

Memorandum



DATE October 2, 2009

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

SUBJECT **Historic Tax Incentive For 501 2nd Avenue; Agenda Item, October 5, 2009**

The applicant is seeking a 100% tax exemption for a ten-year period under the Historic Tax Incentive Program. The applicant has proposed to renovate the buildings for retail/office use. The request meets the requirements of the Historic Preservation Tax Incentive Program ordinance. The Landmark Commission recommended approval of the application for a Certificate of Eligibility on January 5, 2010.

On June 12, 2009, the Economic Development Committee recommended denial of the application. The Committee raised concerns pertaining to the potential impact of the proposed TXDOT I-30 East Corridor project on the subject property. On June 24, 2009 City Council held this item under advisement till October 14, 2009 in order to provide the applicant with time to address the concerns raised by the Economic Development Committee. The applicant now needs additional time to address the Committee's concerns. This item will be brought back to the Economic Development Committee at a later date.

Project Details

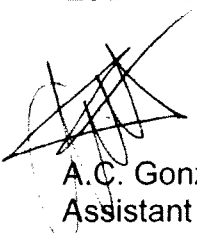
Location: 501 2nd Avenue

Owner: Kaelson Company Properties, Inc.

Total pre-rehabilitation value: \$914,660

Proposed expenditure on improvements: \$500,000

Estimated total revenue foregone over ten years: \$105,802



A.C. Gonzalez
Assistant City Manager

c: The Honorable Mayor and Members of the City Council

Hickory Street Annex
October 2, 2009
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Mary K. Suhm, City Manager
Ryan S. Evans, First Assistant City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Judiciary
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
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Helena Stevens-Thompson, Assistant to the City Manager

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SUBJECT **Softlayer Technologies Inc. and DCI Technology Infomart, LP; Agenda Item,
October 14, 2009**

Background

On Wednesday, October 14, 2009 City Council will be asked to change the abatement period from 2008 through 2012, to 2009 through 2013 and maintain the five (5) year term of the original abatement, pursuant to Resolution No. 07-3782, previously approved on December 12, 2007 - Financing: No cost consideration to the City.

Pursuant to Resolution No. 07-3782, approved on December 12, 2007, the City entered into a 50 percent business personal property tax abatement agreement for 5 years in consideration of an expansion of the company's data center space, and a significant investment in computer equipment. State law requires the real property owner to be a party to the tax abatement. Due to delays associated with obtaining commitment from the property owners as required by law, the company was unable to utilize the abatement approved by Council for tax-year 2008. The company has met the job creation and investment requirements of the original abatement agreement and has been certified to receive the abatement for tax year 2009. In order to receive the full benefit intended by the resolution, Softlayer Technologies, Inc. requests that the abatement start date be extended by one (1) year, resulting in a five (5) year benefit period as approved by Council.

The project resulted in a real property investment of over \$6,500,000, a business personal property investment of \$24,000,000 and the creation or retention of 93 jobs in Dallas

Project Details

Project Site: Infomart

New Expansion: 6,100 square foot datacenter

Jobs: 93

Retention:

- 50 jobs

Expansion:

- 43 jobs

New Business Personal Property Investment: \$24 million

Real Property Investment: \$6.5 million

City Incentives

New Business Personal Property Tax Abatement: 50% - 5yrs

	<u>Investment</u>	<u>Tax Abatement</u>	<u>Annual Foregone Revenue</u>	<u>Annual City of Dallas Tax Revenue</u>
New Business Personal Property	\$24M	50% - 5yrs	\$89,748	\$89,748
5-year totals			\$448,740	\$448,740

Proposed Estimated Schedule of the Project

Begin Tenant Improvements	November 2007
Substantial Completion	March 2008

Fiscal Information

- Revenue: First year revenue estimated at \$89,748; five-year revenue estimated at \$448,740; (Estimated revenue foregone for five-year abatement estimated at \$448,740)

Owner

DCI Technology Infomart, LP
Suzanne Rickman, Leasing Administrator

Developer

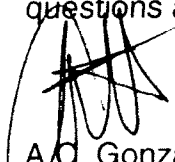
Softlayer Technologies, Inc
Michael S. Jones, CFO

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 214-670-3314.



A.C. Gonzalez
Assistant City Manager

Softlayer Technologies

October 2, 2009

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- C: The Honorable Mayor and Members of the City Council
 - Mary K. Suhm, City Manager
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 - David Cook, Chief Financial Officer
 - Jeanne Chipperfield, Director, Budget & Management Services
 - Karl Zavitkovsky, Director, Office of Economic Development
 - Hammond Perot, Assistant Director, Office of Economic Development
 - Helena Stevens-Thompson, Assistant to the City Manager

Memorandum



CITY OF DALLAS

DATE October 2, 2009

TO Members of the Economic Development Committee:
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SUBJECT **Forest Park Realty Partners III, LP and Forest Park Medical Center, LLC; Agenda
Item, October 14 and 28, 2009**

Background

On Wednesday, October 14, 2009 City Council will be asked to call a public hearing to receive comments on creating a reinvestment zone in anticipation of holding a public hearing, creating Reinvestment Zone 73 and considering economic development incentives for Forest Park Realty Partners III, LP and Forest Park Medical Center, LLC on October 28, 2009.

For the past several months, city staff has negotiated with Forest Park Medical Center, LLC and Forest Park Realty Partners III, LP, the property owner, regarding a possible expansion of its medical facilities located at 11990 North Central Expressway in Dallas, Texas.

The proposed \$110 million expansion includes an additional 125,000 sq. ft. hospital, a 150,000 sq. ft. medical office building and a 750 space parking garage located at 11990 North Central Expressway, just north of Forest Lane. Real property improvements will amount to \$70 million. The hospital will create a minimum of 300 new jobs, with an average salary of \$50,000. Sites in Plano and Austin were also considered for this expansion project.

Forest Park Realty Partners III, LP and Forest Park Medical Center seek City Council approval of a 60 percent real property abatement on the new construction related to this project. The creation of a reinvestment zone is necessary in order to provide an abatement for this project.

Forest Park Medical Center is an existing medical facility that includes 24 inpatient beds, 8 state of the art fully integrated operating suites, an imaging center with MRI, CT and R&F Room and other ancillary services. The hospital specializes in bariatric surgery as well as spinal surgery.

The medical center is currently constructing an administrative office building at this location. This project consists of a 72,000 sq. ft., four-story office building to support the existing medical facilities, and is not subject to the proposed abatement.

The proposed agreement will result in approximately \$209,000 in new annual revenue for the City of Dallas and the annual forgone revenue for the City of Dallas will be approximately \$314,000.

Project Details

Project Site: 11990 North Central Expressway, Dallas

New facilities: 125,000 sq. ft. Hospital
150,000 sq. ft. Medical Office Building
750 Space Parking Garage

Real Property Investment: \$70 million

City Incentives

New Real Property Tax Abatement: 60% - 8yrs Tax abatement will commence on or before January 2013.

	<u>Investment</u>	<u>Tax Abatement</u>	<u>Foregone Revenue</u>	<u>City of Dallas Tax Revenue</u>
Real Property Year One	\$70M	60% - 8yrs	\$314,118	\$209,412
8-year totals			\$2,512,944	\$1,675,296

Proposed Estimated Schedule of the Project

Begin Construction January 2010
Substantial Completion June 2011

Fiscal Information

- Revenue: First year revenue estimated at \$209,000; eight-year revenue estimated at \$1,675,296; (Estimated revenue foregone for eight-year abatement estimated at \$2,512,944).

Owner

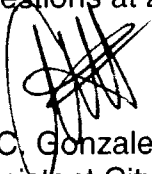
Forest Park Realty Partners III, LP
Richard Toussaint, M.D., Founder
Forest Park Medical Center, LLC
Managing Partner
Neal Richards Group

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 214-670-3314.

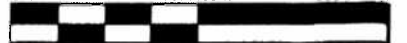
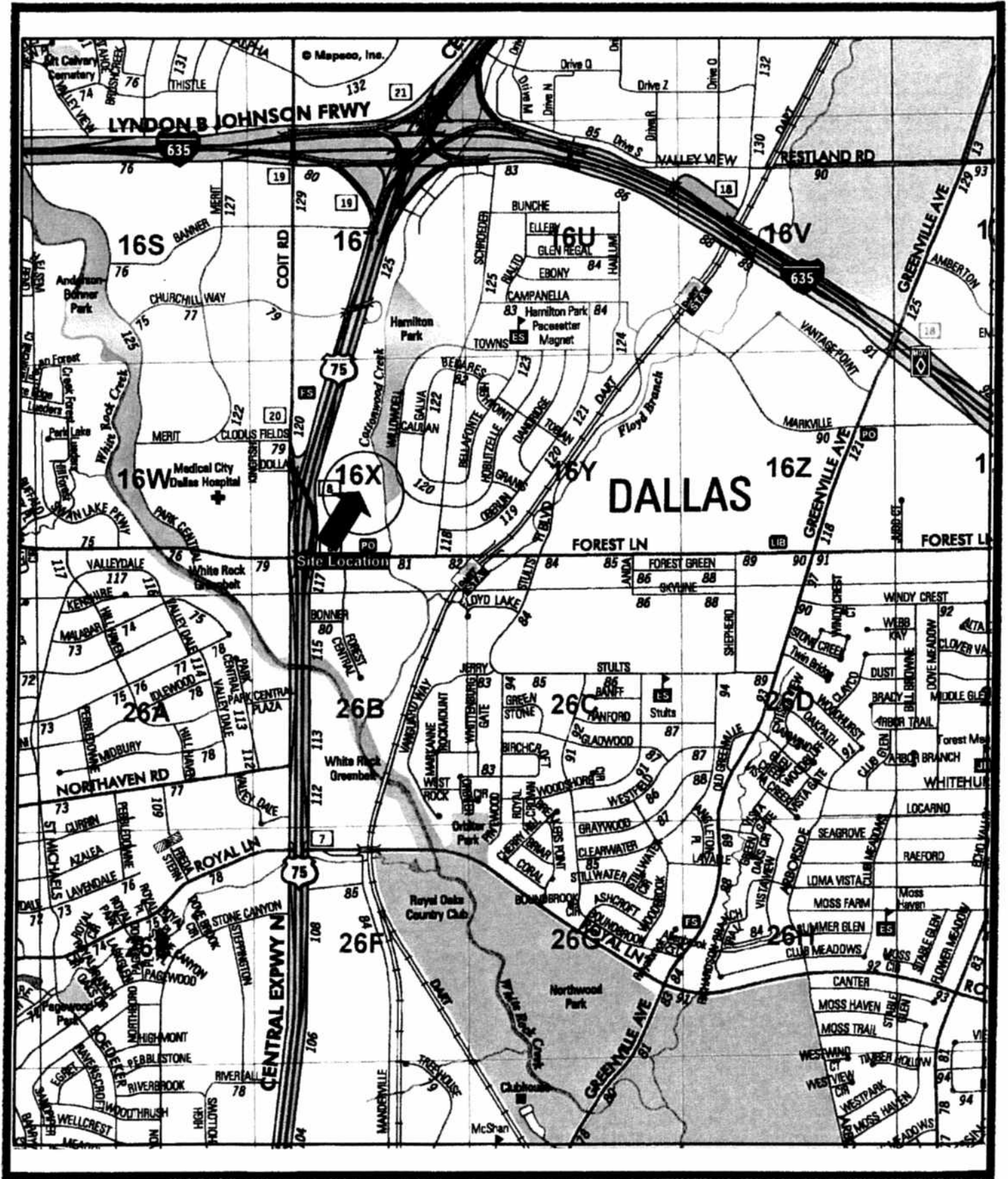


A.C. Gonzalez
Assistant City Manager

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Helena Stevens-Thompson, Assistant to the City Manager

Forest Park Medical Center

MAPSCO



Memorandum



CITY OF DALLAS

DATE October 2, 2009

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

SUBJECT **Authorize Development Agreement with Twelve Hills Nature Center, Inc. (Davis Garden TIF District); Agenda Item, October 14, 2009**

Twelve Hills Nature Center is an urban preserve located in Dallas' Oak Cliff neighborhood. It serves as an outdoor classroom and passive recreational area. The nature center's mission is to educate children and adults about environmental stewardship and community-building through the creation and maintenance of the urban preserve's native Texas blackland prairie and small wetland. The Twelve Hills Nature Center, Inc. is A Texas not-for-profit corporation.

TIF funds will be used to offset some of the costs of improvements to the Twelve Hills Nature Center. The project will include: (1) the erection of a series of three curving walls to create an attractive entrance to the Twelve Hills Nature Center. The walls will be constructed of large natural stone. A main entry sign bearing the words "Twelve Hills" will be affixed to the outer wall. The words "Nature Center" will be sandblasted into the wall underneath the sign. The total dimensions for the signage is approximately 10 feet x 2 feet; and (2) the planting of native plants around the trailhead walls and in the area between the outer wall and Mary Cliff Road, the removal and replacement of the existing sidewalk along Mary Cliff Road with a 10-foot wide sidewalk, the construction of a parking area that will feature a permeable paved surface, and a decorative walkway that will extend from the Nature Center's entrance area to the new sidewalk and parking area. The new sidewalk shall be measured from the back of the curb and include a 3-foot wide landscaping/pedestrian lighting zone adjacent to the curb and a 7-foot wide pedestrian zone.

The TIF component to the project is \$118,820. The project's total costs are \$312,648.

A public access easement was created to ensure that the Twelve Hills Nature Center is accessible to the general public on a daily basis between the hours of 9:00 a.m. and 10:00 p.m. The term of this easement is 20 years with automatic 10 year renewals.

Specific terms for the deal are included in the resolutions.

The District will not set-aside any subsidy from its Total Increment for district-wide improvements until the obligations for INCAP's pre-existing agreement are satisfied. Once INCAP's pre-existing agreement has been fully reimbursed, the Davis Garden TIF Board has agreed to set-aside an amount not to exceed 5% of the District's Total Increment for district-wide improvements after the payment administrative expenses and the affordable housing set aside (20% of all remaining annual TIF increment). The TIF subsidy shall not accrue interest.

The project summary is as follows:

Total square footage required	5.43 acres
Developer fee	N/A
Required private investment – site acquisition and hard costs of construction	\$177,328
Total project cost including site acquisition, hard costs of construction, all soft costs, and TIF expenses/other public.	\$312,648
TIF funding	\$118,820
% TIF funds to total project cost	38.0%
Rate of return with TIF funds	N/A
Rate of return without TIF funds or other public assistance	N/A
Deadline to purchase properties	N/A
Deadline to complete park and open space improvements	July 1, 2010
Deadline to complete streetscape improvements	July 1, 2010

SCHEDULE

Begin Parks and Open Space Improvements	September 2009
Complete Parks and Open Space Improvements	June 2010
Begin Streetscape Improvements along Mary Cliff Road	September 2009
Complete Streetscape Improvements along Mary Cliff Road	January 2010

FINANCING

\$118,820 – Davis Garden TIF District Funds

OWNER

Twelve Hills Nature Center, Inc.
A Texas not-for-profit corporation
 Monica Moline, President

DEVELOPER

Twelve Hills Nature Center, Inc.
A Texas not-for-profit corporation
 Monica Moline, President

STAFF

Telemachus Evans, Economic Development Analyst
 Karl Stundins, Manager, Area Redevelopment Division

RECOMMENDATION

Staff recommends the Twelve Hills Nature Center's Urban Prairie Trailhead project for City Council's approval since it satisfies the following conditions which specify how we envision TIF Funds being utilized for the Davis Garden TIF District's District-Wide Improvements:

The use of TIF funds for the Davis Garden TIF District's District-Wide Improvements is:

1. Not intended to be used for private improvements such as commercial signage.

2. Intended to be use for the following type of improvements:
 - Open Space
 - Dog Parks
 - Trails
 - Bicycle Improvements
 - Trail enhancements (i.e. a seating areas)
 - Pedestrian lighting
 - Parks
3. Intended to be used for items that are supported by a community or neighborhood group(s).
4. Intended to be used in circumstances where TIF funds leverage other private or public investment. The goal is to have each TIF dollar leveraged by at least two other dollars.

MAP

Attached

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

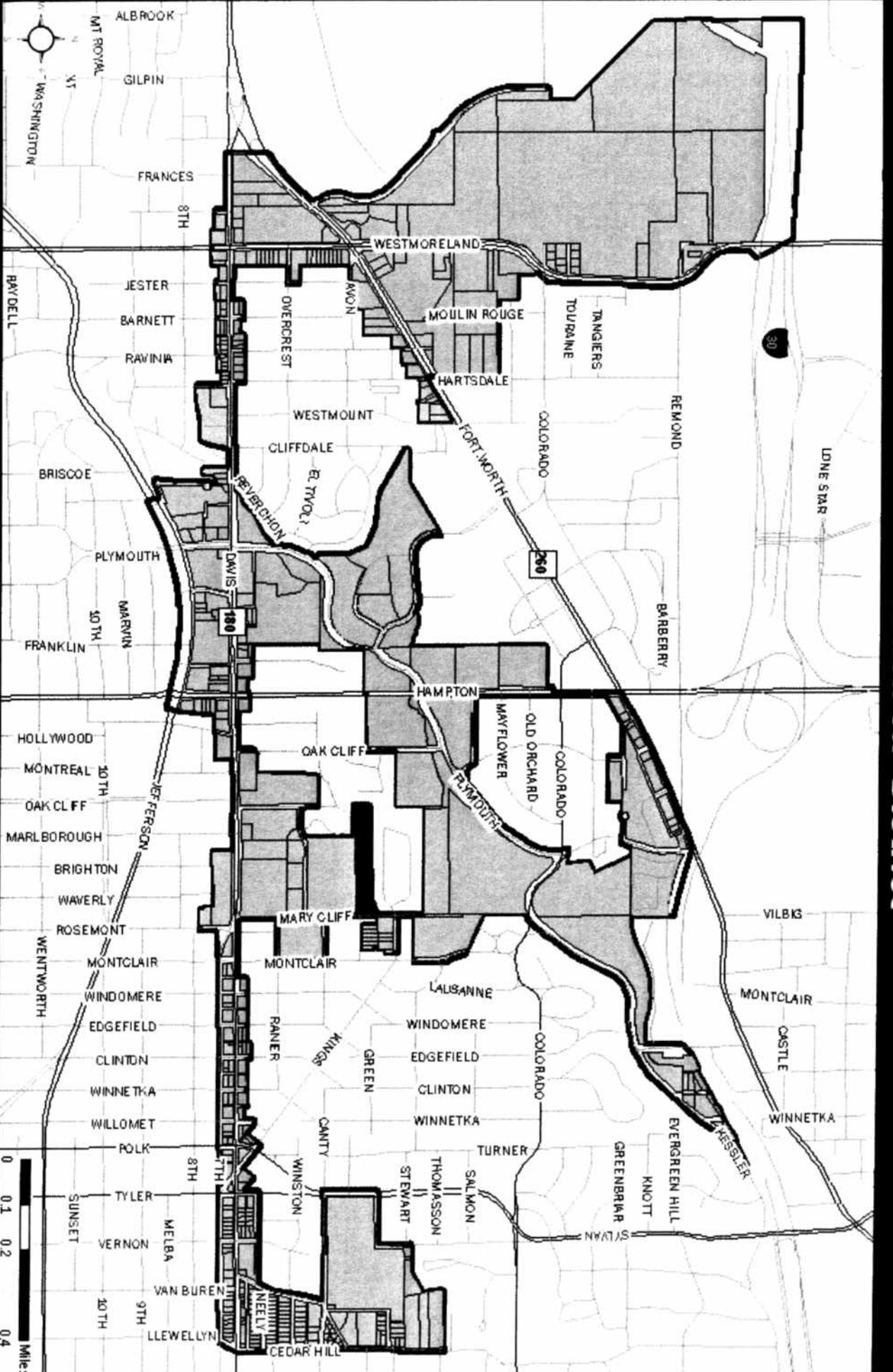


A. G. Gonzalez
Assistant City Manager

Attached
Maple/Mockingbird TIF District Map
Proposed Boundary Amendments

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Judge C. Victor Lander, Judiciary
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Helena Stevens-Thompson, Assistant to the City Manager

Davis Garden TIF District



City of Dallas - Office of Economic Development

Research & Information Division
 (214) 670-1685
<http://www.Dallas-EcoDev.org>
 Created 1/15/08, Last Updated 11/5/08 - R2.16 Web Map TDS

Legend

- Davis Garden TIF Boundary
- Davis Garden TIF Parcels
- Twelve Hills Nature Center
- Primary Highway
- Secondary Highway
- Major Arterial
- Local Streets

Source: City of Dallas, 2009-09



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Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane,
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SUBJECT **Amendment to NCTCOG Interlocal Agreement related to the Comprehensive Area
Plan for the International Inland Port of Dallas**

On May 28, 2008, the Dallas City Council approved Resolution No. 08-1521, previously approved on May 28, 2008, which authorized an Interlocal Agreement with the North Central Texas Council of Government (NCTCOG) for the development of a Comprehensive Area Plan related to the International Inland Port in Southern Dallas County.

Since its passage, the Comprehensive Area Plan has been revised and renamed the Southern Dallas County Infrastructure Analysis Project. It now includes the City of Ferris as a municipal partner (joining Dallas County and the Cities of Hutchins, Lancaster and Wilmer). In addition, the project scope has been modified to an infrastructure analysis, with a focus on water, waste water, storm water, arterial and local roads and utilities. Finally, a land owner and a developer representative have been invited to serve on the project's advisory committee.

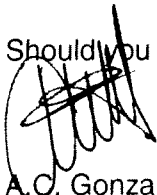
Specific tasks for the Infrastructure Analysis include the following:

- Public involvement and outreach: meetings with project partners, consultants, and other interested parties.
- Review of all existing and ongoing plans and studies performed for the study area
- Population and employment analysis
- Infrastructure Capacity and Needs Assessment focusing on transportation, potable water
- Creation of Infrastructure and Site Analysis

Funding for the project will be split among the project partners. The City of Dallas, Dallas County and NCTCOG portion remains \$290,000. The City of Lancaster will provide \$30,000 and Ferris, Hutchins and Wilmer will contribute \$1000 each.

North Central Texas Council of Governments will be issuing the RFP for this project, which is anticipated to occur in December. A consultant is expected to be selected in February of 2010. Once a consultant is selected, the study will take between 12-18 months to complete.

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



A.C. Gonzalez
Assistant City Manager

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SUBJECT **Authorize a resolution amending the City of Dallas Public Improvement District (PID) policy; Agenda Item, October 28, 2009.**

This action will authorize an amendment to the City's PID policy to clarify the petition requirements for single-family and commercial/mixed use PIDs and representations with respect to community property.

On September 8, 2009, the Economic Development Committee was briefed on the annual service plan and assessment process for the eight existing PIDs. Questions arose about the petition thresholds for single-family and commercial PIDs and procedures for community property. The Committee requested that clarifications to the PID policy be brought forward.

The current policy allows the creation of new PIDs in established single-family neighborhoods provided that the property owners representing 66.7 percent of the value and 66.7 percent of all record Owners or 66.7 percent of land area support the creation of a new PID. The petition threshold for the renewal of existing single-family PIDs needed to be clarified and the proposed amendment would require the same 66.7 percent threshold for renewal of a single-family PID. The petition threshold for both new and renewing commercial and mixed use PIDs would remain unchanged at 60 percent.

The current PID policy states that with respect to community property, the City may accept the signature of a spouse as a representation of both spouses that they support the creation or renewal of the PID absent a separate property agreement. This amendment clarifies that if staff is made aware of any disagreement among owners of community property those petitions will not be counted.

The City of Dallas first adopted a Public Improvement District (PID) Policy on December 14, 2005 and subsequently amended the policy pursuant to Resolution No. 08-1782 on June 25, 2008. This policy addresses issues related to eligibility for creation of PIDs, signature and petition requirements and reporting and financial accountability standards. This policy has improved the management and oversight of PIDs in Dallas.

Fiscal Information

No cost consideration

Council District(s)

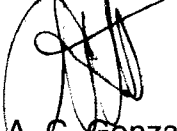
All

STAFF

Karl Stundins, Manager, Area Redevelopment Division
Sue Hounsel, Senior Coordinator

RECOMMENDATION

Staff recommends approval. Please contact me if you have any questions.



A. C. Gonzalez
Assistant City Manager

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