

Memorandum

RECEIVED



CITY OF DALLAS

DATE May 31, 2013

2013 MAY 30 PM 3:44

TO Members of the Economic Development Committee:
Ann Margolin, (Vice-Chair), Monica Alonzo, Sherrie Kadane, Jerry R. Allen

SUBJECT **Economic Development Committee**
Monday, June 3, 2013, 9:00 – 10:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of May 20, 2013 Minutes of the Economic Development Committee
2. Upcoming June agenda items
 - Call and Hold a public hearing to receive comments regarding the renewal of Deep Ellum Public Improvement District
 - Authorize a Multiple Use Agreement with the Texas Department of Transportation (TXDOT) to cross underneath the IH-35E right-of-way to construct and maintain the Edison/Hi Line Sustainable Development Infrastructure Project
 - The Richards Group / SBR Real Estate Holdings, LP
 - The Grocers Supply Co., Inc.
 - Mt. Creek Investments, Ltd.
 - TCDFW Development Inc. Project


Tennell Atkins, Chair
Economic Development Committee

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa Rios, City Secretary
Tom Perkins Jr., City Attorney
Judge Daniel Solis, Administrative Judge Municipal Court
Craig Kinton, City Auditor
A.C. Gonzalez, First Assistant City Manager

Ryan S. Evans, Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, CFO, OFS
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Stephanie Pegues-Cooper, Asst. to the CMO

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

May 20, 2013

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: May 20, 2013 **Meeting Start time:** 9:01 AM

Committee Members Present:

Tennell Atkins
Ann Margolin
Monica Alonzo
Jerry Allen
Sheffie Kadane

Staff Present:

Ryan Evans, Assistant City Manager, City Managers Office
Karl Zavitkovsky, Director, Office of Economic Development
Ron King, Director, Convention & Event Services
Keith Manoy, Assistant Director, Public Works & Transportation

Other Council Members Present:

Delia Jasso

Other Presenters:

1. Approval of April 15, 2013 Minutes of the Economic Development Committee

Presenter(s):

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

Motion made by: Mr. Allen

Motion seconded by: Ms. Margolin

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

Follow-up (if necessary):

2. 211 North Ervay Redevelopment Project-City Center TIF District (City Center Sub-District)

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. Allen

Motion seconded by: Ms. Margolin

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

Follow-up (if necessary):

3. Purse & Co. Lofts Redevelopment Project-City Center TIF District (Lamar Corridor/West End Sub Division)

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. Kadane

Motion seconded by: Mr. Allen

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

Follow-up (if necessary):

4. Convention Center Hotel Ancillary Development

Presenter(s): Ron King, Director, Convention & Event Services

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

Motion made by:

Item passed unanimously: _____

Item failed unanimously: _____

Motion seconded by:

Item passed on a divided vote: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

5. Design District TIF District-Boundary & Plan Amendment

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. Kadane

Item passed unanimously: X

Item failed unanimously: _____

Motion seconded by: Mr. Allen

Item passed on a divided vote: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

6. Upcoming agenda items

- Authorize an amendment to the Program Statement for the South Dallas/Fair Park Area Business Façade/Revitalization Program
- Lakewest ALF Realty, LLC Senior Assisted Living Center

Action Taken/Committee Recommendation(s): Motion made to recommend items to council for approval.

Motion made by: Mr. Allen

Item passed unanimously: X

Item failed unanimously: _____

Motion seconded by: Mr. Kadane

Item passed on a divided vote: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

Meeting Adjourned: 10:26AM

Approved By: _____

Memorandum



CITY OF DALLAS

DATE: May 31, 2013

TO: Members of the Economic Development Committee: Tennell Atkins (Chair),
Ann Margolin (Vice Chair) Jerry R. Allen, Sheffie Kadane, Monica Alonzo

SUBJECT: **Call and Hold a public hearing to receive comments regarding the renewal of Deep Ellum Public Improvement District – June 12, 2013 and August 14, 2013 Council Agenda**

On June 12, 2013, City Council will be asked to consider a resolution calling for a public hearing regarding the renewal of the Deep Ellum Public Improvement District (DEPID) to be held on August 14, 2013.

On April 1, 2013, Deep Ellum Foundation, representing property owners of Deep Ellum area delivered to the City of Dallas a petition to renew the DEPID 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 more than sixty percent of the property value and more than sixty percent of the land area had signed the petitions for the renewal of the DEPID. 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.

DEPID was initially established in 2006. The area is located in Council Districts 2 and 14, consists of approximately 703 properties and is primarily a combination of business, office and residential uses. The general nature of the proposed services and improvements to be performed by the District includes graffiti control, landscaping, park improvements, trash pick-up, neighborhood improvements, acquisition, construction, operation and maintenance of mass transportation facilities, marketing and promotional activities, distinctive lighting and signage, business development and recruitment to promote the area as the Deep Ellum Entertainment District and related expenses incurred in establishing, administering and operating the District as authorized by the Act and approved by the Dallas City Council.

The total estimated cost of services and improvements provided by the District for the seven year period is approximately two million four hundred ninety-nine thousand dollars (\$2,499,000). The estimated average annual cost of services for the District is approximately three hundred fifty-seven thousand dollars (\$357,000). Properties within the District will be charged with a special assessment to cover the cost of additional services. The following table shows the budget spending for the next seven years:

EXPENDITURES	Total Amount	%
Improvements	\$518,000.00	20.73%
Transportation and related expenses	\$280,000.00	11.20%
Business Development and Recruitment	\$210,000.00	8.40%
Marketing and Promotion	\$976,500.00	39.08%
Public Safety	\$105,000.00	4.20%
Administration	\$367,500.00	14.71%
Financial audit and insurance	\$42,000.00	1.68%
	\$2,499,000.00	

The proposed assessment rate for the seven year period is \$0.1200 per \$100.00 valuation. 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.

The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The City of Dallas is not responsible for payment of assessment against exempt City property in the District. City right-of-way, railroad right-of-way, City parks and cemeteries are not specially benefitted and therefore are not subject to PID assessment. Payment of assessments by other exempt jurisdictions and entities must be established by contract.

Subjected to the City Council approval, the renewed DEPID will start operating from January 1, 2014 for seven years. The District will be managed through Deep Ellum Foundation, a private nonprofit corporation established under the provisions of Section 501(c) (3) 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 Deep Ellum Foundation will be responsible for the management of the District.

The District shall automatically dissolve on December 31, 2020 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 DEPID for a special assessment against each property owner of record for real property and real property improvements to provide funding for the District for the purpose of providing supplemental services and improvements.

The term of the District upon renewal is seven years (2014 to 2020). Pending approval, the renewed DEPID 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

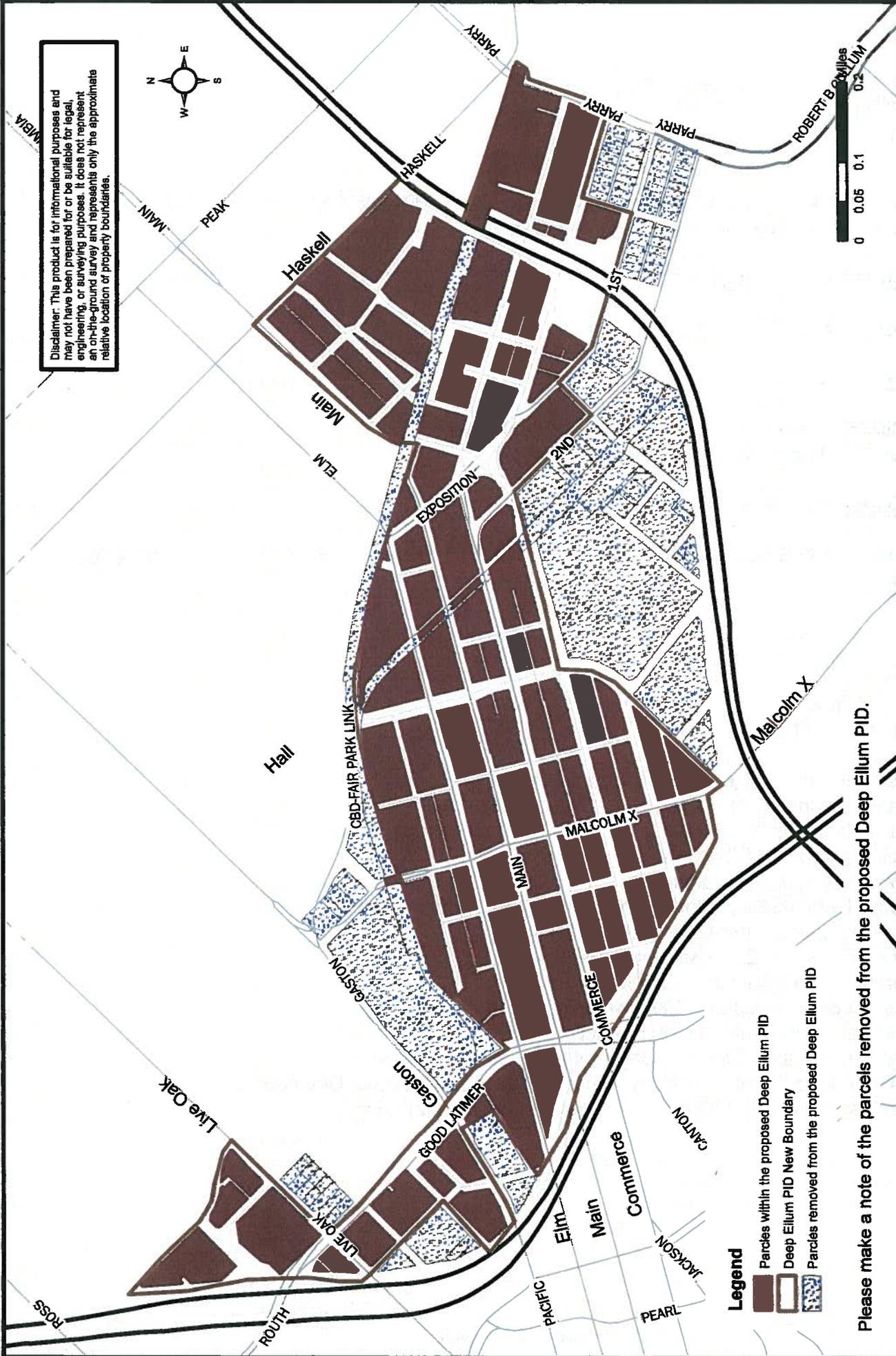
Staff recommends approval of the subject item. Please contact me if you have any questions.



Ryan S. Evans
Assistant City Manager

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- Legend**
- Parcels within the proposed Deep Ellum PID
 - Deep Ellum PID New Boundary
 - Parcels removed from the proposed Deep Ellum PID

Please make a note of the parcels removed from the proposed Deep Ellum PID.

Deep Ellum PID Proposed Boundary Map

DALLAS
ECONOMIC
DEVELOPMENT
Area Redevelopment Division
214.670.1685
dallas-ecodev.org
Created: 05/20/2013

Memorandum



DATE May 31, 2013

TO Members of the Economic Development Committee:
Tennell Atkins (Chair), Ann Margolin (Vice-Chair), Jerry R. Allen,
Monica Alonzo, Sheffie Kadane

SUBJECT **Authorize a Multiple Use Agreement with the Texas Department of Transportation (TXDOT) to cross underneath the IH-35E right-of-way to construct and maintain the Edison/Hi Line Sustainable Development Infrastructure Project, June 12, 2013 Council Agenda**

Background

In 2009, the North Central Texas Council of Governments (NCTCOG) Regional Transportation Council (RTC) allocated \$41 million for their third Sustainable Development Program call for projects. Funding for this RTC's Sustainable Development Program was provided by the State of Texas from surplus revenue from a SH 121 toll project pursuant to Chapter 228 of the Texas Transportation Code.

The call for projects was issued on March 24, 2009 and allowed for two types of project submissions: transportation infrastructure improvements and planning programs. The Edison/Hi Line project was one of nine infrastructure projects selected and approved by the RTC on June 3, 2010 for \$1,151,063 in Sustainable Development Program funds.

On August 25, 2010, City Council approved Resolution No. 10-2152 supporting projects selected within the City of Dallas by the RTC, including the Edison/Hi Line project, and authorizing the City Manager to negotiate agreements with NCTCOG and private sector partners, where applicable.

On January 25, 2012, City Council authorized agreements with the North Central Texas Council of Governments, the State of Texas, and Lower Oak Lawn Investment, LP for the Edison/Hi Line Sustainable Development Infrastructure Project by Resolution Nos. 12-0272 and 12-0273. Those agreements have been executed; however, TXDOT is requiring a multiple use agreement for the portion of improvements that cross TXDOT right-of-way.

The Edison/Hi Line project includes enhancements and upgrades to bicycle and pedestrian connections between the Dallas Design District and the Victory District. The improvements will help transportation linkages by increasing access and safety to rail transit (DART Victory Station) and City of Dallas trails (Katy Trail and Trinity Strand Trail), improve air quality and promote sustainable development.

The related private vertical mixed-use development associated with the project has been completed at 1400 Hi Line and includes 314 residential units and 29,000 sq ft of ground floor retail space.

The total Edison/Hi Line infrastructure project cost is \$1,438,829; the Sustainable Development Program will reimburse 80% of the total project costs (\$1,151,063) and

requires a local match of 20% of the total project costs (\$287,766). The 20% local match for the Edison/Hi Line project has been provided by Lower Oak Lawn Investment, LP (LOL) through the eligible expenditures for design and/or construction of the public improvements. LOL has provided the upfront funding for the remaining 80% of the project, to be reimbursed to LOL upon the completion of certain project milestones detailed in a development agreement with LOL and contingent upon the City's receipt of funds from NCTCOG/State of Texas.

The City of Dallas is working with LOL to administer design and manage the construction of this project. A portion of the project, the IH-35E "Stemmons Freeway" Underpass, is located within TXDOT right-of-way, and TXDOT requires a Multiple Use Agreement to authorize construction and delegate maintenance responsibilities to the City of Dallas. In turn, the City is entering into an operations and maintenance agreement with LOL for these enhanced improvements.

This action will authorize a Multiple Use Agreement with TXDOT for construction of and delegation of maintenance for the Edison Hi Line Sustainable Development Infrastructure Project improvements through TXDOT right-of-way.

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



Ryan S. Evans
Assistant City Manager

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J. Hammond Perot, Assistant Director, Office of Economic Development
Stephanie Pegues-Cooper, Assistant to the City Manager



**Edison Hi Line Sustainable Development
 Project Location**

-  Edison/Hi Line proposed improv. (current project)
-  Hi Line Improv. (2006 COG grant)
-  1400 HI Line development
-  Victory DART Station



Office of Economic
 Development
 December 2011

Memorandum



DATE May 31, 2013

TO Members of the Economic Development Committee:
Tennell Atkins (Chair), Ann Margolin (Vice Chair), Monica Alonzo, Sheffie Kadane,
Jerry R. Allen

SUBJECT **The Richards Group / SBR Real Estate Holdings, LP, Council Item June 12,
2013 and Agenda Item June 26, 2013**

Background

For the past couple months, city staff has negotiated with representatives of The Richards Group regarding a possible new high-rise office building under consideration at 3504 N. Central Expressway, Dallas, Texas. The proposed site would be owned by a holding company known as SBR Real Estate Holdings, LP (SBR).

SBR has a 2.5 acre site under contract, and proposes to build a new 250,000 square foot office building that will house The Richards Group offices, include approximately 10,000 square feet of ground floor retail/restaurant uses and a multi level parking structure. The estimated total investment for the new headquarters facility is approximately \$45,000,000. In order to develop this project, The Richards Group and SBR request council consideration of a ten year, 50 percent real property tax abatement on the added value of new construction.

The building will be developed in conjunction with PBR Development, whose principals have over 40 years experience in commercial real estate development. The building will have unique design features that will allow it to demonstrate the creativity within and will make a statement on the Dallas skyline. The developer intends to commence vertical construction in summer 2013. The full project is anticipated to be complete in late 2014.

In consideration of the proposed incentives, SBR will invest a minimum of \$40,000,000 in real property improvements and The Richards group will retain its existing 600 employees and reach 650 within two years of the substantial completion.

In order to provide a tax abatement in support of the project, a Reinvestment Zone must be required. A public hearing is necessary for the creation of a Reinvestment Zone.

The forgone revenue from the 50 percent, ten year real property abatement is \$1,795,275. The ten-year net fiscal impact of the proposed development after incentives is \$4,304,773.

Owner

SBR Real Estate Holdings, LP

Staff

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

Map

Attached

Recommendation

Staff recommends approval of the subject item.

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



Ryan S. Evans
Assistant City Manager

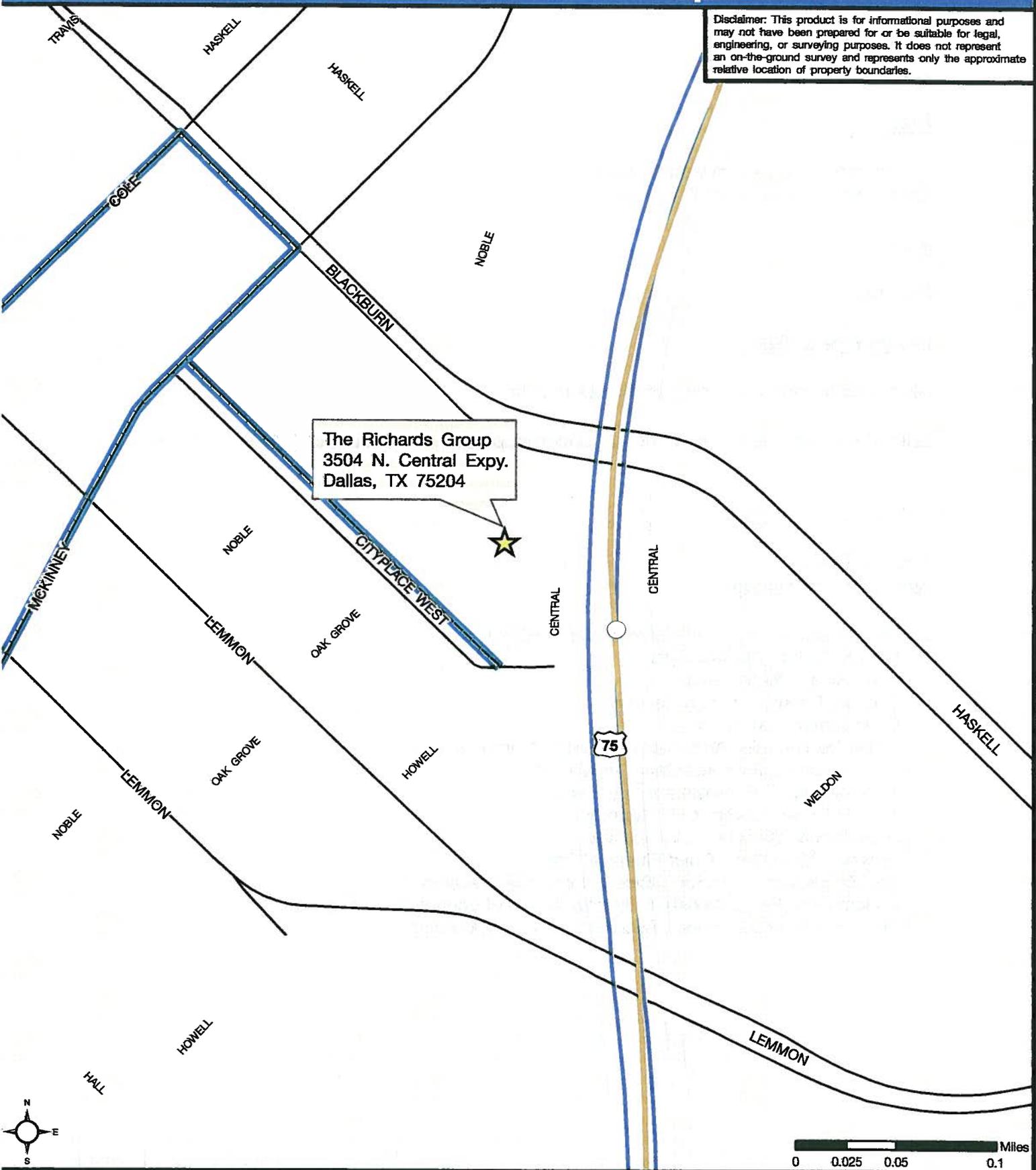
C: The Honorable Mayor and Members of the City Council

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Stephanie Pegues-Cooper, Assistant to the City Manager

The Richards Group

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The Richards Group
3504 N. Central Expy.
Dallas, TX 75204



**ALLAS
CONOMIC
EVELOPMENT**
Research & Information Division
14.670.1685
allas-ecodev.org

Legend

- McKinney Avenue Trolley (MATA)
- Rail Station
- DART Light Rail
- Freeway
- Arterial
- Local Road

Source: City of Dallas, 2013

Memorandum



DATE May 31, 2013

TO Members of the Economic Development Committee:
Tennell Atkins (Chair), Ann Margolin (Vice Chair), Monica Alonzo, Sheffie Kadane,
Jerry R. Allen

SUBJECT **The Grocers Supply Co., Inc., June 12, 2013 Council Agenda**

Background

For the past several months, city staff has been in discussions with Grocers Supply regarding a potential new refrigerated and dry warehouse facility to be located on land at the intersection of Cleveland Road and Blanco Road in the Southern Sector of Dallas. The proposed facility would be approximately 740,000 square feet and is designed to be expandable up to 1.2 million square feet. Grocers Supply plans to invest approximately \$50,000,000 to construct the facility and employ up to 350 employees by December 31, 2015.

Grocers Supply, founded in 1923 and incorporated in 1958, is a multi-billion dollar family owned company. The proposed new facility will enable the company to receive stock and distribute dry grocery, refrigerated fresh meat, produce and frozen products to its retail customers in north Texas, Arkansas and Oklahoma. The company conducted an exhaustive search for a site throughout the region.

In order to develop this project, Grocers Supply requests council consideration of an economic development grant of \$1,850,000 and a ten-year, 90 percent real property tax abatement on the added value of the improvements. The proposed grant will be paid on or before December 31, 2015, upon verification of substantial completion of the facility and the jobs requirement. The grant funds will help offset costs associated with necessary infrastructure improvements that the company will make in support of the facility and will be funded with 2006 bond funds.

In consideration of the incentives proposed, Grocers Supply will 1.) Invest a minimum of \$50,000,000 in real property improvements and other related project costs such as design, engineering, architects, legal, financing fees, etc.; and 2.) Employ a minimum of 250 people in the building. The ten-year forgone revenue associate with the abatement is \$3,978,329. The ten-year net estimated fiscal impact of this project is \$8,668,469. Staff recommends the proposed incentives.

Owner

The Grocers Supply Co., Inc.
Arnold, Vice President

Staff

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

Map

Attached

Recommendation

Staff recommends approval of the subject item.

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



Ryan S. Evans
Assistant City Manager

C: The Honorable Mayor and Members of the City Council

Mary K. Suhm, City Manager

Rosa Rios, City Secretary

Thomas Perkins, Jr., City Attorney

Craig Kinton, City Auditor

Judge Daniel Solis, Administrative Judge Municipal Court

A.C. Gonzalez, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager

Forest Turner, Assistant City Manager

Joey Zapata, Assistant City Manager

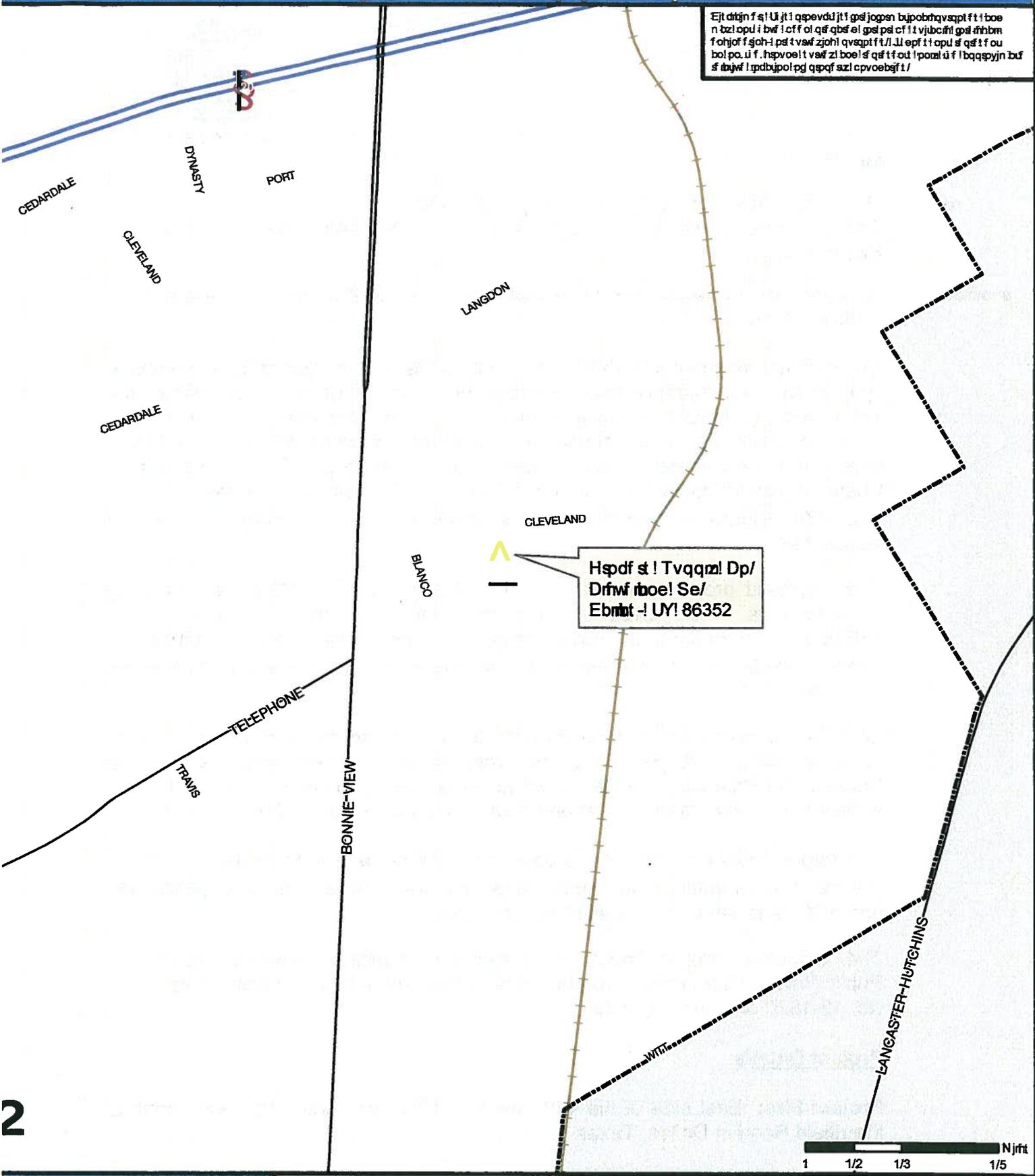
Jeanne Chipperfield, Director, Chief Financial Officer

Karl Zavitkovsky, Director, Office of Economic Development

J. Hammond Perot, Assistant Director, Office of Economic Development

Stephanie Pegues-Cooper, Assistant to the City Manager

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Memorandum



CITY OF DALLAS

DATE May 31, 2013

TO Members of the Economic Development Committee:
Tennell Atkins (Chair), Ann Margolin (Vice-Chair), Jerry Allen, Monica Alonzo,
Sheffie Kadane

SUBJECT **Mt. Creek Investments, Ltd.; Council Item June 12, 2013 and Agenda Item
June 26, 2013**

City staff has negotiated with Mt. Creek Investments, Ltd. regarding a two-phase speculative industrial/warehouse development project on the east side of the 4800 block of Mountain Creek Parkway, north of Merrifield Road in Dallas, Texas. Phase I of the project would consist of the construction of a 600,000 square foot industrial/warehouse that is expandable up to 900,000 square feet. Phase II would consist of the expansion of the building in Phase I up to 1,600,000 square feet, or a second separate building approximately 600,000 square feet.

The proposed project will result in an estimated \$20,000,000 in real property improvements. Mt. Creek Investments, Ltd. will invest a minimum of \$10,000,000 in Phase I real property improvements by December 31, 2014 and a minimum of \$10,000,000 in Phase II real property improvements by December 31, 2016.

Mt. Creek Investments, Ltd. seeks City Council consideration of a real property tax abatement of 90 percent on the value of real property improvements for Phase I and Phase II for a period not to exceed ten (10) years on each. The tax abatement for each phase must begin on or before January 1, 2017.

The forgone revenue from the proposed tax abatement is \$913,840. The ten-year net fiscal impact of the proposed development after incentives is \$4,820,452 and a 20-year net fiscal impact of \$13,245,223.

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: East side of the 4800 block of Mountain Creek Parkway, north of Merrifield Road in Dallas, Texas

Facilities: Construction of a 600,000 square foot industrial/warehouse that is expandable up to 900,000 square feet. Phase II would consist of the expansion

of the building in Phase I up to 1,600,000 square feet, or a second separate building approximately 600,000 square feet

Real Property Investment: Minimum of \$20 million in two phases

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>
Real Property Year One	\$20M	90% - 10 yrs	\$64,557	\$7,173
10-year totals	\$20M		\$1,015,378	\$101,538

Proposed Estimated Schedule of the Project

Begin Construction December 2013
Substantial Completion December 2014

Fiscal Information

Revenue: First year revenue estimated at \$7,173; ten-year revenue estimated at \$101,538; (Estimated revenue foregone for ten-year abatement estimated at \$1,015,378).

Owner

Mt. Creek Investments, Ltd.
Hank Akin, President

Staff

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

Recommendation

Staff recommends approval of the subject item.

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



Ryan S. Evans
Assistant City Manager

C: The Honorable Mayor and Members of the City Council

Mary K. Suhm, City Manager

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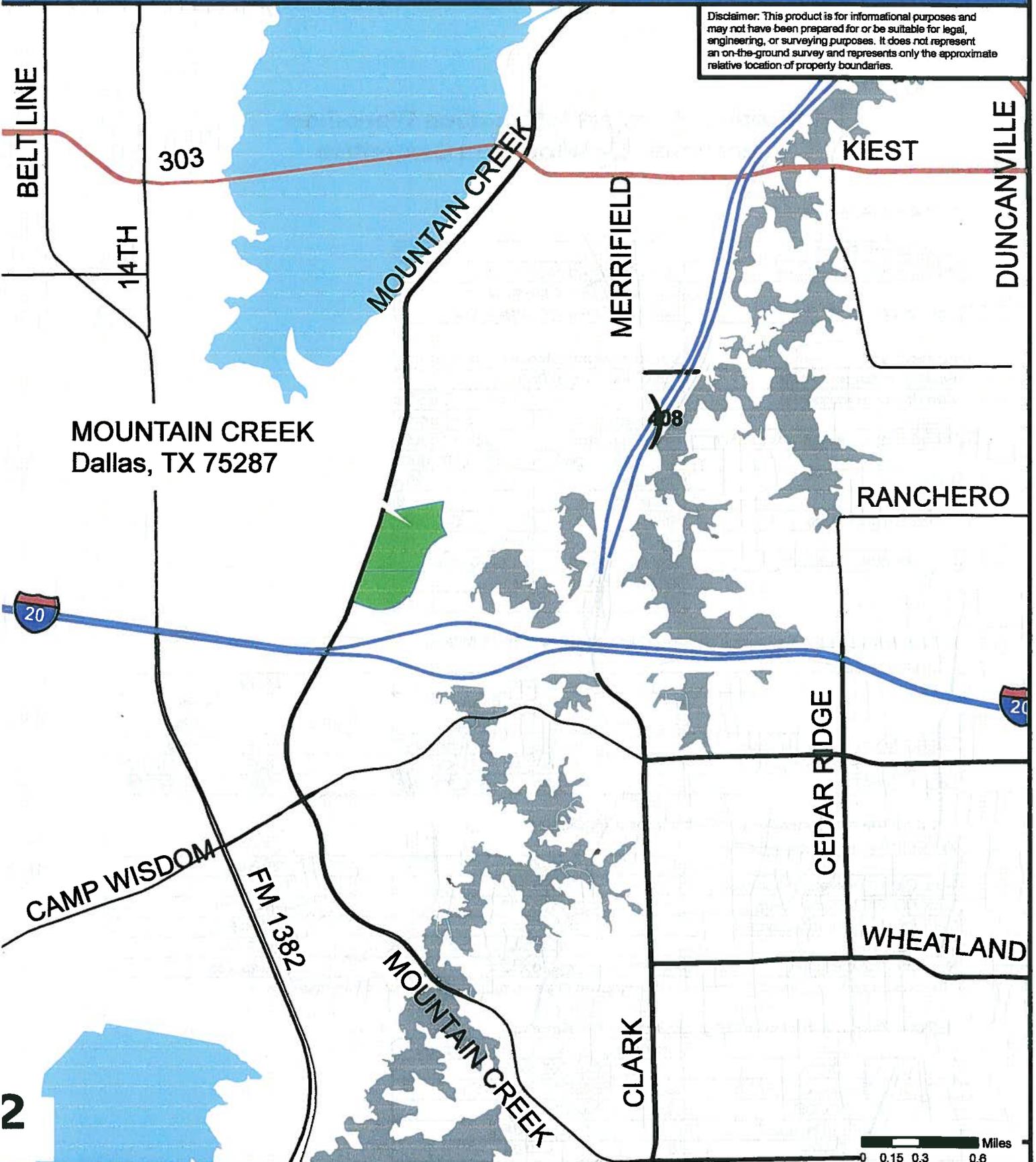
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Mountain Creek Property

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MOUNTAIN CREEK
Dallas, TX 75287

ALLAS
CONOMIC
DEVELOPMENT

Research & Information Division
14.670.1685
allas-ecodev.org

Legend



Mountain Creek Development

Dallas Area Roads

- Freeway
- Highway
- Arterial
- Local Road

Data Source

Proposed Project Information Worksheet Economic Development Committee

A. Project Summary

City Council District	3	
Project/Company Name	Mt. Creek Investments, Ltd.	
Project Location	East side of the 4800 block of Mountain Creek Parkway, north of	
Project Type	Speculative Industrial/Warehouse	
Facilities (Square Feet)	1,200,000 - 1,600,000	
Construction Schedule	Begin	1-Dec-13
	Complete	31-Dec-14
Private Improvement Investment	Real Property	\$21,600,000
	Business Property	\$120,000,000
Jobs	Created	200
	Retained	0
Average Wage Rate	Salary	\$40,000
	Hourly	N/A
City Incentive Summary	Tax Abatement	90%, 10 years
	Infrastructure	N/A
	Other	N/A

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

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	200	176,822,247	200	84,383,276
Indirect and Induced Impact*	80	141,457,798	80	67,506,621
Total Impact	280	318,280,045	280	151,889,897

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	7,605,097	18,857,672
Total City GF Service Costs	1,855,023	4,063,080
Net Impact Before Incentives	5,750,074	14,794,593
City Incentives	929,622	1,549,370
Net City Fiscal Impact	4,820,452	13,245,223

* 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	\$ 1,643,902	N/A
Dallas County	\$ 322,369	N/A
DCCCD	\$ 152,084	N/A
Parkland Hospital	\$ 345,254	N/A
DART	\$ -	N/A

Memorandum



CITY OF DALLAS

DATE May 31, 2013

TO Members of the Economic Development Committee:
Tennell Atkins (Chair), Ann Margolin (Vice-Chair), Jerry Allen, Monica Alonzo,
Sheffie Kadane

SUBJECT **TCDFW Development Inc. Project, June 12, 2013 Council Agenda**

City staff has negotiated with Trammel Crow Company regarding construction of an 800,000 square foot speculative industrial/warehouse facility on approximately 46.47 acres south of IH-20, between Hampton Road and Polk Street, Dallas, Texas in a Texas Enterprise Zone. Trammel Crow Company will develop this project through an entity called TCDFW 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 Development Inc. seeks City Council approval of a 90 percent real property tax abatement for 10 years and an economic development grant in an amount not to exceed \$1,445,000 to offset public and private improvements. TCDFW Development Inc. will make a minimum of \$18,000,000 in real property improvements in construction of the 800,000 square foot speculative industrial/warehouse facility. The economic development grant will be payable upon the substantial completion of a minimum of \$18,000,000 in real property improvements by December 31, 2014. The real property tax abatement must begin on or before January 1, 2017. TCDFW 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 \$853,444. The proposed agreement will result in a 10-year net fiscal impact of \$1,174,643 and a \$6,647,313 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: South of IH-20, between Hampton Road and Polk Street, Dallas, Texas

Facilities: Construction of an of the 800,000 square foot speculative industrial/warehouse facility

Real Property Investment: Minimum of \$18 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>
Real Property Year One	\$18M	90% - 10 yrs	\$116,203	\$12,911
10-year totals	\$18M		\$853,444	\$94,827

Proposed Estimated Schedule of the Project

Begin Construction September 2013
Substantial Completion December 2014

Fiscal Information

Revenue: First year revenue estimated at \$12,911; ten-year revenue estimated at \$94,827; (Estimated revenue foregone for ten-year abatement estimated at \$853,444).

Owner

TCDFW 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.

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



Ryan S. Evans
Assistant City Manager

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa Rios, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, Administrative Judge Municipal Court
A.C. Gonzalez, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager

Forest Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Stephanie Pegues-Cooper, Asst. to the CMO

TCDFW Development Inc

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

HAMPTON

WHEATLAND

TCDFW Inc
Dallas, TX 75219

HAMPTON

DANIELDALE

POLK



Legend

 TCDFW Inc

Dallas Area Roads

-  Freeway
-  Highway
-  Arterial
-  Local Road

DALLAS
ECONOMIC
DEVELOPMENT

Research & Information Division
14.670.1685
dallas-ecodev.org

Data Source

Proposed Project Information Worksheet Economic Development Committee

A. Project Summary

City Council District	8	
Project/Company Name	TCDFW Development Inc.	
Project Location	South of IH-20 between Hampton Road and Polk Street	
Project Type	Speculative Industrial/Warehouse	
Facilities (Square Feet)	800,000	
Construction Schedule	Begin	1-Sep-13
	Complete	31-Dec-14
Private Improvement Investment	Real Property	\$20,800,000
	Business Property	\$60,000,000
Jobs	Created	100
	Retained	0
Average Wage Rate	Salary	\$40,000
	Hourly	N/A
City Incentive Summary	Tax Abatement	90%, 10 years
	Infrastructure	N/A
	Other - Grant	\$1,445,000

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

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	100	83,583,276	100	176,022,247
Indirect and Induced Impact*	40	66,866,621	40	140,817,798
Total Impact	140	150,449,897	140	316,840,045

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	5,314,076	11,890,774
Total City GF Service Costs	1,374,600	2,478,629
Net Impact Before Incentives	3,939,476	9,412,145
City Incentives	2,764,832	2,764,832
Net City Fiscal Impact	1,174,644	6,647,313

* 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	\$ 1,535,255	N/A
Dallas County	\$ 301,063	N/A
DCCCD	\$ 142,032	N/A
Parkland Hospital	\$ 322,436	N/A
DART	\$ -	N/A