

Memorandum



DATE September 28, 2012

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

SUBJECT **Encore International Investment Funds, LLC**
October 10, 2012 Council Agenda

Background

City staff has been in negotiations with Encore International Investment Funds, LLC to create a call center operation in Dallas. The company provides call center services to businesses and government organizations. As a full-service call center operator, Encore International Investment Funds, LLC provides service solutions and develops customized platforms around each client's needs by blending deep operational experience and customizable service platforms to deliver high-value results and services to its clients. The discussions have covered not only financial incentives, but also the participation of the City of Dallas Regional Center as an investment partner in the project.

The company has leased approximately 12,666 square feet of a 25,022 square foot office building, at 2608 Inwood Road, Dallas, Texas. This building is directly adjacent to the Inwood/Love Field DART Station linking the company with both light rail and bus service essential to their employee recruitment and establishing a catalyst employer for this TOD. This building is also located in an enterprise zone, which is a census tract block group that has a 20% or more poverty rate based upon the decennial census federal poverty level information. Encore International Investment Funds, LLC will make a minimum investment of \$75,000 in tenant improvements to the building and a minimum business personal property investment of \$750,000.

In conjunction with Etech Global Services, LLC and Etech Texas, LLC, Encore International Investment Funds, LLC has created 30 Dallas jobs and will add a minimum of 220 new, permanent, non-seasonal FTE jobs for a total employment of 250 jobs in Dallas. Encore and Etech have committed to hire and train workers from socioeconomically challenged backgrounds and to date, 60 percent of current hires were unemployed. In addition to gainful employment and full benefits, employees receive skills training for internal promotional or future employment opportunities.

Encore International Investment Funds, LLC seeks City Council approval of an economic development grant in an amount not to exceed \$440,000 in consideration of the creation of Encore International Investment Funds, LLC's call center operation in Dallas.

The economic development grant will be payable in installments every six months corresponding to the new jobs created above the base existing employment of 30 jobs at a rate of \$2,000 per employee. The first payment of the economic development grant will be payable upon the substantial completion of the required tenant improvements and verification of a minimum of 150 jobs on site by December 31, 2012. Encore International Investment Funds, LLC must reach a total 250 jobs on site by April 15, 2014.

If Encore International Investment Funds, LLC fails to maintain the minimum job requirement any time before the end of the 5th calendar year from the date of City Council approval, Encore International Investment Funds, LLC will be required to repay \$2,000 per job under the minimum job creation requirement up to the paid grant amount but not to exceed \$440,000.

The proposed agreement will result in an estimated net 10-year total fiscal impact of -\$1,684,673 offset by job creation for the unemployed, on-the-job training and being a catalyst project for TOD. Total economic output over a 10 year period is \$245 Million. This takes into account not only the direct impact of new jobs, but also the indirect and induced supplier and household spinoff effects.

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: 2608 Inwood Road

Jobs: 220

New Real Property Tenant Improvements: \$75,000

New Business Personal Property Improvements: \$750,000

Annual Payroll: \$6,549,000

Average Salary: \$27,868

City Incentives

Economic Development Grant: \$440,000

Proposed Estimated Schedule of the Project

Begin Construction	June 2012
Complete Construction	December 2012

Fiscal Information

Public Private Partnership Funds - \$440,000

Owner

Encore International Investment Funds, LLC

Patrick Barber, CEO

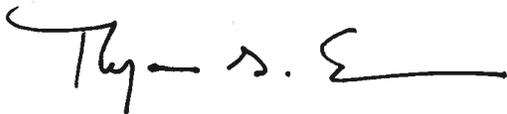
Staff

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

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

Attachments

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

Proposed Project Information Worksheet Economic Development Committee

A. Project Summary

City Council District			2
Project/Company Name	Encore International Investment Funds, LLC		
Project Location	2608 Inwood Road		
Project Type	Call Center Operation		
Facilities (Square Feet)	12,666		
Construction Schedule	Begin	1-Jun-12	
	Complete	31-Dec-12	
Private Improvement Investment	Real Property	\$75,000	
	Business Property	\$750,000	
Jobs	Created	220	
	Retained	30	
Average Wage Rate	Salary	\$27,868	
	Hourly	N/A	
City Incentive Summary	Tax Abatement	N/A	
	Infrastructure	N/A	
	Other	\$440,000 Grant	

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

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	300	136,203,140	300	329,410,423
Indirect and Induced Impact*	180	108,962,512	180	263,528,339
Total Impact	480	245,165,652	480	592,938,762

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	2,826,443	6,982,496
Total City GF Service Costs	4,485,116	9,530,253
Net Impact Before Incentives	-1,658,673	-2,547,757
Unemployment Adjustment	414,000	828,000
City Incentives	440,000	440,000
Net City Fiscal Impact	-1,684,673	-2,159,757

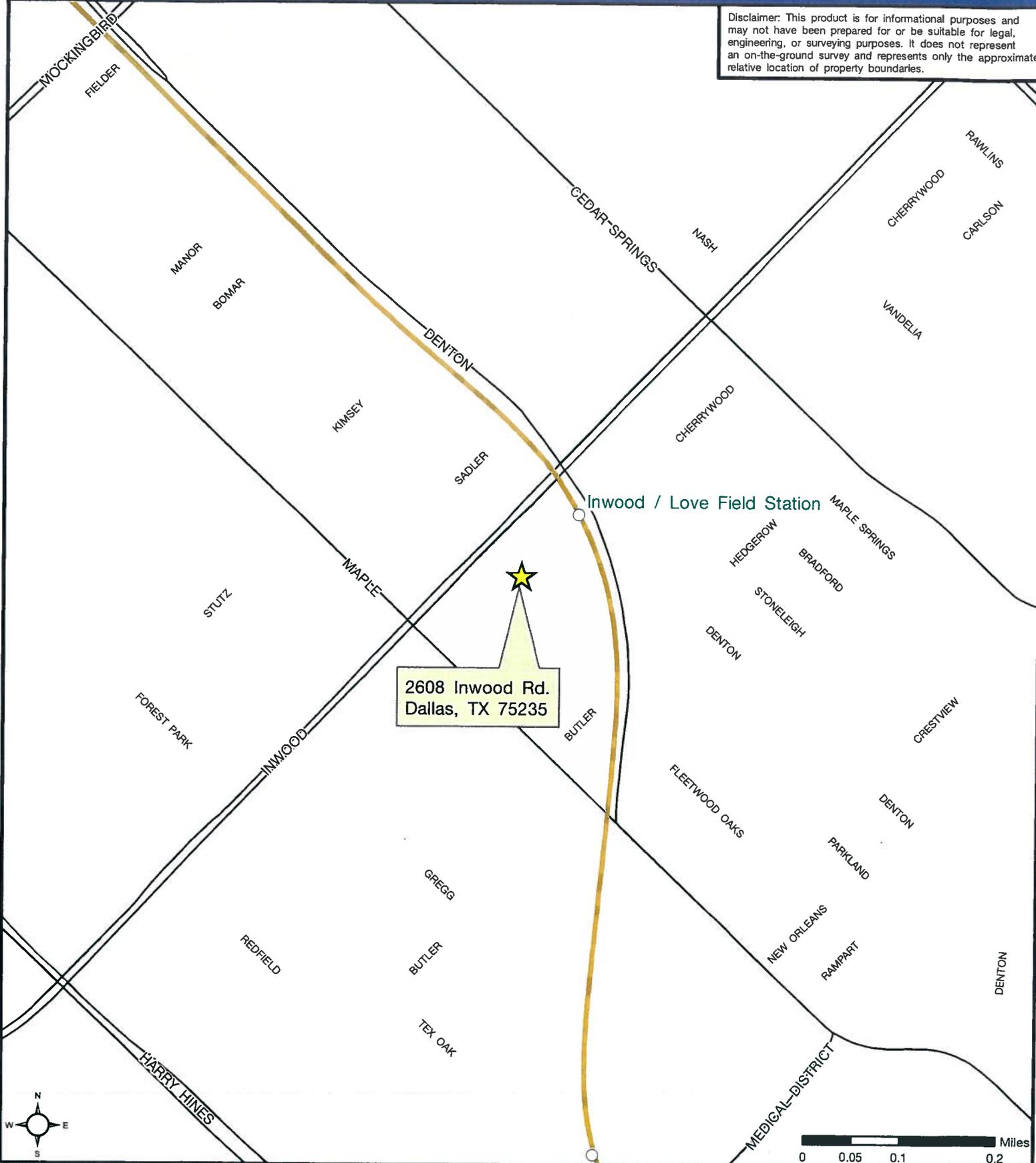
* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue

	Property Taxes	Sales Taxes
DISD	\$ 63,969	N/A
Dallas County	\$ 12,547	N/A
DCCCD	\$ 4,941	N/A
Parkland Hospital	\$ 13,435	N/A
DART	-	N/A

2608 Inwood Rd.

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.



Memorandum



DATE September 28, 2012

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

SUBJECT **Donation Funds to Promote International Investment Into the City of Dallas for Business Development**

The purpose of this memorandum is to provide you information regarding the proposed donation funds from CIVITAS Capital Management, LLC, and possible future donations from this donor and/or other donors, to further promote foreign investment into the City of Dallas for business development. The proposed action item for your consideration and recommendation to move forward to the City Council for consideration and approval is as follows:

SUBJECT

Authorize the acceptance, receipt, deposit, transfer and disbursement of donation funds from CIVITAS Capital Management, LLC in an amount estimated at \$70,000 in FY 2012-13 to be used by the Office of Economic Development to further encourage Asian foreign investment interest in the City of Dallas - Financing: Private Funds

BACKGROUND

The City of Dallas was approved as a "Designated Regional Center" by the U.S. Citizenship and Immigration Service (USCIS) on September 8, 2009. The City of Dallas Regional Center (CDRC) is a program that builds on the elements of the federal EB-5 investor visa program and related regulations.

The CDRC is designed to acquire foreign, private capital that can be aligned with Dallas' Public Private Partnership Program to fuel the City's economic growth strategy with an emphasis on targeted areas of opportunity, including Southern Dallas. The program is structured specifically to attract high net worth foreign investors to the CDRC and focus this investment on projects that generate real, permanent jobs and growth for Dallas.

The City of Dallas selected CIVITAS Capital Management, LLC as the private, independent third-party firm to manage CDRC investment proposals and to conduct daily operations of the CDRC. Duties include: Screening investors and their capital, managing CDRC capital on behalf of the investors; facilitating Securities and USCIS compliance with respect to each investor; underwriting and structuring every CDRC fund investment on behalf of the investors; and on-going monitoring of those investments to ensure compliance with USCIS regulations.

BACKGROUND (Continued)

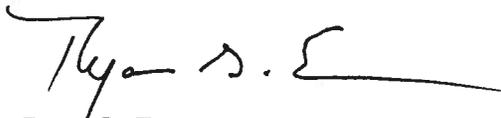
CIVITAS Capital Management, LLC wishes to make a donation to the City to further fund the Office of Economic Development's focus and efforts to encourage Asian foreign investment interest in the City of Dallas.

Among the largest geographic markets interested in investing in Dallas is Asia. The City has the opportunity to seek additional foreign investment from Asian countries via this donation to continue its focus and efforts to leverage and maximize the use of available resources where markets appear to have interest in the City's programs and projects.

RECOMMENDATION

Staff recommends the Economic Development Committee to move forward with this item for City Council consideration and approval.

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



Ryan S. Evans
Assistant City Manager

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CITY OF DALLAS

DATE September 28, 2012

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

SUBJECT Valley View – Galleria Area Planning Study

Authorize a Chapter 380 Economic Development Grant agreement with the North Dallas Chamber of Commerce pursuant to the City of Dallas Public-Private Partnership Program for a Valley View – Galleria Area Planning Study in an amount not to exceed \$250,000; Financing: Not to exceed \$250,000 – Public/Private Partnership Funds.

The Valley View – Galleria area, located at the confluence of two major transportation corridors, is one of Dallas' major regional business centers with significant Class A office space, strong destination retail, as well as several high quality hotels. This area is identified as a key growth area in the City of Dallas Strategic Engagement Plan as well as the *forwardDallas!* Comprehensive Plan. Further, this site fulfills the City Council's citywide "megaproject" redevelopment opportunity area within the Economic Vibrancy KFA.

The City has defined the area between the Dallas North Toll Road to the west, Preston Road to the east, LBJ freeway to the south and Southern Boulevard to the north (see attached map) as the focus for planning consideration. Several factors make this area a prime candidate for special planning consideration and economic development interest. Most notably, the recent change in ownership of the Valley View Mall site creates a unique opportunity for catalytic development. Also, the LBJ Freeway enhancements currently underway will add capacity with 8 free lanes and 6 managed lanes. These enhancements are already generating development interest as is evident from numerous zoning change requests.

In the interest of promoting economic development and a positive planning outcome through a public-private partnership, the North Dallas Chamber of Commerce has brought representative property and business owners within this area to the table. During 2011 the North Dallas Chamber led a series of stakeholder meetings. This private stakeholder group understood the opportunities for the area and charged itself with taking the lead in creating a unified vision and implementation plan for economic growth in this area. The group reviewed proposals from several local and national planning teams and is now poised to move forward with development of an area plan.

The proposed Valley View – Galleria Area Plan will establish a comprehensive vision to guide future private investment, economic development and public infrastructure investments in a coordinated fashion towards an optimal outcome in terms of tax base, quality of life, and accessibility. In particular, the plan will focus on urban design, land use and transportation and will serve as the basis for the City to undertake an area-wide rezoning to ensure a sound regulatory framework that encourages economic development consistent with the vision. Absent such a vision and zoning framework for this critical growth area, the City will lack an adequate means to ensure that future development, as well as requests for zoning changes and economic development incentives by individual property owners or developers, will ultimately maximize public benefit.

Please contact me should you have additional questions.



Ryan S. Evans
Assistant City Manager

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Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Edward Scott, Director, Controller's Office
Frank Libro, Public Information Office
William Finch, Chief Information Officer
Theresa O'Donnell, Director, Sustainable Development and Construction
Karl Zavitkovsky, Director, Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Stephanie Cooper, Assistant to the City Manager – Council Office

Attachment

Attachment: Valley View – Galleria Area Planning Study Area Boundary

