

# Memorandum



DATE April 10, 2017

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,  
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Mid Elm Lofts Extension (District 14)**

On April 12, 2017, City Council will consider an amendment to the development agreement with Mid Elm TIF, Inc. for the Mid Elm Lofts project located at 1512, 1514 and 1516 Elm Street in the City Center TIF District to (a) extend the project completion deadlines from June 30, 2017 to June 30, 2018 and (b) increase private investment requirement from \$13,000,000 to \$18,000,000.

Per Resolution No. 14-1275, approved on August 13, 2014, as amended, the City entered into a development agreement with Mid Elm TIF, Inc. to reimburse TIF eligible project costs for streetscape and utility improvements and an Economic Development TIF Grant for a total amount not to exceed \$3,900,000 for the Mid Elm Lofts redevelopment project located at 1512, 1514, and 1516 Elm Street. The initial amendment, approved on November 10, 2015, included a one year deadline extension. That amendment was incorporated into the development agreement.

The project involves the complete renovation of three adjacent historic downtown buildings on Elm Street. The existing buildings are being renovated as one development, but each facade is being restored individually to maintain the original exterior appearances. The ground floor and basement levels will be commercial lease space, and the upper floors will accommodate 29 residential units (3 affordable units).

Construction is well underway, including site demolition, environmental clean-up, approval of state and federal historic tax credits, commitment from historic tax credit investors/partners, and completion of Oncor vault. Despite significant progress on the project, the complexity and cost of rehabilitating three historic buildings from three different historical eras exceeded original expectations.

Some of the unexpected conditions that have extended the timetable for completion of the project and significantly increased the cost include: (a) structural issues at 1516 Elm, (b) excavation challenges at 1512 Elm, and (c) regulatory requirements imposed by the City.

Structural issues at 1516 Elm included lack of footings or piers for columns and pilaster. This required the installation of micro-piles at the perimeter walls and new column footings at the interior columns. In addition, there were significant structural deficiencies in the concrete slabs and columns that required extensive fiber reinforcing throughout the building. No work could proceed inside the building until these structural issues were resolved.

Excavation for the Oncor vault at 1512 Elm required the underpinning of the masonry walls. The original plan was to use a drilled pier system, but that was deemed too difficult to install due to clearances for the equipment. Instead, a micropile system was used that took longer to complete. In addition, during installation of the micropile system, large pockets of sand fill were encountered

Mid Elm Lofts Extension  
April 10, 2017  
Page 2 of 2

below 1512 that were not shown in the original geotech reports. This required a redesign of the foundation and waterproofing details.

With respect to the City restrictions and approval process, the installation of a new water line under Elm Street was impacted by the City's requirement that this work occur only on the weekend and the discovery of a concrete vault under Elm during the excavation process that required the re-routing of a new water line. Also, because the project is located mid-block on a downtown street with no alley, it required a sidewalk and parking lane closure permit and City approval to close the adjacent driving lane. These closures were needed for safety purposes, so that demolished materials could be removed from the site and new materials and equipment brought into the site, for portable toilets, and for other typical construction activities. These additional permitting and licensing processes resulted in six to nine month delay relative to the original construction schedule.

In consideration for the deadline extensions, the minimum investment required as part of the TIF funding contingencies, will be increased from \$13,000,000 to \$18,000,000.

Should you have any questions, please contact me at (214) 670-3309.



Theresa O'Donnell  
Chief of Economic Development and Neighborhood Services

c: The Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
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Alan E. Sims, Interim Chief of Community Services  
Directors and Assistant Directors

Attachments

## Mid-Elm Lofts

Dallas, Texas



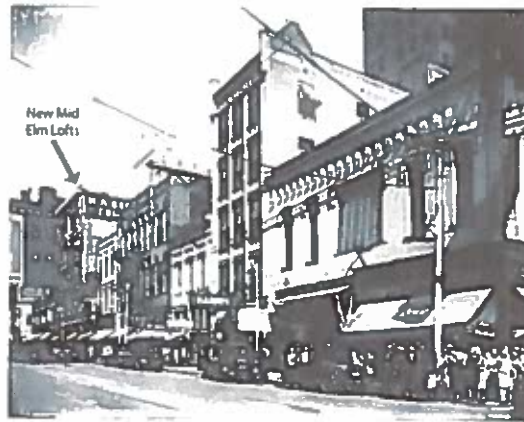
### Mid-Elm Lofts Development Overview

Complete renovation of three adjacent historic buildings.

Challenges include connecting three buildings of different eras, floor heights, and construction types together.

Development plan includes:

- 6 retail lease spaces
- 29 residential units



## History

### 1516 Elm Street

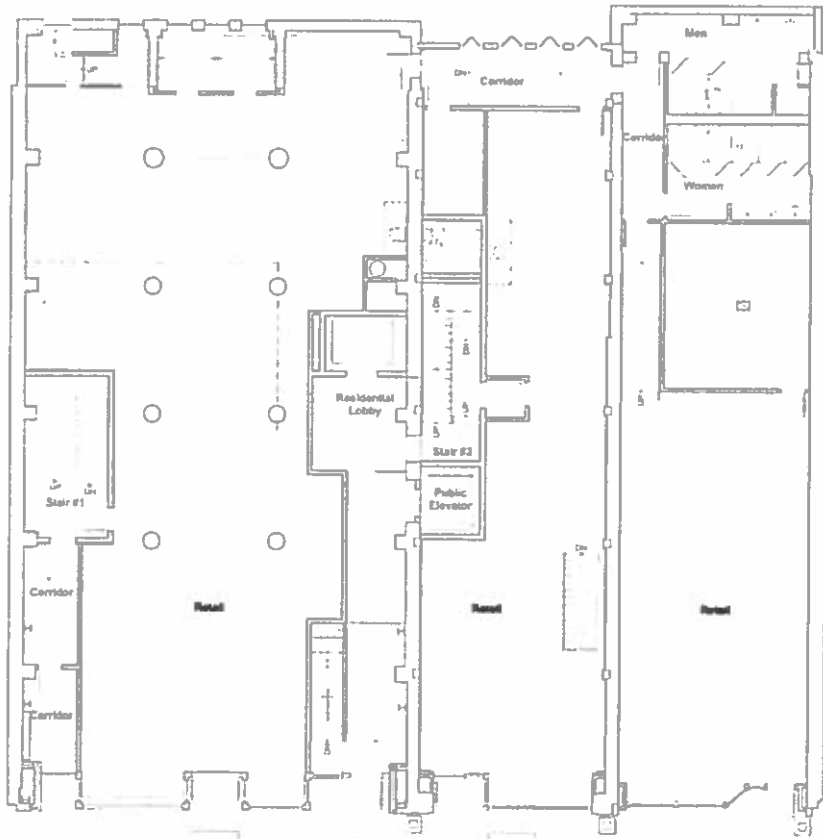
- W. A. Green Building
- ca. 1913

### 1514 Elm Street

- Singer Sewing Machine Company Building
- George Dahl Architect
- ca. 1935

### 1512 Elm Street

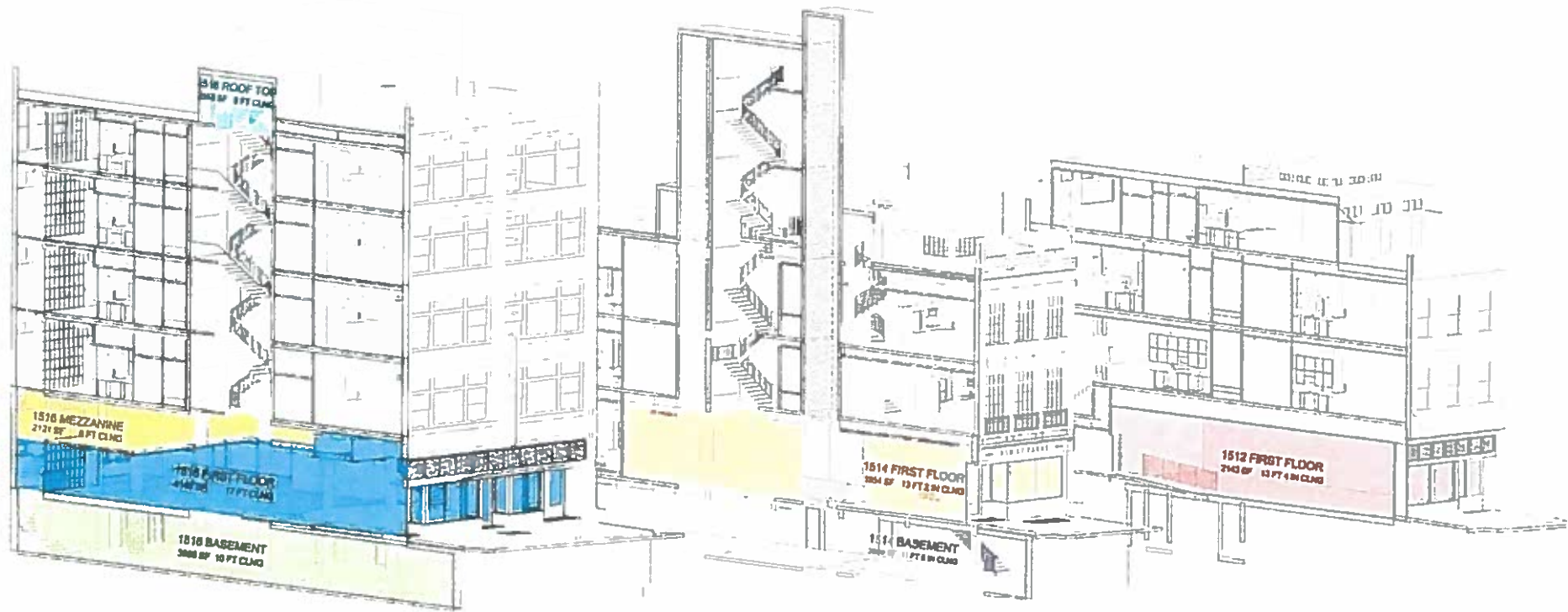
- Commercial Building
- Grocery
- ca. 1885



**First Floor Retail Plan**



**Typical Loft Plan**



**Retail Levels**





## Work Progress

Environmental abatement.

Removed non-historic façade elements from 1512, 1514, and 1516.

Reinforced footings and structure in 1516.

Underpinned footings and structure in 1512.

Installed new water service line under Elm Street.

Built Oncor vault, electrical room, and basement in 1512.

Poured structural slab for sidewalk in front of 1512 and 1514.

Continue work on façade masonry restoration.

Continue work on installation of plumbing lines.

Continue to build CMU shaft walls for elevators and stairs in 1516 and 1514 and cut slab openings.





## Unforeseen Issues

Total lack of a foundation in 1516 requiring underpinning, micropiles and GFRP reinforcement of columns.

Excavation for Oncor vault including soil conditions requiring complete redesign of basement structure and waterproofing.

Poor structural condition of north and south facades of 1512.

## Other Issues

Regulatory issues including exceptionally long NPS and city building permit review, street work only allowed on weekend, and long sidewalk closure permitting process.

Uncooperative neighbor denying access to perform east façade restoration.



# Mid-Elm Lofts

Dallas, Texas



## Investment

Initial expected investment:  
- \$13 million

Current projected investment:  
- \$30 million

TIF funding:  
- \$3.9 million

## Request

One year extension of CO date from  
June 30, 2017 to June 30, 2018.

# Memorandum



CITY OF DALLAS

**DATE** April 10, 2017

**TO** Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Lee M. Kleinman, Carolyn King Arnold, Adam Medrano, B. Adam McGough

**SUBJECT** Lone Wolf Real Estate Technologies (District 14)

On April 26, 2017, the City Council will consider authorizing a Chapter 380 economic development grant agreement with Lone Wolf Real Estate Technologies, Inc., a Delaware Corporation ("Lone Wolf"), in an amount not to exceed \$150,000, to secure the company's new U.S. headquarters at 717 North Harwood Street in downtown Dallas.

Founded in 1989 and headquartered in Cambridge, Ontario, Lone Wolf provides comprehensive management and accounting solutions for real estate brokerages. The company has been experiencing significant growth in its U.S. operations resulting in the need to establish a new consolidated U.S. office operation. City staff has been in discussions with representatives of Lone Wolf for the past several months regarding its efforts to identify the preferred location for its growing operation. Along with Dallas, the company evaluated locations in Atlanta, GA and Minneapolis, MN.

Lone Wolf has negotiated a 10-year lease for approximately 25,000 square feet of space at 717 North Harwood Street. This building can accommodate future growth potential for the company which anticipates potentially leasing up to 100,000 square feet over time. Also, the downtown location offers a favorable ability to attract technology workers in the specialties of information technology, software engineering and systems architecture, among other related fields. As part of the company's consideration of locating in Dallas, Lone Wolf has applied for a Texas Enterprise Fund ("TEF") state grant, which is contingent upon local incentives.

To receive the City's proposed Chapter 380 economic development grant, Lone Wolf will be required to comply with the following terms:

1. Verification of a certificate of occupancy after at least \$2 million is invested for leasehold improvements (finish out) and business personal property (FF&E) on or before April 30, 2018.
2. Verification of at least 150 full-time positions hired and located at the office headquarters with a \$90,000 average annual salary on or before December 31, 2020.
3. Maintenance of at least 150 full-time positions at the office for a period of five (5) years beginning from the date of the grant payment. Lone Wolf will be required to reimburse the City \$100,000 if the company does not maintain the 150 jobs for the prescribed period.

Lone Wolf Real Estate Technologies  
April 10, 2017

Net fiscal impact from the project after incentives is estimated at \$2,222,206 over ten years. The project exceeds the minimum 100 job eligibility requirement for a Non-Target Area pursuant to the City's Public/Private Partnership (PPP) Program Guidelines and Criteria effective for the period January 1, 2017 through December 31, 2018.

Should you have any questions, please contact me at (214) 670-1611.



Theresa O'Donnell  
Interim Chief of Economic Development & Neighborhood Services

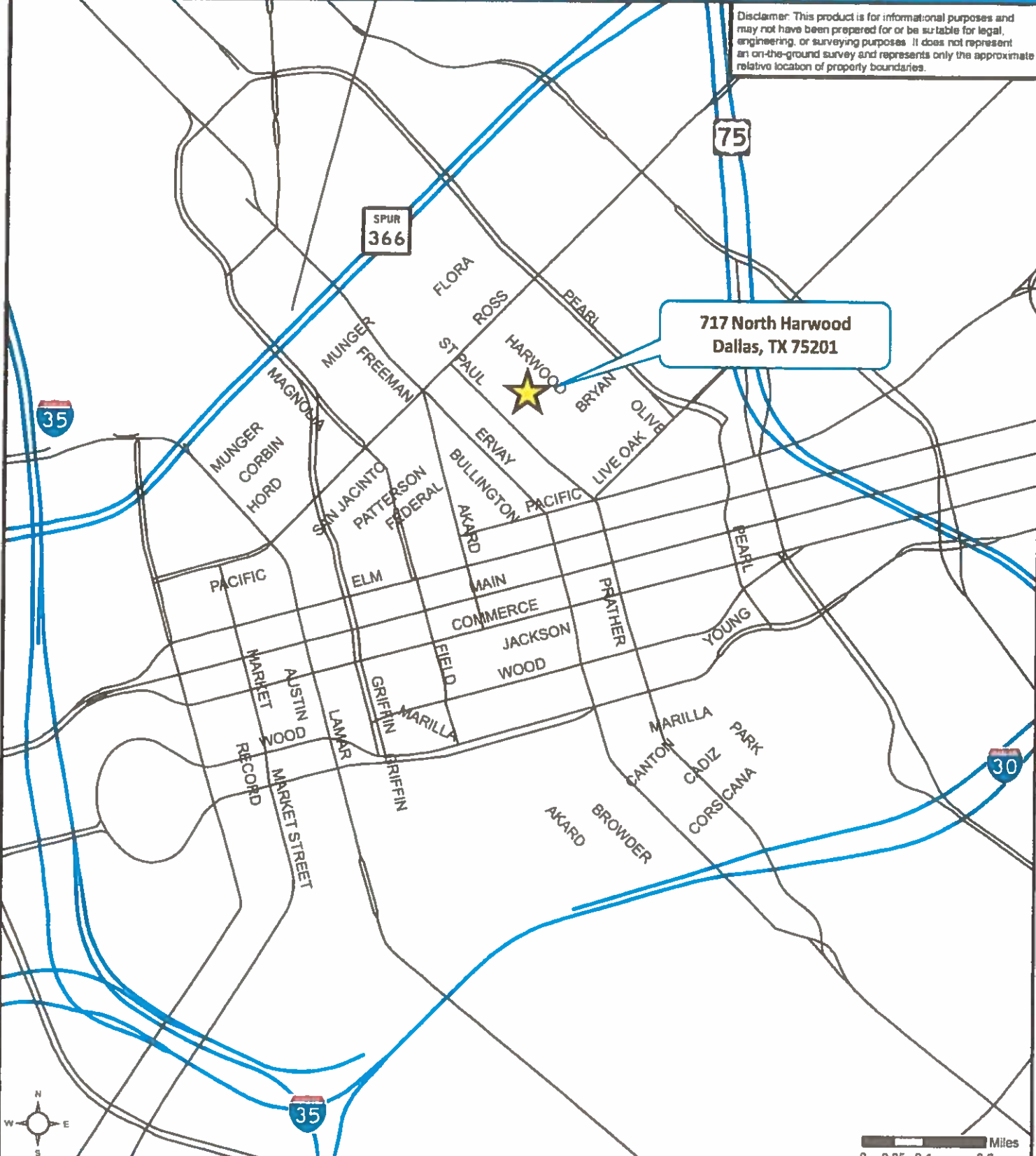
C. The Honorable Mayor and Members of the City Council  
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Alan Sims, Interim Chief of Community Services  
Directors and Assistant Directors

Attachment

# Lone Wolf Real Estate Technologies, Inc.

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



717 North Harwood  
Dallas, TX 75201

**DALLAS ECONOMIC DEVELOPMENT**  
Research & Information Division  
214.670.1685  
dallas-ecodev.org

**Legend**



717 North Harwood

Freeway

Arterial

Local Road

Data Source

## Information Worksheet Proposed Project

### A. Project Summary

City Council District	14	
Project/Company Name	Lone Wolf Real Estate Technologies Inc., a Delaware Corp	
Project Location	717 North Harwood Street	
Project Type	HQ for U.S. Operations	
Facilities (Square Feet)	HQ Office	25,000 SF
Project Construction Schedule	Begin	April 2017
	Complete	April 2018
Private Investment	Real Property and BPP	\$3,000,000
Jobs	Retained	0
	Created	150
Average Wage Rate	Annual Salary	\$90,000
Proposed City Incentive	Chapter 380 Grant	\$150,000

### B. Estimated Economic Impact to Dallas (Dallas City Economy Only)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	150	\$233,643,556	150	\$545,625,083
Indirect and Induced Impact*	137	\$124,939,964	137	\$291,236,128
<b>Total Impact</b>	<b>287</b>	<b>\$358,583,520</b>	<b>287</b>	<b>\$836,861,211</b>

### C. Estimated Fiscal Impact to City of Dallas General Fund

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	\$5,234,245	\$12,591,349
Total City GF Service Cost	\$2,862,040	\$5,878,969
Fiscal Impact Before City Incentive	\$2,372,206	\$8,712,380
City Incentive	\$150,000	\$150,000
<b>Net City Fiscal Impact</b>	<b>\$2,222,206</b>	<b>\$8,562,380</b>

\* Indirect impacts represent supplier effects; induced impacts represent spin-off household effects.



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DATE April 10, 2017

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,  
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Workforce Readiness, Placement and Retention Program**

On April 26, 2017, City Council will consider funding the Workforce Readiness, Placement and Retention Program to provide career pathways training for Transformance, Inc. in the amount of \$375,000, Christian Transformation Foundation dba Serve West Dallas in the amount of \$375,000, City Square in the amount of \$375,000 and Dallas Area Habitat for Humanity (DAHfH) in the amount of \$375,000, for a total not to exceed \$1,500,000 (Public/Private Partnership Fund).

Companies in high-demand industries have voiced a concern regarding the lack of work-ready talent to fill entry-level and middle-skilled positions. This opportunity gap represents a large pool of potential entry-level and middle-skill workers needed to fill the talent pipeline for growing industries within the area.

The Office of Economic Development designed the Workforce Readiness, Placement and Retention Program to fund an integrated continuum of neighborhood organizations, educational institutions, and employers who can train and prepare low income, targeted groups (formerly incarcerated, out-of-school youth, and single parents) for placement in permanent career opportunities in growing industries within the City of Dallas.

This program will address the opportunity gap that exists among low-income, unemployed/underemployed residents who live in high poverty areas throughout the city. Under the terms of the Contract, all awardees have a goal to assure that at least 75% of program participants secure permanent employment and retain such employment for more than six months. Participants will be provided comprehensive support services to assist with completion of job skills/career training and in securing permanent employment with the employer partner.

The majority of training and services will be completed within the first year, with placement and retention occurring in year two. This is a results-driven, performance-based reimbursement program.

## BACKGROUND

Through the RFSCP process, the City sought proposals from entities to provide cohort-based, industry certified, career-pathways training; wrap-around support services, and sustainable employment. Funding was allocated to applicants in four distinct geographic zones, as defined by the RFSCP. All applicants were required to identify their geographic service areas as well as their targeted group (See Map Attached).

A six member committee from the following departments reviewed and evaluated the proposals:

- Office of Economic Development (2)
- Housing and community Services (1)
- Fair Housing (1)
- Neighborhood Vitality (1)
- Business Development and Procurement Services (1)\*

\*Business Development and Procurement Services only evaluated the Business Inclusion Development Plan.

The successful proposes were selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Capability & Expertise 25%
- Program Budget 30%
- Approach & Methodology 30%
- Business Inclusion & Development Plan 15%

As part of the solicitation process, and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 2,390 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone.

The following proposals were received from solicitation number BQZ1703 and opened on December 2, 2016. This service contract is being awarded to the most advantageous proposers of this group.

\*Denotes successful proposers

<u>Proposers</u>	<u>Address</u>	<u>Score</u>
*Transformance, Inc.	8737 King George Drive Dallas, TX 75235	Group A – 78.4% Group B – NO BID Group C – NO BID Group D – NO BID
*Christian Transformation Foundation dba Serve West Dallas	2215 Canada Dallas, TX 75212	Group A – NO BID Group B – 76.0% Group C – NO BID Group D – NO BID
*City Square, Inc.	511 N. Akard, Ste. 302 Dallas, TX 75201	Group A – 78.4% Group B – 79.0% Group C – 79.6%** Group D – 79.8%
*Dallas Area Habitat For Humanity	2800 N. Hampton Road Dallas, TX 75212	Group A – NO BID Group B – NO BID Group C – NO BID Group D – 78.0%
Center for Employment Opportunities	50 Broadway, Ste. 1604 New York, NY 10004	Group A – 67.2% Group B – 67.0% Group C – 68.0% Group D – 68.8%

Workforce Readiness, Placement and Retention Program  
April 10, 2017  
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The Oak Cliff Chamber Charitable Foundation, Inc.	1001 N. Bishop Avenue Dallas, TX 75208	Group A – NO BID Group B – 66.8% Group C – 68.8% Group D – NO BID
Year Up Dallas Fort Worth	801 Main Street Dallas, TX 75202	Group A – NO BID Group B – NO BID Group C – 75.0% Group D – 75.0%
City Wide Community Development Corp.	3730 S. Lancaster Road Suite 100 Dallas, TX 75213	Group A – NO BID Group B – NO BID Group C – 74.6% Group D – NO BID
Skill QUEST	1111 W. Mockingbird Lane Suite 570 Dallas, TX 75247	Group A – NO BID Group B – NO BID Group C – NO BID Group D – 74.2%

\*\*A vendor could only be awarded one Group. If the vendor was ranked highest in more than one group, the vendor was able to determine which group they were awarded. City Square, Inc. selected Group C for award consideration.

Advantageous Proposers, lead agencies, industry training partners, and industry employers are listed below. More information is available in Attachment A. Also, see Attachment B for Award Agency Biographies.

**Transformance:** Mountain View College, Warehouse/Logistics, Amazon  
**Serve West Dallas:** El Centro, Healthcare, Baylor University Medical Center  
**Dallas Area Habitat for Humanity (DAHfH):** North Lake College, Construction, DAFfH/Construction Education Foundation  
**City Square:** North Lake College, Construction, Mas-Tek Engineering

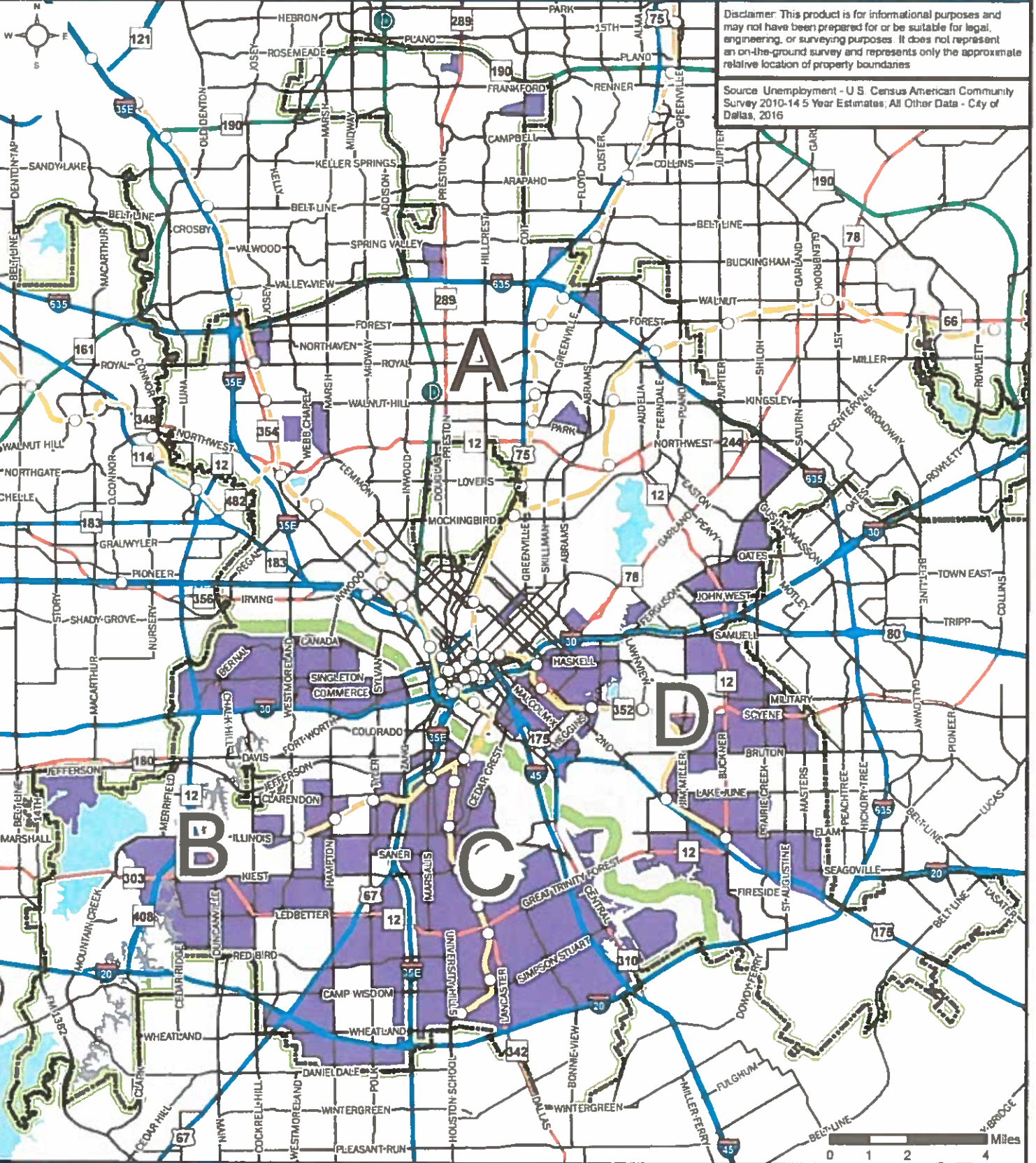
Should you have any questions, please contact me at (214) 670-3309.



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# High Unemployment Neighborhoods & Award Areas A-D



Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Source: Unemployment - U.S. Census American Community Survey 2010-14 5 Year Estimates, All Other Data - City of Dallas, 2016

**DALLAS ECONOMIC DEVELOPMENT**  
 Research & Information Division  
 214.670.1685  
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**Legend**

Greater than 150% of State Rate (11.53%+)	DART Light Rail	Highway
Rail Station	Commuter Rail	Arterial
Future Station	Future DART Light Rail	Local Road
Award Areas	Freeway	Escarpment
Lake	Tollway	Flood Plain
Dallas		

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## Attachment A Grantees Industry Partners List

Lead Agency	Total Served	Industry Training	Support Services	Industry	Employer
<b>Transformance, Inc.</b>	100	Mountain View College Warehouse/Logistics	<ul style="list-style-type: none"> <li>• The Wright Resource Group</li> <li>• Services of Hope</li> <li>• Northwest Community Center</li> <li>• Workforce Solutions Greater Dallas/Rescare</li> </ul>	Warehouse/Logistics	Amazon
<b>Serve West Dallas</b>	30	El Centro College Patient Care Technician	<ul style="list-style-type: none"> <li>• Anthem Strong Families</li> <li>• DISD</li> <li>• Young Life Ministries</li> <li>• Mercy Street Ministries</li> <li>• United Way</li> <li>• Workforce Solutions Greater Dallas/Rescare</li> </ul>	Healthcare	Baylor University Medical Center
<b>Dallas Area Habitat for Humanity (DAHfH)</b>	20	North Lake College Plumbing/Electrical/ Residential HVAC/ OSHA10	<ul style="list-style-type: none"> <li>• DAHfH</li> <li>• Workforce Solutions Greater Dallas/Rescare</li> </ul>	Construction	<ul style="list-style-type: none"> <li>• DAHfH</li> <li>• Construction Education Foundation</li> </ul>
<b>City Square</b>	60	North Lake College Plumbing/Electrical/ Residential HVAC/ OSHA10	<ul style="list-style-type: none"> <li>• City Square</li> <li>• Workforce Solutions Greater Dallas/Rescare</li> </ul>	Construction	<ul style="list-style-type: none"> <li>• Mas-Tek Engineering</li> <li>• Construction Education Foundation</li> </ul>



## Attachment B

### Award Agency Biographies

**Transformance, Inc.:** Transformance is a nonprofit, community-based credit counseling and education agency serving as a member of the National Foundation for Credit Counseling (NFCC). Since 1974, Transformance, formerly Consumer Credit Counseling Service of Greater Dallas, has provided the community with the tools necessary to improve financial wellness. Transformance mission is to empower individuals and families to achieve financial freedom. Transformance services include a financial education program that uses matching funds to assist participants build and grow their savings. In addition, Transformance offers housing counseling and education, budget and credit counseling, debt counseling/debt management, bankruptcy counseling and education, and student loan counseling.

**Christian Transformation Foundation dba Serve West Dallas:** Serve West Dallas, a nonprofit 501c3, has served as strategic convener of ministries, community initiatives and several faith-based organizations serving West Dallas since 2009. Since inception, Serve West Dallas has successfully spearheaded and managed several initiatives such as SOAR and Faith Community Health with the sole focus of improving lives of citizens of West Dallas. SOAR is a West Dallas education collaboration consisting of over ten other West Dallas organizations, whose mission is to accelerate academic achievement, enhance student's social and emotional wellbeing, and to increase teacher and parent involvement of Pinkston High School students. In response to the lack of career opportunities and pathways to livable wage employment, Serve West Dallas established the West Dallas Pathways in June of 2015. West Dallas Pathways initiative is a collaboration of 8 organizations which include Anthem Strong Families; Baylor Scott & White Health/Baylor University Medical Center (BUMC); DCCCD/EL Centro; DISD; Mercy Street Ministries; United Way; Workforce Solutions Dallas; and Young Life Ministries West Dallas. West Dallas Pathways focuses on providing individualized training, support services, placement, and retention for out-of-school youth ages 18-25. West Dallas Pathways first Cohort of ten (10) students (Fellows) has started their training at EL Centro and is participating in on-the-job training at Baylor Medical University Center. Chaplains and managers have been trained as on-site mentors. Twenty Fellows are currently in pre-training preparing for the second Cohort.

**Dallas Area Habitat for Humanity (DAHfH):** DAHfH, an affiliate of the most recognized brand in nonprofit, affordable housing construction, has been fulfilling its mission to transform neighborhoods by engaging families and community partners in creating affordable housing for over 30 years throughout the City of Dallas. DHfH's vision is that all individuals and families live in thriving neighborhoods. Annually, Dallas Area Habitat for Humanity also builds and repairs approximately 150 homes and provides services to over 500 people through their Homeownership Program. DHfH's newest initiative, Habitat Apprentice Training (HAT) is a residential construction training program designed to train and employ out-of-school youth, 18 to 24 in the construction trades.

**CitySquare:** Since 1988 to present day, CitySquare has grown into a broad community development organization offering a comprehensive array of social services that address four key areas related to the persistence of poverty: hunger, health, housing, and hope. Social service programs (17) serve more than 50,000 individuals in Dallas, Waco, and Denver, Colorado. CitySquare has more than eight years of experience in workforce development. WorkPaths Build4Success program is a robust workforce development program serving unemployed and underemployed Dallas residents and Dallas area employers. WorkPaths' objective is to connect people to the transformative power of work, community and opportunity. WorkPaths' Build4Success provides construction training to formerly incarcerated, 18 years of age and older. The program's success is contributed to strong partnerships with educational partners such as Northlake College and various construction industry employers.

# Memorandum



DATE April 10, 2017

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,  
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Sustainable Development and Construction – Real Estate Items**

On April 17, 2017, City Council will have the following items on the agenda relative to Real Estate items:

Authorize acquisition from Antonio Garcia Juarez and Magdalena Moncivais, of approximately 6,500 square feet of land improved with a single-family dwelling located near the intersection of Buick Avenue and Cadillac Drive for the Cadillac Heights Phase II Project - Not to exceed \$94,600 (\$92,000, plus closing costs not to exceed \$2,600) - Financing: 2006 Bond Funds

Authorize acquisition from Ignacio Salinas, of approximately 5,858 square feet of land improved with a single family dwelling located near the intersection of McGowan and Childers Streets for the Cadillac Heights Phase II Project - Not to exceed \$43,600 (\$42,000, plus closing costs not to exceed \$1,600) - Financing: 2006 Bond Funds

Authorize settlement in lieu of proceeding with condemnation approximately 108,436 square feet of land improved with a 50 unit apartment complex from Casa Blanca Village, LLC., located near the intersection of Highland and Ferguson Roads for the White Rock Hills Park project – \$653,000, increased from \$1,212,000 (\$1,200,000, plus closing costs and title expenses not to exceed \$12,000) to \$1,865,000 (\$1,850,000, plus closing costs and title expenses not to exceed \$15,000) - Financing: 2006 Bond Funds

Authorize the quitclaim of 74 properties acquired by the taxing authorities from the Tax Foreclosure Sheriff's Sale to the highest bidders; and authorize the execution of release of liens for any non-tax liens that may have been filed by the City and were included in the foreclosure judgment (list attached) - Revenue: \$971,579

A resolution authorizing the conveyance of an easement containing approximately 23,303 square feet of land to Oncor Electric Delivery Company, LLC, for the construction and maintenance of electric facilities across City-owned land located at Fair Park – Financing: No cost consideration to the City

A resolution authorizing the conveyance of approximately 399 square feet of City-owned land to the State of Texas located near the intersection of East Brooklyn Avenue and South R.L. Thornton Freeway - Revenue: \$1,000

Authorize an amendment to an existing thirty-year lease agreement with MSW Crozier Tech LP to relocate the existing driveway and increase the lease area by approximately 414 square feet, from approximately 1,983 square feet of land to a total of approximately 2,397 square feet of land located near the intersection of Pearl and Bryan Streets for the period April 13, 2017 through August 31, 2028 – Annual Revenue: \$18,697

Sustainable Development and Construction – Real Estate Items

April 10, 2017

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An ordinance granting a revocable license to AERC Turtle Creek, LLC for the use of approximately 7,086 square feet of land to occupy, maintain, and utilize nine (9) private street lights, three (3) tree up-lights and fifteen (15) trees on a portion of Hood and Brown Streets rights-of-way, located near the intersection of Hood and Brown Streets - Revenue: \$300 one-time fee, plus the \$20 ordinance publication fee

An ordinance granting a revocable license to Fairfield Sadler, LLC, for the use of a total of approximately 19,364 square feet of land to occupy, maintain, and utilize thirty-six (36) trees, fourteen (14) benches, two (2) bike racks, twenty-one (21) private street lights, brick pavers with concrete finish and a landscape planter, on portions of Sadler Circle and Inwood Road rights-of-way, located near its intersection with Sadler Circle - Revenue: \$600 one-time fee, plus the \$20 ordinance publication fee

An ordinance granting a revocable license to General Datatech, L.P. for the use of approximately 350 square feet of land to occupy, maintain, and utilize subsurface fiber cables under a portion of Ambassador Row right-of-way located near its intersection with Metromedia Place - Revenue: \$1,000 annually, plus the \$20 ordinance publication fee

An ordinance abandoning a portion of Colville Avenue to Mockingbird Partners, L.P., the abutting owner, containing approximately 10,911 square feet of land, located near the intersection of Mockingbird Lane and Colville Avenue; authorizing the quitclaim and providing for the dedications of a total of approximately 625 square feet of land needed for street right-of-way and a wastewater easement - Revenue: \$349,724, plus the \$20 ordinance publication fee

An ordinance abandoning a portion of a drainage easement and a storm sewer easement to 1445 Ross Ave, LLC, the abutting owner, containing a total of approximately 790 square feet of land, located near the intersection of Munger Avenue and Freeman Street; and providing the dedication of approximately 1,126 square feet of land needed for a drainage easement - Revenue: \$5,400, plus the \$20 ordinance publication fee

Should you have any questions on these items, please contact me at (214) 670-3309.



Theresa O'Donnell  
Interim Chief of Economic Development and Neighborhood Services

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      Daniel F. Solis, Administrative Judge  
      Kimberly Bizzor Tolbert, Chief of Staff to the City Manager  
      Majed A. Al-Ghafry, Assistant City Manager
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      Joey Zapala, Assistant City Manager  
      M. Elizabeth Reich, Chief Financial Officer  
      Alan E. Sims, Interim Chief of Community Services  
      Directors and Assistant Directors

# Memorandum



CITY OF DALLAS

DATE April 12, 2017

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Lee M. Kleinman,  
Carolyn King Arnold, Adam Medrano, B. Adam McGough

SUBJECT **Longhorn Ballroom Project**

On April 12, 2017, the City Council voted to defer action on this item until April 26, 2017, and requested staff bring this item to the Economic Development Committee on April 17, 2017.

On April 26, 2017, the City Council will be asked to consider authorization of a Chapter 380 economic development grant agreement for S&D Longhorn Partners, LLC and/or its affiliates ("Owner") in an amount not to exceed \$500,000. This grant agreement is in consideration of the Owner's investment in the proposed renovation of the Longhorn Ballroom site and buildings located at 200 and 216 North Corinth Street.

Known since the 1950s for country music, the Longhorn Ballroom (the "Property") is unique in character and contributes to the cultural significance of the city. The iconic Longhorn Ballroom sign was designated as a landmark in 1984. However, over the past twenty years, the Property has been under-utilized and fallen into disrepair. Several months ago, S&D Longhorn Partners, LLC approached the City for financial assistance to renovate the Property as an entertainment destination.

The Property includes two (2) existing buildings (totaling approximately 43,032 square feet) on approximately 2.45 acres. Building #1 (the Longhorn Ballroom music/event venue) totals approximately 20,096 square feet, and Building #2 (which has served multiple uses over the years) totals approximately 22,936 square feet. Presently, Building #2 includes a 6,000-square foot restaurant known as Raul's, as well as 16,936 square feet of storage. In the past, Building #2 had been used for lodging and retail.

The Owner purchased the property in February 2017 and plans to invest approximately \$2.0 million over the next two years. Improvements will focus on increasing aesthetic appeal of the Property, retaining its character-defining features, and enhancing connectivity/access to the Trinity Corridor. The trailhead is located 1,000 feet away to the south.

The scope of the project (the "Project") is anticipated to include, but is not limited to, the improvements listed below:

- Repair, restoration, reassembly, and reoperation of the landmark "Longhorn Ballroom" sign (including the barn-like façade, marquee, three-dimensional longhorn steer, and planter box)
- Resurfacing of the parking lot (including reconfiguration and restriping)



Longhorn Ballroom Project  
April 10, 2017

- Installation of new lighting
- Installation of new landscaping/irrigation
- Water/sewer improvements
- Repair and restoration of iconic building facade on Building #1 (including removal of non-contributing additions/alterations)
- Repair/repainting of murals on the exterior of Building #1
- Various interior improvements to Building #1 (e.g. structural, mechanical, electrical, plumbing, lighting, heating/ventilation/air-conditioning, fire alarm/sprinkler, security system, Americans with Disabilities Act compliance, removal of non-contributing additions/alterations, finish-out)
- Various façade and interior improvements to Building #2

The Project represents a catalyst opportunity for revitalization of the Cedars West area. With the successful renovation of the Property, the Owner has additional plans for future phases, including development of a new outdoor multi-purpose event/entertainment space, a new hotel/conference center, additional retail/restaurants, and apartments.

To receive the proposed Chapter 380 economic development grant, the Owner will be required to comply with the following key terms:

1. A grant ("Grant") equal to twenty-five percent (25%) of the Owner's private investment in eligible expenditures for the Project up to an amount not to exceed \$500,000.
2. The Owner agrees to invest or cause to be invested a minimum of \$1,400,000 in eligible expenditures for the Project. Eligible expenditures for the Project shall include costs incurred since the date of acquisition of the Property (attached Exhibit B includes a list of eligible and non-eligible expenditures).
3. The Grant shall be payable in two (2) installments:
  - The first installment shall be paid upon substantial completion and verification of associated eligible expenditures for: (i) the site improvements and (ii) the building improvements specifically for the Longhorn Ballroom music/event venue (Building #1 on attached Exhibit A).
  - The second installment shall be paid upon substantial completion and verification of associated eligible expenditures for the building improvements specifically for Building #2.
4. At a minimum, the Project is required to specifically include the following elements:
  - Repair, restoration, reassembly, and reoperation of the "Longhorn Ballroom" sign (including the barn-like façade, marquee, three-dimensional longhorn steer, and planter box).

Longhorn Ballroom Project  
April 10, 2017

- Repair and restoration of the iconic facade of Building #1 (including any removal of non-contributing additions/alterations and the repair/repainting of murals).

5. The Project shall be substantially completed within thirty (30) months from the date of execution of the grant agreement.

Pursuant to the City's Public/Private Partnership (PPP) Program Guidelines and Criteria (effective for the period January 1, 2017 through December 31, 2018), the Project does not meet the minimum eligibility requirements for a Non-Target Area.

Notwithstanding, the Project represents a unique development opportunity and, as such, is considered a "Non-Conforming Project" pursuant to the PPP Program. As a Non-Conforming Project, the proposed Grant requires approval by a ¾ vote of the City Council.

Should you have any questions, please contact me at (214) 670-3309



Theresa O'Donnell  
Interim Chief of Economic Development & Neighborhood Services

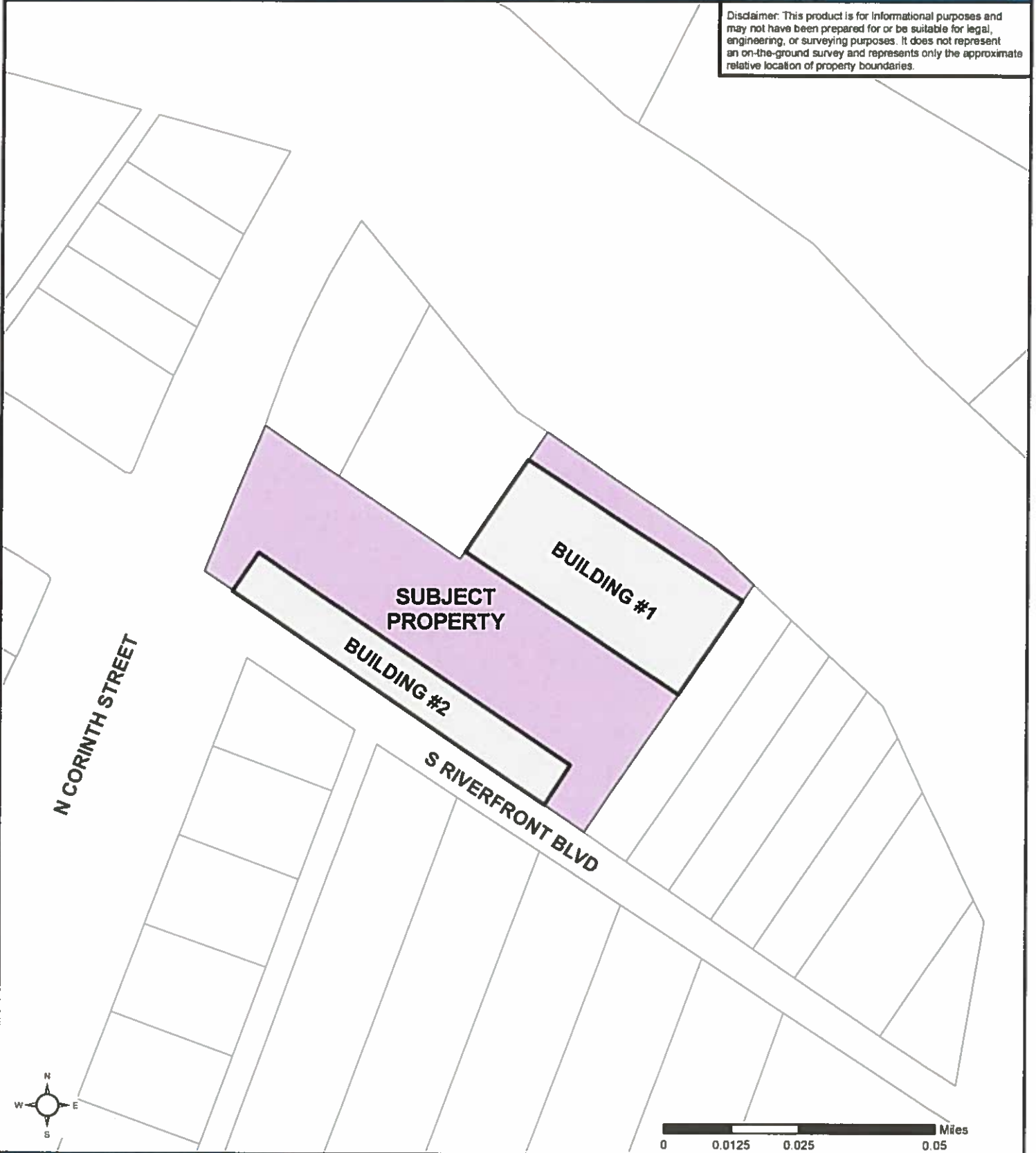
#### Attachments

C: The Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
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# EXHIBIT A

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



DALLAS  
ECONOMIC  
DEVELOPMENT  
Research & Information Division  
214.670.1685  
dallas-ecodev.org

**Legend**  
 Subject Property

## EXHIBIT B

### Proposed Public/Private Partnership at the Longhorn Ballroom 200 and 216 Corinth Street

#### Eligible Expenditures for Real Property Improvements

- Environmental remediation costs (if any)
- Demolition costs (including dumpsters, hauling, disposal)
- Permitting/inspection costs
- Hard construction costs (materials and labor) involving improvements to the land and the existing buildings (Building #1 and Building #2 on Exhibit A), including any of the following elements:
  - Site grading
  - Site paving/asphalt/curbing/flatwork (including striping)
  - Site landscaping, hardscaping, irrigation
  - Site lighting
  - Water/sewer/storm drainage (on-site or any off-site improvements directly associated with the project)
  - ADA compliance
  - Fencing/screening walls
  - Repair and reassembly of the landmark "Longhorn Ballroom" sign
  - Building exterior improvements (roof repair; siding/trim repair; painting; windows; doors; signage; lighting; façade restoration; removal of non-contributing additions/alterations; repainting murals)
  - Building interior improvements (structural; mechanical; electrical; plumbing; lighting; HVAC; fire alarm/sprinkler; security system; ADA compliance; removal of non-contributing additions/alterations; finish-out)
- Construction-related soft costs, including:
  - Architect fees (including fees for specialty consultants providing technical assistance for historic preservation/restoration)
  - Engineer fees
  - Landscape architect fees
  - Interior designer fees
  - Material testing fees
  - Construction management fees
  - Builder's risk insurance

#### Non-Eligible Expenditures

- Legal costs
- Marketing costs
- Leasing commissions
- Construction financing costs (fees; loan interest; closing costs)
- Furniture
- Typical carrying costs for the property (insurance; taxes; maintenance costs)

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**UPCOMING AGENDA  
ITEMS FOR  
MAY 10, 2017**

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# Memorandum



CITY OF DALLAS

DATE April 10, 2017

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,  
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Management and Operating Agreement with Center Operating Company, L.P. for North Parking Garage in Sports Arena TIF District – Victory Sub-district (District 2)**

On May 10<sup>th</sup>, City Council will consider authorization of a management and operating agreement with Center Operating Company, L.P. (COC), for management and operation of the City-owned North Parking Garage (now called Silver Garage) in the Victory Sub-district of the Sports Arena TIF District (See **Attachment A – Location Map**). Council is also requested to authorize (1) a one-time TIF Grant in an amount not to exceed \$1,521,114 to COC as consideration for operating the garage for the remaining term of the American Airlines Center (Arena) lease; (2) creation of an account to fund future capital expenses for the garage; (3) acceptance and deposit into the newly created account the City's share of revenue generated by the Silver Garage and South Parking Garage lease in an amount not to exceed \$1,450,000 plus a one-time deposit of \$200,000 from Victory Sub-district increment.

In May of 2015, Anland, GP, LP, completed construction of the Silver Garage, in accordance with the development agreement approved by City Council in 2012. On July 20, 2015, the City took ownership of the Silver garage. The garage was constructed primarily to provide parking for Arena events freeing surface parking lots within the district for redevelopment. In accordance with the district's Parking Rights Agreements, the garage was designated as an Arena parking tract and the 1,257 parking spaces now count towards the district's 5,000 parking space requirement. The Parking Rights Agreements also require (1) operation of the garage in a way that ensures the 1,257 parking spaces are available during an Arena event, as well as, 2 hours before and 2 hours after the event; and (2) that the operator of the Arena (Center Operating Company) receives all revenue generated by Arena event parking regardless of how the parking is provided (surface parking lots or parking garages) or who operates the parking.

COC is uniquely qualified to manage the Silver Garage during both event and non-event times because of its ability to effectively operate the garage in accordance with existing Parking Rights Agreements. COC currently operates the Platinum Garage, Arena event parking in the South Parking Garage and event parking on surface lots throughout the district, all of which are governed by the district's Parking Rights Agreements. As operator of the Arena, COC is uniquely positioned to maximize revenue generated by the sale of garage naming rights because of its ability to cross-market within the Arena.

Management and Operating Agreement  
with Center Operating Company, L.P.  
April 10, 2017  
Page 2 of 6

The agreement with COC provides multiple benefits to the City. Expenses the City would be responsible for if a different group operated the garage includes an annual management fee and a significant portion of annual garage expenses (i.e. security, cleaning, utilities, maintenance, etc.). Under the proposed agreement, COC has agreed to the following: (1) waiver of an annual management fee (estimated value is \$60,000 annually); and (2) payment of all annual garage expenses (estimated cost is \$187,000 – City's share \$131,250). Over the remaining 14½ years on the Arena lease these concessions represent over \$2.7M in savings for the City alone. Additional benefits to the City are detailed in **Attachment B**. As consideration for the cost savings to the City over the term of the agreement, a TIF Grant for COC is requested in an amount not exceed \$1,521,114.

While COC has agreed to fund annual maintenance costs, the City is responsible for any capital improvements required throughout the term of the lease. In accordance with the proposed agreement, the City will create an account to fund future capital improvements. The account will be funded in an amount not to exceed \$100,000 annually, or \$1,450,000 for the term. The funding will come from two sources. The first source is the City's share of all revenue generated by the Silver Garage (naming rights, interior/exterior signage, non-event parking, etc.). If revenue generated by the garage and deposited into the account is less than \$100,000, revenues received by the TIF District from a parking lease in the Victory Sub-district will be deposited into the account to make up the balance. Additionally, a one-time payment of \$200,000 from sub-district TIF increment will be deposited into the account to ensure a sufficient funding is available for any unforeseen capital costs (i.e. replacement of elevator or escalator).

A brief synopsis of the terms of the negotiated management agreement is provided in **Attachment C**.

Should you have any questions, please contact me at (214) 670-3390.

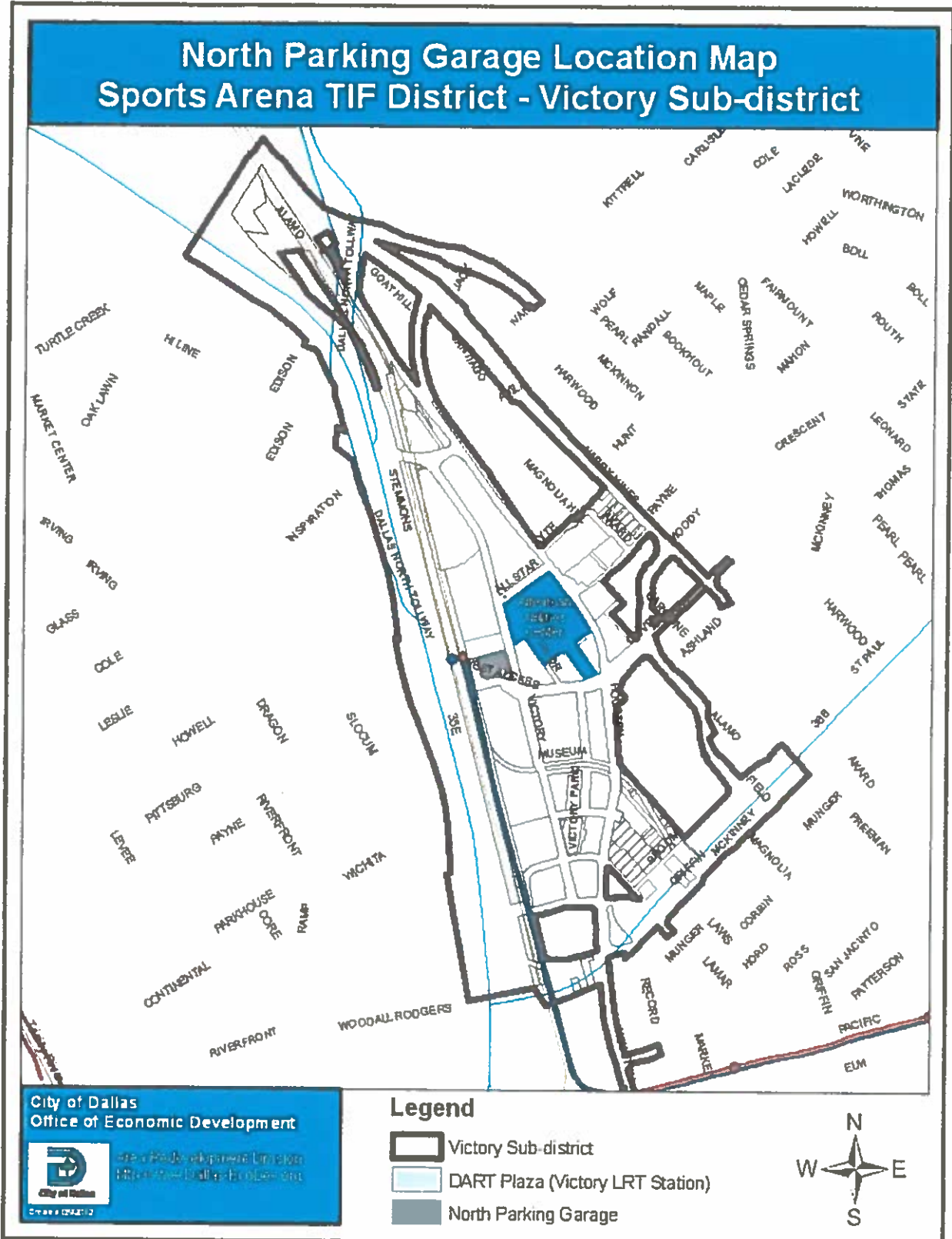


Theresa O'Donnell  
Interim Chief of Economic Development and Neighborhood Services

#### Attachments

- |  |   |
|--|---|
| c: The Honorable Mayor and Members of the City Council     | Mark McDaniel, Assistant City Manager             |
| T.C. Broadnax, City Manager                                | Eric D. Campbell, Assistant City Manager          |
| Larry Casto, City Attorney                                 | Jill A. Jordan, P.E., Assistant City Manager      |
| Craig D. Kinton, City Auditor                              | Joey Zapala, Assistant City Manager               |
| Rosa A. Rios, City Secretary                               | M. Elizabeth Reich, Chief Financial Officer       |
| Daniel F. Solis, Administrative Judge                      | Alan E. Sims, Interim Chief of Community Services |
| Kimberly Bizor Tolbert, Chief of Staff to the City Manager | Directors and Assistant Directors                 |
| Majed A. Al-Ghafry, Assistant City Manager                 |   |

Attachment A – Location Map



**Attachment B – City Benefits**

**Analysis of City Benefits from COC Garage Management  
TIF/Silver Garage**

<b><u>Annual Benefits to City</u></b>	<b>Annual</b>
City Garage Operating Expenses (Non-Event Expenses)	\$131,250
Waiver of Management Fee (estimated fee)	\$60,000
Additional Police Officers - Silver Garage/2-way traffic (3 Officers X 4.5 hrs/event X 150 events X \$45.70/hr (incl tax))	\$92,543
<b>Annual Benefit to City per Agreement</b>	<b>\$283,793</b>
<b>Sub-Total Benefit to City Over Agreement Term</b> (=14.5 yrs remain for Arena Lease)	<b>\$4,114,999</b>
<b><u>Less Benefits to COC - Over Agreement Term</u></b>	
Rental for COC employee parking (125 parkers X \$66/month X 12 months x 14.5 yrs)	(\$1,435,500)
TIF Grant for operation and management of Silver Garage	(\$1,521,114)
<b>Total Benefit to City Over Agreement Term</b>	<b>\$1,158,385</b>
<b><u>One-Time Benefits to City - incurred since inception of garage</u></b>	
Additional Police Officers - Silver Garage/2-way traffic (incurred through 12/2016 - 1.25 years)	\$115,679
Operating Expenses absorbed by COC (from garage inception thru 10/31/16)	\$177,166
Waiver of Dock Road Reimbursable (West Access Rd Agreement)	\$610,840
<b>Total One-Time Benefit to City</b>	<b>\$903,685</b>

<b>Total Benefits to City (agreement benefits + one time benefits)</b>	<b>\$2,062,069</b>
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**Estimated Garage Generated Revenue to City (in addition to benefits)**

<b>Garage Revenue Sources</b>	<b>Estimated Gross Revenue</b>	<b>% Share to City</b>	<b>Annual City Rev Share</b>
Naming Rights	\$100,000	25%	\$25,000
Non Event Parking	\$20,000	50%	\$10,000
<b>Total</b>			<b>\$35,000</b>

### Attachment C – Agreement Highlights

- **Capital Account** – City will create a capital account to fund capital expense obligations for the garage. The Capital Account will be funded by the following:
  - Annual funding commitment of \$100,000 made up the following (1<sup>st</sup> year partial payment of \$50,000)
    - First, City's share of all revenue generated by the garage
    - Secondly, monthly parking revenue received by the Victory Sub-district from South Parking Garage parking lease agreement
  - One-time payment of \$200,000 for Victory Sub-district TIF increment by December 2019
- **Arena Event Parking Operations** – COC will operate the parking garage two hours before the start of an arena event, continuing through and including two hours after completion of event. COC will receive parking revenue generated by event parking operations.
- **Non-Arena Event Parking Operations** – COC will manage and operate the garage during non-event hours and assure non-interference with arena event parking operations.
  - Provide public parking in the garage for (1) ongoing construction projects in the district or district wide events requiring short term public parking, (2) monthly parking agreements with individual members of the public;
  - COC may implement parking controls – valet service, installation of electronic gates or access control devices, etc. to assure non-interference with arena event parking operations
  - 50% of gross revenues generated during non-arena event parking deposited in City's Capital Account
- **Lower Level Operations** – COC has the right to use the lower level for ancillary uses associated with arena operations
  - Third-Party Use – COC may license the lower level as additional staging and event truck parking ancillary to the AAC, or public purposes (e.g. uses that promote the City such as filming within the City or staging of other District events)
  - 50% of revenue generated from lower level, third-party use deposited in City's Capital Account
  - City Use – City may use the lower level during non-event periods, subject to prior notice and coordination with COC and limited to once a quarter for no longer than 2 days
- **Environmental Signage** – COC has the right to prepare, install, maintain and periodically change garage signage
  - 50% of gross revenue from signage rights deposited in City's Capital Account

- **Naming Rights** – COC has the right to market the garage to permit one or more third-party sponsors' name and other branding materials to be placed on the exterior or within the garage
  - Up to \$125,000, 25% of annual gross revenues from sale of naming rights deposited in the City's Capital Account
  - More than \$125,000, 50% of annual gross revenues from sale of naming rights deposited in City's Capital Account
- **Staffing** – COC will provide staff sufficient to operate the garage full time
- **Facility Maintenance** – COC will provide for routine maintenance of equipment and facilities including (1) operation and maintenance of elevators, escalators and back-up generator, (2) obtain and pay for annual service agreements for elevators and escalators and (3) operation and maintenance of lighting facilities
- **Security** – COC will secure and control access to garage
- **Insurance** – COC will provide City required insurance
- **Audit, Examination and Inspection** – City has the right to audit, examine or inspect at the City's election all records related to the performance of and revenue arising from full-time operation the garage



# Memorandum



DATE April 10, 2017

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,  
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Economic Development Grant to the Dallas Foundation from the South Dallas /Fair Park Trust Fund (District 7)**

On May 10, 2017, the City Council will consider an Economic Development Grant Agreement from the South Dallas/Fair Park Trust Fund to the Dallas Foundation in the amount of \$100,000.00 to partially underwrite the cost of The Market at Bonton Farms project located at 6905 Bexar Street, Dallas TX (see attached map)

## Background

The Dallas Foundation was established in June 1929 as the Dallas Community Trust under the sponsorship of the A.H. Belo Corp., The Times Herald Printing Co., the Dispatch Publishing Co., and The Dallas Chamber of Commerce. The focus of the foundation is strategic charitable planning as well as serving and supporting donors or organizations to make their charitable giving effective, meaningful and impactful. For 86 years, The Dallas Foundation has worked to improve the quality of life for North Texans. A grant from the South Dallas/Fair Park Trust Fund will be used to support the Bonton Farms project.

Bonton Farms Enterprises is an inner city nonprofit organization focused on job training and development for residents in low income communities. The working farm in the far South Dallas/Fair Park community of Bon Ton grows vegetables and fruit, and raises goats, pigs and chickens for wholesaling and community consumption. The initiative has gained major attention for the healthy foods it provides as well as the job training provided and jobs created for the formerly incarcerated. Started on a one-and-a-half-acre plot, the farm has now been increased by 40 acres as a result of a land donation.

The Dallas Foundation is the fiscal agent for Bonton Farms Enterprises and many other North Texas Non - Profits. They assist Bonton Farms Enterprises with finances, planning and development and guidance for special projects. The Bonton Farms project will build a community market place, to be called The Market at Bonton Farms. It will provide access to healthy affordable fresh food for a community with very few options. A cafe will serve as a community gathering place as well as for food preparation and consumption. Operating the café and the market and growing produce creates jobs and offers a place for residents to participate in job preparedness training. All services will be provided directly from the farm and the community market space.

Total cost of developing the Market at Bon Ton is estimated at \$370,000. The proposed Trust Fund grant will complete the financing needed for the project. Sources of matching funds for

Economic Development Grant to the Dallas Foundation from the South Dallas  
/Fair Park Trust Fund

April 10, 2017

Page 2 of 2

this project include Holmes Foundation, The Dallas Foundation, Caris Foundation and the Communities Foundation of Texas. (See attached Sources and Uses of Funds Chart) Other project partners include Habitat for Humanity, United Way, Communities Foundation of Texas and the Meadows Foundation.

The South Dallas/Fair Park Trust Fund assists neighborhoods in the South Dallas/Fair Park vicinity in the areas of business, community, human and economic development. Assistance is provided in the form of loans to business and grants to community based nonprofit organizations, neighborhood groups and associations.

The South Dallas/Fair Park Trust Fund serves residents and businesses in the following 13 census tracts: 25, 27.01, 27.02, 28, 29, 34, 36, 37, 38, 39.01, 39.02 and 40.

On March 22, 2017, the Trust Fund Advisory Board recommended approval of the Grant to the City Manager

Should you have any questions, please contact me at (214) 670-3309.



Theresa O'Donnell  
Interim Chief of Economic Development & Neighborhood Services

C: The Honorable Mayor and Members of the City Council	Mark McDaniel, Assistant City Manager
T.C. Broadnax, City Manager	Eric D. Campbell, Assistant City Manager
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## Job Forecast & Job Preparedness Training Program

# The Market at Bonton Farms



## Jobs

To launch the Market at Bonton Farms, we anticipate hiring 7 – 10 people. Factored into our P&L forecast are (4) Full Time Equivalent jobs.

## BONTON FARMS

### Financing Needed

**Bonton Farms - 100% funded**

**Bonton Farms Extension - original 18.3-acre site is 100% funded. Additional 20-acres will need \$75,000.**

**The Market @ Bonton Farms - We seek funding from corporate donors, foundations, grants and the private philanthropic community in and around Dallas. Our model works to raise private funds through donations to cover the expenses associated with starting the social enterprise, so that each endeavor can start debt free. From that point forward, each effort must carry their own weight and prove sustainable and replicable. Our needs for this project are:**

#### \$370,000 Total Needed

\$270,000 Building

\$100,00 FF&E

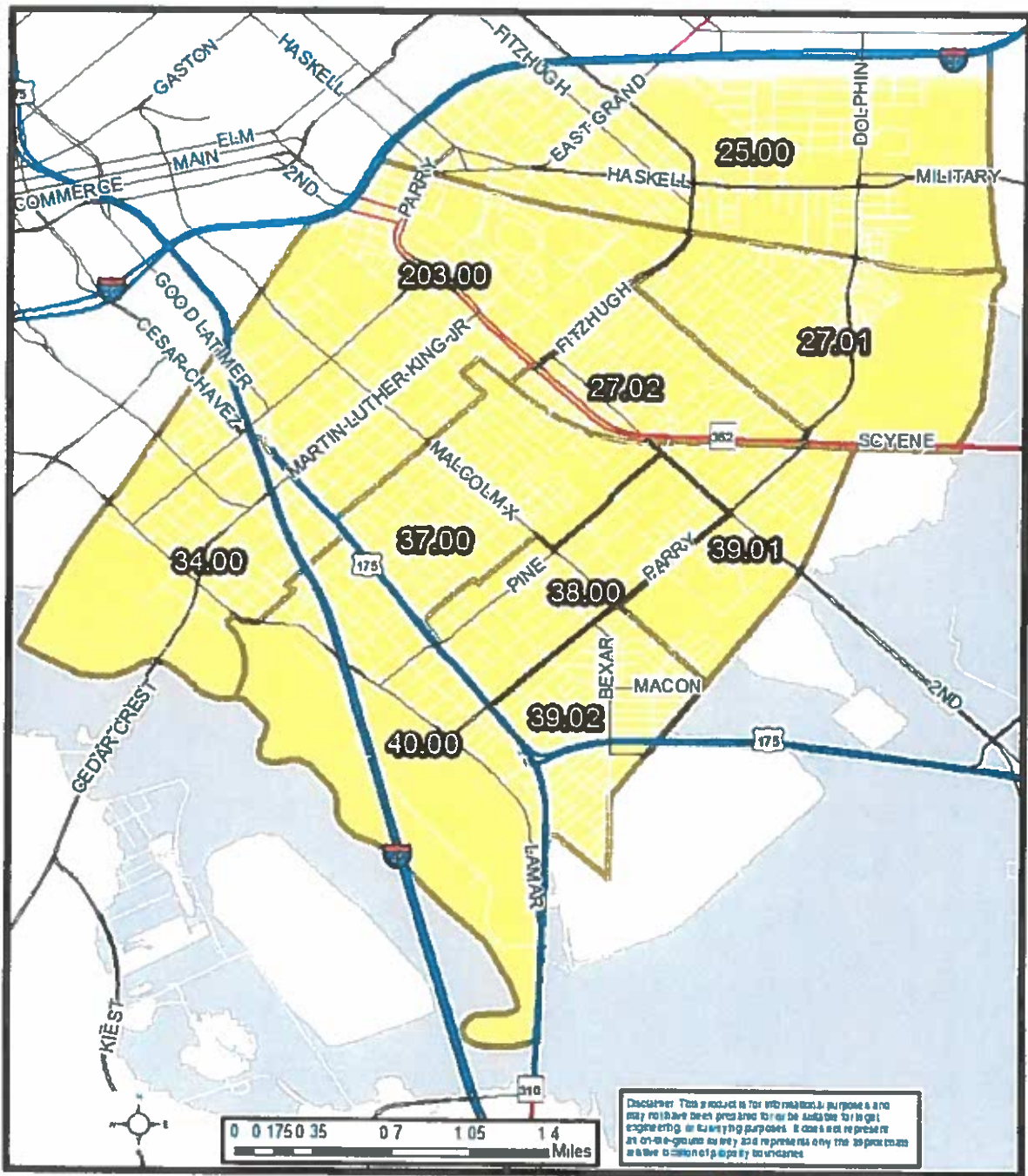
#### Funds committed

- \$50,000 grant received from the Dallas Foundation (Pegasus Grant)
- \$20,000 Communities Foundation of Texas
- \$100,000 Caris Foundation
- \$100,000 Family Foundation through Dallas Foundation

#### Remaining Funds Needed

= \$100,000 remaining funds needed to complete

Also, we will continue to seek funding to support our programs. In addition to the costs of the programs we provide, each program participant receives a weekly stipend. We also firmly believe that safe housing is key to success, so for many of our participants, we provide transitional housing while they are with us until they pass on to employment.



# Memorandum



DATE April 10, 2017

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,  
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Economic Development Grant to In The City For Good from the South Dallas/Fair Park Trust Fund (District 7)**

On May 10, 2017, the City Council will consider an Economic Development Grant from the South Dallas / Fair Park Trust Fund to In The City For Good in an amount not to exceed \$200,000.00 for the purpose of partially underwriting the cost of training and development of community residents for early childhood teacher certifications and other positions at the South Park YMCA Early Childhood Development Center located at 3901 Latimer, Dallas TX.

## Background

In the City for Good, Inc (ITCFG) is a Dallas non-profit organization established in 2001 to assist community-based organizations in providing hunger relief, drug rehabilitation and early childhood education to residents living in the South Dallas/Fair Park community.

The agency's goal is to seek funding for community organizations to assist with underwriting the cost of bringing needed services to residents in communities where such needed services are limited. Over two years ago, ITCFG formed a partnership with the South Park YMCA (the Y) to convert a dilapidated nearby building into an early childhood development center which provides certified teachers, teachers' aides, and support staff, to increase young children's chances for academic achievement. This program will provide community members with training needed to become certified early childhood development teachers and give them jobs with the program. The South Park YMCA early childhood initiative is being developed in two phases.

**Phase I** of the project was to acquire a blighted property located at 3901 Latimer, across the street from the Y. The vacant structure became an eyesore for the community and a haven for undesirable activity. Discussions about the early childhood educational needs of the community and deficiency of space led to the idea of converting the property into a YMCA program for early childhood development.

ITCFG raised \$261,000.00 to acquire and renovate a fully code-compliant early childhood education building, which after completion will be deeded over to and operated by the Y. The completed building is located across from the side entrance to the Y, allowing students to benefit from the amenities and wrap around services provided.

**Phase II** of the project is opening and operating the early childhood development program after the facility is completed. ITCFG is committed to raising \$200,000.00 of the \$533,524.00

Economic Development Grant to the Dallas Foundation from the South Dallas  
/Fair Park Trust Fund

April 10, 2017

Page 2 of 2

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Should you have any questions, please contact me at (214) 670-3309.



Theresa O'Donnell  
Interim Chief of Economic Development & Neighborhood Services

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South Dallas/ Fair Park Trust Fund  
Special Grants Application  
In the City For Good

**Section V: Grant Application Budget Form**  
**(Must be typed or completed in ink)**

Agency **In The City For Good, Inc.**  
Project/Program **Early Childhood Development Program**

Itemized budget for project: **\$533,524 annual operating cost**

**Program Project Administrative Costs** **\$ 140,627**

Personnel (including benefits)	<b>0</b>
Rent/Monthly Note	<b><u>118,279</u></b>
Utilities	<b><u>(incl. as Facility Usage)</u></b>
Phones	<b><u>22,348</u></b>
Postage	_____
Word Reproduction	_____
Other (specify attachment if needed)	_____

**Program Delivery Total:** **\$ 392,897**

Contract Personnel	<b><u>148,544</u></b>
Program Fees	<b><u>61,350</u></b>
Transportation	<b><u>15,606</u></b>
Food	<b><u>27,663</u></b>
Supplies	<b><u>56,254</u></b>
Curriculum	<b><u>24,032</u></b>
Facility Usage	<b><u>36,000</u></b>
Printing and Promo	<b><u>23,448</u></b>

Misc. (attachment if needed) \_\_\_\_\_

**Total Project Cost:** **\$ 533,524**

**Total Funds Requested:** **\$ 200,000**

REDEVELOPMENT

# PARK SOUTH YMCA (3)

1501

PENNSYLVANIA AVE  
Dallas, TX 75215

The Park South YMCA provides preschool for 150 three and four year olds, preparing them for Kindergarten – a much needed service in this community.

In the City For Good partnered with Trammell Crow Company to acquire the abandoned building across the street and converted it into additional classrooms to meet the need for additional space.

Before



After



[www.InTheCityForGood.org](http://www.InTheCityForGood.org)

REDEVELOPMENT

## OUR COMMUNITY PANTRY (5)

1501  
PENNSYLVANIA AVE  
Dallas, TX 75215



In The City For Good partnered with Trammell Crow Company to complete the renovation of this abandoned former liquor store to a "State of the Art" client choice food pantry in 2015.

Our Community Pantry is operated by the North Texas Food Bank and is currently serving a balanced variety of groceries including fresh dairy, produce and frozen meats to over 400 families per week.

[www.InTheCityForGood.org](http://www.InTheCityForGood.org)

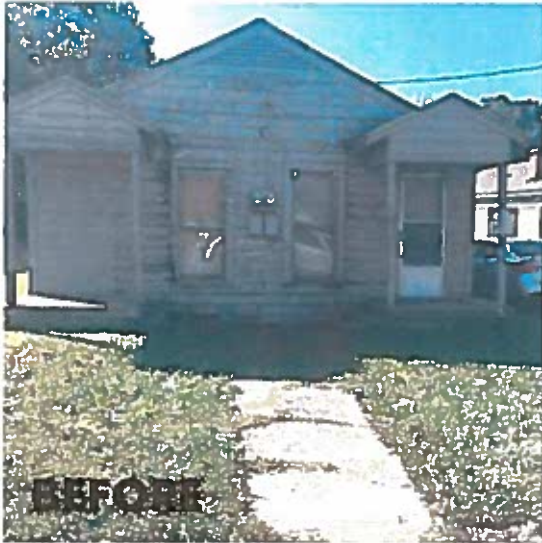


DEVELOPMENT

## OUTCRY IN THE BARRIO (1)

4419

Hamilton Ave  
Dallas, TX 75210



Outcry in the Barrio helps ex-addicts assimilate back into the community.

"We don't measure success by how many people come into the program, but how many remain drug-free and begin to contribute to society again."

—Billy Island, Lead Pastor



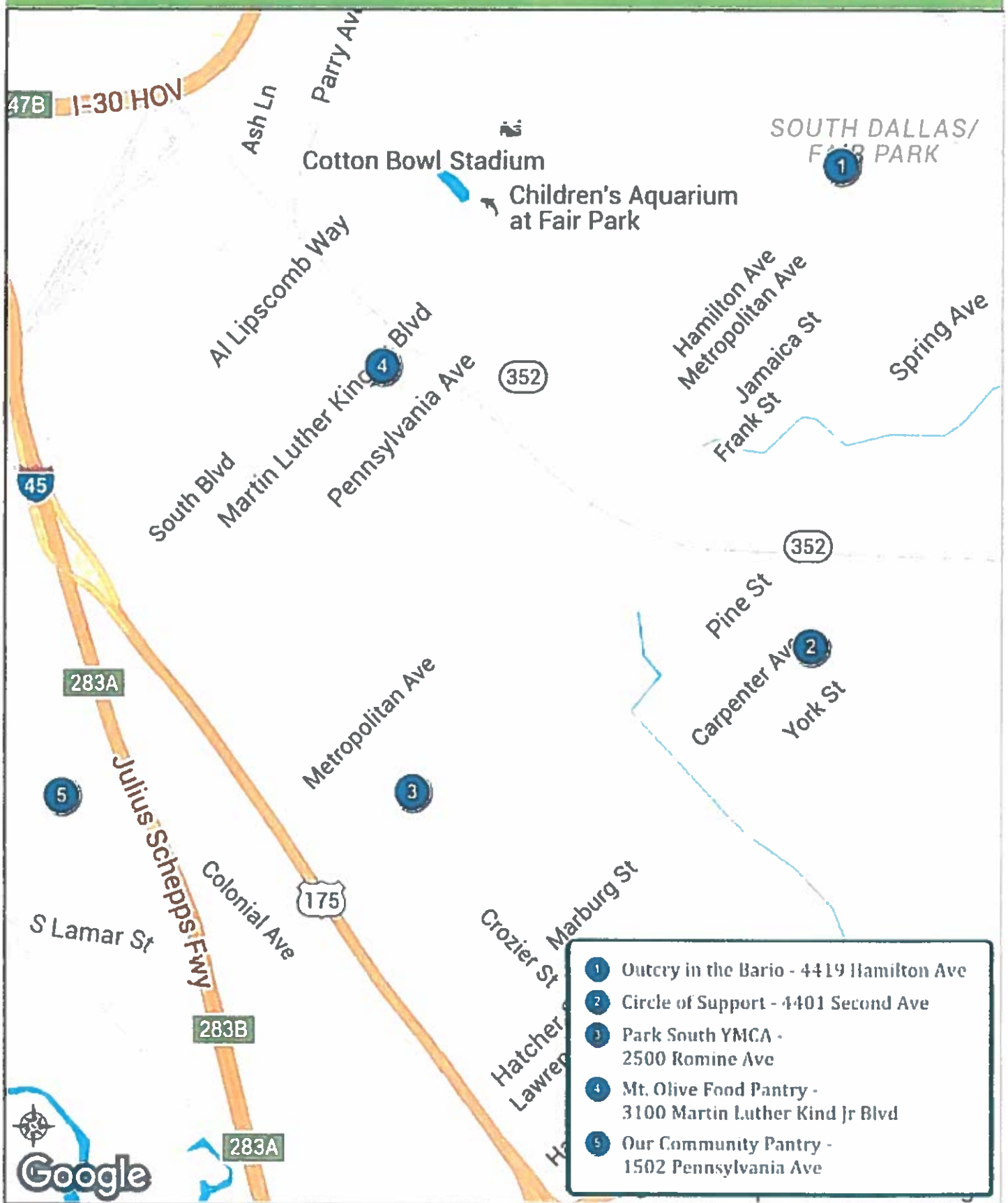
In 2008, In The City For Good developed the new home for Outcry in the Barrio.

**Current Home:** 40+ men in the program

**Former Home:** 2 bedrooms occupying 10 men max

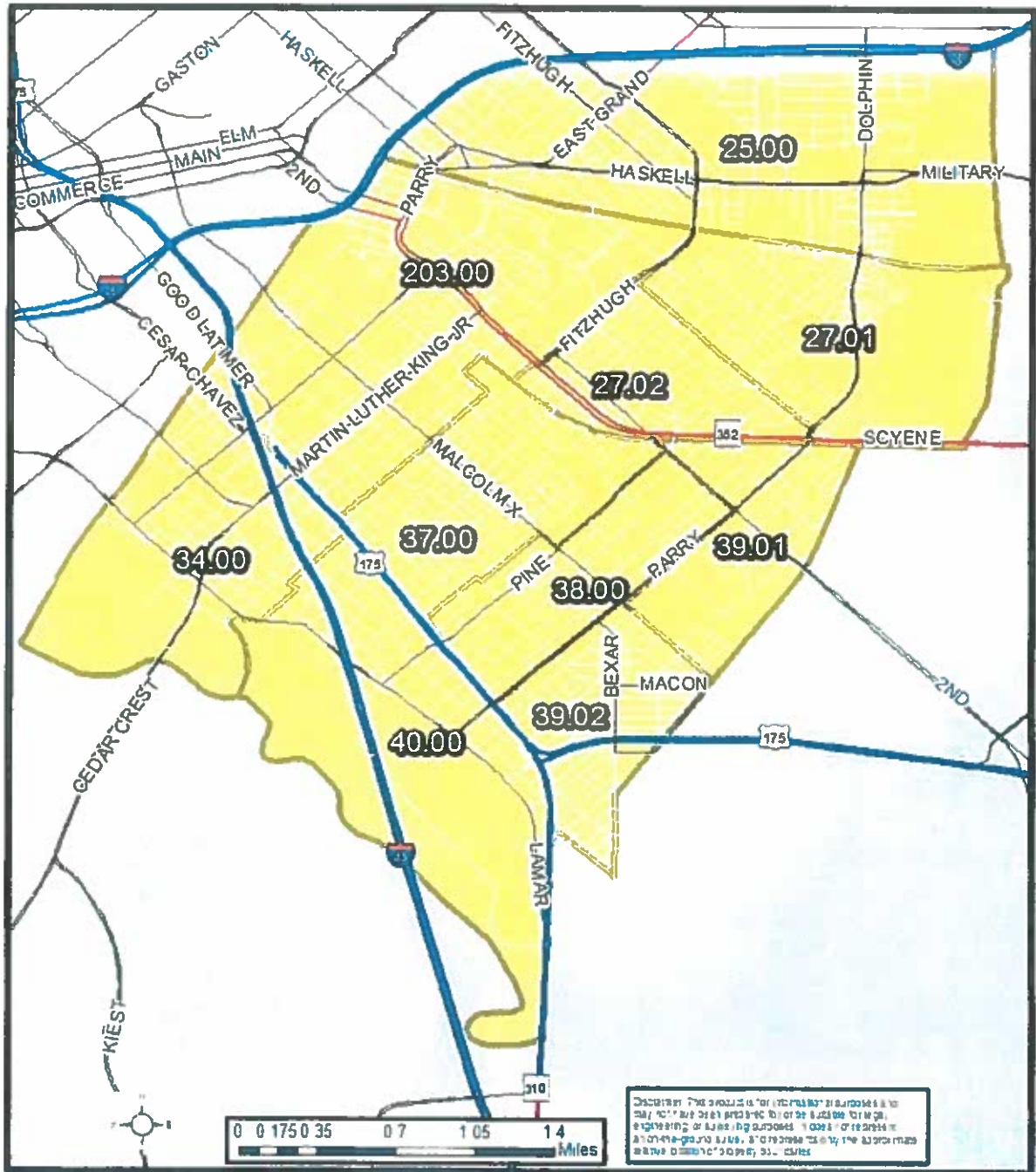
[www.InTheCityForGood.org](http://www.InTheCityForGood.org)

# NONPROFIT PARTNER ORGANIZATIONS



- 1 Outcry in the Barrio - 4419 Hamilton Ave
- 2 Circle of Support - 4401 Second Ave
- 3 Park South YMCA - 2500 Romine Ave
- 4 Mt. Olive Food Pantry - 3100 Martin Luther Kind Jr Blvd
- 5 Our Community Pantry - 1502 Pennsylvania Ave





# Memorandum



DATE April 10, 2017

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,  
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Economic Development Grant and South Dallas/Fair Park Trust Fund (SD/FPTF)  
Economic Development Loan to the South Dallas/Fair Park Inner City  
Development Corporation (ICDC) (District 7)**

On May 10, 2017, the City Council will consider (1) a Chapter 380 Economic Development Grant Agreement in the amount of \$131,231.00 to the South Dallas/Fair Park Inner City Development Corporation (Public/Private Partnership Program) and (2), a loan from the South Dallas/Fair Park Trust Fund to the South Dallas/Fair Park Inner City Development Corporation (ICDC) in the amount of \$131, 231.00. Total funding of \$263,421.00 is for the purpose of making major repairs and improvements to the Grand Plaza Shopping Center located at 3101 Al Lipscomb Way, Dallas TX 75215. (See attached map)

## BACKGROUND

ICDC, a long time successful non-profit developer and CHODO in the South Dallas/Fair Park community, is owner of the Grand Plaza Shopping Center. The purpose of the funding (combined proceeds of a grant and loan) is to make sustainable repairs to the center by fully replacing the existing roof, seal coating the parking lot, upgrading electrical systems and replacing outdated, inefficient air conditioning units. Canvas awnings, exterior painting and upgraded landscaping are included in the project to enhance aesthetic appeal. From loan proceeds alone, ICDC only has the financial capability to do "band aid" repairs when more permanent improvements are needed.

The loan, from the South Dallas/Fair Park Trust Fund (Trust Fund) in the amount of \$131,231.00, the maximum amount allowable based on ICDC's ability to repay (see attached fact sheet) will cover only the cost of minimum repairs needed to increase the likelihood of tenant retention. Additional funds of \$131,231.00 are needed to make more sustainable improvements and aesthetic upgrades. Total cost of sustainable repairs and improvements is estimated to be \$263,000.00. See attached budget for improvements to be made from loan proceeds and improvements that will be enhanced by adding the grant.

Grand Plaza was originally financed by the City of Dallas with CDBG financing. The City has a 1<sup>st</sup> lien with a balance owed of \$463,120. A 2<sup>nd</sup> lien in the amount of the Trust Fund loan of \$131,231 will be added, for a total of \$594,391 of project debt, supported by an estimated value of \$894,500.

Built in 1986, the Grand Plaza Shopping Center has over 12,000 sq. ft. of retail space with eight tenants (100% occupancy). Many of the leases are expiring over the next 18 months. Repairs and improvements will create a more attractive commercial retail space that will retain



Economic Development Grant and South Dallas/Fair Park Trust Fund (SD/FPTF)  
Economic Development Loan to the South Dallas/Fair Park Inner City Development  
Corporation (ICDC)  
April 10, 2017  
Page 2 of 2

lease tenants, add value to the center and surrounding properties and increase traffic to the center and other businesses in the area. Grand Plaza is a major retail option for residents in the South Dallas Fair Park community and provides 30 jobs for mostly community residents.

Under the City's new special economic development grant category for neighborhood retail and commercial development in targeted areas, the project qualifies for an Economic Development Grant up to \$131,231.00. The project is in the South Dallas/Fair Park community and meets the minimum project investment target of the program of \$250,000.00. The loan from the Trust Fund in an amount equal to the grant meets the 50/50 funding match required.

At the meeting held on March 22, 2017, the South Dallas/Fair Park Advisory Board recommended to the City Manager approval of a loan to the South Dallas/Fair Park Inner City Development Corporation in the amount of \$131,231.00

Should you have any questions, please contact me at (214) 670-3309.



Theresa O'Donnell  
Interim Chief of Economic Development & Neighborhood Services

C: The Honorable Mayor and Members of the City Council	Mark McDaniel, Assistant City Manager
T.C. Broadnax, City Manager	Eric D. Campbell, Assistant City Manager
Larry Casto, City Attorney	Jill A. Jordan, P.E., Assistant City Manager
Craig D. Kinton, City Auditor	Joey Zapata, Assistant City Manager
Rosa A. Rios, City Secretary	M. Elizabeth Reich, Chief Financial Officer
Daniel F. Solis, Administrative Judge	Alan E. Sims, Interim Chief of Community Services
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager	Directors and Assistant Directors
Majed A. Al-Ghafry, Assistant City Manager	

# GRAND PLAZA RENOVATION BUDGET

REPAIR ITEM	GRANT REQ.	LOAN PENDING	
PARKING LOT SEAL		\$ 10,161.00	
ROOFING	\$ 112,400.00	\$ 37,600.00	
EXTERIOR PAINTING		\$ 12,095.00	
CANVAS AWNINGS	\$ 2,165.00	14,397.00	
PAINT PLANTERS, GUARD RAILS		1,900.00	
AIR CONDITIONING UNITS	\$ 5,166.00	\$ 38,578.00	
ARCHITECT DESIGN		\$ 1,500.00	
ELECTRICAL		\$ 5,000.00	
PROJECT ADMINISTRATION	\$ 8,500.00		
UPDATE LANDSCAPING	\$ 3,000.00		
CONTINGENCY		\$ 10,000.00	
<b>TOTAL</b>	<b>\$ 131,231.00</b>	<b>\$ 131,231.00</b>	<b>\$ 262,462.00</b>

**Fact Sheet**  
**South Dallas/Fair Park Inner City Development Corporation**

**Applicant:** South Dallas/Fair Park Inner City Development Corporation

**Loan Amount Requested:** \$131,231.00

**Term of Loan:** Five Years (60 months)

**Monthly Note Payment:** \$2,358.00

**Interest Rate:** 3% (simple interest)

**Annual Debt Service:** \$28,296.00

**Annual Debt Service Coverage @ 1.2X:** \$33,955 (Policy Requirement)

**Business Location:** 4907 Spring Avenue, Dallas, TX 75215

**Loan Purpose:** To provide partial financing for repairs to the Borrowers, Grand Plaza Retail Center, which is located at 3101 Al Lipscomb Way, Dallas, TX 75215. The loan will assist the Borrower to create a more appealing commercial retail space that will enhance the Center's ability to attract and maintain commercial lease tenants, add significant value to surrounding properties and increase business traffic to the Center and surrounding retailers.

The loan will be used to repair the existing roof, seal coat the parking lot, to make necessary electrical repairs/improvements, for architectural designs, to serve as contingency funds and to replace four outdated air conditioning units located at the Center's anchor tenant. In so doing, the loan will maintain jobs and facilitate additional business opportunities for the South Dallas/Fair Park community. A COD grant may be available to make additional needed repairs, included with the budget.

**Business Description:** Built in 1986, the Grand Plaza Retail Center is the apex retail and commercial outlet in the South Dallas/Fair Park community. The DCAD appraises the land at \$303,670 and improvements at \$491,330, for a total appraised value of \$795,000.

**100% ownership South Dallas Fair Park Inner City Development Corporation**

The center is comprised of 12,150 sq. ft. of retail space. The anchor tenant, Family Dollar is joined by 8 additional retail tenants: Henderson Chicken, King of Kutz Barber Shop, Badd Kreationz Hair Salon, Opportunities Knocks, Pamper U Nails, Metro PCS, Ace Cash Express and Star Beauty Supply.

The center employs 30 full time and 15 part time employees.

The Project is not expected to add additional employees. There is however a potential 9% increase in sales when repairs are made. The repairs will increase the likelihood that leases will be renewed. Several leases expire in the next 18 months. The anchor tenant, Family Dollar Store is at risk due to roof and parking lot issues. Such a loss would have a significant negative impact on retail options in the community.

**Collateral Pledged:** 2<sup>nd</sup> lien position in the retail center to the Southern Dallas Development Corporation (SDDC). Title insurance will be requested to validate fee simple ownership of pledged collateral and any encumbrances.

**Relevant Calculations:** (as of March 20, 2017)

-DCCAD 2016 Certified Value	\$795,000
-110% of DCAD Value	\$874,500 (\$795,000 x 1.10%)
-1 <sup>st</sup> Lien (SDDC)	\$517,154.41
-Loan Balance	\$463,120
-Equity	\$411,380
-Maximum Collateral Value	Enhanced DCAD Value = \$874,500 - Loan Balance \$463,120) = \$411,380
-Collateral Coverage	\$411,380 / \$131.3 = 3.14X

**Lien position:** 2<sup>nd</sup> to the Southern Dallas Development Corporation

**Credit Score:** N/A. **Guarantors:** No

**Debt Service Coverage Requirement (DS):** Trust Fund Loan Annual Payment \$33,955 plus annual 1<sup>st</sup> Lien Payment of \$26,928. Total Annual Debt Payment Requirement \$60,883

Grand Plaza Profit/Loss  
Past 3 Years:

	<u>Year 2014</u>	<u>Year 2015</u>	<u>Year 2016</u>
Total Rev	171,173	182,384	183,412
Total Exp.	104,229	111,086	116,918
Net Income	66,944	71,298	66,494
DS	60,883	60,883	60,883

Projections:

	<u>Year 2017</u>	<u>Year 2018</u>	<u>Year 2019</u>
Total Rev	182,384	182,384	191,503
Total Exp.	121,112	115,000	114,000
Net Income	61,272	67,384	77,503
DS	60,883	60,883	60,883

Net income from Grand Plaza operations meets 1<sup>st</sup> and 2<sup>nd</sup> Lien Debt Service.





