- Complete Construction: 07/2017

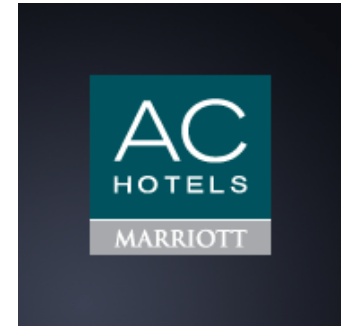


1712 and 1700 Commerce Hotel

Potential Hotel Brands

1712 Commerce Hotel

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



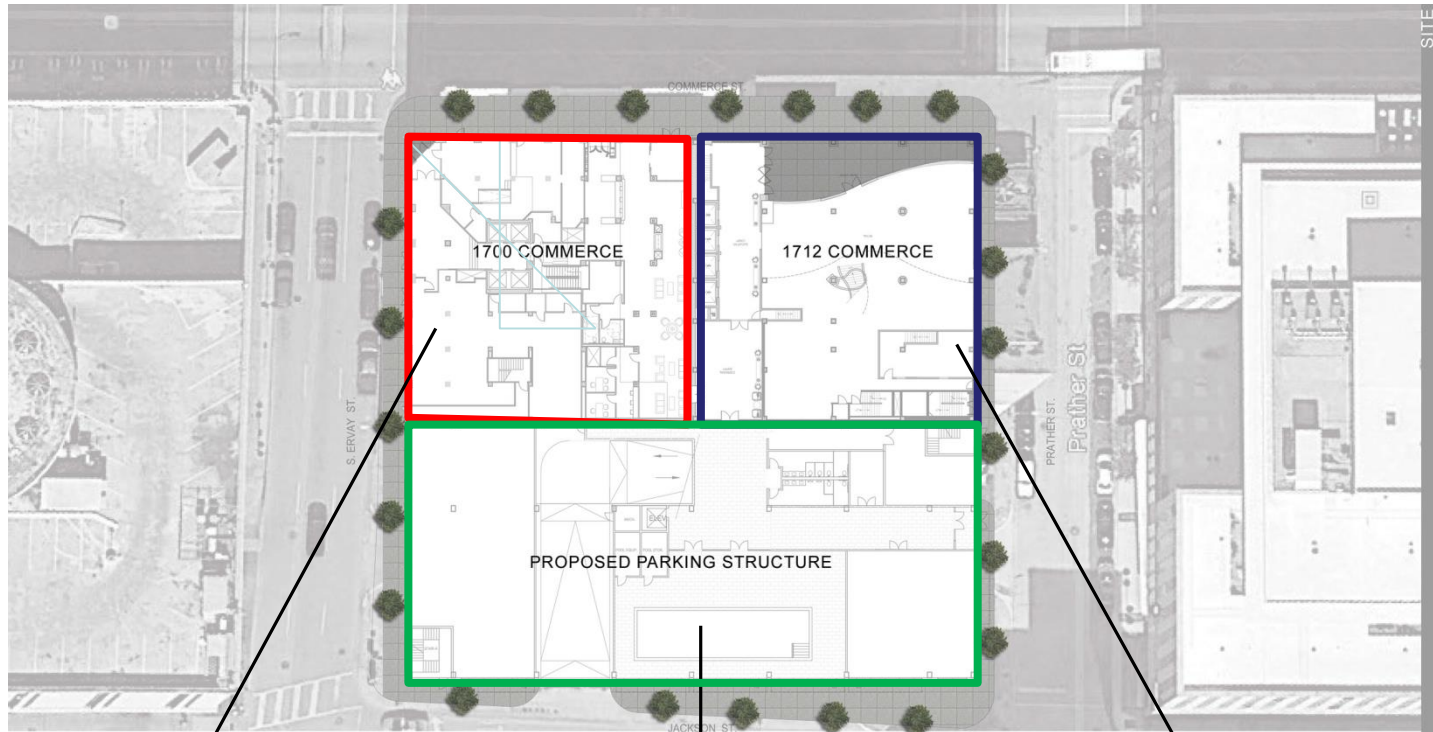
1700 Commerce Hotel

- 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 and 1700 Commerce Hotel & Garage *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 and 1700 Commerce Hotel & Garage

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	\$54,880,025
TIF Funding	\$10,500,000
% TIF funds to 1712 Commerce Building and Garage cost	19.13%
% TIF funds to 1712 Commerce Building, Garage and 1700 Commerce Building	11.68%
Return on Investment without TIF – 1712 Commerce Building and Garage	5.51%
Return on Investment with TIF – 1712 Commerce Building and Garage	6.81%
Return on Investment without TIF for the total Project (1712 Commerce Building, 1700 Commerce Building and Garage)	6.94%
Return on Investment with TIF - TIF for the total Project (1712 Commerce Building, 1700 Commerce Building and Garage)	7.86%
Deadline to Obtain Building Permit	December 1, 2015
Deadline to Obtain Final CO	July 1, 2017

1712 Commerce Hotel and 1700 Commerce Hotel

Funding Sources and Uses

Description	1712 Commerce Building and Garage	1700 Commerce	Total Amount	%	Uses
Developer Equity	\$22,880,025	\$12,950,000	\$35,830,025	39.8%	Acquisition and Construction
Loan	\$32,000,000	\$22,050,000	\$54,050,000	60.2%	Construction & Renovation
Total Project Cost	\$54,880,025	\$35,000,000	\$89,880,025		

1712 Commerce Hotel

Project Proforma

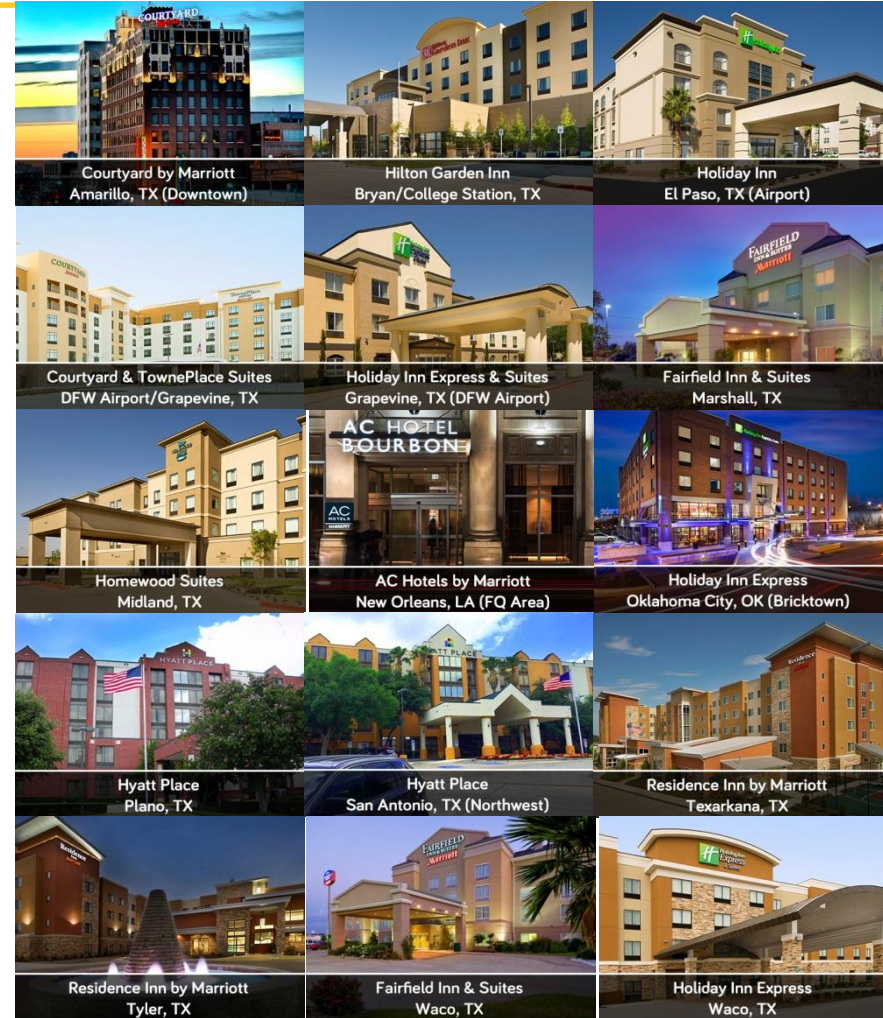
PROJECT DESCRIPTION:		1712 Commerce Street		
SITE AREA In acres		0.53		
BUILDING AREA (q.s.f.):		175,420		
NUMBER OF FLOORS/STORIES:		21		
CONSTRUCTION PERIOD:		18 mo		
ANTICIPATED CONSTR START DATE:		12/1/2015		
Project Component	SF	Rooms	Total SF	\$ per SF
Hotel	158,992	206	175,420	-
Retail	16,428			
Total	175,420	206	175,420	\$4.34
Income (Annual)				
Revenue year 5	\$9,137,314			
less vacancy	27%			
less expenses	(\$6,114,368)			
NOI (w/o TIF)	\$3,022,946			
Project Costs				
Acquisition Costs	\$7,975,000			
Hard Costs	\$32,110,025			
Soft Costs	\$6,020,000			
FFE Costs	\$3,000,000			
Public Improvement costs	\$5,775,000			
Total Project Cost (incl. public)	\$54,880,025			
			Total Project Cost (incl. public costs)	\$54,880,025
			CITY ASSISTANCE (current \$)	\$10,500,000
			Total Project Cost (with City \$)	\$44,380,025
			Return on Cost Analysis	
			NOI/Total Project Costs	
			Return on Cost (no City \$)	5.51%
			Return on Cost (with City \$)	6.81%

1712 Commerce, 1700 Commerce & Garage Proformas

PROJECT DESCRIPTION:		1712 Commerce Building, Garage and 1700 Commerce Building		
SITE AREA In acres		0.53		
BUILDING AREA (g.s.f.):		175,420		
NUMBER OF FLOORS/STORIES:		21		
CONSTRUCTION PERIOD:		18 mo		
ANTICIPATED CONSTR START DATE:		12/1/2015		
Project Component	SF	Rooms	Total SF	\$ per SF
Hotel	158,992	206	175,420	-
Retail	16,428			
Total	175,420	206	175,420	\$7.53
Income (Annual)		Total Project Cost (incl. public costs)		\$89,880,025
Revenue year 5	\$15,847,625	CITY ASSISTANCE (current \$)		\$10,500,000
less vacancy	27%	Total Project Cost (with City \$)		\$79,380,025
less expenses	(\$9,605,547)	Return on Cost Analysis		
NOI (w/o TIF)	\$6,242,079	NOI/Total Project Costs		
Project Costs		Return on Cost (no City \$)		6.94%
Acquisition Costs	\$14,475,000	Return on Cost (with City \$)		7.86%
Hard Costs	\$51,054,525			
Soft Costs	\$11,970,000			
FFE Costs	\$5,250,000			
Public Improvement costs	\$7,130,500			
Total Project Cost (incl. public)	\$89,880,025			

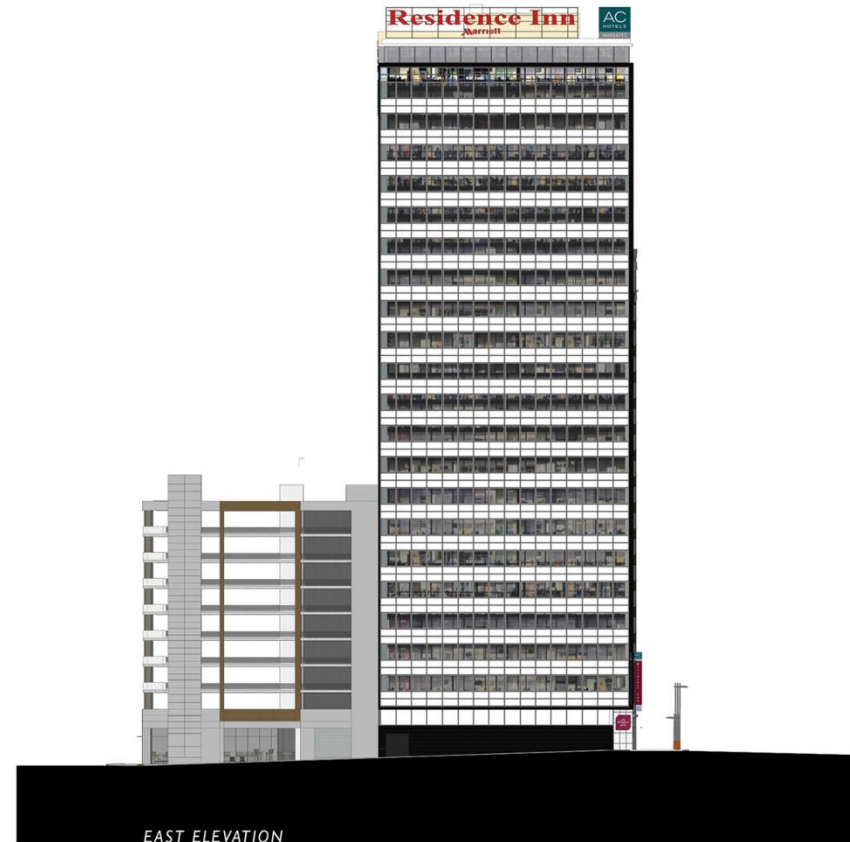
1712 Commerce Hotel Developer

- 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 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

1700 Commerce Hotel

Project elevations



1712 Commerce Hotel *Project Rendering*



VIEW LOOKING SOUTHWEST

1700 Commerce Hotel

Project Rendering



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

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

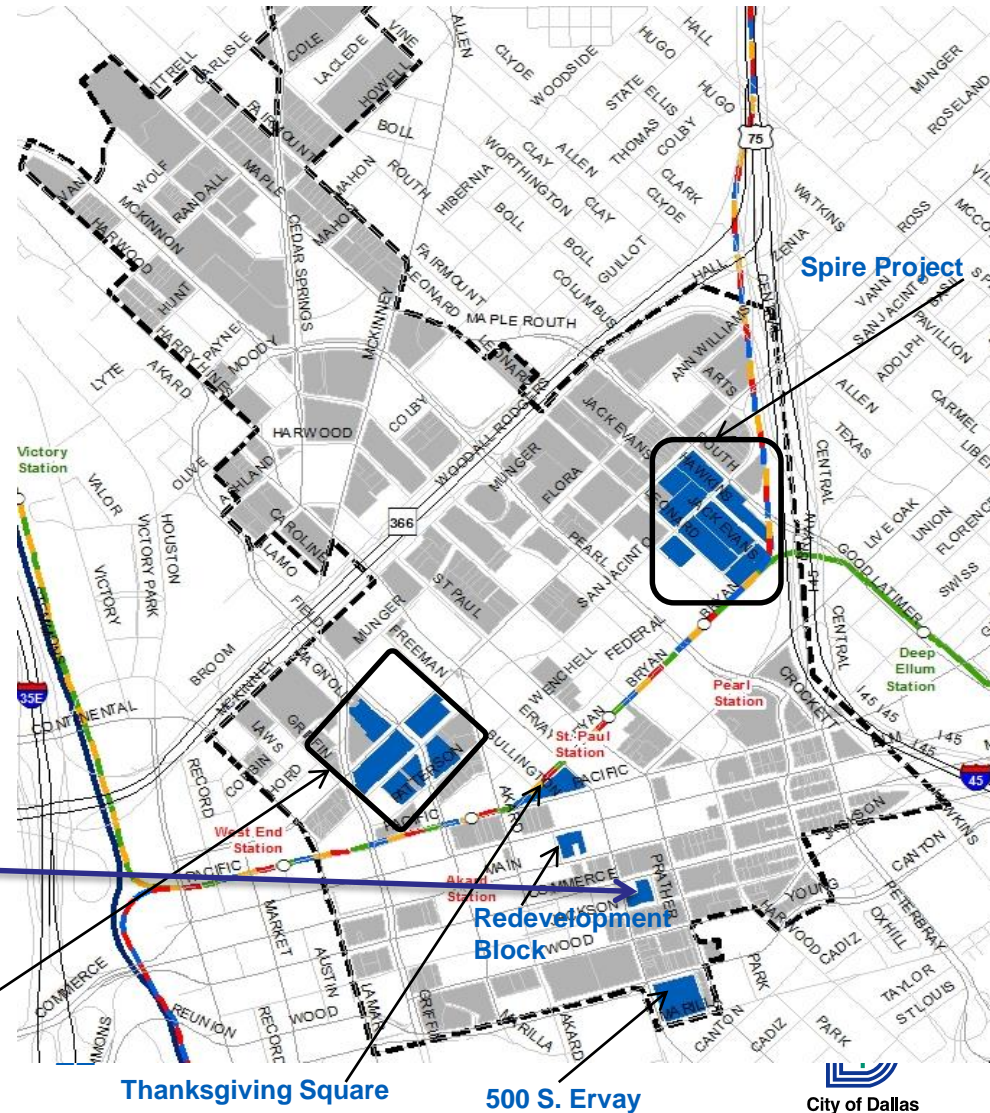
- Activates a vacant building in the downtown core
- Activates the ground floor of a building located on a street with heavy pedestrian activity



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



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 27, 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



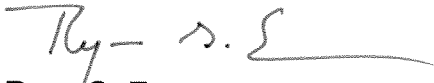
DATE May 15, 2015

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

SUBJECT **Farmers Market TIF District Boundary Amendment, TIF Plan and Development Agreement Amendments and Purchase & Sales Agreement for Public Parking**

On Monday, May 18, 2015 you will be briefed on the Farmers Market TIF District Boundary Amendment, TIF Plan and Development Agreement Amendments and Purchase & Sales Agreement for Public Parking. The briefing materials are attached for your review.

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

Farmers Market TIF

Boundary Adjustment, TIF Plan and Development Agreement Amendments and Purchase & Sale Agreement for Public Parking

Economic Development Committee
May 18, 2015



Purpose

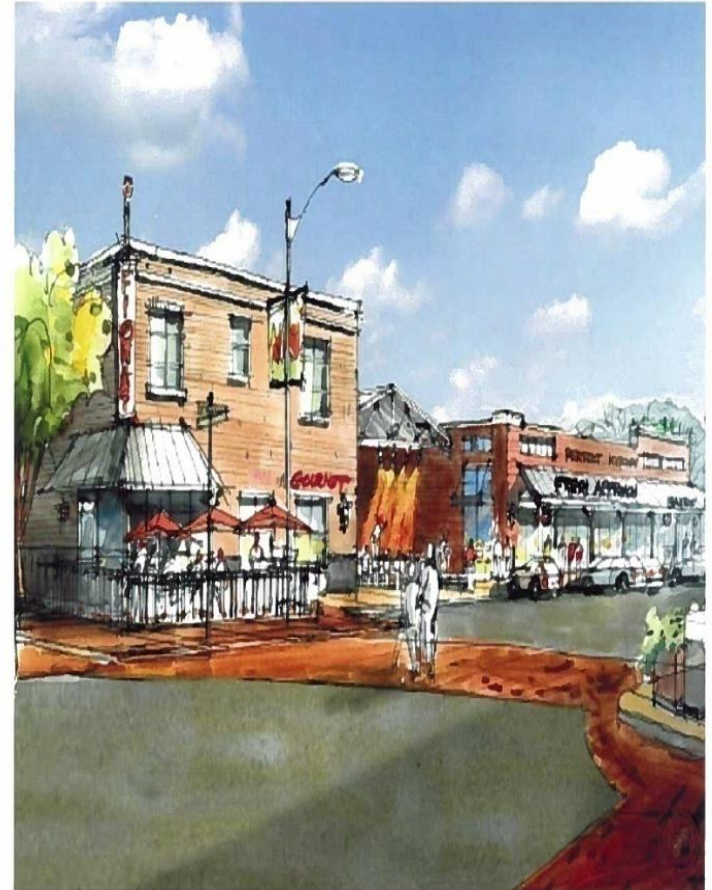
- **Provide status update on Dallas Farmers Market Redevelopment project**
- **Propose amendment to Farmers Market TIF Plan to:**
 - Expand geographic area of TIF District through a minor boundary adjustment;
 - Increase TIF budget \$14.443M (from \$33.956M to \$48.399M) resulting from accelerated increment collections
 - Recommend modifications to existing development agreements to reflect updated construction schedules as well as changes linked to garage construction/financing and related modifications to the project MOU
- **Consider final items tied to implementation of MOU for project**
 - Purchase and Sale Agreement to set price, funding (including PPP funds) and terms for City's purchase of Farmers Market Public Parking facility

Purpose - continued

- **Seek Economic Development Committee approval for Council consideration of the following:**
 - Call for Public Hearing item on May 27, 2015 Council agenda (TIF Plan amendments);
 - Hold Public Hearing on June 10, 2015 to consider TIF Plan amendments; and
 - Separately consider related items:
 - Development agreement amendments,
 - Related modifications to the project MOU,
 - Authorization of a Purchase and Sale Agreement related acquisition of Dallas Farmers Market Public Parking facility which sets price, funding (including PPP funds) and terms related to garage operation

Dallas Farmers Market – Project Overview

- **Goal**
 - Bring ‘Farm to Table’ approach back to Dallas Farmers Market
 - **Create** worthy destination for sellers (farmers) and local patrons to interact
- **Program Elements**
 - Renovate Shed 1 to **increase and improve space available for local farmers**
 - Improve Shed 2 to **showcase Dallas-based restaurants**
 - Build new mixed-use development on Harvest Lofts site (formerly Shed 3-4) to **surround market with a residential neighborhood**
 - Create community garden and futsal fields to **bring regular activity to currently unused remote parking area**



Dallas Farmers Market – Project Overview (continued)

Program elements (continued):

- Bring **culinary and nutritional training** in Administration Building (reinforce positive link between fresh food and diet)
- **Schedule regular events, entertainment, and art** to make Market an activity center
- Require master developer to create and maintain a **branding and marketing plan** for the Market
- Improve public areas to create a **pedestrian friendly environment and encourage street level activity.**
- **More than double the amount of public parking**



Dallas Farmers Market – Project Overview (cont.)

Usage Map

- **Shed 1** – Concentrate farmers and farmer reps & make pedestrian only venue with stage for special events
- **Shed 2** – Renovate to showcase local restaurants and market related vendors; beer garden located north
- **Shed 3-4** – Mixed use; new development with ground floor retail, 240 apartments, and public and private parking
- **Community Garden site** (formerly remote parking area) –futsal fields and community garden
- **Taylor Buildings** – additional ground floor retail space with residential above and private underground parking



Dallas Farmers Market – Development Status

- Property values in area appreciating rapidly and developers are now extremely interested in the area
- With new construction, Farmers Market neighborhood contains the largest housing concentration in the downtown:
 - 1,081 housing units completed
 - 978 housing units under construction or planned (60 planned)
- **Dallas Farmers Redevelopment Effort progressing:**
 - Shed 1 complete;
 - Streetscape improvements & Shed 2 under construction;
 - Kiosk demolished;
 - Admin Building sold, renovated and occupied



Dallas Farmers Market – Development Status (cont.)

- **Challenges with HUD financing**
 - Increased Project costs
 - Required redesign of project
 - Caused year delay in construction start
- **Increase in property values sufficient to cover cost increases**
- **Cost increases associated with improved design of Harvest Lofts:**
 - Adds 124 parking spaces above MOU minimum requirement
 - Allows housing units to completely wrap the parking structure;
 - Requires potential excavation for parking facility;
 - Better connects residential units to street;
 - Adds ventilation system for the garage; and
 - Limits City risk related to garage funding
- **Other issues further delayed project:**
 - ONCOR vault/Atmos Gas Line;
 - Right-of-Way abandonment;
 - Storm Line bisecting property; and
 - RAIN!!!



Dallas Farmers Market – Development Status (cont.)

Parking Complications Add to Developer Costs

- Initial plans envisioned City funding and constructing garage
- Implementation would have required two contractors on site
- Developer agreed to fund and construct garage – City will purchase, upon completion through a Purchase and Sale agreement
- Increased TIF Reimbursement recommended to offset increased development costs

Stages are inter-related so delays to Harvest Lofts impact scheduling for subsequent phases



Dallas Farmers Market

Specific Modifications required

- **Phase I (Design/Environmental)** – Amend project budget (no change in total dollars) (See Appendices 4, 5)
- **Shed 2** – Extend project deadlines by one year (See Appendix 6)
- **Harvest Lofts Mixed Use** - (See Appendix 7)
 - Extend project deadlines by one year
 - Increase recommended TIF funding by \$5.2M (from \$8,536,486 to \$13,704,350) to cover increased costs of public parking and related to HUD related design changes (all costs provided up front by developer)
- **Taylor Street Buildings** – Extend project deadlines by two years (See Appendix 8)
- **Futsal/Community Gardens** – Extend project deadlines by three years (See Appendix 9)
- **Master Agreement** - Modify to match changes outlined above



Shed 3 and 4/Mixed-use Project
new rendering

Dallas Farmers Market

Public Parking Purchase and Sale Agreement

- Developer will incorporate **300 public parking spaces** into mixed use project (124 more than required by MOU)
- Council will consider a **Purchase and Sale Agreement** related to public parking in conjunction with modifications to Harvest Lofts Development Agreement.
- **Purchase and Sale agreement sets price of garage and air rights (\$8.149M) and states conditions for City purchase of facility upon completion**
- After purchase, **garage will become a public, City-owned facility.** City sets parking rates (anticipated to be \$0 except at times of special events or programs) and operational requirements
- **Developer required to operate and maintain the public parking spaces and absorb all costs associated with O&M.**
- Developer eligible to receive a portion of potential parking revenue to offset these costs, if parking revenues generated from public garage

Dallas Farmers Market

Purchase and Sale Agreement – Background

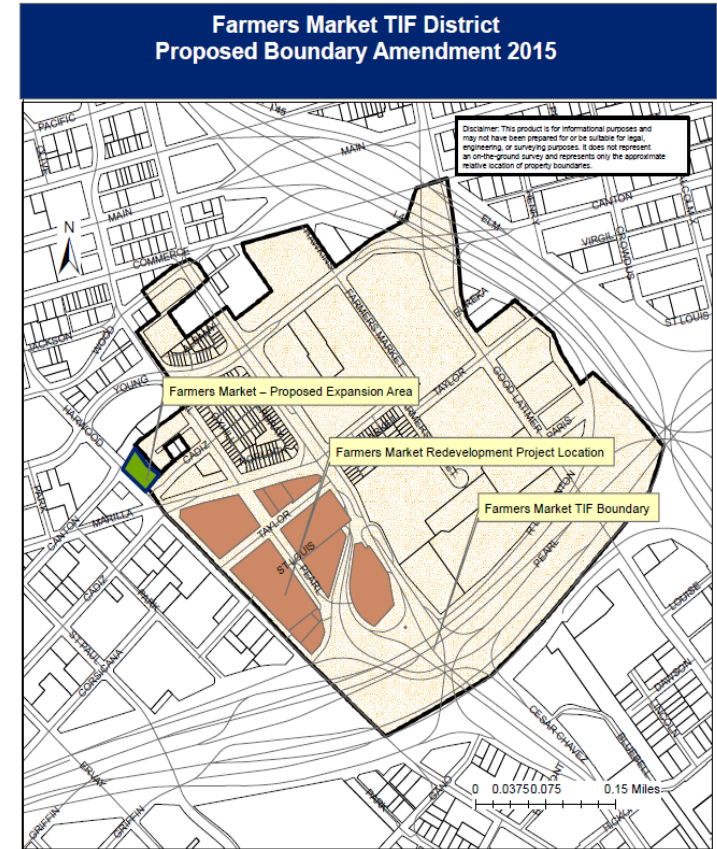
- Negotiated value of public parking spaces;
- Source of funding for purchase of public parking;
- Other funding related to non-parking elements of Harvest Lofts project; and
- Allocation of additional TIF funding request

Total Cost of Public Parking Facility	
Construction Cost (300 Public Parking Spaces) (Value based on actual cost of construction)	\$7,710,005
Land (Air Rights - Value determined by appraisal)	\$439,530
Total Cost	\$8,149,535
Sources of Funding for Public Parking Facility	
TIF Funds (Reimbursement) (<i>Request under consideration</i>)	\$4,667,875
GO Bond funds (2006 issuance)	\$1,658,089
Net Proceeds from Sale of FM land to Developer	\$1,153,571
PPP	\$670,000
Total Sources of Funding	\$8,149,535
Other Funding for Harvest Lofts Development Agreement	
Additional TIF Funding related to redesign (<i>request under consideration</i>)	\$499,989
Previously Approved TIF Funds/Grant for High Density-Mixed Use Project (reimbursement)	\$8,366,475
Total Other Funding	\$8,866,464
Total Additional TIF funding Under Consideration by use of funds	
Funds related to redesign and improved connectivity with street	\$499,989
Funds to offset additional parking costs	\$4,667,875
Total Other Funding	\$5,167,864

Farmers Market TIF District: *TIF Plan Amendment - Overview*

Proposed Amendment:

- **Adjust TIF Budget to reflect an increase in total TIF collections of \$14.443M from \$33.956M to \$48.399M (see Appendix 1). Increased funding allows full reimbursement of:**
 - Allocation for funding for Liberty II and future parks and green spaces - \$9.2M
 - Increased funding request for Harvest Lofts – approximately 5.2M
- **Increase the geographic area of the Farmers Market TIF District by approximately 13,057 square feet to include property located adjacent to the Green Door on east side of Harwood Street south of Canton Street;**
- **Make related modifications to reflect these changes**



Farmers Market TIF District

Increase Increment Collections – Background

- In order to provide sufficient funding to support the recommended increased funding for the Harvest Lofts Mixed Use Project, staff evaluated the existing TIF increment collection projections and budget
- Analysis revealed that the impact of the Dallas Farmers Market Redevelopment increased likely collections
- Ancillary development (Wood Partners and Alliance Apartments) was occurring now
- Property value appreciation is exceeding 2013 projections
- As a result, staff recommends increasing the TIF budget (in total collections by approximately \$14.443M (See Appendix 1)
 - Total collections increase from \$33,955,605 to \$48,398,724
 - The maximum NPV collection remains at \$19.2M

Farmers Market TIF District:

Increase Increment Collections - Rationale

- Farmers Market Redevelopment vastly improved the real estate investment climate in the Farmers Market area
- Redevelopment is occurring much faster than expected in 2013
 - Farmers Market Square Townhomes- 108 townhomes: 83 TH sold; 25 TH under construction
 - Alta Farmers Market by Wood Partners – 313 units, under construction
 - Alliance Residential – 340 units, in permit review process



Farmers Market TIF District

Increased TIF Area - Rationale

Increase TIF Area

- Proposed expansion parcel is located adjacent to Green Door Public House Restaurant. It is currently vacant
- Proposed expansion allows TIF funds to be spent to encourage redevelopment of this site
- Redevelopment of this property will improve connectivity between the Dallas Farmers Market and Downtown Dallas.



Recommended Actions

May 27, 2015

Call a Public Hearing to be held on June 10, 2015 to amend the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan to:

- increase the geographic area by approximately 13,057 square feet
- Increase the TIF Budget by approximately \$14.443M to reflect increased TIF collections due to improved market conditions
- all related matters

June 10, 2015

- Hold a Public Hearing and Consider the TIF Plan amendment
- Review several amendments to specific TIF Development Agreements to reflect the updated project schedule
- Increase funding for the Shed 3-4 Mixed Use Project by approximately \$5.2M to offset increased costs to Developer related to redesign, and financing the project up front, in lieu of utilizing city funds initially
- Consider a Purchase and Sale Agreement to set the price and terms of the City's purchase of the public parking related to the Dallas Farmers Market redevelopment upon project completion

- Appendices

Appendix 1

Increase Increment Collections – Updated Budget

- Below is a chart showing the authorized Farmers Market TIF Budget and the recommended amended budget both in NPV values and total collections

Budget Item	Farmers Market TIF Budget (Total Collections)	Amended Farmers Market TIF Budget (Total Collections)	Change in Total Collections Budget	Total Spent and Committed**	Remaining
Phase IA	\$8,125,410	\$20,017,273	\$11,891,863	\$12,006,284	\$8,010,989
Deep Ellum Connector	\$672,970	\$672,970	\$0	\$672,970	\$0
Phase IB	\$742,031	\$742,031	\$0	\$742,031	\$0
Phase II**	\$3,252,225	\$3,252,225	\$0	\$3,252,225	\$0
Harlan Building	\$701,142	\$1,176,142	\$475,000	\$701,142	\$475,000
Farmers Market Area Improvements	\$18,761,827	\$20,838,083	\$2,076,256	\$20,168,028	\$670,055
Open space improvements					
Parking					
Other Projects					
Economic Development Grant					
TIF Administration	\$1,700,000	\$1,700,000	\$0	\$1,700,000	\$0
Total	\$33,955,605	\$48,398,724	\$14,443,119	\$39,242,680	\$9,156,044

** Including increased funding for Harvest Lofts Project

Appendix 1

Increase Increment Collections – Chart

				City of Dallas		100.00%	0.79700%	100.00%		
	Initial base 1998	\$27,706,851								
	Expanded base 2013	\$7,107,980	\$117,580,674	111686928						
		\$34,814,831		115037536						
	expanded base 2015	\$871,870								
		\$35,686,701								
Year	Property Value Estimate	Property Value Growth	Anticipated Captured Value	Anticipated Captured Value Dallas County	Anticipated Increment Revenue	Anticipated Accumulated Revenue (NPV)	Tax Increment Revenue City	Tax Increment Revenue Dallas County	Anticipated Accumulated Revenue (NPV)	
1998	\$27,706,851									
1999	\$32,251,740									
2000	\$48,849,886	16.40%	16.40%	\$4,544,889	\$0	\$30,337	\$28,688	\$30,337	\$0	
2001	\$68,642,830	51.46%	76.31%	\$21,143,035	\$0	\$141,130	\$160,584	\$141,130	\$0	
2002	\$68,642,830	40.52%	147.75%	\$40,935,979	\$0	\$273,248	\$385,942	\$273,248	\$0	
2003	\$69,918,509	1.86%	152.35%	\$42,211,658	\$0	\$295,397	\$622,145	\$295,397	\$0	
2004	\$68,358,681	-2.23%	146.72%	\$40,651,830	\$0	\$277,250	\$831,782	\$277,250	\$0	
2005	\$66,805,228	-2.27%	141.11%	\$39,098,377	\$0	\$278,362	\$1,030,817	\$278,362	\$0	
2006	\$83,492,312	24.98%	201.34%	\$55,785,461	\$0	\$413,761	\$1,310,577	\$413,761	\$0	
2007	\$93,337,865	11.79%	236.88%	\$65,631,014	\$0	\$467,257	\$1,609,331	\$467,257	\$0	
2008	\$96,486,980	3.37%	248.24%	\$68,780,129	\$0	\$507,318	\$1,916,061	\$507,318	\$0	
2009	\$111,085,798	15.13%	300.93%	\$83,378,947	\$0	\$591,515	\$2,254,252	\$591,515	\$0	
2010	\$107,740,320	-3.01%	288.86%	\$80,033,469	\$0	\$598,570	\$2,577,869	\$598,570	\$0	
2011	\$103,812,469	-3.65%	274.68%	\$76,105,618	\$0	\$606,562	\$2,887,975	\$606,562	\$0	
2012	\$101,531,538	-2.20%	266.45%	\$73,824,687	\$0	\$588,383	\$3,172,431	\$588,383	\$0	
2013	\$111,686,928	10.00%	303.10%	\$83,980,077	\$0	\$669,321	\$3,478,423	\$669,321	\$0	
2014	\$117,343,355	5.06%	323.52%	\$82,528,524	\$5,656,427	\$597,477	\$3,736,717	\$597,477	\$5,201	
2015	\$173,532,957	47.88%	526.32%	\$137,846,256	\$58,495,421	\$1,045,652	\$4,164,183	\$988,771	\$56,065	
2016	\$189,323,090	9.10%	583.31%	\$153,636,389	\$71,742,416	\$1,171,796	\$4,617,170	\$1,102,034	\$69,762	
2017	\$251,411,429	32.79%	807.40%	\$215,724,728	\$133,830,755	\$1,677,531	\$5,230,400	\$1,547,393	\$130,137	
2018	\$329,144,257	30.92%	1087.95%	\$293,457,556	\$211,563,583	\$2,310,695	\$6,029,159	\$2,104,971	\$205,724	
2019	\$353,813,893	7.50%	1176.99%	\$318,127,192	\$236,233,219	\$2,511,640	\$6,850,172	\$2,281,926	\$229,713	
2020	\$371,732,932	5.06%	1241.66%	\$336,046,231	\$254,152,258	\$2,657,597	\$7,671,660	\$2,410,460	\$247,138	
2021	\$414,059,487	11.39%	1394.43%	\$378,372,786	\$296,478,813	\$2,869,212	\$8,510,336	\$2,714,068	\$155,144	
2022	\$435,029,687	5.06%	1470.12%	\$399,342,986	\$317,449,013	\$2,864,487	\$9,302,104	\$2,864,487	\$0	
2023	\$457,061,931	5.06%	1549.64%	\$421,375,230	\$339,481,257	\$3,022,525	\$11,112,880	\$3,022,525	\$0	
2024	\$480,210,006	5.06%	1633.18%	\$444,523,305	\$362,629,332	\$3,188,566	\$11,994,227	\$3,188,566	\$0	
2025	\$504,530,425	5.06%	1720.96%	\$468,843,724	\$386,949,751	\$3,363,016	\$13,340,213	\$3,363,016	\$0	
2026	\$530,082,560	5.06%	1813.18%	\$494,395,859	\$412,501,886	\$3,546,301	\$14,267,143	\$3,546,301	\$0	
2027	\$556,928,792	5.06%	1910.08%	\$521,242,091	\$439,348,118	\$3,738,870	\$15,769,369	\$3,738,870	\$0	
2028	\$585,134,663	5.06%	2011.88%	\$549,447,962	\$467,553,989	\$3,941,190	\$17,429,003	\$3,941,190	\$0	
2028	\$614,769,030	5.06%	2118.83%	\$579,082,329	\$497,188,356	\$4,153,758	\$19,238,514	\$4,153,758	\$0	
				\$6,570,098,318	\$4,491,254,594	\$48,398,723	\$19,238,514	\$47,298,723	\$1,100,000	
	PV of increments			Revenue thru 2012 Revenue after 2012	Revenue thru 2012 Revenue after 2012	\$5,738,410 \$42,660,313	\$3,736,717 \$15,501,797	\$5,738,410 \$41,560,313	\$0 \$1,100,000	\$0 \$805,214

Appendix 2:

Financial Information: Sources and Uses of Funds by Project

	Total	Equity	Debt	TIF (reimbursement)	GO Bonds	Other PPI Partnership	Surplus Sale Proceeds
Shed 1	\$989,884	\$623,627	\$366,257	\$365,369	\$0	\$0	\$0
Shed 2	\$3,142,842	\$1,508,564	\$1,634,278	\$519,232	\$0	\$0	\$0
Shed 3-4	\$38,668,084	\$14,693,872	\$23,974,212	\$14,388,031	\$1,658,089	\$670,000	\$1,153,571
Administrative building	\$2,097,400	\$1,097,400	\$1,000,000	\$566,298	\$0	\$0	\$223,571
Taylor	\$19,251,809	\$10,203,459	\$9,048,350	\$3,990,063	\$0	\$0	\$0
Futsal/Garden	\$2,421,626	\$1,452,976	\$968,650	\$339,035	\$0	\$0	\$0
Streetscape	-	\$0	\$0	\$0	\$4,541,911	\$0	\$0
	\$66,571,645	\$29,579,898	\$36,991,747	\$20,168,028	\$6,200,000	\$670,000	\$1,377,142

Appendix 2:

Financial Information: Pro Forma for Harvest Lofts Mixed Use

Rental			
PROJECT DESCRIPTION:		FM Harvest Mixed Use Development	
SITE AREA:		2.5	
NUMBER OF FLOORS/STORIES:		4	
BUILDING AREA (g.s.f.):		240,344	
CONSTRUCTION PERIOD:		May 2015 - December 31, 2016	
ANTICIPATED CONSTR START DATE:		4-May-15	
Note: Use 5-year average for income assumptions			
Residential Unit Breakdown	SF	# of Units	Total SF
Total/Avg	860	240	206,400
Hotel Room Breakdown	SF	# of Rooms	Total SF
Total/Avg	0	0	0
Office Breakdown	SF		Total SF
Total/Avg	1,100	1	1,100
Retail Breakdown (exclude % profit)			Total SF
Total/Avg	5,235	4	20,940
Other Income: Common Areas	SF		Total SF
Total/Avg	11,904	1	11,904
Project Costs		Income (Annual)	
Hard Cost	\$44,496,211	1) Apartments	\$4,049,148
Soft Cost	\$5,699,128	2) Other Income	\$550,144
Acquisition	\$1,675,000	- Vacancy @ 7.0%	\$283,440
Total Project Cost (no City \$)	\$51,870,339	- Utilities, insur, taxes	\$910,228
		- Other Operating Exp	\$704,635
Total Project Cost without City \$	\$51,870,339	NOI	\$2,700,989
Total CITY ASSISTANCE- Phase I and Phase II (current \$)	\$13,704,350		
Total Project Cost (with City \$)	\$38,165,989		
Return on Cost Analysis			
NOI/Total Project Costs			
Return on Cost (no City \$)	5.21%		
Return on Cost (with City \$)	7.08%		

Appendix 3: *Master Agreement Amendments*

- building permit for the redevelopment of 2101 and 2111 Taylor Street shall be applied for, and construction shall commence, no later than ~~April 1, 2015~~ April 1, 2016. And: The western-most building is to be demolished by 2111 Taylor Street, Ltd. The building will be remaining structure is to be redeveloped for use as: (1) **residential**/restaurant and/or retail space and/or (2) a new boutique hotel, in either case with an open band shell, and a roof-top deck.
- building permit for the new retail/parking/residential structure to be constructed on the Shed 3 and Shed 4 tracts shall be applied for, and construction shall commence, no later than ~~July 1, 2015~~ December 31, 2015.
- Community Garden and Athletic/Futsal Fields. The necessary permit(s) to develop the community garden and athletic/futsal fields shall be applied for, and construction shall commence, no later than ~~April 1, 2015~~ January 1, 2017.
- ~~Demolition permit for the kiosk shall be applied for no later than September 1, 2014~~ Proof of kiosk demolition (pictures) by December 31, 2014
- A building permit(s) for the Public Market Parking shall be applied for no later than ~~July 1, 2015~~ December 31, 2015.
- Retail/Parking/Residential Development. A parking structure with approximately 540 (Parking is 300 public parking + 240 private) 622 total parking spaces to support the Project. The public parking will be built as part of the retail/parking/residential development on the Shed 3 and Shed 4 tracts, and which spaces shall be dedicated solely to serve the Market's renovated Shed 1 ("Public Market Parking"). The Public Market Parking shall be separated from the other required public and private parking in the retail/parking/residential development parking and shall at all times be available for public use.

Appendix 4:

Phase I, Farmers Market Redevelopment Project Amendments

Proposed Amendment Includes:

- Remove the purchase of the public market parking/air rights requirement
- Include Atmos gas pipeline installation and environmental/demolition
- Replace the approved Project Budget with the Amended Project Budget (see Appendix 5)
- No increase in the TIF funding

Appendix 5:

Phase I, Farmers Market Redevelopment Project Revised Budget

Farmers Market Redevelopment, Phase I Revised Public Improvement Cost		
REVISED Pearl Street and Taylor Street		
Testing	\$	2,832
Taylor Street Truck Dock Design - Streetscape	\$	1,000
Streetscape	\$	15,813
Architectural	\$	318,900
Contingency	\$	15,413
Oversight/Supervision	\$	171,000
REVISED 2111 / 2101 Taylor Street Environmental	\$	3,172
NEW Pearl/Taylor gas line installation	\$	194,850
REVISED Pearl Street and Taylor Street Streetscape/Gas Line/Environmental		\$ 722,980
REVISED Shed 3 and 4/Mixed-use Development		
Architectural design fee for the public garage REVISED	\$	325,591
Shed 3 and 4 Asbestos abatement/consultant	\$	109,658
Shed 3 and 4 demolition	\$	220,328
Environmental	\$	86,539
Utilities 84" Storm Pipe Alignment REVISED	\$	16,546
Topographical Survey	\$	38,927
contingency	\$	20,000
REVISED Shed 3 and 4/Mixed-use Development		\$ 817,590
REVISED Remote parking area / Futsal field		
REVISED Architectural design	\$	86,210
REVISED Environmental	\$	10,065
REVISED Topographical Survey	\$	18,000
REVISED Remote parking area / Futsal field		\$ 114,275
NEW Shed 2 Asbestos and Environmental		
		\$ 9,988
Phase I TIF Funding		\$ 1,664,832

Appendix 6:

Farmers Market Redevelopment Project, Shed 2 Amendments

DF Market 2, LLC, is requesting for extension of project timelines for the project Shed 2 project, previously approved on December 11, 2013, by Resolution Nos. 13-2098 and 13-2099, as follows:

- Pull a building permit for Shed 2 Project by ~~October 1, 2014~~ August 01, 2015;
- Invest a minimum of \$1,784,987 for Shed 2 improvements by ~~December 31, 2015~~ December, 31, 2016;
- Complete the public improvements associated with Shed 2 and obtain a final certificate of acceptance issued by the City by ~~December 31, 2015~~ December, 31, 2016;
- Execute an operating and maintenance agreement from ~~December 31, 2015~~ December, 31, 2016 through ~~October 1, 2035~~ October 1, 2036;

Appendix 7:

Farmers Market Redevelopment Project, Shed 3 - 4 Amendments

DFM Developer, Ltd., is requesting to: a) extend project deadlines; (b) increase the TIF funding from \$8,536,486 to \$13,704,350 (an increase of \$5,167,864) to offset the cost of public parking garage; and (c) Revised the TIF budget :

- Pull a building permit by ~~July 1, 2015~~ December 31, 2015;
- Invest a minimum of \$28,000,000 for property acquisition cost and hard costs for construction by ~~December 31, 2016~~ December 31, 2017;
- Complete 240 residential units and 16,000 square feet of retail space and obtain a final certificate of occupancy by ~~December 31, 2016~~ December 31, 2017;
- Complete the public infrastructure improvements associated with the Project by ~~December 31, 2016~~ December 31, 2017;
- Execute an operating and maintenance agreement from ~~December 31, 2016~~ December 31, 2017 through ~~October 1, 2035~~ October 1, 2036;
- Market the residential units pursuant to an affirmative fair housing marketing plan approved by the City from the time of their completion through ~~December 31, 2034~~ December 31, 2032.

Appendix 8:

Farmers Market Redevelopment Project, 2101 and 2111 Taylor Street project Amendments

Taylor Street 2111, LP, is requesting for extension of 2101 and 2111 Taylor Street project timelines, previously approved on December 11, 2013, by Resolution Nos. 13-2102 and 13-2103, as follows:

- Pull a building permit by ~~April 1, 2015~~ April 1, 2016;
- Invest a minimum of \$17,800,000 for Taylor Street project by ~~December 31, 2016~~ December 31, 2018;
- Complete the public improvements associated with the Taylor Street Project by ~~December 31, 2016~~ December 31, 2018;
- Execute an operating and maintenance agreement for Project from ~~December 31, 2016~~ December 31, 2018 through ~~October 1, 2035~~ October 1, 2037;
- Market the residential units pursuant to an affirmative fair housing marketing plan approved by the City from the time of their completion through ~~December 31, 2034~~ December 31, 2033;

Appendix 9:

Farmers Market Redevelopment Project, Futsal project Amendments

FM Futsal, Ltd., is requesting for extension of Futsal project timeline extension, previously approved on December 11, 2013, by Resolution Nos. 13-2104 and 13-2105, as follows:

- Pull a building permit by ~~April 1, 2015~~ January 1, 2017;
- Invest a minimum of \$1,500,000 in the Futsal Project by ~~December 31, 2015~~ December 31, 2018;
- Complete the public improvements associated with Futsal Project by ~~December 31, 2015~~ December 31, 2018;
- Execute an operating and maintenance agreement for Project by ~~December 31, 2015~~ December 31, 2018 through ~~October 1, 2035~~ October 1, 2038;

Appendix 10

Past City Council actions - Timeline

Add MOU approval

February 27, 2013 – Council amended the Farmers Market TIF District Plan to:

- Include the Dallas Farmers Market site;
- Extend the term of the Farmers Market TIF District by 15 years (through the end of 2028);
- Increase the Farmers Market TIF District budget to approximately \$34M (in total collections);
- Decrease the City's participation rate in the TIF District from 100% to 90%; and
- Allow the direct sale of land to implement the plan

March 27, 2013 – Council authorized:

- long-term lease of Shed 1
- sale of remaining sites to development group led by Brian Bergersen of Spectrum Properties

May 22, 2013 – Council authorized an ordinance that repealed Chapter 29 and amended Chapters 29A and 42A of the Dallas City Code that:

- Eliminated requirements, regulations, procedures and other provisions related to the municipal produce market; and
- Provided requirements and exceptions for the Dallas Farmers Market in city code provisions that govern neighborhood farmers markets and special events

June 12, 2013 – Council approved minor amendments to lease and sale agreements

June 26, 2013 – Council approved Phase I, development agreement related to design expenditures related to Dallas Farmers Market redevelopment

December 11, 2013 – Council approved Farmers Market Redevelopment Phase II, development agreements related to Shed 1, Shed 2, Mixed-use/Shed 3 and 4, 2101 and 2111 2010 Taylor Street, Futsal projects.

Memorandum



DATE May 15, 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 **Dalfort Redevelopment**

On Monday, May 18, 2015, you will be briefed on the Dalfort Redevelopment. The briefing materials are attached for your review.

If you have any questions, please let me know.

A handwritten signature in blue ink, appearing to read 'Ryan 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
Eric D. Campbell, Assistant City Manager
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Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Mark Duebner, Director of Aviation
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Dalfort Area Development Update

City of Dallas Economic Development Committee –

May 18, 2015

Dallas Love Field



LOVE|EVOLUTION

Background

- The Department of Aviation (DOA) has attempted to market the Dalfort property over the past several years without success
 - Current structure is out dated
 - Significant environmental remediation is necessary for re-use



Dalfort Site Development

November 14, 2012

Resolution Number 12-2724

Amount: \$926,238

- City Council approved a lease agreement with Reed Enterprises Investment Holdings, LP
- Their proposal was to construct new facilities for Fixed Base Operation, office building, retail, and auto dealership on the site
- City would pay for demolition at estimated cost of \$8 million
- Lease was not executed when historical significance of the building was determined

Dalfort Site Development

Modified Design

- Reed Enterprises resubmitted a proposal including renovation of the existing structure, preserving the historical elements
- New development included renovations as well as new construction
- On October 14, 2014, the DOA received the Finding of No Significant Impact (FONSI) from the FAA
- This ruling allowed the modified proposal from Reed Enterprises to proceed

Dalfort Site Development

- The Braniff Centre (formerly Reed Enterprises) will develop both aviation and commercial uses for the site
 - \$17 million capital investment commitment for Aviation use within 36 months
 - Additional \$4 million capital investment within 10 years
 - \$20 million capital investment commitment for commercial use within 60 months



Dalfort Site Development

- The Braniff Centre (formerly Reed Enterprises) will develop both aviation and commercial uses for the site
 - Due to high capital investment a ten-year rent abatement, with rent to Airport beginning in Year 11
 - Total average rent of \$1.15 million/year
 - Will add additional ad-valorem value to the tax rolls (approx. \$500k annually)
 - Sales tax revenues to General Fund for retail and office development (approx. \$600k annually)



Benefits

- Job Creation – 1,200 (Aviation, Office, and Retail)
- Approximate \$65M in annual salaries
- Aviation Development/Growth
- Furtherance of policy (Good Neighbor Plan Initiative)
- Historical Preservation
- Renovation of “eye sore”



Aviation and Commercial Lease

- Approximately 26.802 acres/1,167,513 sq. ft. (Unimproved and Improved Land)
- 39-year term lease
- \$.40 per square foot for unimproved land (Aviation)
- \$.65 per square foot for improved land (Aviation)
- \$.75 per square foot for improved land (Commercial)
- Parking garage \$240,000 annually beginning in year three
 - City will occupy garage for remote employee parking for approximately 36 months
- Title to improvements vests to Lessor upon completion of construction

Community Involvement

- February 10th – 2015

- Presented future Dallas Love Field (DAL) opportunities
- Discussed new Dalfort project requirements
 - No “run-ups” in lease agreement
 - Impact to neighborhood
- Requested developer research/concept

business

- April 16th - 2015

- Developer presented proposed concept

Next Steps

- Gain approval from Economic Development Committee for Council approval of new Lease with the Braniff Centre Limited Partnership on May 27, 2015
- Completion of Design phase for Dalfort site
- Final Design approval by the State Historic Preservation Commission
- Construction/Development phase

Memorandum



DATE May 15, 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 **Aviation Business Development Program**

On Monday, May 18, 2015, you will be briefed on the Aviation Business Development Program. The briefing materials are attached for your review.

If you have any questions, please let me know.



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

Aviation Business Development Program



Economic Development Committee
May 18, 2015



**DALLAS
ECONOMIC
DEVELOPMENT**



City of Dallas

Dallas Airport System Development

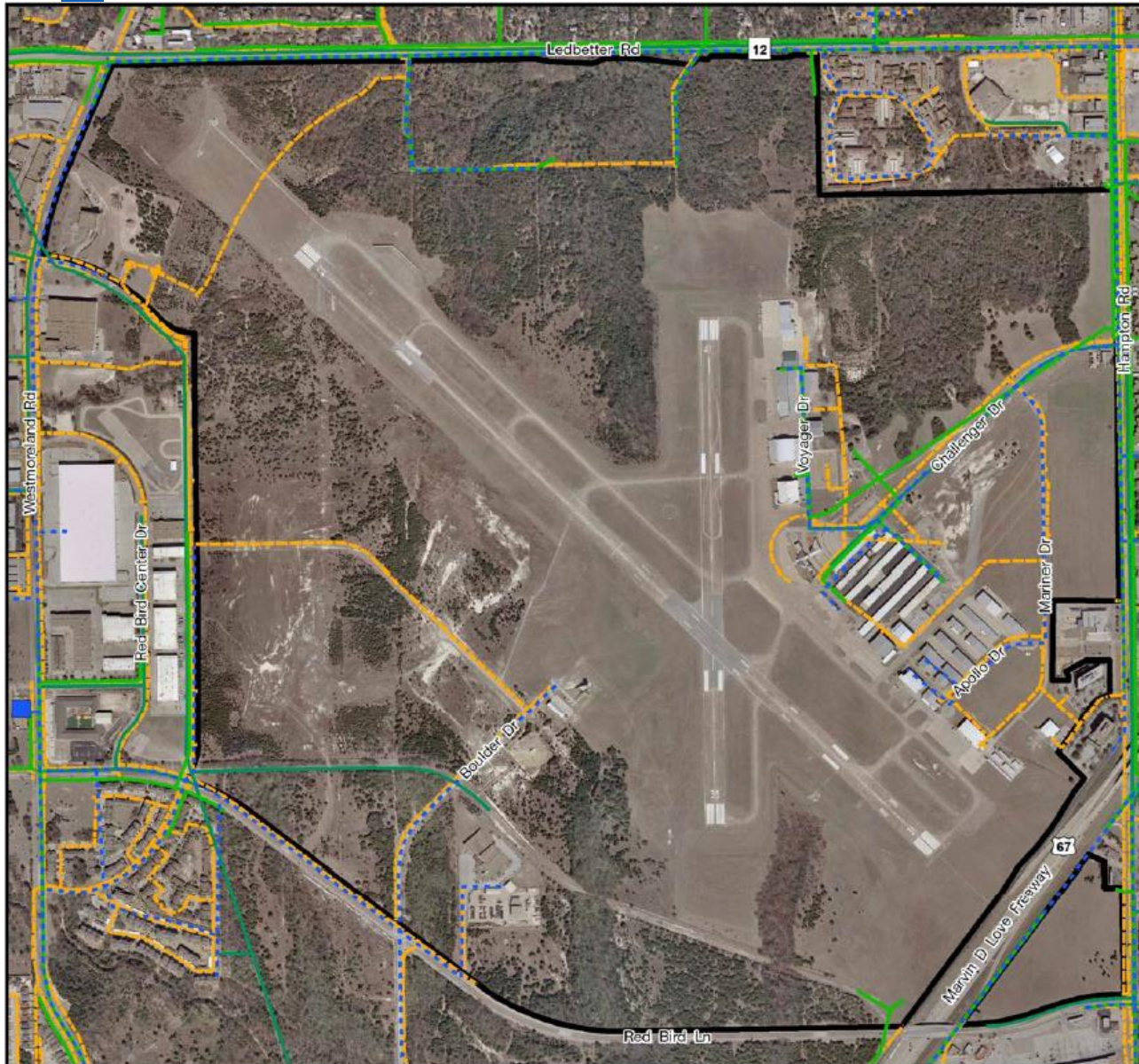
Aviation Business Development Program

- Companies considering a relocation or expansion or new aeronautical or non-aeronautical development may be eligible for a grant pursuant to the Economic Development Programs provisions in Chapter 380 of the Local Government Code for the public purposes of promoting state or local economic development or stimulating business and commercial activity in the city. Grants will be considered on a case-by-case basis and are subject to funding limitations and investment and job creation requirements. Companies will be required to meet the following performance standards:
 - Love Field Airport: Projects must create or retain 100 jobs and provide \$5 million of investment
 - Dallas Executive Airport: Projects must create or retain 25 jobs and provide \$1 million of investment
 - Grant funds are payable upon completion or attainment of the public purpose pursuant to a written contract between the city and the company

Dallas Executive Development

- In addition to the numerous projects the State and the City of Dallas have partnered together on; the Department of Aviation has invested significant enterprise money into developing infrastructure on the west side of the airport to position Dallas Executive for future development
- Utility investments that include water, sewer, data, electricity, roads and drainage. All of these projects are or will be located on the west side of the airport opening up aeronautical and non-aeronautical acreage for development
- Examples of these planning efforts are:
 - Air Traffic Control Tower
 - Airfield Maintenance Building
 - New Perimeter Road
 - New maintenance road for maintenance vehicles to stay off runways and taxiways
 - Aircraft parking apron and taxiway infrastructure to connect to runway system. Relocation of the Dallas Police Helicopter Hangar as the current facility has reached it's useful life

Utilities Overview



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.

Legend

- Electric Substation
- Electric Line
- Fiber Optic Cable
- Natural Gas Line
- Pressurized Water Main
- Runway Extension
- Dallas Executive Airport



- All utilities including water, wastewater, electric, natural gas, fiber and coaxial cable are located on the airport which puts Dallas in a position to support virtually any area of expansion at Dallas Executive Airport
- For those remote areas in which utilities are not currently provided, service can usually be extended in 60 to 90 days

Dallas Executive Development



Dallas Airport System Development

- These investments from City of Dallas, State of Texas, and airport stakeholders have provided opportunities for Dallas Executive Airport to position itself as a competitive reliever airport and interest in the facility has materialized
- It has been and will remain a goal of the City of Dallas, Department of Aviation, to attract corporate business aircraft, aircraft manufacturer facilities, service centers for corporate aircraft, the development of non-aviation support businesses, and to implement improvements outlined in our planning documents
- The Department of Aviation has briefed Economic Development Committee on the planning, development and progress of Dallas Executive Airport. Briefings occurred on May 18th, 2012, and February 3rd, 2014

Dallas Executive Development

- Staff is currently in discussion with airport tenants as well as potential new development at Dallas Executive for the west side of the airport
- Staff is also currently discussing new hanger development on the east side with current tenant
- DOA Staff is preparing to issue an RFP for Fuel Management Contract at Dallas Executive Airport
 - Goal: To maximize fuel sales and efficiency of DEA general aviation operations

Next Steps

- Gain Economic Development Committee's approval for the Aviation Business Development Program
- Continue marketing of Dallas Aviation property to create economic development for the City as well as revenue for the airport system
- Work with the Economic Development Department to concentrate efforts on local economic development and stimulating business and commercial activity on-airport and surrounding airport properties in the City of Dallas

Questions?



Memorandum



DATE May 15, 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 **Love Field Concession Status**

On Monday, May 18, 2015, you will be briefed on the Love Field Concession Status. The briefing materials are attached for your review.

If you have any questions, please let me know.



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



Love Field Concession Update

Economic Development Committee– May 18, 2015



LOVE | EVOLUTION

Purpose

- Provide background of Concessions award
- Impacts of Wright Amendment Repeal
 - Increase in operations/passengers/ projections
 - Concessions performance
- Future concessions development

Love Field Concessions

- Council approved plan for concessions on August 18, 2010, main components included:
 - All new terminal space will be competitively bid
 - A conditional first right of refusal for incumbents on 27% of value
 - New contract terms: 7 – 9 years plus 2 – one year options for F&B, 5 - 7 years plus 2 – one year options for retail
 - Products to be sold at street pricing
 - Performance evaluation criteria
 - Proposal Scoring criteria

Request for Proposal Dates

- Held 4 Pre-solicitation Outreach Events: Approximately 350 vendors notified
- Solicitation advertised
 - February 17, 2011
 - February 24, 2011
- Pre-Proposal Meeting on March 8, 2011
- RFP open for 17 weeks
 - City answered 268 vendor questions
 - Issued 8 addenda
- Proposal Due Date: July 22, 2011 (by Addendum No. 8)

Results

- Proposals closed July 22, 2011
 - 110 proposals were received
 - 85 F&B
 - 25 Retail
 - Oct. 31 – Nov. 16 – All vendors were given the opportunity to give a presentation to evaluation committee members
- February 21, 2012 – Briefing to Economic Development and Budget & Finance Committees
- February 27, 2012 – Briefing to Transportation & Environment Committee
- All successful proposals included bids in excess of MAG required in RFP

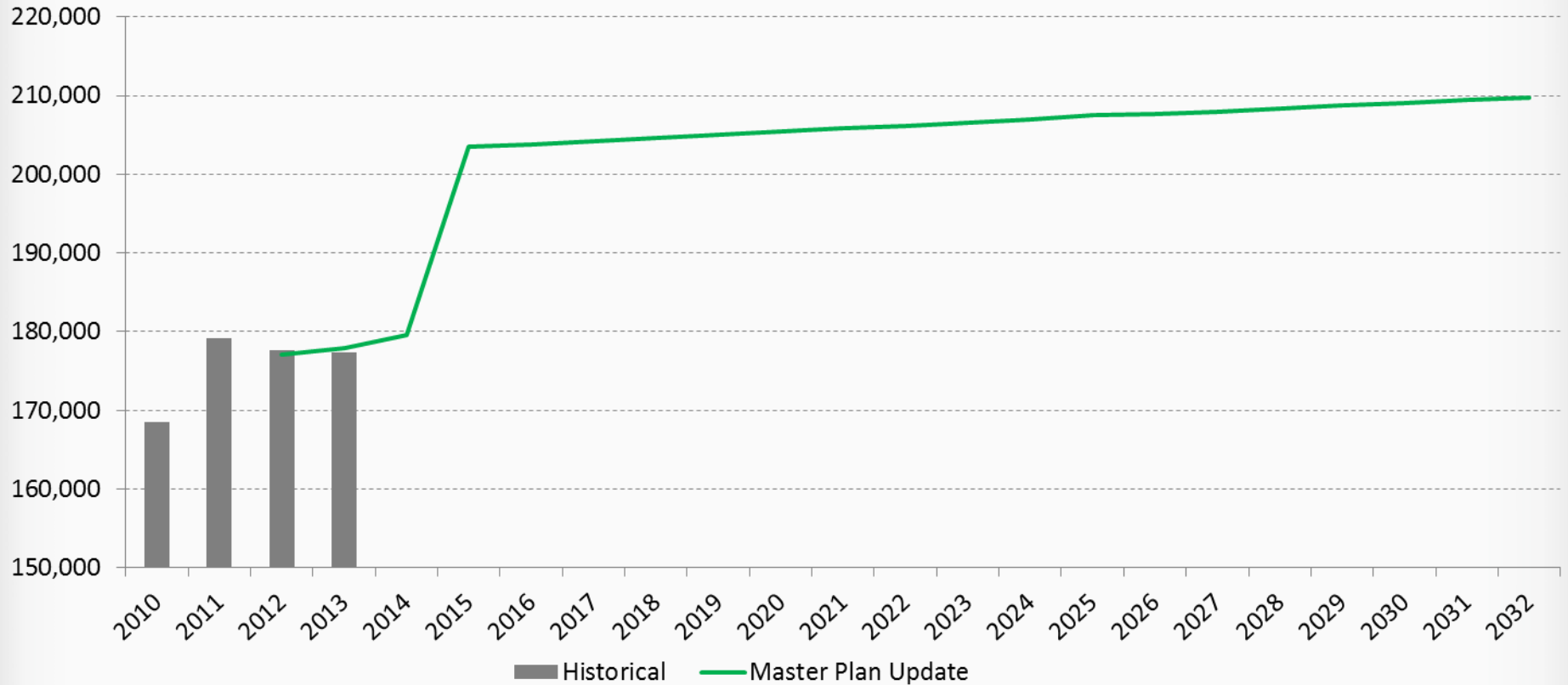
Background

- March 7, 2012 – Council approved concessions contracts
- Contract Provisions Included:
- Proposed or Matched Minimum Annual Guarantees, Percentage rental rates, minimum capital investments
 - Street Pricing
 - 3% of sales as Cap on the shared costs associated with
 - Third party scheduling, receiving, inspection and distribution of all concessions products
 - Compactor and trash removal costs
 - Food Court cleaning costs
 - Marketing fee
- All Concessionaires understood and accepted contract terms prior to award

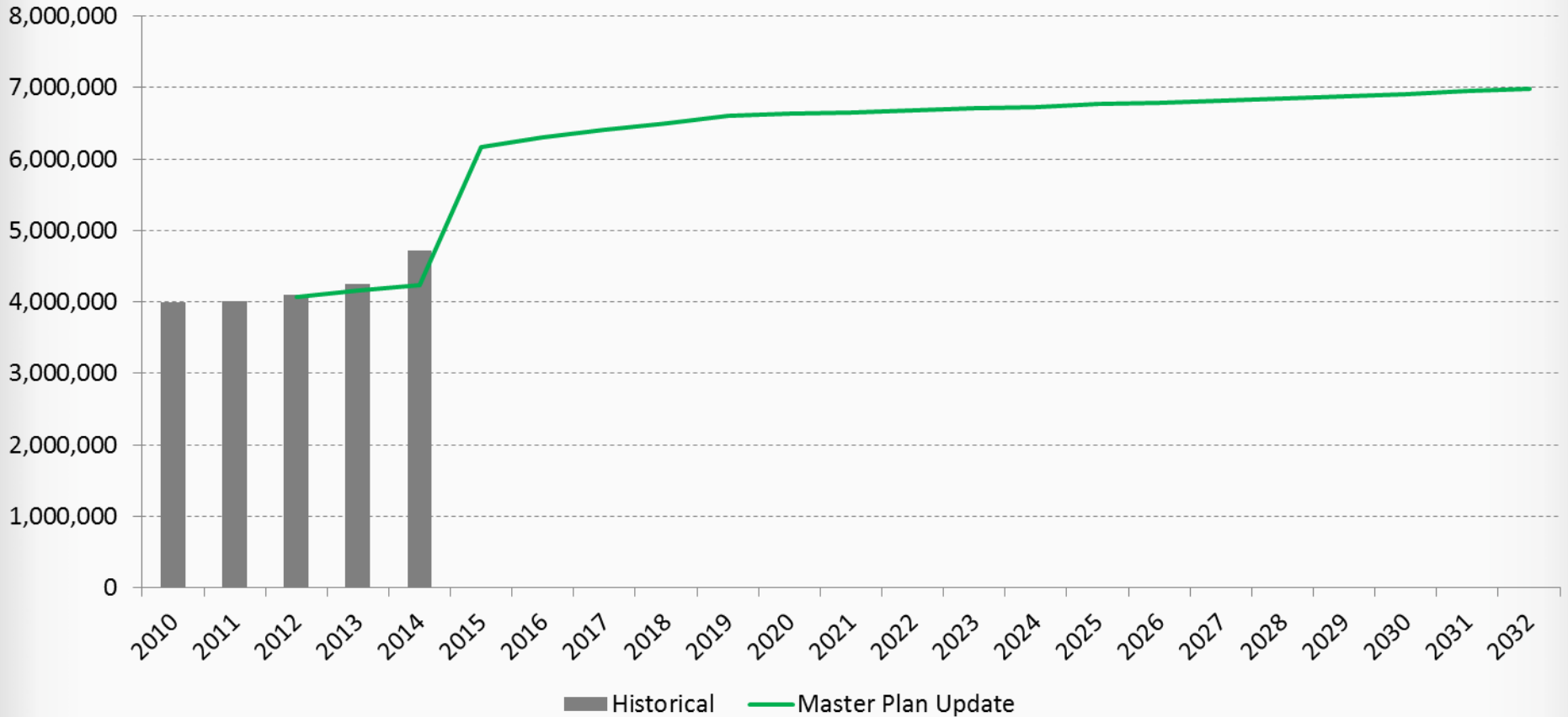
New Paradigm

- Since City Council awarded the concessions contracts, Dallas Love Field has experienced unprecedented growth
- Increases in traffic have come much earlier than forecasted, and have actually resulted in a shortage of concession space based on desired square footage per 1,000 enplaned passengers

Aircraft Operations Forecast



Passenger Enplanements Forecast



Airport Concession Program

Concession Sales

	1 st Quarter 2012 (Old)	1 st Quarter 2013 (Old)	1 st Quarter 2014 (New-Pre-Repeal)	1 st Quarter 2015 (New-Post- Repeal)
F & B Percent +/-	\$4,295,208	\$4,215,145 -1.86%	\$5,963,059 +41.47%	\$10,104,191 +69.45% +139.71% over 2013
Retail Percent +/-	\$1,861,255	\$2,087,617 +12.16	\$2,420,501 +15.95%	\$3,948,235 +63.12%

Airport Concession Program

Concession Program Space

Concession Category	Developed Space Utilization Factor*	Existing Space Plan October 2014	Ideal Space Allocation 2015 5.261m (RFP)	Variance to 2014	Ideal Space Allocation 6m	Variance to 2014
Food & Beverage	5.8	27,967	30,514	(2,547)	34,800	(6,833)
Retail/Specialty	3.2	15,626	17,070	(1,444)	19,200	(3,574)
Total	9.0	43,593	47,584	(3,991)	54,000	(10,407)

*Space Utilization Factor equals the amount of concession area in square feet that is ideal per 1,000 enplaned passengers

Airport Concession Program

Concession Program Space Recommendations

- Per the Space Utilization Factor (SUF), 2,547 sq. ft. of additional Food & Beverage space needed
- F & B RFP will be advertised late Spring 2015 totaling 3,719 sq. ft.
 - Will help meet space recommendation for 2015 based on revised enplanement projections
 - Will have a total of 31,686 sq. ft. of F & B concession space
- Post-Wright, trending 500,000 enplanements monthly or 6 million enplanements annually
 - For 6 million enplanements, 34,800 sq. ft. of F & B space is recommended per SUF
 - Difference of 3,114 sq. ft. still needed to meet 6 million enplanement space needs

Summary

- Concession sales have grown significantly even over last year sales which were post Wright Amendment repeal
 - This is a positive for airport revenues
 - More options have increased customer satisfaction
- With the increase in passenger traffic, additional concessions are needed to maintain levels of customer service
- The airport is preparing to issue Request for Proposal to add Food and Beverage concessions to right-size the concessions program based on the new traffic projections
 - Will use same criteria and contract terms
 - Anticipate the same competitive results as the most recent RFP

Memorandum



DATE May 15, 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 **Call Hearing to amend Cypress Waters TIF District Plan and related items (Cypress Waters TIF District)**

On May 27, 2015, City Council will consider authorizing a public hearing to be held on June 10, 2015 to receive comments on amendments to the Cypress Waters TIF District ("District"), originally created December 8, 2010.

The amendments include the following proposed changes to the Cypress Waters TIF District boundary and its Project and Reinvestment Zone Financing Plans ("Plan").

Boundary changes

Several parcels on the north side of the District, totaling 28 acres, are proposed to be removed from the District. They are isolated from the rest of the District and are outside of accessible City of Dallas services. These parcels are more efficiently served by the City of Irving and, thus, water and wastewater will be provided through a future inter-local agreement with Irving.

- A vacant 6 acre property currently addressed at 700 East Belt Line Road is intended to be transferred to Irving as part of a future City boundary adjustment. As such, staff recommends that this parcel be removed from the Cypress Waters TIF District.
- Three additional parcels are proposed to be removed because they will not benefit from TIF District infrastructure.

In addition, the original boundary of the district anticipated changes to the future location of the lake edge. This proposed boundary incorporates an estimate of this future location.

Because these properties are under an agricultural exemption, these changes modify the District's taxable base value by a negligible amount.

Budget changes

The City is currently negotiating with the City of Irving on a more efficient way to provide water and wastewater service to the southern portion of the District. The proposed change to the Plan allows TIF funding to be used for this off-site infrastructure if needed in the future.

Because of the increased efficiency from this cooperation with Irving and the current success of the existing development in the District, the TIF board recommended an early termination of the Cypress Waters TIF District after repayment of the Phase I and II projects, funding of the DWU/Irving water and wastewater improvements if needed, and funding of the public safety building as listed in the revised budget. The termination results in a reduction of the TIF budget from \$65 million (NPV) to \$26 million (NPV). Additionally, since no TIF funding will be committed for any developer projects beyond the first two phases, the developer will not be

required to provide affordable housing, nor follow the District's M/WBE or design review process for the remaining build out of the District.

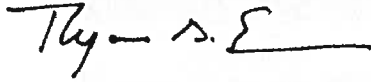
Additionally, on June 1, 2015, the Economic Development Committee will be briefed on several upcoming Council items affecting the Cypress Waters TIF District:

- Dallas Water Utilities is negotiating with the City of Irving and with Billingsley Company on a more efficient plan for water and wastewater service in the Cypress Waters area. This plan will provide for the 2,500 additional water connections for Cypress Waters and full supply rights to adjacent transmission mains throughout the term of growth in this area. This efficiency necessitates several Council actions:
 - An inter-local agreement with Irving that 1) incorporates the 6-acre city boundary adjustment 2) provides for water and wastewater service to the northern portion of the District, and 3) provides for the two cities to participate together in water supply and wastewater service to the southern portion of the District.
 - A water and wastewater development agreement between Dallas Water Utilities and Billingsley Company that will outline the developer's financial and construction-related responsibilities related to the Irving ILA as well as Phase 3 of the Cypress Waters project.
 - An amendment to the memorandum of understanding between the City and Billingsley Company to reflect these changes
 - A Dallas/Irving boundary adjustment to transfer to Irving approximately 6 acres of property on the far side of the North Lake dam that is more efficiently served by Irving. In exchange, Irving will serve approximately 22 acres on the north side of Cypress Waters. This boundary adjustment is a two-step process: 1) a resolution authorizing the City Manager to negotiate a boundary adjustment agreement and 2) an ordinance completing the boundary adjustment.
- An amendment to the development agreements for both the Phase I and Phase II, which are nearly complete. The developer has asked for some minor modifications, including an extension of project deadlines and minor changes to budget line items.

Phase I and Phase II include 673 multi-family units; water projects including transmission and distribution lines; a 2.7 million gallon pump station, two pressure tanks, and a ground storage tank; wastewater projects including mains and a lift station; 3 miles of roadway; and pedestrian and bicycle amenities. Together the \$16 million in TIF funding (plus grants) has leveraged \$135 million in private development currently complete or under construction, and another \$70 million in private development imminently planned. More than \$1.3 billion in investment is expected in the District.

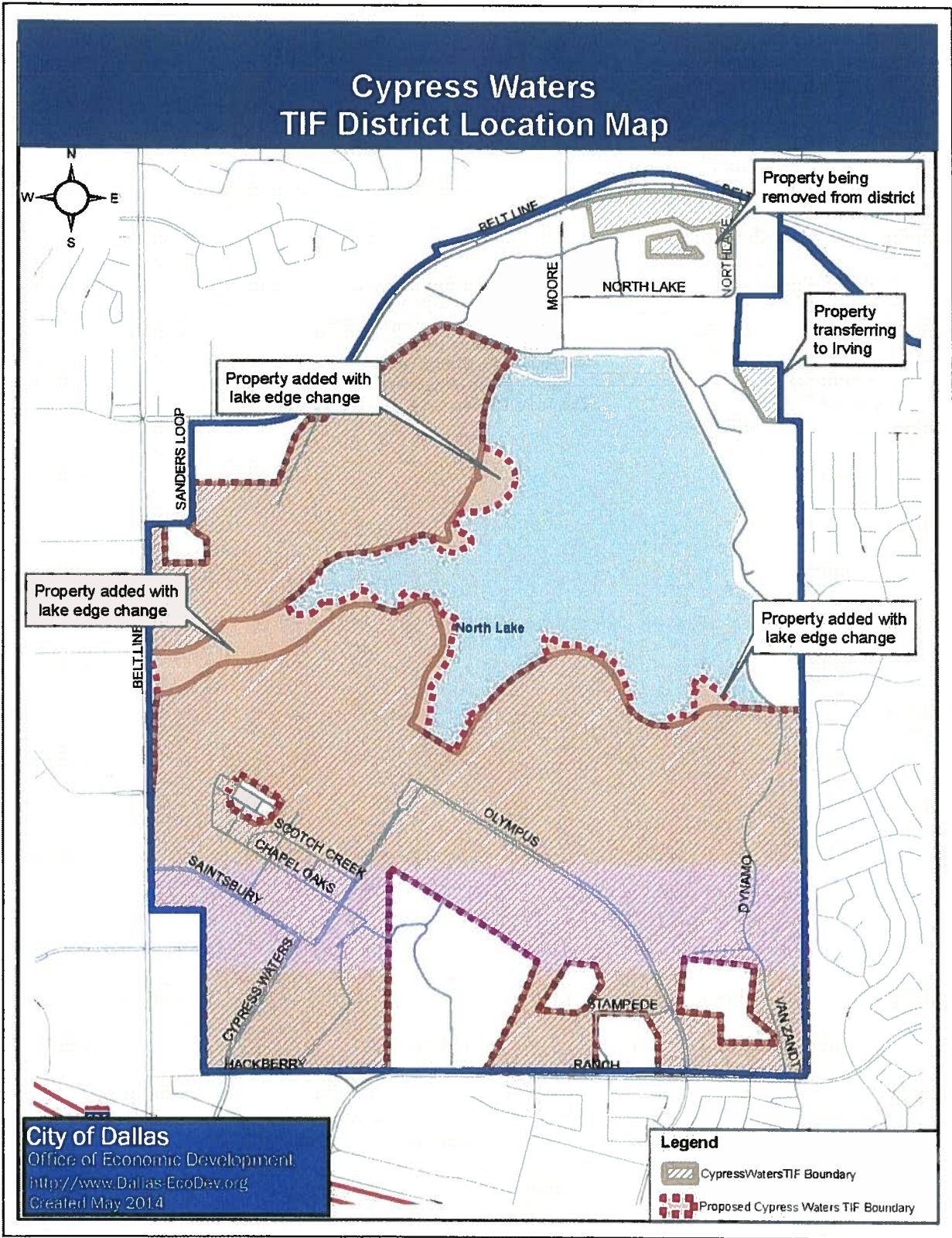
The District is located north and east of the intersection of LBJ Freeway (I-635) and Belt Line Road and is entirely in the City of Dallas. The District represents the City's effort to provide a model for supporting the development of land near employment centers and to take full advantage of the planned expansion of the DART light rail system.

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
 A.C. Gonzalez, City Manager Joey Zapata, Assistant City Manager
 Warren M.S. Ernst, City Attorney Jeanne Chipperfield, Chief Financial Officer
 Craig D. Kinton, City Auditor Sana Syed, Public Information Officer
 Rosa A. Rios, City Secretary Karl Zavitkovsky, Director, Office of Economic Development
 Daniel F. Solis, Administrative Judge J. Hammond Perot, Assistant Director, Office of Economic Development
 Eric D. Campbell, Assistant City Manager Elsa Cantu, Assistant to the City Manager – Mayor & Council
 Jill A. Jordan, P.E., Assistant City Manager



Memorandum



DATE May 15, 2015

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

SUBJECT **Boundary Adjustment with the City of Irving (Cypress Waters)**

On Wednesday, June 10, 2015, the City Council will consider authorizing the City Manager to execute a boundary adjustment with the City of Irving on property south of the terminus of South North Lake Road and northwest of the intersection of Valley Vista Drive and Lakebreeze Road.

The proposal is to facilitate the development of two single family developments near North Lake. The boundary between the City of Dallas and the City of Irving would be adjusted to move approximately 6.5 acres into Irving's city limits. In exchange, approximately 22 acres to the north of the boundary adjustment would be served by the City of Irving for water, wastewater and storm water.

The cost for the City of Dallas to provide water service to the northern property would be approximately \$1 million. The wastewater service costs would be approximately \$400,000. The suggested arrangements in a proposed interlocal agreement would reduce total costs to both cities and increase water supply redundancy to the City of Irving.

Attached is a map showing the area of the boundary adjustment, a map showing the relationship of the two tracts of land, and a memo from the Dallas Water Utilities Department regarding the cost of the service.

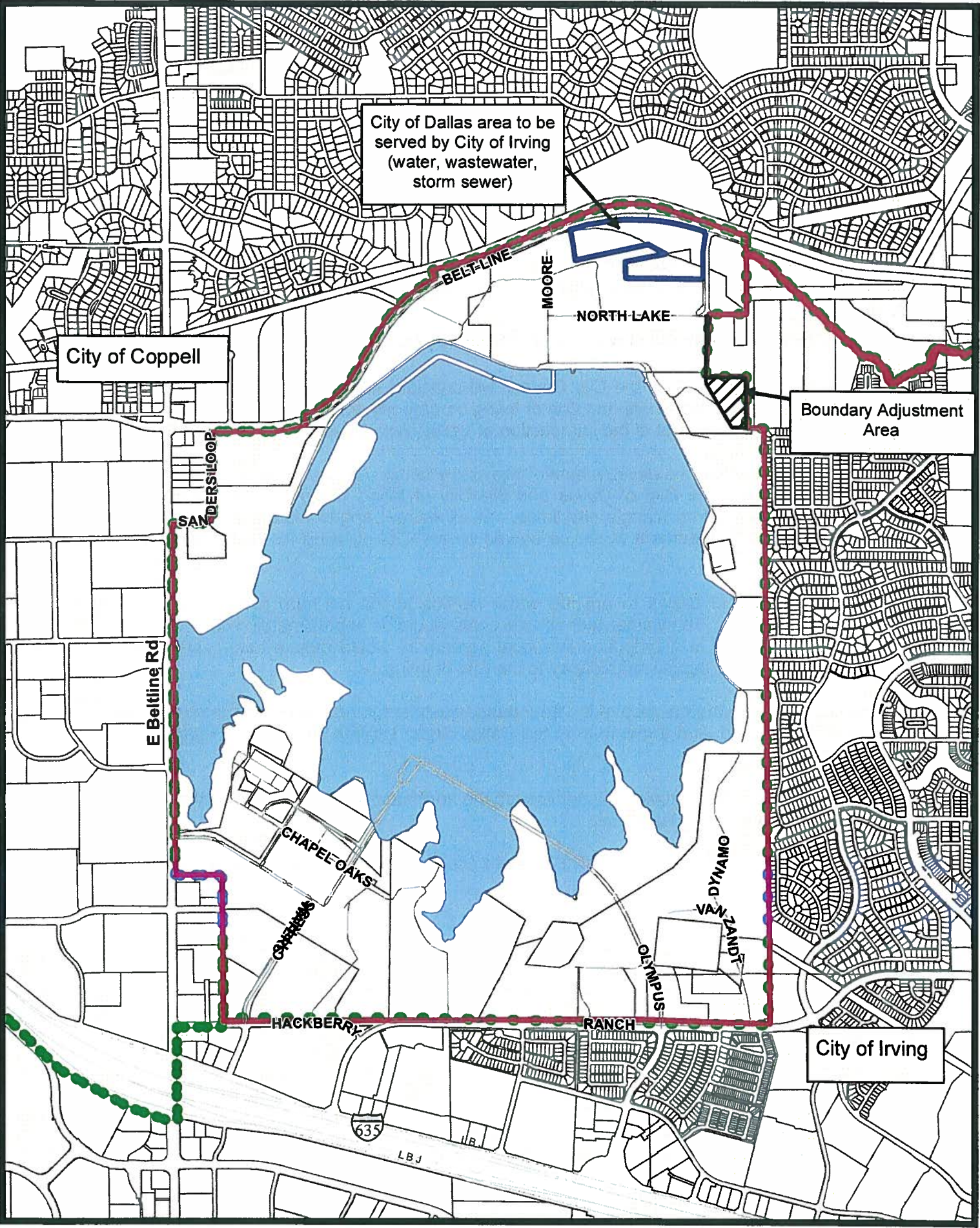
The interlocal agreement to provide the services to the northern tract is being negotiated and will come before the Council at a later date.

Please Contact David Cossum at 670-4127 should you have any questions or need additional information.

Ryan S. Evans
First Assistant City Manager

cc: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M. S. Ernst, City Attorney
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Judge Daniel F. Solis, Administrative Judge
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Rick Galceran, Director, Public Works
Sana Syed, Public Information Officer
Jo M. Puckett, P.E., Director Dallas Water Utilities
David Cossum, Director Sustainable Development & Construction
Karl Zavitkovsky, Director Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Dallas – Together, we do it better.



City of Dallas area to be served by City of Irving (water, wastewater, storm sewer)

City of Coppell

Boundary Adjustment Area

City of Irving



1:20,000

Proposed Boundary Adjustment with City of Irving

City of Dallas ———

Memorandum



CITY OF DALLAS

Date April 16, 2015
To Neva Dean, Interim Assistant Director
Current Planning Division
Sustainable Development & Construction Department
Subject West Cell-South Boundary Adjustment Request

Please let this memorandum serve as Dallas Water Utilities (DWU) concurrence with the request of Billingsley Development (the Developer) to adjust the boundary of approximately 6.5 acres of Dallas for the West Cell Development from Dallas to Irving. In return for this requested boundary adjustment Dallas will receive from Irving its ability to serve water, storm water and wastewater needs of twenty two acres of residential development in Dallas adjacent to E Beltline Road without the design and construction costs of additional offsite utilities. These utilities would be very costly for the Dallas and the Developer to construct, connect and maintain in conjunction with Dallas's current utility current system in this area. Additionally special permits would have to be acquired and a number of separate actions taken to connect this area in any other manner than to Irving's existing utility systems in this area.

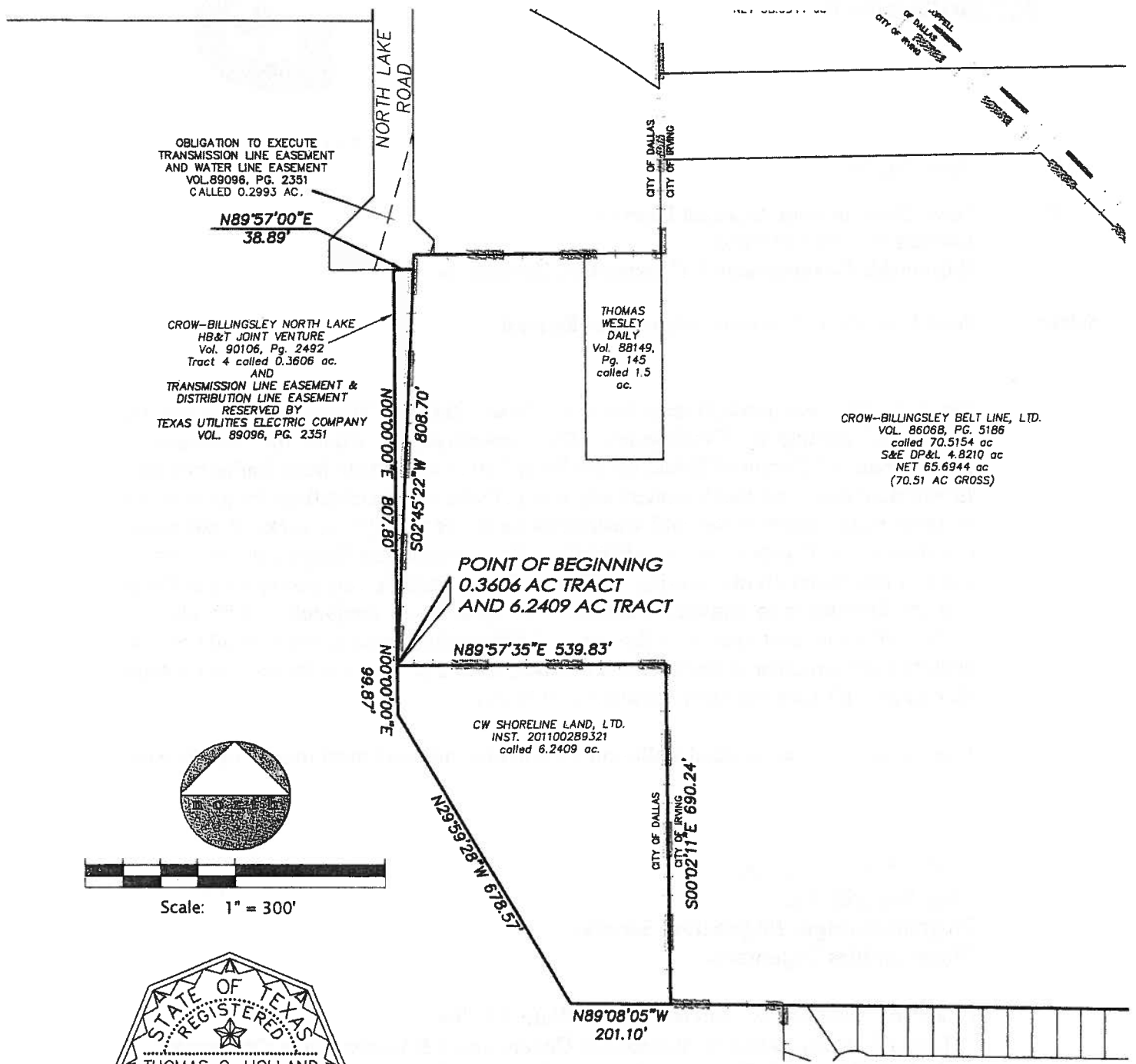
If you have questions or need additional information please contact me at 214-671-8032

A handwritten signature in black ink, appearing to read 'CK/KW'.

Chad Kopecki, P.E.
Program Manager, Engineering Services
Water Utilities Department

C: Jo. M. Puckett, P.E., Director Dallas Water Utilities
David Cossum, Director, Sustainable Development & Construction Department
Richard Wagner, P.E, Interim Assistant Director, Dallas Water Utilities
Jamilah Way, Attorney, City of Dallas
Bill Walker, Senior Vice President, Billingsley Development

**DEED SKETCH EXHIBIT
0.3606 ACRES TRACT AND
6.2409 ACRES TRACT**



OBLIGATION TO EXECUTE
TRANSMISSION LINE EASEMENT
AND WATER LINE EASEMENT
VOL. 89096, PG. 2351
CALLED 0.2993 AC.

CROW-BILLINGSLEY NORTH LAKE
HB&T JOINT VENTURE
Vol. 90106, Pg. 2492
Tract 4 called 0.3606 ac.
AND
TRANSMISSION LINE EASEMENT &
DISTRIBUTION LINE EASEMENT
RESERVED BY
TEXAS UTILITIES ELECTRIC COMPANY
VOL. 89096, PG. 2351

THOMAS
WESLEY
DAILY
Vol. 88149,
Pg. 145
called 1.5
ac.

CROW-BILLINGSLEY BELT LINE, LTD.
VOL. 86068, PG. 5186
called 70.5154 ac
S&E DP&L 4.8210 ac
NET 65.6944 ac
(70.51 AC GROSS)

**POINT OF BEGINNING
0.3606 AC TRACT
AND 6.2409 AC TRACT**

CW SHORELINE LAND, LTD.
INST. 201100289321
called 6.2409 ac.



Scale: 1" = 300'



Binkley & Barfield | C&P
consulting engineers

1801 Gateway Blvd.
Suite 101
Richardson, Texas 75080

972.644.2800
Fax 972.644.2817
www.bbcpi.com

Firm Registration #F-3185



BASELINE
CORPORATION
Professional Surveyors

1801 Gateway Blvd.
Suite 103
Richardson, Texas 75080

972.535.6325
www.baseline-surveyors.net

TBPLS Firm No. F-3185

Memorandum



DATE May 15, 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 **Second Amendment to Chap. 380 Economic Development Grant Agreement
with SLF III – The Canyon TIF, LP**

On March 27, 2013, the City Council authorized a Chapter 380 economic development grant agreement in an amount not to exceed \$327,140 with the SLF III – THE CANYON TIF, L.P. (SLF III) related to the design of the Colorado Boulevard extension within the proposed Canyon development at the southwest corner of Interstate Highway 30 and Westmoreland Road, Dallas, Texas 75211. Funding in an amount not to exceed \$10,000,000 was approved in the 2012 Bond Program for the design and construction of the proposed Colorado Boulevard extension. In order to expedite delivery of Phase I of the Colorado extension, SLF III privately funded engineering, survey, geotechnical, and other associated items of the proposed improvements in accordance with the grant agreement.

The City Council authorized grant agreement contained the condition that required a minimum of \$5 million would be privately invested for the construction of new commercial development. Pursuant to the agreement, the commencement of construction on the proposed commercial development condition was May 31, 2014. On May 28, 2014, the City Council approved an extension of the deadline to commence construction of the proposed commercial development from May 31, 2014 to May 31, 2015. In consideration of this delay of construction, SLF III agreed to increase the required investment in commercial development condition from \$5 million to \$10 million.

SLF III has requested the City Council to consider a second extension for the commencement of commercial construction from May 31, 2015 to December 31, 2015. Furthermore, SLF III has agreed to increase the required private commercial investment condition from a minimum of \$10,000,000 to \$12,500,000. Reasons cited for the extension request are work delays related to rain, platting and offsite easements, change orders and challenges discovered related to storm water runoff which has had an impact on the overall project schedule concerning The Canyon.

ESTIMATED SCHEDULE OF THE PROJECT

Begin Construction	December 2015
Complete Construction	December 2017

Second Amendment to Chap. 380 Economic Development Grant Agreement with SLF III – The Canyon TIF, LP
May 15, 2015

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 4, 2013, a memo was submitted to the Economic Development Committee regarding the proposed Chapter 380 economic development grant agreement.

On March 27, 2013, the City Council approved a Chapter 380 economic development grant agreement pursuant to Chapter 380 of the Texas Local Government Code in accordance with the City's Public/Private Partnership Program with SLF III supporting the proposed Canyon development at the southwest corner of Interstate Highway 30 and Westmoreland Road, Dallas, Texas 75211 - Not to exceed \$327,140.

On May 19, 2014, a memo was submitted to the Economic Development Committee regarding the proposed extension of the commercial construction commencement condition within the March 27, 2013 Chapter 380 economic development grant agreement from May 31, 2014 to May 31, 2015 and increasing the minimal construction condition required for the retail improvements from \$5,000,000 to \$10,000,000.

On May 28, 2014, the City Council approved an amendment providing an extension of the March 27, 2013 Chapter 380 economic development grant agreement commencement of construction condition from May 31, 2014 to May 31, 2015 and increasing the minimal construction costs condition for the retail improvements from \$5,000,000 to \$10,000,000.

FISCAL INFORMATION

No cost consideration to the City

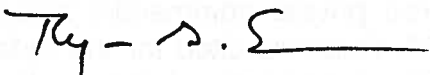
OWNER

SLF III – THE CANYON TIF, L.P.
Ocie L. Vest, P.E., Senior Vice President

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. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
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J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

The Canyon at Oak Cliff

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.



The Canyon at Oak Cliff
Dallas, TX 75211

PLANNING AND ECONOMIC DEVELOPMENT
 Research & Information Division
 972.670.1685
 dallas-ecodev.org

Legend

- Freeway
- Highway
- Arterial
- Local Road

Memorandum



DATE **May 15, 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 **Economic Development Grant Agreement with CoreLogic Solutions, LLC**

On May 27, 2015, the City Council will be asked to consider authorization of a Chapter 380 economic development grant agreement with CoreLogic Solutions, LLC in an amount up to \$600,000 to stimulate business development activity in the City of Dallas in conjunction with the relocation and expansion of its regional workforce and operations to a new office facility at 3001 Hackberry Road (within the Cypress Waters development).

For the past several months, city staff has been in discussions with representatives of CoreLogic Solutions, LLC regarding the relocation and expansion of its regional workforce and operations to a new approximately \$68 million build-to-suit office facility (approximately 325,600 square feet) to be developed by Billingsley Company within the Cypress Waters development in Dallas. CoreLogic Solutions, LLC will lease the facility for fifteen (15) years with three (3) additional 5-year options and also anticipates investing at least \$5 million in new business personal property with the project.

Currently, CoreLogic Solutions, LLC has office locations in Westlake, Texas and Richardson, Texas. With plans for consolidation and expansion, CoreLogic Solutions, LLC considered the city of Dallas along with a number of other suburban cities in the North Texas area for its future location.

When the new office facility in the Cypress Waters development is ready for occupancy in mid-2017, CoreLogic Solutions, LLC will relocate at least 1,300 existing full-time positions (\$57,000 average annual salary) from the Westlake and Richardson locations. By mid-2019, CoreLogic Solutions, LLC also anticipates adding another approximately 500 full-time positions to Dallas (approximately 300 of which will be relocated from other states such as Tennessee, North Carolina, Georgia, Oregon, Colorado, and Maryland and approximately 200 of which will be newly created).

The terms of the proposed Chapter 380 economic development grant agreement are as follows:

CoreLogic Solutions, LLC will be eligible for the first installment (\$200,000) of the proposed grant upon verification of: (1) a Certificate of Occupancy on at least \$50 million invested in real property improvements associated with design, engineering, and construction (including hard and soft costs) of the facility, and (2) at least 1,300 full-time positions located at the facility on or before June 15, 2017.

CoreLogic Solutions, LLC will be eligible for the second installment (\$200,000) of the proposed grant upon verification that at least 1,300 full-time positions have been maintained at the facility on April 15, 2018.

CoreLogic Solutions, LLC will be eligible for the third installment (\$200,000) of the proposed grant upon verification that at least 1,600 full-time positions are located at the facility on or before April 15, 2019.

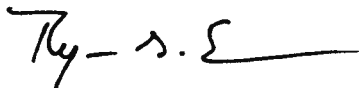
CoreLogic Solutions, LLC will be required to reimburse the City in the amount of \$200,000 should it not maintain at least 1,600 full-time positions at the facility for a period of five (5) years beginning from the date of payment of the third grant installment.

The proposed project surpasses minimum Public/Private Partnership Program guidelines and results in an estimated 10-year net fiscal impact of approximately \$13 million. The estimated 20-year net fiscal impact exceeds \$51 million.

Headquartered in Irvine, California, CoreLogic Solutions, LLC employs approximately 5,500 nationally. Outside the United States, CoreLogic Solutions, LLC also operates in Australia, New Zealand, the United Kingdom, Canada, Mexico, and India.

CoreLogic Solutions, LLC provides information intelligence to identify and manage growth opportunities, improve business performance, and mitigate risk for a wide range clients, including mortgage lenders and servicers, capital market investors, and real estate sales professionals. Under the umbrella of data analytics, mortgage origination services, and asset management and processing solutions, the company offers a broad range of services including automated valuations, property tax management, credit reporting, multiple listing technology and platforms, rental screening, flood data, mortgage fraud management, and post-foreclosure services.

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
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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	6	
Project/Company Name	CoreLogic Solutions, LLC	
Project Location	3001 Hackberry Road (in the Cypress Waters development)	
Project Type	build-to-suit office facility	
Facilities (Square Feet)	325,600	
Construction Schedule	Begin	August 2015
	Complete	April 2017
Private Improvement	Real Property	\$68,000,000
	Business Property	\$5,000,000
Jobs	Created	1,800
	Retained	0
Average Wage Rate	Salary	\$57,000
	Hourly	n/a
City Incentive Summary	Tax Abatement	n/a
	Infrastructure	n/a
	Other - Grant	up to \$600,000

B. Economic Impact Estimates (Dallas City Economy Only)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	1,800	\$1,431,963,348	1,800	\$3,815,502,217
Indirect and Induced Impact*	3,240	\$1,145,570,678	3,240	\$3,052,401,773
Total Impact	5,040	\$2,577,534,026	5,040	\$6,867,903,990

C. City of Dallas General Fund Fiscal Impact

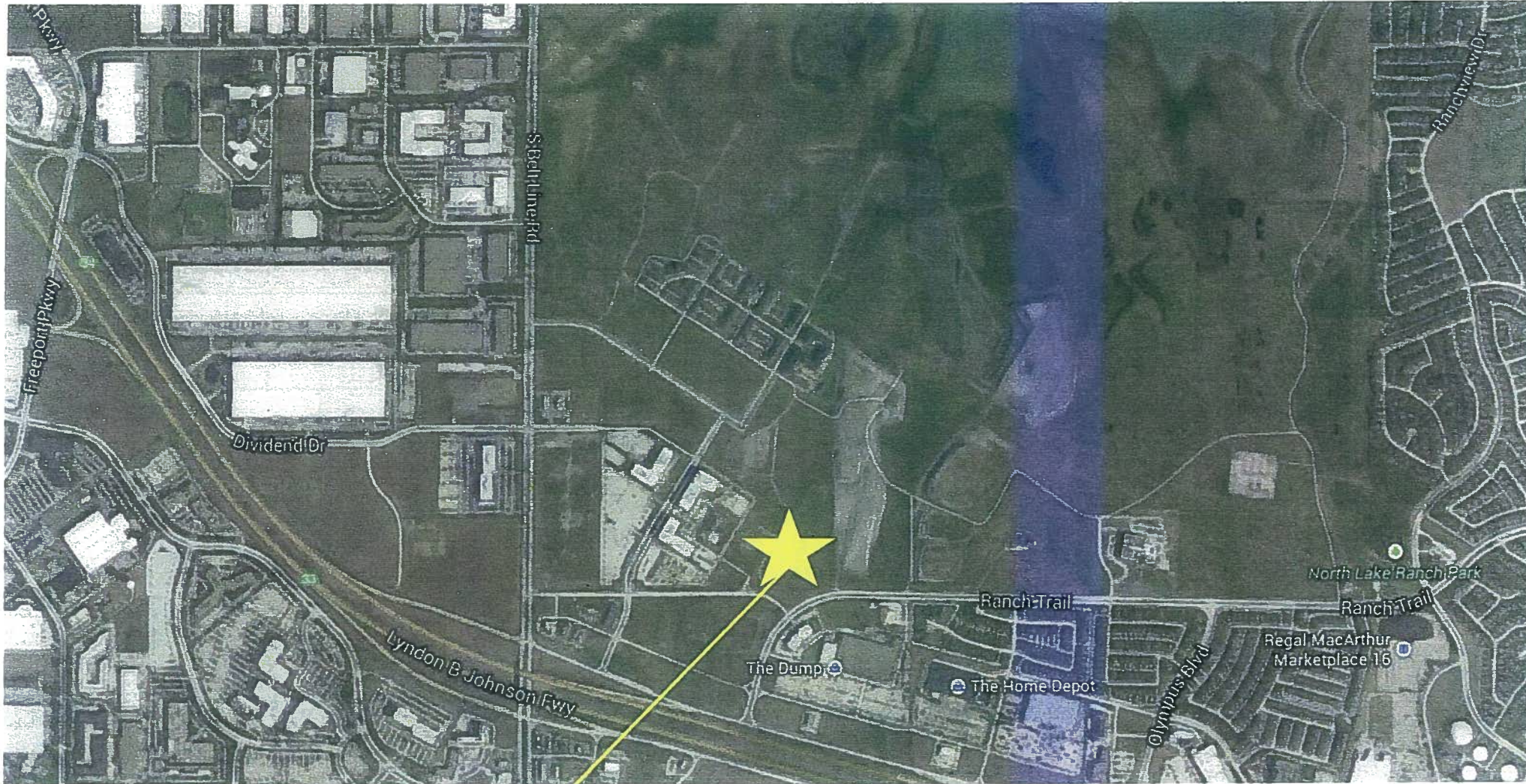
(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	\$45,306,190	\$127,661,386
Total City GF Service Costs	\$32,151,185	\$75,890,805
Net Impact Before Incentives	\$13,155,005	\$51,770,581
City Incentives	\$600,000	\$600,000
Net City Fiscal Impact	\$12,555,005	\$51,170,581

* 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
Coppell ISD	\$7,882,560	n/a
Dallas County	\$1,322,464	n/a
DCCCD	\$678,368	n/a
Parkland Hospital	\$1,501,440	n/a
DART	n/a	n/a



**Site of new build-to-suit office for
CoreLogic Solutions, LLC at 3001
Hackberry Road in the Cypress Waters
development**

Memorandum



DATE May 15, 2015

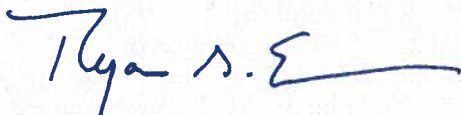
TO Honorable Members of the Economic Development Committee: Mayor Pro Tem Tennell Atkins (Chair), Rick Callahan (Vice Chair), Jerry R. Allen, Scott Griggs, Lee Kleinman and Adam Medrano

SUBJECT **Authorize a lease agreement with a purchase option with Scarborough Forest Park IV, LP for land to be used for parking at Dallas Love Field**

On October 13, 2014, the Wright Amendment expired, Virgin America began operations and Southwest Airlines began new routes at Dallas Love Field Airport. Post October 13, 2014, SWA has added 49 new flights and will add an additional 14 flights on August 9, 2015. Virgin America has added 5 flights for a total of 18 flights per day. The projected enplanement numbers for 2014 were 4.2 million. By February 2015, the enplanement projections were revised to 6.8 million. As a result of the increase in the number of flights and the revised enplanements, the airport has experienced a parking shortage. In an effort to provide additional customer parking, in September 2014, the Department of Aviation terminated the Sewell lease of the parking garage on Lemmon Avenue. This along with the Dalfort surface lot, netted approximately 900 parking spaces and allowed for the relocation of all airport employee parking.

During the 2014 Thanksgiving holiday, all parking facilities were at capacity, which included garage A and B, valet parking, and privately owned lots serving Dallas Love Field. The parking demands during that peak period was not fully accommodated.

The request for authorization to enter into a lease-purchase agreement for approximately 14.4 acres will allow Dallas Love Field to provide approximately 1,600 additional remote and valet parking spaces. The Airport currently has no land that can be developed into parking to meet the demands at peak periods. The Aviation Department has actively searched for property to accommodate off-site parking, searching all available properties within a 3-mile radius of the Airport. The search resulted in very few properties that met all of the requirements (i.e. distance, drive-time, accessibility, and land area/size) needed for remote parking. The 14.4 acre tract sits just 1.25 miles from the Airport and will alleviate the parking challenges for customers during peak periods of travel. This lot will be properly striped, lighted, secured and fenced and the airport will operate a shuttle service for customers to and from the lot. It is anticipated this lot will become the permanent home for employee parking as the new parking garage is completed and the current employee parking facilities are developed for aviation and commercial use.



Ryan S. Evans

First Assistant City Manager

cc: Honorable Mayor and Members of the City Council
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Mark Duebner, Director, Aviation
Elsa Cantu, Assistant to the City Manager – Mayor and Council