

Memorandum

2012 NOV 29 PM 1:44

CITY SECRETARY
DALLAS, TEXAS



CITY OF DALLAS

DATE November 30, 2012

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

SUBJECT **Economic Development Committee**
Monday, December 3, 2012, 9:00 – 10:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of November 6, 2012 Minutes of the Economic Development Committee
2. GrowSouth: Proposed Economic Development Sports Project for Southern Dallas
Ryan S. Evans, Assistant City Manager
City Manager's Office
(Estimated time 20 minutes)
3. Real Estate Exchange with Hunt-Woodbine
Bonnie Meeder, Assistant Director,
Sustainable Development & Construction
(Estimated time 20 minutes)
4. Upcoming agenda items for December 2012
 - Jefferson Tower Redevelopment
 - Jacobs Engineering Group Inc.
 - Status and Update on the Texas Historical Commission Programmatic Agreement

Tennell Atkins, Chair
Economic Development Committee

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

Ryan S. Evans, Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, CFO, OFS
Karl Zavitskovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Stephanie Pegues-Cooper, Asst. to the CMO

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

A closed session may be held if the discussion on any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested to the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The Purchase, exchange, lease or value of real property, if the deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving appointments, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment or specific occasions for implementation of security personnel or device. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meeting Act.

Economic Development Committee **DRAFT**

Meeting Record November 6, 2012

The Economic Development Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

Meeting Date: November 6, 2012 **Meeting Start time:** 9:01 AM

Committee Members Present:

Tennell Atkins
Ann Margolin
Sheffie Kadane
Monica Alonzo
Jerry Allen

Other Council Members Present:

Staff Present:

Ryan Evans, *Assistant City Manager, City Managers Office*
Karl Zavitkovsky, *Director, Office of Economic Development*
Ron King, *Director, Convention & Event Services*
Mike Frosch, *Director, Business Development & Procurement Services*
Ben Davis, *Assistant Director, Business Development & Procurement Services*

Other Presenters:

1. Approval of November 6, 2012 Minutes of the Economic Development Committee
Presenter(s):

Action Taken/Committee Recommendation(s): Motion made to approve the minutes.

Motion made by: Mr. Allen

Motion seconded by: Ms. Alonzo

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

Follow-up (if necessary):

2. Alexan Trinity Project (Oak Cliff Gateway TIF District)

Presenter: (Karl Zavitkovsky, Director, Office of Economic Development)

Action Taken/Committee Recommendation(s): Motion made to recommend item to full Council

Motion made by: Mr. Allen

Motion seconded by: Ms. Margolin

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

Follow-up (if necessary):

3. City Center TIF District-Term Extension and Plan Amendments

Presenter: (Karl Zavitkovsky, Director, Office of Economic Development)

Action Taken/Committee Recommendation(s): Motion made to recommend item to full Council

Motion made by: Mr. Allen

Motion seconded by: Mr. Kadane

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

Follow-up (if necessary):

4. Dallas Convention Center Food and Beverage Contract

Presenter: (Ron King, Director, Convention & Event Services)

Action Taken/Committee Recommendation(s): Motion made to recommend item to full Council

Motion made by: Ms. Alonzo

Motion seconded by: Ms. Margolin

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

5. Upcoming agenda items for November 2012

- Lancaster Corridor Infrastructure Analysis Consultant Selection
- Cypress Waters Phase 2
- Kings Crossing Mixed-Use Development

Action Taken/Committee Recommendation(s): Motion made to recommend items to council for approval.

Motion made by: Ms. Alonzo

Motion seconded by: Ms. Margolin

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

Meeting Adjourned: 9:48 AM

Approved By: _____

Memorandum



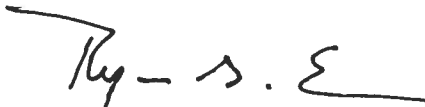
DATE November 30, 2012

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

SUBJECT GrowSouth: Proposed Economic Development Sports Project for Southern Dallas

On Monday, December 3, 2012, the Economic Development Committee will be presented the, "GrowSouth: Proposed Economic Development Sports Project for Southern Dallas," briefing.

Please contact me at 214-670-3296 with any questions.



Ryan S. Evans
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Daniel Solis, Administrative Judge, Municipal Court
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Jeanne Chipperfield, Chief Financial Officer
Stephanie Pegues-Cooper, Assistant to the City Manager



Proposed Economic Development Sports Project for Southern Dallas

Economic Development Committee

December 3, 2012



Overview

- The City's Grow South initiative focuses on addressing economic development within Southern Dallas, including increasing visibility and critical mass through various development initiatives
- Grow South strives to rebrand Southern Dallas, debunk myths and focus investments
- Providing professional sport venues can assist with urban redevelopment initiatives and provide economic growth in terms of job creation and income generation

Purpose of Briefing

- To discuss a proposed world class championship golf course and training facility, located off of Great Trinity Forest Way adjacent to the Trinity Audubon Center and Texas Horse Park
- To discuss the development of the Trinity Forest Golf Course (TFGC) which would include:
 - 18 hole championship golf course
 - 9 hole short course
 - Teaching facility
 - Practice facility

Purpose of Briefing

- To discuss securing:
 - Byron Nelson
 - SMU Golf Program
 - The First Tee
 - Trinity Forest Trails Phase 3



Benefits of Trinity Forest Golf Course

- Such venues serve as a catalyst for national recognition similar to the recognition Dallas receives through the franchises for the Dallas Mavericks and Dallas Stars
- Such venues attract collegiate and other professional and amateur teams
- Raise the sports profile of Dallas by physical attendance at events and visibility through media outlets and live coverage of the events

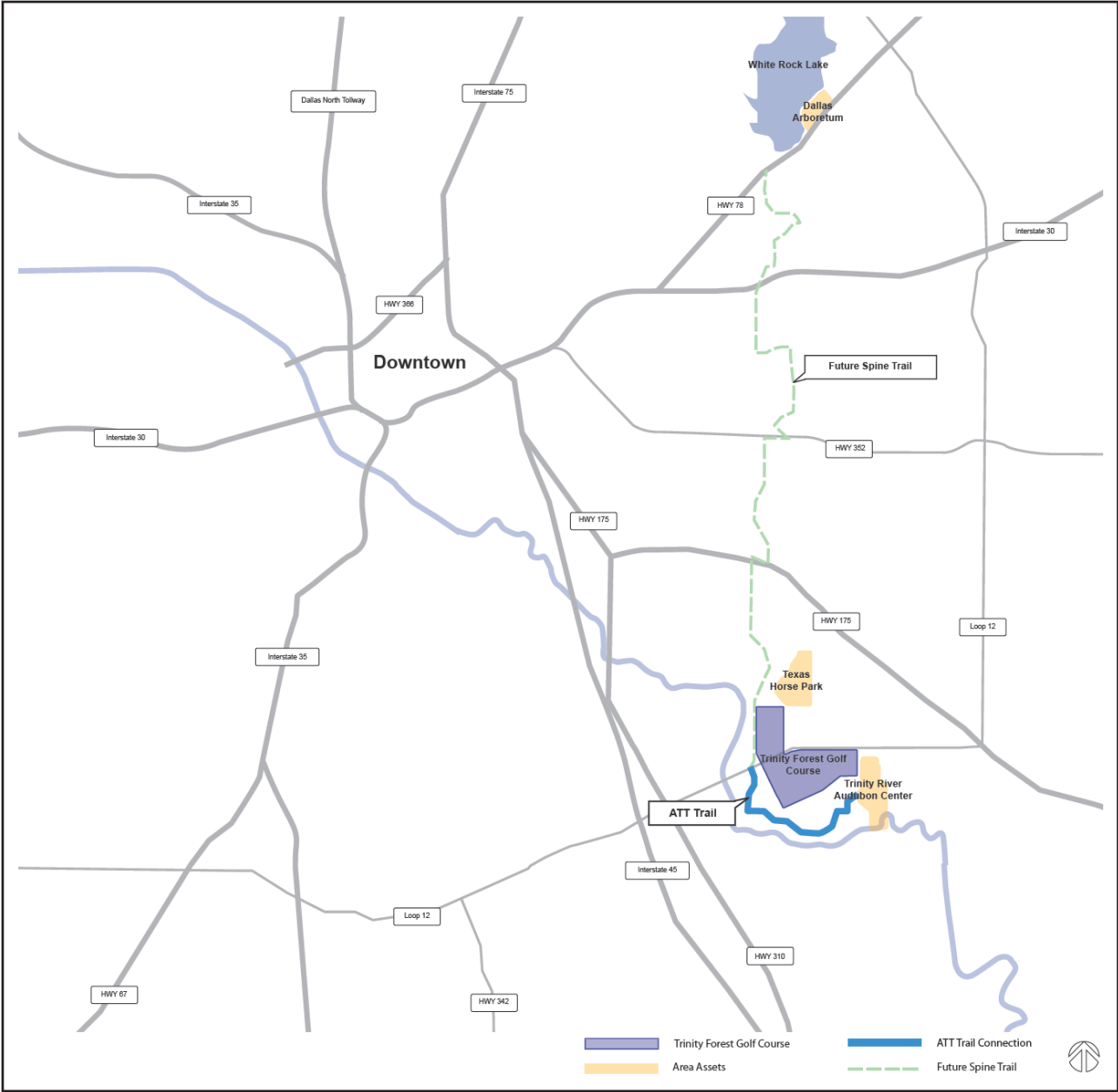
Benefits of Trinity Forest Golf Course

- Provides professional and collegiate sports venue and increases Dallas' presence in the national sports market through tournament play
 - Byron Nelson attracts 250,000 visitors to watch the tournament
 - NCAA tournaments host 7-10 collegiate teams traveling with coaches, trainers and fans
- Attracts national attention to the City, in particular Southern Dallas
 - Media coverage on various channels – Millions of viewers
 - Traditional television and cable stations
 - Collegiate coverage

Benefits of Trinity Forest Golf Course

- Provides job creation
 - Daily operations of the course is estimated to employ 75 individuals
 - Tournament play requires temporary labor for 4-12 weeks per event
 - Attracts individuals and corporations to Southern Dallas
 - Estimated 15,000 people playing golf annually on course
 - The First Tee program anticipates 1,100 children participating annually
 - Acts as a catalyst for future development!
- Note: As we continue to develop the agreement, we will solidify economic benefits

Location



Trinity Forest Partners

- Course will be directed by a diverse not for profit board comprised of members from:
 - AT&T
 - PGA Tour
 - SMU
 - The First Tee



Deal Points – Not for Profit Tenant

The Not for Profit tenant would begin development in Spring 2013 and plans to open the course in Spring 2016 under the following deal points:

1. Lease approximately 400 acres from City for forty years beginning with a base lease of \$1000 and increasing to \$10,000 per year upon opening of the course
2. Develop, program and operate the golf complex, consisting of an 18-hole championship golf course, practice range, short course, clubhouse, tournament facilities, The First Tee youth golf program teaching facility, and training academy for the SMU golf team, at an initial development cost of not less than \$20 million for the first phase and any additional cost overruns as a result of construction

Deal Points – Not for Profit Tenant

3. Fund and/or make an additional \$2.5 million in improvements to the City's Trinity Trails Phase 3 with funds from AT&T
4. Secure relocation of the Byron Nelson Championship to the completed golf course and pursue similar tournaments
5. Secure adoption of the golf complex by SMU and the location there of related facilities, activities and events potentially including NCAA tournaments
6. Establish The First Tee youth golf program and related facilities at the golf complex

Deal Points - Not for Profit Tenant

- The Not for Profit tenant would, (con'td):
 7. Provide for and insure that not less than 25% of annual rounds of golf will be available to charitable tournaments and events, educational and youth programming, and/or coordinated public play
 8. Operate, program, repair and maintain the golf complex and understand that all improvements will become property of the City



Deal Points – City

- The City will provide:
 1. Up to a maximum of \$12M to be used for the costs related to the preliminary site work (rough grading), surveying, platting, landfill remediation, wetland and floodplain mitigation, and other roadway and intersection improvements
 2. Assistance with obtaining local, state, and federal permits associated with the site improvements

Development Requirements

The Trinity Forest Golf Course will not proceed with development and construction until:

1. Minimum of \$20M in private funds has been raised
2. Byron Nelson is secured
3. SMU Golf Program is secured
4. The First Tee program is secured
5. City Council approves terms of final lease

Proposed Schedule

The scheduling goals are:

- TFP completes fund raising and partnership commitments by Spring 2013
- Council approval of proposed agreement with TFP in Spring 2013
- Begin construction in Spring/Summer of 2013
- Begin permanent operations by the end of 2016



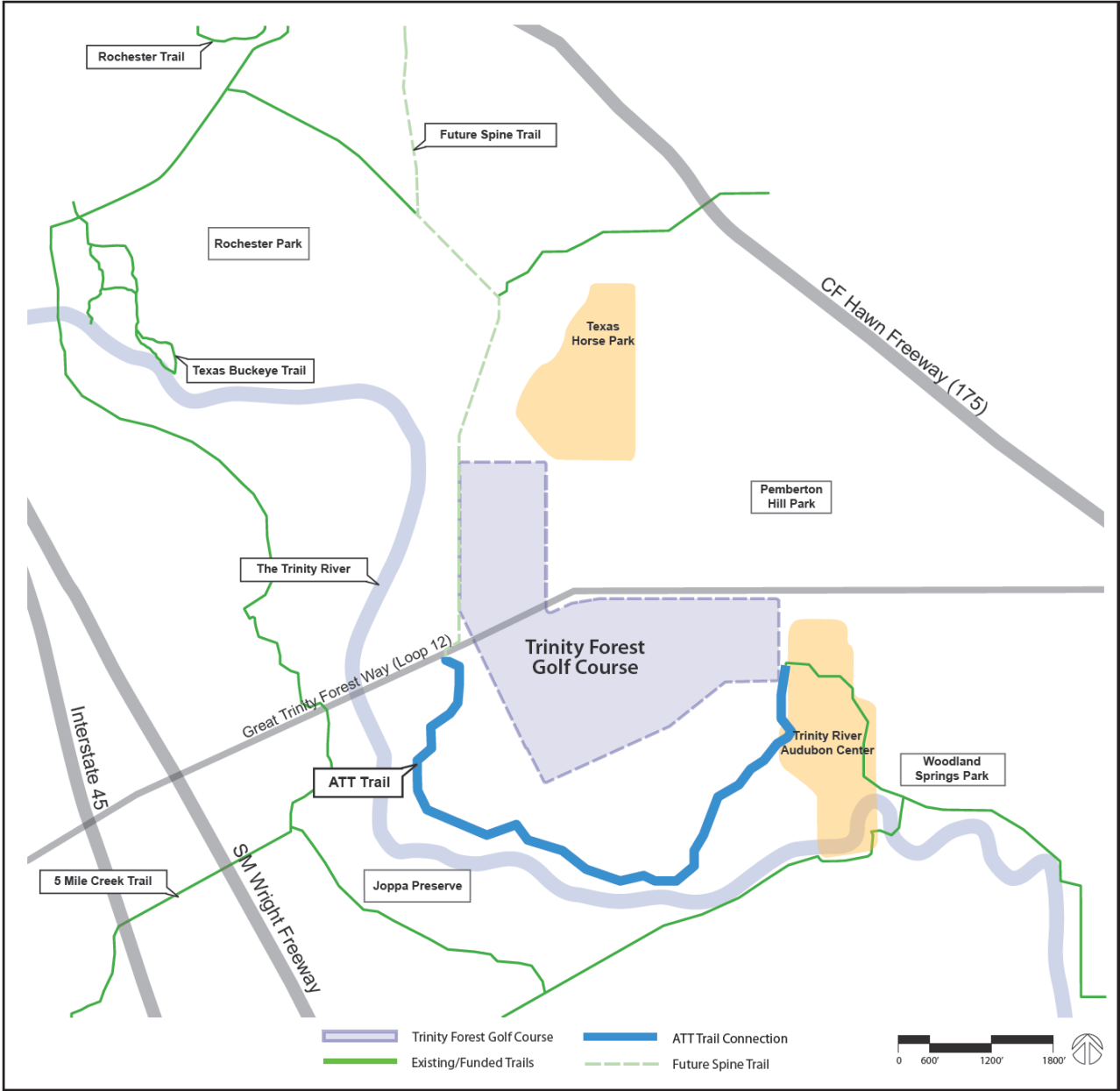
Next Steps

- Brief City Council on December 5, 2012
- Authorize the City Manager to sign a Letter of Intent and complete negotiations to advance the Trinity Forest Golf Course on the December 12, 2012 City Council Agenda
- Expected to complete negotiations in late Winter/Early Spring

Appendix – Site History



Vicinity Map



Site History

- City owns the site for the Trinity Forest Golf Course, known as the South Loop 12 and Elam Landfills on the Simpkins tract
 - South Loop 12 and Elam Landfills are approximately 400 acres of the total 1,415 acres
- Texas Commission on Environmental Quality has issued a notice of violation
- City has been working with TCEQ to address the environmental issues

Site History

- City has completed preliminary design of necessary remedial actions and planned to undertake these improvements in the future
- City has set aside funds to begin remediation on the site beginning in 2013
- Site cannot be improved until completion of these improvements



Proposed Economic Development Sports Project for Southern Dallas

Economic Development Committee

December 3, 2012



Memorandum



CITY OF DALLAS

DATE November 30, 2012

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

SUBJECT Real Estate Exchange with Hunt-Woodbine

On Monday, December 3, you will be briefed on a proposal to exchange real estate with Hunt-Woodbine on the western edge of downtown. The briefing is attached.

Please feel free to contact me at 214-670-3296 with any questions.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans
Assistant City Manager

C: Mary K. Suhm, City Manager
Rosa Rios, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, Administrative Judge
A.C. Gonzalez, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Edward Scott, City Controller
Stephanie Cooper, Assistant to the City Manager – Council Office
Theresa O'Donnell, Director, Sustainable Development and Construction Services

REAL ESTATE EXCHANGE with HUNT-WOODBINE

Economic Development
Committee

Briefing

December 3, 2012





Background

- Southwest Downtown was historically the location of railroad yards and industrial uses
- In the early 1970's, planning and discussions began to consider a new vision for the area.
- The City acquired property and undertook physical land planning efforts to improve access and roadways and redefine major land uses in the area.

Background

Land Use Map – 1960



Background

■ Land Use Map – 1970



1970

Southwest Downtown - 1958



Downtown Skyline – Mid 1970's





Background

- In 1974, the City of Dallas approved the Union Terminal Project and Reunion Master Agreement
- Subsequently, the City and Woodbine finalized a Master Agreement covering properties owned by each.
- The Agreement provided for the exchange of various tracts to allow for the development as envisioned by the plan
- It also required Hunt-Woodbine to develop the Hyatt Regency Hotel and remodel Union Station, and it required the City to build Reunion Arena

Background

Development soon followed

Hyatt Hotel



Union Station



Reunion construction was launched in the late 1970's



Background

Construction of Reunion Arena

- Constructed in 1980
- \$27million
- One-time home to
Dallas Stars, Dallas
Mavericks, MLS
Dallas, and the Dallas
Desperados



Background Convention Center Expansions

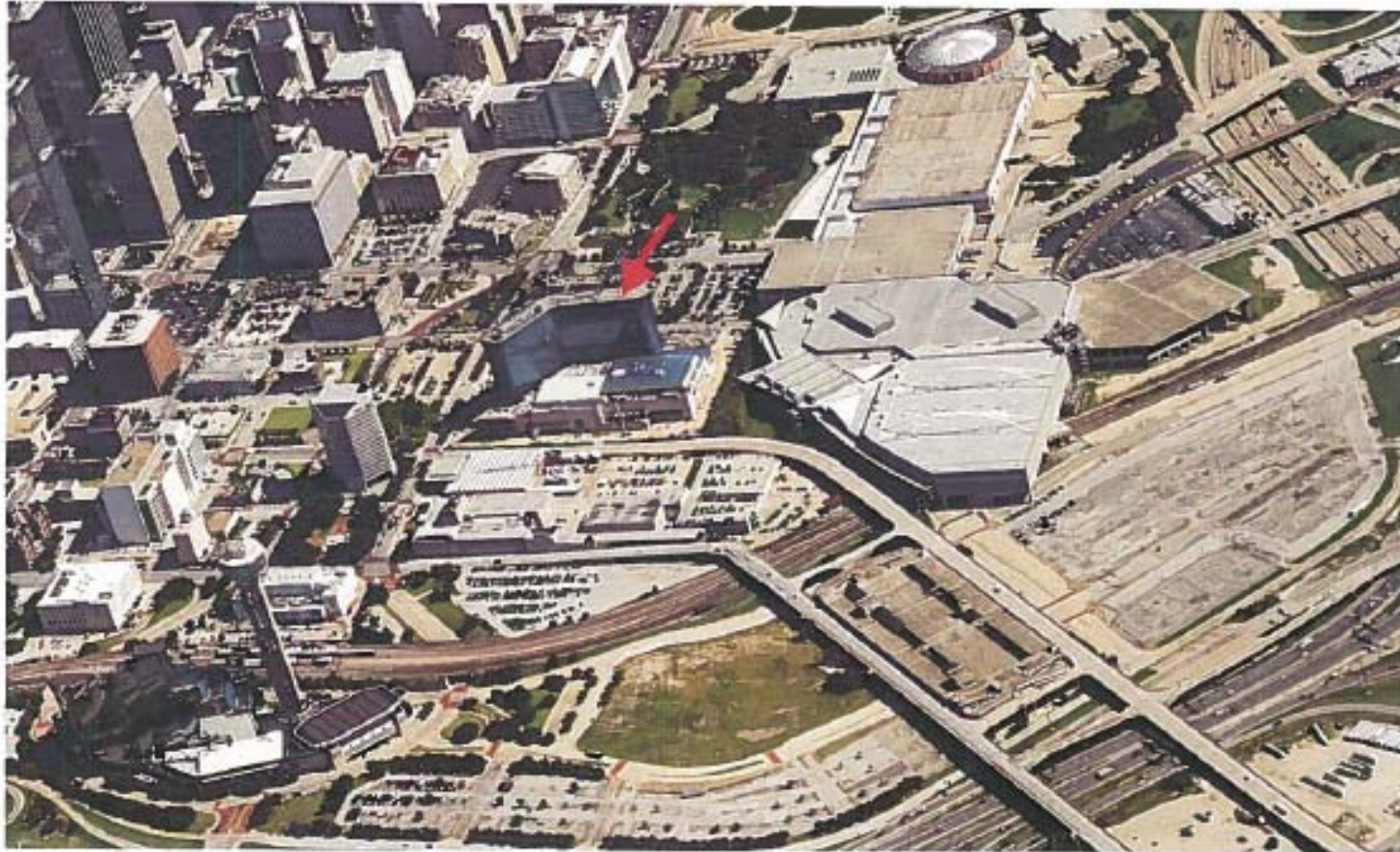


Background

- By late 1990's, Dallas Mavericks and Stars had expressed their desire for a larger, more modern arena and many aspects of the facility had become obsolete
- June 30, 2008 Reunion Arena was officially closed
- November 2009, the arena facility was imploded and site was cleared



Dallas Convention Center – Omni Hotel





Background

- As envisioned by the original Master Agreement, the Hyatt Hotel, Reunion Arena and Reunion Parking Garage were developed.
- The Convention Center has continued to enjoy many successful expansions, but Reunion Arena expended its useful life.
- Given the significant redevelopment potential, both the City and Hunt-Woodbine concluded that a bold new vision could leverage existing assets and maximize development opportunities.

Downtown Dallas 360 Plan

Adopted by City Council



April 14, 2011

A PATHWAY TO THE FUTURE

FUEL THE 21ST CENTURY ECONOMY

A DOWNTOWN OF DISTRICTS



TRANSFORMATIVE STRATEGIES



FOCUS AREAS



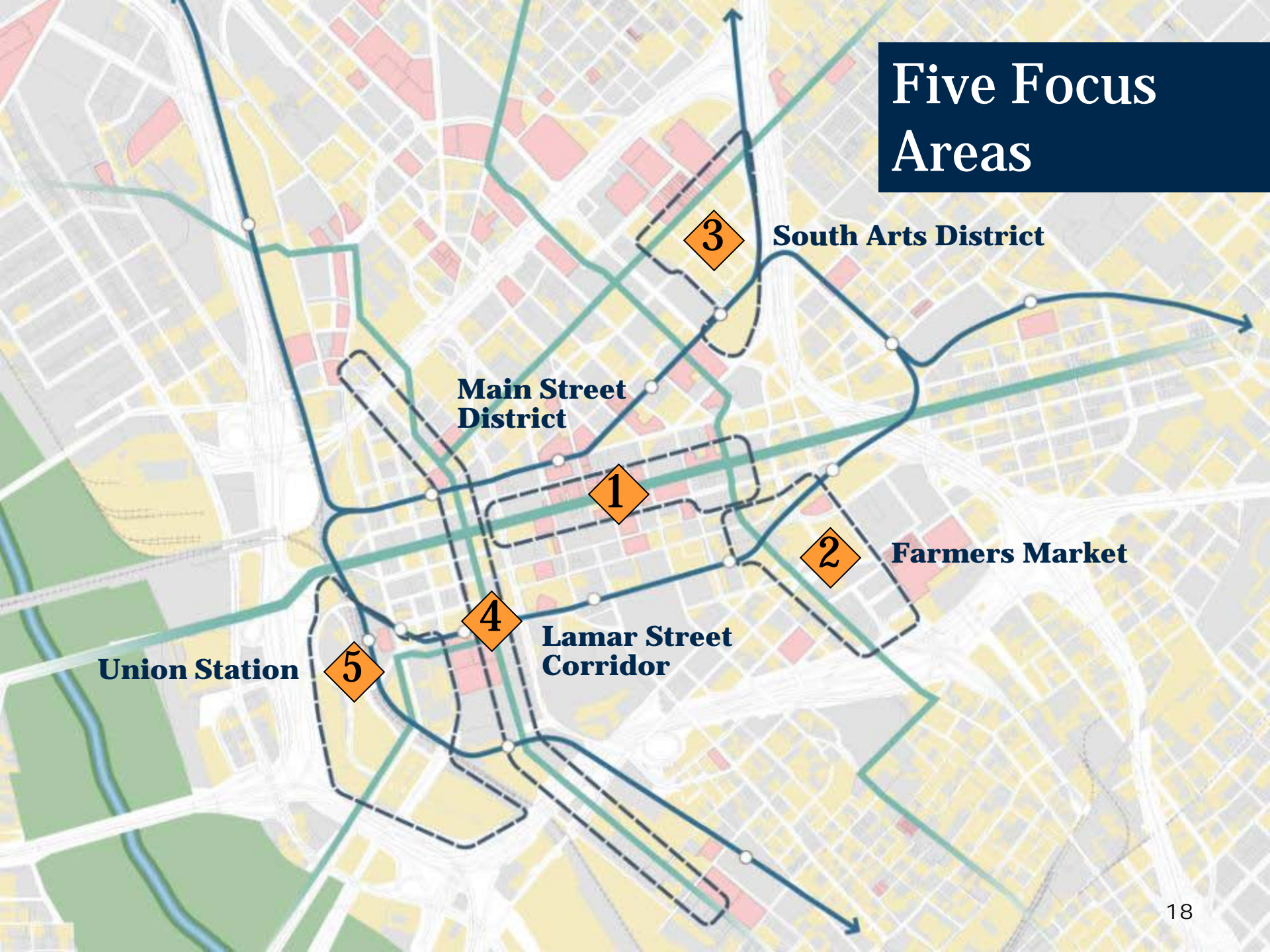
Five Transformative Strategies:

- Capitalize on Downtown's position as the regional transit hub

Expand
Transit and
Realize TOD
Potential



Five Focus Areas



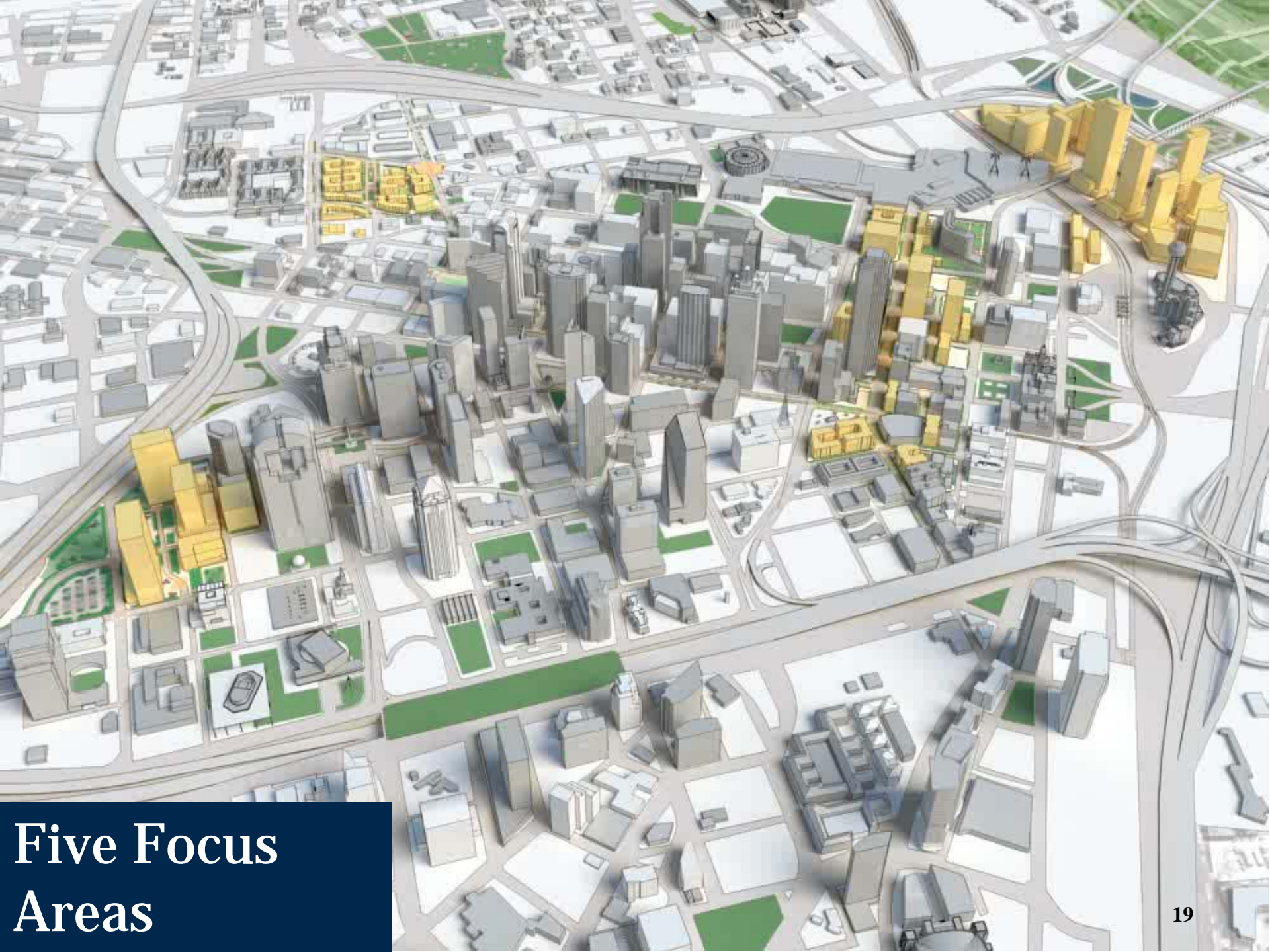
South Arts District

Main Street District

Farmers Market

Lamar Street Corridor

Union Station



Five Focus Areas

Reunion/Union Station Districts

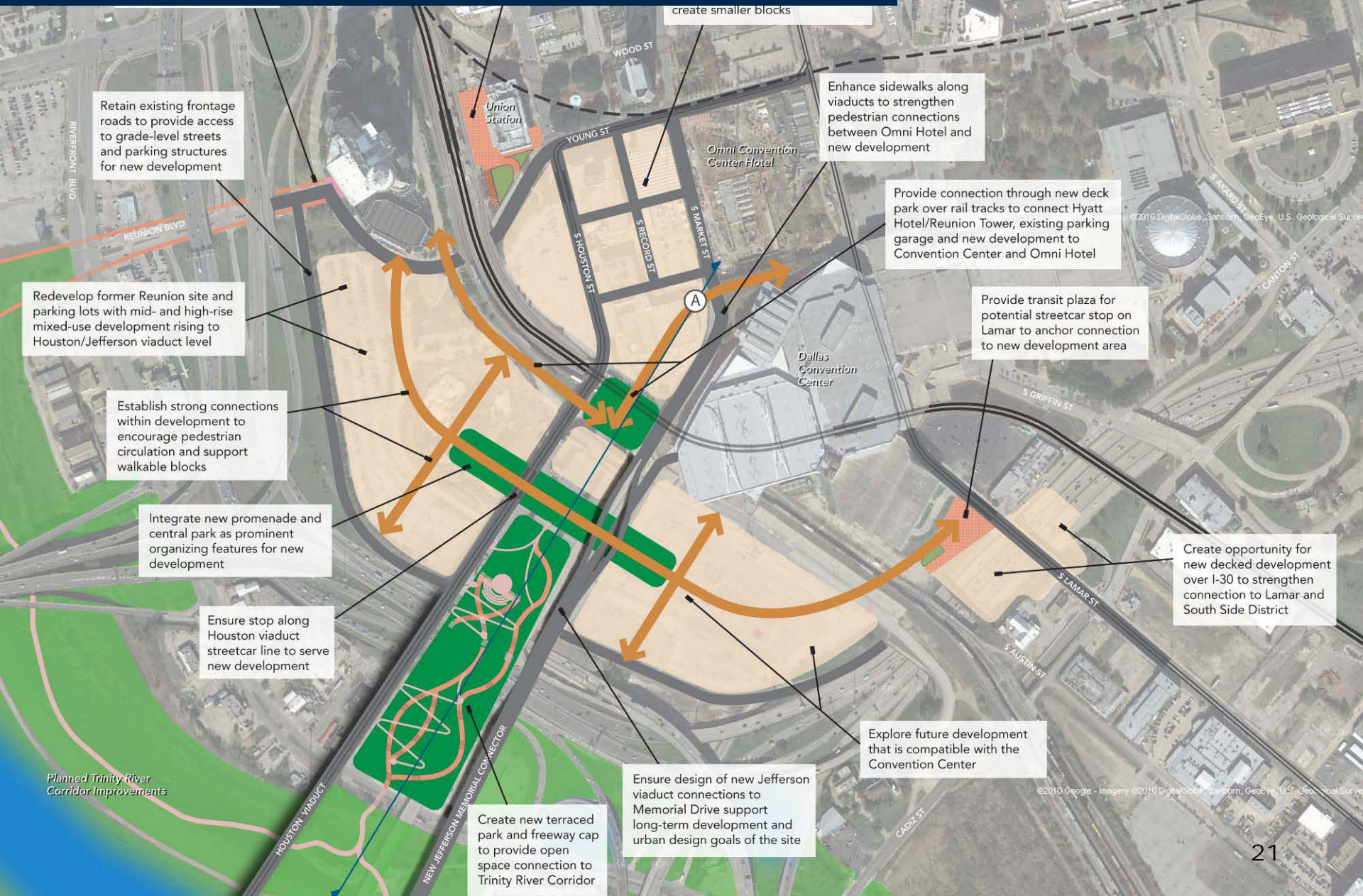
As Envisioned in the Dallas 360 Plan - 2011

- This ambitious development plan will require a renewed level of public/private cooperation that was established in the Reunion District almost 40 years ago.



Capitalize on proximity of Union Station and connections to DART light rail, TRE, Amtrak, and

Reunion / Union Station



Priority Action 7

Create a Master Development Plan for the Reunion /Union Station Focus Area

- New high intensity, mixed-use destination “corporate headquarters”
- Transfer/land swap of Reunion Arena site to catalyze development
- Coordinate with TIGER streetcar project and D2 planning





Proposal to Facilitate Redevelopment

- An amendment to the 1974 Master Agreement to clarify Hunt-Woodbine's purchase option for surplus properties.
- City determines that Reunion and Ropeco tracts are surplus property.

Proposal continued

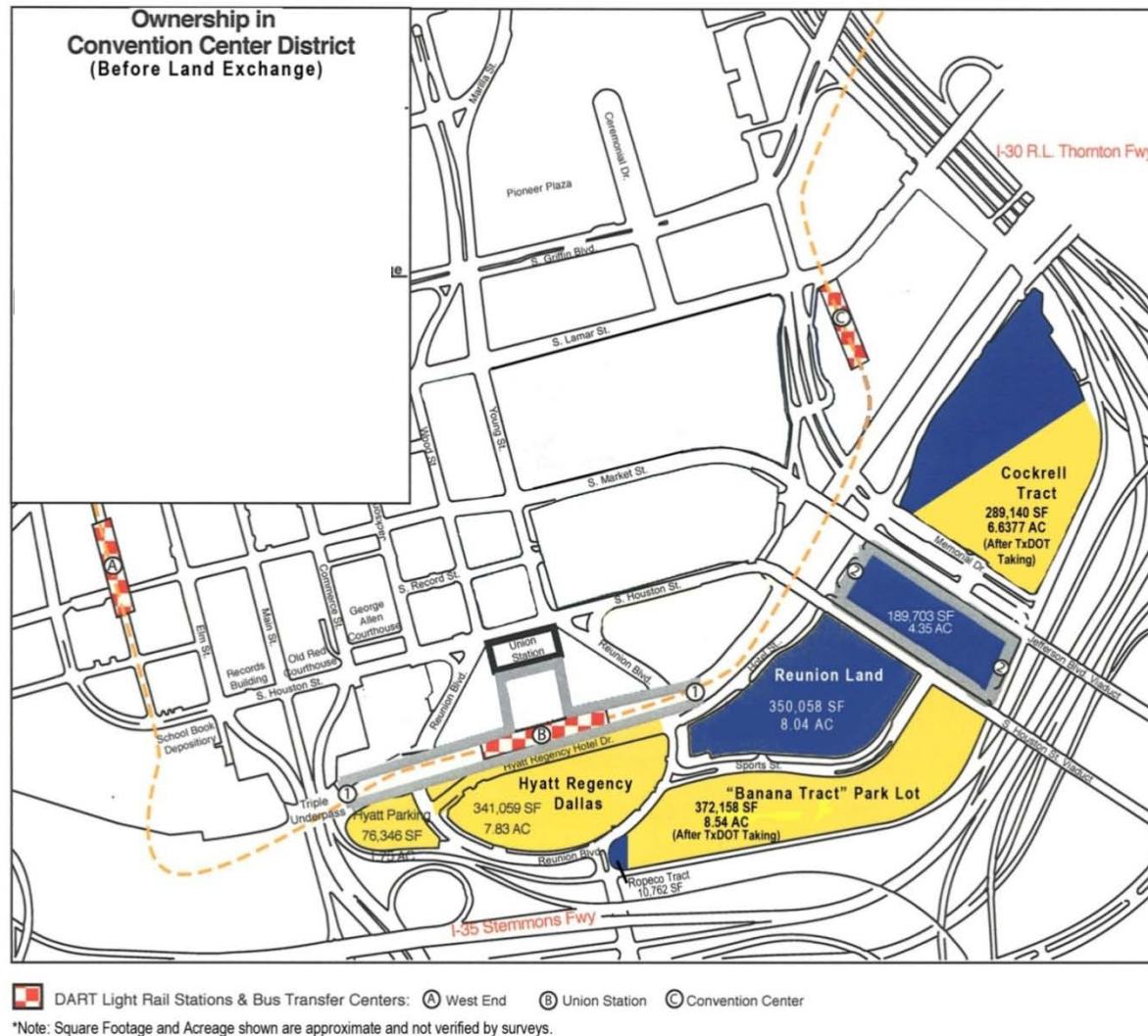
- Land exchange plus cash difference
 - City-owned (8.2 acres)
 - Reunion Arena Tract, 701 S. Sports Street
 - Ropeco Tract, 302 South Stemmons
 - Hunt-Woodbine owned (6.6 acres)
 - Cockrell Tract, 700 S. Stemmons Freeway

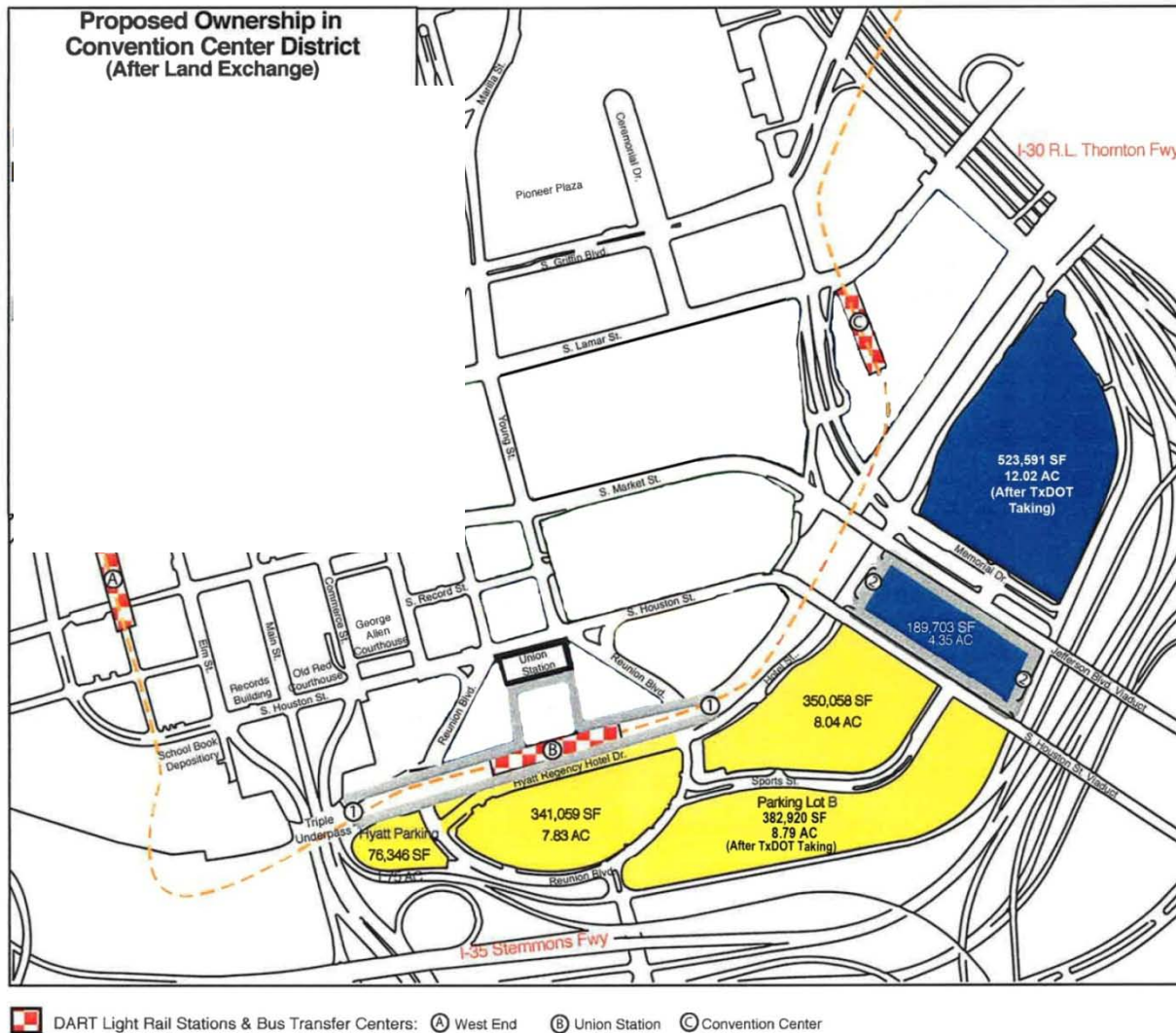




Benefits of the Land Exchange

- Reconfigures ownership of tracts
 - Reunion Arena and Ropeco sites contiguous with Hyatt Hotel
 - Property adjacent to Convention Center joined under City ownership
- Maximizes development potential for both consolidated tracts situated near two major hotels and Union Station multi-modal transportation hub





*Note: Square footage and acreage shown are approximate and not verified by surveys.



Benefits of the Land Exchange

- Increased potential for new development:
 - Adjacent to and overlooking Trinity River Corridor
 - Along planned streetcar alignment from downtown to North Oak Cliff
 - Furthers goal of Union Station as a multi-use, multi-modal transportation hub
- Development potential may generate additional tax base



Exchange considerations

- Amendment of 1974 Master Agreement necessary to clarify Hunt-Woodbine's purchase option price
- Performance of due diligence
- Determination of fair market value



1974 Master Agreement

- If the City intends to declare the parcel surplus, the Master Agreement provides that the City must offer Hunt Woodbine the first purchase opportunity.
- Also stipulates that the purchase price is established through a pricing formula.



Proposed Amendment

- Staff and Hunt-Woodbine propose amending the pricing formula to provide that the purchase price be at fair market value based on analysis by independent appraisers engaged by the City.
 - Originally agreed to contract for two appraisals
 - Later determined that one appraiser's opinion of value did not appear to accurately reflect market conditions, so that one was discarded and a third appraisal obtained

Appraisals

■ Appraisals Obtained October 2012

Appraiser A	PSF	Value
Combined City	\$35.00	\$12,570,000
Cockrell Tract	\$35.00	\$10,100,000
Appraiser B	PSF	Value
Combined City Tracts	\$50.00	\$18,041,000
Cockrell Tract	\$50.00	\$14,467,000
Appraiser C	PSF	Value
Combined City	\$79.54	\$28,700,000
Cockrell Tract	\$75.05	\$21,700,000

Exchange Due Diligence

- Environmental assessments obtained
 - Reunion Arena Site (City)
 - Resource Environmental Consulting, Inc. (REC), Phases I and II
 - Additional testing by Terracon, Oct./Nov. 2012
 - Cockrell Tract (Hunt-Woodbine)
 - Terracon, Phases I and II
 - Additional testing by Terracon and REC Oct./Nov. 2012



Environmental Testing Results

- Agreed to calculate cleanup costs to residential standards (without deed restrictions or institutional controls – unrestricted use)
- Environmental testing of both sites indicates similar type of contamination associated with fill materials, likely requiring excavation
- Estimated Remediation Costs:
 - Reunion Tract: Current Estimate \$4,401,000
 - Cockrell Tract: Current Estimate \$3,425,000

Exchange Values

- Staff proposal recommends:
 - Appraisal values for properties: \$65 psf
 - Minus remediation costs
 - Cash difference to be paid to City by HW

Staff Recommendation

■ Reunion/Ropeco Tracts @ \$65 psf	\$23,315,000
■ Reunion Remediation Cost	(\$4,401,000)
Reunion/Ropeco Tracts “Value”	\$18,914,000
■ Cockrell Tract @ \$65 psf	\$18,792,000
■ Cockrell Remediation Cost	(\$3,425,000)
Cockrell Tract “Value”	\$15,367,000
DIFFERENCE paid to City	\$3,547,000



Real Estate Exchange

- Exchange Agreement specifies:
 - Exchange Valuations
 - Special Warranty Deeds
 - Release of liability for known environmental conditions



Next Steps

- Brief City Council
 - December 5, 2012
- City Council Consideration
 - December 12, 2012
 - Master Agreement Amendment
 - Real Estate Exchange Agreement

Memorandum



DATE November 30, 2012

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

SUBJECT **Jefferson Tower Redevelopment; Council Agenda December 12, 2012**

Background

On Wednesday, December 12th, City Council will be asked to consider economic development incentives for the proposed redevelopment of Jefferson Tower, located in the 300 block of W. Jefferson Blvd., in Oak Cliff.

For the past several months, City staff has been in discussions with Jim Lake Companies, Inc. regarding the potential redevelopment of Jefferson Tower in Oak Cliff by Jefferson Monument, LLC, a single asset entity controlled by Jim Lake Companies, Inc.

Built in 1928 and originally known as the Medical-Dental Building, Jefferson Tower pioneered much of the economic development along Jefferson Boulevard in the 1930's. The building's central tower, the first high-rise in Oak Cliff, rises up eight stories, with two penthouses above the eighth floor, a basement below, and two retail wings that extend to the East and West. Jefferson Tower is currently 60% leased.

The developer's strategy is to recapitalize Jefferson Tower and actively manage the leasing and costs. The developer will invest \$4,300,000 to acquire the property and \$3,960,000 (hard and soft costs) for retail renovation and finish out, facade renovation and the conversion/activation of 2nd floor over retail into 15 work/live lofts (700 square foot to 1,125 square foot) units. The addition of two 3rd floor roof top viewing decks, finish out of remaining office vacancies, paving of an additional parking lot, an architectural lighting package and a Jefferson Streetscape project will complete the development. Work/Live will put much-needed eyes on the street to improve and encourage pedestrian activity and increase area safety. These units will have an open concept, similar to the successful redevelopment at the Trinity Loft, with exposed construction material and can easily flex between being Work, Live or both. The streetscape will include planters, fountains, benches, awnings and an entertainment platform and gathering area. The addition of street level pedestrian and facade improvements will transform this historical block of buildings.

Background Continued

In order to ensure the project is viable, Jefferson Monument, LLC requests that the City Council authorize an economic Development Grant of \$1,500,000 to offset a portion of the project costs. In order for Jefferson Monument, LLC to receive the grant, it must invest a minimum of \$6,000,000 for the acquisition, redevelopment and other project related costs.

Based on Jim Lake's long-term holdings in the Oak Cliff area, along with his successful adaptive urban redevelopments at the Trinity Loft and International on Turtle, Mr. Lake is well positioned to turn around this city jewel and Jefferson Boulevard.

Owner

Jefferson Monument, LLC
Jim Lake, Managing Partner

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.

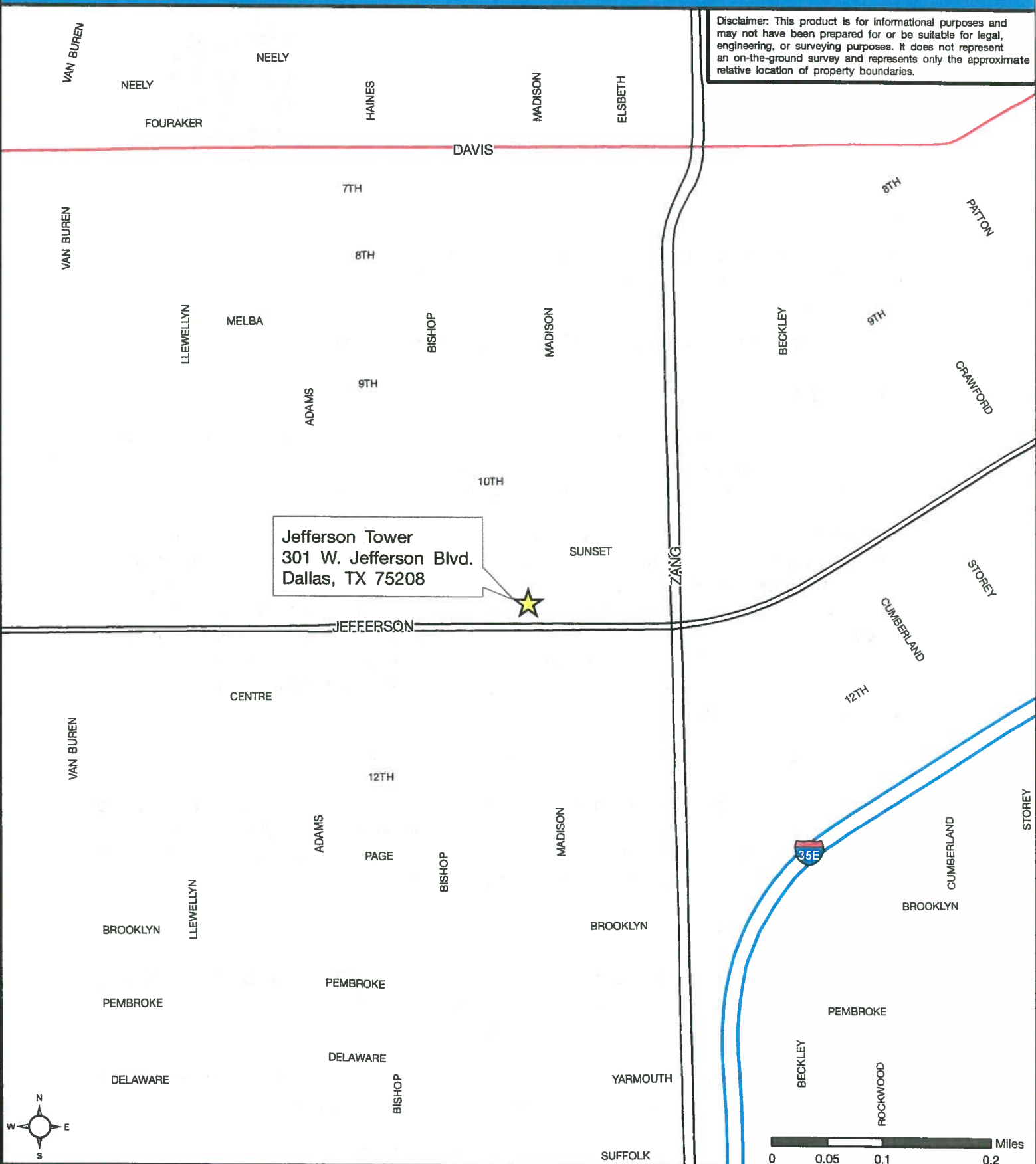


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Stephanie Pegues-Cooper, Assistant to the City Manager

Jefferson Tower

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

Created: 10/17/12 12:10:58 Chris O'Brien JTTCG

Legend

- Freeway
- Highway

- Arterial
- Local Road

Source: City of Dallas, 2012

Memorandum



DATE November 30, 2012

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

SUBJECT **Jacobs Engineering Group Inc.; Council Agenda Item December 12, 2012**

Background

On Wednesday, December 12, 2012 City Council will be asked to consider economic development incentives for Jacobs Engineering Group Inc. in consideration of the company consolidating and expanding into Downtown Dallas.

For the past several months, city staff has been in discussion with leadership at Jacobs Engineering Group Inc. (Jacobs) regarding the retention and potential expansion of its Dallas operations. Jacobs employs approximately 190 employees at two locations in Dallas: 7950 Elmbrook and 6688 N. Central Expressway. As part of an evaluation of its DFW area operations, the company considered multiple options; full consolidation of all regional employees in Dallas, partial consolidation in Dallas with a remaining presence in Fort Worth or a full consolidation of all regional employees in other area cities.

At the conclusion of negotiations, the following terms were agreed:

Jacobs will retain its approximately 190 employees currently in Dallas, add another 160 new jobs and invest a minimum of \$2,000,000 at the new consolidated Dallas offices to be located at 1999 Bryan (Harwood Center) and the City will provide a two-installment Economic Development Grant totaling \$300,000.

The terms of the proposed grant are as follows:

- Once the company makes the required \$2,000,000 investment in building improvements and reaches 300 employees by December 31, 2013, the City will make the first grant installment of \$250,000.
- Once the company adds another 50 employees (350 total) by December 31, 2014, the City will make the last grant installment of \$50,000.

This corporate expansion conforms to Public/Private Partnership Program Guidelines and Criteria as it creates or retains more than a minimum of 150 jobs at this Central Business District commercial zone site.

The retention and expansion of Jacobs Engineering Group, Inc. in Dallas will result in a positive net fiscal impact of approximately \$9,689,521 over 10-years after incentives. The projected 20-year net fiscal impact of the project is \$25,830,171.

Jacobs is one of the world's largest and most diverse providers of professional technical services. The company offers full-spectrum support to industrial, commercial, and government clients across multiple markets. Services include scientific and specialty consulting as well as all aspects of engineering and construction, and operations and maintenance. The company has 200+ offices in 25+ countries, and employs approximately 60,000 people globally.

Project Details

Project Site: 1999 Bryan Street, Dallas, Texas

Facilities: 81,000 sq. ft. Existing office space at Harwood Center - 1999 Bryan Street

Real Property Investment: \$2,000,000

City Incentives

Economic Development Grant \$300,000

Proposed Estimated Schedule of the Project

Begin Construction October 2012

Substantial Completion April 2013

Fiscal Information

- Economic Development Grant: \$300,000 Public Private Partnership Program

Owner

FPG-DMT Harwood, LLC

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.

A handwritten signature in blue ink, appearing to read "Ryan Evans", with a stylized flourish at the end.

Ryan 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, City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, Administrative Judge Municipal Court
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Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Karl Zavitskovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Stephanie Pegues-Cooper, Assistant to the City Manager

Exhibit B

Project Information Worksheet

Economic Development Committee

A. Project Summary

City Council District	14 - Hunt	
Project/Company Name	Jacobs Engineering Group Inc.	
Project Location	1999 Bryan Street	
Project Type	Office	
Facilities (Square Feet)	80,000	
Construction Schedule	Begin	October, 2012
	Complete	April, 2013
Private Improvement Investment	Real Property	2,000,000
	Business Property	2,000,000
Jobs	Created	160
	Retained	190
Average Wage Rate	Salary	100,000
	Hourly	
City Incentive Summary	Tax Abatement	\$0
	Infrastructure	
	Other	\$ 300,000

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

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	350	\$ 596,353,664	350	\$1,405,194,661
Indirect and Induced Impact*	280	\$ 536,518,297	280	\$1,264,475,195
Total Impact	630	\$ 1,132,871,961	630	\$2,669,669,856

C. City of Dallas General Fund Fiscal Impact (\$ Million)

(From direct, indirect and induced economic impacts)

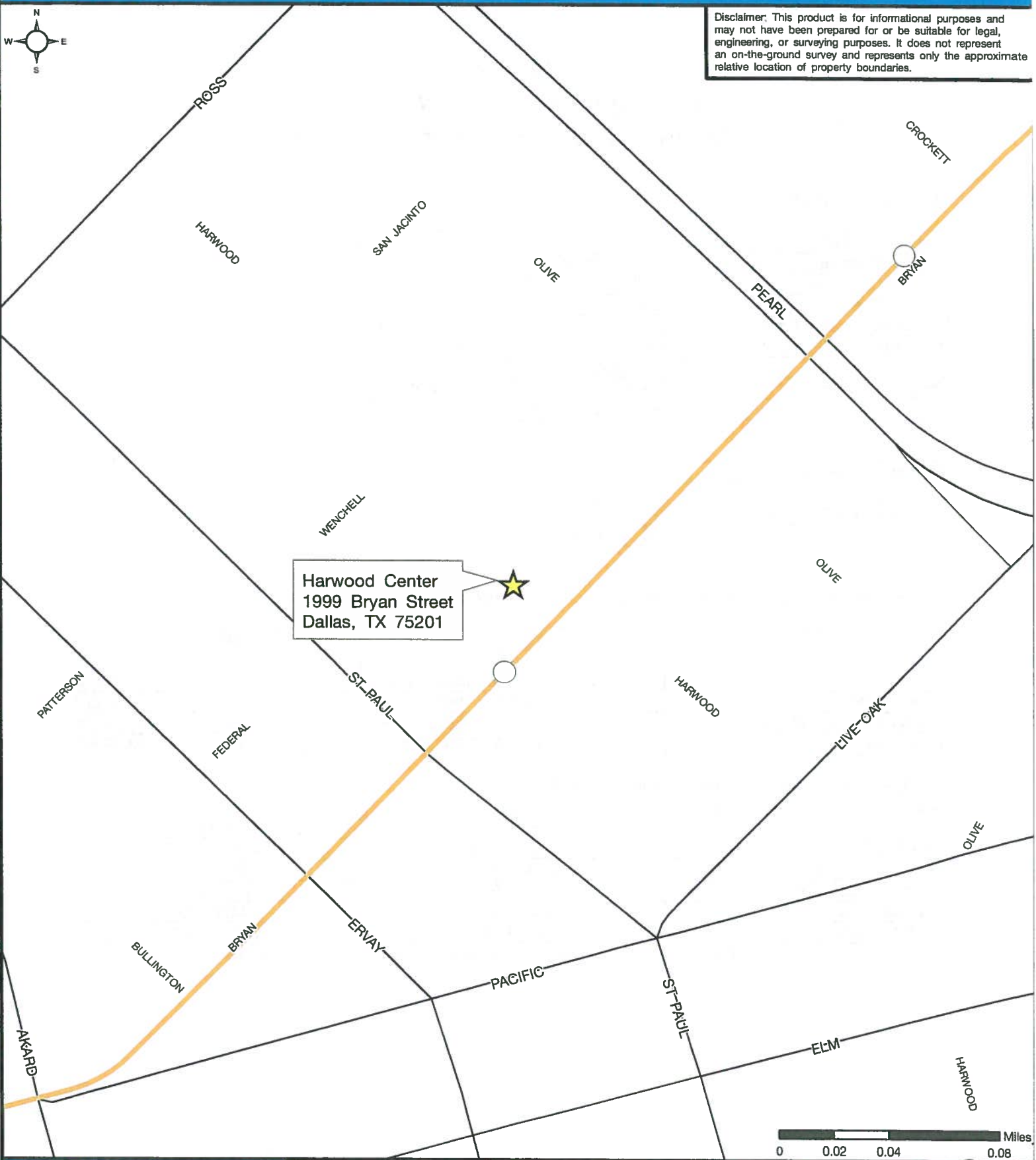
	10-Year	20-Year
Total City GF Revenue Generated	\$16,171,428	\$38,941,007
Total City GF Service Costs	\$6,181,907	\$12,810,836
Net Impact Before Incentives	\$9,989,521	\$26,130,171
City Incentives	\$300,000	\$300,000
Net City Fiscal Impact	\$9,689,521	\$25,830,171

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

Harwood Center



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



Rail Station



DART Light Rail

Arterial

Local Road

Source: City of Dallas, 2012

Created: 9/23/2012 10:09:27 AM by: O'Brien TCG

Memorandum



DATE December 3, 2012

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

SUBJECT Status and update on the Texas Historical Commission Programmatic
agreement, January 23, 2013 Council Agenda

Background

The City of Dallas, as a Texas Historical Commission (THC) recognized Certified Local Government (GLC), and the Texas Historical Commission have had a Programmatic Agreement (PA) since 1991 that has been consistently renewed every five years. The latest renewal was executed in August 2010 by City Council Resolution 101984. The PA allows the City's Department of Housing and Community Services to have projects that require a Section 106 review (including CDBG, HOME, MAP, and other housing projects funded by the Housing and Urban Development Department) to be administered and processed by the Department of Sustainable Development and Construction.

However, the original intent of the Programmatic Agreement was to enable the City to utilize consultant assistance in the processing of these Section 106 reviews. In recent years, budget reductions have eliminated funding for consultant services and therefore this responsibility has been absorbed entirely by Historic Preservation staff. Last year, over 700 determinations required staff review. These reviews are complicated, cumbersome and time intensive. Given the volume of cases, staff attention to these reviews has impeded progress on other priority projects in that failure to complete the required Section 106 reviews could result in HUD audits or penalties.

The Texas Historical Commission has recognized this burden and indicated that the current PA is more onerous than what is in effect for many cities in Texas. Most major Texas cities now rely on the THC staff in Austin for review and administration of these cases rather than relying on in-house staff.

Since this alternative resource is available, staff recommends terminating the current Programmatic Agreement. Termination will not affect the City's standing as a Certified Local Government nor the ability to apply for CLG grants and other funding sources. However it does allow the City of Dallas to utilize THC staff resources.

Status and update on the THC Programmatic agreement
December 3, 2012
Page 2 of 2

If City Council determines this is the appropriate course of action, the PA will terminate after a 30 day required notice and consultation period for both the Texas Historical Commission and the Advisory Council for Historic Preservation as well as approval by City Council.

Once the PA is terminated, future Section 106 reviews will be performed by the Texas Historical Commission to ensure compliance with all federal procedures and requirements. Additionally, the Department of Sustainable Development and Construction will continue to be available for consultation and coordination when necessary.

Should you have any questions or concerns, 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
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