

# Memorandum



DATE May 16, 2008

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

SUBJECT **Interlocal Agreement with NCTCOG for a Comprehensive Area Plan**

The City of Dallas is committed to the establishment of the International Inland Port of Dallas (IIPOD) in Southern Dallas County. While it is anticipated that IIPOD and related activity will bring economic stability to the region, regional cooperation and strategic partnerships with other jurisdictions and ports are needed to maximize IIPOD's potential.

In June 2006, the Urban Land Institute (ULI) held an advisory services panel in Dallas providing direction for future development for IIPOD in the form of several recommendations. ULI's key recommendation was to initiate a comprehensive master planning process to maximize long term development and create sustainable communities.

A comprehensive master plan is needed to address a number of challenges to the efficient development of Southern Dallas County, including the need for a consistent regulatory structure to ensure uniform high quality development and the protection of existing development and resources; a need for local water and sewer distribution infrastructure; inadequate arterial and local roads; and the area's status as an ozone non-attainment area. As development is in initial phases, there is a limited window to get ahead of the curve and create a comprehensive effort to tie together and build off existing studies and planning efforts. The proposed Interlocal Agreement would authorize development of a Comprehensive Area Plan (CAP) to fulfill this recommendation.

With five separate jurisdictions involved in this changing environment, it is imperative that future growth and development is consistently guided by a long-range regional plan that is based on a consensus vision and contains strategies that are implemented across jurisdictional boundaries to ensure the desired quality of future development and the preservation of resources.

Currently, IIPOD project faces several challenges and opportunities:

- Minimal planning coordination across jurisdictional boundaries
- Desire for balanced growth and development across communities

- Balance creating a high quality livable community with an industrial intermodal port
- Support and protection of projects currently underway and city investments
- Opportunity for Green Development created by environmental conditions in the area, vacant land and a relatively few developments
- Ambitious scale and scope of opportunity requires a fundamental shift in Southern Dallas County
- Complexity of a broad range of issues requires unified support

The CAP will develop a plan with guiding principles for the development of the IIPOD area in support of achieving a streamlined and uniform set of land uses for the IIPOD area. The proposed planning area is bounded by Loop 12 to the north, the Dallas County/Ellis County line to the south, the Trinity River to the east, and I.H. 35 E to the west.

The key components of the study will be:

- A technical analysis that will include population and employment projections, studies on housing, transportation and labor, and a comprehensive economic development analysis.
- An assessment of environmental impact and recommendations for mitigating adverse impacts.
- Individual assessments and reconditions for all cities on land-use standards.
- Creation of a commercial marketing study.
- A unified Comprehensive Capital Improvement Infrastructure Staging Plan to address infrastructure capacity and needs.

This action would authorize an Interlocal Agreement with the NCTCOG and the City of Dallas for the development of the CAP for Southern Dallas County. NCTCOG will serve as the Contract Manager for the project. The City of Dallas will provide a Project Manager to monitor progress and serve as the City's voting representative throughout the procurement process and through the duration of the project. The total cost of the study will not exceed \$902,000. The costs will be shared as followed: \$290,000 provided from the Regional Transportation Council (NCTCOG) funds, \$290,000 from the City of Dallas and \$290,000 from the Dallas County; \$30,000 from the City of Lancaster; and \$1,000 from the City of Hutchins and \$1,000 from the City of Wilmer.

The Office of Economic Development supports the development of a Comprehensive Area plan. It is estimated it will take about eighteen months to complete the analysis and it will cost \$290,000 in City funds. Funding will come from the Public Private Partnership Fund.

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  
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Deborah Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
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Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Interim Director, Office of Financial Services  
David Cook, Chief Financial Officer  
Jerry Killingsworth, Director, Housing Department  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Chandra Marshall-Henson, Assistant to the City Manager

# Memorandum



CITY OF DALLAS

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

SUBJECT **Authorize an amendment to the Amended and Restated Development Agreement with Worthing at Motor, L.P., – Southwestern Medical TIF District; Agenda Item, May 28, 2008**

This action will authorize an amendment to the amended and Restated Development Agreement with Worthing at Motor, L.P., in Tax Increment Financing Reinvestment Zone Number Ten (Southwestern Medical TIF District); to extend the project completion date from March 31, 2008 to September 30, 2008.

The Cityville at Southwestern Medical District, Phase I project is a mixed use, transit oriented development. Phase I includes 278 residential units, 45,000 square feet of retail space and structured parking. The private investment for Phase I exceeds \$30 million. The private improvements previously authorized for this project are complete. The project integrates pedestrian friendly streets with enhanced sidewalks and landscaping and improved connections to the future Southwestern Medical District/Parkland DART Light Rail Station.

The TIF funding (to be paid if and when TIF funds become available), \$1,770,000 plus a grant in lieu of interest, was approved to reimburse the developer for eligible TIF reimbursable expenses including paving, streetscape, utilities, public-use improvements, conduit for utility burial, design and engineering cost in February 2006 and amended in October 2007.

The Cityville at Southwestern Medical District, Phase I project is completed except for the utility burial work on Motor Street. The utility burial work on Motor Street involves coordination with ONCOR, Parklane, AT&T, Time Warner, which has contributed for the unexpected delays in the project. Current extension will allow Worthing at Motor, L.P., to complete all utility burial work on Motor Street by the end of September 2008.

The TIF Board reviewed the request and recommended this extension.

## **Fiscal Information**

No cost consideration to the City

**OWNER**

**Worthing at Motor, L.P.  
A Texas Limited Partnership**

John Allums, Executive Vice President

**DEVELOPER**

**Worthing at Motor, L.P.  
A Texas Limited Partnership**

John Allums, Executive Vice President

**STAFF**

Karl Stundins, Manager, Area Redevelopment Division  
Vasavi Mallena, Economic Development Analyst

**RECOMMENDATION**

Staff recommends approval of the subject item.

Please contact me if you have any questions.



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DATE May 16, 2008

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

SUBJECT **A Public Hearing to Receive Comments Regarding the Creation of the Lake Highlands Public Improvement District; Agenda Item, May 28, 2008.**

On May 28, 2008, City Council will be asked to consider a resolution calling for a public hearing to be held on June 25, 2008 to receive citizens' comments regarding the creation of the Lake Highlands Public Improvement District, **(Exhibit A)** for the purpose of providing supplemental public services, to be funded by an assessments for each property and at the close of the hearing, consideration of an resolution creating the Lake Highlands Public Improvement District and authorizing the Service Plan for 2009-2015.

On April 1, 2008, property owners in the Lake Highlands area, represented by Prescott Realty Group, presented to the City staff the petition requesting the approval of the service plan for seven years and the creation of the Lake Highlands Public Improvement District with an effective date of December 31, 2008. The staff reviewed the proposed Service Plan **(Exhibit B)**, verified the petitions and found the creation plan to be viable and recommended approval.

The public improvement district is outlined in the following way:

**Nature of the Services and Improvements.** The general nature of the services and improvements to be performed by the District is to enhance public safety/security, design and construct public infrastructure, promotion of the District, maintain common areas and lighting, produce pedestrian amenities and linkages and provide other improvements that are authorized by the Act.

**Estimated Cost of the Services and Improvements.** The total estimated cost of services and improvements provided by the District for the seven (7) year term is approximately five million, two hundred thirty-nine thousand, fifty-six dollars (\$5,239,056). The estimated annual average cost for the services and improvements provided by the District is approximately seven hundred, forty-eight thousand, four hundred thirty-six dollars (\$748,436). The District shall incur no bonded indebtedness.

**Boundaries.** The District is located wholly within the City of Dallas, Texas. The boundaries of the District are shown on the map of the district.

**Method of Assessment.** The method of assessment (**Exhibit C**), which, may specify included or excluded classes of assessable property, is based on an annual assessment rate recommended by the petitioners and established by the City Council. The proposed rate per property owner for the 2008 assessment is \$0.13 per \$100 of valuation. The assessment rate is requested to provide the necessary revenue for the annual activities of the District; and the costs of the District shall be apportioned on the basis of special benefits accruing to the property because of the services and improvements. The final assessment rate for 2008 will be established by City Council after the close of an assessment rate public hearing on September 24, 2008. The annual assessment rate, during the seven-year life of the PID, however, shall not exceed \$0.15 per \$100.00 of valuation.

**Apportionment of Cost between the District and the Municipality as a Whole.** The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The City of Dallas is not responsible for payment of assessments against exempt City property in the District, which is specially benefited. City rights-of-way and city parks are not subject to assessment. Properties otherwise exempt from ad valorem taxes are not subject to assessment. Payment of assessment by other exempt jurisdictions must be established by contract.

Staff review of the signed petitions presented on April 1, 2008, revealed that in accordance with the City of Dallas PID Policy approved by the Dallas City Council on December 7, 2005, property owners of record representing 67.19 percent of the value of the property in the specified area and representing 68.62 percent of the land area have signed the petitions requesting creation of the District.

### **Fiscal Information**

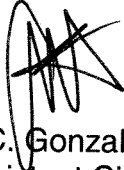
No cost consideration to the City

### **Staff**

Karl Stundins, Manager, Area Redevelopment Division  
Stan Prichard, Economic Development Analyst

### **Recommendation**

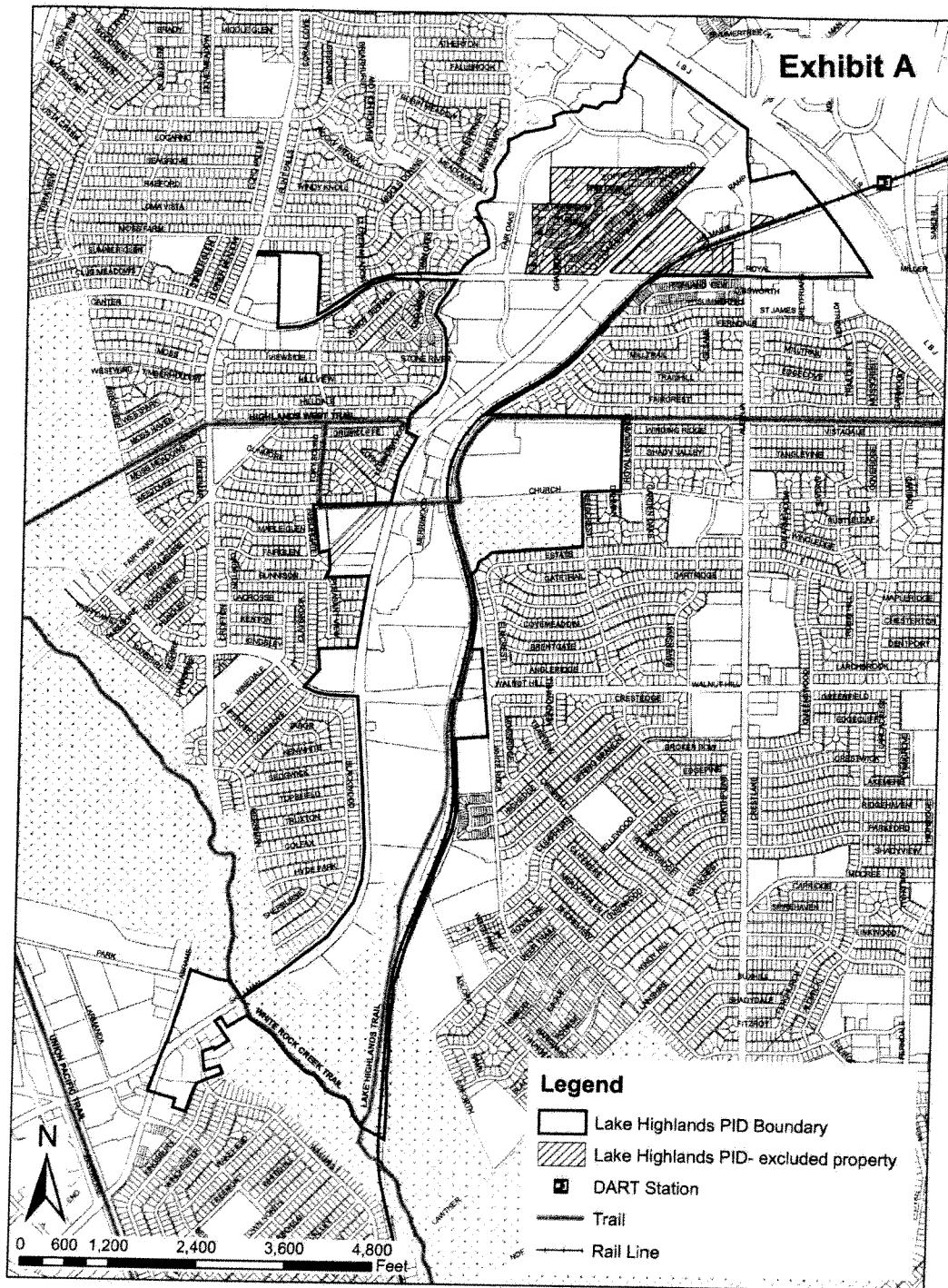
Staff recommends approval of the subject items. Please contact me if you have any questions.



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Verna Martin, Assistant Director, Office of Economic Development  
Chandra Marshall-Henson, Assistant to the City Manager





**Lake Highlands PID  
 Boundary Map**



**City of Dallas**

Office of Economic Development  
 April 2008



## Exhibit C

### Lake Highlands Public Improvement District Assessment Plan

The costs of the services and improvements by the District will be paid primarily by special assessment against properties in the District. Annual assessments are based on the total value of real property and real property improvements as determined by the Dallas Central Appraisal District ("DCAD").

The service area is identified on the enclosed map. All properties will be assessed at a uniform rate. The proposed assessment rate for the first year is \$0.13 per \$100 of appraised value. In each subsequent year, a recommended assessment rate will be determined by the budget prepared by the management corporation. Assessments will be carried out according to procedures stipulated in Chapter 372 of the Texas Local Government Code.

Properties not liable for assessment include City rights-of-way, City-owned park properties and properties not owned by the City of Dallas but have obtained an exemption from the City of Dallas real property taxes pursuant to the Texas Property Code (except under the provisions of Sections 11.24 and 11.28 of the Property Tax Code), and property owned by persons already receiving and qualifying for the 65-or-older homestead exemption (under Section 11.13(c) or (d) of the Texas Property Tax Code). Payment of assessments by other exempt jurisdictions shall be established by contract.

The District's assessments will be collected by Dallas County or other collection agent as determined by the City of Dallas, in accordance with the management contract by and between the City of Dallas and Lake Highlands Improvement District Corporation, the non-profit management corporation for the District.

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Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen,  
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SUBJECT **City Wide Community Development Corporation – May 28, 2008 City Council  
Agenda**

On May 28, 2008, the City Council will consider authorizing a Chapter 380 economic development forgivable loan agreement with City Wide Community Development Corporation, to acquire the Sunset Motel located at 4343 Lancaster Road and the Southern Comfort Motel located at 4311 Lancaster Road both in the Lancaster Corridor in Dallas Texas to be the future sites of commercial buildings that will provide rental office space and a skills training facility.

## **BACKGROUND**

City Wide Community Development Corporation, (CWCDC) formerly known as Neighborhood Vision Community Development Corporation is a 501 ( c ) 3 non-profit corporation engaged in development and redevelopment activity throughout the city with a focus on Southeast Oak Cliff, primarily zip code 75216. CWCDC has joined the Urban League of Greater Dallas N/C. Texas, Inc. (Urban League) to redevelop land in the 4300 and 4400 blocks of Lancaster Road in the Lancaster Corridor.

The Lancaster Corridor is a vital main street for South Central Dallas and is a high City Council priority for development and redevelopment options that will improve communities all along the corridor. The Sunset Motel and the Southern Comfort Motel were recently denied continued operation by the Board of Adjustments for non compliance with a City Ordinance and have ceased operation. Both owners have independently contracted with CWCDC to sell their property. Redevelopment of both motel sites will be a collaboration with CWCDC and the Urban League to improve the Lancaster Corridor. CWCDC will develop a 30,000 square foot commercial building on the Southern Comfort Motel site. CWCDC will transfer title to the Urban League for development of a 50,000 square foot skills training facility on the adjacent site where the Sunset Motel is currently located. Both motels are across the street from the North Texas Veterans Administration Medical Center (VA). The VA continues to expand and has expressed a need for additional administrative space.

Acquisition of the motels will remove properties that were undesirable and operating nuisance businesses to make way for development that will be more in line with the vision for the Lancaster Corridor.

**BACKGROUND (continued)**

City Wide Community Development Corporation has developed numerous multi family and single family projects in Dallas. The Urban League is committed to "build bridges of opportunity through programs and services and provide a holistic approach to solving the various challenges facing African Americans and other disadvantaged groups so that equal opportunities may be achieved in the areas of employment, health, housing, education, technology, and economic and community development".

The City Council is asked to consider authorizing a Chapter 380 economic development forgivable loan with City Wide Community Development Corporation in the amount of \$850,000 to acquire the Sunset Motel and the Southern Comfort Motel sites for future construction of commercial buildings. Loan forgiveness is subject to CWCDC in collaboration with the Urban League commencing commercial development on the Sunset Motel and Southern Comfort Motel sites within 24 months from the date of the loan agreement.

Of the total forgivable loan of \$850,000 will be used for the following:  
\$410,000 purchase Sunset Motel, 4343 Lancaster Road, Dallas, TX  
\$340,000 purchase Southern Comfort Motel, 4411 Lancaster Road, Dallas, TX  
\$100,000 closing cost and demolition of improvements on both sites

**ESTIMATED SCHEDULE OF THE PROJECT**

Commence development of both sites within 2 years of date of forgivable loan agreement

**PROJECT DETAILS**

Acquire two public lodging facilities that are currently neighborhood nuisances that have fallen into blighted condition for demolition and redevelopment into two commercial offices buildings. CWCDC will develop a 30,000 square foot office building to provide rental space in the area. The Urban league will develop a 50,000 square foot skills training facility.

**Project Site:**

4343 and 441 Lancaster Road, Dallas, TX

**CITY INCENTIVES**

**Economic Development Forgivable Loan:** A one time economic development forgivable loan agreement in an amount not to exceed \$850,000 to City Wide Community Development Corporation.

**MAP**

Attached.

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



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Assistant City Manager

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SUBJECT **A Public Hearing regarding the renewal of the Vickery Meadow Public Improvement District (PID) – Council Agenda May 28, 2008**

Authorize **(1)** a public hearing to be held on June 25, 2008 to receive citizens' comments regarding the renewal of the Vickery Meadow Public Improvement District, in accordance with Chapter 372 of the Texas Local Government Code, for the specified area of the Vickery Meadow Public Improvement District (District) including additional property at Park Lane, **(Exhibit A)** for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District; and **(2)** at the close of the hearing a resolution authorizing renewal of the District for an additional seven years (2009-2015) and approval of the District's Service Plan for 2009-2015.

On May 28, 2008, City Council will be asked to consider a resolution calling for a public hearing regarding the renewal of the Vickery Meadow Public Improvement District (PID) to be held on June 25, 2008.

The Vickery Meadow Public Improvement District was first established on June 23, 1993 for 5 years terms and was renewed in 1998 for 5 years term, was renewed in 2003 for 5 years term ending on December 31, 2008.

On April 1, 2008, property owners in the Vickery Meadow area, represented by Vickery Meadow Management corporation, presented to the City staff the petition requesting the approval of the service plan for seven years and the renewal of the Vickery Meadow Public Improvement District with an effective date of January 1, 2009. The staff reviewed the proposed Service Plan **(Exhibit B)**, verified the petitions and found the creation plan to be viable and recommended approval.

City staff reviewed the petitions and determined that the owners of seventy four percent (74%) of the property value and owner of the seventy five percent (75%) of the land area has signed the petitions for the renewal of the Vickery Meadow Public Improvement District. In accordance with the Chapter 372 of the Local Government Code fifty percent of the property owner's approval is required and sixty percent of the property owner's approval is required by the City of Dallas PID Policy for the City Council to consider renewal of the District.

Staff has also evaluated the renewal service plan to determine whether the services should be made as proposed by the proposed service plan and found the plan to be viable. Following table shows the details of the review:

	Area in sq. ft	Property Values
Total accounts within the PID*	30,676,629.37	\$529,660,530.00
Total accounts of signed owners for the renewal of Vickery Meadow PID	23,016,145.78	\$394,263,010.00
% of owners who signed the petition	<b>75.03%</b> <b>(land area)</b>	<b>74.44%</b> <b>(property value)</b>

\* 2007 accounts are taken from the GIS and do not include tax-exempt property.

The boundaries of the Vickery Meadow PID were expanded to include the Park Lane redevelopment project located at the southeast corner of the Park Lane and Central Expressway. Because of the Park Lane and Valencia project's increment the overall annual assessments for the district is expected to increase from \$712,500 (2009) to \$1,272,000 (2015).

The public improvement district is outlined in the following way:

**Nature of the Services and Improvements.** The nature of the services and improvements to be performed by the District is to enhance security and public safety within the District, provide maintenance, conduct marketing and promotion activities, special event and other services and activities that are authorized by the Act and approved by the Dallas City Council.

**Estimated Cost of the Services and Improvements.** The total estimated cost of services and improvements provided by the District for the seven year period is approximately ten million three hundred thirty seven thousand dollars (\$10,337,000). The estimated average annual cost of services for the District is approximately one million four hundred seventy six thousand seven hundred fourteen dollars (\$1,476,714).

**Boundaries.** The District is located wholly within the City of Dallas, Texas. The boundaries of the District are shown on the Map of the District.

**Method of Assessment.** The proposed method of assessment, which may specify included or excluded classes of assessable property, is based on the value of the real property and real property improvements, as determined by the Dallas Central Appraisal District. The proposed 2008 annual assessment rate for the premium service area in the District is \$0.10 per \$100.00 of appraised value by the Dallas Central Appraisal District. The standard service area proposed 2008 assessment rate for the District is \$0.05 per \$100.00 of appraised value by the Dallas Central Appraisal District.

**Apportionment of costs between the District and the Municipality as a Whole.** The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The City of Dallas is not responsible for payment of assessments against exempt City property in the District which is specifically benefited. City rights-of-way, City Parks, and other tax-exempt property in the District are not subject to assessment. Payment of assessments by other exempt jurisdictions and entities must be established by contract.



The term of the District upon renewal is seven years (2009 to 2015). Pending approval, actual operations in the District will commence next year (January 1, 2007). The District will automatically dissolve on December 31, 2008, unless the District is renewed.

**Fiscal Information**

No cost consideration to the City

**Staff**

Karl Stundins, Manager, Area Redevelopment Division  
Vasavi Mallena, Economic Development Analyst

**Recommendation**

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



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Assistant City Manager

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SUBJECT **Authorize the rescission of Resolutions No. 06-1737 and 06-1738, which provided for a development agreement with FF Development, LP – Council Agenda May 28, 2008**

On May 28, 2008, City Council will be asked to consider a resolution rescinding the development agreement with FF Development, LP.

FF Development, LP planned to build a 20-floor structure with adjacent structures at 9 and 5 floors providing 265 multi-family luxury units averaging 1,200 square feet plus approximately 43,000 square feet of first-floor retail space and 31,000 square feet of office space located at 3700 McKinney Avenue in the Cityplace Area TIF District. The planned private investment was estimated to be \$100,000,000.

The \$3,000,000 total amount of TIF funds committed to the Fairfield at Cityplace project was based on the estimated expenditures to be incurred by FF Development, LP, on eligible TIF project costs such as public infrastructure improvements including sidewalks, lighting, street construction (extension of Noble Avenue), streetscape, and utility enhancement, relocation and burial; plus design, engineering and construction management.

Delays in planning for construction and unexpected cost increases for high-rise construction caused FF Development, LP to re-examine the scope of the project to seek another course of action to offset the increases in vertical construction costs. FF Development, LP and Cityplace Company continued to work through 2007 seeking alternative solutions without significantly degrading the scope of the planned project. FF Development, LP concluded in late 2007 that the project as envisioned would not be constructed and abandoned plans for the 3700 McKinney Avenue property.

On January 23, 2008, the Cityplace Area TIF Board of directors considered the project situation for FF Development, LP and forwarded a recommendation to the City Council that the Cityplace TIF funds pledged and dedicated to the project be withdrawn, thus freeing TIF Increment and TIF Bond funds to support other future TIF District projects.

## **Fiscal Information**

Rescind Development Agreement – No cost consideration to the City

**Staff**

Karl Stundins, Manager, Area Redevelopment Division  
Stan Prichard, Economic Development Analyst

**Recommendation**

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



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SUBJECT **Release of a lien in the amount of \$25,000 on real property held as collateral for a loan made by the South Dallas/Fair Park Trust Fund to Terrance Henderson d/b/a A Taste of New Orleans restaurant – May 28, 2008 Council Agenda**

On March 1, 2003, Terrance Henderson, d/b/a A Taste of New Orleans, received a business loan from the South Dallas/Fair Park Trust Fund in the amount of \$25,000. The purpose of the loan was for building improvements and working capital for the business. The loan was collateralized by a promissory note and a lien on real property located at 4837 Spring Avenue, Dallas, Texas 75210. The loan was paid in full on May 7, 2008.

## **COUNCIL DISTRICT**

7 Carolyn Davis

## **MAPSCO**

47 N

## **FISCAL INFORMATION**

No cost consideration to the City

## **STAFF**

Lee McKinney, Assistant Director  
Ron Patterson, Economic Development Analyst

## **RECOMMENDATION**

Staff recommends Council authorize the release of a lien on real property held as collateral for a loan made by the South Dallas/Fair Park Trust Fund to Terrance Henderson DBA A Taste of New Orleans restaurant, 4837 Spring Ave., Dallas, Texas 75210 in the amount of \$25,000.

Please contact me at (214) 670-3314, should you have any questions or concerns.



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SUBJECT **Authorize Development Agreement with INCAP Master Development, LLC (Davis Garden TIF District); Agenda Item, May 28, 2008**

Staff has been working with INCAP Master Development, LLC (INCAP) over the past year on a proposal for a project that consists of horizontal development, and median improvements within the Davis Garden TIF District. The project is anticipated to entice future growth and expansion of residential and commercial activity within the TIF District.

**Proposed terms state that the City of Dallas understands that INCAP Master Development, LLC makes no commitment to vertical development at the Project Sites.**

Affiliates of INCAP Master Development, LLC have acquired six structurally and functionally obsolete apartment complexes located on approximately 30 acres of land within the Davis Garden TIF District. The entity is requesting \$4,008,247 in TIF reimbursement for the environmental remediation and demolition of the blighted apartment complexes and for median improvements along Davis Street between Hampton Road and Montclair Avenue. The specific properties (map attached) included in this request are:

1. Chateau Crete Assembly
2. Acorn Tree Assembly
3. Cliffwood Assembly
4. King's Highway Assembly
5. Northhills Assembly
6. Kidd Springs Assembly

INCAP will horizontally develop and prepare the properties only. There is no commitment for vertical development under this agreement. INCAP has indicated that the environmental remediation and demolition of the blighted apartment complexes will increase the current total assessed value of these properties from \$21.1 million to a total assessed value of \$39.2 million in the future (approximately \$30.00 per square foot). The entity is currently negotiating with several

developers as joint venture partners to redevelop the properties in accordance with the Davis Garden TIF District’s Final Plan.

Specific terms for the deal are included in the resolutions.

Under this proposed agreement, as TIF increment accrues after administrative costs are funded, 20% of all remaining increment will be set aside for the future provision of affordable housing in and within the one-mile area adjacent to the boundaries of the Davis Garden TIF District. The affordable housing set aside was negotiated since there is no commitment for vertical development (affordable housing units) on the six sites. Remaining tax increment will be allocated to the reimbursement of this agreement. The TIF subsidy shall not accrue interest.

The project summary is as follows:

Total square footage required	0
Developer fee	<4%
Required private investment – site acquisition and hard costs of construction	\$30,000,000
Total project cost including site acquisition, hard costs of construction, all soft costs, and TIF expenses/other public.	\$40,179,681
TIF funding	\$4,008,247
% TIF funds to total project cost	10.0%
Rate of return with TIF funds (horizontal develop)	3.17%
Rate of return without TIF funds or other public assistance	2.87%
Deadline to purchase properties	N/A
Deadline to complete environmental remediation and/or demolition	December 31, 2008
Deadline to complete median improvements	July 15, 2010

**Schedule**

Begin Horizontal Development	January 2008
Complete Horizontal Development	December 2008
Begin Median Improvements	January 2008
Complete Median Improvements	July 2010

**Financing**

\$4,008,427 – Davis Garden TIF District Funds

**Owner**

**INCAP Master Development, LLC  
A Texas Limited Liability Company**

Michael Slaughter, Vice President

**Developer**

**INCAP Master Development, LLC  
A Texas Limited Liability Company**

Michael Slaughter, Vice President

**Staff**

Vernae E. Martin, Assistant Director, Office of Economic Development  
Telemachus Evans, Economic Development Analyst

**Recommendation**

Staff recommends City Council approval.

**Map**

Attached

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

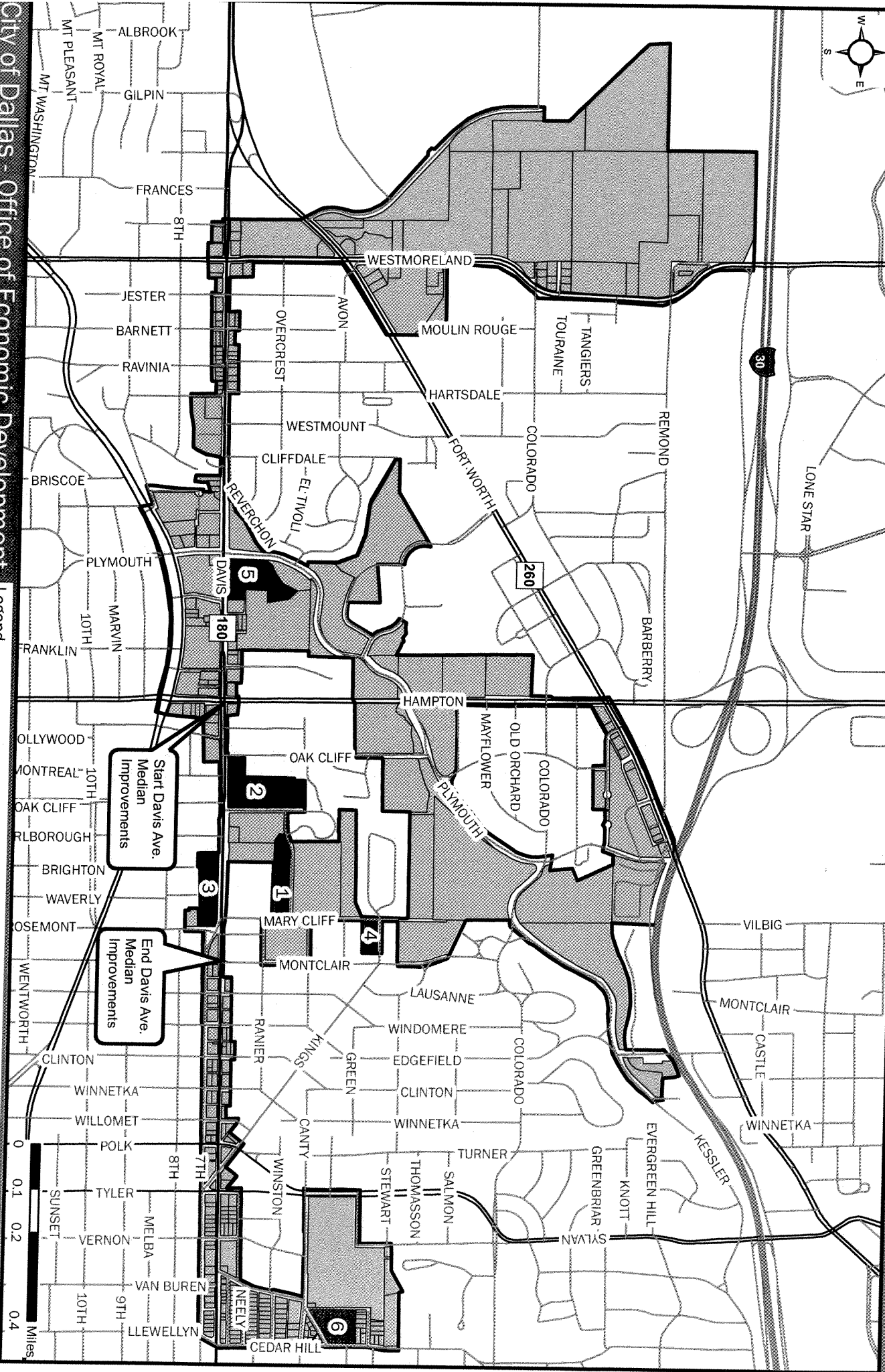
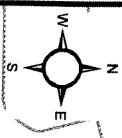


A.C. Gonzalez  
Assistant City Manager

- C: The Honorable Mayor and Members of the City Council  
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Deborah Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge Jay Robinson, Judiciary  
Ryan S. Evans, First Assistant City Manager  
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Jeanne Chipperfield, Interim Director, Office of Financial Services  
David Cook, Chief Financial Officer  
Jerry Killingsworth, Director, Housing Department  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Chandra Marshall-Henson, Assistant to the City Manager



# Davis Garden TIF - INCAP's Proposed Development Sites & Streetscape Improvements



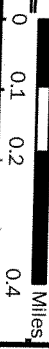
**City of Dallas - Office of Economic Development**  
 Research & Information Division

(214) 670-1685  
<http://www.Dallas.EcodDev.org>

City of Dallas  
 Created 11/16/08, Last Updated 4/25/09, INCAP Projects, TIFs

**Legend**

- Davis Garden TIF Boundary
  - Davis Garden TIF Parcels
  - Primary Highway
  - Secondary Highway
  - Major Arterial
  - Local Streets
  - INCAP Master Development, LLC
  - Horizontal Development Projects
1. Chateau Crete Assembly
  2. Acorn Tree Assembly
  3. Cliffwood Assembly
  4. King's Highway Assembly
  5. Northhills Assembly
  6. Kidd Springs Assembly



Start Davis Ave.  
 Median Improvements

End Davis Ave.  
 Median Improvements

Source: City of Dallas, 2007-08

Pro Forma 1

**INCAP's Proposed Horizontal Development Activities and Streetscape Improvements Along Davis Street**

<b>Expenses</b>	
Land Acquisition Costs	\$24,959,612
Supplemental Non-Reimbursable Costs (Private)	
Property Acquisition & Closing Costs	\$2,520,000
Consulting & Planning Costs	\$1,512,000
Property Repairs & Maintenance	\$2,040,000
Site Preparation Costs	\$1,860,000
Administrative Costs	\$576,822
Marketing	\$120,000
Financing	\$4,720,000
Property Taxes	\$930,000
Demolition, Environmental Remediation, & Streetscaping (TIF Eligible Project Costs)	\$4,008,247
<b>Total</b>	<b>\$43,246,681</b>

<b>Revenue</b>	
Anticipated Sales Price	\$44,488,762
<b>Total</b>	<b>\$44,488,762</b>

<b>Revenue Summary Pre-TIF Reimbursement</b>	
Projected Sales	44,488,762
Land Acquisition Costs	(24,959,612)
Supplemental Non-Reimbursable Costs (Private)	(14,278,822)
Demolition, Environmental Remediation, & Streetscaping (TIF Eligible Project Costs)	(4,008,247)
<b>Pre-TIF Reimbursement Gross Profit (Loss)</b>	<b>\$1,242,081</b>

<b>Revenue Summary Post-TIF Reimbursement</b>	
Projected Sales	\$44,488,762
Land Acquisition Costs	(\$24,959,612)
Supplemental Non-Reimbursable Costs (Private)	(\$14,278,822)
Demolition, Environmental Remediation, & Streetscaping (TIF Eligible Project Costs)	(\$4,008,247)
Anticipated TIF Reimbursement	\$4,008,247
<b>Post-TIF Reimbursement Gross Profit (Loss)</b>	<b>\$5,250,328</b>

ROI without TIF Reimbursement	2.87%
ROI with TIF Reimbursement	3.17%

# Memorandum



DATE May 16, 2008

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

SUBJECT **Upcoming Council Travel**

The Office of Economic Development supports a trip to Phoenix, AZ on November 29-30 to attend the Semi-Annual meeting of the River Trade Corridor. The travelers will be Councilmembers Atkins, Natinsky.

The airfare cost is approximately \$845 and the hotel is \$122 (plus tax) per night, for a total cost roughly \$1185 for both travelers.

Approximately \$1050 has been spent on Inland Port related travel to date.

Per the travel policy passed on May 10<sup>th</sup>, 2006, which required advance approval either by the Economic Development Committee or two of the following three: the Mayor, Chair of the Economic Development Committee or Vice Chair of the Economic Development Committee, this memo serves as request for advance approval for councilmember travel.

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



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