

ECONOMIC DEVELOPMENT & HOUSING COMMITTEE

DALLAS CITY COUNCIL COMMITTEE AGENDA

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CITY SECRETARY
DALLAS, TEXAS

MONDAY, AUGUST 6, 2018

CITY HALL

COUNCIL BRIEFING ROOM, 6ES

1500 MARILLA STREET

DALLAS, TEXAS 75201

9:00 A.M.–10:30 A.M.

Chair, Councilmember Tennell Atkins

Vice Chair, Councilmember Rickey D. Callahan

Councilmember Lee M. Kleinman

Councilmember Scott Griggs

Councilmember Casey Thomas, II

Councilmember B. Adam McGough

Councilmember Mark Clayton

Councilmember Kevin Felder

Councilmember Omar Narvaez

Call to Order

1. Approval of June 18, 2018 Minutes

MEMOS

- A. Upcoming Agenda Item: August 22, 2018 Call for Public Hearing for Public Improvement Districts (PIDs) to Set Annual Assessment Rates for 2018 and Adopt 2019 Service Plans
- B. Authorize the nomination of Match Group, LLC located at 8750 North Central Expressway, Suite 1400, Dallas, Texas 75231 to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor Economic Development and Tourism through the Economic Development Bank - Financing: No cost consideration to the City

Adjourn



Tennell Atkins, Chair
Economic Development & Housing Committee

EXECUTIVE SESSION NOTICE

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

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

HANDGUN PROHIBITION NOTICE FOR MEETING OF GOVERNMENTAL ENTITIES

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

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

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

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

Economic Development & Housing Committee

Meeting Record June 18, 2018

The Economic Development & Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Committee Coordinator at 214-670-3906 or 214-670-1686.

Meeting Date: June 18, 2018

Meeting Start time: 9:05 A.M.

<p>Committee Members Present: Councilmember Tennell Atkins (Chair) Councilmember Rickey D. Callahan (Vice-Chair) Councilmember Casey Thomas, II Councilmember Lee M. Kleinman Councilmember Scott Griggs Councilmember B. Adam McGough Councilmember Mark Clayton Councilmember Kevin Felder Councilmember Omar Narvaez</p> <p><u>Other Council Members Present:</u> Councilmember Sandy Greyson</p> <p><u>Committee Members Absent:</u></p>	<p>Staff Present: Raquel Favela, Chief of Economic Development & Neighborhood Services Courtney Pogue, Director of Office of Economic Development Robin Bentley, Assistant Director of Economic Development</p> <p><u>Other Presenters:</u></p>
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AGENDA:

Housing Committee Meeting Called to Order by CM Tennell Atkins

1. **Approval of June 4, 2018 Economic Development/Housing Committee Minutes**

Presenter(s): CM Tennell Atkins

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

Motion made by: CM Casey Thomas, II	Motion second by: CM Kevin Felder
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

Executive Session: 9:06 A.M. - 10:35 A.M.

2. **Executive Session to discuss the offer of a financial or other incentive to WWF Operating Company, LLC under Section 551.087 of the Texas Govt Code**

**Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
 Courtney Pogue, Director of Office of Economic Development
 Robin Bentley, Assistant Director of Office of Economic Development**

Information Only: __

Action Taken/Committee Recommendation (s) Motion was made to move forward to full Council

Motion made by: CM Casey Thomas, II	Motion seconded by: CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

3. **Executive Session to discuss the offer of a financial or other incentive to Project Stellar under Section 551.087 of the Texas Govt Code**

**Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
 Courtney Pogue, Director of Office of Economic Development
 Robin Bentley, Assistant Director of Office of Economic Development**

Information Only: __

Action Taken/Committee Recommendation(s): Motion was made to move forward to full Council

Motion made by: CM Casey Thomas, II	Motion seconded by: CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

4. **Executive Session to discuss the offer of a financial or other incentive for the redevelopment of Hillcrest Village under Section 551.087 of the Texas Govt Code**

**Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
 Courtney Pogue, Director of Office of Economic Development
 Robin Bentley, Assistant Director of Office of Economic Development**

Information Only: __

Action Taken/Committee Recommendation(s): Motion was made to move forward to full Council

Motion made by: CM Casey Thomas, II	Motion seconded by: CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

MEMOS

- A. Authorize (1) the assignment of a loan agreement between the City of Dallas and the Oak Cliff Foundation to 231 W. Jefferson Blvd., LLC; and (2) the City Manager to execute an assignment and restatement of the loan documents between the City of Dallas and 231 W. Jefferson Blvd., LLC– Financing: No cost consideration to the City
- B. Authorize a deadline extension for the 211 North Ervay redevelopment project to extend the Certificate of Occupancy and completion date from December 31, 2016 to October 31, 2018, and, as additional consideration for the extension, enhance the street work to include removal of the existing ramp and loading area – Financing: No cost consideration to the City
- C. Authorize an amendment to Resolution No. 18-0219, previously approved on January 24, 2018 to support either 4% or 9% Low Income Housing Tax Credit applications by 2400 Bryan Street, LP, or its affiliate, for the new construction of up to a 230-unit residential development located at 2400 Bryan Street in the Deep Ellum TIF District - Financing: No cost consideration to the City
- D. Authorize a six-year management contract to manage the existing South Dallas/Fair Park Public Improvement District (District) – Dallas Black Chamber of Commerce Business Development Corporation (DBC), most advantageous proposer of two and to disburse assessment fees received from Dallas County on behalf of the District – Financing: No cost consideration to the City
- E. *Authorize an ordinance amending Chapter 2, "Administration," of the Dallas City Code Sections 2-130 through 2-132 changing the name of the "South Dallas/Fair Park trust fund board" to the "South Dallas/Fair Park Opportunity Fund board" - Financing: No cost consideration to the City

*Authorize approval of the City of Dallas South Dallas Fair Park Opportunity Fund Program Statement Financing No cost consideration to the City

**Economic Development & Housing Committee
June 18, 2018, Meeting Record**

Item Deleted

- F. Authorize (1) the expenditure of up to \$1,500,000 in 2006 Bond Funds proceeds for the acquisition costs of property by the Dallas Housing Acquisition and Development Corporation from the Dallas County Sheriff's tax foreclosure sales for affordable housing development, and operating expenses, including, but not limited to, professional fees, staffing costs, and insurance; and (2) revisions to the Bylaws of the Dallas Housing and Acquisition Development Corporation which expands eligible housing types to include rental housing and to allow the sale of certain property to eligible adjacent property owners - Not to exceed \$1,500,000 - Financing: 2006 Bond Funds

Action Taken/Committee Recommendation(s): Motion was made to delete items A and D and to move B, C, and E forward to full Council

Motion made by: CM Casey Thomas, II	Motion seconded by: CM Rickey D. Callahan
	Opposed by: CM Kevin Felder, CM Mark Clayton, CM Scott Griggs and CM Omar Narvaez
Item passed unanimously: _____	Item passed on a divided vote: X
Item failed unanimously: _____	Item failed on a divided vote: _____

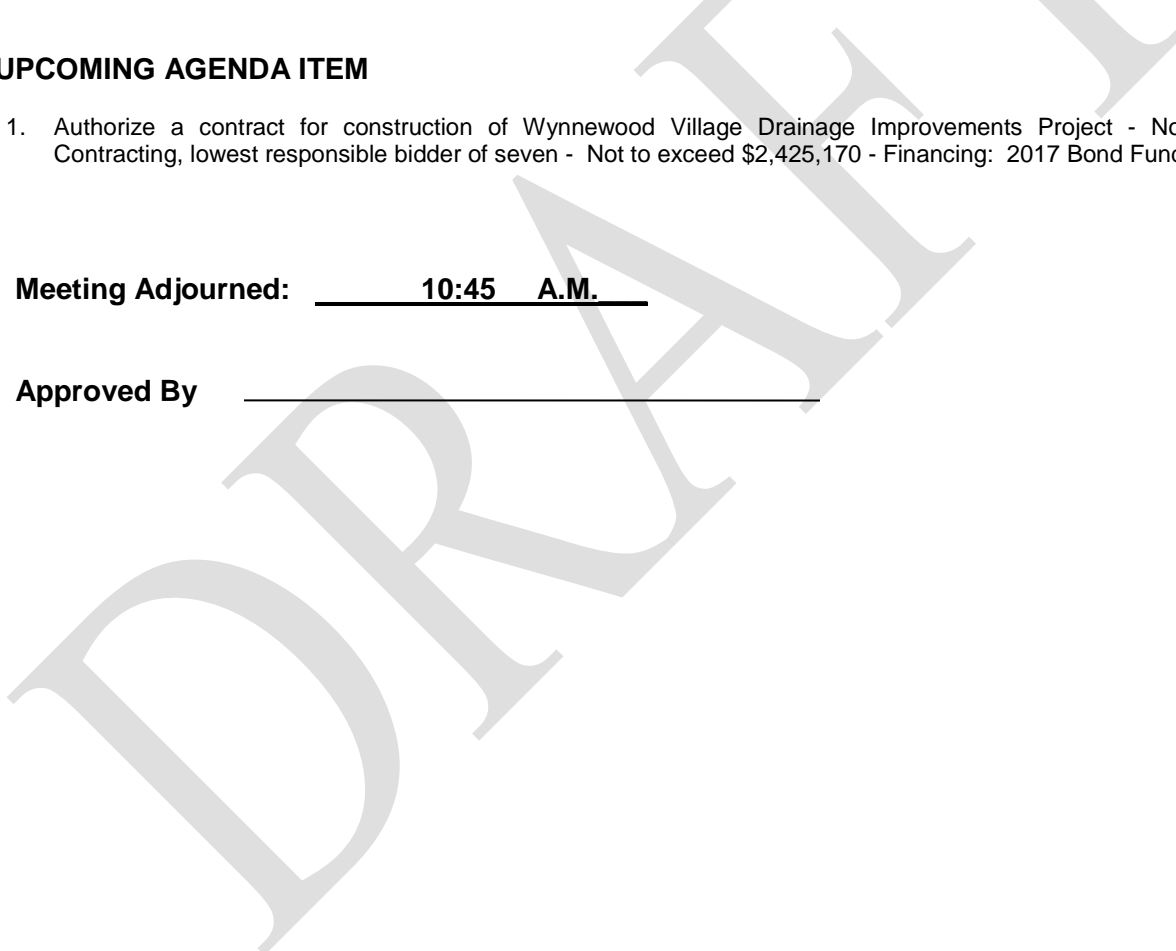
Follow-up (if necessary):

UPCOMING AGENDA ITEM

- 1. Authorize a contract for construction of Wynnewood Village Drainage Improvements Project - North Texas Contracting, lowest responsible bidder of seven - Not to exceed \$2,425,170 - Financing: 2017 Bond Funds (TWM)

Meeting Adjourned: 10:45 A.M.

Approved By _____



Memorandum



CITY OF DALLAS

DATE August 3, 2018

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT **Upcoming Agenda Item: August 22, 2018 Call for Public Hearing for Public Improvement Districts (PIDs) to Set Annual Assessment Rates for 2018 and Adopt 2019 Service Plans**

Background

Chapter 372 of the Texas Local Government Code, Improvement Districts in Municipalities and Counties, requires that the City Council annually call and hold a public hearing to set the annual assessment rate for property in each district and approve a Service Plan for each district. These actions take place in September each year after the management of each public improvement district (PID) has reviewed changes in the appraised values and service needs for their district and prepared an annual budget for the remaining term of the PID.

PIDs are governed by state law and City of Dallas PID Policy (adopted in December 2005 and last amended on October 23, 2013). In the City of Dallas, a PID is a special assessment area created at request of property owners in the proposed district via petition. Property owners pay a supplemental assessment with their taxes, which PIDs use for services and/or improvements above and beyond existing City services. The assessment allows each PID to have its own work program, which may consist of eligible activities such as marketing, providing additional security, landscaping and lighting, street cleaning, and cultural or recreational improvements. City's power to levy is limited to petition and budget categories/costs approved by property owners. Individual PIDs are governed by property owner elected boards and managed by a specifically formed non-profit organization or homeowners' association.

Below is a list of the PIDs in Dallas

- Dallas Downtown Improvement District
- Deep Ellum Public Improvement District
- Klyde Warren Park/Dallas Arts Public Improvement District
- Knox Street Public Improvement District
- Lake Highlands Public Improvement District
- North Lake Highlands Public Improvement District
- Oak Lawn Hi-Line Public Improvement District

DATE August 3, 2018
SUBJECT PID Annual Assessment Rate and Service Plan

- Prestonwood Public Improvement District
- *South Dallas/Fair Park Public Improvement District
- South Side Public Improvement District
- Tourism Public Improvement District
- University Crossing Public Improvement District
- Uptown Public Improvement District
- Vickery Meadow Public Improvement District

* In October 2017, the South Dallas/Fair Park PID Management Contract was terminated. Since there is no PID Manager, the City did not receive a 2019 Service Plan. Funds will not be assessed in 2018 and therefore no Council items are needed to call and hold the public hearing and set the assessment rate. The City has collected the approximately \$105,000 in 2017 assessment. Any future South Dallas/Fair Park PID Manager will execute a management contract allowing for the expenditure of the previous year's collections to implement the 2018 Service Plan.

With the exception of the South Dallas/Fair Park PID, the City desires, by the calling and holding of such public hearings, to provide a reasonable opportunity for any owner of property located within each district to speak for or against the proposed assessment rate for each district. On August 22, 2018, City Council will consider calling a public hearing to be held on September 12, 2018. At the close of the public hearing on September 12, 2018, City Council will take action to adopt the final 2019 Service Plans, the final 2018 Assessment Plans and the 2018 Assessment Rolls.

City staff is working with Dallas County and each of the PIDs to finalize the assessment rolls and copies of the individual PID Service Plans and budgets. These documents provide more detailed information regarding the improvements and services proposed for 2019. A follow up memo will be sent prior to the September 12th public hearing, once the 2018 assessment rolls have been compiled.

Fiscal Information

No cost consideration to the City except for the Downtown Improvement District. Last year's assessment for the Downtown Improvement District on City-owned property was \$659,987. 2018 estimate is pending.

Issues

The City must adhere to the City Council annual schedule of calling for public hearing (last August Council date) and holding of public hearing (first September Council date) so that Dallas County can include the PID assessments in the regular tax bills. If this schedule is not met, the City would need to find another way to collect the assessments, costing the City money to send a separate bill, and would likely not have the same success rate with payments or issuing penalties.

DATE August 3, 2018
SUBJECT PID Annual Assessment Rate and Service Plan

Recommendation

Staff recommends City Council's approval to call and hold a public hearing for each district to set the annual assessment rate for property in each district and authorize the Service Plan for each district.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela
Chief of Economic Development & Neighborhood Services

- c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
- Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE August 3, 2018

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT **Texas Enterprise Zone Nomination for Match Group, LLC**

Summary

On August 22, 2018, City Council will consider the approval of an item authorizing the nomination of Match Group, LLC located at 8750 N. Central Expressway, Suite 1400, Dallas, Texas 75231 to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor Economic Development and Tourism through the Economic Development Bank.

Background

The City of Dallas has been approached by Match Group, LLC ("Match Group") to nominate by resolution its application for an Enterprise Project designation to the Economic Development Bank, part of the Governor's Office of Economic Development and Tourism. Match Group, a subsidiary of IAC/Interactive Corp., is headquartered at 8750 N. Central Expressway, Suite 1400, Dallas, Texas.

The designation will allow Match Group to apply for a rebate of state sales and use tax refunds on qualified expenditures of up to \$2,500 per job created or retained. This project has no cost consideration to the City of Dallas.

Match Group is a leading provider of online dating products through a variety of brands servicing North America, Western Europe, Asia and other regions around the world. Launched in 1995, Match.com was the original dating website and pioneer of the online dating industry. Today, Match Group's portfolio includes brands like Tinder, Match, PlentyOfFish, Meetic, OkCupid, Our Time, and Pairs. Through its range of trusted brands, Match Group has grown to provide tailored services in 42 languages which meet the varying preferences of over 7 million users in more than 190 countries.

Built upon industry-leading technology, Match Group has identified the need to invest in state-of-the-art equipment that will allow users to interact in a reliable and secure environment, while maintaining pace with industry trends and technological developments. To this goal, over the next five years, Match Group anticipates making capital investments of approximately \$19 million for IT server upgrades, additional

DATE August 3, 2018
SUBJECT Texas Enterprise Zone Nomination for Match Group, LLC

hardware for increased data storage capacity, network hardware upgrades (e.g. system routers and switches) and new hardware to improve system firewalls and other redundant security measures.

Section 2303.406(a)(4)(D) of the Texas Government Code allows a project or activity of a qualified business to be designated as an Enterprise Project and receive job retention benefits "if the business has clearly demonstrated that the business is able to employ individuals in accordance with Section 2303.402." To meet this requirement, Match Group, located at 8750 N. Central Expressway Suite 1400, Dallas, TX (the qualified business site) in Census Tract 0078.22, Block Group 1, will actively monitor employment to ensure that 35% of new or replacement personnel certified for benefit are residents of an enterprise zone, or veterans, or economically disadvantaged as required during the Texas Enterprise Program designation.

An Additional Participating Location at 6606 LBJ Freeway (approximately 6 miles from the qualified business site) will be included in the designation. This site directly supports Match Group and the headquarters by housing the primary network computer servers and provides processing, data distribution services, and remote IT storage. The IT infrastructure at this location is essential to the short and long-term operations needed to maintain, operate, and expand Match Group's online service portfolio.

In addition to Match Group, two subsidiaries, People Media, Inc. and Match.com Events LLC, will be participating in the proposed Texas Enterprise Zone Project as Additional Participating Entities. Both are located at the qualified business site and directly support Match Group in providing tailored products to members.

Match Group, along with People Media, Inc. and Match.com Events LLC, currently employs 336 positions at the Dallas headquarters and commits to retain the existing level of employment. Of those jobs, 290 meet the definition of a "retained job" in Texas Government Code § 2303.401(2) because they currently exist, provide and will continue to provide at least 1,820 hours of employment annually, and will be employment positions for the longer of the duration of the project's designation period or three years after the expiration date of the claim period for receipt of state benefit.

Alternatives

The City may choose to deny the requested nomination. Without a nomination, Match Group would not be able to submit an application for an Enterprise Project designation to the Economic Development Bank within the Governor's Office.

Financing

No Cost Consideration to the City.

DATE August 3, 2018
SUBJECT Texas Enterprise Zone Nomination for Match Group, LLC

Coordination

Staff is coordinating with the Economic Development & Tourism team within the Office of the Governor.

Recommendation

Staff recommends approval of an item authorizing the nomination of Match Group, LLC located at 8750 N. Central Expressway, Suite 1400, Dallas, Texas 75231 to receive designation as an Enterprise Project under the Texas Enterprise Zone Act.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela

Chief of Economic Development & Neighborhood Services

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