

# Memorandum



DATE April 29, 2016

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 **Upcoming agenda items: Resolution to Create a Dallas Property Assessed Clean Energy (PACE) Program and Resolution to Authorize a Third-Party Administrator for the Dallas PACE Program**

On May 11, 2016, City Council will consider two agenda items related to the creation of a Dallas Property Assessed Clean Energy (PACE) Program. The first item is a resolution to create a Dallas PACE program. The second item authorizes a service contract with Texas PACE Authority as the third-party administrator to manage the Dallas PACE Program.

In 2013, the Property Assessed Clean Energy Act (SB 385) was enacted by the State of Texas, and, since that time, City staff has been working towards the establishment of a Dallas PACE program. By establishing a PACE program, Dallas would become one of the first cities in Texas to take advantage of the legislation.

A City of Dallas PACE program furthers the goals of the City's Sustainability Plan which focuses on five areas: Air Quality; Land Use; Water Quality; Materials Management; and Energy Management. The City hopes to reduce non-renewable energy use by establishing a program to enhance sustainability for the private sector, and the PACE program can be part of this program. Additionally, reducing water usage among the City's multi-family housing stock is one of the primary goals of the City's most recent Five Year Water Conservation Program. Based on building condition data (i.e. good, average, fair or poor) available from the Dallas Central Appraisal District, City staff estimates there are over 21,000 commercial, industrial or multi-family housing properties within the City of Dallas that may be eligible for PACE financing.

PACE is an innovative financing program that allows owners of commercial, industrial, and multi-family residential properties (with five or more dwelling units) to obtain low-cost, long-term loans for long-term or permanent water conservation, energy-efficiency improvements, and renewable retrofits. The PACE Act authorizes municipalities and counties in Texas to work with private sector lenders and property owners to finance qualified improvements using contractual assessments voluntarily imposed on the property by the owner. In exchange for funds provided by a private lender to pay for the improvements, the property owner voluntarily requests that the local government place an assessment secured with a senior lien on the property until the assessment is paid in full.

The term of an assessment may extend up to the projected life of the improvement, which can result in utility cost savings that exceed the amount of the assessment payment. As a

result, improvements financed through a PACE program may generate positive cash flow upon completion without up-front, out-of-pocket cost to the property owner.

PACE enables property owners to overcome market barriers, such as lack of access to capital and the extended time period it takes for utility savings to pay back the cost of a retrofit, which discourage investment in energy efficiency and water conservation improvements. PACE provides the property owner with upfront financing for up to 100% of the cost of a qualified improvement and allows the property owner to amortize the debt over the useful life of the improvement.

If a property is sold before the full amount of the PACE loan is repaid, the remaining repayment obligation automatically transfers to the next owner because the lien securing the PACE assessment follows the title to the property without recourse for subsequent payments on the previous owner, the lender, the City, the County, or the program administrator. Successive property owners assume the lien.

As required by the PACE Act, there are five steps that a local government must complete in order to establish a PACE program: (1) Draft and publish a report for the proposed program; (2) Make the report available for public inspection; (3) Adopt a resolution of intent to create the proposed program; (4) Hold a public hearing to receive comments on the proposed program; and (5) Adopt a resolution to create the program.

The City has completed the first four steps. The resolution of intent to create the program was approved by City Council on September 22, 2015, and the public hearing was held on October 14, 2015. The final step, a resolution to authorize the establishment of a PACE program, will be considered by City Council on May 11, 2016.

Additionally, in late 2015, the City issued a Request for Competitive Sealed Proposals (RFCSP) to select a qualified third-party administrator for the Dallas PACE program. That evaluation process is now finished, and the authorization of a service contract with the most advantageous bidder will be considered as a separate but related agenda item on May 11, 2016.

The third-party administrator will be responsible for the day-to-day operations of the Dallas PACE program, including outreach, marketing and education; management and operations; and reporting. There will be no cost to the City for these services; fees will be collected by the third-party administrator from each PACE project as allowed by the legislation. The initial contract term is one-year, with the option of four one-year renewals.

Texas PACE Authority (TPA) was determined to be the most advantageous bidder of four. TPA also manages the PACE programs in Travis County and the City of Houston.

The scores from the four respondents are below.

<b>Proposer</b>	<b>Address</b>	<b>Score</b>
<b>Texas Pace Authority</b>	98 San Jacinto Blvd., Suite 1900, Austin TX 78701	72.34
<b>Sustainable Real Estate Solutions</b>	100 Technology Dr., Suite 209, Trumbull, CT 06611	68.61
<b>Counterpointe</b>	6150 Metrowest Blvd., Suite 208, Orlando, FL 32835	66.75
<b>Cen-Tex dba BCL of Texas</b>	2212 S. Congress Ave., Austin TX 78704	65.40

Please let me know if you have any questions.



Ryan S. Evans  
First Assistant City Manager

- C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Christopher D. Bowers, Interim City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager

- Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** 6  
**DEPARTMENT:** Office of Economic Development  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 44 H D and 45 E

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### **SUBJECT**

Authorize **(1)** a public hearing to be held on June 15, 2016, in accordance with Chapter 372 of the Texas Local Government Code to consider the advisability of renewing the Oak Lawn-Hi Line Public Improvement District (District), for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District to receive comments, and, at the close of the public hearing; **(2)** a resolution approving renewal of the District for seven years and approval of the District's Service Plan for calendar years 2017-2023 - Financing: No cost consideration to the City

### **BACKGROUND**

The Oak Lawn-Hi Line Public Improvement District was first established by the City Council on June 24, 2009 following a petition and public hearing. The Improvement Order authorized collection of the requested assessment over a seven year period. On April 1, 2016, the Oak Lawn-Hi Line Improvement District Corporation, representing property owners of the Oak Lawn-Hi Line area, presented to the City staff petitions requesting the renewal of the Oak Lawn-Hi Line Public Improvement District and approval of a seven year service plan, effective January 1, 2017. The staff reviewed the proposed Service Plan, verified the petitions and found the renewal plan to be viable and recommended approval.

This action authorizes a public hearing to be held on June 15, 2016, to consider the advisability of the request and to hear comments and concerns regarding the renewal of the Oak Lawn-Hi Line Public Improvement District (PID). This action also authorizes the Council to consider a resolution at the close of the public hearing to renew the PID for another seven year term. The Oak Lawn-Hi Line Public Improvement District was first established by the City Council on June 24, 2009.

## **BACKGROUND** (Continued)

The public improvement district is outlined in the following way:

- a. **Nature of the Services and Improvements.** The purpose of the District is to supplement and enhance services provided within the District, but not to replace or supplant existing City services provided within the District. The general nature of the proposed services and improvements to be performed by the District includes enhanced security and public safety, capital improvements, improvement of common areas, landscaping, trash/litter removal, graffiti control, marketing and promotional activities, distinctive lighting and signage, business development and recruitment to promote the area, and related expenses incurred in establishing, administering and operating the District as authorized by the Act.
  
- b. **Estimated Cost of the Services and Improvements.** During the seven (7) year period, the annual cost of the improvements and services provided by the existing District is estimated to range from approximately \$374,321 to \$887,693 annually. Based on the estimated maximum cost of improvements and services, the seven year total assessment collection requested by the District shall not exceed a collective total of \$4,252,187. In the event the District requires additional funds, the District shall re-petition the property owners for such an increase. At no time shall the total amount levied exceed the total amount shown in the approved petition budget for the services and improvements to be provided for the year in which the property is assessed except as provided in the petition and subject to the collective total for the 7 year period.  
  
The District shall not incur bonded indebtedness. The service plan budget and assessment rate are subject to annual review, a public hearing and approval by the City Council.
  
- c. **Boundaries.** The District is located wholly within the City of Dallas, Texas. The boundaries of the District are shown on the map of the district.
  
- d. **Method of Assessment.** The assessment shall apportion the costs each year among the property owners on the basis of special benefits accruing to the property. The proposed method of assessment, which may specify included or excluded classes of assessable property, shall be based on the value of the real property and real property improvements as determined by the Dallas Central Appraisal District. The assessment amount for 2016 is proposed to be \$374,321.

## **BACKGROUND** (Continued)

This amount is approximately equal to \$0.15 per \$100.00 of appraised value as determined by the Dallas Central Appraisal District. If appraised values rise such that the assessment rate equal to the amount of \$.15 per \$100.00 valuation would yield an assessment amount that exceeds the estimated costs, the assessment rate shall be reduced until the total assessment equals or is less than to the budgeted amount approved in the petition budget, subject to the appropriations set forth in the petition.

- e. **Apportionment of Cost between the District and the Municipality as a Whole.** The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The real property of jurisdictions and entities that have obtained an exemption from City of Dallas real property taxes pursuant to the Texas Property Code (except under the provisions of Sections 11.24 and 11.28 of the Property Tax Code) will not be subject to an assessment on that portion of the assessed value of the property exempt from City real property taxes. The City of Dallas is not responsible for payment of assessment against exempt City property in the District. City right-of-way, railroad right-of-way, City parks and cemeteries are not specially benefitted and therefore are not subject to PID assessment.

Staff review of the signed petitions presented on April 1, 2016, revealed that property owners of record representing 71.3 percent of the value of the property in the specified area and representing 66.2 percent of the land area have signed the petitions requesting the renewal of the District.

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

On June 24, 2009, City Council authorized creation of the Oak Lawn-Hi Line Public Improvement District by Resolution No. 09-1679.

On September 9, 2015, City Council authorized the assessment rate for 2015 by Ordinance No. 29865.

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

## **FISCAL INFORMATION**

No cost consideration to the City

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** 11  
**DEPARTMENT:** Office of Economic Development  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 16T

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### **SUBJECT**

Authorize a Chapter 380 economic development grant agreement with Costco Wholesale Corporation ("Costco") in an amount not to exceed \$3,000,000 in consideration of Costco's development, construction, and continued operation of a new store on approximately 13.2 acres located at 12550 Coit Road in the City of Dallas, pursuant to the Public/Private Partnership Program - Not to exceed \$3,000,000 - Financing: Public/Private Partnership Funds

### **BACKGROUND**

For over two years, city staff has been in discussions with representatives of Costco as they have been evaluating the possibility of locating a new store in the city of Dallas.

Staff is proposing an economic development grant in an amount not to exceed \$3,000,000 to stimulate Costco to acquire approximately 13.2 acres of land (currently owned by the State of Texas) at 12550 Coit Road and develop/construct/operate a new store (approximately 150,000 square feet). Grant funds will be paid in five installments over four years, each conditioned upon achievement of benchmarks, including investment, jobs, and sales levels.

Costco's total estimated expenditure (including land acquisition, real property improvements, and business personal property investments) is approximately \$46.9 million. The new store will be a wholesale and retail general merchandise facility, which may include a pharmacy, tire sales and installation, beer and wine sales, vehicle fueling, butcher services, deli services, bakery services, optometry services, and related office space.

For Year 1 at the new store, Costco estimates:

- approximately 175 permanent jobs
- minimum hourly wage: \$13
- average hourly wage: \$22
- annualized gross sales: \$125 million

**BACKGROUND** (Continued)

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

- A. Costco will be eligible for the first installment (\$1,000,000) of the proposed grant upon verification by June 30, 2017 of:
  - 1. substantial completion on a minimum of \$20,000,000 in real property improvements (excluding land acquisition but including site improvements and building improvements) associated with the design, engineering, and construction (including hard and soft costs) of the new store; and
  - 2. a minimum total of 150 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour.
  
- B. Costco will be eligible for the second installment (\$500,000) of the proposed grant upon verification by December 31, 2017 of a minimum total of 165 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour.
  
- C. Costco will be eligible for the third installment (\$500,000) of the proposed grant upon verification by December 31, 2018 of:
  - 1. a minimum total of 185 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour; and
  - 2. minimum gross sales of \$100,000,000 for the prior year.
  
- D. Costco will be eligible for the fourth installment (\$500,000) of the proposed grant upon verification by December 31, 2019 of:
  - 1. a minimum total of 205 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour; and
  - 2. minimum gross sales of \$100,000,000 for the prior year.
  
- E. Costco will be eligible for the fifth installment (\$500,000) of the proposed grant upon verification by December 31, 2020 of:
  - 1. a minimum total of 225 permanent jobs (full-time or part-time) at the store with a minimum wage of \$13 per hour; and
  - 2. minimum gross sales of \$100,000,000 for the prior year.



**BACKGROUND** (Continued)

- F. For the period January 1, 2021 through December 31, 2025, Costco will maintain (subject to annual verification): (1) a minimum total of 225 permanent jobs (full-time or part-time) with a minimum wage of \$13 per hour; and (2) minimum gross sales of \$100,000,000 per year. Costco will repay the City the sum of \$1,000,000 should Costco fail to document compliance with the gross sales requirement for one or more years during this period or the job requirement for one or more years during this period.
- G. If Costco permanently closes the store before December 31, 2027, then Costco will be required to repay the City an additional amount of \$500,000.
- H. Costco agrees to follow the City's Business Inclusion and Development ("BID") good faith effort goal of twenty-five (25%) participation by Minority/Women-owned Business Enterprises ("M/WBE") for all construction expenditures in contracts entered into relating to the construction and finish-out of the store (i.e. real property site improvements and building improvements).
- I. Subject to the approval of the Director of the Office of Economic Development, Costco may receive a one time, six (6) month extension of the benchmark deadlines specified in provisions A through E above.

The proposed project surpasses minimum Public/Private Partnership Program guidelines and results in an estimated net fiscal impact to the City (after payment of the proposed grant) of approximately \$4.8 million over 10 years and approximately \$16.8 million over 20 years.

Costco Wholesale Corporation and its subsidiaries began operations in 1983 in Seattle, Washington. In October 1993, Costco merged with The Price Company, which had pioneered the membership warehouse concept, to form Price/Costco, Incorporated. In 1997, after the spin-off of most of its non-warehouse assets to Price Enterprises, Incorporated, the company changed its name to Costco Companies, Incorporated. In 1999, the company reincorporated as Costco Wholesale Corporation, which trades on the NASDAQ Global Select Market under the symbol "COST."

With approximately 205,000 employees (117,000 full-time and 88,000 part-time) worldwide (as of December 2015), Costco operates a chain totaling 698 warehouses in 43 states, Washington D.C., Puerto Rico, Canada, Mexico, the United Kingdom, Japan, Korea, Taiwan, Australia, and Spain. Costco's online business operates websites in the United States, Canada, the United Kingdom, Mexico, and Korea.

**BACKGROUND** (Continued)

The average first year annualized sales of the twenty-three (23) new warehouses opened during Costco's 2015 fiscal year was \$83 million per location, and the average annual sales of all warehouses (686) in operation during Costco's 2015 fiscal year was \$162 million per location.

**ESTIMATED SCHEDULE OF PROJECT**

Begin construction	August 2016
Complete construction	February 2017

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

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

**FISCAL INFORMATION**

\$3,000,000 - Public/Private Partnership Funds

**OWNER**

**Costco Wholesale Corporation**

Jack S. Frank, Vice President

**MAP**

Attached.

**Proposed Project Information Worksheet  
Economic Development Committee**

**A. Project Summary**

City Council District	11	
Project/Company Name	Costco	
Project Location	12550 Coit Road	
Project Type	development, construction, and operation of a new wholesale and retail general merchandise facility	
Facility (Square Feet)	150,000 (approx)	
Construction Schedule	Begin	August 2016
	Complete	February 2017
Private Investment	Land Acquisition, Real Property Improvements, Business Personal Property Investment	\$46.9 million (approx)
Jobs	Created	225
Wage Rate	Minimum	\$13 per hour
	Average	\$22 per hour
City Incentive	Grant	\$3 million (not to exceed)

**B. Economic Impact Estimates (Dallas City Economy Only)**

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact*	169***	\$140,699,664	169***	\$292,565,338
Indirect and induced Impact**	67	\$92,612,260	67	\$183,731,665
<b>Total Impact</b>	<b>236</b>	<b>\$233,311,924</b>	<b>236</b>	<b>\$476,297,003</b>

\* Excludes sales taxes

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

\*\*\* Reflects conversion of the estimated # of part-time jobs to full-time equivalents

**C. City of Dallas General Fund Fiscal Impact**

(From direct, indirect and induced economic impacts)

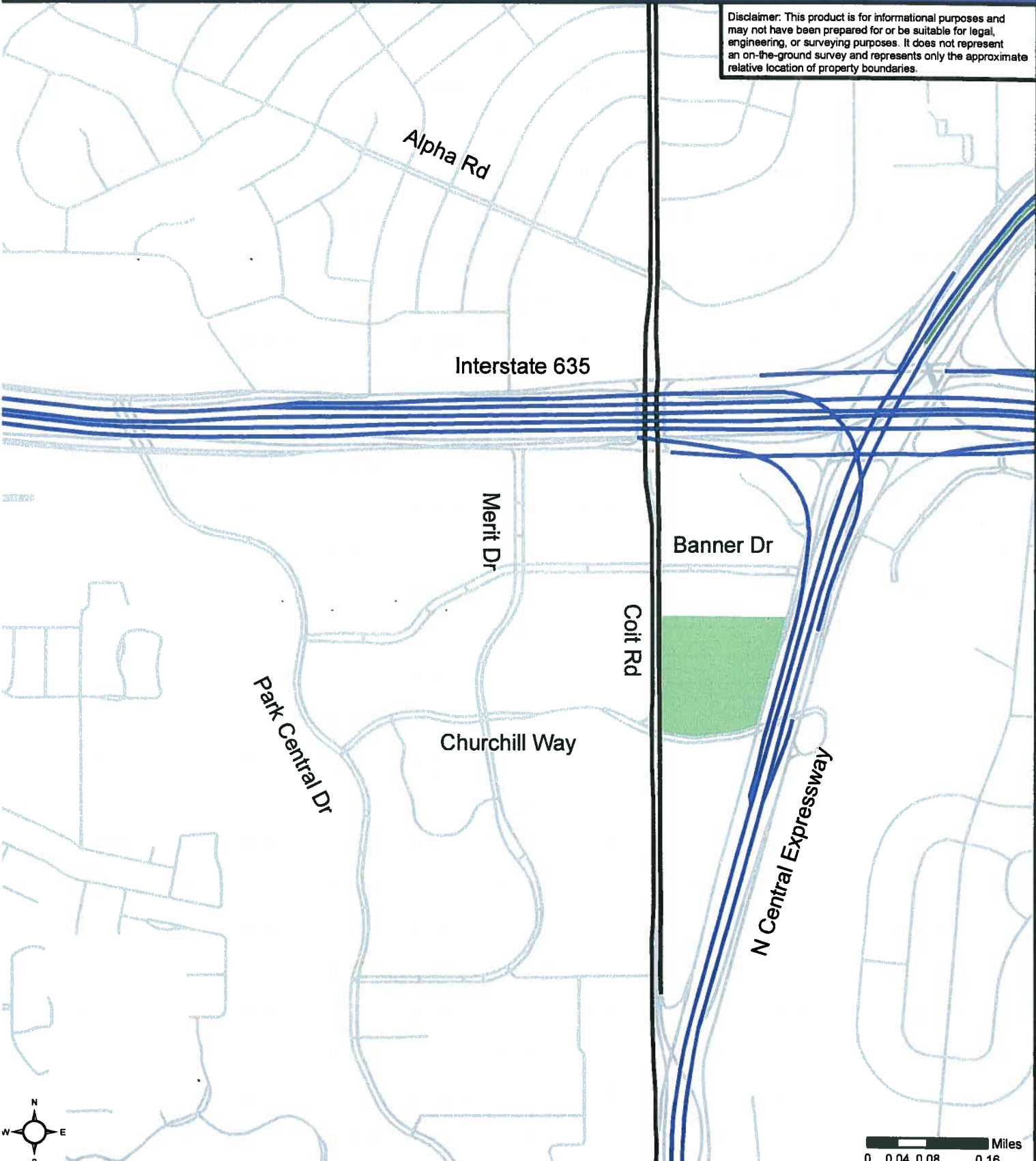
	10-Year	20-Year
Total City GF Revenue Generated	\$10,466,119	\$24,993,625
Total City GF Service Costs	\$2,684,657	\$5,161,944
Net Impact Before Incentives	\$7,781,458	\$19,831,681
City Incentive	\$3,000,000	\$3,000,000
<b>Net City Fiscal Impact</b>	<b>\$4,781,458</b>	<b>\$16,831,681</b>

**D. Other Taxing Jurisdictions 10-year Estimated Tax Revenue**

	Property Taxes	Sales Taxes
Richardson ISD	\$2,506,203	n/a
Dallas County	\$454,653	n/a
DCCCD	\$233,218	n/a
Parkland Hospital	\$516,184	n/a
DART	n/a	\$7,686,723

# COSTCO 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.



## Legend



Costco Project Site - 12550 Coit Road

DALLAS  
ECONOMIC  
DEVELOPMENT

Research & Information Division  
214.670.1685  
dallas-ecodev.org

Data Source: City of Dallas

Created 02.10.16, Last Updated 04.14.16 - Costco Subject Property

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** 14  
**DEPARTMENT:** Office of Economic Development  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 45 F

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### **SUBJECT**

Authorize a Chapter 380 economic development grant agreement with Saatchi & Saatchi North America, Inc. (doing business as Saatchi and Saatchi LA Team One) in an amount up to \$75,000 to encourage relocation and stimulate business development activity in the City of Dallas in conjunction with the location of its new office at 2021 McKinney Avenue, pursuant to the Public/Private Partnership Program - Not to exceed \$75,000 - Financing: Public/Private Partnership Funds

### **BACKGROUND**

For the past year, city staff has been in discussions with representatives of Saatchi and Saatchi LA Team One regarding the location of a new full-service advertising agency office in the Dallas area to better serve a large client that is relocating to North Texas. Saatchi and Saatchi LA Team One evaluated locations in Dallas along with a number of other cities in the North Texas before selecting, with the encouragement and assistance of the Office of Economic Development, an approximately 50,000 square foot space in the new McKinney & Olive building located at 2021 McKinney Avenue.

Saatchi and Saatchi LA Team One has committed to a lease of ten (10) years at the McKinney & Olive building beginning in May 2017. The company anticipates investing \$1.5 million in business personal property at 2021 McKinney Avenue. Saatchi and Saatchi LA Team One executed the described lease after considering the City's economic development grant proposal and requests favorable City Council consideration of the proposed \$75,000 incentive. Saatchi and Saatchi LA Team One will create 131 permanent full-time positions at the office with an \$113,000 average annual salary by December 31, 2018.

**BACKGROUND** (Continued)

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

- Saatchi and Saatchi North America, Inc. will be eligible for a \$75,000 grant upon verification of: (1) At least \$1 million invested in new business personal property (Furniture, Fixtures and Equipment) by December 31, 2017, (2) a certificate of occupancy and, (3) at least 100 full-time positions located at the facility with an \$113,000 average annual salary on or before December 31, 2018.
- Saatchi and Saatchi North America, Inc. will be required to reimburse the City in the amount of \$37,500 should it not maintain at least 100 full-time positions at the office for a period of five (5) years beginning January 1, 2019 through December 31, 2023 from the date of payment of the grant.

Net fiscal impact from the project after incentives is estimated at \$4,395,071 over the 10 year lease term. This proposed project conforms to minimum eligibility criteria for the City's Public/Private Partnership Program Guidelines and Criteria as creates over 100 jobs. Staff recommends approval of the proposed incentive.

Headquartered in Torrance and Los Angeles, California, Saatchi and Saatchi LA Team One are jointly-operating advertising agencies which have significant business relationships with Toyota and Lexus and will bring the company's advertising services to Dallas."Specifically, Saatchi & Saatchi LA has been the agency of record for Toyota Motor Sales for over four decades while Team One has served as the agency of record for Lexus for over 25 years. Saatchi and Saatchi LA Team One and Saatchi and Saatchi North America, Inc. are wholly owned by Publicis Groupe, one of the world's largest communication groups, offering a full range of services and expertise across digital, technology, consulting, creative, corporate communications and public affairs, media strategy, planning and buying, healthcare communications and brand asset production. Present in 108 countries, Publicis Groupe employs more than 77,000 professionals worldwide.

**ESTIMATED SCHEDULE OF PROJECT**

Begin tenant improvements	November 2016
Complete tenant improvements	May 2017

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

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

**FISCAL INFORMATION**

\$75,000 - Public/Private Partnership Funds

**OWNER**

**Crescent McKinney Olive LP**

**A Delaware limited partnership (acting as Landlord)**

**By: Crescent McKinney Olive GP LLC**

**A Delaware limited liability company (acting as General Partner)**

John Zogg, Jr., Managing Director

**Saatchi and Saatchi North America, Inc.**

**d/b/a Saatchi & Saatchi LA Team One**

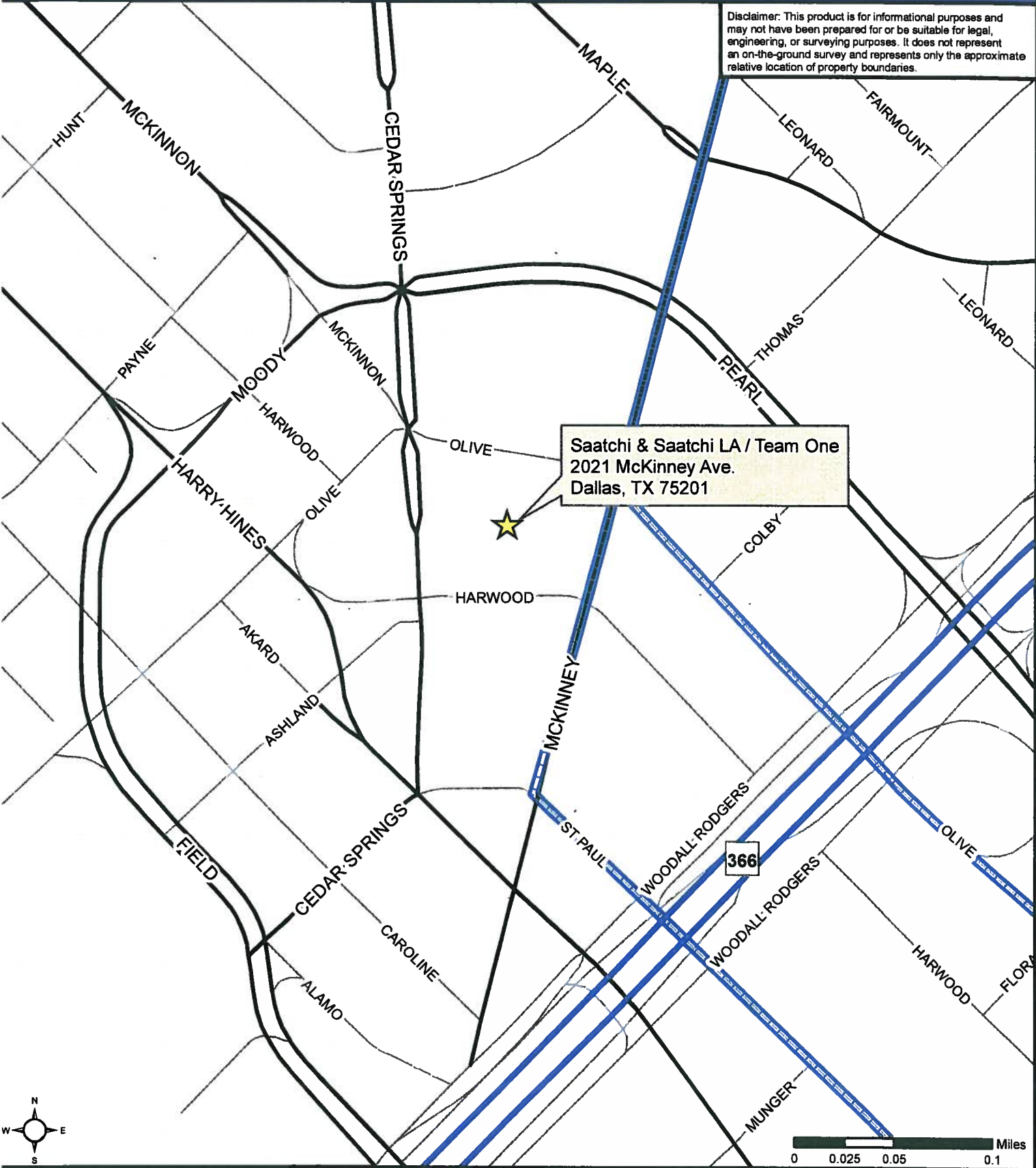
Michael Webb, Chief Financial Officer

**MAP**

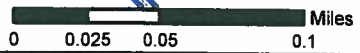
Attached.

# Saatchi & Saatchi LA / Team One

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.



Saatchi & Saatchi LA / Team One  
2021 McKinney Ave.  
Dallas, TX 75201



**DALLAS ECONOMIC DEVELOPMENT**  
Research & Information Division  
214.670.1685  
dallas-ecodev.org  
Created 3/31/2015 - 10:03:30 David Gehrig ICG

**Legend**

- McKinney Avenue Trolley
- Freeway
- Arterial
- Local Road

Source: City of Dallas, 2016



**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Office of Economic Development  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** N/A

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## **SUBJECT**

Authorize **(1)** the Seventh Amendment to the Loan Agreement between the City of Dallas and the Oak Cliff Foundation (OCF) to convert the Section 108 Term Loan Agreement (the "Term Loan") in the original amount of \$400,000 from one with partial repayment and forgiveness terms to a secured, zero percent interest forgivable loan, where all principal and interest will be forgiven under the loan by June 1, 2026 or over a period of 10 years from the date of execution of the Seventh Amendment whichever is later, subject to the OCF meeting certain conditions and requirements of the City; **(2)** the City to subordinate the City 's loans with the OCF to a third party lender in order for the OCF to obtain third party bank financing, subject to the OCF meeting certain conditions and requirements of the City; **(3)** the City Manager to execute a Partial Release of Lien with respect to the 1.2 million Section 108 funded Loan Agreement between the City and the OCF; and **(4)** modifications to the Loan Agreement and the Loan documents to comport with these requirements – Financing: CDBG Program Income Foregone (\$467,888)

## **BACKGROUND**

In July, 2001, the City provided the Oak Cliff Foundation (OCF) with a Section 108 \$400,000 CDBG funded loan for a term of 30 years, at an interest rate of 4% for purchase of the Texas Theater and some adjacent property. Payment terms were interest only for the initial 10 years, with principal and interest payments commencing in August 2011. Additionally OCF received a \$1,200,000 HUD Section 108 loan for the purpose of renovating the theater. The 1.2 million dollar loan was forgivable, conditioned upon completing property improvements and compliance with the HUD requirement of continuous operation for 5 years after issuance of a Certificate of Occupancy. The over-arching purpose of these funding commitments was to remove blight (spot) and restore a historically significant entertainment venue to an area that serves low to moderate income residents as well as stimulate continued redevelopment of Jefferson Boulevard.

## **BACKGROUND** (Continued)

The original plan was for Dallas Summer Musicals (DSM) to operate the theater after renovations were completed. Debt service payments were to be funded from revenues derived from a 5 year lease contract with DSM. Although an administrative Certificate of Occupancy was granted in August 2005, OCF was unable to meet all the terms of the DSM contract, particularly related to restoration finish out, and the DSM contract was nullified. OCF struggled to make interest payments and meet HUD operational requirements. In August 2010 management and operation of the Texas Theater was changed to Aviation Cinema, Inc. (Aviation). Terms of the \$400,000 Term Loan were modified to bring the loan current and facilitate full restoration of the theater by Aviation. A final Certificate of Occupancy was issued in late 2010. Aviation entered into a 5 year lease with OCF which provided for lease payments of \$4,000/month for 6 months, beginning 3/1/11 and increasing to \$7,000/month for 48 months, beginning 9/1/11.

Aviation struggled to meet revenue projections and began to suffer negative cash flow. In an effort to assure continued operation of the theater, Council authorized further amendment of the \$400,000 Term Loan as follows: (1) all debt service payments were deferred for 36 months through 4/1/16; (2) interest was reduced to 0%; (3) Monthly payments of \$1,500 were scheduled to commence 5/1/16 until the loan is fully repaid; and (4) the City agreed to forgive 25% of the loan balance annually from 5/1/17-5/1/20 in a total amount of \$397,384.09. The theater continues to be fully operational and recently featured the latest Star Wars release. HUD requirements for forgiveness of the \$1,200,000 were fulfilled in October 2015.

OCF and Aviation recently approached the City with a proposal to further expand and upgrade the theater. Renovation costs are estimated at \$1,500,000. In order to obtain bank financing, OCF has requested the following: (1) conversion of the existing loan principal balance plus accrued interest (\$467,887.07) to a fully forgivable loan (representing net additional forgiveness of \$70,502.98); (2) subordination of the City's lien position to bank financing; and (3) a partial lien release in the amount of \$1,200,000 reflecting forgiveness of the HUD Section 108 loan in the same amount. As consideration: Aviation will agree to extend its current lease until 6/1/26 or for ten years whichever is later; OCF must cause continuous operation of the theater through expiration of the extended lease; the property will be deed restricted to provide theatrical services to the community for 10 years beginning on the date of execution of the Seventh Amendment; and a third party bank loan commitment must be obtained for a minimum of 75% of the estimated cost of renovation. Lien subordination and lien releases will be concurrent with closing of the bank loan.

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

On May 24, 2000, City Council authorized an amendment to the Neighborhood Renaissance Partnership Program Section 108 Contract for Loan Guarantee Assistance (B-94-MC-48-0009) to change the final date for the draw down of funds for expenditure from December 31, 2000 to June 30, 2001 to facilitate the completion of NRP projects by Resolution No. 00-1702.

On June 27, 2001, City Council authorized an amendment to the Neighborhood Renaissance Partnership Program Section 108 contract for Loan Guarantee Assistance to change the final date for the draw down of funds for expenditure from June 30, 2001 to December 31, 2001 and provide for other matters relating thereto by Resolution No. 01-2092.

On November 14, 2001, City Council authorized an amendment to the Neighborhood Renaissance Partnership Program Section 108 contract for Loan Guarantee Assistance to change the final date from the draw down of funds for expenditure from December 31, 2001 to December 31, 2002 to accommodate the Texas Theater and provide for other matters relating thereto by Resolution No. 01-3399.

On December 11, 2002, City Council authorized an amendment to the Neighborhood Renaissance Partnership (NRP) Program Section 108 Contract for Loan Guarantee Assistance (B-94-MC-48-0009) to extend the deadline for the draw down of funds for expenditure of all Section 108 Loan Guarantee funds from December 31, 2002 to October 31, 2003 and provide for other matters relating thereto by Resolution No. 02-3534.

On May 12, 2004, City Council authorized a modification to loan documents between the Oak Cliff Foundation and the City of Dallas regarding the Texas Theater project to extend the completion date to June 30, 2005 and provide for other matters relating thereto by Resolution No. 04 -1559.

On June 12, 2013, City Council authorized the sixth amendment to the Section 108 Term Loan Documents, pursuant to Administrative Action No. 10-2683, to authorize the sixth amendment to the Loan Documents between the City of Dallas and the Oak Cliff Foundation (OCF), to amend the Section 108 Term Loan Documents in the original amount of \$400,000 to: (1) defer all payments, interest and principal for thirty six months from May 1, 2013 through April 1, 2016; (2) reduce interest rate from 4% to 0% effective May 1, 2013; and (3) begin \$1,500 monthly payments of principal beginning May 1, 2016 and forgiveness of 25% of the outstanding May 1, 2016 principal balance of the loan annually beginning May 1, 2017 (so long as OCF meets certain benchmark and criteria as established in the Loan Documents) until the principal balance of the loan is paid in full and provide for other matters relating thereto, by Resolution No. 13-1027.

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

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

**FISCAL INFORMATION**

CDBG Program Income Foregone in the amount of \$467,887.07

**OWNER**

**Oak Cliff Foundation, a Texas non-profit corporation**

Decker Sachse, Chairman of the Board

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** 8  
**DEPARTMENT:** Sustainable Development and Construction  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 65V

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### **SUBJECT**

A resolution authorizing the conveyance of approximately 23,010 square feet of land for a public mass transit easement across City-owned land to Dallas Area Rapid Transit, located near the intersection of Camp Wisdom Road and Patrol Way - Revenue: \$25,576

### **BACKGROUND**

This item will authorize the conveyance of approximately 23,010 square feet of land for a public mass transit easement across City-owned land to Dallas Area Rapid Transit (DART), located near the intersection of Camp Wisdom Road and Patrol Way. The public mass transit easement will serve DART's light rail SOC3 line. The purchase price of \$25,576 is based on an independent appraisal.

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

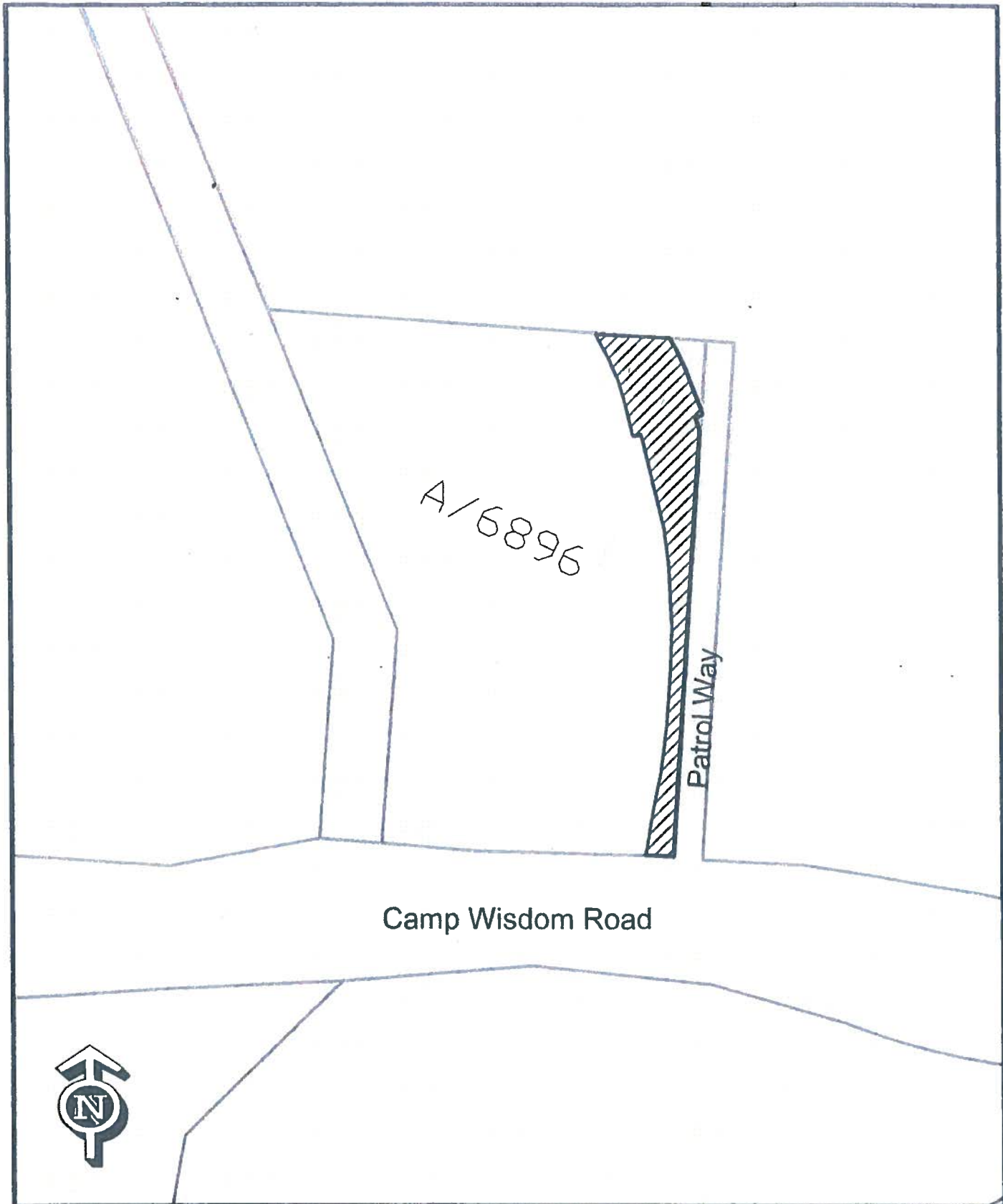
Information about this item will be provided to the Economic Development Committee on May 2, 2016.

### **FISCAL INFORMATION**

Revenue: \$25,576

### **MAP**

Attached



**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** 1, 8  
**DEPARTMENT:** Sustainable Development and Construction  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 54B 66Q

---

### **SUBJECT**

A resolution **(1)** declaring two properties unwanted and unneeded and authorizing their sale by public auction (list attached); and **(2)** authorizing a Purchase and Sale Agreement to be prepared for each auctioned surplus property receiving the highest qualified bid that is sold absolute - Estimated Revenue: \$310,370

### **BACKGROUND**

This item declares two properties unwanted and unneeded and authorizing their advertisement for sale by public auction. These properties have been routed to City departments and outside agencies to determine whether any had a need for the properties.

Texas Local Government Code Section 253.008 authorizes municipalities to sell real property owned by the municipality at an advertised public auction. Section 272.001 states fair market value may be determined by the highest bid price obtained by a municipality at an advertised auction.

All properties will be advertised for sale by public auction with a reservation of all oil, gas and other minerals in and under the property and a restriction prohibiting the placement of industrialized housing.

Upon receipt of the highest qualified bid sold absolute, a Purchase and Sale Agreement, approved as to form by the City Attorney, will be prepared for the highest bidder. Staff will ensure the highest bidders are qualified to bid and be awarded the properties. All properties will be sold by Deed without Warranty, approved as to form by the City Attorney.

These properties will return to the tax rolls upon conveyance.

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

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

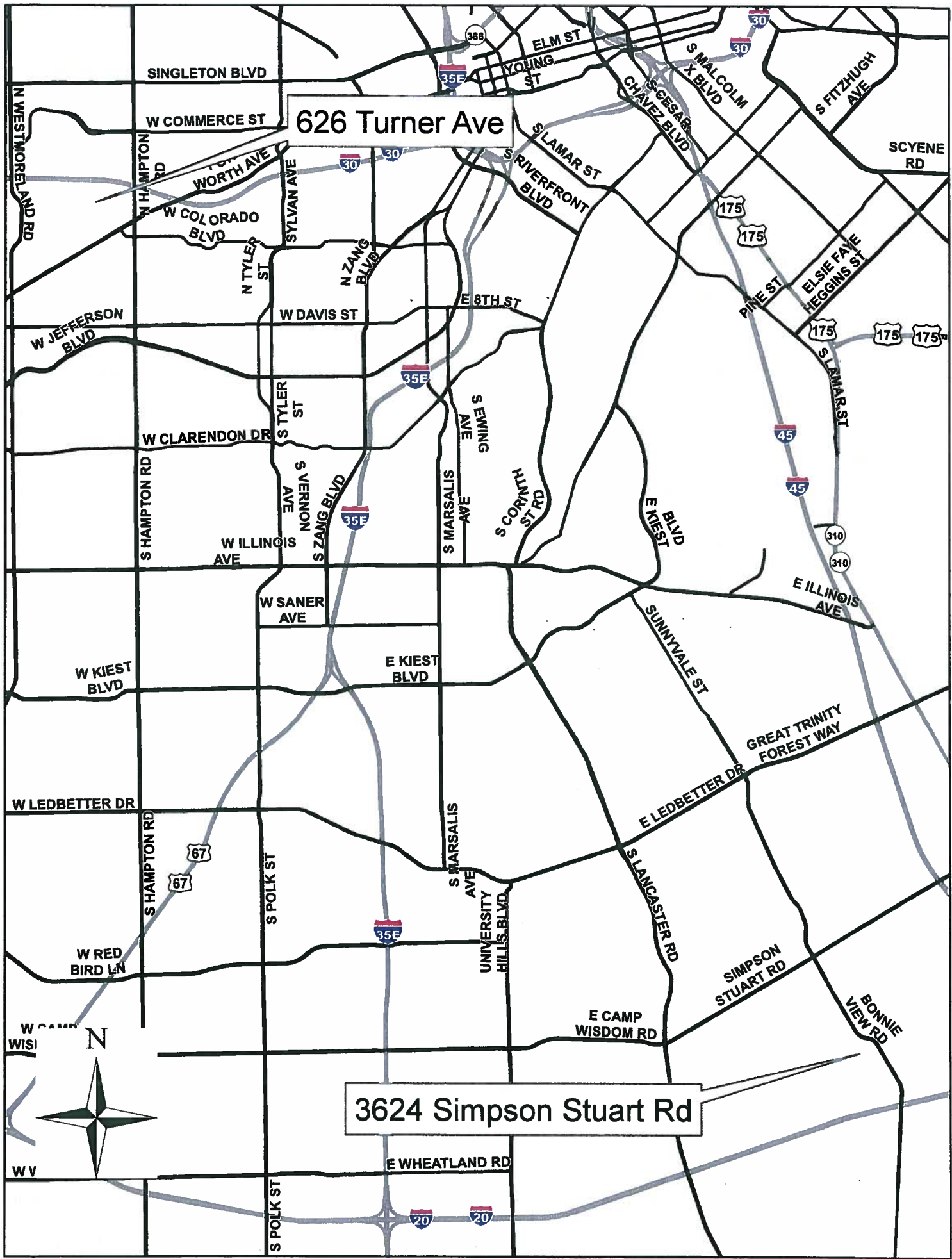
**FISCAL INFORMATION**

Estimated Revenue: \$310,370

**MAP**

Attached





626 Turner Ave

3624 Simpson Stuart Rd



**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** 14  
**DEPARTMENT:** Sustainable Development and Construction  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 45D

---

### **SUBJECT**

An ordinance granting a revocable license to Haskell E-Bar, LLC for the use of a total of approximately 243 square feet of aerial space to occupy, maintain and utilize one sign and one awning over and above portions of Haskell Avenue right-of-way, near its intersection with Munger Avenue - Revenue: \$1,000 annually and \$100 one-time fee, plus the \$20 ordinance publication fee

### **BACKGROUND**

This item grants a revocable license to Haskell E-Bar, LLC for the use of a total of approximately 243 square feet of aerial space to occupy, maintain and utilize one sign and one awning over and above portions of Haskell Avenue right-of-way, near its intersection with Munger Avenue. 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 May 2, 2016.

### **FISCAL INFORMATION**

Revenue: \$1,000 annually and \$100 one-time fee, plus the \$20 ordinance publication fee

**OWNER**

**Haskell E-Bar, LLC**

Michael E. Montgomery, President

**MAP**

Attached



**LICENSING AREA**

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** 2  
**DEPARTMENT:** Sustainable Development and Construction  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 35W

---

### **SUBJECT**

An ordinance granting a private license to South Tollway 3920, L.P. for the use of a total of approximately 3,116 square feet of land to occupy, maintain and utilize six street lights on portions of Maple Avenue right-of-way, near its intersection with Throckmorton Street - Revenue: \$600 one-time fee, plus the \$20 ordinance publication fee

### **BACKGROUND**

This item grants a private license to South Tollway 3920, L.P. for the use of a total of approximately 3,116 square feet of land to occupy, maintain and utilize six street lights on portions of Maple Avenue right-of-way, near its intersection with Throckmorton 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 May 2, 2016.

### **FISCAL INFORMATION**

Revenue: \$600 one-time fee, plus the \$20 ordinance publication fee

**OWNER**

**South Tollway 3920, L.P.**

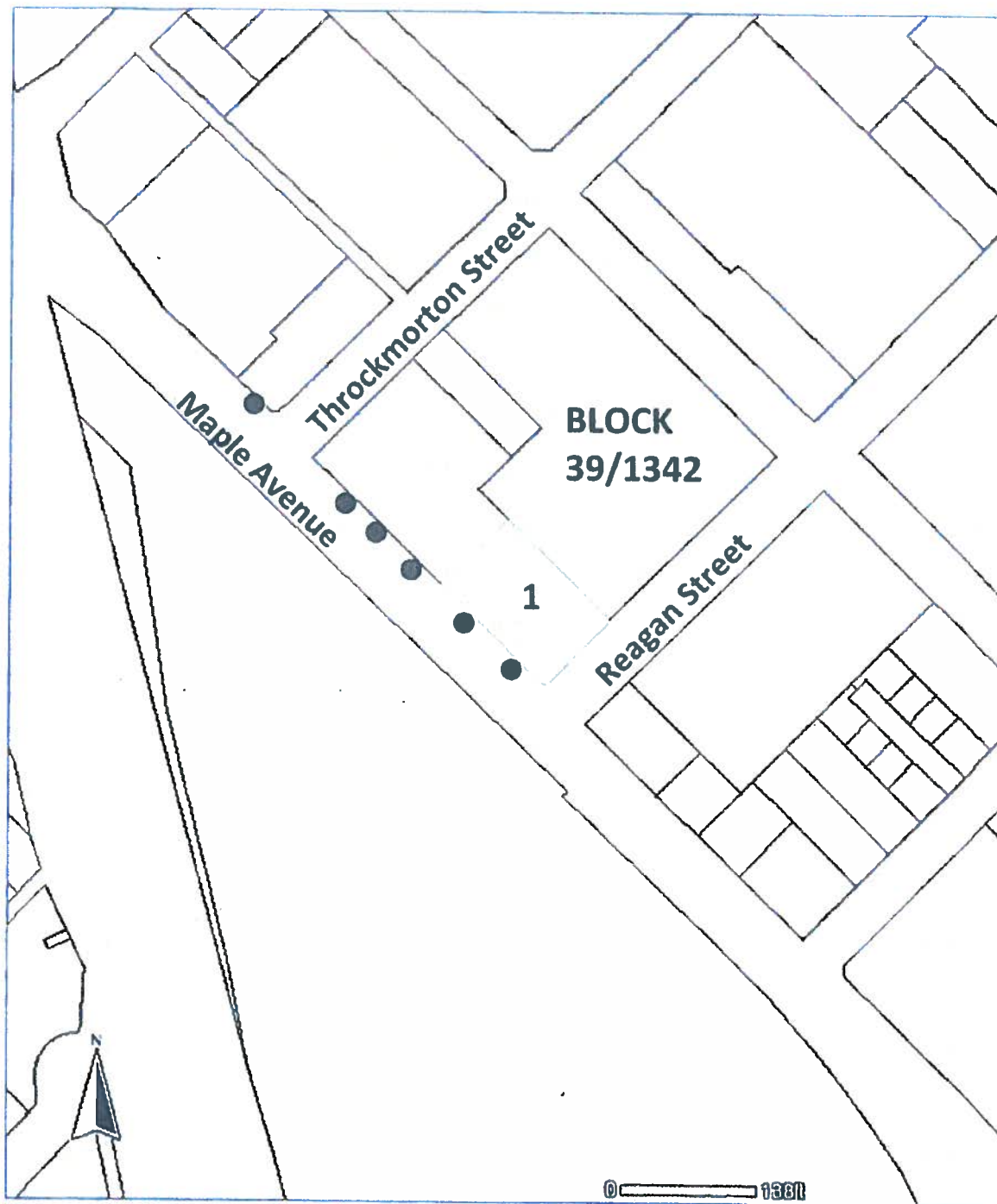
South Tollway Properties GP, L.L.C.

Crow Family, Inc.

M. Kevin Bryant, Vice President

**MAP**

Attached



● LICENSING AREA

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Sustainable Development and Construction  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 48B

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**SUBJECT**

An ordinance abandoning a portion of a water and sanitary sewer easement to MSL Management, LLC, the abutting owner, containing approximately 4,350 square feet of land, located near the intersection of Dilido and John West Roads - Revenue: \$5,400, plus the \$20 ordinance publication fee

**BACKGROUND**

This item authorizes the abandonment of a portion of a water and sanitary sewer easement to MSL Management, LLC, the abutting owner. The area will be included with the property of the abutting owner for the new construction of a skilled nursing and assisted living facility. 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 May 2, 2016.

**FISCAL INFORMATION**

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

**OWNER**

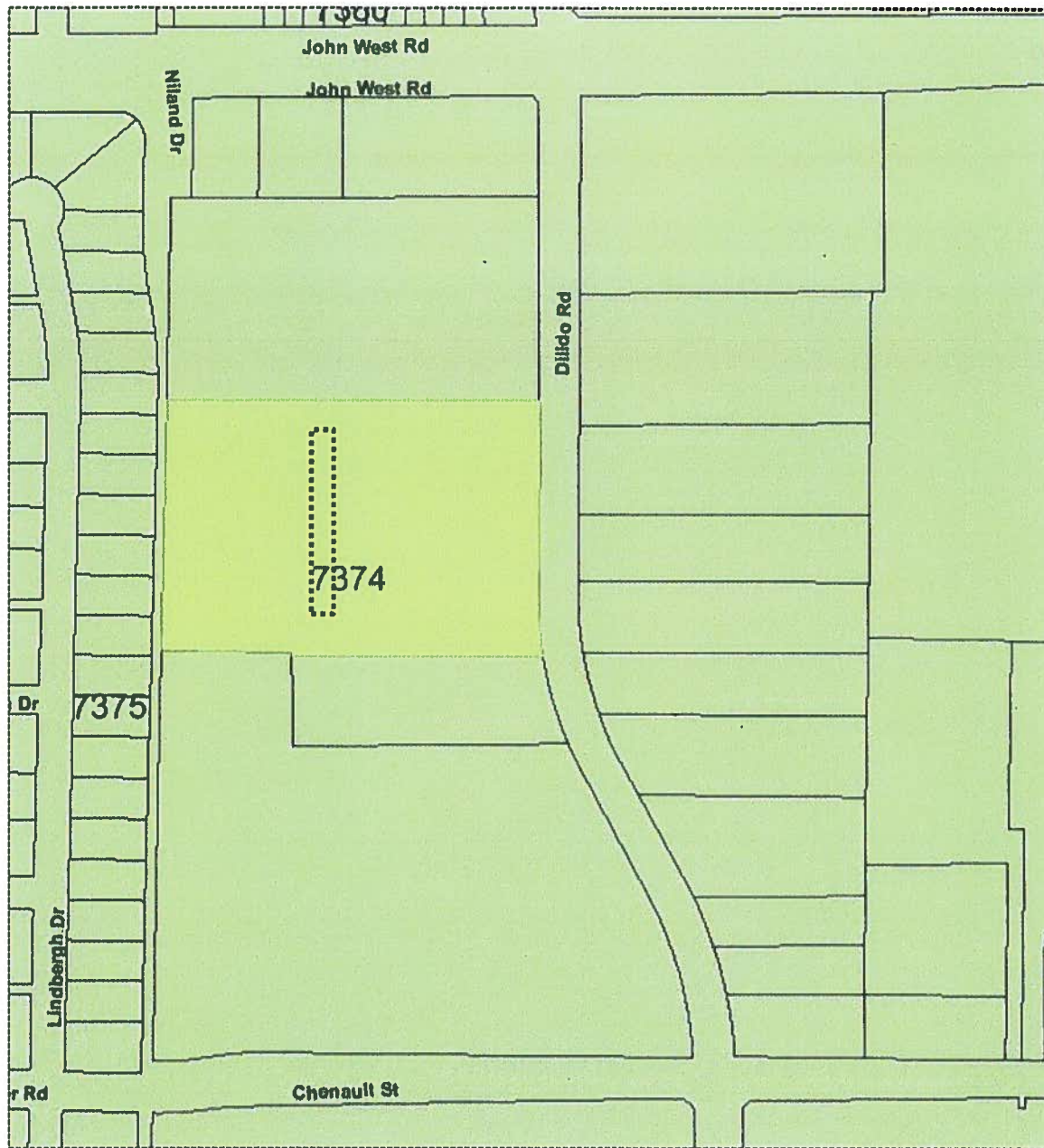
**MSL Management, LLC**

Parampottil Issac, Managing Member



**MAP**


Attached



Log #: 42299

Applicant: MSL Management, LLC

Mapsc0: 48B

Abandonment: 

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 11, 2016  
**COUNCIL DISTRICT(S):** 2  
**DEPARTMENT:** Sustainable Development and Construction  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 34N

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### **SUBJECT**

An ordinance abandoning two storm sewer easements, four sanitary sewer easements and one water and wastewater easement to Mockingbird Venture Partners, LLC, the abutting owner, containing a total of approximately 26,706 square feet of land, located near the intersection of West Mockingbird Lane and Forest Park Road - Revenue: \$18,695, plus the \$20 ordinance publication fee

### **BACKGROUND**

This item authorizes the abandonment of two storm sewer easements, four sanitary sewer easements and one water and wastewater easement to Mockingbird Venture Partners, LLC, the abutting owner. The area will be included with the property of the abutting owner for the construction of retail buildings and a hotel. The abandonment fee is based on Dallas Central Appraisal District Values.

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

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

### **FISCAL INFORMATION**

Revenue: \$18,695, plus the \$20 ordinance publication fee

### **OWNER**

**Mockingbird Venture Partner, LLC**

Parviz Vachti, Manager

**MAP**

Attached



Log: 41312

Abandonment: 

Applicant: Mockingbird Venture Partners, LLC

Mapsc0: 34N

**KEY FOCUS AREA:** Economic Vibrancy

**AGENDA DATE:** May 11, 2016

**COUNCIL DISTRICT(S):** 6

**DEPARTMENT:** Water Utilities  
Sustainable Development and Construction  
Office of Economic Development

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

**MAPSCO:** 11 A

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## **SUBJECT**

### **West Cell Development**

- \* Authorize the City Manager to enter into a Treated Water Service Contract, approved as to form by the City Attorney, with the City of Irving for treated water service for Dallas' portion of the West Cell Development - Not to exceed \$106,832 - Financing: Water Utilities Current Funds (subject to annual appropriations)
- \* Authorize the City Manager to enter into a Wastewater Service Contract, approved as to form by the City Attorney, with the City of Irving for wastewater service for Dallas' portion of the West Cell Development - Not to exceed \$14,878 - Financing: Water Utilities Current Funds (subject to annual appropriations)
- \* An ordinance adopting a boundary adjustment agreement with the City of Irving on property located south of the terminus of South Northlake Road and northwest of the intersection of Valley Vista Drive and Lakebreeze Road (within the West Cell Development) - Financing: No cost consideration to the City

### **BACKGROUND**

The City of Irving has requested the City of Dallas to consider a boundary adjustment at the common boundary between the City of Dallas and the City of Irving on property located south of the terminus of South Northlake Road and northwest of the intersection of Valley Vista Drive and Lakebreeze Road within the West Cell development. This existing boundary does not presently allow for the efficient development and delivery of city services. The proposal includes adjusting into the City of Irving an approximate 6.5 acre property out of the 28.5 acre West Cell development currently located in the City of Dallas. The property owner, Billingsley, plans for single family development of the 6.5 acres with approximately 18 lots.

## **BACKGROUND** (Continued)

In exchange for the boundary adjustment, the City of Irving will provide water and wastewater services to the remaining West Cell area in Dallas which consists of approximately 91 single-family lots on 22 acres of land. The estimated cost for the City of Dallas to design and construct infrastructure to provide water and wastewater service to the West Cell North would be approximately \$2.3 million. The property proposed for adjustment is less than 1,000 feet in width and qualifies under Section 43.031 of the Texas Local Government Code as a candidate for the mutually agreeable municipal boundary adjustment. On June 17, 2015, the Dallas City Council authorized the City Manager to negotiate and enter into this boundary adjustment by Resolution No. 15-1179. Dallas and Irving City Councils need to ratify and adopt the agreement by ordinance.

Dallas does not have water and wastewater facilities or agreements in place to provide for the development of West Cell. For the West Cell area, the estimated treated water average daily demand is 0.06 million gallons per day ("MGD"). The projected daily wastewater flow demand for West Cell is 0.012 MGD.

All treated water and wastewater services provided to Dallas under the contracts will be measured at metering stations designed and constructed by Dallas. Upon completion of facilities in the spring of 2017, Irving will commence providing water and wastewater services to Dallas and the metering stations will be conveyed to Irving. Irving will invoice Dallas at Irving's commercial water rate for the treated water services provided and at its industrial wastewater rate for the wastewater services provided to Dallas. The residents and businesses served under the Water and Wastewater Service Contracts will be direct customers of the City of Dallas Water Utilities.

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

On May 18, 2015, a memo was presented to the Economic Development Committee to call a public hearing for June 10, 2015, to consider the proposed TIF District and Project Plan amendments, a modification in the geographical boundary, changes to the budget of the District, and all other related changes.

On June 17, 2015, the City Council authorized the City Manager to negotiate and enter into an Interlocal Agreement with the City of Irving for water service, financial participation in water supply and infrastructure projects, and wastewater service, by Resolution No. 15-1192.

Information about this item will be provided to the Economic Development Committee on May 2, 2016.

**FISCAL INFORMATION**

Dallas-Irving Water Service Contract

\$106,832 - Water Utilities Current Funds (subject to annual appropriations)

Dallas-Irving Wastewater Service Contract

\$14,878 - Water Utilities Current Funds (subject to annual appropriations)

**MAP**

Attached



**EXHIBIT A  
BOUNDARY ADJUSTMENT AGREEMENT**

THIS BOUNDARY ADJUSTMENT AGREEMENT ("AGREEMENT") is made and entered into by and between the City of Dallas, Texas, hereinafter referred to as Dallas, and the City of Irving, Texas, hereinafter referred to as Irving, collectively referred to as Cities.

**WHEREAS**, a portion of Dallas's boundary is contiguous with the northern boundary of Irving; and

**WHEREAS**, this existing boundary does not presently allow the efficient development and delivery of city services to the area; and

**WHEREAS**, the Cities desire to modify their mutual boundary so as to allow more efficient development of a proposed residential subdivision and delivery of city services to the area; and

**WHEREAS**, representatives of Dallas and Irving have met and agreed to a mutually acceptable boundary which is in the best interest of the citizens of each city; and

**WHEREAS**, pursuant to water and wastewater service agreements, Irving agrees to provide potable treated water and wastewater services to a portion of Dallas known as the Dallas west cell area.

**NOW THEREFORE**, for and in consideration of the mutual covenants, conditions, and promises expressed herein, Dallas and Irving agree as follows:

**SECTION I.**

Statement of Intent

It is the intent of Dallas and Irving to modify their respective boundaries in the following manner:

Adjust 6.5 acres of land in the City of Dallas located south of the terminus of South Northlake Road and northwest of Valley Vista Drive and Lakebreeze Road, and more particularly described in Attachment No. 1 (the "Property"), attached hereto and made a part of this AGREEMENT, into the territorial limits of Irving.

**SECTION II.**

Release of Territory

Dallas agrees to release the Property described in Attachment No. 1 to Irving.

SECTION III.

Waiver of Extraterritorial Jurisdiction

Dallas does hereby waive all of its extraterritorial jurisdiction rights existing by reason of the Property in favor of Irving. It is expressly agreed and understood that this waiver shall operate only in favor of Irving, and shall not constitute a waiver of any right, including extraterritorial jurisdiction rights that Dallas may be able to assert against any other municipality.

SECTION IV.

Water and Wastewater Services

Irving agrees that it will provide water and wastewater services to the Dallas west cell area described in the Exhibit A to the water and wastewater service agreements attached to and made a part of this agreement as Attachment No. 4. Irving agrees that it will not unreasonably withhold or condition service after the expiration of any water and wastewater service agreements to service in whole or in part the Dallas west cell area.

SECTION V.

Service Plan

Upon ratification, adoption, and approval of this AGREEMENT, Irving does hereby agree to immediately begin implementation into the affected area of the service plan attached to and made a part of this agreement as Attachment No. 3.

SECTION VI.

Effective Date

Dallas and Irving agree that this AGREEMENT shall take effect only upon ratification and adoption by the governing body of the City of Dallas and approval by the governing body of the City of Irving.

SIGNED this the \_\_\_th day of \_\_\_\_\_ 2016.

CITY OF IRVING, TEXAS

CITY OF DALLAS, TEXAS  
A.C. GONZALEZ, City Manager

\_\_\_\_\_  
Beth Van Duynes, Mayor

By \_\_\_\_\_  
Assistant City Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:  
CHRISTOPHER D. BOWERS, Interim City Attorney

\_\_\_\_\_  
Kuruvilla Oommen, City Attorney

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

ATTEST:

ATTEST:

\_\_\_\_\_  
Shanae Jennings, City Secretary

\_\_\_\_\_  
Rosa Rios, City Secretary

**ATTACHMENT NO. 3  
SERVICE PLAN**

The following is a Service Plan for the property described in Attachment No. 1 attached to the AGREEMENT and also identified on the attached map.

As the result of a series of negotiations, the cities of Dallas and Irving agreed to a boundary adjustment covering the property described in the AGREEMENT.

**Schedule of Municipal Services**

- A. Police Protection  
Police enforcement and protection services are to be provided by the extension of patrol into the boundary adjusted area and by response from the Irving Police Department to individual requests beginning on the effective date of the boundary adjustment ordinance.
  
- B. Fire Protection (including emergency ambulance)  
Fire protection personnel and equipment, and emergency medical personnel and equipment shall be provided to the boundary adjusted area upon request beginning on the effective date of the boundary adjustment ordinance.
  
- C. Solid Waste Collection  
Solid waste collection service is to be provided to the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations beginning on the effective date of the boundary adjustment ordinance.
  
- D. Water Service
  - 1. Water service is to be provided to the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations beginning on the effective date of the boundary adjustment ordinance.
  
  - 2. Water mains are to be extended to serve individual owners in the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations.
  
  - 3. As development and construction of subdivisions commence within the boundary adjusted area, water mains are to be extended with City participation in the costs of these extensions in accordance with City of Irving ordinances, resolutions, and regulations.
  
- E. Sanitary Sewer Service
  - 1. Wastewater service is to be provided to the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations beginning on the effective date of the boundary adjustment ordinance.

2. Sanitary sewer mains are to be extended to serve individual owners in the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations.

3. As development and construction of subdivisions commence within the boundary adjusted area, sanitary sewer mains are to be extended with City participation in the costs of these extensions in accordance with City of Irving ordinances, resolutions, and regulations.

F. Maintenance of Roads and Streets

1. Street maintenance and other street services are to be provided to the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations beginning on the effective date of the boundary adjustment ordinance.

2. As streets are constructed in undeveloped portions of the boundary adjusted areas, the City is to participate in the cost of construction, acceptance upon completion, maintenance, and other services in accordance with City of Irving ordinances, resolutions, and regulations.

G. Parks and Recreation

All of the City of Irving parks and recreation facilities are to be available for use by residents of the boundary adjusted area beginning on the effective date of the boundary adjustment ordinance.

H. Library Service

All of the City of Irving library facilities are to be available for use by residents of the boundary adjusted area beginning on the effective date of the boundary adjustment ordinance.

I. Street Lighting

The City of Irving is to provide for the placement of street lights in accordance with practices in all other areas of the city.

J. Traffic Engineering

Necessary traffic studies are to be performed to determine the need for installation of street identification signs and proper traffic control devices within the boundary adjusted area in accordance with City of Irving ordinances, resolutions, and regulations.

K. Planning and Zoning.

The planning and zoning jurisdiction, including the subdivision platting process, of the City of Irving extend to the boundary adjusted area.

- L. Storm Drainage (including flood plain regulations)  
Studies are to be conducted to ascertain the limits of the 100-year floodplain in order to place the zoning flood plain prefix on any appropriate areas.
  
- M. Capital Improvements  
Irving will initiate the acquisition or construction of capital improvements necessary for providing services adequate to serve the boundary adjusted area as soon as reasonably possible, consistent with generally accepted local engineering and architectural standards and practices.
  
- N. Miscellaneous  
General municipal administrative and code enforcement services of the City of Irving will be provided to residents of the boundary adjusted area beginning on the effective date of the boundary adjustment ordinance.

ORDINANCE NO.

An ordinance ratifying and adopting an agreement between the cities of Dallas and Irving adjusting their common boundary line; releasing a certain area of land to the City of Irving; providing a savings clause; providing a severability clause; and providing an effective date.

WHEREAS, it is the desire of the cities of Dallas and Irving to adjust their common city limit boundaries in order to establish clear demarcation lines to allow the efficient development of and delivery of city services to the citizens in the area; and

WHEREAS, in consideration of water and wastewater services to be provided by Irving to the Dallas west cell area, the cities of Dallas and Irving, pursuant to Section 43.031 of the Texas Local Government Code, have entered into an agreement, authorized by Dallas city council Resolution 151179 on June 17, 2015, adjusting the common boundary line ; and

WHEREAS, the city council finds that it is in the public interest for the City of Dallas to make such an adjustment; Now, Therefore,

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

SECTION 1. That the City of Dallas does hereby ratify and adopt the agreement attached hereto and made a part of this ordinance as Exhibit A, subject to proper execution by the City of Irving.

SECTION 2. That the City of Dallas does hereby release a certain area of land, along with all extraterritorial jurisdiction pertaining thereto, now within its city limits and described in, Attachment No. 1 to the City of Irving.

SECTION 3. That the affected corporate limits of the City of Dallas shall upon final passage of this ordinance be adjusted as set out in Exhibit A.

SECTION 4. That the sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the city council without the incorporation in this ordinance of any such unconstitutional or invalid phrase, clause, sentence, paragraph, or section.

SECTION 5. That the city secretary is hereby directed to hold publication of this ordinance until the cities of Dallas and Irving have fully executed the attached boundary adjustment agreement and water and wastewater services agreements

SECTION 6. That upon full execution of the attached boundary adjustment agreement and water and wastewater services agreements the city secretary shall publish this ordinance at least one time in the official newspaper of the City of Dallas.

SECTION 7. That upon final passage and publication of this ordinance, the city secretary shall transmit a certified copy of this ordinance to the city secretary of the City of Irving.

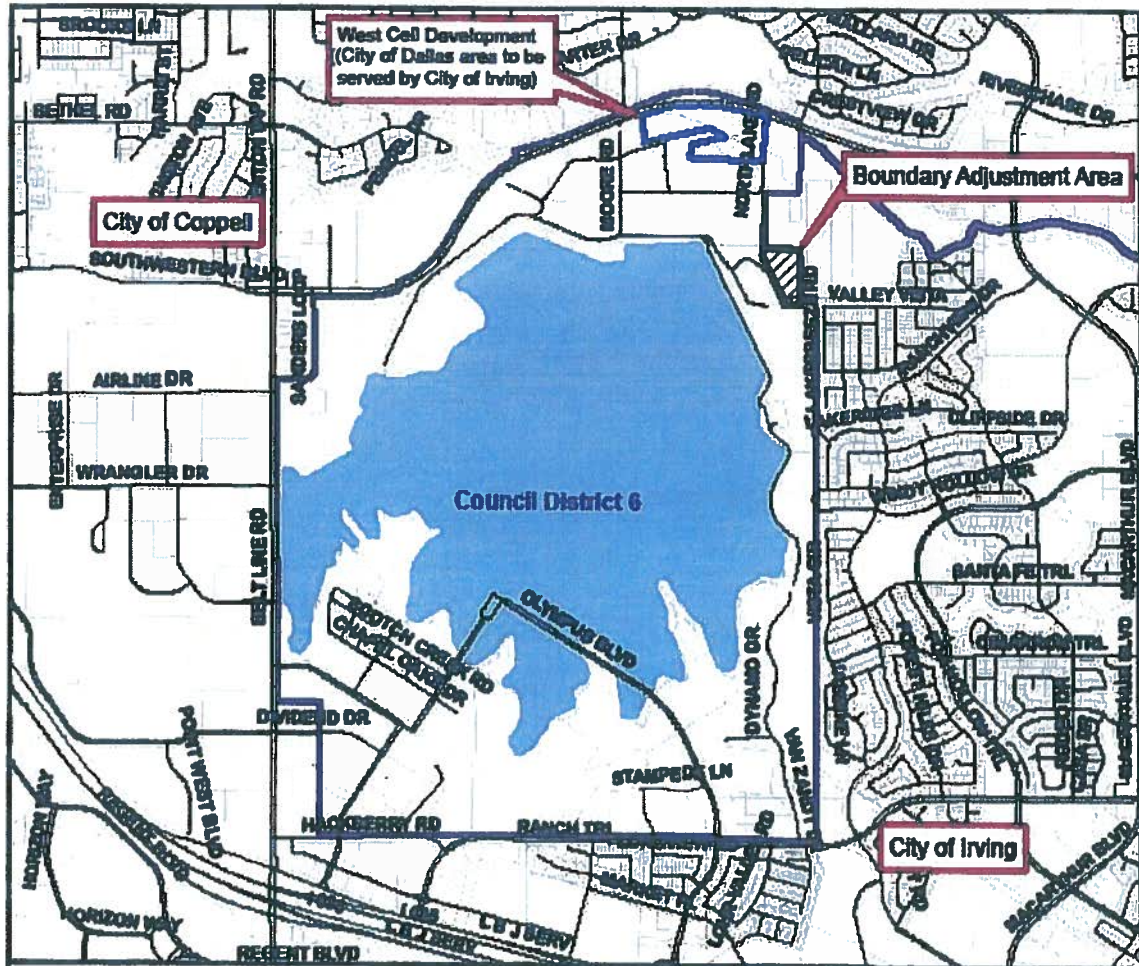


SECTION 8. That this ordinance shall take effect upon ratification and adoption of the attached agreement by the City of Irving or immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, whichever occurs later, and it is accordingly so ordained.

APPROVED AS TO FORM:

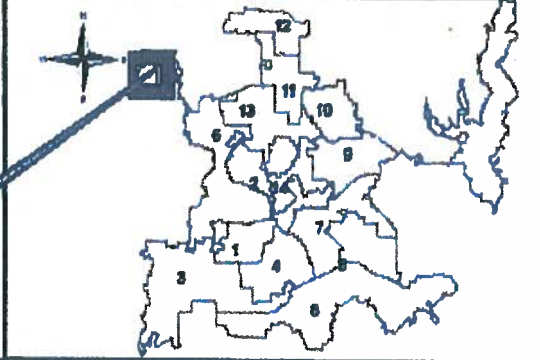
CHRISTOPER D. BOWERS, Interim City Attorney

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



Mapsc0: 11A

Council District 6



Dallas Water Utilities  
West Cell Development