



time management

Union Station

An accelerated capital investment

Economic Development & Housing Committee
March 19, 2007

time management

Briefing Purpose

- To secure committee endorsement and advise council of an opportunity to accelerate \$3.96 million of planned capital improvements for Union Station approved in the 2006 bond program.
- To advise committee how the accelerated COD capital improvements for Union Station would provide an opportunity for additional investments in Union Station by Woodbine Development Corporation

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
 - Mechanical, electrical, and plumbing improvements
 - Freight elevator/escalator replacement

The Plan

- **Plan the \$3.96 million bond allocation sale for Union Station for November 2007.**
- **Work with WDC for major tenant improvements for Union Station; estimated private sector investment is between \$18.0m - \$20.0m.**
- **Expedite the planned COD improvements through an arrangement with WDC in which WDC provides:**
 - **\$3.96 million in interim funding, on an interest-free basis**
 - **Management of design process for COD projects**
 - **For the COD to bid and award construction contracts**
 - **For the COD to assign these contracts to WDC to manage construction work, all subject to COD review and approval of plans and construction work.**
- **Execute the arrangement through a Development and Reimbursement Agreement.**

Project Benefits

- Accelerated capital improvements for Union Station saves the COD time and money through...
 - Design and Engineering costs paid by WDC
 - Contract administration managed and paid by WDC
 - Project costs use today's dollars and avoids the risk of inflation
- Expedites planned tenant improvements for Union Station, estimated to be \$18.0m - \$20.0m

Recommendations

- City staff recommends the following:
 - City Council approve the proposed Development and Reimbursement Agreement with WDC

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Time line for Action

- Council action on the Development and Reimbursement Agreement is scheduled for March 28, 2007
- Council consider for approval revisions to Union Station master lease as amended no later than May 2007

Questions & Answers

