

Memorandum



DATE April 10, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Agreement with Dallas Independent School District (DISD) for Hogg Elementary School related improvements (Oak Cliff Gateway TIF District)**

On April 22, 2020, City Council will be asked to authorize a development agreement with Dallas Independent School District (“DISD”) for the dedication of TIF funding in an amount not to exceed \$785,000 in support of public improvements including but not limited to streetscape, ornamental fencing, and a pedestrian path on and adjacent to Hogg Elementary School at 1144 N. Madison Avenue in the Oak Cliff Gateway TIF District.

BACKGROUND

When the Oak Cliff Gateway TIF District (“TIF District”) was created in 1992, the Interlocal Agreement with DISD for financial participation in the TIF District included a provision to include approximately \$600,000 in the TIF Project Plan budget for educational or training facilities during the life of the TIF District. In the early years of the TIF District, initial development obligations took priority so there were no district-wide set-asides or available cash for general improvements such as a DISD school improvement request.

In 2018, DISD submitted a request for TIF funding for site improvements on and adjacent to Hogg Elementary School (“Project”). A sub-committee (“District-Wide Improvement Sub-Committee”) of the Oak Cliff Gateway TIF Board (“TIF Board”) reviewed the Project and the TIF funding request and recommended to focus the site improvements on items that benefited the neighborhood such as wider sidewalks, pedestrian lighting, and street trees. The District-Wide Improvement Sub-Committee also indicated support for an ornamental perimeter fence to replace the chain link fence as well as school entryway features.

Additionally, representatives from the Kidd Springs Neighborhood Association (“KSNA”) also provided comments to the TIF Board at multiple meetings, and staff has coordinated with KSNA representatives for input extensively over the last few years.

In July 2019, staff met with DISD executive staff to discuss the Project scope for TIF funding. DISD executive staff agreed to follow up with the principal of Hogg Elementary to confirm the desired site improvements and submit an updated Project scope.

In February 2020, a final Project scope was submitted by DISD. On March 2, 2020, the Oak Cliff Gateway TIF Board of Directors reviewed the proposed Project and recommended that, upon completion of the Project and satisfaction of all Project requirements, the Project be eligible for a total Tax Increment Financing subsidy (“TIF Subsidy”) in an amount not to exceed \$785,000 from Oak Cliff Gateway TIF District funds to pay for the cost of site improvements on the school property as well as for adjacent public streetscape improvements. The TIF Subsidy shall be payable as a reimbursement for eligible expenses actually incurred.

Based on the current TIF District total dollar budget, the TIF Subsidy up to \$785,000 is allocated as follows: \$742,369 from the Education/Training Facilities category and \$42,631 from the Oak Cliff Gateway Sub-district (public infrastructure and pedestrian linkages/lighting) category.

City Council’s approval of this item will authorize the City Manager to execute the agreement and related documents with DISD. Key terms of the agreement include the following:

- DISD will submit final construction drawings to the Office of Economic Development (“OED”) to coordinate review with the City’s Planning and Urban Design (“PUD”) staff. Allowable minor modifications may include those required for conformance with regulatory requirements of the permit process. Material design changes shall require review and approval by the OED Director and TIF Board.
- DISD shall comply with their own bidding and minority/women owned business (“M/WBE”) policies including a goal of 30 percent participation on biddable expenditures and procedures along with any additional reporting requirements from the City’s Office of Business Diversity.
- DISD shall provide written annual reports to OED on the progress of the Project until completion.
- Construction must begin by June 30, 2021 and be completed by December 31, 2023.
- DISD shall execute an operations and maintenance agreement (O&M) for the TIF funded improvements by December 31, 2023 or upon earlier completion for a period of twenty (20) years.
- The Director of the Office of Economic Development, after approval and recommendation of the Oak Cliff Gateway TIF District Board of Directors, may authorize minor modifications to the Project and/or an extension of the Project deadlines up to 12 months. Any material changes, other than design, to the agreement shall require review and approval by the OED Director, TIF Board, and City Council.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On November 11, 1992, City Council authorized the establishment of the Oak Cliff Gateway TIF District by Ordinance No. 21466, as amended.

On February 12, 1997, City Council authorized the Final Project Plan and Reinvestment Zone Financing Plan for the Oak Cliff Gateway TIF District by Ordinance No. 23033, as amended.

On March 3, 2020, the Oak Cliff Gateway TIF District Board of Directors reviewed the proposed Hogg Elementary School Project and recommended City Council authorization of a development agreement with DISD for a TIF Subsidy in an amount not to exceed \$785,000 for TIF-eligible improvements.

FISCAL INFORMATION

Oak Cliff Gateway TIF District Fund - \$785,000 (subject to current and future appropriations from tax increments)

OWNER/APPLICANT

Dallas Independent School District

Michael Hinojosa
Superintendent

Should you have any questions, please contact Kevin Spath, Assistant Director, Office of Economic Development at (214) 670-1691.

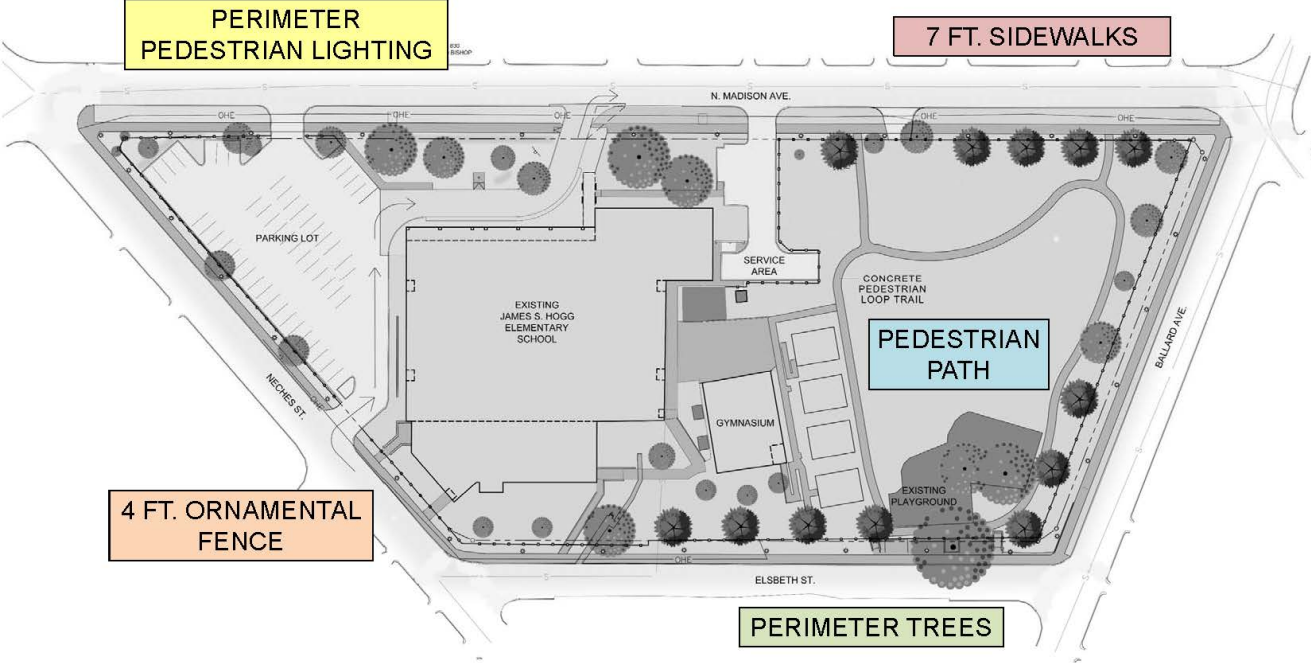


Courtney Pogue, Director
Office of Economic Development

- c: Chris Caso, City Attorney
- Mark Swann, City Auditor
- Biliera 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
- Nadia Chandler Hardy, Assistant City Manager
- Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
- M. Elizabeth Reich, Chief Financial Officer
- Laila Alequresh, Chief Innovation Officer
- M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion Directors and Assistant Directors

Attachment
Hogg Elementary School Project - Site Plan



JAMES HOGG ELEMENTARY – PROPOSED CAMPUS ENHANCEMENTS AND OPTIONS

Memorandum



CITY OF DALLAS

DATE April 10, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Funding for Dallas Streetcar O&M and Fare Implementation**

At the City Council meeting on February 12, 2020, the City Council deferred taking action on authorizing expenditures for the operations and maintenance (O&M) of the Dallas Streetcar (agenda item 17) and remanded the item back to the Transportation and Infrastructure Committee for additional consideration.

The City Council desired to consider alternative methods to fund the Dallas Streetcar O&M, including relying upon Tax Increment Financing districts (TIFs). Staff from the Department of Transportation and the Office of Economic Development are currently researching the following potential funding alternatives:

- The legality and feasibility of using TIFs for funding streetcar O&M.
- Evaluating the benefit and nexus for using the Tourism Public Improvement Districts (TPID) or the Downtown Improvement Districts (DID) for funding Streetcar O&M.
- Creating a new public improvement district with a boundary that coincides with the areas of highest benefit.
- Partnering with a private party to operate the streetcar and generate revenue from a combination of advertising, fare collection, and activating adjoining available land.

In addition to the questions regarding alternative funding mechanisms, the City Council expressed concern regarding the delay in implementing fare collection for the Dallas Streetcar. City staff have received Dallas Area Rapid Transit's (DART) commitment to implementing the fare this summer. Part of the process of implementing the fare is conducting a multi-step public hearing process. This process began on March 24, 2020 with the DART Committee formally requesting the Call for a Public Hearing. The process, including required public notification times, will conclude with the DART Board holding the public hearing on July 7, 2020.

DART is also addressing the technology installation on each of the streetcars to collect the fare. DART anticipates having adequate time to install and test the equipment before the July 7th Board date. The fare collection should begin in late July 2020.

Staff will be presenting the results of their research and updates on the fare implementation to the Transportation and Infrastructure Committee and the Economic Development Committee in the coming months for consideration and further direction.

DATE April 10, 2020
SUBJECT **Funding for Dallas Streetcar O&M and Fare Implementation**

Please contact Michael Rogers, Director of the Department of Transportation, at michael.rogers@dallascityhall.com, if you have any questions or concerns.



Majed Al-Ghafry, P.E.
Assistant City Manager

- c:
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| T.C. Broadnax, City Manager | Joey Zapata, Assistant City Manager |
| Chris Caso, City Attorney | Nadia Chandler Hardy, Assistant City Manager |
| Mark Swann, City Auditor | Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services |
| Biliera Johnson, City Secretary | M. Elizabeth Reich, Chief Financial Officer |
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| Jon Fortune, Assistant City Manager | Directors and Assistant Directors |

Memorandum



CITY OF DALLAS

DATE April 10, 2020

TO The Honorable Members of the Housing and Homeless Solutions Committee:
Chad West, Chair, Casey Thomas, Vice-Chair, Carolyn King Arnold, Lee M. Kleinman,
Paula Blackmon, Cara Mendelsohn, Jaime Resendez

SUBJECT **Consideration and Recommendation of City Council Approval of an Award of Funding and Authorization to Enter into a Development Agreement with Good Urban Development to Develop Affordable Housing Units as Part of the 2019 Single Family Notice of Funding Availability (NOFA)**

Summary

On March 23, 2020, the Housing and Homeless Solutions Committee was briefed on a proposed project from Good Urban Development, LLC (Developer) and additional information was requested before it was submitted for City Council consideration.

Background

On July 5, 2019, Good Urban Development, LLC, serving as the lead developer in a partnership with Urban Specialists, submitted a NOFA proposal for the construction of up to 148 single-family homes on 54 Developer-owned lots and the Land Transfer lots identified as Mill City clusters 1, 2, 3, 4, 5, and 6. Of the 148 units, twenty-eight were to be for-sale for household between 80-120% of the Area Median Income (AMI). The remaining 120 units were to be financed with 4% Low Income Housing Tax Credits and offered a lease-purchase option for households between 30-80% of the AMI. Total project costs exceeded \$28 million and the Developer requested \$5 million in General Obligation Bond funds to support the project. The proposal received 106.5 points (minimum fundable score was 100 points) out of a possible 140 points from the evaluation committee—thus making it eligible for underwriting and consideration for funding. The underwriting memo is attached.

Additional analysis of the project by the Developer—coupled with community input—necessitated an adjustment in the scope of the project. The resulting proposal includes the construction of fifty 50 single-family homes on 25 Mill City lots and 25 Developer-owned lots.

The Developer proposes to build three distinct model types and offer price points accessible to homebuyers between 60-120% of the AMI. Each home will range from

DATE April 10, 2020

SUBJECT **Consideration and Recommendation of City Council Approval of an Award of Funding and Authorization to Enter into a Development Agreement with Good Urb Development, LLC to Develop Affordable Housing Units as Part of the 2019 Single Family Notice of Funding Availability (NOFA)**

1,200 square feet to 2,000 square feet with an attached garage. Approximately 24 of the units are targeted to households in the 60-80% AMI band. The remaining 26 homes will be targeted to households at up to 120% of the AMI. Each model offers a minimum of 3 bedrooms and 2 baths with an attached garage. Price points will range from \$150,000.00 for a 1,200 square foot model to \$242,000.00 for a home with a 2,000 square foot layout. All units built on Land Transfer lots will remain affordable for a minimum of five years.

Developer seeks \$2,000,000.00 in District 7 General Obligation Bond funds for the construction of the units. This represents an investment of \$40,000.00 per unit and will be used as construction subsidy to bring the homes into congruence with the affordability standards for the targeted homebuyers. Provision of bond funds allows for high-quality housing to be purchased by households between 60-120% of the AMI.

Underwriting & Market Study

As part of the NOFA process, the original submission of the project was underwritten by a 3rd party. Although the focus of the underwriting report is the rental portion of the project, the underwriters deliberately analyzed the for-sale portion of the project as a means of providing a comprehensive assessment of the Developer's ability to structure the overall development. Several important conclusions can be drawn from this comprehensive assessment. Those conclusions are as follows:

- The projected development costs appear reasonable;
- That assumptions around construction and completion timelines are reasonable;
- The for-sale project leverages developer equity;
- The [Developer] has demonstrated adequate management and financial capacity to complete both aspects of the project (lease-purchase and for-sale housing)

Similarly, the market study provides an assessment of the community's housing needs while providing parameters for evaluating the strength of the project and the associated risk. Several important conclusions are included in the market study. Those conclusions are outlined below:

DATE April 10, 2020

SUBJECT **Consideration and Recommendation of City Council Approval of an Award of Funding and Authorization to Enter into a Development Agreement with Good Urb Development, LLC to Develop Affordable Housing Units as Part of the 2019 Single Family Notice of Funding Availability (NOFA)**

- A significant need for higher quality housing exists in the Primary Market Area (PMA);
- Existing homes for sale in the PMA are over 50 years old and many of the available homes have deferred maintenance;
- Proposed development plans (floorplans, square footages) are comparable to other new homes being brought into the PMA;
- Household and population growth projections support the addition of new housing stock;

Cash flow modeling for the project assumes the following:

- Home prices will be as follows:

Sq. Ft.	Beds	Baths	Sales Price	No. of Models
1200	3	2	\$ 150,000.00	20
1600	3	2	\$ 193,000.00	18
1600	3	2	\$ 190,000.00	4
2000	4	2	\$ 242,000.00	8

- Total development costs are anticipated to be \$9,324,400.00;
- 5-month construction period per home with a 2-month absorption rate/sell time;
- Anticipated 10 housing starts every 4 months starting at month #1 and ending in month #13; 19-20 month build out of project
- 7% sales expense per home;
- \$2,000,000.00 subsidy to be used to pay eligible constructions costs representing approximately 30.3% of total unit construction

The resulting profit and loss analysis of the project indicates that with \$9,324,000.00 in total project costs and homes priced as outlined above, there is a total estimated revenue of \$8,426,544.00 As such, the City's contribution of \$2,000,000.00 allows the developer to a) close the gap (which is necessary because development costs outpace revenue

DATE April 10, 2020

SUBJECT **Consideration and Recommendation of City Council Approval of an Award of Funding and Authorization to Enter into a Development Agreement with Good Urb Development, LLC to Develop Affordable Housing Units as Part of the 2019 Single Family Notice of Funding Availability (NOFA)**

based on the price points) and **b)** potentially secure a developer fee of approximately 11.8% on the project.

Issue

At present, the City controls 94 vacant lots in Mill City. Vacant lots do not provide tax revenue for the City and require regular maintenance. Maintaining a single vacant lot requires the City to spend approximately \$1,404 per year.

Fiscal Impact

As proposed, the Developer seeks \$2,000,000.00 in District 7 General Obligation Bond funding for construction costs. The resulting capital stack is as follows:

Sources			Uses	
Developer Equity	\$ 7,324,400.00	78.5%	Acquisition + construction	\$ 7,324,400.00
City of Dallas D7 GO Bond Funds	\$ 2,000,000.00	21.5%	Unit Construction	\$ 2,000,000.00
	\$ 9,324,400.00			\$ 9,324,400.00

The developer profit for the project is approximately \$1.1 million which represents approximately 11.8% of the total development costs.

As proposed, the development will generate approximately \$230,346.32 in annual property taxes of which \$65,441.39 will be captured as revenue by the City of Dallas. Sale of the Land Transfer lots will result in approximately \$25,000.00 in revenue for the City of Dallas. Lastly, the City of Dallas will save approximately \$35,100.00 in annual maintenance costs for the Land Transfer lots.

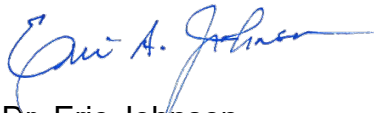
Staff Recommendation

- Staff recommends City Council approval of the item as detailed herein. Passage of the item will help the City achieve its affordable housing production goals.
- As indicated in the underwriting report, Developer has the experience to successfully complete the proposed project. Staff will continue to work with the Developer to address any outstanding due diligence items prior to entering into any agreements.

DATE April 10, 2020

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Please feel free to contact David Noguera, Director of Housing & Neighborhood Revitalization at 214-670-5988, or David.Noguera@dallascityhall.com if you have any questions or need additional information.



Dr. Eric Johnson
Chief of Economic Development & Neighborhood Services

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
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Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE April 10, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Basic Life Insurance Increase**

At the November 13, 2019 Council meeting, City Council approved an increase in the benefit for employer provided basic life insurance for full time active employees from \$50,000 to \$75,000. This benefit increase is scheduled to become effective on May 1, 2020.

The initial announcement communicating this change to employees is scheduled for Monday, April 13, 2020, a copy of which is attached.

This benefit increase is an opportunity for the City to align with the market's basic life insurance benefit offerings and assist us in attracting and retaining the talent needed to achieve organizational goals.

Should you have any questions or need additional details, please contact me at k.bizortolbert@dallascityhall.com or 214.670.3302.

Putting service first,

A handwritten signature in black ink, reading 'Kimberly Bizer Tolbert'.

Kimberly Bizer Tolbert
Chief of Staff to the City Manager

- c:
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| T.C. Broadnax, City Manager | Joey Zapata, Assistant City Manager |
| Chris Caso, City Attorney | Nadia Chandler Hardy, Assistant City Manager |
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| Jon Fortune, Assistant City Manager | Directors and Assistant Directors |



BASIC LIFE INSURANCE COVERAGE INCREASING FROM \$50,000 TO \$75,000 ON MAY 1, 2020!

The City of Dallas is proud to announce our Basic Life Insurance coverage amount that is paid for by the City is increasing from \$50,000 to \$75,000 on May 1, 2020. That's a 50 percent increase in the benefit available to you!

Who Gets This New Benefit Coverage Amount?

All City of Dallas employees who are in active, full-time employment status on May 1, 2020 will be eligible for this increased coverage. Temporary employees, part-time employees, seasonal employees, full-time members of the armed forces, leased employees, and independent contractors are not eligible for this benefit.

What Do I Need To Do?

Nothing! This change will happen automatically for you on May 1, 2020.

Are My Taxes Affected?

Yes. The IRS requires that individuals pay tax on the **value** of any life insurance coverage amount that exceeds \$50,000. However, the tax calculation is based on the **premium** paid for the coverage, not the coverage amount itself. In other words, if you have \$75,000 of Basic Life Insurance coverage, you will see a new "imputed income" line item and some additional withholding in your pay stub for Social Security and Medicare taxes. But remember, this imputed income amount is based on the per-pay-period premium for \$25,000 worth of coverage, not on the entire coverage amount. Imputed income will also appear on your annual W-2 form.

How Is the Inputted Income Calculated?

Divide \$25,000 by 1000, and then multiply it by the monthly cost, according to the price table.

Cost per \$1,000	
Age	Cost
Under 25	0.05
25 - 29	0.06
30 - 34	0.08
35 - 39	0.09
40 - 44	0.10
45 - 49	0.15
50 - 54	0.23
55 - 59	0.43
60 - 64	0.66
65 - 69	1.27
70 and older	2.06

Example:

City of Dallas's Basic Group Life Insurance Plan provides Tom, who is 45 years old, with group-term life insurance coverage of \$75,000. For purposes of this calculation, the \$75,000 of coverage is reduced by \$50,000. The total cost of \$25,000 of coverage is \$25 ($\$.15 \times 25$ units of \$1,000 $\times 12$). City of Dallas must add \$45.00 monthly in imputed income to Tom's taxable wages.

How will it appear on my check?

The City will "off-set" the taxable amount of your increased basic life coverage. The term "off-set" simply means that you will see a Group Term Life Insurance (GTL) deduction as well as a Group Term Life (GTL) earnings on each paycheck. For example: if your GTL is \$0.75, the City will add a GTL earning of \$0.75 to "off-set" the taxable amount. Additional information can be found [here](#).

What Happens If I Purchased Supplemental Life Insurance?

There are no changes to your Supplemental Life Insurance policy at this time. If you purchased Supplemental Life Insurance during open enrollment, you will be able to make changes at the next open enrollment including increasing or decreasing coverage.

Can I Purchase Additional Life Insurance?

You will be able to purchase Supplemental Life Insurance during open enrollment.

What If I Have Questions?

Phone: (214) 671-6947

E-mail: hrbenefits@dallascityhall.com

In Person: Dallas City Hall, Room 1DS, M-F 8:15 AM – 5:15 PM

Memorandum



CITY OF DALLAS

DATE April 10, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **New Procurement Opportunities**

The Office of Procurement Services (OPS) would like to inform the City Council of the following contract opportunities that have been advertised in the last week in the *Dallas Morning News*. These opportunities are also on Bonfire, the City's electronic bid portal: <https://dallascityhall.bonfirehub.com/login>. (Free registration is required to view the opportunity in full.)

In addition, we have updated citywide opportunities for the current quarter on the OPS website: <https://dallascityhall.com/departments/procurement/pages/default.aspx>.

Solicitation No.	Solicitation Name
1. CIZ1909	Architectural and Professional Consulting Services for the Juanita J. Civil Rights House (Building Services Department)*
2. BV20-00013136	Aftermarket Auto Parts

*Solicitations that begin with a "C" are for construction projects and the issuing department handles those procurements directly. OPS only advertises and unseals submissions for the construction procurements.

Once an opportunity/solicitation is advertised, it is considered an open procurement until the City Council awards the contract. Please be advised that Section 12A-15.8(g) of the Code of Ethics prohibits communication between councilmembers and bidders or proposers on open procurements.

Should you have any questions, please contact Chhunny Chhean, Interim Director of Procurement Services.

M. Elizabeth Reich
Chief Financial Officer

- c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
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Memorandum



CITY OF DALLAS

DATE April 10, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to City Council Questions on TOD Briefing**

This memo contains follow up responses to Council member questions related to the TOD Planning and Implementation Briefing held on April 1, 2020.

1. What role can potential parking code reform play in catalyzing development at these locations?

Parking reform will be a key part of the City's rezoning strategy for TOD. Parking is an expensive component of development, particularly when parking structures are involved. Reducing off-street parking requirements can be a significant financial incentive for development. Besides the additional cost to the developer that usually gets passed down to users, there are also significant public environmental and fiscal costs associated with parking that can potentially be reduced near transit. TOD Areas are the best suited areas in the City to test a proactive approach to reducing parking requirements. If appropriate regulations and incentives are put in place, parking demand in TOD areas can be reasonably expected to reduce over time as the mix of households, jobs and local amenities are improved. Each successful TOD project would directly contribute to this outcome. Staff's proposed approach to parking reform will include exploring a range of options to suit the context of each type of TOD Area. A few points are worth noting:

- In addition to parking requirement reductions, a proactive strategy to facilitate shared parking among land uses is also critical to help manage parking demand through more efficient use of parking. The cumulative impact of TOD projects on parking demand reduction happens slowly at first, because behaviors need time to adjust and reduction in demand depends on other factors, such as how effective the transit system is in conveniently connecting trip origins and destinations.
- A nuanced approach to parking required will be needed for TOD Areas with single family neighborhood adjacencies that can be negatively impacted by spill over parking demand.
- We should recognize the value of reduced parking requirements as a financial incentive that can be used to leverage public benefits that directly contribute to successful TOD, such as mixed-income housing, public open space and other public amenities.
- Financial institutions play a very influential role in setting parking supply expectations for developments. If financial institutions perceive that parking demand exists in an area, they are likely to expect parking to be provided as a condition of financing. There are many examples in Dallas of developments in TOD areas that provide more off-street parking than required by City Code.

2. Where else has parking reform helped encourage transit-oriented development?

Many other American cities have systematically implemented parking reform to help encourage TOD. Based on staff's preliminary review of peer cities with comparable transit systems, Portland, OR; Washington DC; Denver, CO; Atlanta, GA; Minneapolis; and Los Angeles, CA, have put in place through zoning the most systematic, and aggressive parking reduction provisions for TOD. These cities also have a significantly higher proportion of their population using transit to commute to work compared to Dallas. We can certainly learn from the experience of these cities. However, there has been little scientific study about the direct impact these parking reforms have had on development. This is important to note because parking reforms usually accompany other incentives, such as density/height increases and direct financial incentives, and other market forces also play a significant role.

3. Given that DART is potentially overhauling the bus network with the likelihood of a high frequency network, what can we do to encourage housing infill to areas of high access/high frequency transit rather than merely rail station access?

We have had initial conversations with DART staff and there is mutual interest in exploring this further. A key first step is to identify specific corridors through the DART bus network study on which DART will remain committed to operating high frequency bus service. There is certainly potential to add these corridors to the scope of this TOD initiative once these corridors are defined. Our approach will be informed by the operational characteristics of the bus services on these corridors. It will also be informed by U.S best practices, although there are fewer examples of this in the U.S. The approach to TOD incentives for high frequency bus service will differ from rail in that the distance over which incentives would apply would likely be smaller (1/4 mile) and, depending on the operational characteristics and frequency of stops, they may be treated as corridors rather than nodes. Many of these areas will be adjacent to single family neighborhood and will require a sensitive approach to introducing TOD.

4. What is the status of the TOD TIF and could it be expanded to include additional areas?

The TOD TIF District was established by City Council in 2008. This is Year 12 of the 30-year term of the TIF District. The mission of the TOD TIF District is to provide a source of funding for public infrastructure improvements that will help create a series of unique destinations as well as foster the construction of structures or facilities that will be useful or beneficial to the development of transit stations along the DART light rail system in the central portion of the City. The TOD TIF District has 4 sub-districts all connected by the DART light rail right-of-way: Mockingbird/Lovers Lane sub-district; Cedars West sub-district; Lancaster Corridor sub-district; and Cedar Crest sub-district.

The TOD TIF District was strategically set up to facilitate redevelopment in the Lancaster Corridor sub-district by allowing for increment sharing from the Mockingbird/Lovers Lane

DATE April 10, 2020
SUBJECT **Responses to City Council Questions on TOD Briefing**

sub-district and the Cedars West sub-district. The award-winning Lancaster Urban Village Project was made possible by the TOD TIF District. In the Mockingbird sub-district, staff has been coordinating with a developer who is trying to pull together a mixed-income development project adjacent to the Mockingbird station, in partnership with DART on property currently owned by DART. Staff is anticipating that the developer will be submitting an incentive application to the Office of Economic Development very soon. For more information on the TOD TIF, the District Annual Report is available here: [TOD TIF District Annual Report 2018-2019](#). All of the TIF District Annual Reports were recently approved by City Council on February 26, 2020.

The TOD TIF District could be expanded to support implementation of TOD efforts in additional areas/sub-districts.

5. There are currently question marks for the amount of land area other public agencies own near transit stations. When can Council get more detail on the DART and other public land around transit stations? How can we ensure and encourage coordination if there are multiple public entities with interests near a particular station?

We are working with the listed public agencies to quantify this further. DART has already expressed interest in collaborating on TOD developments on DART property at stations that they have prioritized. The Overview of TOD Property Evaluation by DART staff to the DART Board in May 2019 contains a station by station assessment of DART property, a copy of the DART staff presentation is attached to this memo. DHA has already announced intention to pursue mixed-income redevelopment on several sites through public-private partnerships, and we should be able to quantify these opportunities very soon. The process is in the early stages with other potential public partners, so we do not have a good sense on how long this will take. Our initial conversations with other agencies have been very positive and we believe that a coordinated approach will be mutually beneficial to enable our public agency partners to coordinate with us on zoning and infrastructure needs for which they will be dependent on the City. Our initial approach to facilitating better coordination is to explore the possibility of a regular cycle of joint-RFPs to attract private development partners.

Note that the City has more work to do to further quantify city-controlled land that may be available for potential catalytic TOD. This will involve an inter-departmental assessment of facility needs relative to available land. We are initiating a preliminary analysis of city-owned sites to provide the basis for this inter-departmental assessment. Work on this has been impacted by the ongoing COVID-19 crises, as access to much of the necessary GIS information is dependent on VPN access for employees not engaged in essential functions at this time, and many of the departments that are responsible for city-owned land are actively engaged in COVID-19 response activities.

6. How can we (thru policy and/or incentives) encourage smaller-scale investors/developers to deliver "missing middle" housing infill given that, if barriers are removed, these smaller scaled developments might be more

context appropriate in some areas next to single family housing AND likely less risk adverse than the institutionally-financed developments that are reluctant to pioneer into areas? This development will be an easier sell to SF neighborhoods as well.

This is a potentially significant opportunity, but it also comes with some challenges. Opportunities exist on vacant single-family land and on the edges of non-residential areas adjacent to single family neighborhoods. Staff will explore potential to apply existing zoning tools such as Form Based TR zoning districts as well as Accessory Dwelling Unit overlays to create opportunities for small-scale development appropriate to single family neighborhoods. While these will offer opportunities for small-scale developments, many of these areas will also come with significant infrastructure challenges related to water, sewer and storm water capacity that will require proactive action by the City. The infrastructure assessment referred to in this presentation is important to help define where the opportunities and constraints exist and enable the City to target infrastructure investment.

7. Which TODs go first? What is the priority (e.g. maximum density, the fastest build-out, greatest need for economic development/equity)? Where can we have the most impact first? Where is the lowest hanging fruit?

Staff will follow up with City Council briefing updates as progress is made on assessing priorities based on further work. Staff proposes to advance this initiative through all components of the four-pronged approach noted in the City Council briefing to allow the intersection of these efforts to help identify low hanging fruit and guide priorities through the process:

- Catalytic projects on public property: The City in partnership with other public partners will focus on identifying public sites that are available for proactive TOD led by the owner-agency. These are the sites where the City and partner agencies can be most proactive in promoting TOD. Factors such as size and concentration of sites, need for incorporation of public facilities, and potential for development will be key considerations. Besides leveraging existing market demand in some areas, public agencies may be in a position to use developments on public land to help test or build the market in areas where there may not be comparable developments.
- Infrastructure investments: The City's infrastructure needs assessment will initially identify areas where water, sewer and storm water utility infrastructure may pose limitations on development. In addition, the existence of multi-modal infrastructure and facilities to support TOD will also be assessed. The magnitude of investment needed to address these fundamental infrastructure needs and the potential for identifying appropriate funding mechanisms to address them will help determine priorities.
- Targeted Incentives for Jobs and Mixed-Income Housing: Assessment of the extent to which existing tools and special districts such as TIFs, Neighborhood Empowerment Zones and Opportunity Zones will help identify initial priorities.

DATE April 10, 2020

SUBJECT **Responses to City Council Questions on TOD Briefing**

Thereafter, the City's ability to identify additional funding tools/sources for targeted incentives will also be a factor.

- City initiated visioning and rezoning: The City proposes to begin community engagement on all TOD areas as part of the proposed comprehensive land use plan update. Preliminary public input received through this process will help us prioritize while considering areas that have already been authorized for rezoning by City Council or City Plan Commission.

8. What does implementation of catalytic development near transit look like? Is this ideally a public/private partnership?

The City's initial goal is to explore a regular cycle of RFP's to seek development partners on City sites that are identified to be available for TOD development with an emphasis on promoting mixed-income housing. This may include developments that are expected to incorporate public facility needs as well. Through this process the City hopes to explore potential joint RFP's with partner public agencies to enable collaboration and coordination that would ensure mutual benefits to all parties.

9. Assuming that City-initiated visioning for TOD areas will be accomplished through authorized hearings? If so, what are the priorities in terms of which TOD locations go through the process first? What level of public input is involved?

The City anticipates initiating visioning for all TOD areas as part of the citywide Comprehensive Land Use Plan update. This engagement process will identify areas that are already part of a City authorized hearing process and will address TOD alongside other catalytic opportunities that can help shape development throughout the city. Through this process the City expects to be able to develop preliminary visions for land development in these areas and to recommend prioritization for additional authorized rezoning and other incentives to support TOD.

10. What is the needs list for targeted infrastructure investments around transit? Please clarify this bullet.

The City's infrastructure needs assessment will initially identify areas where water, sewer and storm water utility infrastructure may pose limitations on development. In addition, the existence of multi-modal infrastructure and facilities to support TOD will also be assessed. The magnitude of investment needed to address these fundamental infrastructure needs and the potential for identifying appropriate funding mechanisms to address them will help determine priorities.

11. Could we include an assessment of potential retrofits to existing infrastructure to integrate & connect better to trails? How does trail planning overlay with DART station planning and can we emphasize TOD along other types of transportation routes such as along complete systems of "bicycle superhighways"?

The infrastructure assessment proposed as part of the TOD Planning and Implementation Initiative will certainly include multi-modal infrastructure such as trails and other bike facilities. Existing and planned trails will be overlaid on TOD Areas and the area of influence for non-automobile accessibility will be adjusted accordingly to inform zoning and financial incentive strategies. Staff will also explore and define potential street improvements that can contribute to greater pedestrian and bicycle accessibility.

12. What are you proposing in terms of targeted TOD financial incentives? Is there anything in the current budget that could apply?

The City has several existing programs/tools that are already able to provide incentives to TOD areas. For example, as the map on Slide 20 in the April 1 Council Briefing depicts, many TOD areas are located within existing TIF districts and the recently approved residential Neighborhood Empowerment Zones. Grants, loans, and tax abatements pursuant to the City’s Public/Private Partnership Program can also be deployed city-wide (although minimum eligibility criteria differ depending on project location). The Housing Department also has several existing tools and programs that can be targeted to support TOD. Over the past 15 years, GO bond funds have been deployed in southern Dallas and in TOD areas pursuant to the Economic Development/Housing propositions of the 2006 and 2012 bond programs. In the 2017 Bond Program there is approximately \$32 million of uncommitted General Obligation bond authorization in Proposition I (the Economic Development/Housing proposition). This amount is spread across 10 Council Districts as “discretionary” allocations and can be applied to projects in TOD areas. Many TOD areas are also located in federal Opportunity Zones, which although not City tools, were designed to attract private investment through federal tax incentives.

Through this new TOD Planning and Implementation Initiative alongside the Comprehensive Land Use Plan, staff proposes to assess the extent to which existing financial incentive programs can be better leveraged towards ensuring that TOD areas receive more attractive incentives compared to similar sites not located within TOD areas. Staff also proposes to explore the possibility of refining and/or extending some of these existing City tools to more comprehensively address all TOD areas. Staff will also explore possible additional tools to incentivize jobs and mixed-income housing in TOD areas. Note that through rezoning in TOD areas, indirect financial incentives that would accrue from density increases and parking reductions can also have a significant impact on attracting development.

13. Where can we integrate improved health through design? What kinds of design standards can we put in place to promote healthy spaces & mitigate the potentially harmful effects of high density?

This is an important question to address in the context of the ongoing COVID-19 pandemic. Sound planning and urban design within TOD Areas can have a significant impact on public health even in the context of higher density development. An important consideration in the planning and implementation of TOD will be inclusion of

neighborhood open space, trees and other means to enhance the availability of light and clean air in conjunction with increased density. A large percentage of Americans are Vitamin D deficient, and studies have linked higher vitamin D levels to a reduced risk of acute respiratory tract infection. Availability of neighborhood parks and reduced reliance on automobiles for short trips would also result in reduced air pollution. Polluted air is linked to health problems such as asthma, high blood pressure, and diabetes, all of which are associated with a higher risk for patients with the new coronavirus. Access to parks and designing for walkability and convenient bicycle access in TOD Areas will also encourage more people to exercise. Walkable neighborhoods, are linked to a lower risk for problems such as obesity and high blood pressure, which are additional risk factors for individuals suffering from respiratory ailments. Walking, biking and other micro-transit options are expected to become significantly more viable in mixed use, higher density TOD, with the availability of jobs, housing, services and amenities within short travel distances.

The recent COVID-19 outbreak is also expected to result in review of building code provisions and building and transit system design practices that can help reduce the spread of such diseases. It should be noted that several countries, such as South Korea, Singapore and Taiwan that have been successful thus far in containing the spread of COVID-19, are known for their significant density and mix of uses in urban environments as well as their reliance on public transit to serve these areas.

14. Have staff reviewed BC Workshop's 2016 study of the viability of Affordable Housing at DART Stations?

Staff has reviewed this study titled [Affordable Housing and TOD](#) and will be using it in conjunction with other past studies to inform planning and implementation strategies going forward. This study emphasizes the importance of including a robust affordable housing component in TOD in order to maximize public benefits. Another recent study specifically relevant to this topic is the 2016 Urban Land Institute's Advisory Services Panel Report titled [Expanding Affordable and Mixed Income Housing Opportunities](#). While this study addresses housing from a broader perspective for all of Dallas, it has content that is very relevant to the TOD Planning and Implementation initiative.

15. Can Council get a list of who is on that task force and when they are meeting?

The TOD Task Force has been constituted as a forum for staff from several public agencies to coordinate efforts on this TOD Planning and Implementation initiative. The Task Force currently include the following individuals listed below by City Department and external agency:

City of Dallas

- Michael Mendoza – Strategies and Special Initiatives Officer
- Peer Chacko, Director, Planning & Urban Design
- Arturo Del Castillo, Chief Urban Designer, Planning & Urban Design

DATE April 10, 2020

SUBJECT **Responses to City Council Questions on TOD Briefing**

- Luis Tamayo, Chief Planner, Planning & Urban Design
- Daniel Church, Area Manager, Planning & Urban Design
- Michael Rogers, Director, Transportation Planning
- Ghassan Khankarli, Assistant Director, Transportation Planning
- Andrew Pagano, Transportation Planner, Transportation Planning
- Courtney Pogue, Director, Economic Development
- Kevin Spath, Assistant Director, Economic Development
- Sue Hounsel, Area Manager, Economic Development
- Tamara Leak, Area Manager, Economic Development
- Dorcy Clark, Area Manager, Economic Development
- Daunte Rushton, Coordinator, Economic Development
- Kris Sweckard, Director, Sustainable Development and Construction
- Neva Dean, Assistant Director, Sustainable Development and Construction
- Nathan Warren, Senior Planner, Sustainable Development and Construction
- David Cossum, Development Services Administrator, Sustainable Development and Construction
- Ashley Eubanks, Assistant Director, Real Estate, Sustainable Development and Construction
- David Noguera, Director, Housing and Neighborhood Revitalization
- Pam Thomson, Housing Policy Task Force Administrator, Housing and Neighborhood Revitalization
- Eric Ochel, Business Development, Housing and Neighborhood Revitalization
- James McGuire, Director Office of Environmental Quality
- Susan Alvarez, Assistant Director, Office of Environmental Quality
- Pharr Andrews, Senior Environmental Coordinator, Office of Environmental Quality
- Louise Elam, Assistant Director, Park & Recreation
- Jared White, Manager, Park & Recreation

External Public Agencies

- Kay Shelton, Assistant Vice President, DART Capital Planning
- Rob Smith, Assistant Vice President, DART Service Planning and Scheduling
- Jack Wierzenski, DART Director of Economic Development
- Joseph Clemens, DART Project Manager
- Troy Broussard, Executive Director, Dallas Housing Authority
- Myriam Igoufe, Dallas Housing Authority
- Jonathan Toffer, Dallas County
- Tushar Solanki, Dallas County
- Micah Baker, Dallas County
- Travis Liska, North Central Texas Council of Governments

Note that as work progress we will engage additional City departments and the City will also be reaching out to the Independent School Districts and Dallas County Community College District to seek their participation. The TOD Task is currently scheduled to meet

DATE April 10, 2020
SUBJECT **Responses to City Council Questions on TOD Briefing**

monthly with the next meeting tentatively scheduled for April 17, 2020. However, given the ongoing COVID-19 situation, this next meeting may be delayed.

**16. Does the City have a contractual agreement with DART that ends at any time?
Can the Council get information on DART’s transit ridership and revenue?**

The City has a Master Interlocal Agreement with DART that remains in effect unless terminated with the consent of both parties with a clear understanding of the liabilities that could result from such action. The City also has a number of project-specific agreements with DART that typically do have timeframes associated with them.

Staff has requested DART to provide information to City Council regarding ridership and revenue in response to this question. DART staff have indicated that they will be providing a direct response to City Council.

If you have further questions or need clarification, please contact me at eric.anthony.johnson@dallascityhall.com, or Peer Chacko, Director of Planning and Urban Design at peer.chacko@dallascityhall.com.



Dr. Eric Anthony Johnson
Chief of Economic Development and Neighborhood Services

- c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor 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
Nadia Chandler Hardy, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

OVERVIEW OF TOD PROPERTY EVALUATION

MAY 2019



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TABLE OF CONTENTS

Assignment Overview	3
Analysis Criteria	6
Total Ranking Top	1
15 Ranking	1
Property Aerials	14
	16

TERMS & DEFINITIONS

PURPOSE - TO IDENTIFY DART STATIONS AND PROPERTIES THAT COULD ACT AS A CATALYST FOR TRANSIT ORIENTED DEVELOPMENT ON DART OWNED PROPERTY.

BUS

DART Bus

DART (DALLAS AREA RAPID TRANSIT)

Dallas Area Rapid Transit is the Dallas County transit authority. It operates buses, light rail, and commuter rail vehicle lanes in Dallas and twelve of its suburbs.

DCTA (DENTON COUNTY TRANSPORTATION AUTHORITY)

Operates the A-Train, a 21 mile commuter rail line connecting Denton and Dallas Counties.

LRT

DART Light Rail

SIZE (ACRES)

Refers to DART owned land around DART Stations. Estimates are based on Dallas County Appraisal District Data and should be verified.

TIF DISTRICT

A Tax Increment Financing (TIF) District is an area in which a city has identified under-performing real estate and works with private developers to develop and implement redevelopment plans and then reinvests a portion of property tax revenues generated from new real estate development into an area to encourage the implementation of the redevelopment plans.

TOD

Transit Oriented Development

TRE (TRINITY RAILWAY EXPRESS)

Commuter train connecting Fort Worth and Dallas, TRE is provided jointly by the Fort Worth Transit Authority (Trinity Metro) and DART.

WALK SCORE®

Walk Score measures the walkability of any address using a patented system. For each address, Walk Score analyzes hundreds of walking routes to nearby amenities. Points are awarded based on the distance to amenities in each category. Amenities within a 5 minute walk (.25 miles) are given maximum points. Fewer points are given to more distant amenities, with no points given after a 30 minute walk.

Walk Score also measures pedestrian friendliness by analyzing population density and road metrics such as block length and intersection density. Data sources include Google, Education.com, Open Street Map, the U.S. Census, Localeze, and places added by the Walk Score user community.

WALK SCORE	DESCRIPTION
90-100	Walker's Paradise Daily errands do not require a car.
70-89	Very Walkable Most errands can be accomplished on foot
50-69	Somewhat Walkable Some errands can be accomplished on foot
25-49	Car-Dependent Most errands require a car.
0-24	Car-Dependent Almost all errands require a car.

WEEKLY PARKING UTILIZATION

Average parking occupancy in morning peak hours as a percentage of total parking spots.

KEY

- BLUE LINE RED
- LINE GREEN LINE
- ORANGELINE
-



WORKS CITED: Dallas County Appraisal District, Collin County Appraisal District, Tarrant County Appraisal District, Denton County Appraisal District, The City of Dallas Office of Economic Development, The City of Rowlett, The City of Plano, The City of Carrollton, The City of Irving, The City of Garland, The City of Dallas, DART, WalkScore.com, Trinity Railway Express, Denton County Transit Authority, Fort Worth Transportation Authority, The City of Addison, The City of Farmers Branch, The City of Irving

DISCLAIMERS



The information contained in this DART TOD Property Report is furnished solely for the purpose of providing information to prospective developers and other interested parties of DART owned property (the "Properties") surrounding DART stations. The material is based in part upon information supplied by DART and in part upon information obtained by Cushman & Wakefield from sources it deems reasonably reliable. No warranty or representation, expressed or implied, is made by DART, Cushman & Wakefield, Inc. ("Cushman & Wakefield"), or any of their respective affiliates, as to the accuracy or completeness of the information contained herein or any other written or oral communication transmitted to a prospective developer in the course of its evaluation of the Properties. No legal liability is assumed or to be applied in connection with the information or such other communications. Without limiting the generality of the foregoing, the information shall not be deemed a representation of the state of affairs of the Properties or constitute an indication that there has been no change in the business or affairs of the Properties since the date of preparation of the information.

This TOD Property Report was prepared by Cushman & Wakefield and has been reviewed by DART. It contains select information pertaining to the Properties and does not purport to be all inclusive or to contain all of the information which a prospective developer may desire.

In this TOD Property Report, certain documents and other materials are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

PROCESS

TO REVIEW AND RANK DART-OWNED SITES WITH THE GOAL OF IDENTIFYING AND PRIORITIZING A LIST OF PROPERTIES THAT ARE MOST MARKETABLE TO DEVELOPERS FOR TOD

1. C&W determined evaluation criteria as well as the relative weighting of each criterion in developing an overall marketability score
2. C&W evaluated 47 DART-owned properties
3. C&W ranked each property and created a short list of the 15 properties that are most marketable



CRITERIA ANALYZED

OPPORTUNITY ZONES

DART OWNED STATIONS WITHIN OPPORTUNITY ZONES



DART STATIONS / PROPERTIES	ADDRESSES	CENSUS TRACT
8th & Corinth Station	1740 E 8th St 1608 E 8 th St 113 N Corinth St 1600 E Clarendon Dr	48113004100
Buckner Station	8008 Elam Rd.	48113009301
Cedars Station	1112 Belleview St.	48113020400
Lake June Station	6410 Lake June Rd	48113009301
MLK Station	1412 S Trunk Avenue	48113010300
Powhattan	1105 and 1108 Powhattan St	48113020400

CRITERIA ANALYZED PROPERTY SIZE /ATTRIBUTES



CRITERIA	MEASUREMENT	SCORE	DESCRIPTION
Size	Acres	Under 2.5 acres – 0 2.5 to 5 acres – 1 5 to 7.5 acres - 2 7.5 to 10 acres - 3 Over 10 acres – 4	See pg. 3
Walkability Score	1 to 100	Under 50 – 0 50 to 70 – 1 Over 70 – 2	See pg. 3
Parking Utilization (less than 50%)	Parking Utilization %	Under 50% - 4 50 to 75% - 2 Over 75% - 0	See pg. 3
Vehicular Accessibility & Visibility	Access	High – 2 Med – 1 Low – 0	Measurement based on ingress and egress to stations and proximity to, and visibility from, major thoroughfares
Annual Ridership	Annual Fare Revenue	<250k – 0 250k-650k – 1 >650k – 2	Annual Ridership numbers provided by DART

CRITERIA ANALYZED

DEVELOPMENT READINESS



CRITERIA	MEASUREMENT	SCORE	DESCRIPTION
New Development (occurring within ½ mile last 5 years)	Yes/No	Yes – 3 No – 0	Any new development or redevelopment of commercial or residential properties within a ½ mile radius of stations since 2014
Re/development Area	Yes/No	Yes – 2 No – 0	Stations located within an established zone for redevelopment - Tax Incremental Financing Districts (TIF), Tax Incremental Reinvestment Zones (TIRZ) (See pg. 3 for additional detail)
Station Area Plan or TOD Zoning	Yes/No	Yes – 3 No – 0	Stations whose municipalities have established plans for the development of the surrounding area with a focus on transit oriented development (TOD) or TOD zoning in the proximate area
In-place Infrastructure	Yes/No	Yes – 2 No – 0	DART station infrastructure – bus bays, rail stations, parking lots, etc.
Development Constraints	Yes/No	Yes – 0 No – 4	Any easements or other restrictions that effect the developable acreage of the station area – power line easements, gas line easements, zoning restriction, etc.

CRITERIA ANALYZED

MARKET SUPPORT FOR TOD



CRITERIA	MEASUREMENT	SCORE	DESCRIPTION
Residential Opportunity Gap (within 1 mile)	Population/Employment	Over 2.25 – 0 1.00 to 2.25 – 1 .25 to 1.00 – 2 Under .25 – 4	Lower numbers reflect residential growth opportunities due to higher numbers of locally available workers compared to residents in the surrounding area.
Population Density	Annual Rate	Under 2k – 0 2k to 4k – 1 Over 4k – 2	Measurement of the number of people living within a ½ mile radius of each station
Employment Density	Annual Rate	Under 2.5k – 0 2.5k to 5k – 1 Over 5k – 2	Measurement of the daytime population of workers within a ½ mile radius of each station
Millenials/Empty Nesters (within ½ mile radius)	% of Population	Under 30% – 0 30 to 60% - 1 over 60% - 2	Percentage of the number of people living within a ½ mile radius of each station who are between the ages of 25-34 or 55-64
Number of Households (within ½ miles radius)	# of households	Under 500 – 0 500 to 1500 – 1 Over 1500 – 2	Measurement of the number of households within a ½ mile radius of each station - a household is composed of one or more people who occupy a housing unit
Opportunity Zones	Yes/No	Yes – 4 No – 0	Stations located within Opportunity Zones - census tracts generally composed of economically distressed communities that qualify for the Opportunity Zone program, according to criteria outlined in 2017's TaxCuts and Jobs Act.

CRITERIA ANALYZED

MARKET SUPPORT FOR TOD



CRITERIA	MEASUREMENT	SCORE	DESCRIPTION
Office	NNN starting rent/RSF	N/A or Under \$17 – 0 \$17 to \$20 – 1 Over \$20 – 2	Average starting annual rent for office space – on a per-square-foot basis – within the office submarket in which the station is located (per C&W Research)
Multi-Family	NNN starting rent/RSF	N/A or Under \$1.25 – 0 \$1.25 to \$1.50 – 1 Over \$1.50 – 2	Average starting monthly rent for multi-family apartment space – on a per-square-foot basis – within the multi-family submarket in which the station is located (per ALN Apartment Data)
Retail	NNN starting rent/RSF	N/A or Under \$20 – 0 \$20 to \$25 – 1 Over \$25 – 2	Average starting annual rent for retail space – on a per-square-foot basis – within the retail submarket in which the station is located (per CoStar)
Rail or Bus Access	Rail/Bus Access	Rail Access – 2 Bus Access – 1	Station provides access to DART Light Rail – 2 points – DART Bus service – 1 point – or both – 2 points

CRITERIA ANALYZED

WEIGHTING METHODOLOGY



CRITERIA GROUPINGS	WEIGHTING
Property/Site Attributes	23%
Development Readiness	27%
Market Support for TOD	50%

Determines the relative weight of the point totals in each criteria grouping compared to the total possible points awarded to each station

Reflects the relative importance of each criteria grouping as determined by DART and Cushman & Wakefield



TOTAL RANKING

TOD PROPERTY PROPERTY RANKINGS

EVALUATION



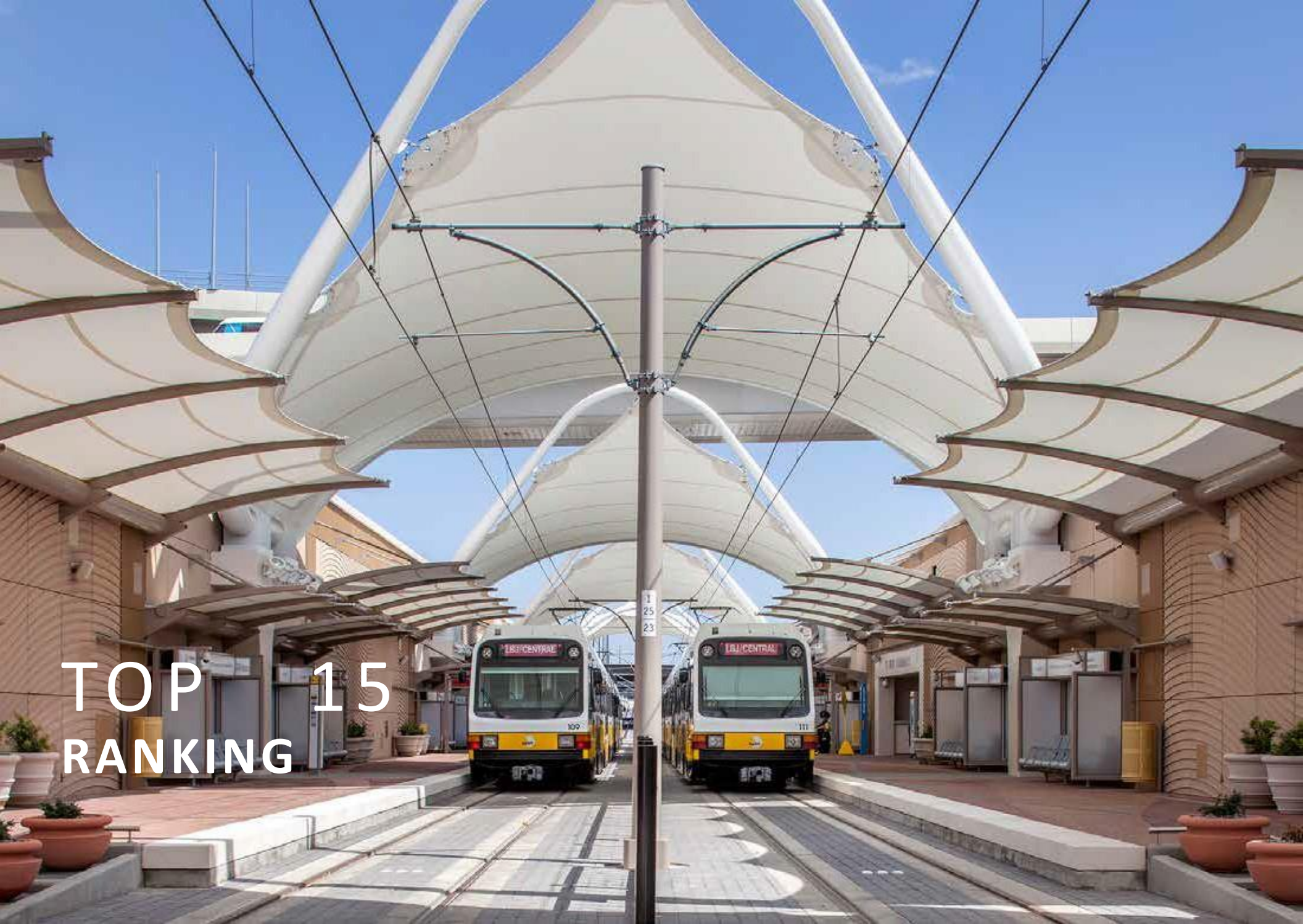
Rank	Station	Score
1	Mockingbird Station	87
2	Arapaho Center Station	81
3	Spring Valley Station	81
4	Park Lane Station	77
5	LBJ Central Station	73
6	Westmoreland Station	72
7	CBD East Transfer Center	72
8	Cedars Station/Powhattan	72
9	Forest Lane Station	71
10	Market Center Station	71
11	Parker Road Station	71
12	Inwood/Love Field Station	71
13	Northwest Plano Park & Ride	70
14	Pearl Arts District Station/San Jacinto	68
15	Addsion Transit Center	68
16	MLK, Jr. Station	67
17	Buckner Station	65
18	Downtown Rowlett Station	65
19	North Irving Transit Center	65
20	North Carrollton/Frankford Station	63
21	Downtown Garland Station	63
22	West Transfer Center	63
23	Forest/Jupiter Station	63
24	Downtown Carrollton Station	61
25	Kiest Station	61

TOD PROPERTY PROPERTY RANKINGS

EVALUATION



Rank	Station	Score
26	Royal Ln. Station	60
27	Farmers Branch Station	59
28	Trinity Mills Station	59
29	8th & Corinth Station	57
30	Hampton Station	57
31	LBJ/Skillman Station	57
32	Ledbetter Station	57
33	Lake June Station	55
34	Jack Hatchell Transit Center	55
35	Walnut Hill/Denton Station	55
36	Bachman Station	55
37	Deep Ellum Station	54
38	Lake Ray Hubbard Transit Center	53
39	White Rock Station	51
40	West Irving Station	51
41	Downtown Irving/ Heritage Crossing Station	49
42	Illinois Station	49
43	South Garland Transit Center	47
44	Red Bird Transit Center	41
45	Camp Wisdom Station	41
46	Glenn Heights Park and Ride	37
47	Lawnview Station	35



TOP RANKING 15

TOD PROPERTY TOP 15 PROPERTIES

EVALUATION



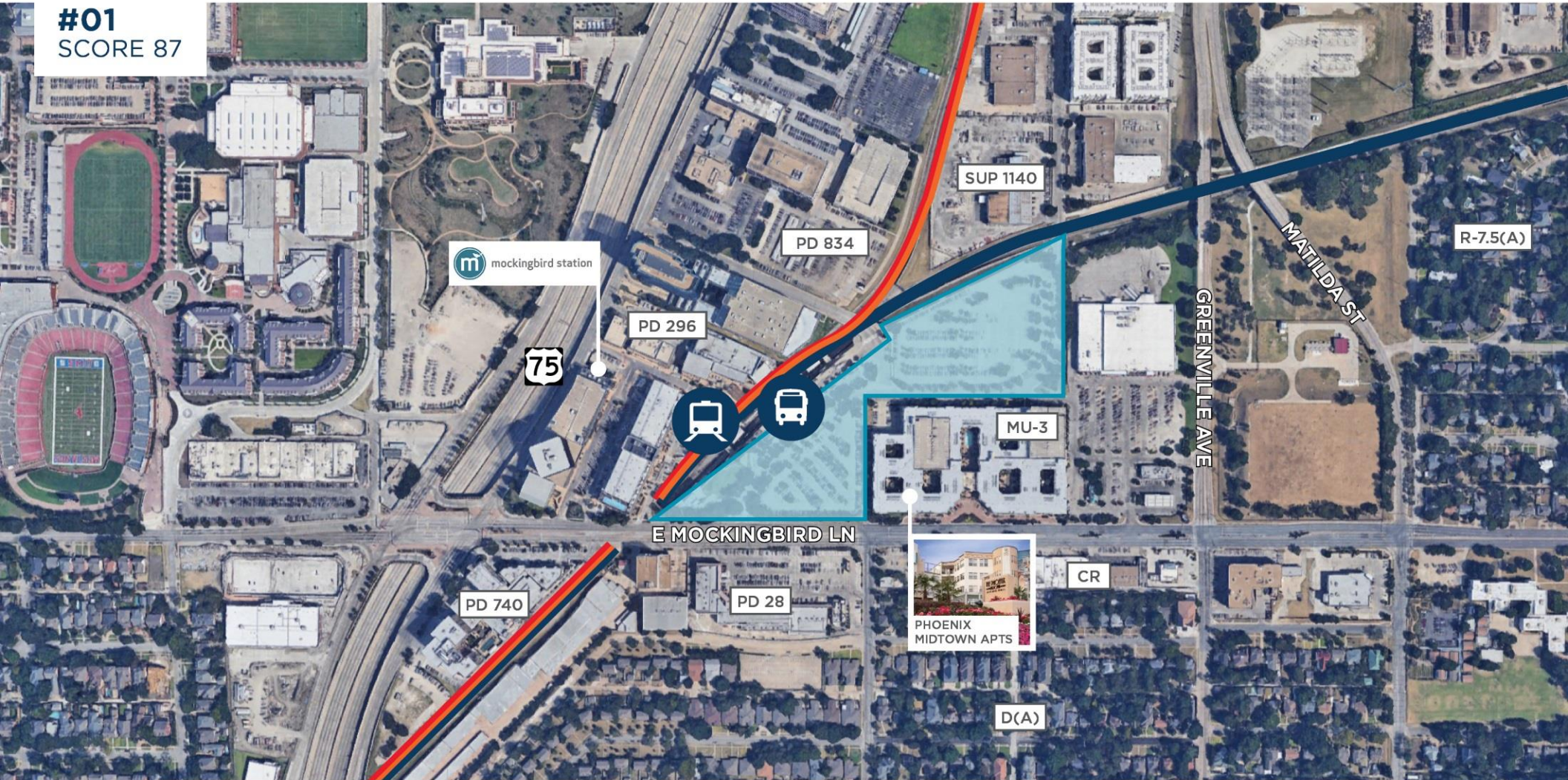
Rank	Station	Score
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2	Arapaho Center Station	81
3	Spring Valley Station	81
4	Park Lane Station	77
5	LBJ Central Station	73
6	Westmoreland Station	72
7	CBD East Transfer Center	72
8	Cedars Station/Powhattan	72
9	Forest Lane Station	71
10	Market Center Station	71
11	Parker Road Station	71
12	Inwood/Love Field Station	71
13	Northwest Plano Park & Ride	70
14	Pearl Arts District Station/San Jacinto	68
15	Addsion Transit Center	68



PROPERTY AERIALS

MOCKINGBIRD STATION

#01
SCORE 87



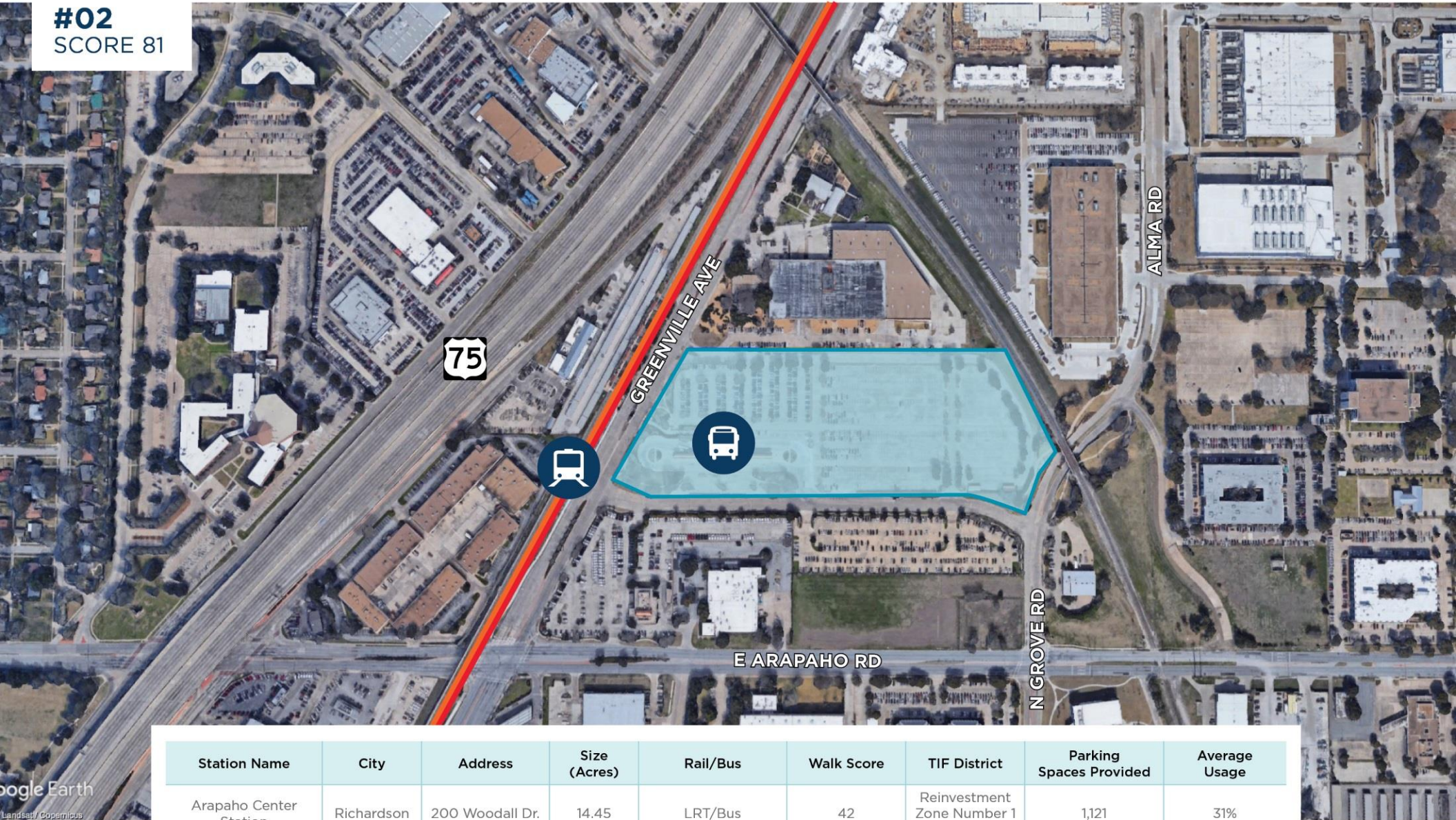
Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Mockingbird Station	Dallas	5465 E. Mockingbird Ln	±10	LRT/Bus	83	TOD(Dallas)	712	72%

Google Earth
© 2018 Google

OVERVIEW OF TOD PROPERTY EVALUATION
**ARAPAHO CENTER
 STATION**



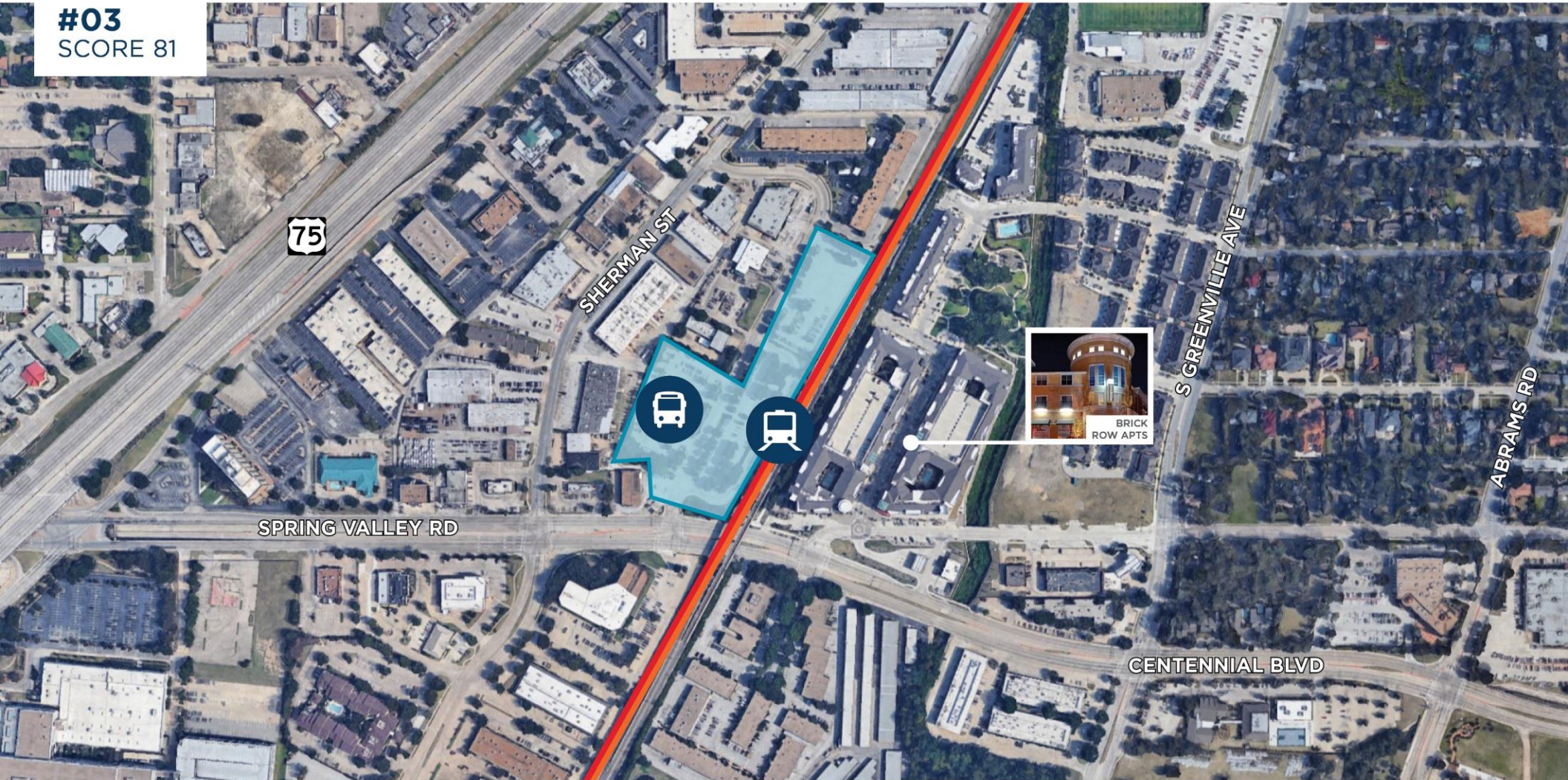
#02
 SCORE 81



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Arapaho Center Station	Richardson	200 Woodall Dr.	14.45	LRT/Bus	42	Reinvestment Zone Number 1 (Richardson)	1,121	31%

SPRING VALLEY STATION

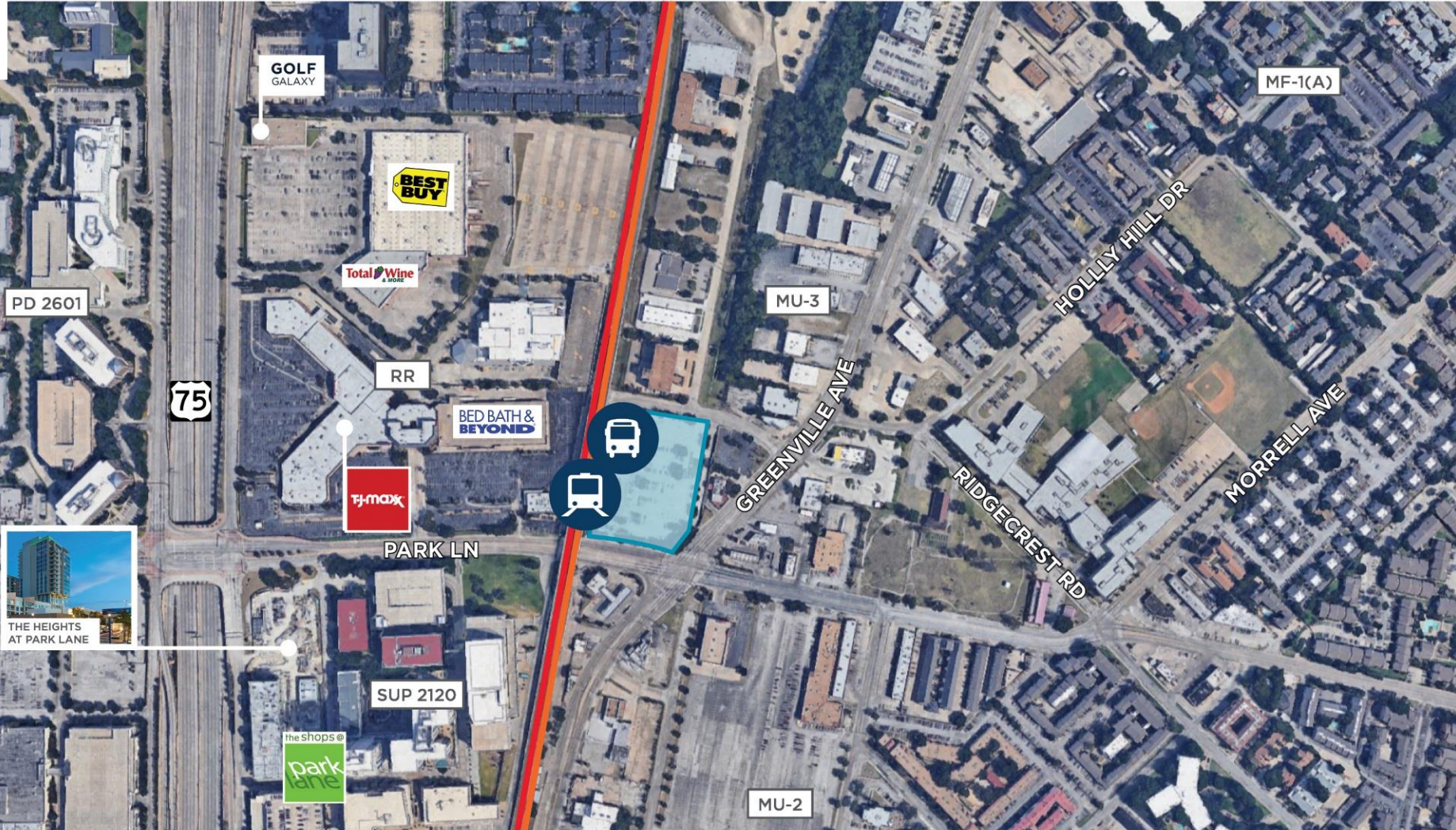
#03
SCORE 81



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Spring Valley Station	Richardson	100 W. Spring Valley Road	5.10	LRT/Bus	58	Reinvestment Zone #1 (Richardson)	405	37%

PARK LANE STATION

#04
SCORE 77



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Park Lane Station	Dallas	8169 Park Lane	5.86	LRT/Bus	85	Vickery Meadow (Dallas)	320	43%

LBJ CENTRAL STATION

#05
SCORE 73



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
LBJ Central Station	Dallas	8901 Markville Dr.	12.58	LRT/Bus	52	None	553	26%

OVERVIEW OF TOD PROPERTY EVALUATION
**WESTMORELAND
 STATION**



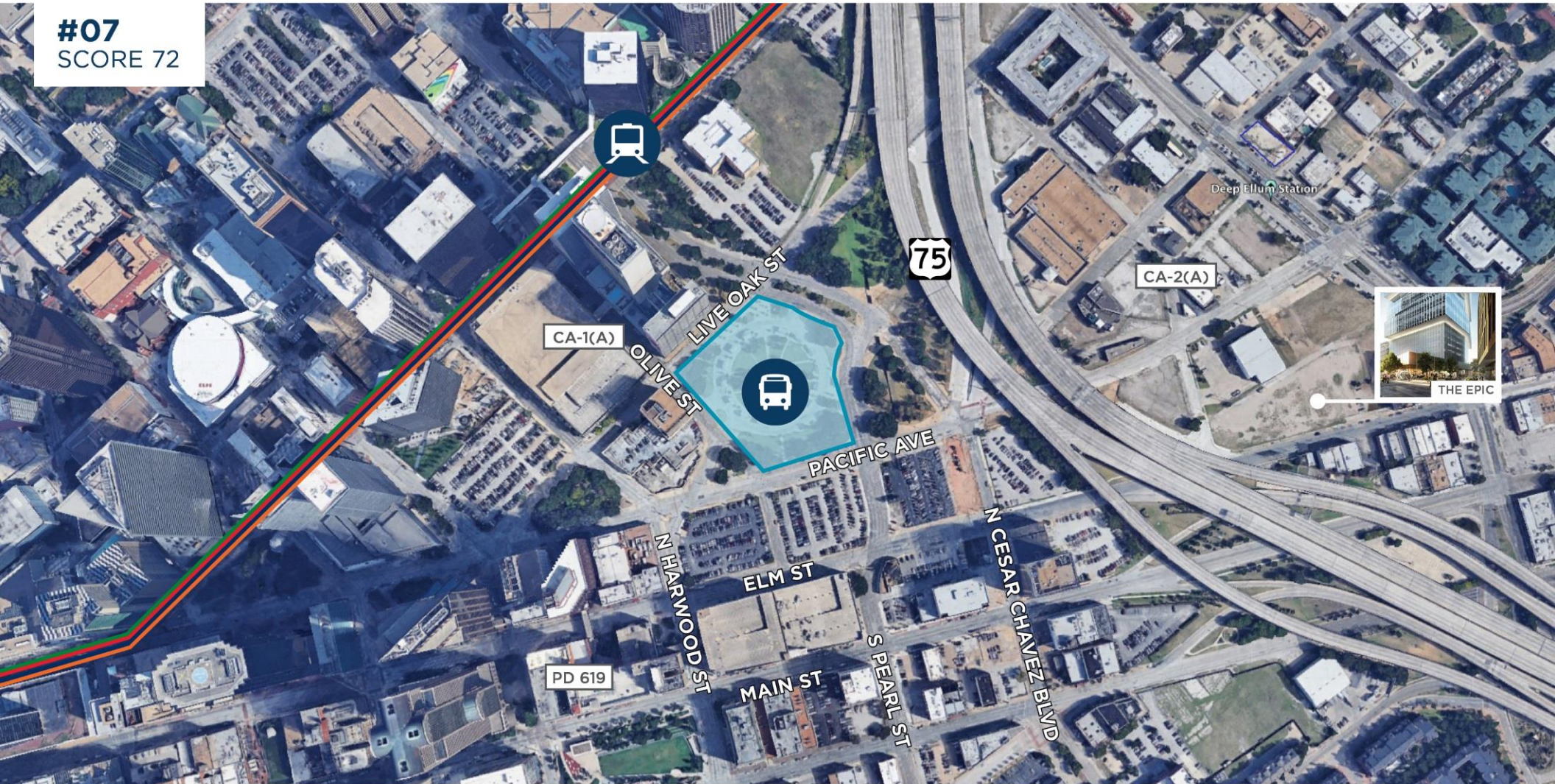
#06
 SCORE 72



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Westmoreland Station	Dallas	2646 S Westmoreland	15.21	LRT/Bus	62	None	672	41%

CBD EAST TRANSFER CENTER

#07
SCORE 72



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
CBD East Transfer Center	Dallas	330 N. Olive St	3.90	LRT/Bus	87	Downtown Connection (Dallas)	None	N/A

CEDARS STATION/POWHATTAN

#08
SCORE 72



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Cedars Station / Powhattan	Dallas	1112 Belleview St.	2.04	LRT/Bus	78	Cedars/TOD (Dallas)	None	N/A

FOREST LANE STATION

#09
SCORE 71

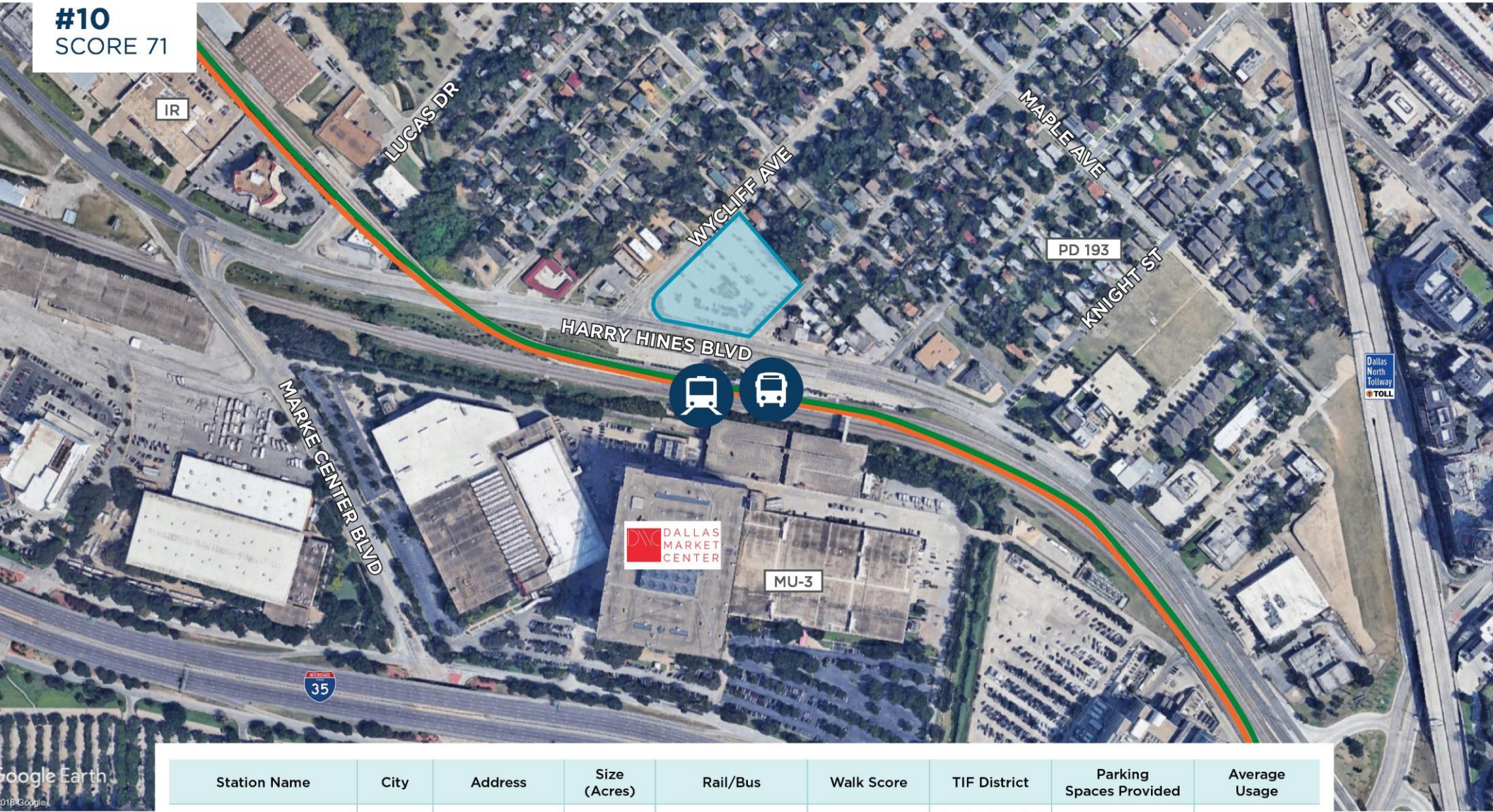


Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Forest Lane Station	Dallas	8210 Forest Lane	5.51	LRT/Bus	41	None	253	35%

OVERVIEW OF TOD PROPERTY EVALUATION
**MARKET CENTER
 STATION**



#10
 SCORE 71



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Market Center Station	Dallas	4301 Harry Hines	2.55	LRT/Bus	73	Design District (Dallas)	238	57%

PARKER ROAD STATION

#11
SCORE 71



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Parker Road Station	Plano	2600 Archerwood	25.7	LRT/Bus	56	TIF #2 (Plano)	2,020	90%

INWOOD/LOVE FIELD STATION

#12
SCORE 71



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Inwood/Love Field Station	Dallas	2720 Inwood Rd	9.04	LRT/Bus	76	Maple-Mockingbird (Dallas)	385	29%

OVERVIEW OF TOD PROPERTY EVALUATION
**NORTHWEST PLANO
 PARK & RIDE**



#13
 SCORE 70



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Northwest Plano Park & Ride	Plano	6830 Communication Pkwy	9.5	Bus	33	None	564	50%

PEARL ARTS DISTRICT STATION/ SAN JACINTO STATION

#14
SCORE 68



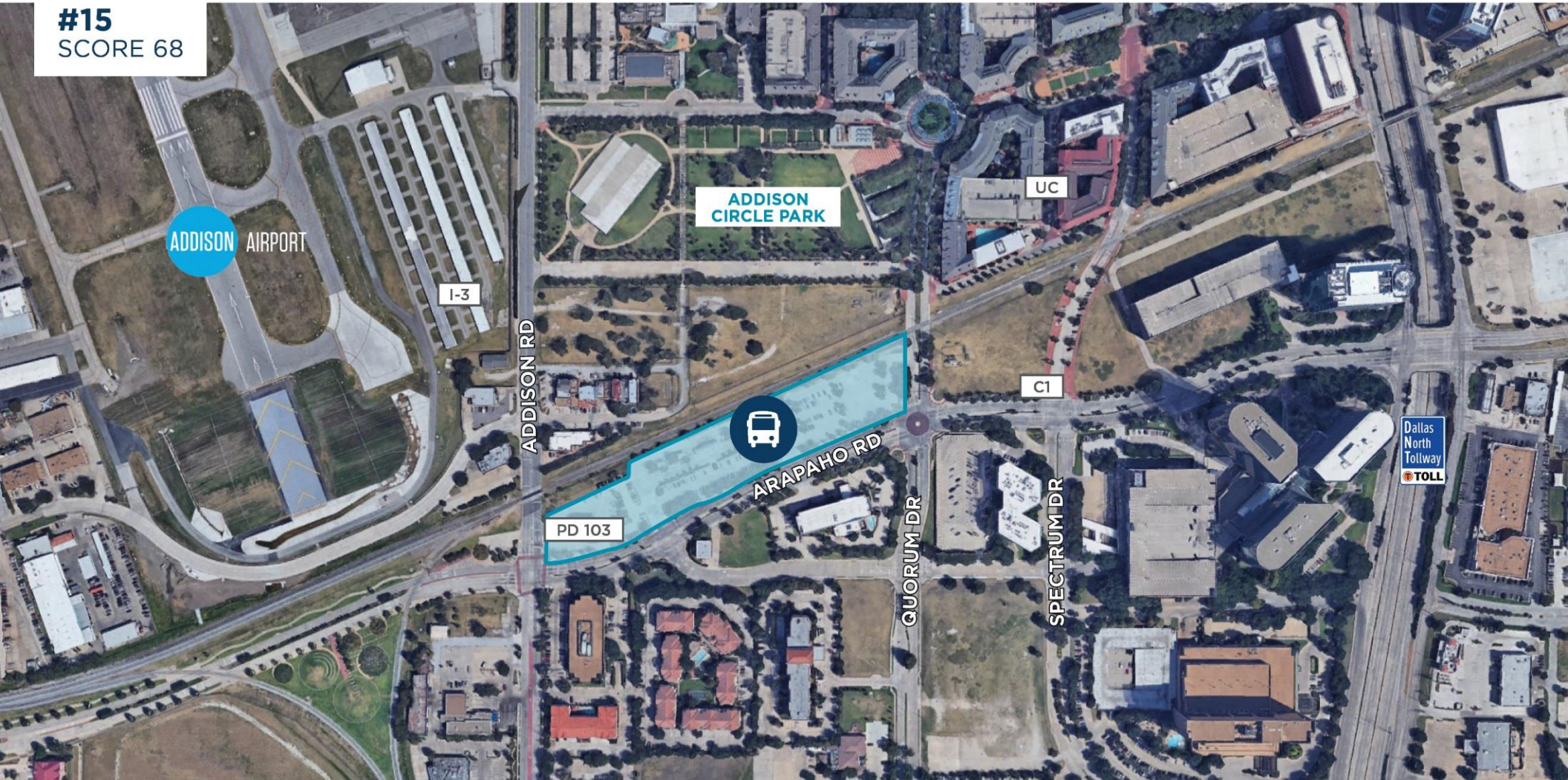
Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Pearl Arts District Station/San Jacinto Station	Dallas	2632 Ross Ave.	1.96	LRT	82	Downtown Connection (Dallas)	None	N/A

OVERVIEW OF TOD PROPERTY EVALUATION

ADDISON TRANSIT CENTER



#15
SCORE 68



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Addison Transit Center	Addison	4925 Arapaho	3.96	Bus	77	None	300	44%

MLK, JR. STATION

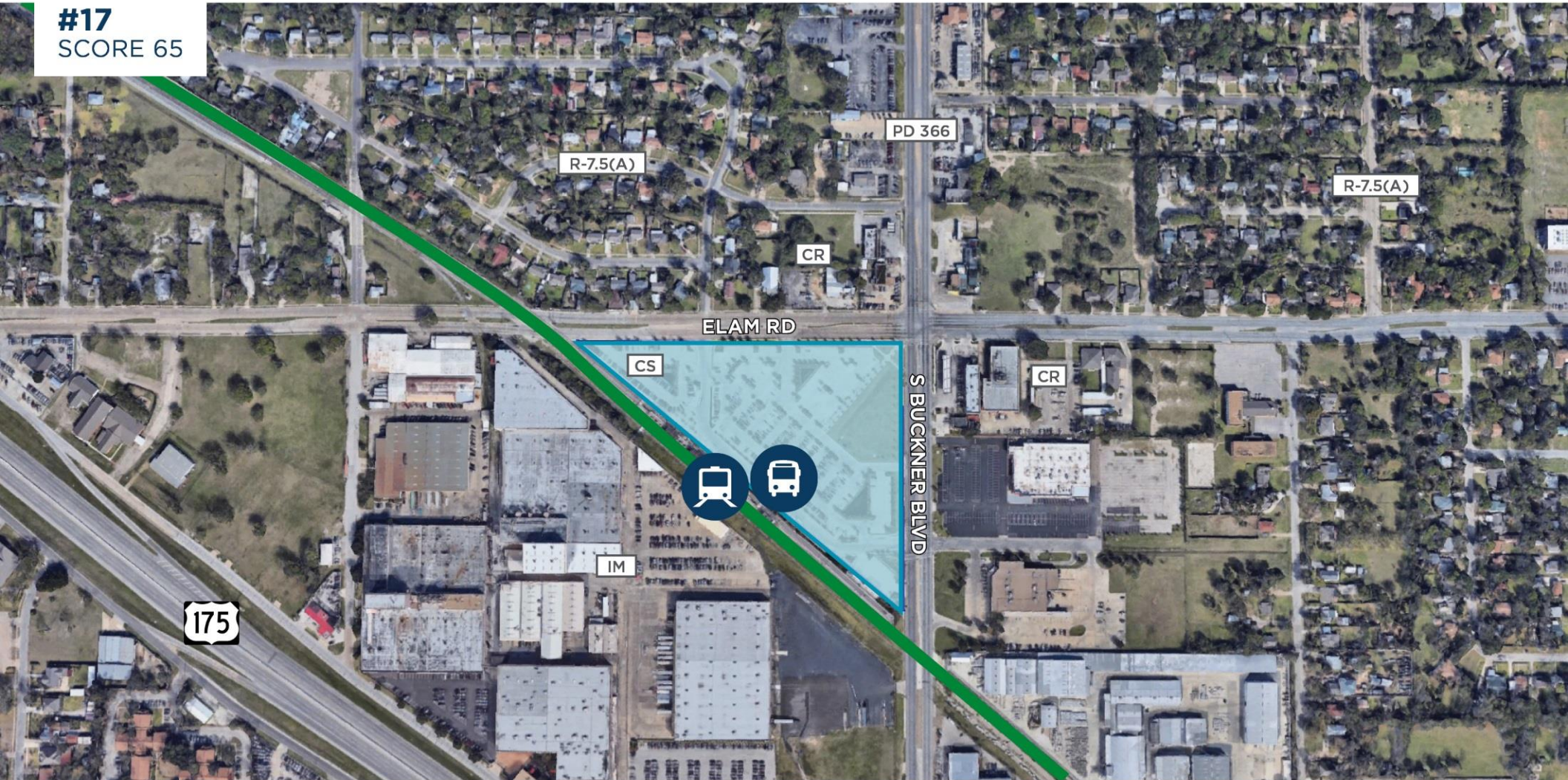
#16
SCORE 67



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
MLK, Jr. Station	Dallas	1412 S. Trunk	4.61	LRT/Bus	70	Grand Park South (Dallas)	200	18%

BUCKNER STATION

#17
SCORE 65



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Buckner Station	Dallas	8008 Elam Rd.	12.19	LRT/Bus	25	None	499	33%

DOWNTOWN ROWLETT STATION

#18
SCORE 65



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Downtown Rowlett Station	Rowlett	5000 Martin Drive	10.04	LRT/Bus	56	TIF District (Rowlett)	750	76%

NORTH IRVING TRANSIT CENTER

#19
SCORE 65



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
North Irving Transit Center	Irving	5601 Riverside Dr	11.98	Bus	21	TIRZ#1 (Irving)	721	2%

NORTH CARROLLTON/FRANKFORD STATION

#20
SCORE 63



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
North Carrollton/ Frankford Station	Carrollton	1717 W. Frankford Rd.	16.8	LRT/Bus	12	None	1,677	33%

DOWNTOWN GARLAND STATION

#21
SCORE 63



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Downtown Garland Station	Garland	430 W. Walnut St.	8.19	LRT/Bus	51	Downtown TIF District (Garland)	540	63%

OVERVIEW OF TOD PROPERTY EVALUATION
WEST TRANSFER CENTER



#22
 SCORE 63



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
West Transfer Center	Dallas	920 San Jacinto St	1.43	LRT/Bus	94	Adjacent to TOD & Downtown Connection (Dallas)	None	N/A

FOREST/JUPITER STATION

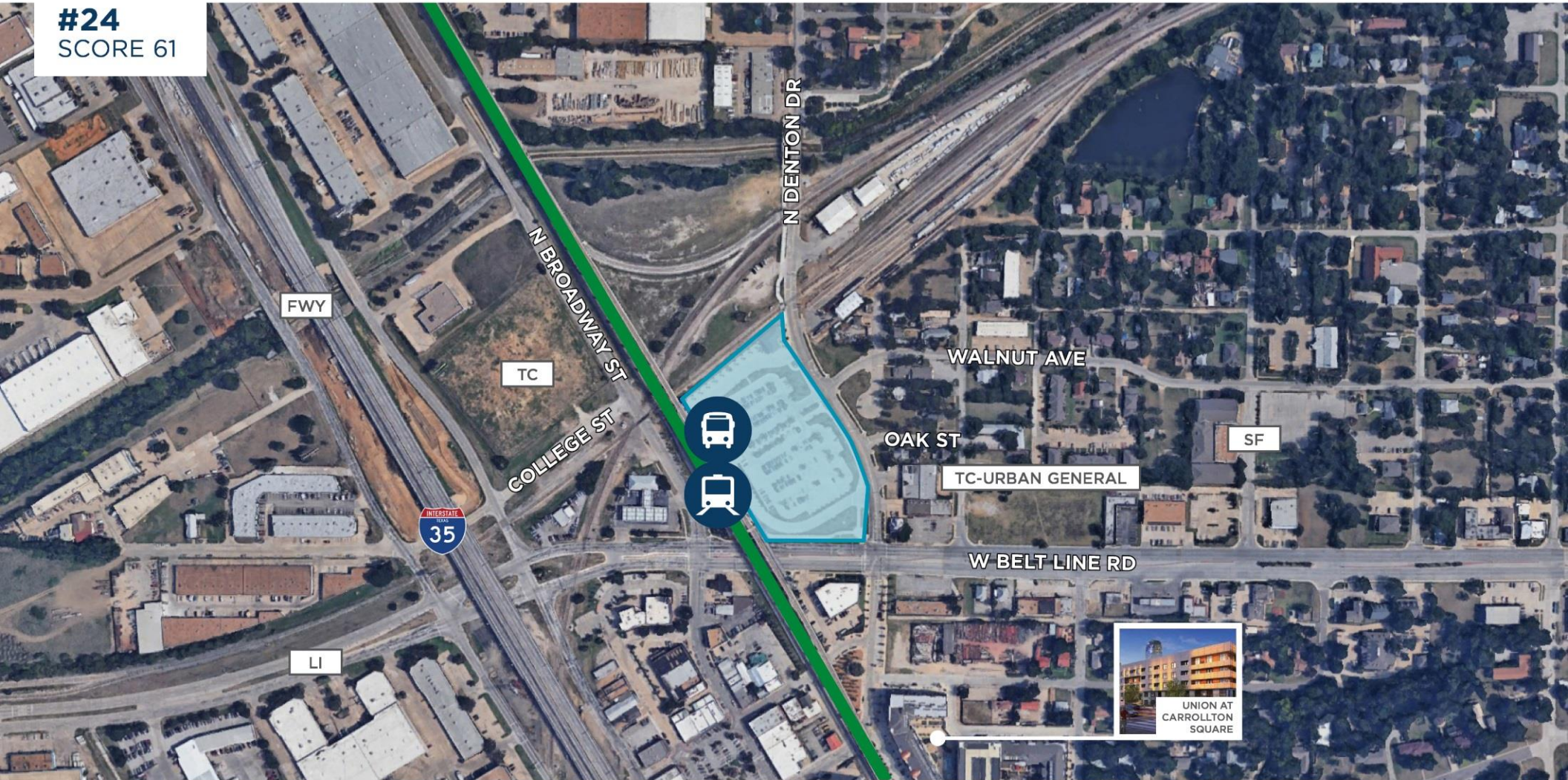
#23
SCORE 63



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Forest/Jupiter Station	Garland	3232 Forest Lane	12.61	LRT/Bus	65	Downtown TIF District (Garland)	563	18%

DOWNTOWN CARROLLTON STATION

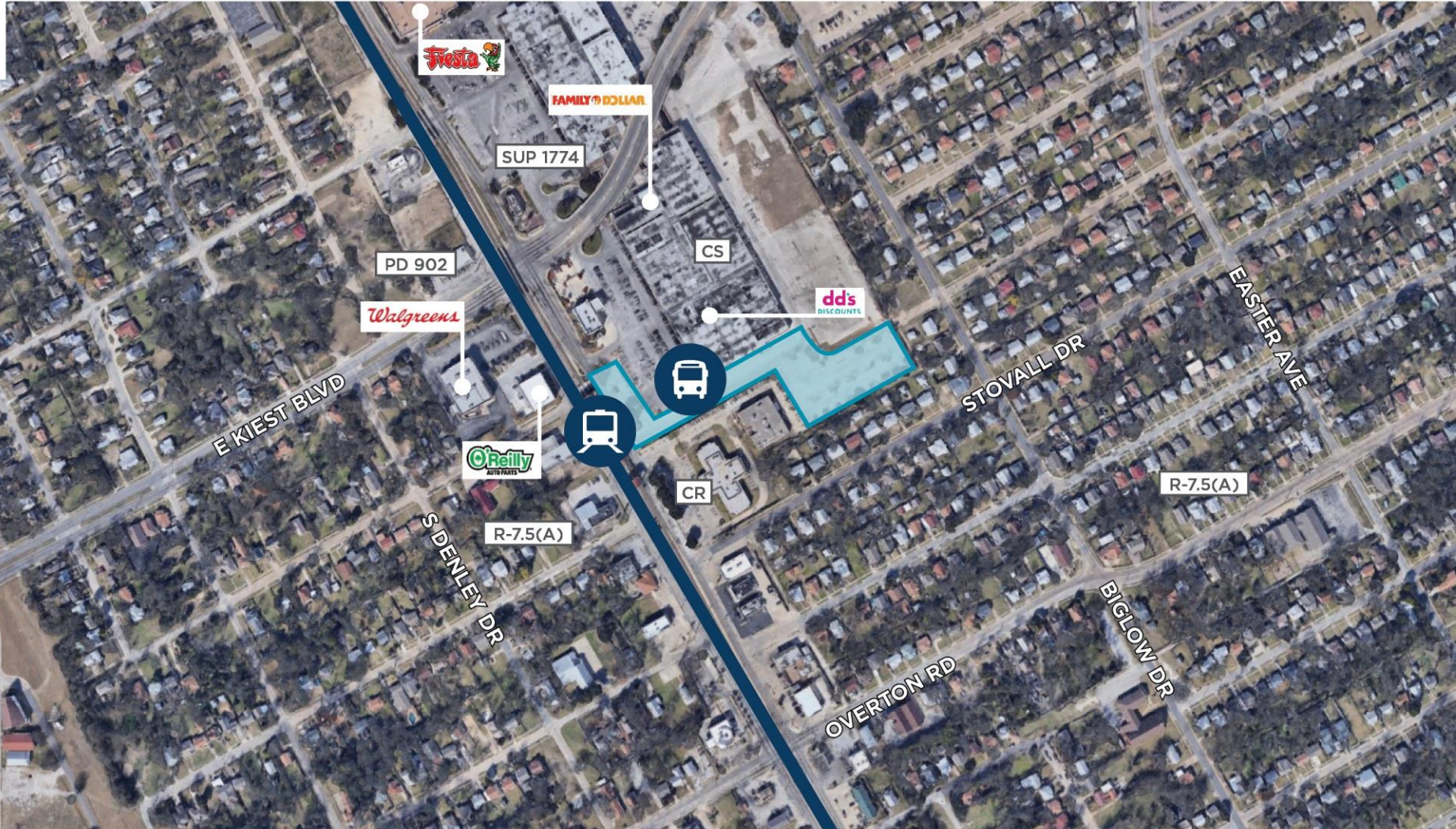
#24
SCORE 61



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Downtown Carrollton Station	Carrollton	1013 N. Denton Dr.	4.96	LRT/Bus	65	TIRZ District (Carrollton)	251	60%

KIEST STATION

#25
SCORE 61



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Kiest Station	Dallas	3300 S. Lancaster	2.89	LRT/Bus	65	TOD (Dallas)	201	5%

ROYAL LANE STATION

#26
SCORE 60

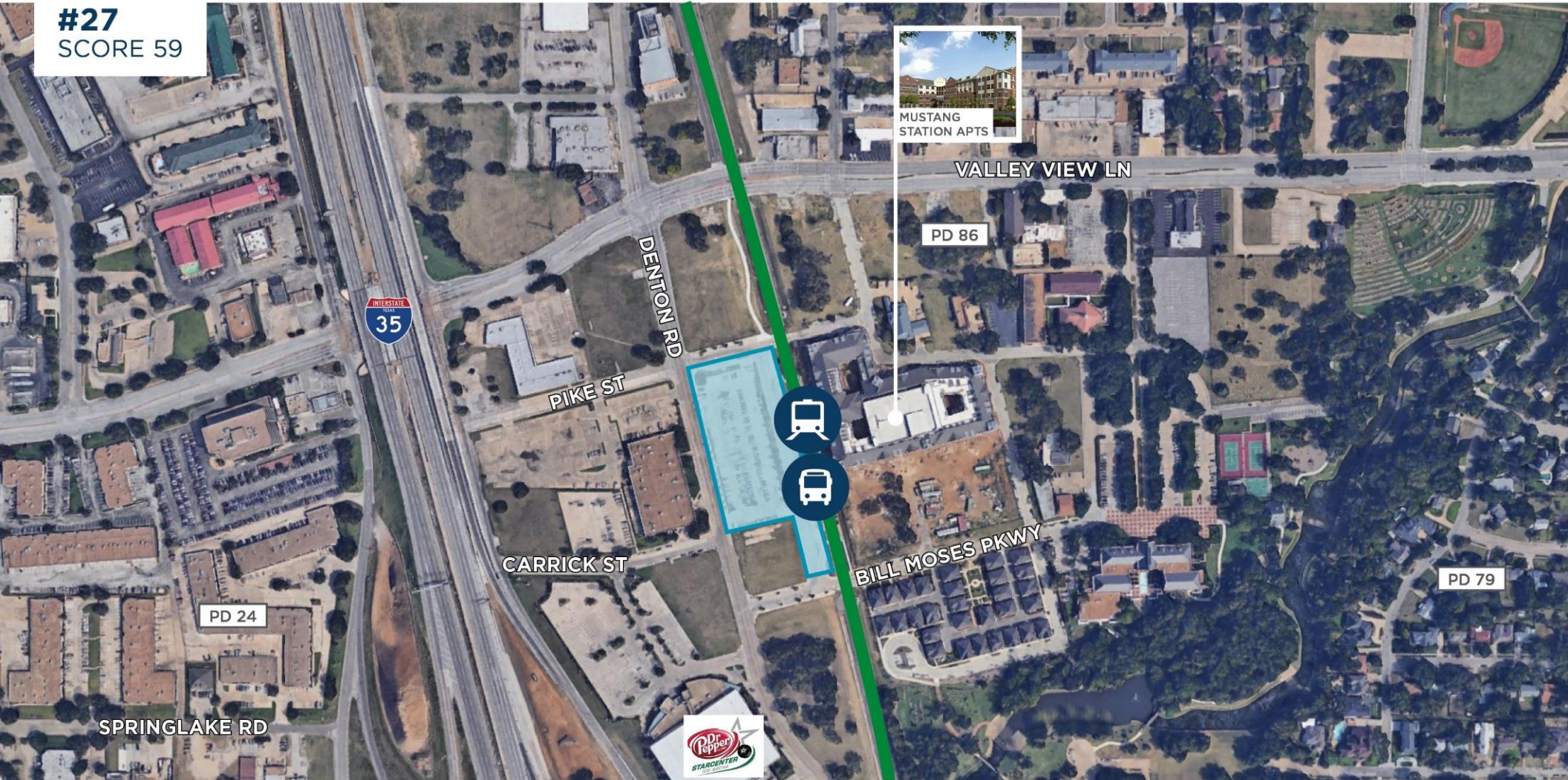


Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Royal Station	Dallas	11310 Denton	4.00	LRT/Bus	72	None	221	23%

OVERVIEW OF TOD PROPERTY EVALUATION
**FARMERS BRANCH
 STATION**



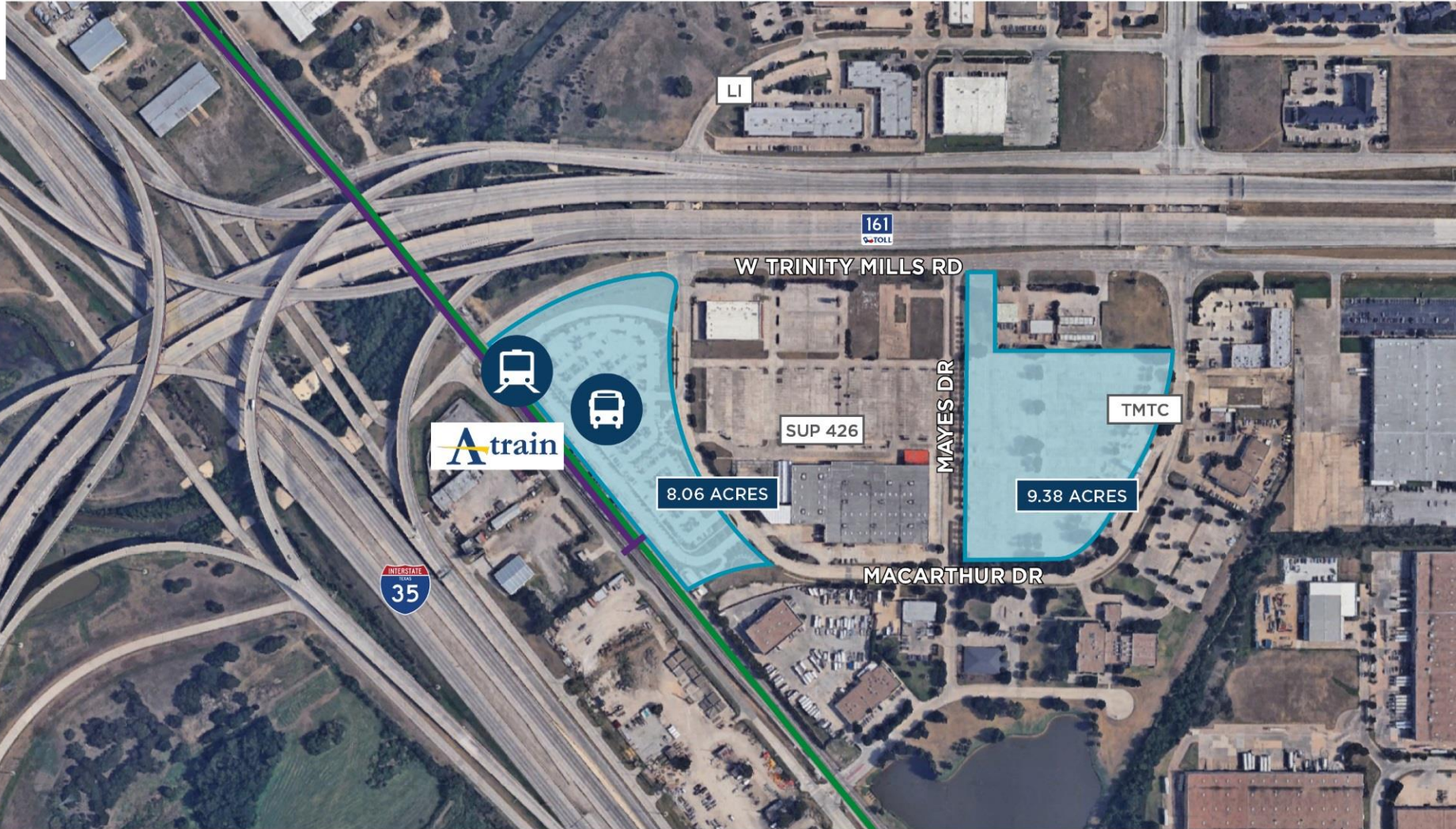
#27
 SCORE 59



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Farmers Branch Station	Farmers Branch	12800 Denton Rd	3.80	LRT/Bus	67	None	164	60%

TRINITY MILLS STATION

#28
SCORE 59



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Trinity Mills Station	Carrollton	2525 Blanton Dr.	17.45	LRT/Bus/DCTA	28	TIRZ District (Carrollton)	494	65%

Google Earth
Imagery © 2023

8TH & CORINTH STATION

#29
SCORE 57



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
8th & Corinth Station	Dallas	1740 E. 8th St	6.94	LRT/Bus	29	TOD (Dallas)	196	60%

HAMPTON STATION

#30
SCORE 57



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Hampton Station	Dallas	2002 S Hampton Rd	10.60	LRT/Bus	58	None	455	44%

LBJ/SKILLMAN STATION

#31
SCORE 57



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
LBJ/Skillman Station	Dallas	10100 LBJ Fwy	26.02	LRT/Bus	56	Skillman Corridor (Dallas)	654	15%

LEDBETTER STATION

#32
SCORE 57



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Ledbetter Station	Dallas	2006 E Ledbetter Dr	8.78	LRT/Bus	65	TOD (Dallas)	399	11%

LAKE JUNE STATION

#33
SCORE 55



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Lake June Station	Dallas	6410 Lake June Rd	22.90	LRT/Bus	36	None	434	23%

JACK HATCHELL TRANSIT CENTER

#34
SCORE 55



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Jack Hatchell Transit Center	Plano	4040 W 15th Street	9.8	Bus	31	TIF #2 (Plano)	815	9%

WALNUT HILL/DENTON STATION

#35
SCORE 55



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Walnut Hill/Denton Station	Dallas	2815 Walnut Hill	13.34	LRT/Bus	47	None	269	3%

BACHMAN STATION

#36
SCORE 55



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Bachman Station	Dallas	9739 Denton Dr.	17.66	LRT/Bus	45	None	458	27%

DEEP ELLUM STATION

#37
SCORE 54



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Deep Ellum Station	Dallas	450 N Good-Latimer	0.20	Rail	83	Deep Ellum (Dallas)	None	N/A

LAKE RAY HUBBARD TRANSIT CENTER

#38
SCORE 53



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Lake Ray Hubbard Transit Center	Garland	6151 Duck Creek	11.81	Bus	65	Adjacent to IH30 TIF (Garland)	657	41%

WHITE ROCK STATION

#39
SCORE 51



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
White Rock Station	Dallas	7333 E Northwest Hwy	9.79	LRT/Bus	18	None	496	57%

WEST IRVING STATION

#40
SCORE 51



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
West Irving Station	Irving	4200 Jackson	14.35	TRE/Bus	21	None	537	17%

DOWNTOWN IRVING/HERITAGE CROSSING STATION

#41
SCORE 49



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Downtown Irving/Heritage Crossing Station	Irving	201 Rock Island	1.14	TRE/Bus	75	TIRZ #2 (Irving)	406	26%

ILLINOIS STATION

#42
SCORE 49



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Illinois Station	Dallas	2111 S. Corinth St.	31.5	LRT/Bus	43	TOD (Dallas)	345	34%

OVERVIEW OF TOD PROPERTY EVALUATION

SOUTH GARLAND TRANSIT CENTER



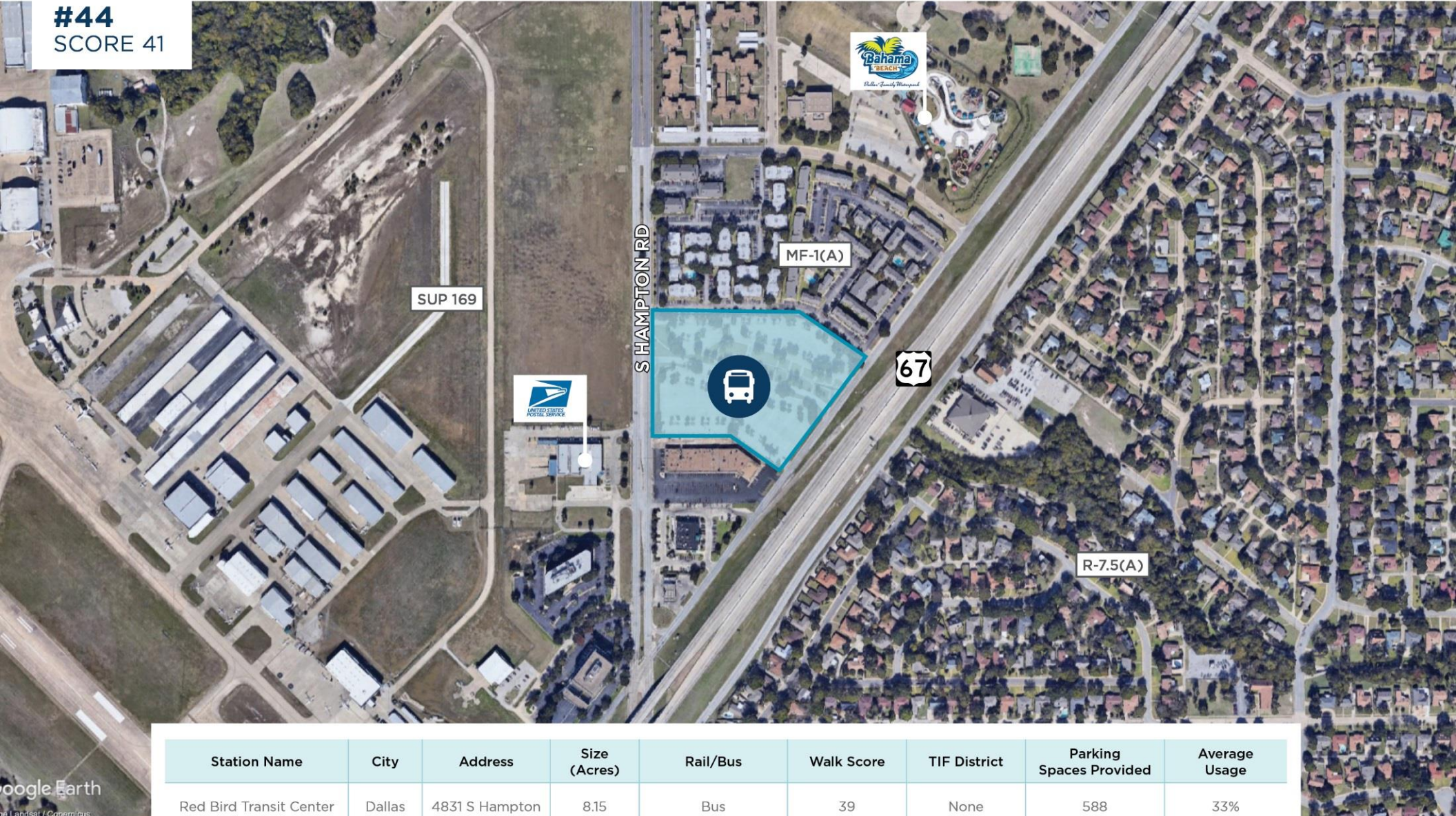
#43
SCORE 47



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
South Garland Transit Center	Garland	4051 Leon Rd	9.25	Bus	33	None	603	8%

RED BIRD TRANSIT CENTER

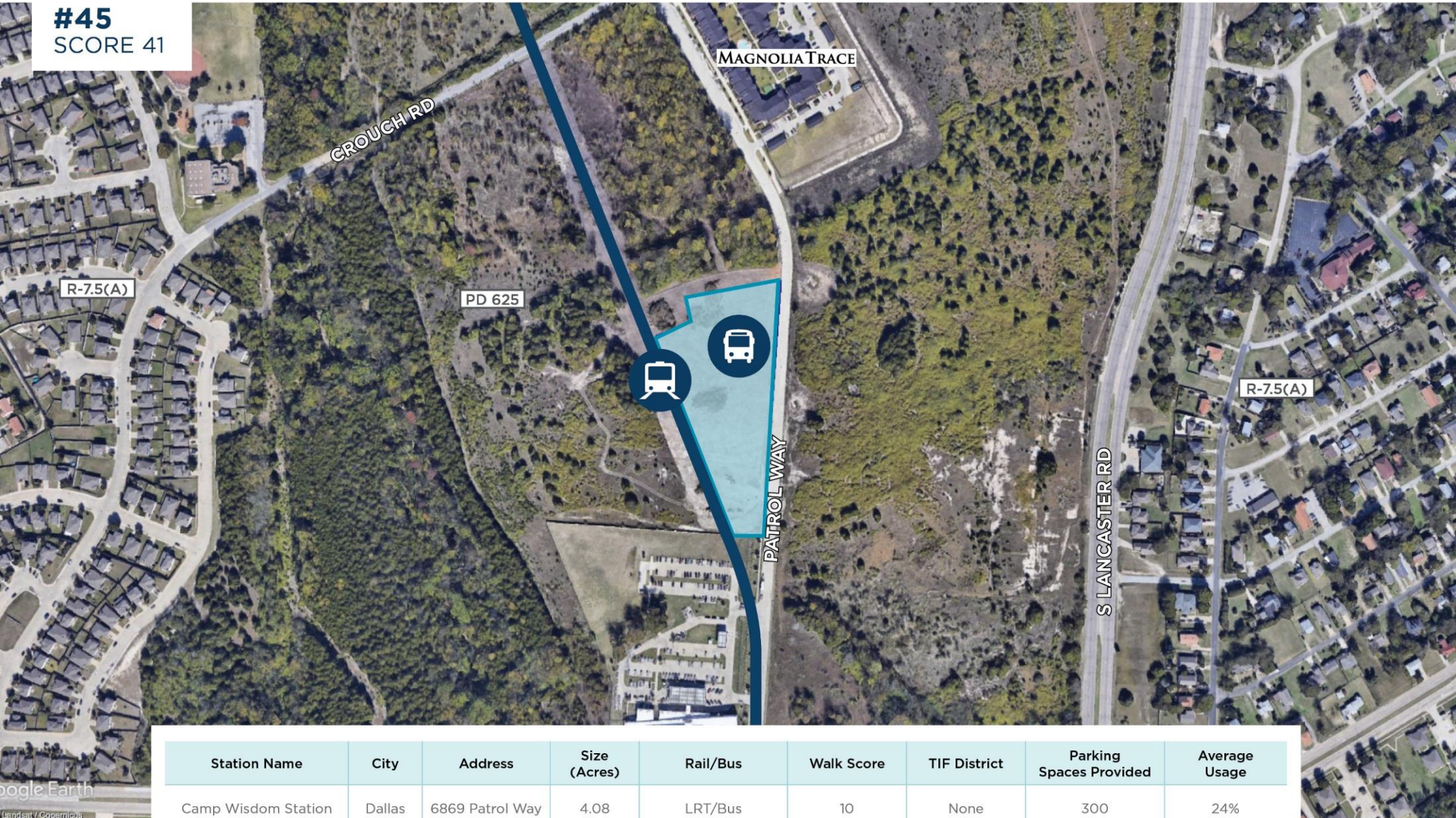
#44
SCORE 41



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Red Bird Transit Center	Dallas	4831 S Hampton	8.15	Bus	39	None	588	33%

CAMP WISDOM STATION

#45
SCORE 41



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Camp Wisdom Station	Dallas	6869 Patrol Way	4.08	LRT/Bus	10	None	300	24%

GLENN HEIGHTS PARK AND RIDE

#46
SCORE 37



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Glenn Heights Park and Ride	Glenn Heights	1200 E Bear Creek	4.99	Bus	12	None	595	53%

LAWNVIEW STATION



#47
SCORE 35



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Lawnview Station	Dallas	5900 Scyene	80.63	LRT/Bus	12	None	370	31%

Memorandum



CITY OF DALLAS

DATE April 10, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Sales Tax Receipts**

The February 2020 sales tax receipts from the State Comptroller's Office are \$23,738,211 which represents a 1.6 percent increase in total collections compared to the same reporting period last year.

- February 2019 actual \$23,361,412
- February 2020 budget \$23,804,444
- February 2020 actual \$23,738,211

Over the most recent 12 months, sales tax receipts have increased by 3.9 percent. As a result of the Coronavirus pandemic and several economic indicators, our recent sales tax trends have changed. We anticipate significant declines in our sales tax receipts for the remainder of this fiscal year and possibly next fiscal year as well. We are working with our contracted economist to analyze the current economic situation and develop new sales tax forecasts.

On Wednesday, May 6, we will provide you with an updated forecast for sales tax revenue and provide expense reductions that will be necessary to offset the revenue decline.

M. Elizabeth Reich
Chief Financial Officer

[Attachment]

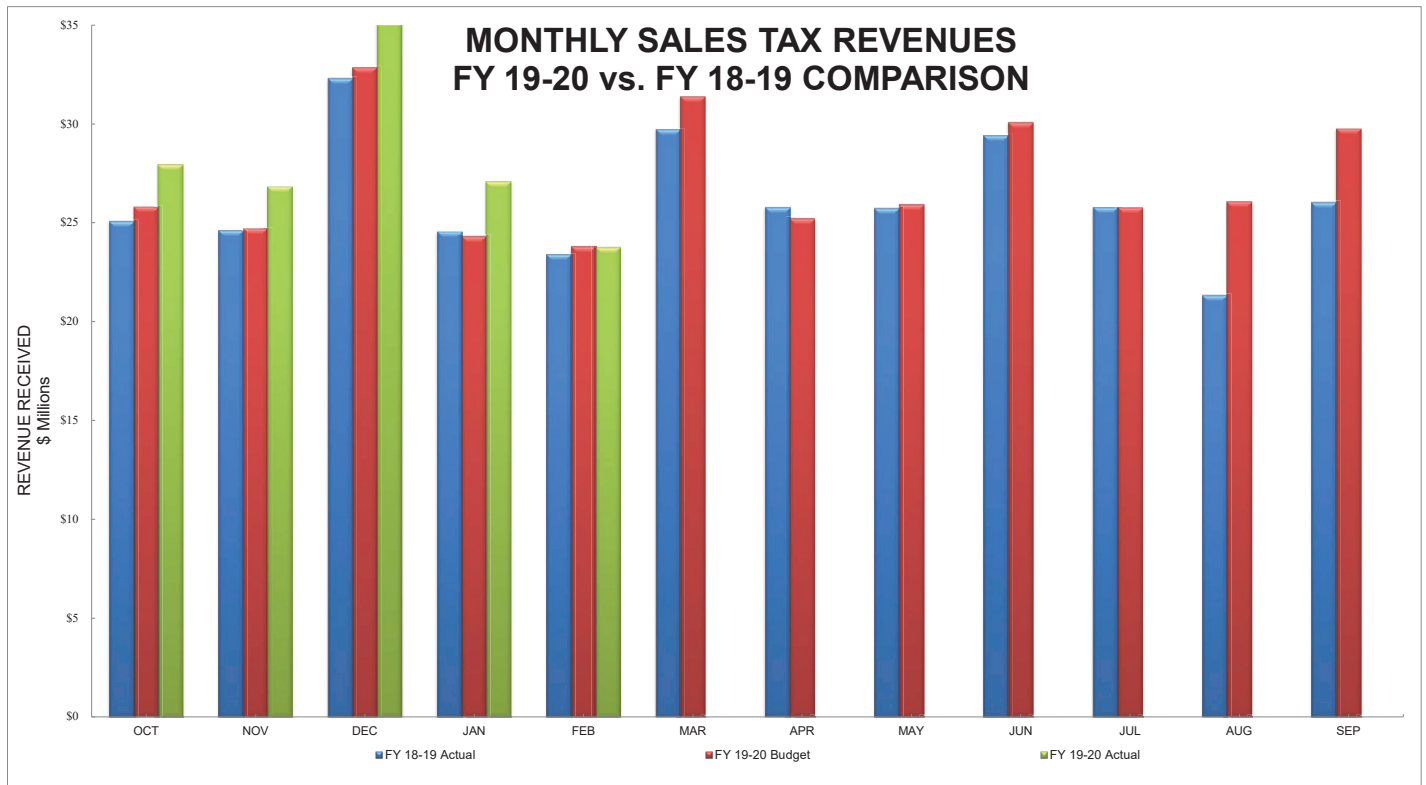
cc: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
Laila Alequresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

SALES TAX

as of February 2020

	ACTUAL FY 2018-19	BUDGET FY 2019-20	ACTUAL FY 2019-20	YTD VARIANCE FY 19-20		YTD VARIANCE FY 19-20	
				ACT. VS. FY 18-19 DOLLARS	ACT. PERCENT	ACTUAL VS. BUDGET DOLLARS	PERCENT
OCT	\$25,049,631	\$25,788,648	\$27,942,608	\$2,892,977	11.5%	\$2,153,960	8.4%
NOV	24,571,164	24,673,808	26,805,867	2,234,703	9.1%	2,132,059	8.6%
DEC	32,289,498	32,846,092	35,274,527	2,985,029	9.2%	2,428,435	7.4%
JAN	24,523,254	24,314,236	27,074,542	2,551,288	10.4%	2,760,306	11.4%
FEB	23,361,412	23,804,444	23,738,211	376,799	1.6%	(66,233)	-0.3%
MAR	29,690,536	31,361,760					
APR	25,775,135	25,221,806					
MAY	25,722,682	25,924,216					
JUN	29,391,839	30,084,024					
JUL	25,745,004	25,755,057					
AUG	21,317,027 ¹	26,054,972					
SEP	26,023,568 ²	29,737,123					
TOTAL	\$313,460,750	\$325,566,185	\$140,835,755	\$11,040,796	8.5%	\$9,408,528	7.2%



¹ FY 2018-19 revenue reduced due to a one-time repayment to the State of \$5,201,409.

² FY 2018-19 revenue reduced due to a one-time repayment to the State of \$3,793,301.

Memorandum



CITY OF DALLAS

DATE April 7, 2020

TO Honorable Mayor and Council Members

SUBJECT **S&P Global Ratings Affirmed 'AA-' Rating and Stable Outlook for City of Dallas Outstanding General Obligation and 'A' Rating and Stable Outlook on Dallas Convention Center Hotel Development Corp. Bonds – RATING ACTION**

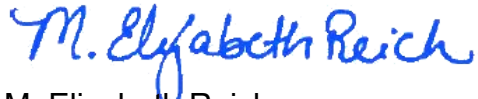
I am pleased to report that today, S&P Global Ratings (S&P) affirmed the City's 'AA-' credit rating and stable outlook for General Obligation debt and 'A' Rating and Stable Outlook on Dallas Convention Center Hotel Development Corp. Bonds. S&P also affirmed its 'A-1+' short-term rating on Dallas' GO commercial paper (CP) notes. With the advent of social distancing and shelter-in-place orders, S&P states that, "while the city's stable financial performance, very strong reserve and liquidity position, and very strong fiscal management practices provide a cushion and counteract such disruptions, a prolonged restriction on residents' movement will likely have a significant negative impact on the city's economy and finances."

According to S&P, the General Obligation rating reflects the City's strong economy, "fueled by solid population growth and job creation, development, and robust annual market value growth for a large metro area." The rating agency also views the City's management as "very strong", with "strong financial policies and practices," indicating "financial practices are strong, well embedded, and likely sustainable." The report also states that S&P views the City's liquidity and "budgetary flexibility" as "very strong," stating, "the fiscal 2018 year-end available reserve balance exceeds the city's financial policy requirement of 40 days of general fund operating expenditures, and marks a third consecutive year of growth in available reserves on a dollar basis as well as on a percentage of the city's expenditures."

In the analysis of the Dallas Convention Center Hotel Development Corp. Bonds, S&P states that the rating is based "on the strength of the city's appropriation, given Dallas' city council-adopted grant program resolution, in which council will consider making grants or loans from the city's general fund to the issuer, should the pledged revenues be insufficient to service the corporation's debt," noting that the City, "through appropriated grants if needed, supports the convention center hotel bonds (series 2009A and 2009B), Downtown Dallas Development Authority tax-increment financing (TIF) bonds (series 2006 and 2007), and civic center operational insufficiencies."

DATE April 7, 2020
SUBJECT **S&P Global Ratings Affirmed 'AA-' Rating and Stable Outlook for City of Dallas Outstanding General Obligation and 'A' Rating and Stable Outlook on Dallas Convention Center Hotel Development Corp. Bonds - RATING ACTION**

The rating decision by S&P further reinforces the City's strong position during these uncertain times. Attached is the rating action report provided by S&P today. If you have any questions or need further information, please do not hesitate to contact me.



M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Biliera 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
Nadia Chandler Hardy, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
Laila Aleqresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

RatingsDirect®

Summary:

Dallas; CP; General Obligation; Moral Obligation

Primary Credit Analyst:

Andy A Hobbs, Farmers Branch + 1 (972) 367 3345; Andy.Hobbs@spglobal.com

Secondary Contact:

Kate Boatright, Farmers Branch (1) 214-871-1420; kate.boatright@spglobal.com

Table Of Contents

Rating Action

Stable One-Year Outlook

Credit Opinion

Summary:

Dallas; CP; General Obligation; Moral Obligation

Credit Profile

US\$233.195 mil GO rfdg and imp bn ds ser 2020 due 02/15/2040		
<i>Long Term Rating</i>	AA-/Stable	New
US\$29.045 mil equip acquis contractual obligs ser 2020 due 02/15/2030		
<i>Long Term Rating</i>	AA-/Stable	New
US\$14.245 mil comb tax and rev certs of oblig ser 2020 due 02/15/2030		
<i>Long Term Rating</i>	AA-/Stable	New
Dallas GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AA-' rating to the City of Dallas' anticipated \$233 million series 2020 general obligation (GO) refunding and improvement bonds, \$14 million series 2020 combination tax and revenue certificates of obligation, and \$29 million series 2020 equipment acquisition contractual obligations. At the same time, S&P Global Ratings affirmed its 'AA-' long-term and underlying ratings on Dallas' GO bonds outstanding. The outlook is stable.

The bonds, certificates, and contractual obligations, all constitute direct obligations of the city, payable from the proceeds of a continuing, direct annual ad valorem tax, within the limits prescribed by law, on all taxable property within the city. The certificates are further secured by a limited pledge of surplus revenues of the city's municipal drainage utility system in an amount not to exceed \$1,000. We view the limited-tax GO debt pledge on par with the city's general creditworthiness. The ad valorem taxes are not levied on a narrower or distinctly different tax base, and there are no limitations on the fungibility of resources available for the payment of debt service.

Proceeds from the sales will refund existing debt for a net present value savings and fund projects throughout the city, including public works updates, and fund equipment purchases.

S&P Global Ratings also affirmed its 'A' rating on the Dallas Convention Center Hotel Development Corp., Texas' series 2009A and B hotel revenue bonds, issued on behalf of the City of Dallas. The outlook is stable.

The rating is based on the application of our criteria, titled "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness," published Nov. 20, 2019. The rating is based on the strength of the city's appropriation, given Dallas' city council-adopted grant program resolution, in which council will consider making grants or loans from the city's general fund to the issuer, should the pledged revenues be insufficient to service the corporation's debt. We had previously viewed the city's ability to make grant payments in the event of a deficiency as a moral obligation, which was an error. Yet this does not change our view of the city's support. Obligor involvement is considered weak, given the projects funded do not have a clear linkage with the city's basic functions. Although the intended payment source (the hotel taxes) is a narrow and reliable revenue stream, the source of payment ultimately supporting the issue

is the grants or loans from the city's general fund to the issuer, should the pledged revenues be insufficient to service the corporation's debt. Finally, there has been no evidence of political or community resistance to the city's support of the debt, nor are there any unusual administrative risks that could disrupt timely debt service payments. The strength of the city's ability to appropriate grants outweighs the strength of the pledged revenue base. This resolution is a revision to the public-private partnership program and guidelines that allow for a local government grant program and general fund appropriations of Chapter 380 grants to the corporation. Loans or grants are subject to annual appropriation by city council.

S&P Global Ratings also affirmed its 'A-1+' short-term rating on Dallas' GO commercial paper (CP) notes. The rating reflects our view of the city's strong general creditworthiness and liquidity. The CP notes are a GO of the city, secured by Dallas' unlimited ad valorem taxing power.

Credit overview

The long-term rating reflects the strength of the city's local economy and tax base, which is grounded in solid population growth and commercial and residential development in the past decade. The advent of social distancing and subsequent Dallas County order for all individuals currently living within the county to shelter at their place of residence will have a negative impact on the local economy and the city's revenues, in particular sales tax revenues. While the city's stable financial performance, very strong reserve and liquidity position, and very strong fiscal management practices provide a cushion and counteract such disruptions, a prolonged restriction on residents' movement will likely have a significant negative impact on the city's economy and finances. S&P Global Ratings recognizes that with almost 200 million Americans either under shelter-in-place orders or being urged to stay at home in a concerted effort to contain the spread of the new coronavirus, the longest economic expansion in U.S. history has come to an abrupt end. The toll on GDP will be far more severe than we once thought--with the contraction showing up in the first-quarter figure and worsening substantially in the April-June period. (see "It's Game Over For The Record U.S. Run; The Timing Of A Restart Remains Uncertain," published on March 27, 2020, on RatingsDirect). Future credit reviews will focus on what influence the current challenging environment presents to the city, as well as Dallas' ability to respond in a timely and appropriate fashion to ensure maintenance of stable key credit metrics.

The rating reflects our assessment of the city's:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with strong financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Weak budgetary performance, with an operating surplus in the general fund but an operating deficit at the total governmental fund level in fiscal 2018;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2018 of 19% of operating expenditures;
- Very strong liquidity, with total government available cash at 52.7% of total governmental fund expenditures and 3.3x governmental debt service, and access to external liquidity we consider exceptional;
- Very weak debt and contingent liability profile, with debt service carrying charges at 15.9% of expenditures and net direct debt that is 178.9% of total governmental fund revenue, as well as a large pension and other postemployment benefit (OPEB) obligation; and

- Strong institutional framework score.

Stable One-Year Outlook

Downside scenario

We could lower the rating if the city fails to implement credible changes meant to curb growth in its large and rising pension obligation or if pension funding deteriorates materially tied to inadequate contributions or poor investment returns. We could also lower the rating if budgetary results were to weaken, as a result of the spread of COVID-19 or increased fixed costs, reducing available reserves to levels no longer comparable with those of similarly rated peers.

Upside scenario

All else being equal, we could raise the rating if Dallas were to implement credible changes to address its exposure to large pension obligations, reflected in a demonstrated trend of strong funding discipline and improved plan soundness coupled with continued economic growth and diversification that result in improved underlying economic metrics that are comparable with those of higher-rated peers.

Credit Opinion

Strong economy

We consider Dallas' economy strong. The city, with an estimated population of 1.3 million, is located in Collin, Dallas, and Denton counties in the Dallas-Fort Worth-Arlington, TX MSA, which we consider broad and diverse. The city has a projected per capita effective buying income of 98.3% of the national level and per capita market value of \$104,597. Overall, the city's market value grew by 6.4% over the past year to \$138.5 billion in 2020. The weighted-average unemployment rate of the counties was 3.7% in 2018.

Strength in the local economy is fueled by solid population growth and job creation, development, and robust annual market value growth for a large metro area. Although the fundamentals of the local economy remain strong, near-term challenges associated with the recent onset of COVID-19 and social distancing strategies used to thwart the spread of the virus will likely take their toll on what has been a positive trend. Given the greater metro area's population, development, and market value have been steadily growing, the depth and breadth of the risk to the city could be greatly influenced by the length of time the situation persists.

Dallas is the hub of business in North Texas. The region is home to 42 Fortune 1000 companies; 16 of which are located in Dallas, including two Fortune 500 companies. The city is centrally located in the U.S. and acts as a draw for tourism and conventions alike. It benefits from two major airports (Dallas-Fort Worth International Airport and Dallas Love Field) in the area that are home to two large carriers in American Airlines and Southwest Airlines. Sustained annual increases in market value, population growth, and in-migration, and positive employment metrics continue to bolster Dallas' local economy and further ground the city as a major economic hub in the country. Dallas and the greater metro area remain a desirable location for new business as well as recent relocations of corporate headquarters to the area. The strong economic expansion is represented in robust annual market value growth since 2011.

Downtown revitalization draws residents to the urban core and new development thrives throughout the city. The downtown residential population is nearly 14,100. New construction permit activity in calendar year 2019 totaled more than \$2.5 billion. Uber Technologies announced it is developing a major hub in the Deep Ellum neighborhood north of downtown that will be provide at least 2,500 jobs. Kroger is partnering with Ocado Solutions to construct a 350,000-square-foot robotic grocery fulfillment center. Chime Solutions opened a 51,000-square-foot office center at the recently re-developed Red Bird Mall and plans to create over 1,000 full-time jobs. Despite near-term challenges to the tourism and hospitality sectors, the local economy is positioned well. However, the local economy will be negatively affected by the current events and it will likely be substantial if the situation is prolonged.

Very strong management

We view the city's management as very strong, with strong financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable.

Dallas uses multiyear trends of certified property tax values, historical sales tax revenue trends, and other revenue stream data, as well as outside sources to formulate the budget. It uses a third party for sales tax projections and other economic forecasts to further inform budget preparation and planning. Management provides monthly reports to city council and produce a year-end report that reflects expenditures concurrently with publishing a comprehensive annual financial report. City council can amend the budget at any time. City staff prepares and presents a long-range financial forecast for both the general and debt service funds, which are presented to council during the budget development process or during bond program development. Council does not formally adopt these forecasts, but uses them as a financial planning tool in policy deliberations. The city maintains an inventory of capital needs that is updated annually. A formal facility condition assessment is conducted and presented to council. The assessment is being used to better plan for long-term maintenance and replacement needs. Dallas has historically used a multiyear capital bond program to fund infrastructure improvements. Management also reports investment results quarterly to council, and it reviews the investment policy annually. The city's financial management performance criteria (FMPC) establish guidelines and targets for operating programs and cash-and-debt management, including minimum reserves, debt ratios, and restrictions on debt use and issuance. The FMPC is part of the budget development process, at year-end, and is part of GO bond program development. The city maintains a reserve policy of 40 days of expenditures and it currently adheres to this. It has also developed Dallas 365, which comprises 35 performance measures organized by six key strategic priorities that it tracks and reports on to better inform decision-making throughout the year.

Weak budgetary performance

Dallas' budgetary performance is weak in our opinion. The city had surplus operating results in the general fund of 1.7% of expenditures, but a deficit result across all governmental funds of 1.9% in fiscal 2018. General fund operating results have been stable over the past three years, with a result of 3.3% in 2017 and 0.4% in 2016. Weakening our view of Dallas' budgetary performance is the city's deferral of significant expenditures, which we think inflates the budgetary result ratios.

Continued stable financial performance is the result of close monitoring of expenditures, positive budget variances, and generally increasing revenue streams. Dallas also benefits from a practice of producing a balanced budget for a two-year cycle and has historically benefitted from positive budget variances. Audited results of general fund revenues were primarily derived from property taxes (49% of total general fund revenues) and sales taxes (25%). Both revenue

streams experienced solid growth in 2018, which aided stable performance. Before transfers, general fund revenues outpaced expenditures by \$9.8 million. Also taken into consideration in the city's overall performance was the full cost of the city's actuarially determined contribution (ADC) for pension costs.

For fiscal 2019, the city anticipates solid results and an increase to year-end fund balance. Stable growth in property tax collections, charges for services, and in particular sales tax collection fueled positive performance. The adopted budget for 2020 is balanced and year-to-date trends remain strong. The 2020 budget invested heavily in public safety, including increasing annual contributions to the city's police and fire pension systems. Key revenue drivers for the year were positive property tax and sales tax assumptions, which before March remained strong. Sales tax revenues for 2020 were trending up 4.5%, although due to timing of collections and remittance to the city from the state, a significant downshift in sales tax collections would not be experienced until several months following the transactions. Given the current "Stay Home Stay Safe" order effective March 23, which is anticipated to be in place through April, we expect the restriction on residents' movement to directly affect sales tax collections of the city. While we do not expect a significant shift in the city's financial performance, a great deal of uncertainty remains regarding the breadth and depth of the risks that could arise if restrictions remain for a prolonged period.

Very strong budgetary flexibility

Dallas' budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2018 of 19% of operating expenditures, or \$233.5 million.

The fiscal 2018 year-end available reserve balance exceeds the city's financial policy requirement of 40 days of general fund operating expenditures, and marks a third consecutive year of growth in available reserves on a dollar basis as well as on a percentage of the city's expenditures. The available reserve position continues to increase, which creates greater financial flexibility and is a credit strength. Based on expectations for fiscal 2019 performance, the city anticipates general fund balance to increase based on year-end projections.

Very strong liquidity

In our opinion, Dallas' liquidity is very strong, with total government available cash at 52.7% of total governmental fund expenditures and 3.3x governmental debt service in 2018. In our view, the city has exceptional access to external liquidity if necessary.

The city's liquid and non-restricted investments are available in less than a year and are in highly rated investment pools such as Logic and TexPool, and TexSTAR. The city, through appropriated grants if needed, supports the convention center hotel bonds (series 2009A and 2009B, Downtown Dallas Development Authority tax-increment financing (TIF) bonds (series 2006 and 2007), and civic center operational insufficiencies.

The intended payment source for the convention center hotel bonds is the hotel project's net operating income, 6% state hotel occupancy tax (HOT) revenue collected on the qualified hotel project (limited to the initial 10 years of operation), 6.25% state sales and use tax collected on the qualified hotel project (limited to the initial 10 years of operation), and the 7% local HOT revenues collected at the hotel project and dedicated to debt service. In previous publications, we did not explicitly note that the intended payment source is from the 7% tax collected only on the hotel project. The state hotel occupancy and sales-use tax pledge is limited to 10 years subsequent to the initial opening of the hotel, but the local HOT is pledged as a security for the life of the bonds. We acknowledge the challenging

environment associated with the onset of COVID-19, and expect pledged revenues for Dallas Convention Center Hotel Development Corp. debt will be negatively affected by efforts associated with combating the spread of the virus. Despite the near-term challenges, the fiscal 2018 debt service costs of these obligations amount to about 2% of Dallas' operating revenues. Supporting our view is the city's exceptional access to external liquidity based on frequent bond issuances, secured by various revenue streams, over the past 15 years.

Very weak debt and contingent liability profile

In our view, Dallas' debt and contingent liability profile is very weak. Total governmental fund debt service is 15.9% of total governmental fund expenditures, and net direct debt is 178.9% of total governmental fund revenue.

Dallas' fixed costs, including debt and pension costs, amounted to over 30% of expenditures, which affects our overall view of the debt and liability profile. We expect the city will continue to issue bonds for general infrastructure improvements should assessed value growth support such issuances. Incorporated into the debt profile are the city's contingent liabilities to make up any shortfalls in debt service coverage for both the Dallas Convention Center Hotel revenue bonds and the Downtown Dallas Development Authority tax increment revenue bonds. The city also maintains a commercial paper program through JP Morgan Chase Bank N.A. The notes have a total program authorization of \$350 million. Liquidity support is provided by JPMorgan Chase Bank through a revolving credit agreement, which extends to Nov. 27, 2020.

Pension and other postemployment benefit highlights

In our opinion, a credit weakness is Dallas' large pension and other postemployment benefits (OPEB) obligation. Dallas' combined total pension and OPEB contributions for fiscal 2018 were 14.4% of governmental expenditures.

Despite significant structural changes to the pension plans, we anticipate the city's pension obligations will remain a source of pressure for Dallas, as funding has yet to meet minimum funding progress or 100% of our static funding calculation.

Dallas provides pension benefits to its employees via three separate retirement plans:

- Employees Retirement System, 83% funded for fiscal 2018 and the city contributed \$60.5 million, or 65.8%, of its ADC;
- Dallas Police and Fire Pension System, 47% funded for fiscal 2018, which we consider weak, and the city contributed \$151.8 million, or 96% of the statutorily required contribution amount; and
- Supplemental Police and Fire Pension Plan of the City of Dallas, 53% funded and the city contributed 100% of its ADC in 2018, this was \$2.2 million, which we consider relatively low.

The relatively recent changes to the city's pension plans have stabilized it for the medium term, but we expect it will be several years until funding progress improves to a position we deem adequate. Uncertainty exists in the near term around plan investment return assumptions and the ability for market returns to match assumptions.

Aside from its pension benefits, Dallas provides certain OPEB for retired employees. As of Sept. 30, 2018, the plan was not funded. It discontinued offering subsidized retiree health care for employees hired after Jan. 1, 2010. At Sept. 30, 2018 the city's OPEB liability was \$511.1 million, down from \$518.8 million the previous year. OPEB costs equaled

0.8% of the city's expenditures. Given the closed nature of the plan, we expect the city's OPEB liability will slowly decline on an annual basis.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

Ratings Detail (As Of April 7, 2020)		
Dallas taxable GO (AGM) (SEC MKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Dallas CP GO		
<i>Short Term Rating</i>	A-1+	Affirmed
Dallas CP GO 2010A		
<i>Short Term Rating</i>	A-1+	Affirmed
Dallas CP GO 2010C		
<i>Short Term Rating</i>	A-1+	Affirmed
Dallas GO (AGM)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Dallas GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Dallas GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Dallas GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Dallas GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Dallas GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Dallas GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Dallas GO (BAM) (SEC MKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Dallas Convention Center Hotel Development Corp, Texas		
Dallas, Texas		
Dallas Convtn Ctr Hotel Dev Corp (Dallas)		
<i>Long Term Rating</i>	A/Stable	Affirmed
Dallas Convtn Ctr Hotel Dev Corp (Dallas)		
<i>Long Term Rating</i>	A/Stable	Affirmed
Downtown Dallas Dev Auth, Texas		
Dallas, Texas		
Downtown Dallas Dev Auth (Dallas) (MBIA) (National)		

Ratings Detail (As Of April 7, 2020) (cont.)

<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Many issues are enhanced by bond insurance.		

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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