

Memorandum



CITY OF DALLAS

DATE October 30, 2009

TO Housing Committee Members: Steve Salazar, Chair, Carolyn R. Davis, Vice-Chair, Tennell Atkins, Dwaine Caraway, Angela Hunt, Ann Margolin, Pauline Medrano

SUBJECT Oak Cliff Gateway TIF District: Zang Triangle Project/1335 N. Zang Boulevard

On Monday, November 2, 2009, you will be briefed on the Oak Cliff Gateway TIF District: Zang Triangle Project/1335 N. Zang Boulevard. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to be 'A.C. Gonzalez', written over a circular stamp or mark.

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 P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Dave Cook, Chief Financial Officer
Jerry Killingsworth, Housing/Community Services Director
Jeanne Chipperfield, Director, Financial Services
Helena Stevens-Thompson, Assistant to the City Manager

Oak Cliff Gateway TIF District: Zang Triangle Project/1335 N. Zang Boulevard

Housing Committee

November 2, 2009

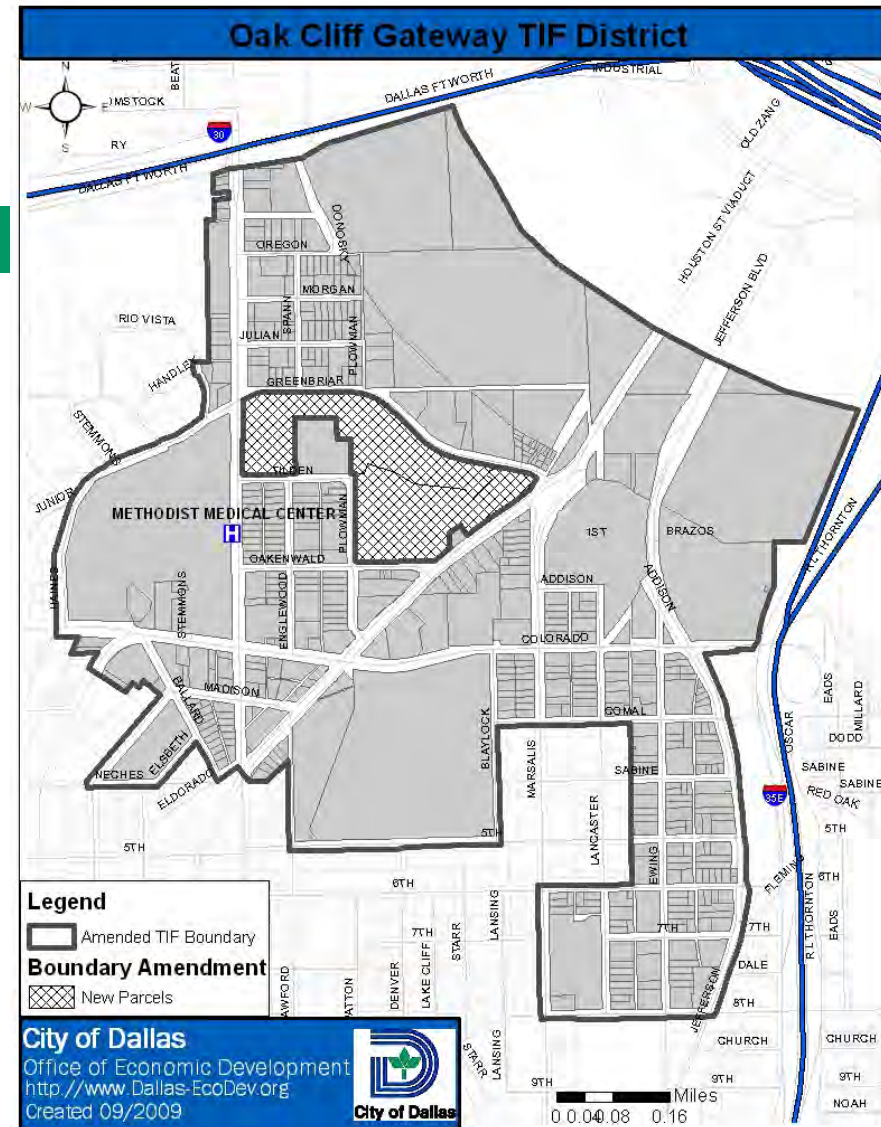


Office of Economic Development
WWW.DALLAS-ECODEV.ORG



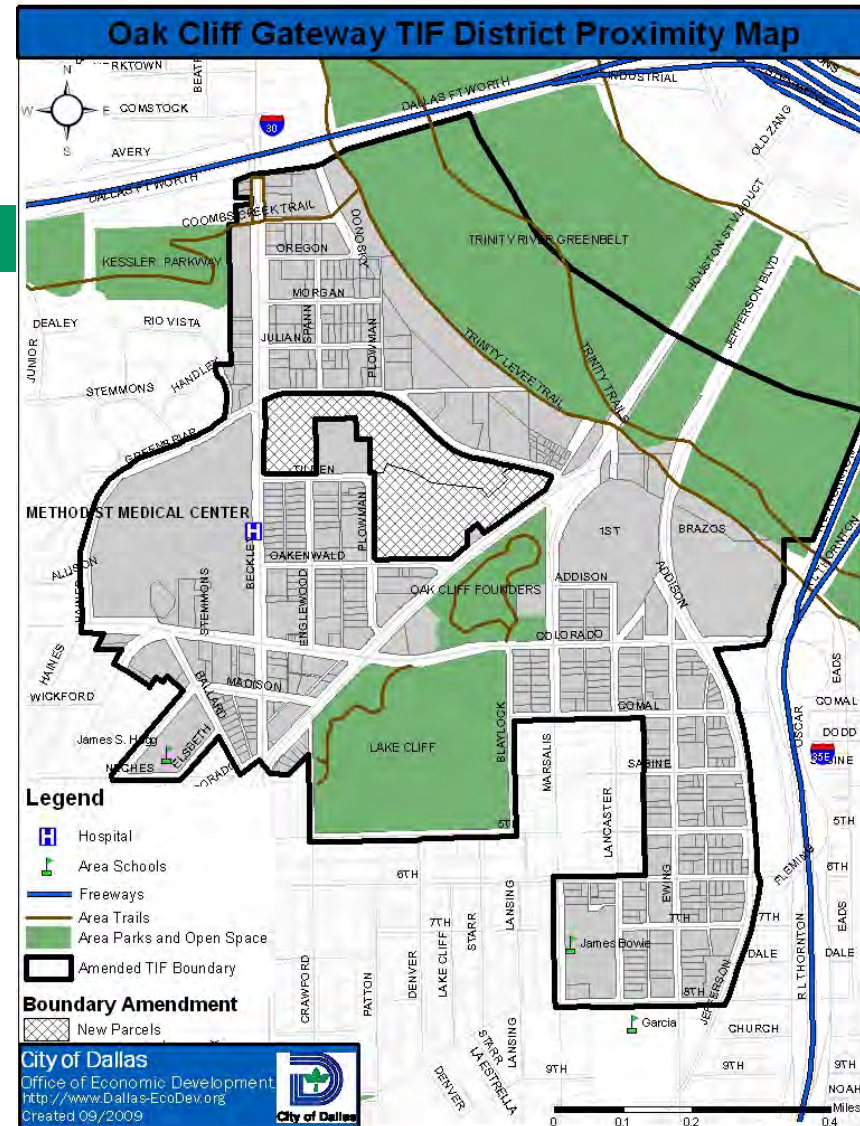
Oak Cliff Gateway: Background

- ◆ The Oak Cliff Gateway was originally created in 1992, the same year as the creation of Cityplace TIF District, but has not achieved similar development success
- ◆ The District is located adjacent to the Trinity River and southwest of Downtown Dallas



Oak Cliff Gateway: Background (continued)

- ◆ This area is prime for residential and commercial redevelopment due to its adjacency to the Trinity River, proximity to Interstates 30 and 35, proximity to the expansion of operations at Methodist Medical Center
- ◆ Additional assets in and near the District include Lake Cliff Park, Founders Park, the Trinity River and Bishop Arts District



Zang Triangle Development

- ◆ If the proposed amendments to the Oak Cliff Gateway TIF District and Project Plan are approved, Zang Triangle will be the first project considered for TIF Funding. Developer is Lang Partners (See Appendix)
 - **Project Location**
 - Located at the intersection of Zang Boulevard and Plowman Avenue – 1335 N. Zang Boulevard
 - The site is 3.3 acres in size
 - The site is adjacent to the Lake Cliff Tower and Park and 5 minutes from downtown Dallas



Zang Triangle Development (continued)

◆ Project Description

- A 4-story, mixed use building with 256 residential units (approximately 216,000 square feet of residential space) and 4,000 square feet of retail
- 52 units (20% of total project units) will meet affordable housing requirements
- Estimated investment of \$32M
- On-site amenities for the project include a pool, 2 court yards, fitness center, tenant lounge/internet café, and mail room



Zang Triangle Project – Site Plan



Zang Triangle Project Proposed TIF Funding

- ◆ TIF funds for the Zang Triangle Project would be used to offset the cost of the following improvements:
 - Site assessment, demolition and engineering
 - Streetscape/utilities design and construction
 - Structured parking
 - Affordable housing requirement

Description		Amount
Environmental Remediation and Demolition		
Site assessment & demolition	\$92,398.50	
Engineering	\$7,601.50	\$100,000
Public Infrastructure Improvements -		
Streetscape/Utilities (Design and Construction)		\$1,300,000
Economic Development TIF Grant – reimbursement to offset portion of cost affordable housing and structured parking		\$4,100,000
Total TIF funding request		\$5,550,000

Zang Triangle Project

NCTCOG Grant

- ◆ A proposal has been submitted to the NCTCOG Sustainable Development Grant Program for the Zang Triangle Project
- ◆ \$1,750,000 in grant money has been requested for the following offsite improvements:
 - Street easement abandonment
 - Water/wastewater and storm sewer line relocation
 - Pedestrian crossing improvements
 - Streetscape Improvements
- ◆ Projects selected for grant funding will not be announced until March 2010

Zang Triangle Project Funding Sources & Uses

- ◆ Funding Sources and Uses
 - HUD 221(d)(4) program – Construction loan
 - HUD Section 108 funding – Mezzanine debt
 - Sustainable Development Grant - NCTCOG Funding
 - Lang Partners – Equity

Funding Source	Amount	Use
HUD 221(d)(4)	\$20,000,000	Construction Loan
City of Dallas - Section 108	\$6,000,000	Mezzanine Loan
Lang Partners, LLC	\$3,684,000	Equity
NCTCOG Sustainable Development Grant	\$1,750,000	Public Improvements
Total	\$31,434,000	

Zang Triangle Project Summary

Proposed Zang Triangle Project	
Project Square Footage	216,000 square feet - 256 units 4,000 square feet - retail space
Private Investment <i>(land acquisition, hard and soft costs)</i>	\$31,051,000
Total Project Costs <i>(actual investment, land acquisition, soft costs, debt expenses, etc)</i>	\$32,393,000
Total Costs per SF	\$147.24
TIF Funding	\$5,550,000
Return on Cost with TIF Reimbursement	6.8%
Return on Cost without TIF Reimbursement	5.8%
% TIF Funds to Total Project Costs	17.13%
Proposed Construction Start Date	September 30, 2010
Proposed Project Completion Date	December 31, 2011

◆ Appendix

Lang Partners, LLC

- ◆ The principals of Lang Partners include John Ausburn, Dirik Oudt and Kyle Oudt
- ◆ While functioning as the development team of Lang Partners, they also represent INCAP fund in their roles listed below
 - John Ausburn, Managing Director – over 25 years of real estate and development experience focusing the last 12 years on urban infill projects
 - Dirik Oudt, Vice President, Acquisitions and Dispositions – directs INCAP’s Fort Worth and San Antonio land acquisition and development program
 - Kyle Oudt, Vice President, Asset management