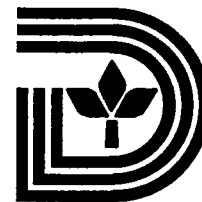


# Memorandum



CITY OF DALLAS

DATE May 13, 2011

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

SUBJECT **Amendment to Resolution No. 11-0661 authorizing amendments to the development agreement with Hamilton Atmos, LP for the Atmos Complex project – Downtown Connection TIF District**

## **BACKGROUND**

On March 9, 2011, City Council approved Resolution No. 11-0661 authorizing an amendment to the development agreement with Hamilton Atmos, LP for the Atmos Complex project in the Downtown Connection TIF District. City Council approved the splitting of the Atmos Complex redevelopment project into two development phases. The purpose of this action is to clarify the intent of the reimbursement for the two phases of the project. This action does not change any of the previous approved amendments or the amount of TIF reimbursement for the project.

The total TIF reimbursement approved for the project is \$15,000,000 plus interest for an amount not to exceed \$23,000,000. The \$15,000,000 is to be divided amongst the two phases of the project as follows: Phase I, \$3,250,000 plus interest and Phase II, \$11,750,000 plus interest. The two phases will be treated independently as each phase has its own funding sources and project requirements. Additionally, completion of Phase II is not a requirement for reimbursement of Phase I. The revised resolution reflects these clarifications.

The Atmos Complex project is comprised of five properties (four buildings): (1) 1900 Jackson Street; (2) 1916 Jackson Street; (3) 301 S. Harwood Street; (4) 1915 Wood; and (5) 1815 Wood. Two of the four buildings in the complex are historic, 301 S. Harwood Street and 1915 Wood Street. All of the buildings are currently vacant.

The Atmos Complex project, Phases I and II will add approximately 170 affordable housing units to the downtown area helping to diversify its housing stock, while removing three vacant buildings from the City's vacant building inventory.

**FISCAL INFORMATION**

No cost consideration to the City

**STAFF**

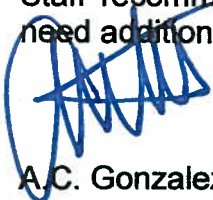
Karl Stundins, Manager – Area Redevelopment  
Tamara L. Leak, Economic Development Analyst

**MAP**

Attached

**RECOMMENDATION**

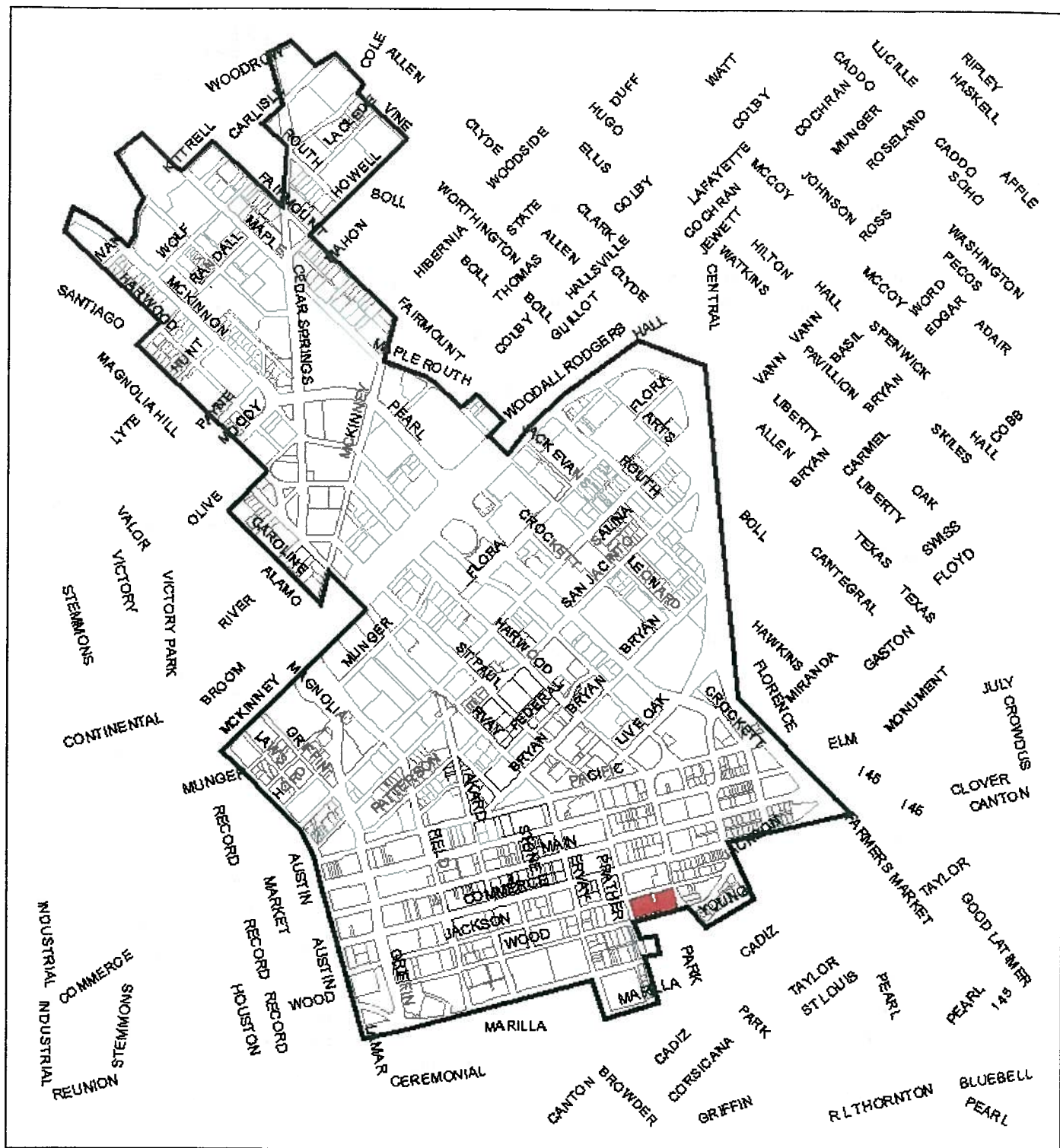
Staff recommends approval of the subject item. Please contact me if you need additional information.





A.C. Gonzalez  
Assistant City Manager

- C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Thomas Perkins, City Attorney  
Craig Kinton, City Auditor  
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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

# Atmos Complex



-  Downtown Connection TIF District
-  Atmos Complex

# Memorandum



DATE: May 13, 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: **Call and Hold a public hearing to receive comments regarding the renewal of an existing Public Improvement District – Prestonwood Public Improvement District: May 25, 2011 and June 22, 2011 Council Agenda**

On May 25, 2011, City Council will be asked to consider a resolution calling for a public hearing regarding the renewal of the Prestonwood Public Improvement District (PID) to be held on June 22, 2011.

On April 1, 2011, Prestonwood Homeowners Association representing homeowners of Prestonwood area delivered to the City of Dallas a petition to renew the Prestonwood Public Improvement District in accordance with the parameters of Chapter 372 of the Texas Local Government Code.

City staff reviewed the petitions and determined that the owners of seventy one percent (71%) of the property value and owners of seventy percent (70%) of the land area had signed the petitions for the renewal of the Prestonwood 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:

<b>Prestonwood PID</b>			
	<b>Property Values</b>	<b>Area (SF)</b>	<b>Record owners</b>
Total Accounts within the PID*	\$277,011,042	11,408,833	1031
Accounts supporting PID	\$195,343,878	8,033,550	719
<b>% Support of the PID</b>	<b>70.52%</b>	<b>70.42%</b>	<b>69.74%</b>
<b>*66.7% of value and 66.7% of land area (or) 66.7% all record Owners.</b>			

The Prestonwood PID is the only existing single-family PID (defined as areas with a minimum of 30% of land area dedicated to detached, single-family housing) in Dallas area. The District was first established in 1997 and renewed in 2004. The primary purpose of the District is to enhance public safety and security related improvements in the Prestonwood area.

The total estimated cost of providing above services for the seven year period is approximately two million four hundred thirty-four thousand, nine hundred eighty-eight dollars (\$2,434,988). The estimated average annual cost of services for the District is approximately three hundred forty-seven thousand eight hundred fifty-five dollars (\$347,855). Properties within the District will be charged with a special assessment to cover the cost of additional security and security related services.

The projected PID assessment rate for 2011 is \$0.087 per \$100 property valuation. City right-of-way, City Parks and other City owned properties in the Prestonwood PID will not be subjected to the special assessment. The proposed assessment rate for the seven year period is between \$0.087 to \$0.095 per \$100.00 of value. The annual assessment rate shall not exceed \$0.15 per \$100.00 valuation. The assessment rate will be reviewed and approved annually by the Dallas City Council and will be carried out in accordance with procedures stipulated in Chapter 372 of the Texas Local Government Code.

Subjected to the City Council approval, the renewed Prestonwood PID will start operating from January 1, 2012 for seven years. The District will be managed through Prestonwood Homeowners Association, Inc, a private nonprofit 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 Prestonwood Homeowners Association, Inc., will be responsible for the management of the District.

The District shall automatically dissolve on December 31, 2018 unless the District is renewed through the petition and approval process as provided by the Act. During the term of the PID, if required, the PID can be dissolved by petitions signed by majority of the property owners within the PID 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 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 Prestonwood 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, city parks to provide funding for the District for the purpose of providing supplemental services and improvements.

The term of the District upon creation is seven years (2012 to 2018). Pending approval, the renewed PID operations will commence next year.

### **FISCAL INFORMATION**

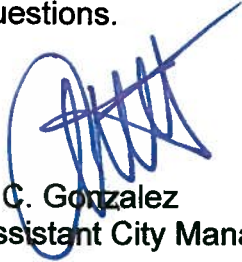
No cost consideration to the City

**STAFF**

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

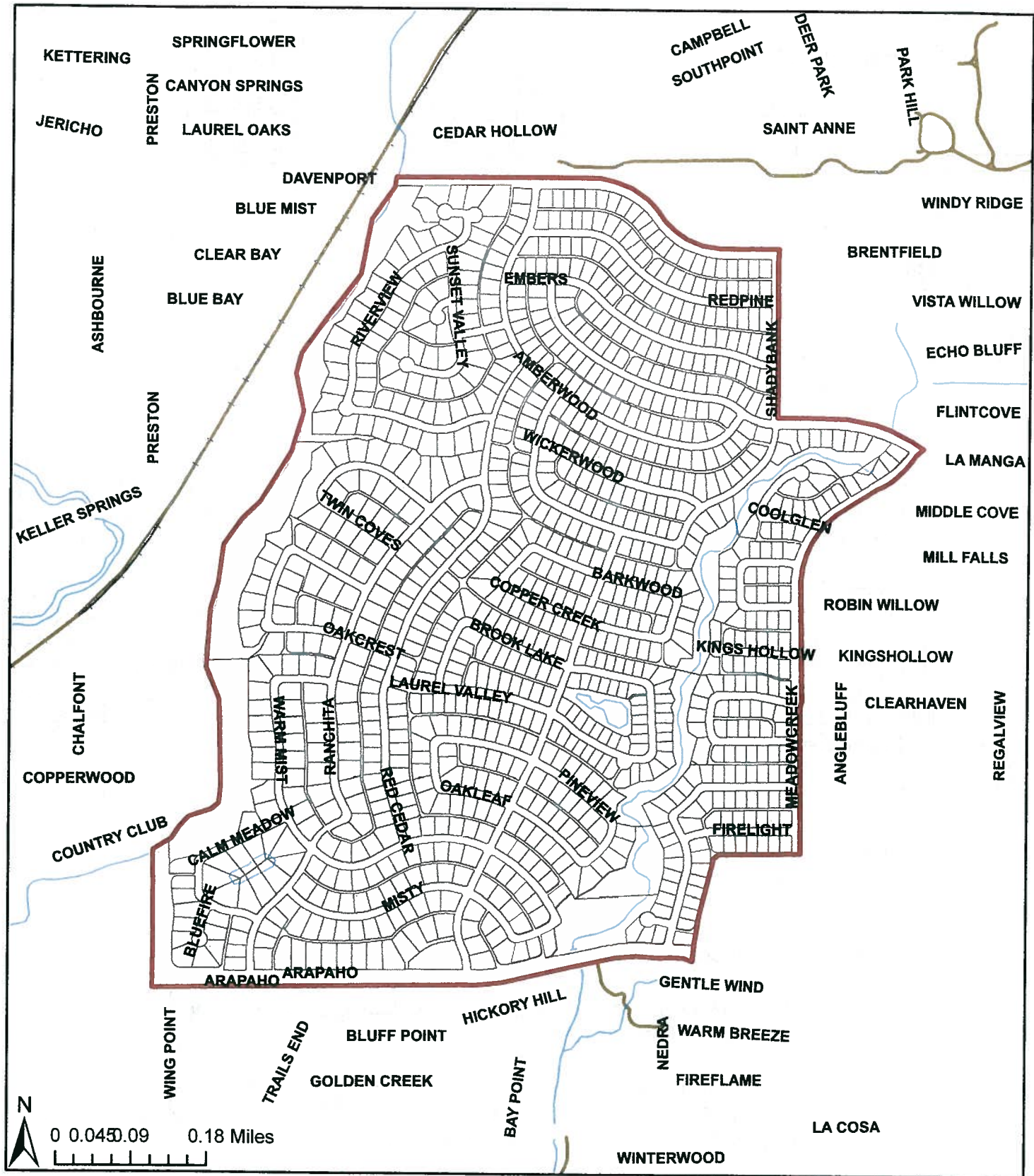
**RECOMMENDATION**

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



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



# Prestonwood PID Boundary Map

 Prestonwood PID Boundary



City of Dallas

Office of Economic Development  
August 2007

# Memorandum



CITY OF DALLAS

DATE May 13, 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 **Amendment to Resolution No. 11-0659 for Houseman Building L.L.C. Economic Development Grant, May 25, 2011 Council Agenda**

## **BACKGROUND**

Houseman Building L.L.C. (Houseman) seeks City Council approval to authorize an amendment to Section 2 of Resolution No. 11-0659, previously approved on March 9, 2011, which authorizes an economic development grant agreement with Houseman Building L.L.C., related to the remodeling of the Houseman Building located at 400 North Akard Street.

On March 9, 2011 the City Council authorized 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) for Houseman Building L.L.C., (Houseman). The adopted resolution failed to adequately define private investment for this project. For this project, private investment will include acquisition cost. All other items in the previously adopted resolution remain the same and are defined below.

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 including \$1.0 million in order to purchase and \$750 thousand to 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.

Staff recommends approval to the amendment for the resolution previously approved resolution. For a relatively small public investment, the property owner will completely fill the previously vacant small downtown building, add ground floor retail space and work with nearby property owners to re-energize a small public open space.

#### **ESTIMATED PROJECT SCHEDULE**

Began Construction	December 2010
Complete Construction	September 30, 2011

#### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On March 4, 2011, a memo was submitted to the Economic Development Committee regarding an economic development grant agreement with Houseman Building L.L.C., related to the remodeling of the Houseman Building located at 400 N. Akard Street.

On March 9, 2011, the City Council authorized an economic development grant with Houseman Building L.L.C., related to the remodeling of the Houseman Building located at 400 North Akard Street, in an amount not to exceed \$200,000 by Resolution No.

#### **FISCAL INFORMATION**

No additional cost consideration to the City

#### **OWNER**

**Houseman Building L.L.C.**

Ken Good  
President

#### **DEVELOPER**

**Houseman Building L.L.C.**

Ken Good  
President

**Houseman Building, LLC**  
**May 13, 2011**  
**Page 3 of 3**

**MAP**

Attached

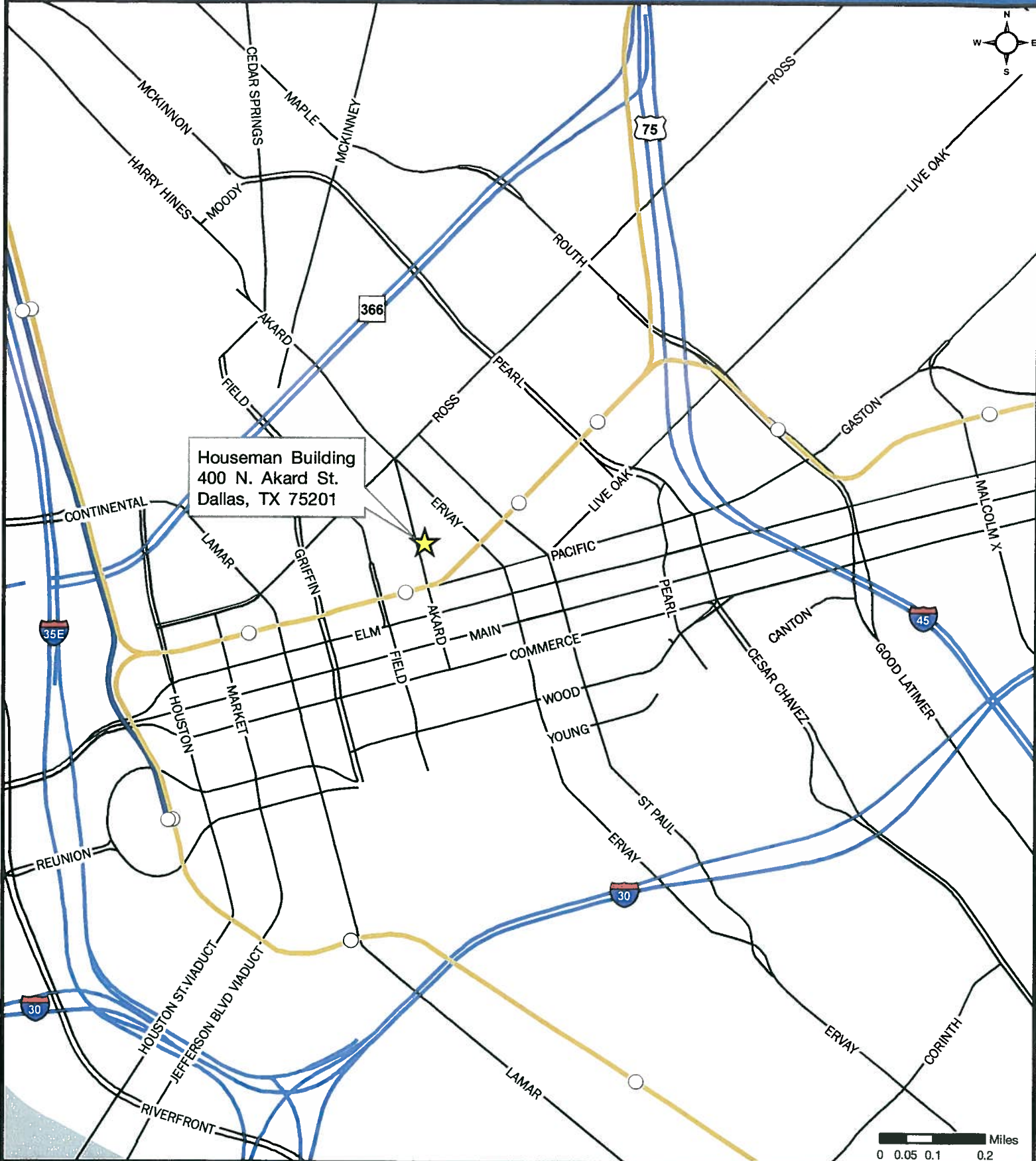
Should you have any questions, please contact me at (214) 670-3314.



A.C. Gonzalez  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
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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	Freeway	Flood Plain
DART Light Rail	Arterial	
Trinity Railway Express	Local Road	

Source: City of Dallas, 2011

