

Memorandum



CITY OF DALLAS

DATE August 3, 2012

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

SUBJECT **1600 Pacific Avenue/Dallas Grand Ricchi Project Development Agreement
Amendment, August 22, 2012 Council Agenda**

Background

City Council approved a development agreement with Ricchi Dallas Investments, LLC (Ricchi Dallas) for the redevelopment of the building at 1600 Pacific Avenue on October 26, 2010. The project was proposed to be completed in phases that would return the long vacant building to a leasable condition. The project includes the following phases:

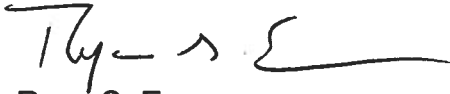
1. Stage I. – Cleaning. This stage includes removal of the obsolete operating systems for the building and demolition of interior walls for all 32 floors, excluding the elevator areas. The interior space will be opened up and cleaned down to the concrete.
2. Stage II. – Lower Floor Renovation. This stage will include renovation of the elevator systems, roof, and windows, installation of a new heating and air conditioning system, and renovation of the lower 4 floors of the building to leasable condition. The exterior of the building will be restored to its original condition. Renovation of approximately 56,000 square feet of gross commercial space is also completed in this stage.
3. Stage III. – Finish out of an additional 60,000 square feet of space or 6 additional floors.

Since approval of the development agreement in 2010 the developer has substantially completed Stages 1 and 2 of the project but has requested an additional year to complete Stage 3. Also during this time the developer has purchased all ground leases for the project and has been working with a hotel tenant that would occupy floors 1 through 18 of the building. To date, over \$27 million has been invested in the project, including \$4.7 million for acquisition of the ground leases. The developer has exceeded the required minimum investment of \$26.4 million for the project.

Currently First National Bank, Dallas Ricchi and the potential hotel tenant are in negotiations for a construction loan to build the hotel and need additional time to finalize the transaction. Additional time is necessary to complete hotel construction drawings that include floors 1 through 18, a portion of which is in Stage 3 of the project. As a result, Dallas Ricchi has requested an extension of the completion

date of Stage 3 from December 31, 2012, to December 31, 2013, to allow the completion of financing negotiations and construction documents.

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

A handwritten signature in black ink, appearing to read 'Ryan S. Evans', with a long horizontal flourish extending to the right.




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

1600 Pacific Avenue



Downtown Connection TIF District

-  1600 Pacific Avenue
 Properties outside TIF
 Properties inside TIF



City of Dallas
Office of Economic Development
February 2009

Memorandum



CITY OF DALLAS

DATE August 3, 2012

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

SUBJECT **TIF Development Agreement for the Turtle Creek Median Project,
August 22, 2012 Council Agenda**

Background

Staff has been working with Texas Security Bank (TSB) on a proposal for median and signage improvements along Turtle Creek Boulevard from Irving Boulevard to Market Center Boulevard as a Design District TIF district-wide improvement project. The proposed improvements would enhance a gateway area of the TIF District and nearby Trinity Strand Trail plaza.

The proposed Turtle Creek Median Project ("the Project") scope includes:

- Irrigation and landscape improvements for two medians in Turtle Creek Boulevard between Irving Boulevard and Market Center Boulevard.
- Wayfinding signage consistent with other recent TIF improvements which include four directional signs at the intersections, a kiosk style sign at the Trinity Strand plaza trailhead, and gateway style sign in the median at the corner of Turtle Creek Boulevard and Irving Boulevard.

Requested TIF funding for the Project is an amount not to exceed \$116,356 and TSB, upon completion of the Project and submission of all required documentation, will be eligible to be reimbursed from available district-wide set aside funds.

The proposed schedule is to start improvement installation by October 31, 2012 and complete the improvements by April 2013. TSB, in cooperation with another property owner, will assume operation and maintenance responsibility for the Project improvements.

On June 20, 2012, the Design District TIF Board reviewed the proposed Turtle Creek Median Project and recommended City Council authorize a development agreement with Texas Security Bank and dedicate an amount not to exceed \$116,356 for TIF eligible project costs.

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

Ryan S. Evans

Assistant City Manager

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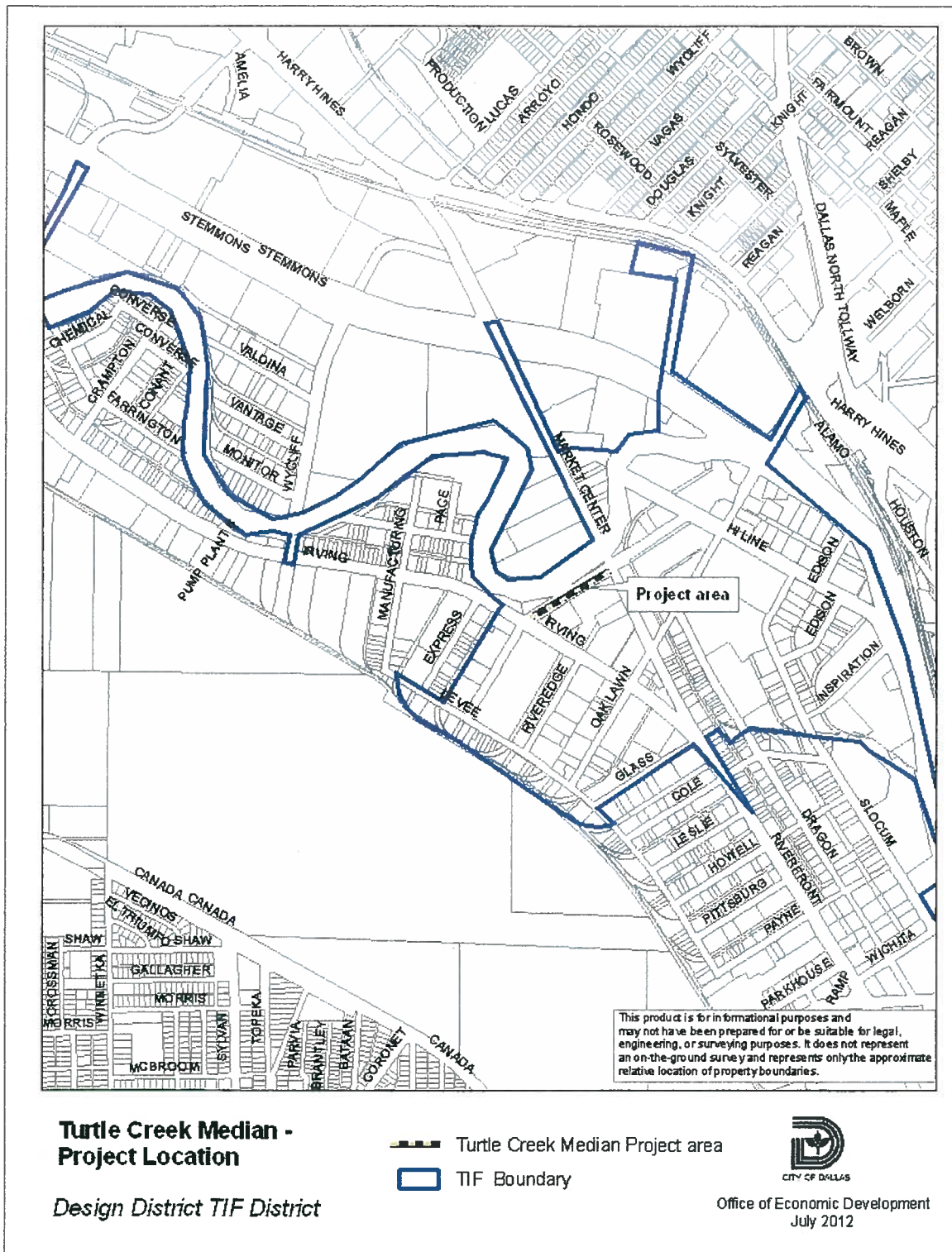
Jeanne Chipperfield, CFO, OFS

Karl Zavitkovsky, Director, OED

J. Hammond Perot, Assistant Director, OED

Stephanie Pegues-Cooper, Asst. to the CMO

Location of Proposed Improvements



Memorandum



CITY OF DALLAS

DATE August 3, 2012

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

SUBJECT **TIF Development Agreement for the Trinity Strand Trail Soft Surface Trail Design Project, August 22, 2012 Council Agenda**

Background

Staff has been working with Friends of the Trinity Strand Trail ("The Friends") on a proposal for the Trinity Strand Trail Soft Surface Trail Design (the "Project") for a trail segment along the banks of the Old Trinity River from Farrington Street to the existing trail plaza at Hi Line Drive.

The proposed Soft Surface Trail would be approximately 2 miles and parallel to a concrete trail (main/spine trail) on the opposite banks being implemented as part of Phase I of the trail master plan which is anticipated to begin construction in fall 2012. The soft surface crushed granite path will connect to the spine trail with low water crossings and pedestrian bridges providing non-motorized access within the district.

The Project scope would include landscape architecture and engineering services for a complete design of the proposed soft surface trail including a topographic survey, geotechnical investigation, schematic design and construction documents. The design scope is proposed to include:

- Approximately 2 miles of decomposed granite trail (8' wide or larger depending on available land) mostly on top of the banks of the Old Trinity Meanders extending from Farrington Street east of Medical District Drive, crossing below Wycliff Avenue, crossing Market Center Boulevard at street level and terminating at the Hi Line Drive trail plaza.
- Five pedestrian bridges, each approximately 250' long and 12' wide, that cross the Old Trinity Meanders.
- Four low water crossings.
- Retaining walls, bollards, handrails, benches, signage, and lighting.
- Up to three small plazas/overlooks.
- Pedestrian lighting over the length of the trail.

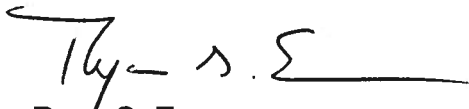
The Friends propose to contract with a consultant team to complete the design and would coordinate involvement with the City and private landowners during the process.

Requested TIF funding for the Project is an amount not to exceed \$400,000 for both schematic design and construction documents for the proposed trail. TIF funds will be available as a direct expenditure from available district-wide improvement funds. TIF funds will be paid based on consultant services invoices as a percentage of work completed submitted no more frequently than monthly.

The proposed schedule is to start the schematic design phase in September 2012 and complete the design through construction documents by December 2013.

On June 20, 2012, the Design District TIF Board reviewed the proposed Project and recommended City Council authorize a development agreement with Friends of the Trinity Strand Trail and dedicate an amount not to exceed \$400,000 for TIF eligible project costs.

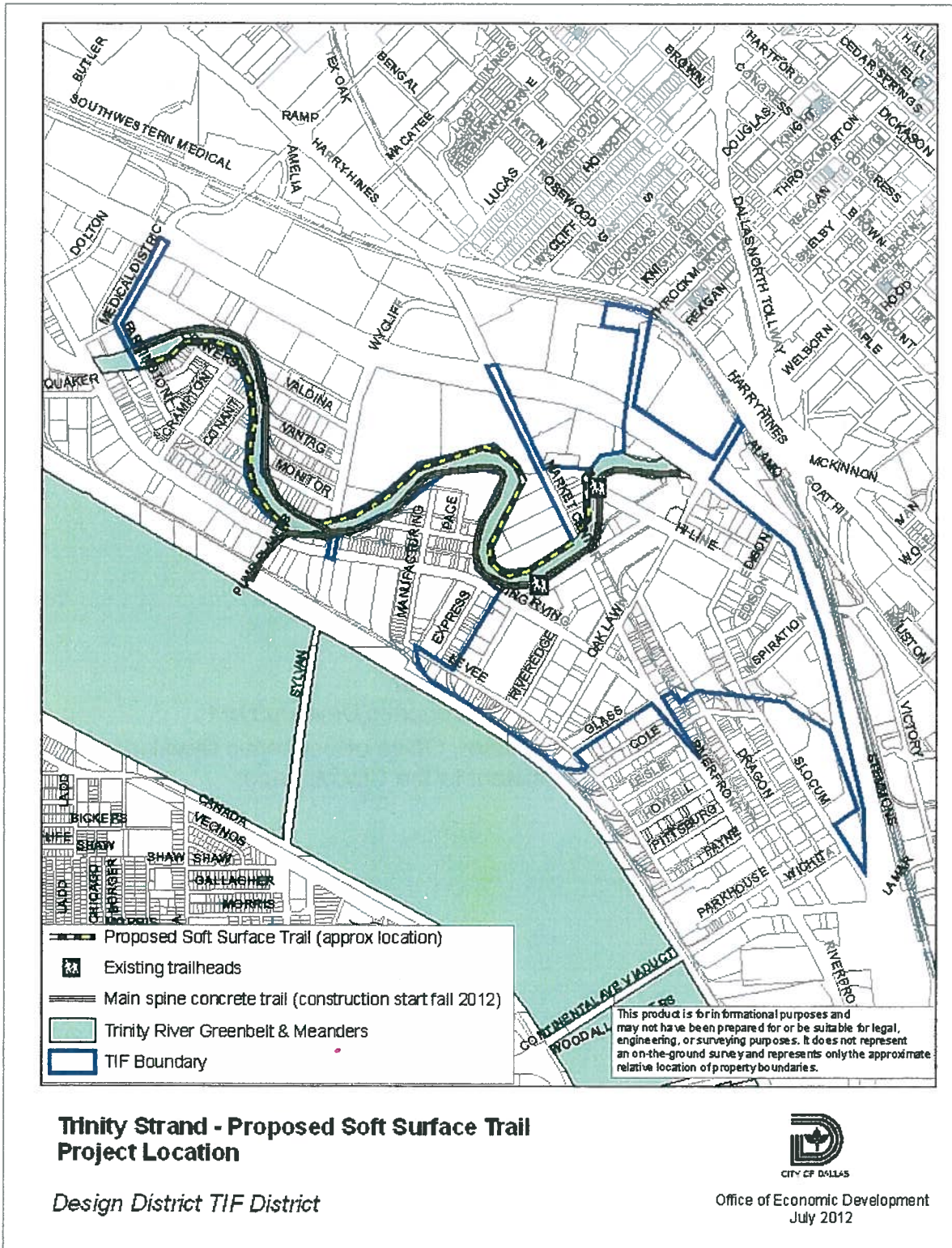
Should you have any questions or concerns, please contact me at (214) 670-3296.



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

Location of Proposed Soft Surface Trail Design Project



Memorandum



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DATE August 3, 2012

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

SUBJECT **The second of four twelve-month renewal options to the contract with Southern Dallas Development Corporation (SDDC) to administer the City of Dallas CDBG Business Revolving Loan Program - City Council Agenda – August 22, 2012**

On June 23, 2010, the City Council authorized the adoption of the FY 2010-11 Consolidated Plan Budget, which included program income estimated at \$600,000 to be retained by SDDC and any unexpended balances from prior years, to continue the management and operation of the CDBG Business Revolving Loan Program by Council Resolution No. 10-1594.

On December 8, 2010, the City Council authorized the execution of a contract with an initial one-year term and four one-year renewal options with SDDC by Resolution No. 10-3056.

On June 22, 2011, the City Council authorized the adoption of the FY 2011-12 Consolidated Plan Budget, which included program income estimated at \$600,000 to be retained by SDDC and any unexpended balances from prior years, to continue the management and operation of the CDBG Business Revolving Loan Program by Council Resolution No. 11-1679.

On August 24, 2011, the City Council authorized the first of four twelve-month renewal options to the contract with the Southern Dallas Development Corporation to administer the City of Dallas CDBG Business Revolving Loan Program, for the purpose of servicing and making loans to for profit businesses to create and retain jobs for low-to-moderate income persons; and (2) any unexpended balances of program income and allocations from prior contract years be rolled over to continue the CDBG Business Revolving Loan Program by Council Resolution 11-2233.

On June 27, 2012, the City Council authorized the adoption of the FY 2012-13 Consolidated Plan Budget, which included program income estimated at \$600,000 to be retained by SDDC and any unexpended balances from prior years, to continue the management and operation of the CDBG Business Revolving Loan Program by Council Resolution No. 12-1629.

On August 22, 2012, the City Council will consider (1) authorizing the second of four twelve-month renewal options to the contract with the Southern Dallas Development

Southern Dallas Development Corporation (SDDC)
August 3, 2012

Corporation to administer the City of Dallas CDBG Business Revolving Loan Program, for the purpose of servicing and making loans to for profit businesses to create and retain jobs for low-to-moderate income persons; and (2) any unexpended balances of program income and allocations from prior contract years be rolled over to continue the CDBG Business Revolving Loan Program.

BACKGROUND

Since 1989, the City of Dallas has contracted with SDDC to use Community Development Block Grant (CDBG) dollars to administer and implement a business loan program designed to help revitalize and enhance community and economic development in the City of Dallas. SDDC is currently in the twenty-third year of contracting with the City of Dallas to provide these loan services.

SDDC has approved 184 loans through the Revolving Loan Program from inception to date. SDDC has a proven track record of administering loan programs and other services. SDDC has provided approximately \$19,160,065 in CDBG loans to foster economic development; leveraged an estimated \$37,973,863 in private investment and created/retained 1,947 jobs. The CDBG Business Revolving Loan Program provides loan of up to \$300,000 in financing for eligible businesses in the City of Dallas and requires that 1 new job per \$35,000 loaned be created or retained for a low to moderate income person. The Revolving Business Loan Program is managed under HUD and City approved operating guidelines. Rates and terms are established by the SDDC Board of Directors. The Board includes three Appointments by the City Council.

See attached Scope of Services and Loan Performance details through 6/30/12.

OWNER

Southern Dallas Development Corporation
Terrance Henderson, Board Chair

FISCAL INFORMATION

No cost consideration to the City

Staff

Erma Saracho, Sr. Coordinator –Small Business Initiatives
Lee McKinney, Assistant Director, Office of Economic Development

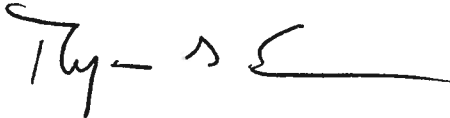
Map

Attached

RECOMMENDATION

Staff recommends the City Council authorize the second of four twelve-month renewal options to the contract with the Southern Dallas Development Corporation to administer the City of Dallas CDBG Business Revolving Loan Program.

Should you have any questions, 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
Lee McKinney, Assistant Director, Office of Economic Development
Stephanie Cooper, Assistant to the City Manager

Scope of Services

CDBG Business Revolving Loan Fund Program

The CDBG Revolving Loan Fund Program is used to make loans to businesses located in the Dallas city limits. Loans made directly or in partnership with conventional banks and non-traditional lenders to qualified business applicants will provide fixed-interest rate, term loans for permanent working capital, machinery, equipment, commercial real estate acquisition and development that will result in job creation through expansion, relocation or growth or, job retention that would actually be lost without CDBG assistance.

CDBG BRLF Program Goals

- Make loans to businesses that will result in job creation and/or job retention for low to moderate income persons.
- Perpetuate a positive and proactive business climate which encourages the retention and expansion of existing businesses and help to attract desirable new businesses.
- Manage the CDBG BRLF Program on behalf of the City of Dallas
 - Screen loan applicants for eligibility
 - Underwrite and process eligible loan requests
 - Process accounts receivables and manage delinquency/collection accounts
 - Submit monthly/quarterly required reporting data to City
 - Make on-site client visits to monitor business operation and job creation or retention goals
- Every \$35,000 loaned must result in one full-time job created and/or retained. Of the total jobs created/retained per loan, 51% must be made available to low to moderate income persons

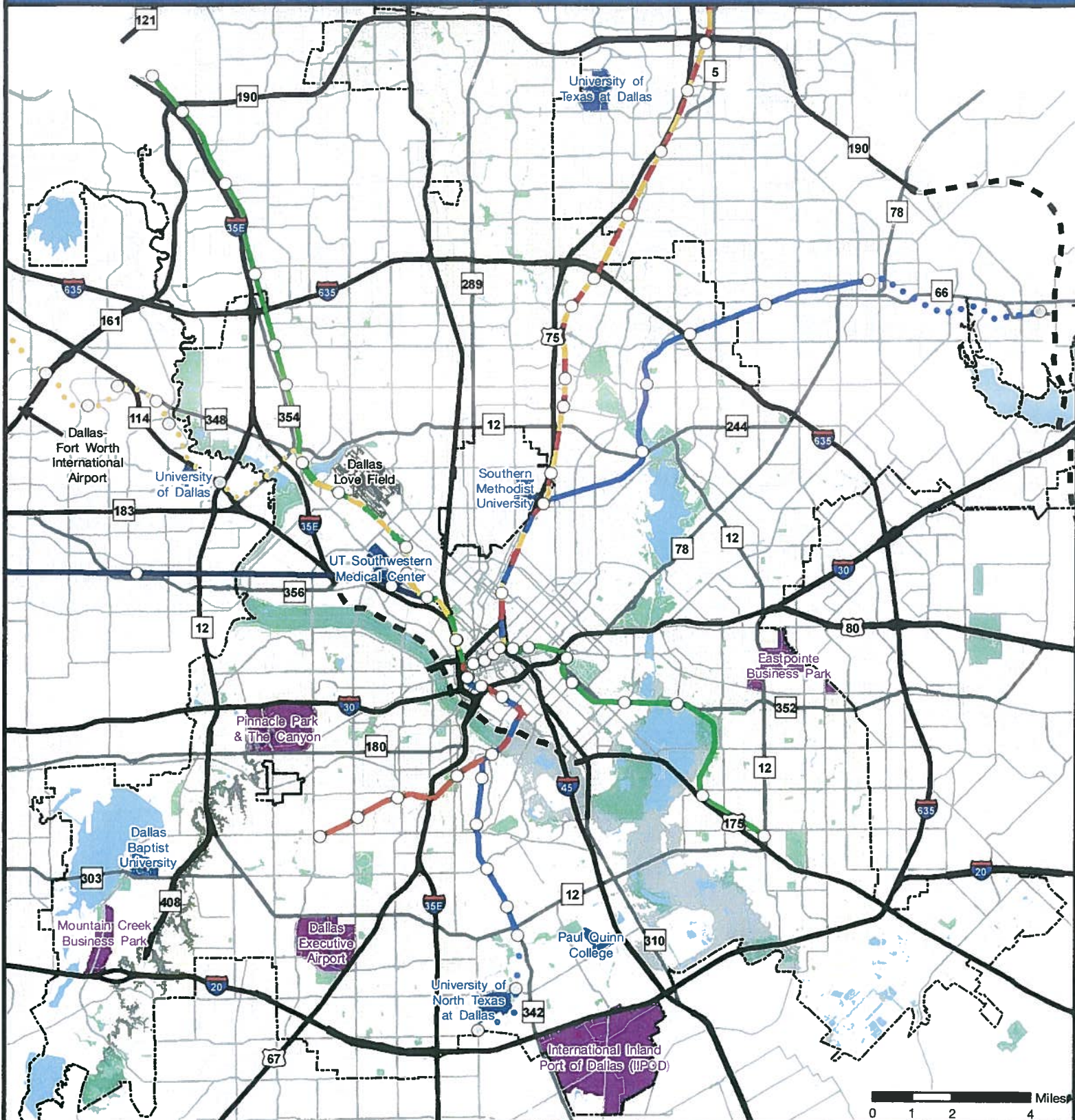
Eligible Borrowers

- The Business must be a for-profit business entity located within the Dallas city limits where CDBG funds will be used to create and/or retain jobs for low to moderate income persons.
- Loans provided under CDBG Business Revolving Loan Program are generally to businesses where conventional financing is not available due to risk factors beyond conventional financing risk tolerance.
























Loan Performance 10/1/11-06/30/12

Loans Closed	2
Total Dollar Amount of Loans Closed:	\$140,000
Total Dollars Leveraged on Loans Closed:	\$253,000
Total Jobs created/retained from Closed Loans:	4
Total receivables collected (Program Income)	\$413,633
Total portfolio as of 6/30/12	\$2,543,765
Total Principal Past Due	\$63,603
Loan Delinquency Rate	2.50%
Loans Charged to Loss	\$0
Loan Loss	0
Loan Loss Recovery	\$16,924
Pending Loans in Pipeline	4
Loan Amount in Pipeline	\$75,000

City of Dallas



Legend

-  City of Dallas
 Rail Station
 Future Station
 DART Red Line
 DART Blue Line
 DART Green Line
 DART Orange Line
 Trinity Railway Express
 DART Blue Line to Rowlett (2011)
 DART Orange Line to DFW Airport (2012-14)
 DART Blue Line to UNT-Dallas (2019)
 Freeway or Tollway
 Highway
 Arterial
 Local Road
 Proposed Freeway or Tollway
 Colleges & Universities
 Lakes & Rivers
 Parks
 Escarpment
 Flood Plain
 Airport
 Business Parks
- Source: Airports & Proposed Roadways - NCTCOG, 2009; All Other Data - City of Dallas, 2010

DALLAS
ECONOMIC
DEVELOPMENT

Research & Information Division
214.670.1685
dallas-ecodev.org

Created: 11/10/2009, Last Updated: 2/28/2011, COD_new.FCG

Source: Airports & Proposed Roadways - NCTCOG, 2009; All Other Data - City of Dallas, 2010

Memorandum



DATE August 3, 2012

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

SUBJECT **Firebird Restaurant Group – El Fenix HQ move and redevelopment project;
Council Agenda August 22, 2012**

Background

On Wednesday, August 22nd City Council will be asked to consider economic development incentives for Firebird Restaurant Group.

For several months, city staff has been in discussion with Firebird Restaurant Group, LLC regarding both the relocation of its existing Dallas headquarters from 11075 Harry Hines Blvd. to 2414 N. Akard Street in Dallas and the establishment of two new restaurants in downtown/uptown. These discussions have covered not only financial incentives, but also the debt financing from the City of Dallas Regional Center which will be funded in the near future.

Firebird Restaurant Group, LLC was formed in May 2008 by Michael D. Karns (sole owner) and is the parent company to El Fenix Corporation, El Fenix (Oklahoma) LLC, Meso Maya, LLC and 100MM LLC which currently operate 23 restaurants and plan to open two more in Dallas.

Meso Maya, LLC was formed in 2011 to hold the assets of a new upscale authentic Mexican restaurant located at the northwest corner of Preston & Forest Road in Dallas. The new restaurant concept is known as Meso Maya Comida Y Copas. The second Meso Maya location will be constructed in the former Luna Tortilla building at 1611 McKinney, next to the downtown El Fenix. Meso Maya's second location is scheduled to open in 4Q2012.

100MM, LLC was formed in 2012 to hold the future assets of a new farm-to-fork fresh American Grill concept to be housed in a vacant building located at 2422 N. Akard St. in Dallas, next to Firebird Restaurant Group's new corporate headquarters at 2414 N. Akard St. The concept is currently under development and scheduled to open in 1Q2013. The existing building is in need of asbestos remediation and significant renovations in order to support the proposed restaurant.

In consideration of Firebird Restaurant Group and its subsidiaries locating and maintaining the headquarters at 2414 N. Akard in Dallas, as well as acquiring and redeveloping currently vacant/dilapidated additional properties into restaurants, staff proposes a Chapter 380 Economic Development Grant in the amount of \$250,000 to help offset relocation and other project related costs.

In order for Firebird Restaurant Group, LLC to be eligible for the proposed incentives, the company or its subsidiaries will be required to invest a minimum of \$10,000,000 for acquisition and improvements to 2414 N. Akard Street, 2422 N. Akard Street and 1611 McKinney in Dallas, and maintain the corporate HQ in Dallas. Firebird Restaurant Group will occupy 51% of the office building located at 2414 N. Akard Street. The remaining space will be leased by other companies, including Karns Commercial Real Estate and Sunrise Foods. It is anticipated that the projects will result in the retention of approximately 20 jobs at the headquarters and approximately 80-100 restaurant positions (estimated 65 FTE's).

This corporate expansion conforms to Public/Private Partnership Program Guidelines and Criteria as it involves an investment of at least \$10,000,000 in the northern Dallas commercial zone.

The retention and expansion of Firebird Restaurant Group LLC in Dallas and the new restaurant developments will result in a positive net fiscal impact of approximately \$256,803 over 10-years after incentives. The projected 20-year net fiscal impact of the project is \$1,476,766.

Owner

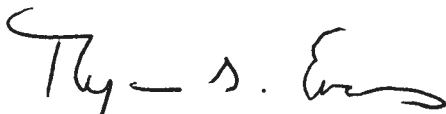
Firebird Restaurant Group, LLC

Staff

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

Recommendation

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



Ryan S. Evans
Assistant City Manager

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Firebird Restaurant Group

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.

Restaurant Site
2422 N. Akard St.
Dallas, TX 75201

Firebird Restaurant Group
2414 N. Akard St.
Dallas, TX 75201

El Fenix & MesoMaya
1611 McKinney Ave.
Dallas, TX 75202



0 0.025 0.05 0.1 Miles

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Legend

- Freeway
- Arterial
- Local Road

Source: City of Dallas, 2012

Created 7/28/12 • 12:07:26 Chris O'Brien.TCG

