

Memorandum



CITY OF DALLAS

DATE April 16, 2010

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

SUBJECT **America's Cable Park Group, LLC. , Economic Development Grant, April 28, 2010 Council Agenda**

MAIN TOPIC

Authorize an economic development grant agreement pursuant to Chapter 380 of the Local Government Code, with America's Cable Park Group, LLC. to support the development of the Dallas Watersports Complex at Fish Trap Lake in West Dallas - Not to exceed \$250,000 - Financing: Public Private Partnership Funds

BACKGROUND

The Dallas City Council is asked to authorize a \$250,000 economic development grant to support the development of the Dallas Watersports Complex (Complex) at Fish Trap Lake in West Dallas. The Complex, with a total development cost of approximately \$2,100,000, consists of the construction a four-cable wakeboarding system that includes two cables for beginners, one for intermediate wakeboarders, and one for advanced wakeboarders. The Complex will also include an approximately 5,000 square foot pro-shop and restaurant, an outdoor viewing area that will accommodate 200 people, volleyball courts, trampolines, and 150 parking spaces. Summer programming will include youth camps, wakeboard schools, splash days, corporate events and fund-raisers for nonprofit agencies. Plans also include family areas, misters, waterfalls, and lagoons to combat summertime heat. This project is recommended by the Mayor's Southern Dallas Task Force.

America's Cable Park Group, LLC. will lease the land for the project from the Dallas Housing Authority (DHA). The DHA lease will contain provisions ensuring community access and use of the venue for DHA residents. Fish Trap Lake is currently maintained by the City of Dallas Parks Department. This ongoing cost is eliminated with the development of this project. The Complex will create 25 full-time equivalent jobs or approximately 200 seasonal part-time jobs to run the facility and staff the restaurant and pro-shop. Future development could see the addition of an outdoor skateboard park, a ropes course, zip lines, and a wave-riding facility.

A cable in a cable water park carries (pulls) six wakeboarders at one time. Riders have access to jumps and ramps and when they fall, they swim to shore and ride again. The cable system is green technology as no ski boats are used thus eliminating fumes and exhaust. Worldwide there are approximately 160 parks and an additional 20 new parks are anticipated in the United States in the next 12 months. Cable parks exist in New Braunfels, Fort Worth, and one will open in Houston as of May 2010. Anticipated cost will range from \$22 for one hour to \$35 for an all day pass. West Dallas residents will have access to reduced cost

tickets priced at \$10 in Spring and Fall and \$15 in summer for a 3-hour pass. One night a week, half of the park will be dedicated to West Dallas nonprofit agencies with free admission with sponsor organization. The Complex will be open seven months during the year. The Dallas Watersports Cable Park has been selected to be the final site of the World Wakeboard Association National Championships on September 17-19, 2010.

PROJECT DETAILS

Project Site: Fish Trap Lake, West Dallas

Facility: 5,000 square feet plus cable system over lake

Investment: \$1,845,000 plus \$250,000 for landscaping

Minimum Required Jobs; 35 FTE (approximately 200 seasonal, part-time jobs)

PROPOSED ESTIMATED SCHEDULE OF IMPROVEMENTS

Begin Construction	May 2010
Complete Construction	September 2010

FISCAL INFORMATION

Financing:

April 28, 2010: Public/Private Partnership Program Funds - \$250,000

Developer

Victor Toledo
Managing Partner
America's Cable Park Group, LLC.

Owner

MaryAnn Russ, President and CEO
Dallas Housing Authority

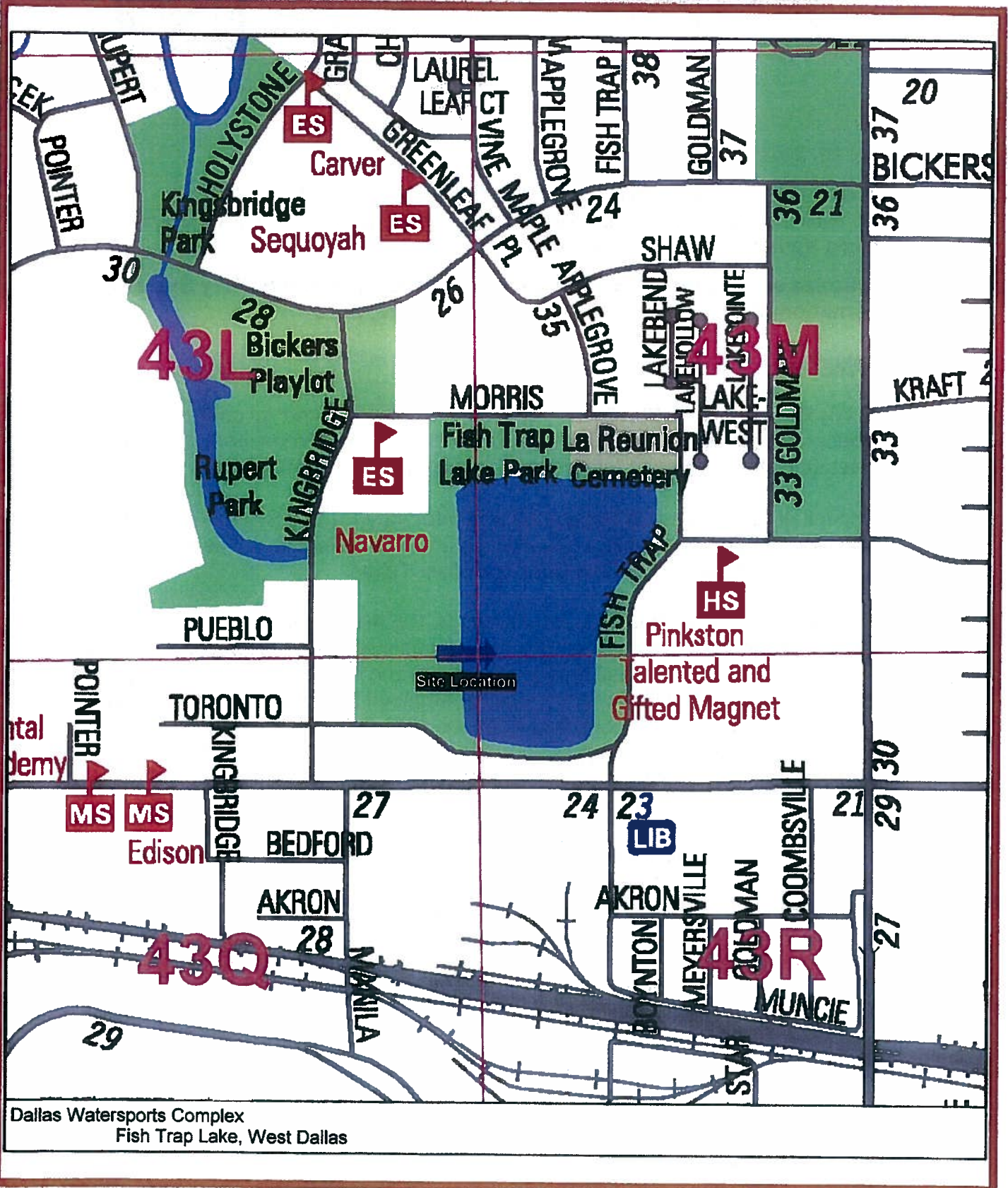
If you have any questions, please contact me at 214-670-3314.



A.C. Gonzalez
Assistant City Manager

C: The Honorable Mayor and Members of the City Council
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Craig Kinton, City Auditor
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Jean Chipperfield, CFO
Karl Zavitkovsky, Director, OED
Hammond Perot, Asst. Director, OED
Helena Stevens-Thompson, Asst. to CMO



Dallas Watersports Complex
Fish Trap Lake, West Dallas

Memorandum



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SUBJECT **Authorize an Economic Development Grant for Interstate Battery System
International, Inc.; City Council Agenda, April 28, 2010**

Background

On Wednesday, April 28, 2010 City Council will be asked to consider an Economic Development Grant in the sum of \$300,000 to retain the expanded headquarters of Interstate Battery Systems International, Inc. in the City of Dallas.

In the fall of 2009, city staff negotiated with Interstate Battery System International, Inc. (Interstate Battery) regarding a possible expansion or relocation of its headquarters currently located at 12770 Merit Drive in Dallas, Texas.

Interstate Battery operates its headquarters in 105,495 s.f. at 12770 Merit Drive in Dallas, where it maintains 425 employees. Additionally, the company operates a warehouse, training and retail facility at 10200 Plano Road in Dallas that employs another 92. In total, the company presently employs 517 employees within the City of Dallas. The company has considered various sites in the Dallas region for this HQ expansion, primarily its existing location, downtown Dallas and several suburban communities. In response to a proposal from the City to retain Interstate Battery's headquarters within the city, the company extended and expanded its lease.

Interstate Battery's expansion will result in an additional 100 full time jobs in the City of Dallas by April 2012 and an addition of approximately 26,000 s.f. of leased space. The company plans to renovate the entire 131,495 of space to accommodate its growth. This project will result in an investment of approximately \$4,000,000 in tenant improvements and related costs and an estimated \$2,100,000 in new business personal property (machinery & equipment and furniture & fixtures). The estimated annual payroll at this facility is \$33,925,000.

The agreement with Interstate Battery shall include:

- An economic development grant in an amount not to exceed \$300,000, to be paid to grantee on or before December 31, 2011, upon validation of a minimum of \$4,000,000 on tenant improvements and related costs;
- That Interstate Battery shall agree to retain 517 jobs and add a minimum of 100 jobs in Dallas April 15, 2012;

- That if Interstate Battery fails to employ a minimum of 617 jobs in Dallas beginning April 15, 2012 through April 15, 2017, the City may on an annual basis, recapture a portion of the grant based on the following calculation - \$60,000 for each year of the remaining term in which employment drops below 617 employees; and,
- That if at any point during the term of the agreement, the company fails to operate its headquarters within the city of Dallas; the full \$300,000 shall be recaptured.

This corporate expansion conforms to Public/Private Partnership Program Guidelines and Criteria as it creates or retains more than a minimum of 250 jobs at this northern Dallas commercial zone site.

The proposed addition of 100 new jobs by Interstate Battery will result in a positive net fiscal impact of approximately \$464,600 over 10-years after incentives. The existing fiscal impact of Interstate Battery's headquarters and other operations in Dallas is approximately \$4,279,946.

Staff recommends approval of incentives.

Project Details

Project Site: 12770 Merit Drive, Dallas, TX

Existing Facility: Approximately 105,000 square foot HQ facility expanding by approximately 26,000 square feet

Jobs: 617

Retention:
517 Jobs

New Jobs:
100 Jobs

New Business Personal Property Investment: Approximately \$2,100,000

Real Property Investment: Approximately \$4,000,000

City Incentives

\$300,000 Economic Development Grant – Public Private Partnership Program Funds

Proposed Estimated Schedule of the Project

Begin Tenant Improvements	April 2010
Substantial Completion	June 2011

Fiscal Information

\$300,000 Public Private Partnership Funds

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 214-670-3314.



A.C. Gonzalez
Assistant City Manager

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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

The Towers at Park Central #8



**DALLAS
ECONOMIC
DEVELOPMENT**

Research & Information Division
214.670.1685
dallas-ecodev.org

Created: 03/02/2010 - 10:03:02 Chris O'Brien/CG

Legend

— Freeway

— Local Road

— Arterial

Source: Aerial photos - NCTCOG, 2009; All Other Data - City of Dallas, 2010

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SUBJECT: **Authorize a Development Agreement with Oak Creek Partners, Ltd.
Cityplace Area TIF District; Agenda Item, April 28, 2010**

On April 28, 2010, the Dallas City Council will consider authorizing a development agreement with Oak Creek Partners, Ltd., for the Cityplace Area TIF Infrastructure Improvement Project. The infrastructure project will include the following:

- Extension of Noble Avenue from Cityplace West Boulevard to Blackburn Street
- Extension of Oak Grove Avenue from Cityplace West Boulevard, to Blackburn Street.
- Extension of Howell Street from Lemmon Avenue to Cityplace West Boulevard.
- Gateway Plaza (intersection improvement)
- McKinney Junction (intersection improvement)
- Station Square (multifunctional open space)

These improvements will provide better traffic circulation for the area, public amenities for existing developments, patrons and residents, as well as maximize the development potential of the remaining seven undeveloped parcels within the District. The total project cost is approximately \$12,000,000, consisting of the following components: (1) street, utility, and intersection improvement costs of \$8,578,860 and (2) improvements to open space costs of \$3,421,140

The construction of the improvements will be managed privately by Oak Creek Partners Ltd. Private construction management of the infrastructure project will ensure the improvements will be constructed in the very near future thus taking advantage of the current decrease in construction costs, while ensuring the project will be completed in a timely manner. Although the project will be privately bid, it must still comply with Business Inclusion and Development's goal of 25% M/WBE participation in the project.

On March 31, 2010, the Cityplace Area TIF District Board of Directors reviewed the proposed improvement project and recommended City Council's consideration of a development agreement with Oak Creek Partners, Ltd. and Cityplace Area TIF District's participation in the project.

Schedule of the Project

Begin Construction	December 2010
Complete Construction	December 2011

Fiscal Information

\$12,000,000 – Cityplace Area TIF District Funds and/or Tax Increment Bonds Funds are requested to be dedicated to the Cityplace Area TIF Infrastructure Improvement project. Currently, the Cityplace TIF District has enough funds to construct the proposed infrastructure improvements. The budget below shows the estimated amount of funds, as updated in March 2010, on deposit in the Cityplace Area TIF District.

<u>TIF Budget Line Item</u>	<u>TIF Budget Balance</u>	<u>Proposed Project Costs</u>	<u>TIF Funds Remaining</u>
Street, Utility, Intersection Improvements	\$9,777,380	\$8,578,860	\$1,198,520
Improvements to Open Space	\$3,421,140	\$3,421,140	\$0
Totals	\$13,198,520	\$12,000,000	\$1,198,520

STAFF

Karl Stundins, Manager, Area Redevelopment Division
Tamara L. Leak, Economic Development Analyst

APPLICANT

Oak Creek Partners Ltd.

Neal Sleeper
President

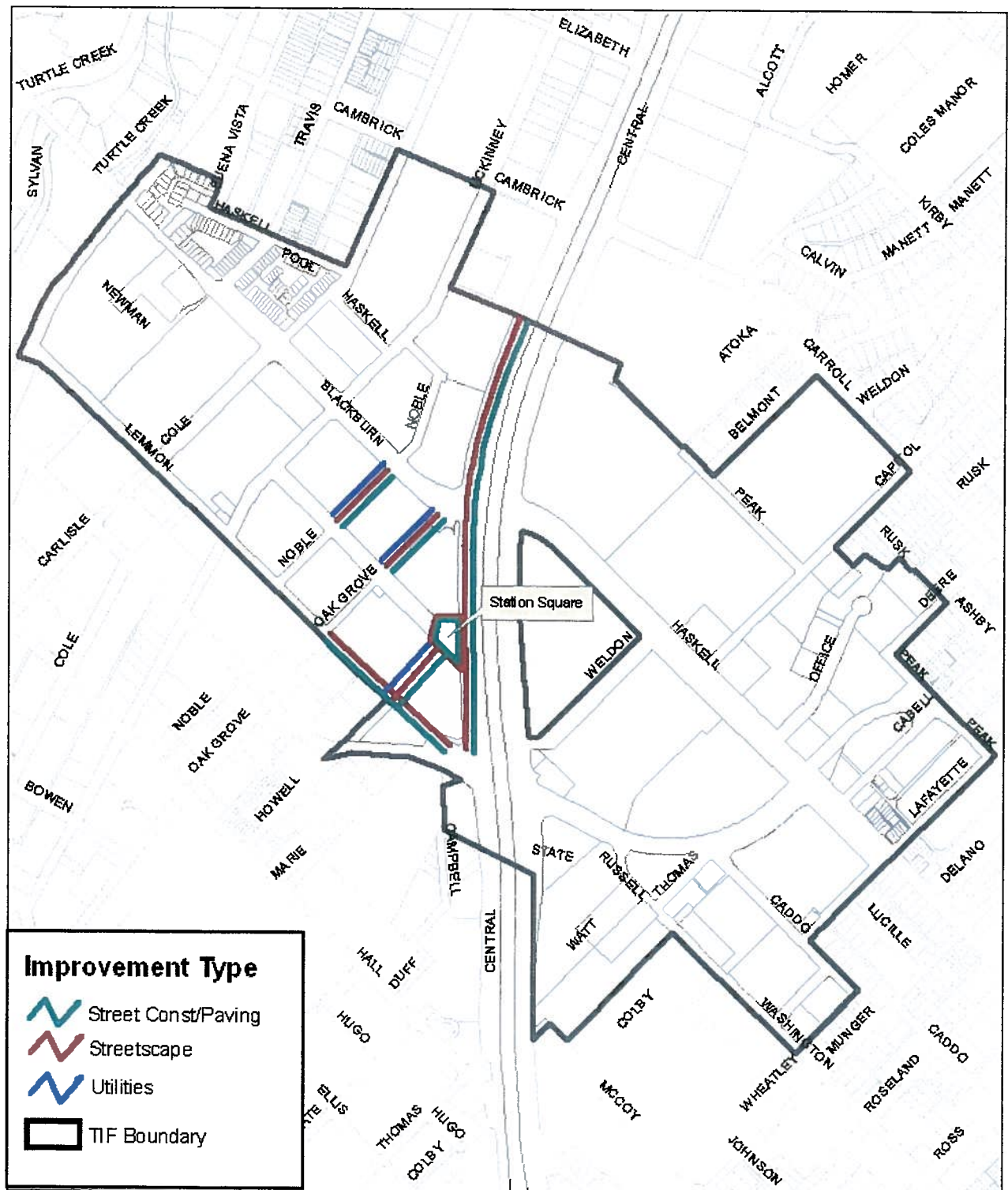
RECOMMENDATION

Staff recommends approval of the subject item. Please contact me if you have any questions.



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Assistant City Manager

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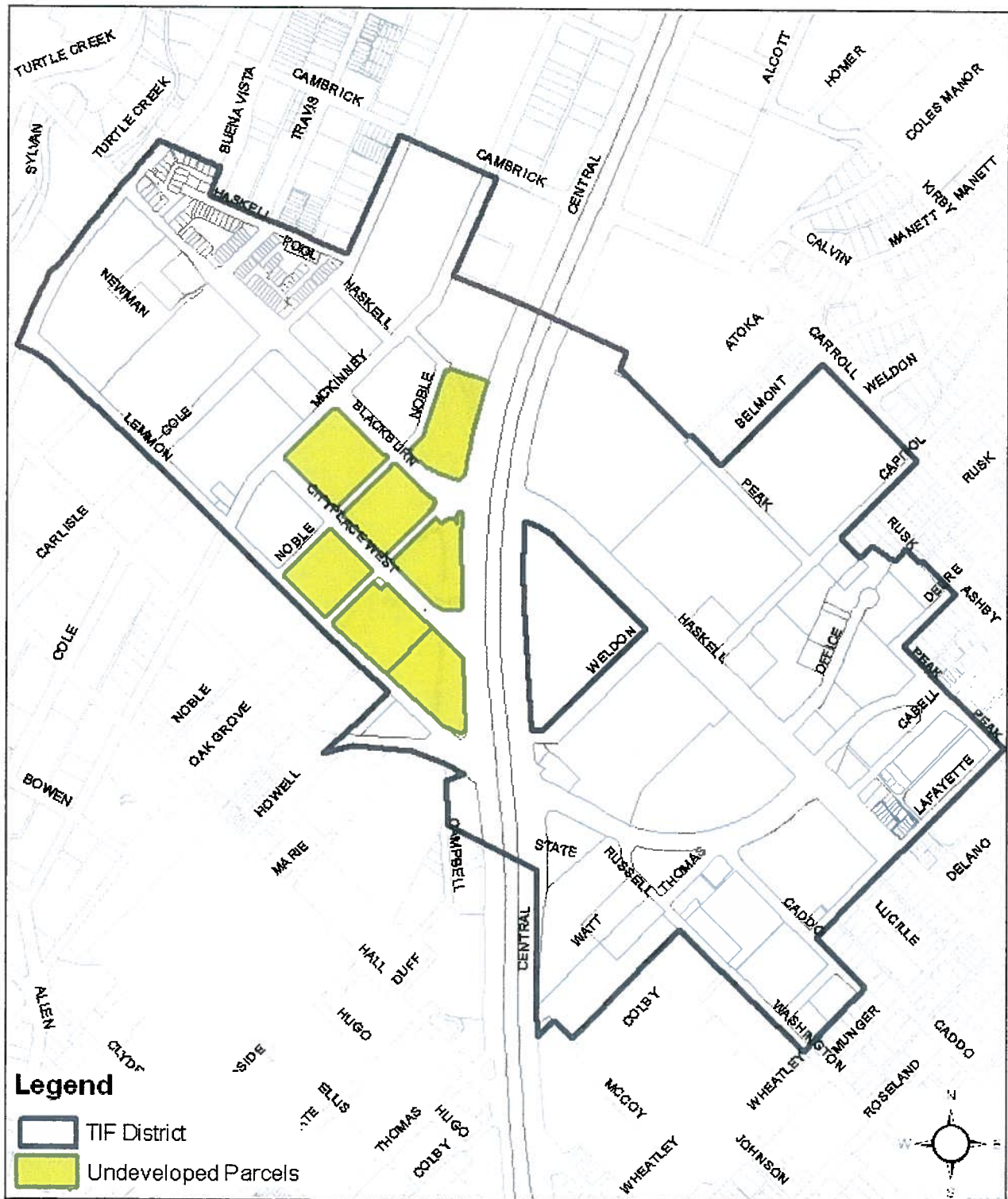


Cityplace Area TIF District

Remaining District Public Improvements

Office of Economic Development
 Area Redevelopment
 January 2009



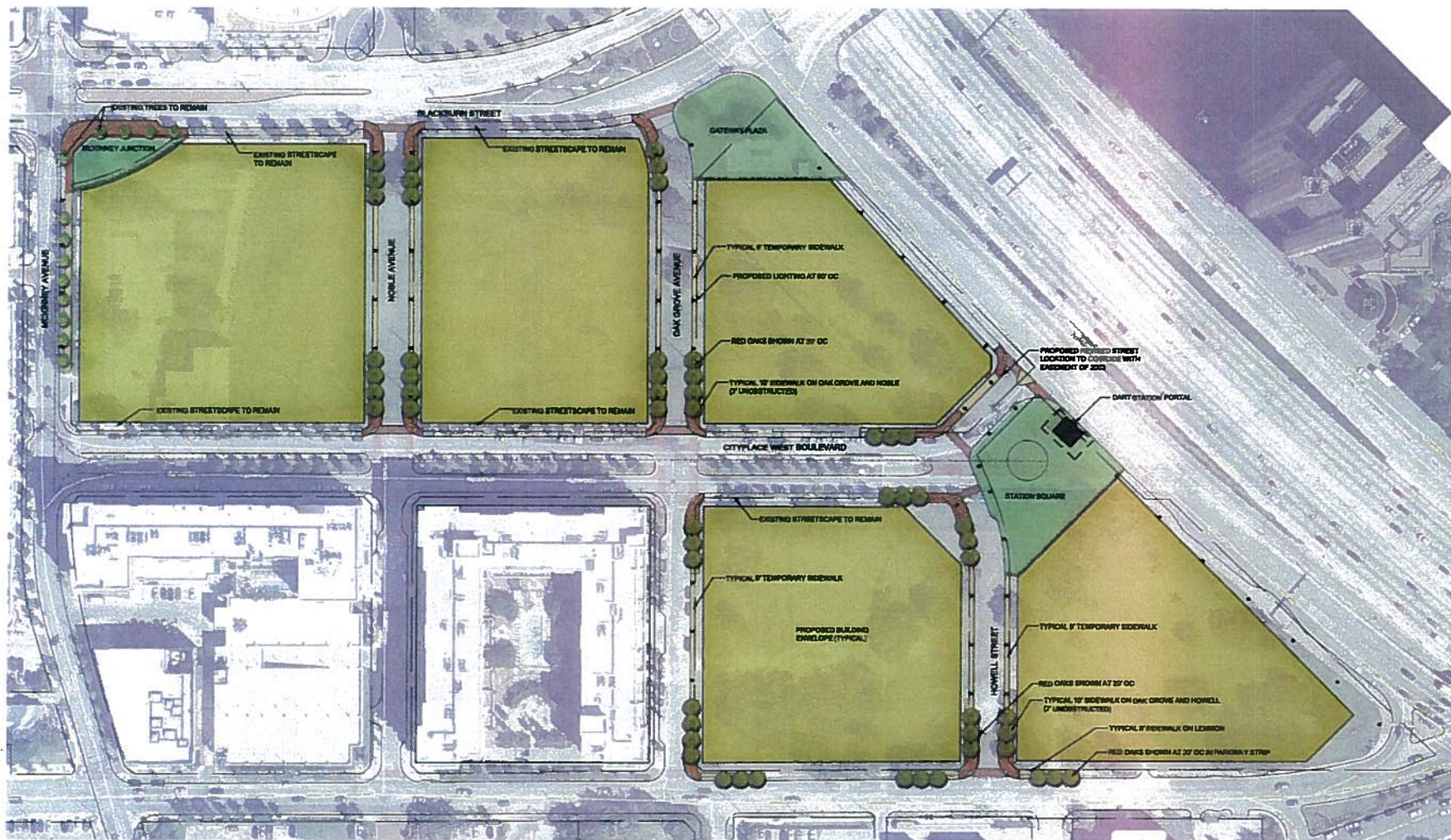


Cityplace Area TIF District Remaining Undeveloped Parcels

Office of Economic Development
 Area Redevelopment
 Created March 2010



"Dallas, Together, we do it better."



0 25 50 100 Feet

CONCEPTUAL OPEN SPACE AND STREETSCAPE PLAN

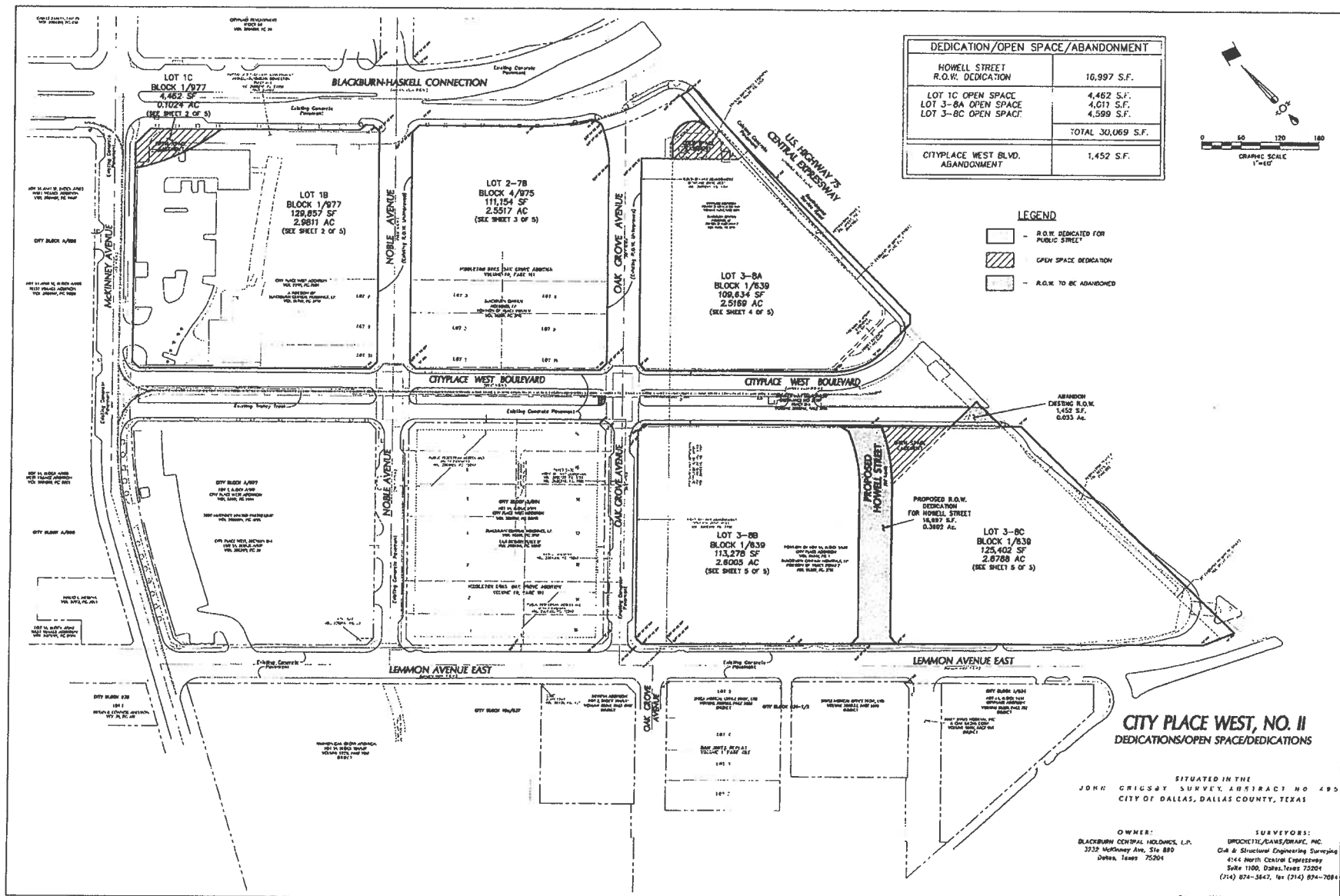
Cityplace TIF
Dallas, Texas



GFF Planning

2205 Fairwood Road
Suite 100
Dallas, Texas 75244

214.903.1500 / fax
214.902.1812 / in
www.gff.com



CITYPLACE IMPROVEMENTS

BROCKETTE • DAVIS • DRAKE, INC.
consulting engineers
Civil & Structural Engineering • Surveying
Texas Registered Engineering Firm E-841
4524 North Central Expressway, Suite 1400 • Dallas, Texas 75204
(214) 343-1100

A PROJECT BY:
CITYPLACE COMPANY

PROPOSED TIF PAVING AND DRAINAGE IMPROVEMENTS

