

# Memorandum



DATE October 3, 2014

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

SUBJECT **Trinity Graves Mixed-use Project Sports Arena TIF District**

On Monday, October 6, 2014 the Economic Development Committee will be briefed on the Trinity Grove Mixed-use Project – Sports Arena TIF District.

Briefing material is attached.

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



Ryan S. Evans  
First Assistant City Manager

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

# Trinity Groves Mixed-use Development

*Sports Arena TIF District*

Economic Development Committee

October 6, 2014

# Purpose

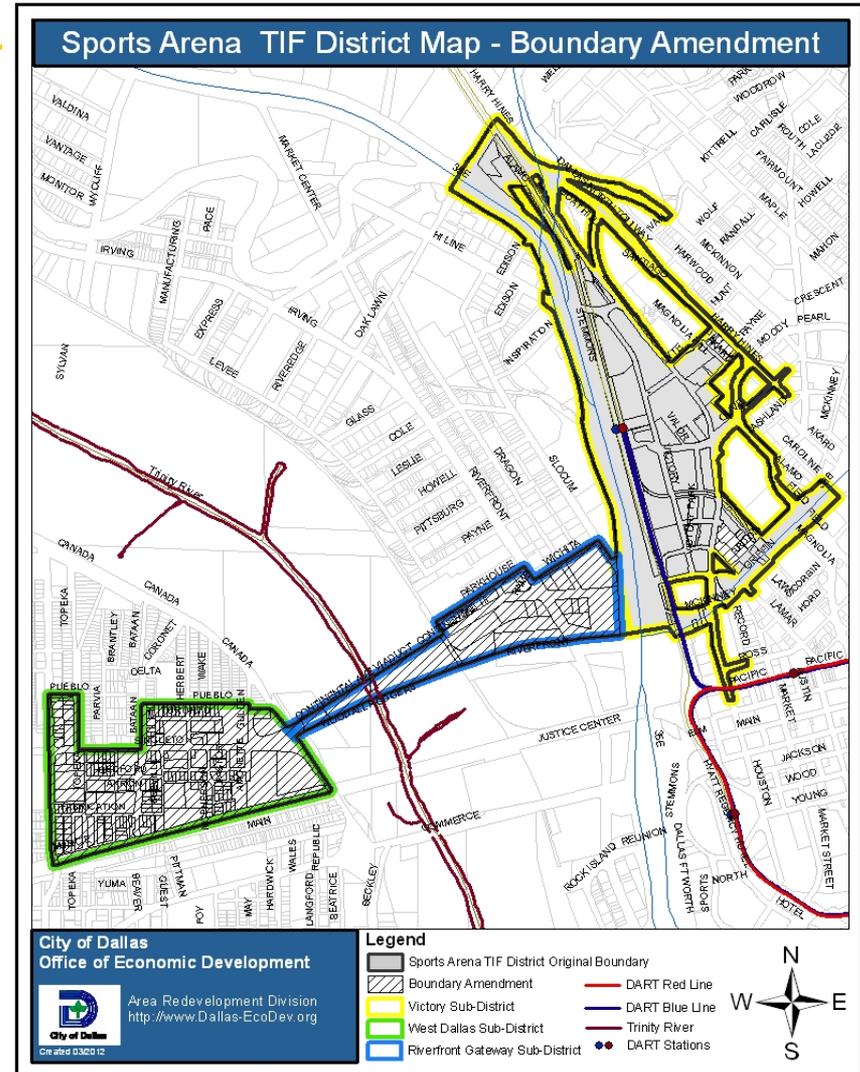
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- Provide background information on Sports Arena TIF District
- Review Trinity Groves Mixed-use project and funding request
- Obtain Economic Development Committee's approval for consideration of project on October 22, 2014 City Council agenda

# Sports Arena TIF District

## Background

- Created in 1998 to fund construction of roadway system around American Airlines Center
- Amended May 2012 to:
  - Fund structured parking and other incentives needed to promote development of surface parking lots and retail space in Victory Sub-District
  - Create new Sub-Districts to promote redevelopment adjacent to Trinity River and West Dallas
  - Extend term and increase budget of original district and create longer term and budget for new Sub-Districts

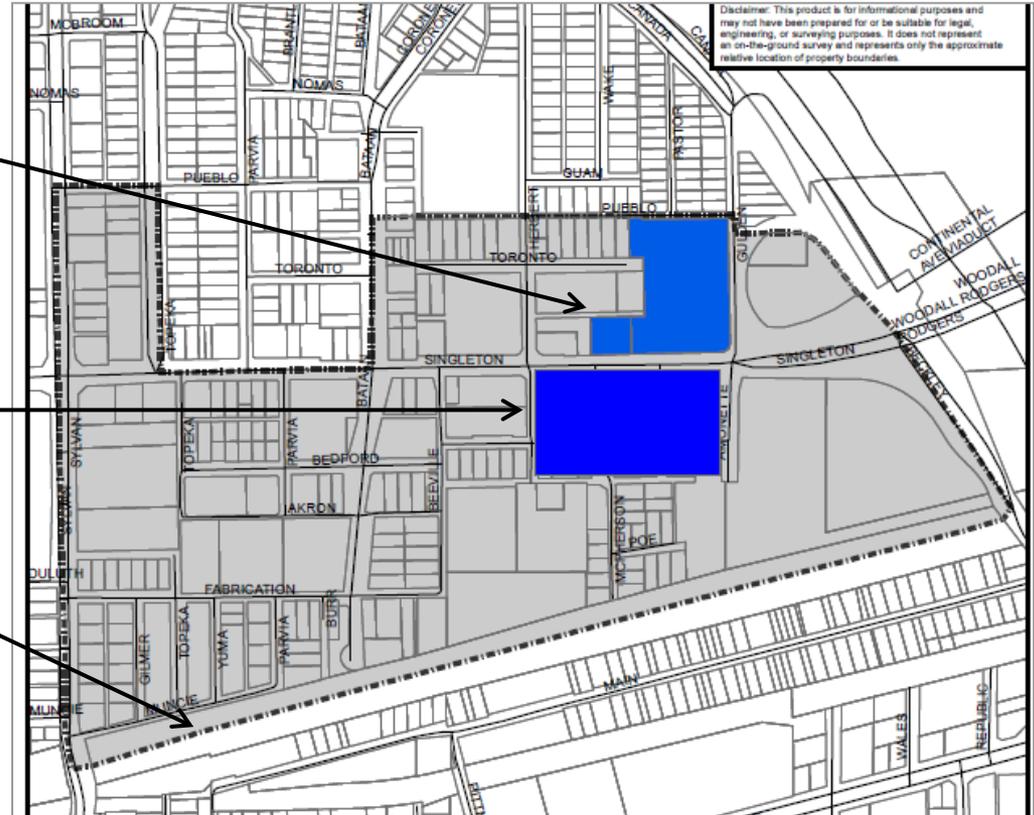


# Trinity Groves Phase 1 and Mixed-use Development Locations

Trinity Grove Phase I Project location – Singleton Boulevard at Gulden Lane

Trinity Grove Mixed-use Project location

Boundary line for West Dallas Sub-district



# Trinity Groves

## *Background*

- Phase I –
  - Trinity Groves – First phase of long-term redevelopment plan for 80 acres of land along Singleton Boulevard in West Dallas area
  - Work started in 2012-13. Trinity Groves Phase I includes approximately 80,000 square feet of restaurant space, a brewery, event space, and a restaurant incubator
  - Development group is successfully rebranding identity for the area
  - TIF funding allocated was \$3,505,000 (City Council approval on April 9, 2014)



# Trinity Groves Mixed-use *Project Description*

- Trinity Grove Mixed-use Project
  - 34,200 square feet of retail space, 349 apartment units and related parking (primarily structured, some surface parking)
  - Total private cost of the project is approximately \$51.2 million
  - Public improvements include street reconstruction, pedestrian friendly streetscape improvements – wide sidewalks, landscaping and pedestrian lights
  - First vertical construction related to ‘Three Hole Punch’ Project – portion of Herbert and Amonette Streets



# Trinity Groves Mixed-use *Project Description (Continued)*

- **Estimated Construction Start :** December 2015
- **Estimated Project Completion :** December 2018
- **Design Review:** Peer Review Panel reviewed and approved design of project on August 29, 2014.
  - Site specific comments addressed by developer
  - Recommended traffic calming and parking on Singleton Boulevard
- **Total Project Cost :** \$51.2 million
- **TIF Funding Request for Mixed-use:** \$13.9 million

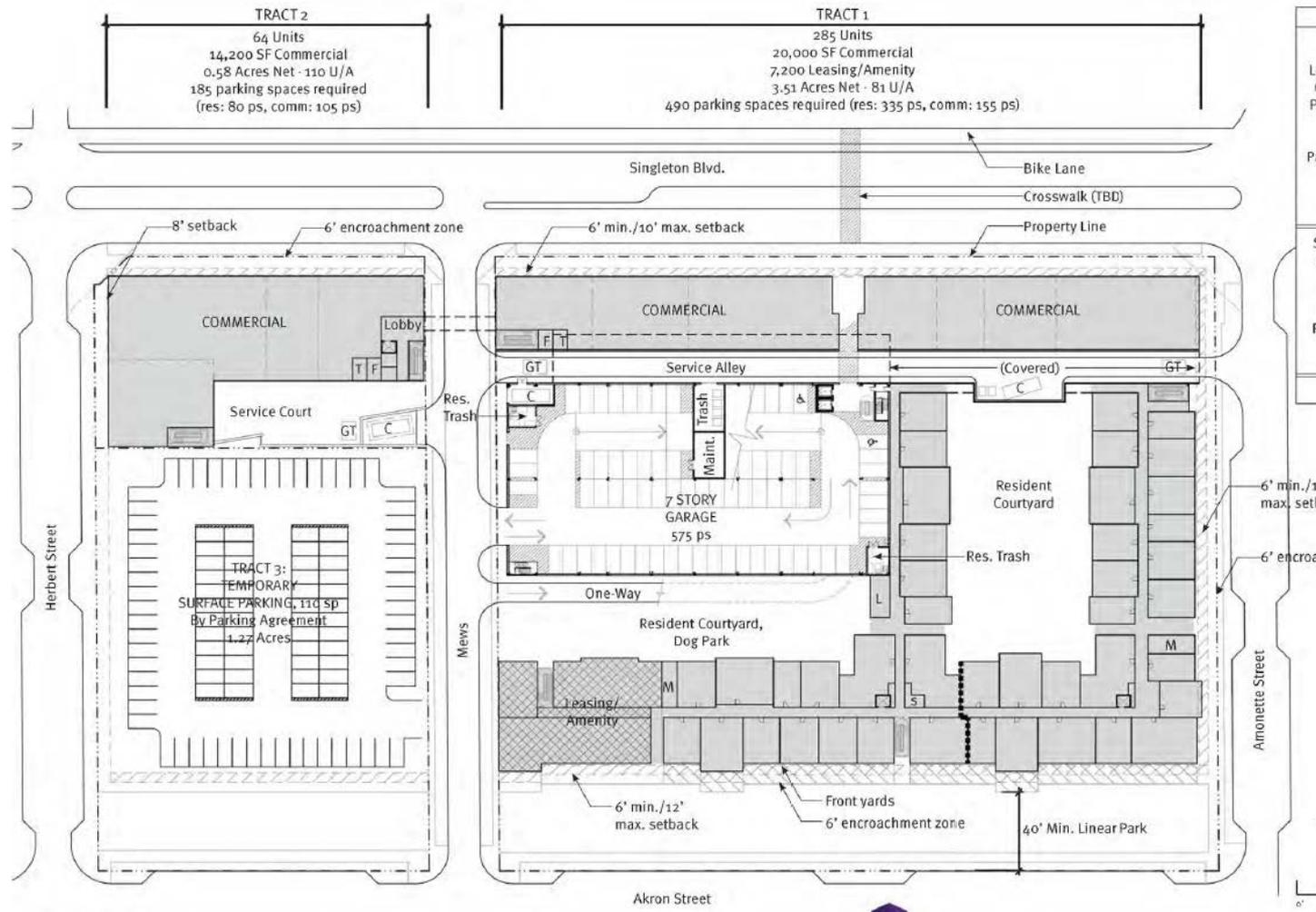


# Trinity Groves Mixed-use *Project Budget*

Description	Amount
Demolition	\$223,980
Streetscape Improvements ( <i>Akron, Amonette, Herbert and Singleton Streets, open space, etc.</i> )	\$5,420,634
Off-site Improvements ( <i>drainage, paving, wastewater</i> )	\$296,159
Engineering, Architectural Fees ( <i>for public improvements listed above</i> )	\$402,500
Economic Development TIF Grant	\$7,606,727
<b>TIF Funding</b>	<b>\$13,950,000</b>

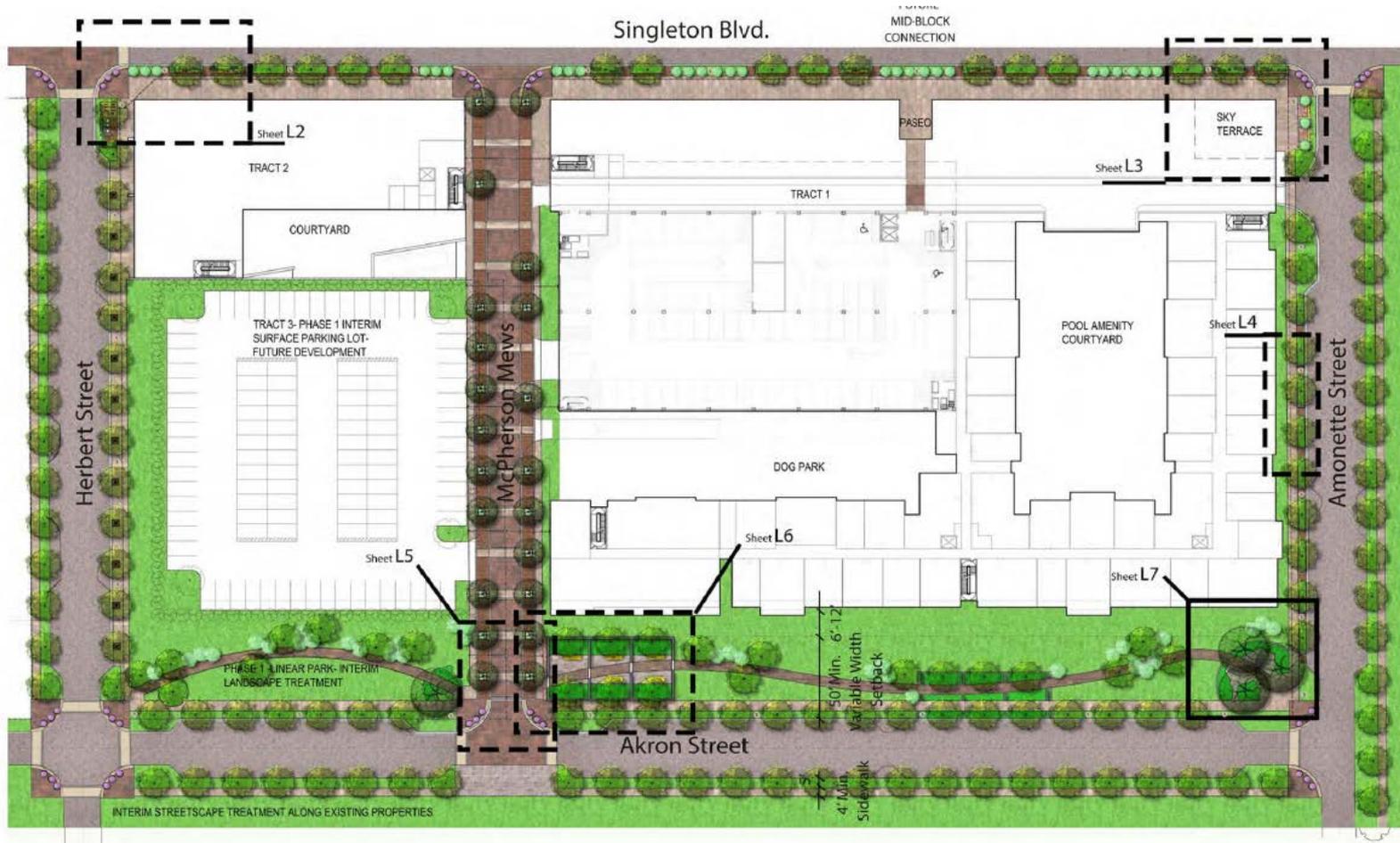
- Improvements to Singleton Boulevard, Herbert Street and Amonette Streets are part of the West Dallas Gateway project ('Three Hole Punch'). If GO Bond proceeds allocated for this work, are insufficient to complete, Developer will fund and be reimbursed. If bond funds are sufficient to complete these roadway upgrades, TIF reimbursement will be reduced by amount of bond funds used.

# Trinity Groves Mixed-use Development Project Design



Site Plan

# Trinity Groves Mixed-use Development *Project Design (Continued)*



Proposed Landscape Plan

# Trinity Groves Mixed-use *Project Elevations*



01 Singleton Elevation



02 Herbert Elevation

# Trinity Groves Mixed-use *Project Elevations (continued)*



01 Akron Elevation



01 Amonette Elevation



# Trinity Groves Mixed-use Development

## *Project Funding Sources and Uses*

Trinity Grove Mixed-use Project Funding Sources			
	Amount	%	Uses
Developer Equity	\$13,090,775	25.57%	construction and infrastructure cost
Construction Loan	\$38,109,225	74.43%	construction cost
	\$51,200,000		

# Strategic Importance of Proposed Project

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- **Continues activation of Singleton Boulevard** with mixed use multifamily, retail, and restaurant venues and increases economic activity in the area.
- **Improves pedestrian connections** to under-construction improved Commerce Bridge Park.
- **Sets standard for streetscape improvements** along Singleton Boulevard and surrounding streets, including wider sidewalks, pedestrian lighting, and landscaping.
- **Sets market rental rates** for future residential construction in area
- **Introduces new multifamily rental product** to area

# Trinity Groves Mixed-use Development

## *TIF Board Funding Recommendation*

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- On October 2, 2014, the Sports Arena TIF District Board of Directors reviewed and approved TIF funding for the Trinity Groves Mixed-use project in an amount not to exceed \$13,950,000.

# Recommendation

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- Staff requests ECO Committee's approval of consideration of a development agreement with Trinity Groves Residential I, L.P., for TIF reimbursement not to exceed \$13,950,000 for the Trinity Groves Mixed-use project by City Council at their October 22, 2014 Council meeting.

# APPENDICES

# Appendix A: Trinity Groves

## *Highlights of TIF Funding Conditions*

- Minimum private investment of \$36,000,000, in Mixed-use Project, to include construction and construction related soft costs.
- Construction of the Project shall include:
  - 200,000 square feet of residential space; and
  - 25,000 square feet of retail/restaurant space.
- Start construction for the Project by December 31, 2015;
- Certificate of Occupancy (CO) for the Project by December 31, 2018;
- Recommendations by the Urban Design Peer Review Panel include:
- Work with City staff to add on-street parking on Singleton Boulevard;
  - Pay careful attention along the Singleton Boulevard retail experience to encourage design variety;
  - Avoid a monolithic or sterile pedestrian experience, particularly as it applies to the individual storefronts, signage and potentially the alignments of storefront glazing;
  - Work with the City staff to discuss options for including teaser parking along Singleton Boulevard as a means to buffer pedestrian activity from traffic and encourage traffic calming along Singleton Boulevard; and
  - Address impression of too much complexity of hardscape elements as depicted, primarily along Singleton Boulevard.

# Appendix B: Project Requirements/Other Information

Trinity Grove Mixed-use Project Facts	
Minimum residential space	200,000 s.f
Minimum retail/restaurant space	25,000 s.f
Required Private investment	36,000,000
Expected Project cost	\$51,200,000
TIF funding	\$13,950,000
% TIF Funds to total project cost	27%
Return on cost without TIF	3.7%
Return on cost with TIF	5.1%
Deadline to obtain Building Permit	December 31, 2015
Deadline to obtain Final CO	December 31, 2018

# Appendix C: Trinity Groves Mixed-use Project Proforma

Trinity Groves Mixed-use Pro Forma			
Sports Arena TIF District			
PROJECT DESCRIPTION:	Trinity Groves Mixed-use Project		
PROJECT TYPE:	Multifamily and Restaurant/Retail Project		
CONSTRUCTION START DATE:	July 1, 2015		
PROJECT SCHEDULE:	December 31, 2017		
<b>Use Breakdown</b>	<b>SF</b>		<b>Total Leasable SF</b>
Multifamily	237,100		271,300
Retail/Restaurant	34,200		
Total Building Square Footage	271,300		271,300
<b>Project Costs</b>			
Land Costs/Acquisition	\$5,235,000		
Hard Cost	\$36,105,535		
Soft Cost	\$9,859,465		
<b>Total Project Cost (without City \$)</b>	<b>\$51,200,000</b>		
Total Project Cost	<b>\$51,200,000</b>		
TIF Assistance	<b>\$13,950,000</b>		
<b>Net Cost to Developer</b> (after TIF reimbursement)	<b>\$37,250,000</b>		
<b>Income</b>			
		Commercial & Residential (6 year avg)*	\$5,529,501
<b>Total Project Cost (without City \$)</b>	<b>\$51,200,000</b>	<b>Total Revenue</b>	<b>\$5,529,501</b>
<b>Expenses</b>			
		Operating Expense (6 year avg)	\$3,636,081
<b>Return on Cost Analysis</b>			
<b>NOI/Total Project Costs</b>			
Return on Cost (without City \$)	3.70%		
Return on Cost (with City \$)	5.08%		
		<b>Total Expenses</b>	<b>\$3,636,081</b>
		<b>NOI</b>	<b>\$1,893,420</b>
Total Project Cost	\$51,200,000	\$51,200,000	\$51,200,000
TIF Assistance	\$13,950,000	\$11,345,230	\$10,000,000
Return on Cost (without City \$)	3.70%	3.70%	3.70%
Return on Cost (with City \$)	5.08%	4.75%	4.59%

# Appendix D: Sports Arena TIF District

## *Amended Budget*

Sports Arena TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	Total Budget*	Total Committed or Spent	Total Remaining
Original Improvements			
<b>Total Original Improvements**</b>	\$38,588,359	\$38,389,665	\$198,694
<b>Victory Sub-district Amended Budget</b>			
West Dallas Set-Aside	\$12,907,284	\$623,338	\$12,283,946
<b>Tier One Improvements</b>	\$44,328,928	\$44,328,928	\$0
North Parking Garage			
South Parking Garage			
Economic Development TIF Grants			
<b>Total Tier One Improvements</b>			
<b>Tier Two Improvements</b>	\$77,498,529	\$2,760,357	\$74,738,172
Additional North Parking Garage			
Additional South Parking Garage			
Other District Improvements:			
Open Space/Connectivity, Special Studies			
Infrastructure Improvements and Retail			
<b>Total Tier Two Improvements</b>			
<b>Total Victory Sub-District</b>	\$134,734,741	\$47,712,623	\$87,022,118
<b>Category</b>	<b>Total Budget</b>	<b>Total Committed or Spent</b>	<b>Total Remaining</b>
<b>West Dallas Sub-district</b>			
Economic Development Grants, Retail Incentives, Infrastructure Improvements, Technical Studies Environmental/Demolition			
<b>Total West Dallas Sub-District</b>	\$90,507,123	\$0	\$90,507,123
<b>Riverfront Gateway Sub-district</b>			
Economic Development Grants, Infrastructure Improvements, Environmental/Demolition Open Space, Connectivity and Retail			
<b>Total Riverfront Gateway Sub-district</b>	\$9,558,813	\$0	\$9,558,813
<b>Administration and Implementation</b>	\$765,000	\$460,602	\$304,398
<b>Total Amended Budget</b>	<b>\$274,154,036</b>	<b>\$86,562,890</b>	<b>\$187,591,146</b>
<b>Original Sports Arena TIF District Budget</b>	<b>\$46,961,785</b>		

# Appendix E: Trinity Groves

## *Development Team– Trinity Groves, LLC*

- Trinity Groves LLC oversees the operations and management of the Trinity Groves development as part of West Dallas Investments LP. The development is owned by West Dallas Investments LP, a real estate partnership focused on purchasing and development of property in the West Dallas area. They currently own more than 80 acres in West Dallas. Trinity Groves Residential I, L.P will be managed by Columbus Realty Partners Ltd.,
- Columbus Realty Partners Ltd.,
  - **Robert Shaw and Roger Staubach** - Managing Partners of Columbus Realty Partners Ltd., Dallas based company for the development of residential neighborhoods. Developed over 12,000 apartments, condominiums and townhomes and 200,000 square feet of neighborhood based retail space – Uptown Dallas, Uptown Denver, Midtown Houston, Austin, Plano and Roosevelt Historic District in Phoenix.
  - **Jim Reynolds** – is Senior Vice President of Development and Construction for Trinity Groves LLC. Mr. Reynolds has over 25 years working on large scale mixed use, commercial/retail projects as well as directing strategic development, construction and real estate transactions.