

Memorandum



DATE May 15, 2009

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 **Square 67, L.P. (Square 67 Shopping Center) Economic Development Grant
May 27, 2009 Council Agenda**

MAIN TOPIC

Authorize an economic development grant agreement, pursuant to Chapter 380 of the Texas Local Government Code in accordance with the City's Public/Private Partnership Program - Business Development Grant Program with Square 67, L.P. related to the leasing and remodeling of an empty grocery store in the Square 67 Shopping Center located at Hampton Road and Red Bird Lane in southwest Dallas.

BACKGROUND

Square 67, L.P. (Square 67) seeks City Council approval of an economic development grant of \$350,000 for leasing and remodeling the 70,000 square foot empty grocery store. The 181,775 square foot shopping center is situated on approximately 17 acres located at the southwest quadrant of the intersection of Hampton Road and Red Bird Lane. The shopping center has a 70,000 square foot vacant grocery store that was formerly occupied by Sack N Save.

Square 67 will make a private investment of approximately \$1,500,000 and the shopping center will be required to have a minimum of 50 jobs in order to be eligible for the proposed economic development grant. The city grant is designed to offset certain remodeling costs including demolition, retrofitting, and other related improvements for this vacant grocery store. The city grant will be payable in the amount of \$350,000 upon substantial completion of approximately \$1,500,000 in improvements, occupancy of a full service grocery store, and the creation of 50 jobs by December 31, 2009. It is estimated that the project will result in approximately \$100,000 in new sales tax revenue annually.

The proposed development meets minimum eligibility requirements of the Public/Private Partnership Program as adopted by the City Council on April 9, 2008.

PROJECT DETAILS

Project Site: Southwest corner of Hampton Road & Red Bird Lane

Acreage: 17

Existing Facility: 181, 775 square feet

Real Property Investment: Building improvements - \$1.5 million

Minimum Required Jobs: 50

Average Wage: \$12.00 per hour

PROPOSED ESTIMATED SCHEDULE OF THE PROJECT

Begin Construction	June 2009
Grocery Anchor and Complete Construction	December 2009

CITY INCENTIVES

Economic Development Grant

(Development Fees and other project costs
such as demolition and retrofit) \$1,500,000

Revenue	<u>Investment</u>	<u>Annual Taxable Retail Sales</u>	<u>Annual Foregone Revenue</u>	<u>Annual City of Dallas Tax Revenue</u>
New Real Property	\$1.5M		\$0	\$11,218
Sales Tax @1%		\$10M	<u>\$0</u>	<u>\$100,000</u>
1-year Total			<u>\$0</u>	<u>\$111,218</u>
10-year Total (2% annual growth)			\$0	\$1,220,268

FISCAL INFORMATION

Public Private Partnership Program Funds - \$350,000

OWNER

Square 67, L.P.

Ralph Isenberg
Managing Partner

DEVELOPER

Isenberg Management Associates, Inc.

Ralph Isenberg
President

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



A.C. Gonzalez
Assistant City Manager

Attachment

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Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Square 67 Shopping Center



City of Dallas
Office of Economic Development



Research & Information Division
(214) 670-1685
<http://www.Dallas-EcoDev.org>

Legend

Freeway
Tollway
Highway

Arterial
Local Street
Square 67 Shopping Center

Exhibit B

Proposed Project Information Worksheet

Economic Development Committee

A. Project Summary

City Council District	8	
Project/Company Name	Square 67, L.P.	
Project Location	2055 W. Red Bird Lane	
Project Type	Retail	
Facilities (Square Feet)	181,775	
Construction Schedule	Begin	Jun-09
	Complete	Dec-09
Private Improvement Investment	Real Property	1.5M
	Business Property	na
Jobs	Created	50
	Retained	na
Average Wage Rate	Salary	\$20K
	Hourly	\$12
City Incentive Summary	Tax Abatement	
	Infrastructure	
	Other	\$350K

B. Economic Impact Estimates (Dallas City Economy Only)

	10-Year	
	Jobs	Economic Output
Direct Impact	50	\$1,500,000
Indirect and Induced Impact*	15	\$1,200,000
Total Impact	65	\$2,700,000

C. City of Dallas General Fund Fiscal Impact

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	\$828,548	\$1,832,252
Total City GF Service Costs	\$501,619	\$1,052,944
Net Impact Before Incentives	\$326,929	\$779,308
City Incentives	\$350,000	\$350,000
Net City Fiscal Impact	-\$23,071	\$429,308

* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue

	Property Taxes	Sales Taxes
DISD	\$1,050,000	
Dallas County	\$204,000	
DCCCD	\$70,000	
Parkland Hospital	\$222,000	
DART		\$1,094,000

Memorandum



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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 **Jess Baroukh, LLC. (Crest Plaza Shopping Center) Economic Development Grant
May 27, 2009 Council Agenda**

MAIN TOPIC

Authorize an economic development grant agreement pursuant to Chapter 380 of the Texas Local Government Code in accordance with the City's Public/Private Partnership Program - Business Development Grant Program with Jess Baroukh, LLC., related to the remodeling of the Crest Plaza Shopping Center located at South Lancaster Road and East Saner Avenue in southern Dallas.

BACKGROUND

Crest Plaza seeks City Council approval of an economic development grant in an amount not to exceed \$200,000 for the remodeling of a 112,000 square foot shopping center situated on approximately 9.6 acres located at the northwest quadrant of the intersection of S. Lancaster Road and E. Saner Avenue. The shopping center is repositioning a 23,790 square foot grocery store that will be occupied by Save A Lot.

Crest Plaza will make a private investment of approximately \$1,000,000 in order to be eligible for the proposed economic development grant. The city grant is designed to offset certain remodeling costs including demolition, retrofitting, and other related improvements for this repositioned grocery store. The city grant will be payable in the amount of \$200,000 upon substantial completion of approximately \$1,000,000 in improvements and occupancy of the grocery store by December 31, 2009.

The proposed development meets minimum eligibility requirements of the Public/Private Partnership Program as adopted by the City Council on April 9, 2008.

PROJECT DETAILS

Project Site: Northwest corner of S. Lancaster Road & E. Saner Avenue

Acreage: 9.6

Existing Facility: 112,000 square feet

Real Property Investment: Building improvements - \$1.0 million

Minimum Required Jobs: NA

Average Wage: NA

PROPOSED ESTIMATED SCHEDULE OF THE PROJECT

Began Construction April 2009
Complete Construction December 2009

CITY INCENTIVES

Economic Development Grant
(Development Fees and other project costs
such as demolition and retrofit) \$1,000,000

Revenue	<u>Investment</u>	<u>Annual Taxable Retail Sales</u>	<u>Annual Foregone Revenue</u>	<u>Annual City of Dallas Tax Revenue</u>
New Real Property	\$1.0M		\$0	\$7,479
Sales Tax @ 1%		\$7.5M	<u>\$0</u>	<u>\$75,000</u>
1-year Total			<u>\$0</u>	<u>\$82,479</u>
10-year Total (2% annual growth)			\$0	\$911,271

FISCAL INFORMATION

Public Private Partnership Program Funds - \$200,000

OWNER

Jess Baroukh, LLC.

Elias Shokrian
Managing Member

DEVELOPER

Califco, LLC

Jonathan Shokrian
Regional Director

MAP

Attached

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

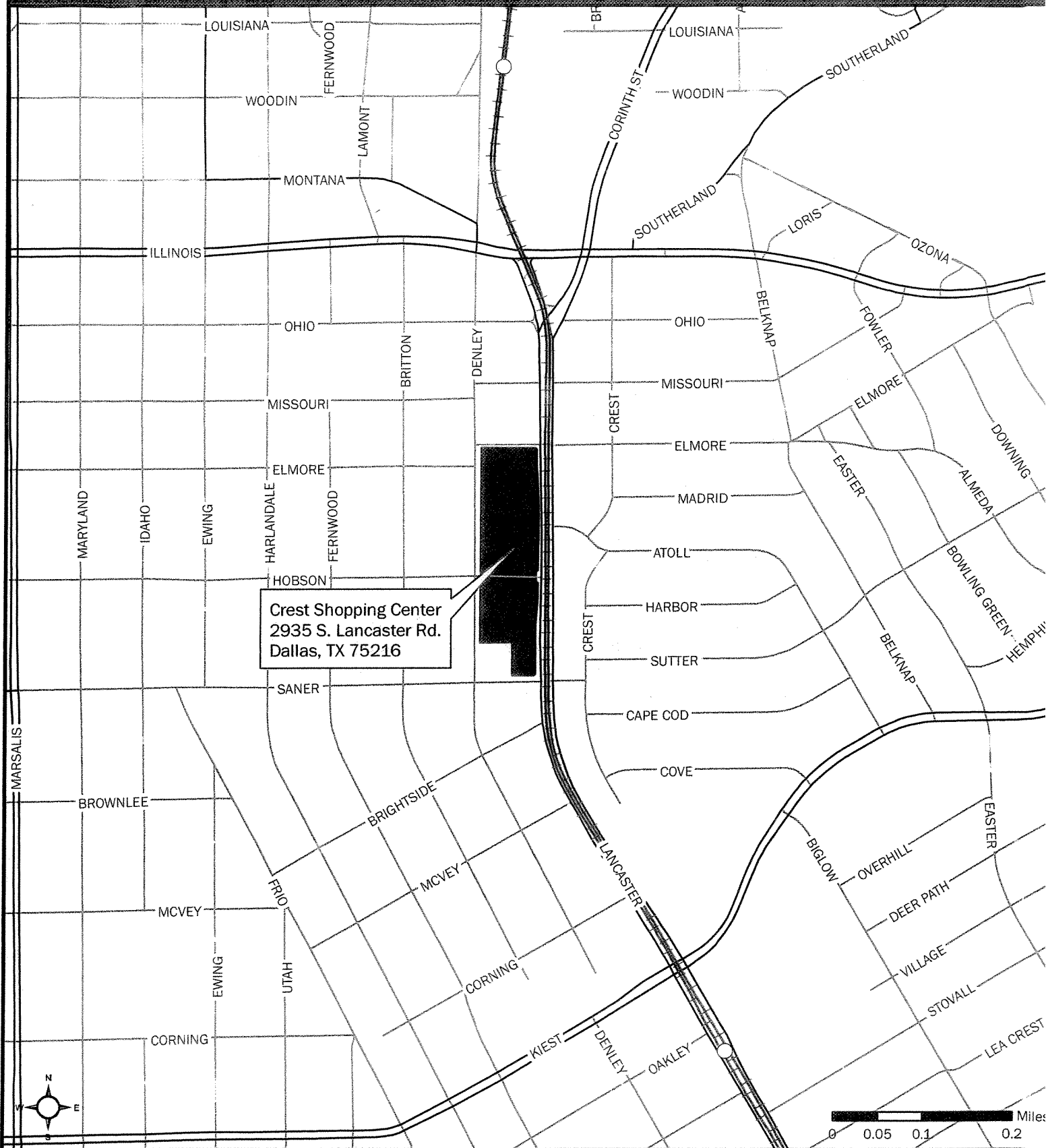


A.C. Gonzalez
Assistant City Manager

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Helena Stevens-Thompson, Assistant to the City Manager

Crest Shopping Center



City of Dallas
Office of Economic Development



Research & Information Division
(214) 670-1685
<http://www.Dallas-EcoDev.org>

Legend

- DART Dallas Rail Stations
- +— DART Blue Line
- Arterial
- Local Street
- Crest Shopping Center

Exhibit B

Proposed Project Information Worksheet

Economic Development Committee

A. Project Summary

City Council District	4	
Project/Company Name	Jess Baroukh, LLC (Crest Plaza)	
Project Location	2935 S. Lancaster Road	
Project Type	Retail	
Facilities (Square Feet)	112,000	
Construction Schedule	Begin	Jun-09
	Complete	Dec-09
Private Improvement Investment	Real Property	1.0M
	Business Property	na
Jobs	Created	na
	Retained	25
Average Wage Rate	Salary	\$20K
	Hourly	\$12
City Incentive Summary	Tax Abatement	
	Infrastructure	
	Other	\$200K

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B. Economic Impact Estimates (Dallas City Economy Only)

	10-Year	
	Jobs	Economic Output
Direct Impact	0	\$1,000,000
Indirect and Induced Impact*	8	\$800,000
Total Impact	8	\$1,800,000

C. City of Dallas General Fund Fiscal Impact

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	\$507,998	\$1,114,531
Total City GF Service Costs	\$249,691	\$525,354
Net Impact Before Incentives	\$258,306	\$589,177
City Incentives	\$200,000	\$200,000
Net City Fiscal Impact	\$58,306	\$389,177

* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue

	Property Taxes	Sales Taxes
DISD	\$693,000	
Dallas County	\$136,680	
DCCCD	\$46,900	
Parkland Hospital	\$148,740	
DART		\$750,000

Memorandum



DATE May 15, 2009

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 **Call and Hold a public hearing to receive comments regarding the creation of a new Public Improvement District - Oak Lawn-Hi Line Public Improvement District May 27, 2009 and June 24, 2009 Council Agenda**

On May 27, 2009, City Council will be asked to consider a resolution calling for a public hearing regarding the creation of the Oak Lawn-Hi Line Public Improvement District (PID) to be held on June 24, 2009.

On March 31, 2009, property owner representative in the proposed Oak Lawn-Hi Line Public Improvement District area, presented to the City staff the petition requesting the approval of the service plan for seven years and the creation of the Oak Lawn-Hi Line Public Improvement District with an effective date of January 1, 2010. The staff reviewed the proposed Service Plan, 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 six percent (76%) of the property value and owners of seventy two percent (72%) of the land area had signed the petitions for the creation of the Oak Lawn-Hi Line PID. These benchmarks exceed the minimum requirements set in the City of Dallas PID Policy for the City Council to consider creation of the District and exceed State requirements for sufficiency of the petition. Staff has also evaluated the service plan and recommended that the services be made as proposed by the proposed service plan and the plan is viable. Following table shows the details of the review:

Oak Lawn-Hi Line PID			
	Area (SF)	Property Values	Record owners
Total PID*	1,863,274	\$61,694,420.00	49
In support of the PID	1,349,120	\$46,957,600.00	31
% in support of the PID	72.41%	76.11%	63.27%

*60% of value and 60% of all record Owners (or) 60% land area required by City policy

The City desires, by the calling and holding of such public hearing, to provide a reasonable opportunity for any owner of property located within the District to speak for or against the creation of the Oak Lawn-Hi Line Public Improvement District for a special assessment against each property owner of record for real property and real property improvements, exclusive of right-of-way, to provide funding for the District for the purpose of providing supplemental services and improvements.

The public improvement district is outlined in the following way:

- A. **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, litter and graffiti control, operation and maintenance of public improvements, and landscaping improvements including plantings, hardscape and street furniture within public open space and public rights of way and related services and improvements that are authorized by the Act and approved by the Dallas City Council.
- B. **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 two million eleven thousand, two hundred twenty six dollars (\$2,011,226). The estimated average annual cost of services for the District is approximately two hundred and eighty seven thousand three hundred eighteen dollars (\$287,318).
- C. **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.
- D. **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 2010 annual assessment rate in the District is \$0.15 per \$100.00 of appraised value by the Dallas Central Appraisal District.
- E. **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.
- F. **District Management.** The District shall be managed through a yet to be established non-profit corporation, tentatively called the Oak Lawn-Hi Line Improvement District Corporation, established under the provisions of Section 501(c) of the Internal Revenue Code. The Dallas City Council will review and approve annually the Service Plan and Assessment Plan determines and levy assessments and conducts other functions as required by the Act. The Oak Lawn-Hi Line Improvement District Corporation will be responsible for the management of the District.
- G. **Advisory Body.** An advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality, in order to provide for efficient management of the District. The Dallas City Council, by acceptance of this Petition and the creation of the District agrees to not establish an advisory body and agrees to assign to the Oak Lawn-Hi Line Improvement District Corporation the responsibility for developing and recommending a service plan, improvement plan and other responsibilities of the advisory body contained in the Act.

Oak Lawn-Hi Line Improvement District Corporation will host and conduct an annual meeting, held in a public place and give public notice of such meeting two weeks in advance to give property owners the opportunity to provide input and recommendations to the Oak Lawn-Hi Line Improvement District Corporation Board regarding the annual assessment rate, proposed projects and other planned activities of the District.

- H. **District Dissolution.** The District shall automatically dissolve at the end of the calendar year following the seventh (7th) anniversary of the date the District was established unless the District is renewed through the petition and approval process as provided by the Act. Additionally, a public hearing may be called for the purpose of dissolving the District if a petition requesting dissolution is filed with the Dallas City Secretary and the petition contains the signatures of at least enough property owners in the District to make the petition sufficient for the creation of a public improvement district as provided in Section 372.005(b) of the "Act." If the District is dissolved, the District nonetheless shall remain liable for the payment of any indebtedness for the District.

The term of the District upon creation is seven years (2010 to 2016). Pending approval, actual operations in the District will commence next year.

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.

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

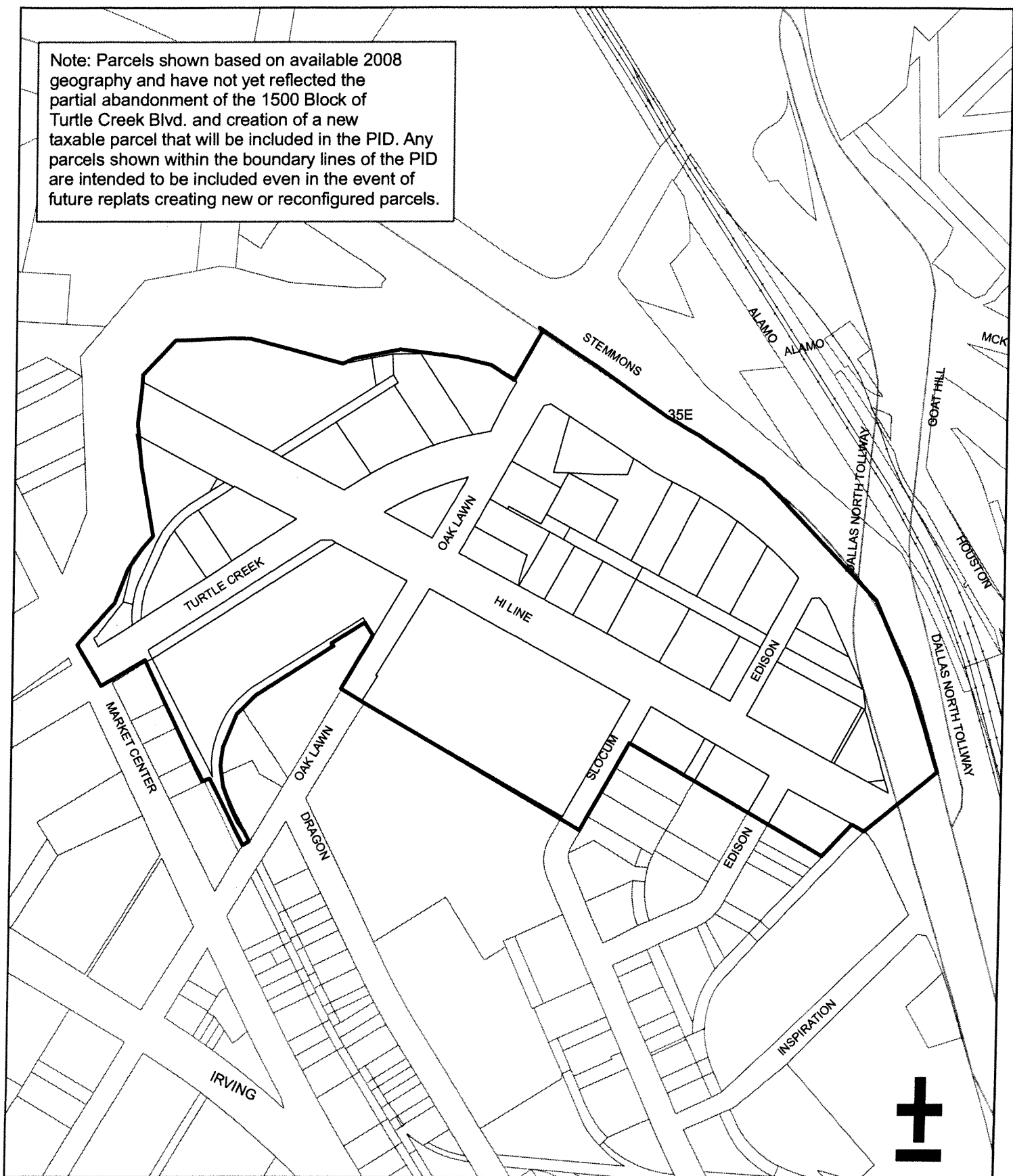


A.C. Gonzalez
Assistant City Manager

Attachment

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Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Verna Martin, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Note: Parcels shown based on available 2008 geography and have not yet reflected the partial abandonment of the 1500 Block of Turtle Creek Blvd. and creation of a new taxable parcel that will be included in the PID. Any parcels shown within the boundary lines of the PID are intended to be included even in the event of future replats creating new or reconfigured parcels.



Proposed Oak Lawn - Hi Line Public Improvement District

 PID Boundary



Office of Economic Development
March 2009

Memorandum



CITY OF DALLAS

www.dallascityhall.com
www.bids.dallascityhall.org

Date May 15, 2009

To Members of the Economic Development Committee: Ron Natinsky, (Chair), Tennell Atkins (Vice Chair), Jerry Allen, Dwaine Caraway, Sheffie Kadane, Linda Koop, Mitchell Rasansky and 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 2008 through March 2009. Included in this attachment is a detail of the dollars being spent in each category.

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

David Cook
Chief Financial Officer

Attachment

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A. C. Gonzalez, Assistant City Manager
Helena Stevens-Thompson, Assistant to the City Manager
Ade Williams, Director, Business Development and Procurement Services

**Business Development and Procurement Service
Business Inclusion and Development Performance Report
(October 2008 - March 2009)**

GOALS	COUNTY									
	25.00%		25.66%		36.30%		23.80%		18.00%	
	Construction	Architectural & Engineering	Professional Services	Other Services	Goods	Total	Construction	Architectural & Engineering	Professional Services	Other Services
	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total
ALL DEPARTMENTS										
Dallas (Local)										
African American	5,031,064	6.3	1,216,968	3.0	729,424	10.5	4,201,888	14.6	348,493	0.6
Hispanic	13,115,458	16.4	4,750,483	11.9	311,477	4.5	4,145,633	14.4	338,733	0.6
Asian	923,523	1.2	360,578	0.9	0	0.0	2,122,230	7.4	897,960	1.5
Native American	1,143,083	1.4	0	0.0	0	0.0	0	0.0	14,784	0.0
Other	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total MBE	20,213,128	25.3	6,328,029	15.8	1,040,901	15.0	10,469,751	36.3	1,599,970	2.7
Caucasian Women	10,726,033	13.4	1,355,155	3.4	74,497	1.1	530,354	1.8	533,160	0.9
Total M/WBE	30,939,161	38.7	7,683,184	19.2	1,115,398	16.1	11,000,105	38.2	2,133,130	3.6
Total Encumbrance	79,856,689		40,023,849		6,919,592		28,804,395		59,436,346	
Total	215,040,871								52,870,978	24.6
Non-Local										
African American	1,387,953	4.5	0	0.0	150,000	2.9	2,978,023	7.2	35,262	0.0
Hispanic	122,106	0.4	23,500	0.3	0	0.0	18,658	0.0	1,244,997	1.6
Asian	1,087	0.0	0	0.0	0	0.0	95,729	0.2	14,693	0.0
Native American	1,300	0.0	0	0.0	0	0.0	10,542	0.0	0	0.0
Other	0	0.0	37,560	0.5	0	0.0	0	0.0	0	0.0
Total MBE	1,512,446	5.0	61,060	0.8	150,000	2.9	3,102,952	7.5	1,294,952	1.7
Caucasian Women	1,087,808	3.6	77,132	1.0	50,741	1.0	2,975,324	7.2	1,229,865	1.6
Total M/WBE	2,600,254	8.5	138,192	1.9	200,741	3.9	6,078,276	14.7	2,524,817	3.3
Total Encumbrance	30,531,791		7,363,417		5,138,196		41,215,309		77,530,636	
Total	11,542,280								11,542,280	7.1
Local + Non-Local										
African American	6,419,017	5.8	1,216,968	2.6	879,424	7.3	7,179,911	10.3	383,755	0.3
Hispanic	13,237,564	12.0	4,773,983	10.1	311,477	2.6	4,164,291	5.9	1,583,730	1.2
Asian	924,610	0.8	360,578	0.8	0	0.0	2,217,959	3.2	912,653	0.7
Native American	1,144,383	1.0	0	0.0	0	0.0	10,542	0.0	14,784	0.0
Other	0	0.0	37,560	0.1	0	0.0	0	0.0	0	0.0
Total MBE	21,725,574	19.7	6,389,089	13.5	1,190,901	9.9	13,572,703	19.4	2,894,922	2.1
Caucasian Women	11,813,841	10.7	1,432,287	3.0	125,238	1.0	3,505,678	5.0	1,763,025	1.3
Total M/WBE	33,539,415	30.4	7,821,376	16.5	1,316,139	10.9	17,078,381	24.4	4,657,947	3.4
Total Encumbrance	110,388,480		47,387,266		12,057,788		70,019,704		136,966,982	
Total	376,820,220								64,413,258	17.1