Woodall Rodgers Deck Plaza

Proposed Deal Points for a Development Agreement and Use Agreement

vision

Quality of Life Committee

February 12, 2007

Purpose of Briefing

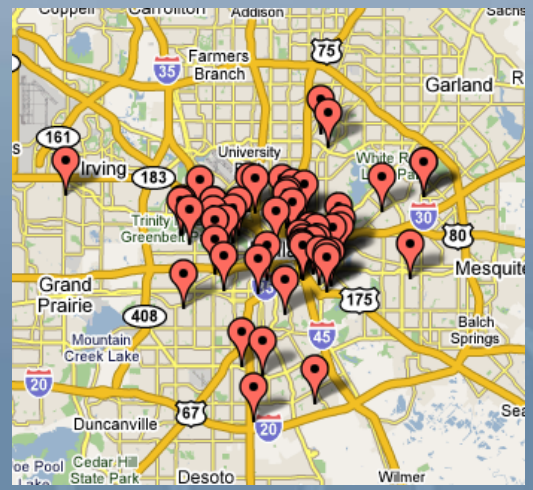
- Present and receive concurrence for the proposed Deal Points for a Development Agreement and Use Agreement with the Woodall Rodgers Park Foundation (the Foundation) for Woodall Rodgers Deck Plaza (the Project), including:
  - City's rights and responsibilities – Development Phase
  - Foundation's rights and responsibilities – Development Phase
  - City's rights and responsibilities – Operation Phase
  - Foundation's rights and responsibilities – Operation Phase

Project Background

- **The Real Estate Council (TREC)** is a Dallas-based organization that serves more than 1,400 commercial real estate professionals in North Texas.

Project Background

- The Real Estate Council strategic statement:
  - Endorse revitalization of the urban core as an essential component of sustainable, quality regional growth
  - Combine “seed money” approach with a longer term “big impact” project
  - Expand contributors base to public and private sectors outside the real estate industry
  - Expand base of in-kind donations of professional expertise and goods

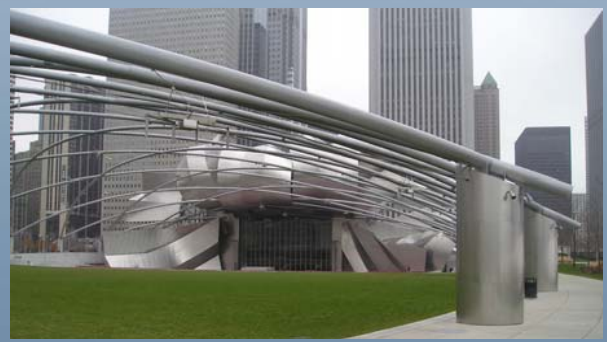


Project Background

- The **Woodall Rodgers Park Foundation (the Foundation)** is a non-profit 501(c)(3) corporation formed with the goal of developing, operating and maintaining Woodall Rodgers Deck Plaza
- City of Dallas staff, TREC and the Foundation have negotiated these proposed Deal Points, which will form the basis for a Development Agreement and Use Agreement

Project Background

- Woodall Rodgers Deck Plaza is anticipated to be a vibrant destination that will tie together Downtown and Uptown, draw a large number of visitors to the area, and add a significant new landmark in downtown Dallas
- Comparable deck parks in other cities:
  - Chicago
  - Phoenix
  - San Diego
  - Richmond



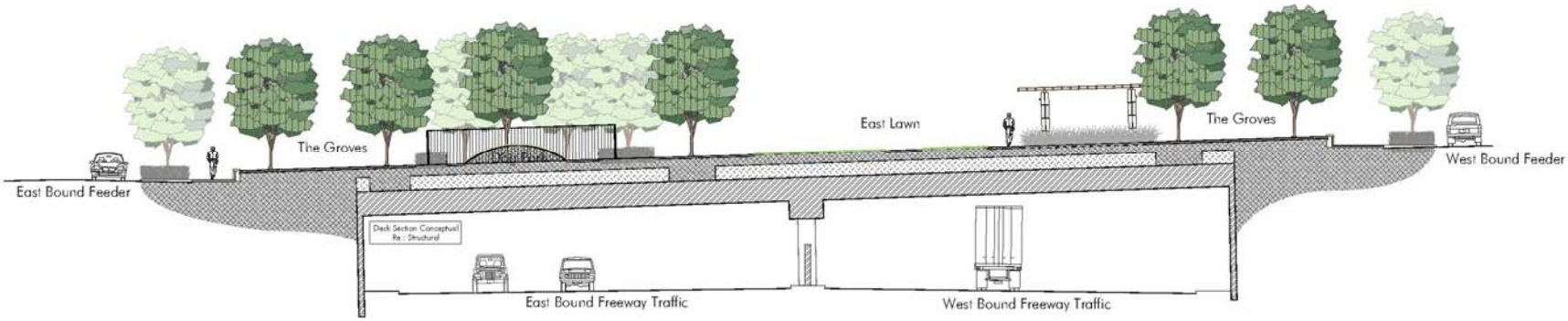
- In 2004 the TREC Foundation funded a Feasibility Study and the Schematic Design of this Project

Master Plan

- The Project consists of the following components:
  - A 5.2-acre public park and plaza that spans Woodall Rodgers Freeway between St. Paul Avenue and Pearl Street

Master Plan

- A transportation tunnel system under the park that includes life safety systems as required by the Texas Department of Transportation



- Relocation of utilities and infrastructure to facilitate construction of the park

Funding

- The anticipated construction cost of $67.7M will be funded from:
  - **City of Dallas - $20M** (2006 Bond Program)
    - May 2007 $2.29M
    - November 2007 $17.71M
  - **Texas Department of Transportation - $10M** (federal transportation enhancement funds)
  - **The Foundation and other sources - $37.7M**
- The City's funding shall not exceed $20M in capital expenditures
- The Foundation will be responsible for all other amounts including any in excess of the current construction cost estimates

Funding

- Award of construction contracts:
  - **Phase 1 – Utilities**
    - $2.29M from City matches $790K plus $1.5M (for preliminary phase) from the Foundation

Funding

- **Phase 2 – Civil and Street Work**
  - $1.815M from City matches $1.815M from the Foundation
- In order to break ground on the project in 2007 and show progress to potential donors, it is proposed that these two Phases be awarded and construction initiated prior to the Foundation completing the capital campaign for Phases 3-5
- Prior to awarding the Phase 1 construction contract, the Foundation shall raise and deposit $2.605M to cover construction of both Phase 1 and Phase 2

Funding

- **Phases 3-5 – Deck and Tunnel Structure; Deck Plaza; Signage**
  - Prior to awarding the contracts for Phases 3-5:
    - The Foundation shall raise and deposit $35.108M to cover Phases 3-5

    – or –

    - The Foundation shall raise and deposit $25.223M to cover Phase 3 ($51.218M) and shall secure a letter of credit in the amount of $9.785M to cover phases 4 and 5 ($9.785)

Design and Construction Funding

	TxDOT	City of Dallas	Foundation and other sources	Total
Preliminary Phase – Feasibility Study and Schematic Design			$1.5M	$1.5M
Phase 1 - Utilities	$0	$2.29M	$790,000	$3.08M
Phase 2 - Civil & Street Work	$0	$1.815M	$1.815M	$3.63M
Phase 3 - Deck & Tunnel Structure	$10M	$15.895M	$25.323M	$51.218M
Phase 4 - Deck Plaza & Architectural Amenities	$0	$0	$9.235M	$9.235M
Phase 5 - Branding & Signage	$0	$0	$550,000	$550,000
Total Phases 1-5	**$10M**	**$20M**	**$37.713M**	**$67.713M**

Project Schedule

June '07	Jan. '08	June '08	Jan. '09	June '09	Jan. '10
Plans and Specifications (Phases 1-5)					
Phase 1 - Utilities					
Phase 2 – Civil & Street					
Phase 3 – Deck & Tunnel					
Phase 4 – Deck Plaza					
Phase 5-Signage					

Planning and Design

- Design
  - The Foundation will be responsible for the preparation of all planning and design documents for Phases 1-5
  - The City will manage the design process and approve the final plans for construction
  - Good Faith Effort
    - The Foundation shall, in good faith, comply with the City's M/WBE Good Faith Effort program in connection with the planning, design and operation of the Project

Street Adjustments

- During construction Woodall Rodgers Freeway will remain open, but will experience temporary lane closures
- Upon completion, the Project may result in the following street reconfigurations or closures:
  - St. Paul Ave. off-ramp and connection from Woodall Rodgers Freeway will be reconfigured
  - Harwood St. bridge is proposed to be closed where it currently crosses the freeway
  - Curb-side parking will be provided along the Woodall Rodgers Freeway frontage roads

Street Adjustments

- A traffic impact analysis of the proposed closure of Harwood Street has been completed, with a determination that there will be no adverse effect on the street and transportation network that surrounds the park

Maintenance Funding

- The total maintenance costs are estimated to be $1.75M - $2M per year:
  - Plaza Maintenance
    - The Foundation will fund all costs associated with the ongoing maintenance, operations and improvement of the park
    - These annual costs are currently estimated by TREC to exceed $1.5M
  - Freeway Tunnel Maintenance
    - Early estimates for freeway and tunnel maintenance costs are estimated to be $250,000 - $500,000 per year
    - The City will be responsible for these costs

Use Agreement

- The City will retain ownership of the premises and all improvements
- The Foundation will be responsible for the operation of the facility
- 50-year term with four 10-year renewal options (same term as Dallas Center for the Performing Arts Foundation)
- The agreement will be terminable by either party by material default by the other party, with appropriate notice and cure
- There will be no termination-for-convenience clause

Use Agreement

- Insurance
  - The Foundation will maintain insurance for the term of the agreement at limits stipulated by the City
- Maintenance and Future Improvements
  - The Foundation will be responsible for all maintenance, repairs and future capital improvements in the park

Use Agreement

- Management and Revenues
  - The Foundation will retain all park-related revenues
  - Revenue generated by the park will be utilized by the Foundation to fund the operation, maintenance, capital improvement and repair of the park and to provide a permanent endowment
  - The Park and Recreation Board will approve rates, fees and charges at the park with respect to public access

Naming Rights

- The Foundation will have the right to sell, license or convey the naming rights for the park and its individual elements
- The proposed name of the entire park shall be subject to the approval of the City Manager and the Director of the Park and Recreation Department
- The proposed names for individual elements within the park shall be subject to the approval of the Director of the Park and Recreation Department
- All amounts generated by the conveyance of naming rights will be utilized by the Foundation for the design and construction of the Park

Next Steps

- Park and Recreation Board approval of Deal Points with the Foundation – March 2007
- Briefings and approvals of the Downtown Thoroughfare Plan amendment by City Plan Commission and City Council Committees – March to May 2007
- TREC contract execution and City Council approval of Development Agreement and Use Agreement with the Foundation – May 2007
- City and TxDOT enter into a Local Project Advance Funding Agreement (LPAFA) – May 2007

Next Steps

- Final execution by City of a Development Agreement and Use Agreement with Foundation – June 2007