

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 27, 2016
COUNCIL DISTRICT(S): 14
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: 45 J

SUBJECT

Authorize the first amendment to the development agreement and the Chapter 380 economic development grant agreement with Fairfield at Ross LLC for development of the Fairfield West End Residences in the City Center TIF District to extend the completion deadlines to September 30, 2016 – Financing: No cost consideration to the City

BACKGROUND

On December 12, 2012, City Council approved various amendments to the City Center TIF District, including extending the boundaries of the district to include property along the Lamar Corridor and in the Historic West End area.

Fairfield West End Residences is the first development project within this new sub-district of the City Center TIF District. The Fairfield West End Residences development project at 302 N. Houston Street includes the construction of a residential building with structured parking on a vacant lot previously used for surface parking in the West End Historic District.

The project is nearing completion of the 267 residential units (including 27 affordable units) in a five story building with a roof top pool. The total project cost for the Fairfield West End Residences development project is \$44,264,938 and the minimum investment for the TIF and Chapter 380 funding is \$35,000,000. TIF funding for the project is in an amount not to exceed \$5,500,000. A Chapter 380 economic development grant agreement was also approved in the amount of \$535,360.

The original deadline completion dates were set for December 31, 2015. The developer sought an administrative six-month extension to the development agreement that the City Center TIF Board approved on August 13, 2015. The initial extension request was needed due to delays in receiving TCEQ signoff that the environmental work was satisfactorily completed.

BACKGROUND (Continued)

The Developer (Fairfield at Ross LLC) is requesting an additional extension to the development agreement due to a significant flood caused by a clogged drain in the first floor amenity area that occurred the week of November 23, 2015 that required substantial demolition, remediation and replacement materials to be re-ordered, delivered and re-installed. The initial units which were scheduled for December 2015 were completed March 2016, a three-month delay.

For the same reasons stated above, the developer is also requesting an amendment to the Chapter 380 economic development grant agreement to extend the completion date deadline from December 31, 2015 to September 30, 2016.

ESTIMATED PROJECT SCHEDULE

Start Date December 2013
Completion Date September 2016

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On November 8, 2012, City Center TIF District Board of Directors reviewed and recommended approval of a development agreement with Fairfield Investment Company, LLC, and TIF funding for the project not to exceed \$5,500,000.

On January 23, 2013, City Council authorized Resolution Nos. 13-0204 and 13-0205, authorizing the execution of a Development Agreement for the Fairfield West End Residences development project located in the City Center TIF District.

On August 14, 2013, City Council authorized Resolution No. 13-1341, authorizing a Chapter 380 Economic Development Grant Agreement pursuant to Chapter 380 of the Texas Local Government Code and the City's Public/Private Partnership Program related to the development of a new residential apartment project at 302 North Houston Street, Dallas, Texas 75202 in an amount not to exceed \$535,360.

On August 13, 2015, the City Center TIF District Board of Directors approved a six month extension for the Fairfield West End Residences Development Agreement, from December 31, 2015 to June 30, 2016.

On March 10, 2016, the City Center TIF District Board of Directors reviewed and recommended for approval a three month extension for the Fairfield West End Residences Development Agreement, from June 30, 2016 to September 30, 2016.

Information about this item will be provided to the Economic Development Committee on April 18, 2016.

FISCAL INFORMATION

No cost consideration to the City

OWNER

DEVELOPER

Fairfield at Ross LLC

Fairfield at Ross LLC

Larry Lee

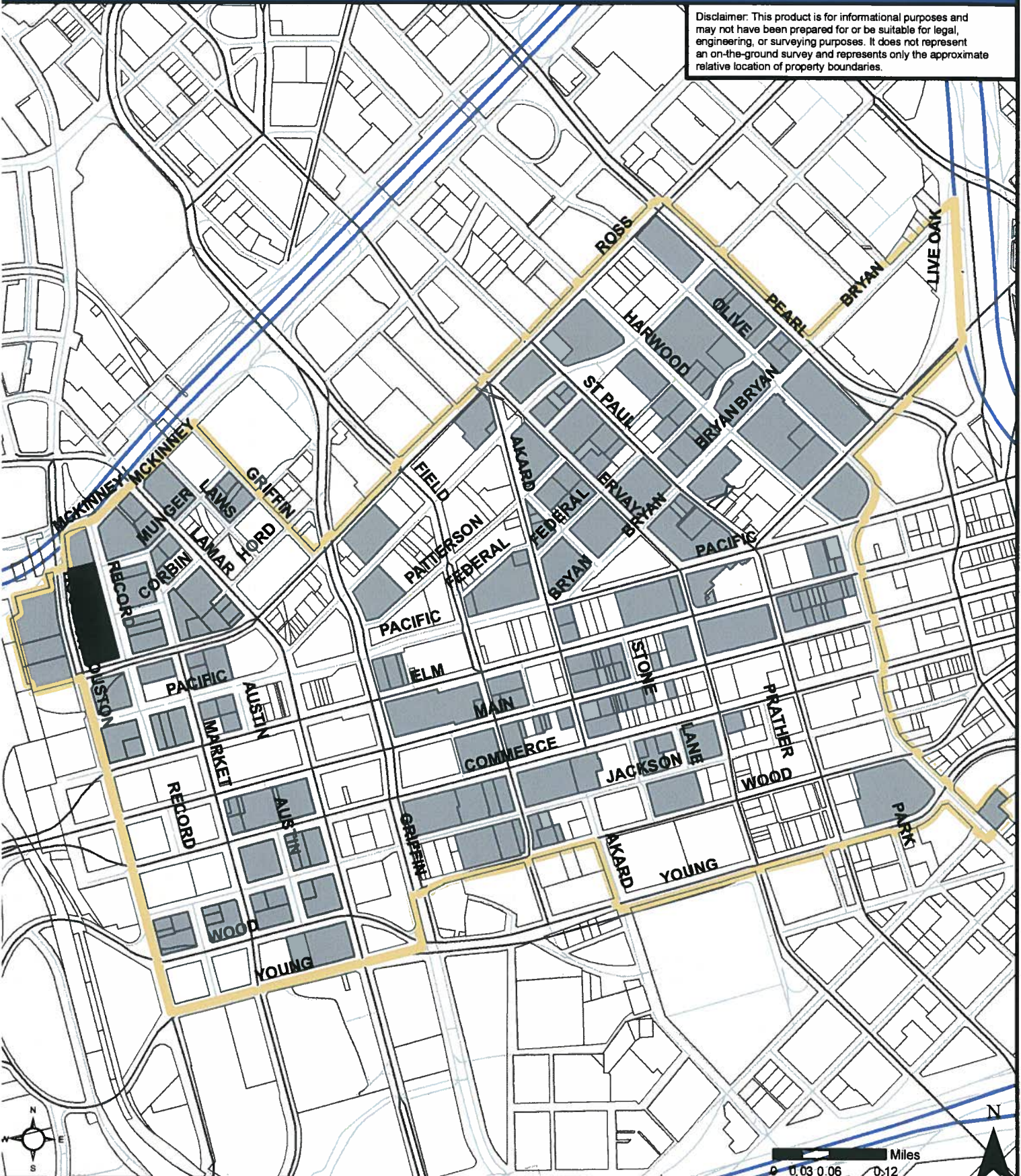
Larry Lee

MAP

Attached.

Fairfield West End Residences - City Center TIF District

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
Area Redevelopment Division
214.670.1685
dallas-ecodev.org

Legend

- City Center TIF District Boundary
- City Center TIF District Parcels
- Lamar Corridor/West End Sub-District

Memorandum



DATE April 15, 2016

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

SUBJECT **Proposed Chapter 380 Economic Development Grant Agreement with Zale**

On April 27, 2016, the City Council will be asked to consider authorization of a Chapter 380 economic development grant agreement with Zale Delaware, Inc. ("Zale"), a wholly-owned subsidiary of Signet Jewelers Limited ("Signet"), in an amount not-to-exceed \$450,000 for the relocation and expansion of its operating headquarters to a new build-to-suit office facility and an associated new build-to-suit jewelry repair facility within the Cypress Waters development in the City of Dallas.

For the past year, City staff has been in discussions with representatives of Zale as they have been evaluating sites across the North Central Texas region for the location of its new operating headquarters and associated new jewelry repair facility.

The proposed economic development grant will stimulate Zale to relocate and expand its operating headquarters to a new approximately \$45 million build-to-suit office facility (approximately 225,000 square feet) and a new approximately \$5.5 million build-to-suit jewelry repair facility (approximately 31,000 square feet) developed by Billingsley Company within the Cypress Waters development in Dallas. Zale will lease the two new facilities for ten (10) years with two (2) 5-year renewal options. The two sites do not currently have addresses and are situated on unimproved property, but their locations are depicted on the attached map.

At the new headquarters office facility, Zale plans to have approximately 700 to 800 full-time employees (most of which will be relocated from other locations in the region) when it is ready for occupancy in spring 2018. By the end of 2020, Zale plans to have approximately 1,000 full-time employees (including approximately 200 to 300 newly created jobs) at the headquarters office facility.

At the new jewelry repair facility, Zale plans to have approximately 90 to 115 full-time employees (most of which will be relocated from other locations in the region) when it is ready for occupancy in spring 2017. By the end of 2020, Zale plans to have approximately 185 full-time employees (including approximately 70 to 95 newly created jobs) at the jewelry repair facility.

Signet, formerly known as the Ratner Group from 1949 to 1993, is a holding company incorporated in Bermuda but headquartered in Akron, Ohio. Signet is the largest retailer of diamond jewelry in the world and the largest specialty retail jeweler by sales in the United States, United Kingdom, and Canada. Signet operates entirely through its 100 percent owned subsidiaries.

In May 2014, in the largest transaction in the history of the jewelry industry, Signet acquired its nearest competitor, Zale Corporation (legally known as Zale Delaware, Inc.), which is currently headquartered in Irving, Texas.

With approximately 30,000 employees, Signet operates approximately 3,600 stores worldwide primarily under the name brands of Kay Jewelers, Zales, Jared The Galleria of Jewelry, Gordon's Jewelers, H. Samuel, Ernest Jones, Peoples, and Piercing Pagoda. Signet's annual sales of approximately \$6 billion derive from the retailing of jewelry, watches, and associated services.

In order to receive the proposed Chapter 380 economic development grant, Zale will be required to comply with the following key terms:

- Zale will be eligible for the first installment (\$250,000) of the proposed grant upon verification on or before June 30, 2018 of: (1) substantial completion on at least \$35 million in real property improvements associated with design, engineering, and construction (including agreed-upon hard and soft costs) of the headquarters office facility, (2) substantial completion on at least \$4 million in real property improvements associated with design, engineering, and construction (including agreed-upon hard and soft costs) of the jewelry repair facility, (3) at least 700 full-time employees at the headquarters office facility, and (4) at least 90 full-time employees at the jewelry repair facility.
- Zale will be eligible for the second installment (\$200,000) of the proposed grant upon verification on or before December 31, 2020 of: (1) at least 950 full-time employees at the headquarters office facility, and (2) at least 150 full-time employees at the jewelry repair facility.
- If Zale attains at least 950 full-time employees at the headquarters office facility and at least 150 full-time employees at the jewelry repair facility but fails to maintain at least those employment levels for a period of five (5) years beginning from the date of the second installment, then Zale will be required to reimburse the City in the amount of \$200,000.
- If Zale relocates its operating headquarters outside of the City of Dallas prior to December 31, 2025, then Zale will reimburse the City in the amount of \$200,000.
- Zale will comply with the City's Business Inclusion and Development ("BID") good faith effort goal of twenty-five percent (25%) participation by Minority/Women-owned Business Enterprises ("M/WBE") for all construction

expenditures in contracts entered into relating to tenant finish-out or tenant allowances included with the minimum required investments described above and will meet all reporting requirements for this obligation.

The estimated net fiscal impact to the City (after payment of the proposed grant) is approximately \$11.3 million over 10 years and approximately \$37 million over 20 years. This proposed project conforms to minimum eligibility criteria for the City's Public/Private Partnership Program Guidelines and Criteria. Staff recommends approval of this proposed incentive.

ESTIMATED SCHEDULE OF THE PROJECT

Begin construction of headquarters office building	October 2016
Complete construction of headquarters office building	April 2018
Begin construction of jewelry repair building	June 2016
Complete construction of jewelry repair building	May 2017

MAP

Attached.

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



Ryan S. Evans
First Assistant City Manager

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

Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Proposed Project Information Worksheet Economic Development Committee

A. Project Summary

City Council District	6	
Project/Company Name	Zale/Signet Jewelers	
Project Location	Cypress Waters development (2 sites)	
Project Type	Build-to-Suit Headquarters Office Build-to-Suit Jewelry Repair Facility	
Facilities (Square Feet)	Headquarters Office	225,000
	Jewelry Repair Facility	31,000
Construction Schedule	Begin	June 2016
	Complete	April 2018
Private Improvement	Real Property (both sites)	\$50,500,000
	Business Property (both sites)	\$22,100,000
Jobs	Created	1,135
	Retained	n/a
Average Wage Rate	Salary (headquarters office)	\$80,000
	Salary (jewelry repair facility)	\$48,000
City Incentive Summary	Tax Abatement	n/a
	Infrastructure	n/a
	Other - Grant	up to \$450,000

B. Economic Impact Estimates (Dallas City Economy Only)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact (both sites)	1,135	\$1,202,903,185	1,135	\$3,164,458,151
Indirect and Induced Impact* (both sites)	945	\$937,290,778	945	\$2,465,491,847
Total Impact	2,080	\$2,140,193,963	2,080	\$5,629,949,998

C. City of Dallas General Fund Fiscal Impact

(From direct, indirect and induced economic impact)

	10-Year		20-Year	
Total City GF Revenue Generated (both sites)		\$27,478,401		\$73,669,864
Total City GF Service Costs (both sites)		\$15,725,099		\$36,180,079
Net Impact Before Incentives (both sites)		\$11,753,302		\$37,489,785
City Incentives		\$450,000		\$450,000
Net City Fiscal Impact (both sites)		\$11,303,302		\$37,039,785

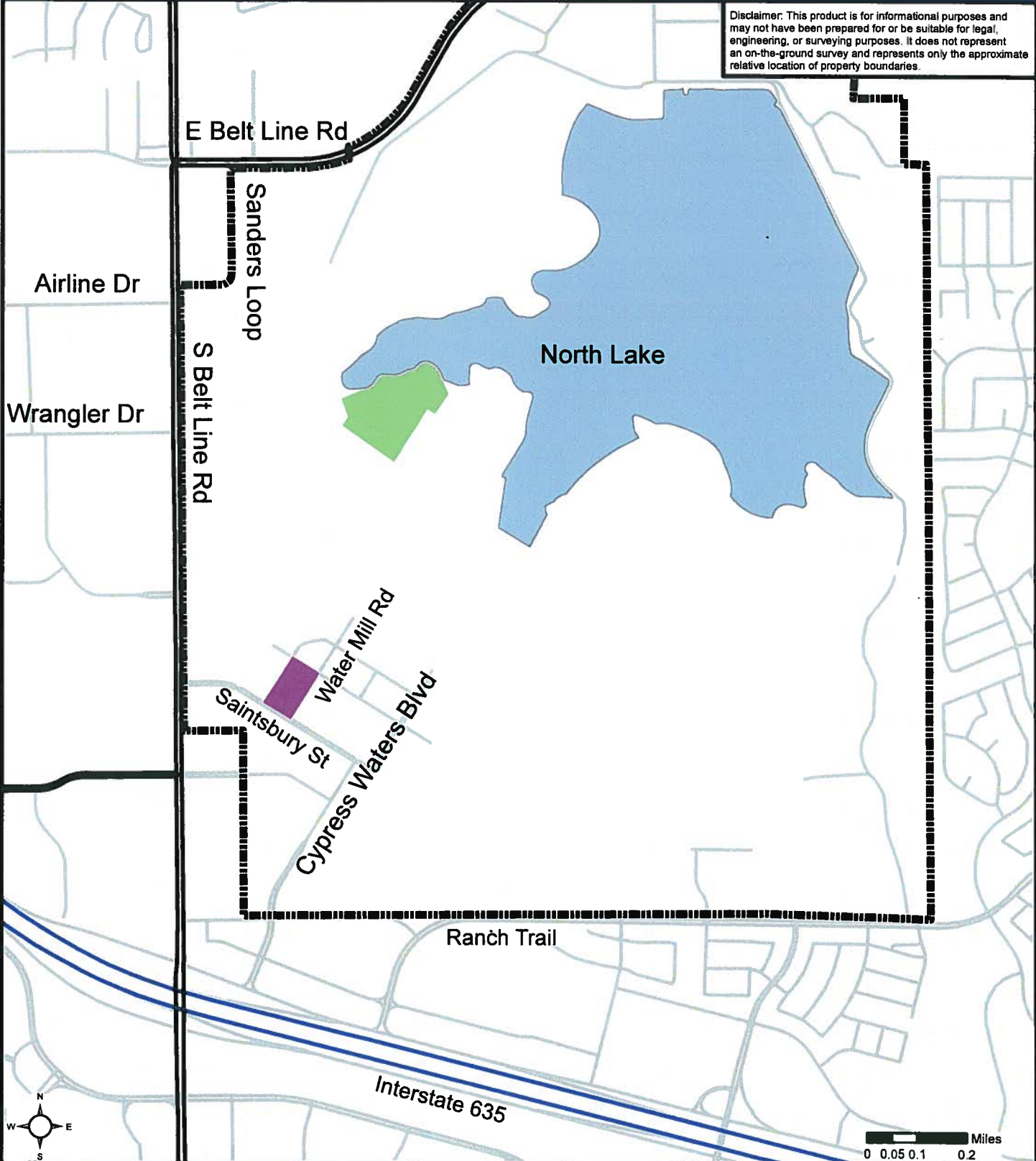
* Indirect impacts represent supplier effects; induced impacts represent spin-off household effects.

D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue

	Property Taxes	Sales Taxes
Coppell ISD	\$8,415,792	n/a
Dallas County	\$1,411,925	n/a
DCCCD	\$724,258	n/a
Parkland Hospital	\$1,603,008	n/a
DART	n/a	n/a




SUBJECT PROPERTY

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
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DEVELOPMENT
Research & Information Division
214.670.1685
dallas-ecodev.org
Created 02/16/16, Last Updated 02/15/16 - Project Diamond Property

Legend

-  HQ Site
-  Repair Center Site
-  Dallas City Limit

Data Source: City of Dallas

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: April 27, 2016

COUNCIL DISTRICT(S): Outside City Limits

DEPARTMENT: Sustainable Development and Construction
Water Utilities

CMO: Ryan S. Evans, 671-9837
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize settlement in lieu of proceeding with condemnation of a tract of land containing approximately 16,822 square feet from Doyle Anderton located in Kaufman County for the Lake Tawakoni 144-inch Pipeline Project - Not to exceed \$2,000 increased from \$4,585 (\$2,085, plus closing costs and title expenses not to exceed \$2,500) to \$6,585 (\$4,000, plus closing costs and title expenses not to exceed \$2,585) – Financing: Water Utilities Capital Construction Funds

BACKGROUND

This item authorizes a settlement for the acquisition of a tract of land containing approximately 16,822 square feet located in Kaufman County. This property will be used for the construction of a 144-inch raw water transmission line for the Lake Tawakoni Pipeline Project. The consideration is based on an independent appraisal, as approved by Dallas Water Utilities. This settlement will allow acquisition of the property without further condemnation proceedings.

This acquisition is part of the right of way required to construct approximately 32 miles of pipeline from Lake Tawakoni to the Interim Balancing Reservoir located in Terrell, TX and then to the Eastside Water Treatment plant located in Sunnyvale, TX. The new raw water pipeline will augment the existing 72-inch and 84-inch pipelines. The construction of this pipeline will give Dallas Water Utilities the ability to utilize the full capacity of both the Lake Tawakoni and the Lake Fork raw water supply to meet the current city needs and future water demands.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Authorized acquisition on August 12, 2015, by Resolution No. 15-1418.

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

Information about this item will be provided to the Economic Development Committee on April 18, 2016.

FISCAL INFORMATION

Water Utilities Capital Construction Funds - \$2,000

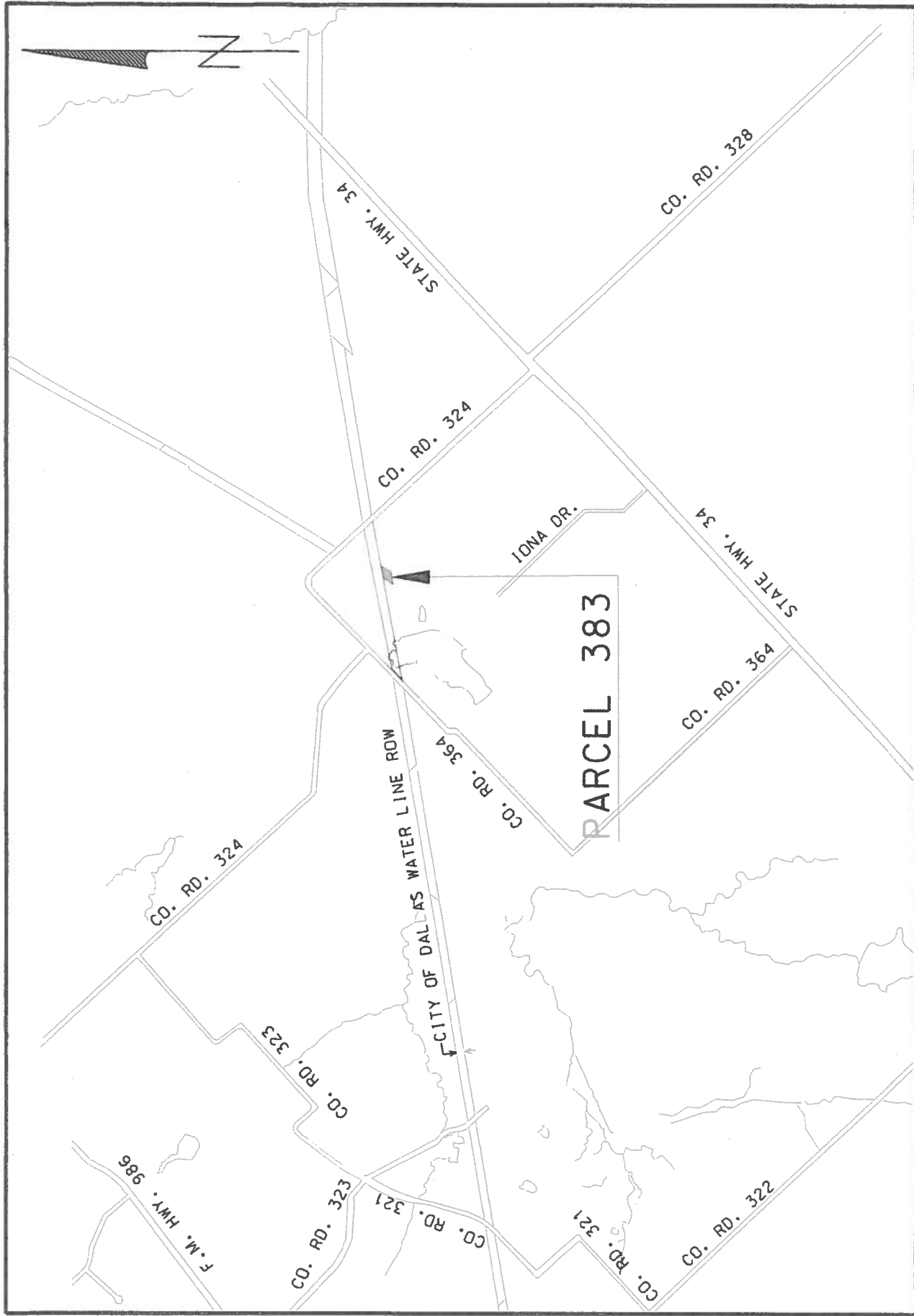
Resolution No. 15-1418	\$ 4,585.00
Additional Amount (this action)	<u>\$ 2,000.00</u>
Total Settlement Amount	\$ 6,585.00

OWNER

Doyle Anderton

MAP

Attached



VICINITY MAP
 APPROXIMATE SCALE 1" = 2000'

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 27, 2016
COUNCIL DISTRICT(S): 2, 3, 4, 5, 6, 7, 8
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 34S 36A 42U 43F K 44J 45W Z 46L M P Q R T U V W X Y Z
47J S 48T 54V Z 55B F H K L M P S W Z 56B C D T V W X
57M 62A 63D 64B Q 65A F H L 66K S 68A 69A-F L P

SUBJECT

Authorize the quitclaim of 96 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: \$585,974

BACKGROUND

This item authorizes the quitclaim of 96 properties that were foreclosed by the Sheriff's Department for unpaid taxes pursuant to judgments or seizure warrants from a District Court and the release of liens for any non-tax liens that may have been filed by the City and were included in the foreclosure judgment. These properties are being sold to the highest bidders and will return to the tax rolls upon conveyance.

Successful bidders are required to sign a certification stating that they are not purchasing these properties on behalf of the foreclosed owners and that they have no debts owed to the City, no pending code violations, and are not chronic code violators.

All properties were reviewed by the Housing Department for infill housing and were not desired for that program.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development Committee on April 18, 2016.

FISCAL INFORMATION

Revenue: \$585,973.04

OWNERS

Anthony Boyd IRA LLC

Anthony Boyd, Managing Member

Axxan Green, Inc.

Mariza Ortega, President

Citywide Development & Construction, LLC

Gardner Brewer, Managing Member

County Land and Water LLC Series COM1

Wayne Prokay, Managing Member

DFW Projects LLC

Johnny Aguinaga, Managing Member

Glo-Nite, Inc.

Butch Benavides, President

Homex Change LLC DBA Nomas Homex Change

Xochitl Trejo, Managing Member

JDS-Q Services, LLC

LaQuonda Brewer, Managing Member

Nextlots Now L.L.C.

Lee J. Schmitt, Managing Member

Tri-Capital Equities LLC

Jordan DSilva, Managing Member

Alfonso Ruiz

Alma Mireya Reyes Barbosa

Alonso Olmos

Angelica Hernandez

Aubrey Quarles

Benito Mojica

Carlos Guzman

OWNERS (Continued)

Carmen Olguin

Christina Martinez

Clifford Johnson Jr.

Cristal Benitez

Daporscha Kelley

Devan Earle

Doric Earle

Edmond Chiu

Eric Arevalo

Esteban Melgarejo Castillo

Francisco Mujica

Genaro B. Fierro

Guadalupe Martinez

Jonathan Bender

Jose Saragoza

Kelly Martinez

Kimiaki Itamura

Lonnie Barnes

Luis Mendez

Maria Schneider

Maria Estrada

Mason Sneed Hensley

Maxine Hightower

OWNERS (Continued)

Megan E. Knauss

M.W. Resnick

Nereida Vasquez

Oscar Garcia

Raquel Rollins

Rolando Cobos

Samuel Demissew

Shaymah Mahdi

Sherri M. Title

Stephani A. Kyle

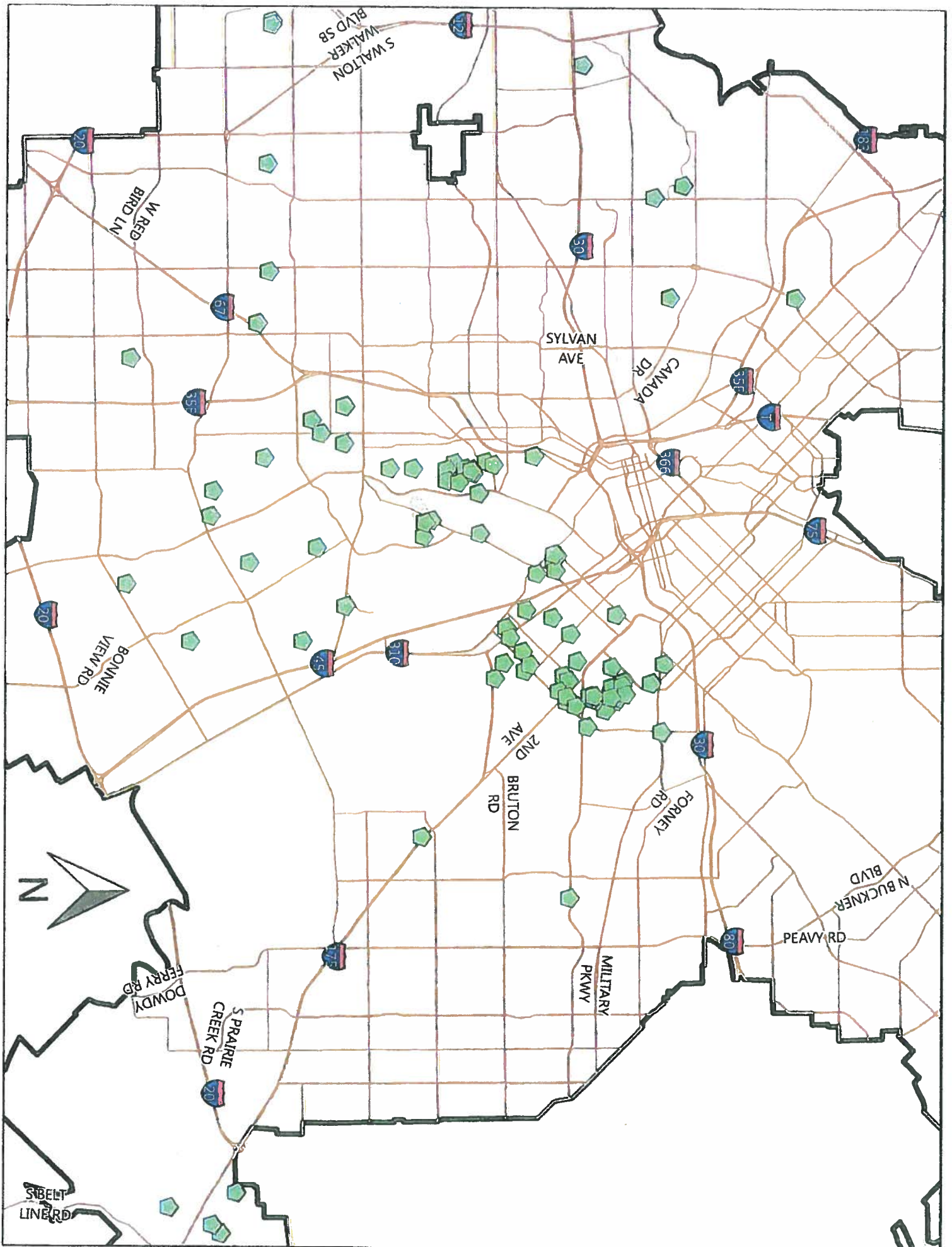
Tena Ny

Tonya Watson

W. Justin Title

MAP

Attached



KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 27, 2016
COUNCIL DISTRICT(S): 3
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 53T

SUBJECT

Authorize an amendment to the ten-year lease agreement with Mulix Investments, LLC to make leasehold improvements to the approximately 4,996 square feet of office space located at 2730 Coombs Creek Drive for the Southwest Building Inspection District office for the period December 1, 2014 through November 30, 2024 - Not to exceed \$13,400 - Financing: Building Inspection Current Funds (subject to annual appropriations)

BACKGROUND

This item authorizes an amendment to an existing ten-year lease agreement with Mulix Investments, LLC to make leasehold improvements to the approximately 4,996 square feet of office space. Additional leasehold improvements were needed and this item provides for the payment of those improvements.

The Southwest Building Inspection District office provides services that include the intake of contractors registration, review and processing of permit applications and inspections by the City of Dallas.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Authorized a lease agreement on December 10, 2014, by Resolution No.14-2114.

Information about this item will be provided to the Economic Development Committee on April 18, 2016.

FISCAL INFORMATION

\$13,400 – Building Inspection Current Funds (subject to annual appropriations)

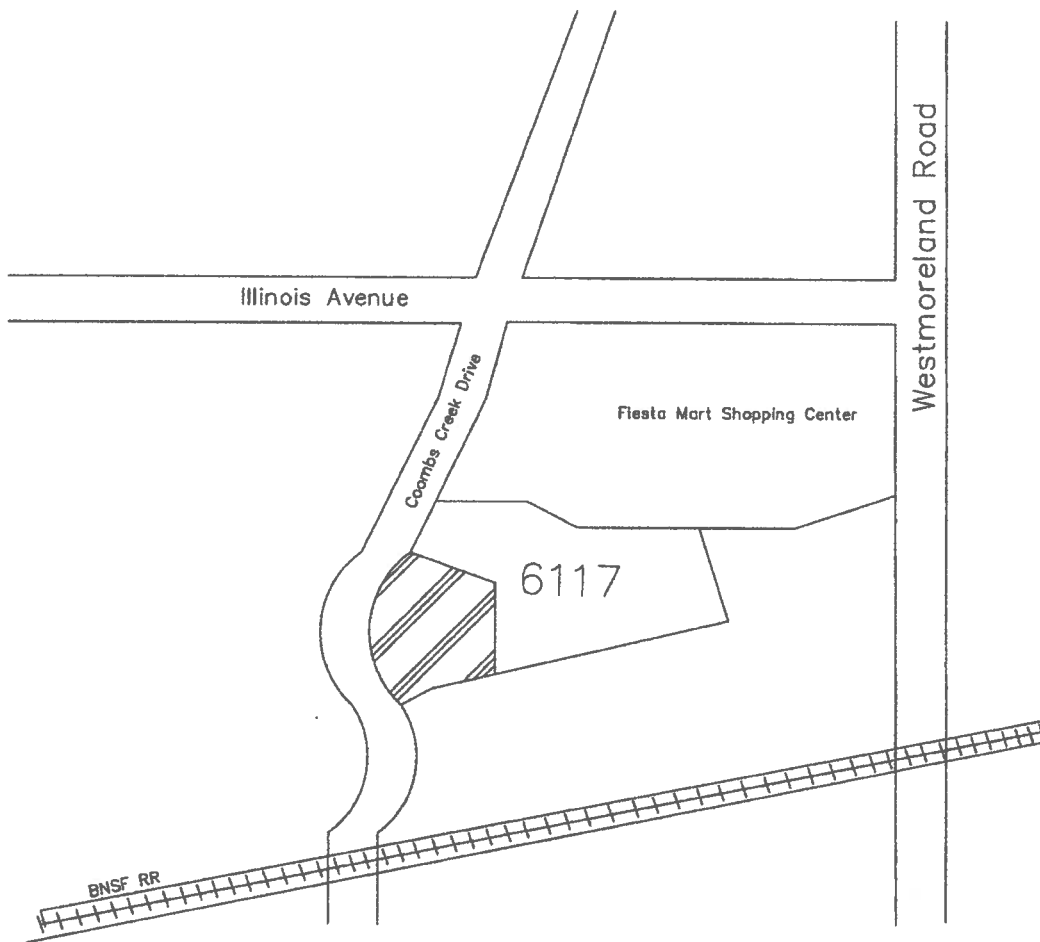
OWNER

Mulix Investments, LLC

Raul B. Estrada, Manager

MAP

Attached



Lease area
2730 Coombs Creek Drive



KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 27, 2016
COUNCIL DISTRICT(S): 14
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 45P

SUBJECT

An ordinance granting a private license to Equity Hotel Group, LLC for the use of a total of approximately 385 square feet of aerial space to occupy, maintain and utilize two canopies over a portion of Record Street right-of-way, near its intersection with Wood Street – Revenue: \$200 one-time fee, plus the \$20 ordinance publication fee

BACKGROUND

This item grants a private license to Equity Hotel Group, LLC for the use of a total of approximately 385 square feet of aerial space to occupy, maintain and utilize two canopies over a portion of Record Street right-of-way, near its intersection with Wood Street. The use of this area will not impede pedestrian or vehicular traffic.

The licensee will indemnify the City and carry general liability insurance naming the City as an additional insured.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Information about this item will be provided to the Economic Development Committee on April 18, 2016.

FISCAL INFORMATION

Revenue: \$200 one-time fee, plus the \$20 ordinance publication fee

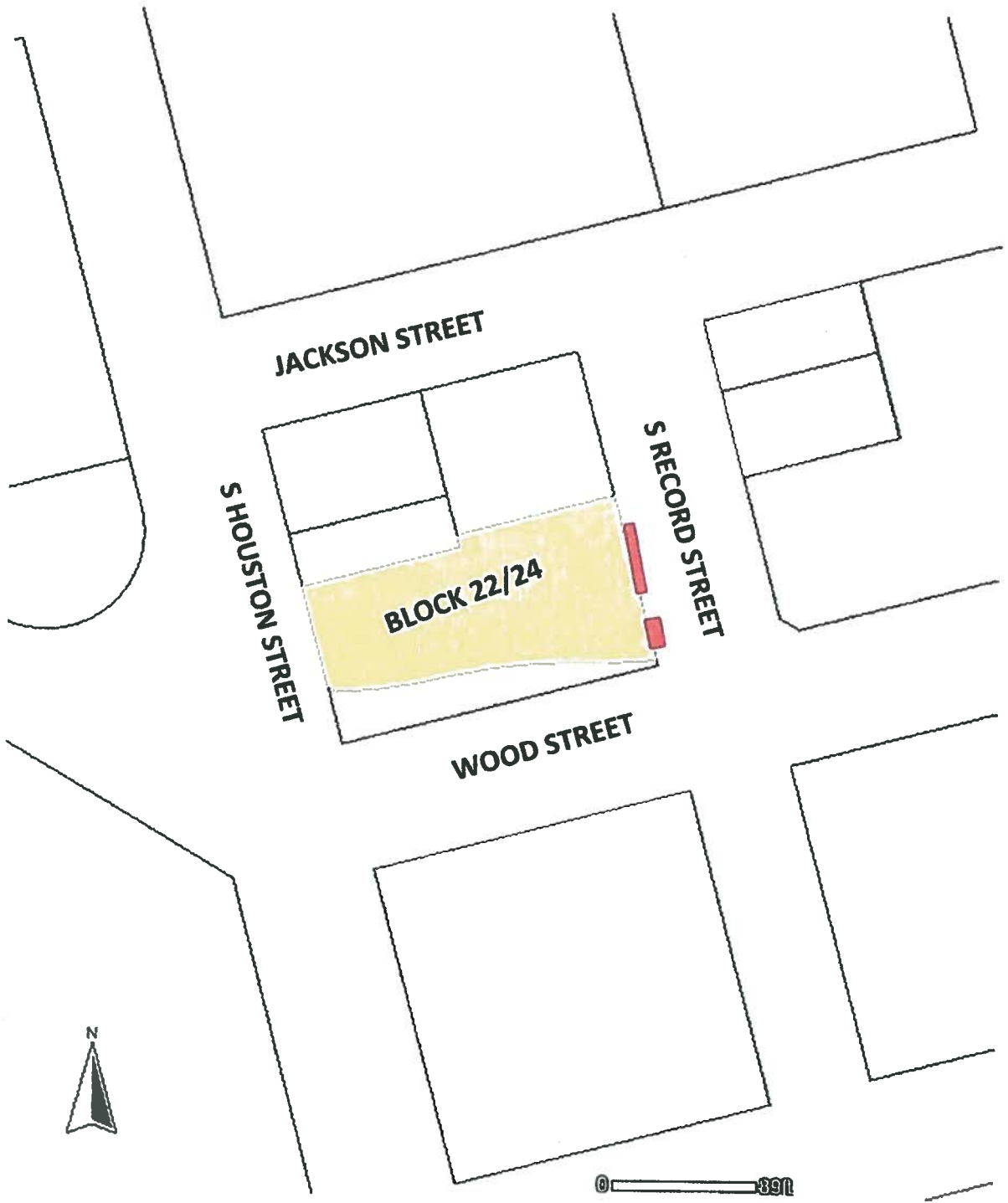
OWNER

Equity Hotel Group, LLC

Bipin Hira, Manager

MAP

Attached



LICENSING AREA

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 27, 2016
COUNCIL DISTRICT(S): 11
DEPARTMENT: Sustainable Development and Construction
CMO: Ryan S. Evans, 671-9837
MAPSCO: 26A

SUBJECT

An ordinance abandoning a sanitary sewer easement to Northaven Land Investment, LP and North Haven R.E., LP, the abutting owners, containing approximately 3,664 square feet of land, located near the intersection of Northaven Road and Freda Stern Drive - Revenue: \$5,400, plus the \$20 ordinance publication fee

BACKGROUND

This item authorizes the abandonment of a sanitary sewer easement to Northaven Land Investment, LP and North Haven R.E., LP, the abutting owners. The abandonment area will be included with the property of the abutting owners for the construction of a single-family residential development. The cost for this abandonment is the minimum processing fee pursuant to the Dallas City Code, therefore, no appraisal is required.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development Committee on April 18, 2016.

FISCAL INFORMATION

Revenue: \$ 5,400, plus the \$20 ordinance publication fee

OWNERS

Northaven Land Investment, LP

Northaven Homes GP, LLC

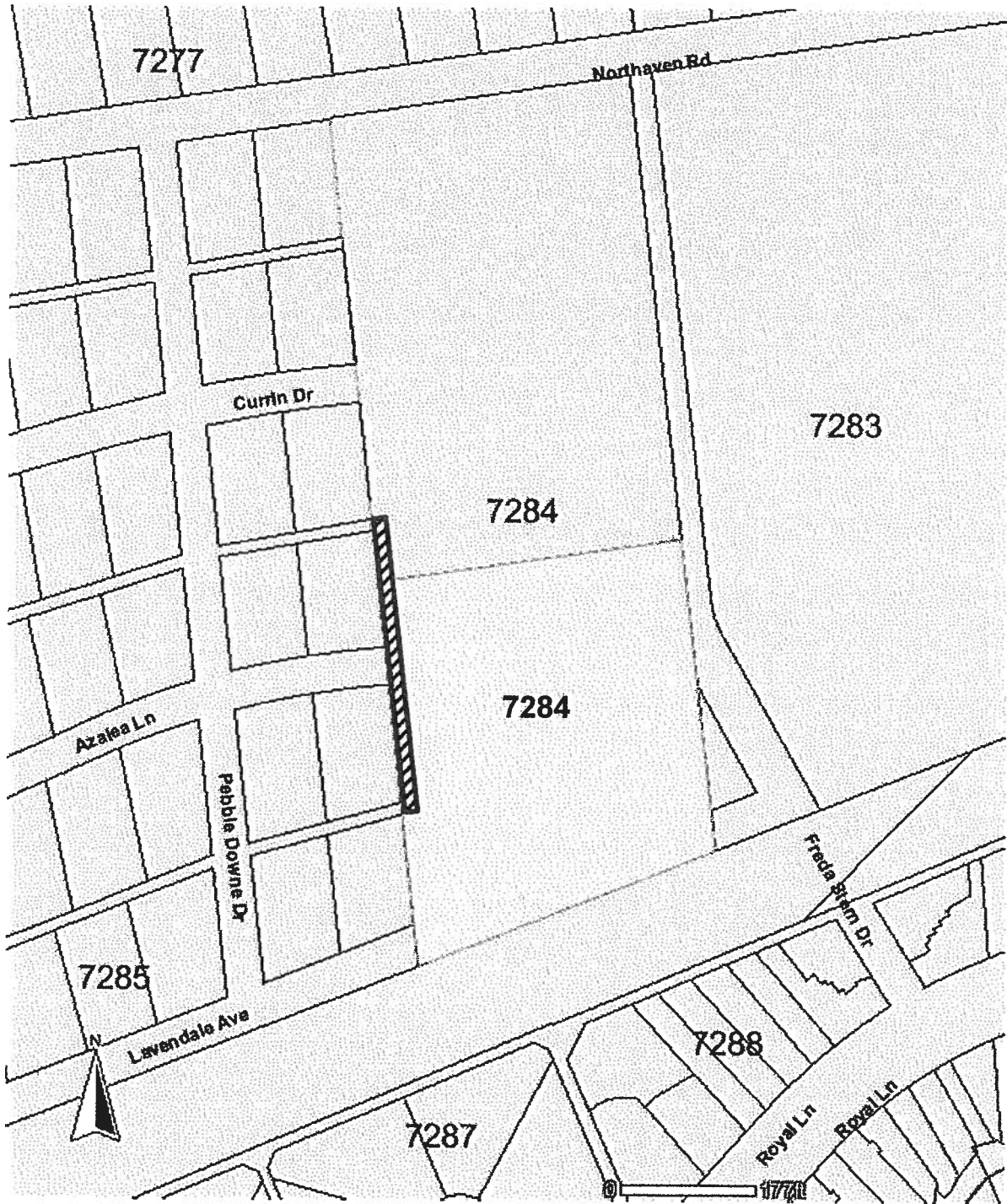
J Ryan Diepenbrock, Member


North Haven R.E., LP

Jonathan Pinkus, Member

MAP

Attached



Abandonment area = 

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 27, 2016
COUNCIL DISTRICT(S): All
DEPARTMENT: Intergovernmental Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: N/A

SUBJECT

Authorize **(1)** the acceptance of a grant from the Texas Department of Criminal Justice (Grant # 696-TC-16-17-L063), to develop and operate a pilot program for reentry services in the amount of \$1,000,000 for the period September 1, 2015 to August 31, 2017; and **(2)** execution of the grant agreement - Not to exceed \$1,000,000 - Financing: Texas Department of Criminal Justice Grant Funds

BACKGROUND

During the 2015-2017 biennium, a provision to the General Appropriations Bill directed the Texas Department of Criminal Justice (TDCJ) to enter into an agreement with the City of Dallas to create and operate a pilot program for reentry services for offenders returning to the Dallas region. The purpose of the pilot program is to provide funding for the City of Dallas to coordinate with non-profit entities, faith-based organizations, community groups, and the private sector, to provide reentry services. The goal of this pilot program is to provide reentry services and training to formerly incarcerated individuals which will reduce recidivism rates and increase employment opportunities.

The City of Dallas has released a Request for Competitive Sealed Proposals (RFCSP) seeking a coalition of service providers. The funds from the Texas Department of Criminal Justice will pass through the City of Dallas and will be issued to service providers in the form of contracts.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development Committee on April 18, 2016.

FISCAL INFORMATION

\$1,000,000.00 - Texas Department of Criminal Justice Grant Funds