

# Memorandum



CITY OF DALLAS

DATE March 4, 2011

TO Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Jerry R. Allen, Sheffie Kadane, Linda Koop,  
Ann Margolin, Steve Salazar

SUBJECT **Houseman Building L.L.C. Economic Development Grant, March 9, 2011 Council Agenda**

Houseman Building L.L.C. (Houseman) seeks City Council approval of an economic development grant of \$200,000 for remodeling the 40,576 square foot office building situated on approximately 0.2678 acres located at 400 N. Akard Street (the northeast quadrant of the intersection of N. Akard Street and Federal Street).

Except for two ground floor retail tenants (with expiring leases), this building has been vacant for the last several years. Staff has been working with the ownership group over the past year to develop a strategy for redeveloping the building and better utilizing the adjacent city park. The current proposal features:

- Renewal of the leases for the existing retail tenants (a sign shop of 1,956 square feet and a printing operation of 4,364 square feet);
- Attraction of new ground floor businesses including a barber shop of 730 square feet and a café of 2,230 square feet;
- Tenanting of the building – new and prospective leases include office users iCall at 10,935 square feet, Pension Live at 3,202 square feet, MediSource at 4,766 square feet, and Litigation Solutions at 3,888 square feet.
- Cooperative investment in and licensing of the adjacent park space with First Baptist Academy (FBA) – FBA will create a new playground in the northern portion of the park area and Houseman will open the building to the park and create an outdoor seating area that can be utilized by park patrons and café visitors.

Houseman will make a private investment of approximately \$1.75 million in order to purchase and renovate the building. The economic development grant is designed to offset certain development costs including demolition, environmental remediation, and other related improvements for the remodeling of building. The city grant will be payable upon substantial completion and tenanting of the building.

This proposed economic development grant will require a three-quarters vote of City Council since it does not meet minimum investment guidelines for the Public Private Partnership Program. Staff recommends approval of the economic development grant. For a relatively small public investment, the property owner will completely fill and previously vacant small downtown building, add ground floor retail space and work with nearby property owners to re-energize a small public open space.

Houseman Building, LLC  
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**PROJECT DETAILS**

**Project Site:** Northeast corner of N. Akard Street and Federal Street at 400 N. Akard

**Acreage:** 0.2678 acres

**Existing Facility:** 40,576 square feet

**Real Property Investment:** Building improvements - \$1.750M

**Minimum Required Jobs:** NA

**Average Wage:** NA

**PROPOSED ESTIMATED SCHEDULE OF THE PROJECT**

Begin Construction December 2010  
Complete Construction September 30, 2011

**CITY INCENTIVES**

**Economic Development Grant**  
(Development Fees and other project costs  
such as demolition and environmental remediation) \$200,000

<b>Revenue</b>	<b><u>Investment</u></b>	<b><u>Annual Taxable Retail Sales</u></b>	<b><u>Annual Foregone Revenue</u></b>	<b><u>Annual City of Dallas Tax Revenue</u></b>
<b>New Real Property</b>	\$1.75 million		\$0	\$13,948
<b>Sales Tax @1%</b>		\$1 million	\$0	\$10,000
<b>1-year Total</b>			\$0	\$23,948
<b>10-year Total (2% annual growth)</b>			\$0	\$287,516

**FISCAL INFORMATION**

- Financing: Public Private Partnership - \$200,000

**OWNER**

Houseman Building L.L.C.  
Ken Good  
President

**DEVELOPER**

Houseman Building L.L.C.  
Ken Good  
President

**Houseman Building, LLC**

**March 4, 2011**

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**MAP**

Attached

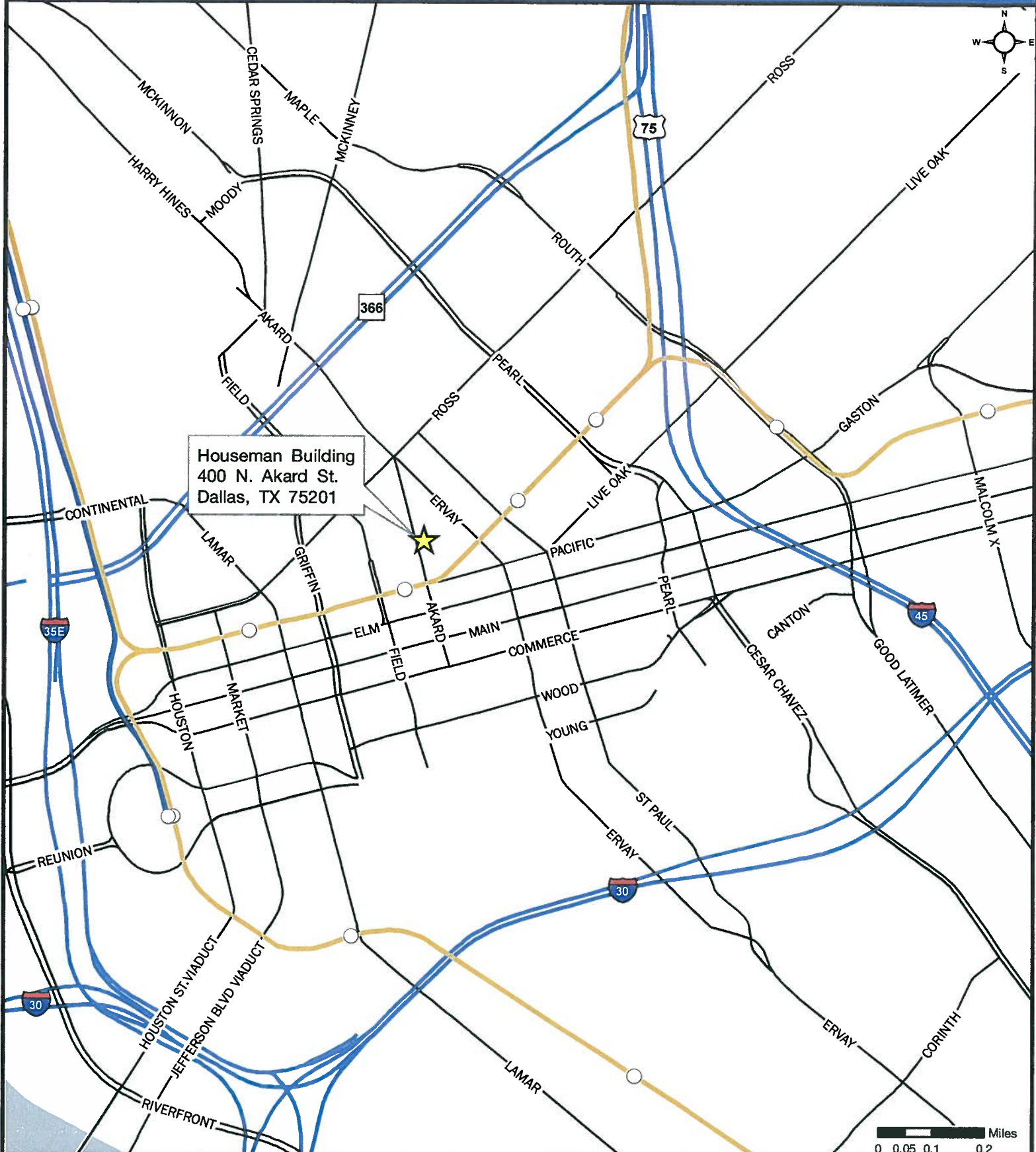
Should you have any questions, please contact me at (214) 670-3314.



A.C. Gonzalez  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig D. Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager

# Houseman Building - 400 N. Akard



Houseman Building  
400 N. Akard St.  
Dallas, TX 75201

**DALLAS ECONOMIC DEVELOPMENT**  
Research & Information Division  
214.670.1685  
dallas-ecodev.org

**Legend**

- Rail Station
- DART Light Rail
- Trinity Railway Express
- Freeway
- Arterial
- Local Road
- ▨ Flood Plain

Source: City of Dallas, 2011

Created: 2/11/2011 11:02:08 AM Greenwall, TCG

# Memorandum



CITY OF DALLAS

DATE March 4, 2011

TO Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry R. Allen, Dwaine Caraway, Sheffie Kadane, Ann Margolin, Linda Koop, and Steve Salazar

SUBJECT Amendment to the Development Agreement with Reserve on Stutz Road, LLC – Maple/Mockingbird TIF District

The developer is requesting an extension of the term of a Development Agreement that was originally approved on August 25, 2010, due to slower than expected condominium sales. Other project terms will remain the same. These include: (1) demolition of existing curb and sidewalk; (2) construction/installation of enhanced streetscape; and (3) related design and construction management services. These public improvements will also incorporate a widened sidewalk, with tree plantings and pedestrian lighting. This would be the first public improvement for the District and will set the standard for future improvements.

These improvements are directly adjacent to a town home project called the Reserve at Stutz. This project will consist of 54 town home units with an average square foot size of 1,772. As a requirement for funding, the developer must construct a minimum of 10 for-sale units. Construction on the for-sale units was to begin by December 31, 2010; however due to current market conditions the pre-sales of these units have been slower than anticipated. As a result, the developer requests a six-month extension to begin and complete construction.

On January 11, 2011, the Maple/Mockingbird TIF District Board of Directors approved amending the development agreement to extend project deadlines for obtaining: (1) a construction permit from December 31, 2010 to June 30, 2011; (2) a Certificate of Acceptance from December 31, 2011 to June 30, 2012; and (3) an Operating and Maintenance Agreement from December 31, 2011 to June 30, 2012.

The requested TIF funding totals \$98,200, with \$14,200 for environmental remediation and demolition and \$84,000 for infrastructure/utility improvement costs. All public and private improvements will be funded up front and will be reimbursed solely by Maple/Mockingbird TIF District funds.

**FISCAL INFORMATION**

No cost consideration to the City

**OWNER**

**Reserve at Stutz Road, LLC  
A Texas Limited Liability Company**

William White, Vice President

**DEVELOPER**

**Reserve at Stutz Road, LLC  
A Texas limited Liability Company**

William White, Vice President

**STAFF**

Karl Stundins, Manager – Area Redevelopment  
Bryan Haywood, Senior Coordinator

**MAP**

Attached.

**RECOMMENDATION**

Staff recommends approval of the subject item. Please contact me if you need additional information.



A.C. Gonzalez  
Assistant City Manager

- C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
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Thomas Perkins, City Attorney  
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Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director of Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager



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To Members of the Economic Development Committee – Ron Natinsky (Chair),  
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Steve Salazar

Subject FYI – Business Inclusion and Development Performance Report

Attached for your information is the Business Inclusion and Development Plan Performance Report for October 2010 through December 2010. The attachment is a detail of the dollars being spent in each category.

Should you have any questions, please feel free to contact me at (214) 670-7804.

A handwritten signature in blue ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield  
Chief Financial Officer

## Attachment

C: Honorable Mayor and Members of the City Council  
Mary Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Helena Stevens-Thompson, Assistant to the City Manager  
Michael Frosch, Interim Director, Business Development and Procurement Services





