

Memorandum



DATE November 2, 2012

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

SUBJECT **Lancaster Corridor Infrastructure Analysis Consultant Selection**

At the November 14 Council meeting, you will consider an agenda item to authorize a six-month professional services contract for planning related to water infrastructure analysis in the Lancaster Corridor with Freese and Nichols, Inc. in the amount of \$136,100.

This professional services contract will allow the Office of Economic Development to hire a consultant firm to provide a current assessment of water, wastewater and stormwater lines within the Lancaster Corridor between the Kiest and VA Medical DART stations and determine future infrastructure needs for growth consistent with the City's plans. This work is consistent with the work plan established for the Community Challenge Planning Grant awarded by the U.S. Department of Housing and Urban Development.

The City was awarded a Community Challenge Planning Grant on October 20, 2010 under the Notice of Funding Availability for HUD's Community Challenge Planning Grants and the Department of Transportation's TIGER II Planning Grants. The funds are to be used for the planning and land acquisition related to the development of affordable housing near Dallas Area Rapid Transit (DART) stations. This infrastructure analysis is one component of the planning and preconstruction work related to the grant.

Overall, the grant focuses on three different DART lines, Red, Green and Blue, anchored by seven transit stations: VA Medical Center, Lancaster-Kiest, Martin Luther King (MLK), Hatcher Square, Buckner, Park Lane and Walnut Hill. However, the infrastructure analysis will be focused solely on the area between the VA Medical Center and the Lancaster-Kiest DART stations.

Under this grant a total of \$2,225,000 is available from HUD for planning, land acquisition and pre-construction activities during a three year period. Approximately \$140,000 has been budgeted for the infrastructure analysis.

Specific activities to be funded under this grant include:

- An infrastructure capacity and needs assessment of the study area focusing on potable water, sanitary sewer and storm water/drainage needs for the area.
- The findings of the assessment will be presented through a technical report and individual meetings as needed.

- An analysis of future capacity needs based upon anticipated development patterns. This analysis will determine any existing constraints to future development of higher intensity and identify cost estimates for needed improvements.

Through these activities, the City will be supporting HUD’s livability principles of promoting equitable, affordable housing and supporting existing communities by targeting federal funds for projects that embrace transit-oriented, mixed-use development and land recycling.

A six member evaluation committee was selected from the following departments:

- Economic Development (2)
- Dallas Water Utilities (2)
- Public Works and Transportation (1)
- Business Development and Procurement Services (1)*

*Business Development and Procurement Services only evaluated the Business Inclusion and Development Plan.

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Responsiveness of Proposal 15 points
- Experience with Similar City/municipality Projects 35 points
- Qualifications & Technical Expertise 35 points
- Business Inclusion & Development Plan (BID) 15 points

The following proposals were received from solicitation number BPZ1221 and were opened on July 19, 2012. This contract is being awarded in its entirety to the most advantageous proposer. In compliance with state law concerning professional services evaluation, cost was neither considered in the evaluation nor reflected in the scoring.

*Denotes successful proposer

Proposers	Address	Score
*Freese and Nichols, Inc.	1701 N. Market Street, #500, LB51 Dallas, TX 75202	88.6
Kimley Horn	12700 Park Central Drive #1800, Dallas, TX 75251	87.8
Lockwood Andrews & Newman	8350 N. Central Expressway, Suite 1400 Dallas, TX 75206	84.8
Arredondo, Zepeda Brunz	2001 Beach St # 524 Fort Worth, TX 76103	84.8

<u>Proposers</u>	<u>Address</u>	<u>Score</u>
JQ Infrastructure	2105 Commerce Street Dallas, TX 75201	84.4
MWH Americas	7557 Rambler Road, #440 Dallas, TX 75231	84.2
Michael Baker Jr Inc	17950 Preston Road, Suite 915, Dallas TX 75252	79.8
RJN Group	12160 Abrams Road, Suite 400 Dallas, TX 75243	79.4
Solaray Engineering	735 Villa Creek Drive, #140 Dallas, TX 75234	78.8

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 1,551 email bid notifications to appropriate vendors. Notifications were also sent by the BDPS' ResourceLink Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach, and 506 MWBE vendors were contacted.

Freese and Nichols, Inc, from Dallas, TX, was the successful bidder. Upon City Council approval, the City will enter into a 6-month contract with Freese and Nichols, Inc. The total fee for the contract is \$136,100 and is payable based on tasks related to the scope of work. The \$136,100 will be reimbursed by HUD Community Challenge grant funds.

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 November 2, 2012

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SUBJECT **Cypress Waters Phase 2, November 14, 2012 Council Agenda**

Background

Over the past year, Billingsley Company has worked diligently to market the office portion of the Cypress Waters TIF district. However, the company has found that the lack of roads and other infrastructure has made it difficult to secure office leases and thereby allow construction to begin.

The second phase of proposed development at Cypress Waters consists of infrastructure improvements in support of future office development.

This phase includes (1) construction of the extension of Cypress Waters Boulevard from Hackberry Drive to the Phase 1 development; (2) the extension of Saintsbury Street from the termination of the Phase 1 improvements to the proposed Cypress Waters Boulevard extension; (3) entryway features for both streets; (4) sidewalks along both streets and a cycle track on Cypress Waters Boulevard; and (5) publicly accessible green space in the center of this phase of development.

These infrastructure improvements are being planned and constructed in order to catalyze leasing and development in the office portion of the district and will be staged as needed to coordinate with planned development. No leases have been signed and no minimum private development is required for the developer to be eligible for TIF reimbursement. This second phase of infrastructure improvements will accommodate over a million square feet of office development, approximately \$88 million of which will be required to generate sufficient TIF revenues to fund this infrastructure project. Each new office building adjacent to the TIF-funded roads will be required to undergo design review through the City's design review processes.

The developer, Billingsley LD, Ltd., is an affiliate of Billingsley Company, which also developed One Arts Plaza and Gramercy Park in Dallas, as well as office, retail, industrial, and mixed use developments in North Texas. Billingsley Company has a history of creating walkable developments, such as Austin Ranch in The Colony. Phase 1 of the Cypress Waters development, consisting of 660 multi-family units, is currently under construction.

Billingsley LD, Ltd., will fund TIF-eligible improvements up front and will be reimbursed solely from the Cypress Waters TIF District Fund, and/or tax increment bonds, not City general funds or other City bond funds, only to the extent Cypress Waters TIF District funds are available.

On October 3, 2012, the Cypress Waters TIF board recommended that TIF reimbursement, if and when funds are available, up to \$6,522,398 plus an additional grant in an amount not to exceed five percent per year from future Cypress Waters TIF District revenues be dedicated or pledged to the proposed development.

The Cypress Waters TIF District was established on December 8, 2010 to encourage the initial development of a large tract of undeveloped land within the City of Dallas around North Lake, northeast of the intersection of IH 635 and Belt Line Road. This District will promote the development of pedestrian-oriented traditional neighborhood development containing multi-family and residential development, pedestrian-oriented retail development, and additional commercial development. At build-out, Cypress Waters is proposed to have up to 10,000 residential units, 4 million square feet of commercial space, and 150,000 square feet of retail space.

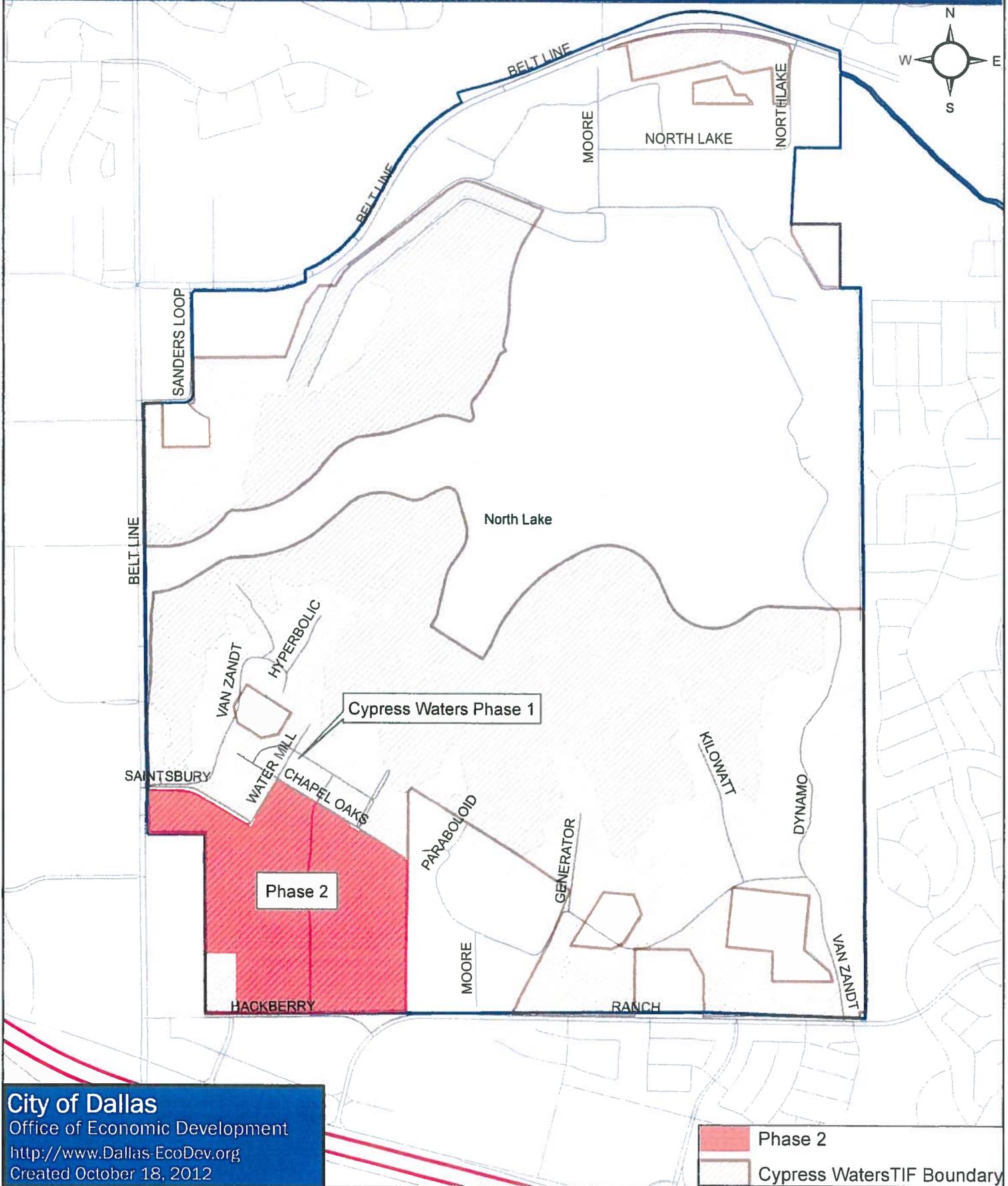
Should you have any questions or concerns, please contact me at (214) 670-3296.



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Cypress Waters - Phase 2 Location Map



Memorandum



DATE November 2, 2012

TO Members of the Economic Development Committee:
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Sheffie Kadane

SUBJECT **Kings Crossing Mixed-Use Development; Council Agenda November 14, 2012**

Background

On Wednesday, November 14th, City Council will be asked to consider economic development incentives for the owners of 2154 Royal Lane regarding an expansion and a proposed new mixed-use development adjacent to the site.

For the past several months, city staff has been in discussions with representatives of the owners of 2154 Royal Lane in Dallas (321 Commercial Avenue, LLC and 329 Commercial Avenue, LLC) regarding the potential expansion of the existing facility as well as a new mixed use development on site.

The proposed \$13.8 million expansion (Phase 1) to the existing facility includes a swimming pool and other commercial areas. The proposed new development (Phase 2) will involve an investment of approximately \$20.5 million, resulting in an estimated 165,000 square feet of retail and residential development. The planned retail portion of Phase 2 consists of an anchor grocery store, various restaurants, and service industries such as salons and dry cleaning pick up stations.

There are currently 21 people employed onsite. The expansion will create approximately 25 additional jobs. The planned mixed-use development is anticipated to result in at least 100 additional jobs created by the tenants.

The property owners request council consideration of a \$575,000 economic development grant and a ten-year, 75 percent real property tax abatement on the added value of the improvements. The proposed grant will be to offset project related costs associated with a city-owned sanitary sewer line that must be upsized for the project.

In order for the City of Dallas to provide the proposed tax abatement, state law requires the creation of a reinvestment zone, and that requires a public hearing. The estimated forgone revenue on the \$36,000,000 project is \$2,154,330. The ten-year net fiscal impact is a break even, and the twenty-year net fiscal impact is \$3,117,654.

Owner

321 Commercial Avenue, LLC and 329 Commercial Avenue, LLC
Donald Teck Kim, President (both)

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 214-670-3296.



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Exhibit B

Project Information Worksheet

Economic Development Committee

A. Project Summary

City Council District	6 - Alonzo	
Project/Company Name	Kings Crossing	
Project Location	2144 & 2145 Royal Lane	
Project Type	Spa, Mixed-Use & Residential	
Facilities (Square Feet)	219,000 new	
Construction Schedule	Begin	Ongoing
	Complete	March, 2015
Private Improvement Investment	Real Property	36,000,000
	Business Property	0
Jobs	Created	125
	Retained	21
Average Wage Rate	Salary	30,000
	Hourly	
City Incentive Summary	Tax Abatement	\$2,154,330
	Infrastructure	
	Other	\$575,000

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

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	125	\$ 86,137,296	125	\$172,798,832
Indirect and Induced Impact*	50	\$ 74,093,567	50	\$152,088,948
Total Impact	175	\$ 160,230,863	175	\$324,887,780

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	\$4,402,790	\$10,118,556
Total City GF Service Costs	\$2,094,281	\$4,271,572
Net Impact Before Incentives	\$2,308,509	\$5,846,984
City Incentives **	\$2,513,897	\$2,729,330
Net City Fiscal Impact	(\$205,388)	\$3,117,654

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

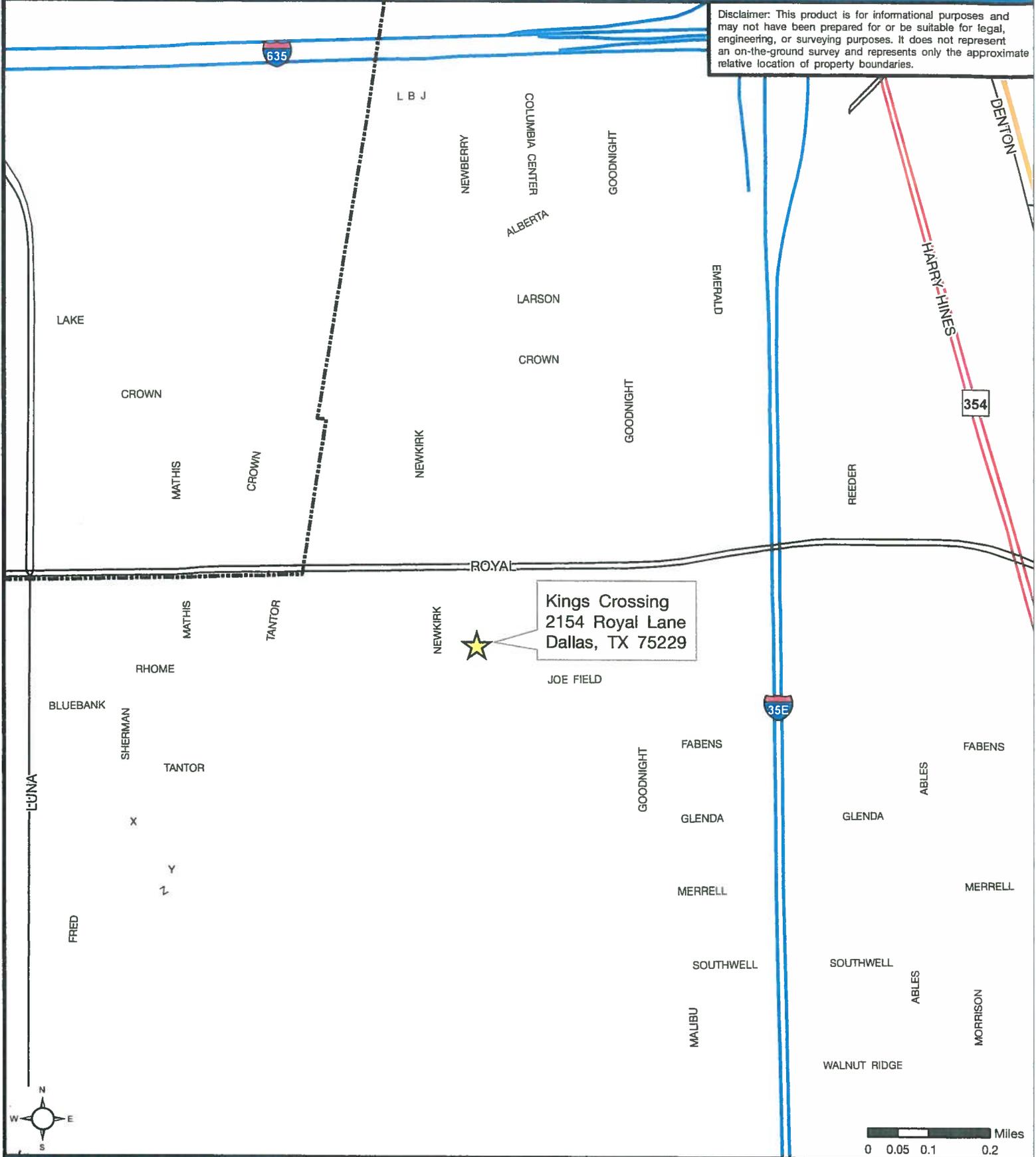
** Year 10 of tax abatement is not captured in 10-year forgone revenue since it occurs in year 11 of the project

Kings Crossing Preliminary Rendering



Kings Crossing

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.



**DALLAS
ECONOMIC
DEVELOPMENT**

Research & Information Division
214.670.1685
dallas-ecodev.org

Legend

-  City of Dallas
-  DART Light Rail

-  Freeway
-  Highway

-  Arterial
-  Local Road