

Memorandum



CITY OF DALLAS

DATE January 4, 2013

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

SUBJECT **Authorize an amendment and increase and Chapter 380 Grant to Thrash Memorial Funeral Home, LLC**
January 9, 2013 Council Agenda

BACKGROUND

Thrash Memorial Funeral Home LLC has operated over five decades in the Dallas/Ft. Worth Metropolitan area and operated for 36 years from a leased facility at 3726 South Lancaster Road in Dallas, Texas.

In early 2009, the leased facility was sold for continued redevelopment along the Lancaster Corridor.

Thrash purchased and renovated a closed funeral home approximately one mile south of their old location at 4830 S. Lancaster Road. Acquisition, renovation, furniture fixtures and equipment and other soft costs totaled \$640,000.00 for the renovated facility. Financing came from \$125,000 cash equity from the owners (19.5%) and \$450,000 from the Southern Dallas Development Corporation (SDDC). A Public Private Partnership Chapter 380 Grant in the amount of \$65,000 completed the funding needed for the project.

Property at 4848 S. Lancaster Road adjoining the renovated new location was needed for parking but was not for sale at the time. The property, a closed coin operated car wash, has now become available for purchase from Citizens National Bank of Texas in Red Oak through foreclosure for \$50,000 plus closing cost.

Thrash Memorial Funeral Home, LLC needs the space for parking but is financially unable to purchase it at this time and is requesting a Chapter 380 Grant to make the purchase. The bank has received an offer to sell to a buyer who plans to reopen the car wash, but will delay selling until January 31, 2013 pending a decision from the City Council to make a grant to Thrash Memorial Funeral Home, LLC for the purchase.

All closing costs, including a certified appraisal to validate that the value of the property is greater than \$50,000 and a satisfactory environmental report will be paid for by Thrash Memorial Funeral Home, LLC and is estimated to be \$5,000.00. Borrower at their expense, shall demolish any existing structures currently on the property, resurface and stripe the subject property within one year from the date of the loan agreement.

The City will have a 1st lien Deed of Trust with Deed Restrictions on the property to insure that terms of the loan agreement are met.

The proposed Chapter 380 Grant does not meet minimum public private partnership participation guidelines of one million dollars in investment or 25 jobs therefore, it should be considered a non conforming project.

However, this project will help to continue efforts for sustainable development and desirable uses on Lancaster Road. The Lancaster Corridor is a vital main street for South Central Dallas and is a high City Council priority for development and redevelopment options that will improve communities all along the corridor. Converting the property into expanded parking for the funeral home supports the City's plans for sustainable development along the Lancaster Corridor.

FISCAL INFORMATION

\$50,000 – Public/Private Partnership Funds

STAFF

Lee McKinney, Assistant Director

MAP

Attached

RECOMMENDATION

Staff recommends approval of an economic development forgivable loan agreement to Thrash Funeral Home, LLC in the amount of \$50,000.

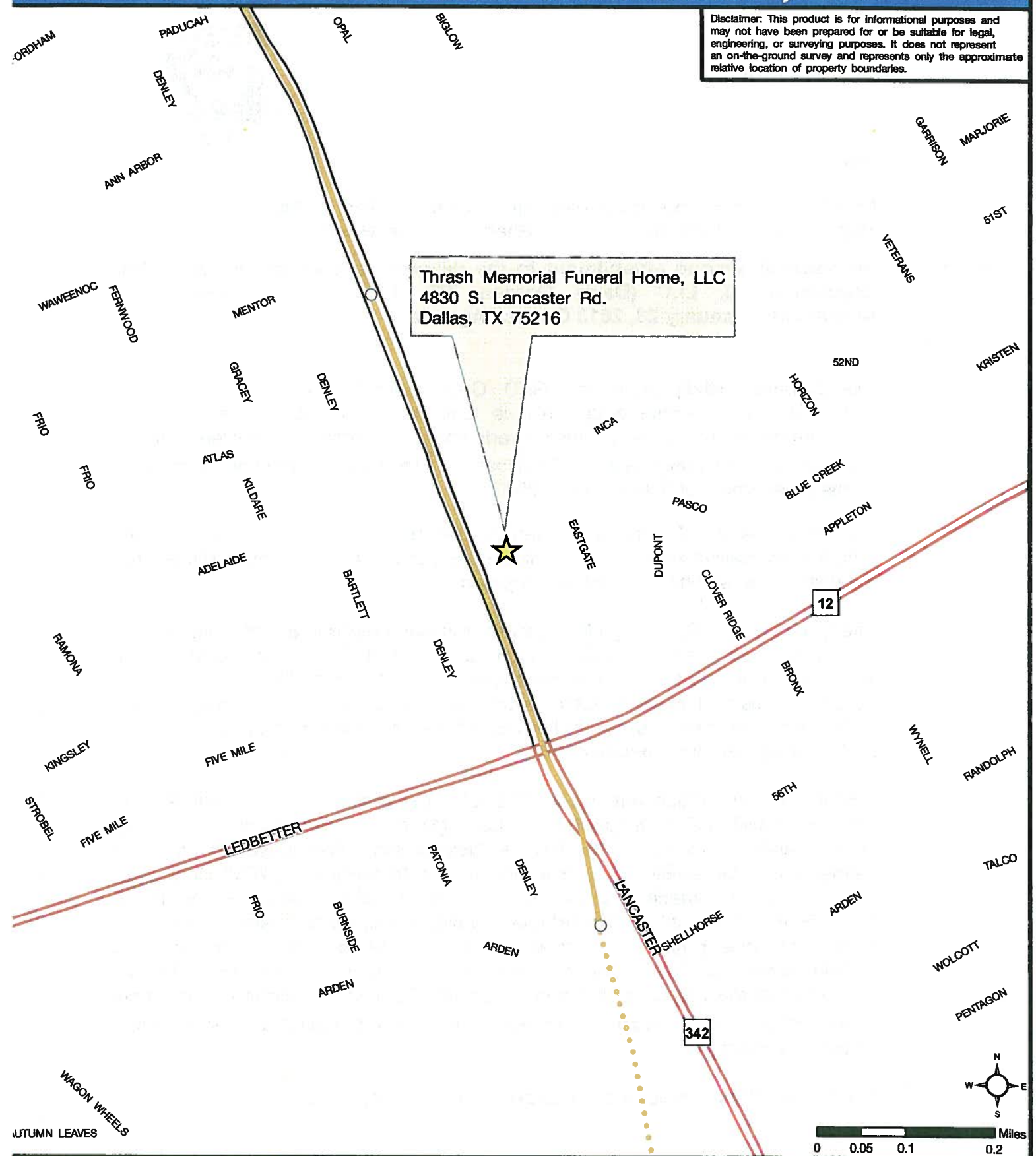
Should you have any further questions or concerns, please contact me at (214) 670-3296.


Ryan S. Evans
Assistant City Manager

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa Rios, City Secretary
Thomas Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, Administrative Judge Municipal Court
A.C. Gonzalez, First Assistant City Manager
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Forest Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Karl Zavitskovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Stephanie Pegues-Cooper, Assistant to the City Manager

Thrash Memorial Funeral Home, LLC

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



Legend

-  Rail Station
  Future DART Light Rail
  Arterial
- DART Light Rail
 Highway
 Local Road

Source: City of Dallas, 2012

Memorandum



CITY OF DALLAS

DATE January 4, 2013

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

SUBJECT **Authorize a second amendment to the development agreement with GFD Opportunity II, LLC (Davis Garden TIF District) for Hillside West Apartments; January 23, 2013 Council Agenda**

City Council initially approved GFD Opportunity II, LLC's request for a \$1,600,000 TIF reimbursement (Davis Garden TIF District), related to the development of the Hillside West apartments. The project is currently under construction. The Davis Garden TIF Board of Directors recommended approval of this amendment on December 3, 2012.

This action clarifies TIF reimbursement procedures and retroactively extends the deadline for design review. This action does not impact the project budget nor the design and amenities of the development.

The City of Dallas TIF Design Review process was implemented after this project was initially approved by City Council on April 28, 2010. The original Council item specified design review by a sub-committee of the TIF Board (this sub-committee no longer exists). Design concepts were initially approved by the Davis Garden TIF Board. Final design plans for the project were reviewed and approved by the Dallas Design Studio in late April 2012.

Specifically, this action authorizes the following changes to the development agreement with GFD Opportunity II, LLC: (1) extend the deadline to obtain Design Review approval for the Hillside West project's final elevations, physical elements and the quality of its building material from April 12, 2012 to October 12, 2012; and (2) specify that the project's funding will be reimbursed out of the Davis Garden TIF District's Affordable Housing set-aside fund and clarify that if more than one project is reimbursed out of this set-aside fund that the reimbursement will be prorated (based on a ratio of Cumulative Individual Increment of the project to the sum of all the Cumulative Individual Increment generated by projects eligible for reimbursement from the affordable housing set-aside for a given year).

The Hillside West project is summarized on the following page:

Total square footage required	
A) Residential Rental Space	100,000 square feet
B) Common Area	30,000 square feet
Required private investment – site acquisition and hard costs of construction	\$11,500,000
Total project cost including site acquisition, hard costs of construction, all soft costs, and TIF expenses/other public.	\$16,635,808
TIF funding	\$1,600,000
% TIF funds to total project cost	9.62%
Return on Costs with TIF funds	5.28%
Return on Costs without TIF funds or other public assistance	4.75%
Deadline to purchase properties	N/A
Deadline to complete environmental remediation activities	March 21, 2012
Deadline to complete and receive a Certificate of Occupancy	July 2, 2013
Deadline to complete public infrastructure improvements	May 1, 2013

Council District

3

Schedule

Begin Environmental Remediation Activities	November 2011
Complete Environmental Remediation Activities	March 2012
Begin Public Infrastructure Improvements	May 2012
Complete Public Infrastructure Improvements	May 2013
Begin Vertical Development	June 2012
Complete Vertical Development	July 2013

Financing

No Cost Consideration to the City

Owner

GFD Opportunity II, LLC
A Texas Limited Liability Company

Brandon Bolin, Principal

Staff

Telemachus Evans, Economic Development Analyst
Karl Stundins, Area Redevelopment Manager, Office of Economic
Development

Recommendation

Staff recommends City Council's approval of the second amendment to development agreement with GFD Opportunity II, LLC.

Map

Attached

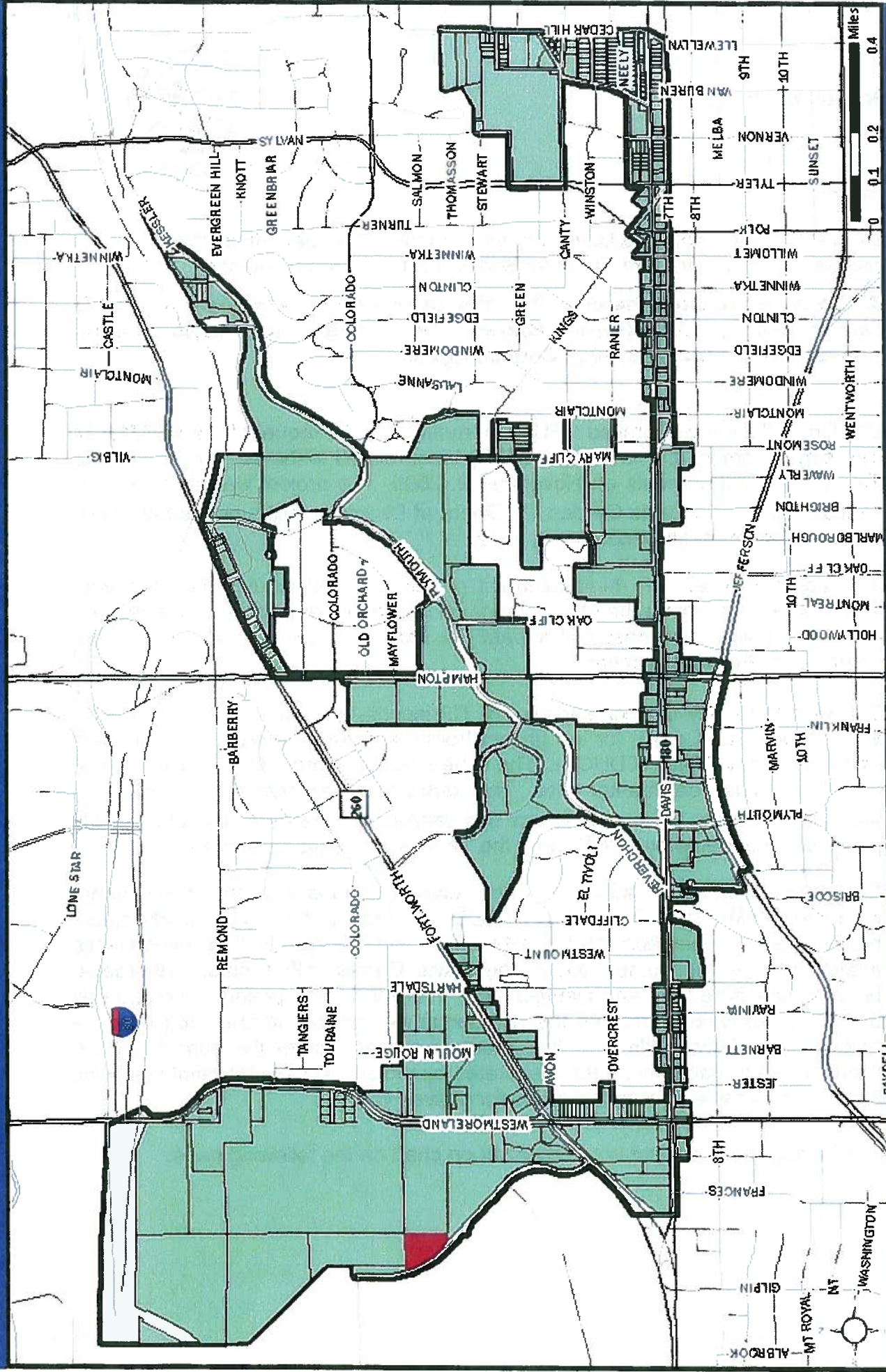
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Assistant City Manager

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J. Hammond Perot, Assistant Director, Office of Economic Development
Stephanie Pegues-Cooper, Assistant to the City Manager

Davis Garden TIF District



Legend

City of Dallas - Office of Economic Development

Research & Information Division




(214) 670-1685


<http://www.Dallas-EcoDev.org>


Created: 1/15/08, Last Updated: 11/6/08 - EZ16_Web_Maps.FC


Source: City of Dallas, 2009-09



 Primary Highway
 Secondary Highway
 Major Arterial
 Local Streets

 Davis Garden TIF Boundary

 Davis Garden TIF Parcels

 Hillside West Project Site

Memorandum



CITY OF DALLAS

DATE January 4, 2013

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

SUBJECT **Authorize a second amendment to the development agreement with GFD Opportunity I, LLC (Davis Garden TIF District) for Taylor Farms Apartments; January 23, 2013 Council Agenda**

City Council initially approved GFD Opportunity I, LLC's request for a \$2,071,197 TIF reimbursement (Davis Garden TIF District), related to the development of the Taylor Farms apartments on November 9, 2009. The project was completed in January 2012. The Davis Garden TIF Board of Directors recommended approval of this amendment on December 3, 2012.

This action clarifies TIF reimbursement procedures and adjusts the affordable housing requirement for the project to match tax credit requirements approved by the state. This action does not impact the project budget nor the design and amenities of the development.

Subsequent to City Council approval of TIF incentives, GFD Opportunity I, LLC was granted Tax Credits for the project from the Texas Department of Housing and Community Affairs (TDHCA). The state's approval required that 10% of total units (16 units) be market rate. The requested reduction in the project's affordable housing units will correct the discrepancy between the affordability provisions mandated by TDHCA and the TIF Development Agreement.

Specifically, this action authorizes the following changes to the development agreement with GFD Opportunity I, LLC: (1) reduce the project's affordable housing requirement from 160 to 144 units; and (2) specify that the project's funding will be reimbursed out of the Davis Garden TIF District's Affordable Housing set-aside fund and clarifies that if more than one project is reimbursed out of this set-aside fund that the reimbursement will be prorated (based on a ratio of Cumulative Individual Increment of the project to the sum of all the Cumulative Individual Increment generated by projects eligible for reimbursement from the affordable housing set-aside for a given year).

The Taylor Farms project is summarized on chart on the following page:

Total square footage required	
A) Residential Rental Space	150,000 square feet
B) Common Area	23,629 square feet
Required private investment – site acquisition and hard costs of construction	\$13,723,420
Total project cost including site acquisition, hard costs of construction, all soft costs, and TIF expenses/other public.	\$21,691,600
TIF funding	\$2,071,197
% TIF funds to total project cost	9.54%
ROI with TIF funds	3.68%
ROI without TIF funds or other public assistance	3.33%
Deadline to complete environmental remediation activities	November 1, 2010
Deadline to complete and receive a Certificate of Occupancy	April 1, 2012
Deadline to complete public infrastructure improvements	April 1, 2012

Council District

3

Schedule

Environmental Remediation Activities	Complete
Infrastructure Improvements	Complete
Vertical Development	Complete

Financing

No Additional Cost Consideration to the City

Owner

GFD Opportunity I, LLC
A Texas Limited Liability Company

Brandon Bolin, Principal

Staff

Telemachus Evans, Economic Development Analyst
Karl Stundins, Area Redevelopment Manager, Office of Economic Development

Recommendation

Staff recommends City Council's approval of the second amendment to development agreement with GFD Opportunity I, LLC.

Map

Attached

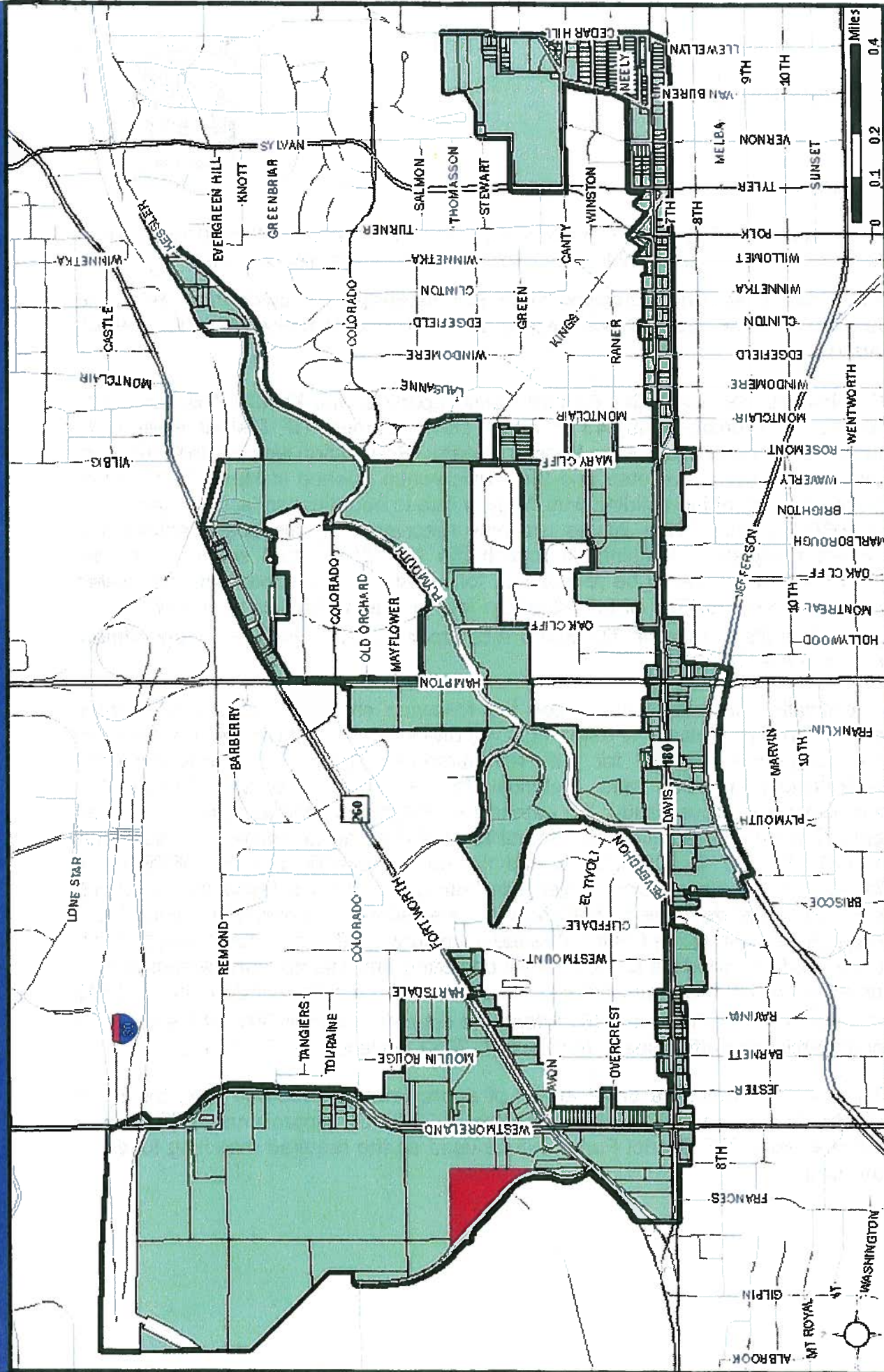
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A handwritten signature in blue ink, appearing to read 'Ty - S E'.




Ryan S. Evans
Assistant City Manager

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J. Hammond Perot, Assistant Director, Office of Economic Development
Stephanie Pegues-Cooper, Assistant to the City Manager




Davis Garden TIF District



Source: City of Dallas, 2009-09

 Primary Highway
 Secondary Highway
 Major Arterial
 Local Streets

Legend

-  Davis Garden TIF Boundary
-  Davis Garden TIF Parcels
-  Taylor Farms Proj'd Site

City of Dallas - Office of Economic Development
Research & Information Division
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<http://www.Dallas-EcoDev.org>

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Memorandum



CITY OF DALLAS

DATE January 4, 2013

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

SUBJECT **Authorize a second amendment to the development agreement with the Kessler Theater, LLC (Davis Garden TIF District); January 23, 2013 Council Agenda**

On November 9, 2009, City Council initially approved the Kessler Theater, LLC's request to allocate \$199,643 in future Davis Garden TIF District revenue to facilitate the renovation of the Kessler Theater. Renovation work on the interior of the building was completed and the music venue opened in March 2010. Work on the exterior of the building was delayed due to coordination issues related to a NCTCOG grant. These issues are now resolved and this action adjusts the project completion deadlines to match the NCTCOG grant schedule. It also allows the developer to be reimbursed for private reimbursable work completed prior to the completion of infrastructure improvements funded by the NCTCOG grant. The Davis Garden TIF Board recommended approval of this amendment on December 3, 2012.

Specifically, this action authorizes the following changes to the development agreement with Kessler Theater, LLC: (1) divide the project into two phrases that are separately eligible for TIF reimbursement (Phase I - environmental remediation/demolition and historical façade improvements; Phase II - streetscape improvements); (2) extend the completion deadline for all required environmental remediation and demolition activities at the Project site from July 1, 2012 to July 1, 2013; (3) extend the completion deadline for all historical façade improvements at the Project site from July 1, 2012 to December 31, 2013; (4) extend the deadline to complete all streetscape improvements along West Davis Street and North Clinton Avenue from July 1, 2012 to December 31, 2014; (5) extend the deadline to execute an operating and maintenance agreement for non-standard public improvements associated with the Project from July 1, 2012 to December 31, 2014; and (6) extend the deadline to lease 50% of the theater's commercial and office space from July 1, 2012 to December 31, 2014.

The project received a grant award of approximately \$180,000 from the North Central Texas Councils of Governments (NCTCOG). Approximately \$60,000 in Davis Garden TIF District Funds will be used as the required matching funds for this grant.

The Kessler Theater renovation project (including these recommended amendments) is summarized below:

Required private investment – site acquisition and hard costs of construction	\$954,500
Total project cost including site acquisition, hard costs of construction, all soft costs, and TIF expenses/other public.	\$1,358,293
TIF funding	\$199,643
% TIF funds to total project cost	14.7%
ROI with TIF funds	11.4%
ROI without TIF funds or other public assistance	6.0%
Deadline to complete environmental remediation and demolition activities	July 1, 2013
Deadline to complete historical façade improvements	December 31, 2013
Deadline to complete infrastructure improvements	December 31, 2014

Council District

3

Schedule

Begin Project	August 2009
Complete interior work/open facility for business	Complete
Begin Historical Façade Improvements	January 2013
Complete Historical Façade Improvements	December 2013
Begin Infrastructure Improvements	January 2014*
Complete Infrastructure Improvements	December 2014*

*(Note: Staff is working with NCTCOG to begin work earlier, if possible)

Financing

No Cost Consideration to the City

Owner

Kessler Theater, LLC
A Texas Limited Liability Company

Edwin Cabaniss, Managing Member

Staff

Telemachus Evans, Economic Development Analyst
Karl Stundins, Area Redevelopment Manager, Office of Economic
Development

Recommendation

Staff recommends City Council's approval of the second amendment to development agreement with the Kessler Theater, LLC.

Map

Attached

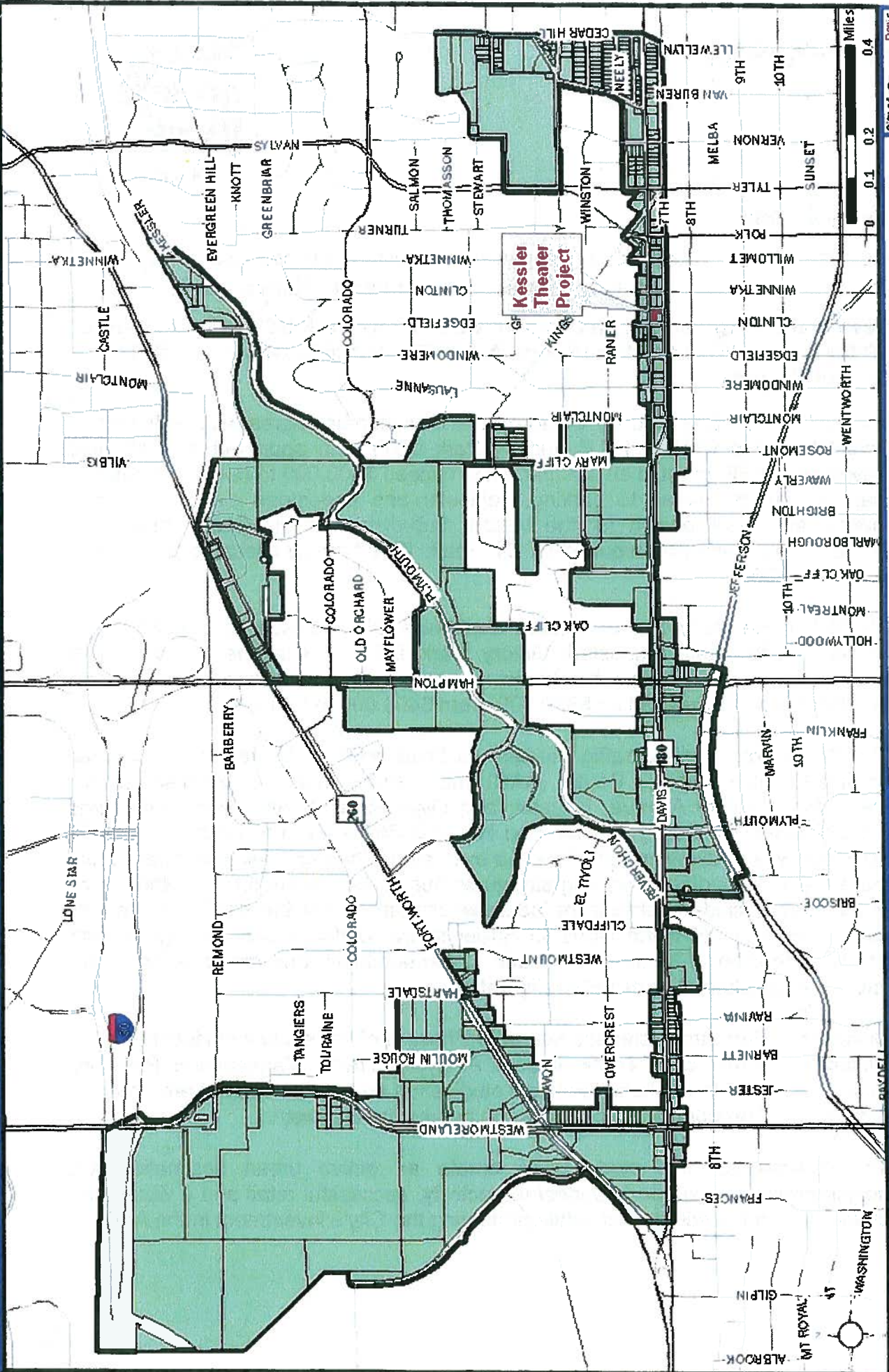
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Stephanie Pegues-Cooper, Assistant to the City Manager

Davis Garden TIF District



City of Dallas
Davis Garden TIF
Source: City of Dallas, 2009-09

- Legend**
- Primary Highway
 - Secondary Highway
 - Major Arterial
 - Local Streets
 - Davis Garden TIF Boundary
 - Davis Garden TIF Parcels
 - Kessler Theater Project

City of Dallas - Office of Economic Development
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<http://www.DallasEcoDev.org>
Created 4/15/08, Last Updated 11/5/08, 02:15:46 PM, TDO

Memorandum



DATE January 4, 2013

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

SUBJECT **Development Agreement Amendment with Victory Park UST Joint Venture I, LP for District Wide Studies (Sports Arena TIF District), January 23, 2013 Council Agenda**

June 27, 2012, City Council authorized a development agreement with Victory Park UST Joint Venture I, LP (Victory Park UST), and approved an Economic Development TIF grant in an amount not to exceed \$400,000 to reimburse costs of planning efforts related to parking, vehicular and pedestrian circulation, place making and retail design for the Victory Sub-district of the Sports Arena TIF District. This study was required by City Staff. Total funding allocated to this work was \$400,000.

Phase I of the study was completed September 2012. Based on the findings of Phase I, City Staff requested Victory Park UST to examine vehicular and pedestrian circulation within the District in greater detail. As a result, the total cost of the study has increased by \$300,000, from \$400,000 to \$700,000.

The Circulation Studies/Traffic Studies will focus on the 26 intersections located around American Airlines Center (AAC) and examine major thoroughfares within the district (Victory Avenue, Houston and Olive Streets). Alternative traffic lane configurations for Victory Avenue and Houston Street (i.e. converting the streets from one-way to two-way traffic) will be evaluated. The study will also analyze the loading and unloading of parking structures during AAC event times. Other areas of the study include exploring the potential continuation of the KATY trail from its current terminus at North Houston Street to the District's park at High Market Street, extension of Victory Park Lane to Lamar Street and drainage and utility impacts of all alternative street configurations.

Deliverables from the increased scope of Phase II of the study includes, but is not limited to: district wide Traffic Impact Analysis, Traffic Management Plan and Bicycle Access Plan. These technical studies will be used to support any changes to the City's Thoroughfare plan proven to be best for the District.

The objective of this study is to create an active urban destination and neighborhood that supports pedestrian activity, successful retail and a vibrant mix of uses within the sub-district, while protecting the City's investment in the AAC.

Original TIF Grant Total \$400,000

New TIF Grant Total \$700,000

Revised Study Budget

Parking	\$ 91,000
Circulation (Traffic Studies)	\$265,000
Retail Analysis	\$ 94,000
Urban Neighborhood Design	<u>\$150,000</u>
	\$600,000

Phase I – Actual Cost \$100,000

Traffic & District Analysis; Visioning Workshop

Total Revised Budget \$700,000

Financing

Sports Arena TIF District Funds - \$700,000

Staff

Karl Stundins, Manager, Area Redevelopment
Tamara L. Leak, Senior Coordinator

Recommendation

Staff recommends City Council approval of the item. Should you have any questions, please contact me at (214) 670-3296.



Ryan S. Evans
Assistant City Manager

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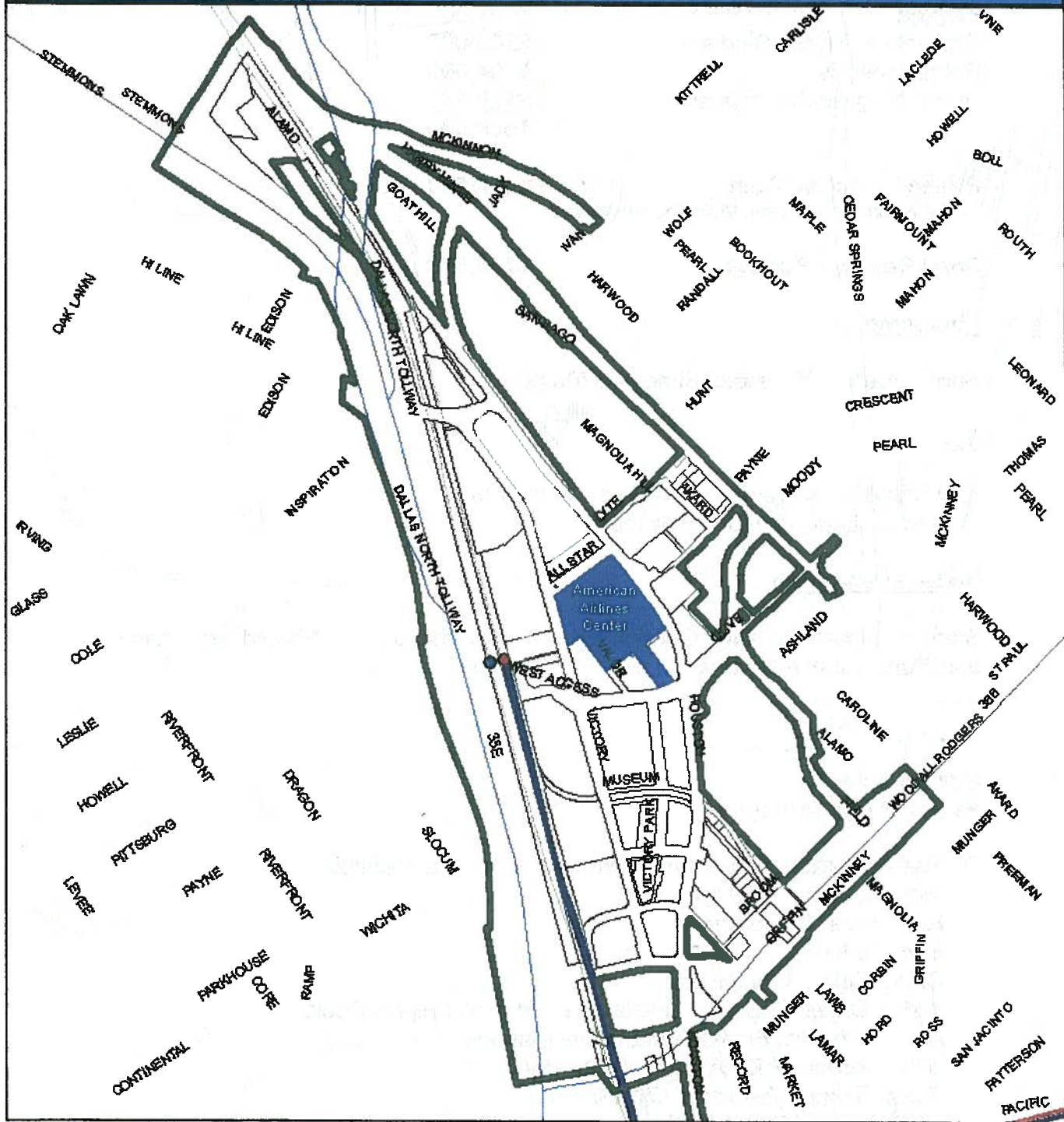
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Sports Arena TIF District - Victory Sub-district Study Area

City of Dallas
Office of Economic Development

Are a Redevelopment Division
<http://hannaeballas-EcoDev.org>

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Legend

Study Area/Victory Sub-district

