

**ECONOMIC DEVELOPMENT COMMITTEE**  
DALLAS CITY COUNCIL COMMITTEE AGENDA

MONDAY, SEPTEMBER 21, 2015  
CITY HALL  
COUNCIL BRIEFING ROOM, 6ES  
1500 MARILLA  
DALLAS, TEXAS 75201  
9:00 A.M. – 10:30 A.M.

**Chair**, Rickey D. Callahan  
**Vice-Chair**, Councilmember Casey Thomas, II  
Councilmember Lee M. Kleinman  
Councilmember Carolyn King Arnold  
Councilmember Adam Medrano  
Councilmember B. Adam McGough

Call to Order

1. Approval of Minutes

**BRIEFINGS**

2. Dallas Development Fund/New Market Tax Credit Program Update  
Karl Zavitkovsky  
*Director, Office of Economic Development*
3. 717 N. Harwood Redevelopment Project (City Center TIF District)  
Karl Zavitkovsky  
*Director, Office of Economic Development*

4. **UPCOMING AGENDA ITEMS**

September 22, 2015

- A. An ordinance abandoning a common access and fire lane easement of Ojala Woodside Owner, LP, the abutting owner, containing approximately 5,031 square feet of land, located near the intersection of Worthington and Woodside Streets, Revenue: \$5,400, plus the \$20 ordinance publication fee.
- B. An ordinance abandoning a sanitary sewer easement to Travis Cole Apartments 2012 LP, the abutting owner, containing approximately 5,428 square feet of land, located near the intersection of Cole and Hester Avenues and providing for the dedication of approximately 6,364 square feet of land for a wastewater easement-Revenue: \$5,400, plus the \$20 ordinance publication fee.
- C. Authorize acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from First National Bank, of a tract of land containing approximately 16,022 square feet and approximately 14,167 square feet of land for a temporary working space easement, located in Dallas County for the Southwest 120/96-inch Water Transmission Pipeline Project – Not to exceed \$148,177 (\$145,177, plus closing costs and title expenses not to exceed \$3,000) – Financing: Water Utilities Capital Improvement Funds.

**A quorum of the City Council may attend this Council Committee meeting**

- D. Authorize acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from Southport Properties, LP, of a tract of land containing approximately 326,340 square feet located near the intersection of Langdon and JJ Lemmon Roads for the Southwest 120/96-inch Water Transmission Pipeline Project- Not to exceed \$626,850 (\$614,850 plus closing costs and title expenses not to exceed \$12,000) –Financing: Water Utilities Capital Improvement Funds

Adjourn

A handwritten signature in black ink, reading "Rickey D. Callahan". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Rickey D. Callahan, Chair  
Economic Development Committee

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

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

# Economic Development Committee **DRAFT**

## Meeting Record September 8, 2015

The Economic Development Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

**Meeting Date:** September 8, 2015      **Meeting Start time:** 9:04 AM

**Committee Members Present:**

Rickey D. Callahan (Chair)  
Casey Thomas, II (Vice Chair)  
Lee M. Kleinman  
B. Adam McGough  
Carolyn King Arnold

**Other Council Members Present:**

Philip Kingston

**Staff Present:**

Ryan Evans, First Assistant City Manager,  
City Manager's Office  
Karl Zavitkovsky, Director, Office of Economic  
Development  
David Cossum, Director, Sustainable  
Development & Construction  
Neva Dean, Assistant Director, Sustainable  
Development & Construction  
Jiroko Rosales, Assistant Director, Office of  
Economic Development

**Other Presenters:**

**1. Approval of August 17, 2015 Minutes of the Economic Development Committee**

**Presenter(s):**

**Action Taken/Committee Recommendation(s):** Motion made to approve the minutes

**Motion made by:** Mr. McGough

**Motion seconded by:** Mr. Thomas

Item passed unanimously:  X

Item passed on a divided vote:      

Item failed unanimously:      

Item failed on a divided vote:      

**Follow-up (if necessary):**

**2. CDA 145-005 Application to Amend Cell Tower Regulations-Temporary Tower and Height Restrictions**

**Presenter(s):** David Cossum, Director, Sustainable Development & Construction

**Action Taken/Committee Recommendation(s):** Motion made to recommend item to full council for approval \*Motion failed with Mr. Medrano, Ms. Arnold, and Mr. McGough voting No, Mr. Kleinman was absent from the meeting

**Motion made by:** Mr. Thomas

**Motion seconded by:** Mr. Callahan

Item passed unanimously:      

Item passed on a divided vote:      

Item failed unanimously:      

Item failed on a divided vote:   X  

**Follow-up (if necessary):**

**3. Proposed Amendments to Cell Tower Regulations –Notification Requirements and Form District Standards**

**Presenter(s): David Cossum, Director, Sustainable Development & Construction**

**Action Taken/Committee Recommendation(s):** Motion made to recommend item to full council for approval

**Motion made by:** Mr. McGough

**Motion seconded by:** Mr. Thomas

Item passed unanimously:  X

Item passed on a divided vote:  \_\_\_\_\_

Item failed unanimously:  \_\_\_\_\_

Item failed on a divided vote:  \_\_\_\_\_

**Follow-up (if necessary):**

**Upcoming Agenda Items**

September 9, 2015

- A. An ordinance abandoning a portion of a utility easement to Intercity Investments, Inc., the abutting owner, containing approximately 13,467 square feet of land, located near the intersection of Edgemere Road and Bandera Avenue - Revenue: \$5,400, plus the \$20 ordinance publication fee.
- B. Authorize partial release of deed restrictions on three tracts of land containing approximately 23 acres to be conveyed by the University of North Texas System to Dallas Area Rapid Transit, located near Camp Wisdom and Houston School Roads for construction and operation of a rail line - Financing: No cost consideration to the City.
- C. Authorize settlement in lieu of proceeding further with condemnation of a subsurface easement under approximately 4,944 square feet of land from 1507 Dragon Street DDD, LLC, located on Ross Avenue at its intersection with Hall Street for the Mill Creek/Peaks Branch/State Thomas Drainage Relief Tunnel Project – Not to exceed \$30,500 (\$28,000 plus closing costs and title expenses not to exceed \$2,500); an increase of \$6,118 from the amount Council originally authorized for this acquisition - Financing: General Obligation Commercial Paper Funds.
- D. Authorize an amendment to Resolution No. 15-0857, previously approved on May 13, 2015, to modify the elevations of the subsurface easement and to authorize acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from M.I. Gaston Partners, Ltd. and MSC-I, Ltd., of a subsurface easement located under approximately 10,702 square feet of land, located on Gaston Avenue near its intersection with Peak Street for the Mill Creek/Peaks Branch/State Thomas Drainage Relief Tunnel Project - Financing: This action has no cost consideration to the City.
- E. Authorize acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from PATRONMARCHE, LLC, of a subsurface easement under approximately 519 square feet of land located on Flora Street near its intersection with Interstate Highway 345 for the Mill Creek/Peaks Branch/State Thomas Drainage Relief Tunnel Project – Not to exceed \$3,517 (\$1,817 plus closing costs and title expenses not to exceed \$1,700) - Financing: General Obligation Commercial Paper Funds.

- F. Authorize acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from Post Apartment Homes, L.P., of a subsurface easement under approximately 3,811 square feet of land located on Woodall Rodgers Freeway at its intersection with Maple-Routh Connection for the Mill Creek/Peaks Branch/State Thomas Drainage Relief Tunnel Project – Not to exceed \$72,598 (\$68,598 plus closing costs and title expenses not to exceed \$4,000) - Financing: 2006 Bond Funds.
- G. Authorize acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from San Jacinto Urban Lofts, L.P., of three subsurface easements under a total of approximately 2,304 square feet of land located on San Jacinto Street near its intersection with Caddo Street for the Mill Creek/Peaks Branch/State Thomas Drainage Relief Tunnel Project - Not to exceed \$10,525 (\$8,525 plus closing costs and title expenses not to exceed \$2,000) - Financing: General Obligation Commercial Paper Funds.
- H. Authorize acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from SHF I ICON, LLC, of a subsurface easement under approximately 62,688 square feet of land located on Hall Street at its intersection with Ross Avenue for the Mill Creek/Peaks Branch/State Thomas Drainage Relief Tunnel Project – Not to exceed \$257,752 (\$250,752 plus closing costs and title expenses not to exceed \$7,000) - Financing: 2006 Bond Funds.

September 22, 2015

- A. Authorize an amendment to the contract with the World Affairs Council of Dallas / Fort Worth for economic development and protocol services to: (1) extend the existing grant agreement from October 1, 2015 through December 31, 2015; and (2) increase funding by \$62,500 for the additional services for 3 months - Not to exceed \$62,500 - Financing: Public/Private Partnership Funds (subject to appropriations).
- B. Authorize Supplemental Agreement No.1 to the contract with Southern Dallas Development Corporation (SDDC) to extend the term of the fourth and final renewal option from October 1, 2015 to March 30, 2016 to continue administration and loan servicing of the Community Development Block Grant (CDBG) funded Business Revolving Loan Program - Financing: No cost consideration to the City.
- C. Authorize a first renewal option for eight Business Assistance Centers (BACs) for a twelve-month service contract, with one additional twelve-month renewal option, subject to funding availability with the eight Business Assistance Center (BAC) contractors to provide technical assistance, incubator space and other support services to low-to-moderate income persons owning or starting microenterprises listed herein for each contract as follows: (1) Greater Dallas Hispanic Chamber of Commerce located at 4622 Maple Avenue, Suite 207 (BAC#1) in an amount not to exceed \$80,000; (2) The Dallas Black Chamber of Commerce located at 2838 Martin Luther King Boulevard (BAC #2) , in an amount not to exceed \$80,000; (3) CEN-TEX Certified Development Corporation dba Business & Community Lenders (BCL) of Texas to be located at the J. Erik Jonsson Central Library at 1515 Young Street, Sammons Small Business Center (BAC, #3) in an amount not to exceed \$80,000; (4) CENT-TEX Certified Development Corporation doing business as Business & Community Lenders (BCL) of Texas located at 4907 Spring Avenue(BAC#4) in an amount not to exceed \$80,000; (5) Business Assistance Center, Inc. located at 1201 West Camp Wisdom Road, Suite 224 (BAC#5) in an amount not to exceed \$80,000; (6) Organization of Hispanic Contractors Association dba Regional Hispanic Contractors Association to be located at 3918 N Hampton Rd (BAC#6), in an amount not to exceed \$80,000; (7) Organization of Hispanic Contractors Association dba Regional Hispanic Contractors Association located at 2210 West Illinois Avenue(BAC#7) in an amount not to exceed \$80,000; (8) CENT-TEX Certified Development Corporation doing business as Business & Community Lenders (BCL) of Texas located at 1322 Record Crossing(BAC#8) in an amount not exceed \$80,000; Not to exceed \$640,000 - Financing: 2015-16 Community Development Block Grant Funds.

- D. Authorize a one-year service contract to a no-cost Federal income tax preparation program with a focus on Earned Income Tax Credit (EITC) filings and financial education for low to moderate income filers citywide – Foundation Communities, sole respondent – Not to exceed \$200,000 – Financing: Current Funds (subject to appropriations).
- E. Authorize (1) acceptance of the 2014 100 Resilient Cities Grant from the Rockefeller Foundation to provide funding for economic resilience and preparedness for the rapid growth of natural and man-made disasters and the employment of a Chief Resilience Officer for the period October 1, 2015 through September 30, 2017; and (2) execution of the grant agreement - Not to exceed \$464,000.00 - Financing: The Rockefeller Foundation.

**Action Taken/Committee Recommendation(s):** Motion made to recommend item to full council for approval

**Motion made by:** Mr. McGough

**Motion seconded by:** Thomas

Item passed unanimously: \_\_\_\_\_

Item passed on a divided vote: \_\_\_\_\_

Item failed unanimously: \_\_\_\_\_

Item failed on a divided vote: \_\_\_\_\_

**Follow-up (if necessary):**

**Meeting Adjourned: 10:14 AM**

**Approved By:** \_\_\_\_\_

# Memorandum



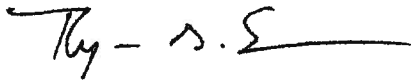
DATE September 18, 2015

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

SUBJECT **Dallas Development Fund/New Market Tax Credit Program Update**

On Monday, September 21, 2015, the Economic Development Committee will be briefed on the Dallas Development Fund/New Market Tax Credit Program Update. Briefing material is attached.

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



**Ryan S. Evans**  
First Assistant City Manager

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

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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

# Dallas Development Fund/New Markets Tax Credit Program Update

September 21, 2015  
Economic Development Committee





# Briefing Purpose

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Summarize key elements of the New Markets Tax Credit (NMTC) program

Provide update on Federal tax credit allocation process and Dallas Development Fund's (DDF) recent allocation award

Review highlights of previous and future projects, including Small Business Loan Fund

Request renewal of terms for Class I DDF board members

# New Markets Tax Credit (NMTC) Overview

**NMTC attract private investment** for business and real estate developments in **Low Income Neighborhoods**

NMTC is a **federal tax credit program** created in 2000 and renewed through 2014 round (reauthorization currently pending)

- U.S. Treasury administers
- Allocations made directly to local Community Development Entity (CDE)
- Tax credit is **39% of original investment over 7 years** (5% first three years, 6% last four)

NMTC program offers **additional financial tool** to achieve Dallas' development goals, particularly in southern Dallas (see Appendix A)

# NMTC Overview (cont'd)

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Funds can be used for debt or equity financing in combination with Public Private Partnership and TIF subsidies

Targets commercial, industrial, not-for-profit, operating businesses and mixed use development

Community development entity (CDE) must be formed to apply for program

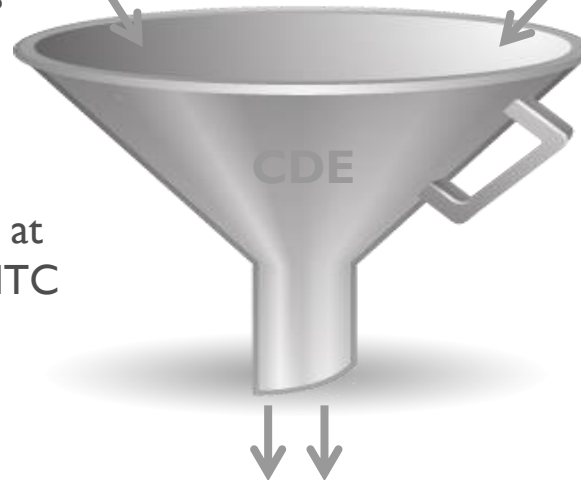
City created Dallas Development Fund (DDF) in 2009 as a non-profit CDE to apply, accept and allocate any NMTC allocation

# Capital Funnel

Capital the project was already able to obtain (Commercial debt, philanthropy, sponsorship equity and other sources equals leverage sources)

(About a 4:1 ratio of Leverage Sources to NMTC Equity)

“Matching funds” subsidy (NMTC Equity)



KEY: All funding must flow at the *same time* through NMTC structure

Increased financing available for project (15-20% more than otherwise available)

# Dallas Development Fund

Board consists of seven members (see Appendix B)  
Four appointed by the City Manager (Class I) and confirmed by Council

Current class I members now need to be reappointed

Current bylaws require all board members to be at least 18 years old and residents of the City of Dallas.  
Additionally, at least 20% (minimum of 2) members must be Low Income Community (LIC) accountable per federal regulations

DDF currently has 5 LIC accountable members

DDF gets a portion of the proceeds from a project; funds are used to support DDF and NMTC-like activities (small loan fund)

# 2014 NMTC Award

Dallas' current award is \$45 M (previous allocations were \$55M in 2009 and \$30 M in 2012)

In 2014, a total of \$3.5 billion in tax credit allocation was awarded nationwide

263 CDEs applied for an allocation; 76 were awarded funds (28%)

Total request of funds was \$19.9 billion

- 17% of total request was awarded

DDF is only CDE in Texas to receive allocation

Only 5 municipal CDEs received allocation (a decrease from 13 in 2013 round)

DDF tied for largest allocation amount among municipally-controlled CDEs

# DDF Previous Projects

DDF has funded seven projects with its previous allocations

	Project	Net NMTC Cash Benefit	Type	Total Project Cost	Date
First Allocation	NYLO	\$3.7 M	Hotel	\$19.1 M	7/11
	Kroger	\$2.8 M	Grocery store	\$12 M	7/11
	Lancaster Urban Village	\$2.0 M	Mixed-use housing	\$27.8 M	9/12
	CitySquare Opportunity Center	\$2.6 M	Community facilities	\$13.8 M	6/13
Second Allocation	Vogel Alcove	\$1.2 M	Community facilities	\$5.9 M	12/12
	Hatcher Station Clinic	\$3.4 M	Medical facility	\$19.8 M	7/14
	Serta/Dormae	\$1.9 M	Manufacturing facility	\$15.5 M	7/15

# DDF Southern Dallas Seed Fund: Overview

With a portion of DDF's proceeds, DDF's board expressed an interest in creating and supporting a Small Business Loan Fund

In April 2015, DDF Board selected BCL of Texas to manage small business fund  
\$300,000 total fund size; expected full deployment within 6 months

Borrower profile:

- For-profit businesses anticipated to create new jobs within 12 months
- Lack access to traditional market-rate debt
- Located in Southern Dallas
- Located in NMTC-eligible area

Anticipated uses of funds:

- Working capital (purchases of raw materials, inventory, rent, utilities, and other expenses identified for business operations)
- Machinery and equipment (excluding rolling stock)
- Real estate improvements (including leasehold improvements and soft costs)
- Acquisition of real estate for owner-occupied business in conjunction with substantial building rehab and/or equipment investment



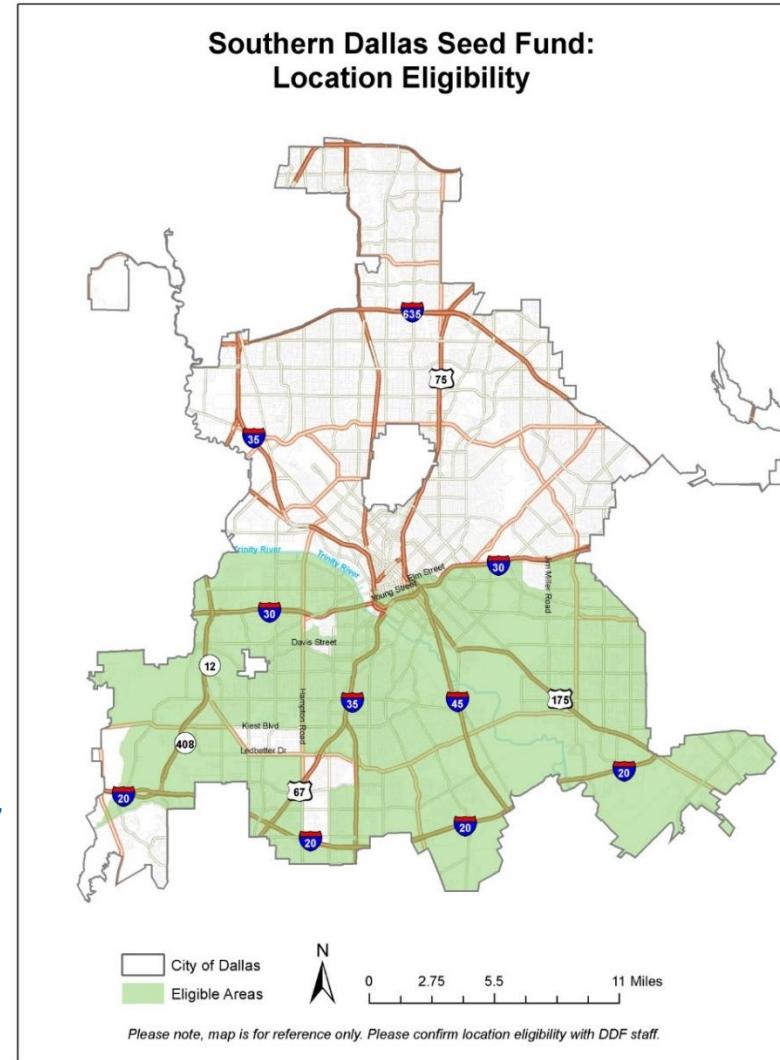
# DDF Southern Dallas Seed Fund: Loan Parameters

## Key Loan Parameters

- \$25,000 to \$100,000 loans
- Fixed interest rate between 5% and 9%
- Maturity 2 to 7 years
- Personal and business guarantees
- 1:1 collateral or greater
- 10% minimum equity requirement
- Borrower must be in qualified Census Tract in Southern Sector

## Loan Approval

- For each proposed loan, BCL will submit all underwriting information and a credit memo to DDF staff
- For loans meeting preapproved parameters, approval automatically delegated to BCL
- For loans not meeting preapproved parameters, approval is required by 2 designated representatives from DDF's Board or Staff



# DDF Southern Dallas Seed Fund: BCL Services

## **BCL Services**

Origination and Underwriting

Technical Assistance for prospective borrowers

Loan Closing

Portfolio Management and Servicing

## **BCL Fees**

Paid by DDF:

- Technical Assistance Fee: up to \$25,000 for TA services to borrowers
- Monthly Servicing Fee: \$500 / month commencing when fund 100% deployed

Paid by Borrower:

- Loan Closing Fee: 1% loan principal paid at loan closing
- Loan Expense Recovery: \$300 per loan paid at loan closing
- Application Fee: \$150 per loan paid at submission of loan application

# Recommended Next Steps

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Economic Development Committee  
recommendation for Council action on  
October 14 of approval of renewal of terms  
for the current Class I members (see  
Appendix B)



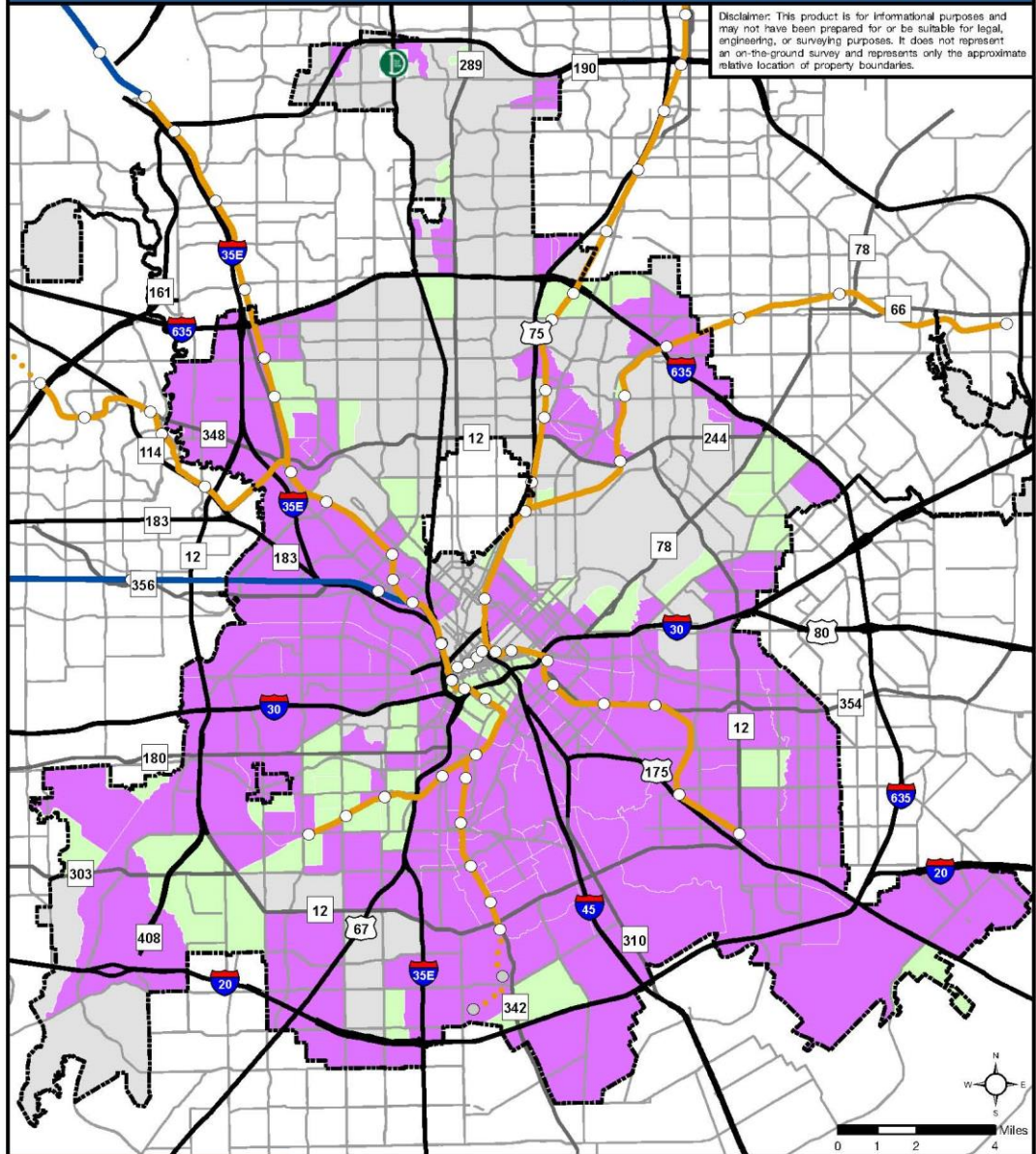
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NMTC Eligible Areas

# APPENDIX A

# New Markets Tax Credits: Eligible Census Tracts

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**

<p><b>NMTC Eligibility</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: purple; border: 1px solid black; margin-right: 5px;"></span> Eligible, Distressed</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: lightgreen; border: 1px solid black; margin-right: 5px;"></span> Eligible</li> </ul>	<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; border-bottom: 2px solid black; margin-right: 5px;"></span> Freeway or Tollway</li> <li><span style="display: inline-block; width: 15px; border-bottom: 1px solid black; margin-right: 5px;"></span> Highway</li> <li><span style="display: inline-block; width: 15px; border-bottom: 1px dashed black; margin-right: 5px;"></span> Arterial</li> <li><span style="display: inline-block; width: 15px; border: 1px dashed black; margin-right: 5px;"></span> City of Dallas</li> </ul>	<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-radius: 50%; margin-right: 5px;"></span> Rail Station</li> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-radius: 50%; background-color: gray; margin-right: 5px;"></span> Future Station</li> <li><span style="display: inline-block; width: 15px; border-bottom: 2px solid orange; margin-right: 5px;"></span> DART Light Rail</li> <li><span style="display: inline-block; width: 15px; border-bottom: 2px solid blue; margin-right: 5px;"></span> Commuter Rail</li> <li><span style="display: inline-block; width: 15px; border-bottom: 2px dashed orange; margin-right: 5px;"></span> Future DART Light Rail</li> </ul>
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Source: Eligibility - CDFI Fund, 2012; All Other Data - City of Dallas, 2013

DDF Board Members

# APPENDIX B

# DDF Board Members

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## Class I Members

Gilbert Gerst, President

Brentt Shropshire, Vice President

Zenetta Drew, Treasurer

Edward Okpa

## Class II Members

Bill Hall

Dora Ramirez

Benjamin Salazar

# Memorandum



DATE September 18, 2015

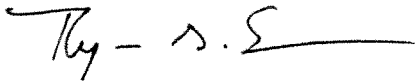
TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano, Lee M. Kleinman,  
Carolyn King Arnold, B. Adam McGough

SUBJECT **717 N. Harwood Redevelopment Project (City Center TIF District)**

On Monday, September 21, 2015, the Economic Development Committee will be briefed on the proposed 717 N. Harwood Redevelopment Project in the City Center TIF District.

Briefing material is attached.

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



Ryan S. Evans  
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
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*717 N. Harwood Redevelopment Project  
City Center TIF District  
(City Center Sub-District)*

Economic Development Committee  
September 21, 2015



# Purpose

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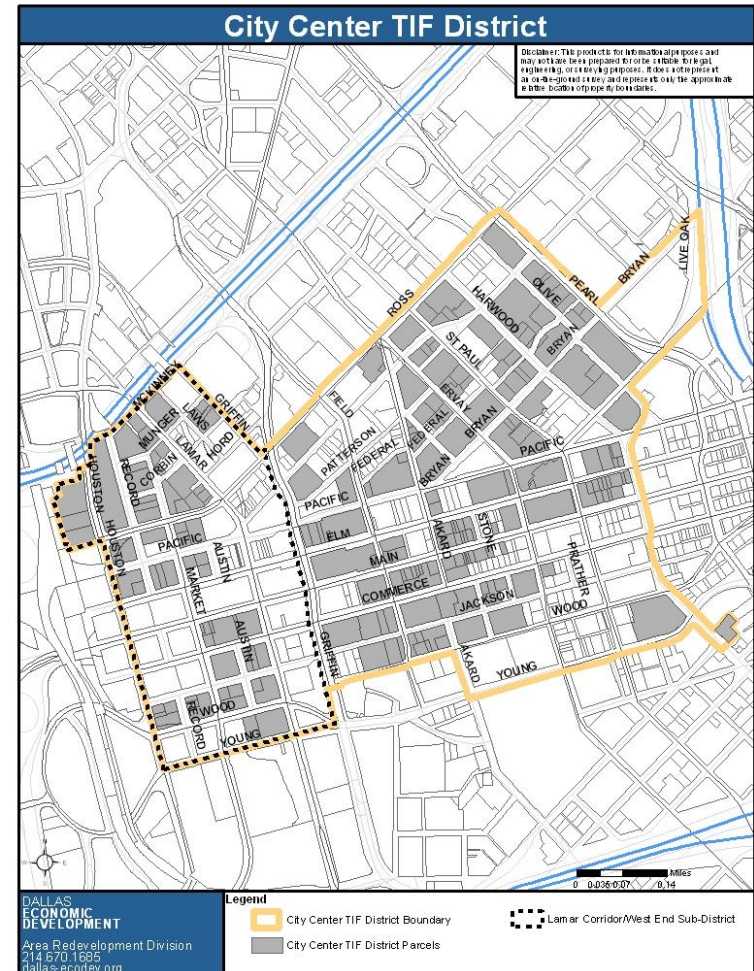
Provide background information on City Center TIF District

Review the 717 N. Harwood redevelopment project

Obtain Economic Development Committee's approval for consideration of the project by City Council on October 7, 2015

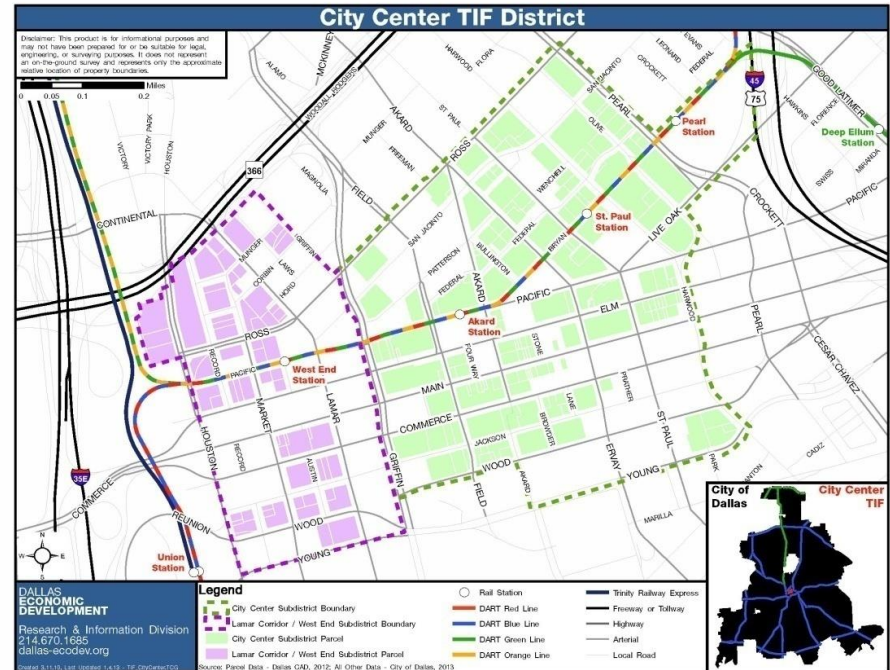
# City Center TIF District *Background*

- Created to develop an attractive, sustainable urban core and reimburse costs of public improvements and redevelopment of vacant or underutilized buildings downtown
- District was amended December 2012 to:
  - Extend District's Boundary to the West End area
  - Extend Term of District
  - Increase District's Budget
  - Decrease City Participation Rate
  - Establish Other Taxing Jurisdiction Participation Rates



# City Center TIF District Amendments

- Boundary Adjustment  
(Creation of two Sub-districts)
  - City Center Sub-district – original district boundary (green dashed line)
  - Lamar Corridor/West End Sub-district – approximately 27 acres; encompasses properties along the Lamar Corridor and properties in the Historic West End area (lavender dashed line)
- Term Extension
  - City Center Sub-district – 12/31/2012 to 12/31/2022 (10 yrs)
  - Lamar Corridor/West End Sub-district – 12/31/2012 to 12/31/2037 (25 year term)



# City Center TIF District Amendments (Continued)

- **District Budget Amendment**
  - The District's budget increased from \$87.6M to \$152.00 M
  - The increased budget:
    - Provides a source of funding to stimulate redevelopment of the Lamar Corridor and Historic West End area
    - Provides a source of funding to accomplish recommendations of the Downtown Dallas 360 Area Plan, that wouldn't otherwise be funded
    - Provides a source of funding to fill in redevelopment gaps in the downtown core

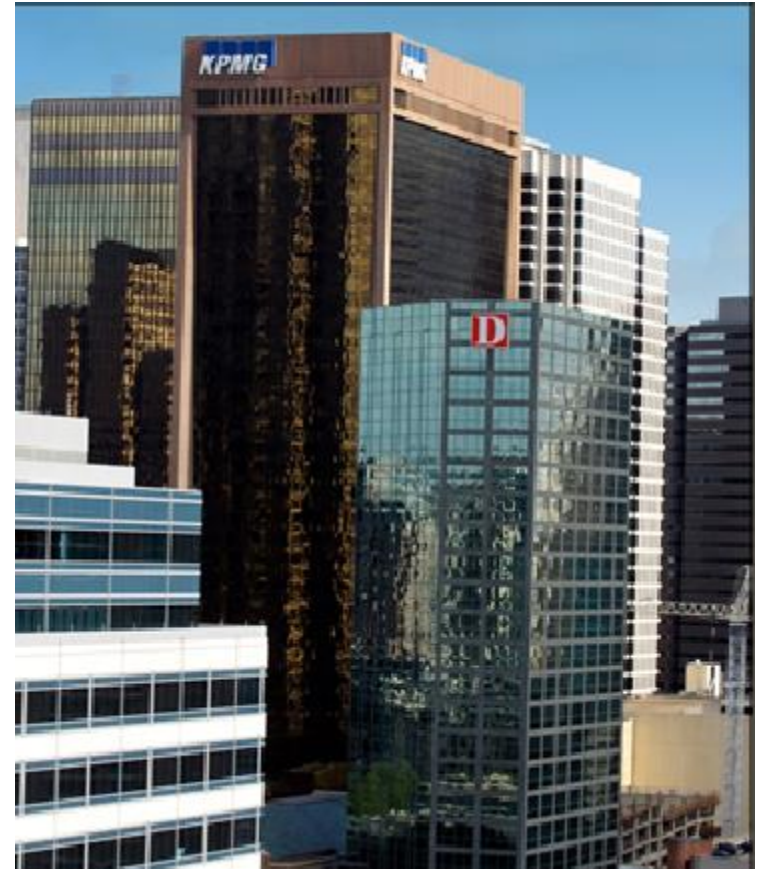
City Center TIF District Projected Increment Revenues to Retire TIF Fund	
Category	TIF Budget
Original City Center TIF Collections**	\$75,696,253
Public Infrastructure Improvements <i>Streetscape Improvements, Pedestrian Linkages, Lighting, Utility Burial, Utility Upgrades</i>	\$8,500,182
Parking	\$5,500,000
Redevelopment/Development Projects <i>Environmental Remediation, Interior &amp; Exterior Demolition, Façade Improvements/Restoration, TIF Grants</i>	\$40,972,111
District Wide Improvements	\$4,000,000
Affordable Housing	\$6,500,000
Ground Floor Activation <i>(in the form of a TIF Grant)</i>	\$8,300,000
Plan Implementation/Administration	\$2,500,000
<b>Total Project Costs</b>	<b>\$151,968,546</b>
<i>Budget shown above in total dollars, as approved in the Amended Project Plan and Reinvestment Zone Financing Plan for the District.</i>	



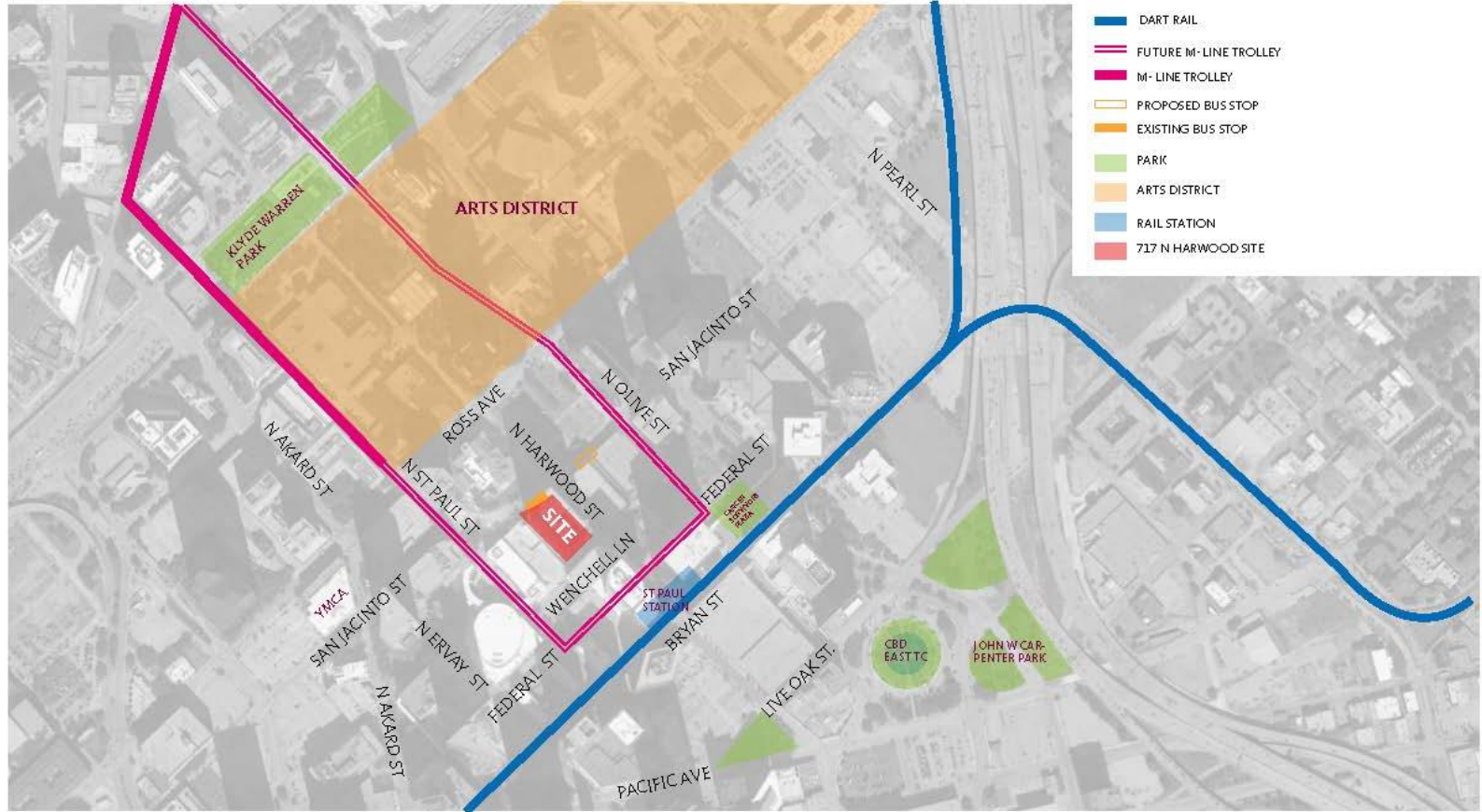
# City Center TIF District

## *717 N. Harwood Building*

- Constructed 1980
- 34-story office building
- Former KPMG Centre
- Adjacent to Arts District
- Approximately 50% vacant when purchased by current owners, prior to KPMG leaving the building



# 717 N. Harwood Project Location



# 717 N. Harwood

## *Project Description*

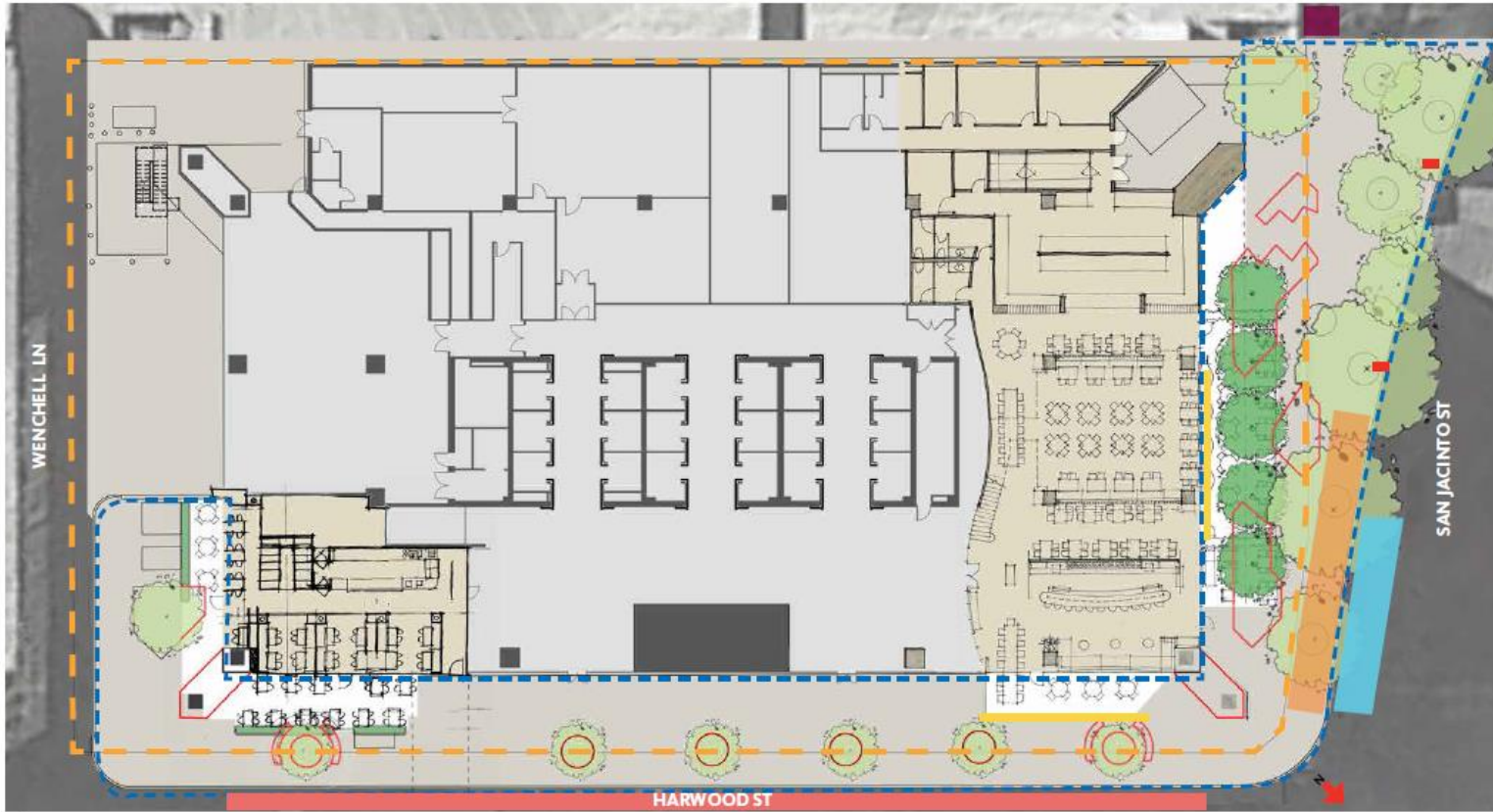
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- 844,326 square foot office building with ground floor retail space
- Project Cost: \$80,381,000, including acquisition and tower renovation
- Project Start Date: December 31, 2015
- Project Completion Date: July 31, 2016
- Project improvements aimed to attract young, entrepreneurial tenants
  - In July 2014, two established technology companies announced the relocation of their corporate headquarters to the property, occupying approximately 330,000 square feet, or 39% of the net rentable space in the building, and are expected to add over 1,800 employees to the Dallas workforce



# 717 N. Harwood Site Plan

- |   |  |   |   |
|---|--|---|---|
| <span style="color: red;">█</span> EXISTING PARKING LANE  | <span style="color: blue;">█</span> EXTENT OF NEW PAVING   | <span style="color: lightgreen;">█</span> EXISTING VEGETATION | <span style="color: orange;">█</span> PROPERTY LINE             |
| <span style="color: purple;">█</span> EXISTING BIKE RACKS | <span style="color: orange;">█</span> PREVIOUS BUS STOP    | <span style="color: green;">█</span> NEW VEGETATION           | <span style="color: red;">█</span> DEMOLITION                   |
|   | <span style="color: red;">█</span> EXISTING PARKING METERS | <span style="color: yellow;">█</span> SCREENING ELEMENT       | <span style="color: lightblue;">█</span> PROPOSED EVENING VALET |



**WORLD CLASS CAPITAL GROUP**  
A REAL ESTATE DEVELOPMENT FIRM

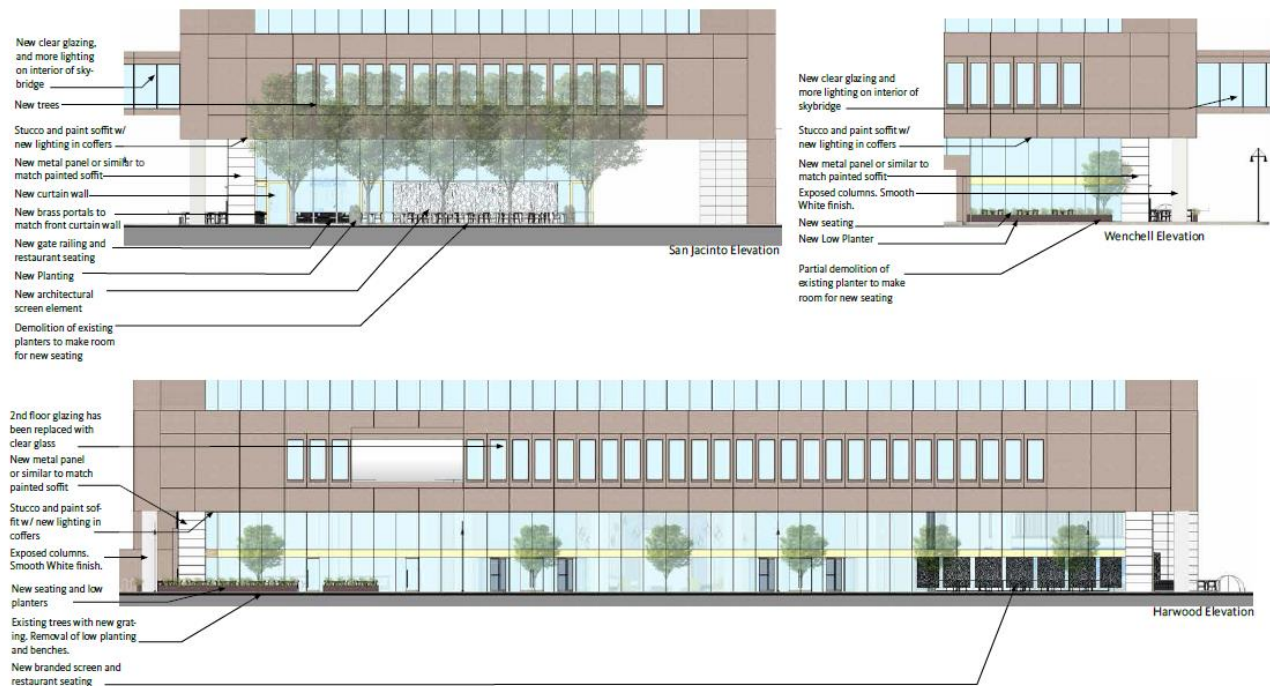
**Gensler**

717 N Harwood Dallas, TX | August 2015 | 8

# 717 N. Harwood

## *Building Improvements*

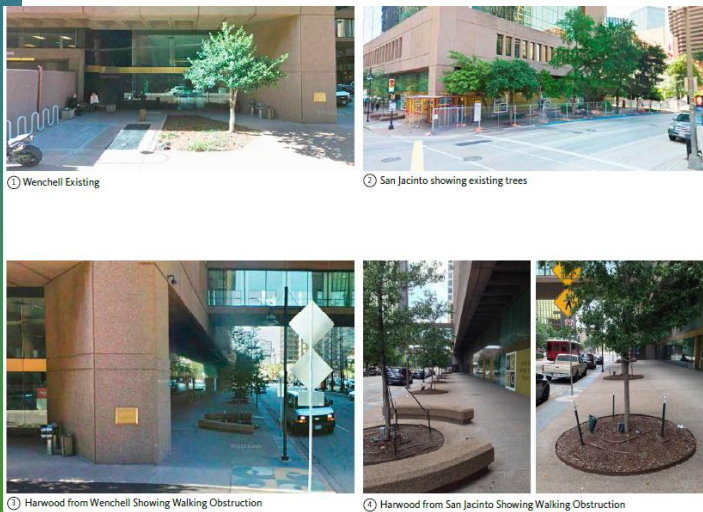
- Proposed TIF funding for streetscape improvements, renovation of ground floor and second floor
  - Improvements include renovating vacant bank space on the west end of the ground floor into a restaurant space with outdoor seating that spills out onto the sidewalk
  - Existing east end deli space to be updated
  - 2nd floor to be opened up to the public - includes public meeting space and rotating art installations, coordinated with local vendors from the neighboring Arts District



# 717 N. Harwood

## *Streetscape Improvements*

- Landscaping is being redeveloped to enhance visual and pedestrian connections into and across the site, replacing obstructive bench seating and low planting with pedestrian-friendly tree grates
- Berms being removed for outdoor seating and greater flow through the site and a greater flow through the site, improving neighborhood connectivity
- Reducing volume of building columns at ground level to improve visibility



WORLD CLASS  
CAPITAL GROUP

Gensler

Existing Conditions



Deli from Harwood



# 717 N. Harwood

## *Design Review*

- On March 20, 2015 the Urban Design Peer Review Panel revised the project's design and approved recommendations. Project owner incorporated recommendations into project's design



W1- Wenchell North



W2- Wenchell South



Intended column finish similar to interior except with exterior grade epoxy plaster



S1- San Jacinto East



S2- San Jacinto West

# 717 N. Harwood

## *Proposed TIF Funding*

- Recommended TIF subsidy is an amount up to \$1,650,000 for eligible TIF costs to offset the cost of renovating the building's ground floor commercial space and improving the streetscape
- Actual TIF amount will be based on actual expenditures for each line item in the TIF reimbursement budget below

Description	Amount
<b>Public Infrastructure Improvements</b>	
Streetscape Improvements, Landscaping, Lighting, Signage, Design and Engineering, Contingency Costs (5%)	\$713,643
<b>Redevelopment/Development Projects</b>	
Environmental Remediation, Interior & Exterior Demolition, Façade Improvements, Storefront Improvements, Design and Engineering, Contingency Costs (5%)	\$936,357
<b>Total TIF Funding Recommended</b>	<b>\$1,650,000</b>

# 717 N. Harwood

## *Budget and Sources and Uses of Funds*

717 N. Harwood Street Project Budget	
Acquisition	\$43,000,000
Curtain Wall	\$5,165,000
Repair of Building Systems	\$4,110,000
Lobby and 2nd Floor Renovations	\$4,015,000
Shell of Vacant Space	\$6,591,000
Tenant Improvements and Leasing Commission	\$17,500,000
Total Project Costs	\$80,381,000

Sources	Amount	%	Uses
Loan	\$68,000,000	85%	Acquisition & Construction
Private Equity	\$12,381,000	15%	Construction
	\$80,381,000	100%	

# 717 N. Harwood Summary

717 N. Harwood Street Redevelopment Project	
Minimum Office Renovations (required)	400,000 s.f.
Minimum Retail Space	7,000 s.f.
Required Private Investment – (acquisition, construction hard and soft costs)	Min. \$25,000,000
Expected Total Project Cost (entire tower, all costs)	\$80,381,000
TIF Funding	\$1,650,000
% TIF funds to total project cost	2.05%
Return on Cost without TIF	8.3%
Return on Cost with TIF	8.5%
Deadline to Obtain Building Permit	December 31, 2015
Deadline to Obtain Final CO (300,00 sf of renovated space)	July 31, 2016

# Strategic Importance of Proposed Project

- Improves building's ground floor and 2<sup>nd</sup> floor public space experience to increase neighborhood vitality and safety, adjacent to the Art's District
- Adds needed streetscape improvements
- Increases leasability of downtown office space



Restaurant: Daytime Rendering



# 717 N. Harwood

## *TIF Board Funding Recommendation*

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- On August 13, 2015, the City Center TIF District Board of Directors reviewed and approved TIF funding for the 717 N. Harwood project in an amount not to exceed \$1,650,000

# Recommendations

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- Economic Development Committee recommendation for Council approval of a development agreement for TIF funding
- Council consideration on October 14, 2015

# APPENDICES

# Appendix A: 717 N. Harwood

## *Conditions of TIF Funding*

- Minimum private investment of \$25,000,000 for the Project (acquisition, construction and construction related soft costs).
- The term “Invest” or “Investment” means the sum of all acquisition costs, construction costs (hard and soft) paid, payable or actually incurred by or on behalf of the Owner, with respect to the Project and the improvements thereon. Construction related soft costs include the following items: architecture and engineering, interior design, remediation and demolition. Carrying or other similar costs shall not be considered toward this definition of project investment. The owner must provide verification of all expenditures.
- Redevelopment of the Project shall include:
  - Minimum 40,000 square feet of office space; and
  - Minimum 7,000 square feet of retail/restaurant; and
  - Streetscape improvements
- Obtain a building and/or demolition permit and start construction for the Project by December 31, 2015
- Obtain a Certificate of Occupancy (CO) for a minimum of 300,000 square feet of rentable office space by July 31, 2016
- Occupy a minimum of 50% of the newly converted ground floor retail/restaurant space prior to TIF reimbursement

# Appendix A: 717 N. Harwood

## *Conditions of TIF Funding (Continued)*

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- Obtain final acceptance of public infrastructure improvements associated with the Project, as evidenced by the issuance of a Green Tag from the Public Works and Transportation Department by July 31, 2016 and submit documentation to the Office of Economic Development (the “OED”)
- Execute an Operating and Maintenance agreement for public infrastructure improvements associated with the Project by July 31, 2016, for a period of 20 years
- Construct Project in substantial conformance with design plans approved by the City Center TIF Board of Directors, the Dallas Design Studio and Dallas City Council
- Submit to the Director of the OED a quarterly status report for ongoing work on the project, as well as public improvements. Status reports will be due once every three months after the Council approval date
- Owner shall make a good faith effort to (i) comply with the Business Inclusion and Development (“BID”) goal of twenty-five percent (25%) Minority/Women-owned Business Enterprise (M/WBE) participation for TIF reimbursable improvements, and (ii) achieve a goal of 25% certified M/WBE participation for total private improvement construction expenditures for the Project, and meet all reporting requirements for each;
- If necessary, the project deadline can be extended up to 6 months, subject to the Office of Economic Development Director’s and City Center TIF District Board of Director’s approval

# Appendix B: 717 N. Harwood Building Renovation *Project Proforma*

<b>717 N. Harwood Redevelopment Project Proforma</b>		
City Center TIF District		
PROJECT DESCRIPTION:	717 N. Harwood Street	
PROJECT TYPE:	Mixed Use	
CONSTRUCTION START DATE:	December 31, 2015	
PROJECT SCHEDULE:	July 31, 2016	
<b>Use Breakdown</b>	<b>SF</b>	<b>Total Leasable SF (entire project)</b>
Office	806,866	816,066
Retail	9,200	
Back of House/Common Area/Other	28,260	
		<b>Total Existing Bldg SF (Gross)</b> 844,326
		<b>Income</b>
		Office Revenue \$12,528,342
		Miscellaneous Rental Revenue \$168,855
		Reimbursement Revenue \$1,855,972
		<b>Total Income \$14,553,169</b>
		<b>Expenses</b>
		General & Administrative -\$731,728.00
		Property Management -\$466,409.00
		Repair & Maintenance -\$1,140,356.00
		Contract Services -\$1,263,894.00
		Utilities -\$1,624,885.00
		Insurance & Property Taxes -\$2,053,098.00
		Misc. Expenses -\$416,105.00
		<b>Total Expenses -\$7,696,475.00</b>
		<b>Capital Reserves/Improvements -\$190,059.00</b>
		<b>NOI (after reserves) \$6,666,635</b>
<b>Project Costs</b>		
Hard Cost	\$19,881,000	
Acquisition	\$43,000,000	
Tenant Improvements	\$10,000,000	
Leasing Commissions	\$7,500,000	
<b>Total Project Cost (without City \$)</b>	<b>\$80,381,000</b>	
Total Project Cost	<b>\$80,381,000</b>	
TIF Assistance	<b>\$1,650,000</b>	
<b>Net Cost to Developer (after TIF reimbursement)</b>	<b>\$78,731,000</b>	
<b>Return on Cost Analysis</b>		
<b>NOI/Total Project Costs</b>		
Return on Cost (without City \$)	8.3%	
Return on Cost (with City \$)	8.5%	
<small>Note: Stabilized rator in 2021; Revenue reflects a an office vacancy rate of 20%.</small>		

# Appendix C: 717 N. Harwood *Development Team*

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## WC 717 N. Harwood Property, LLC – World Class Capital Group

World Class Capital Group (WCCG) is a national real estate investment firm principally engaged in commercial real estate and land throughout the United States. WCCG's operating portfolio consists of office buildings, retail centers, apartments, student housing, hotels, marinas, self-storage facilities, and industrial warehouses. World Class Capital Group is headquartered in Austin with an additional office in New York City.

**Natin (“Nate”) Paul**, President and CEO - Mr. Paul founded World Class Capital Group with aspirations of building WCCG into a leading global private investment firm. Today, the firm owns over 8 million square feet of real estate assets in 16 states and over 25 markets across all asset types.

**Greg Williams**, Senior Vice President, Development & Construction - Mr. Williams has more than 25 years of construction management and development experience; his experience includes work in commercial, institutional and multi-family construction in both the public and private sectors.

**AGENDA ITEM # 42**

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** September 22, 2015  
**COUNCIL DISTRICT(S):** 14  
**DEPARTMENT:** Sustainable Development and Construction  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 45B

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**SUBJECT**

An ordinance abandoning a common access and fire lane easement to Ojala Woodside Owner, LP, the abutting owner, containing approximately 5,031 square feet of land, located near the intersection of Worthington and Woodside Streets - Revenue: \$5,400, plus the \$20 ordinance publication fee

**BACKGROUND**

This item authorizes the abandonment of a common access and fire lane easement to Ojala Woodside Owner, LP, the abutting owner. The area will be included with the property of the abutting owner for a multifamily 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 September 21, 2015.

**FISCAL INFORMATION**

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

**OWNER**

**Ojala Woodside Owner, LP**

Ojala Woodside Project GP, LLC

Clay Likover, Manager

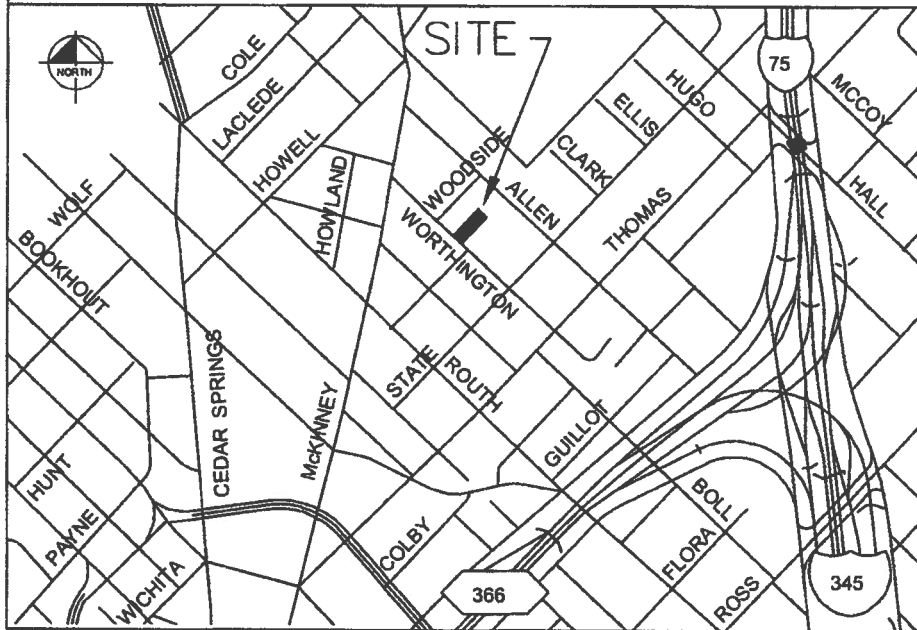


**MAP**

Attached

# VICINITY MAP

N.T.S.



**AGENDA ITEM # 43**

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** September 22, 2015  
**COUNCIL DISTRICT(S):** 14  
**DEPARTMENT:** Sustainable Development and Construction  
**CMO:** Ryan S. Evans, 671-9837  
**MAPSCO:** 35R

---

**SUBJECT**

An ordinance abandoning a sanitary sewer easement to Travis Cole Apartments 2012 LP, the abutting owner, containing approximately 5,428 square feet of land, located near the intersection of Cole and Hester Avenues and providing for the dedication of approximately 6,364 square feet of land for a wastewater easement - Revenue: \$5,400, plus the \$20 ordinance publication fee

**BACKGROUND**

This item authorizes the abandonment of a sanitary sewer easement to Travis Cole Apartments 2012 LP, the abutting owner. The area will be included with the property of the abutting owner for a multi-family development. The owner will dedicate approximately 6,364 square feet of land needed for a wastewater easement. 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 September 21, 2015.

**FISCAL INFORMATION**

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

**OWNER**

**Travis Cole Apartments 2012 LP**

TKG Saltillo Apartments Realty, Inc.

R. Otto Maly, President

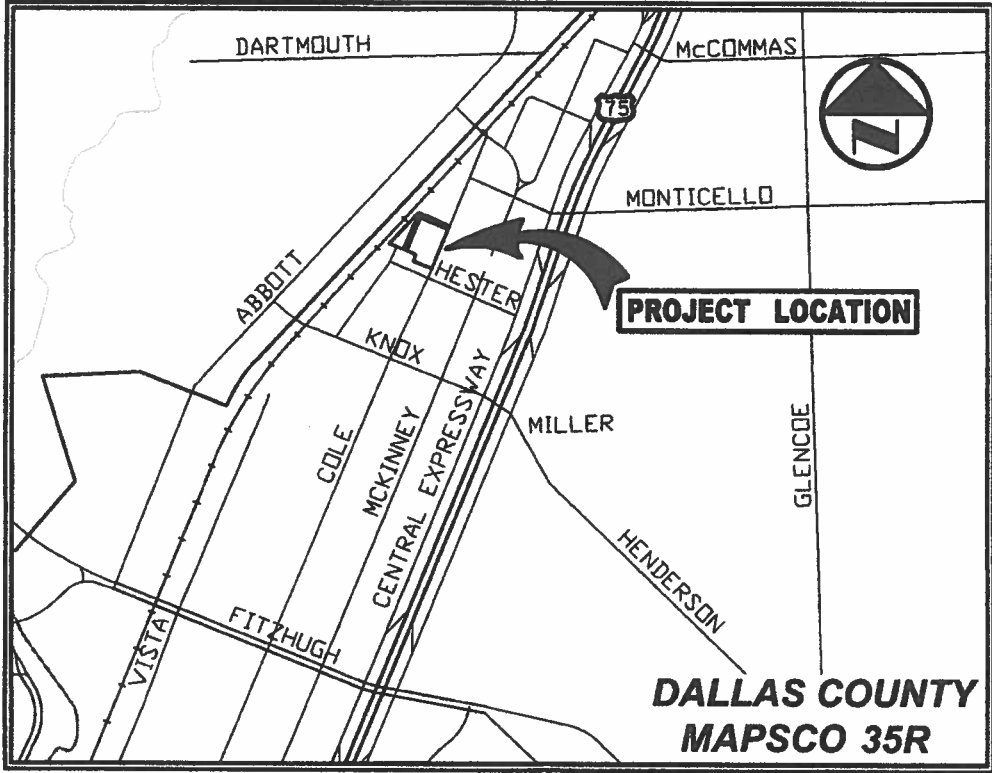
**MAP**

Attached

M:\DWG-36\3654-14.463\DWG\SURVEY C3D 2012\3654-14.463EX1.DWG

04/30/2015 - 7:44AM

MCLOVER



**VICINITY MAP**  
(NOT TO SCALE)

**10' SANITARY SEWER  
EASEMENT  
ABANDONMENT**

PART OF BLOCKS I/1828 AND H/1825  
FAIRLAND ANNEX  
JOHN COLE SURVEY, ABSTRACT NO. 268  
CITY OF DALLAS, DALLAS COUNTY, TEXAS



8350 N. CENTRAL EXPWY. SUITE 1000  
DALLAS, TX 75208 972.235.3031  
TX REG. ENGINEERING FIRM F-14439  
TX REG. SURVEYING FIRM LS-10193805

<b>DRAWN BY</b> MCC	<b>CHECKED BY</b> MCC	<b>SCALE</b> NONE	<b>DATE</b> FEB. 2015	<b>JOB NUMBER</b> 3654-14.463
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**AGENDA ITEM # 63**

**KEY FOCUS AREA:** Economic Vibrancy

**AGENDA DATE:** September 22, 2015

**COUNCIL DISTRICT(S):** Outside City Limits

**DEPARTMENT:** Sustainable Development and Construction  
Water Utilities

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

**MAPSCO:** 72P

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**SUBJECT**

Authorize acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from First National Bank, of a tract of land containing approximately 16,022 square feet and approximately 14,167 square feet of land for a temporary working space easement, located in Dallas County for the Southwest 120/96-inch Water Transmission Pipeline Project - Not to exceed \$148,177 (\$145,177, plus closing costs and title expenses not to exceed \$3,000) – Financing: Water Utilities Capital Improvement Funds

**BACKGROUND**

This item authorizes the acquisition of a tract of land containing approximately 16,022 square feet and approximately 14,167 square feet for a temporary working space easement located in Dallas County for the Southwest 120/96-inch Water Transmission Pipeline Project. This property will be used for the construction of a 96-inch and 120-inch diameter treated water transmission line from the East Side Water Treatment Plant to Southwest Dallas. The consideration is based on an independent appraisal.

This acquisition is part of the Long Range Water Master Plan and the Water Distribution Master Plan. The water transmission main is required to facilitate conveyance of treated water to the South and Southwest portions of Dallas and its customer cities. Installation of approximately 32 miles of 96-inch and 120-inch water transmission pipeline is needed to meet near term critical demands associated with the population growth as determined through master planning efforts. The overall pipeline is sized to meet future water demands.

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

Resolution No. 13-2079 was authorized by Council on December 11, 2013.

Information about this item will be provided to Economic Development Committee on September 21, 2015.

**FISCAL INFORMATION**

Water Utilities Capital Improvement Funds - \$148,177 (\$145,177, plus closing costs and title expenses not to exceed \$3,000)

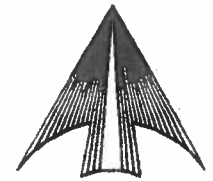
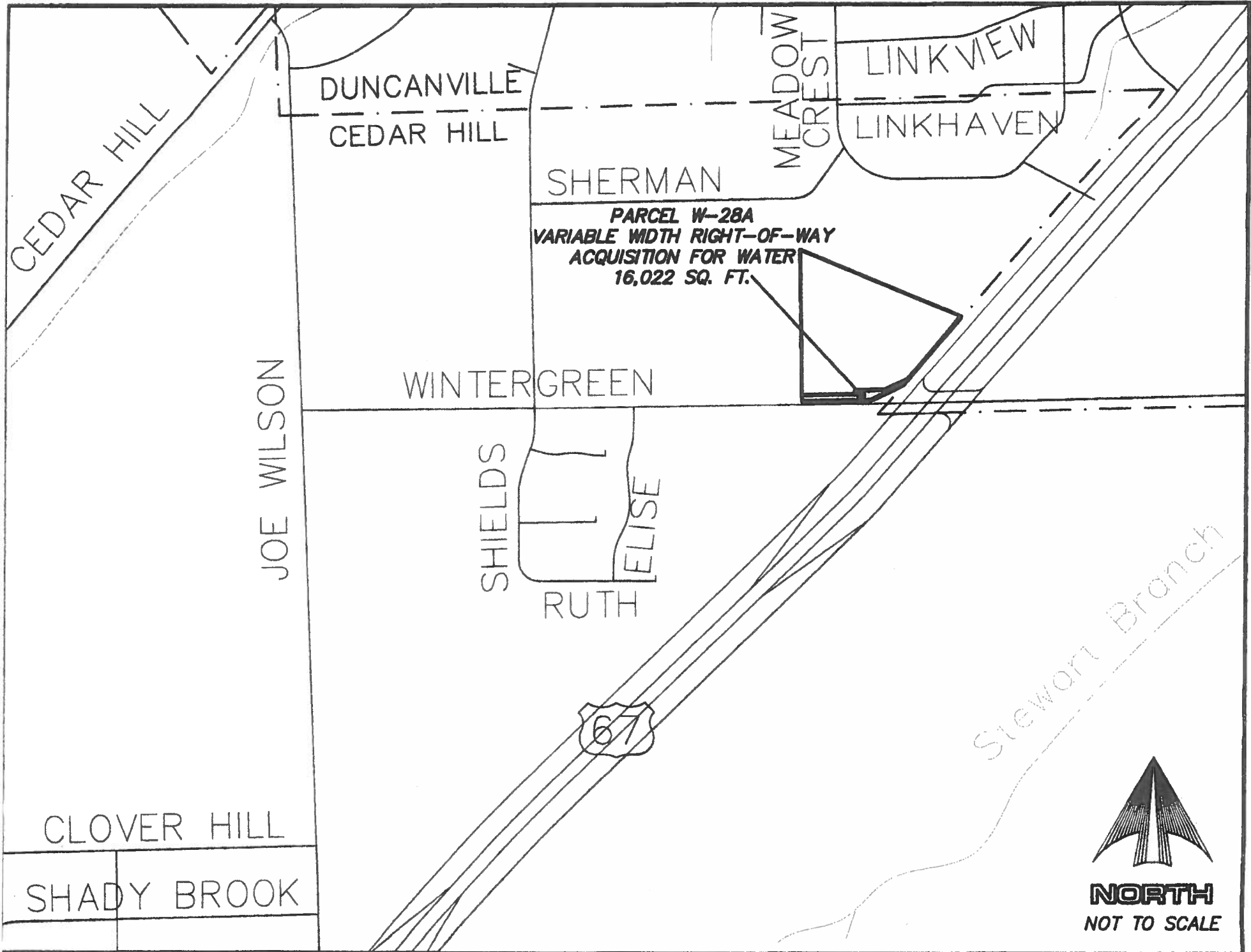
**OWNER**

**First National Bank**

Michael McCann, Sr., Property Officer

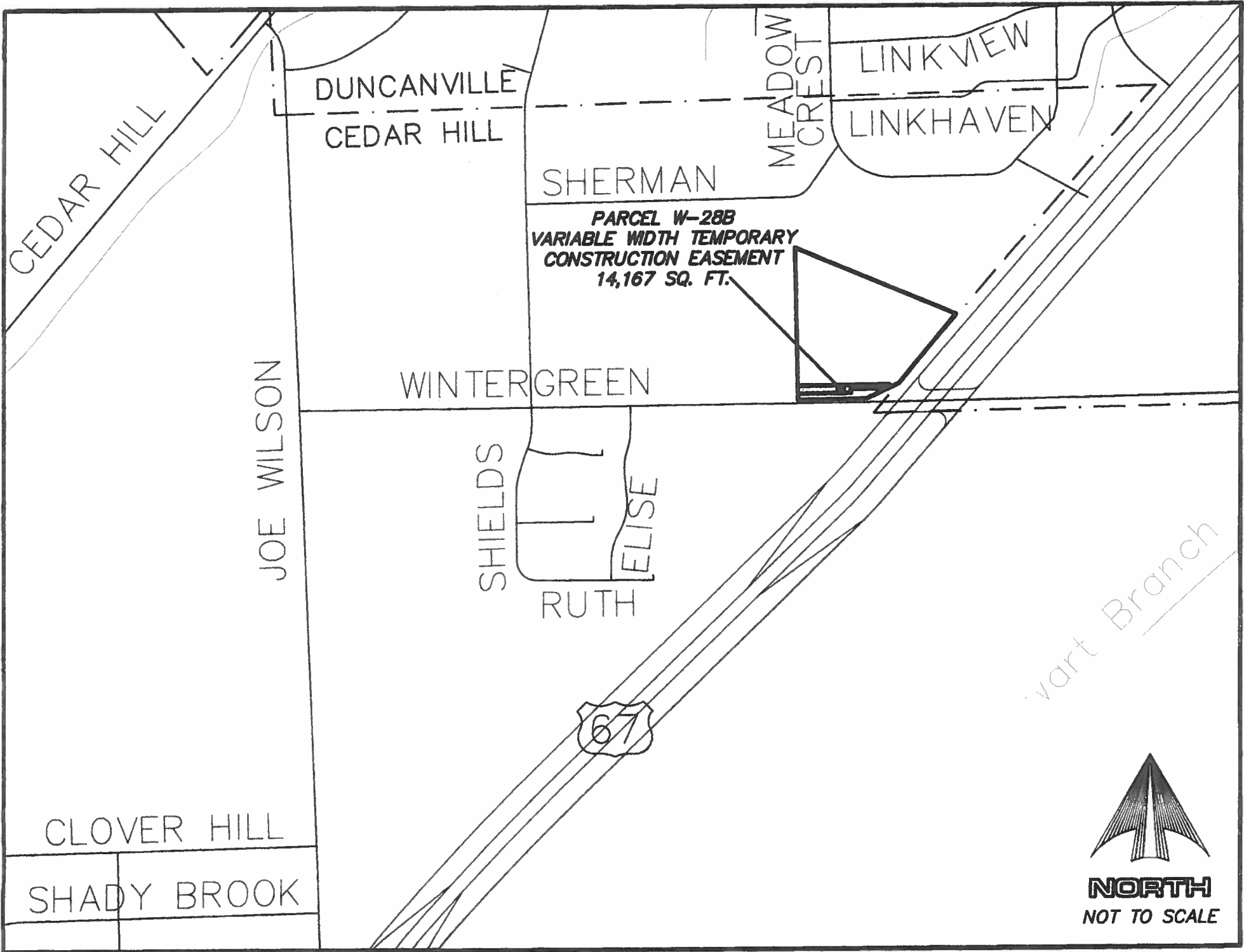
**MAPS**

Attached



**NORTH**  
NOT TO SCALE





**KEY FOCUS AREA:** Economic Vibrancy

**AGENDA DATE:** September 22, 2015

**COUNCIL DISTRICT(S):** 8

**DEPARTMENT:** Sustainable Development and Construction  
Water Utilities

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

**MAPSCO:** 67W

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**SUBJECT**

Authorize acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from Southport Properties, LP, of a tract of land containing approximately 326,340 square feet located near the intersection of Langdon and JJ Lemmon Roads for the Southwest 120/96-inch Water Transmission Pipeline Project - Not to exceed \$626,850 (\$614,850, plus closing costs and title expenses not to exceed \$12,000) - Financing: Water Utilities Capital Construction Funds

**BACKGROUND**

This item authorizes the acquisition of approximately 326,340 square feet of land located near the intersection of Langdon and JJ Lemmon Roads for the Southwest 120/96-inch Water Transmission Pipeline Project. This property will be used for the construction of a 96-inch and 120-inch diameter treated water transmission line from the East Side Water Treatment Plant to Southwest Dallas. The consideration is based on an independent appraisal.

This acquisition is part of the Long Range Water Master Plan and the Water Distribution Master Plan. The water transmission main is required to facilitate conveyance of treated water to the South and Southwest portions of Dallas and its transmission pipeline is needed to meet near-term critical demands associated with the population growth as determined through master planning efforts. The overall pipeline is sized to meet future water demands.

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

Information about this item will be provided to the Economic Development Committee on September 21, 2015.

**FISCAL INFORMATION**

Water Utilities Capital Construction Funds - \$626,850 (\$614,850, plus closing costs and title expenses not to exceed \$12,000)

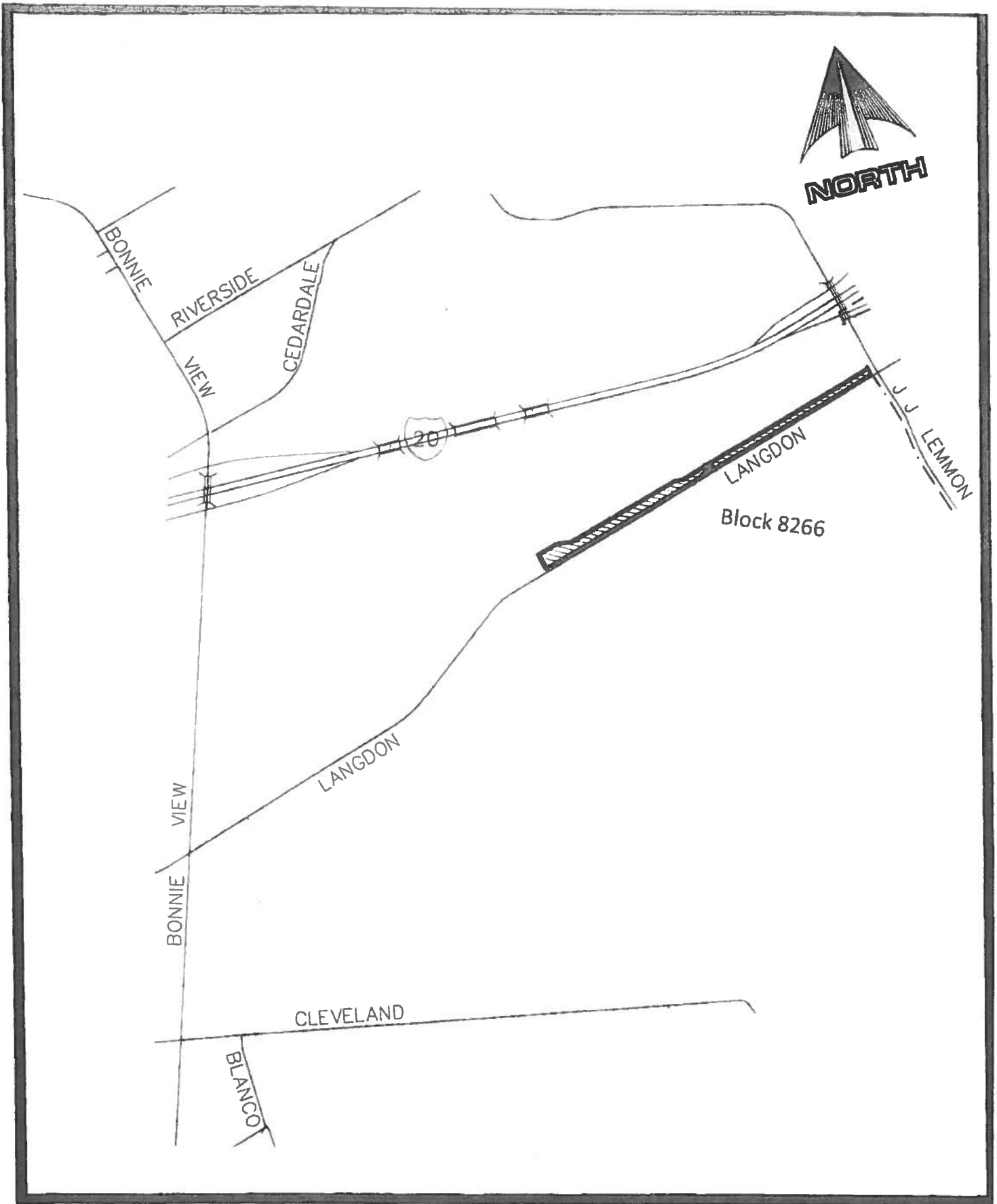
**OWNER**

**Southport Properties, LP**

Ralph Miller, President

**MAP**

Attached



BONNIE

RIVERSIDE

CEDARDALE

VIEW

20

LANGDON

Block 8266

J. J. LEMMON

BONNIE  
VIEW

LANGDON

CLEVELAND

BLANCO

SUBJECT:

