

The background is a collage of images related to the Union Station renovation. It includes a close-up of a metal structure, a view of a modern interior hallway with a glass railing, and a digital display showing the numbers '15' and '16'. The text 'time management' is overlaid in a white, sans-serif font on the top-left and bottom-left sections of the collage.

time management

Union Station

An accelerated capital investment

Economic Development & Housing Committee
February 20, 2007

Briefing Purpose

- To advise council of an opportunity to accelerate \$3.96 million of planned capital improvements for Union Station approved in the 2006 bond program.
- Accelerated COD capital improvements for Union Station would provide an opportunity for additional investments in Union Station by Hunt/Woodbine Development Corp (WDC)

Site Location

Union Station is 110,000 square foot facility located in downtown Dallas at 400 S. Houston St. between Woods St. and Young St. circled by Reunion Blvd.



Union Station...a Dallas Landmark

- Opened in 1914 by Union Terminal Company as Dallas Union Station
- Built to consolidate five rail stations scattered around the City, making Dallas a major transportation center in the Southwestern United States
- 1954- served as a temporary library while the City built the new central library to replace the Carnegie Library
- Union Station was acquired by the COD in 1973 to be preserved as a historic structure and for future use as a transportation center
- 1996- DART Light Rail and Trinity Railway Express began service
- Included in the National Register of Historic Places
- Designated a Recorded Texas Historic Landmark
- Designated a Dallas Historic Landmark

Union Station- A multi-use facility

- Today, Union Station serves principally as a multimodal transportation hub with limited office uses, some social events attraction and tourism appeal
 - Transportation hub uses include DART light rail and bus services, Trinity River Express rail transportation and Amtrak, which all serve the greater Dallas area from Union Station,
 - The Grand Hall at Union Station continues to serve as venue for large group functions, weddings and parties; and
 - More than 9,000 daily visitors pass through this Dallas landmark

Union Station Lease

- Subject to the first floor use for transportation purposes, and the City's recall rights on the second and third floors, Union Station is currently leased to Hunt/Woodbine Realty Corporation ("WDC") for a 50-year primary term with five 10-year renewal options.
- The non-public areas of Union Station contain 58,213 square feet of rentable space relative to a gross building area of approximately 110,000 square feet (53% efficiency). Of the rentable space over 80% is sub-leased.
- Union Station's design does not lend to a cost efficient office or special use facility.

Capital Investment History Union Station

- 1974 major renovation of Union Station
- 2000, a facility assessment study was commissioned
 - Study identified a variety of facility improvements needed
- 2002, the City renovated some of the exterior surfaces
- 2005, the facility assessment analysis was updated in preparation of potential capital funding in the 2006 Bond program. Study identified \$5.60 million in improvements for Union Station
- 2006, Council awarded a mechanical and electrical contract with Johnson Control, including \$1.04 million for Union Station
- 2006, voters approved \$3.960 million of capital improvements for Union Station.

2006 Bond Projects Union Station

- Voter approval of the City's 2006 bond program contained \$3.96 million dollars for improvements to Union Station
 - Some of the improvement projects include
 - Exterior cleaning & repairs
 - Roof replacement
 - Electrical and plumbing improvements
 - Freight elevator/escalator replacement

The Plan

- The \$3.96 million bond allocation sale for Union Station has yet to be determined.
- WDC for the past several months has been working on major tenant improvements for Union Station; estimated private sector investment is between \$18.0m - \$20.0m.
- To expedite the planned COD improvements, WDC has proposed an arrangement in which WDC provides
 - \$3.96 million in interim funding, on an interest-free basis
 - Manage design process for COD projects
 - COD would bid and award the construction contracts
 - COD would assign these contracts to WDC to manage construction work, all subject to COD review and approval of plans and construction work.
- Process would be secured through a development and reimbursement agreement
- Program would allow the City to expedite its planned capital improvements and WDC to advance its tenant improvement program.

Project Benefits

- Accelerate COD planned capital improvements for Union Station
- Expedites planned tenant improvements for Union Station, estimated to be \$18.0m - \$20.0m

Recommendations

- City staff recommends the following:
 - City Manager to negotiate a development and reimbursement agreement with WDC
 - Revise the City/WDC master lease as amended for Union Station for the planned tenant improvement by WDC
 - Seek Council approval once agreements have been finalized

Time line for Action

- Council approval of development and reimbursement agreements no later than May 2007
- Council review and approval of revisions to Union Station master lease as amended no later than May 2007

Questions & Answers

