

# Memorandum

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CITY OF DALLAS

CITY SECRETARY  
DALLAS, TEXAS

DATE February 1, 2013

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

SUBJECT **Economic Development Committee**  
**Monday, February 4, 2013, 9:00 – 10:30 a.m.**  
**1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201**

## AGENDA

1. Approval of January 7, 2013 Minutes of the Economic Development Committee
2. Sports Arena TIF District - Victory  
Sub-District Tier One Improvement  
(Victory South Parking Garage)  
Karl Zavitskovsky, Director,  
Economic Development  
(Estimated time 20 minutes)
3. Fair Park and Proposed State Fair of  
Texas Contract Amendment  
Barbara Kindig, Interim Director,  
Daniel Huerta, Executive General Manager  
Park and Recreation Department  
(Estimated time 20 minutes)
4. Upcoming agenda items for February 2013
  - Summary of FY 2012 Activity in Dallas TIF Districts – TIF Annual Report
  - Trinity Industries, Inc. – Enterprise Zone Application
  - Dallas Development Fund Bylaws and Certificate of Formation Changes
  - Dallas Entrepreneur Network Management Agreement with the City of Dallas

Tennell Atkins, Chair  
Economic Development Committee

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa Rios, City Secretary  
Tom Perkins Jr., City Attorney  
Judge Daniel Solis, Administrative Judge Municipal Court  
Craig Kinton, City Auditor  
A.C. Gonzalez, First Assistant City Manager

Ryan S. Evans, Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, CFO, OFS  
Karl Zavitskovsky, Director, OED  
J. Hammond Perot, Assistant Director, OED  
Stephanie Pegues-Cooper, Asst. to the CMO

**Note: A quorum of the Dallas City Council may attend this Council Committee meeting.**

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

1. Contemplated or pending litigation, or matters where legal advice is requested to the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The Purchase, exchange, lease or value of real property, if the deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving appointments, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment or specific occasions for implementation of security personnel or device. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meeting Act.

# **Economic Development Committee DRAFT**

## **Meeting Record January 7, 2013**

The Economic Development Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

**Meeting Date:** January 7, 2013      **Meeting Start time:** 9:00 AM

**Committee Members Present:**

Tennell Atkins  
Ann Margolin  
Monica Alonzo  
Jerry Allen  
Sheffie Kadane

**Staff Present:**

Ryan Evans, *Assistant City Manager, City Managers Office*  
Karl Zavitkovsky, *Director, Office of Economic Development*  
Lee McKinney, *Assistant Director, Office of Economic Development*

**Other Council Members Present:**

Pauline Medrano

**Other Presenters:**

**1. Approval of January 7, 2013 Minutes of the Economic Development Committee**  
**Presenter(s):**

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

**Motion made by:** Mr. Kadane

**Motion seconded by:** Mr. Allen

Item passed unanimously:   X  

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

**Follow-up (if necessary):**

**2. City Center TIF District (Lamar Corridor/West End Sub-District) Fairfield at Ross Development Project**

**Presenter(s):** Karl Zavitkovsky, Director, Office of Economic Development

**Action Taken/Committee Recommendation(s):** Motion made to recommend item to full council for approval

**Motion made by:** Mr. Kadane

**Motion seconded by:** Mr. Allen

Item passed unanimously:   X  

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

**Follow-up (if necessary):**

**3. South Dallas/Fair Park Area Business Façade/Revitalization Program**

**Presenter(s):** Lee McKinney, Assistant Director, Office of Economic Development

**Action Taken/Committee Recommendation(s):** No Action Taken

**Motion made by:** Mr. Kadane

**Motion seconded by:** Mr. Allene

Item passed unanimously:   X  

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

**Follow-up (if necessary):**

January 7, 2013

ED Committee Meeting Record – Page 2 of 2

**4. Upcoming agenda items for January 2013**

- Authorize an amendment and increase in Chapter 380 Economic Development Grant to Thrash Memorial Funeral Home, LLC
- Authorize a second amendment to the development agreement with GFD Opportunity II, LLC(Davis Garden TIF District) for Hillside West Apartments
- Authorize a second amendment to the development agreement with GFD Opportunity I, LLC (Davis Garden TIF District) for Taylor Farms Apartments
- Authorize a second amendment to the development agreement with the Kessler Theater, LLC (Davis Garden TIF District)
- Authorize a development agreement amendment with UST Joint Venture I, LP for District-Wide Studies (Sports Arena TIF District)

**Action Taken/Committee Recommendation(s):** Motion made to recommend items to council for approval.

**Motion made by:** Mr. Allen

**Motion seconded by:** Ms. Margolin

Item passed unanimously:   X  

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

**Follow-up (if necessary):**

**Meeting Adjourned:** 9:39 AM

**Approved By:** \_\_\_\_\_

# Memorandum



DATE February 1, 2013

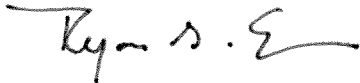
TO Members of the Economic Development Committee: Tennell Atkins (Chair),  
Ann Margolin (Vice Chair) Jerry R. Allen, Sheffie Kadane, Monica Alonzo

SUBJECT **Sports Arena TIF District – Victory Sub-District Tier One Improvement  
(Victory South Parking Garage)**

On Monday, February 4th, 2013 the Economic Development Committee will be briefed on the Sports Arena TIF District – Victory Sub-District Tier One Improvement (Victory South Parking Garage).

Briefing material is attached.

Should you have any questions, 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  
Tom Perkins Jr., City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Administrative Judge Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
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Joey Zapata, 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

# ***Sports Arena TIF District - Victory Sub-District Tier One Improvement (Victory South Parking Garage)***

Economic Development Committee  
February 4, 2013



Office of Economic Development  
[WWW.DALLAS-ECODEV.ORG](http://WWW.DALLAS-ECODEV.ORG)



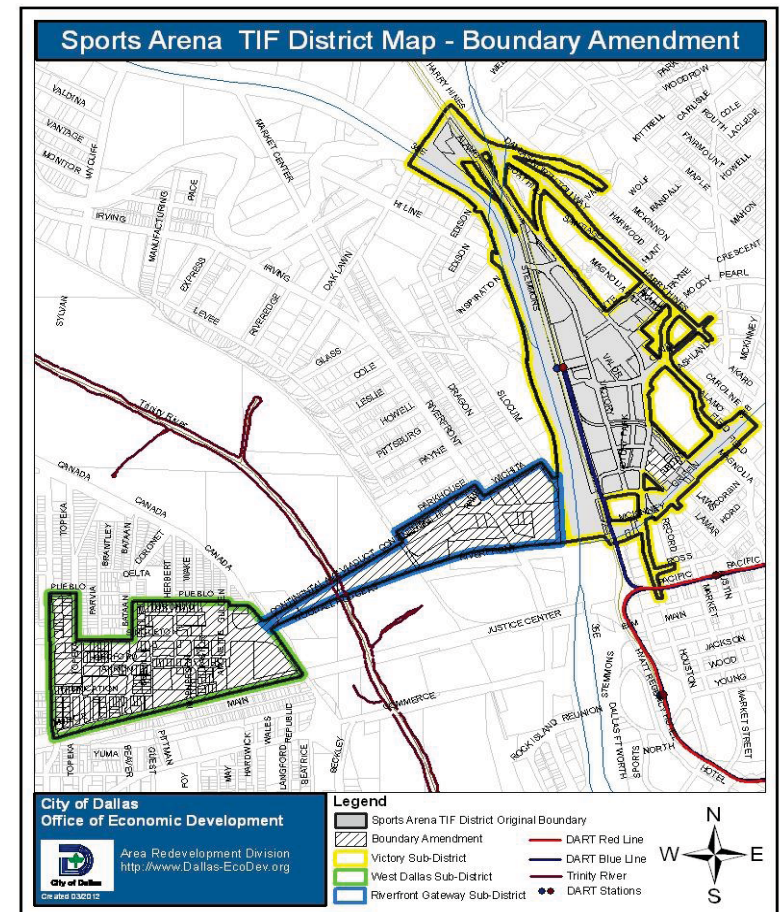
# Purpose

- ◆ Provide background information on Sports Arena TIF District and recent District amendments
- ◆ Review Tier One Improvement: Victory South Parking Garage
- ◆ Obtain Economic Development Committee's approval for Council consideration of a grant agreement for the Victory South Parking Garage on February 4, 2013



# Sports Arena TIF District *Background*

- ◆ Originally created 1998 to reimburse costs of roadway improvements/other public improvements for American Airlines Center
- ◆ Amended May 2012 to:
  - ◆ Increase district boundary and create sub-districts
    - ◆ Victory Sub-district (yellow)
    - ◆ Riverfront Gateway Sub-district (blue)
    - ◆ West Dallas Sub-district (green)
  - ◆ Extend Victory Sub-district term from 2018 to 2028
  - ◆ Establish Riverfront Gateway and West Dallas Sub-districts terms 2012 to 2042
  - ◆ Increase TIF Budget from \$47M total dollars (\$25.5M NPV) to \$274M total dollars (\$94.4M NPV) (See Exhibit A)
  - ◆ Establish TIF Grant Program
  - ◆ Establish Taxing Jurisdiction Participation Rates





# Sports Arena TIF – Victory Sub-District

## *Current Status*

### ◆ American Airlines Center Parking Requirements

- ◆ City Zoning and Arena Agreements (See Appendix B) require a total of 5,000 parking spaces to be available at all times for AAC event parking
  - ◆ Platinum Garage provides 2,000 spaces
  - ◆ Surface parking lots provide 3,000 spaces
- ◆ Surface parking lots meeting parking obligations tie up ±20 acres of developable land (See Appendix C), which represents 92% of total remaining developable land in the district, prohibiting development of the 20 acres
- ◆ The Sports Arena TIF District was amended to provide a mechanism to shift AAC parking obligations from surface parking lots to structured parking, allowing new private development to occur
- ◆ Development on existing surface parking lots would generate an additional \$464M of private investment in the sub-district (See Appendix D)

# Sports Arena TIF – Victory Sub-District

## *Tier One Improvements*

- ◆ The amendments to the District created the funding source for shifting AAC parking spaces from surface parking lots to structured parking
- ◆ The District's amended budget allocated TIF funds to construct structured parking or provide Economic Development TIF Grants to provide AAC parking in existing private parking garages categorized as Tier One and Tier Two Improvements for the District (See Exhibit A)
- ◆ Funding for Tier One Improvements is based on the premise, but for providing TIF financial assistance in relocating AAC parking spaces from surface parking lots to parking garages, over 20 acres of land will remain undeveloped preventing growth in tax base for the City and success of the overall Victory Park area
- ◆ Each garage agreement will be negotiated individually and requires separate City Council approval
  - ◆ North Parking Garage (Anland) – Approved by City Council June 2012
  - ◆ **South Parking Garage (Victory Park UST) – Grant Agreement currently under consideration**

# Sports Arena TIF – Victory Sub-District

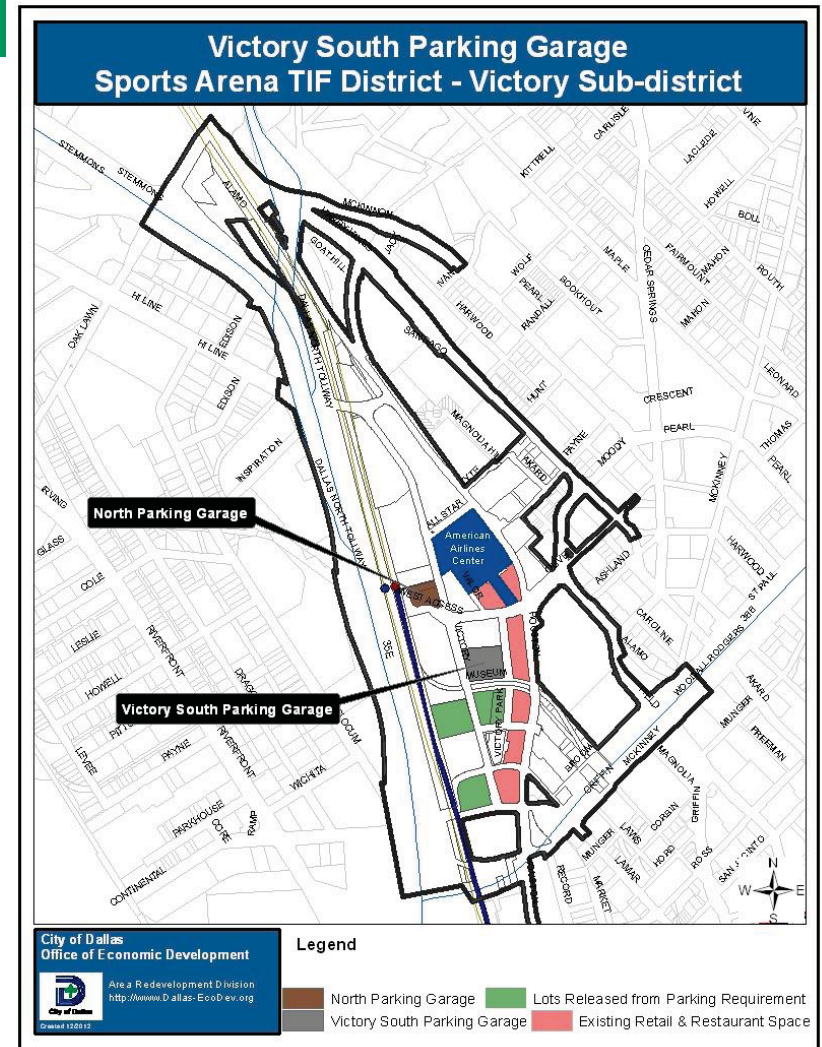
## *Tier One Improvements Budget*

- ◆ The amended budget for the Victory Sub-district allocated \$50.3M for Tier One Improvements (See Exhibit A)
  - ◆ North Parking Garage                      \$34.8M
  - ◆ South Parking Garage                      \$15.5M
- ◆ TIF payments for Tier One projects will be in the form of fixed annual payments over the term of the Victory Sub-district (See Exhibit E)
- ◆ **North Parking Garage Project**
  - ◆ Construction of a 1,200 space public parking garage
  - ◆ Developer will fund construction of the garage and be reimbursed
  - ◆ Spaces will be dedicated to AAC event parking **only** and count towards 3,000 space parking requirement
  - ◆ City will own the parking garage and land upon project completion
  - ◆ Total cost is \$34,792,955

# Sports Arena TIF – Victory Sub-District

## *Victory South Parking Garage*

- ◆ **Project Location and Description**
  - ◆ Existing 4-story, 629 space private parking garage located at the northwest corner of Victory Park Lane and Museum Way
  - ◆ Adjacent to American Airlines Center and restaurant and retail space
  - ◆ The Victory South Parking Garage will:
    - ◆ Provide 425 AAC event parking spaces located no more than 800 ft from AAC
    - ◆ Provide 204 transient public parking spaces on event nights
    - ◆ Frees approximately 5.3 acres of land for redevelopment
    - ◆ Counts toward 3,000 parking space requirement (See Exhibit F)





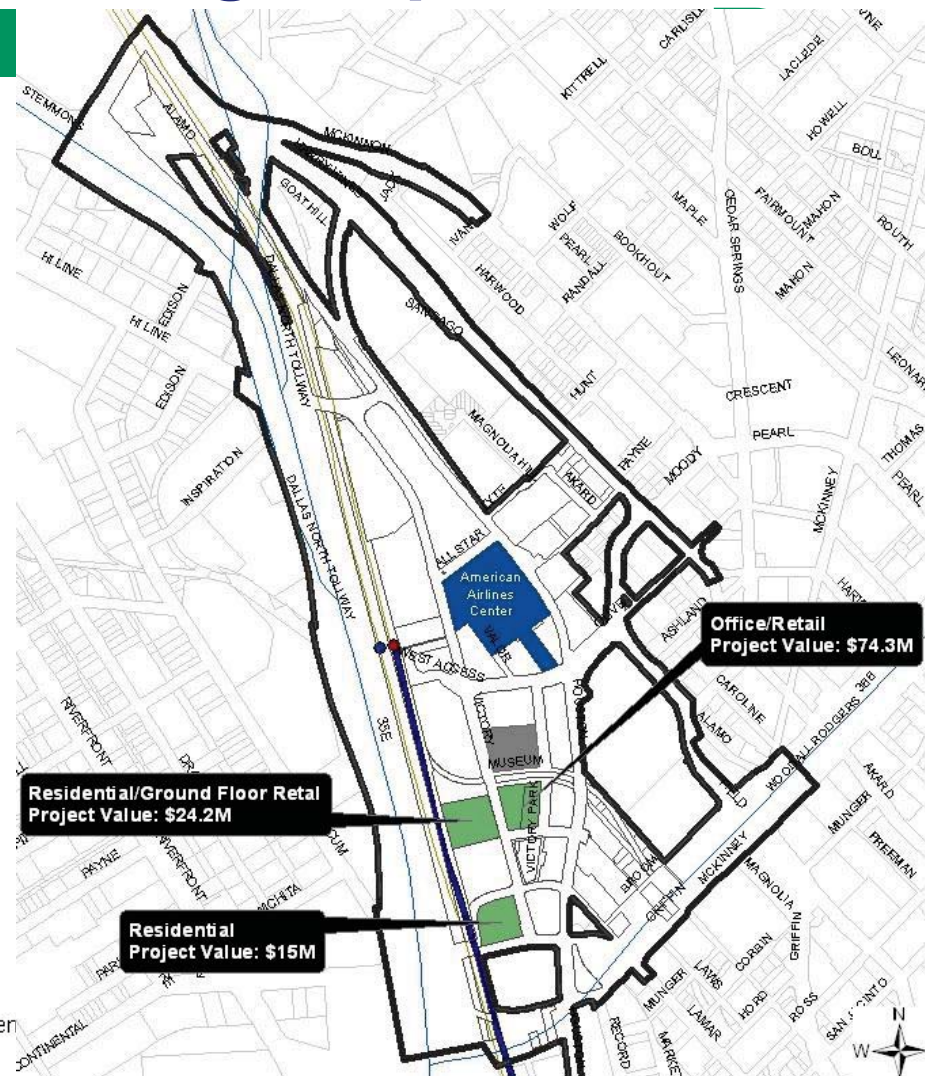
# Sports Arena TIF – Victory Sub-District: *Lots Released from Parking Requirement*

- ◆ Relocation of 425 AAC parking spaces to the Victory South Parking Garage releases 5.3 acres of land for development
- ◆ The garage leverages over \$100M in new private investment
- ◆ Uses for these tracts of land include office, retail and residential
- ◆ Over the term of the Victory Sub-district approximately \$15.1M in TIF increment could be generated by the developed 5.3 acres



## Legend

- Victory South Parking Garage
- Lots Released from Parking Requirement



# Sports Arena TIF – Victory Sub-District: *Victory South Parking Garage – TIF Grant*

- ◆ An Economic Development TIF Grant is proposed to implement the District's Amended Project Plan by making a minimum of 629 parking spaces available to the public in the Victory South Parking Garage
- ◆ Maximum amount for the TIF Grant shall not exceed \$12,825,000
- ◆ Based on an appraisal of the garage, annual rental of the entire garage is \$855,000
- ◆ Annual TIF Grant of \$855,000 will be paid to the owner of the Victory South Parking Garage for the remainder of the district's term (2028)
- ◆ The District's Amended TIF budget has allocated funds to a South Parking Garage under the Tier One Improvements line item in an amount not to exceed \$15,501,345; **Request is less than TIF budget for this item.**
- ◆ Center Operating Company's (operator of AAC and AAC event parking) and COC's Lender's acceptance of these 425 parking spaces is a grant requirement



# Victory South Parking Garage

## *TIF Grant vs. Purchase of Garage*

- ♦ Purchase cost (based on appraisal) of the garage exceeds TIF amount allocated

<b>TIF Budget for South Parking Garage</b>	<b>\$15,501,345</b>
Appraised Purchase Amount	\$11,880,000
Interest @ 5% annually for 15 years	<u>\$ 6,432,742</u>
<b>Total Purchase Cost</b>	<b>\$18,312,742</b>

- ♦ Increased cost to purchase the garage reduces availability of funds for Tier Two Improvements
- ♦ Grant is less than TIF amount allocated
- ♦ City will not be responsible for maintenance costs of garage
- ♦ Owner has plans to develop additional commercial space and parking on top of existing garage, City ownership could complicate financing
- ♦ Grant allows flexibility to relocate AAC parking spaces if necessary and end or reduce payments if spaces are no longer required

# Victory South Parking Garage

## *Benefits to the City*

- ◆ Relocates 425 surface parking spaces from surface parking lots in the District
- ◆ Opens ±5.3 acres for new development, setting the stage for over \$100,000,000 in new investment in Victory Sub-district (See Exhibit D)
- ◆ Victory Sub-district increased value and increment supports new development in West Dallas and leverages additional funding
- ◆ Revenue from transient parking will be retained by the District to be used for other District projects/improvements (\$100,000 gross annual amount)

# Victory South Parking Garage

## *TIF Board Recommendations*

- ◆ On December 19, 2012, Sports Arena TIF District Board of Directors approved and forwarded a recommendation of approval to City Council for a Grant Agreement with Victory Park UST Joint Venture I, LP for an Economic Development TIF Grant to provide public parking in a private parking garage and dedication of TIF funding for the Victory South Parking Garage in an amount not to exceed \$12,825,000.

# Victory South Parking Garage

## *Conditions of TIF Funding*

- ◆ Minimum of 629 public parking spaces shall be made available, as follows:
  - ◆ 425 public parking spaces for all AAC events; and
  - ◆ 204 public parking spaces for transient parking.
- ◆ If during any year, the City is not able to pay the entire TIF Grant payment, Owner may elect to:
  - ◆ maintain the TIF Grant and defer unpaid amounts without interest until TIF funds become available; or
  - ◆ reduce the number of Public Parking Spaces made available for transient parking on a pro-rata basis.
- ◆ In addition to the other stated conditions, the first TIF Grant payment shall be conditioned on Owner having provided documentation of approval and acceptance of the 425 AAC event parking spaces by the Center Operating Company and Lender as required under the Parking Rights Agreements (PRAs) for the District (the first TIF Grant payment is scheduled to occur on July 31, 2013);

# Victory South Parking Garage

## *Conditions of TIF Funding (Continued)*

- ◆ Obtain final acceptance of public infrastructure improvements associated with the Project, Owner shall certify in a written letter to the City by May 31st of each year throughout the term of the TIF Grant that 425 parking spaces will be made available for AAC event parking in the Victory South Parking Garage (or other garages pursuant to Subparagraph 5.E. below) and these 425 spaces count towards the 602 parking space obligation of the Owner. Failure of Owner to submit annual certification letter may result in the loss of the TIF Grant payment for the year. Owner will have a 10 day right to cure a failure to provide written certification after receipt of notice by the City that it did not receive such certification;
- ◆ Owner shall reserve the right to relocate the 425 public parking spaces for AAC event parking from the Victory South Parking Garage in accordance with the PRAs to other parking garages which have been developed subsequent to the TIF Grant. Upon relocation, terms of this TIF Grant will survive as long as the relocated spaces continue to count towards the parking space obligation of the Owner under the PRAs;

# Victory South Parking Garage

## *Conditions of TIF Funding (Continued)*

- ◆ Approval from the Director of the Office of Economic Development (Director) is required prior to relocation of the 425 public parking spaces and Owner shall provide documentation the relocated spaces continue to count towards the parking space obligation of the Owner under the PRAs;
- ◆ The Sports Arena TIF District will retain net revenues from transient parking in the Victory South Parking Garage;
- ◆ Owner must keep full and complete records of parking operations satisfactory to the City, including the development of a parking control system to prevent valet parkers or other contract parkers from using parking spaces to the detriment of the required minimum AAC event parking and transient parking;
- ◆ Owner shall submit a monthly report of AAC event parking and transient parking so long as and to the extent such data has been provided to Owner by AAC;



# Victory South Parking Garage

## *Conditions of TIF Funding (Continued)*

- ◆ Victory South Parking Garage shall be managed and operated in cooperation with the owners of the AAC during AAC events and with the Owner at all other times; and
- ◆ Without prior commercially reasonable approval from the Director, Owner shall not enter into additional parking agreements with other companies that affect the current 629 parking spaces in the Victory South Parking Garage, including valet companies, so as to ensure parking spaces are available for AAC event and transient parking; and
- ◆ If 2012 Assessed Value of undeveloped UST property has not increased by \$100M by the 2020 tax year, the annual grant amount will be reduced by the percentage which Assessed Value does not reach \$100M, with a floor grant level of \$500K per annum
  - ◆ Adjustment to base grant payment (\$855K) will be made commencing in 2021

# Recommendation

- ◆ Staff requests Committee to approve and forward a recommendation of approval by City Council of a Grant Agreement with Victory Park UST Joint Venture I, LP for an Economic Development TIF Grant to provide public parking in a private parking garage and dedication of TIF funding for the Victory South Parking Garage in an amount not to exceed \$12,825,000 at the February 13, 2013, Council meeting.

# ◆ APPENDIX

# Appendix A: Sports Arena TIF District *Amended Budget*

Category	Estimated TIF Expenditure (NPV 1999)*	Estimated TIF Expenditure (Total Dollars)
<b>Original Improvements</b>		
Orange Roadways		
Woodall Rodgers Plaza		
<b>Total Original Improvements**</b>	<b>\$23,498,088</b>	<b>\$38,588,359</b>
<b>Victory Sub-district Amended Budget</b>		
<b>Tier One Improvements</b>	<b>\$13,547,539</b>	<b>\$50,294,300</b>
North Parking Garage (Hillwood)***		\$34,792,955
South Parking Garage (UST)		\$15,501,345
<b>Total Tier One Improvements</b>	<b>\$13,547,539</b>	<b>\$50,294,300</b>
<b>Tier Two Improvements</b>	<b>\$22,301,524</b>	<b>\$82,792,864</b>
Additional North Parking Garage		\$30,801,337
Additional South Parking Garage		\$24,641,070
Other District Improvements:		\$27,350,457
Open Space, Connectivity, Special Studies		
Infrastructure Improvements and Retail		
<b>Total Tier Two Improvements</b>	<b>\$22,301,524</b>	<b>\$82,792,864</b>
<b>Total Victory Sub-District</b>	<b>\$35,849,063</b>	<b>\$133,087,164</b>

# Appendix B: Victory Park Agreement Highlights

## ◆ Arena Master Agreement

- Parties – City and Arena Group (Center Operating Company (COC) and Anland)
- Project – 12 acres donated to the City for construction of the American Airlines Center and Platinum Garage (2,000 parking spaces)
- NBA/NHL Franchise Commitment – 30 years
- City Financial Commitment Capped - \$125M (30 year Revenue Bonds/Repaid 08/2011)
  - Car Rental Tax – 5%
  - Hotel Occupancy Tax – 2%
- Arena Group Investment – Minimum of \$105M and any cost overruns
- Infrastructure – ‘Orange Roadways’ constructed using bond funds (\$12.5 million) and funds advanced by the Arena Group and reimbursed through the Sports Arena TIF District

# Appendix B: Victory Park Agreement Highlights

## ◆ Arena Master Agreement (Continued)

- Arena Group Rent – **\$3.4M annually** (\$102M over 30 years) + **\$1M annually** for capital improvements, major repair and maintenance (Rent intended to off set public investment in the AAC)
- At end of term, Arena Group has an option to purchase or continue to lease
  - Arena
  - Plaza
  - Platinum Parking Garage and land
- Purchase Price is \$133M at end of 30 years
  - Net purchase price of \$1M if all lease and maintenance payment are made (\$133M-\$102M-\$30M = \$1M)
  - May opt to lease on a year to year basis at a cost of \$200K annually
- Arena Group keeps all revenue and pays all costs of operation for the AAC and Platinum Garage
- City receives sales tax on AAC sales



# Appendix B: Victory Park Agreement Highlights

## ◆ Amended and Restated Parking Agreement

- Parties – City, COC, Anland
- Provides for all arena event parking
- Lists tracts within district to be used for parking (Anland can add or remove parking tracts if replaced with tracts comparable in proximity and access)
- Minimum 3,000 parking spaces required by agreement (841 spaces must be within 400 feet of the arena); agreement does not include Platinum Garage spaces
- Anland may replace existing surface parking with comparable surface or structured parking
- Surface lots currently provide all 3,000 parking spaces within the district (See Slide 10)

# Appendix B: Victory Park Agreement Highlights

## ◆ Amended and Restated Parking Agreement (Continued)

- Minimum parking requirements:
  - Anland owns and provides land for 2,398 surface parking spaces
  - As of April 2009, Victory Park UST owns and provides land for 602 surface parking spaces
  - COC provides parking attendants and retains all revenue from arena event parking
- Dual Usage of Parking Structures
  - Spaces only count towards minimum requirement if they are generally available (cannot be reserved for some other use)
  - Subject to reduction in spaces counting towards minimum parking requirements
    - 70% of spaces on decks 1 thru 5
    - 50% of spaces on decks 6 and 7
    - 25% of spaces on decks 8 thru 10

# Appendix B: Victory Park Agreement Highlights

- ◆ **Amended and Restated Parking Agreement (Continued)**
  - No building permit or CO issued on tracts satisfying minimum parking requirement until all parking spaces displaced have been relocated on tracts listed in parking agreement

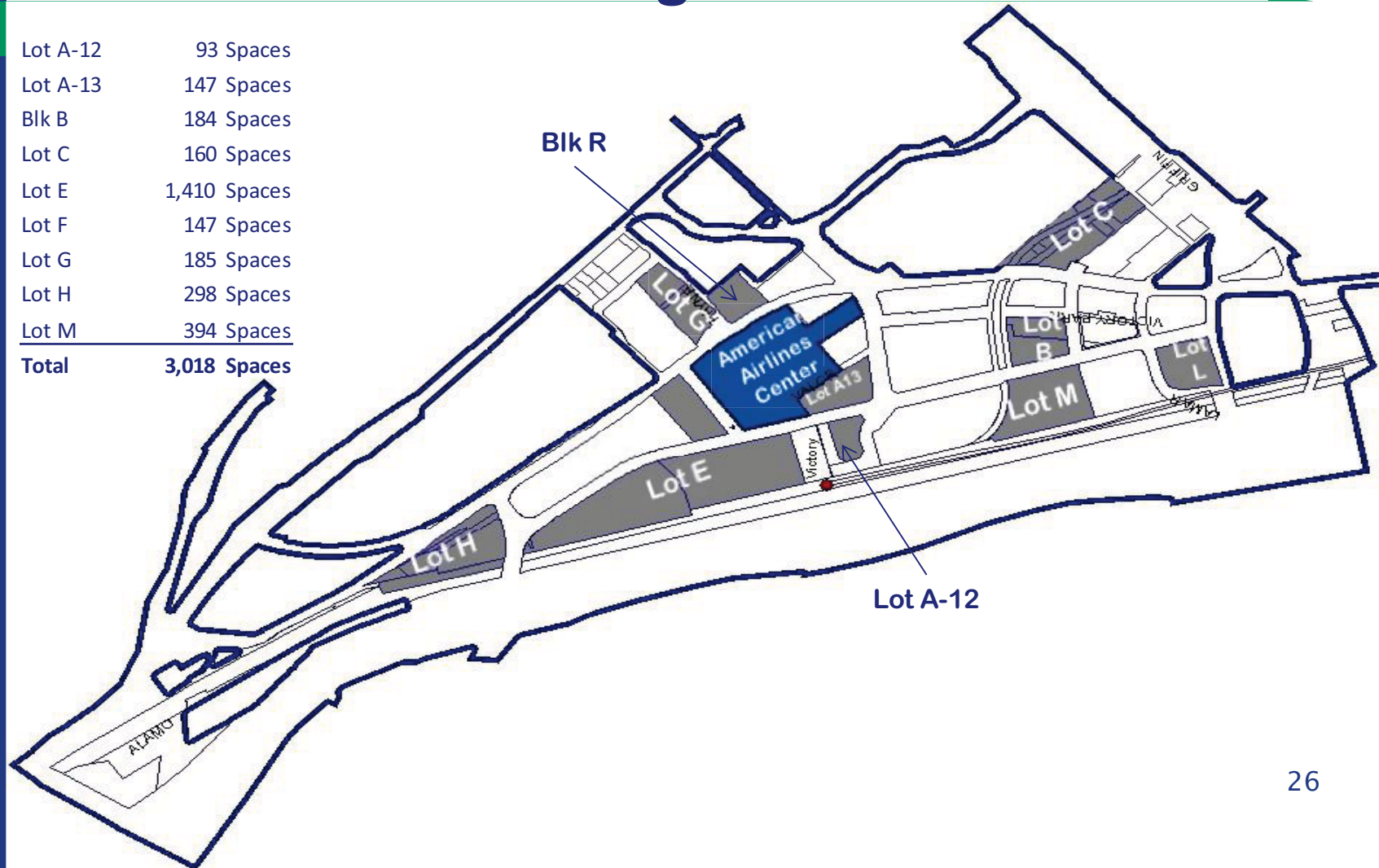
# Appendix B: Victory Park Agreement Highlights

## ◆ Lender Parking Agreement

- Parties – Lender, COC and Anland
- Agreement governs use and release provisions for parking tracts
- Lender/COC have non-exclusive easement on parking tracts for minimum 3,000 parking spaces (must comply with parking rights agreement)
- Tracts may be released from easement if remaining parking tracts meet minimum 3,000 parking requirement
- Easement is part of security for COC loan to construct the arena
- Real property only released after receiving consent of both COC and Lender
- Can satisfy minimum parking requirement with surface parking or parking structures
- COC operates all space and receives all revenue related to minimum parking requirement (Platinum Garage and 3,000 surface parking spaces)

## Appendix C: Victory Sub-District *Tracts Under Parking Easement*

Lot A-12	93 Spaces
Lot A-13	147 Spaces
Blk B	184 Spaces
Lot C	160 Spaces
Lot E	1,410 Spaces
Lot F	147 Spaces
Lot G	185 Spaces
Lot H	298 Spaces
Lot M	394 Spaces
<b>Total</b>	<b>3,018 Spaces</b>



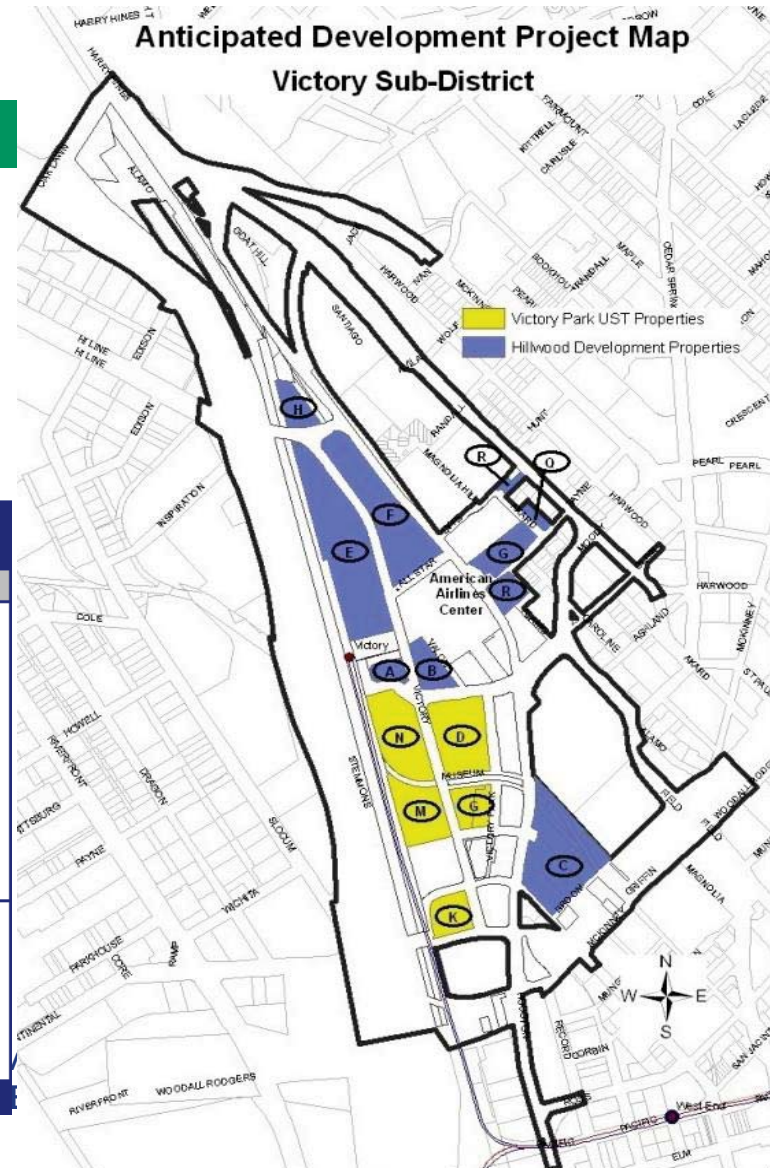
# Appendix D: Victory Sub-District Private Development

- ◆ **Anticipated Private Development**
  - Development will mostly occur on ± 20 acres of surface parking in the sub-district

Project	Estimated Taxable Value	Year (Start Construction)
<b>Victory Sub-District</b>		
<b>UST Projects</b>		
Mill Creek Residential	\$32,960,000	2013
Retail - Block D (18,000 sf)	\$2,387,025	2014
Retail - Block G - (20,000 sf)	\$5,304,499	2014
Block G Office (400,000 sf)	\$68,958,500	2014
Grocery - Block M (30,000 sf)	\$3,687,954	2015
Block M Residential	\$20,488,631	2015
Block K Residential	\$15,000,000	2017
New Block D Retail (40,000 sf)	\$5,970,261	2018
Block D Office (750,000 sf)	\$114,629,020	2018
<b>Hillwood Projects</b>		
Hillwood 1 - Block F1	\$41,375,100	2014
Hillwood - Block F2	\$39,392,808	2016
Hillwood - Block E1	\$35,821,569	2018
Hillwood - Block E2	\$38,003,102	2020
Hillwood - Block H	\$40,317,491	2022
<b>Victory Sub-district Total</b>	<b>\$464,295,960</b>	



City of Dallas





# Appendix E: Victory Sub-District Tier One Garages Reimbursement

Victory Sub-District							
Years	Projected Annual Increment	Annual Admin Costs	Original Improvements <sup>1</sup>	West Dallas Set Aside 10%	Tier One Improvements		Funds Potentially Available for Tier Two Projects
					North Parking Garage Payment <sup>2</sup>	Parking Garage Payment	
2012	\$5,661,901	\$50,000	\$3,082,763				\$2,529,138
2013	\$3,117,579	\$50,000		\$311,757.91		\$855,000	\$1,900,821
2014	\$3,526,336	\$50,000		\$352,633.62		\$855,000	\$2,268,703
2015	\$4,937,572	\$50,000		\$493,757.21	\$2,202,323	\$855,000	\$1,336,492
2016	\$5,634,717	\$50,000		\$563,471.69	\$2,202,323	\$855,000	\$1,963,923
2017	\$6,504,362	\$50,000		\$650,436.17	\$2,202,323	\$855,000	\$2,746,603
2018	\$7,165,866	\$50,000		\$716,586.58	\$2,202,323	\$855,000	\$3,341,957
2019	\$8,806,357	\$50,000		\$880,635.68	\$2,202,323	\$855,000	\$4,818,399
2020	\$9,532,270	\$50,000		\$953,227.05	\$2,202,323	\$855,000	\$5,471,721
2021	\$10,359,761	\$50,000		\$1,035,976.05	\$2,202,323	\$855,000	\$6,216,462
2022	\$10,891,127	\$50,000		\$1,089,112.68	\$2,202,323	\$855,000	\$6,694,692
2023	\$10,502,136	\$50,000		\$1,050,213.57	\$2,202,323	\$855,000	\$6,344,600
2024	\$11,039,263	\$50,000		\$1,103,926.28	\$2,202,323	\$855,000	\$6,828,014
2025	\$11,603,246	\$50,000		\$1,160,324.60	\$2,202,323	\$855,000	\$7,335,599
2026	\$11,929,043	\$50,000		\$1,192,904.29	\$2,202,323	\$855,000	\$7,628,816
2027	\$12,288,042	\$50,000		\$1,228,804.16	\$2,202,323	\$855,000	\$7,951,915
2028	\$12,626,310	\$50,000		\$1,262,631.00	\$2,202,323		\$9,111,356
Total	\$146,125,887	\$850,000		\$14,046,399	\$30,832,515	\$12,825,000	\$84,489,209
<b>Assumptions</b>							
Tier One Improvements				Cost	# of Payments	Int. Rate	0
Hillwood North Garage 1200-1300 spaces (new construction)				\$21,800,000	14	5%	
UST South Garage 600 spaces				\$12,825,000	15	0%	
DISD's Participation in the District ends 2012; Dallas County's Participation begins 2013							
<b>Notes</b>							
<sup>1</sup> Original Improvements include the outstanding balances for the Orange Roadways Improvements and Woodall Rodgers Plaza							
<sup>2</sup> Hillwood North Garage is anticipated to complete construction in 2014 and begin reimbursement in 2015.							

## Appendix F: Victory Sub-District *Surface Parking Chart*

<b>Total Parking Requirement for AAC</b>	<b>5,000</b>
<i>Platinum Garage</i>	<i>2,000</i>
<b><i>Current Parking on Surface Lots</i></b>	<b><i>3,000</i></b>
 <b>Relocated Surface Parking Spaces to Garages</b>	
<i>North Parking Garage</i>	<i>1,271</i>
<i>South Parking Garage</i>	<i>425</i>
<b><i>Total Spaces Relocated to Garages</i></b>	<b><i>1,696</i></b>
 <b>Remaining Parking on Surface Lots</b>	
	<b>1,304</b>

# Memorandum



DATE February 1, 2013

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

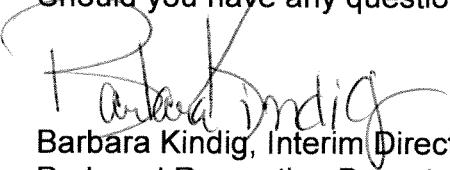
THRU Ryan S. Evans  
Assistant City Manager

SUBJECT **Fair Park and Proposed State Fair of Texas Contract Amendment**

On February 4, 2013, the Economic Development Committee will be briefed on the Fair Park and Proposed State Fair of Texas Contract Amendment. The City Council will consider approval of the item on February 13, 2013.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-4071.



Barbara Kindig, Interim Director  
Park and Recreation Department

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa Rios, City Secretary  
Thomas P. Perkins, City Attorney  
Craig Kinton, City Auditor  
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Karl Zavitskovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Stephanie Pegues Cooper, Assistant to the City Manager



# Fair Park and State Fair of Texas Proposed Contract Amendment

Economic Development Committee  
February 4, 2013





## Purpose of the Briefing

- Present the scope of annual events and activities at Fair Park
- Identify the economic benefit of events at Fair Park
- Review the Fair Park Comprehensive Development Plan, which directs the future of the park
  - Summer Adventures in Fair Park, managed by the State Fair of Texas
    - Parking management for Summer Adventures
  - Enhanced or new facilities at Fair Park including the Livestock Center

## Purpose of the Briefing

- Describe the proposed amendment to the contract between the City and the State Fair of Texas (SFT)
  - Share parking revenue with SFT during Summer Adventures
  - Require SFT to provide the majority of funding to construct the Livestock Center
  - Grant SFT naming rights for the Livestock Center
  - Require SFT to operate and maintain the Livestock Center
- Provide a recommendation to the City Council regarding the proposed amendment to the contract with the SFT



## Fair Park Events

- Fair Park hosts an average of 1,200 special events, sporting events and concerts/musical performances each year
  - 2013 Heart of Dallas Bowl (48,000)
  - North Texas Irish Festival (73,000)
  - Earth Day Dallas (50,000)
  - Fair Park Fourth (40,000)
  - Taste of Dallas (35,000)
  - State Fair of Texas (3,000,000)
  - Diwali Mela Festival (50,000)
  - KwanzaaFest (45,000)
  - Chinese Lantern Festival (163,000)





# Cotton Bowl Events

## ■ 2012

- Ticket City Bowl
- Gatorade Film Shoot
- Dog Bowl
- El Salvador v. Moldova
- Honduras v. New Zealand
- Univision H2O Concert
- Club America v. Cruz Azul
- Fair Park Fourth
- BvB Charity Football
- Grambling v. Prairie View
- Texas v. OU
- Diwali Mela Festival

## ■ 2013 (construction)

- Heart of Dallas Bowl
- Dallas Cup Opening Ceremony and Championship Games
- Dog Bowl
- Fair Park Fourth
- High School Football Games
- Army v. Louisiana Tech
- Grambling v. Prairie View
- Texas v. OU
- Diwali Mela Festival

## How We Compare

- Using Global Attractions Attendance Report figures, Fair Park attendance in 2010 of 5.47M exceeded:
  - Sea World Orlando (5.10M)
  - Universal Studios Hollywood (5.04M)
  - Busch Gardens Tampa (4.20M)
  - Sea World San Diego (3.80M)
- Other venues with higher attendance:
  - Disney California Adventure (6.28M)
  - Universal's Island of Adventure Florida (5.95M)
  - Universal Studios Florida (5.93M)





## How We Compare

- American Planning Association: “Great Places in America” designation in 2011
- Trust for Public Land: 18<sup>th</sup> Most Visited Public Park in America in 2011
- **Non SFT attendance has increased each of the last three fiscal years**





# Economic Benefits

- Estimated economic impacts
  - State Fair of Texas (\$300M)
  - at&t Red River Rivalry (\$34M)
  - State Fair Classic (\$6M)
  - Heart of Dallas Bowl (\$10M)
  - Dallas Summer Musicals (\$109M)



# Fair Park Comprehensive Development Plan

- Fair Park Comprehensive Development Plan adopted by Park and Recreation Board and City Council in 2003, included the following objectives for Fair Park:
  - Create a public signature park
  - Uphold the park's historic legacy
  - Support the museums and SFT, while activating the park with new programs and uses
    - Develop a summer Midway
  - Encourage economic vitality
  - Enhance connectivity with the community and the greater Dallas metroplex



# Summer Adventures in Fair Park

- On October 4, 2012 the Park Board was briefed on SFT's "Summer Adventures in Fair Park"
  - \$27M investment in Fair Park by SFT over a three-year period
  - Opens May 3, 2013
  - 20-acre tropical paradise of rides, shows, and activities
  - Top o' Texas Tower, the tallest ride in the country at 500 feet
  - Parking revenues shared between City and SFT



# Summer Adventures in Fair Park

- Weekends in May, then daily from June through mid-August
  - Monday – Thursday, 10am to 6pm
  - Friday and Saturday, 10am to 10pm
  - Sunday, 10am to 8pm
- 400 employees, including adults and students
- Anticipated annual attendance of 300,000+





## Parking

- The City of Dallas controls 8,947 parking spaces inside Fair Park during non-Fair time and 304 parking spaces in the Parry Avenue lot year-round
- SFT controls 6,000 parking spaces outside Fair Park which they permit the City of Dallas to use during non-Fair time
- The current City special event parking fee is \$10 per vehicle, with exception of May – August (Summer Adventures) when the parking fee is \$15, as approved by Park Board on December 6, 2012

## Parking Fees at Fair Park - 2013

Date	Parking Fee
January 1 – April 30	\$10*
May 1 – August 15 <ul style="list-style-type: none"><li>•Summer Adventures</li><li>•All other special events</li></ul>	\$15
August 16 – September 26	\$10*
September 27 – October 20 <ul style="list-style-type: none"><li>•State Fair of Texas</li></ul>	\$15
October 21 – December 31	\$10*
Museums and Institutions (Non-Fair)	Free

\*Does not include events which request special parking rates

## Parking Proposal

- SFT is proposing a 70/30 split on parking revenues generated by Summer Adventures
  - SFT would receive 70% and the City 30%
  - Estimated \$287,000 in new revenues to the City for enhanced maintenance of Fair Park
  - The 70/30 split would be calculated by dividing daily Summer Adventures ticket sales by a 3.3 persons per vehicle ratio to determine the number of vehicles and the related parking fees



# Livestock Center Background

- The 2006 Bond Program included funding to design and construct a new Livestock Center with supplemental funding from the State Fair of Texas
- Funding for the design and construction of the facility
  - City of Dallas 2006 Bond Funds \$4.5M
  - SFT estimated contribution \$9M



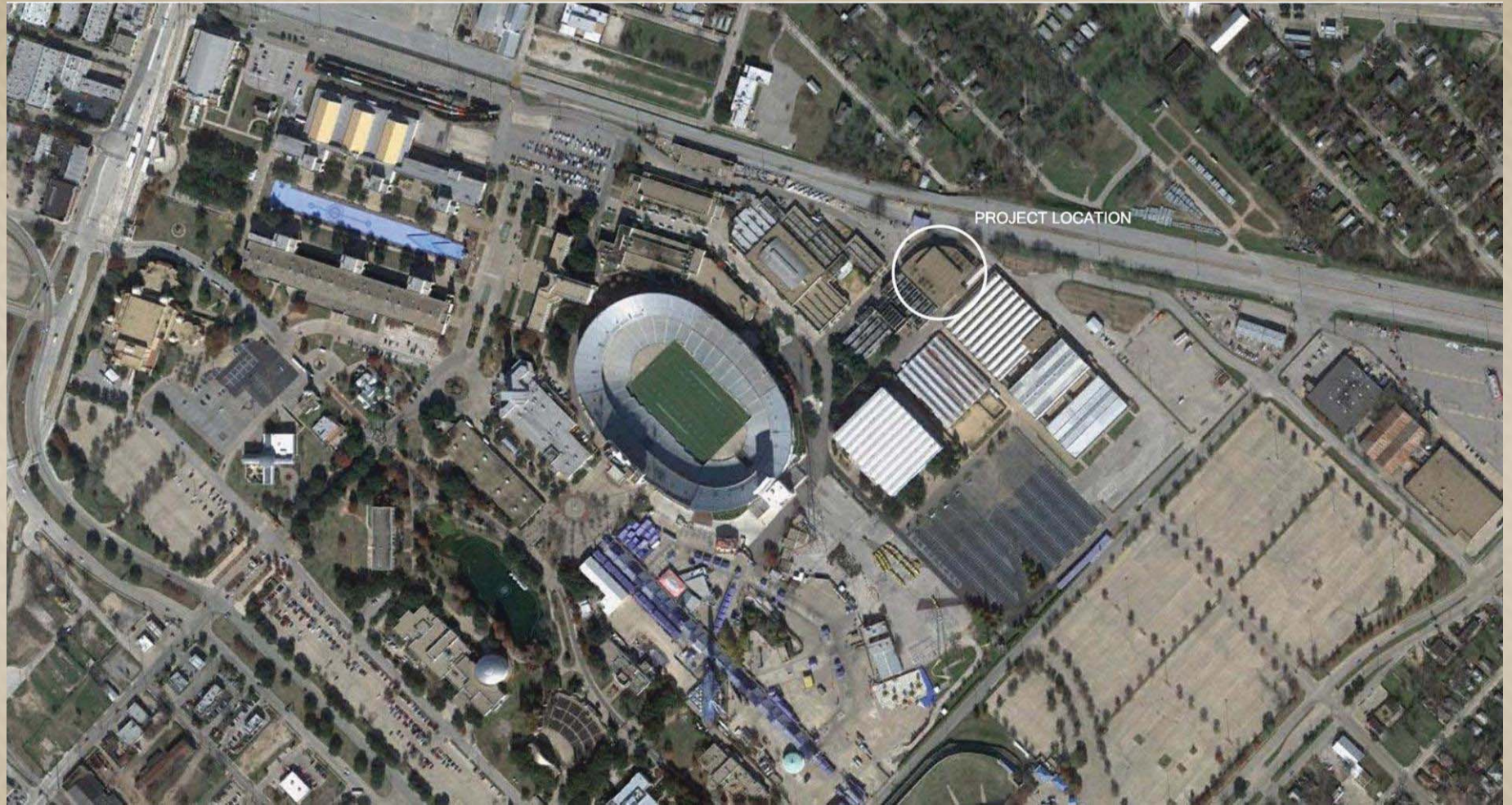
## Livestock Center Background

- On December 6, 2012, the Park Board authorized a contract amendment allowing SFT to:
  - Utilize the facility and pay for operating and maintenance costs for the Livestock Center year-round
  - Secure naming rights and sponsorship opportunities in consideration of private funds raised by SFT



# Livestock Center

## Site Context





# Livestock Center

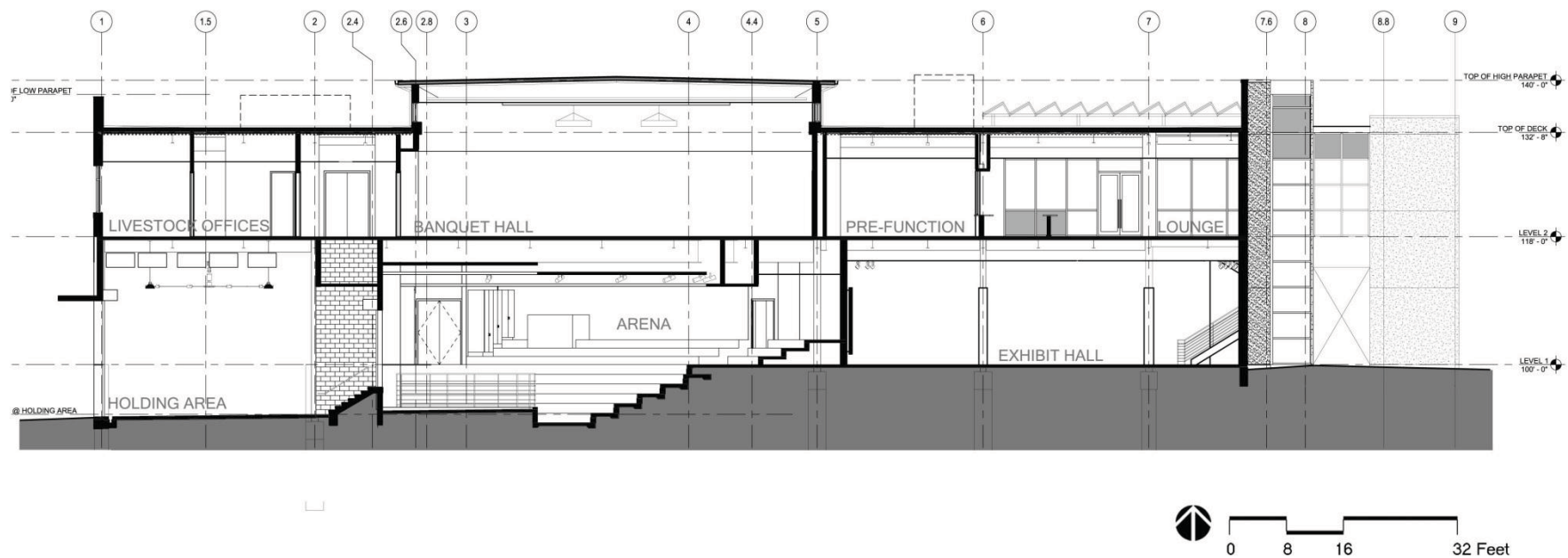
## Exterior View





# Livestock Center

## Building Section



# Livestock Center

## Arena Interior





# Livestock Center

## Arena Interior (Alternate Use)



## Proposed Deal Points

- SFT responsible for all operating and maintenance costs of the facility
- SFT may use offices on year-round basis
- Title to the facility and grounds will be held by the City of Dallas
- Term expiration will coincide with the existing SFT contract



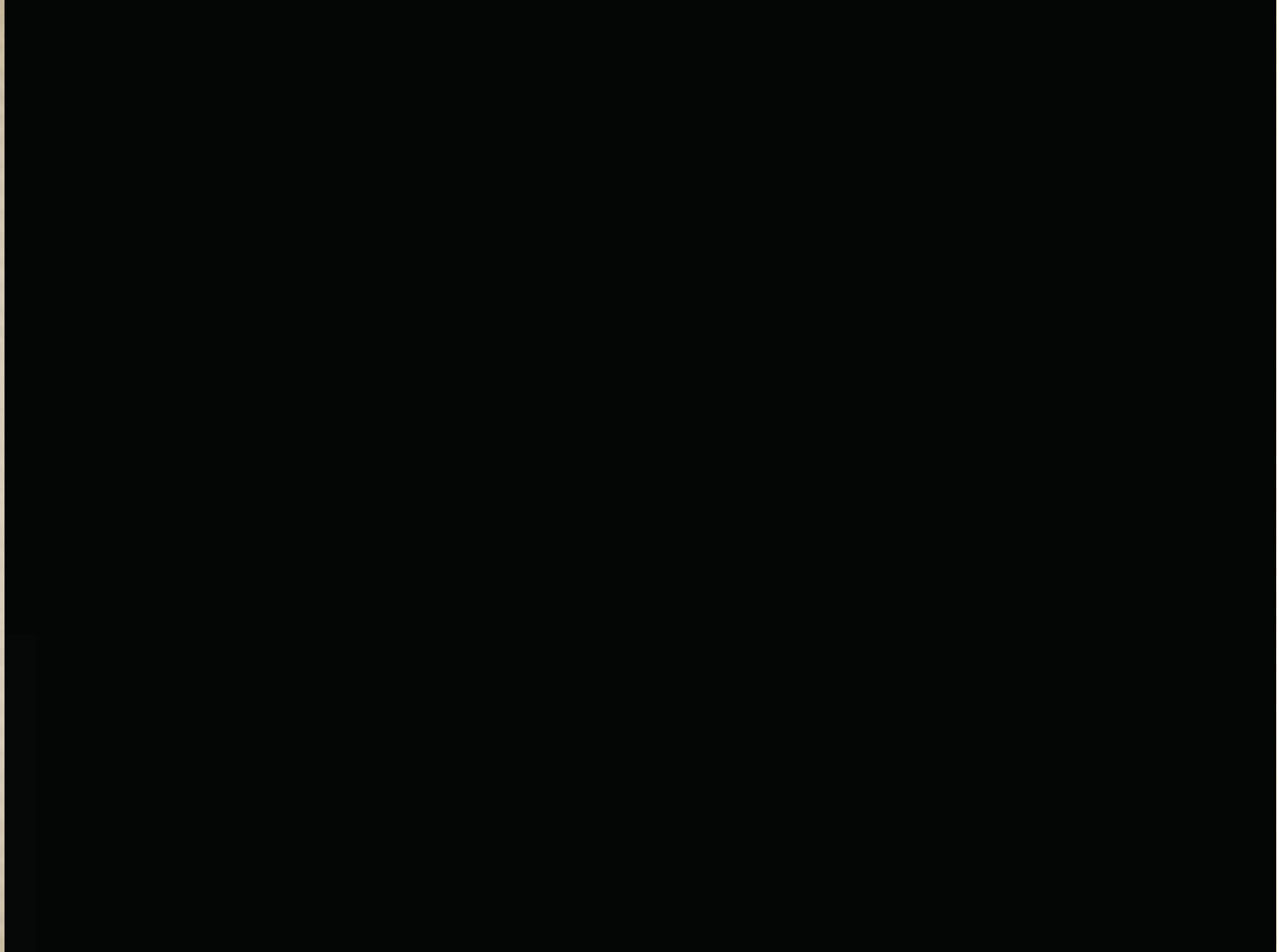
## Proposed Deal Points

- The City will maintain the booking calendar for the facility and shall have access at all times during non-Fair dates
  - City will lease the facility and retain all rental revenues
- SFT may secure naming rights and sponsorship opportunities for the facility and/or its components
- SFT will support the City in their efforts to achieve and maintain LEED credits needed for the minimum LEED Silver rating

## Next Steps

- Seek authorization of the City Council to amend the City's contract with SFT to:
  - Authorize a 70/30 split on parking revenues for Summer Adventures
  - Authorize SFT to utilize the facility and pay for operating and maintenance costs for the Livestock Center year-round and to secure naming rights and sponsorship opportunities in consideration of private funds raised







# Memorandum



DATE February 1, 2013

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

SUBJECT **Summary of FY 2012 Activity in Dallas TIF Districts – TIF Annual Report Items,  
February 27, 2013 Council Agenda**

## **Background**

During FY 2012 the eighteen (18) TIF Districts continued to experience increased activity overall. Growth in property values compared to the base year of the districts has been strong. Overall taxable real property value in TIF Districts increased by 9.2% (\$530,969,795) from last year compared to a 2% increase for the City as a whole. Twelve of the eighteen districts increased in value over last year with the largest percent increases in Cypress Waters, 199%; Oak Cliff Gateway, 34%; Southwestern Medical, 27%; TOD TIF, 14.6%; and Downtown Connection, 13.9%.

Overall TIF District property value growth since inception thru 2012 is 105.8%. For the six TIF Districts created between 1988 and 1998, overall value has grown by 140.4%. The State-Thomas TIF, since it is officially closed, is excluded from the district totals. Based on available 2012 data, the property value growth in State-Thomas TIF exceeded \$404 million or 851% from inception.

The Sports Arena TIF District had the highest rate of overall growth rate, 2,382% above the base year. The Cityplace Area TIF District, which officially closed in December 2012, had a 1,069% increase from the base year. Newer TIF Districts created after 2005, had an overall value growth of 88.3%. Among those that had the highest increases were the Downtown Connection (211.9%), Cypress Waters (199%), and Design District (117%) TIF Districts.

Total TIF expenditures or allocations of \$799 million leveraged over \$6 billion in added or anticipated property value in TIF Districts since the inception of each TIF District. For every TIF dollar committed, \$7 was returned in private investment. This return does not include the amount of increased sales tax, hotel/motel taxes and personal property taxes, nor does it include the taxes paid to the various taxing jurisdictions, including the Dallas Independent School District (DISD). We estimate the amount of additional taxes paid to DISD for increased property value in Dallas TIF Districts is over \$44 million for the fiscal year 2012.

### TIF District Property Value Growth from Inception to 2012

TIF District	Initial (Base)	2011 Taxable Value	2012 Taxable Value	2011 vs 2012 (% Change)	Initial vs 2012 (% Change)
<b>TIF Districts created between 1988-1998</b>					
Cityplace	\$45,065,342	\$476,832,820	\$526,628,309	10.4%	1068.6%
Oak Cliff Gateway (Zone A-B)	\$40,097,623	\$95,104,431	\$127,411,066	34.0%	217.8%
Cedars	\$35,300,760	\$78,357,617	\$76,404,425	-2.5%	116.4%
City Center	\$866,044,996	\$1,141,620,880	\$1,228,203,267	7.6%	41.8%
Farmers Market	\$27,706,851	\$101,234,097	\$111,686,928	10.3%	303.1%
Sports Arena - Victory Sub-district	\$16,423,773	\$396,487,661	\$407,717,569	2.8%	2382.5%
Sports Arena - West Dallas Sub-district	\$12,278,597	n/a	\$12,278,597	n/a	n/a
Sports Arena - Riverfront Gateway Sub-district	\$18,944,160	n/a	\$18,944,160	n/a	n/a
<b>Subtotal</b>	<b>\$1,030,639,345</b>	<b>\$2,289,637,506</b>	<b>\$2,478,051,564</b>	<b>8.2%</b>	<b>140.4%</b>
<b>TIF Districts created after 2005</b>					
Design District	\$141,852,062	\$274,649,352	\$307,974,106	12.1%	117.1%
Vickery Meadow	\$161,270,320	\$342,386,650	\$341,865,080	-0.2%	112.0%
Southwestern Medical (Zone A-B)	\$67,411,054	\$109,399,401	\$139,196,520	27.2%	106.5%
Downtown Connection (Zone A-B)	\$564,917,317	\$1,546,807,101	\$1,761,856,555	13.9%	211.9%
Deep Ellum (Zone A-B)	\$113,885,770	\$149,135,375	\$160,159,315	7.4%	40.6%
Grand Park South	\$44,850,019	\$44,832,415	\$42,878,702	-4.4%	-4.4%
Skillman Corridor	\$335,957,311	\$412,663,658	\$448,622,015	8.7%	33.5%
Fort Worth Avenue	\$86,133,447	\$108,901,754	\$109,070,598	0.2%	26.6%
Davis Garden (Zone A-B)	\$137,834,597	\$140,853,001	\$140,160,429	-0.5%	1.7%
TOD TIF (all subdistricts)	\$202,074,521	\$185,071,771	\$212,063,516	14.6%	4.9%
Maple-Mockingbird (Zone A-B)	\$184,005,009	\$185,074,829	\$178,338,196	-3.6%	-3.1%
Cypress Waters	\$73,383	\$73,382	\$219,394	199.0%	199.0%
<b>Subtotal</b>	<b>\$2,040,264,810</b>	<b>\$3,499,848,689</b>	<b>\$3,842,404,426</b>	<b>9.8%</b>	<b>88.3%</b>
<b>Total All Districts</b>	<b>\$3,070,904,155</b>	<b>\$5,789,486,195</b>	<b>\$6,320,455,990</b>	<b>9.2%</b>	<b>105.8%</b>

Notes: State-Thomas TIF legally expired 12/2008 and no longer officially reporting  
Cityplace TIF no longer collecting increment with 2009 tax year  
Districts with Zone A & B reflect original boundary (Zone A) plus accounts added with different base yr (Zone B)  
Sports Arena TIF was amended in May 2012 and includes the Victory Sub-district (reflecting most of the original 1998 boundary) and two new sub-districts that have a longer legal term.

Although most new taxable value growth in TIF Districts is captured to fund public improvements in those Districts, there has been some added benefit to the City's general fund. The Cityplace Area TIF District reached its budget cap early, has stopped collecting increment, and is estimated to contribute \$3,856,996 to the City for tax year 2012. Districts created in 2005 and later have varied City participation ranging from 55-90% of total taxes, and some have delayed increment collection in the initial years, allowing some new growth into the general fund. Total increment shown below includes both the estimated City contribution and any contributions from other participating taxing jurisdictions. For older TIF districts, there was more participation from other taxing entities whereas those districts created since 2005 have primarily had only City and County participation. Estimates for the prior year 2011, 2012 and projected 2013-2014 increment collection and new general fund revenue is shown below:

**Estimated TIF District Increment Collection and Added General Fund Revenue**

<b>Tax Year</b>	<b>City Center &amp; Downtown Connection TIFs</b>	<b>Non-Downtown TIFs</b>	<b>Total All Districts</b>
2011 Total Increment	\$10,969,390	\$12,253,280	\$23,222,670
2011 (City) Increment	\$9,212,346	\$7,739,038	\$16,951,384
2011 new City General Fund	\$1,002,200	\$7,739,038	\$8,363,963
2012 Total Increment	\$13,226,800	\$14,037,509	\$27,264,309
2012 (City) Increment	\$11,183,406	\$8,902,223	\$20,085,630
2012 new City General Fund	\$1,242,601	\$8,240,440	\$9,483,041
2013 Projected Total Increment <sup>^</sup>	\$14,247,378	\$11,482,114	\$25,729,492
2013 Projected (City) Increment	\$11,976,417	\$9,821,972	\$21,798,389
2013 Projected new City Gen. Fund	\$1,673,177	\$8,960,878	\$10,634,055
2014 Projected Total Increment	\$14,776,601	\$17,164,630	\$31,941,231
2014 Projected (City) Increment	\$12,418,800	\$14,348,942	\$26,767,742
2014 Projected new City Gen.Fund	\$1,762,008	\$9,799,931	\$11,561,939

*Total increment is estimated TIF collections for all participating taxing jurisdictions.*

*City Increment is the estimated City contribution to the TIF Funds.*

*New City General Fund is the estimated added revenue from increased property value above the base value not captured by TIF Funds (includes estimated \$3,601,492 annually from State-Thomas TIF, now expired)*

*Estimates for the prior 2011 tax year based on final values; however, actual collection may vary*

*<sup>^</sup>Decrease in estimated total increment is attributed to older TIFs that will have a reduction/elimination in participation by other taxing entities.*

TIF Districts have also been catalysts for improving the real estate market in areas that were lagging, drawing new residents into the city's core and DART station areas, and creating new mixed-use neighborhoods. As of FY 2012, approximately 18,541 new residential units were completed in the City's nineteen TIF Districts (including State-Thomas), an additional 3,475 are under construction, and another 9,334 units are planned. Over 6.7 million square feet of new or redeveloped retail, office, and other commercial space has been completed. Over 347,000 square feet of commercial space is under construction and another 5.1 million square feet of space is planned. New hotel construction includes 3,147 completed rooms, 162 under construction and another 560 rooms planned.

During FY 2012, an estimated 506 total multi-family units were demolished in four TIF districts including 335 units in the TOD TIF District related to the redevelopment of the former Signature Pointe apartments on Lovers Lane. Other demolitions included 18 units in the Cedars, 28 units in Grand Park South, and 125 units in the Maple-Mockingbird TIF districts.

The following table summarizes new development in downtown and non-downtown TIF Districts. The two downtown TIFs, City Center and Downtown Connection, comprised 21% of constructed or planned residential units, 29% of commercial space and 74% of completed or planned hotel rooms.

#### New Residential and Commercial Development in TIF Districts

Development	City Center & Downtown Connection TIFs	Non- Downtown TIFs	Total All Districts
Residential Units			
Completed	5,338	13,203	18,541
Under Construction	381	3,094	3,475
Planned	901	8,433	9,334
<b>Resid. Total</b>	<b>6,620</b>	<b>24,730</b>	<b>31,350</b>
Commercial (retail, office, other com.) Square Footage			
Completed	2,521,400	4,185,162	6,706,562
Under Construction	38,921	308,500	347,421
Planned	979,737	4,130,349	5,110,086
<b>Com. Total</b>	<b>3,540,058</b>	<b>8,624,011</b>	<b>12,164,069</b>
Hotel Rooms			
Completed	2,693	454	3,147
Under Construction	162	0	162
Planned	0	560	560
<b>Hotel Total</b>	<b>2,855</b>	<b>1,014</b>	<b>3,869</b>

Construction activity in TIF Districts is on-going. Major TIF-related projects that completed construction in FY 2012, with a combined value nearly \$146 million are shown in the following table and took place in several districts. City Council also authorized development agreements for four new development projects in the City's eighteen TIF Districts. These anticipated projects will have an estimated value of \$272 million at completion.

### Major TIF-Related Projects Completed or Approved in FY 2012

Project	District	Description	Value^	TIF Investment
<b>Completed In FY 2012</b>				
1400 Hi Line	Design District	110 resid units complete (204 units; 29,000 sf under const.)	\$38,870,000	\$0
Zang Triangle	Oak Cliff Gateway	256 resid. units; 3,000 sf flex space	\$16,179,240	\$7,250,000
Taylor Farms	Davis Garden	160 resid. Units	\$4,393,960	\$2,071,197
Metro Paws Animal Hospital	Fort Worth Avenue	4,700 sf vet clinic	\$1,247,136	\$116,000
The Reserve on the Campus	Maple/ Mockingbird	36 resid. Units	\$2,300,160	\$0
Eon at Maple JLB	Maple/ Mockingbird	300 resid. units	\$12,200,000	\$0
Zang Triangle	Oak Cliff Gateway	256 resid. units; 3,000 sf flex space	\$16,179,240	\$7,250,000
The BLVD	TOD TIF	417 resid units; 9,100 sf retail	\$39,465,231	\$0
NYLO Dallas South Side Hotel	TOD TIF	76 hotel rooms	\$15,000,000	\$0
<b>Approved In FY 2012</b>				
Sylvan Thirty	Fort Worth Avenue	200 resid. Units; 55,000 sf retail	\$30,000,000	\$7,500,000
Forest City West Village	Cityplace	391 resid. units; 37,000 sf retail	\$63,675,011	\$2,851,000
Tower Petroleum/Corrigan Tower	Downtown Connection	258 resid. Units; 4,400 sf retail	\$44,660,000	\$10,300,000
Davis Street Market	Davis Garden	150 resid. units; 68,000-96,000 sf of retail/office space	\$33,700,000	\$4,000,000
North Parking Garage	Sports Arena	1,200 space parking garage	\$100,000,000	\$33,271,841

^Values reflect current DCAD market value for completed projects or estimated value for those planned  
For North Parking Garage - TIF infrastructure investment is opening up potential for new development

State law requires the preparation of an annual report for each TIF District that summarizes the activities of each area. The state requirements for this report are minimal. In order to better explain the progress of each TIF District, staff has created a report that shows additional information. The reports include the following information:

- Mission Statement for the TIF District
- Accomplishments to Date
- Project Status – Type and amount of new development by project including private investment, new residential units, commercial space created, TIF investment, completion (or expected completion) date
- Other District-wide initiatives, where applicable
- Map of the TIF District
- Taxable value and increment revenue summary – what is the captured appraised value for the District and the expected increment collection
- Objectives and Success Indicators for the TIF District
- Summary of City Council actions related to the TIF District
- TIF Project Plan budget status – projected increment revenues to retire TIF fund obligations, expenditures, and the total plan budget
- M/WBE participation in TIF Contracts
- Bond sales and repayment, where applicable
- FY 2013 Work Program

Seventeen of the TIF District Boards of Directors have met and voted to recommend the annual reports for City Council approval. The Grand Park South TIF Board does not currently have the minimum five appointed members to convene a meeting; therefore, the annual report is being forwarded without a Board recommendation. State law does not require that the Board approve the report prior to City Council. The Annual Reports, upon adoption by City Council, will be submitted to the other taxing jurisdictions participating financially in each District and to the State Comptroller.

### **Financing**

No cost consideration to the City.

### **Recommendation**

Staff recommends City Council approval of all the TIF Annual Reports.

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, City Secretary**

**Tom 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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**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**

# Memorandum



CITY OF DALLAS

DATE February 1, 2013

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

SUBJECT **Trinity Industries, Inc. – Enterprise Zone Application – Council Agenda  
February 13, 2013**

## **Background**

On Wednesday, February 13, 2013, City Council will be asked to consider authorizing the nomination of Trinity Industries, Inc. located at 2525 North Stemmons Freeway to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor's Economic Development and Tourism Division through the Economic Development Bank.

The City of Dallas has been approached by Trinity Industries, Inc. ("Trinity") to nominate by resolution its application for an Enterprise Project designation to the Economic Development Bank, part of the Governor's Office of Economic Development and Tourism Division. The designation will allow for a rebate of state sales and use tax refunds on qualified expenditures of up to \$2,500 per new job created or retained for benefit up to a maximum of \$1,250,000 over a five-year designation period. By participating in the program, the company is committing to retain its 743 jobs located in Dallas. This project has no cost consideration to the City of Dallas.

Trinity is a multi-industry company that owns a variety of market-leading businesses which provide products and services to the industrial, energy, transportation, and construction sectors. Trinity has five principal business segments: the Rail Group, the Railcar Leasing and Management Services Group, the Inland Barge Group, the Construction Products Group and the Energy Equipment Group.

Trinity's businesses provide capital goods and services ranging from railcars to barges, concrete to propane tanks, highway guardrail to structural wind towers, railcar parts to crash cushions, and railcar leasing and management services.

Trinity's Dallas facility located at 2525 North Stemmons Freeway is planning to spend over \$40 million in capital investment over the next few years. Specifically, Trinity plans on making a significant investment to remodel three of its nine floors at its headquarters and to upgrade its Oracle accounting system. With a City of Dallas nomination to the Texas Enterprise Program ("Program"), Trinity can request approval from the State of Texas to participate in the Program.

**Owner**

Trinity Industries, Inc.  
Mr. S. Theis Rice  
Sr. Vice President HR and Chief Legal Officer

**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.

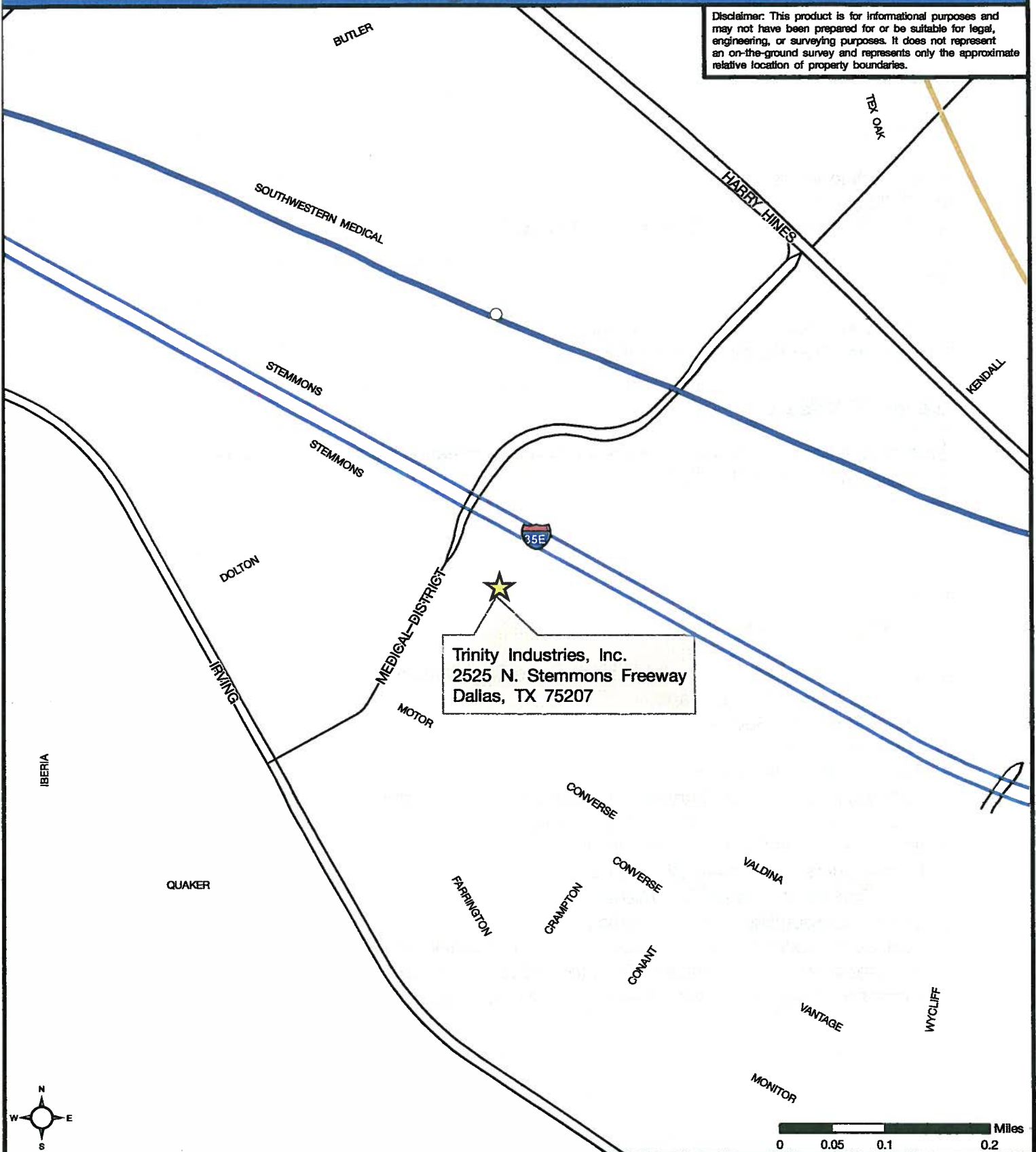


Ryan S. Evans  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa Rios, City Secretary  
Tom Perkins Jr., City Attorney  
Craig Kinton, City Auditor  
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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

# Trinity Industries

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.



Trinity Industries, Inc.  
2525 N. Stemmons Freeway  
Dallas, TX 75207

DALLAS  
ECONOMIC  
DEVELOPMENT

Research & Information Division  
214.670.1685  
dallas-ecodev.org

Created: 11/19/2013 - 12:01:00 PM Chris O'Brien/CO

## Legend

- Rail Station
- Commuter Rail
- DART Light Rail

- Freeway
- Arterial
- Local Road

Source: City of Dallas, 2013



## Memorandum



**DATE** February 1, 2012

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

**SUBJECT** **Dallas Development Fund Bylaws and Certificate of Formation Changes**

At the February 13th, 2013 Council meeting, you will consider an agenda item to make revisions to the Dallas Development Fund's (DDF) bylaws and certificate of formation to comply with IRS recommendations for a 501(c)3 designation.

The City of Dallas authorized the creation of the Dallas Development Fund (DDF), a non-profit Community Development Entity (CDE), by Resolution No. 09-0461 on February 11, 2009, to apply for a New Market Tax Credit (NMTC) allocation from the U.S. Department of Treasury's Community Development Financial Institutions Fund in its 2009 funding cycle. DDF was awarded a \$55 million allocation under the 2009 cycle, and that allocation was officially accepted by DDF on March 31, 2010.

The NMTC program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated CDEs. These investments must be used by the CDE for projects and investments in low-income communities, as defined by the NMTC program. The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year credit allowance period. To date, DDF and the City Council have authorized \$42.5 million in NMTC allocation to three projects throughout the City.

In June of 2011, the DDF submitted an application to the IRS for a 501(c)3 non-profit status designation. After a thorough review, the IRS has requested changes to the organization documents of the Dallas Development Fund which clarifies the purpose of the organization and that the City of Dallas serves as the controlling entity of the Dallas Development Fund.

Specifically, under the revised certificate of formation and bylaws, the City Manager will appoint four of the seven board members, and City Council will confirm the City Manager's selections when the positions are reappointed. The City Manager currently appoints three members to the DDF board.

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

A handwritten signature in blue ink, appearing to read "Ryan S. Evans", with a long horizontal stroke extending to the right.

Ryan S. Evans  
Assistant City Manager

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Stephanie Pegues-Cooper, Assistant to the City Manager

# Memorandum



CITY OF DALLAS

**DATE** February 1, 2013

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

**SUBJECT** **Dallas Entrepreneur Network Management Agreement with the City of Dallas**

At the February 13 Council meeting, you will consider an agenda item to authorize the City Manager to enter into a management agreement between the Dallas Entrepreneur Network (DEN) and the City, for the City to provide services to the DEN in administering and managing the SourceLinkDallas program and other small business and entrepreneurship programs pursued by the DEN.

The City of Dallas Office of Economic Development (OED) has been actively working to increase support to entrepreneurs and small businesses in the City of Dallas. Meaningful support for small growing companies offers the potential for a big return. One method to achieve this goal is through the development of a SourceLink program, which Council authorized on March 28, 2012.

In addition to authorizing the Sourcelink program, on September 26, 2012, the City Council authorized the creation of a nonprofit corporation governed by representatives from the City and its funding partners to administer the SourceLink program and related entrepreneurial and small business support services. Through Council action, the City Manager approved the organization documents and was authorized to file these documents with the State.

The organizational documents for the Dallas Entrepreneur Network (DEN), which oversees the Sourcelink program as well as the larger initiative, were filed on November 27, 2012, establishing the corporation. The Corporation is recognized as a Texas non-profit and intends to seek a 501(c)3 non-profit designation from the IRS; until that designation is granted, the Communities Foundation of Texas (CFT) has been identified as the Corporation's fiscal sponsor.

City Council has provided funds for operational support for the SourceLink initiative and DEN to manage the program for five years, in an amount not to exceed \$750,000, by Resolution No. 12-0906, on March 28, 2012. This City participation is expected to represent half the program budget with the other half coming from funds raised through the fiscal sponsorship.

The City Council is now being asked to approve a contract between the City of Dallas and the DEN. The purpose of the contract is to state the terms and conditions under which the City will provide services to assist the DEN in administering and managing the SourceLinkDallas program and other small

business and entrepreneurship programs pursued by the DEN.

City staff will provide the day to day support to operate the SourceLink program and assist the DEN board in developing new entrepreneurship and small business initiatives. Funding for staff activities will come from the \$750,000 approved in the SourceLink fund augmented by funding from external sources raised by the DEN from community partners. Citi Bank has awarded the first contribution to the initiative at the \$75,000 level.

Under the contract, OED is authorized to submit routing reports, documents and filings on behalf of DEN to the CFT, the Texas Secretary of State, or other government or non-governmental entities as is necessary to conduct the business of DEN. OED will also provide recommendations to the DEN for approval to retain outside assistance to aid in the administration of the corporation, which may include consultants, financial managers, and auditors. Upon approval, the DEN will enter into contracts with the sources of outside assistance; the contracts will be managed on behalf of the DEN by OED.

In addition, the City Attorney's Office (CAO) will serve as counsel to the DEN for matters involving the Texas Open Meetings Act and the Texas Public Information Act. For all other legal matters, CAO will recommend counsel to the DEN for approval. Upon approval, the DEN will enter into any contracts with counsel; such contracts shall be managed on behalf of the DEN by CAO.

The contract between the DEN and the City will end when the DEN achieves its financial independence, which is defined as within 60 days from the date that cumulative expenditures for the benefit of DEN from the City are exceeded by cumulative expenditures for the benefit of DEN from other sources, and DEN has received its 501(c)3 designation from the IRS.

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



Ryan S. Evans  
Assistant City Manager

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