

## Memorandum



CITY OF DALLAS

DATE January 13, 2012

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Ann Margolin (Vice-Chair), Jerry R. Allen,  
Monica Alonzo, Sheffie Kadane

SUBJECT **Agreements with the North Central Texas Council of Governments, the State of Texas, and Lower Oak Lawn Investment, LP for the Edison/Hi Line Sustainable Development Infrastructure Project, January 25, 2012 Council Agenda**

### Background

In 2009, the North Central Texas Council of Governments (NCTCOG) Regional Transportation Council (RTC) allocated \$41 million for their third Sustainable Development Program call for projects. Funding for this RTC's Sustainable Development Program was provided by the State of Texas from surplus revenue from a SH 121 toll project pursuant to Chapter 228 of the Texas Transportation Code.

The Sustainable Development Program is intended to promote development types that reduce the overall demand for transportation infrastructure and improve air quality. The call for projects was issued on March 24, 2009 and allowed for two types of project submissions: transportation infrastructure improvements and planning programs. The Edison/ Hi Line project was one of nine infrastructure projects selected and approved by the RTC on June 3, 2010 for \$1,151,063 in Sustainable Development Program funds.

On August 25, 2010, City Council approved Resolution No. 10-2152 supporting projects selected within the City of Dallas by the RTC, including the Edison/Hi Line project, and authorizing the City Manager to negotiate agreements with NCTCOG and private sector partners, where applicable.

The Edison/Hi Line project includes enhancements and upgrades to bicycle and pedestrian connections between the Dallas Design District and the Victory District. In 2006, NCTCOG funded pedestrian and bike improvements along Hi Line Drive between the Old Trinity Meander (west of Oak Lawn Avenue) and Edison Street. This project will build on that prior investment. The proposed improvements will help transportation linkages by increasing access and safety to rail transit (DART Victory Station) and City of Dallas trails (Katy Trail and Trinity Strand Trail), improve air quality, promote sustainable development, and include:

- Widening sidewalks along Edison Street between IH 35E (Stemmons Freeway) and Hi Line Drive.



- Adding a new sidewalk along the southbound frontage road of IH 35E (Stemmons Freeway) from Edison Street to north of Hi Line Drive. This sidewalk is proposed to be primarily within TxDOT right-of-way. The City's goal would be to maximize the width of the sidewalk as much as possible, ideally having at least 7 feet of clear walking area.
- Evaluation of shared-use lane markings along Hi Line Drive (City of Dallas Bike Route 210).
- Adding shade trees, landscaping, and pedestrian lighting along Hi Line Drive under IH 35E (Stemmons Freeway) from the southbound frontage road to Houston Street.
- Adding a new crosswalk, ADA ramps, enhanced way-finding, and pedestrian warning for crossing Houston Street to the Katy Trail.

The related private vertical mixed-use development associated with the project is under construction at 1400 Hi Line and will include 314 residential units and 29,000 sq ft ground floor retail anticipated for completion in late 2012.

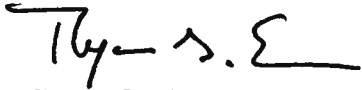
The total Edison/Hi Line infrastructure project cost is \$1,438,829; the Sustainable Development Program will reimburse 80% of the total project costs (\$1,151,063) and requires a local match of 20% of the total project costs (\$287,766). The 20% local match for the Edison/Hi Line project will be provided by Lower Oak Lawn Investment, LP (LOL) through the eligible expenditures for design and/or construction of the public improvements.

Additionally, because the Sustainable Development Program funds are provided to the City on a reimbursement only basis, LOL will also provide upfront funding for remaining 80% of the project, to be reimbursed to LOL upon the completion of certain project milestones detailed in a development agreement with LOL and contingent upon the City's receipt of funds from NCTCOG/State of Texas.

This action will authorize two agreements, one between the City, NCTCOG, and the State of Texas and another between the City and LOL. NCTCOG gave pre-award authorization for design up to the local match amount and LOL began the design phase in summer 2011. The two agreements must be executed in order to receive a full notice to proceed from NCTCOG and allow construction to begin on the project.



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

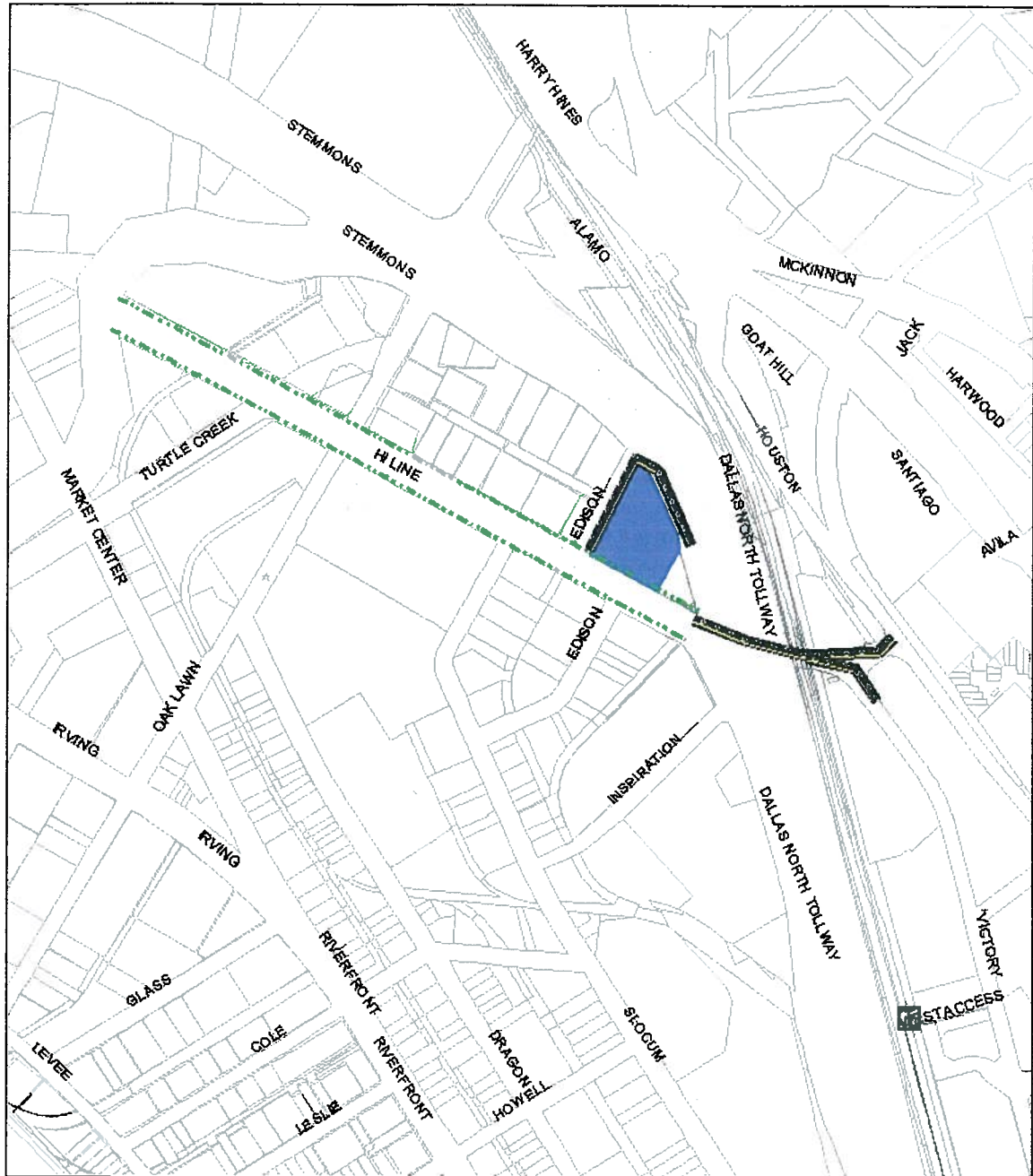


Ryan S. Evans  
Assistant City Manager





Attachment

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa Rios, Acting City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Joey Zapata, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Stephanie Pegues-Cooper, Assistant to the City Manager





### Edison Hi Line Sustainable Development Project Location

-  Edison/Hi Line proposed improv. (current project)
-  Hi Line improv. (2006 COG grant)
-  1400 Hi Line development
-  Victory DART Station



Office of Economic  
 Development  
 December 2011



# Memorandum



DATE January 13, 2012

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Ann Margolin (Vice Chair), Jerry R. Allen, Sheffie Kadane,  
Monica Alonzo

SUBJECT **TRT Holdings, Inc. and/or its subsidiary TRT Old Parkland LLC; Council Agenda  
Item January 25, 2012**

## **Background**

TRT Holdings, Inc. seeks City Council approval of a 90 percent real property tax abatement for 10 years and an economic development grant in an amount not to exceed \$200,000 in consideration of the relocation of its global headquarters from Irving, Texas to Dallas and the construction of a 170,000 square foot Class A office building at 4001 Maple Avenue.

TRT Holdings, Inc. will make a private investment exceeding \$40,000,000 for its new corporate headquarters facility. Planned business personal property expenditures are approximately \$6,000,000. TRT Holdings, Inc. plans to relocate up to 269 jobs and create an additional 15 jobs with this project. The company will be required to maintain at least 200 jobs annually on the site and make a minimum investment of \$32,000,000 on land and building improvements to be eligible for a tax abatement over the term of the agreement. The \$200,000 economic development grant will offset a portion of projects costs including development fees and relocation costs. Forgone revenue from the 10-year tax abatement is estimated to be \$2,295,360.

TRT Holdings, Inc., owns, franchises, and operates hotels in North America and Mexico. The company owns the luxury hotel brand Omni Hotels & Resorts and Gold's Gym International, a global franchiser of fitness centers. In addition, the company is involved in oil and gas exploration through Tana Exploration Company. TRT Holdings, Inc. was founded in 1989.

The proposed development will result in a 10 year net fiscal impact after incentives of \$7,449,235 and a \$19,147,460 20-year net fiscal impact.



**Project Details**

Project summary with fiscal impact is attached.

**Owner**

TRT Holdings, Inc.  
James D. Caldwell, President

**Staff**

J. Hammond Perot, Assistant Director  
Jeremiah Quarles, Analyst

**Recommendation**

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.



Ryan S. Evans  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa Rios, Acting City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Joey Zapata, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Stephanie Pegues-Cooper, Assistant to the City Manager



# Attachment

## Project Worksheet - TRT Holdings, Inc.

### Economic Development Committee

#### A. Project Summary

City Council District	2 - Medrano	
Project/Company Name	TRT Holdings, Inc.	
Project Location	4001 Maple Avenue	
Project Type	Corporate HQ	
Facilities (Square Feet)	170,000	
Construction Schedule	Begin	January, 2012
	Complete	December, 2013
Private Improvement Investment	Real Property	\$32,000,000
	Business Property	\$6,000,000
Jobs	Created	284
	Retained	0
Average Wage Rate	Salary	\$72,000
	Hourly	N/A
City Incentive Summary	Tax Abatement (10 yr. 90% on RP)	\$2,295,360
	Infrastructure	
	Other - Grant	\$200,000

#### B. Economic Impact Estimates (Dallas City Economy Only, \$ Million)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	284	\$391,322,607	284	\$868,477,971
Indirect and Induced Impact*	227	\$313,058,086	227	\$694,782,376
<b>Total Impact</b>	<b>511</b>	<b>\$704,380,693</b>	<b>511</b>	<b>\$1,563,260,347</b>

#### C. City of Dallas General Fund Fiscal Impact (\$ Million)

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	\$13,234,637	\$30,453,194
Total City GF Service Costs	\$5,785,402	\$11,305,734
Net Impact Before Incentives	\$7,449,235	\$19,147,460
City Incentives	\$200,000	\$200,000
<b>Net City Fiscal Impact</b>	<b>\$7,249,235</b>	<b>\$18,947,460</b>

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



# 4001 Maple Avenue

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

TRT Holdings  
4001 Maple Avenue  
Dallas, TX 75219



**DALLAS  
ECONOMIC  
DEVELOPMENT**

Research & Information Division  
214.670.1685  
dallas-ecodev.org

Created: 2/16/2011 11:11:16 AM Jaramiah Quales ICG

## Legend

- Freeway
- Tollway
- Arterial
- Local Road

0 0.0375 0.075 0.15 Miles

Source: Aerial photos - NCTCOG, 2009; All Other Data - City of Dallas, 2011



# Memorandum



DATE January 13, 2012

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Ann Margolin (Vice Chair), Monica Alonzo, Sheffie Kadane, Jerry Allen

SUBJECT **Progressive Steel and Wire LLC; Council Addendum Item January 25, 2011**

## **Background**

On Wednesday, January 25<sup>th</sup> City Council will be asked to consider economic development incentives for Progressive Steel and Wire LLC.

For the past several months, city staff has negotiated with Primesource Building Products regarding a new nail manufacturing operation for its subsidiary, Progressive Steel and Wire LLC. The operation will occupy an 80,000 s. f. existing, vacant facility located at 8330 Lovett Avenue in Dallas, Texas. The nails produced in the proposed operation will replace nails that are currently purchased and imported from other countries. Other company sites around the country were considered for this expansion project.

The company plans to invest approximately \$2.5 million in new business personal property and create between 60 and 100 net new jobs, with an average salary of \$50,000. The current condition of the plant will require only minimal improvements to real property, estimated to be between \$200,000 and \$400,000. Master Halco Inc., the owner of the building, is also a subsidiary of PrimeSource Building Products. There is no other relationship between Progressive Steel and Wire LLC and Master Halco Inc. According to state law, as the owner of the real property, Master Halco must be a party to the tax abatement agreement.

Progressive Steel and Wire LLC and Master Halco seek City Council approval of a five-year, 50 percent business personal property tax abatement on the value of new business personal property and an economic development grant of \$40,000 to offset associated project costs. Forgone revenue from the five year tax abatement is estimated to be \$59,775.

In consideration of the incentives proposed, Progressive Steel and Wire LLC will maintain a minimum of 60 new jobs in Dallas and invest a minimum of \$200,000 in real property improvements. Also, the company will execute a lease of no less than 10 years.



**Project Details**

Project summary with fiscal impact is attached.

**Owner**

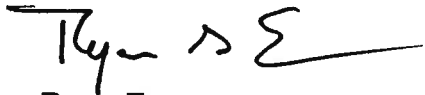
Master Halco Inc.

**Staff**

J. Hammond Perot, Assistant Director  
Christopher O'Brien, Sr. Coordinator

**Recommendation**

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.



Ryan Evans  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Ryan S. Evans, Assistant City Manager  
Mary K. Suhm, City Manager  
Forest Turner, Assistant City Manager  
Rosa Rios, Interim City Secretary  
Jill A. Jordan, P.E., Assistant City Manager  
Tom Perkins, City Attorney  
Joey Zapata, Interim Assistant City Manager  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Jeanne Chipperfield, CFO, OFS  
Craig Kinton, City Auditor  
Karl Zavitkovsky, Director, OED  
A.C. Gonzalez, First Assistant City Manager  
J. Hammond Perot, Assistant Director, OED  
Stephanie Pegues-Cooper, Assistant to the City Manager



# Attachment

## Project Information Worksheet

### Economic Development Committee

#### A. Project Summary

<b>City Council District</b>	4 - Caraway	
<b>Project/Company Name</b>	Progressive Steel and Wire, LLC	
<b>Project Location</b>	8330 Lovett Avenue, Dallas	
<b>Project Type</b>	Nail Manufacturing	
<b>Facilities (Square Feet)</b>	80,000	
<b>Construction Schedule</b>	Begin	Q1, 2012
	Complete	Q2 2012
<b>Private Improvement Investment</b>	Real Property	\$500,000
	Business Property	\$2,500,000
<b>Jobs</b>	Created	60
	Retained	0
<b>Average Wage Rate</b>	Salary	\$50,000
	Hourly	
<b>City Incentive Summary</b>	Tax Abatement	5 yr. 50% on BPP
	Infrastructure	
	Other - Grant	\$40,000

#### B. Economic Impact Estimates (Dallas City Economy Only, \$ Million)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	60	\$52,087,457	60	\$121,416,685
Indirect and Induced Impact*	48	\$31,352,474	48	\$72,950,011
<b>Total Impact</b>	<b>108</b>	<b>\$83,439,931</b>	<b>108</b>	<b>\$194,366,696</b>

#### C. City of Dallas General Fund Fiscal Impact (\$ Million)

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	\$1,379,898	\$3,290,037
Total City GF Service Costs	\$1,074,898	\$2,209,053
Net Impact Before Incentives	\$305,000	\$1,080,984
City Incentives	\$99,775	\$99,775
<b>Net City Fiscal Impact</b>	<b>\$205,225</b>	<b>\$981,209</b>

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



# 8330 Lovett Avenue

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



DALLAS  
ECONOMIC  
DEVELOPMENT

Research & Information Division  
214.670.1685  
dallas-ecodev.org

## Legend

- City of Dallas
- Highway
- Arterial
- Local Road



## Memorandum



DATE January 13, 2012

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Ann Margolin (Vice-Chair), Jerry R. Allen,  
Monica Alonzo, Sheffie Kadane

SUBJECT **Potential Infrastructure Improvements that might be funded by Stratford Land Fund's \$1 million deposit into the Davis Garden TIF District Increment Fund**

### Background

In order to satisfy the terms of an amended Development Agreement between the City of Dallas and Stratford Land Fund (SLF), SLF contributed \$1,000,001 to the Davis Garden TIF District Fund to be used on open space, streetscape, pedestrian, bicycle and other related improvements. These funds were received in December 2011.

The Davis Garden TIF Board of Directors reviewed the potential uses of the funds and made the following recommendation on the best utilization of the money to encourage continued redevelopment of the Davis Street Corridor:

- Matching Funds for the Kessler Theater's infrastructure improvements - \$60,000 (this expenditure will leverage approximately \$180,000 in NCTCOG grant funding bringing the total improvement investment to approximately \$240,000)
- Rosemont Plaza - \$201,512
- Rosemont Safe Routes to School Project - \$36,272
- Davis Corridor/7<sup>th</sup> Street Bicycle Facilities - \$223,844
- Davis Corridor (Mary Cliff Road to Zang Boulevard) Urban Design Study by City Design Studio - \$35,880
- King's Plaza - \$442,493

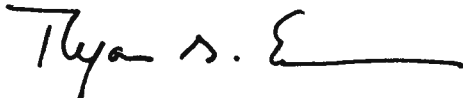
Subject to approval by the City of Dallas Economic Development Committee, staff will begin the process of selecting design consultants for these projects. Staff intends to require significant public input into the design of the open spaces and streetscape design and improvements, including potentially installing temporary improvements to test the effectiveness of the design. Any future Council actions will be related to construction projects for this work. In addition, some of the planned bicycle improvements may require amendments to the City's Thoroughfare Plan.

Final construction documents have not been prepared for any of these proposed projects. The appendix for this memo contains the general concepts for the work. City staff will work with local non-profit groups and businesses to secure ongoing maintenance agreements for the planned open space improvements as part of the public input and design process.



Staff will continue to investigate ways to leverage the \$1,000,001 funding as a matching component for various grants and donations.

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



Ryan S. Evans  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa Rios, Acting City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Joey Zapata, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Stephanie-Pegues-Cooper, Assistant to the City Manager

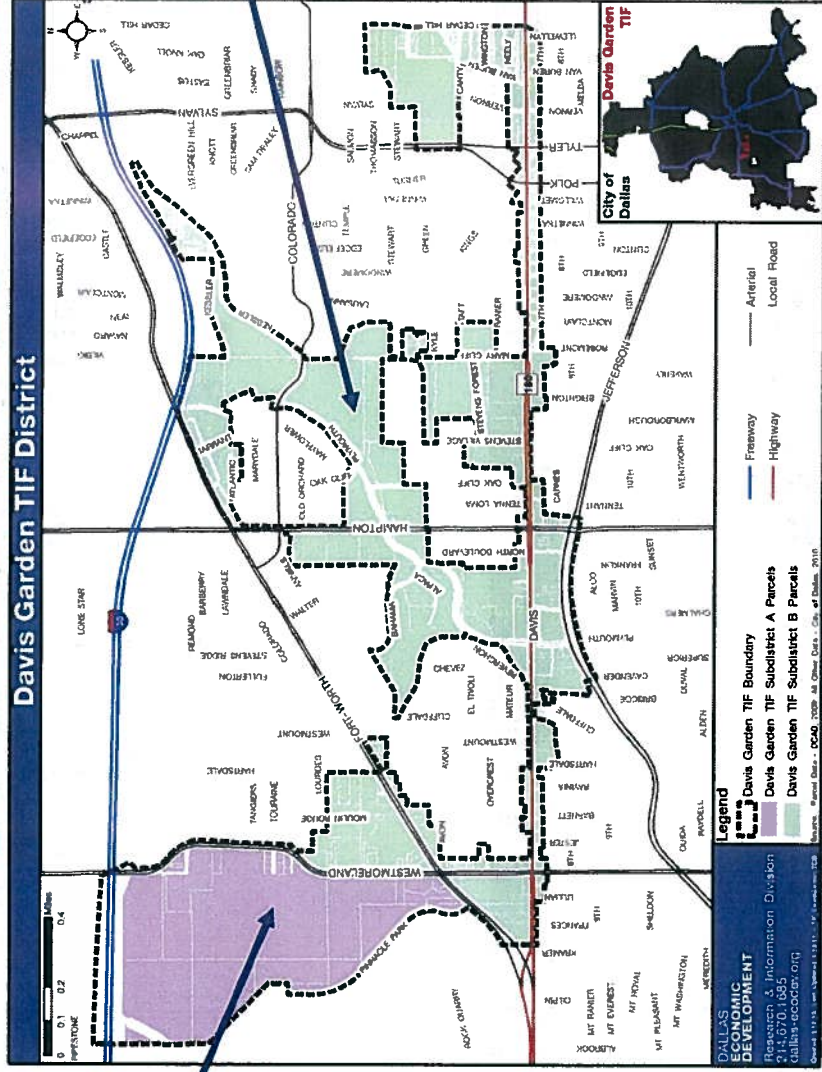


## Appendix A

# Potential Infrastructure Improvements that might be Funded by SLF's \$1M Deposit into the Davis Garden TIF District Increment Fund



# Davis Garden TIF District Boundary Map



Sub-District A –  
The Canyon

Sub-District B –  
Davis Garden



# SLF's Phase I Development Agreement

- ◆ SLF's Phase I development agreement consisted of the following components:

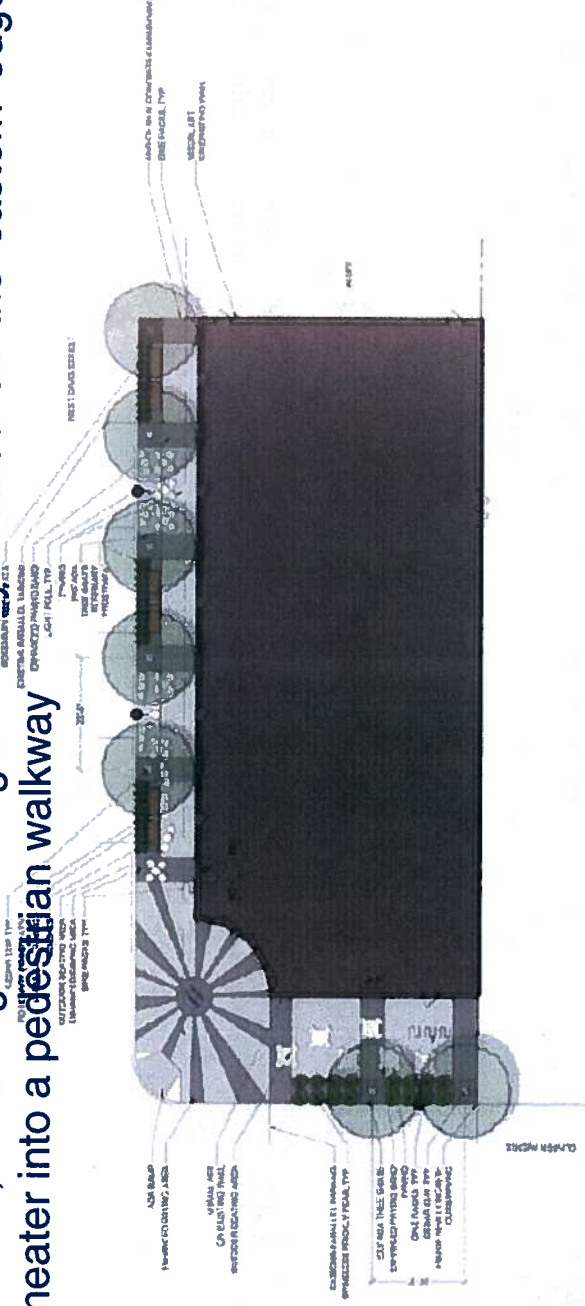
TIF Improvement Category	Amount
Environmental Remediation	\$1,575,612.70
Demolition	\$1,432,633.30
Median Improvements, Streetscape & Other Public Improvements	\$1,000,001.00
<b>TIF Eligible Project Costs</b>	<b>\$4,008,247.00</b>

- ◆ The project's environmental remediation and demolition components are complete and documentation for the work approved by city staff.
- ◆ On June 22, 2011 City Council authorized an amendment to the development agreement that allowed SLF to deposit \$1,000,001 into the Davis Garden District Tax Increment Fund for open space, pedestrian, bicycle and streetscape improvements that benefit the District .



# Potential Infrastructure Improvements

- ◆ Matching Funds for Kessler Theater Infrastructure
  - \$60,000 in TIF funding will leverage \$179,200 in matching funds from TxDOT (NCTCOG Sustainable Development Grant)
  - The funding will be used to make streetscape improvements around the theater, including converting the alley located on the eastern edge of the theater into a pedestrian walkway





# Potential Infrastructure Improvements

- ◆ Kessler Theater landscape construction estimate:

DESCRIPTION	COST	TOTAL
<b>A Hardscape/Pedestrian Amenities</b>		
Pedestrian Amenities Construction	\$129,381.00	
Pedestrian Amenities PS&E and Design	\$12,938.10	
		<b>\$142,319.10</b>
<b>B Landscaping</b>		
Landscaping Construction	\$66,088.00	
Landscaping PS&E and Design	\$6,608.80	
		<b>\$72,696.80</b>
<b>C Intersection Improvements</b>		
Intersection Improvements Construction	\$2,000.00	
Intersection Improvements PS&E and Design	\$200.00	
		<b>\$2,200.00</b>
<b>D Other (Demolition of curbs &amp; sidewalks)</b>		
Other Construction	\$6,803.00	
Other Construction PS&E and Design	\$680.30	
		<b>\$7,483.30</b>
<b>Subtotal</b>		
Construction Costs		\$204,272.00
PS&E and Design		\$20,427.20
Environmental Assessment		\$5,000.00
4.5% of Total Construction Hard Costs		\$9,192.24
<b>TOTAL</b>		<b>\$238,891.44</b>

- TxDOT Funding – 75%
- TIF Funding – 25%

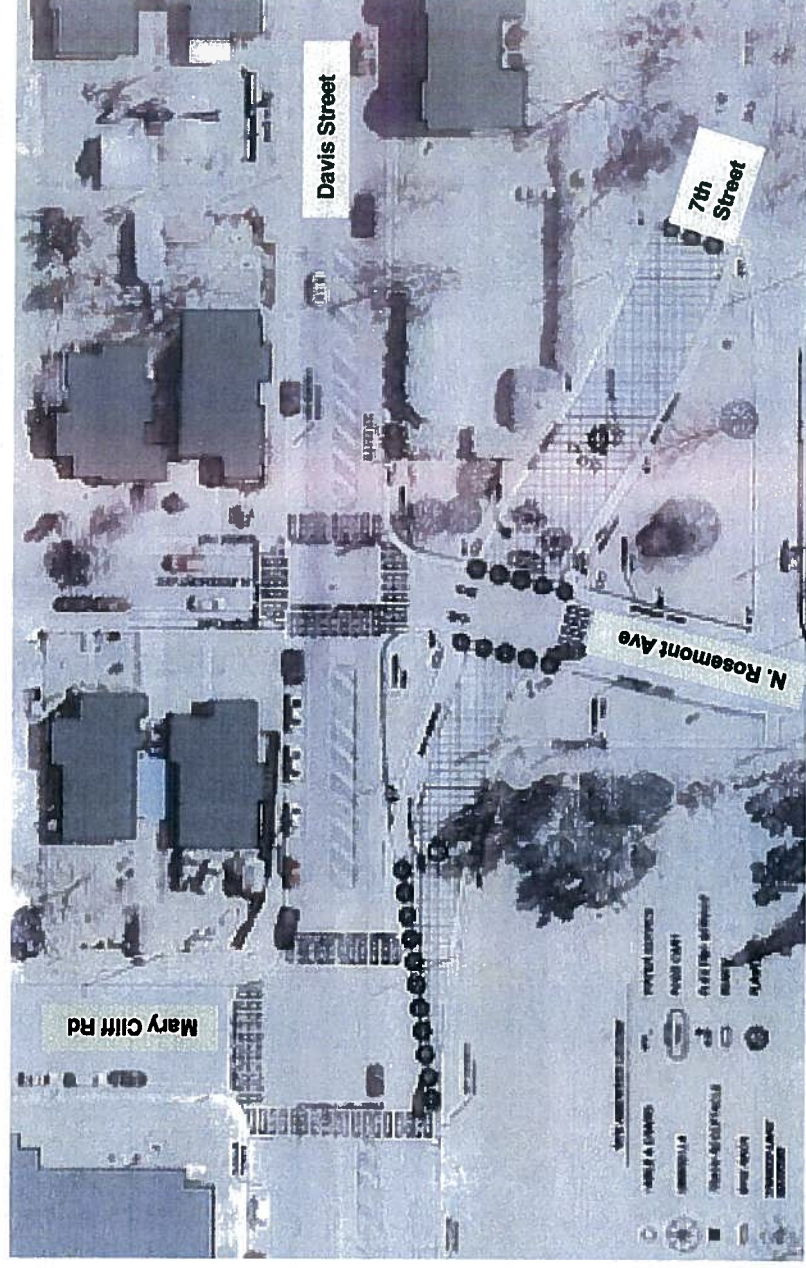
<b>Funding Source</b>		
TxDOT Funding		\$179,200.00
TIF Funding		\$59,691.44
<b>TOTAL</b>		<b>\$238,891.44</b>





# Potential Infrastructure Improvements

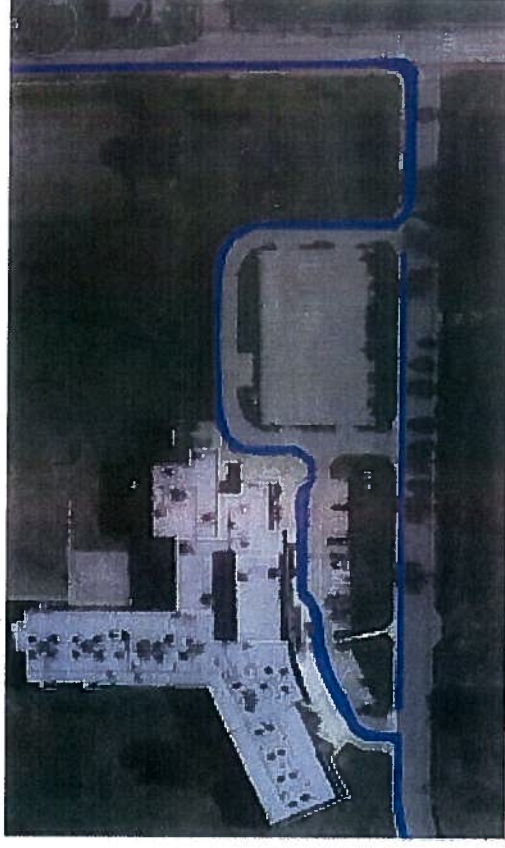
- ◆ Rosemont Plaza – convert roadway connecting Davis to 7<sup>th</sup> Street to a pedestrian plaza





# Potential Infrastructure Improvements

- ◆ Rosemont Safe Route
  - Reduce 38', 3-lane road to 24', 2-lane road with 14' dedicated bicycle path
  - Reduce width of intersections to ease crossing
  - Reduce width of slip lane by adding cycle track





# Potential Infrastructure Improvements

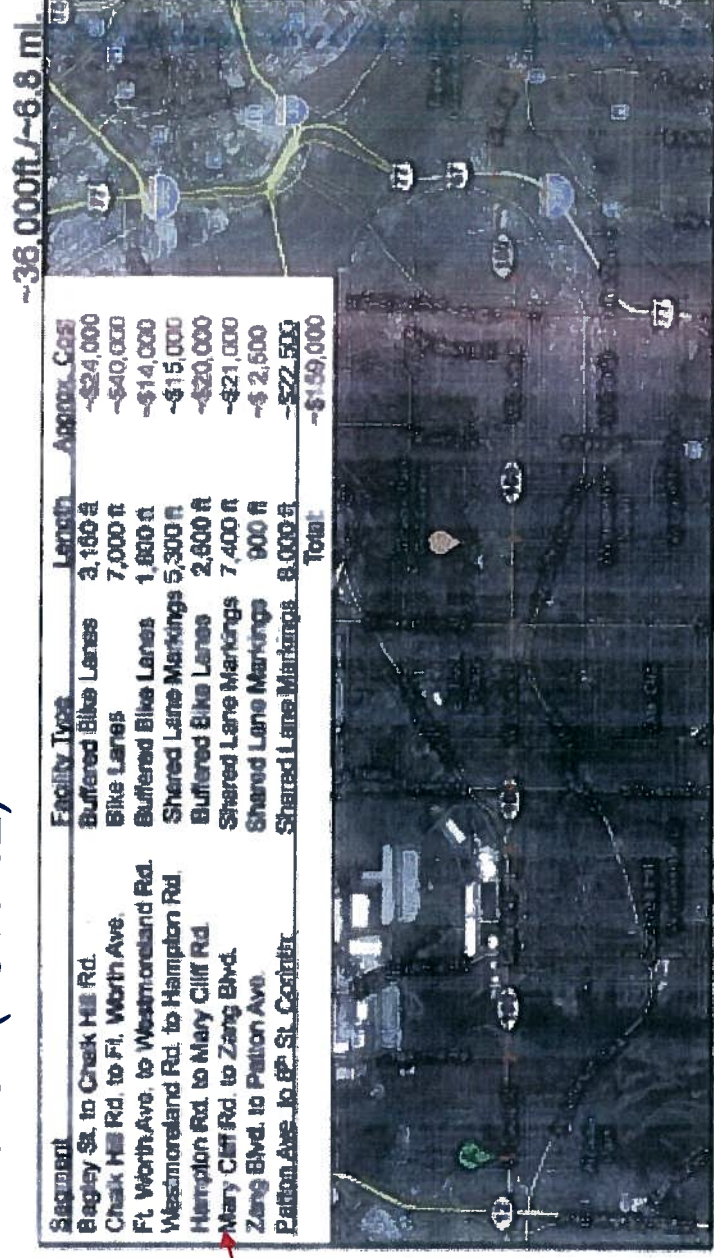
- ◆ Rosemont Safe Route (cont.)
  - Increase safety
  - Increase ridership
  - Physically separate cars from bicycle traffic
  - Ease crossing distance for pedestrians
  - Decrease accident rates for all modes of transit





# Potential Infrastructure Improvements

- ◆ Davis Street Corridor Bicycle Improvements – Early Implementation (2011-12)

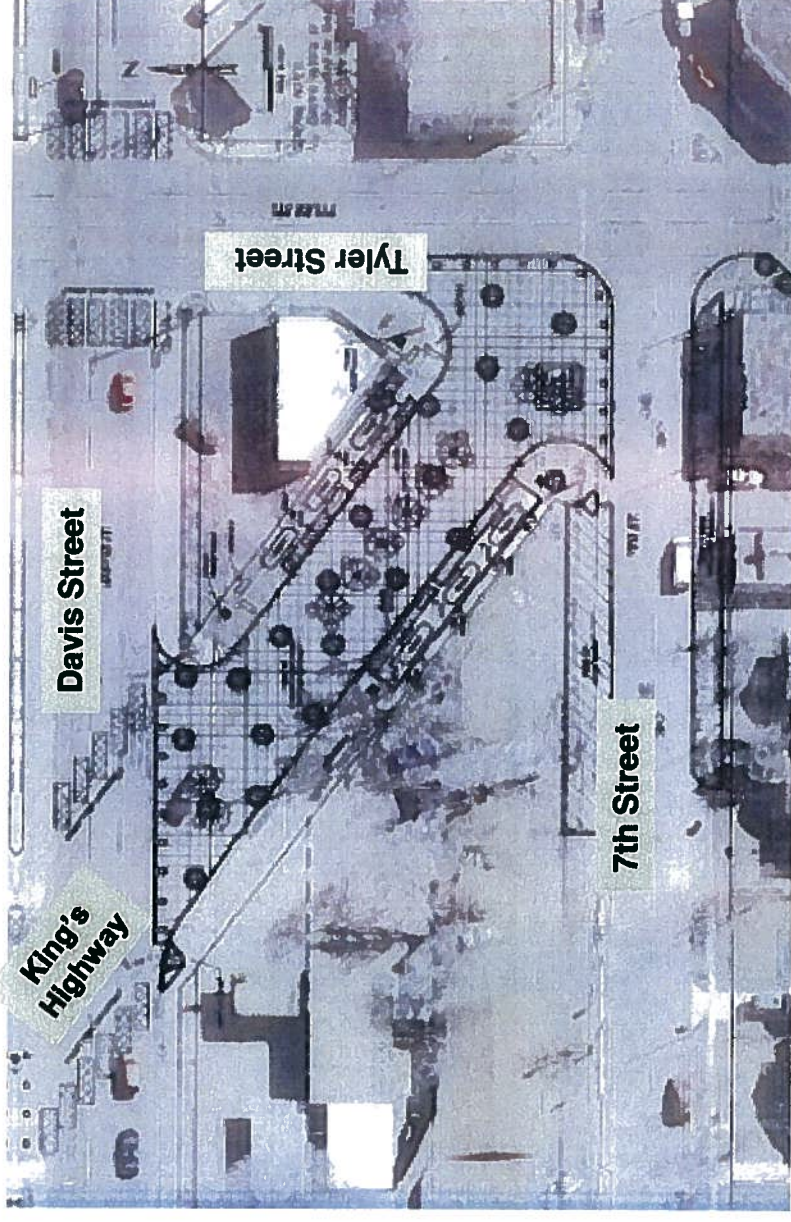


This Segment is replaced by the 7th Bicycle Facility (approximate cost - \$85,844)



# Potential Infrastructure Improvements

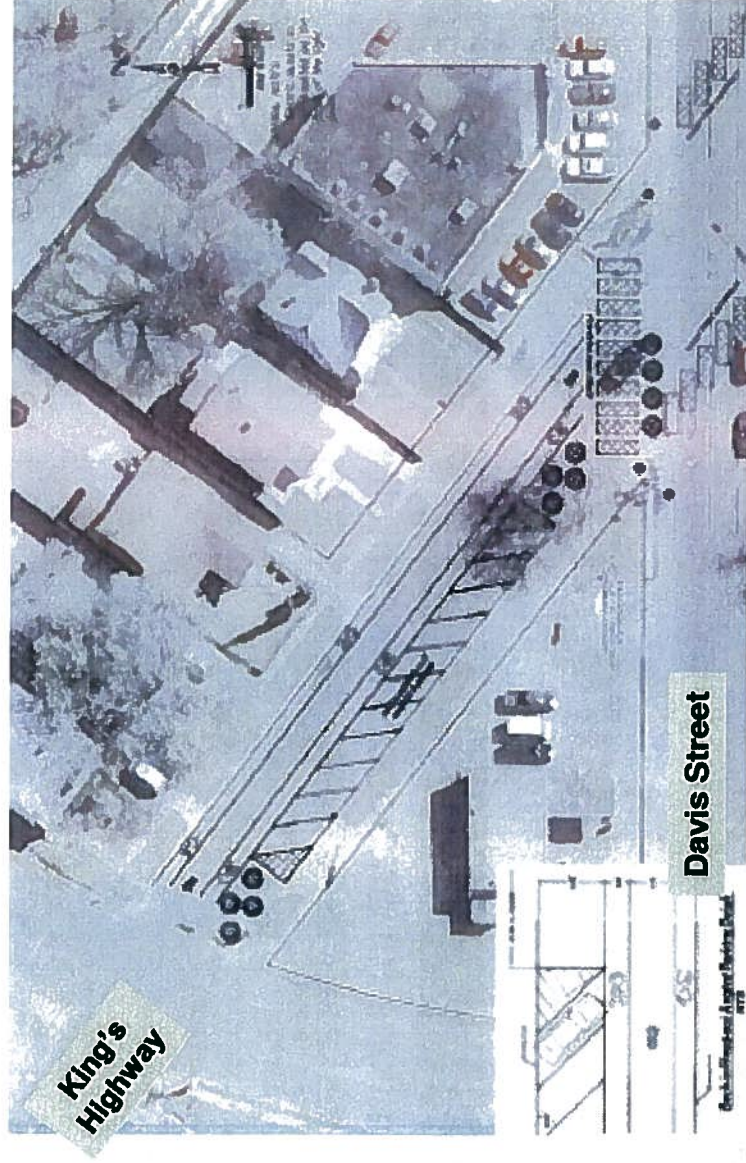
- ◆ King's Highway Plaza – convert existing roadway to a pedestrian plaza





# Potential Infrastructure Improvements

- ◆ Potential King's Highway improvements located north of Davis Street – additional parking for businesses and Plaza





# Potential Infrastructure Improvements

- ◆ Staff recommendations for proposed Infrastructure Improvements:

Project	Est. Cost	Source
Matching funds for the Kessler Theater's NCTCOG Grant	\$60,000	100% OED; leverages approx. \$180K in outside funds
Rosemont Plaza	\$201,512	100% OED
Rosemont Safe Route	\$36,272	100% OED
Davis Corridor Bicycle Facility (Mary Cliff Rd to Zang Blvd segment replaced by the 7th Street Bicycle Facility)	\$223,844	100% OED
City of Dallas Design Studio – Concept for reconfiguration of W. Davis Street from Montclair to Zang Boulevard	\$35,880	100% OED
King's Plaza (Demonstration Plaza, Permanent Plaza and Parking)	an amount not to exceed \$442,492	100% OED
<b>Total</b>	<b>\$1,000,000</b>	

- ◆ Additional amenities that could be funded through other funding sources including grants and private donations:

Project	Est. Cost	Source
Public Art for King's Permanent Plaza / Additional Amenities	\$393,916	Unfunded
<b>Total</b>	<b>\$393,916</b>	