

Memorandum



DATE November 2, 2012

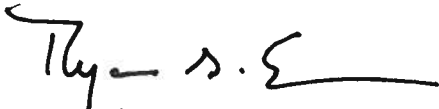
TO Members of the Economic Development Committee: Tennell Atkins (Chair), Ann Margolin (Vice Chair) Jerry R. Allen, Sheffie Kadane, Monica Alonzo

SUBJECT **Alexan Trinity Project (Oak Cliff Gateway TIF District)**

On Tuesday, November 6, 2012 the Economic Development Committee will be briefed on the Alexan Trinity Project in the Oak Cliff Gateway TIF District.

Briefing material is attached.

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



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 Jr., City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, 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

Alexan Trinity Project (Oak Cliff Gateway TIF District)

Economic Development Committee

November 6, 2012



Office of Economic Development
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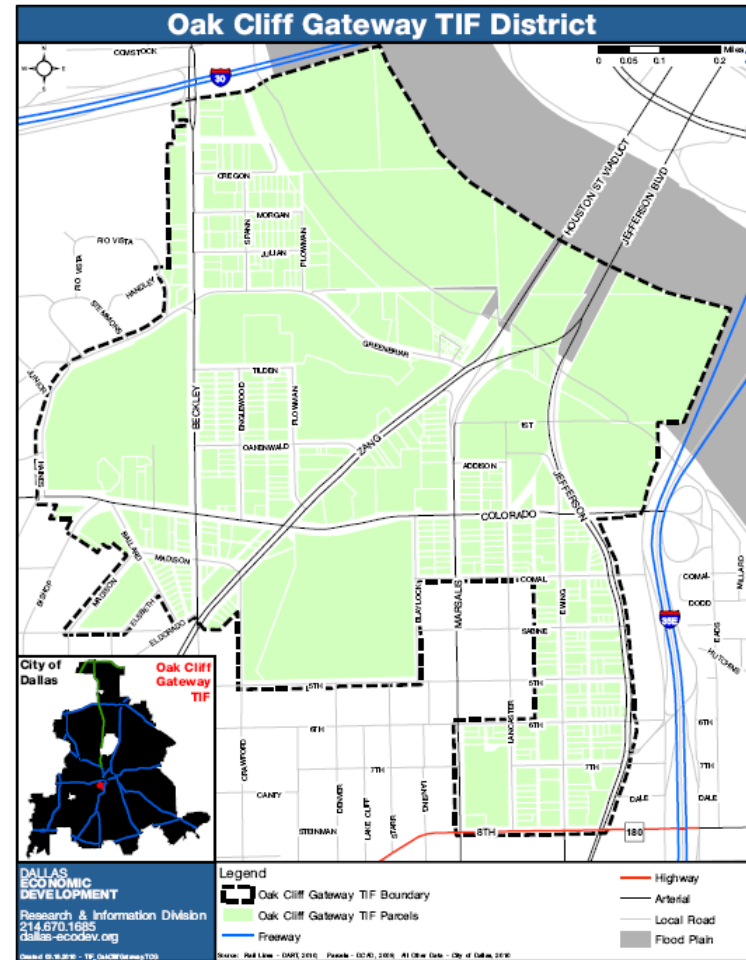
Purpose

- ◆ Review proposed Alexan Trinity development agreement and TIF reimbursement
- ◆ Obtain Economic Development Committee approval for consideration of the development agreement by City Council on November 14, 2012.



Oak Cliff Gateway: Background

- ◆ The Oak Cliff Gateway was originally created in 1992.
- ◆ On November 9, 2009, City Council extended the term of the TIF from 2012 to 2022 and increased the TIF budget.
- ◆ Current total dollar budget is \$36,025,281.
- ◆ The district is located adjacent to the Trinity River Corridor.
- ◆ The Union Station to Oak Cliff Streetcar project includes 3 stops in the district.



Oak Cliff Gateway: Budget

| Oak Cliff Gateway TIF District | |
|--|---------------------|
| Budget | |
| Category | TIF Budget |
| Public Infrastructure Improvements – Streets, Streetscape, Water, Wastewater, Utility Burial | \$12,148,570 |
| Façade Improvements | \$4,028,797 |
| Environmental Remediation and Demolition | \$7,325,086 |
| Pedestrian Linkages/Lighting | \$1,831,271 |
| Educational/Training Facilities | \$732,509 |
| Economic Development Grants | \$9,156,357 |
| Administration | \$802,690 |
| Total Project Costs | \$36,025,281 |

Alexan Trinity Project Location

◆ Project location

- Located at 323 and 333 Greenbriar Lane between Beckley Avenue and Zang Boulevard
- The site is 2.9 acres in size.
- The project is key to redevelopment along Greenbriar Lane.
- Alexan Trinity adds additional market rate housing options within walking distance of Methodist Medical Center and within 5 minutes of downtown.



Alexan Trinity Design Studio Recommendations



walkable sidewalks - critical to the function of the street as a public space. sidewalks buffer traffic and on-street parking, accommodates clear and comfortable space for pedestrians, provides direct access to adjoining buildings and property and space for street amenities (street trees, public art, seating, and pedestrian scaled street lights)



street enclosure - orient building fronts to street to promote pedestrian walkability, enclosure, and "eyes on the street". decorative details, building articulation, windows and direct access from each unit to the street provide pedestrian-scaled interest. usable stoops/porches provide a transition from public to private space



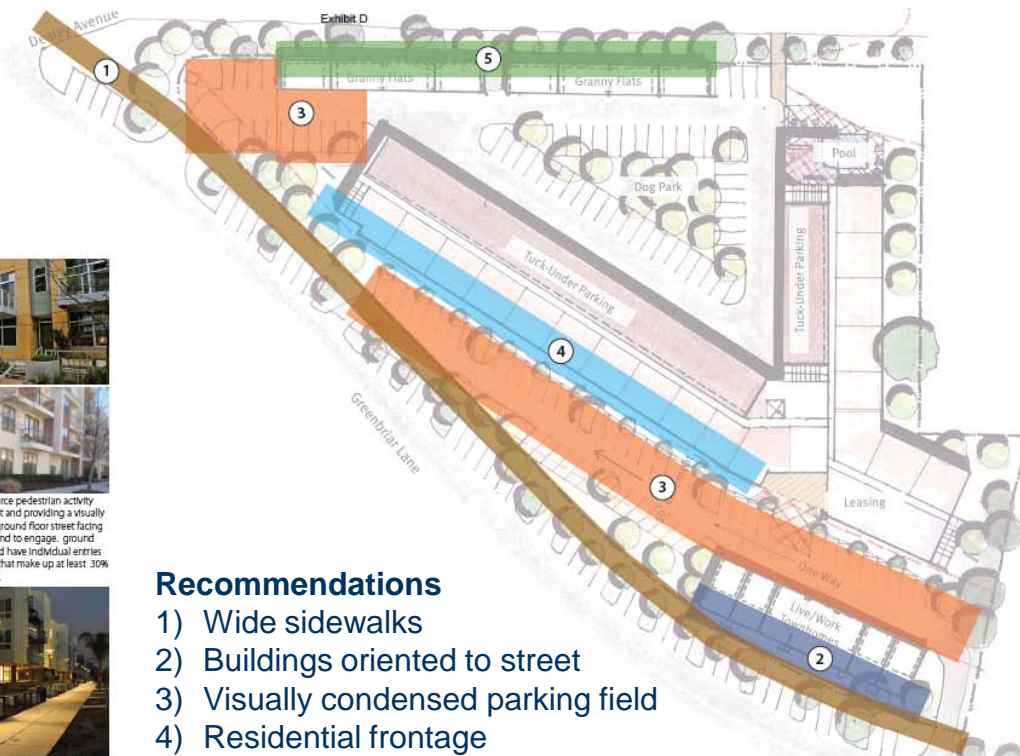
visually condensed parking field - through use and grouping of materials, patterns, and landscaping, one can blur the transition from pedestrian to auto zone and from drive aisle to parking area, softening this necessary part of the project to become a visual asset to its residents and surrounding neighbors



residential frontage - reinforce pedestrian activity by reaching out to the street and providing a visually interesting facade. design ground floor street facing space to avoid blank walls and to engage. ground floor residential units should have individual entries and ground floor windows that make up at least 30% of the remaining wall space.



ground floor treatment - Dealey Avenue will become an important trailhead connection into the Trinity for the surrounding community, thus units facing Dealey should avoid having blank walls on the bottom level. landscaping and architectural treatment of the ground floor should be incorporated to provide interest at the ground level



Recommendations

- 1) Wide sidewalks
- 2) Buildings oriented to street
- 3) Visually condensed parking field
- 4) Residential frontage
- 5) Provide interest on ground floor facing Dealey



Alexan Greenbriar

City of Dallas

urban design comments 8.27.2012

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Alexan Trinity Development

◆ Project Description – Rent Rates

- 2, 3, and 4-story buildings with approximately 166 primarily market-rate residential units (approximately 120,000 square feet of residential space, plus 6,000 square feet of commercial/flex (live/work space))
 - Market rate units will rent between \$1.24 and \$1.64 per square foot, or between \$965 and \$2,210 on a monthly basis.
- 34 units (20% of total project units) will meet the TIF district's affordable housing requirements
 - Affordable units will rent between \$880 and \$927 per month and will be available to families making less than \$54,100 for a family of four. (Figures based on 2012 program requirements)



Alexan Trinity Development (continued)

◆ Project Description

- Estimated investment of \$19 million (See Appendix 1 for pro forma.)
- Recommended TIF subsidy for the project is \$4 million
- On-site amenities for the project include a pool, dog park, fitness center, electric car charging stations, and mail room
- Design includes wide sidewalks and buildings/units oriented to include doors/windows on the street.
- Improvements along Dealey Avenue include new access to the Trinity River Corridor, with bike racks, a bike repair station, benches, and a water fountain.
- Ongoing O&M commitment for public improvements.

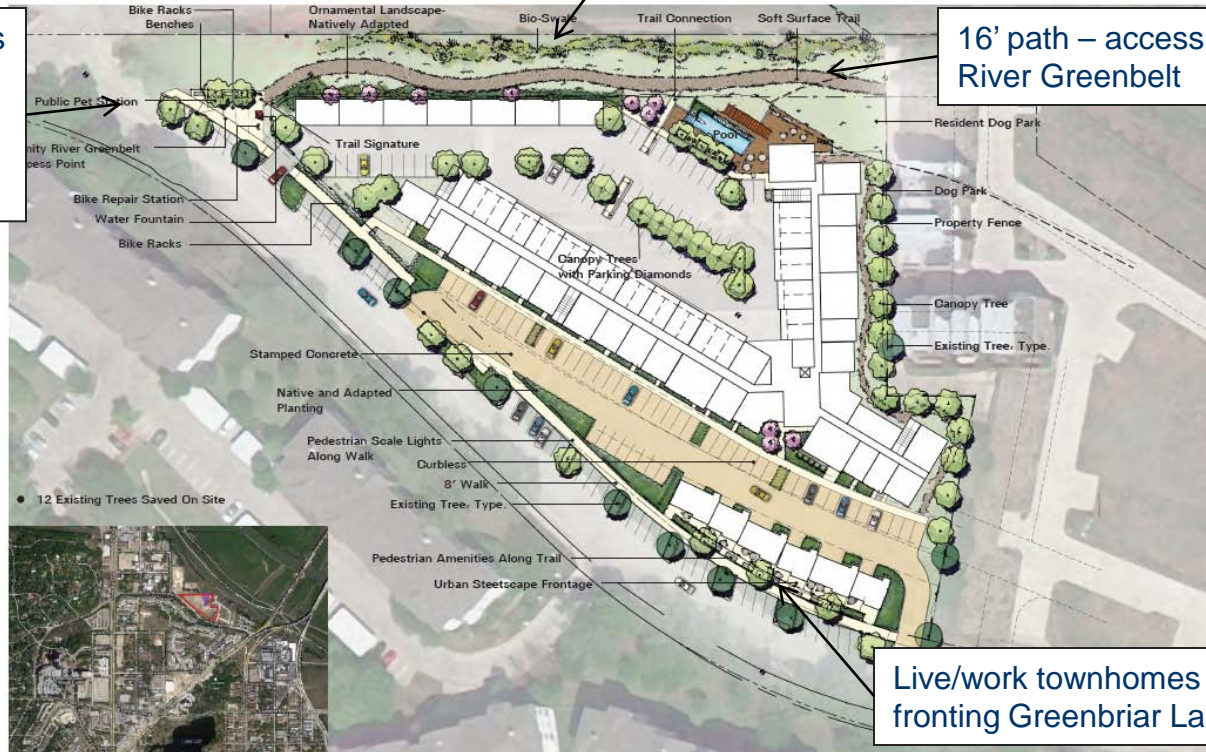


Alexan Trinity Project – Site Plan

Bioswales along path to reduce storm water run off

16' path – access to Trinity River Greenbelt

Additional bicycle amenities
 *bicycle repair station
 *water
 *on-street parking
 *shade



Live/work townhomes fronting Greenbriar Lane

ALEXAN TRINITY

Conceptual Landscape Plan



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Alexan Trinity

Funding Sources and Uses

| Funding Sources | |
|----------------------------------|---------------------|
| TCR Equity | \$726,454 |
| CDRC Equity | \$5,000,000 |
| Construction loan | \$13,361,726 |
| Total development funding | \$19,088,180 |

| Uses | |
|----------------------------|---------------------|
| Land | \$1,800,000 |
| Construction Hard Costs | \$12,080,246 |
| Soft Costs | \$4,402,934 |
| Public infrastructure | \$805,000 |
| Total Project Costs | \$19,088,180 |

*COG Brant funds available for City to use for adjacent streetscape.

Alexan Trinity Project Summary

| Project Summary | |
|---|---------------|
| Required project square footage | 123,000 sf |
| Required private investment (land acquisition and hard costs) | \$10,000,000 |
| Total project costs | \$19,088,180 |
| Total costs per SF | \$146.66 |
| TIF funding | \$4,000,000 |
| Return on cost with TIF reimbursement | 8.0% |
| Return on cost without TIF reimbursement | 6.4% |
| % TIF funds to total project costs | 20.0% |
| Proposed construction start date | February 2013 |
| Proposed construction completion date | June 2014 |

Alexan Trinity Project TIF Funding

- ◆ TIF funding will be used for infrastructure improvements (including sidewalks and pedestrian amenities on Greenbriar), for pedestrian linkages and lighting, to leverage affordable housing; and to make the project financially viable. All TIF funding is reimbursed as funds are collected.
- ◆ This project is not feasible without TIF funding at this level.

| Category | Staff Recommended Amount |
|--|--------------------------|
| Public infrastructure improvements streets, streetscape, water, wastewater, utility burial, environmental, engineering, and demolition | \$605,000 |
| Pedestrian Linkages and Lighting | \$250,000 |
| Economic development TIF grant | \$3,195,000 |
| Total | \$4,000,000 |

Alexan Trinity Project

Previous Actions

- ◆ On October 3, 2012, the Oak Cliff Gateway TIF Board of Directors reviewed and approved TIF funding for Alexan Trinity in an amount not to exceed \$4,000,000.

Recommended Next Steps

- ◆ Economic Development Committee recommendation for Council approval of a development agreement for TIF funding.
- ◆ Council consideration on November 14, 2012.



◆ Appendices

Appendix 1: Alexan Trinity Project Pro Forma and Budget

| | | | | | |
|--|---------------------|--|-------------------|---------------------|------------------|
| PROJECT DESCRIPTION: | | Alexan Trinity | | | |
| SITE AREA: | | 3 acres | | | |
| NUMBER OF FLOORS/STORIES: | | 4 | | | |
| BUILDING AREA (conditioned space): | | 130,154 | | | |
| CONSTRUCTION PERIOD: | | 1 1/2 years | | | |
| ANTICIPATED CONSTR START DATE: | | February 2013 | | | |
| Alexan Trinity | | SF | # of Units | Total SF | \$ per SF |
| Residential | | 784 | 166 | 130,154 | \$1.41 |
| Income (Annual) | | | | | |
| Residential Rental Income | \$2,206,786 | | | | |
| plus misc income | \$259,032 | | | | |
| plus commercial space | \$0 | | | | |
| less vacancy | (\$172,607) | | | | |
| less expenses | (\$1,078,064) | | | | |
| NOI (w/o TIF) | \$1,215,147 | | | | |
| Project Costs | | | | | |
| Acquisition & demolition | \$1,800,000 | | | | |
| Hard Cost | \$12,080,246 | | | | |
| Soft Cost | \$4,402,934 | | | | |
| Public costs | \$805,000 | | | | |
| Total Project Cost (incl. public) | \$19,088,180 | | | | |
| | | Total Project Cost (incl. public costs) | | \$19,088,180 | |
| | | CITY ASSISTANCE (current \$) | | \$4,000,000 | |
| | | Total Project Cost (with City \$) | | \$15,088,180 | |
| | | Return on Cost Analysis | | | |
| | | NOI/Total Project Costs | | | |
| | | Return on Cost (no City \$) | | 6.37% | |
| | | Return on Cost (with City \$) | | 8.05% | |

Appendix 2: TIF Increment Chart

| Projected TIF Increment Schedule | | | | | | | | | |
|----------------------------------|----------|---------------------------------|-------------------------------------|-----------------------------------|----------------------------|----------------------------|-------------------------------------|----------------------------|-----------------------------|
| Tax Year | | Net Taxable Assessed Value City | Tax Increment Revenue Total Dollars | Tax Accumulated Net Present Value | Tax Increment Revenue City | Tax Increment Revenue DISD | Tax Increment Revenue Dallas County | Tax Increment Revenue DCHD | Tax Increment Revenue DCCCD |
| Base Year | tax Year | | | | | | | | |
| 1992 | 1992 | \$38,570,128 | | | | | | | |
| 1 | 1993 | \$38,245,158 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2 | 1994 | \$38,699,692 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3 | 1995 | \$38,323,980 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4 | 1996 | \$39,118,366 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 5 | 1997 | \$41,514,962 | \$59,146 | \$44,722 | \$19,189 | \$27,095 | \$5,919 | \$5,471 | \$1,472 |
| 6 | 1998 | \$43,746,236 | \$103,331 | \$118,606 | \$33,598 | \$47,625 | \$10,207 | \$9,312 | \$2,588 |
| 7 | 1999 | \$45,659,848 | \$142,199 | \$214,752 | \$47,324 | \$63,573 | \$13,868 | \$13,868 | \$3,566 |
| 8 | 2000 | \$51,431,069 | \$266,401 | \$385,083 | \$85,847 | \$116,281 | \$25,188 | \$32,641 | \$6,444 |
| 9 | 2001 | \$54,818,286 | \$339,026 | \$590,062 | \$108,456 | \$147,727 | \$31,827 | \$41,245 | \$9,771 |
| 10 | 2002 | \$56,761,977 | \$385,383 | \$810,400 | \$127,307 | \$165,313 | \$35,636 | \$46,181 | \$10,947 |
| 11 | 2003 | \$52,797,457 | \$260,649 | \$951,319 | \$85,116 | \$110,378 | \$24,785 | \$30,875 | \$9,496 |
| 12 | 2004 | \$55,421,996 | \$324,311 | \$1,117,124 | \$111,266 | \$133,818 | \$30,582 | \$36,950 | \$11,695 |
| 13 | 2005 | \$57,308,839 | \$412,881 | \$1,316,733 | \$138,985 | \$170,975 | \$40,039 | \$47,546 | \$15,336 |
| 14 | 2006 | \$60,675,614 | \$485,923 | \$1,538,881 | \$161,193 | \$203,393 | \$47,284 | \$56,148 | \$17,905 |
| 15 | 2007 | \$76,125,212 | \$772,572 | \$1,872,871 | \$256,776 | \$316,447 | \$84,545 | \$87,155 | \$27,649 |
| 16 | 2008 | \$95,665,708 | \$1,212,775 | \$2,368,657 | \$402,920 | \$500,617 | \$129,094 | \$136,763 | \$43,384 |
| 17 | 2009 | \$104,589,616 | \$1,453,846 | \$2,930,677 | \$469,662 | \$612,921 | \$150,499 | \$167,588 | \$53,176 |
| New Base | | \$40,097,623 | | | | | | | |
| 18 | 2010 | \$98,972,493 | \$1,374,736 | \$3,433,219 | \$469,233 | \$547,082 | \$143,015 | \$159,429 | \$55,978 |
| 19 | 2011 | \$95,104,431 | \$1,284,536 | \$3,877,256 | \$438,404 | \$511,203 | \$133,624 | \$148,960 | \$52,344 |
| 20 | 2012 | \$127,411,066 | \$2,015,756 | \$4,536,173 | \$695,888 | \$803,371 | \$212,259 | \$236,619 | \$67,618 |
| 1 | 2013 | \$133,959,287 | \$784,181 | \$4,778,571 | \$635,866 | \$0 | \$148,316 | \$0 | \$0 |
| 2 | 2014 | \$136,638,473 | \$806,565 | \$5,014,331 | \$654,016 | \$0 | \$152,549 | \$0 | \$0 |
| 3 | 2015 | \$172,928,453 | \$1,109,755 | \$5,321,077 | \$899,862 | \$0 | \$209,893 | \$0 | \$0 |
| 4 | 2016 | \$176,387,022 | \$1,138,650 | \$5,618,696 | \$923,293 | \$0 | \$215,358 | \$0 | \$0 |
| 5 | 2017 | \$256,098,262 | \$1,804,610 | \$6,064,736 | \$1,463,296 | \$0 | \$341,313 | \$0 | \$0 |
| 6 | 2018 | \$337,403,727 | \$2,483,888 | \$6,645,290 | \$2,014,100 | \$0 | \$469,788 | \$0 | \$0 |
| 7 | 2019 | \$420,335,302 | \$3,176,753 | \$7,347,413 | \$2,575,920 | \$0 | \$600,833 | \$0 | \$0 |
| 8 | 2020 | \$504,925,508 | \$3,883,474 | \$8,159,065 | \$3,148,977 | \$0 | \$734,498 | \$0 | \$0 |
| 9 | 2021 | \$591,207,518 | \$4,604,330 | \$9,069,053 | \$3,733,494 | \$0 | \$870,836 | \$0 | \$0 |
| 10 | 2022 | \$679,215,168 | \$5,339,603 | \$10,066,977 | \$4,329,702 | \$0 | \$1,009,902 | \$0 | \$0 |
| | | | \$36,025,281 | \$10,066,977 | \$24,029,689 | \$4,477,819 | \$5,871,655 | \$1,256,750 | \$389,370 |

Appendix 3: ATA Apartments Limited Partnership

- ◆ ATA Apartments Limited Partnership is an affiliate of Trammell Crow Residential. The development team includes:
 - Kenneth Valach, CEO
 - Timothy Hogan, CFO
 - Steve Bancroft, Senior Managing Director
 - Matthew Enzler, Vice President – Development
 - Sam Boykin, Vice President of Construction
 - Jason Bentley, Construction Project Manager
 - James R Driggs, Managing Director – Quality Control