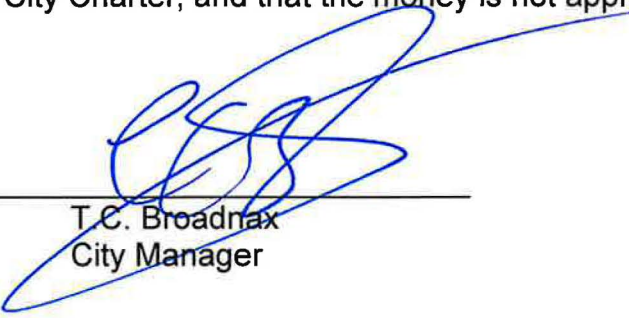


**JUNE 12, 2019 CITY COUNCIL ADDENDUM  
CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Addendum dated June 12, 2019. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.

  
\_\_\_\_\_  
T.C. Broadnax  
City Manager

6/7/19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Elizabeth Reich  
Chief Financial Officer

6-7-19  
\_\_\_\_\_  
Date

**RECEIVED**

**2019 JUN -7 PM 3:05**

**CITY SECRETARY  
DALLAS, TEXAS**

**ADDENDUM  
CITY COUNCIL MEETING  
WEDNESDAY, JUNE 12, 2019  
CITY OF DALLAS  
1500 MARILLA STREET  
COUNCIL CHAMBERS, CITY HALL  
DALLAS, TX 75201  
2:00 P.M.**

**REVISED ORDER OF BUSINESS**

Agenda items for which individuals have registered to speak will be considered no earlier than the time indicated below:

2:00 p.m.      **INVOCATION AND PLEDGE OF ALLEGIANCE**

**OPEN MICROPHONE**

**CLOSED SESSION**

**MINUTES**                                  Item 1

**CONSENT AGENDA**                          Items 2 - 61

**ITEMS FOR INDIVIDUAL CONSIDERATION**

No earlier    Items 62 - 67  
than 2:15 p.m.                                  Addendum Items 1 - 11

**PUBLIC HEARINGS AND RELATED ACTIONS**

6:00 p.m.    Items 68 - 86

## **Handgun Prohibition Notice for Meetings of Governmental Entities**

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

*"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistol oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."*

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

*"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."*

ADDITIONS:

Closed Session

Attorney Briefings (Sec. 551.071 T.O.M.A.)

- Legal issues related to 189-031 compliance date hearing and Freddy Davenport d/b/a Jim's Car Wash et al. v. City of Dallas, et al. Cause No. DC-19-04899.
- City of Dallas v. Akita Partners, LLC d/b/a Self Service Car Washes of Texas, et al. Cause No. DC-18-17412.
- Legal issues related to Adams Food Mart at 9535 Bruton Road.
- Legal issues related to demolitions in the 10th Street Historic District and Tenth Street Residential Association v. The City of Dallas, Tx. Cause No. 3:19-CV-00179-N.
- E. Tobolowsky, deceased, Cause No. DC-18-17620.

ITEMS FOR INDIVIDUAL CONSIDERATION**Department of Sustainable Development and Construction**

1. 19-887 An ordinance amending Chapter 52 "Administrative Procedures for the Construction Codes", Section 303 of the Dallas City Code to amend the method used to calculate the fees charged for residential construction permits to be in compliance with state law - Financing: No cost consideration to the City

**Housing & Neighborhood Revitalization**

2. 19-870 Authorize the first amendment to the loan agreement with Texas Heavenly Homes, Ltd. for the acquisition and development of single-family homes in the Bottom neighborhood, previously approved by Resolution No. 08-1800 on June 25, 2008, to: **(1)** extend the completion date from January 9, 2016 to: **(a)** within two years of completion of Phase I of the public infrastructure improvement project for the 10 parcels of real property located in Phase I of the public infrastructure improvement project; and **(b)** within two years of completion of Phase II of the public infrastructure improvement project for the 19 parcels of real property located in Phase II of the public infrastructure improvement project; **(2)** require house elevations and plans to conform with the Bottom Urban Structure and Guidelines and the Urban Design Expectations; **(3)** require the constructed homes to be sold to households earning 80 percent of area median income and below; **(4)** impose a five-year period of affordability wherein the home must remain occupied by an eligible household; **(5)** include performance thresholds and requirements; and **(6)** convert the loan agreement to a conditional grant agreement - Financing: No cost consideration to the City

3. 19-867 Authorize the first amendment to Resolution No. 19-0360, previously approved on February 27, 2019, for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street to: **(1)** amend the development loan amount with 2400 Bryan Street, LLC or an affiliate ("2400 Bryan") to only include an amount not to exceed \$6,000,000.00 in Public/Private Partnership Funds for construction; **(2)** authorize a development loan agreement with the City of Dallas Housing Finance Corporation ("DHFC"), instead of 2400 Bryan, for acquisition of land and construction, subject to DHFC Board of Directors' approval in an amount not to exceed \$7,026,943.00 in Community Development Block Grant Funds; **(3)** allow the closing of the 2400 Bryan and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development; **(4)** allow 2400 Bryan and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No. 19-0360 to be reimbursed the remaining loan and grant amounts; and **(5)** allow the City to maintain no less than 3rd lien position - Financing: No cost consideration to the City (see Fiscal Information)
4. 19-869 Authorize the first amendment to Resolution No. 19-0385, previously approved on February 27, 2019, for a mixed-income multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road site of the former Red Bird Mall/Southwest Center Mall to: **(1)** amend the development loan amount with Palladium Redbird, Ltd. or an affiliate ("Palladium Redbird") to only include an amount not to exceed \$5,000,000.00 in HOME Investment Partnership Program Funds for construction; **(2)** authorize a development loan agreement with Palladium Redbird or the City of Dallas Housing Finance Corporation ("DHFC") for acquisition of land and construction, subject to DHFC Board of Directors' approval in an amount not to exceed \$1,271,576.00 in Community Development Block Grant Funds; **(3)** allow the closing of the Palladium Redbird and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development; **(4)** allow Palladium Redbird and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under the agreement to be reimbursed the remaining loan and grant amounts; and **(5)** allow the City to maintain no less than 3rd lien position - Financing: No cost consideration to the City (see Fiscal Information)

5. 19-824 Authorize the first amendment to Resolution No. 19-0387, previously approved on February 27, 2019, for a mixed-income multifamily complex for seniors to be located at 2649 Centerville Road to: **(1)** amend the funding source for the development loan amount with TX Casa View 2018, Ltd. ("TCV") from \$3,801,000.00 in Community Development Block Grant ("CDBG") Funds to \$1,620,154.00 in CDBG Funds and \$2,180,846.00 in HOME Investment Partnership Program Funds; and **(2)** allow the closing of the TCV grant/loan to occur prior to closing on the equity and all other financing for the development - Financing: No cost consideration to the City

#### Office of Budget

6. 19-768 Authorize an increase in the homestead property tax exemption for persons who are disabled or 65 or older from \$90,000 to \$94,100 beginning with the 2019 tax year (fiscal year beginning October 1, 2019) - Estimated Annual Revenue Foregone: \$1,300,000

#### Office of Economic Development

7. 19-695 Authorize an increase in appropriations and use of 2017 Bond Funds (Proposition I) in an amount not to exceed \$250,000.00 for design, construction and installation of a new Hawk traffic signal on Singleton Boulevard between McPherson Street and Gulden Lane - Not to exceed \$250,000.00 - Financing: ECO (I) Fund (2017 Bond Funds)
8. 19-757 Authorize a resolution **(1)** designating approximately 373 acres of property along Buckner Boulevard and Great Trinity Forest Way in the Pleasant Grove area of Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 10 ("City of Dallas NEZ No. 10"), pursuant to Chapter 378 of the Texas Local Government Code, to promote an increase in economic development in the zone, establish boundaries of the zone, and provide for an effective date; **(2)** creating a pilot economic development program for City of Dallas NEZ No. 10; and **(3)** increasing appropriations, future encumbrances, and disbursement as appropriate in an amount not to exceed \$1,000,000.00 - Financing: ECO (I) Fund (2017 Bond Funds)
9. 19-850 Authorize **(1)** a development agreement with DD Dunhill Hotel LLC ("Developer") and/or its affiliates in an amount not to exceed \$3,622,885.00, payable from future Design District TIF District Funds, in consideration of the Virgin Hotel Infrastructure Project on and adjacent to property currently addressed at 1909 Hi Line Drive in Tax Increment Financing Reinvestment Zone Number Eight (Design District TIF District); and **(2)** an increase in appropriations in an amount not to exceed \$3,622,885.00 in the Design District TIF District Fund - Not to exceed \$3,622,885.00 - Financing: Design District TIF District Fund (subject to current and future appropriations from tax increments)

**Office of Procurement Services**

10. 19-885 Authorize **(1)** an action to confirm the sale of the *Robert E. Lee and the Confederate Soldier* sculpture, sold through an online auction held May 23, 2019 through June 5, 2019, to the highest bidder who tenders payment in full and executes a purchase agreement and bill of sale; and **(2)** the City Manager to execute a purchase agreement and bill of sale with the purchaser - Revenue: \$1,435,000

**Park & Recreation Department**

11. 19-848 Authorize **(1)** reprogramming of \$600,000.00 from 2017 Bond Funds originally allocated for the Campbell Green Park - Site Improvements Project to the Hillcrest Village Green - Site Development Project; and **(2)** a contract for construction of the Hillcrest Village Green - Site Development Project located at 6959 Arapaho Road - RoeschCo Construction, Inc., best value proposer of two - Not to exceed \$4,293,900.00 - Financing: Park and Recreation Facilities (B) Fund (2017 Bond Funds)

**DELETION:****Office of Cultural Affairs**

38. 19-641 Authorize an amendment to the Cultural Facilities Program, which provides funding for long-term improvements, renovations or major repairs of cultural facilities, previously approved on April 12, 2017, by Resolution No. 17-0594, to amend the ownership, legal status and unrestricted use requirements to allow lessees to qualify for the program - Financing: No cost consideration to the City

**EXECUTIVE SESSION NOTICE**

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex Govt. Code §551.089]



# Addendum Date: June 12, 2019

ITEM #	DISTRICT	TYPE	DEPT	DOLLARS	DESCRIPTION
1.	All	I	DEV	NC	An ordinance amending Chapter 52 "Administrative Procedures for the Construction Codes", Section 303 of the Dallas City Code to amend the method used to calculate the fees charged for residential construction permits to be in compliance with state law - Financing: No cost consideration to the City
2.	4	I	HOU	NC	Authorize the first amendment to the loan agreement with Texas Heavenly Homes, Ltd. for the acquisition and development of single-family homes in the Bottom neighborhood, previously approved by Resolution No. 08-1800 on June 25, 2008, to: (1) extend the completion date from January 9, 2016 to: (a) within two years of completion of Phase I of the public infrastructure improvement project for the 10 parcels of real property located in Phase I of the public infrastructure improvement project; and (b) within two years of completion of Phase II of the public infrastructure improvement project for the 19 parcels of real property located in Phase II of the public infrastructure improvement project; (2) require house elevations and plans to conform with the Bottom Urban Structure and Guidelines and the Urban Design Expectations; (3) require the constructed homes to be sold to households earning 80 percent of area median income and below; (4) impose a five-year period of affordability wherein the home must remain occupied by an eligible household; (5) include performance thresholds and requirements; and (6) convert the loan agreement to a conditional grant agreement - Financing: No cost consideration to the City
3.	14	I	HOU	NC	Authorize the first amendment to Resolution No. 19-0360, previously approved on February 27, 2019, for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street to: (1) amend the development loan amount with 2400 Bryan Street, LLC or an affiliate ("2400 Bryan") to only include an amount not to exceed \$6,000,000.00 in Public/Private Partnership Funds for construction; (2) authorize a development loan agreement with the City of Dallas Housing Finance Corporation ("DHFC"), instead of 2400 Bryan, for acquisition of land and construction, subject to DHFC Board of Directors' approval in an amount not to exceed \$7,026,943.00 in Community Development Block Grant Funds; (3) allow the closing of the 2400 Bryan and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development; (4) allow 2400 Bryan and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No.

ITEM #	DISTRICT	TYPE	DEPT	DOLLARS	DESCRIPTION
					19-0360 to be reimbursed the remaining loan and grant amounts; and (5) allow the City to maintain no less than 3rd lien position - Financing: No cost consideration to the City (see Fiscal Information)
4.	8	I	HOU	NC	Authorize the first amendment to Resolution No. 19-0385, previously approved on February 27, 2019, for a mixed-income multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road site of the former Red Bird Mall/Southwest Center Mall to: (1) amend the development loan amount with Palladium Redbird, Ltd. or an affiliate ("Palladium Redbird") to only include an amount not to exceed \$5,000,000.00 in HOME Investment Partnership Program Funds for construction; (2) authorize a development loan agreement with Palladium Redbird or the City of Dallas Housing Finance Corporation ("DHFC") for acquisition of land and construction, subject to DHFC Board of Directors' approval in an amount not to exceed \$1,271,576.00 in Community Development Block Grant Funds; (3) allow the closing of the Palladium Redbird and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development; (4) allow Palladium Redbird and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under the agreement to be reimbursed the remaining loan and grant amounts; and (5) allow the City to maintain no less than 3rd lien position - Financing: No cost consideration to the City (see Fiscal Information)
5.	9	I	HOU	NC	Authorize the first amendment to Resolution No. 19-0387, previously approved on February 27, 2019, for a mixed-income multifamily complex for seniors to be located at 2649 Centerville Road to: (1) amend the funding source for the development loan amount with TX Casa View 2018, Ltd. ("TCV") from \$3,801,000.00 in Community Development Block Grant ("CDBG") Funds to \$1,620,154.00 in CDBG Funds and \$2,180,846.00 in HOME Investment Partnership Program Funds; and (2) allow the closing of the TCV grant/loan to occur prior to closing on the equity and all other financing for the development - Financing: No cost consideration to the City
6.	N/A	I	BMS	REV- \$1,300,000.00	Authorize an increase in the homestead property tax exemption for persons who are disabled or 65 or older from \$90,000 to \$94,100 beginning with the 2019 tax year (fiscal year beginning October 1, 2019) - Estimated Annual Revenue Foregone: \$1,300,000
7.	6	I	ECO	\$250,000.00	Authorize an increase in appropriations and use of 2017 Bond Funds (Proposition I) in an amount not to exceed \$250,000.00 for design, construction and installation of a new Hawk traffic signal on Singleton

ITEM #	DISTRICT	TYPE	DEPT	DOLLARS	DESCRIPTION
					Boulevard between McPherson Street and Gulden Lane - Not to exceed \$250,000.00 - Financing: ECO (I) Fund (2017 Bond Funds)
8.	5	I	ECO	\$1,000,000.00	Authorize a resolution (1) designating approximately 373 acres of property along Buckner Boulevard and Great Trinity Forest Way in the Pleasant Grove area of Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 10 ("City of Dallas NEZ No. 10"), pursuant to Chapter 378 of the Texas Local Government Code, to promote an increase in economic development in the zone, establish boundaries of the zone, and provide for an effective date; (2) creating a pilot economic development program for City of Dallas NEZ No. 10; and (3) increasing appropriations, future encumbrances, and disbursement as appropriate in an amount not to exceed \$1,000,000.00 - Financing: ECO (I) Fund (2017 Bond Funds)
9.	6	I	ECO	\$3,622,885.00	Authorize (1) a development agreement with DD Dunhill Hotel LLC ("Developer") and/or its affiliates in an amount not to exceed \$3,622,885.00, payable from future Design District TIF District Funds, in consideration of the Virgin Hotel Infrastructure Project on and adjacent to property currently addressed at 1909 Hi Line Drive in Tax Increment Financing Reinvestment Zone Number Eight (Design District TIF District); and (2) an increase in appropriations in an amount not to exceed \$3,622,885.00 in the Design District TIF District Fund - Not to exceed \$3,622,885.00 - Financing: Design District TIF District Fund (subject to current and future appropriations from tax increments)
10.	N/A	I	POM	REV \$1,435,000.00	Authorize (1) an action to confirm the sale of the Robert E. Lee and the Confederate Soldier sculpture, sold through an online auction held May 23, 2019 through June 5, 2019, to the highest bidder who tenders payment in full and executes a purchase agreement and bill of sale; and (2) the City Manager to execute a purchase agreement and bill of sale with the purchaser - Revenue: \$1,435,000
11.	12	I	PKR	\$4,293,900.00	Authorize (1) reprogramming of \$600,000.00 from 2017 Bond Funds originally allocated for the Campbell Green Park - Site Improvements Project to the Hillcrest Village Green - Site Development Project; and (2) a contract for construction of the Hillcrest Village Green - Site Development Project located at 6959 Arapaho Road - RoeschCo Construction, Inc., best value proposer of two - Not to exceed \$4,293,900.00 - Financing: Park and Recreation Facilities (B) Fund (2017 Bond Funds)

**TOTAL \$9,166,785.00**



Agenda Information Sheet

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**File #:** 19-887

**Item #:** 1.

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**STRATEGIC PRIORITY:** Mobility Solutions, Infrastructure, and Sustainability  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Department of Sustainable Development and Construction  
**EXECUTIVE:** Michael Mendoza

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**SUBJECT**

An ordinance amending Chapter 52 "Administrative Procedures for the Construction Codes", Section 303 of the Dallas City Code to amend the method used to calculate the fees charged for residential construction permits to be in compliance with state law - Financing: No cost consideration to the City

**BACKGROUND**

This item is moved forward due to legal deadlines before the next available agenda.

- State HB 852 prohibited the use of the value of the dwelling in the calculation of a construction permit fee
- State HB 852 was approved by both houses in the state legislature by more than a two-thirds margin
- State HB 852 was signed by the Governor May 21, 2019 and became effective immediately

City code currently uses the value of the dwelling in calculating the cost of the permit fee. The new state law prohibits the use of value in the calculation of permit fees. Amending the method that permit fees are calculated will allow the city to calculate fees for permits in compliance with state law.

The proposed ordinance will align city code with state law by using the square footage of the proposed new dwelling as the base for the calculation of the fees. As the size of the house increases the review becomes more complicated and the number of required inspections increase, therefore the fee increases with the size of the house. Remodel permits are based on the number of "trade" validations required on the permit; a remodel that involves plumbing, electrical and mechanical systems would be charged for three trades. This new calculation method is designed to be revenue neutral to the current process.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

City Council will be briefed by memorandum regarding this matter on June 7, 2019.

**FISCAL INFORMATION**

No cost consideration to the City.

## ORDINANCE NO. \_\_\_\_\_

An ordinance amending Chapter 52, “Administrative Procedures for the Construction Codes,” of the Dallas City Code, as amended, by amending Section 303; amending Table A-I; to provide fees according to square footage for single-family and duplex structures; retitling Table B to Table B-I; adding a new Table B-II; to allow for permit fees for single-family and duplex improvements; providing a penalty not to exceed \$2,000; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. Subsection 303.2, “Permit Fees,” of Section 303, “Fees,” of Subchapter 3, “Permits and Inspections,” of Chapter 52, “Administrative Procedures for the Construction Codes,” of the Dallas City Code is amended to read as follows:

**“303.2 Permit fees.**

**303.2.1 New work, additions, alterations, or repairs.**

**303.2.1.1 Single-family and duplex structures.** For new work, additions, alterations, or repairs, a fee shall be paid for a master permit based on the total square footage of the area where work is to be performed according to Tables A-I and B-II.

**303.2.1.2 All other structures.** For new work, additions, alterations, or repairs, a fee shall be paid for a master permit based on the total valuation of work to be performed according to Tables [~~A-I,~~] A-II, A-III, and B-I.

**303.2.2 Master permit.** The master permit shall be issued for all work to be performed on a project, including but not limited to, building, electrical, mechanical, plumbing, fire sprinkler, fire alarm, landscaping, fence, tent, mechanical refrigeration, flammable liquid, liquid petroleum, septic tank, swimming pool, lawn sprinkler, security system, paving, grading, barricade, excavation, demolition, moving, sign demolition, and new sign work. Any work for which fees are not separately specified in Section 303.5 shall be included in the total valuation of the work, if applicable.”

SECTION 2. Subsection 303.3, “Value of Proposed Work,” of Section 303, “Fees,” of Subchapter 3, “Permits and Inspections,” of Chapter 52, “Administrative Procedures for the Construction Codes,” of the Dallas City Code is amended to read as follows:

**“303.3 Value of proposed work for commercial structures.** The building official shall determine the value of all proposed work for the purpose of computing permit and plan review fees under this section. The building official’s determination shall be based on the total value of all construction work for which the permit is issued and shall not exceed the value of the construction contract for the proposed work.”

SECTION 3. Table A-I, “New Single-Family Construction,” of Section 303, “Fees,” of Subchapter 3, “Permits and Inspections,” of Chapter 52, “Administrative Procedures for the Construction Codes,” of the Dallas City Code is amended to read as follows:

**“TABLE A-I**

<b>NEW SINGLE-FAMILY AND DUPLEX CONSTRUCTION</b>	
<b>Square Footage [Value of Proposed Work]</b>	<b>Multiplier</b>
	(also see minimum fee schedule)
0-700 square feet [\$0—60,000]	X <u>0.817</u> [ <del>0.0095</del> ] = Permit Fee
701-2350 square feet [\$60,001—200,000]	X <u>0.215</u> [ <del>0.0025</del> ] + \$422 [418] (If greater than or
2351-10500 square feet [\$200,001—900,000]	X <u>0.175</u> [ <del>0.00203</del> ] + \$516 [512] Equal to minimum
10501 square feet or greater [\$900,001—2,500,000]	X <u>0.071</u> [ <del>0.000826</del> ] + \$1,608 [1,596] fee)
[\$2,500,001 or more]	[X <del>0.0004</del> + \$2,661]
<b>MINIMUM FEE SCHEDULE (based on # of trades <sup>[±]</sup> or square footage [<del>valuation</del>] whichever is greater)</b>	
<b>Number of Trades</b>	<b>Minimum Permit Fee</b>
1	\$ 100.00
2	\$ 200.00
3	\$ 300.00
4	\$ 400.00
5	\$ 500.00
6	\$ 600.00
7	\$ 700.00
8	\$ 800.00”

SECTION 4. Table B, “Alterations or Repairs,” of Section 303, “Fees,” of Subchapter 3, “Permits and Inspections,” of Chapter 52, “Administrative Procedures for the Construction Codes,” of the Dallas City Code is retitled to read as follows: Table B-I, “Alterations or Repairs.”

SECTION 5. Section 303, “Fees,” of Subchapter 3, “Permits and Inspections,” of Chapter 52, “Administrative Procedures for the Construction Codes,” of the Dallas City Code is amended by adding a new Table B-II, “Alterations or Repairs of Single-Family and Duplex Structures,” to read as follows:

**“TABLE B-II**

<b>ALTERATIONS OR REPAIRS OF SINGLE-FAMILY AND DUPLEX STRUCTURES</b>	
<b>Base permit fee</b>	<b>Additional trades</b>
\$125 per dwelling unit	+ \$100 for each additional trade”

SECTION 6. That a person violating a provision of this ordinance, upon conviction, is punishable by a fine not to exceed \$2,000. No offense committed and no liability, penalty, or forfeiture, either civil or criminal, incurred prior to the effective date of this ordinance will be discharged or affected by this ordinance. Prosecutions and suits for such offenses, liabilities, penalties, and forfeitures may be instituted, and causes of action pending on the effective date of this ordinance may proceed, as if the former laws applicable at the time the offense, liability, penalty, or forfeiture was committed or incurred had not been amended, repealed, reenacted, or superseded, and all former laws will continue in effect for these purposes.

SECTION 7. That Chapter 52 of the Dallas City Code, as amended, will remain in full force and effect, save and except as amended by this ordinance. Any existing structure, system, development project, or registration that is not required to come into compliance with a requirement of this ordinance will be governed by the requirement as it existed in the former law



last applicable to the structure, system, development project, or registration, and all former laws will continue in effect for this purpose.

SECTION 8. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 9. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO, Interim City Attorney

By: \_\_\_\_\_  
Assistant City Attorney

Passed \_\_\_\_\_



Agenda Information Sheet

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**File #:** 19-870

**Item #:** 2.

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 4  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** Michael Mendoza

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**SUBJECT**

Authorize the first amendment to the loan agreement with Texas Heavenly Homes, Ltd. for the acquisition and development of single-family homes in the Bottom neighborhood, previously approved by Resolution No. 08-1800 on June 25, 2008, to: **(1)** extend the completion date from January 9, 2016 to: **(a)** within two years of completion of Phase I of the public infrastructure improvement project for the 10 parcels of real property located in Phase I of the public infrastructure improvement project; and **(b)** within two years of completion of Phase II of the public infrastructure improvement project for the 19 parcels of real property located in Phase II of the public infrastructure improvement project; **(2)** require house elevations and plans to conform with the Bottom Urban Structure and Guidelines and the Urban Design Expectations; **(3)** require the constructed homes to be sold to households earning 80 percent of area median income and below; **(4)** impose a five-year period of affordability wherein the home must remain occupied by an eligible household; **(5)** include performance thresholds and requirements; and **(6)** convert the loan agreement to a conditional grant agreement - Financing: No cost consideration to the City

**BACKGROUND**

The item is placed on the addendum because the department was negotiating development terms and finalized them after the deadline.

The Bottom neighborhood is defined as the neighborhood bounded by Interstate Highway 35 to the west, the Trinity River to the north, Corinth Street to the east and 8<sup>th</sup> Street to the south with approximately 500 residential lots (the "Bottom").

Texas Heavenly Homes, Ltd. ("THH") is a Texas limited partnership with Hanover Development Company as the General Partner. Hanover Development Company, a Texas corporation, primarily specializes in the development of large-scale master-planned residential communities in Dallas-Fort Worth. The President of Hanover Development Company is Richard LeBlanc and the Vice President is Walter Damon.

On June 25, 2008, City Council authorized the City Manager to execute a loan agreement and related documents with THH for a loan in the amount of \$500,000.00 at 0% interest for the purposes of acquiring improved and unimproved properties in the Bottom ("Properties"), and for associated relocation, environmental remediation or demolition by Resolution No. 08-1800 (the "Agreement"). The Agreement required THH to develop and sell or lease housing units on all of the Properties acquired with the City's loan to households earning 140% or less of area median income ("AMI").

The Agreement was entered into pursuant to the City's Chapter 380 Program for Loans and Grants and the Public/Private Partnership Program, which, at the time, included a special category for an Economic Development General Obligation Bond Program for Southern Dallas. The funding source for the loan was 2006 General Obligation bond monies that were allocated to promoting economic development in the Southern area of the City. On January 8, 2009, the City of Dallas executed the loan agreement with THH.

The Agreement required THH to: (1) expend all of the loan proceeds in accordance with the terms of the loan agreement within two years from the effective date of the Agreement; and (2) complete construction of the residential structures on each lot and sell or rent the homes to qualified buyers who would occupy the home as their principal residence within seven years of the effective date of the Agreement. Additionally, the Agreement required THH to impose deed restrictions on the Properties, which the City agreed to release upon sale to a qualified buyer.

By 2012, THH had acquired 36 residential lots in the Bottom and expended all loan proceeds. THH has also acquired an additional 55 residential lots in the Bottom without any City funding. However, THH did not, and has not, begun to develop housing units in the Bottom.

In 2015, the City Design Studio developed the Bottom Urban Structure and Guidelines, a future development vision for the Bottom based on input from residents and community stakeholders that was adopted by City Council on April 4, 2015. In 2016, the Department of Public Works commissioned design of utility infrastructure upgrades for the Bottom and the Trinity Watershed Management Department (now Dallas Water Utilities) commissioned a floodplain study to update the location of the 100-year regulatory floodplain.

On April 21, 2017, due to its failure to begin development on any of the Properties, THH deeded seven of the Properties to the City via a deed in lieu of foreclosure. However, THH still did not initiate the construction of any homes on either the Properties or on the parcels of real property it acquired with private funds.

Therefore, beginning in the Fall of 2018, the Department of Housing and Neighborhood Revitalization ("H&NR") initiated discussions with: (1) THH, (2) other stakeholders in the Bottom, (3) the Councilmember representing the Bottom, and (4) representatives from numerous City departments to determine if the Agreement should be amended to extend the development timeframe or if the City should initiate foreclosure proceedings on the Properties and restart the redevelopment project with a new development partner.

On May 17, 2018, the City Plan Commission authorized a public hearing to consider appropriate zoning for the Bottom, including use, development standards, parking, landscape, sign, and other appropriate standards.

On May 22, 2019, City Council authorized a construction contract for the construction of street paving, drainage, and water and wastewater main improvements for the Bottom Phase I Project ("Phase I") which consists of: North Denley Drive from Hutchins Avenue to levee; North Moore Street from Hutchins Avenue to levee; and May Hall Street from North Denley Drive to Moore Street by Resolution No. 19-0757. A second phase of the public infrastructure improvement project ("Phase II") would tentatively include infrastructure improvements to the following eight streets: (1) Cleaves Street from Hutchins Avenue to the levee; (2) Bobbie Street from Canyon Street to the levee; (3) Albright Street from Canyon Street to the levee; (4) Viaduct Street from Canyon Street to the levee; (5) Sparks Street from Hutchins Street to the levee; (6) Hart Street from Canyon Street to the levee; (7) Pecan Drive from Canyon Street to the levee; and (8) a shared street along the sump/levee with loop connections between the dead end streets. However, full funding for Phase II has not yet been identified.

The City has worked to redevelop the Bottom for more than a decade with little success. The THH Agreement was intended to be a catalyst for the initiation of housing development in the Bottom, but after 10 years, redevelopment activities remain stalled. Other property owners and investors have shied away from redevelopment activities in the Bottom due to the financial risks associated with "being the first" to attempt to redevelop the neighborhood, including uncertainty regarding appraisals of newly-constructed homes and the level of interest from potential homebuyers for purchasing homes in the neighborhood.

THH's failure to develop housing units can be attributed to a combination of several factors, including: (1) the lack of upgraded public water and sewer infrastructure, (2) the small lot size of many of the Properties, (3) the costs and regulations related to developing in the floodplain, and (4) THH's desire to deviate from certain components of the Bottom Urban Structure and Guidelines.

The recently initialed Phase I public infrastructure improvement project will resolve many of the issues that led to THH's development delays, at least as they relate to land located in Phase I of the public infrastructure improvement project. Additionally, H&NR and the Planning and Urban Design Department have met with THH to discuss the purpose and nature of the Bottom Urban Structure and Guidelines in order to address THH's questions and concerns about the Bottom Urban Structure and Guidelines.

Therefore, H&NR is proposing to amend the Agreement to extend the timeframe for development, incorporate additional requirements as consideration, convert the loan agreement to a conditional grant, and to include performance thresholds. The terms of the amended Agreement differ significantly from the original Agreement. The amended Agreement: (1) sets specific deadlines by which THH must demonstrate that it is moving forward with constructing homes; (2) requires homes to be designed in accordance with the Bottom Urban Structure and Guidelines; (3) requires the constructed homes to be sold to households earning 80% of AMI and below rather than 140% of AMI; (4) imposes a five-year period of affordability wherein the home must remain occupied by an eligible household; (5) converts the Agreement from a loan to a conditional grant; and (6) includes performance thresholds and requirements.

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Information about this item was provided to the Economic Development and Housing Committee on June 3, 2019.

**FISCAL INFORMATION**

No cost consideration to the City.

June 12, 2019

**WHEREAS**, on June 25, 2008, City Council authorized the City Manager to execute a loan agreement (the "Agreement") and related documents with Texas Heavenly Homes, Ltd. ("THH") for a loan in the amount of \$500,000.00 at 0% interest for the purposes of acquiring improved and unimproved properties (Properties) in the Bottom neighborhood (the "Bottom"), and for associated relocation, environmental remediation or demolition by Resolution No. 08-1800. The terms of the loan required THH to develop and sell or lease housing units on all of the Properties acquired with the loan funds to households earning 140% or less of area median income ("AMI"); and

**WHEREAS**, the Agreement was entered into pursuant to the City's Chapter 380 Program for Loans and Grants and the Public/Private Partnership Program, which, at the time, included a special category for an Economic Development General Obligation Bond Program for Southern Dallas. The funding source for the loan was 2006 General Obligation bond monies that were allocated to promoting economic development in the Southern area of the City. On January 8, 2009, the City of Dallas executed the loan agreement with THH; and

**WHEREAS**, THH had acquired 36 residential lots in the Bottom and expended all loan proceeds but THH did not, and has not, begun to develop housing units in the Bottom; and

**WHEREAS**, THH's failure to develop housing units can be attributed to a combination of several factors, including: (1) the lack of upgraded public water and sewer infrastructure, (2) the small lot size of many of the Properties, (3) the costs and regulations related to developing in the floodplain, and (4) THH's desire to deviate from certain components of the Bottom Urban Structure and Guidelines; and

**WHEREAS**, on May 22, 2019, City Council authorized a construction contract for the construction of street paving, drainage, and water and wastewater main improvements for the Bottom Phase I Project which consists of: North Denley Drive from Hutchins Avenue to levee; North Moore Street from Hutchins Avenue to levee; and May Hall Street from North Denley Drive to Moore Street by Resolution No. 19-0757; and

**WHEREAS**, it is in the City's best interest to amend the Agreement to extend completion deadlines, incorporate additional requirements as consideration, convert the loan agreement to a conditional grant, and to include performance thresholds.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

June 12, 2019

**SECTION 1.** That the City Manager is hereby authorized to execute the first amendment to the loan agreement with Texas Heavenly Homes, Ltd., approved as to form by the City Attorney, for the acquisition and development of single-family homes in the Bottom neighborhood, previously approved by Resolution No. 08-1800 on June 25, 2008, to: **(1)** extend the completion date from January 9, 2016 to: **(a)** within two years of completion of Phase I of the public infrastructure improvement project for the 10 parcels of real property located in Phase I of the public infrastructure improvement project; and **(b)** within two years of completion of Phase II of the public infrastructure improvement project for the 19 parcels of real property located in Phase II of the public infrastructure improvement project; **(2)** require house elevations and plans to conform with the Bottom Urban Structure and Guidelines and the Urban Design Expectations; **(3)** require the constructed homes to be sold to households earning 80 percent of area median income and below; **(4)** impose a five-year period of affordability wherein the home must remain occupied by an eligible household; **(5)** include performance thresholds and requirements; and **(6)** convert the loan agreement to a conditional grant agreement.

**SECTION 2.** Texas Heavenly Homes, Ltd. must execute amended loan documents. In addition to the items summarized in Section 1, the following terms shall be amended or included in the amended loan documents:

1. The 29 parcels of real property to which the loan documents reference are attached as Exhibit A.
2. THH must apply for building permits for the 10 parcels of real property located in Phase I of the public infrastructure project, including, specifically Properties on: (a) North Denley Drive from Hutchins Avenue to levee; (b) North Moore Street from Hutchins Avenue to levee; and (c) May Hall Street from North Denley Drive to Moore Street by June 1, 2020 or within 30 days of completion of Phase I infrastructure work, whichever occurs first.
3. For the 10 parcels of real property located in Phase I of the public infrastructure project, complete and submit the following documents to the applicable City departments by the dates provided:
  - a. a zoning and platting application to the Department of Sustainable Development and Construction for review and approval by August 1, 2019,
  - b. a civil engineering review of streets and drainage and soil and utility tests to the Public Works Department and Dallas Water Utilities for review and approval by August 1, 2019,

**SECTION 2.** (continued)

- c. house elevations and plans to the Planning and Urban Design Department for review and approval by August 1, 2019, related to the plans' conformance with the adopted Bottom Urban Structure and Guidelines and the Urban Design Expectations described more fully in Item No. 4, below, and
  - d. tree surveys and mitigation plans to the City Arborist for review and approval by September 1, 2019.
4. The single-family house elevations and plans for redevelopment of the 29 parcels of real property located in Phases I and II of the public infrastructure project shall comply with the following Urban Design Expectations:
  - a. All homes shall have pitched roof forms. Structures that are visible from the public street must have pitched roofs. Any flat roof structures provided shall not be visible from any public street, and
  - b. 70% of all homes on any block face must have covered front porches with a minimum depth of 6 feet ("ft") (max 10 ft) and a minimum area of 80 square ft, and
  - c. New driveways and curb cuts must be co-located along shared property lines on adjacent properties. Driveways shall be a maximum of 16 ft wide at the curb. Where lot widths are 27 ft or less, driveway curb cuts shall leave an uninterrupted length of no less than 9 ft of curb along the lot frontage. Dual entry and circular driveways are not permitted, and
  - d. Garages shall be placed a minimum of 2 ft behind the street-facing façade, if the home has a porch in compliance with subsection (b). A street facing façade is defined as the façade on which the home's front door is located. If the home has no porch, the garage must be placed a minimum of 8 ft behind the street-facing façade. Front-facing garages shall be architecturally treated to de-emphasize their visual impact and prominence from a public street, and
  - e. To promote a variety of architectural interest on each block, every block face shall have homes with a variety of elevations and floor plans. No two homes with identical floor plans or street facing elevations shall be placed next to each other or directly across the street from each other.
5. THH must provide any additional information requested by the City to process the documents described above. Such information must be provided within a reasonable time, as determined by the Director of Department of Housing and Neighborhood Revitalization ("Director"), in his/her sole discretion.



**SECTION 2.** (continued)

6. The Director may approve up to two one-year extensions of the development timeframe, in his/her sole discretion.
7. All 29 single-family homes constructed on the properties listed in Exhibit A must be deed restricted for sale to households earning 80% of the AMI and below, who must occupy the homes as their principal place of residence for a minimum of five years.
8. The City will also amend the deed of trust, the deed restrictions, and the note to reflect the amendments to the Agreement and will convert the Agreement to a conditional grant agreement.

**SECTION 3.** That the City Manager is hereby authorized to (1) execute releases of liens and terminate deed restrictions on the Properties upon compliance satisfaction of all applicable conditions; and (2) subordinate the City's lien to any interim construction lenders (including refinances), approved as to form by the City Attorney.

**SECTION 4.** That with the exception of the amendments described above, all other requirements of Resolution No. 08-1800, approved on June 25, 2008, will remain in full force and effect.

**SECTION 5.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation with respect to the loan, until such time as the loan amendment documents are duly approved by all parties and properly executed.

**SECTION 6.** That the loan agreement is designated as Contract No. HOU-2019-00010650.

**SECTION 7.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**EXHIBIT A**

<b>Number</b>	<b>Street Number</b>	<b>Street Name</b>	<b>Phase</b>
1	409	Bobbie	II
2	407	Cleaves	II
3	443	Cleaves	II
4	445	Cleaves	II
5	608	Cliff	II (other)
6	1022	Comal	II (other)
7	412	Denley	I
8	416	Denley	I
9	420	Denley	I
10	429	Denley	I
11	512	Denley	I
12	514	Denley	I
13	523	Denley	I
14	424	Hart	II
15	326	Moore	I
16	422	Moore	I
17	427	Moore	I
18	417	Pecan	II
19	200	R. L. Thornton	II (other)
20	320	Sparks	II (other)
21	408	Sparks	II
22	411	Sparks	II
23	417	Sparks	II
24	424	Sparks	II
25	427	Sparks	II
26	428	Sparks	II
27	429	Sparks	II
28	449	Sparks	II
29	450	Sparks	II



Agenda Information Sheet

**File #:** 19-867

**Item #:** 3.

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** June 12, 2019

**COUNCIL DISTRICT(S):** 14

**DEPARTMENT:** Housing & Neighborhood Revitalization

**EXECUTIVE:** Michael Mendoza

**SUBJECT**

Authorize the first amendment to Resolution No. 19-0360, previously approved on February 27, 2019, for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street to: **(1)** amend the development loan amount with 2400 Bryan Street, LLC or an affiliate (“2400 Bryan”) to only include an amount not to exceed \$6,000,000.00 in Public/Private Partnership Funds for construction; **(2)** authorize a development loan agreement with the City of Dallas Housing Finance Corporation (“DHFC”), instead of 2400 Bryan, for acquisition of land and construction, subject to DHFC Board of Directors’ approval in an amount not to exceed \$7,026,943.00 in Community Development Block Grant Funds; **(3)** allow the closing of the 2400 Bryan and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development; **(4)** allow 2400 Bryan and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No. 19-0360 to be reimbursed the remaining loan and grant amounts; and **(5)** allow the City to maintain no less than 3<sup>rd</sup> lien position - Financing: No cost consideration to the City (see Fiscal Information)

**BACKGROUND**

This item is being added to the addendum to expedite an amendment to Resolution No. 19-0360, previously approved on February 27, 2019 for the development of a mixed-used and mixed-income multifamily residential development to be located at 2400 Bryan Street. The approval will assist the City in meeting its housing production goals under the Comprehensive Housing Policy plus expenditure and commitment requirements for the use of the federal funds from the U.S. Department of Housing and Urban Development (“HUD”).

On February 27, 2019, City Council authorized a development loan and conditional grant agreement with 2400 Bryan Street, LLC or its affiliate to develop a 15-story mixed-use development with approximately 10,000 square feet of retail space and a mixed-income multifamily rental residential with 217 units in downtown. The retail space will include an early childhood education or childcare facility. The development includes structured parking with approximately 312 spaces. Planned amenities for the development include a multipurpose room with fitness center and swimming pool. RMGM Bryan Street, LLC or RMGM Developers, LLC, both affiliates of Matthews Southwest, Inc.

("MSW") will serve as the Developer for the development. MSW redeveloped the historic Old Dallas High School in partnership with the City using TIF funds from Deep Ellum TIF District which is adjacent to the proposed development.

At this time, staff recommends reducing the Community Block Development Block Grant ("CDBG") allocations for the Estates at Shiloh and Palladium Redbird developments and increase the CDBG allocation and eliminate the HOME Investment Partnership Program ("HOME") Funds allocation for 2400 Bryan. The development will still receive up to \$7,026,943.00 in federal funds; however, instead of the original distribution of \$3,421,373.00 in CDBG funds and \$3,605,570.00 in HOME Funds, the development will receive up to \$7,026,943 in CDBG Funds. The funds will be used for acquisition, construction, and all other eligible associated hard and soft costs for development of the project. In order for the CDBG Funds to be used as an eligible expense for acquisition, the DHFC must enter into a development loan agreement with the City, subject to DHFC Board approval. CDBG Funds may be used for acquisition only if a nonprofit entity purchases the land. The DHFC will lease the land to 2400 Bryan through a long-term ground lease.

Per HUD regulations, the City cannot have more than 1.5 times its CDBG allocation in its U.S. Department of the Treasury line of credit 60 days prior to the end of the program year which is September 30. HUD will conduct a test "timeliness test" to determine if the City has more than 1.5 times its allocation on August 2, 2019. The City must draw \$7,517,016.00 including program income receipted to meet the timeliness test requirement. If the City continuously has more than 1.5 times its CDBG allocation, HUD can reduce funding allocations and withhold future grants.

In order to assist the City with meeting its CDBG timeliness deadline, staff recommends that the land for the 2400 Bryan Street development be purchased by the DHFC in advance of closing on equity and financing using the CDBG Funds to cover a portion of the costs.

The proposed total investment is \$77,746,799.00 and a breakdown of sources and uses are provided below:

<b>Financing Sources</b>	<b>Amount</b>
<b>Permanent Debt</b>	<b>\$42,000,000</b>
<b>Housing Tax Credits Equity</b>	<b>\$14,850,000</b>
<b>NOI Credit during Lease Up</b>	<b>\$1,486,624</b>
<b>Deferred Developer Fee</b>	<b>\$5,410,175</b>
<b>City CDBG Funds</b>	<b>\$7,026,943</b>
<b>2012 GO Bond Funds</b>	<b>\$973,057</b>
<b>Public Private Partnership Funds</b>	<b>\$6,000,000</b>
<b>Total</b>	<b>\$77,746,799</b>

<b>Proposed Uses</b>	<b>Costs</b>
<b>Acquisition</b>	\$9,675,000
<b>Construction Costs</b>	\$48,314,433
<b>Soft Costs &amp; Financing Fees</b>	\$9,286,090
<b>Developer Fees</b>	\$8,500,000
<b>Reserves</b>	\$1,971,277
<b>Total</b>	<b>\$77,746,800</b>

The City proposes to provide an amount not to exceed \$14,000,000.00 in gap financing for the construction of the development. The funds will be funded from several sources:

1. \$973,057.00 in 2012 General Obligation Bond (GO Bond Funds from Proposition 3 (Economic Development and Housing)) to be awarded as a conditional grant to 2400 Bryan; and
2. \$7,026,943.00 in CDBG Funds to be awarded as a repayable loan to DHFC; and
3. \$6,000,000.00 in Public/Private Partnership Funds to be awarded as a repayable loan to 2400 Bryan.

2400 Bryan and the DHFC may be reimbursed for costs associated with acquisition at closing of the City's loan and grant, but must meet all other requirements under the development loan and conditional grant agreement to be reimbursed the remaining loan and grant amounts. All of the other terms and conditions from the original Resolution No. 19-0360 approved on February 27, 2019 shall remain unchanged and in full force and effect.

City Council approval of this item will authorize the City Manager to execute development loans and a conditional grant agreement related to the development as amended.

### **ESTIMATED SCHEDULE OF DEVELOPMENT**

Begin Construction            August 2019  
Complete Construction        December 2021

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 24, 2018, City Council supported the 2018 Texas Department of Housing and Community Affairs' (TDHCA) 9% low-income housing tax credit application for the development at 2400 Bryan Street and authorized a line of credit agreement in the amount of \$500.00 for a commitment of development funding by Resolution No. 18-0219.

On January 25, 2019, the DHFC Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in 2400 Bryan Street, LLC.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with 2400 Bryan Street, LLC and approved moving forward to Council for consideration.

On February 27, 2019, City Council authorized a development loan agreement with 2400 Bryan Street, LLC or an affiliate thereof in an amount not to exceed \$13,026,943.00 (comprised of \$3,605,570.00 in HOME Investment Partnerships Program Funds, \$6,000,000.00 in Public/Private Partnership Funds, and \$3,421,373.00 of Community Development Block Grant Funds); a conditional grant agreement with 2400 Bryan Street, LLC or an affiliate thereof for the development of a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street in an amount not to exceed \$973,057.00 in 2012 General Obligation Bond Funds; and the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with 2400 Bryan Street, LLC by Resolution No. 19-0360.

Information about this item was provided to the Economic and Development and Housing Committee on June 3, 2019.

**FISCAL INFORMATION**

No cost consideration to the City. This action updates the funding sources for eligible expenditures previously approved by Resolution No. 19-0360.

2012 General Obligation Bond	\$ 973,057.00
CDBG Funds	\$ 7,026,943.00
Public/Private Partnership Funds	\$ <u>6,000,000.00</u>
Total	\$14,000,000.00

**OWNER/DEVELOPER**

**2400 Bryan Street, LLC**

2400 Bryan Street GP, LLC is the general partner, a formed entity with The Community Project, BETCO Consulting, LLC, and RMGM Bryan Street, LLC (RMGM Bryan Street) as members. (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

RMGM Bryan Street or RMGM Developers, LLC, both affiliates of Matthews Southwest Inc. will serve as the Developer.

Jack Matthews, President

**City of Dallas Housing Finance Corporation**

June 12, 2019

**WHEREAS**, on January 24, 2018, City Council supported the 2018 Texas Department of Housing and Community Affairs' ("TDHCA") 9% low-income housing tax credit application for the development at 2400 Bryan Street and authorized a line of credit agreement in the amount of \$500.00 for a commitment of development funding by Resolution No. 18-0219; and

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual ("Policy") that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation by Resolution No. 18-0704; and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and 2400 Bryan Street, LLC submitted an application for gap financing and received a fundable score; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation by Resolution No. 18-1680; and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land, enter into a long-term ground lease, and taking an ownership interest in 2400 Bryan Street, LLC; and

**WHEREAS**, on February 27, 2019, City Council authorized a development loan agreement with 2400 Bryan Street, LLC or an affiliate thereof in an amount not to exceed \$13,026,943.00 (comprised of \$3,605,570.00 in HOME Investment Partnerships Program ("P/PP") Funds, \$6,000,000.00 in Public/Private Partnership Funds, and \$3,421,373.00 of Community Development Block Grant Funds); a conditional grant agreement with 2400 Bryan Street, LLC or an affiliate thereof for the development of a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street in an amount not to exceed \$973,057.00 in 2012 General Obligation Bond Funds; and the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with 2400 Bryan Street, LLC by Resolution No. 19-0360; and

**WHEREAS**, the City desires to move forward with the 2400 Bryan Street development to complete the project.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

June 12, 2019

**SECTION 1.** That the City Manager is hereby authorized to execute a development loan agreement with 2400 Bryan Street, LLC or an affiliate (“2400 Bryan”), for construction of a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street in an amount not to exceed \$6,000,000.00 in Public/Private Partnership Funds, approved as to form by the City Attorney. City shall maintain no less than 2<sup>nd</sup> or 3<sup>rd</sup> lien position, subordinate only to a senior construction lender for a loan in a greater amount.

**SECTION 2.** That the City Manager is hereby authorized to execute a development loan agreement with the City of Dallas Housing Finance Corporation (“DHFC”) for acquisition and construction at 2400 Bryan Street, subject to DHFC Board of Directors’ approval in an amount not to exceed \$7,026,943.00 in Community Development Block Grant (“CDBG”) Funds, approved as to form by the City Attorney. City shall maintain no less than 2<sup>nd</sup> or 3<sup>rd</sup> lien position, subordinate only to a senior construction lender for a loan in a greater amount.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to 2400 Bryan Street, LLC, Vendor VC18122, and the City of Dallas Housing Finance Corporation, Vendor 255006, as the City receives and reviews reimbursement requests and related supporting documentation submitted by 2400 Bryan Street, LLC and the City of Dallas Housing Finance Corporation for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed \$14,000,000.00 from funding sources listed and described below:

<u>Fund</u>	<u>Department</u>	<u>Unit</u>	<u>Object</u>	<u>Program</u>	<u>Amount</u>
18R1	HOU	B14A	3015	NOFA182400BRYAN	\$2,047,473.00
18R1	HOU	B15A	3015	NOFA182400BRYAN	\$ 198,072.00
18R1	HOU	B16A	3015	NOFA182400BRYAN	\$2,346,964.00
18R1	HOU	B17A	3015	NOFA182400BRYAN	\$2,434,434.00
3U53	HOU	W361	3016	NOFA182400BRYAN	\$ 580,627.00
2U53	HOU	W361	3016	NOFA182400BRYAN	\$ 392,430.00
0352	ECO	1879	3015	NOFA182400BRYAN	\$6,000,000.00

**SECTION 4.** That the City Chief Financial Officer is hereby authorized to record notes receivable - developers loan in Balance Sheet Account 033F and deferred revenue-home loans in Balance Sheet Account 0859 in fund CDBG and P/PP for the amount of the loan.

**SECTION 5.** That the City Manager, in his or her sole discretion, is authorized to close on the 2400 Bryan and DHFC loans and grant prior to closing on the equity and all other financing for the development.



June 12, 2019

**SECTION 6.** That 2400 Bryan and DHFC may be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No. 19-0360, approved on February 27, 2019, to be reimbursed the remaining loan and grant amounts, subject to Director of Housing and Neighborhood Revitalization's approval, in his or her sole discretion.

**SECTION 7.** That all other terms and conditions contained in Resolution No. 19-0360, approved on February 27, 2019, shall remain unchanged and in full force and effect and binding upon 2400 Bryan and DHFC.

**SECTION 8.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation until such time as the agreements are duly approved by all parties and executed.

**SECTION 9.** That these development and conditional grant agreements with 2400 Bryan are designated as Contract No. HOU-2019-00009571.

**SECTION 10.** That this development loan agreement with the DHFC is designated as Contract No. HOU-2019-00010717.

**SECTION 11.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



Agenda Information Sheet

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**File #:** 19-869

**Item #:** 4.

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 8  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** Michael Mendoza

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**SUBJECT**

Authorize the first amendment to Resolution No. 19-0385, previously approved on February 27, 2019, for a mixed-income multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road site of the former Red Bird Mall/Southwest Center Mall to: **(1)** amend the development loan amount with Palladium Redbird, Ltd. or an affiliate (“Palladium Redbird”) to only include an amount not to exceed \$5,000,000.00 in HOME Investment Partnership Program Funds for construction; **(2)** authorize a development loan agreement with Palladium Redbird or the City of Dallas Housing Finance Corporation (“DHFC”) for acquisition of land and construction, subject to DHFC Board of Directors’ approval in an amount not to exceed \$1,271,576.00 in Community Development Block Grant Funds; **(3)** allow the closing of the Palladium Redbird and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development; **(4)** allow Palladium Redbird and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under the agreement to be reimbursed the remaining loan and grant amounts; and **(5)** allow the City to maintain no less than 3<sup>rd</sup> lien position - Financing: No cost consideration to the City (see Fiscal Information)

**BACKGROUND**

This item is being added to the addendum to expedite an amendment to Resolution No. 19-0385, previously approved on February 27, 2019. The approval will assist the City in meeting its housing production goals under the Comprehensive Housing Policy while simultaneously meeting expenditure and commitment requirements for the use of the federal funds from the U.S. Department of Housing and Urban Development.

On February 27, 2019, City Council authorized a development loan and conditional grant agreement with Palladium Redbird, Ltd. to construct a new, 300-unit development with structured parking for approximately 450 spaces at the site of the former Red Bird/Southwest Center Mall. The development will include 2 four-story residential buildings with elevators and, in addition to structured parking, planned amenities include a clubhouse with a fitness center, a business center, a club room, resort-style swimming pool, playground, pedestrian access to the Redbird Mall Area, and a dog park. Palladium Redbird and will serve as the developer for the development.

At this time, staff recommends reducing the Community Development Block Grant (“CDBG”) allocation for Palladium Redbird while simultaneously increasing the HOME Investment Partnership Program (“HOME”) allocation for the project. The CDBG Funds that are removed from the Palladium Redbird Project will subsequently be allocated to the 2400 Bryan Project in order for the City to meet its CDBG timeliness expenditure deadline on August 2, 2019. The development will still receive up to \$6,271,576.00 in federal funds; however, instead of the original distribution of \$2,696,300.00 in CDBG Funds and \$3,575,276.00 in HOME Funds, the development will receive \$1,271,576.00 in CDBG Funds and \$5,000,000.00 in HOME Funds. The funds will be used for acquisition, construction, and all other eligible hard and soft costs for the development of the project.

The proposed total investment is \$60,595,572.00. The sources and uses are provided in the following chart:

<b>Financing Sources</b>	<b>Amount</b>
<b>*Tax Exempt Bonds (retired and replace with 221(d)4 loan) *DHFC as Issuer and induced on 1/25/2019</b>	<b>\$34,957,118</b>
<b>Housing Tax Credits Equity</b>	<b>\$15,094,860</b>
<b>National Housing Trust Funds</b>	<b>\$2,000,000</b>
<b>Deferred Developer Fee</b>	<b>\$243,598</b>
<b>City CDBG Funds</b>	<b>\$1,271,576</b>
<b>City HOME Funds</b>	<b>\$5,000,000</b>
<b>2012 GO Bond Funds</b>	<b>\$2,028,424</b>
<b>Total</b>	<b>\$60,595,572</b>

<b>Use</b>	<b>Costs</b>
<b>Acquisition</b>	<b>\$1,300,000</b>
<b>Construction Costs</b>	<b>\$42,236,497</b>
<b>Soft Costs &amp; Financing Fees</b>	<b>\$7,365,412</b>
<b>Developer Fees</b>	<b>\$7,082,936</b>
<b>Reserves</b>	<b>\$2,610,727</b>
<b>Total</b>	<b>\$60,595,572</b>

The City proposes to provide an amount not to exceed \$8,300,000.00 in gap financing for the construction of the development from three sources:

1. \$2,028,424.00 in 2012 General Obligation Bond Funds from Proposition 3 (Economic Development and Housing) to be awarded as conditional grant to Palladium Redbird;
2. \$1,271,576.00 in CDBG Funds to be awarded as a repayable loan to Palladium Redbird or DHFC; and
3. \$5,000,000.00 in HOME Funds to be awarded as a repayable loan to Palladium Redbird.

Staff recommends entering into a development loan agreement with the DHFC only if CDBG funds are needed to acquire the land for the development. Additionally, staff recommends allowing the City’s loan and grant to close prior to equity and other financing for the development only to assist the City to meet a federal expenditure deadline, but must meet all other requirements under the development loan and conditional grant agreement to be reimbursed the remaining loan and grant amounts. All of the other terms and conditions from the original Resolution No. 19-0385, approved on February 27, 2019, shall remain unchanged and in full force and effect.

City Council approval of this item will authorize the City Manager to execute the amendment to the development loan and conditional grant agreement related to the development.

**ESTIMATED SCHEDULE OF DEVELOPMENT**

Construction Commence    October 2019  
Construction Complete     December 2021

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 25, 2019, the DHFC Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in Palladium Redbird, Ltd. and an inducement of multifamily mortgage revenue bonds.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with 2400 Bryan Street, LLC and approved moving forward to Council for consideration.

On February 27, 2019, City Council authorized a development loan agreement with Palladium Redbird, Ltd. or an affiliate thereof in an amount not to exceed \$6,271,576.00 (comprised of \$3,575,276.00 in HOME Investment Partnerships Program Funds and \$2,696,300.00 of Community Development Block Grant Funds); a conditional grant agreement with Palladium Redbird, Ltd. or an affiliate thereof for the development of a multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road in an amount not to exceed \$2,028,424.00 in 2012 General Obligation Bond Funds; and the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with Palladium Redbird, Ltd. by Resolution No. 19-0385.

Information about this item was provided to the Economic Development and Housing Committee on June 3, 2019.

**FISCAL INFORMATION**

No cost consideration to the City. This action updates the funding sources for eligible expenditures previously approved by Resolution No. 19-0385.

2012 General Obligation Bond Funds	\$ 2,028,424.00
CDBG Funds	\$ 1,271,576.00
HOME Funds	<u>\$ 5,000,000.00</u>
Total	\$8,300,000.00

**OWNER/DEVELOPER**

**Palladium Redbird, Ltd.**

Palladium Redbird GP, LLC is the general partner, a formed entity with members affiliated with Palladium Redbird (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

Palladium Redbird and DHFC will serve as co-Developer.

Thomas Huth, President of Palladium Redbird

**City of Dallas Housing Finance Corporation**

June 12, 2019

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (“Policy”) by Resolution No. 18-0704 that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation; and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and Palladium Redbird, Ltd. submitted an application for gap financing and received a fundable score for Palladium Redbird; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation; and

**WHEREAS**, the Comprehensive Housing Policy provides a policy for developers requesting a Resolution of Support or No Objection (“Resolutions”) for multifamily rental housing developments seeking Housing Tax Credits (“HTC”) through the Texas Department of Housing and Community Affairs (“TDHCA”); and

**WHEREAS**, the proposed development is part of the overall renovation and redevelopment of a shopping mall located at 3662 West Camp Wisdom Road known as Red Mall which received City incentives; and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land; enter into a long-term ground lease, and taking an ownership interest in Palladium Redbird, Ltd.; and

**WHEREAS**, the proposed development is located in the Red Bird Redevelopment target area, one of the 15 approved Reinvestment Strategy Areas in the Policy, and the proposed development is a mixed-income multifamily residential development providing 90 market rate and 210 units to households earning 60 percent or below of Area Median Income and provides future residents with access to opportunities such as transit, park, community center, and retail; and

**WHEREAS**, on February 27, 2019, City Council authorized a development loan agreement with Palladium Redbird, Ltd. or an affiliate thereof in an amount not to exceed \$6,271,576.00 (comprised of \$3,575,276.00 in HOME Investment Partnerships Program Funds and \$2,696,300.00 of Community Development Block Grant Funds); a conditional grant agreement with Palladium Redbird, Ltd. or an affiliate thereof for the development of a multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road, in an amount not to exceed \$2,028,424.00 in 2012 General Obligation Bond Funds; and the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with Palladium Redbird, Ltd. by Resolution No. 19-0385; and

June 12, 2019

**WHEREAS**, the City desires to move forward with the Palladium Redbird development to complete the project.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to execute a development loan agreement with Palladium Redbird, Ltd. or an affiliate (“Palladium Redbird”), for the construction of a multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road, in an amount not to exceed \$5,000,000.00 in HOME Investment Partnership Program Funds, approved as to form by the City Attorney. City shall maintain no less than 2<sup>nd</sup> or 3<sup>rd</sup> lien position, subordinate only to a senior construction lender for a loan in a greater amount.

**SECTION 2.** That the City Manager is hereby authorized to execute a development loan agreement with the City of Dallas Housing Finance Corporation (“DHFC”), subject to DHFC Board of Directors’ approval or Palladium Redbird for acquisition and construction of a multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road, in an amount not to exceed \$1,271,576.00 in Community Development Block Grant (“CDBG”), approved as to form by the City Attorney. City shall maintain no less than 2<sup>nd</sup> or 3<sup>rd</sup> lien position, subordinate only to a senior construction lender for a loan in a greater amount. Whether the development loan agreement is executed with the DHFC or Palladium Redbird is within the sole discretion of the City Manager.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to Palladium Redbird, Ltd. (VC 100163), and to the Dallas Housing Finance Corporation (VC255006), as the City receives and reviews reimbursement requests and related supporting documentation submitted by Palladium Redbird, Ltd. for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed \$8,300,000.00 from funding sources listed and described below:

<u>Fund</u>	<u>Department</u>	<u>Unit</u>	<u>Object</u>	<u>Program</u>	<u>Amount</u>
18R1	HOU	B17B	3015	NOFA18REDBIRD	\$1,271,576.00
HM17	HOU	275B	3015	NOFA18REDBIRD	\$1,424,724.00
HM18	HOU	823C	3015	NOFA18REDBIRD	\$2,091,239.00
HM13	HOU	310F	3015	NOFA18REDBIRD	\$ 149,064.00
HM14	HOU	489G	3015	NOFA18REDBIRD	\$ 689,027.00
HM15	HOU	644H	3015	NOFA18REDBIRD	\$ 160,990.00
HM16	HOU	545A	3015	NOFA18REDBIRD	\$ 484,956.00
2U53	HOU	W362	3016	NOFA18REDBIRD	\$ 139,051.00
3U53	HOU	W362	3016	NOFA18REDBIRD	\$ 419,373.00
4U53	HOU	W362	4599	NOFA18REDBIRD	\$1,470,000.00

June 12, 2019

**SECTION 4.** That the City Chief Financial Officer is hereby authorized to record notes receivable - developers loan in Balance Sheet Account 033F and deferred revenue-home loans in Balance Sheet Account 0859 in fund CDBG and HOME for the amount of the loan.

**SECTION 5.** That the City Manager, in his or her sole discretion, is authorized to close on the Palladium Redbird and DHFC loans and grants prior to closing on the equity and all other financing for the development.

**SECTION 6.** That Palladium Redbird and DHFC may be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No. 19-0385, approved on February 27, 2019, to be reimbursed the remaining loan and grant amounts, subject to Director of Housing and Neighborhood Revitalization's approval, in his or her sole discretion.

**SECTION 7.** That all other terms and conditions contained in Resolution No. 19-0385, approved on February 27, 2019, shall remain unchanged and in full force and effect and binding upon Palladium Redbird and DHFC.

**SECTION 8.** That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation until such time as the agreements are duly approved by all parties and executed.

**SECTION 9.** That these development loan and conditional grant agreements with Palladium Redbird are designated as Contract No. HOU-2019-00009594.

**SECTION 10.** That this development loan agreement with the DHFC is designated as Contract No. HOU-2019-00010718.

**SECTION 11.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.





Agenda Information Sheet

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**File #:** 19-824

**Item #:** 5.

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 9  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** Michael Mendoza

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**SUBJECT**

Authorize the first amendment to Resolution No. 19-0387, previously approved on February 27, 2019, for a mixed-income multifamily complex for seniors to be located at 2649 Centerville Road to: **(1)** amend the funding source for the development loan amount with TX Casa View 2018, Ltd. ("TCV") from \$3,801,000.00 in Community Development Block Grant ("CDBG") Funds to \$1,620,154.00 in CDBG Funds and \$2,180,846.00 in HOME Investment Partnership Program Funds; and **(2)** allow the closing of the TCV grant/loan to occur prior to closing on the equity and all other financing for the development - Financing: No cost consideration to the City

**BACKGROUND**

This item is being added to the addendum to expedite an amendment to Resolution No. 19-0387, previously approved on February 27, 2019. The approval will assist the City in meeting its housing production goals under the Comprehensive Housing Policy plus expenditure and commitment requirements for the use of the federal funds from the U.S. Department of Housing and Urban Development.

On February 27, 2019, City Council authorized a contract with TCV to rehabilitate all 40 existing units and construct 224 new units for seniors at the Estates at Shiloh Apartments. The 264 units will be dispersed equitably by bedroom size and amongst income bands throughout the development. The proposed development will have 4-three story buildings with ventilated corridors and accessible elevators. Planned amenities include renovation of the existing 9,000 square foot community center, swimming pool, community garden, landscaping and lighted sidewalks connecting buildings, and a dog park. TCV is an affiliate of Generation Housing Partners, LLC and Hill Tide Development, LLC.

At this time, staff recommends reducing the CDBG fund allocation for the Estates at Shiloh in order to increase the CDBG fund allocation for 2400 Bryan, a mixed-income housing development authorized by Resolution No. 19-0360 on February 27, 2019. Reducing the allocation of CDBG Funds for the Estates at Shiloh will allow the City to meet its CDBG timeliness expenditure deadline on August 2, 2019. The development will still receive up to \$3,801,000.00 in federal funds; however, instead of the original distribution of \$3,801,000.00 in CDBG Funds, the development will receive up to

\$1,620,154.00 in CDBG Funds and \$2,180,846.00 in HOME Investment Partnership Program (“HOME”) Funds. The funds will be used for acquisition, construction, and all other eligible associated hard and soft costs for development of the project.

Total development costs are anticipated to be approximately \$38,435,465.00 which include the acquisition price for the land and existing improvements. The hard cost rehabilitation/construction budget is anticipated to be \$25,103,247.00 (\$22,628,447.00 new construction and \$2,475,200.00 rehab) which is \$101,019.85 per unit and \$61,880.00 per unit respectively. The total rehabilitation/construction amount includes a 3 percent contingency and contractor overhead.

The proposed total investment is \$77,746,799.00 and a breakdown of sources and uses are provided below:

<b>Financing Sources</b>	<b>Amount</b>
<b>*Tax Exempt Bonds (retired and replace with 221(d)4 loan) *DHFC as Issuer and induced on 1/25/2019</b>	\$19,650,000 (*\$20,000,000)
<b>Housing Tax Credits Equity</b>	\$12,546,810
<b>Deferred Developer Fee</b>	\$2,238,655
<b>City CDBG Funds</b>	\$1,620,154
<b>City HOME Funds</b>	\$2,180,846
<b>2012 GO Bond Funds</b>	\$199,000
<b>Total</b>	<b>\$38,435,465</b>

<b>Proposed Use</b>	<b>Costs</b>
<b>Acquisition</b>	\$3,400,000
<b>Rehabilitation &amp; Construction Costs</b>	\$25,103,247
<b>Soft Costs &amp; Financing Fees</b>	\$4,074,624
<b>Developer Fees</b>	\$4,521,806
<b>Reserves</b>	\$1,335,788
<b>Total</b>	<b>\$38,435,465</b>

The City proposes to provide an amount not to exceed \$4,000,000.00 in gap financing for the construction of the development. The funds will be funded from three sources:

1. \$199,000.00 in 2012 General Obligation Bond Funds (“GO Bond”) from Proposition 3 (Economic Development and Housing) to be awarded as conditional grant;
2. \$1,620,154.00 in CDBG Funds to be awarded as a repayable loan; and
3. \$2,180,846.00 HOME Funds to be awarded as a repayable loan.

Staff recommends allowing the City’s loan and grant to close prior to equity and other financing for the development only to assist the City to meet a federal expenditure deadline. All of the terms and conditions from the original Resolution No. 19-0387 approved on February 27, 2019 still remain in effect.

City Council approval of this item will authorize the City Manager to execute development loans and a conditional grant agreement related to the development as amended.

### **ESTIMATED SCHEDULE OF DEVELOPMENT**

Construction Commence    November 2019  
Construction Complete    December 2021

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 25, 2019, the Dallas Housing Finance Corporation Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in TX Casa View 2018, Ltd. and an inducement of multifamily mortgage revenue bonds.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with TX Casa View 2018, Ltd. and approved moving forward to Council for consideration.

On February 27, 2019, City Council authorized a Resolution of No Objection for TCV or its affiliate, related to its application to the Texas Department of Housing and Community Affairs for the acquisition, rehabilitation of existing units, and new construction of improvements to be known as the Estates at Shiloh Apartments; and conditioned upon TCV receiving a 2019 4% Housing Tax Credit award and upon City Council's final adoption of the CDBG Reprogramming Budget No. 1 on April 10, 2019, authorize a development loan agreement in an amount not to exceed \$3,801,000.00 of CDBG Funds with TCV or an affiliate thereof; a conditional grant agreement in an amount not to exceed \$199,000.00 in 2012 General Obligation Bond Funds with a nonprofit entity; and the City of Dallas Housing Finance Corporation to purchase and own the land, enter into a long-term ground lease with TCV, and take an ownership interest in TCV for the development of a mixed-income multifamily complex for seniors located at 2649 Centerville Road by Resolution No. 19-0387.

Information about this item was provided to the Economic Development and Housing Committee on June 3, 2019.

### **FISCAL INFORMATION**

No cost consideration to the City.

### **OWNER/DEVELOPER**

#### **TX Casa View 2018, Ltd.**

TX Casa View 2018 GP, LLC is the general partner, a formed entity with GHP and HTD as members. (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

GHP and HTD will serve as the Developer.

Adrian Iglesias, President of GHP  
Chris Appleyquist, Vice-President of GHP

June 12, 2019

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (“Policy”) by Resolution No. 18-0704 that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation; and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and TX Casa View 2018, Ltd. submitted an application for gap financing and received a fundable score; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation by Resolution No. 18-1680; and

**WHEREAS**, the Comprehensive Housing Policy provides a policy for developers requesting a Resolution of Support or No Objection (“Resolutions”) for multifamily rental housing developments seeking Housing Tax Credits (“HTC”) through the Texas Department of Housing and Community Affairs (“TDHCA”); and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land; enter into a long-term ground lease, and taking an ownership interest in TX Casa View 2018, Ltd.; and

**WHEREAS**, the proposed development is located in the Casa View Stabilization target area, one of the 15 approved Reinvestment Strategy Areas in the Policy, and the proposed development is a mixed-income multifamily residential development for seniors providing at least 239 units to households earning 60% or below of Area Median Income and the remaining units as market rate and provides future residents with access to opportunities such as transit, park, community center, and retail; and

**WHEREAS**, TX Casa View 2018, Ltd. submitted an application to TDHCA for 2019 4% Non-Competitive HTC for the proposed acquisition of the land and existing improvements, the rehabilitation of existing units, and the construction of new improvements for the development of Estates at Shiloh Apartments; and

June 12, 2019

**WHEREAS**, on February 27, 2019, City Council authorized a Resolution of No Objection for TCV or its affiliate, related to its application to the Texas Department of Housing and Community Affairs for the acquisition, rehabilitation of existing units, and new construction of improvements to be known as the Estates at Shiloh Apartments; and conditioned upon TCV receiving a 2019 4% Housing Tax Credit award and upon City Council’s final adoption of the Community Development Block Grant (“CDBG”) Reprogramming Budget No. 1 on April 10, 2019, authorize a development loan agreement in an amount not to exceed \$3,801,000.00 of CDBG Funds with TCV or an affiliate thereof; a conditional grant agreement in an amount not to exceed \$199,000.00 in 2012 General Obligation Bond Funds with a nonprofit entity; and the City of Dallas Housing Finance Corporation to purchase and own the land, enter into a long-term ground lease with TCV, and take an ownership interest in TCV for the development of a mixed-income multifamily complex for seniors located at 2649 Centerville Road by Resolution No. 19-0387; and

**WHEREAS**, the City desires to move forward with the Estates at Shiloh development to complete the project.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to execute a development loan agreement with TX Casa View 2018, Ltd or an affiliate thereof in an amount not to exceed \$3,801,000.00 comprised of \$1,620,154.00 in Community Development Block Grant Funds and \$2,180,846.00 in HOME Investment Partnership Program Funds, approved as to form by the City Attorney.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to TX Casa View 2018, Ltd. (VS99112), as the City receives and reviews reimbursement requests and related supporting documentation submitted by TX Casa View 2018, Ltd. for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed \$4,000,000.00 from funding sources listed and described below:

<u>Fund</u>	<u>Department</u>	<u>Unit</u>	<u>Object</u>	<u>Program</u>	<u>Amount</u>
18R1	HOU	B17C	3015	NOFA18SHILO	\$1,620,154.00
HM17	HOU	275B	3015	NOFA18SHILO	\$2,180,846.00
2U53	HOU	W363	3016	NOFA18SHILO	\$ 98,519.00
3U53	HOU	W363	3016	NOFA18SHILO	\$ 96,458.00
4U53	HOU	W363	3016	NOFA18SHILO	\$ 4,023.00

June 12, 2019

**SECTION 3.** That the Chief Financial Officer is hereby authorized to record notes receivable - developers loan in Balance Sheet Account 033F and deferred revenue-home loans in Balance Sheet Account 0859 in fund CDBG and Public/Private Partnership for the amount of the loan.

**SECTION 4.** That the City Manager, in his or her sole discretion, is authorized to close on the TCV loan and grant prior to closing on the equity and all other financing for the development

**SECTION 5.** That all other terms and conditions contained in Resolution No. 19-0387, previously approved on February 27, 2019, shall remain unchanged and in full force and effect.

**SECTION 6.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation until such time as the loan documents are duly approved by all parties and executed.

**SECTION 7.** That these contracts are designated as Contract No. HOU-2019-00009595.

**SECTION 8.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



Agenda Information Sheet

**File #:** 19-768

**Item #:** 6.

**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** June 12, 2019

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Budget

**EXECUTIVE:** Elizabeth Reich

**SUBJECT**

Authorize an increase in the homestead property tax exemption for persons who are disabled or 65 or older from \$90,000 to \$94,100 beginning with the 2019 tax year (fiscal year beginning October 1, 2019) - Estimated Annual Revenue Foregone: \$1,300,000

**BACKGROUND**

The City of Dallas grants a homestead exemption of 20 percent or a minimum of \$5,000 of the market value of residential homesteads. An additional exemption of up to \$90,000 of the market value is granted to those persons who are disabled or 65 or older. The \$90,000 exemption has been in effect since 2017.

On December 13, 2017, City Council added Financial Management Performance Criteria #23, that requires a comparison of the current exemption for individuals who are disabled or 65 or older to the most recent annual Consumer Price Index (CPI) every two years by Resolution No. 17-1909. Following the FMPC would result in an increase of \$1,800 for a total exemption of \$91,800. Staff recommends an increase that recognizes the annual increase of CPI for each year that has occurred since 2017, for a total exemption of \$94,100. The increase applies to the 2019 tax year (fiscal year beginning October 1, 2019).

<u>Exemption Increase</u>	<u>Total Exemption</u>	<u>Projected General Fund Revenue Impact</u>	<u>Incremental Savings</u>
\$1,800	\$91,800	(\$600,000)	(\$13.98)
\$4,100	\$94,100	(\$1,300,000)	(\$31.84)
\$10,000	\$100,000	(\$3,400,000)	(\$77.67)

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On April 23, 1986, City Council established the disabled or 65 or older homestead exemption at

\$50,000, by Resolution No. 86-1283.

On September 17, 1986, City Council authorized an increase of the disabled or 65 or older homestead exemption from \$50,000 to \$64,000, by Resolution No. 86-2926.

On June 28, 2017, City Council authorized an increase of the disabled or 65 or older homestead exemption from \$64,000 to \$90,000, by Resolution No. 17-1084.

City Council was briefed on current exemption options offered by the City of Dallas on June 5, 2019.

**FISCAL INFORMATION**

Estimated Annual Revenue Foregone: \$1,300,000



June 12, 2019

**WHEREAS**, the Texas Tax Code allows the city council to adopt a homestead exemption for persons who are disabled or 65 or older; and

**WHEREAS**, on September 17, 1986, City Council adopted a resolution authorizing a homestead exemption for persons who are disabled or 65 or older and which increased the exemption from \$50,000 to \$64,000 for the fiscal year beginning October 1, 1986, by Resolution No. 86-2926; and

**WHEREAS**, on June 28, 2017, City Council authorized increasing the disabled or 65 or older exemption from \$64,000 to \$90,000, by Resolution No. 17-1084; and

**WHEREAS**, the City Council seeks to adjust the Exemption for inflation, as measured by the most recent annual Consumer Price Index ("CPI"), every two years thereafter; and

**WHEREAS**, the City Council desires to change the amount of the exemption for persons who are disabled or 65 or older from \$90,000 to \$94,100 beginning with the 2019 tax year (fiscal year beginning October 1, 2019).

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the exemption for persons who are disabled or 65 or older is set at \$94,100 beginning with the 2019 tax year (fiscal year beginning October 1, 2019).

**SECTION 2.** That every two years thereafter, beginning with the 2019 tax year (fiscal year beginning October 1, 2019), the City Council shall adjust the homestead exemption for persons who are disabled or 65 or older according to the latest annual CPI.

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



Agenda Information Sheet

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**File #:** 19-695

**Item #:** 7.

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** June 12, 2019

**COUNCIL DISTRICT(S):** 6

**DEPARTMENT:** Office of Economic Development

**EXECUTIVE:** Michael Mendoza

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**SUBJECT**

Authorize an increase in appropriations and use of 2017 Bond Funds (Proposition I) in an amount not to exceed \$250,000.00 for design, construction and installation of a new Hawk traffic signal on Singleton Boulevard between McPherson Street and Gulden Lane - Not to exceed \$250,000.00 - Financing: ECO (I) Fund (2017 Bond Funds)

**BACKGROUND**

This item is being placed on the addendum per the City Manager's Office.

A pedestrian signal analysis was conducted on the existing mid-block crosswalk on Singleton Boulevard between McPherson Street and Gulden Lane. The purpose of the analysis was to determine if the installation of a pedestrian signal is warranted at the crosswalk. The analysis concluded existing pedestrian and vehicular traffic volumes during the 8:00 PM to 9:00 PM peak hour on Saturdays meet minimum traffic volumes to justify the installation of a pedestrian signal on Singleton Boulevard.

This action will authorize the appropriation and funding required to construct one new traffic signal (a Hawk signal) at the crosswalk on Singleton Boulevard between McPherson Street and Gulden Lane. Kimley-Horn and Associates has an existing Engineering Services Contract No. TRN-2017-00001726 (Resolution No. 17-0931), to design traffic signal installation at various locations in the City. Department of Transportation staff will later submit a request for approval of a Supplemental Agreement to the Kimley-Horn and Associates services contract to design the new Hawk signal at the location. Durable Specialties, Inc. has a Construction Services Contract No. TRN-2018-00008423 (Resolution No. 18-1787), with the City to construct traffic signal installations on a work order basis at various locations in the city. Department of Transportation staff will later issue a work order for Durable Specialties, Inc. to install the new Hawk signal at the location. City forces will provide the labor for preparation of the cabinet and signal timing. Additionally, the City's Department of Transportation will manage the project. Design of the signal will begin in June of this year with construction estimated to be completed in May of 2020.

**ESTIMATED SCHEDULE OF PROJECT**

Begin Design                      June 2019  
Complete Design                 August 2019

Begin Construction              October 2019  
Complete Construction         May 2020

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Information about this item was provided to the Economic Development and Housing Committee on June 3, 2019.

**FISCAL INFORMATION**

ECO (I) Fund (2017 Bond Funds) - \$250,000.00

**MAP**

Attached



EXHIBIT

1

PROJECT#: 17089

DATE: OCT 2017

### Crosswalk Location on Singleton Boulevard

Hybrid Beacon on Singleton Boulevard in Dallas, TX

**DeShazo Group**  
 TRAFFIC & TRANSPORTATION ENGINEERS  
 400 S. Houston Street Ste. 330  
 Dallas, Texas 75202  
 (214) 748-6740

Bedford St

McPherson St

Pastor St

Amorette St

Golden Ln

SINGLETON BLVD

SUBJECT  
CROSSWALK

±240'

60'

±213'

12'

June 12, 2019

**WHEREAS**, a pedestrian signal analysis on the pedestrian and vehicular traffic volumes at a crosswalk on Singleton Boulevard between McPherson Street and Gulden Lane determined that installation of a pedestrian signal is warranted.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to increase appropriations in an amount not to exceed \$250,000.00 in the ECO (I) Fund, Fund 1V52, Department ECO, Unit VI08, Activity INFS, Object 4820, for design, construction, installation and city forces costs related to a new Hawk traffic signal to be installed at the crosswalk on Singleton Boulevard between McPherson Street and Gulden Lane, depicted in **Exhibit A**.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$250,000.00 from ECO (I) Fund, Fund 1V52, Department ECO, Unit VI08, Activity INFS, Object 4820, Program EC17VI08.

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

Exhibit A

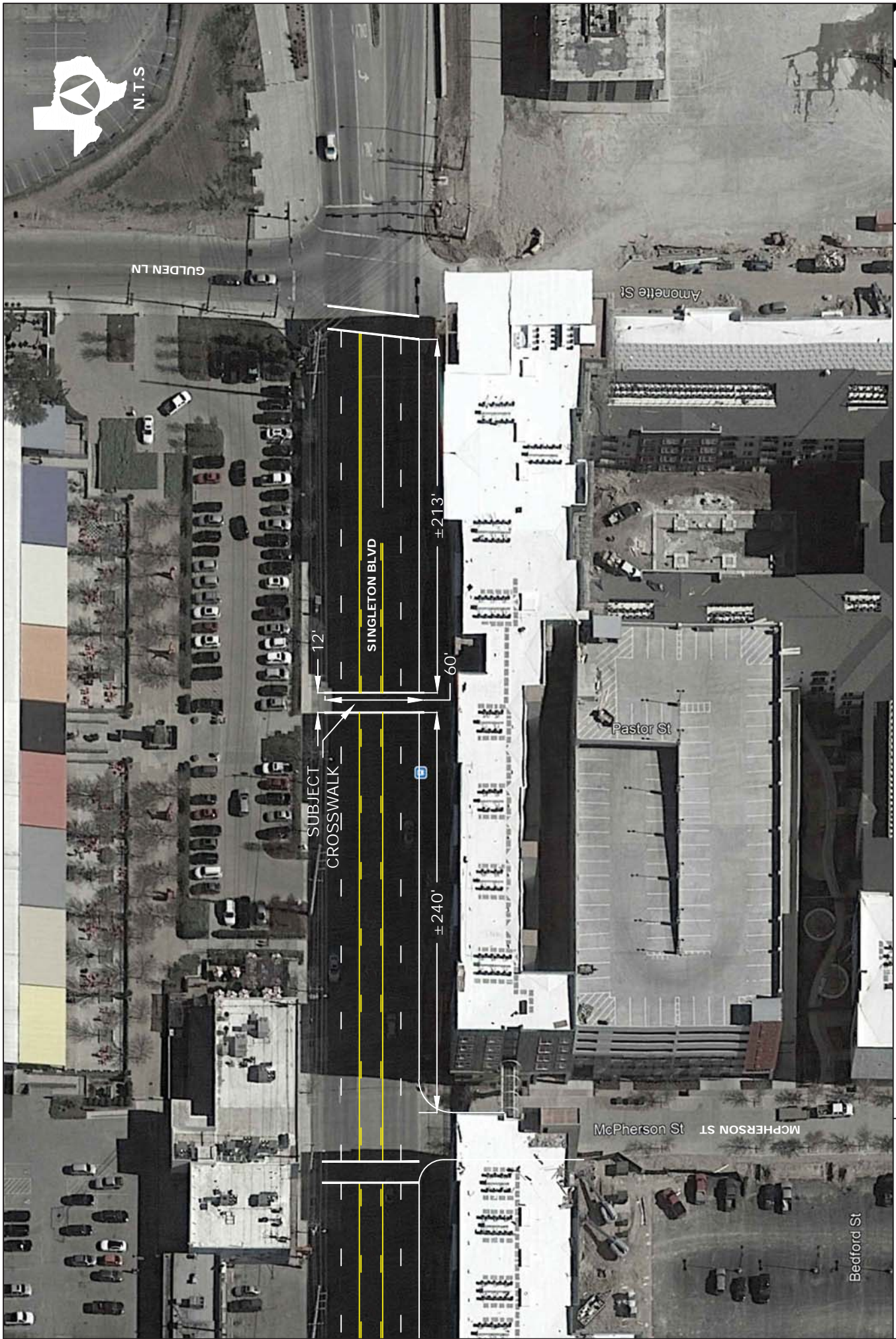


EXHIBIT  
PROJECT#: 17089  
DATE: OCT 2017

1

Crosswalk Location on Singleton Boulevard

Hybrid Beacon on Singleton Boulevard in Dallas, TX

**DeShazo Group**  
TRAFFIC & TRANSPORTATION ENGINEERS  
400 S. Houston Street Ste. 330  
Dallas, Texas 75202  
(214) 748-6740



Agenda Information Sheet

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**File #:** 19-757

**Item #:** 8.

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** June 12, 2019

**COUNCIL DISTRICT(S):** 5

**DEPARTMENT:** Office of Economic Development

**EXECUTIVE:** Michael Mendoza

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**SUBJECT**

Authorize a resolution **(1)** designating approximately 373 acres of property along Buckner Boulevard and Great Trinity Forest Way in the Pleasant Grove area of Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 10 (“City of Dallas NEZ No. 10”), pursuant to Chapter 378 of the Texas Local Government Code, to promote an increase in economic development in the zone, establish boundaries of the zone, and provide for an effective date; **(2)** creating a pilot economic development program for City of Dallas NEZ No. 10; and **(3)** increasing appropriations, future encumbrances, and disbursement as appropriate in an amount not to exceed \$1,000,000.00 - Financing: ECO (I) Fund (2017 Bond Funds)

**BACKGROUND**

This item is being placed on the addendum per the City Manager’s Office.

Chapter 378 of the Texas Local Government Code (the “Act”) provides for the creation of Neighborhood Empowerment Zones (“NEZ”s). A NEZ is a flexible tool that a municipality can utilize to implement an economic development program in a particular area. Pursuant to the Act, a NEZ can be created to promote any of the following: (1) creation and/or rehabilitation of affordable housing in the zone; (2) an increase in economic development in the zone; or (3) an increase in the quality of social services, education, or public safety for residents of the zone.

With this item, staff is proposing to create City of Dallas NEZ No. 10 for a geographic area approximately 373 acres in size generally located along Buckner Boulevard and Great Trinity Forest Way in the Pleasant Grove area of Dallas. The area is comprised mostly of small scale commercial uses and includes the Buckner Station at the southern terminus of the Dallas Area Rapid Transit Green Line. Most economic indicators show that the area is economically distressed.

In conjunction with the designation of City of Dallas NEZ No. 10, staff is proposing the creation of a pilot economic development program to encourage increased economic development in the zone.

City of Dallas NEZ No. 10, along with a customized economic development program, is anticipated to stimulate business and commercial activity, retain and grow existing smaller businesses, retain and create jobs, increase occupancy of existing building space, encourage reinvestment in existing building stock, and incentivize workforce development/job training programs.

The pilot program is intended to spur investment within the boundary, consistent with the Pleasant Grove Now initiative. Staff is proposing that \$1,000,000.00 of City Council District 5 discretionary bond funding from Proposition I be dedicated to City of Dallas NEZ No. 10 as a dedicated source of funds to catalyze future economic development projects in the zone.

For the pilot economic development program, staff is proposing to tailor the minimum project eligibility criteria to support the proposed City of Dallas NEZ No. 10. Instead of the minimum project eligibility criteria for a target area of 25 jobs or \$1,000,000.00 of private investment required by the City's Public/Private Partnership Program Guidelines and Criteria, staff is proposing that a project seeking incentives in City of Dallas NEZ No. 10 must create/retain at least 5 jobs or provide at least \$75,000.00 of private investment.

For projects that meet the minimum eligibility criteria, the following incentive tools will be available and actively marketed to property owners and businesses within City of Dallas NEZ No. 10 (evaluated on a case-by-case basis based on specifics of each project and incentive application):

- real property tax abatement: up to 90 percent for ten years
- business personal property tax abatement: up to 50 percent for five years
- Southern Dallas Investment Fund
- grants and loans
- incentives for workforce development/job training
- other economic development tools specifically marketed to the zone (public improvement district; New Markets Tax Credits; Property Assessed Clean Energy (PACE) financing; State of Texas incentives)

Staff recommends creation of City of Dallas NEZ No. 10, creation of a pilot economic development program specifically tailored for City of Dallas NEZ No. 10, and dedication of \$1,000,000.00 to the pilot economic development program for City of Dallas NEZ No. 10 from 2017 general obligation bond funding (Proposition I: Economic Development and Housing).

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Information about this item was provided to the Economic Development and Housing Committee on June 3, 2019.

### **FISCAL INFORMATION**

ECO (I) Fund (2017 Bond Funds) - \$1,000,000.00

### **MAP**

Attached





June 12, 2019

**WHEREAS**, the City recognizes the importance of its role in local economic development; and

**WHEREAS**, it is in the interest of the City of Dallas (the "City") to support and secure the retention and expansion of business operations within the city of Dallas and the economic vitality and employment opportunities that these business operations bring for Dallas residents; and

**WHEREAS**, on December 12, 2018, City Council elected to continue its participation in economic development incentives and re-adopted its Public/Private Partnership Program - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects; established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code ("Economic Development Act"); and established appropriate guidelines and criteria governing tax abatement agreements to be entered into by City as required by the Property Redevelopment and Tax Abatement Act, as amended, (V.T.C.A. Tax Code, Chapter 312) ("Tax Abatement Act") by Resolution No. 18-1861; and

**WHEREAS**, Title 12 of the Local Government Code, Section 378.002 requires that the creation of the City of Dallas Neighborhood Empowerment Zone No. 10 ("City of Dallas NEZ No. 10") promote: (1) the creation or rehabilitation of affordable housing in the zone, or (2) an increase in economic development in the zone, or (3) an increase in the quality of social services, education or public safety provided to the residents of the zone; and

**WHEREAS**, the City finds that the creation of the City of Dallas NEZ No. 10 will promote an increase in economic development in the zone by promoting increased business and commercial activity, job retention and job growth by smaller businesses, increased occupancy of existing building space, reinvestment in existing building stock, and workforce development/job training programs; and

**WHEREAS**, the City finds that the creation of the City of Dallas NEZ No. 10 benefits the public and is for the public purpose of increasing the public health, safety, and welfare of the persons in the municipality; and

**WHEREAS**, the City finds that the creation of the zone satisfies the requirements of the Property Redevelopment and Tax Abatement Act Section 312.202 in that the creation of the zone is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the properties and that would contribute to the economic development of the municipality; and

June 12, 2019

**WHEREAS**, the City desires to pursue the creation of the proper economic and social environment by way of tailoring project eligibility criteria in order to induce the investment of private resources in new or existing business enterprises located in the City of Dallas NEZ No. 10; and

**WHEREAS**, on June 3, 2019, the Economic Development and Housing Committee reviewed the proposed City of Dallas NEZ No. 10 and recommended City Council authorization of a resolution (1) designating approximately 373 acres of property along Buckner Boulevard and Great Trinity Forest Way in the Pleasant Grove area of Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 10 (“City of Dallas NEZ No. 10”), pursuant to Chapter 378 of the Texas Local Government Code, to promote an increase in economic development in the zone, establish boundaries of the zone, and provide for an effective date; (2) creating a pilot economic development program for City of Dallas NEZ No. 10; and (3) increasing appropriations, future encumbrances, and disbursement as appropriate for a total amount not to exceed \$1,000,000.00.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

**SECTION 2.** That City Council authorizes a resolution **(1)** designating approximately 373 acres of property along Buckner Boulevard and Great Trinity Forest Way in the Pleasant Grove area of Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 10 (“City of Dallas NEZ No. 10”), pursuant to Chapter 378 of the Texas Local Government Code, to promote an increase in economic development in the zone, establish boundaries of the zone, and provide for an effective date; and **(2)** creating a pilot economic development program for City of Dallas NEZ No. 10.

**SECTION 3.** That the City Manager is hereby authorized to increase appropriations in an amount not to exceed \$1,000,000.00 in ECO Dev Program for City of Dallas Neighborhood Empowerment Zone No. 10, ECO (I) Fund, Fund 1V52, Department ECO, Unit VI13, Activity ECNR, various Object Codes, for the 2017 Bond Fund associated with the creation of City of Dallas NEZ No. 10 and as specified in Section 2 of this resolution.

June 12, 2019

**SECTION 4.** That pursuant to Section 2 of this resolution, the Chief Financial Officer is hereby authorized to disburse funds in the future in amounts authorized by administrative action or authorization by City Council for amounts higher than those allowed by administrative action in an amount not to exceed \$1,000,000.00 to vendors to be determined in the future from ECO (I) Fund, Fund 1V52, Department ECO, Unit VI13, Activity ECNR, various Object Codes, Program EC17VI13.

**SECTION 5.** That the City of Dallas NEZ No. 10 is hereby created as depicted on the map attached as **Exhibit A**, describing the boundary of City of Dallas NEZ No. 10.

**SECTION 6.** That City Council hereby authorizes a pilot economic development program specifically for City of Dallas NEZ No. 10 with the following minimum project eligibility criteria: projects must create/retain at least five jobs or provide at least \$75,000.00 in private investment to be eligible for economic development assistance.

**SECTION 7.** That for projects meeting the minimum eligibility criteria, the following incentive tools are available and shall be actively marketed to property owners and businesses within City of Dallas NEZ No. 10:

- (a) Real property tax abatement: up to 90 percent for ten years
- (b) Business personal property tax abatement: up to 50 percent for five years
- (c) Southern Dallas Investment Fund
- (d) Grants and loans
- (e) Incentives for workforce development/job training
- (f) Other tools specifically marketed to the zone (public improvement district; New Markets Tax Credits; Property Assessed Clean Energy (PACE) financing; State of Texas incentives.

**SECTION 8.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.





Agenda Information Sheet

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**File #:** 19-850

**Item #:** 9.

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** June 12, 2019

**COUNCIL DISTRICT(S):** 6

**DEPARTMENT:** Office of Economic Development

**EXECUTIVE:** Michael Mendoza

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**SUBJECT**

Authorize **(1)** a development agreement with DD Dunhill Hotel LLC (“Developer”) and/or its affiliates in an amount not to exceed \$3,622,885.00, payable from future Design District TIF District Funds, in consideration of the Virgin Hotel Infrastructure Project on and adjacent to property currently addressed at 1909 Hi Line Drive in Tax Increment Financing Reinvestment Zone Number Eight (Design District TIF District); and **(2)** an increase in appropriations in an amount not to exceed \$3,622,885.00 in the Design District TIF District Fund - Not to exceed \$3,622,885.00 - Financing: Design District TIF District Fund (subject to current and future appropriations from tax increments)

**BACKGROUND**

This item is being placed on the addendum per the City Manager’s Office.

Staff has been working with DD Dunhill Hotel LLC (“Developer”) on a request for TIF funding for public infrastructure improvements that provide some streetscape enhancements adjacent to the Virgin Hotel development while primarily facilitating extended streetscape improvements along Hi Line Drive to connect to the Trinity Strand Trail of district-wide benefit (the “Project”).

The Virgin Hotel will consist of approximately 268 hotel rooms in a 16-story high density urban style project with structured parking (approximately 188 spaces) on a one-acre parcel currently addressed located at 1909 Hi Line Drive. Investment in the project is estimated to exceed \$107 million.

This development is the first new hotel in the Design District TIF District on a site that fits with other new development but at a higher density. The project was reviewed by the City’s Urban Design Peer Review Panel (“UDPRP”) in March 2017. One specific suggestion of the UDPRP was to consider, if TIF funding were available, extending streetscape improvements to the end of Hi Line Drive to “complete the street” leading to the Trinity Strand trailhead.

Staff has also been in discussions with the Friends of the Trinity Strand Trail and the City's Park Department on a potential pedestrian bridge that would connect from the Hi Line Drive trailhead across the meanders to the Market Center Boulevard area.

A future district-wide TIF funding request may be considered once the project scope is further defined. The streetscape improvements proposed with the Virgin Hotel Infrastructure Project ("Project") will set the stage for this future trail connection.

On May 24, 2019, the Design District TIF District Board of Directors reviewed the proposed Project and recommended that, upon completion of the Project and satisfaction of all Project requirements, the Project shall be eligible for a total Tax Increment Financing ("TIF") subsidy ("TIF Subsidy") in an amount not to exceed \$3,622,885.00 from future Design District TIF District revenues to be dedicated to reimbursing public infrastructure and streetscape improvement costs. No portion of the TIF Subsidy will be used as gap financing for the vertical construction of the Virgin Hotel itself.

The recommended TIF-funded improvements include a portion of Phase I improvements adjacent to the Virgin Hotel and Phase II, streetscape and utility burial improvements extending beyond the Project along Hi Line Drive west to the Trinity Strand Trail head as recommended by the UDPRP. These improvements would complete the streetscape connection to the trail.

Phase I: \$1,080,085.00

- (a) Paving and streetscape improvements - \$705,085.00 along Hi Line Drive and Turtle Creek Boulevard in the public right-of-way adjacent to the Virgin Hotel.
- (b) Utility burial (partial reimbursement of total cost incurred) - \$375,000.00 along Hi Line Drive and Turtle Creek Boulevard in the public right-of-way adjacent to the Virgin Hotel.

Phase II: \$2,542,800.00 for extended public improvements

- (a) Paving and streetscape improvements - \$2,151,800.00 along both sides of Hi Line Drive from the Project site to the western end at the Trinity Strand Trail head.
- (b) Overhead utility burial - \$391,000.00 along Hi Line Drive from the Project site to the western end at the Trinity Strand Trail head.

City Council's approval of this item will authorize the City Manager to execute the development agreement as well as any other related documents.

**ESTIMATED SCHEDULE OF PROJECT**

Begin Construction June 2019  
Complete Construction June 2020

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On June 8, 2005, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Eight, the Design District TIF District by Resolution No. 05-1780; Ordinance No. 26021, as amended.

On April 12, 2006, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Design District TIF District by Resolution No. 06-1076; Ordinance No. 26303; as amended.

On May 24, 2019, the Design District TIF District Board of Directors reviewed the proposed Virgin Hotel Infrastructure Project and recommended City Council authorization of a development agreement with DD Dunhill Hotel LLC and/or its affiliates in an amount not to exceed 3,622,885.00.

The Economic Development and Housing Committee was briefed regarding this matter on June 3, 2019.

**FISCAL INFORMATION**

Design District TIF District Fund - \$3,622,885.00 (subject to current and future appropriations from tax increments)

**OWNER/DEVELOPER**

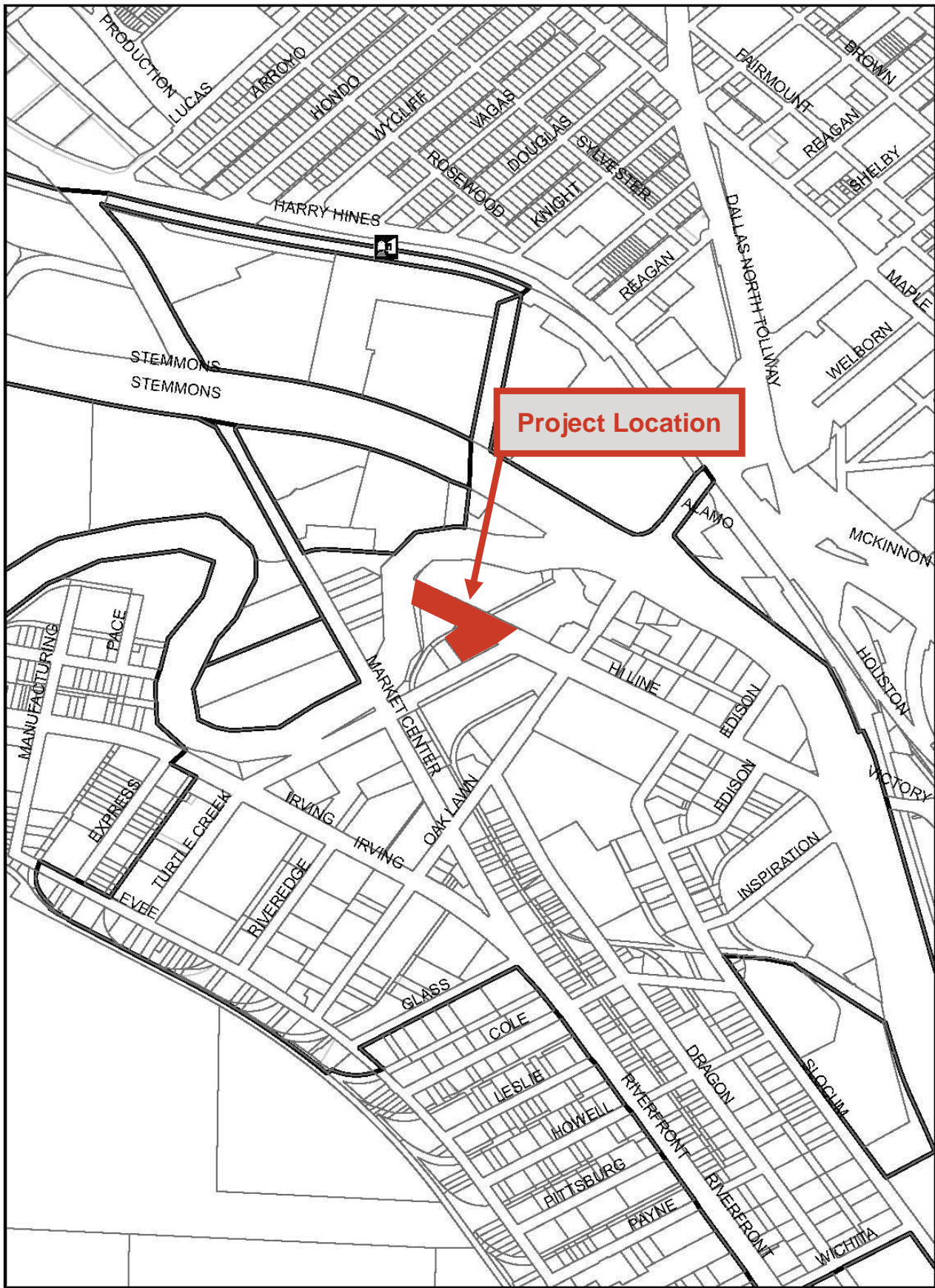
**DD Dunhill Hotel LLC**

Tim Denker, Executive Vice President

**MAP**

Attached





**Virgin Hotel  
Infrastructure  
Project**

 Design District TIF Boundary

 Project Location

 DART/TRE Light Rail Stations



CITY OF DALLAS

Office of Economic  
Development  
May 2019

June 12, 2019

**WHEREAS**, the City recognizes the importance of its role in local economic development; and

**WHEREAS**, on June 8, 2005, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Eight, the Design District TIF District by Resolution No. 05-1780; Ordinance No. 26021, as amended; and

**WHEREAS**, on April 12, 2006, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Design District TIF District by Resolution No. 06-1076; Ordinance No. 26303; as amended; and

**WHEREAS**, on May 24, 2019, the Design District TIF District Board of Directors reviewed the proposed Virgin Hotel Infrastructure Project and recommended City Council authorization of a development agreement with DD Dunhill Hotel LLC and/or its affiliates in an amount not to exceed \$3,622,885.00; and

**WHEREAS**, to further implement the Design District TIF District Project Plan and Reinvestment Zone Financing Plan, the City desires to enter into a development agreement with DD Dunhill Hotel LLC and/or its affiliates in an amount not to exceed \$3,622,885.00 (“TIF Subsidy”), payable from future Design District TIF District Funds, in consideration of the Project on and adjacent to property currently addressed located at 1909 Hi Line Drive.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to execute a development agreement between DD Dunhill Hotel LLC, (“Developer”) and/or its affiliates in an amount not to exceed \$3,622,885.00, payable from future Design TIF District Funds, in consideration of the Virgin Hotel Infrastructure Project (“Project”) on and adjacent to property currently addressed located at 1909 Hi Line Drive in Tax Increment Financing Reinvestment Zone Number Eight (Design District TIF District), approved as to form by the City Attorney, thereby confirming the Design District TIF District Board of Director’s dedication of future tax increment revenues, in an amount not to exceed \$3,622,885.00 as shown in **Exhibit A**.

This Project includes paving, streetscape, and utility burial improvements as part of the implementation of the Design District TIF District Project Plan and Reinvestment Zone Financing Plan.

**SECTION 2.** That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

June 12, 2019

**SECTION 3.** That the City Manager is hereby authorized to increase appropriations in the Design District TIF District Fund, in an amount not to exceed \$3,622,885.00 as referenced in Section 4.

**SECTION 4.** That the Chief Financial Officer is hereby authorized to disburse funds to DD Dunhill Hotel LLC and/or its affiliates from the Design District TIF District Fund (subject to current and future appropriations from tax increments), as follows:

Design District TIF District Fund  
Fund 0050, Department ECO, Unit W301 Object 4510  
Activity DDTD, Program DDTIF0008  
Encumbrance/Contract No. ECO-2019-00010510  
Vendor VS100354, in an estimated amount of \$2,856,885.00

Design District TIF District Fund  
Fund 0050, Department ECO, Unit W301, Object 4599  
Activity DDTD, Program DDTIF0008  
Encumbrance/Contract No. ECO-2019-00010510  
Vendor VS100354 in an estimated amount of \$ 766,000.00

For a total amount not to exceed \$3,622,885.00

Funds may be shifted from one category to another as long as the total amount of TIF funding does not exceed \$3,622,885.00.

**SECTION 5.** That the Developer shall design, fund and/or construct the Virgin Hotel and related public infrastructure improvements on and adjacent to property currently addressed at 1909 Hi Line Drive in the Design District TIF District as described in Section 6 and in substantial conformance with **Exhibit B1-B3**.

**SECTION 6.** That nothing in this resolution shall be construed to require the City to approve payment from any source of City funds other than the Design District TIF District Fund and/or Tax Increment Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Design District TIF District, due to lack or unavailability of Design District TIF District Funds, shall no longer be considered project costs of the Design District TIF District or the City, and the obligation of the Design District TIF District to pay Developer shall automatically expire.

June 12, 2019

**SECTION 7.** That in addition to the conditions set out in the sections above, the development agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- A. Developer will invest and document a minimum of \$75 million in private improvements in the Project, including all land and building acquisition, site preparation, construction hard costs, and furniture/fixtures/equipment (excluding soft costs). Expenditures made towards the minimum private investment requirement shall include amounts paid prior to this authorization.
- B. As consideration for Developer implementing Phase II extended improvements along with the requirements under Section 6I, 6J, and 6L below, prior costs incurred before TIF Board approval on May 24, 2019 that will be eligible for TIF reimbursement include a portion of Phase I overhead utility burial costs and design and engineering work incurred for Phase II.
- C. The Project shall include a minimum of 280,000 square feet of hotel and/or commercial space.
- D. The proposed management group for the project must be submitted by December 31, 2019 or at least three months prior to opening, whichever occurs first for review by the Director of the Office of Economic Development to consider acceptance based on a review of the management group's comparable experience managing other hotel, commercial, or mixed-use projects, such approval not being unreasonably withheld.
- E. Developer will provide public access easements or another instrument acceptable to the Director of the Office of Economic Development if improvements as part of the Project require encroachment on private property to meet approved design specifications to be considered for TIF reimbursement.
- F. Developer will obtain a letter of acceptance or similar documentation issued by the City signifying acceptance of the TIF eligible improvements by June 30, 2020.
- G. Developer will complete construction and pass final building inspection for the building shell of the Project by June 30, 2020.
- H. If applicable, Developer will obtain a letter of acceptance or similar documentation issued by the City signifying acceptance of any public infrastructure improvements associated with the Project by June 30, 2022.

**SECTION 7.** (continued)

- I. Developer will execute and fund an Operating and Maintenance Agreement for all non-standard TIF eligible improvements by June 30, 2020. Compliance with the executed operating and maintenance agreement shall be required of all future owners for the entire period of the Operating and Maintenance Agreement. If Developer chooses to forgo the TIF Subsidy, Developer shall remain responsible for the maintenance of the non-standard public improvements through the term of the operation and maintenance agreement. The maintenance obligations under the development agreement (and the operation and maintenance agreement) is assignable to a new owner of all or a portion of the Project or to the manager of a public improvement district or a property owner's association with the written consent of the Director, which consent shall not be unreasonably withheld.
- J. Developer will comply with a Business Inclusion and Development goal for the TIF reimbursable improvements (hard construction costs only) of at least 25 percent and meet all reporting requirements.
- K. Until the Project has passed final building inspection for the building shell and all required paperwork for TIF reimbursement has been submitted, Owner will submit to the Office of Economic Development a quarterly status report for ongoing work on the Project, as well as public improvements. Such status reports will be due to the Office of Economic Development no later than the 30<sup>th</sup> calendar day after the end of each calendar quarter after the City Council approval date.
- L. Developer will construct public and private improvements that conform in design and materials to images and site plans approved by the City's Department of Planning and Urban Design as shown in **Exhibit B1-B3** – conceptual site plan (which may have minor modifications due to re-platting, access easement changes, or similar matters). The City Design Studio's Urban Design Peer Review Panel (UDPRP) made design recommendations (**Exhibit B-4**). In addition, the Design District TIF Board of Directors requested that the following elements be considered if feasible including a wider pedestrian path in the median, installing a drinking fountain, and additional pedestrian lighting on the south side of Hi Line Drive. As the final step in the UDPRP process, Developer will provide a set of permit drawings for the Project to the City's Department of Planning and Urban Design Staff for internal review, final modifications and approval to ensure compliance to UDPRP recommendations and responses.
- M. Developer will provide evidence that reasonable efforts were made to promote the hiring of neighborhood residents for any new jobs created.

**SECTION 7.** (continued)

- N. Developer agrees not to appeal the property's Dallas Central Appraisal District valuation below a minimum value of \$54 million for a period of ten years from construction completion.
- O. The City reserves the right to discontinue TIF payments if Developer fails to maintain on an annual basis an operational full-service four to five-star hotel with an internationally known hotel chain on the property for no less than ten years.
- P. Developer must secure City approval by the Director of the Office of Economic Development for the sale of any component of the Project prior to the ten-year anniversary of the completion of the Project.
- Q. The Director of the Office of Economic Development, after approval and recommendation of the TIF Board, may authorize minor modifications to the Project including development mix and/or an extension of the project deadlines up to six months.

**SECTION 8.** That payment of the TIF Subsidy is subject to the availability of tax increment. If the appraised value of the property in the Design TIF District remains constant or decreases in value from the base year value, the TIF Subsidy for that year may be reduced or unpaid due to the lack of available increment. The TIF Subsidy shall be paid solely from the Tax Increment Fund, if and when tax increments are received and available for such purpose, during the life of the Design TIF District (including collection of the 2027 tax year increments in calendar year 2028), subject to the limitations on repayment of the TIF Subsidy provided in the development agreement.

**SECTION 9.** That assuming all other conditions for payment have been met, the City of Dallas will administer the payment of the TIF Subsidy for the Project annually, pursuant to the Design District TIF District Increment Allocation Policy attached hereto as **Exhibit C**. In addition, Phase II improvements may be reimbursed from available cash or if not sufficient TIF district-wide set aside funding may be utilized up to \$2,542,800.00 upon completion of all development agreement obligations.

**SECTION 10.** That until completion of the Project, an assignment of the rights and/or the obligations of the development agreement, in whole or in part, will only be allowed to a direct affiliate of Developer with the prior written approval of the Director of the Office of Economic Development. After completion, an assignment of the agreement to a non-affiliated entity will require written approval of the Director of the City of Dallas Office of Economic Development to consider acceptance based on a review of the entity's comparable experience managing similar projects with approval not to be unreasonably withheld.

June 12, 2019

**SECTION 11.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**Exhibit A**  
**Virgin Hotel Infrastructure Project – TIF Project Budget**

<b>TIF Improvement Category</b>	<b>Amount</b>
<b>Design District Sub-District:</b>	
<i>Paving &amp; Streetscape</i>	\$2,856,885
<i>Utility Burial</i>	\$766,000
<b>TOTAL TIF REQUEST</b>	<b>\$3,622,885</b>

Related design, engineering, and professional services may be included in these categories. Expenditures may be shifted from one eligible TIF-eligible item to another as long as the total amount of TIF funding does not exceed \$3,622,885; however, Phase I improvement funding is limited to a total of \$1,080,085. The TIF financial contribution to the project could be less if actual costs are less





### Exhibit B-1 Phase I - Streetscape

<b>OWNER</b> 5G LLC 3100 Westwood Ave. Suite 300 Dallas, TX 75201 (214) 396-1325 (Site Management)	<b>OPERATOR</b> 5G LLC 3100 Westwood Ave. Suite 300 Dallas, TX 75201 (214) 396-1325 (Site Management)	<b>DEVELOPER</b> Garrison Capital 1000 Westwood Ave. Suite 300 Dallas, TX 75201 (214) 396-1325 (Site Management)	<b>CONSTRUCTION MANAGEMENT</b> 5G Construction LLC 1201 Main Street Dallas, TX 75202 (214) 396-1325 (Site Management)	<b>ARCHITECT</b> 5G Architecture LLC 300 Main Street, Suite 502 Dallas, TX 75202 (214) 396-1325 (Site Management)	<b>MEP</b> James A. Baker Engineering, Suite 302 1920 East Dallas Street, Suite 302 Dallas, TX 75218 (214) 443-2000	<b>LANDSCAPE</b> BNA Group 2000 Westwood Ave. Suite 300 Dallas, TX 75201 (214) 396-1325 (Site Management)	<b>CIVIL</b> 22222 Main Street, Suite 402 Dallas, TX 75228 (214) 396-1325 (Site Management)	<b>STRUCTURAL</b> 22222 Main Street, Suite 402 Dallas, TX 75228 (214) 396-1325 (Site Management)	<b>INTERIORS</b> Chester James Interior Design (SIAD) 1000 Westwood Ave. Suite 300 Dallas, TX 75201 (214) 396-1325 (Site Management)	<b>LIGHTING</b> 1420 Duval West Plaza, Suite C40 Dallas, TX 75218 (214) 396-1325 (Site Management)	<b>GEOTECHNICAL</b> 1420 Duval West Plaza, Suite C40 Dallas, TX 75218 (214) 396-1325 (Site Management)	<b>KITCHEN DESIGN</b> The Open 7th Company 1000 Westwood Ave. Suite 300 Dallas, TX 75201 (214) 396-1325 (Site Management)	<b>SUSTAINABILITY CONSULTANT</b> 1775 Greenleaf Center, Suite 200 Dallas, TX 75201 (214) 396-1325 (Site Management)	<b>LOW VOLTAGE</b> 1000 Westwood Ave. Suite 300 Dallas, TX 75201 (214) 396-1325 (Site Management)	<b>CONTRACTOR</b> Alpha Construction 1000 Westwood Ave. Suite 300 Dallas, TX 75201 (214) 396-1325 (Site Management)
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PHASE I - STREETScape

# Exhibit B-2 Phase II - Streetscape



- OWNER**  
SG  
3310 Woodloch Lake Blvd, Suite 300  
Denton, TX 76201  
(817) 391-1301, 1302 (SF: 431468)
- OPERATOR**  
SG  
3310 Woodloch Lake Blvd, Suite 300  
Denton, TX 76201  
(817) 391-1301, 1302 (SF: 431468)
- DEVELOPER**  
Crestwood Capital  
10200 Westbelt Blvd, Suite 100  
Dallas, TX 75240  
(972) 504-7477 (Cellular)
- CONSTRUCTION MANAGEMENT**  
JEA Construction Management, LLC  
15350 Rockledge Blvd, Apt 411, Dallas, TX 75244  
Dallas, TX 75244, 75222 (Cellular)  
(214) 336-1332 (Text: 3332) (Email: 3332)
- ARCHITECT**  
Crestwood Capital, LLC  
300 Sanson St., Suite 502  
Dallas, TX 75201  
(214) 752-2300 (Fax: 549) (Cell: 343)
- MEP**  
James A. Baker Engineers, Suite 302  
2525 East Commerce Street, Suite 302  
Denton, TX 76201  
(817) 391-9999 (Cell: 4444)
- LANDSCAPE**  
SMA Group  
3000 West Loop West, Suite 300  
Dallas, TX 75241  
(214) 354-8575 (Direct: 4444)
- CIVIL**  
Denton  
12302 West Chime Street, Suite 402  
Denton, TX 76201  
(817) 391-9011 (Mailing: 4444) (P.E.)
- STRUCTURAL**  
Denton  
12302 West Chime Street, Suite 402  
Denton, TX 76201  
(817) 391-9011 (Mailing: 4444) (P.E.)
- INTERIORS**  
Design + Color Architects (DCA)  
300 West Loop West, Suite 300  
Denton, TX 76201  
(817) 391-9999 (Cell: 4444)
- LIGHTING**  
1920 Decker Valley Road, Suite 300  
Denton, TX 76201  
(817) 391-9999 (Cell: 4444)
- GEOTECHNICAL**  
Denton  
12302 West Chime Street, Suite 402  
Denton, TX 76201  
(817) 391-9011 (Mailing: 4444) (P.E.)
- KITCHEN DESIGN**  
The Open Hand Contractors  
1000 West Loop West, Suite 300  
Denton, TX 76201  
(817) 391-9999 (Cell: 4444)
- SUSTAINABILITY CONSULTANT**  
The Green Hand Contractors  
1000 West Loop West, Suite 300  
Denton, TX 76201  
(817) 391-9999 (Cell: 4444)
- LOW VOLTAGE**  
The Green Hand Contractors  
1000 West Loop West, Suite 300  
Denton, TX 76201  
(817) 391-9999 (Cell: 4444)
- CONTRACTOR**  
Andrew Construction  
1000 West Loop West, Suite 300  
Denton, TX 76201  
(817) 391-9999 (Cell: 4444)



NO.	DATE	REVISION

PROPOSED STREETScape PHASE II: THE GREEN HAND CONTRACTORS, THE GREEN HAND CONTRACTORS, 1000 WEST LOOP WEST, SUITE 300, DENTON, TX 76201. (817) 391-9999. (CELL: 4444)

**VIRGIN HOTEL**

# Exhibit B-3 Virgin Hotel rendering



# Exhibit B-4

City of Dallas

## UDPRP Review Summary **DRAFT 03.24.17**

Urban Design Peer Review Panel

DATE: 03.24.17

TIME: 8:30am

**PROJECT: Virgin Hotel**

LOCATION: Dallas City Hall Room 5ES

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### Overview

Below is a summary of Urban Design Peer Review Panel advice for the Virgin Hotel, as derived from the March 24th Peer Review session.

### Advice Summary

- [1] The panel strongly recommends the extension of the proposed street right-of-way treatments beyond the project site, across Hi Line Drive and down to the Trinity Strand Trailhead.
- [2] The panel expresses concern over the livelihood of the existing large oak trees and recommends that the landscape and hardscape schemes recognize flexibility to enhance their survival.
- [3] Leverage opportunities for placemaking elements that help visually orient people to the Trinity Strand Trail from Hi Line Drive and support existing wayfinding signage.
- [4] The panel recommends a more prominent connection from the bicycle parking area to the central median pathways and improvements.
- [5] Consider utilizing the proposed facade system to contribute to the masking or softening of service areas or inactive portions of the south and east ground level facades.
- [6] The panel recommends the exploration of an additional access point, through a stair or other similar means, to the patio deck along Turtle Creek. Additionally, the panel recommends the softening of the proposed retaining wall through methods such as a seating wall areas and landscape treatments.
- [7] The panel recommends the addition of street trees wherever possible and where utilities allow.
- [8] Consider opportunities to filter storm water through landscape areas rather than moving directly off site.
- [9] The panel supports and applauds any effort to utilize the triangular parcel to the north as an opportunity to further activate and enliven the neighborhood and trailhead.

**Exhibit C**  
**TIF Increment Allocation Policy**  
**Design District TIF District**  
**Approved by the TIF Board on June 5, 2008**  
**Amended June 20, 2013**

It is important for the City of Dallas to encourage as many projects as possible in the Design District TIF District (the "Design District TIF" or "District"). In that spirit, Design District TIF funds will be allocated to Developers proportionately, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District.

**Definitions:**

**Project (TIF-eligible)** - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. The Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

**Developer** – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

**Related Project/Developer** – if a Developer or a Developer's affiliates (as defined in a development agreement) has other development or redevelopment projects in addition to a TIF-eligible Project, increment from those Related Project(s) may be included in Individual Increment for reimbursement of the TIF-eligible Project expenses. A Developer of a TIF-eligible Project must have at least 50% ownership in any Related Project. These requirements will be further specified in a development agreement where applicable.

Related Projects must create new taxable real property value for the District based on the following criteria:

- New development on previously vacant land or demolished structures.
- Redevelopment or major modification of an existing building if this results in an increased taxable value of 50% or more of the original building or any increase in the floor area of an original building if the expansion is over 50% for residential projects, over 65% for mixed-use projects, and over 75% for office/showroom projects.

**Total Increment** – the annual amount of increment deposited into the TIF fund from the participating jurisdictions.

**Individual Increment** – the portion of the increment that a Project or Related Project creates each year.

**Net Individual Increment** – Individual Increment less the Project's and/or Related Project's portion of Administrative Expenses each year. This portion will be based on the ratio of Individual Increment to Total Increment.

**Administrative Expenses** – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

**District-Wide Improvements** – improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

**Shared Increment** – the Total Increment less (1) the portion of Administrative Expenses not already deducted from Individual Increment, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all eligible Developers.

**Available Cash** - cash in the Design District TIF fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

**Procedure:**

Annually, after the Total Increment has been deposited in the TIF fund, the fund will pay or set aside Administrative Expenses based on a ratio of Individual Increments and any remaining costs from unallocated increment in the TIF fund and the amount allocated for District-Wide Improvements (as described below). After Administrative Expenses and any District-Wide Improvement allocation have been paid or set aside, Developers approved for TIF funding from the Design District TIF will be eligible to receive their Net Individual Increment.

In addition to their Net Individual Increment, Developers will be eligible to receive a portion of any Shared Increment. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's Individual Increment to the sum of the Individual Increments for all Projects eligible for reimbursement for that year.

Dallas Central Appraisal District (DCAD) certified values for each tax year will be the data source used to determine values for the increment allocation procedure. However, no increment allocation will be made unless a total Project or specific phase as defined in a development agreement is completed by May 1<sup>st</sup> of a given year. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

**Pre-existing Agreement**

This Increment Allocation Policy does not affect the Development Agreement for 1525 Turtle Creek at the District approved by City Council on August 9, 2006 by Resolution Nos. 06-2072 and 06-2073. That Project shall be reimbursed according to its Development Agreement, which states that the Developer is eligible for its own Individual Increment, the Individual Increment generated by Related Projects (as defined in the Development Agreement) and 80% of the Shared Increment after administrative expenses only (any set-aside for District-Wide Improvements will not occur until increment has been allocated to satisfy the terms of the Development Agreement).

**Catalyst Phase I Project for Expanded District:**

The District boundary and budget was expanded in 2013 to assist in facilitating the redevelopment of the former Dallas Apparel Mart site. Market Center Land, L.P., ("MCL"), an affiliate of Crow Holdings has a multi-phased master plan for the site that includes medical/office, a hotel, residential, and mixed uses.

The TIF District expansion created two sub-districts within the Design District TIF District: (1) Design District Sub-District (original district boundary plus additional property) and (2) Market Center/Stemmons Sub-District. The TIF Budget, as amended, includes consolidated budget categories for both sub-districts. However, increment collection for the district as a whole is intended to follow this increment allocation policy and will allow shared increment among both sub-districts based on eligible TIF projects in any given year.

Phase I is considered a catalyst project with the Dallas Proton Treatment Center being developed by another entity in cooperation with MCL that will also include infrastructure improvements essential for other phases of the master plan. The TIF District's obligation to the pre-existing agreement described above is anticipated to met prior to the completion of this Phase I catalyst project.

For the purposes of Individual Increment for the Phase I catalyst project, related projects may include those developed by either the Phase I developer and/or MCL or its affiliates within the Market Center/Stemmons Sub-District not seeking separate TIF incentives.

Pursuant to the standard provisions of this Policy once the Pre-Existing Agreement obligation is met, the project will be eligible to receive a portion of the Shared Increment after the annual set aside for District-Wide Improvements on a proportional basis (as described above).

**District-Wide Improvement Set-Aside**

When this Policy was first adopted and based on the pre-existing agreement, the TIF Board has set-aside 20% of any Shared increment for District-Wide Improvements after administrative expenses and obligations to the pre-existing agreement. Once the pre-existing agreement for 1525 Turtle Creek at the District has been fully reimbursed the set-aside for District-Wide improvements will continue at 20%. However, if the annual balance in the District-Wide Improvement Set-Aside exceeds \$500,000; the TIF Board may evaluate whether to reduce this percentage set-aside in any given year. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs. The TIF Board shall also have the discretion to release all or part of district wide set aside funds towards reimbursement of one or more TIF eligible projects.

**Sample Illustration**

(1) The following is a general example to illustrate the procedure described above **until** the 1525 Turtle Creek at the District Project is fully reimbursed per the pre-existing agreement:

<b>Total Increment</b>	<b>100</b>
Less Administrative Expenses	<u>-10</u>
<b>Subtotal</b>	<b>90</b>
<b>Distribution of Increment for Projects:</b>	
Net Project "Individual Increment"	36
<b>Distribution of Shared Increment:</b>	
Shared Increment Available for Distribution	<b>54</b>
80% of Shared Increment towards pre-existing agreement	<u>-43</u>

**Subtotal** (Unallocated Increment) 11

**Distribution of Unallocated Increment:** 11

Remaining 20% of unallocated Increment for District-Wide Improvements

(2) The following is a general example to illustrate the procedure described above **after** the 1525 Turtle Creek at the District Project is fully reimbursed per the pre-existing agreement and with the Catalyst Phase I Project described above being the only TIF eligible project:

<b>Total Increment</b>	<b>100</b>
Less Administrative Expenses	-10
Less 20% for District-Wide Improvements	18
<b>Subtotal</b>	<b>72</b>

Catalyst Phase I Project: Individual Increment	20
<b>Subtotal</b>	<b>52</b>

**Distribution of Shared Increment:**

Net Shared Increment (allocated proportionally). If no other TIF Projects the Catalyst Project will be reimbursed from all available shared increment 52

(3) The following is a general example to illustrate the procedure described above **after** the 1525 Turtle Creek at the District Project is fully reimbursed per the pre-existing agreement and at least two TIF eligible projects:

<b>Total Increment</b>	<b>100</b>
Less Administrative Expenses	-10
Less 20% for District-Wide Improvements	18
<b>Subtotal</b>	<b>72</b>

**Distribution of Increment for Projects:**

Catalyst Phase I Project: Individual Increment	20
Project # 2 Individual Increment	10
<b>Subtotal</b>	<b>42</b>

**Distribution of Shared Increment:**

Net Shared Increment (allocated proportionally among projects). 42



**Notes:**

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. Upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the TIF District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses, (2) District-Wide Improvements, and (3) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the Individual Increments for that year. If there is no revenue available after administrative expenses, there will be no increment payments that year.

At its discretion, the Design District TIF Board may make modifications or corrections to this Policy to increase its effectiveness.



Agenda Information Sheet

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**File #:** 19-885

**Item #:** 10.

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** June 12, 2019

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize **(1)** an action to confirm the sale of the *Robert E. Lee and the Confederate Soldier* sculpture, sold through an online auction held May 23, 2019 through June 5, 2019, to the highest bidder who tenders payment in full and executes a purchase agreement and bill of sale; and **(2)** the City Manager to execute a purchase agreement and bill of sale with the purchaser - Revenue: \$1,435,000

**BACKGROUND**

On May 22, 2019, City Council declared the sculpture titled the *Robert E. Lee and the Confederate Soldier* ("Sculpture"), by Alexander Phimister Proctor, as surplus property and authorized its sale pursuant to Section 2-37.4 of the Dallas City Code by Resolution No. 19-0825.

On May 22, 2019, City Council further established a reserve of \$450,000 for this item and required that the highest bidder enter into a purchase agreement whereby the purchaser agrees not to publicly display the Sculpture in the City of Dallas and also agrees to secure the same restriction from a subsequent purchaser.

Dallas City Code, Section 2-37.4, requires that when the highest bid for property is more than \$20,000, the sale to the highest bidder must be confirmed by City Council.

This action seeks City Council confirmation of the sale of the Sculpture, which was publicly auctioned May 23, 2019 through June 5, 2019, to the highest bidder who tenders payment in full and executes a purchase agreement and bill of sale. This action also seeks City Council authorization for the City Manager to execute the purchase agreement and bill of sale, approved as to form by the City Attorney, with the purchaser.

The City used its current contracted auctioneer, Lone Star Auctioneers, Inc., to auction the Sculpture. The auctioneer charges a seven percent premium paid by the buyer in lieu of collecting a commission from the City.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On May 22, 2019, City Council authorized a resolution declaring the *Robert E. Lee and the Confederate Soldier*, by Alexander Phimister Proctor, as surplus property; and authorizing a method of sale pursuant to Section 2-37.4 of the Dallas City Code by Resolution No. 19-0825.

**FISCAL INFORMATION**

Revenue: \$1,435,000.00

**PROCUREMENT INFORMATION**

The following bids were received via online auction, which closed on June 5, 2019:

\*Denotes highest bidder

<b><u>Bidder</u></b>	<b><u>Amount</u></b>
*Holmes Firm PC	\$1,435,000.00
Diamond A Ford	\$1,432,500.00
Twinwood (U.S.), Inc.	\$ 775,000.00
Patrick Shelby	\$ 550,000.00

**OWNER****Holmes Firm PC**

Ron Holmes, Shareholder

June 12, 2019

**WHEREAS**, on May 22, 2019, City Council declared the sculpture titled the *Robert E. Lee and the Confederate Soldier* ("Sculpture"), by Alexander Phimister Proctor, as surplus property, and authorized its sale pursuant to Section 2-37.4 of the Dallas City Code by Resolution No. 19-0825; and

**WHEREAS**, Dallas City Code, Section 2-37.4, requires that when the highest bid for property is more than \$20,000, the sale to the highest bidder must be confirmed by City Council; and

**WHEREAS**, the City Council has set the reserve for this online auction at \$450,000, and further required that the highest bidder enter into a purchase agreement and bill of sale agreeing not to publicly display the Sculpture in the City of Dallas and to secure the same restriction contractually with any subsequent purchaser if Sculpture is later sold.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the sale of the Sculpture, through an online auction which ran from May 23, 2019 through June 5, 2019, is hereby confirmed with the highest bidder who tenders payment in full and executes a purchase agreement and bill of sale with the City of Dallas ("Purchaser").

**SECTION 2.** That the City Manager is hereby authorized to execute a purchase agreement and bill of sale, approved as to form by the City Attorney, with Purchaser wherein Purchaser agrees not to publicly display the Sculpture in the City of Dallas and Purchaser further agrees to secure the same restriction contractually with any subsequent purchaser if Sculpture is later sold.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to receive and deposit funds received from the proceeds of the sale in the City's General Fund Contingency Reserve Fund, Fund 0001, Department NBG, Unit 1000, Revenue Code 8415.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



Agenda Information Sheet

File #: 19-848

Item #: 11.

**STRATEGIC PRIORITY:** Quality of Life  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 12  
**DEPARTMENT:** Park & Recreation Department  
**EXECUTIVE:** Willis C. Winters

**SUBJECT**

Authorize (1) reprogramming of \$600,000.00 from 2017 Bond Funds originally allocated for the Campbell Green Park - Site Improvements Project to the Hillcrest Village Green - Site Development Project; and (2) a contract for construction of the Hillcrest Village Green - Site Development Project located at 6959 Arapaho Road - RoeschCo Construction, Inc., best value proposer of two - Not to exceed \$4,293,900.00 - Financing: Park and Recreation Facilities (B) Fund (2017 Bond Funds)

**BACKGROUND**

This item is on the addendum at the request of the City Manager.

On May 8, 2019, the City of Dallas advertised a Request for Competitively Sealed Proposals (RFCSP) for the construction of the Hillcrest Village Green - Site Development Project. On May 24, 2019, the Office of Procurement Services received proposals from two firms and it was determined that RoeschCo Construction, Inc. was the best value proposer.

Proposals based on RFCSP are evaluated on pre-set criteria which include cost, qualifications of the prime contractor, subcontractor experience, construction amount and schedule ratings, which are based on mathematical formulas, with the best price and best schedule being given the highest scores. Ratings "1" to "10" are given for each criterion with "10" being the best rating. These ratings are multiplied by the weighting to obtain the score for each criterion. The following is a list of the rating criteria and values for each criterion:

<u>Rating Criteria</u>	<u>Value</u>
1. Proposed Construction Contract Amount	45%
2. Qualifications/Experience/References for Prime Firm	20%
3. Subcontractor Experience	10%
4. Business Inclusion and Development Plan	15%
5. Financial Sufficiency	5%
6. Schedule/Time of Completion	5%
	<u>100%</u>

This action will authorize a contract with RoeschCo Construction, Inc., best value proposer of two, in an amount not to exceed \$4,293,900.00 for the construction of the Hillcrest Village Green - Site Development Project. This action will also authorize reprogramming of \$600,000.00 of the \$900,000.00 from 2017 Bond Funds originally allocated for the Campbell Green Park - Site Improvements Project to the Hillcrest Village Green - Site Development Project; reducing the allocation for Campbell Green Park - Site Improvements Project to \$300,000.00 and increasing the allocation for the Hillcrest Village Green - Site Development Project from \$6,500,000.00 to \$7,100,000.00. The Hillcrest Village Green bond program allocation includes land acquisition and development of a new park.

The scope of work for this new park will include a lawn area, irrigation, landscaping, playground, prefab rest room building, pavilion, seating and paving.

### **ESTIMATED SCHEDULE OF PROJECT**

Began Design	July 2018
Completed Design	April 2019
Begin Construction	July 2019
Complete Construction	April 2020

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On February 15, 2018, the Park and Recreation Board was briefed on the proposed new city park at Hillcrest Road and Arapaho Road.

On March 22, 2018, the Park and Recreation Board authorized the acquisition.

On May 3, 2018, the Park and Recreation Board authorized a twenty-year development and maintenance agreement, with two five-year renewal options, with SHOPCO DEV LLC and Hillcrest Village Green as the placeholder name.

Information about this item was provided to the Quality of Life, Arts and Culture Committee on May 14, 2018.

On May 23, 2018, City Council authorized acquisition from SHOPCO DEV LLC, of a tract of land containing a total of approximately 65,716 square feet located at 6959 Arapaho Road for a proposed new park and a twenty-year development and maintenance agreement, with two five-year renewal options, with SHOPCO DEV LLC for the new park by Resolution No. 18-0763.

On September 20, 2018, the Park and Recreation Board authorized a professional services contract with The Broussard Group, Inc. dba TBG Partners.

Information about this item was provided to the Quality of Life, Arts and Culture Committee on October 22, 2018.

On October 24, 2018, City Council authorized a professional services contract with The Broussard Group, Inc. dba TBG Partners for design development, construction documents, procurement and construction observation phases for Hillcrest Village Green located at 6959 Arapaho Road by Resolution No. 18-1523.

On May 16, 2019, the Park and Recreation Board authorized the submittal of a contract directly to the City Council for construction of the Hillcrest Village Green - Site Development Project located at 6959 Arapaho Road.

Information about this item will be provided to the Quality of Life, Arts and Culture Committee on June 10, 2019.

**FISCAL INFORMATION**

Park and Recreation Facilities (B) Fund (2017 Bond Funds) - \$4,293,900.00

**M/WBE INFORMATION**

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<b>Contract Amount</b>	<b>Category</b>	<b>M/WBE Goal</b>	<b>M/WBE%</b>	<b>M/WBE \$</b>
\$4,293,900.00	Construction	25.00%	63.58%	\$2,729,900.00
• This contract exceeds the M/WBE goal.				

**PROCUREMENT INFORMATION**

The following two proposals were received and opened on May 24, 2019:

\*Denotes successful proposer

<b><u>Proposers</u></b>	<b><u>Base Price</u></b>	<b><u>Score</u></b>
*RoeschCo Construction, Inc. 9801 Camfield Avenue, Suite 200 Frisco, Texas 75033	\$4,293,900.00**	478.39
Goldmedal Pools	\$4,832,425.30	388.08

\*\*Base Price represents best and final offer amount.

**OWNER**

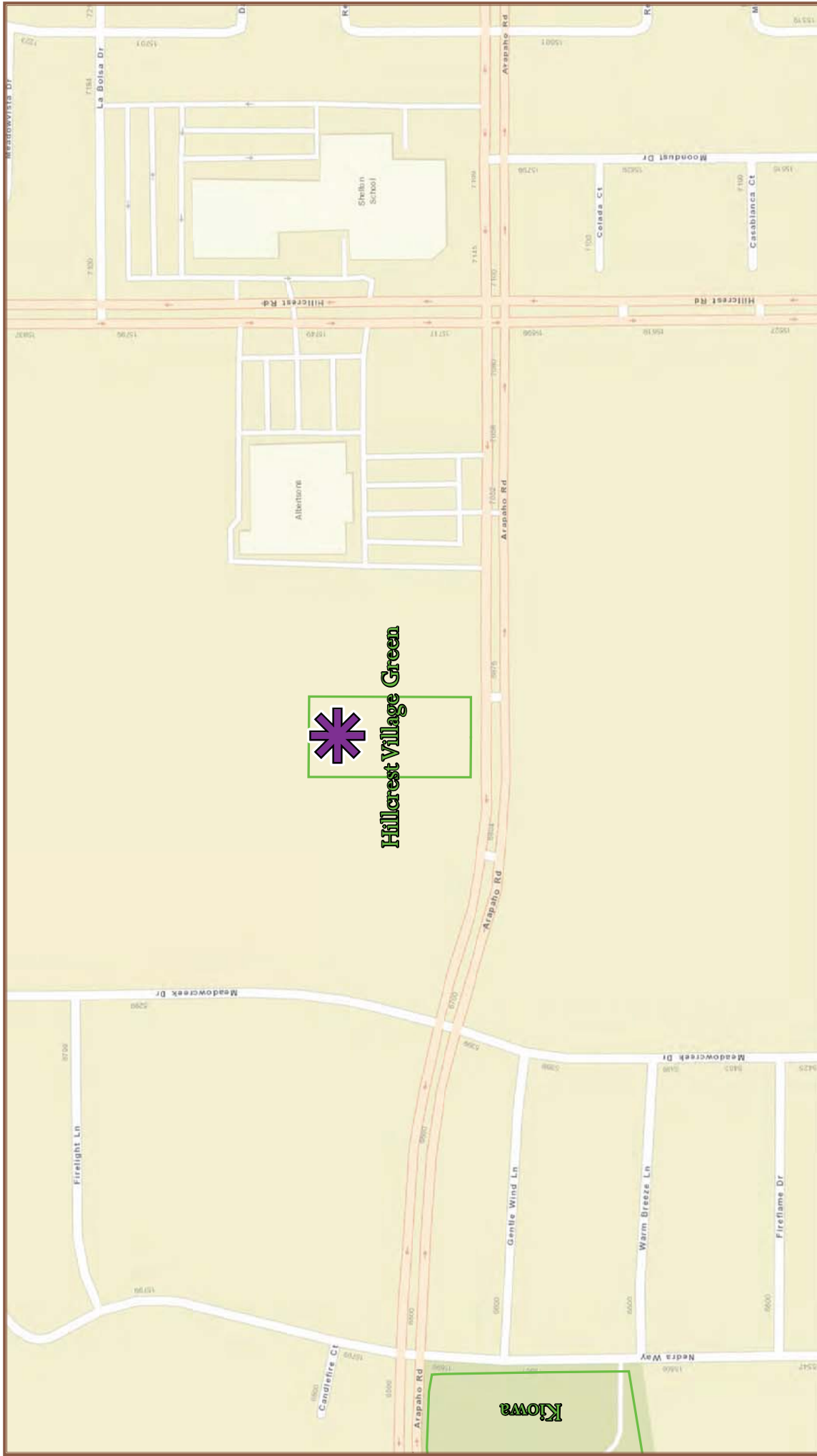
**RoeschCo Construction, Inc.**

Marcie Roeschley, President

**MAP**

Attached





# Hillcrest Village Green (6959 Arapaho Road)

District  
12

0 100 200 400 600 Feet  
1 in = 200 ft

Dallas  
Park & Recreation

June 12, 2019

**WHEREAS**, on May 24, 2019, two proposals were received for the construction of the Hillcrest Village Green - Site Development Project located at 6959 Arapaho Road. The scope of work for this new park will include a lawn area, irrigation, landscaping, playground, prefab rest room building, pavilion, seating and paving; and

<u>Proposers</u>	<u>Base Price</u>	<u>Score</u>
RoeschoCo Construction, Inc.	\$4,293,900.00**	478.39
Goldmedal Pools	\$4,832,425.30	388.08

\*\*Base Price represents best and final offer amount.

**WHEREAS**, it has been determined that acceptance of the best and final offer from RoeschCo Construction, Inc. for the construction of the Hillcrest Village Green - Site Development Project located at 6959 Arapaho Road, in an amount not to exceed \$4,293,900.00 is the best value for the City of Dallas; and

**WHEREAS**, the City desires to reprogram \$600,000.00 from 2017 Bond Funds originally allocated for the Campbell Green Park - Site Improvements Project to the Hillcrest Village Green - Site Development Project.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to reprogram funds from 2017 Bond Funds originally allocated for the Campbell Green Park - Site Improvements Project to the Hillcrest Village Green - Site Development Project, in an amount not to exceed \$600,000.00.

**SECTION 2.** That the President of the Park and Recreation Board and the City Manager are hereby authorized to execute a contract with RoeschCo Construction, Inc., approved as to form by the City Attorney, for the construction of the Hillcrest Village Green - Site Development Project located at 6959 Arapaho Road, in an amount not to exceed \$4,293,900.00.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$4,293,900.00 to RoeschCo Construction, Inc. from the Park and Recreation Facilities (B) Fund, Fund 1V00, Department PKR, Unit VK63, Object 4599, Activity RFSI, Program PK17VK63, Commodity 91200, Encumbrance/Contract No. PKR-2019-00009860, Vendor VS0000057213.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



Agenda Information Sheet

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**File #:** 19-818

**Item #:** 37.

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**STRATEGIC PRIORITY:** Quality of Life  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 14  
**DEPARTMENT:** Office of Cultural Affairs  
**EXECUTIVE:** Joey Zapata

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**SUBJECT**

Authorize the Third Amendment to the Lease Agreement with the Dallas Theater Center (DTC) for a five-year term to enable the DTC to continue to lease, occupy, manage, and operate the Kalita Humphreys Theater and Annex Building located at 3636 Turtle Creek Boulevard for the period June 12, 2019 through June 1, 2024 - Revenue: \$5.00

**BACKGROUND**

In September 1973, the City entered into a lease agreement with the DTC relating to the operation of the Kalita Humphreys Theater Building in William Dean Park. That agreement was first amended on November 17, 1982 (Resolution No. 82-4006) reflecting DTC's option to renew the lease for an additional term of 20 years, thereby, extending the lease to September 26, 2013.

On April 12, 1989, the City passed Ordinance No. 20266, establishing the Office of Cultural Affairs (OCA) and empowering it to perform many of the duties previously performed by the Park and Recreation Board relating to the DTC. The proposed amendment formally transferred administrative responsibility for the DTC lease agreement from the Park and Recreation Board to the OCA and added the City-owned Heldt Office/Rehearsal Building (built with 1982 Bond Funds) to the facilities covered under the lease. Finally, the amendment allowed the City to pay electric utility costs for the facilities covered by the lease.

In 2005, the Kalita was designated as a Dallas Landmark. It is the only theater that Frank Lloyd Wright ever designed, and, in that ordinance, it states that the primary period of significance was the original 1959-1960 design. The City contracted Booziotis & Company Architects to complete a Master Plan using bond funds. The Master Plan was completed in 2010 but never formally adopted by City Council.

The current lease agreement has been in holdover for six years. In February 2019, DTC briefed the Arts & Culture Advisory Commission on their activities and their interest in a lease extension. OCA made a recommendation and Commissioners asked that a Task Force be formed in response to

OCA's recommendations. On April 18, 2018 the Kalita Task Force provided recommendations to the full Arts & Culture Advisory Commission, which included the 2010 Master Plan and developing a new plan; and the 2018 Cultural Plan's priorities to provide more equitable access.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

The Quality of Life, Arts, and Culture Committee was briefed regarding this matter on April 22, 2019.

**FISCAL INFORMATION**

Revenue: \$5.00

The lease contract terms provide for rent of \$1.00 per year for five years.

June 12, 2019

**WHEREAS**, the City of Dallas owns the land and improvements comprising the Kalita Humphreys Theater premises located at 3636 Turtle Creek Boulevard in Dallas County, Texas; and

**WHEREAS**, the City and the Dallas Theater Center (“DTC”) are currently parties to that certain Use Agreement dated September 26, 1973, as amended (the “Lease”), which provides for the terms and conditions under which the DTC is the lessee of the Kalita Humphreys Theater and the annex building known as the Heldt (collectively for purposes herein, the “Kalita”); and

**WHEREAS**, the lease expired by its own terms on September 26, 2013; and

**WHEREAS**, the parties have maintained the Lease on a month to month holdover status in the interim pending the negotiation of lease extension occupancy and use terms for DTC’s continued use of the Kalita; and

**WHEREAS**, City and the DTC desire to amend and extend the Lease for an additional five years (“Extension Term”), subject to amended lease terms to provide for the City’s continued lease of the Kalita to the DTC; and

**WHEREAS**, the consideration to be paid to the City by the DTC is a rental of \$1.00 per year during the Extension Term, and DTC’s agreement to continue to use, operate, and manage the Kalita, to provide for and carry out the City’s cultural public purpose in accordance with the Lease, as amended.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager, upon approval as to form by the City Attorney and attested by the City Secretary, is hereby authorized to execute a Third Amendment to the Lease Agreement (“Third Amendment”) between the Dallas Theater Center (“DTC”), as lessee, and the City of Dallas, as lessor, to enable the DTC to continue to lease, occupy, manage, and operate the Kalita for an additional five year term, for the period June 12, 2019 through June 1, 2024 (the “Extension Term”), to carry out the City’s cultural public purpose in accordance with the Lease, as amended.

**SECTION 2.** That additional special terms and conditions of the Third Amendment include among other things, the following terms and conditions:

- A. Total rent payable to the City by the DTC during the Extension Term shall be \$1.00 per year payable on or before January 2 of each lease year; and

**SECTION 2.** (continued)

- B. The DTC will be responsible to provide additional services in its Kalita operations through a City approved Equitable Access Plan for the Kalita operations and complete an update to the 2010 Master Plan for the Kalita and the surrounding park land within the first year of the Extension Term. Specifically at a minimum:
  - a. The Equitable Access Plan will include effective policies and procedures for Kalita operations to provide non-resident groups greater opportunities to book space and utilize basic sound and lighting equipment and technical support; and
  - b. The booking calendar shall be submitted to the Director of the Office of Cultural Affairs for approval; and
  - c. Any changes to sublessee dates must have sublessee's prior consent
  - d. At a minimum, the following number of weeks are reserved for non-resident groups at the Kalita and the Heldt
    - i. Year 3: 4 weeks reserved for non-resident groups
    - ii. Year 4: 8 weeks reserved for non-resident groups
    - iii. Year 5: 12 weeks reserved for non-resident groups
- C. DTC must maintain the Kalita in a clean, safe condition, and in good order and repair; and
- D. DTC must provide designated office and storage space and props and costume design space for use by sublessees concurrently with the main stage/space in Extension Term years 2 through 5; and
  - a. Must do the same with respect to the Heldt office space.
- E. DTC must submit an Updated Master Plan to the Office of Cultural Affairs at the end of Extension Term Year 1 to include and provide for the following:
  - a. An independent third party consultant/team with historic restoration and theater design experience
  - b. A steering committee of diverse stakeholders to include three (3) Directors from the City of Dallas, two (2) local theater groups, and eight (8) community stakeholders; and
  - c. Performing arts community provides additional contemporary feedback for renovations for interior spaces; and
  - d. Completion of a support building should precede renovation or replacement of the Heldt; and
  - e. Allow for the restoration of the exterior of the Kalita to the 1959-60 period of significance; and

June 12, 2019

**SECTION 2.** (continued)

- F. DTC must implement the Equitable Access Plan and use reasonable best efforts to assist the Manager in fundraising for the implementation of the theater-related elements of the Updated Master Plan during years 2 through 5; and
- G. DTC must submit the updated master plan to the OCA within one year of the employment of the independent consultant.
- H. ~~G.~~ DTC must sublease the Kalita and the Heldt at market rates; and
- I. ~~H.~~ All other terms of the Lease, as amended, not expressly amended hereby shall remain in full force and effect.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to receive and deposit all revenues received under the Third Amendment to the General Fund, Fund 0001, Department OCA, Unit 4847, Revenue Code 7219.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED AS TO FORM:  
Christopher J. Caso, Interim City Attorney

By: \_\_\_\_\_  
Assistant City Attorney