

# Memorandum



DATE June 16, 2014

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

SUBJECT **Victory Park Two-Way Traffic and Parking Directional Signage  
Development Agreement (Sports Arena TIF District), Victory Park UST  
Joint Venture I, L.P.**

On June 27, 2012, City Council authorized district wide technical studies for the Victory Sub-district within the Sports Arena TIF District. The studies focused on completing parking, traffic, vehicular and pedestrian circulation, place making and retail design studies related to public and private improvements within the sub-district and were completed in May of 2013.

One recommendation of the technical studies focused on improving circulation in and around Victory Park. The current one-way traffic condition on Houston Street and Victory Avenue creates confusion and inconvenience for visitors and prevents connectivity to adjacent neighborhoods.

On January 22, 2014, City Council amended the City's Thoroughfare Plan to convert the one-way couplets (Houston Street and Victory Avenue) to two-way roadways.

- **Houston Street Changes** – Conversion of N. Houston Street (from All Star Way to Continental Street) from four northbound lanes to three travel lanes (1 northbound lane, 1 southbound lane and 1 center turning lane) and a dedicated bicycle track on both sides of the street separated by a raised curb. Remainder of N. Houston Street (north of All Star Way) will be converted to two-way status, with shared bicycle lanes.
- **Victory Avenue Changes** – conversion of all of Victory Avenue from four southbound lanes to two-way street, with shared bicycle lanes.

Currently the City does not have any funding to complete the physical conversion of the streets. Generally this type of infrastructure improvement would be funded from proceeds from General Obligation Bonds issued by the City, only after a bond election. The City does not anticipate a bond election until 2017, at the earliest.

In an effort to maintain the district's momentum and ensure that the much needed roadway conversion takes place in a timely manner, Victory Park UST Joint Venture I, L.P. (UST) has agreed to front the costs of the project and implement the two way conversion of Houston Street and Victory Avenue. Conversion of the two streets will change the character and experience of the

roadways and improve bicycle circulation throughout the sub-district by providing a dedicated bicycle track on both sides of Houston Street connecting to the current terminus of the KATY Trail and extending it throughout the sub-district.

The district wide technical studies also recommended the creation of a comprehensive signage and wayfinding program that clarifies and simplifies information needed by visitors and customers to efficiently navigate the district. The proposed parking directional signage package is a comprehensive plan that communicates the new two way traffic conversion.

The cost for the traffic operation conversion is \$3,718,000 and parking directional signage is \$1,030,500 for a total project cost of \$4,748,500. UST will pay for the costs of improvements upfront and will be reimbursed from the TIF District upon completion and availability of TIF funding. Proposed TIF funding will reimburse the total cost of the project. The traffic conversion and parking signage will facilitate efficient circulation in the district, provide bicycle facilities, create balanced multi-modal streets while increasing travel options and slowing traffic speeds.

Proposed parking signage requires approval of an amendment of the Victory Special Provision Sign District by City Council. This amendment would determine the ultimate size, location and number of signs to be installed within the district. The developer has begun the review process with the City. Given the time required to amend a sign district, reimbursement of traffic conversion improvements is not contingent upon completion of the signage component of the project.

### **Fiscal Information**

\$4,748,500 – Sports Arena TIF District Funds

### **Estimated Schedule of Project**

Begin Construction: July 2015  
Project Completion: December 2015

### **Developer**

**Victory Park UST Joint Venture I, L.P.**

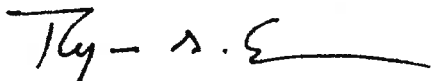
Lance Fair, Vice President

### **Maps**

Attached

Sports Arena TIF District  
June 16, 2014  
Page 3 of 7

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



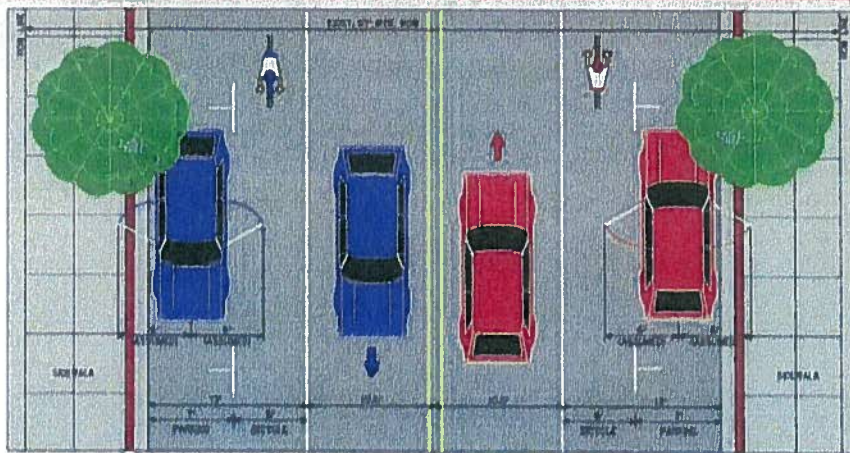
Ryan S. Evans  
Interim First Assistant City Manager

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Shawn Williams, Interim Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council



# Two Way Traffic & Bicycle Plan



Planned bicycle lanes shown above side of parked cars



**Comments**

- Provides a 10' buffered space for bicycles and vehicles stop short zones for bicyclists (not width for parking) for northbound/southbound
- Sidewalks, existing parking on both sides of street. (This takes of width and buffered zone)
- Bikes moved in the same direction as the traffic.
- Consistent with the existing bike facility coming out of downtown
- Sidewalk (concrete) should be present/10ft wide
- Can be done as a separate parking
- Provides clear travel for the bicycle lanes (over 10 ft lanes and 17' total)
- Lane will provide a protected bike lane.
- Complies with the City of Dallas published bicycle plan



DESIGNED BY CYCLES R LAMBO IN VICTORY AVENUE  
 CONVERSION OF N. HICKSTON STREET AND VICTORY AVENUE  
 ONE-WAY TO TWO-WAY TRAFFIC OPERATION  
 VICTORY PARK  
 (Denton, Texas)  
 Victory Park LLC Jeff Vanders (L.P.)



## Victory Avenue

"Dallas – Together, we do it better"





## Parking Signage



TRADEMARK  CUSHMAN & WAKEFIELD

Victory Tomorrow

"Dallas – Together, we do it better"

# Memorandum



DATE June 13, 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 **Amendment to the Development Agreement with DFM Developer, Ltd. for the Farmers Market  
Redevelopment, Phase I Project**

On June 25, 2014, City Council will consider an amendment to the development agreement with DFM Developer, Ltd. for TIF-eligible improvements supporting the Farmers Market Redevelopment, Phase I project. The purpose is to extend completion of the purchase of public market parking/air rights from July 1, 2014 (prior to start of construction of public garage) to December 31, 2017 (after completion of private construction of garage and purchase by City).

The construction work related to the Farmers Market Redevelopment project is underway as planned. Under an original phasing plan, related to the redevelopment of the Dallas Farmers Market, the parking garage, located at Shed 3 and 4 site, was to be constructed by City of Dallas Public Works and Transportation Department (PWT) after purchasing air-rights from DFM Developer Ltd., using City bond funds. This required purchase of the air rights for the garage prior to constructing public parking, would have resulted in public bidding process and construction oversight from PWT. In an effort to reduce project costs and expedite the construction process, the Developer agreed to construct a mixed-use development on the Shed 3 and 4 site, 240 residential units and 16,000 square feet of retail space including the garage. This process eliminates the potential issues related to having a public and private contractor on site at the same time. As a result, the air rights and public parking facility will be purchased at the completion of the project instead of at the beginning. This amendment adjusts completion date to allow this improved process.

Specifically, the amendment to the development agreement under consideration is part of the Farmers Market Redevelopment Phase I project to extend the air rights sale from July 1, 2014 to December 31, 2017.

The following is a brief outline of the various implementation steps completed to this point related to the Dallas Farmers Market Redevelopment project:

**February 27, 2013 – Council amended the Farmers Market TIF District Plan to:**

- 1) Increase the physical area to include the Dallas Farmers Market site;
- 2) Extend the term of the Farmers Market TIF District by 15 years (through the end of 2028);
- 3) Increase the Farmers Market TIF District budget to approximately \$34M (in total collections);
- 4) Decrease the City's participation rate in the TIF District from 100% to 90%;  
and
- 5) Allow the direct sale of land to implement the plan

**March 27, 2013 – Council authorized the long-term lease of Shed 1 and sale of remaining sites to development group led by Brian Bergersen of Spectrum Properties.**



**May 22, 2013 – Council authorized an ordinance that repealed Chapter 29 and amended Chapters 29A and 42A of the Dallas City Code that:**

1. Eliminated requirements, regulations, procedures and other provisions related to the municipal produce market; and
2. Provided requirements and exceptions for the Dallas Farmers Market in city code provisions that govern neighborhood farmers markets and special events

**June 12, 2013 – Council approved minor amendments to lease and sale agreements.**

**June 26, 2013 – Council approved TIF development agreement related to design expenditures related to Dallas Farmers Market redevelopment.**

**July through October 2013 – Developer initiatives:**

1. Assumed day-to-day management of the Dallas Farmers Market
2. Continued discussions with various stakeholders on redevelopment plans – farmers, vendors, Dallas Farmers Market Friends, etc.
3. Finalized redevelopment plans for site
4. Released architects to complete project design
5. Released retail brokers to finalize tenant recruitment efforts
6. Finalized and submitted zoning amendment request

**October 24, 2013– CPC approved and recommended zoning amendment request.**

**October 25, 2013 – Peer Review conducted design review of the project.**

**November 21, 2013 – Developer funds last component of land sale.**

**December 11, 2013 – Council approved TIF development agreement related to the Dallas Farmers Market Redevelopment Phase II Project**

- (A) Shed 1 Project for renovation and operation as a marketplace for local farmers and farm merchants and vendors to sell produce and other farm-related products;
- (B) Shed 2 Project for renovation for use by restaurants, specialty food vendors, other retail vendors, and a beer garden;
- (C) Mixed-use development/Shed 3 and Shed 4 Project for the development of retail, residential, and parking uses (including public parking for the market);
- (D) 2101 and 2111 Taylor Street Project for the development of residential uses; and
- (E) Futsal Project/remote parking area for redevelopment for outdoor activities, specifically a community garden and futsal fields

June 13, 2014

Farmers Market Redevelopment Phase 1 Project Amendment

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**March 28, 2014 – Dallas Farmers Market groundbreaking ceremony.**

**June 25, 2014 - Council will consider authorizing a contract with Gibson & Associates, Inc. for the construction of street paving, storm drainage, landscape, water and wastewater main improvements for the Dallas Farmers Market, Phase II Project.**

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 CMO

# Memorandum



DATE June 16, 2014

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

SUBJECT **DLH Master Land Holding, LLC/Hines Holdings, Inc.**

On June 25, 2014, the City Council will be asked to consider authorization of (1) a ten-year 90 percent abatement of the taxes on added value to the real property and (2) a \$1,760,000 Chapter 380 economic development grant agreement with DLH Master Land Holding, LLC for the purpose of assisting in the development of a new commercial distribution facility located east of Bonnie View Road, south of Telephone Road and north of Wintergreen Road in southern Dallas within the International Inland Port of Dallas.

For the past several months, city staff has been in discussions with DLH Master Land Holding, LLC ("DLH") and Hines Holdings, Inc. ("Hines") regarding development of a new one million square foot speculative commercial distribution facility. DLH Master Land Holding, LLC, the current property owner, has a contract to sell the property to Hines Holdings, Inc., the proposed developer, subsequent to favorable City Council consideration of the requested development incentives. The proposed tax abatement and grant agreement will be assignable from DLH to Hines.

Hines anticipates spending in excess of \$35 million on the proposed one million square foot facility. In order to develop this project, DLH and Hines requests council consideration of a \$1,760,000 economic development grant to offset infrastructure and land development costs and a 10-year 90 percent tax abatement on added value resulting from the proposed real property improvements. The tax abatement is requested to assist securing a tenant at the facility.

To receive tax abatement and the proposed grant, the developer is required to substantially complete the facility on or before December 31, 2015. Further, the developer is required to verify that \$35 million is expended on the project. Eligible project costs in this regard include hard and soft costs associated with land, infrastructure and building improvements.

Net fiscal impact from the project after incentives is estimated at \$723,573 over 10 years and \$8,225,486 over 20 years. This proposed project conforms with the City's Public/Private Partnership Program guidelines and criteria as it has a private investment exceeding \$1 million. Staff recommends the proposed incentives be approved.

**ESTIMATED SCHEDULE OF THE PROJECT**

Estimated Begin Construction 4<sup>th</sup> Quarter, 2014  
Estimated Complete Construction 3<sup>rd</sup> Quarter, 2015

**FISCAL INFORMATION**

\$1,760,000 - Financing: 2012 Bond Program (General Obligation Commercial Paper Funds)

The ten-year forgone revenue associate with the abatement is \$2,510,550.  
The ten-year net estimated fiscal impact of this project is \$723,573.

Fiscal Impact Analysis is attached.

**MAP**

Attached.

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



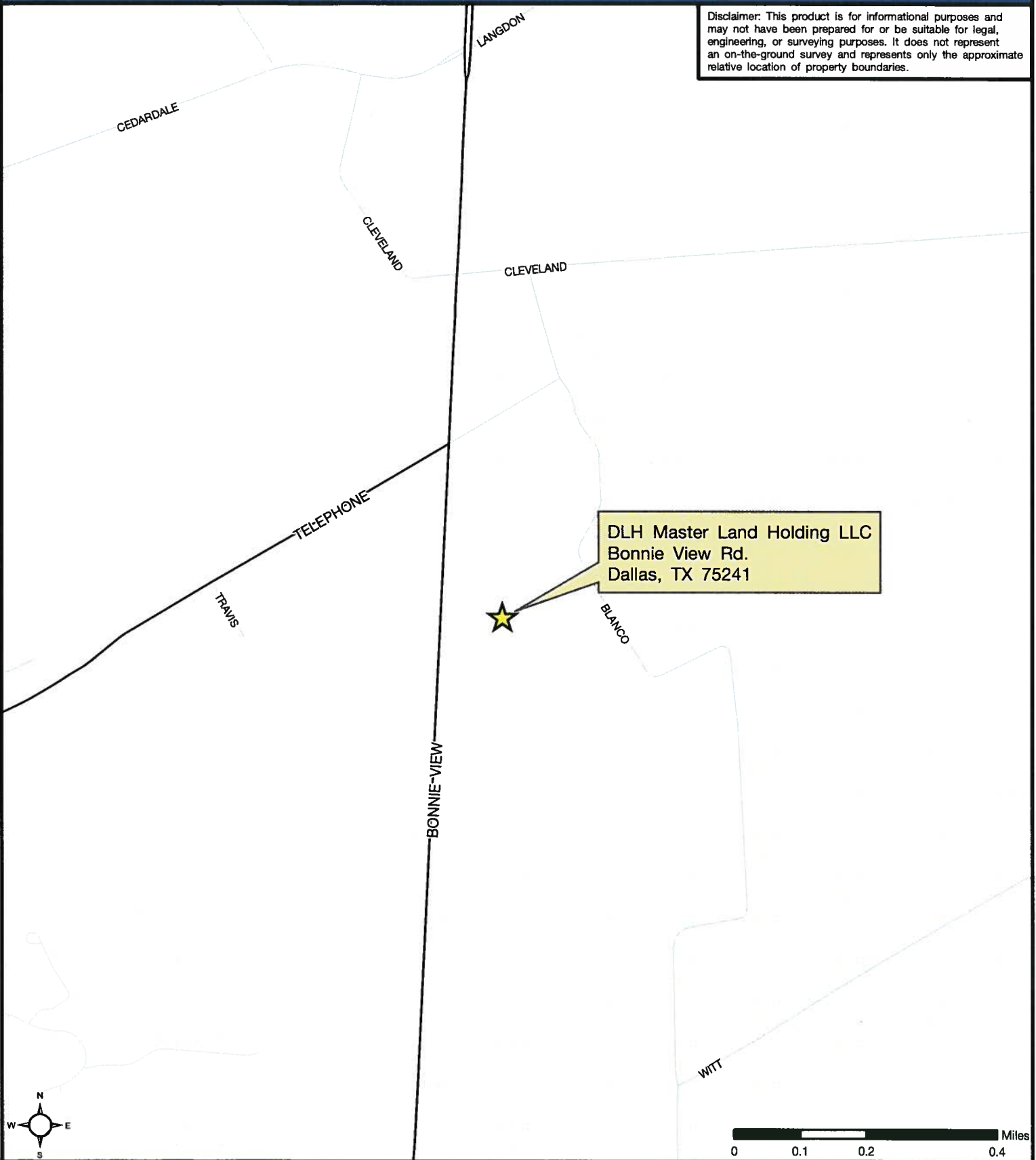
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# DLH Master Land Holding LLC

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.



DALLAS  
ECONOMIC  
DEVELOPMENT

Research & Information Division  
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dallas-ecodev.org

## Legend

- Arterial
- Local Road

Source: City of Dallas, 2014

## Proposed Project Information Worksheet Economic Development Committee

### A. Project Summary

<b>City Council District</b>	8	
<b>Project/Company Name</b>	DLH Master Land Holding, LLC	
<b>Project Location</b>	East of Bonnie View Road, south of Telephone Road and north of Wintergreen Road	
<b>Project Type</b>	Speculative Industrial/Warehouse	
<b>Facilities (Square Feet)</b>	1,000,000	
<b>Construction Schedule</b>	Begin	4th Quarter 2014
	Complete	3rd Quarter 2015
<b>Private Improvement</b>	Real Property	\$25,645,000
	Business Property	\$60,000,000
<b>Jobs</b>	Created	200
	Retained	0
<b>Average Wage Rate</b>	Salary	\$43,550
	Hourly	N/A
<b>City Incentive Summary</b>	Tax Abatement	\$2,510,550
	Infrastructure	N/A
	Other - Grant	\$1,760,000

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

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	200	\$187,355,583	200	\$388,641,443
Indirect and Induced Impact*	80	\$149,884,467	80	\$310,913,154
<b>Total Impact</b>	<b>280</b>	<b>\$337,240,050</b>	<b>280</b>	<b>\$699,554,597</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	\$8,227,804	\$18,603,540
Total City GF Service Costs	\$3,233,681	\$6,107,504
Net Impact Before Incentives	\$4,994,123	\$12,496,036
City Incentives	\$4,270,550	\$4,270,550
<b>Net City Fiscal Impact</b>	<b>\$723,573</b>	<b>\$8,225,486</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	\$ 2,966,104	N/A
Dallas County	\$ 585,547	N/A
DCCCD	\$ 288,493	N/A
Parkland Hospital	\$ 638,526	N/A
DART	\$ -	N/A

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DATE June 13, 2014

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Rick Callahan (Vice Chair), Adam Medrano,  
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SUBJECT **Hatcher Station Village Modifications Related to: 1) Public/Private Partnership Agreement and 2) Forgivable Loan Agreements**

At the June 25th Council meeting, you will consider authorizing amendments for the previously approved Public Private Partnership funding provided to Frazier Revitalization, Inc. for the Hatcher Station Village project (the new Parkland Clinic) and the forgivable loan agreements for land acquisition of properties for the Parkland Clinic site.

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 medical clinic adjacent to the Hatcher Station DART stop. The clinic will be occupied by Parkland Hospital System. This clinic is Phase One of a mixed-use development.

The new facility will be approximately 44,000 sq feet and offer over 50 exam rooms. Services offered will include an adult clinic, geriatric & behavioral health clinic, women and infants specialty health (WISH) clinic, and a pediatric clinic. They are anticipating over 55,000 patients annually, with room for additional expansion. The total project cost is approximately \$19.5 million.

On April 23, 2014, City Council approved a New Markets Tax Credit transaction between the Dallas Development (DDF) Fund and its subsidiaries, J.P. Morgan Chase (Chase) and its subsidiaries, and Frazier Revitalization, Inc. (FRI) and its affiliates (Developer) for the medical clinic. The transaction provides up to \$15M in NMTC allocation to the project but requires certain structuring to comply with federal guidelines.

On April 23, 2014, City Council also 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. On May 28, 2014, this agreement was amended to allow up to \$1.2 million of the previously approved \$2 million to 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. Any portion of the \$1.2 M in bridge funds expended prior to NMTC closing would be reimbursed by the Developer to the City with funds generated by the NMTC

investment, essentially reestablishing \$2M in PPP funds available to the project at financial close.

The \$2 million in PPP have consistently been identified as funding for gap financing. As the financial structure for the project has been clarified, the intended use of the PPP has changed as well. Under the current proposed structure, the \$2M in PPP funds will be allocated into two components. Up to \$1 million will serve as a grant to FRI or Hatcher at Scyene Title Holding Company and up to \$1 million would be a 0% interest repayable deeply subordinated loan provided to FRI to allow FRI to establish a required reserve to secure the senior loan.

Of the \$1M grant, up to \$430,000 will be payable to FRI at NMTC closing as a developer fee; in turn FRI will use these developer fee proceeds to retire bank debt incurred in the purchase of other property for the later phases of the project. An additional \$170k of PPP funds can be used for developer fee payable to FRI at project completion. The remaining portion of the \$1M grant (approximately \$400,000) will be deposited at closing into the NMTC disbursement account and funded pari-passu with NMTC loan proceeds to cover standard project costs other than developer fee.

The \$1M PPP loan portion would be advanced at NMTC closing as a 0% interest loan to FRI at closing into a grant disbursement account to be used to cover cost overruns. At completion, the remaining funds would be transferred to a Chase reserve account securing the Chase senior loan and FRI's other obligations under the NMTC financing such as project completion and tax credit compliance. Under various subordination and/or intercreditor agreements that may be required, the City would not have any rights to call the loan until maturity and successful refinance of the Chase senior loan; hence the City loan will be deeply subordinated. After the 7-year NMTC compliance period and maturity of the Chase senior loan, any remaining portions of the \$1M loan proceeds, to the extent they have not been used to cover the FRI obligations that they were pledged to secure, would be repayable to the City of Dallas. If portions of the \$1M have been used to support FRI obligations (e.g. completion, compliance, ensuring successful senior loan refinance and repayment of senior loan), these portions would not be due and payable; the repayment requirement only applies to the portions not used.

In addition, modifications to Resolution No. 07-0522, as amended by 14-0689, are required. On February 14, 2007, Council authorized a forgivable loan with FRI for land acquisition provided certain conditions were met prior to March 31, 2015. Amendments to the terms of the two prior loan agreements and related security instruments authorized by Resolutions No. 07-0522 and 10-3080, with Frazier Revitalization, Inc., and Frazier HS, LP are needed for compliance with the NMTC structure. Specifically, the amendments will 1) authorize the City Manager to release all the City's liens securing performance and completion of the project at NMTC closing rather than Certificate of Occupancy; 2) allow FRI and Frazier HS LP to transfer certain tracts to Hatcher at Scyene Title Holding Company for development of the new medical clinic; and 3) authorize the Director of the Office of Economic Development to extend project



Hatcher Station Village PPP Amendment

June 16, 2014

Page 3 of 3

deadlines up to 6 months and to execute such other instruments, approved as to form by the City Attorney, as necessary to accommodate the financing structure for this project.

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

A handwritten signature in blue ink, appearing to read "Ry - S. Evans", with a horizontal line extending to the right.

Ryan S. Evans  
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council

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