Memorandum

DATE
October 31, 2008

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

SUBJECT
Amend the Davis Garden TIF District Boundary / Call a Public Hearing – November 10, 2008 and December 10, 2008 Council Agendas

BACKGROUND

Joe Whitney, Chair of the Davis Garden TIF Board, requested that the Board consider several small amendments to the TIF District’s boundary. The Davis Garden TIF Board met on October 13, 2008 to discuss the City’s recommended boundary changes and corresponding changes to the Final Plan. The recommended boundary changes include 10 sites with a total land area of 105.28 acres. A summary of the recommended changes are attached. The recommended changes include parcels that consist of vacant or underutilized land zoned for commercial, industrial, and residential uses or functionally obsolete existing structures.

On November 10, 2008, the City Council will consider calling a public hearing to receive comments on the proposed Davis Garden TIF District boundary amendment. Any boundary or budget amendment to an existing TIF District requires a public hearing prior to City Council consideration. At the ensuing Council meeting on December 10th, a public hearing will be held. At the close of the hearing an amendment to the TIF District boundary and corresponding amendments to the District’s Final Plan will be considered.

The Davis Garden TIF District was established by Ordinance No. 26799 on June 13, 2007 to provide a model for redeveloping urban corridors, and transitioning deteriorated multi-family properties into a more sustainable mix of ownership and rental housing. Anticipated projects within the District will connect to stable neighborhoods in North Oak Cliff, redevelop aging retail centers, and enhance connectivity to area trails and parks.
October 31, 2008
Amend the Davis Garden TIF District Boundary / Call a Public Hearing
Page 2

**FISCAL INFORMATION**

No cost consideration to the City

**COUNCIL DISTRICT(S)**

1, 3

**STAFF**

Vernae Martin, Assistant Director
Telemachus Evans, Economic Development Analyst

**RECOMMENDATION**

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

**MAP**

Attached

**ATTACHMENT**

Exhibit B. Summary of Changes

A.C. Gonzalez
Assistant City Manager

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 C. Victor Lander, Judiciary
   Ryan S. Evans, First Assistant City Manager
   Forest Turner, 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, 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

Dallas-Together, we do it better
The following is a summary of the sites comprising the Davis Garden TIF Board’s recommended changes to the geographic area of the Davis Garden TIF District.

Site 1

Site 1 consists of two vacant residential lots with a total land area of 4.42 acres.

Site 2

Site 2 consists of three single-family homes and several vacant residential and commercial lots. The site's total land area is 4.06 acres.
Site 3

Site 3 consists of six vacant and boarded up single-family homes and a home in fair condition that is located between the obsolete buildings. The site's total land area is 1.30 acres.
Site 4

Site 4 consists of the St. Cecilia Church and School. The site, which has a total land area of 8.51 acres, is recommended for inclusion in the District based on future economic potential and infrastructure improvements on Davis Street.

Site 5

Site 5 consists of the Oakwood Apartments and Renaissance Nursing Home. The apartment complex has the potential to be converted to satisfy the District's affordable housing provision. The site's total land area is 7.27 acres.
Site 6

Site 6 includes several apartment complexes and used car lots, an auto repair shop, and a motel. The apartment complexes have the potential to be converted to satisfy the District's affordable housing provision. The used car lots, auto repair shop, and motel have high potential for improvement value if they are redeveloped. The site's total land area is 18.84.
Site 7

Site 7 consists of an apartment complex and several vacant commercial and residential lots. The apartment complex has the potential to be converted to satisfy the District’s affordable housing provision. The site’s total land area is 12.28 acres.

Site 8

Site 8 consists of an assortment of retail businesses, a church, a dilapidated home, and several vacant lots. The site’s total land area is 8.79 acres.
Site 8 (continued)

Site 9

Site 9 consists of an obsolete medical facility and several vacant commercial lots. The site's total land area is 6.87 acres.
Site 10

Site 10 consists of two vacant industrial lots that have the potential to be utilized to expand Pinnacle Park. The site should include the old railroad spur that separates the parcels and extend the site’s northern boundary to the northern right-of-way line of Interstate 30. The site’s total land area is 32.05 acres.
October 31, 2008

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

Authorize a Development Agreement with Brian Foster for Redevelopment of 1400 Main Street

BACKGROUND
On September 11, 2008, the City Center TIF District Board of Directors approved and recommended City Council approval of TIF funding for the redevelopment of 1400 Main Street in an amount not to exceed $475,000.

Economic Development staff has been working with Brian Foster on plans for the rehabilitation of 1400 Main Street, an existing, vacant building located in the heart of the downtown retail district. Mr. Foster intends to make an investment of at least $4,000,000, including hard costs and construction related soft costs.

The 2-story building was constructed in 1954. It is located in the Main Street core across from the Davis Building and adjacent to the Adolphus Hotel. The building contains over 11,000 square feet of obsolete space. The project includes the renovation of the building with a full-service restaurant, basement ultra lounge and a second-level upscale dining and cocktail area. The restaurant will be required to maintain the hours of 11:00 AM to 8:00 PM (Sunday – Wednesday) and 11:00 AM to 11:00 PM (Thursday – Saturday). The developer has secured letters of support from the management of the Davis Building, Adolphus Hotel, and DOWNTOWNDallas, Inc.

On November 10, 2008, the City Council will consider entering into a development agreement with Brian Foster to provide funding for the redevelopment of 1400 Main Street in the City Center TIF District in an amount not to exceed $475,000 ($275,000 payable 12 months after receipt of Final Certificate of Occupancy and $200,000 payable 24 months after receipt of Final Certificate or Occupancy).

TIF funding shall be used to reimburse the developer for TIF-eligible improvements including: (1) Façade Improvements - $425,000 and (2) Interior and Exterior Demolition - $50,000. Expenditures may be shifted from one TIF-eligible category to another as long as the total amount of TIF funding does not exceed $475,000.

As a condition of payment of TIF funds, the developer shall be required to meet jointly with the Dallas Police Department and Economic Development staff every three (3) months after receipt of Final Certificate of Occupancy, to discuss security and operations matters. Staff shall be required to submit a written
Authorize a development agreement with Brian Foster for redevelopment of 1400 Main Street 
October 31, 2008 
Page 2 

summary of these meetings to the City Center TIF District Board of Directors 
every 12 months.

The location of this site and the planned façade improvements will create an 
attractive gateway portal for those entering into the Main Street core. The 
redevelopment of this building and the planned upscale operations will make a 
significant contribution to the City Center TIF District goal of developing 
downtown into a vibrant, destination neighborhood.

FISCAL INFORMATION 
$475,000 – City Center TIF 

COUNCIL DISTRICT 
14 

1400 MAIN STREET FACTS 
The project summary is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Residential units required</td>
<td>N/A</td>
</tr>
<tr>
<td>Retail square footage required</td>
<td>9,500 minimum</td>
</tr>
<tr>
<td>Developer fee and reimbursables</td>
<td>$20,000</td>
</tr>
<tr>
<td>Required private investment – site acquisition and hard costs of construction</td>
<td>$4,000,000</td>
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<tr>
<td>Total project cost including site acquisition, hard costs of construction, all soft costs, and TIF expenses/other public.</td>
<td>$4,728,336</td>
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<tr>
<td>TIF funding</td>
<td>$475,000</td>
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<tr>
<td>% TIF funds to total project cost</td>
<td>10.05%</td>
</tr>
<tr>
<td>Deadline to purchase properties</td>
<td>December 31, 2008</td>
</tr>
<tr>
<td>Deadline to obtain building permit</td>
<td>December 31, 2008</td>
</tr>
<tr>
<td>Deadline to complete construction, all phases</td>
<td>April 1, 2009</td>
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Proforma

<table>
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<tr>
<th>Rental Income</th>
<th>Amount</th>
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<tr>
<td>Monthly Rental Income:</td>
<td>$600,000.00</td>
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<tr>
<td>Less Vacancy: 10%</td>
<td>$60,000.00</td>
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<tr>
<td>Effective Gross Rental Income</td>
<td>$540,000.00</td>
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<table>
<thead>
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<th>Expenses</th>
<th>Amount</th>
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<tr>
<td>Monthly Management Fee:</td>
<td>($60,000.00)</td>
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<tr>
<td>Monthly Taxes:</td>
<td>($60,000.00)</td>
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<tr>
<td>Monthly Property Insurance:</td>
<td>($36,000.00)</td>
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<tr>
<td>Total Operating Expenses</td>
<td>($156,000.00)</td>
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<tr>
<td>Total Project NOI (Stabilized Year 3)</td>
<td>$384,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAP RATE</th>
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</thead>
<tbody>
<tr>
<td>6.0%</td>
<td>$6,400,000.00</td>
</tr>
<tr>
<td>6.5%</td>
<td>$5,907,692.31</td>
</tr>
<tr>
<td>7.0%</td>
<td>$5,485,714.29</td>
</tr>
</tbody>
</table>

Return on Investment (no City $) 8.1% 
Return On Investment (w/ $475,000 TIF Funds) 9.0% 

*Total project cost equals $4,728,336.

Dallas-Together, we do it better
Authorize a development agreement with Brian Foster for redevelopment of 1400 Main Street
October 31, 2008
Page 3

STAFF
Vernae Martin, Assistant Director
Bryan Haywood, Manager

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

Map
Attached

A.C. Gonzalez
Assistant City Manager

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 C. Victor Lander, Judiciary
  Ryan S. Evans, First Assistant City Manager
  Forest Turner, Interim Assistant City Manager
  Ramon Miguez, P.E., Assistant City Manager
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  Jeanne Chipperfield, Director, Budget & Management Services
  Karl Zavitkovsky, Director, Office of Economic Development
  Hammond Perot, Assistant Director, Office of Economic Development
  Vernae Martin, Assistant Director, Office of Economic Development
  Helena Thompson, Assistant to the City Manager

Dallas-Together, we do it better
Authorize a development agreement with Brian Foster for redevelopment of 1400 Main Street
October 31, 2008
Page 4

1400 Main Street

City of Dallas
Office of Economic Development
October 2008
Memorandum

October 31, 2008

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

Amend the Downtown Connection TIF District Boundary / Call a Public Hearing – November 10, 2008 Council Agenda

BACKGROUND

On September 30, 2008, the Downtown Connection TIF District Board of Directors and the Dallas Downtown Development Authority approved and recommended an amendment to the TIF District boundary to include 2307 Caroline Street, 2311 Caroline Street, 1600 Ashland Street, and 1601 Cedar Springs Road.

This action is made to allow the proposed Akard Place project to be located entirely within the boundaries of the Downtown Connection TIF District. Akard Place will be a $200 million mixed-use project with a 150-room hotel, 80 condos, 200,000 square feet of office space, and 200,000 square feet of retail space. The developer is RED Development. The project is slated to begin in Spring 2009. The Akard Place project is not receiving TIF subsidy.

Under the current boundaries, two-thirds of the project as proposed lie within the TIF District and one-third of the project is outside of the TIF District. Currently zoning regulations will require the developer to re-plat all parcels related to this development into one consolidated parcel. The recommended changes include parcels that consist of vacant or underutilized land zoned for commercial, industrial, and residential uses or functionally obsolete existing structures. This will allow the Downtown Connection TIF District to capture the entire increment generated by the project.

On November 10, 2008, the City Council will consider calling a public hearing to receive comments on the proposed Downtown Connection TIF District boundary amendment. Any boundary or budget amendment to an existing TIF District requires a public hearing prior to City Council consideration. At the ensuing Council meeting on December 10th, a public hearing will be held.
Amend the Downtown Connection TIF District Boundary / Call a Public Hearing
October 31, 2008
Page 2

At the close of the hearing an amendment to the TIF District boundary and corresponding amendments to the District’s Final Plan will be considered.

On June 8, 2005, the City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Eleven (Downtown Connection TIF District) by Ordinance No. 26020, as amended to focus on catalyst projects to create a greater density and critical mass of development within the Main Street core area. The recommended boundary change to include the additional parcels as described above will further contribute to the objectives of the Downtown Connection TIF District to develop downtown as a vibrant, destination neighborhood.

FISCAL INFORMATION

No cost consideration to the City

COUNCIL DISTRICT

2, 14

DEVELOPER INFORMATION

RED Development
4717 Central
Kansas City, Mo. 64112

6263 N. Scottsdale Road, Suite 330,
Scottsdale, Ariz. 85250

Jeff McMahon, Managing Partner, President
Mike Ebert, Managing Partner, Development
Dan Lowe, Managing Partner, Development
Scott Maun, Managing Partner, Leasing
Jeff McMahon, Managing Partner, Design

STAFF

Vernae Martin, Assistant Director
Bryan Haywood, Manager

RECOMMENDATION

Staff recommends approval of the subject item. Please contact me if you have any questions.
Amend the Downtown Connection TIF District Boundary / Call a Public Hearing
October 31, 2008
Page 3

Map

Attached

A.C. Gonzalez
Assistant City Manager

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 C. Victor Lander, Judiciary
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Dave 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
Vernae Martin, Assistant Director, Office of Economic Development
Helena Thompson, Assistant to the City Manager
DATE       October 31, 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 Rasanky and Steve Salazar

SUBJECT    Authorize a development agreement with Uptown Dallas Inc., an amount
             not to exceed $2,300,000 – State-Thomas TIF District; Agenda Item,
             November 10, 2008.

On behalf of the City and the State-Thomas TIF Board of Directors, Uptown Dallas
Inc., will coordinate activities related to overhead-utility burial work, contract with
utility companies which will perform the work, and coordinate payments, as
necessary, for installation of the specialty pedestrian lights and other miscellaneous
expenses related to the completion of the specific projects listed in Exhibit B. The
total estimated cost of the utility related work is $2,300,000. Uptown Dallas Inc., staff
is not being paid for these coordination efforts. All funds identified in this action will
be used for utility burial work. Uptown Dallas Inc., a non profit organization has been
managing the Uptown Public Improvement District since 1993. The boundary of the
Uptown PID encompasses the State-Thomas TIF District.

Tax Increment Financing (TIF) Districts are set up for a finite term and/or collection of
funds related to a specific set of public improvements. The State-Thomas TIF
District was created in 1989 and is set to terminate in 2008. Several of the planned
public infrastructure improvements for the TIF District remain to be completed.
Beginning in 2003, city staff began a process to work with various stakeholders
including the community members, home owners, business interests, the State-
Thomas TIF Design Review Committee (DRC), State-Thomas TIF Board of Directors
and the Uptown Public Improvement District. Staff developed a final strategy to
identify and prioritize the final set of district wide improvement projects. The City of
Dallas’ Public Works and Transportation Department (PWT) selected consultants
design and determined final costs for the recommended projects. Upon completion of
the final design work, PWT conducted a bidding process for the construction of these
projects and selected Gibson Associates as the lowest responsible bidder among the
three bids that were received. The bid amount is not to exceed $5,292,238.
Completion of these projects and related utility work will close out the operations of
the State-Thomas TIF District. A related item is also going to City Council on
November 10th to authorize the construction contract for this project to Gibson
Associates.
Since June 2003 to date, there were several State-Thomas Design Review Committee, State-Thomas TIF Board Meetings lead to the adoption of the Final Improvement Projects.

- On September 11, 2003 and October 13, 2003, two community workshops were held at the Notre Dame School to seek input from residents, property owner and other stakeholders to complete the remaining improvements in the State-Thomas TIF District.

- On September 2, 2004, the State-Thomas TIF Board has approved the State-Thomas Strategy Report. The report summarizes the planning process and list of the projects details (description and ranking). These projects, known as Group I, Group II, Group III and Group IV projects were forwarded to the City's Public Works Department to hire consultants to perform design and engineering studies to determine the final cost and feasibility.

- On April 13, 2005, the City Council authorized four engineering firms (Huitzzollars Inc., HDR Engineering, Inc., Teague Nall and Perkins, Inc., and GSWW, Inc.,) to provide preliminary engineering designs of four State-Thomas TIF projects by Resolution No. 051105.

- On June 28, 2006, the City Council authorized supplemental agreements with the four engineering firms (Huitzzollars Inc., HDR Engineering, Inc., Teague Nall and Perkins, Inc., and GSWW, Inc.,) to complete the preliminary engineering designs of four State-Thomas TIF projects by Resolution No. 061700.

- On June 29, 2006 and December 17, 2007, two community workshops were held at the Notre Dame School to inform the Allen Street/Hallsville neighbors about the upcoming improvements in the neighborhood, discuss the easement requirements for the Allen Street/Hallsville utility burial, private contributions for the project (from public right-of-way to individual property) and address neighbor's concerns.

- On June 27, 2008, the State Thomas TIF Board of Directors reviewed State-Thomas Final Improvement Projects and recommended the City Council for approval of the projects.

"Dallas, Together, we do it better."
STAFF

Karl Stundins, Manager, Area Redevelopment Division
Vasavi Mallena, Economic Development Analyst

FISCAL INFORMATION

$2.3 million State-Thomas TIF Fund – Uptown Inc. agreement
$5.3 million State-Thomas TIF Fund – related item, PWT contract with Gibson Associates

COUNCIL DISTRICT(S)

14

RECOMMENDATION

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

A. C. Gonzalez
Assistant City Manager

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 C. Victor Lander, Judiciary
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Jeanne Chipperfield, Director, Budget & Financial Services
Karl Zavitkovsky Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

"Dallas, Together, we do it better."
State-Thomas TIF District Final Improvement Project Map

"Dallas, Together, we do it better."
### EXHIBIT B
Specific Project List

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hall Street - Cemetery / N Central</td>
<td>Utility burial</td>
</tr>
<tr>
<td>Woodside Pedestrian Extension</td>
<td>Sidewalk</td>
</tr>
<tr>
<td>Development Block 562 (State / Worthington)</td>
<td>Utility burial</td>
</tr>
<tr>
<td>Allen Street - Thomas / Hallsville</td>
<td>Utility burial</td>
</tr>
<tr>
<td>Allen Street - Hallsville/Woodall Rodgers</td>
<td>Utility burial</td>
</tr>
<tr>
<td>Thomas Ave - Alley N of Allen / Boll</td>
<td>Utility burial</td>
</tr>
<tr>
<td>Worthington St - State / Thomas</td>
<td>Utility burial</td>
</tr>
<tr>
<td>Hallsville Street - Alley / Allen Street</td>
<td>Utility burial</td>
</tr>
<tr>
<td>Griggs Park (SE Corner, Clark ST, Nc Expy, Street Islands)</td>
<td>Utility burial</td>
</tr>
</tbody>
</table>

"Dallas, Together, we do it better."
DATE October 31, 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 Authorize a development agreement with Motor Street Apartments Limited Partnership in an amount not to exceed $2,687,500 – Farmers Market TIF District; Agenda Item, October 8, 2008.

This action will authorize a development agreement with Motor Street Apartments Limited Partnership, to provide funding for the design, engineering, professional services, and construction of public infrastructure improvements for the Alexan Farmers Market Project located in the Farmers Market TIF District.

Motor Street Apartments Limited Partnership was formed to develop Alexan Farmers Market Project (Alexan Project) in the Farmers Market TIF District. Tommy Rhodus will manage the project.

Motor Street Apartments Limited Partnership plans to build 330 apartments on 300,000 square feet of residential space, located at 514 South Central Expressway. The total private cost of the Alexan Project is approximately $27 million.

The project will bring required density to support the Dallas Farmers Market. The public improvements and development plan for this project have been coordinated with "Identifying the Missing Pieces: Evolving the Dallas Farmers Market – An Analysis of other successful Public Markets and what the City of Dallas can learn from them" and Farmers Market staff.

On October 23, 2008, the Farmers Market TIF District Board of Directors reviewed the proposed Motor Street Apartments Limited Partnership’s Alexan Farmers Market project and recommended City Council authorization of funding of public improvements associated with the project, in an amount not to exceed $2,687,500.
The project summary is as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Square footage</strong></td>
<td>300,000 sf</td>
</tr>
<tr>
<td><strong>Required private investment for the project -</strong></td>
<td>$27,000,000</td>
</tr>
<tr>
<td>acquisition, design costs, and infrastructure improvements</td>
<td></td>
</tr>
<tr>
<td><strong>Total project cost including actual investment, land acquisition, all soft costs, debt expenses, etc.</strong></td>
<td>$45,467,891</td>
</tr>
<tr>
<td><strong>Construction Costs per sf</strong></td>
<td>$154.86</td>
</tr>
<tr>
<td><strong>Projected Average Rent per sf per month</strong></td>
<td>$1.41</td>
</tr>
<tr>
<td><strong>Developer fees - % of total project cost</strong></td>
<td>4%</td>
</tr>
<tr>
<td><strong>TIF funding</strong></td>
<td>$2,687,500</td>
</tr>
<tr>
<td><strong>Return on Cost with TIF reimbursement</strong></td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Return on Cost without TIF reimbursement</strong></td>
<td>5.89%</td>
</tr>
<tr>
<td><strong>% TIF Funds to required project cost</strong></td>
<td>9.9%</td>
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<tr>
<td><strong>% TIF Funds to total project cost</strong></td>
<td>5.9%</td>
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<tr>
<td><strong>Construction Start Date</strong></td>
<td>April 30, 2009</td>
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<tr>
<td><strong>Project Completion</strong></td>
<td>April 30, 2011</td>
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**Proposed Estimated Schedule of the Project**

<p>| | |</p>
<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Start Project</strong></td>
<td>April 30, 2009</td>
</tr>
<tr>
<td><strong>Complete Project</strong></td>
<td>April 30, 2011</td>
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**Fiscal Information**

$2,687,500 – Farmers Market TIF District Funds

**Council District(s)**

14

**Owner**
Motor Street Apartments Limited Partnership
Tommy Rhodus
Development Associate, TCR

**Developer**
Motor Street Apartments Limited Partnership
Tommy Rhodus
Development Associate, TCR

"Dallas, Together, we do it better."
STAFF

Karl Stundins, Manager, Area Redevelopment Division
Vasavi Mallena, Economic Development Analyst

RECOMMENDATION

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

A. C. Gonzalez
Assistant City Manager

C: The Honorable Mayor and Members of the City Council

Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
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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
Alexan Farmers Market Project
Farmers Market TIF District
Development Agreement with Motor Street Apartments Limited Partnership
Agenda Item, November 10, 2008 – Farmers Market TIF District
October 31, 2008
Page 5 of 5

Project Proforma

<table>
<thead>
<tr>
<th>Rental</th>
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<td>PROJECT DESCRIPTION:</td>
<td>Alexan Farmers Market Project</td>
</tr>
<tr>
<td>SITE AREA:</td>
<td>6.9</td>
</tr>
<tr>
<td>NUMBER OF FLOORS/STORIES:</td>
<td></td>
</tr>
<tr>
<td>BUILDING AREA (g.s.f.):</td>
<td></td>
</tr>
<tr>
<td>CONSTRUCTION PERIOD:</td>
<td>December 2008 - December 2010</td>
</tr>
<tr>
<td>ANTICIPATED CONTRU START DATE:</td>
<td>31-Dec-08</td>
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</table>

Note: Use 5-year average for income assumptions

<table>
<thead>
<tr>
<th>Residential Unit Breakdown</th>
<th>SF</th>
<th># of Units</th>
<th>Total SF</th>
<th>$ per SF</th>
<th>COMPS</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>TotalAvg</td>
<td>954</td>
<td>334</td>
<td>300,000</td>
<td>$0.95</td>
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</table>

<table>
<thead>
<tr>
<th>Hotel Room Breakdown</th>
<th>SF</th>
<th># of Rooms</th>
<th>Total SF</th>
<th>$ per SF</th>
<th>COMPS</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>TotalAvg</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$0</td>
<td></td>
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<table>
<thead>
<tr>
<th>Office Breakdown</th>
<th>SF</th>
<th>Total SF</th>
<th>$ per SF</th>
<th>COMPS</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>TotalAvg</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$0</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail Breakdown (exclude % profit)</th>
<th>SF</th>
<th>Total SF</th>
<th>$ per SF</th>
<th>COMPS</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Avg</td>
<td>0</td>
<td>$10</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Other Income:</th>
<th>SF</th>
<th>Total SF</th>
<th>$ per SF</th>
<th>COMPS</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Avg</td>
<td>0</td>
<td>$0</td>
<td></td>
<td></td>
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### Project Costs

<table>
<thead>
<tr>
<th>Hard Cost</th>
<th>$30,911,058</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft Cost</td>
<td>$7,131,746</td>
</tr>
<tr>
<td>Acquisition</td>
<td>$6,835,087</td>
</tr>
<tr>
<td><strong>Total Project Cost (no City $)</strong></td>
<td><strong>$44,877,931</strong></td>
</tr>
</tbody>
</table>

### Income (Annual)

1) Apartments $5,516,040
2) N/A $0
   - Vacancy @ 8% $441,283
   - Utilities, insur, taxes $1,193,399
   - Transfer Fee/afford $192,426
   - **NOI** $3,468,290

| Total Project Cost without (with City $) | $58,058,769 |
| CITY ASSISTANCE (current $)              | $2,887,000  |
| **Total Project Cost (with City $)**     | **$58,942,534** |

<table>
<thead>
<tr>
<th>Return on Cost Analysis</th>
<th>NOI/Total Project Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Cost (no City $)</td>
<td>7.73%</td>
</tr>
<tr>
<td>Return on Cost (with City $)</td>
<td>5.89%</td>
</tr>
</tbody>
</table>

"Dallas, Together, we do it better."
Memorandum

DATE October 31, 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 Call a Public Hearing to consider amendment to the TIF Reinvestment Zone Number Ten (Southwestern Medical TIF District) to be held on December 10, 2008 – Southwestern Medical TIF District; Agenda Item, November 10, 2008.

State law requires that if the boundaries of a TIF Reinvestment Zone increase or decrease the geographic area of the zone and/or increase the total estimated project costs of the TIF District, a public hearing must be called to allow all interested parties to speak in favor of or against the changes.

This action calls a public hearing on December 10, 2008 to consider modifications to the Southwestern Medical TIF District Project Plan and Reinvestment Zone Financing Plan to:

1) Increase the geographic area of the Southwestern Medical District to include the area bounded by Harry Hines Boulevard, Inwood Road and Maple Avenue and the area bounded by Production Drive, Hawthorne Avenue and Afton Street (excludes the single-family houses at the corner of Hawthorne Avenue and Afton Street);
2) Support development of the private bio-medical industry and applied research associated with UT Southwestern Medical Center;
3) Improve pedestrian connections between DART’s Parkland light rail station and adjacent neighborhood to the north and the south;
4) Add environmental remediation and Bio-Medical Industry development as eligible categories for TIF spending under the budget for the Southwestern Medical TIF District; and
5) Increase the total TIF budget from $10,777,998 to $18,418,663 (an increase of $7,640,665, NPV in 2006 dollars); and at the close of the public hearing on December 10, 2008, the City Council will consider an ordinance amending Ordinance Nos. 25965 and 26204 to reflect these changes.

At the close of the public hearing on December 10, 2008, the City Council will consider an ordinance amending Ordinance Nos. 25965 and 26204 to reflect these changes. On October 24, 2008, the Southwestern Medical TIF District Board of Directors passed a motion adopting an amended Project Plan and Reinvestment Zone Financing Plan and recommended Council approval.
This action was initiated to support the private BioCenter at Southwestern Medical District. The BioCenter is designed to serve the interests of university researchers, entrepreneurs in the biotech field, support expansion of this growing industry into the district.

The Southwestern Medical TIF District represents the outgrowth of the City’s effort to provide a model for redeveloping a former industrial and warehouse district to take full advantage of the expanding DART light rail system; to promote transit-oriented development, especially in areas that are major employment centers like the Medical District, to support job growth and to implement appropriate urban design standards.

Despite new residential construction, the Southwestern Medical TIF District as a whole continues to exhibit high commercial vacancy rates, deteriorated structures, inadequate sidewalks and streets, faulty lot layouts, unsanitary or unsafe conditions, and deteriorated site improvements. These conditions substantially arrest or impair the sound growth of the City and property within the area. TIF investment is intended to support redevelopment efforts by addressing these infrastructure needs.

**STAFF**

Karl Stundins, Manager, Area Redevelopment Division
Vasavi Mallena, Economic Development Analyst

**FISCAL INFORMATION**

No cost consideration to the City of Dallas

**COUNCIL DISTRICT(S)**

1, 3

**RECOMMENDATION**

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

A. C. Gonzalez
Assistant City Manager

"Dallas, Together, we do it better."
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 C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
Forest Turner, 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, 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

"Dallas, Together, we do it better."
Call for public hearing for Southwestern Medical TIF District boundary amendment
Agenda Item, November 10, 2008 - Southwestern Medical TIF District
October 31, 2008
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"Dallas, Together, we do it better."
DATE          October 31, 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       Call a Public Hearing to consider Creation of TIF Reinvestment Zone Number Eighteen (Maple-Mockingbird TIF District) to be held on December 10, 2008 – Maple/Mockingbird TIF District; Agenda Item, November 10, 2008. Council District 2

State law requires that a Public Hearing be held in order to consider creation of a new TIF Reinvestment Zone to allow all interested parties to speak in favor of or against the zone.

This action calls a public hearing on December 10, 2008 to consider the creation of TIF Reinvestment Zone Eighteen (Maple-Mockingbird TIF District) and adopt the Maple-Mockingbird Preliminary TIF District Project Plan and Reinvestment Zone Financing Plan. The Maple/Mockingbird Tax Increment Financing (TIF) District is intended to create a funding source to encourage the redevelopment of obsolete multi-family and commercial buildings, inadequate retail centers, and underutilized industrial facilities in the area between Love Field Airport and the Southwestern Medical District (including UT Southwestern Medical, Parkland and Children's Hospitals). Anticipated projects within the District will encourage greater retail opportunities and improved housing options for the area.

The Maple/Mockingbird TIF District is located in an area southwest of Love Field Airport and northwest of the Southwestern Medical Center. The District contains approximately 368 acres (excluding public rights-of-way). It is comprised of properties that create a contiguous area which is consistent with the economic objectives of this plan. Existing retail centers do not adequately serve the community's needs due to aging facilities, a lack of sufficient parking and pedestrian amenities, and the use of substandard signage. Existing industrial properties are primarily abandoned or underutilized. Additionally, public infrastructure improvements are needed throughout the District.

The taxable appraised value of real property in the Zone for tax year 2008 was $145,215,700, based on information from the Dallas Central Appraisal District. That equated to 0.20% of the $71,956,080,683 of taxable real property in the City of Dallas. Texas cities may not designate a reinvestment zone if the total appraised value of taxable real property in the proposed zone and other existing zones exceeds 15% of the total appraised value of taxable real property in the municipality. The value of the proposed zone and other reinvestment zones in Dallas is less than this statutory limit.
Moreover, the appraised value of taxable real property in this and all other Dallas TIF reinvestment zones combined is below the maximum threshold of 10% of the City’s tax base as set by the City’s Financial Management Performance Criteria (FMPC) as amended on April 11, 2007.

Currently, the proportion of the City’s tax base contained in TIF Districts is 6.77% based on FMPC guidelines (vs. 10% cap) and 8.59% for taxable real property only (State cap is 15%). These numbers include the proposed TOD TIF District. The proposed Maple/Mockingbird TIF District would raise the percentages to 6.94% and 8.79%, of FMPC and State guidelines respectively.

The Maple/Mockingbird TIF District Preliminary Plan’s defined redevelopment goals are provided below:

- **Goal 1** – To create additional taxable value attributed to new private investment in projects in the Mockingbird/Maple TIF District totaling approximately $286 million over the initial five years of the TIF District

- **Goal 2** – To attract new private development adding approximately 1,923 new residential units to increase the area’s population density and approximately 1.2 million square feet of new retail and other commercial space

- **Goal 3** – To increase the District’s housing options while maintaining an affordable housing component of 20% of all new units built.

- **Goal 4** – To focus on encouraging the redevelopment of properties in the area west of Love Field for new commercial uses with enhanced urban design.

- **Goal 5** – To diversify retail and commercial uses in the District by identifying redevelopment options for obsolete and under-utilized commercial structures, thereby capturing demand from residents of Oak Lawn, the Park Cities, Bluffview and Northwest Dallas

- **Goal 6** – To improve access and connections to the Inwood and Love Field stations on DART’s Green Line and to support higher levels of ridership at these stations.

- **Goal 7** – To improve recreational opportunities for the community and connections to the City of Dallas’ trails and open space system in the District, enhance connections to other trail systems within Dallas County, and create additional recreational amenities in the area.

- **Goal 8** – To sustain the stability of local schools as redevelopment occurs in the housing market by maintaining strong communications between the Dallas Independent School District and area developers.

"Dallas, Together, we do it better."
Call for public hearing for Maple/Mockingbird TIF District
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- Goal 9 – To make a desirable neighborhood that incubates and supports growth of the Medical Center and medical businesses in Dallas, particularly taxable property and employment related to medical technology

- Goal 10 – To generate approximately $24.4 million NPV or approximately $45 million in total dollars in TIF revenues over 25 years of collections.

- A $100 Million signature project is currently being evaluated and a more detailed briefing will be provided to the Economic Development Committee on November 17, 2008.

At the close of the public hearing on December 10, 2008, the City Council will consider an ordinance creating TIF Reinvestment Zone Eighteen (Maple/Mockingbird TIF District).

STAFF

Karl Stundins, Manager, Area Redevelopment Division
Tamara Leak, Economic Development Analyst

RECOMMENDATION

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

A Q. Gonzalez
Assistant City Manager

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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"Dallas, Together, we do it better."
Call for public hearing for Maple/Mockingbird TIF District
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Page 4 of 4

Dave Cook, Chief Financial Officer  
Jeanne Chipperfield, Director, Office of Financial Services  
Karl Zavitkovsky Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Vernea Martin, Assistant Director, Office of Economic Development  
Helena Thompson, Assistant to the City Manager

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Call for public hearing for Maple/Mockingbird TIF District
Agenda Item, November 10, 2008
October 31, 2008
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City of Dallas
Office of Economic Development
http://www.dallaschamber.org
Created 10/2008

Legend
Proposed TIF Boundary

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