

Memorandum

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2010 APR 29 AM 11:00



DATE April 30, 2010

CITY SECRETARY
DALLAS, TEXAS

TO Members of the Economic Development Committee:
Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen,
Sheffield Kadane, Ann Margolin, Linda Koop, Steve Salazar

SUBJECT **Economic Development Committee**
Monday, May 3, 2010, 9:30 – 11:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of April 19, 2010 Minutes of the Economic Development Committee
2. Lancaster Urban Village
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
3. Public/ Private Partnership Program
Program
Hammond Perot, Assistant Director
Office of Economic Development
(Estimated time 20 minutes)
4. CDRC Update
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
5. Upcoming agenda items for May 2010
 - Citywide Community Development/Project Commencement Extension
 - Authorize the optional redemption of outstanding Cityplace Area TIF District Bonds

Ron Natinsky, Chair
Economic Development Committee

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, CFO, OFS
Karl Zavitkovsky, Director, OED
Helena Stevens-Thompson, Asst. to the CMO

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.

DRAFT

Economic Development

Committee

Meeting Record

April 19, 2010

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: April 19, 2010 Meeting Start time: 9:36 AM

Committee Members Present:

Ron Natinsky
Tennell Atkins
Sheffie Kadane
Ann Margolin
Jerry Allen
Dwayne Caraway
Steve Salazar
Linda Koop

Other Council Members Present:

David Neumann

Staff Present:

AC Gonzalez, *Assistant City Manager*
Karl Zavitkovsky, *Director, Economic Development*
Theresa O'Donnell, *Director, Sustainable Development & Construction*
John Rogers, *Assistant City Attorney, City of Dallas Attorney's Office*
Bert Vandenberg, *Assistant City Attorney, City of Dallas Attorney's Office*
Lee McKinney, *Assistant Director, Economic Development*

Other Presenters:

Brandon Bolin, *Principal, GFD Opportunity II, LLC*
Charles McElrath, *President, Southern Dallas Development Corporation*

1. Approval of April 5, 2010 Minutes of the Economic Development Committee
Presenter(s):

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

Motion made by: Mr. Kadane

Item passed unanimously: X

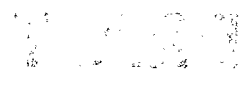
Item failed unanimously: _____

Follow-up (if necessary):

Motion seconded by: Mr. Atkins

Item passed on a divided vote: _____

Item failed on a divided vote: _____



2. Board of Adjustment and Appeal Panel Configuration

Presenter(s): AC Gonzalez, Assistant City Manager; Theresa O'Donnell, Director, Sustainable Development & Construction; John Rogers, Assistant City Attorney, City Attorney's Office; Bert Vandenberg, Assistant City Attorney, City Attorney's Office:

Action Taken/Committee Recommendation(s): Motion made to accept City Plan Commissioners recommendations and correction to ordinance language to establish the start date of the two-year terms from September 1 to October 1 to conform to City Charter

Motion made by: Ms. Koop

Motion seconded by: Mr. Atkins

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

- Councilmember Nuemann requested staff monitor the BOA case load and activity levels to evaluate the continued demand for 3 panels.

3. Hillside West Seniors Housing Development (Davis Garden TIF District)

Presenter(s): AC Gonzalez, Assistant City Manager; Karl Zavitkovsky, Director, Economic Development; Brandon Bolin, Principal, GFD Opportunity II, LLC:

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

Motion made by: Mr. Salazar

Motion seconded by: Mr. Caraway

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

- Councilmember Nuemann requested a listing of other Davis Garden TIF commitments; further explanation on why this deal is 15 years versus 40 years; definition of area median income; more information on the Mezzanine Financing; specifics on infrastructure improvements; and detail on equity contribution.

4. Southern Dallas Small Business Lending Program

Presenter(s): AC Gonzalez, Assistant City Manager; Karl Zavitkovsky, Director, Economic Development ; Lee McKinney, Assistant Director, Economic Development, Charles McElrath, President, Southern Dallas Development Corporation:

Action Taken/Committee Recommendation(s): Motion made to move item forward to City Council.

Motion made by: Mr. Atkins

Motion seconded by: Mr. Caraway

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

Economic Development Committee

April 19, 2010

Meeting Record – Page 3 of 3

- **Councilmember Atkins suggested reducing the limit on loan amounts from \$150,000 to \$75,000**
- **Councilmember Margolin requested that marketing expenses are included in the 10% of the lenders overhead cost or that staff define a specific amount.**
- **Councilmember Nuemann requested specifics on the total dollar amount available in the Chapter 380 program and a listing of SDDC Board Members**
- **Councilmember Natinsky requested staff report quarterly results to Economic Development Committee**

5. Upcoming agenda items for April 2010:

- **America’s Cable Park Group, LLC, Economic Development Grant**
- **Authorize an Economic Development Grant for Interstate Battery System International, Inc.**
- **Authorize a Development Agreement with Oak Creek Partners, Ltd., Cityplace Area TIF District**

Presenter(s): AC Gonzalez, Assistant City Manager; Karl Zavitkovsky, Director, Economic Development:

Action Taken/Committee Recommendation(s): Motion made to support items

Motion made by: Mr. Salazar

Motion seconded by: Mr. Allen

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

- **Councilmember Margolin suggested that staff have an expanded explanation for the America’s Cable Park Group Economic Development Grant**

Meeting Adjourned: 11:27 AM.

Approved By: _____
Ron Natinsky, Chair

Memorandum



DATE April 30, 2010

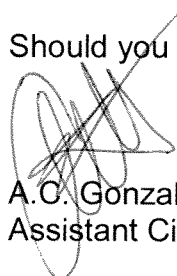
TO Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

SUBJECT **Lancaster Urban Village (TOD TIF District)**

On Monday, May 3, 2010, the Economic Development Committee will be briefed on the Lancaster Urban Village Project (TOD TIF District).

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3314.



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 Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
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Jeanne Chipperfield, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Lancaster Urban Village (TOD TIF District)

Economic Development Committee

May 3, 2010



Office of Economic Development
WWW.DALLAS-ECODEV.ORG

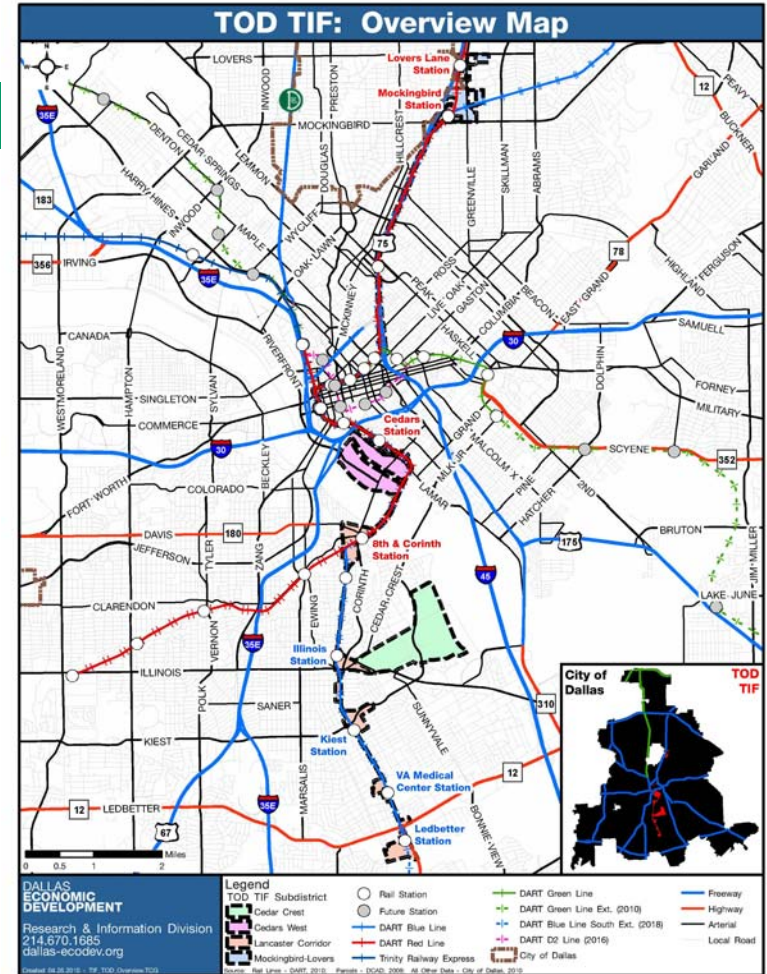


Purpose

- ◆ Review the Lancaster Urban Village project proposal for TIF funding in the TOD TIF District.
- ◆ Obtain Economic Development Committee approval for consideration of the project by City Council on May 12, 2010.

TOD TIF District Overview: Background

- ◆ The TOD TIF District was created December 10, 2008.
- ◆ The District will encourage transit-oriented development (TOD) around DART stations in the central portion of the City, help create a series of unique destinations, and foster the construction facilities beneficial to the DART light rail system.
- ◆ The TIF District is comprised of four sub-districts that group specific station areas.



TOD TIF District Overview: Background (continued)

- ◆ TOD TIF Sub-Districts include:
 - Mockingbird/Lovers Lane
 - Cedars West
 - Lancaster Corridor (*includes the 8th & Corinth, Illinois, Kiest, VA Medical Center, and Ledbetter DART station areas*)
 - Cedar Crest (*includes the Wonderview planned development site at Kiest Boulevard & Southerland Road*)
- ◆ Linking station areas facilitates a tax increment sharing arrangement that stimulates Lancaster Corridor development by providing additional project subsidies to the Corridor from a portion of increment transferred from the Mockingbird/Lovers and Cedars West Sub-Districts.
- ◆ The District also provides support for Mockingbird/Lovers Lane infrastructure and pedestrian connectivity improvements that would not otherwise be available, assistance for infrastructure improvements to meet anticipated Trinity Corridor generated growth in the Cedars West area and redevelopment of the former Kiest landfill site in the Cedar Crest area.

TOD TIF District Overview: Background (continued)

- ◆ The creation of the TOD TIF District was one of the implementation tools recommended as part of the Lancaster Corridor Initiative.
- ◆ The Lancaster Corridor is also one of the areas of focus with the Mayor's Southern Dallas Task Force.
- ◆ As part of this Initiative, the VA Medical Center campus, adjacent DART Station, and Urban League were seen as important anchors to build on.

TOD TIF District Overview: Background (continued)

- ◆ A Final Project Plan and Reinvestment Zone Financing Plan was approved by Council on April 14, 2010.
- ◆ The District expires on December 31, 2038 or when approximately \$185.2 million (2009 dollars) or approximately \$369.8 million in total dollars has been collected. TIF funding is used to offset the infrastructure and other development costs in an effort to encourage redevelopment of the area.
- ◆ A grant program to support higher density projects using a portion of future TIF funds was also created and approved on April 14, 2010.

TOD TIF District Overview: Increment Generation & Allocation by Sub-District

Sub-District	Property Value Estimate - New Development	Increment Generated (NPV)	Estimated TIF Budget Allocation (NPV 2009 dollars)	Estimated TIF Budget Allocation (Total Dollars)
Lancaster Corridor	\$171,203,800	\$13,197,448	\$49,781,005	\$99,417,349
Cedar Crest	\$325,976,685	\$25,834,552	\$25,326,728	\$50,301,048
Mockingbird - Lovers	\$839,888,351	\$76,557,143	\$30,020,910	\$59,954,580
Cedars West	\$1,094,082,000	\$69,588,554	\$54,576,532	\$108,994,468
Affordable Housing (all sub-districts)	---	---	\$21,832,521	\$43,601,599
Administration	---	---	\$3,640,000	\$7,269,422
Total		\$185,177,697	\$185,177,697	\$369,817,275

*The budget allocations reflect tax increment sharing with 40% (after administration costs) of the increment generated in the Mockingbird/Lovers Lane Sub-District and 10% of the increment from Cedars West Sub-District allocated toward redevelopment of the Lancaster Corridor. The affordable housing line item includes an allocation of increment from both the Mockingbird/Lovers Lane and Cedars West sub-districts of 20% and 10%, respectively. Increment generated from the Cedar Crest Sub-District will be retained for projects in that area and not subject to receiving transfers from Mockingbird or Cedars Sub-Districts and not required to transfer its increment to other sub-districts.

TOD TIF District Overview: Current Status

◆ District Development Goals

- **To create additional taxable value attributable to new private investment in projects in the TOD TIF District totaling approximately \$2.43 billion**
 - Over \$95 million in new investment is underway or planned (4% of the goal).
- **To attract higher density new private development in the TOD TIF District totaling approximately 2,480,000 square feet of new or upgraded retail and office space and 13,900 residential units, including townhome, multi-family, and single-family projects.**
 - 134,105 square feet of new and upgraded retail space and 64,568 square feet of office space is underway or planned (8.6% of the goal). Approximately 832 residential units are under construction or planned, approximately 742,477 square feet (7.8% of the goal).
- **To focus on encouraging the redevelopment of properties in the TOD TIF District, increase density and provide enhanced urban design for the various station areas that is commensurate with the ForwardDallas, the City's Comprehensive Plan**
 - Initial development projects under construction or planned show momentum for more urban, pedestrian friendly redevelopment in support of forwardDallas!
- **Encourage development projects that will increase DART ridership at rail stations within the TOD TIF District.**
 - Initial development projects under construction or planned will add 832 new households in close proximity to DART stations.



TOD TIF District Overview: Current Status (continued)

- ◆ **District Development Goals**

- **To improve access and connections between DART light rail station areas and strategic Dallas area amenities such as the campus and future research facilities of Southern Methodist University, the Bush Presidential Library, the Trinity River, Southside on Lamar, and the heart of Cedars to the Convention Center area, Dallas Zoo, Cedar Crest Golf Course, and Veterans Medical Center.**
 - The Shelby and Shamburger developments will facilitate better pedestrian connectivity along SMU Boulevard and to the Mockingbird DART Station. Connections will be improved for this area in close proximity to Southern Methodist University and the planned Bush Presidential Library. Improvements planned as part of the Lancaster Urban Village Project will improve connectivity to the Veterans Memorial Hospital and DART station.
- **To increase recreational opportunities and improve connections to the City of Dallas trails and open space system in the District.**
 - Mockingbird Plaza Sustainable Development Project improvements will provide for a walking and bicycle trail between SMU Boulevard and the Mockingbird DART station. An adjacent extension of the Katy Trail through the area is currently under design and anticipated to start construction in late 2010.

TOD TIF District Overview:

Current Status (continued)

◆ District Development Goals

- **To maintain the stability of local schools as redevelopment occurs in the housing market and promote improved training and job creation through partnerships with Southern Methodist University, Dallas County Community College District, the VA Hospital, Urban League, and the future University of North Texas Law School.**
 - Redevelopment projects thus far have primarily involved vacant or underutilized commercial sites. In the near future partnerships with schools and other institutions can begin to be explored.
- **To generate approximately \$185.2 million (NPV; 2009 dollars) or approximately \$369.8 in total dollars in increment over 28 years of collections, with up to 85 percent participation by the City and 55 percent participation by Dallas County.**
 - Taxable value for the District for 2009 declined by \$7,927,982 or -2.9% over the base year (2008) value. There will be no incremental tax revenue collection for tax year 2009. The decline in value came primarily from the economic downturn with several office properties experiencing significant drops in value. However, the TIF boundary was recently amended to remove those properties and expand into other areas with redevelopment potential.

TOD TIF District Overview: Current Status (continued)

◆ District Development Goals

- **To diversify retail and commercial uses in the District.**
 - Retail leases as part of The Shelby project will bring new restaurants and retailers along SMU Boulevard. The upgrades underway at the Crest Plaza Shopping Center will double the size of a grocery store in an underserved area.
- **Add residential density including but not limited to provisions for affordable housing, elderly and special needs housing, and a sustainable mix of product types and destination related activities near DART light rail station within the District to promote overall system ridership and increase ridership levels at the specific stations in the District.**
 - Initial projects under construction or planned would add a significant number of new units adjacent or in close proximity to DART stations and most will have an affordable housing component.

TOD TIF District Overview: Increment Generation & Allocation by Sub-District

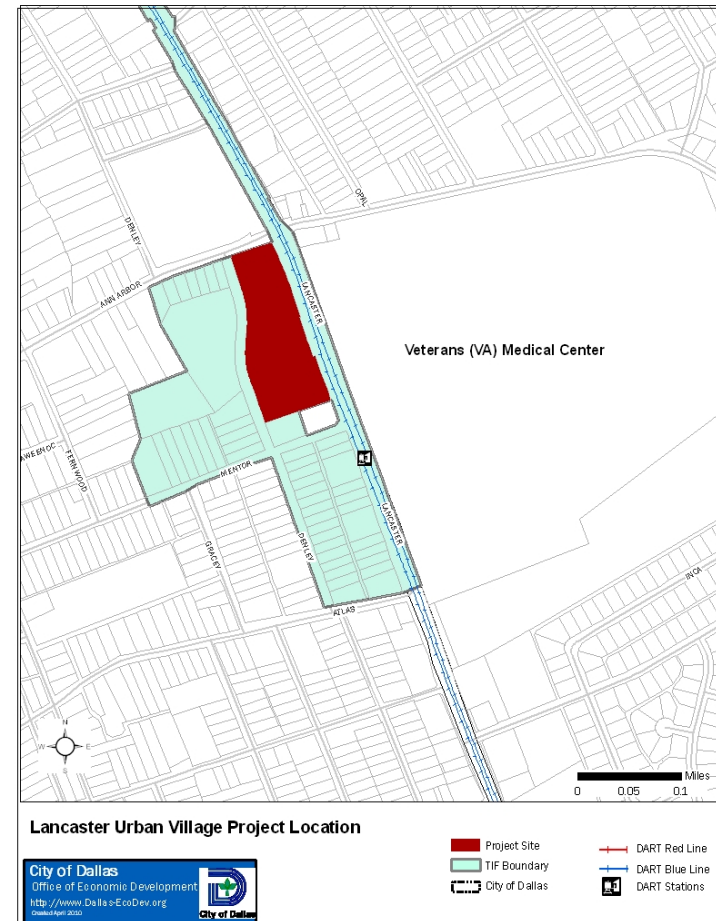
TOD TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	TIF Budget	Allocated	Balance
Lancaster Corridor Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements.	\$99,417,349	\$0	\$99,417,349
Cedar Crest Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements.	\$50,301,048	\$0	\$50,301,048
Mockingbird/Lovers Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements.	\$59,954,580	\$0	\$59,954,580
Cedars West Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements.	\$108,994,468	\$0	\$108,994,468
Affordable Housing	\$43,601,599	\$0	\$43,601,599
Administration and Implementation**	\$7,269,422	\$47,444	\$7,221,978
Total Project Costs	\$369,817,275	\$47,444	\$369,769,831



Lancaster Urban Village Project

Project Location

- The project is located at the southwest corner of Lancaster Road and Ann Arbor Avenue in across from the VA Medical Center and a block from the DART Station.
- The development site, including the expansion of the Urban League consists of 5.8 acres.



Lancaster Urban Village Project (continued)

- ◆ The site formerly included two dilapidated motels adjacent to the existing Urban League building.
- ◆ The City financed the acquisition of the motels and demolition took place in August 2008.
- ◆ The opportunity opened up for a catalyst project including the expansion of the existing Urban League building and mixed use development adjacent.
- ◆ Property acquisition/assemblage of 17 parcels and master planning began in 2008 for the entire development site by City Wide Community Development Corporation in partnership with Catalyst Urban Development, LLC and the Urban League.

Lancaster Urban Village Project (continued)

- ◆ The Urban League has been in operation over 40 years provided a variety of training and social service programs. An expansion would allow additional education and job training services to capitalize on future jobs at the Inland Port and planned expansion of the VA Medical Center.
- ◆ Discussions with representatives of the VA Medical Center highlighted the need for more housing and retail opportunities for employees and visitors.
- ◆ Creation of a catalyst development that would serve the growing needs of the Urban League and provide quality housing and retail services in the form of a transit-oriented, pedestrian friendly project not previously undertaken in southern Dallas began to take root.

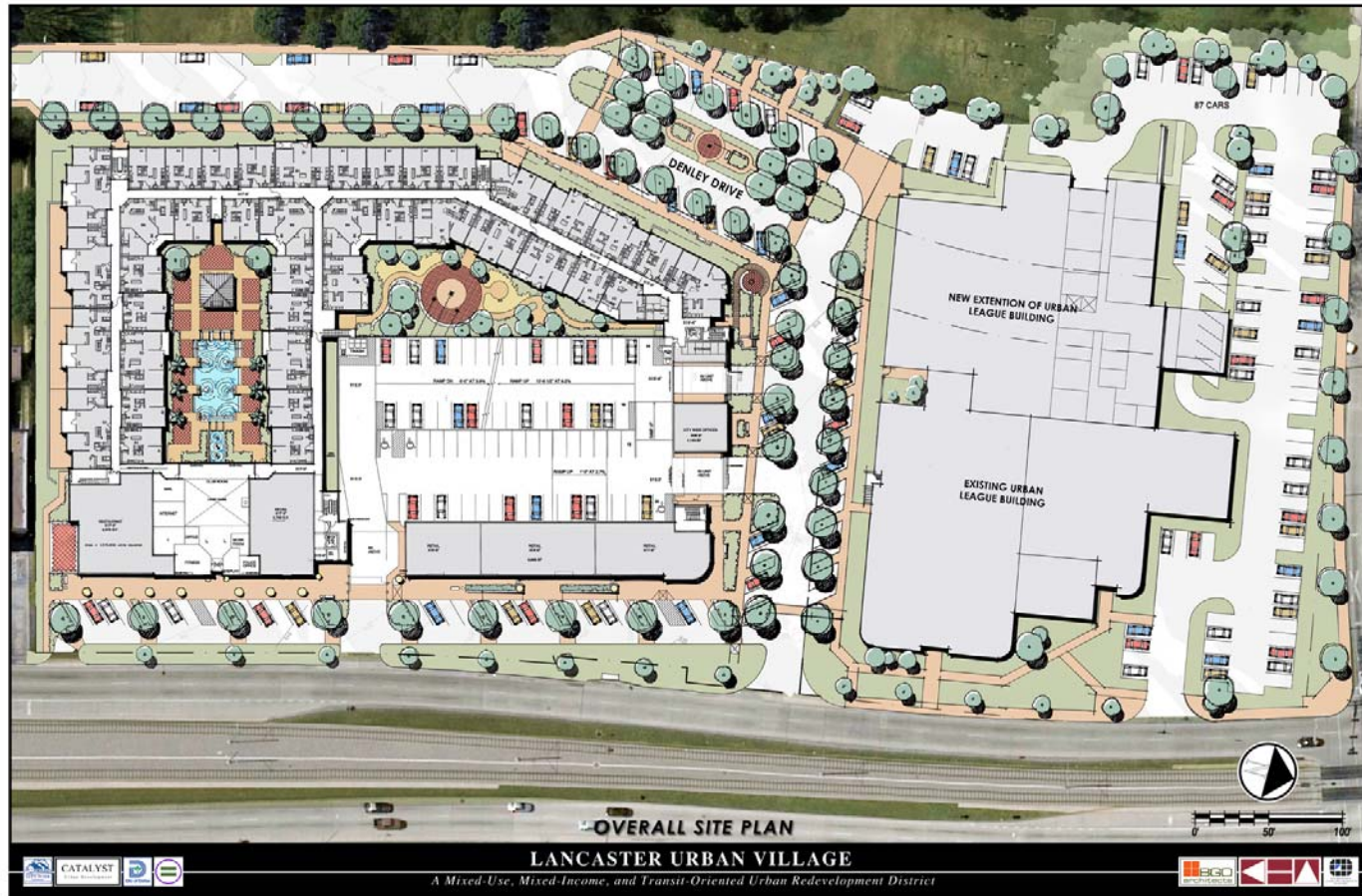


Lancaster Urban Village Project (continued)

◆ Project Description

- The proposed Lancaster Urban Village project (the “Project” for the purpose of a TIF agreement) is a mixed use building that will contain approximately 226,018 total square feet including 193 residential units (or 148,757 square feet of leasable space); 4,468 square feet of club/leasing office area; and 14,131 square feet of retail and small office space. A structured parking garage with 395 spaces will serve the building and adjacent 46,568 square foot expansion of the Urban League (a “Related Project”).
- The estimated total Project cost is \$25.8M.
- The recommended TIF subsidy for the project is \$8,492,273.
- All 193 units will meet affordable housing criteria based on projected rents, with a minimum of 20% required to be affordable.
- On-site amenities for the project include a leasing office, clubhouse, swimming pool, and ground floor retail.

Lancaster Urban Village – Site Plan



Lancaster Urban Village – Renderings



NORTHWEST CORNER VIEW

LANCASTER URBAN VILLAGE
DALLAS, TEXAS

BG
02-04-10

Lancaster Urban Village – Renderings

(continued)



Lancaster Urban Village Project – Funding Sources & Uses

- ◆ Funding Sources and Uses are still being finalized with allocations that may shift as application processes continue.
- ◆ Several funding sources are needed to finance the project including:
 - HUD 221
 - HUD Section 108 (TIF funds will be the repayment source)
 - Public Private Partnership Funds
 - New Markets Tax Credits

Funding Source	Amount	Use
HUD 221(d)(4)	\$12,420,129	Construction Loan
City of Dallas Sec 108	\$7,400,000	Mezzanine Loan
Public Private Partnership	\$3,199,568	Acquisition & gap financing
New Markets Tax Credits	\$2,814,534	Additional gap financing
Total	\$25,834,231	

Lancaster Urban Village Project Proposed TIF Funding

- TIF funding will be the repayment source for the City's Section 108 loan for land acquisition, sitework/infrastructure, or other eligible costs and partial repayment of Public Private Partnership funding. TIF support will facilitate an affordable, higher density mixed use project.
- The allocation of costs and capital structure of the project components may shift; however, the TIF pledge will be valid as long as the necessary financing package is completed and other conditions of the agreement are met.

TIF Improvement Category	Amount
Lancaster Corridor Sub-District:	
<i>Infrastructure</i>	\$2,183,110
<i>Demolition</i>	\$
<i>Grant for High Density Project</i>	298,805
	\$1,733,758
Affordable Housing	\$4,276,600
Total	\$8,492,273

The breakdown of expenditures is approximate and expenditures may be shifted among categories.

Lancaster Urban Village Project Proposed TIF Funding (continued)

- ◆ A significant portion of the infrastructure costs to be funded include storm sewer upgrades needed in a larger area that have to be addressed in order for any redevelopment to occur. The proposed upgraded storm sewer, extending beyond the immediate project site, would benefit at least 50 acres of property. There are currently no other existing City funds to address this upgrade.
- ◆ Both City staff and the developer will continue pursuing other alternative sources of funding that may substitute for a portion of the TIF contribution and/or Public Private Partnership funds.

Lancaster Urban Village Project Proposed TIF Funding (continued)

- ◆ The TOD TIF Board of Directors reviewed the proposal at two meetings on April 22 and 29, 2010 and recommended Council approval of a development agreement.
- ◆ The Project will be an important seed project and has been structured with non-profit ownership; therefore, will not generate its own tax increment.
- ◆ The TIF Board adopted an Increment Allocation Policy giving the first priority to the Lancaster Urban Village project for future increment transfers from Mockingbird/Lovers Lane and Cedars West Sub-Districts in order to reimburse the proposed City Section 108 loan as soon as possible.



Lancaster Urban Village Project – Summary

Proposed Lancaster Urban Village Project	
Project Square Footage	226,018 square feet total including: 193 units (148,767 sf leasable) 14,131 square feet - retail space
Required Project Investment <i>(land acquisition, sitework/infrastructure and hard costs)</i>	\$16,000,000
Total Project Costs <i>(land acquisition, sitework/infrastructure hard costs, soft costs, debt expenses, etc)</i>	\$25,834,231
Total Costs per SF	\$114.30
TIF Funding	\$8,492,273
Return on Cost with TIF Reimbursement*	4.8%
Return on Cost without TIF Reimbursement*	0%
% TIF Funds to Total Project Costs	32.9%
Proposed Construction Start Date	December 31, 2010
Proposed Project Completion Date	December 31, 2012



Recommendations

- ◆ The following actions are recommended:
 - Approval of a Development Agreement with City Wide Community Development Corporation and project affiliates Lancaster Urban Village Residential, LLC; Lancaster Urban Village Garage, LLC; and Lancaster Urban Village Commercial, LLC for TIF reimbursement for the Lancaster Urban Village project

◆ Appendices

Appendix 1: TOD TIF Overall Increment Chart

PROJECTED TIF INCREMENT SCHEDULE											
Tax Year	Property Value Estimate (1.5% Appreciation)	Property Value Estimate (New Development)	Property Value Total	Cumulative Prop Val Growth	Anticipated Captured Value	Part'n Rate City	TIF Contribution City	Part'n Rate County	TIF Contribution Dallas County	Total TIF Contribution	TOTAL TIF 2009 NPV @ 4.00%
Base	2008	\$167,500,748		\$167,500,748							
Added Base*	2010	\$40,093,325									
New Base*	2010	\$207,594,073									
1	2009	\$166,542,564	\$360,080	\$166,902,644	-0.4%	(\$598,104)	70%	0%	\$0	(\$3,131)	(\$3,011)
2	2010	\$209,499,509	\$14,639,920	\$224,139,429	33.8%	\$16,545,356	70%	0%	\$0	\$86,620	\$77,074
3	2011	\$227,501,520	\$0	\$227,501,520	35.8%	\$19,907,447	70%	55%	\$24,975	\$129,197	\$191,930
4	2012	\$230,914,043	\$43,756,950	\$274,670,993	64.0%	\$67,076,920	85%	55%	\$426,418	\$84,151	\$510,570
5	2013	\$278,791,058	\$136,750,000	\$415,541,058	148.1%	\$207,946,985	85%	55%	\$1,321,950	\$260,880	\$1,582,831
6	2014	\$421,774,174	\$120,162,500	\$541,936,674	223.5%	\$334,342,601	85%	55%	\$2,125,466	\$419,450	\$2,544,916
7	2015	\$550,065,724	\$317,465,549	\$867,531,273	417.9%	\$659,937,200	85%	55%	\$4,195,320	\$827,924	\$5,023,245
8	2016	\$880,544,242	\$367,697,741	\$1,248,241,983	645.2%	\$1,040,647,910	85%	55%	\$6,615,555	\$1,305,545	\$7,921,100
9	2017	\$1,266,965,612	\$259,955,606	\$1,526,921,218	811.6%	\$1,319,327,145	85%	55%	\$8,387,161	\$1,655,162	\$10,042,323
10	2018	\$1,549,825,037	\$254,424,955	\$1,804,249,992	977.2%	\$1,596,655,919	85%	55%	\$10,150,181	\$2,003,085	\$12,153,266
11	2019	\$1,831,313,742	\$247,358,535	\$2,078,672,277	1141.0%	\$1,871,078,204	85%	55%	\$11,894,725	\$2,347,361	\$14,242,087
12	2020	\$2,109,852,361	\$137,550,000	\$2,247,402,361	1241.7%	\$2,039,808,288	85%	55%	\$12,967,367	\$2,559,041	\$15,526,409
13	2021	\$2,281,113,396	\$99,610,000	\$2,380,723,396	1321.3%	\$2,173,129,323	85%	55%	\$13,814,909	\$2,726,299	\$16,541,209
14	2022	\$2,416,434,247	\$144,238,000	\$2,560,672,247	1428.8%	\$2,353,078,174	85%	55%	\$14,958,871	\$2,952,054	\$17,910,926
15	2023	\$2,599,082,331	\$59,681,000	\$2,658,763,331	1487.3%	\$2,451,169,258	85%	55%	\$15,582,451	\$3,075,114	\$18,657,566
16	2024	\$2,698,644,781	\$99,360,000	\$2,798,004,781	1570.4%	\$2,590,410,708	85%	55%	\$16,467,629	\$3,249,800	\$19,717,430
17	2025	\$2,839,974,852	\$128,140,000	\$2,968,114,852	1672.0%	\$2,760,520,779	85%	55%	\$17,549,045	\$3,463,211	\$21,012,257
18	2026	\$3,012,636,575	\$0	\$3,012,636,575	1698.6%	\$2,805,042,502	85%	55%	\$17,832,076	\$3,519,066	\$21,351,143
19	2027	\$3,057,826,124	\$0	\$3,057,826,124	1725.6%	\$2,850,232,051	85%	55%	\$18,119,353	\$3,575,759	\$21,695,112
20	2028	\$3,103,693,516	\$0	\$3,103,693,516	1752.9%	\$2,896,099,443	85%	55%	\$18,410,939	\$3,633,302	\$22,044,241
21	2029	\$3,150,248,919	\$0	\$3,150,248,919	1780.7%	\$2,942,654,846	85%	55%	\$18,706,898	\$3,691,708	\$22,398,606
22	2030	\$3,197,502,652	\$0	\$3,197,502,652	1808.9%	\$2,989,908,579	70%	55%	\$15,653,068	\$3,750,990	\$19,404,059
23	2031	\$3,245,465,192	\$0	\$3,245,465,192	1837.6%	\$3,037,871,119	70%	0%	\$0	\$15,904,167	\$155,079,739
24	2032	\$3,294,147,170	\$0	\$3,294,147,170	1866.6%	\$3,086,553,097	70%	0%	\$0	\$16,159,031	\$161,383,725
25	2033	\$3,343,559,377	\$0	\$3,343,559,377	1896.1%	\$3,135,965,304	70%	0%	\$0	\$16,417,719	\$167,542,287
26	2034	\$3,393,712,768	\$0	\$3,393,712,768	1926.1%	\$3,186,118,695	70%	0%	\$0	\$16,680,287	\$173,558,687
27	2035	\$3,444,618,460	\$0	\$3,444,618,460	1956.5%	\$3,237,024,387	70%	0%	\$0	\$16,946,794	\$179,436,116
28	2036	\$3,496,287,737	\$0	\$3,496,287,737	1987.3%	\$3,288,693,664	70%	0%	\$0	\$17,217,298	\$185,177,697
29	2037	\$3,548,732,053	\$0	\$3,548,732,053	2018.6%	\$3,341,137,980	70%	0%	\$0	\$0	\$0
30	2038	\$3,601,963,033	\$0	\$3,601,963,033	2050.4%	\$3,394,368,960	70%	0%	\$0	\$0	\$0
Total (2009-2038)			\$2,431,150,836						\$324,692,388	\$45,124,877	\$369,817,275
2009 NPV @ 4%									\$160,457,349	\$24,720,341	\$185,177,697

- Assumptions:
- 1) City of Dallas is expected to participate financially in the TIF District for 28 years beginning in 2009 at a rate of 70% and varied during the term as shown.
 - 2) Dallas County is expected to participate in the TIF District for 20 years beginning in 2011 at a rate of 55%.
 - 3) Tax rate is assumed to be constant at 2008 rate. Actual rate will vary annually.
 - 4) Tax appraisals are for Jan 1 of the year. Levies occur by Sept. 30 of the year. Tax receipts generally occur 12-13 months after appraisal.
 - 5) Stream of annual investments in TIF reflects intent to retire TIF obligations after 25 years of collections
 - 6) The base value shown in the above projections does not reflect variations in taxable value by individual taxing entity. The projections are estimates that will be reviewed annually as new tax roll information becomes available. The budget figures will be indexed to the next present value totals.
- *Added & New base figures are estimates to be finalized once final 2010 taxable value figures are available and projections adjusted accordingly.

Appendix 2: Estimated TIF Reimbursement Schedule for Lancaster Urban Village

Tax Year		Lancaster Increment (initial appreciation)	Mockingbird Increment 60% Share	Cedars W Increment 20% Share	TOTAL	Cumulative Unadjusted	TOTAL TIF NPV 5%
Base	2008						
1	2009	\$5,080	-\$16,301	-\$4,749	-\$15,969	-\$15,969	(\$15,209)
2	2010	\$2,325	\$22,232	-\$5,461	\$19,096	\$3,127	\$2,112
3	2011	\$4,679	\$40,287	-\$4,456	\$40,509	\$43,636	\$37,105
4	2012	\$6,284	\$58,371	-\$3,279	\$61,377	\$105,013	\$87,600
5	2013	\$6,284	\$283,799	\$21,049	\$311,132	\$416,145	\$331,380
6	2014	\$6,284	\$296,043	\$68,210	\$370,538	\$786,683	\$607,881
7	2015	\$6,284	\$952,421	\$275,697	\$1,234,401	\$2,021,084	\$1,485,147
8	2016	\$9,034	\$1,554,681	\$382,471	\$1,946,186	\$3,967,270	\$2,802,403
9	2017	\$9,034	\$2,978,806	\$487,604	\$3,475,443	\$7,442,714	\$5,042,704
10	2018	\$9,034	\$3,978,005	\$570,550	\$4,557,590	\$12,000,303	\$7,840,669
11	2019	\$9,034	\$4,045,539	\$798,401	\$4,852,973	\$16,853,276	\$10,678,102
12	2020	\$9,034	\$4,114,085	\$948,105	\$5,071,224	\$21,924,501	\$13,501,949
13	2021	\$9,034	\$4,183,659	\$1,096,128	\$5,288,821	\$27,213,321	\$16,306,724
14	2022	\$9,034	\$4,254,277	\$1,308,410	\$5,571,722	\$32,785,043	\$19,120,822
15	2023	\$9,034	\$4,325,954	\$1,420,462	\$5,755,450	\$38,540,493	\$21,889,292
16	2024	\$9,034	\$4,398,707	\$1,594,599	\$6,002,340	\$44,542,833	\$24,639,033
17	2025	\$9,034	\$4,472,550	\$1,815,161	\$6,296,745	\$50,839,578	\$27,386,282
18	2026	\$10,784	\$4,552,752	\$1,846,209	\$6,409,745	\$57,249,323	\$30,049,663
19	2027	\$10,784	\$4,628,827	\$1,875,439	\$6,515,050	\$63,764,373	\$32,627,890
20	2028	\$10,784	\$4,706,044	\$1,905,107	\$6,621,935	\$70,386,308	\$35,123,628
21	2029	\$10,784	\$4,784,419	\$1,935,220	\$6,730,423	\$77,116,731	\$37,539,462
22	2030	\$8,679	\$4,145,546	\$1,675,395	\$5,829,620	\$82,946,351	\$39,532,317
23	2031	\$6,325	\$3,397,678	\$1,371,993	\$4,775,995	\$87,722,347	\$41,087,244
24	2032	\$6,325	\$3,454,046	\$1,393,651	\$4,854,022	\$92,576,368	\$42,592,320
25	2033	\$6,325	\$3,511,260	\$1,415,633	\$4,933,218	\$97,509,586	\$44,049,113
26	2034	\$7,725	\$3,573,532	\$1,439,746	\$5,021,003	\$102,530,589	\$45,461,223
27	2035	\$7,725	\$3,632,476	\$1,462,393	\$5,102,593	\$107,633,183	\$46,827,944
28	2036	\$7,725	\$3,692,303	\$1,485,380	\$5,185,407	\$112,818,590	\$48,150,709
Total (2009-2036)					\$112,818,590		

<Full reimbursement anticipated by tax year 2018-19

Appendix 3: Lancaster Urban Village Project Budget

Lancaster Urban Village - Mixed Use Building Project Budget - based on submittal from April 27, 2010

Land/Sitework	Amount
Land Cost (Acquisition)	\$ 1,819,820
Sitework - demolition & infrastructure	\$ 2,481,915
Total Land & Sitework	\$ 4,301,735
Hard Costs:	
Shell, Core, Finishes	\$ 11,918,160
Garage construction costs	
Residential, 278 spaces	\$1,584,600
Commercial, 34 spaces	\$193,800
Urban League, 63 spaces	\$473,100
Retail Tenant Improvements	\$278,520
Construction Management	\$645,856
On-site Construction Manager	\$157,715
LEED Premium	\$154,400
Total Hard (total construction)	\$ 15,406,151
Soft Costs:	
Predevelopment	\$ 125,000
Architects/Engineers/Consultants Total	\$ 783,275
Legal & Accounting	\$ 169,563
Property Taxes	\$ 15,000
Insurance	\$ 75,000
Permit fees	\$ 50,000
FF & E	\$ 250,000
Marketing	\$ 80,000
Leasing commissions	\$ 41,778
Development fees	\$ 1,033,369
Financing fees	\$ 722,857
Interest during construction	\$ 690,538
Interest reserve for Sec. 108	\$ 518,000
Operating deficit	\$ 428,421
Total Soft Costs	\$ 4,982,802
Contingency	
Hard Costs, 5%	\$ 770,308
Soft Costs, 5%	\$ 249,140
Sitework, 5%	\$ 124,096
Total Contingency	\$ 1,143,543
Total Development Costs	\$ 25,834,231

Appendix 4: City Wide CDC & Catalyst Urban Development

- ◆ City Wide Community Development Corporation is a 501 c (3) non-profit that began in 2001 with a focus on development activities in the Southeast Oak Cliff area of Dallas including affordable housing and social programs targeting low and moderate income families and special needs populations.
 - Sherman Roberts, President and CEO of City Wide CDC, has over 10 years of experience leading non-profit organizations.
- ◆ City Wide CDC has partnered with Catalyst Urban Development, a company that focuses on mixed-use, affordable, and student housing developments. Recent comparable projects include the Portofino Apartments in Farmers Branch and Plaza at Chase Oaks Apartments in Plano, Texas.
 - Paris Rutherford, IV is the President of Catalyst Urban Development, LLC and has 20 years of experience in the real estate development industry and an architecture/urban design background.

Memorandum



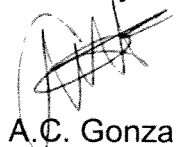
DATE April 30, 2010

TO Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

SUBJECT Public Private/ Partnership Program

On Monday, May 3, 2010, the Economic Development Committee will be briefed on the Public/Private Partnership Program. Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3314.



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 Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Public/Private Partnership Program

**Economic Development
Committee
May 3, 2009**



Purpose

- Review the City's Public/Private Partnership Program "Guidelines & Criteria."
- Receive final recommendation from the Committee in preparation for adoption of new guidelines on June 9, 2010.

Background

- Staff previously briefed the Economic Development Committee on the Public/Private Partnership Program in November 2009 and February 2010. Topics included:
 - Eligibility Criteria
 - Tools
 - Process
 - Project Evaluation Methods
 - Summary of Transactions
 - Suggested Modifications

Background

- Pursuant to Resolution No. 10-0728, approved on March 10th, the City Council extended the current Program “Guidelines & Criteria” through June 30, 2010.

Public/Private Program Review

- The Public/Private Partnership Program is designed to provide City of Dallas economic support to private for-profit projects with an emphasis on targeted geographies for the following purposes:
 - ✓ Increase the commercial tax base
 - ✓ Create and retain quality job opportunities for Dallas residents
 - ✓ Target investment and job growth in Southern Dallas and Enterprise Zones
 - ✓ Foster the attraction and expansion of targeted industries and existing firms
 - ✓ Maintain a competitive position relative to non-city of Dallas sites
 - ✓ Encourage the redevelopment of sites and areas experiencing disinvestment
- The Program Guidelines & Criteria provide a framework for negotiations with businesses/developers on potential projects and are attached as Exhibit A. Downtown residential projects can currently be considered pursuant to a December 2006 program amendment.



Public/Private Program Review

- The program typically supports the following non-residential project types:
 - Business Recruitment/Attraction
 - Business Expansion and Retention
 - Retail Development
 - Commercial Real Estate Development



Public/Private Program Review

- Public/Private Economic Development Tools
 - Tax Abatement – an agreement to forego future real property or business property tax revenue from new investment
 - Development Fee Rebates – a rebate of fees charged in the permitting, inspection and regulation of land and building development
 - Public Infrastructure Participation – offset of capital infrastructure costs such as streets, water and other utilities
 - Right-of-Way Abandonment Fee Rebates/Credits – offset of processing fees for abandonment of City property (not to real estate value)
 - Other Program Tools – State law allows for the creation of programs for grants and/or loans pursuant to Chapter 380 of the Local Government Code, such as our TOD program.
- Eligible projects may be supported by the program through the Public/Private Partnership Fund (PILOT payments from Water Utilities) and proceeds from GO Bond propositions for Economic Development



Public/Private Program Review

- In addition to the Public/Private Partnership Program, other programs or tools used to support economic development include:
 - Tax Increment Financing
 - Public/Business Improvement Districts
 - CDBG
 - State and County Programs
 - Municipal Management Districts
 - COD Regional Center
 - New Market Tax Credits/Federal tools

Review of Proposed Amendments

- Consolidate infrastructure participation, development fee rebates, ROW abandonment fee rebates/credits, Brownfields site assessments and a new Creative Industry Production component into a revised Business Development Grant Program section.
 - Simplifies existing program language and results in no material policy change as these incentives are already (or can be) implemented pursuant to Chapter 380 of the Local Government Code

Review of Proposed Amendments

- Restate the existing 10% Living Wage bonus and M/WBE goals for tax abatements into a consolidated section of existing considerations taken into account during incentive negotiations which includes resident employment, visitors, environmental (Green) considerations, target industries, community activities, etc.
 - In addition to current minimum investment and job counts, staff will continue to consider the factors described above during negotiation and, when appropriate, incorporate a specific portion of the negotiated incentive to one or more of these factors (all factors are not applicable to all projects).
 - Specific reductions in the negotiated incentive will be incorporated into City Council resolutions and authorized agreements should a company not meet agreed upon terms/goals.
 - The proposed change allows for a clarification of the risk (amount of lost incentive) to companies when agreed upon secondary goals are not met rather than a potential all or nothing situation when a company has met its primary obligations under a contract.

Review of Proposed Amendments

- Reduce minimum eligibility in CBD and north Dallas commercial and enterprise zones to 150 jobs or \$10 million investment to facilitate recruitment of companies to fill vacant office space.
- Sunset existing program for multi-family residential projects in Central Business District due to no activity.

Next Steps

- City Council consideration of new Guidelines & Criteria in June 2010.

Exhibit A



City of Dallas

Public/Private Partnership Program
Guidelines and Criteria for Non-Residential Projects

Office of Economic Development
 Dallas City Hall, Room 5CS
 Dallas, Texas 75201
 Phone: (214) 670-1685
 Fax: (214) 670-0158

	<i>Minimum Eligibility</i>	Tax Abatement*	Infrastructure Cost Participation	Development Fee Rebates	ROW Abandonment Rebates/Credits
	<i>Criteria</i>	percentage on <u>added</u> real estate or personal property value	City pays portion of required City infrastructure within ROWs or easements	rebate of fees charged by the City in the regulation of land development	rebate and/or credit of fees charged by City for public right-of-way abandonment
SOUTHERN DALLAS ENTERPRISE ZONES and COMMERCIAL ZONE (Non-EZ Sites)	<ul style="list-style-type: none"> projects creating or retaining 25 plus jobs <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> minimum \$1 million investment 	<ul style="list-style-type: none"> up to 90% abatement for 10 years on added real estate value <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> up to 50% abatement for 5 years on net new business personal property 	<ul style="list-style-type: none"> case-by-case up to 50% maximum over 30% requires City bidding procedures participation shall not exceed 25% of total on site improvement costs 	<ul style="list-style-type: none"> case-by-case 100% rebate on not-to-exceed basis payable after Certificate of Occupancy issued 	<ul style="list-style-type: none"> 25% rebate credit for special public improvements
NORTHERN DALLAS ENTERPRISE ZONES	<ul style="list-style-type: none"> projects creating or retaining 200 plus jobs <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> minimum \$10 million investment 	<ul style="list-style-type: none"> up to 50% abatement for 10 years on added real estate value <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> up to 50% abatement for 5 years on net new business personal property 	<ul style="list-style-type: none"> case-by-case up to 50% maximum over 30% requires City bidding procedures participation shall not exceed 25% of total on site improvement costs 	<ul style="list-style-type: none"> case-by-case 100% rebate on not-to-exceed basis payable after Certificate of Occupancy issued 	<ul style="list-style-type: none"> 25% rebate credit for special public improvements
NORTHERN DALLAS COMMERCIAL ZONE (Non-EZ Sites)	<ul style="list-style-type: none"> projects creating or retaining 250 jobs <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> minimum \$15 million investment 	<ul style="list-style-type: none"> case-by-case 	<ul style="list-style-type: none"> not available 	<ul style="list-style-type: none"> not available 	<ul style="list-style-type: none"> not available
CENTRAL BUSINESS DISTRICT	<ul style="list-style-type: none"> projects creating or retaining 250 plus jobs <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> minimum \$25 million investment 	<ul style="list-style-type: none"> up to 75% abatement for 5 years on net new business personal property <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> projects in non-TIF District sites require a minimum 750 jobs and \$100M investment for a tax abatement on real property up to 90% for 10 years 	<ul style="list-style-type: none"> case-by-case up to 50% maximum over 30% requires City bidding procedures participation shall not exceed 25% of total on site improvement costs 	<ul style="list-style-type: none"> case-by-case 100% rebate on not-to-exceed basis payable after Certificate of Occupancy issued 	<ul style="list-style-type: none"> rebate not available credit for special public improvements
NON-CONFORMING	<ul style="list-style-type: none"> case-by-case 	<ul style="list-style-type: none"> negotiable terms 	<ul style="list-style-type: none"> negotiable terms 	<ul style="list-style-type: none"> negotiable terms 	<ul style="list-style-type: none"> negotiable terms

The information contained herein shall not be construed as implying or suggesting that the City of Dallas is offering or is under any obligation to provide tax abatement or other incentives to any applicant, and all applicants shall be considered on a case-by-case basis. Pawnshops, Sexually Oriented Businesses, Bars, Trucks Stops and Truck Dealerships are excluded from consideration for incentives provided under this program.

- Firms willing to pay at or above Living Wage levels for certain job classifications may be considered for 10% bonus tax abatement.

City of Dallas Public/Private Partnership Program Summary for Non-Residential Projects

City of Dallas Public/Private Programs

It is the purpose of the following programs to provide assistance only for projects where such assistance is necessary to stimulate private investment. Accordingly, these programs are available when agreements between the City and private parties that are not tax-exempt are approved by City Council prior to private investment occurring. Projects seeking economic incentives must provide written assurance that 'but for' the incentives sought, the proposed project would be substantially altered such that the economic returns to the city would be reduced or the project would not otherwise occur in the city. Projects occurring in Southern Dallas and Strategic Investment Areas are provided special consideration.

Tax Abatement

Temporary abatement of either real estate or business personal property taxes for a period not to exceed 10 years. In limited cases, Southern Dallas projects may be considered for a combination of both real and personal property tax abatement when the combined amount does not exceed 90 percent of the City taxes on total new improvement value. Recipient firms provide initial certification of required improvements and annual certification of job requirement. City staff may consider Dallas resident employment, contracting with local and minority and women owned businesses, efforts to exceed minimum environmental regulations, wage rates, community activities, and target industry projects when negotiating this incentive. In support of the City's M/WBE Program, a goal is set that two-thirds of the City's real property tax abatement agreements for new construction include a Fair Share and local contractor component. Real property tax abatement is not available in TIF Districts within the Central Business District (CBD) or in portions of the Downtown Connection TIF District located outside the CBD. All financial incentive terms must begin by January 1 of the second calendar year following City Council authorization.

Infrastructure Cost Participation

Without complying with competitive sealed bidding procedure, the City may participate in the costs of constructing infrastructure improvements at a level not to exceed 30 percent of the total contract price or at a level not to exceed 100 percent of the total cost for any over sizing of improvements required by the City, including, but not limited to increased capacity of the of improvements to future development in the area. Projects wherein City participation exceeds 30 percent of infrastructure costs require compliance with public competitive sealed bidding procedures.

Development Fee Rebates

On a 'case by case' basis the City may approve an economic development grant in the amount of fees charged in the regulation of land development on a not-to-exceed basis. The rebate is payable after a Certificate of Occupancy is issued and contingent upon funding availability.

ROW Abandonment Rebates and Credits

City may approve an economic development grant in the amount of monetary fees charged by the City for abandonment of public right-of-way and contingent upon funding availability. Such rebates are payable after City issues a Certificate of Occupancy; credits are offset against the costs of constructing certain negotiated public improvements which are not otherwise required of the developer.

Business Development Grant Program

Companies considering a relocation/expansion in the city of Dallas may be eligible for a grant in lieu of tax abatement or to defray project costs such as: land purchase, building costs, loan guarantees, training costs, relocation costs, etc. Grants will be considered on a case-by-case basis and are subject funding limitations. Companies will be required to meet eligibility requirements of the Public/Private Partnership Program.

Transit-Oriented Development (TOD) Program

Minimum eligibility for consideration of city incentives through the Public/Private Partnership Program will require a cumulative investment of \$300 million for new mixed-use, commercial, retail and/or residential development in proximity of at least two DART light-rail transit (with one or both in Southern Dallas) stations. TOD projects are eligible for consideration for the full complement of necessary and appropriate incentives available through this program including, but not limited to, tax increment financing, tax abatement, grants and loans, infrastructure cost participation. Residential developments seeking incentives will be required to have a 20 percent affordable housing set aside in North Dallas and mixed-income housing in Southern Dallas. Further, projects must meet the City's established Good Faith Effort guidelines for M/WBE participation.

Economic Development GO Bond Program for Southern Dallas

General Obligation Bond funding may be used as described in this paragraph for private commercial, industrial, retail, residential, and mixed-use development in the Southern area of the city that promotes economic development. Funding may be provided as a catalyst to promote private economic development and may be used for planning, designing, extending, constructing and acquiring land for public streets, utilities and other related infrastructure facilities or uses consistent with this purpose. Funding is also available in support of mixed-use or residential development, for the acquisition of improved and unimproved properties and for the cost of demolition of existing structures. Private developments may be eligible for economic development grants and loans pursuant to Chapter 380 of the Texas Local Government Code. Grants and loans will be considered for infrastructure improvements and/or land acquisition consistent with the scope of funding and other uses described above. Grants or loans will be considered on a 'case by case' basis subject to funding limitations and development agreements approved by City Council, which agreements will contain appropriate conditions, safeguards and benchmarks to ensure that the public purpose of economic development will be carried out. Further it is anticipated that resources and other forms of development assistance from other applicable City economic development programs may be utilized to support this program.

City of Dallas Public/Private Partnership Program

Summary for Non-Residential Projects

Local Government Corporation (LGC) Grant Program

The City of Dallas will consider making grants from its general fund to a LGC, subject to annual appropriation of funds and the approval of the Dallas City Council. These funds will be restricted to the payment of project costs, including the payment of debt service on any bonds issued by the LGC to finance project costs, and the funding of any necessary reserve fund or capitalized interest accounts and the payment of the cost of issuance of bonds.

Target Industry Projects

Target Industry projects are generally defined as follows: Brownfields or recycling, information technology, building materials, media, advanced instruments and food processing/distribution. Target Industry projects must be confirmed in advance by the City in order to receive consideration under this designation.

Non-Conforming Projects

Non-Conforming projects are considered on a case by case basis for high impact projects, unique developments and competitive situations where projects may receive competing offers of incentives. These projects require a simple majority vote of City Council in Southern Dallas and a 3/4 vote of City Council in the CBD and in Northern Dallas. High Impact Project - Projects creating/retaining a minimum of 500 jobs with substantial capital investment in addition, this status may be granted to major projects by Fortune 500, Manufacturers 400 or Global 500 listed firms.

Unique and Special Developments

Projects which have a metro-wide market area, and bring significant outside income into the City's economy and/or non-residential projects located in blighted areas as defined by the reinvestment zone provision in the Property Redevelopment and Tax Abatement Act.

Competitive and Retention Projects

In special cases, companies receiving competing offers of incentives or those currently located in the city of Dallas considering a relocation/expansion are eligible to apply for financial incentives with negotiable terms. Existing firms must expand job base by 25 percent to be eligible for consideration. Incentives may be offered in specific cases to 'match other offers.' Companies may be required to demonstrate competing cities, offers, land/lease costs, taxes at current rates, utility rates, relocation costs, other significant costs and 'gap' to be filled, etc.

Brownfields

Brownfields program may provide no-cost Phase I and Phase II Environmental Site Assessments for eligible properties. To be eligible, each site must: be within City limits and abandoned or underutilized; have a near-term economic redevelopment plan; not be under federal or state enforcement actions or a Resource Conservation and Recovery Act (RCRA)

permitted facility. In addition, the owner and applicant must authorize, in writing, permission to designate the site a Brownfield and applicant or prospective purchaser will consider entering site into the Texas Voluntary Cleanup Program. Brownfield sites are real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

Other Sources of Financial Assistance

Tax Increment Districts

Special districts funding public improvements (not services) with increased tax revenues resulting from new private development. Tax rates are the same as elsewhere in the City and no added cost to private parties is incurred.

Public Improvement Districts

Special districts created by petition to privately fund public improvements or special supplemental services over and above those provided by City, when such services are supportive of related City investments in capital improvements.

Freeport Exemption

The City offers property tax exemption on eligible goods 'in transit-those to be sent out of state within 175 days from acquisition to be assembled, stored, manufactured, processed or fabricated. Oil and natural gas do not qualify.

Foreign Trade Zone

Allows duty-free importing of foreign-made components into the Zone, where they may be assembled, manufactured, processed or packaged. Duties are charged only when products are subsequently distributed into the U.S. market- if they are shipped to international markets, no duty is levied.

Enterprise Zone Project Designation (State)

For qualified and approved businesses of 100 or more new jobs to the state of Texas, the City may apply to the State to rebate sales and use taxes paid, on a per-job basis. Also available is a reduction on a firm's franchise tax.

Grants and Loans

For qualified and approved businesses, the City will consider special programs for loans and grants to promote local economic development.

To obtain more detail on these programs, or to inquire regarding other assistance, contact: Office of Economic Development, Dallas City Hall, Room 5CS, Dallas, Texas 75201, Phone: (214) 670-1685, Fax: (214) 670-0158



City of Dallas

Public/Private Partnership Program Guidelines and Criteria for Residential Projects

	Minimum Eligibility Criteria	Tax Abatement*
		percentage on <u>added</u> real estate or personal property value
CENTRAL BUSINESS DISTRICT	<ul style="list-style-type: none"> • minimum of 75 residential units added and more than four floors, • Minimum of \$15 million in private investment, • located within the CBD downtown freeway loop but outside DC and CC TIF Districts and within CBD downtown freeway loop, • Project not receiving tax abatement must have a minimum of 75 residential units, \$15 Million in private investment, and develop more than four floors, • Both projects are required to have the same developer . 	<ul style="list-style-type: none"> • Projects that meet the minimum eligibility criteria can qualify for tax abatement on real property up to 90% for up 10 years on added real estate value <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Economic development grant in lieu of a tax abatement in an amount to be based on this criteria.

Office of Economic Development
 Dallas City Hall, Room 5CS
 Dallas, Texas 75201
 Phone (214) 670-1685
 Fax: (214) 670-0158

City of Dallas Public/Private Partnership Program Summary for Non-Residential Projects

City of Dallas Public/Private Partnership Program Guidelines and Criteria Summary for Residential Projects

City of Dallas Public/Private Programs

It is the purpose of the following program to provide assistance for projects in the Central Business District (the "CBD") only where such assistance is necessary to stimulate private investment. Accordingly, this program is available when agreements between the City and private parties that are not tax-exempt are approved by City Council prior to private investment occurring. Projects seeking economic incentives must provide written assurance that "but for" the incentives sought, the proposed project would be substantially altered such that the economic returns to the city would be reduced or the project would not otherwise occur in the city.

Tax Abatement / Grant in Lieu of Tax Abatement

These mechanisms will allow for temporary abatement of real estate property taxes or economic development grants in lieu of tax abatement for an amount not to exceed 90 percent of the City's taxes on the total new improvement value of a property for a period of up to 10 years. To qualify for this type of incentive the project must be a residential project within the Downtown Freeway Loop but outside the Downtown Connection or City Center TIF District during the term of each district. A "Residential Project" receiving tax abatement must be a development or redevelopment that will create a minimum of 75 additional residential units, will have more than four floors and will include a minimum of \$15,000,000 in private investment. The residential development must be developed in conjunction with another development project located within either the Downtown Connection or City Center TIF Districts and within the CBD downtown freeway loop by the same or affiliated developer/owner. The second project not receiving tax abatement must have a minimum of 75 residential units, \$15,000,000 in private investment, and have more than four floors. Catalyst projects that create a minimum of 375 residential units and \$55,000,000 in private investment may have the two project criteria waived.

Non-conforming projects within the Central Business District are considered on a case by case basis and may be approved by a super majority (three-fourths) vote from the voting members of City Council.

Any developer receiving incentives for a residential project must verify the completion of the required improvements to City Staff and complete all contingencies outlined in the agreement. In support of the City's Good Faith Effort Program, a goal is set that two-thirds of the City's real property tax abatement agreements or economic development grants in lieu of tax abatement agreements include a Fair Share and local contractor component. In addition, all residential projects approved for tax abatement or such economic development grants will be subject to a ten percent affordable housing set-aside requirement. All Residential Project incentives are provided at the City's discretion and are subject to City Council approval.

For residential development projects that are rental-occupied, the tax abatement agreements will outline all required contingencies that must be met before tax abatements may be granted each year. The agreement may only be entered into with the developer/owner of the project.

For residential development projects that are owner-occupied, the economic development grant agreements will outline all required contingencies that must be met before grant payments will be made each year. An agreement may be entered into with the developer/owner of the project. In addition, economic development grant amounts will be determined as of January 31st of every year the agreement is active based on applicable tax payments made.

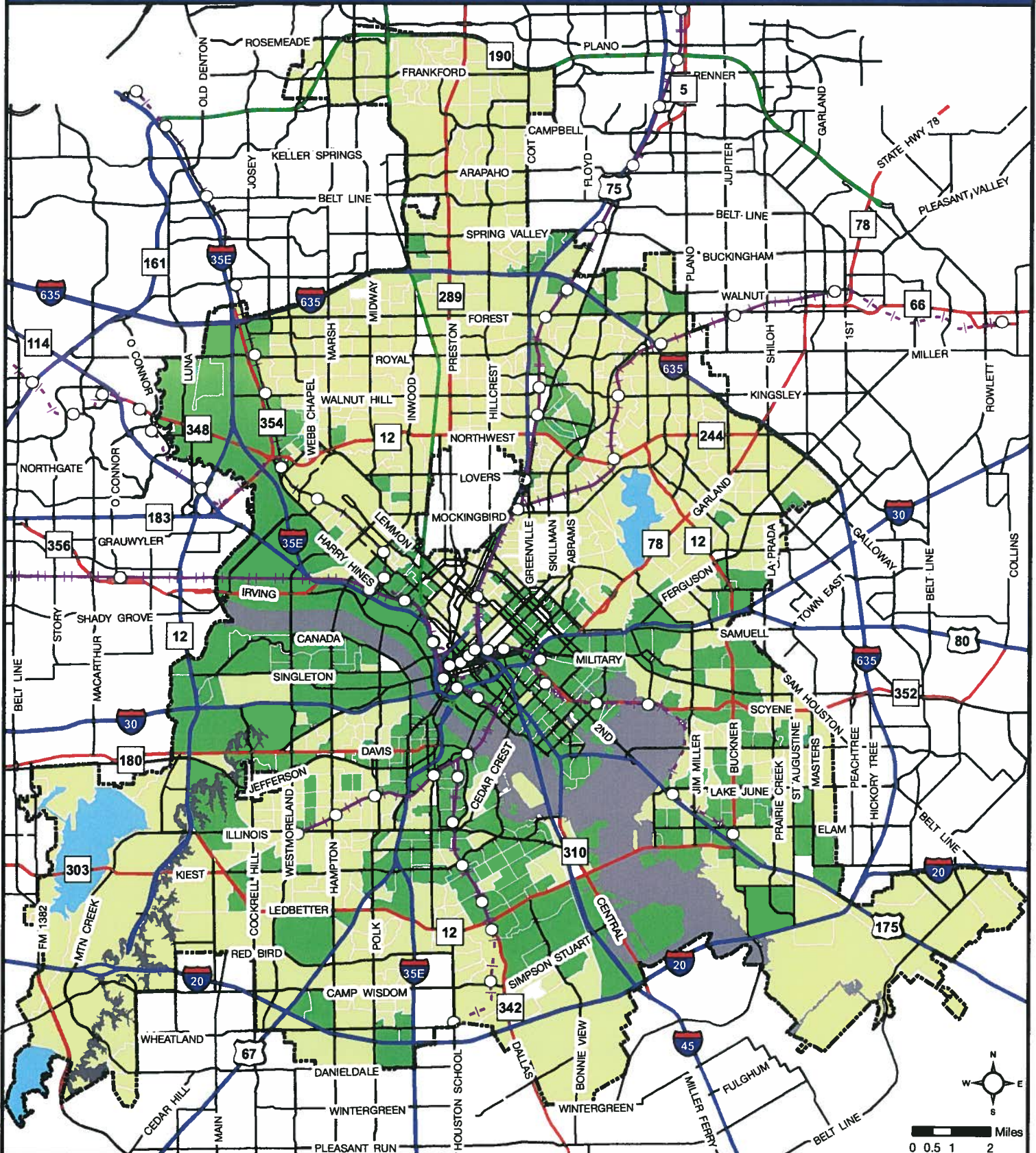


**Public/ Private
Partnership Program -
Residential Projects**

 Central Business District
Inside the Freeway Loop



City of Dallas: Enterprise Zones



**DALLAS
ECONOMIC
DEVELOPMENT**

Research & Information Division
214.670.1685
dallas-ecodev.org

Created: 12/3/2009, Last Updates: 12/18/2009 - EntZone ICG

Legend

- Enterprise Zones
- City of Dallas
- DART Rail Station
- DART Rail Lines
- DART Rail Line Extensions
- Arterial
- Highway
- Tollway
- Freeway
- Escarpment
- Flood Plain
- Lake

Source: Population Data - SRC DemographicsNow, 2009; Rail Lines - DART, 2009; Roads & Boundaries - City of Dallas, 2009

Memorandum



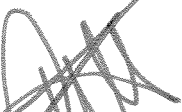
DATE April 30, 2010

TO Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

SUBJECT City of Dallas Regional Center (CDRC) Update

On Monday, May 3, 2010, the Economic Development Committee will not be briefed on the City of Dallas Regional Center (CDRC) Update; it will be briefed to full council on Wednesday, May 5, 2010.

Should you have any questions, please contact me at (214) 670-3314.



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 Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
Ryan S. Evans, First Assistant City Manager
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Jeanne Chipperfield, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Memorandum



CITY OF DALLAS

DATE April 30, 2010

TO Members of the Economic Development & Housing Committee: (Chair), Ron Natinsky, (Vice-Chair), Tennell Atkins, Jerry Allen, Dwaine Caraway, Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

SUBJECT **Authorize an amendment to Article IV Section 4.10a of the Chapter 380 loan agreement with City Wide Community Development Corporation dated August 1, 2008 approved by CR 08 1583 dated May 28, 2008 to extend the deadline to commence construction of multi family housing, mixed use retail and a skills training facility for the Dallas Urban League on sites located at 4343 Lancaster Road and 4411 Lancaster Road in the Lancaster Corridor from 2 years from the date of the loan agreement to 30 months from the date of the loan agreement.**

On May 12, 2010, the City Council will consider authorizing an amendment to Article IV Section 4.10a of the Chapter 380 loan agreement with City Wide Community Development Corporation dated August 1, 2008 approved by CR 08 1583 dated May 28, 2008 to extend the deadline to commence construction of multi family housing, mixed use retail and a skills training facility for the Dallas Urban League on sites located at 4343 Lancaster Road and 4411 Lancaster Road in the Lancaster Corridor from 2 years from the date of the loan agreement to 30 months from the date of the loan agreement.

BACKGROUND

City Wide Community Development Corporation, (CWCDC) is a 501 (c) 3 non-profit corporation engaged in development and redevelopment activity throughout the city with a focus on Southeast Oak Cliff, primarily zip code 75216. CWCDC has joined the Urban League of Greater Dallas N/C. Texas, Inc. (Urban League) in working to redevelop land in the Lancaster Corridor.

The Lancaster Corridor is a vital main street for South Central Dallas and is a high City Council priority for development and redevelopment options that will improve communities all along the corridor. The Sunset Motel and the Southern Comfort Motel were purchased by CWCDC in August 2008 and subsequently demolished to make way for a collaborative development project with the Dallas Urban League. Both motel sites are across the street from the North Texas Veterans Administration Medical Center (VA). The VA continues to expand and has expressed a need for additional administrative space.

Acquisition of the motels removed properties that were undesirable and operating nuisance businesses to make way for development that will be more in line with the vision for the Lancaster Corridor

Delays in acquiring properties needed for the development has caused the project to fall behind the planned schedule to commence construction.

All properties needed for the development have been purchased or are under contract for purchase which will allow construction to begin by 30 months from the date of the forgivable loan agreement.

City Wide Community Development Corporation has developed numerous multi-family and single family projects in Dallas. The Urban League is a long time national institution that addresses challenges facing disadvantaged groups in many areas, including employment, education, housing, health, community and economic development.

PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 3, 2010 a memo was submitted to the Economic Development Committee regarding the amendment to extend the terms of Section 2a of CR 08 1583 regarding the commencement of construction from 24 months to 30 months.

FISCAL INFORMATION

No cost consideration to the City

OWNER

City Wide Community
Development Corporation

Sherman Roberts
President/CEO

DEVELOPER

City Wide Community
Development Corporation

Sherman Roberts
President/CEO

MAP

Attached

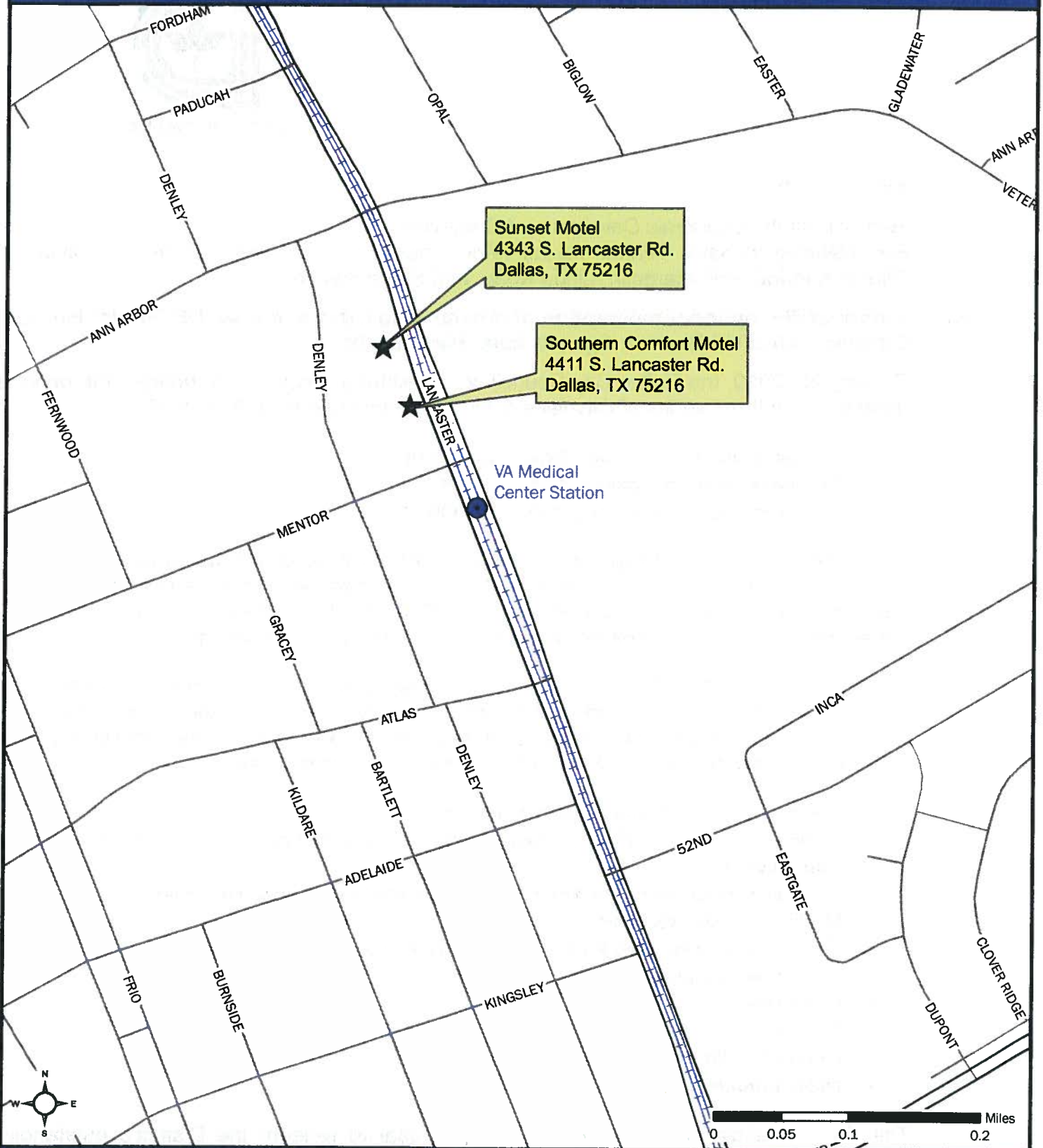
Should you have any questions concerning this information, please contact me at 214 670 3314.



A.C. Gonzalez
Assistant City Manager

- C: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
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Tom Perkins, City Attorney
Deborah Watkins, City Secretary
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Jeanne Chipperfield, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens – Thompson, Assistant to the City Manager

Lancaster Road Motels



City of Dallas
Office of Economic Development



Research & Information Division
(214) 670-1685
<http://www.Dallas-EcoDev.org>

Created: 4/30/2008 - 08:04:30 Lee McKinnis, ICG

Legend

- Primary Highway
- Secondary Highway
- Major Arterial
- Local Streets
- DART Station
- DART Blue Line

Source: City of Dallas, 2008

Memorandum



DATE: April 30, 2010

TO: Members of the Economic Development Committee
Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry R. Allen, Dwaine Caraway,
Sheffie Kadane, Ann Margolin, Linda Koop, and Steve Salazar

SUBJECT: **Authorize the optional redemption of outstanding Cityplace Area TIF District Bonds
Cityplace Area TIF District; Agenda Item, May 26, 2010**

On May 26, 2010, the Dallas City Council will consider a resolution authorizing the optional redemption of three series of Cityplace Area TIF District bonds on August 15, 2010.

- 1st series issued February 1998 - \$5,000,000
- 2nd series issued October 2000 - \$7,600,000
- 3rd series issued February 2004 - \$7,000,000

The Cityplace Area TIF District was created in 1992 with a termination date of December 31, 2012. In 2008, the District ceased collecting TIF increment as the entire TIF Budget of approximately \$42 million had been funded. Although the district no longer collects TIF increment, there are still outstanding bonds for the District, see Attachment A.

The City issued the TIF Bonds to reimburse developers for public infrastructure improvements costs incurred within the District. Through the use of the TIF increment and bond funds vital public infrastructure in the District was constructed spurring private investment within the District. Some of the public improvements include:

- Construction of Cityplace West Boulevard
- Construction of the Central Expressway Bridges at Haskell and Lemmon Avenues (partially funded)
- Extension of McKinney Avenue Trolley service to Cityplace Dart Station
- Medians in Blackburn Street
- District wide water and sewer system replacement
- Tree-lined boulevards
- Wide sidewalks
- Open Space
- Decorative lighting and paving
- Utility burial/relocation

The City's financial advisor reviewed the proposal to redeem the District's outstanding bonds and concluded that from an economic standpoint, it is best to call the outstanding bonds, given that the City would have to invest its funds at 4% in order to breakeven.

The Cityplace Area TIF District has sufficient funds on hand to redeem all outstanding bonds. As a result of calling the bonds, an estimated \$230,000 in future interest payments will be saved.

The TIF official statement outlining the rules for redemption of bonds states that the City has the right, at its option, to redeem bonds on August 15, 2010, at the par value plus accrued interest. Additionally, there is no call premium should the bonds be called on August 15, 2010.

Fiscal Information

\$5,508,086 – Cityplace Area TIF District Funds and/or Tax Increment Bonds Funds are requested to be dedicated to redeem the TIF District's outstanding bonds. The sources of funding are shown below.

Debt Service Reserve Fund Investment	\$2,233,698.18
Debt Service Reserve Fund Cash	\$200,004.38
Debt Service Fund Cash	\$168,135.05
Cityplace Area TIF District Fund	<u>\$2,906,248.39</u>
Total Amount for Full Redemption	\$5,508,086.00

STAFF

Karl Stundins, Manager, Area Redevelopment Division
Tamara L. Leak, Economic Development Analyst

RECOMMENDATION

Staff recommends approval of the subject item. Please contact me if you have any questions.


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 Perkins, Jr., City Attorney
Craig Kinton, City Auditor
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City of Dallas, Texas
 Tax Increment Bonds (TRZ #2), Series 1998, Series 2000 & Series 2004
 Outstanding Debt - FY 2010 Through FY 2012

	Series 1998				Series 2000				Series 2004				Total		
	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Interest	Total
2/15/10	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
8/15/10	405,000	4.850%	31,714	436,714	465,000	4.875%	36,403	501,403	860,000	2.750%	39,969	899,969	1,730,000	108,086	1,838,086
2/15/11	-		21,893	21,893	-		25,069	25,069	-		28,144	28,144	-	75,105	75,105
8/15/11	430,000	4.950%	21,893	451,893	480,000	5.000%	25,069	505,069	885,000	3.000%	28,144	913,144	1,795,000	75,105	1,870,105
2/15/12	-		11,250	11,250	-		13,069	13,069	-		14,869	14,869	-	39,188	39,188
8/15/12	450,000	5.000%	11,250	461,250	510,000	5.125%	13,069	523,069	915,000	3.250%	14,869	929,869	1,875,000	39,188	1,914,188
	<u>\$ 1,285,000</u>		<u>\$ 97,999</u>	<u>\$ 1,382,999</u>	<u>\$ 1,455,000</u>		<u>\$ 112,678</u>	<u>\$ 1,567,678</u>	<u>\$ 2,660,000</u>		<u>\$ 125,994</u>	<u>\$ 2,785,994</u>	<u>\$ 5,400,000</u>	<u>\$ 336,671</u>	<u>\$ 5,736,671</u>

City of Dallas, Texas
 Tax Increment Bonds (TRZ #2), Series 1998, Series 2000 & Series 2004
 Bonds to be Paid/Redeemed on August 15, 2010

	Series 1998					Series 2000					Series 2004					Total			
	Principal	Coupon	Interest	Red Prem	Total	Principal	Coupon	Interest	Red Prem	Total	Principal	Coupon	Interest	Red Prem	Total	Principal	Interest	Red Prem	Total
2/15/10	\$ -		\$ -		\$ -	\$ -		\$ -		\$ -	\$ -		\$ -		\$ -	\$ -	\$ -		\$ -
8/15/10	405,000	4.850%	-	-	405,000	465,000	4.875%	-	-	465,000	860,000	2.750%	-	-	860,000	1,730,000	-	-	1,730,000
2/15/11	-		-	-	-	-		-	-	-	-		-	-	-	-	-	-	-
8/15/11	430,000	4.950%	-	-	430,000	480,000	5.000%	-	-	480,000	885,000	3.000%	-	-	885,000	1,795,000	-	-	1,795,000
2/15/12	-		-	-	-	-		-	-	-	-		-	-	-	-	-	-	-
8/15/12	450,000	5.000%	-	-	450,000	510,000	5.125%	-	-	510,000	915,000	3.250%	-	-	915,000	1,875,000	-	-	1,875,000
	<u>\$ 1,285,000</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,285,000</u>	<u>\$ 1,455,000</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,455,000</u>	<u>\$ 2,660,000</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,660,000</u>	<u>\$ 5,400,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,400,000</u>

Sources of Funds

Debt Service Reserve Fund Investment	\$ 2,233,688	(1)
Debt Service Reserve Fund Cash	200,004	(2)
Debt Service Fund Cash	168,135	(2)
E.D. Fund 0030	13,455,033	(2)
Total:	<u>\$ 16,056,870</u>	

Note:
 (1) Fund balance as of 3/31/2010. Provided by the City.
 (2) Fund balance as of 4/20/2010. Provided by the City.

Payoff Amount

Principal Due	\$ 5,400,000
Interest Due	108,086
Call Premium	-
Total Payoff Amount:	<u>\$ 5,508,086</u>
Additional Funds Required for Full Redemption:	<u>\$ -</u>