

Memorandum



DATE August 15, 2008

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

SUBJECT **Amendments to Resolution Nos. 06-2022 and 06-2023 - The Beat at South Side Station Cedars TIF District; Agenda Item, August 27, 2008**

On August 27, 2008, the Dallas City Council will consider amendments to two resolutions, previously approved on August 9, 2006, which authorized the execution of a Development Agreement and the dedication of funds from Cedars TIF District funds in an amount up to \$1,500,000 in support of the construction of The Beat at South Side Station.

The developer, Bellview Condo Associates I, Ltd., (which is affiliated with Matthews Southwest), has nearly completed The Beat at South Side Station, an eleven story condominium tower comprising approximately seventy-five units (105,000 square feet of residential space). The project is located in the Cedars TIF District adjacent to the Cedars DART rail station.

Private improvements

The developer has met the \$14,400,000 minimum total private investment; a total of \$18,300,000 will be spent on the project. The project is 95% complete and nineteen of the 75 units have been sold as of June 1, 2008.

Public improvements

The environmental work on the project has been completed.

An additional 500 feet of wastewater line along Belleview Street was needed due to unexpected conditions in the existing wastewater line along Belleview. The new wastewater line is currently under construction and expected to be complete by late August, 2008.

The sidewalks and pedestrian amenities are being built through a NCTCOG grant project called the South Side Pedestrian Improvement Project. This project is a public-private partnership between DART, the City of Dallas, and Matthews Southwest. It was approved by City Council on January 8, 2003 to provide sidewalks, utility burial, and streetscaping along Belleview Street and Lamar Street from the Cedars DART station to the Convention Center DART station.

The Beat's final certificate of occupancy is dependent on the completion of phase I of this project, the portion in front of the Beat. The project was delayed and the portion in front of the Beat is funded but will not be expected to be complete until March 31, 2009.

Requested amendment

Due to the additional wastewater line requirement and the delays involving the South Side Pedestrian Improvement Project, the developer has requested deadline extensions that are necessary to accommodate (1) the enlarged scope of the sewer line and (2) the streetscape delays that were beyond the control of the developer.

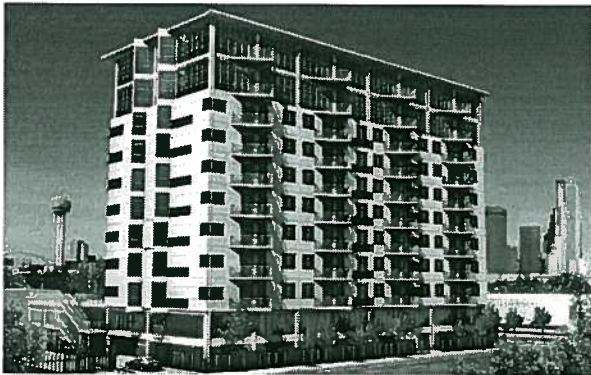
The developer has offered to reduce the amount of requested TIF reimbursement to \$800,000 because TIF-eligible project costs were lower than expected. The developer's original request included the complete re-construction of Belleview Street and Lamar Street associated with wastewater construction. Complete reconstruction proved unnecessary. This Council action reduces the funding and clarifies the language in the budget.

In addition to the amendments listed below, some additional clarifications to the original resolution are recommended at this time, including clarifying that the minimum investment includes all costs for construction, including design and engineering costs.

This action will amend the term of the original agreement to:

- Extend the deadline for both the public and the private construction from June 30, 2008 to March 31, 2009.
- Reduce TIF funding from \$1,500,000 to \$800,000.
- Amend Exhibit A of Resolution Nos. 06-2022 and 06-2023 to clarify the public investment expenses.
- Authorize the Director of the Office of Economic Development to extend project deadlines up to an additional six months for good cause, if supported by additional consideration or benefit to the City.

On June 24, 2008, the Cedars TIF District Board of Directors recommended that these amendments be approved.



Beat – 2007 rendering



Beat – June 20, 2008

ESTIMATED SCHEDULE OF PROJECT

Begin Construction December 2006
Complete Construction ~~June 30, 2008~~ *New date:* March 31, 2009

Fiscal Information

(\$700,000) – Cedars TIF District Funds

This action reduces TIF obligations by \$700,000.

STAFF

Karl Stundins, Manager, Area Redevelopment Division
Pam Veshia, Economic Development Analyst

OWNER

Bellview Condo Associates I, Ltd
Kristian Teleki, Senior Vice President
Matthews Southwest

DEVELOPER

Bellview Condo Associates I, Ltd
Kristian Teleki, Senior Vice President
Matthews Southwest

RECOMMENDATION

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



A. C. Gonzalez
Assistant City Manager

Attachments

Location Map

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge Jay Robinson, Judiciary
Ryan S. Evans, First Assistant City Manager
David O. Brown, Interim Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Dave Cook, Chief Financial Officer
Jeanne Chipperfield, Interim Budget Director, Office of Financial Services
Karl Zavitkovsky Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Verna Martin, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

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SUBJECT **Comerica Relocation: Amendment to Resolution No. 07-3700 to (1) include Comerica Bank as a party to the tax abatement agreement; and (2) remove 1717 Dallas Partners, LLC as a party to the – August 27 2008 Council Agenda**

BACKGROUND

On December 12, 2007, the City Council authorized a tax abatement to support Comerica's relocation of its headquarters to Downtown Dallas. Staff is requesting amendments to the original resolution, authorizing a tax abatement, in order to fulfill the Council's intent. The property owner, 1717 Dallas Partners LLC, has been unable or unwilling to be part of the business personal property tax abatement agreement. In light of this fact, Staff is requesting the following changes;

Amend Resolution No. 07-3700 to include Comerica Bank as a party to the tax abatement agreement and remove 1717 Dallas Partners, LLC, as a party to the agreement.

These amendments do not change the terms and conditions for the original incentives for their project relocating Comerica's headquarters to downtown Dallas.

PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 3, 2007, the Economic Development Committee was briefed on the Comerica relocation.

On December 12, 2007, the City Council authorized an incentive package for Comerica Bank, by Resolution No. 07-3700, and authorized a 90 percent tax abatement on new business personal property for a period of 10 years.

On December 12, 2007, the City Council authorized a Chapter 380 economic development grant in the amount of \$250,000 to defray a portion of the relocation costs, by Resolution No. 07-3701.

FISCAL INFORMATION

No cost consideration to the City

COUNCIL DISTRICT

Council District #14 Councilwoman Angela Hunt

STAFF

J. Hammond Perot, Assistant Director
Carlos Guzmán, Economic Development Analyst

RECOMMENDATION

Staff recommends approval of the subject item.

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



A.C. Gonzalez
Assistant City Manager

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SUBJECT **Prestonwood Public Improvement District Early Renewal; City Council Agenda Item, August 20, 2008**

On August 20, 2008, the City Council will be asked to consider a resolution Authorizing **(1)** a public hearing to be held on September 10, 2008 to receive citizen comments concerning the early renewal of the Prestonwood Public Improvement District for a period of seven years in accordance with Chapter 372 of the Texas Local Government Code, for the specified area of the Prestonwood Public Improvement District for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District; and **(2)** at the close of the hearing, consideration of a resolution authorizing the early renewal of the Prestonwood PID for a period of seven years; approval of the 2009-2015 Service Plan; designating the Prestonwood Homeowners Association, Inc., as the management entity for the District; approving and filing the tax roll, and providing an effective date.

In an effort to accommodate the stated wishes of homeowners in the Prestonwood PID related to broadening the scope of services provided to include landscaping and promotion of the District including construction and improvements to screening walls, this item enables the Prestonwood PID to modify its service plan to include the additional services. Petitions are currently being circulated to property owners in the District. If a sufficient number of petitions are signed prior to September 10, 2008, the early renewal of the PID will move forward. If sufficient signatures are not collected, the early renewal will not be pursued and the District will continue under its existing authorization.

The Act states that the Petition is sufficient if signed by owners of more than 50 percent of taxable real property, according to appraised value, and either of the following: more than 50 percent of the area of all taxable real property liable for assessment under the proposal, or more than 50 percent of all record owners of property liable for assessment.

Schedule of Project

Begin: January 1, 2009
Complete: December 31 2015

Fiscal Information

No cost Consideration to the City

Staff

Karl Stundins, Manager, Area Redevelopment Division
Stan Prichard, Economic Development Analyst

Recommendation

Staff recommends approval of the subject item.

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



A. C. Gonzalez
Assistant City Manager

Attachments

Prestonwood PID Map of the District
Exhibit A Service Plan
Exhibit B Assessment Plan

C: The Honorable Mayor and Members of the City Council

Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
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Helena Stevens-Thompson, Assistant to the City Manager

Exhibit A

Prestonwood Improvement District—Seven-Year Budget

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Inflation Factor
REVENUES & RESERVES										
Calendar Year End Balance	10693.79	\$128,124	\$105,016	\$111,431	\$97,280	\$105,592	\$117,354	\$129,815		100%
Net assessment Revenue	\$517,000	\$366,347	\$403,364	\$411,431	\$419,860	\$428,063	\$436,614	\$445,347		102.60%
Example Jurisdictions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		100%
Interest on cash balances	\$6,390	\$6,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000		100%
Other income & contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		100%
TOTAL INCOME & RESERVES	\$432,384	\$600,471	\$513,380	\$527,863	\$521,940	\$538,655	\$556,968	\$578,961		
DISBURSEMENTS										
Bank Fees	\$330	\$330	\$330	\$330	\$330	\$330	\$330	\$330		100%
Police Officer Bonus	\$1,907	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800		100%
Patrol Car Expense	\$12,765	\$13,500	\$13,770	\$14,045	\$14,328	\$14,613	\$14,905	\$15,203		102%
Security Patrol—Contract Labor	\$251,000	\$288,385	\$273,753	\$279,228	\$284,812	\$290,509	\$296,319	\$302,245		102%
Administrative Expense	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000		100%
Insurance	\$20,648	\$21,000	\$21,530	\$22,279	\$22,947	\$23,636	\$24,345	\$25,075		102%
Accounting Services	\$4,100	\$4,300	\$4,386	\$4,474	\$4,563	\$4,654	\$4,748	\$4,842		102%
Postage & Printing & Office Supplies	\$3,910	\$2,600	\$2,625	\$2,756	\$2,894	\$3,039	\$3,191	\$3,350		102%
Voice Mail	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180		100%
Vip (Volunteers in Patrol)	\$1,500	\$1,500	\$1,515	\$1,530	\$1,545	\$1,561	\$1,577	\$1,592		101%
Landscape and District Promotion	\$0	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000		100%
Mobile Telephone	\$920	\$960	\$960	\$960	\$960	\$960	\$960	\$960		100%
7 Year Re-certification Expense	\$0	\$0	\$0	\$22,000	\$0	\$0	\$0	\$0		0%
TOTAL DISBURSEMENTS	\$335,260	\$338,465	\$401,949	\$430,953	\$415,359	\$432,261	\$458,353	\$436,578		
FUND BALANCE/RESERVES	\$128,124	186,016	111,431	\$97,280	\$106,962	\$117,354	\$129,815	\$143,383		

Exhibit B
PRESTONWOOD PUBLIC IMPROVEMENT DISTRICT
2008 ASSESSMENT PLAN

The cost of the services and improvements provided by the Prestonwood Public Improvement District will be paid primarily by assessments against real properties within the Prestonwood Public Improvement District boundaries. Annual assessments will be based on the value of real property and improvements as certified by the Dallas Central Appraisal District.

The 2008 assessment rate for the property in the Prestonwood PID is proposed at \$0.09 per \$100.00 of value. Assessments will be carried out in accordance with procedures stipulated in Chapter 372 of the Texas Local Government Code. The City of Dallas shall not be responsible for payment of assessments against exempt City property including City rights-of-way and parks. Payment of assessment by other tax-exempt owners must be established by contract. No such contracts are in place at present.

The Prestonwood PID's assessments will be collected by the Dallas County Tax Office in accordance with the contract with the City of Dallas and in accordance with the management contract between the City of Dallas and the Prestonwood Homeowners Association.