

# Memorandum

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CITY SECRETARY  
DALLAS, TEXAS



CITY OF DALLAS

DATE May 16, 2014

TO Members of the Economic Development Committee.

Rick Callahan, (Vice-Chair), Jerry R. Allen, Scott Griggs, Adam Medrano, Lee Kleinman

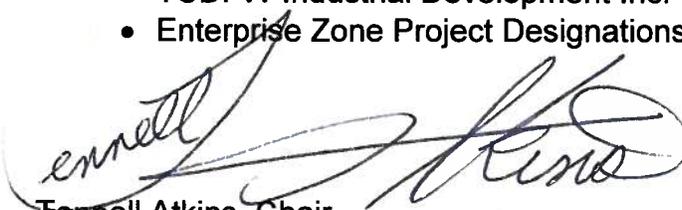
SUBJECT **Economic Development Committee**

**Monday May 19, 2014, 9:00 – 10:30 a.m.**

**1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201**

## AGENDA

1. Approval of April 21, 2014 Minutes of the Economic Development Committee
2. Public/Private Partnership Program  
Karl Zavitkovsky, Director  
Office of Economic Development  
**(Estimated time 20 minutes)**
3. Creation of the new and expanded Klyde Warren Park Dallas Art District Public Improvement District  
Karl Zavitkovsky, Director  
Office of Economic Development  
**(Estimated time 20 minutes)**
4. Cliff View: Fort Worth Avenue TIF District  
Karl Zavitkovsky, Director  
Office of Economic Development  
**(Estimated time 20 minutes)**
5. Upcoming agenda items
  - United States Cold Storage Expansion Project
  - Santander Consumer USA Inc. Project
  - Modification to the Hatcher Station Village Public Private Partnership Agreement
  - The Canyon: Colorado Boulevard Extension - Amendment #1
  - TCDFW Industrial Development Inc. II Project
  - Enterprise Zone Project Designations

  
Fennell Atkins, Chair  
Economic Development Committee

C: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, City Manager  
Rosa Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Judge Daniel Solis, Administrative Judge Municipal Court  
Craig Kinton, City Auditor  
Shawn Williams, Interim Public Information Officer  
Ryan S. Evans, Interim 1<sup>st</sup> Assistant City Manager  
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Theresa O'Donnell, Interim Assistant City Mgr.  
Jeanne Chipperfield, CFO, OFS  
Karl Zavitkovsky, Director, OED  
J. Hammond Perot, Assistant Director, OED  
Elsa Cantu, Assistant to the CMO & Mayor and Council

**Note: A quorum of the Dallas City Council may attend this Council Committee meeting.**

A closed session may be held if the discussion on any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested to the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The Purchase, exchange, lease or value of real property, if the deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving appointments, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment or specific occasions for implementation of security personnel or device. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meeting Act.

# Economic Development Committee **DRAFT**

## Meeting Record

April 21, 2014

The Economic Development Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

**Meeting Date:** April 21, 2014    **Meeting Start time:** 9:01 AM

**Committee Members Present:**

Tennell Atkins  
Rick Callahan  
Jerry R. Allen  
Adam Medrano  
Lee Kleinman  
Scott Griggs

**Staff Present:**

Ryan Evans, Interim First Assistant City Manager, City Managers Office  
Karl Zavitkovsky, Director, Office of Economic Development  
David Cossum, Interim Director, Sustainable Development & Construction  
Bonnie Meeder, Assistant Director, Sustainable Development & Construction

**Other Council Members Present:**

**Other Presenters:**

**1. Approval of April 7, 2014 Minutes of the Economic Development Committee**

**Presenter(s):**

**Action Taken/Committee Recommendation(s):** Motion made to approve the minutes.

**Motion made by:** Mr. Callahan

**Motion seconded by:** Mr. Kleinman

Item passed unanimously:  X

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

**Follow-up (if necessary):**

**2. Streetscape Licenses**

**Presenter(s):** David Cossum, Interim Director, Sustainable Development & Construction

**Action Taken/Committee Recommendation(s):** No Action Taken

**Motion made by:**

**Motion seconded by:**

Item passed unanimously:       

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

**Follow-up (if necessary):** Councilmember Griggs made a recommendation to bring the item back to the Committee with a \$250.00 fee structure for Streetscape elements and Sidewalk Cafes

**3. Digital Billboard Review**

**Presenter (s):** David Cossum, Interim Director, Sustainable Development & Construction

**Action Taken/Committee Recommendation(s):** No Action Taken

**Motion made by:**

**Motion seconded by:**

Item passed unanimously:       

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

- **Follow-up (if necessary):**

**4. Upcoming Item**

**Southern Dallas Adaptive Reuse Pilot Program**

**Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development**

**Action Taken/Committee Recommendation(s):** Motion made to recommend item to full council for approval

**Motion made by:** Mr. Griggs

**Motion seconded by:** Mr. Medrano

Item passed unanimously:  X

Item passed on a divided vote:  \_\_\_\_\_

Item failed unanimously:  \_\_\_\_\_

Item failed on a divided vote:  \_\_\_\_\_

**Follow-up (if necessary):**

**5. Executive Session: Pursuant to §551.071 of TOMA D.R. Horton-Texas, Ltd. Vs. The City of Dallas, Texas, Cause No. DC-14-00682**

**Presenter(s): Chris Bowers, First Assistant City Attorney, City Attorney's Office**

**Action Taken/Committee Recommendation(s):** No Action Taken

**Motion made by:**

**Motion seconded by:**

Item passed unanimously:  \_\_\_\_\_

Item passed on a divided vote:  \_\_\_\_\_

Item failed unanimously:  \_\_\_\_\_

Item failed on a divided vote:  \_\_\_\_\_

**Follow-up (if necessary):**

**Meeting Adjourned: 10:32 AM**

**Approved By: \_\_\_\_\_**

# Memorandum



DATE May 16, 2014

TO Members of the Economic Development Committee: Tennell Atkins (Chair),  
Rick Callahan (Vice Chair) Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman

SUBJECT **Public/Private Partnership Program**

On Monday, May 19, 2014, the Economic Development Committee will be briefed on the Public/Private Partnership Program.

Briefing material is attached

Should you have any questions, please contact me at (214) 670-3296.



Ryan S. Evans  
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, City Manager  
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Elsa Cantu, Assistant to the City Manager and Mayor and Council

# Public/Private Partnership Program

May 19, 2014



**DALLAS  
ECONOMIC  
DEVELOPMENT**



City of Dallas

# Purpose

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- Additional review of the City's Public/Private Partnership Program "Guidelines & Criteria"
- Present historical data relative to the program
- Consider modifications previously suggested by the Committee
  - Enhance small business support
  - Reduce eligibility requirements in the north

# Public/Private Program Review

- The Public/Private Partnership Program is designed to provide City of Dallas economic support to private for-profit commercial projects with an emphasis on targeted geographies for the following purposes:
  - Increase the commercial tax base
  - Create and retain quality job opportunities for Dallas residents
  - Target investment and job growth in Southern Dallas and Enterprise Zones
  - Foster the attraction and expansion of targeted industries and existing firms
  - Maintain a competitive position relative to non-city of Dallas sites
  - Encourage the redevelopment of sites and areas experiencing disinvestment
- The Program Guidelines & Criteria provide a framework for negotiations with businesses/developers on potential projects and is attached as Exhibit A.
- Guidelines and Criteria require adoption every two years by state statute.

# Public/Private Program Review

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- The program typically supports the following non-residential project types:
  - Business Recruitment/Attraction
  - Business Expansion and Retention
  - Retail Development
  - Commercial Real Estate Development

# Public/Private Program Review

- **Public/Private Economic Development Tools**
  - Tax Abatement – an agreement to forego future real property or business property tax revenue from new investment
  - Business Development Chapter 380 Grants – a grant in lieu of tax abatement or to defray project costs such as land purchase, building costs, public infrastructure costs, development fees, right of way abandonment fees, loan guarantees, training costs, relocation costs, etc.
  - Other Program Tools – State law allows for the creation of programs for grants and/or loans pursuant to Chapter 380 of the Local Government Code
- Eligible projects are presently supported by the program through the Public/Private Partnership Fund (PILOT payments from Water Utilities) and proceeds from GO Bond propositions for Economic Development

# Public/Private Program Review

- In addition to the Public/Private Partnership Program, other programs or tools used to financially support economic development include:
  - Tax Increment Financing
  - Public/Business Improvement Districts
  - CDBG
  - State and County Programs
  - COD Regional Center
  - New Market Tax Credits/Federal
  - Dallas Entrepreneur Network (The DEN)

# Public/Private Program Review

- In accordance with City Council approved Guidelines & Criteria, staff makes proposals to projects that are subsequently considered for approval by the City Council.
- Incentives are proposed for projects wherein, “but for” the incentive, the project would not otherwise occur in the City, or it would be substantially modified in a way that reduces the benefits accruing to the City.
- Considerations when making incentive proposals include primary factors of job creation/retention and private investment as well as secondary factors such as competition for the project, financial gaps, location, zoning, wages, industry type, M/WBE, etc.

# Public/Private Program Review

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- A project generally must meet predetermined minimum eligibility criteria relative to the particular site under consideration to receive incentive proposals but the Program allows for exceptions, non-conforming and competitive projects.

# Historical Data

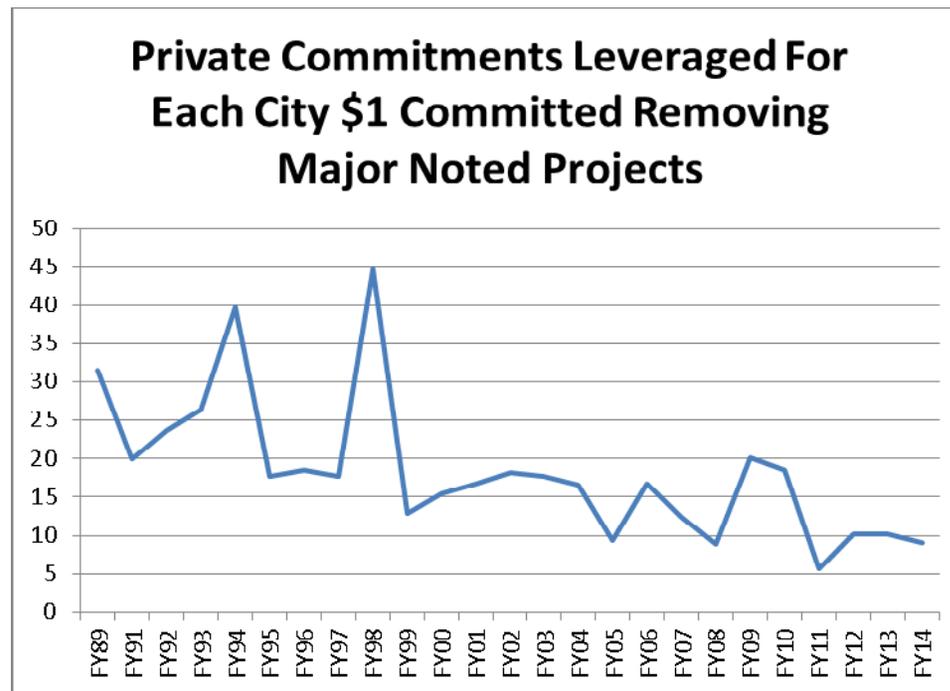
- Since inception of the program in 1989, the City Council has approved 322 projects for City incentives with an associated creation or retention of 60,800 jobs and \$6 billion in new investment.
  - Note: Project and job figures above differ from prior briefing due to the removal of certain projects from the data set for analytical purposes (such as they were considered by the City Council for state assistance not City assistance).

Area	Projects	Anticipated Jobs	Anticipated Private Investment (\$B)	Ave. Project Jobs	Ave. Project Investment (\$M)
Northern	107	25,942	\$1.0	242	\$9.3
Texas Instruments	3	1,950	\$2.62	650	\$873
CBD	44	12,201	\$0.9	277	\$20.5
Southern	168	20,752	\$1.69	124	\$10.1
Total	322	60,845	\$6.2	189	\$19.3

# Historical Data

- On average, the city leverages \$14.3 of private investment for each public dollar committed (after removing projects like Texas Instruments' that distort the data).
- Chart 1 depicts a trend of reduced return on the City's investments.

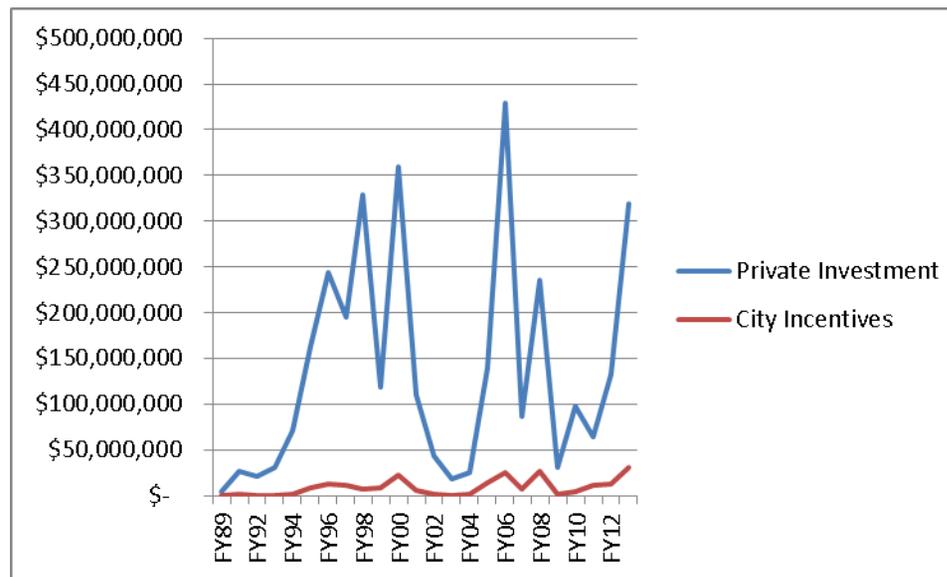
Chart 1



# Historical Data

- Chart 2 below is a time series of private investment commitments relative to approved City incentives for the projects.
- Observe the impact of national market conditions like the dotcom crash and the subprime mortgage crisis on Dallas.

Chart 2



Note: Projects that distort the data like Texas Instruments are removed from the model so the data is not skewed and otherwise more representative of the typical investment leverage.

# Historical Data

- What are the causes for reduced leveraging of city incentives?
  - The City's focus on areas experiencing disinvestment and lacking infrastructure is expensive
  - Periods of tight capital markets for developers
  - Regional sprawl has created more real estate opportunities outside of Dallas for developers and companies alike
  - Competitive incentives from suburbs

# Program Modifications

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- At the November briefing, discussion focused on two primary areas:
  - 1) Small Business Assistance, and
  - 2) Reduction of minimum criteria for consideration of incentives available through the program in the northern sector.

# Program Modifications

- On April 23<sup>rd</sup> of this year, the City Council adopted two new programs designed to support small businesses in targeted areas of southern Dallas:
  1. Re-established the South Dallas/Fair Park Area Business Façade/Revitalization Program for buildings with operating businesses along Martin Luther King Jr. Boulevard from Robert B. Cullum to S.M. Wright Freeway (\$100,000 is allocated to the program); and,
  2. Authorized the Southern Dallas Adaptive Reuse Pilot Program (Adaptive Reuse Program) to encourage reuse of underperforming and vacant buildings, maintenance, code compliance and job creation in southern Dallas (\$150,000 is allocated to the program).

# Program Modifications

- The suggested reduction of program eligibility in the northern sector has been evaluated.
  - Staff considered reducing the north Dallas and CBD minimum investment criteria from \$10 million to \$5 million and the minimum job criteria from 150 to 100.
  - Such a change would likely result in three to five additional projects becoming eligible for incentives each year.
  - Most likely project type to be impacted would be office relocations, both from new and existing firms.
  - Potential total additional incentive costs for these types of transactions is estimated at \$500,000 to \$750,000 annually.
  - Such projects are anticipated to result in minimal investments subject to property taxes, but could yield an estimated 500 additional jobs created or retained.



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# DISCUSSION

# Next Steps

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- Prepare for adoption of Guidelines & Criteria in June 2014.

# Exhibit A

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## Guidelines & Criteria

# Memorandum



DATE May 16, 2014

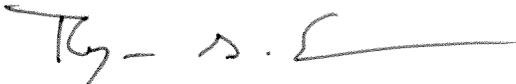
TO Members of the Economic Development Committee: Tennell Atkins (Chair),  
Rick Callahan (Vice Chair) Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman

SUBJECT **Klyde Warren Park/Dallas Art District Public Improvement District (KWP/DADPID)**

On Monday, May 19, 2014, the Economic Development Committee will be briefed on the Klyde Warren Park/Dallas Art District Public Improvement District (KWP/DADPID) creation and Klyde Warren Park Public Improvement District (KWPPID) dissolution.

Briefing material is attached

Should you have any questions, please contact me at (214) 670-3296.



Ryan S. Evans  
Interim First Assistant City Manager

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Elsa Cantu, Assistant to the City Manager and Mayor and Council

Creation of the new and expanded  
Kyle Warren Park/Dallas Art Distract  
Public Improvement District

Economic Development Committee  
May 19, 2014

# New Klyde Warren Park/Dallas Art District PID

## *Background*

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- In summer 2013, the Dallas City Council approved the creation of the Klyde Warren Park Public Improvement District (KWPPID)
- The boundaries of KWPPID included properties that specially benefitted from programming and other services provided at Klyde Warren Park
- The Dallas Arts District, home of the city's largest visual and performing arts institutions, is located adjacent to Klyde Warren Park
- Dallas Arts District venues did not benefit directly from services provided by the original KWPPID

# New Klyde Warren Park/Dallas Art District PID

## *Background (continued)*

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- During the creation of the KWPPID, leaders of the Klyde Warren Park Foundation and Dallas Arts District realized that there is great synergy between both areas to promote and coordinate services to provides a very unique and localized enhancement to those properties within walking distance of the Park and the Dallas Arts District
- The formative process did not provide sufficient time to implement changes agreed upon by both groups
- To avoid delaying the process of creating the KWPPID, initial boundaries were adopted by City Council, exclusive of the Dallas Arts District, with an understanding that property owners could later petition the City:
  - (1) to dissolve the original KWPPID; and
  - (2) to create a new Klyde Warren Park/ Dallas Arts District PID

# New Klyde Warren Park/Dallas Art District PID

## *Purpose*

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New and Expanded KWP/DADPID will coordinate:

- Marketing and promotion of both areas
- Enhancement of properties within walking distance of all venues
- Specific services such as:
  - Security
  - Sanitation
  - Scrubbing and power washing pavers
  - Waste disposal
  - Landscape improvements
  - Water features and general improvements
  - Cultural enhancement (programs)
  - Marketing and promotion
  - Holiday lighting and Decorations
- Ensure Klyde Warren Park and Dallas Arts District Services compliment each other

# Klyde Warren Park/Dallas Art District PID Creation and Klyde Warren Park PID Dissolution *Requirements*

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- Received sufficient petitions from property owners in the existing Klyde Warren Park PID to dissolve the KWPPID
  - ✓ 63% of the property value
  - ✓ 67% of the land area
- Received sufficient petitions from property owners to create new and expanded Klyde Warren Park/Dallas Art District PID
  - ✓ 63% of the property value
  - ✓ 69% of the land area

# Klyde Warren Park PID Dissolution and Klyde Warren Park/Dallas Art District PID Creation *Requirements*

Klyde Warren Park PID Dissolution Petition Review		
	Property Values	Area (SF)
Total Accounts within the PID*	\$2,650,626,750	5,737,792
Accounts supporting PID	\$1,668,290,900	3,868,449
	<b>63%</b>	<b>67%</b>

Klyde Warren PID Creation PID Petition Review		
	Property Values	Area (SF)
Total Accounts within the PID*	\$3,019,036,070	6,988,194
Accounts supporting PID	\$1,911,390,341	4,820,808
	<b>63%</b>	<b>69%</b>

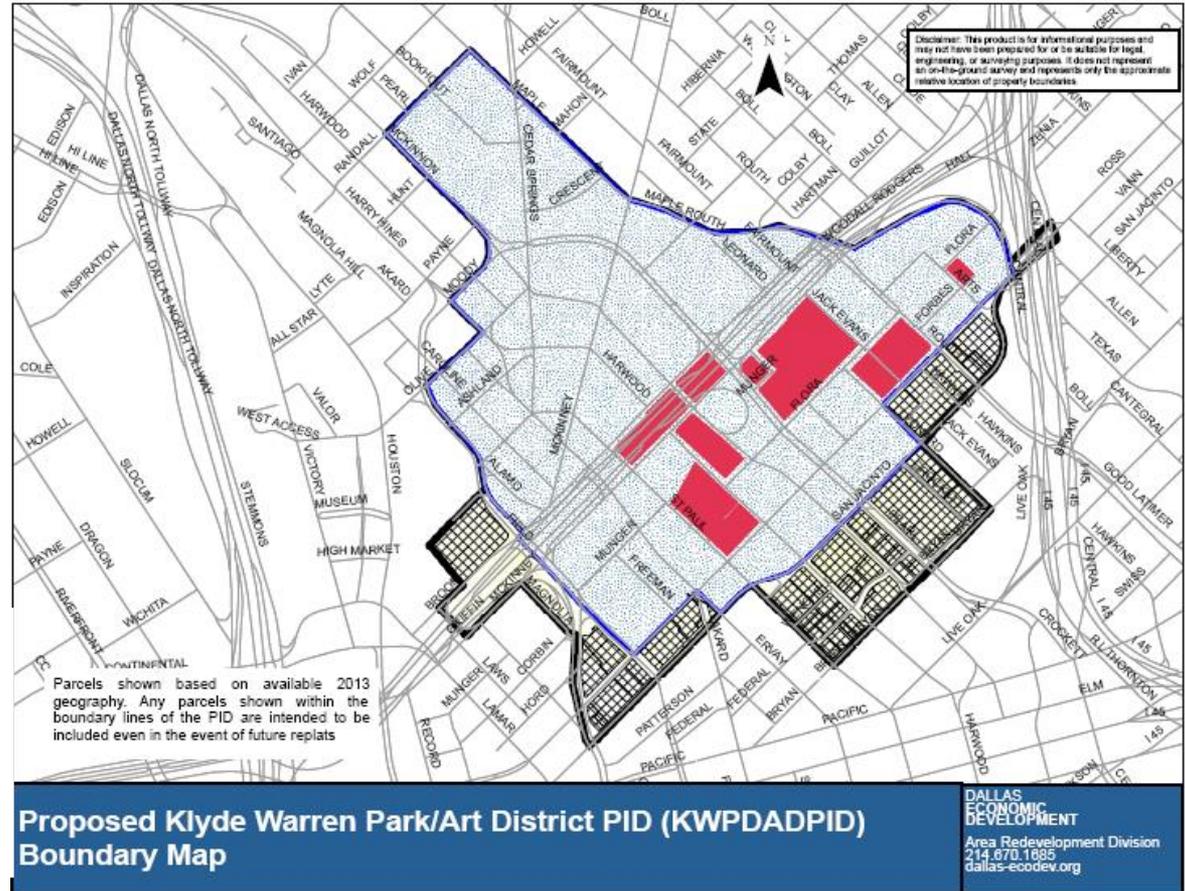
Note: Petition of support from owners representing at least **60% of total value** of all properties within the KWP/DADPID AND Petition of support from **EITHER** at least **60% of record owners** of all properties within the KWP/DADPID **OR** at least **60%** of the **total land area** within the KWP/DADPID.

# New Klyde Warren Park/Dallas Art District PID *Boundary*

**Additional properties will be added to the new and expanded KWP/DADPID (as shown in the map, shaded property will be included in new and expanded KWP/DADPID)**

## Legend

-  Art District Klyde Warren Park Properties
-  KWP/DADPID Expanded Boundary
-  Klyde Warren PID Existing Boundary
-  KWP/DADPID Boundary Map

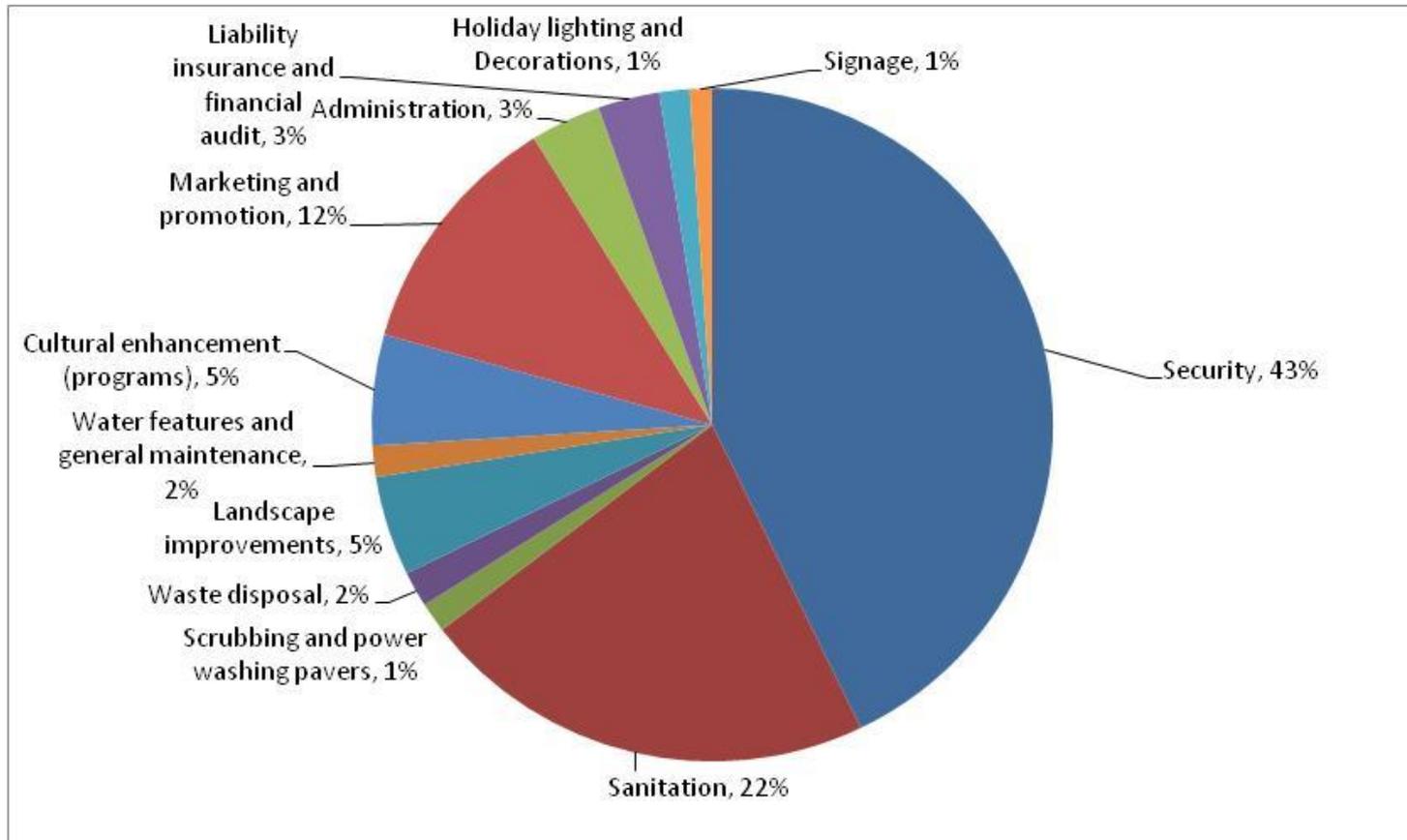


# New Klyde Warren Park/Dallas Art District PID Service Plan 2015-2021

KLYDE WARREN PARK/ARTS DISTRICT PID BUDGET									
SERVICE PLAN 2015 TO 2021									
REVENUE		2015	2016	2017	2018	2019	2020	2021	
	Fund Balance from previous year								
	<sup>1</sup> Net assessment revenue	\$754,219.69	\$776,846.28	\$800,151.66	\$824,156.21	\$848,880.90	\$874,347.33	\$900,577.75	
	<b>TOTAL REVENUE</b>	<b>\$754,219.69</b>	<b>\$776,846.28</b>	<b>\$800,151.66</b>	<b>\$824,156.21</b>	<b>\$848,880.90</b>	<b>\$874,347.33</b>	<b>\$900,577.75</b>	
EXPENDITURES		Allocation %							
	<b>TOTAL REVENUE</b>	<b>100.00%</b>	<b>\$754,219.69</b>	<b>\$776,846.28</b>	<b>\$800,151.67</b>	<b>\$824,156.22</b>	<b>\$848,880.91</b>	<b>\$874,347.33</b>	<b>\$900,577.75</b>
	<sup>2</sup> Security	42.83%	\$323,050.39	\$332,741.90	\$342,724.16	\$353,005.88	\$363,596.06	\$374,503.94	\$385,739.06
	<sup>3</sup> Sanitation	21.73%	\$163,922.61	\$168,840.29	\$173,905.50	\$179,122.66	\$184,496.34	\$190,031.23	\$195,732.17
	<sup>4</sup> Scrubbing and power washing pavers	1.43%	\$10,794.84	\$11,118.69	\$11,452.25	\$11,795.81	\$12,149.69	\$12,514.18	\$12,889.60
	Waste disposal	1.72%	\$12,953.81	\$13,342.42	\$13,742.70	\$14,154.98	\$14,579.63	\$15,017.02	\$15,467.53
	Landscape improvements	4.79%	\$36,162.72	\$37,247.60	\$38,365.03	\$39,515.98	\$40,701.46	\$41,922.50	\$43,180.18
	Water features and general maintenance	1.50%	\$11,334.58	\$11,674.62	\$12,024.86	\$12,385.60	\$12,757.17	\$13,139.88	\$13,534.08
	<sup>5</sup> Cultural enhancement (programs)	5.33%	\$40,192.26	\$41,398.03	\$42,639.97	\$43,919.17	\$45,236.74	\$46,593.85	\$47,991.66
	<sup>6</sup> Marketing and promotion	11.91%	\$89,790.33	\$92,484.04	\$95,258.56	\$98,116.32	\$101,059.81	\$104,091.60	\$107,214.35
	Administration	3.34%	\$25,201.83	\$25,957.88	\$26,736.62	\$27,538.72	\$28,364.88	\$29,215.83	\$30,092.30
	Liability insurance and financial audit	2.92%	\$22,021.48	\$22,682.12	\$23,362.59	\$24,063.47	\$24,785.37	\$25,528.93	\$26,294.80
	Holiday lighting and Decorations	1.43%	\$10,794.84	\$11,118.69	\$11,452.25	\$11,795.81	\$12,149.69	\$12,514.18	\$12,889.60
	<sup>7</sup> Signage	1.06%	\$8,000.00	\$8,240.00	\$8,487.20	\$8,741.82	\$9,004.07	\$9,274.19	\$9,552.42
	Contingency								
	<b>TOTAL FUND OPERATING EXPENDITURES</b>	<b>100.00%</b>	<b>\$754,219.69</b>	<b>\$776,846.28</b>	<b>\$800,151.67</b>	<b>\$824,156.22</b>	<b>\$848,880.91</b>	<b>\$874,347.33</b>	<b>\$900,577.75</b>
	<b>TOTAL FUND BALANCE/RESERVES</b>	<b>0.00%</b>	<b>\$0.00</b>						
KWPand DAD will support the remaining operating costs of their organizations, which is not included in the Service Plan									
	<sup>1</sup> Assume a 3% increase in property values each year based on future Uptown and Downtown development								
	<sup>2</sup> 24 hour security at KWP; Off-duty police and crossing guards at DAD								
	<sup>3</sup> Trash pickup, general cleaning, graffiti control and improvements								
	<sup>4</sup> Pavement (sidewalk) detail cleaning, staining and restoration								
	<sup>5</sup> Partial cost of European and Christmas Markets, programming activities, will grow yearly								
	<sup>6</sup> Partial cost of promoting the district, PR, advertising, free Wi-Fi, website and Kiosk								
	<sup>7</sup> Wayfinding signage								

# New Klyde Warren Park/Dallas Art District PID

## *Public Improvement Categories*



# New Klyde Warren Park/Dallas Art District PID *Assessment*

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- The proposed KWPDADPID assessment rate remains at \$0.025 per \$100.00 of appraised value as determined by the Dallas Central Appraisal District.
- Other tax exempt properties such as those owned by the City of Dallas or the Dallas Arts District non-profit entities will not be paying the assessment, but will have an active voice in event coordination and marketing/promotion and will collaborate in developing and implementing an infrastructure improvement plan for the area.

# Recommendations

Economic Development Committee recommendation for Council consideration:

- **May 28, 2014:**

- Call public hearing to be held on June 25, 2014 to consider dissolution of the KWPPID
- Call public hearing to be held on June 25, 2014 to consider creation of the new and expanded KWPDADPID

- **June 25, 2014:**

- Hold public hearing and consider dissolution of the existing KWPPID
- Hold public hearing and consider creation of the new and expanded KWPDADPID

# Appendices

# Appendix A - Dallas PID Policy

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PIDs are governed by state law (Chapter 312).

- A City policy related to local administration of the PID program was originally adopted in December 2005 and last amended on October 23, 2013.
- Property owners petition the City to create a PID
- City Council approval is required to create/renew/dissolve a PID.
- PID revenue is collected as part of the standard tax collection process.
- Individual PIDs are governed by property owner elected boards and managed by a specifically formed non-profit organization or homeowners' association.

# Appendix A - Dallas PID Policy (cont)

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- State law requires that City Council annually adopt an updated PID Service Plan, hold a public hearing and set the PID assessment rate for each district for the upcoming year.
- To create a PID, property owners petition the City Council to adopt a special assessment on all property within PID boundaries for the purpose of improving services and infrastructure with the PID boundaries.
- For new PIDs and PID renewals, the City requires that Owners representing at least 60% of the value and 60% of all record Owners or 60% of land area support the creation of a new or renewing PID.

# Appendix A - Dallas PID Policy (cont)

- In new Single-Family PIDs, the City will require that Owners representing at least 66.7% of the value and 66.7% of all record Owners or 66.7% of land area support the creation of a new PID.
- In Dallas, PIDs are authorized for a period of no longer than seven (7) years with the option of renewal. The renewal process requires preparing a budget, service plan and assessment plan for the district and having property owners sign a petition supporting renewal of the PID.
- A PID application for creating or renewing a PID shall include a section that clearly identifies the benefit of the PID to the affected property owners and to the city as a whole, an assessment plan, and also evidence of insurance.
- PID applications include a map and a legal or clear description of the property included in the District.

# Appendix A - Dallas PID Policy (cont)

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- Most of the PIDs are in mixed-use districts but the PID policy allows for the establishment of PIDs in residential districts like Prestonwood.
- The PID Policy does NOT allow the creation of PID Districts in undeveloped subdivisions.
- PIDs are required to be self-sufficient and not adversely impact ordinary service delivery of the City.
- PIDs in Dallas will be allowed to fund any item provided by state law.
- PID and make such other minor clarifications consistent with state law including the process for boundary changes.

# Appendix A - Dallas PID Policy (cont)

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- PID assessments are typically based on a set rate applied to total property value. The maximum PID assessment in Dallas shall be \$0.15 per \$100 valuation.
- PID assessments in the Tourism PID will be a set fee based on hotel collections on rooms.
- Administrative expenses, including costs for day to day City Staff administration, for a PID are limited to 15% of the total budget in any year.

# Appendix A - Dallas PID Policy (cont)

## Recent amendments to the PID Policy:

- With the exception of Klyde Warren Park and the Tourism PID, and any future modifications to the boundaries of either PID, no future PIDs will be allowed to be created that overlap the boundaries of another Dallas PID.
- In general, the boundaries of existing PIDs can be modified during a renewal process (with updated map as part of the petition). However, a boundary change during the existing term of a PID may only be considered if a re-petition of the entire PID area (both current boundary and proposed modified areas) meets the minimum criteria for creation/renewal and the \$15,000 application fee as described earlier in this Policy.
- The boundaries of the Tourism PID include hotels over 100 rooms at the time of creation. Any hotels that drop below that level during the term will be removed from the assessment roll. New hotels may only be added during the next renewal or re-petition process.

# Appendix A - Dallas PID Policy (cont)

- A PID Service Plan shall contain procedures for the termination of the PID without imposing unintended costs on the City of Dallas. A PID cannot be dissolved without a petition from property owners and must be sufficient as for creation or renewal in accordance with Chapter 372, Section 372.005(b).
- All PID management entities are required to:
  - Submit quarterly reports on activities and expenditures
  - Have an independent annual audit
  - Hold an annual open meeting with at least 2 weeks notice to all property owners for input on the budget and service plan

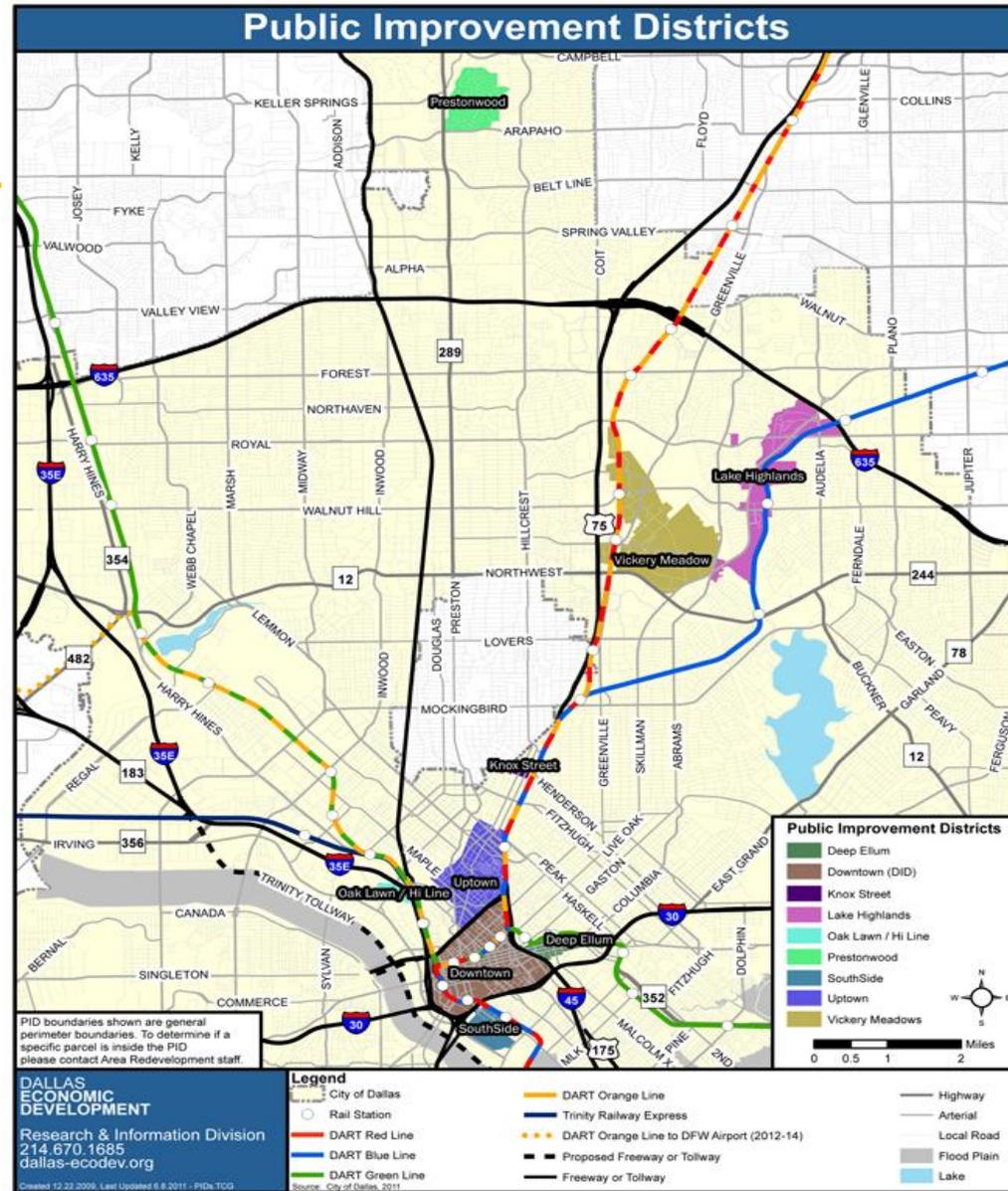
# Appendix B – Overview of Existing PIDs

- Public Improvement Districts (PIDs) are special assessment areas created at the request of the property owners for enhanced services like: marketing and promotion, additional security, landscaping and lighting, and cultural or recreational improvements.
- Property owners pay a special annual assessment to fund eligible PID expenditures
- There are eleven PIDs located throughout the City:
  - Deep Ellum PID
  - Dallas Downtown Improvement District
  - Knox Street PID
  - Lake Highlands PID
  - Oak Lawn – Hi Line PID
  - Prestonwood PID
  - Southside PID
  - Uptown PID
  - Vickery Meadow PID
  - Tourism PID
  - University Crossing
  - Klyde Warren Park (existing boundary)

A summary of the Dallas PID Policy and overview of the existing PIDs is Included in Appendix A, B & C

# Appendix B – Overview of Existing PIDs

Map showing location of existing Dallas Public Improvement Districts



# Appendix B

## Overview of Existing PIDs (continued)

	Deep Ellum		Downtown		Klyde Warren Park		Knox Street		Lake Highlands	
Expiration	12-31-2020		12-31-2020		12-31-2020		12-31-2017		12-31-2015	
Accounts	700		1775		583		59		970	
Total Value	\$226,331,890		\$4,242,832,610		\$2,577,734,210		\$125,452,770		\$207,419,660	
2013 Assessment	\$271,598		\$5,473,254		\$644,434		\$188,179		\$269,646	
Change in value (2012 to 2013)	*new boundary		3.4%		* new PID		4.4%		12.4%	
Premium Assessment Rate per \$100										
Standard Assessment Rate per \$100	0.12		0.1290		0.025		0.15		0.13	
Proposed Budget	\$279,500		\$5,852,215		\$606,444		\$183,679		\$260,762	
Budget Categories	Impvmts.,	22%	Public Safety	44%	Public Safety	48%	Public Safety	13%	Public Safety	53%
	Business Dev & Recruitment	8%	Capital Improvements	6%	Sanitation, paver impvmts	29%	Capital Improvements *	54%	Improvements	24%
	Transportation Impvmts	8%	Transportation Impvmts	6%	Landscape impvmts, lighting	8%	Marketing/Promotion	28%	Promotion	6%
	Marketing & Promotion	38%	Communication/Events	16%	General impvmts & Cultural programs	3%	Administration	5%	Audit/Insurance	7%
	Audit/Insurance	8%	Administration	9%	Administration	1%	*Funding for capital improvements category includes gateway signage and streetscape improvements		Administration	10%
	Administration	11%	Services & impvmts	19%	Marketing & Promotion	8%				
	Public Safety	5%			Audit/Insurance	3%				

# Appendix B

## Overview of Existing PIDs (continued)

	Oak Lawn-Hi Line		Prestonwood		South Side		Uptown		University Crossing		Vickery Meadow	
Expiration	12-31-2016		12-31-2018		12-31-2019		12-31-2019		12-31-2020		12-31-2015	
Accounts	45		1032		134		2193		251		2104	
Total Value	\$177,769,610		\$357,366,690		\$85,085,290		\$3,405,031,790		\$576,647,400		\$728,558,110	
Assessment	\$266,654		\$285,893		\$119,647		\$1,532,264		\$576,647		\$513,378	
Change in value (2012 to 2013)	34.1%		3.1%		12.3%		11.7%		*new PID		0.2%	
Premium Assessment Rate per \$100					0.15						0.10	
Standard Assessment Rate per \$100	0.15		0.0800		0.12		0.045		0.10		0.05	
Proposed Budget	\$300,121		\$316,386		\$113,150		\$1,566,143		\$563,000		\$505,488	
Budget Categories	Public Safety	40%	Public Safety	90%	Safety & Security	54%	Services (incl safety) & Promotion	34%	Security	35%	Community Service	11%
	Improvements	45%	Administration	3%	Improvements	22%	Capital Improvements	29%	Improvements	13%	Property Standards & Public Relations	17%
	Promotion	0%	Audit/Insurance	7%	Business Promotion	12%	Landscape Improvements	18%	Public Area Impvmts.,	20%	Safety & Security	47%
	Audit/Insurance	6%			Cultural events	4%	Contingency and Reserve for Griggs Park	7%	Promotion	8%	Park Lane other area Improvements, Services	10%
	Administration	9%			Administration	1%	Administration	12%	Audit/Insurance	4%	Audit/Insurance	2%
					Audit	5%			Administration	13%	Economic Development	3%
					Insurance	2%			creation	7%	Administration	10%

# Appendix C - Tourism Public Improvement District Summary

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- A Tourism PID (TPID) is a Public Improvement District composed solely of hotels, focused on marketing, promotional activities, improving transit connections, attracting conventions, group meetings and increasing hotel activities within Dallas.
- TPID assessment is based on two percent assessment on hotel room-nights sold at Dallas hotels with 100 or more rooms.
- Funding is used for the following expenditures:
  - **Incentives** - 50% of TPID budget used to provide incentives to bring more conventions, meetings and visitors to Dallas
  - **Marketing** - 45% of TPID budget allocated for marketing efforts
  - **Administration** - 5% of TPID budget dedicated for administrative expenses

# Memorandum



DATE **May 16, 2014**

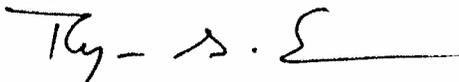
TO **Members of the Economic Development Committee: Tennell Atkins (Chair), Rick Callahan (Vice Chair)  
Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman**

SUBJECT **Cliff View Project – Fort Worth Avenue TIF District**

On Monday, May 19, 2014, the Economic Development Committee will be briefed on the Cliff View Project – Fort Worth Avenue TIF District.

Briefing material is attached

Should you have any questions, please contact me at (214) 670-3296.



Ryan S. Evans  
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, City Manager  
Rosa Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
udge Daniel Solis, Administrative Judge Municipal Court  
Craig Kinton, City Auditor  
Shawn Williams, Interim Public Information Officer  
Ryan S. Evans, Interim 1<sup>st</sup> Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Mgr.  
Jeanne Chipperfield, Chief Financial Officer, Office of Financial Serivces  
Shawn Williams, Interim Public Information Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager Office and Mayor and Council

**Cliff View**  
**Fort Worth Avenue TIF District**  
**Economic Development Committee**  
**May 19, 2014**

# Purpose

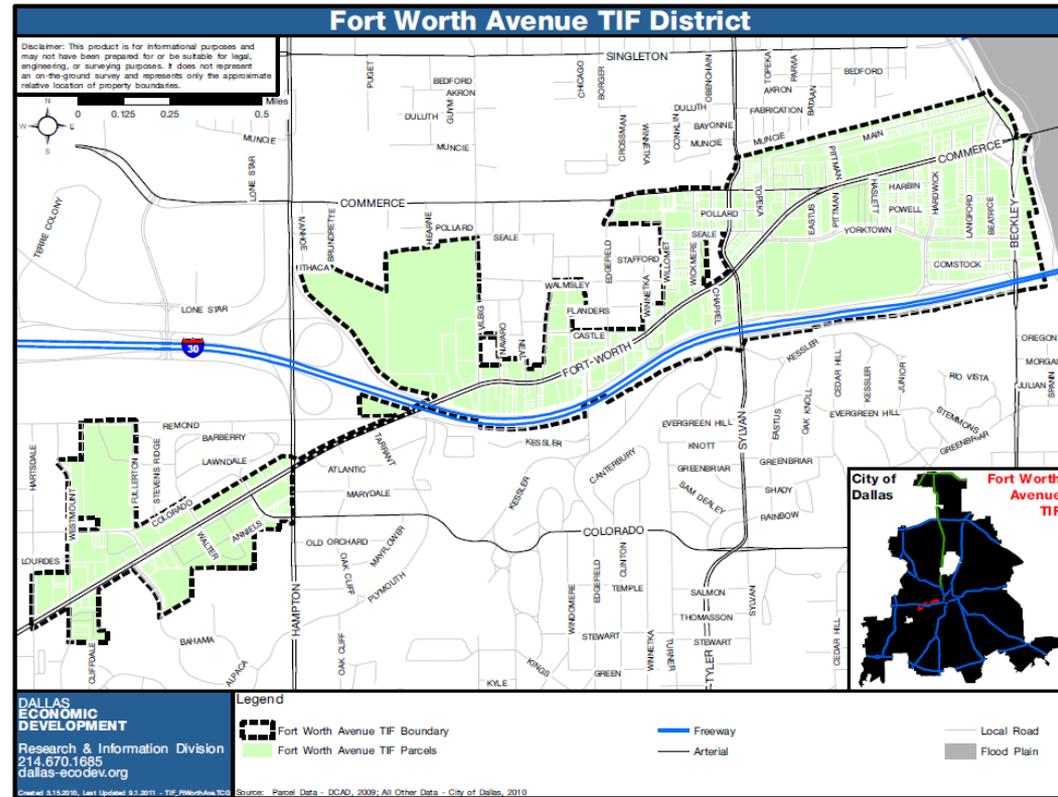
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- Discuss the Cliff View project in the Fort Worth Avenue TIF District
- Obtain Economic Development Committee's approval for consideration of the project by City Council on May 28, 2014

# Fort Worth Avenue TIF District

## Background

- The Fort Worth Avenue TIF District was created June 13, 2007.
- The district's purpose is to create a more sustainable mix of residential property in the corridor and to take advantage of under-developed land parcels near downtown Dallas
- Property value in the district is up \$27.7M since inception, a 32% increase.



# Cliff View

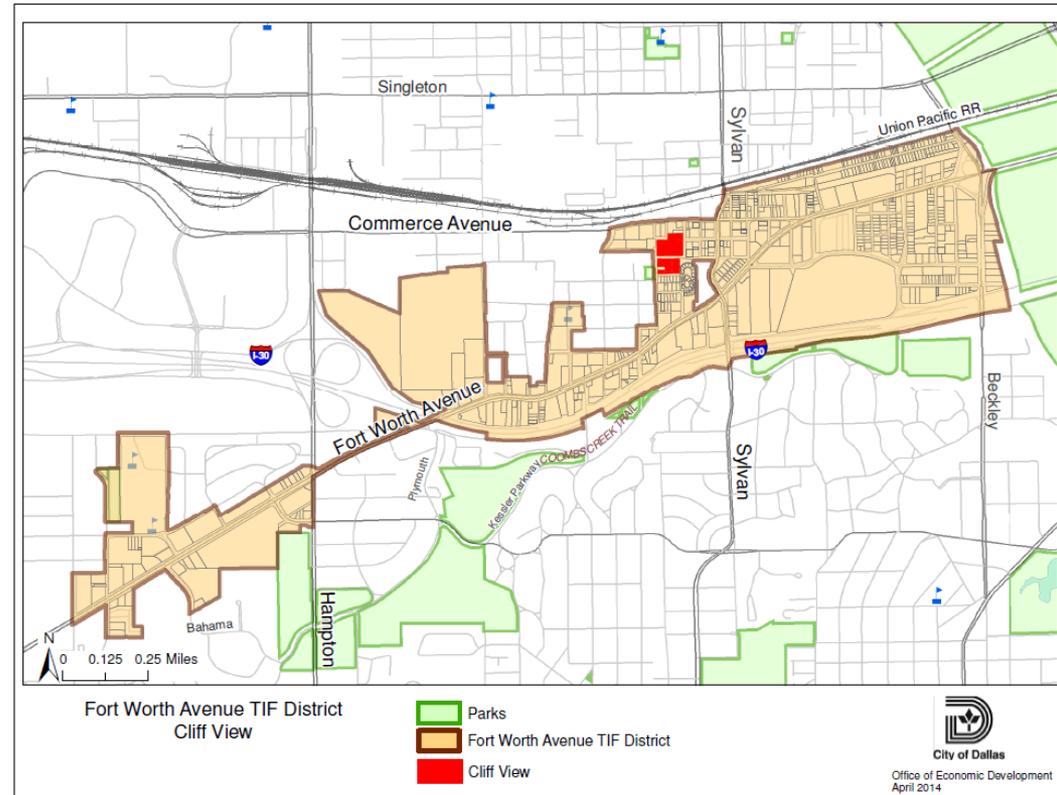
## Location Map

- Project is located northwest of the intersection of Sylvan Avenue and Fort Worth Avenue and northwest of the Belmont Hotel.
- 4 acre development site is currently vacant and covered with small trees and brush.



Street View Seale Street at Midblock Looking East  
Cliff View Apartments  
Dallas, Texas

HENRY S. MILLER



# Cliff View

## Project Summary

- Proposed Cliff View development:
  - Minimum of 250,000 square feet of residential space (approximately 318 units).
  - Estimated total project cost is \$43 million.
  - Mixed income housing: 80% of the units will be market rate; 20% of units to meet affordable housing criteria for families making 80% of the Area Median Family Income).
  - On-site amenities: bike parking, open plaza space, a pool courtyard, and connections to nearby trails.
  - Includes integrated storm water management techniques.



# Cliff View

## *Project Summary*

- Continues development of new, mixed-income apartments in the Fort Worth Avenue/West Commerce area. Its residential population will help to support other commercial properties in this corridor: Belmont Hotel, Smoke restaurant, Metro Paws Animal Clinic, and Sylvan | Thirty.



# Cliff View

## *Project Design – site plan*

- Site is currently vacant and covered with trees and brush.
- Public amenities:
  - wide sidewalks
  - street trees
  - public plaza spaces
  - connections to a nearby trail.
- TIF funding will be used for
  - infrastructure
  - streetscape
  - park and open space improvements
  - environmental remediation
  - support of mixed income housing.



# Cliff View

## *Project Design*

- Development provides a variety of unit sizes and types.
- Buildings range from two stories to seven stories
- Buildings and the parking garage are nestled into the hill to minimize the impact on the adjacent neighborhood.



Aerial View Looking Northwest

Cliff View Apartments  
Dallas, Texas



**Good Fulton & Farrell Architects**  
2001 Ross Street  
Dallas, Texas 75201  
214.751.1100  
214.751.1100  
www.gff.com

JOB #: 1208-00 File Name: 2014-12 perspective Draw: 01/20/14 Drawn by: RTM/TLB

# Cliff View

## *Project Design*

- View looking northwest up Seale Street



# Cliff View

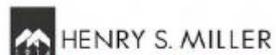
## *Project Design*

- View looking northwest across Ormsby Street.



View Looking Northwest across Ormsby Street

Cliff View Apartments  
Dallas, Texas



THIS PLAN IS CONCEPTUAL AND IS SUBJECT TO MINOR MODIFICATIONS, PLACEMENT OF SIGNAGE AND MARKING AND RECORDS TO FINAL DESIGN AND/OR CONSTRUCTION TO OBTAIN CITY PERMITS AND COORDINATION.



Good Fulton & Farrel Architects

2802 Rosswood Street  
Suite 201  
Dallas, Texas 75201

214.251.8811  
214.251.8811  
www.gff.com

Job #: 1000-00 File Name: 2014-04-04 gff-jp-dash.dwg 04/16/2014 Drawn by: TUB, GFM

# Cliff View Project Design



Street View Seale Street at Willomet Looking East  
Cliff View Apartments  
Dallas, Texas



Before and after  
images of Seale  
Street facing  
downtown.



View Looking East down Seale Street

Cliff View Apartments  
Dallas, Texas



# Cliff View

## Project Design

- The project includes a pool deck with downtown views.



Pool Deck View Looking East

Cliff View Apartments  
Dallas, Texas

# Cliff View

## Project Design

- Typical street.



Aerial View Looking West down Stafford Street

Cliff View Apartments  
Dallas, Texas



**Good Fulton & Farrel Architects**

2008 Westwood Street  
Suite 200  
Dallas, Texas 75211

214.221.0000  
214.221.0000  
info@gff.com

Job #: 11008-06 File Name: 2014-01-13 perspective Date: 03/13/2014 Drawn by: TJB

# Cliff View

## Project Funding Sources and Uses

### Sources and Uses

Uses		
<u>Private Costs</u>	<u>Amount</u>	<u>%</u>
Total Land Acquisition	\$2,900,000	7%
Site work/demolition	\$1,236,852	3%
General construction/improvements/garage	\$31,985,226	74%
Streetscape/utilities/demo/park	\$2,225,837	5%
Total Soft Costs	\$4,835,245	11%
<b>Total Development Costs</b>	<b>\$43,183,160</b>	

### Sources

<u>Estimated Funding Sources</u>	<u>Amount</u>	<u>%</u>
Construction loan	\$28,071,246	65%
Equity	\$15,111,914	35%
<b>Total development funding (total sources)</b>	<b>\$43,183,160</b>	100%

# Cliff View

## *Proposed TIF Funding*

- The recommended TIF funding for the project is \$4,650,000
- The funding will be used for infrastructure improvements, improvements to the adjacent Stafford Park, environmental remediation, and mixed income housing costs.

Category	Staff Recommended Amount
<b>Public infrastructure improvements</b> paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, and land acquisition	\$2,275,837
<b>Parks, open space, trails, and gateways</b>	\$75,000
<b>Environmental Remediation and Demolition</b>	\$25,000
<b>Mixed Income Housing</b>	\$2,274,163
<b>Total</b>	<b>\$4,650,000</b>

# Cliff View

## *TIF Board Funding Recommendation*

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- On April 15, 2014, the Fort Worth Avenue TIF District board of directors reviewed the project and approved TIF funding in an amount not to exceed \$4,650,000.

# Recommendation

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- Staff requests ECO Committee's approval of consideration of a development agreement with Henry S. Miller and/or its affiliates for \$4,650,000 in support of the Cliff View project by City Council at their May 28, 2014 Council meeting.

# APPENDICES

# Appendix A: Highlights of TIF Funding Conditions

- Minimum private investment of \$30,000,000 for land acquisition, site preparation, hard costs, and related design/engineering soft costs.
- Minimum 250,000 square feet of residential space (approximately 318 units)
- For 15 years a minimum of 20% of the units will be affordable to families at 80% of the area median income.
- Owner shall fund all maintenance and operating expenses for the non-standard public improvements.
- Owner shall comply with business inclusion and development goals and affirmative fair housing goals.
- Start construction by December 31, 2014
- Obtain Certificate of Occupancy (CO) by December 31, 2016

# Appendix B: Project Requirements/Other Information

Total square footage required	250,000 square feet of residential space
Consulting/Developer fee and reimbursables	\$1,213,500
Required private investment – site acquisition, site preparation, 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.	\$43,183,160
TIF funding	\$4,650,000
PPP funding	\$0
% TIF and PPP funds to total project cost	10.9%
Rate of return without TIF funds	6.0%
Rate of return with TIF funds	6.8%
Deadline to purchase properties	n/a
Deadline to obtain permits	December 2014
Deadline to complete construction	December 2016

# Appendix C: Cliff View

## Project Proforma

PROJECT DESCRIPTION:	Cliff View			
SITE AREA:	4 acres			
NUMBER OF FLOORS/STORIES:	up to 7			
BUILDING AREA (g.s.f.):	166,991			
CONSTRUCTION PERIOD:	2 years			
ANTICIPATED CONSTR START DATE:	December 2014			
<b>Cliff View</b>	<b>SF</b>	<b># of Units</b>	<b>Total SF</b>	<b>\$ per SF</b>
Residential	279,775	318	880	\$1.42
<b><u>Income (Annual)</u></b>				
Residential Rental Income	\$4,761,792			
plus misc income	\$198,432			
plus commercial space	\$0			
less vacancy	(\$324,200)			
less expenses	(\$2,028,057)			
<b>NOI (w/o TIF)</b>	<b>\$2,607,967</b>			
<b><u>Project Costs</u></b>				
Acquisition & demolition	\$2,900,000			
Hard Cost	\$33,222,078			
Soft Cost	\$4,835,245			
Public costs	\$2,225,837			
<b>Total Project Cost (incl. public)</b>	<b>\$43,183,160</b>			
		<b>Total Project Cost (incl. public costs)</b>	<b>\$43,183,160</b>	
		<b>CITY ASSISTANCE (current \$)</b>	<b>\$4,650,000</b>	
		<b>Total Project Cost (with City \$)</b>	<b>\$38,533,160</b>	
		<b>Return on Cost Analysis</b>		
		<b>NOI/Total Project Costs</b>		
		Return on Cost (no City \$)	6.04%	
		Return on Cost (with City \$)	6.77%	

# Appendix D: Henry S. Miller *Experience*

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- Established 1914
- Full service commercial real estate company
- Development Group specializes in the development of commercial, multifamily and single family land
- Developed several million square feet of property in D/FW
- Significant projects/developments Highland Park Village, Preston Royal Shopping Center, and Parkside Towns in Richardson

# Appendix E: Fort Worth Avenue

## *Budget in Current Dollars (including Cliff View)*

Fort Worth Avenue TIF District Projected Increment Revenues to Retire TIF Fund Obligations*			
Category	TIF Budget	Allocated	Balance
<b>Public infrastructure improvements:</b> paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, and land acquisition	\$82,504,055	\$2,832,746	\$79,671,309
<b>Affordable housing</b>	\$11,071,459	\$2,274,163	\$8,797,296
<b>Environmental remediation &amp; demolition</b>	\$13,285,751	\$25,000	\$13,260,751
<b>Parks, open space, trails, and gateways</b>	\$13,285,751	\$325,000	\$12,960,751
<b>Façade restoration</b>	\$6,642,875	\$0	\$6,642,875
<b>Economic development grants</b>	\$22,142,919	\$2,500,000	\$19,642,919
<b>Administration and implementation</b>	\$4,334,643	\$292,848	\$4,041,795
<b>Total project costs</b>	<b>\$153,267,454</b>	<b>\$8,249,757</b>	<b>\$145,017,697</b>

*\*Budget shown above in current dollars, updated yearly; TIF Project Plan shows the budget in net present value. Values above do not include interest payments or receipts.*

# Memorandum



DATE May 16, 2014

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Rick Callahan (Vice Chair), Adam Medrano, Scott Griggs  
Lee Kleinman, Jerry R. Allen

SUBJECT **United States Cold Storage Expansion Project**

For the past several months, city staff has been in discussion with representatives of United States Cold Storage, L.P. (USCS) regarding the potential expansion of its recently constructed 500,000 square foot refrigerated warehouse. Plans call for an expansion of the Dallas operation by 200,000 square feet. USCS employs approximately 48 employees at 2225 N. Cockrell Hill Road in Dallas. As part of an evaluation of its DFW area operations, the company considered multiple facilities in Texas including Arlington, Fort Worth and Laredo as well as Tennessee to determine where to locate this additional capacity.

In order to secure the proposed expansion, city staff proposes City Council consideration of a \$150,000 Economic Development grant. The company must invest a minimum of \$6,000,000 in equipment, machinery and other business personal property as well as a minimum of \$12,000,000 in real property improvements related to the expansion of approximately 200,000 square feet. The investment must be made by December 31, 2015. Additionally, the company must retain its existing 48 employees and add another 25 full time jobs (a total of 73) by December 31, 2016.

This corporate expansion conforms to Public/Private Partnership Program Guidelines and Criteria as it involves an investment of over \$1,000,000 in this Southern Sector location.

The expansion of USCS in Dallas will result in a positive net fiscal impact of approximately \$1,181,739 over 10-years after incentives. The projected 20-year net fiscal impact of the project is \$3,167,432.

On March 8, 2006, City Council authorized a 10-year, 90 percent tax abatement on added value of real property with Turnpike West, LLC which included the development of a 500,000 square feet by United States Cold Storage, L.P. (US Cold Storage) at an estimated cost of \$16,500,000. This project was delayed due to the economic downturn. On April 24, 2012, City Council authorized an amendment to the original agreement to allow Unites States Cold Storage, L.P. to receive the remaining portion of the previously authorized tax abatement upon completion of the refrigerated warehouse facility. US Cold Storage substantially completed the facility with its Certificate of Occupancy on August 21, 2013, and employs approximately 48 at the site.

With 34 facilities located in 12 states, the United States Cold Storage employs more than 1,600 people. The company is an integral part of the global food distribution and supply chain with more than 35 percent of all goods it handles destined for international use or consumption. For more than a century, the company has provided refrigerated storage and distribution services which today range from primary storage to integrated third party logistic solutions. With more than 194 million cubic feet of temperature-controlled warehouse and distribution space, its customers include many of the top American and international food companies. Its commitment to full service solutions is reflected in such things as their proprietary transportation management system, TMS, which effectively plans and monitors hundreds of shipping activities on a daily basis.

### **Project Details**

**Project Site:** 2225 N. Cockrell Hill Road, Dallas

**Facilities:** 200,000 square foot expansion to an existing refrigerated warehouse facility

**Real Property Investment:** Minimum of \$12 million

### **City Incentives**

**Economic Development Grant:** \$150,000

### **Proposed Estimated Schedule of the Project**

Begin Construction June 2014  
Substantial Completion May 2015

### **Fiscal Information**

Public Private Partnership: \$150,000

### **Owner**

**United States Cold Storage, L.P.**  
James Slamon, VP Finance & CFO

### **Staff**

J. Hammond Perot, Assistant Director  
Christopher O'Brien, Senior Coordinator

**Recommendation**

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.



Ryan S. Evans  
Interim First Assistant City Manager

- C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M. S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge  
Rosa A. Rios, City Secretary  
Craig D. Kinton, City Auditor  
Jill A. Jordan, P. E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
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Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Shawn Williams, Interim Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

## Proposed Project Information Worksheet Economic Development Committee

### A. Project Summary/Assumptions

<b>City Council District</b>	6	
<b>Project/Company Name</b>	United States Cold Storage, L.P.	
<b>Project Location</b>	2225 N. Cockrell Hill Road, Dallas	
<b>Project Type</b>	Refrigerated Warehouse Expansion	
<b>Facilities (Square Feet)</b>	200,000	
<b>Construction Schedule</b>	Begin	1-Jun-14
	Complete	31-May-15
<b>Private Improvement Investment</b>	Real Property	\$12,000,000
	Business Property	\$6,000,000
<b>Jobs</b>	Created	25
	Retained	48
<b>Average Wage Rate</b>	Salary	\$38,000
	Hourly	N/A
<b>City Incentive Summary</b>	Tax Abatement	NA
	Infrastructure	N/A
	Other - Grant	\$150,000

### B. Economic Impact Estimates (Dallas City Economy Only, \$ Million)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	25	34,336,028	25	56,290,284
Indirect and Induced Impact*	10	27,468,822	10	45,032,227
<b>Total Impact</b>	<b>35</b>	<b>61,804,850</b>	<b>35</b>	<b>101,322,511</b>

### C. City of Dallas General Fund Fiscal Impact (\$ Million)

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	1,967,148	4,170,541
Total City GF Service Costs	635,409	1,002,959
Net Impact Before Incentives	1,331,739	3,167,582
City Incentives	150,000	150,000
<b>Net City Fiscal Impact</b>	<b>1,181,739</b>	<b>3,017,582</b>

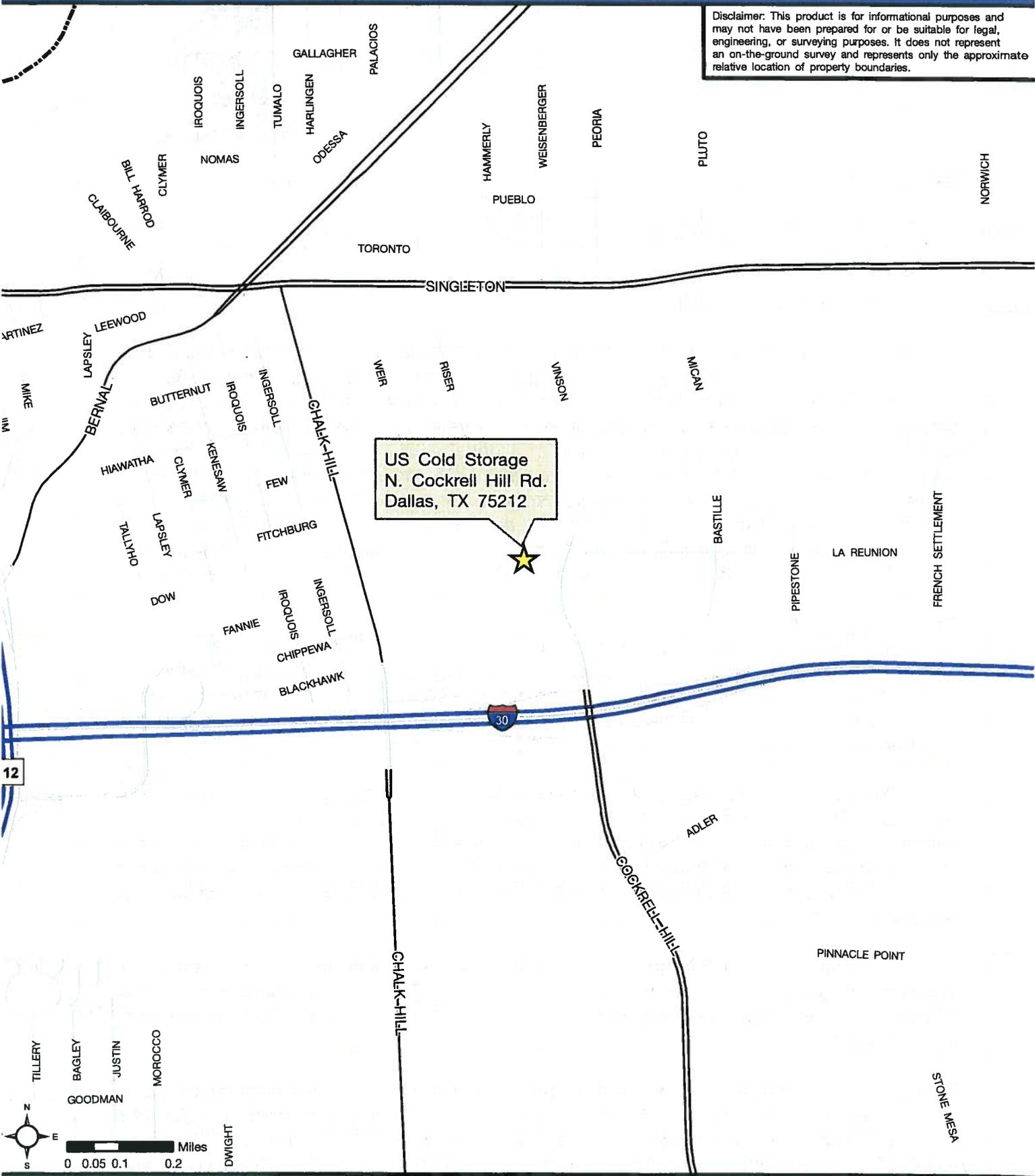
\* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

### D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue

	Property Taxes	Sales Taxes
DISD	\$ 230,775	N/A
Dallas County	\$ 45,558	N/A
DCCCD	\$ 22,446	N/A
Parkland Hospital	\$ 49,680	N/A
DART	\$ -	N/A

# US Cold Storage

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

**Legend**

- City of Dallas
- Freeway
- Arterial
- Local Road

Source: City of Dallas, 2013

# Memorandum



DATE May 16, 2014

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Rick Callahan (Vice Chair), Adam Medrano, Scott Griggs  
Lee Kleinman, Jerry R. Allen

SUBJECT **Santander Consumer USA Inc. Project**

City staff has been in negotiations with Santander Consumer USA Inc. to relocate and expand the company's headquarters operations to downtown Dallas from 8585 N. Stemmons Freeway, Dallas, Texas. The company considered relocating its operation to Irving. Santander Consumer USA Inc. provides full-service, technology-driven consumer financing with a focus on vehicle finance and unsecured consumer lending products. Since its founding in 1995, Santander Consumer USA Inc. has achieved strong brand recognition in the nonprime vehicle finance space. The company mainly originates loans indirectly through manufacturer-franchised and selected independent automotive dealers, as well as through relationships with national and regional banks and OEMs. Santander Consumer USA Inc. also directly originates and refinances vehicle loans online.

The company has leased approximately 350,000 square feet in Thanksgiving Tower, located at 1601 Elm Street, Dallas, Texas. The building, is undergoing a \$100,000,000 renovation by it's new owner. Santander Consumer USA Inc. will make an approximately \$10,000,000 investment in tenant improvements as well as an estimated \$6,000,000 investment in business personal property at the site.

Santander Consumer USA Inc. will relocate a minimum of 1,150 new, permanent, non-seasonal FTE jobs with an estimated average salary exceeding \$60,000 to the downtown Dallas site by December 31, 2014. Santander Consumer USA Inc. will add a minimum of 250 new, permanent, non-seasonal FTE jobs at the building by December 31, 2015 for a total employment of 1,400 jobs to be maintained at that location until December 31, 2024.

Santander Consumer USA Inc. seeks City Council approval of an economic development grant in an amount not to exceed \$1,000,000 in consideration of the relocation and expansion of Santander Consumer USA Inc.'s headquarters operation to downtown Dallas.

The economic development grant will be payable in two installments corresponding to the permanent, non-seasonal FTE jobs created/retained. The first payment of \$500,000 will be payable upon the substantial completion of \$1,500,000 in tenant improvements and verification of a minimum of 1,150 jobs on site by December 31, 2014. To receive the second \$500,000 payment, Santander Consumer USA Inc. must reach a total 1,400 jobs on site by December 31, 2015. The Chapter 380 economic development grant will

1601 Elm Street – Santander Consumer USA Inc.

May 16, 2014

Page 2 of 3

be terminated in the event that the total job creation requirement is not met by December 31, 2015.

Santander Consumer USA Inc. will be required to maintain a total minimum employment of 1,400 permanent, non-seasonal FTE jobs in downtown Dallas. If the company fails to maintain the minimum job requirement, Santander Consumer USA Inc. will be required to repay \$500 per job under the minimum job creation requirement up to the paid grant amount but not to exceed \$500,000 until December 31, 2024.

If Santander Consumer USA Inc. should break their lease or relocate out of the City of Dallas prior to December 31, 2024, the company will be required to repay the total paid grant amount plus interest at a 4 percent APR from disbursement.

The proposed agreement will result in a 10-year net fiscal impact of \$6,344,448 and an \$18,660,900 20-year net fiscal impact.

The proposed project meets the minimum eligibility requirements of the Public/Private Partnership Program as adopted by the City Council in Resolution No. 12-1520 on June 13, 2012.

### **Project Details**

**Project Site:** 1601 Elm Street, Dallas, Texas

**Facilities:** Lease of approximately 350,000 square feet in a Class A office building in downtown Dallas

**Real Property Investment:** Minimum of \$1,500,000

### **City Incentives**

**Economic Development Grant:** An economic development grant in an amount not to exceed \$1,000,000 to Santander Consumer USA Inc.

### **Proposed Estimated Schedule of the Project**

Begin Construction November 2013

Complete Construction April 2015

### **Fiscal Information**

\$1,000,000 - Public/Private Partnership Program Funds

1601 Elm Street – Santander Consumer USA Inc.  
May 16, 2014  
Page 3 of 3

**Owner**

**Santander Consumer USA Inc.**  
Thomas Dundon, CEO

**Staff**

J. Hammond Perot, Assistant Director  
Kim L. Moore, Marketing Manager

**Recommendation**

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.



Ryan S. Evans  
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M. S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge  
Rosa A. Rios, City Secretary  
Craig D. Kinton, City Auditor  
Jill A. Jordan, P. E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Shawn Williams, Interim Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

## Proposed Project Information Worksheet Economic Development Committee

### A. Project Summary/Assumptions

City Council District	14	
Project/Company Name	Santander Consumer USA Inc.	
Project Location	1601 Elm Street	
Project Type	Headquarters relocation and expansion	
Facilities (Square Feet)	350,000	
Construction Schedule	Begin	1-Nov-13
	Complete	30-Apr-15
Private Improvement Investment	Real Property	\$10,000,000
	Business Property	\$6,000,000
Jobs	Created	250
	Retained	1,150
Average Wage Rate	Salary	\$86,655
	Hourly	N/A
City Incentive Summary	Tax Abatement	N/A
	Infrastructure	N/A
	Other - Grant	\$1,000,000

### B. Economic Impact Estimates (Dallas City Economy Only, \$ Million)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	322	482,339,395	322	1,127,168,468
Indirect and Induced Impact*	258	385,871,516	258	901,734,774
<b>Total Impact</b>	<b>580</b>	<b>868,210,911</b>	<b>580</b>	<b>2,028,903,242</b>

### C. City of Dallas General Fund Fiscal Impact (\$ Million)

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	13,031,542	31,315,266
Total City GF Service Costs	5,687,094	11,654,366
Net Impact Before Incentives	7,344,448	19,660,900
City Incentives	1,000,000	1,000,000
<b>Net City Fiscal Impact</b>	<b>6,344,448</b>	<b>18,660,900</b>

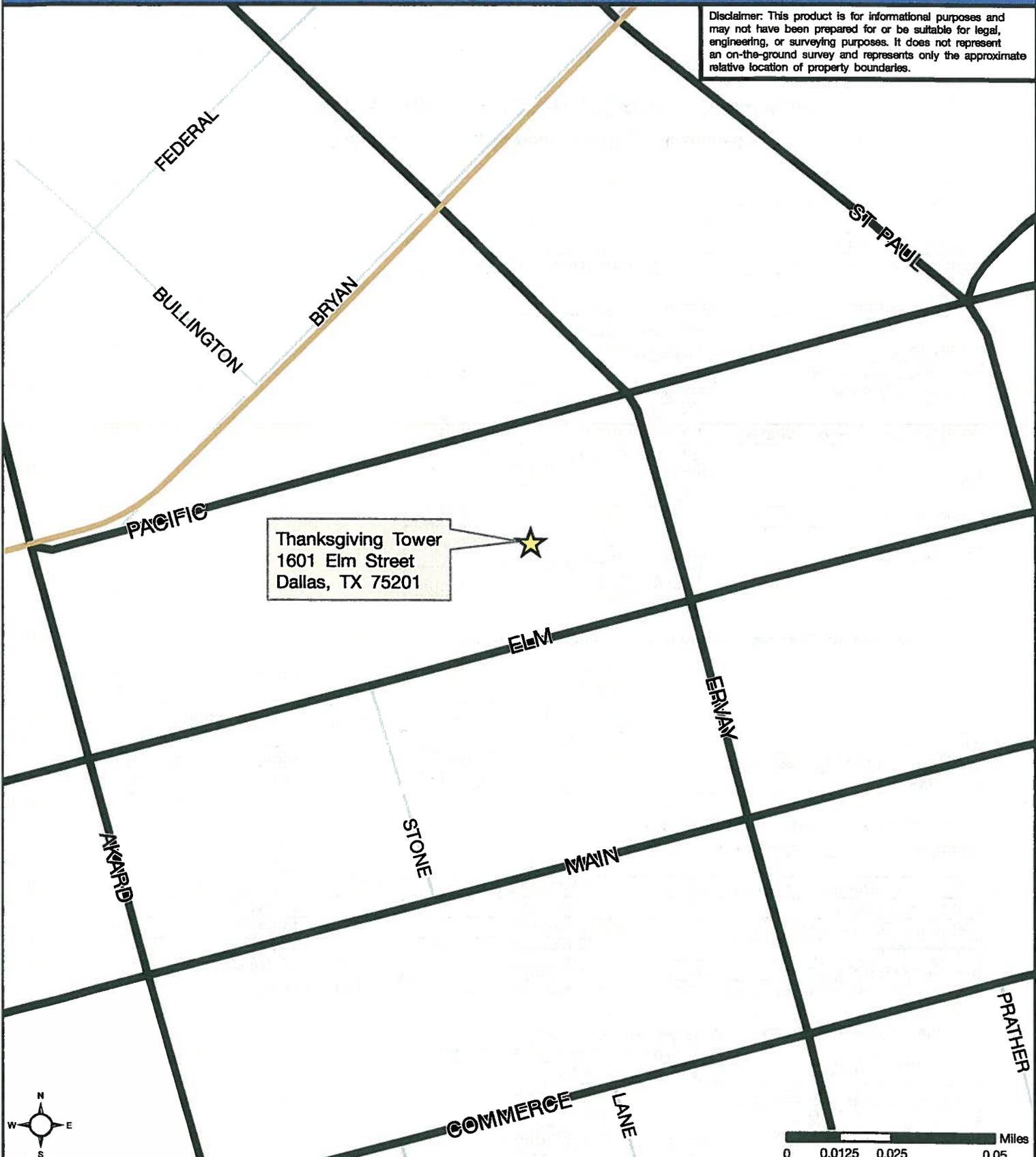
\* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

### D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue

	Property Taxes	Sales Taxes
DISD	\$ 1,319,009	N/A
Dallas County	\$ 260,389	N/A
DCCCD	\$ 128,291	N/A
Parkland Hospital	\$ 283,949	N/A
DART	\$ -	N/A

# Thanksgiving Tower

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Thanksgiving Tower  
1601 Elm Street  
Dallas, TX 75201

**DALLAS ECONOMIC DEVELOPMENT**  
Research & Information Division  
214.670.1685  
dallas-ecodev.org  
Created: 9/2/2013 - 11:05:02 AM Moore TCG

- Legend**
- DART Light Rail
  - Arterial
  - Local Road

Source: City of Dallas, 2014

# Memorandum



DATE May 16, 2014

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Rick Callahan (Vice Chair), Adam Medrano, Scott Griggs  
Lee Kleinman, Jerry R. Allen

SUBJECT **Modification to the Hatcher Station Village Public Private Partnership agreement**

At the May 28th Council meeting, you will consider authorizing an amendment to the timing for the Public Private Partnership funding provided to Frazier Revitalization, Inc. for the Hatcher Station Village project related to the new Parkland Clinic.

Frazier Revitalization, Inc. (FRI) is a non-profit developer that has been active in the Frazier neighborhood for the past seven years. FRI is currently proposing to construct a new 44,000 sq ft medical clinic adjacent to the Hatcher Station DART stop. The clinic will be occupied by Parkland Hospital System.

On April 23, 2014, City Council approved a Chapter 380 grant agreement in an amount to not exceed \$2 million to be funded at financial close and disbursed *pari passu* through the construction disbursement process. However, due to delays in securing financing, bridge funds are needed to allow the development process to continue moving forward prior to the financial close (scheduled for July 2014). These bridge funds will keep the construction process on track for the Parkland Clinic's early 2015 opening.

Up to \$1.2 million of the previously approved \$2 million would be made available for bridge funding if all of the following conditions are met: 1) A Senior Loan commitment from Chase Bank; 2) An executed NMTC term sheet between the Dallas Development Fund and JP Morgan Chase; and 3) An executed lease between Parkland and FRI.

After Council approval, and after the above conditions are met, the City would reimburse FRI for eligible development costs not to exceed \$1.2 million. No new Public Private Partnership funds are being proposed for the project; the \$1.2 million is a portion of the already approved funding.

Should you have any questions or concerns, please contact me at (214) 670-3296.

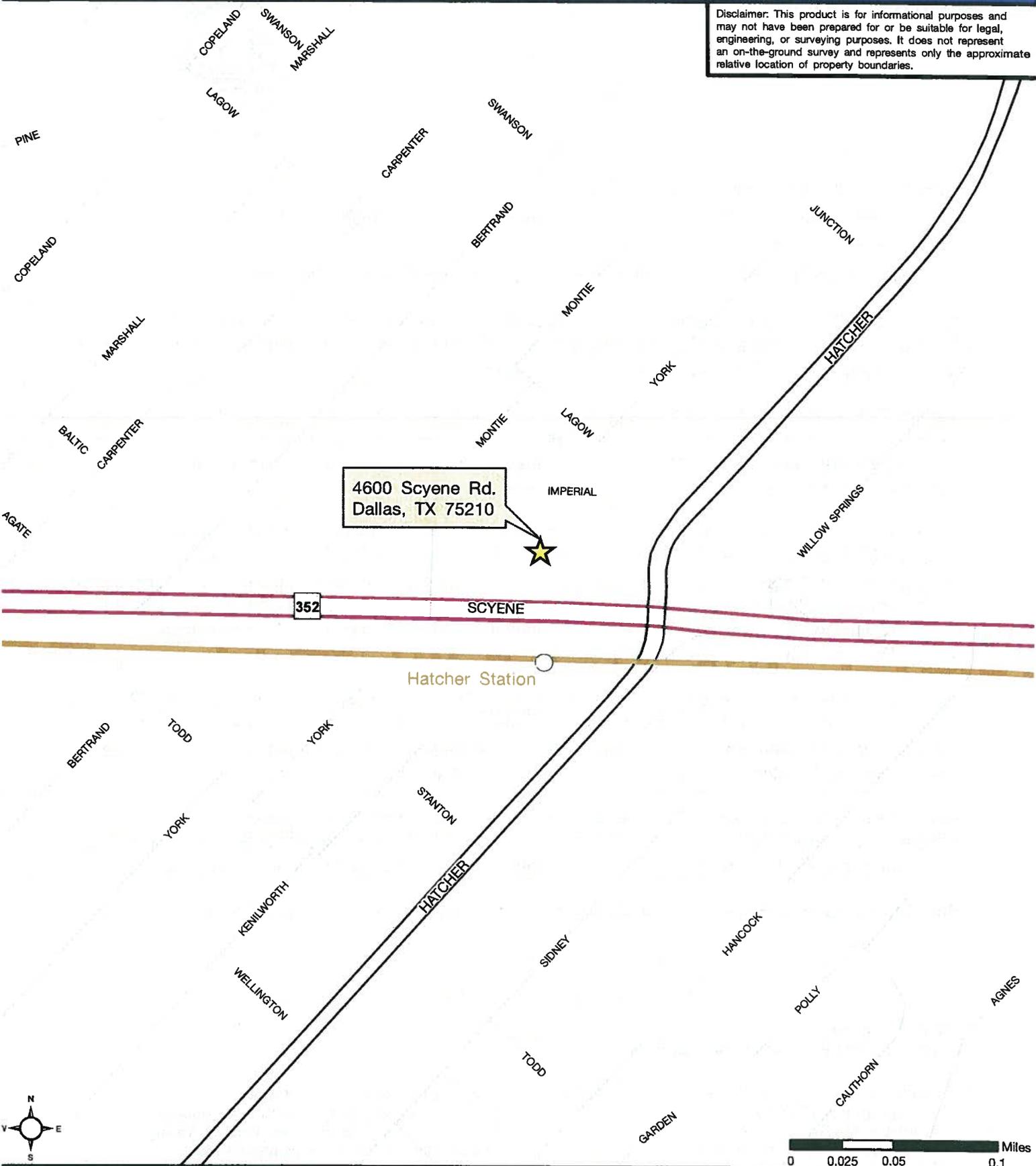
  
Ryan S. Evans  
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
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Karl Zavitkovsky, Director, Office of Eco Dev  
J. Hammond Perot, Assistant Director, Office of Eco Dev  
Shawn Williams, Interim Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

# Hatcher Station Village Medical Clinic

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4600 Scyene Rd.  
Dallas, TX 75210

352

SCYENE

Hatcher Station



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

**Legend**

-  Rail Station
-  DART Light Rail

-  Highway
-  Arterial
-  Local Road

Source: City of Dallas, 2014.

# Memorandum



CITY OF DALLAS

DATE May 16, 2014

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Rick Callahan (Vice Chair), Adam Medrano, Scott Griggs  
Lee Kleinman, Jerry R. Allen

SUBJECT **The Canyon: Colorado Boulevard Extension - Amendment #1**

On May 28, 2014, the City Council will be asked to consider authorizing an amendment to the Chapter 380 economic development grant agreement between the City and SLF III – THE CANYON TIF, LP, (SLF III) pursuant to Chapter 380 of the Texas Local Government Code in accordance with the City's Public/Private Partnership Program, supporting the proposed Canyon development at the southeast corner of Interstate Highway 30 and Westmoreland Road, Dallas, Texas 75211.

Previously, on March 27, 2013, the City Council authorized a Chapter 380 economic development grant agreement in an amount not to exceed \$327,140 with SLF III related to the design of the Colorado Boulevard extension within the proposed Canyon development at the southeast corner of Interstate Highway 30 and Westmoreland Road, Dallas, Texas 75211. Funding in an amount not to exceed \$10,000,000 was approved in the 2012 Bond Program for the design and construction of the proposed Colorado Boulevard extension. In order to expedite delivery of Phase I of the Colorado extension, SLF III privately funded engineering, survey, geotechnical, and other associated items of the proposed improvements in accordance with the grant agreement.

Additionally, the agreement requires SLF III to ensure a minimum of \$5 million would be privately invested for construction of new commercial development including a hotel and new restaurants. Pursuant to the agreement, SLF III is currently to commence construction on the proposed commercial development by May 31, 2014.

SLF III has requested the City Council to consider extending the start of construction from May 31, 2014 to May 31, 2015. Reasons cited for the extension request is the schedule for the Colorado Boulevard extension from Westmoreland Road to the I-30 Frontage Road. Prospective retail tenants have noted a desire for the construction to be further advanced to ensure date certain delivery of the retail space by the proposed developer.

The proposed amended Chapter 380 economic development grant will be payable after City Council award of the construction contract for the initial phase of the Colorado Boulevard extension. SLF III also ensures with this amendment that a minimum of \$10,000,000 (previously \$5,000,000) will be privately invested for construction of a hotel, retail shops, restaurants, entertainment facilities and/or personal service facilities.

The Canyon: Colorado Boulevard Extension - Amendment #1  
May 16, 2014  
Page 2 of 2

This amendment will have no additional cost impact to the City.

Should you have any questions, please contact me at (214) 670-3296.



Ryan S. Evans  
Interim Assistant City Manager

**C: The Honorable Mayor and Members of the City Council**

A.C. Gonzalez, City Manager  
Warren M. S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge  
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J. Hammond Perot, Assistant Director, Office of Economic Development  
Shawn Williams, Interim Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council



# Memorandum



CITY OF DALLAS

DATE May 16, 2014

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Rick Callahan (Vice Chair), Adam Medrano, Scott Griggs  
Lee Kleinman, Jerry R. Allen

SUBJECT **TCDFW Industrial Development Inc. II Project**

City staff has negotiated with Trammel Crow Company regarding construction of a 200,000 square foot speculative industrial/warehouse facility on approximately 17.52 acres north of I-20 between J.J. Lemmon Road and the Burlington Northern Santa Fe (BNSF) Railroad at 4800 LBJ Freeway, Dallas, Texas located in a Texas Enterprise Zone. Trammel Crow Company will develop this project through an entity called TCDFW Industrial Development Inc. Locally, the Trammel Crow Company has developed over 50 million square feet in industrial buildings, with a strong commitment to Southern Dallas.

TCDFW Industrial Development Inc. seeks City Council approval of: (1) a 90 percent real property tax abatement for 10 years, and (2) an economic development grant in an amount not to exceed \$195,000 to offset public and private improvement costs. TCDFW Industrial Development Inc. will make a minimum of \$4,000,000 in real property improvements with construction of the 200,000 square foot speculative industrial/warehouse facility. The economic development grant will be payable upon the substantial completion of the 200,000 square foot facility and a minimum of \$4,000,000 in real property improvements by December 31, 2016. The real property tax abatement must begin on or before January 1, 2017. TCDFW Industrial Development Inc. will forfeit the real property tax abatement and the economic development grant if it fails to reach the minimum investment by the required time.

The forgone revenue from the proposed tax abatement is \$189,654. The proposed agreement will result in a 10-year net fiscal impact of \$291,077 and a \$1,236,054 20-year net fiscal impact.

The proposed project meets the minimum eligibility requirements of the Public/Private Partnership Program as adopted by the City Council in Resolution No. 12-1520 on June 13, 2012.

## Project Details

**Project Site:** 17.52 acres north of I-20 between J.J. Lemmon Road and the Burlington Northern Santa Fe (BNSF) Railroad at 4800 LBJ Freeway, Dallas, Texas

**Facilities:** Construction of a 200,000 square foot speculative industrial/warehouse facility

4800 LBJ Freeway – TCDFW Industrial Development Inc.  
May 16, 2014  
Page 2 of 3

**Real Property Investment:** Minimum of \$4 million

**City Incentives**

**Real Property Tax Abatement:** 90%-10 year tax abatement will commence on or before January 1, 2017.

	<u>Investment</u>	<u>Tax Abatement</u>	<u>Foregone Revenue</u>	<u>City of Dallas Tax Revenue</u>
<b>Real Property Year One</b>	\$4M	90% - 10 yrs	\$25,823	\$2,869
<b>10-year totals</b>	\$4M		\$189,654	\$21,073

**Proposed Estimated Schedule of the Project**

Begin Construction August 2014  
Complete Construction May 2016

**Fiscal Information**

Revenue: First year revenue estimated at \$2,869; ten-year revenue estimated at \$21,073; (Estimated revenue foregone for a ten-year new real property abatement estimated at \$189,654)

2012 Prop 3 General Obligation Commercial Paper Funds - \$195,000

**Owner**

**TCDFW Industrial Development Inc.**  
Scott Krikorian, Managing Director

**Staff**

J. Hammond Perot, Assistant Director  
Kim L. Moore, Marketing Manager

**Recommendation**

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.



Ryan S. Evans  
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M. S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge  
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Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Shawn Williams, Interim Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

## Proposed Project Information Worksheet Economic Development Committee

### A. Project Summary/Assumptions

City Council District	8	
Project/Company Name	TCDFW Industrial Development Inc.	
Project Location	4800 LBJ Freeway	
Project Type	Speculative Industrial/Warehouse	
Facilities (Square Feet)	200,000	
Construction Schedule	Begin	1-Aug-14
	Complete	31-May-16
Private Improvement Investment	Real Property	\$4,000,000
	Business Property	\$10,000,000
Jobs	Created	25
	Retained	0
Average Wage Rate	Salary	\$40,000
	Hourly	N/A
City Incentive Summary	Tax Abatement	90%, 10 years
	Infrastructure	N/A
	Other - Grant	\$195,000

### B. Economic Impact Estimates (Dallas City Economy Only, \$ Million)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	25	16,559,469	25	39,669,212
Indirect and Induced Impact*	23	13,247,575	23	31,735,369
<b>Total Impact</b>	<b>48</b>	<b>29,807,044</b>	<b>48</b>	<b>71,404,581</b>

### C. City of Dallas General Fund Fiscal Impact (\$ Million)

(From direct, indirect and induced economic impacts)

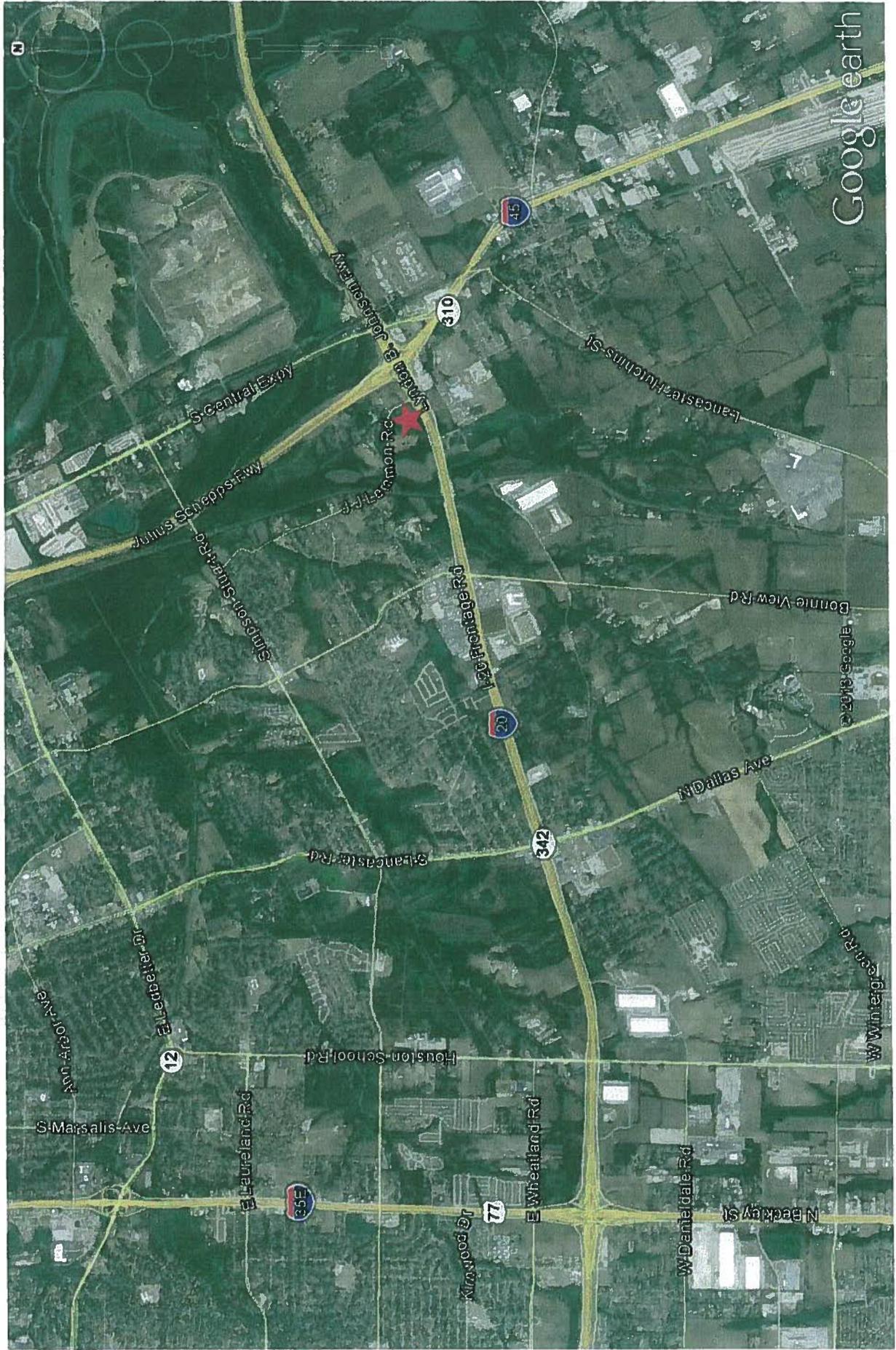
	10-Year	20-Year
Total City GF Revenue Generated	1,007,435	2,497,592
Total City GF Service Costs	388,600	876,884
Net Impact Before Incentives	618,835	1,620,708
City Incentives	327,758	384,654
<b>Net City Fiscal Impact</b>	<b>291,077</b>	<b>1,236,054</b>

\* 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	\$ 338,983	N/A
Dallas County	\$ 66,920	N/A
DCCCD	\$ 32,971	N/A
Parkland Hospital	\$ 72,974	N/A
DART	\$ -	N/A

# TCDFW Industrial Development Inc. II Map



# TCDFW Industrial Development Inc. II Map

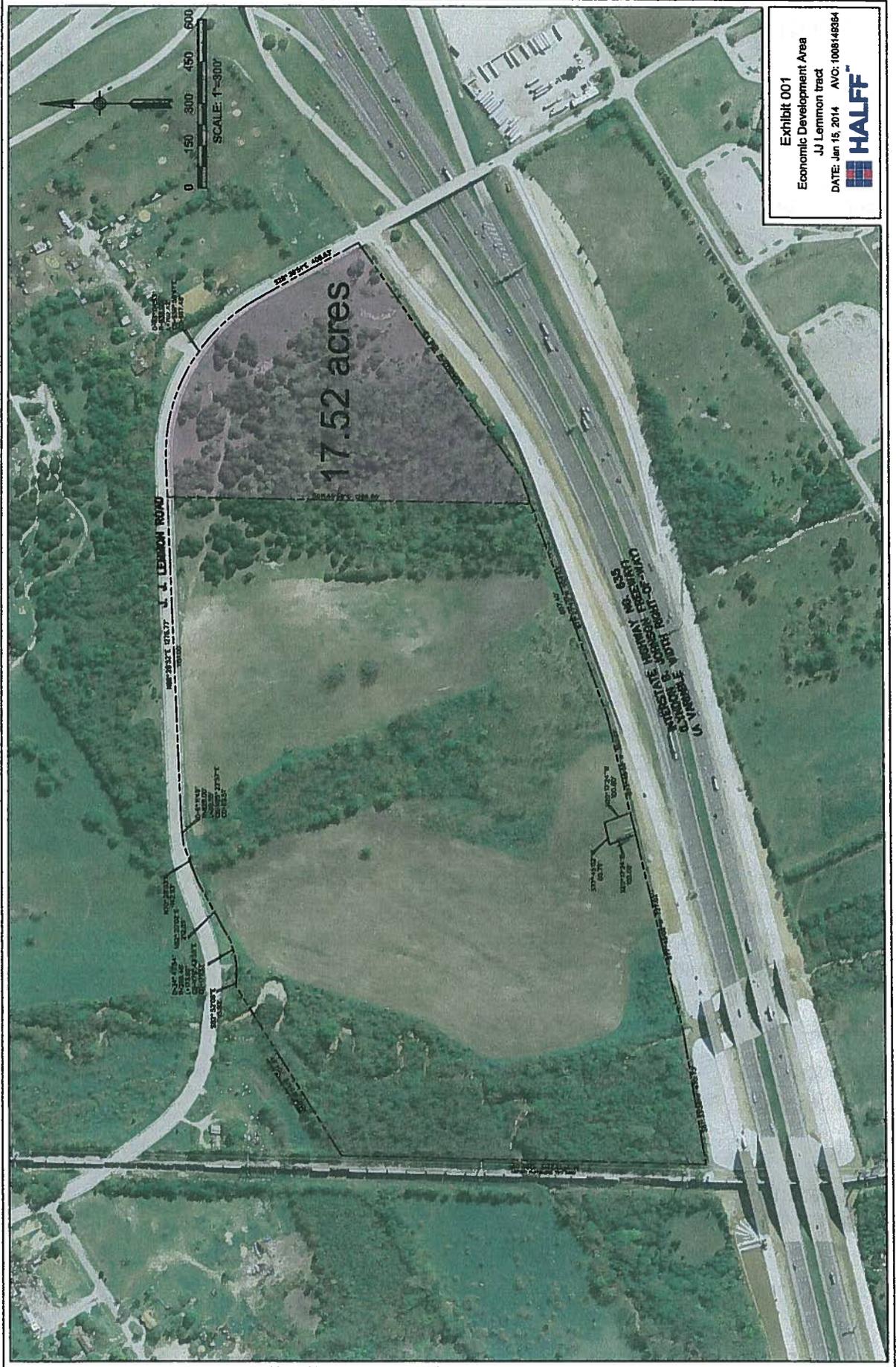


Exhibit 001  
Economic Development Area  
JJ Lemmon tract  
DATE: Jan 15, 2014 AVO: 1008146864  
**HALFF**

# Memorandum



DATE May 16, 2014

TO Members of the Economic Development Committee: Tennell Atkins (Chair),  
Rick Callahan (Vice Chair), Adam Medrano, Scott Griggs, Lee Kleinman, Scott Griggs  
Jerry R. Allen

SUBJECT **Enterprise Zone Project Designations -City Council Agenda – May 28, 2014**

On May 28, 2014, the City Council will consider nominating Mary Kay Inc. to the Office of the Governor Economic Development and Tourism as an Enterprise Zone Project pursuant to the Texas Enterprise Zone Act.

The designation will allow for a rebate of state sales and use taxes of up to \$2,500 per job created or retained for Mary Kay Inc. based on qualified expenditures the company makes over a five-year period up to a maximum benefit of \$1,250,000. Mary Kay Inc. plans to invest in excess of \$50 Million over the next five years in new equipment for their production facility and an automated storage and retrieval system (“ASRS”) facility. Mary Kay Inc. presently operates two facilities in Dallas, one at 1330 Regal Row and another at 2213 Connector Drive. Combined, the facilities employ 697 employees. The company, if awarded the designation, will be eligible to receive the \$2,500 per job benefit for up to 500 of these jobs. This rebate program has no cost consideration to the City of Dallas.

Local communities must nominate a company as an Enterprise Project for it to be eligible to participate in the Enterprise Zone Program. Legislation limits the number of project allocations to the state and local communities per biennium. The state accepts applications quarterly with deadlines on the first working day of March, June, September and December. There are presently 12 designations given per quarter. The City of Dallas has the opportunity to receive up to nine designations per biennium.

## Owner

### **Mary Kay Inc.**

Patrick Cargo, Vice President, Corporate Tax

## Staff

J. Hammond Perot, Assistant Director  
Christopher O'Brien, Sr. Coordinator

**Recommendation**

Staff recommends approval of the subject item. Should you have any questions, please contact me at (214) 670-3296.

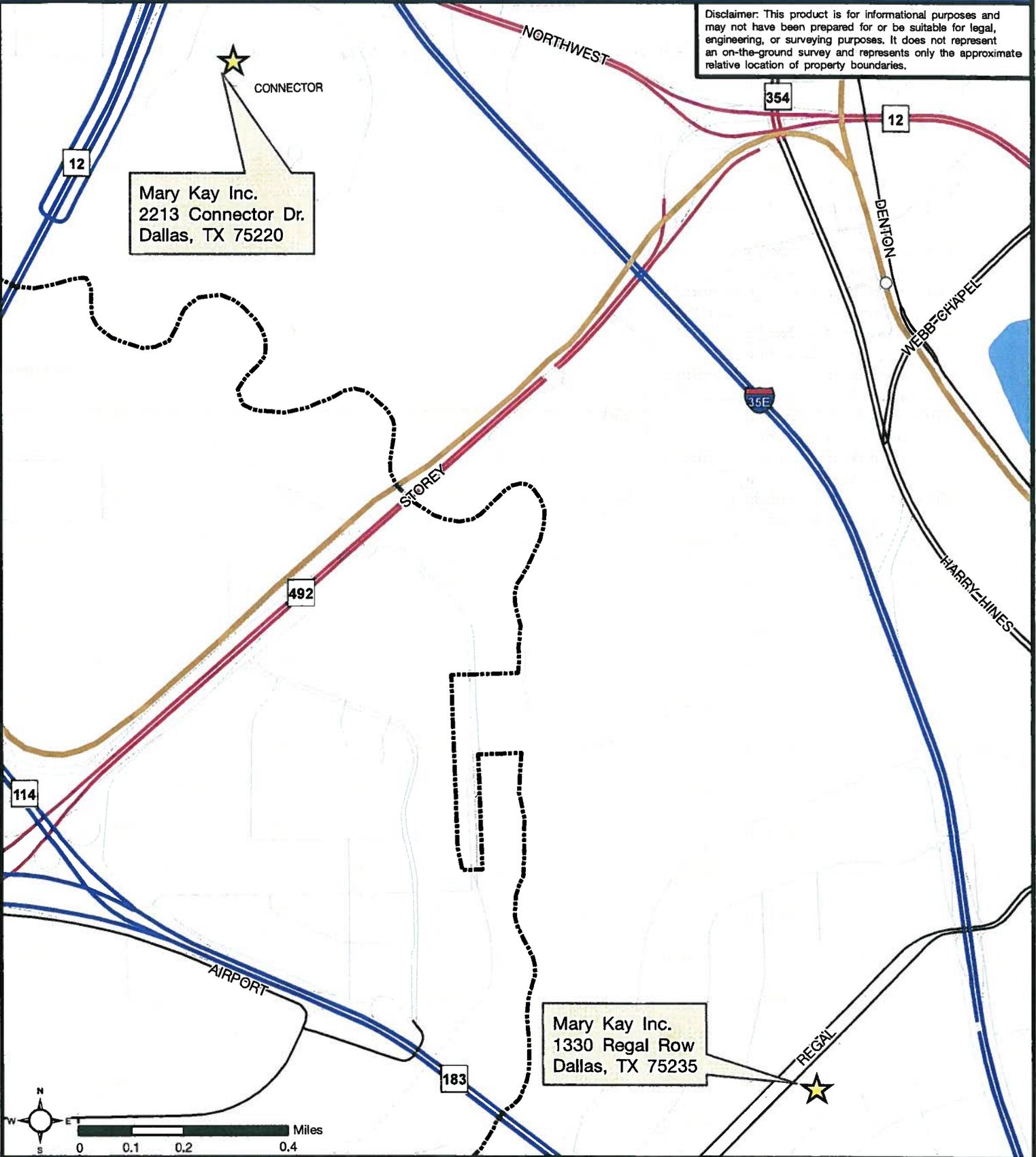


Ryan S. Evans  
Interim First Assistant City Manager

- C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M. S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge  
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Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Shawn Williams, Interim Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

# Mary Kay Inc.

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## Legend

-  City of Dallas
-  Rail Station
-  DART Light Rail
-  Freeway
-  Highway
-  Arterial
-  Local Road
-  Lake