

# Memorandum

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2009 OCT -1 PM 12:48



DATE October 2, 2009

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

SUBJECT **Economic Development Committee**  
**Monday, October 5, 2009, 9:30 – 11:30 a.m.**  
**1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201**

## AGENDA

1. Approval of September 22, 2009 Minutes of the Economic Development Committee
2. Southwest Airlines Co. Proposed Fuel Facility Lease at Dallas Love Field  
Dan Weber, Director  
Aviation Department  
**(estimated 20 minutes)**
3. Deloitte LLP-Corporate Office Consolidation & Expansion in Downtown Dallas  
Karl Zavitkovsky, Director  
Office of Economic Development  
**(estimated 15 minutes)**
4. Upcoming Agenda Items for October 2009
  - Historic Tax Incentive for 501 2nd Avenue – Hickory Street Annex
  - Softlayer Technologies Inc., and DCI Technology Infomart, LP
  - Forest Park Realty Partners III, LP and Forest Park Medical Center, LLC
  - Authorize Development Agreement with Twelve Hills Nature Center, Inc. (Davis Garden TIF District)
  - Amendment to NCTCOG Interlocal Agreement related to the Comprehensive Area Plan for the International Inland Port of Dallas
  - Authorize a resolution amending the City of Dallas Public Improvement District (PID) policy

Ron Natinsky, Chair  
Economic Development Committee

C: The Honorable Mayor and Members of the City Council

Mary K. Suhm, City Manager	Judge C. Victor Lander, Judiciary
Deborah Watkins, City Secretary	Craig Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager	Tom Perkins, City Attorney
A.C. Gonzalez, Assistant City Manager	Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager	
Jeanne Chipperfield, Director, Budget & Management Services	
Karl Zavitkovsky, Director, Office of Economic Development	
Hammond Perot, Assistant Director, Office of Economic Development	
Helena Stevens-Thompson, Assistant to the City Manager	

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 effect 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 effect 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  
September 22, 2009

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: September 22, 2009 Meeting Start time: 2:31 PM

**Committee Members Present:**

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

**Staff Present:**

AC Gonzalez, *Assistant City Manager*  
Karl Zavitkovsky, *Director, Economic Development*  
Karl Stundins, *Manager, Area Redevelopment Program*  
Bryan Haywood, *Downtown Area Districts and PID*

**Other Presenters:**

Jim Pruitt, *Vice President of Development, Forest City Residential Group*  
Mitch Vexler, *President, Mockingbird Properties*

**1. Approval of September 8, 2009 Minutes of the Economic Development Committee**  
Presenter(s):

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

Motion made by: Mr. Atkins

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):

**2. Continental Building Redevelopment/Amendment to Mercantile Agreement**  
Presenter(s): AC Gonzalez, Assistant City Manager; Karl Zavitkovsky, Director, Economic Development; Karl Stundins, Manager, Area Redevelopment Program, Bryan Haywood, Downtown Area Districts and PID; Jim Pruitt, Vice President of Development, Forest City Residential Group:



**Approved By:** \_\_\_\_\_  
**Ron Natinsky, Chair**



# Memorandum



CITY OF DALLAS

DATE October 2, 2009

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

SUBJECT Southwest Airlines Co. Proposed Fuel Facility Lease at Dallas Love Field

Attached are the briefing materials on the Department of Aviation Southwest Airlines Co. Proposed Fuel Facility Lease at Dallas Love Field to be presented to the Economic Development Committee on Monday, October 5, 2009.

Please let me know if you should need additional information.

A handwritten signature in black ink, appearing to read 'A. C. Gonzalez'.

A. C. Gonzalez  
Assistant City Manager

c: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Thomas P. Perkins, Jr., City Attorney  
Deborah Watkins, City Secretary  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
David K. Cook, Chief Financial Officer  
Jeanne Chipperfield, Director, Budget and Management Services  
Edward Scott, Director, Controller's Office  
Helena Stevens-Thompson, Assistant to the City Manager - Council Office  
Dan Weber, Director, Department of Aviation

# Southwest Airlines Co. Proposed Fuel Facility Lease at Dallas Love Field

Briefing to the City Council  
Economic Development Committee

Department of Aviation  
October 5, 2009



# Purpose

- To review the proposed new fuel facility lease to Southwest Airlines at Love Field.

# Proposed Southwest Airlines Fuel Facility Lease

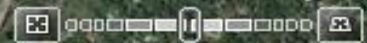


Image © 2006 Sanborn

© 2006 Google

3242 ft

Pointer 32°50'51.51" N 96°50'56.61" W

Streaming 100%

Eye alt 11218 ft

# Proposed Southwest Airlines Fuel Facility Lease



Brookside Ave

237 ft

© 2009 Tele-Atlas

Google

Imagery Date: Nov 6, 2007

32°50'31.60" N 96°51'27.79" W elev. 468 ft

Eye alt 1281 ft

# Background

- **Original Lease**
  - Fuel storage facility constructed 1956 (900K gallon capacity)
  - Lease term 1958-1983, to Love Field Fueling Facilities Corp.
  - Upon expiration, lease continued 4 years under Letter of Understanding
- **Facility leased to Southwest Airlines 1987-2002**
  - Upon expiration, lease cont'd month-to-month during negotiation of a new lease
    - Several events caused uncertainties and delays in negotiating new lease
      - Effects of 9/11/01 terrorist attacks
      - Wright Amendment Repeal issues
    - Capital improvements addressing the facility age and condition was considered
  - Southwest initiated facility replacement (2006) due to age (50 yrs) and to increase capacity by one-third, to 1.2 M gallons
    - New state-of-the-art, meets or exceeds all industry safety and environmental standards
- **New lease negotiations complete & pending Council consideration**
  - Consistent with new conditions of Love Field Modernization Program

# Proposed Lease

- Operational Requirements
  - Fuel farm supplies Terminal Apron Fuel Hydrant Sys.
    - Currently serves only West Concourse
  - Future will serve all 20 gates under Love Field Modernization Program
    - Southwest must make system and capacity available to other airlines serving Love Field
  - Southwest may NOT sell fuel retail or to non-airlines
    - Right to sell is reserved to FBOs (currently 7 on airport)

# Proposed Lease Cont.

- Lease Provisions
  - Complies with Council Leasing Policies
  - 30 year Primary Term, plus one 10-year option, effective retroactive to March 1, 2006
  - Leasehold area 88,313 SF (2.027 acres)
  - Initial Annual Rent - \$.99/sf/yr
    - \$87,429 (88,313 x \$.99/sf/yr), paid monthly at \$7,285

# Proposed Lease Cont.

- Rent Escalation
  - Rent escalated every three years by the greater of:
    - Three (3%) percent of the existing rental rate, or
    - The Consumer Price Index; however, the aggregate escalation for any three-year period shall not exceed twelve percent (12%).
- Capital Improvement Obligation (Satisfied 2006)
  - Replace original 18 50,000 gallon underground storage tanks with 3 aboveground storage cells totaling 1.2 million gallons
  - Capital investment by Southwest exceeded \$14 million

# Proposed Donation Agreement



- Donation Agreement
  - Southwest will donate and convey all right, title, and interest in any Purchased Items installed on the leased premises to City immediately upon acquisition of such Purchased Items
  - The proposed Donation Agreement will authorize City ownership of Purchased Items to be used in the construction of the new capital improvements on the Leased Premises

# Recommendation & Next Steps

- Recommend approval of the Southwest Airlines Co. Lease and Donation Agreement
  - Increased annual revenue to the City from \$50,000 to \$87,429
  - Increase airline fuel storage capacity from 900,000 gallons to 1.2 million gallons
  - Approval of the proposed Donation Agreement authorizing City ownership of materials used in the construction of the new facility
- **NEXT STEPS**
  - October 28, 2009 – City Council Agenda for consideration

# QUESTIONS & ANSWERS

# Memorandum



CITY OF DALLAS

DATE October 2, 2009

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

SUBJECT **Deloitte LLP-Corporate Office Consolidation & Expansion in Downtown  
Dallas**

On Monday, October 5, 2009, you will be briefed on Deloitte LLP-Corporate Office Consolidation & Expansion in Downtown Dallas. A copy of the briefing is attached.

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

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez', written over a printed name and title.

A.C. Gonzalez  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
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David Cook, 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

# Deloitte LLP

## Corporate Office Consolidation & Expansion in Downtown Dallas

Economic Development Committee

October 5, 2009



# Purpose

- Present to the Committee a proposed consolidation of Deloitte LLP's existing Irving and downtown Dallas corporate offices
- Receive a recommendation of the Committee on the proposed economic development grant/incentive associated with the project

# Background

- The City has made substantial investments to facilitate downtowns continued transition into a 24-7 activity center
  - Convention Center Hotel
  - Art's District Facilities and Deck Park
  - Mercantile project and other obsolete office building conversions to residential
  - Trinity River Project, DART expansions, etc.
- Recent office related success stories include the relocations of Comerica Bank and AT&T headquarter operations and the retention and development of new facilities for Hunt Consolidated and 7-Eleven

# Background

- Notwithstanding recent success stories, real estate forecasts call for continued weak leasing activity, higher vacancies, lower rents and property values.
  - Office Vacancy Rates in the Central Business District are 29.1%, highest since 3<sup>rd</sup> Quarter of 2005 (Dallas Business Journal September 28, 2009)
  - Dallas CBD Office Vacancy rate is the highest in the nation, and twice the national CBD (13.9%) average vacancy (Cushman & Wakefield 2Q 2009 Market Beat – US Office Report)
  - Office absorption continues to be slow: year to date, the DFW market recorded 7.16 million square feet leased, compared to 12.6 million square feet leased at this time last year (Dallas Business Journal September 28, 2009)
  - Nationally, leasing activity for the first half of 2009 was down approximately 50% (Cushman & Wakefield 2Q 2009 Market Beat – US Office Report)

# Background

- Given this context, the retention of major existing downtown tenants is crucial to maintaining positive momentum during the current economic climate.

# Project Summary

- Deloitte LLP approached the City in early 2009 related to the firm's planned consolidation of its operations in the City of Irving (470 jobs) and downtown Dallas (950 jobs at 2200 Ross Avenue)
- There was a multi-million dollar cost advantage to Deloitte LLP if it chose an Irving facility relative to downtown Dallas office buildings

# Project Summary

- Given the prospect of potentially losing a major downtown office tenant, staff proposed the following incentive to Deloitte:
  - An economic development grant of \$2 million from the Public/Private Partnership Fund
  - The grant is payable over four (4) years in \$500,000 increments beginning December 2011 through December 2014 and subject to annual appropriations by City Council

# Project Summary

- Subject to City Council approval of the proposed economic development grant, Deloitte LLP has agreed to execute a 10-year lease extension at 2200 Ross Avenue (Chase Tower) beginning 2011 and will:
  - Commit to maintain a minimum of 1,111 jobs at this location
  - Ensure approximately \$19.9 million is invested for tenant improvements



# Staff Recommendation

- City Council approval of the proposed Chapter 380 Economic Development Grant for Deloitte LLP on October 14, 2009

# Background on Deloitte LLP

- Deloitte LLP subsidiaries provide audit, consulting, financial advisory, risk management, and tax services to selected clients
  - subsidiaries include Deloitte & Touche LLP, Deloitte Consulting LLP, Deloitte Financial Advisory Services LLP and Deloitte Tax LLP
- In the United States, Deloitte LLP is the member firm of Deloitte Touch Tohmatsu, a Swiss based company

# APPENDIX

## Appendix Project Information Worksheet Economic Development Committee

### A. Project Summary

<b>City Council District</b>	14 - Hunt	
<b>Project/Company Name</b>	Deloitte LLP	
<b>Project Location</b>	2200 Ross Avenue	
<b>Project Type</b>	Retention & Expansion	
<b>Facilities (Square Feet)</b>	160,000	
<b>Construction Schedule</b>	Begin	Oct-10
	Complete	Oct-12
<b>Private Improvement Investment</b>	Real Property	\$19,900,000
	Business Property	\$10,200,000
<b>Jobs</b>	Created	470
	Retained	950
<b>Average Wage Rate</b>	Salary	\$100,000
	Hourly	
<b>City Incentive Summary</b>	Tax Abatement	
	Infrastructure	
	Other - Grant	\$2,000,000

### B. Economic Impact Estimates (Dallas City Economy Only)

	10-Year	
	Jobs	Economic Output
Direct Impact	1,420	\$1,951,532,121
Indirect and Induced Impact*	1,140	\$1,561,225,697
<b>Total Impact</b>	<b>2,560</b>	<b>\$3,512,757,818</b>

### C. City of Dallas General Fund Fiscal Impact

(From direct, indirect and induced economic impacts)

	10-Year
Total City GF Revenue Generated	\$53,535,601
Total City GF Service Costs	\$20,588,057
Net Impact Before Incentives	\$32,947,544
City Incentives	\$2,000,000
<b>Net City Fiscal Impact</b>	<b>\$30,947,544</b>

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

Numbers provided reflect the retained value of Deloitte as well as the added value of the new jobs moving to Dallas

# Memorandum



DATE October 2, 2009

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 **Historic Tax Incentive For 501 2<sup>nd</sup> Avenue; Agenda Item, October 5, 2009**

The applicant is seeking a 100% tax exemption for a ten-year period under the Historic Tax Incentive Program. The applicant has proposed to renovate the buildings for retail/office use. The request meets the requirements of the Historic Preservation Tax Incentive Program ordinance. The Landmark Commission recommended approval of the application for a Certificate of Eligibility on January 5, 2010.

On June 12, 2009, the Economic Development Committee recommended denial of the application. The Committee raised concerns pertaining to the potential impact of the proposed TXDOT I-30 East Corridor project on the subject property. On June 24, 2009 City Council held this item under advisement till October 14, 2009 in order to provide the applicant with time to address the concerns raised by the Economic Development Committee. The applicant now needs additional time to address the Committee's concerns. This item will be brought back to the Economic Development Committee at a later date.

## Project Details

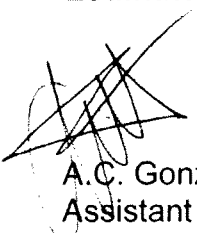
**Location:** 501 2<sup>nd</sup> Avenue

**Owner:** Kaelson Company Properties, Inc.

**Total pre-rehabilitation value:** \$914,660

**Proposed expenditure on improvements:** \$500,000

**Estimated total revenue foregone over ten years:** \$105,802

  
A.C. Gonzalez  
Assistant City Manager

c: The Honorable Mayor and Members of the City Council

Hickory Street Annex  
October 2, 2009  
Page 2 of 2

Mary K. Suhm, City Manager  
Ryan S. Evans, First Assistant City Manager  
Deborah Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Judiciary  
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David Cook, Chief Financial Officer  
Jeanne Chipperfield, Director, Budget & Management Services  
Karl Zavitkovsky, Director, Office of Economic Development  
Theresa O'Donnell, Director, Sustainable Development and Construction  
Helena Stevens-Thompson, Assistant to the City Manager

# Memorandum



DATE October 2, 2009

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 **Softlayer Technologies Inc. and DCI Technology Infomart, LP; Agenda Item,  
October 14, 2009**

## **Background**

On Wednesday, October 14, 2009 City Council will be asked to change the abatement period from 2008 through 2012, to 2009 through 2013 and maintain the five (5) year term of the original abatement, pursuant to Resolution No. 07-3782, previously approved on December 12, 2007 - Financing: No cost consideration to the City.

Pursuant to Resolution No. 07-3782, approved on December 12, 2007, the City entered into a 50 percent business personal property tax abatement agreement for 5 years in consideration of an expansion of the company's data center space, and a significant investment in computer equipment. State law requires the real property owner to be a party to the tax abatement. Due to delays associated with obtaining commitment from the property owners as required by law, the company was unable to utilize the abatement approved by Council for tax-year 2008. The company has met the job creation and investment requirements of the original abatement agreement and has been certified to receive the abatement for tax year 2009. In order to receive the full benefit intended by the resolution, Softlayer Technologies, Inc. requests that the abatement start date be extended by one (1) year, resulting in a five (5) year benefit period as approved by Council.

The project resulted in a real property investment of over \$6,500,000, a business personal property investment of \$24,000,000 and the creation or retention of 93 jobs in Dallas

## **Project Details**

**Project Site:** Infomart

**New Expansion:** 6,100 square foot datacenter

**Jobs:** 93

Retention:

- 50 jobs

Expansion:

- 43 jobs

**New Business Personal Property Investment: \$24 million**

**Real Property Investment: \$6.5 million**

**City Incentives**

**New Business Personal Property Tax Abatement: 50% - 5yrs**

	<u>Investment</u>	<u>Tax Abatement</u>	<u>Annual Foregone Revenue</u>	<u>Annual City of Dallas Tax Revenue</u>
<b>New Business Personal Property</b>	\$24M	50% - 5yrs	\$89,748	\$89,748
<b>5-year totals</b>			\$448,740	\$448,740

**Proposed Estimated Schedule of the Project**

Begin Tenant Improvements	November 2007
Substantial Completion	March 2008

**Fiscal Information**

- Revenue: First year revenue estimated at \$89,748; five-year revenue estimated at \$448,740; (Estimated revenue foregone for five-year abatement estimated at \$448,740)

**Owner**

**DCI Technology Infomart, LP**  
Suzanne Rickman, Leasing Administrator

**Developer**

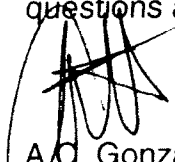
**Softlayer Technologies, Inc**  
Michael S. Jones, CFO

**Staff**

J. Hammond Perot, Assistant Director  
Christopher O'Brien, Sr. Coordinator

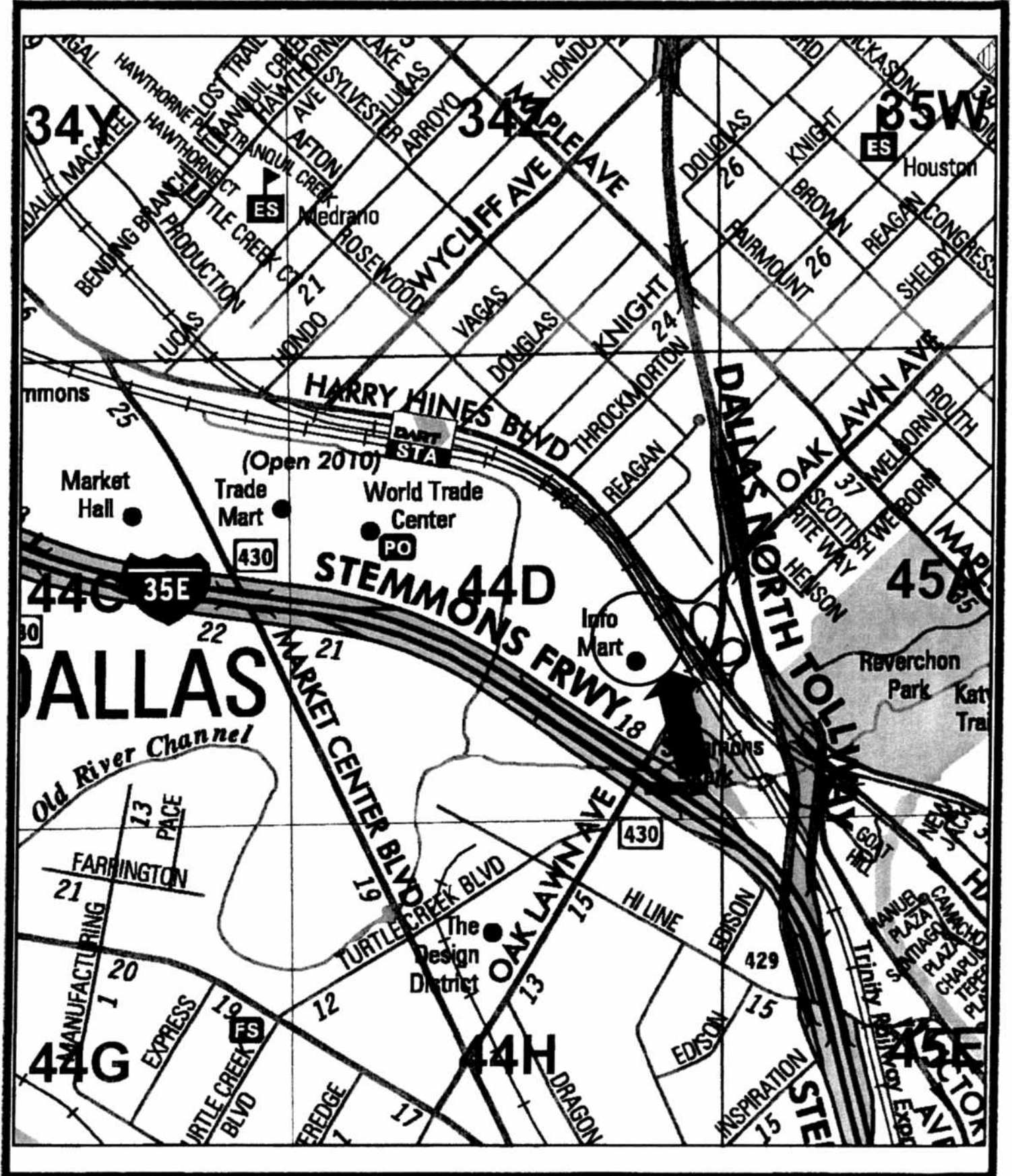
**Recommendation**

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3314.



A.C. Gonzalez  
Assistant City Manager

- C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
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# Memorandum



CITY OF DALLAS

DATE October 2, 2009

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 **Forest Park Realty Partners III, LP and Forest Park Medical Center, LLC; Agenda  
Item, October 14 and 28, 2009**

## **Background**

On Wednesday, October 14, 2009 City Council will be asked to call a public hearing to receive comments on creating a reinvestment zone in anticipation of holding a public hearing, creating Reinvestment Zone 73 and considering economic development incentives for Forest Park Realty Partners III, LP and Forest Park Medical Center, LLC on October 28, 2009.

For the past several months, city staff has negotiated with Forest Park Medical Center, LLC and Forest Park Realty Partners III, LP, the property owner, regarding a possible expansion of its medical facilities located at 11990 North Central Expressway in Dallas, Texas.

The proposed \$110 million expansion includes an additional 125,000 sq. ft. hospital, a 150,000 sq. ft. medical office building and a 750 space parking garage located at 11990 North Central Expressway, just north of Forest Lane. Real property improvements will amount to \$70 million. The hospital will create a minimum of 300 new jobs, with an average salary of \$50,000. Sites in Plano and Austin were also considered for this expansion project.

Forest Park Realty Partners III, LP and Forest Park Medical Center seek City Council approval of a 60 percent real property abatement on the new construction related to this project. The creation of a reinvestment zone is necessary in order to provide an abatement for this project.

Forest Park Medical Center is an existing medical facility that includes 24 inpatient beds, 8 state of the art fully integrated operating suites, an imaging center with MRI, CT and R&F Room and other ancillary services. The hospital specializes in bariatric surgery as well as spinal surgery.

The medical center is currently constructing an administrative office building at this location. This project consists of a 72,000 sq. ft., four-story office building to support the existing medical facilities, and is not subject to the proposed abatement.

The proposed agreement will result in approximately \$209,000 in new annual revenue for the City of Dallas and the annual forgone revenue for the City of Dallas will be approximately \$314,000.

**Project Details**

**Project Site:** 11990 North Central Expressway, Dallas

**New facilities:** 125,000 sq. ft. Hospital  
150,000 sq. ft. Medical Office Building  
750 Space Parking Garage

**Real Property Investment:** \$70 million

**City Incentives**

**New Real Property Tax Abatement:** 60% - 8yrs Tax abatement will commence on or before January 2013.

	<u>Investment</u>	<u>Tax Abatement</u>	<u>Foregone Revenue</u>	<u>City of Dallas Tax Revenue</u>
<b>Real Property Year One</b>	\$70M	60% - 8yrs	\$314,118	\$209,412
<b>8-year totals</b>			\$2,512,944	\$1,675,296

**Proposed Estimated Schedule of the Project**

Begin Construction January 2010  
Substantial Completion June 2011

**Fiscal Information**

- Revenue: First year revenue estimated at \$209,000; eight-year revenue estimated at \$1,675,296; (Estimated revenue foregone for eight-year abatement estimated at \$2,512,944).

**Owner**

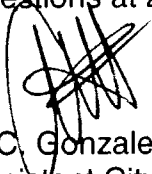
**Forest Park Realty Partners III, LP**  
Richard Toussaint, M.D., Founder  
Forest Park Medical Center, LLC  
Managing Partner  
Neal Richards Group

**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 214-670-3314.

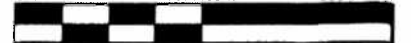
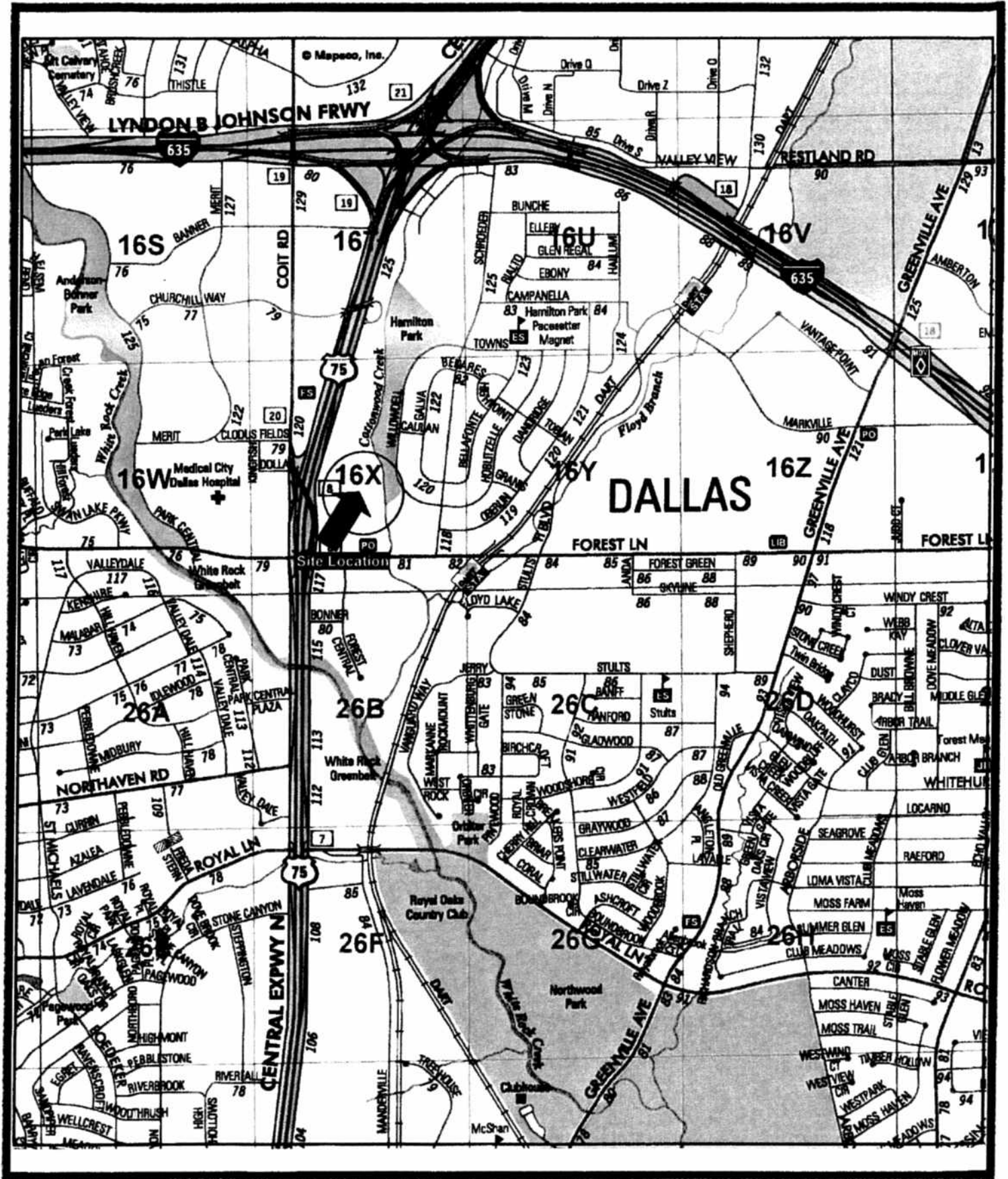


A.C. Gonzalez  
Assistant City Manager

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Helena Stevens-Thompson, Assistant to the City Manager

# Forest Park Medical Center

MAPSCO



# Memorandum



CITY OF DALLAS

DATE October 2, 2009

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 Development Agreement with Twelve Hills Nature Center, Inc. (Davis Garden TIF District); Agenda Item, October 14, 2009**

Twelve Hills Nature Center is an urban preserve located in Dallas' Oak Cliff neighborhood. It serves as an outdoor classroom and passive recreational area. The nature center's mission is to educate children and adults about environmental stewardship and community-building through the creation and maintenance of the urban preserve's native Texas blackland prairie and small wetland. The Twelve Hills Nature Center, Inc. is A Texas not-for-profit corporation.

TIF funds will be used to offset some of the costs of improvements to the Twelve Hills Nature Center. The project will include: (1) the erection of a series of three curving walls to create an attractive entrance to the Twelve Hills Nature Center. The walls will be constructed of large natural stone. A main entry sign bearing the words "Twelve Hills" will be affixed to the outer wall. The words "Nature Center" will be sandblasted into the wall underneath the sign. The total dimensions for the signage is approximately 10 feet x 2 feet; and (2) the planting of native plants around the trailhead walls and in the area between the outer wall and Mary Cliff Road, the removal and replacement of the existing sidewalk along Mary Cliff Road with a 10-foot wide sidewalk, the construction of a parking area that will feature a permeable paved surface, and a decorative walkway that will extend from the Nature Center's entrance area to the new sidewalk and parking area. The new sidewalk shall be measured from the back of the curb and include a 3-foot wide landscaping/pedestrian lighting zone adjacent to the curb and a 7-foot wide pedestrian zone.

The TIF component to the project is \$118,820. The project's total costs are \$312,648.

A public access easement was created to ensure that the Twelve Hills Nature Center is accessible to the general public on a daily basis between the hours of 9:00 a.m. and 10:00 p.m. The term of this easement is 20 years with automatic 10 year renewals.

Specific terms for the deal are included in the resolutions.

The District will not set-aside any subsidy from its Total Increment for district-wide improvements until the obligations for INCAP's pre-existing agreement are satisfied. Once INCAP's pre-existing agreement has been fully reimbursed, the Davis Garden TIF Board has agreed to set-aside an amount not to exceed 5% of the District's Total Increment for district-wide improvements after the payment administrative expenses and the affordable housing set aside (20% of all remaining annual TIF increment). The TIF subsidy shall not accrue interest.

The project summary is as follows:

Total square footage required	5.43 acres
Developer fee	N/A
Required private investment – site acquisition and hard costs of construction	\$177,328
Total project cost including site acquisition, hard costs of construction, all soft costs, and TIF expenses/other public.	\$312,648
TIF funding	\$118,820
% TIF funds to total project cost	38.0%
Rate of return with TIF funds	N/A
Rate of return without TIF funds or other public assistance	N/A
Deadline to purchase properties	N/A
Deadline to complete park and open space improvements	July 1, 2010
Deadline to complete streetscape improvements	July 1, 2010

**SCHEDULE**

Begin Parks and Open Space Improvements	September 2009
Complete Parks and Open Space Improvements	June 2010
Begin Streetscape Improvements along Mary Cliff Road	September 2009
Complete Streetscape Improvements along Mary Cliff Road	January 2010

**FINANCING**

\$118,820 – Davis Garden TIF District Funds

**OWNER**

**Twelve Hills Nature Center, Inc.**  
**A Texas not-for-profit corporation**  
 Monica Moline, President

**DEVELOPER**

**Twelve Hills Nature Center, Inc.**  
**A Texas not-for-profit corporation**  
 Monica Moline, President

**STAFF**

Telemachus Evans, Economic Development Analyst  
 Karl Stundins, Manager, Area Redevelopment Division

**RECOMMENDATION**

Staff recommends the Twelve Hills Nature Center's Urban Prairie Trailhead project for City Council's approval since it satisfies the following conditions which specify how we envision TIF Funds being utilized for the Davis Garden TIF District's District-Wide Improvements:

The use of TIF funds for the Davis Garden TIF District's District-Wide Improvements is:

1. Not intended to be used for private improvements such as commercial signage.

2. Intended to be use for the following type of improvements:
  - Open Space
  - Dog Parks
  - Trails
  - Bicycle Improvements
  - Trail enhancements (i.e. a seating areas)
  - Pedestrian lighting
  - Parks
3. Intended to be used for items that are supported by a community or neighborhood group(s).
4. Intended to be used in circumstances where TIF funds leverage other private or public investment. The goal is to have each TIF dollar leveraged by at least two other dollars.

**MAP**

Attached

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

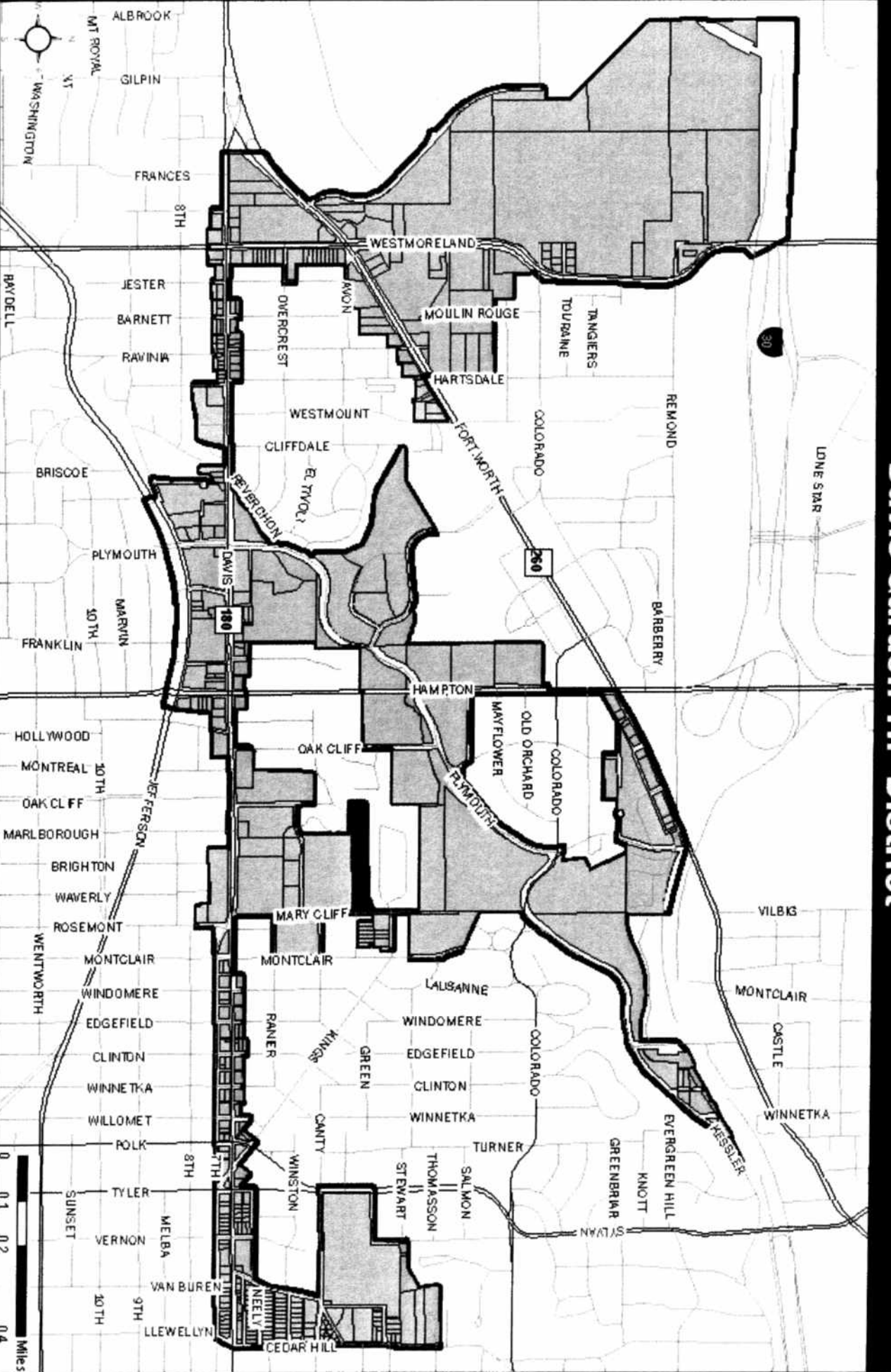


A. G. Gonzalez  
Assistant City Manager

Attached  
Maple/Mockingbird TIF District Map  
Proposed Boundary Amendments

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Tom Perkins, City Attorney  
Judge C. Victor Lander, Judiciary  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Dave Cook, Chief Financial Officer  
Jeanne Chipperfield, Director, Budget & Management Services  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager

# Davis Garden TIF District



## City of Dallas - Office of Economic Development

Research & Information Division  
 (214) 670-1685  
<http://www.Dallas-EcoDev.org>  
 Created 1/15/08, Last Updated 11/5/08 - R2.16 Web Map TDS

**Legend**

- Davis Garden TIF Boundary
- Davis Garden TIF Parcels
- Twelve Hills Nature Center
- Primary Highway
- Secondary Highway
- Major Arterial
- Local Streets

Source: City of Dallas, 2009-09



# Memorandum



DATE October 2, 2009

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

SUBJECT **Amendment to NCTCOG Interlocal Agreement related to the Comprehensive Area  
Plan for the International Inland Port of Dallas**

On May 28, 2008, the Dallas City Council approved Resolution No. 08-1521, previously approved on May 28, 2008, which authorized an Interlocal Agreement with the North Central Texas Council of Government (NCTCOG) for the development of a Comprehensive Area Plan related to the International Inland Port in Southern Dallas County.

Since its passage, the Comprehensive Area Plan has been revised and renamed the Southern Dallas County Infrastructure Analysis Project. It now includes the City of Ferris as a municipal partner (joining Dallas County and the Cities of Hutchins, Lancaster and Wilmer). In addition, the project scope has been modified to an infrastructure analysis, with a focus on water, waste water, storm water, arterial and local roads and utilities. Finally, a land owner and a developer representative have been invited to serve on the project's advisory committee.

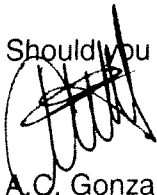
Specific tasks for the Infrastructure Analysis include the following:

- o Public involvement and outreach: meetings with project partners, consultants, and other interested parties.
- o Review of all existing and ongoing plans and studies performed for the study area
- o Population and employment analysis
- o Infrastructure Capacity and Needs Assessment focusing on transportation, potable water
- o Creation of Infrastructure and Site Analysis

Funding for the project will be split among the project partners. The City of Dallas, Dallas County and NCTCOG portion remains \$290,000. The City of Lancaster will provide \$30,000 and Ferris, Hutchins and Wilmer will contribute \$1000 each.

North Central Texas Council of Governments will be issuing the RFP for this project, which is anticipated to occur in December. A consultant is expected to be selected in February of 2010. Once a consultant is selected, the study will take between 12-18 months to complete.

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  
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A.C. Gonzalez, Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Dave Cook, Chief Financial Officer, City Managers Office  
Jeanne Chipperfield, Director, Budget & Management Services  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Theresa O'Donnell, Director, Development Services  
Helena Steven-Thompson, Assistant to the City Manager

# Memorandum



CITY OF DALLAS

DATE October 2, 2009

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 a resolution amending the City of Dallas Public Improvement District (PID) policy; Agenda Item, October 28, 2009.**

This action will authorize an amendment to the City's PID policy to clarify the petition requirements for single-family and commercial/mixed use PIDs and representations with respect to community property.

On September 8, 2009, the Economic Development Committee was briefed on the annual service plan and assessment process for the eight existing PIDs. Questions arose about the petition thresholds for single-family and commercial PIDs and procedures for community property. The Committee requested that clarifications to the PID policy be brought forward.

The current policy allows the creation of new PIDs in established single-family neighborhoods provided that the property owners representing 66.7 percent of the value and 66.7 percent of all record Owners or 66.7 percent of land area support the creation of a new PID. The petition threshold for the renewal of existing single-family PIDs needed to be clarified and the proposed amendment would require the same 66.7 percent threshold for renewal of a single-family PID. The petition threshold for both new and renewing commercial and mixed use PIDs would remain unchanged at 60 percent.

The current PID policy states that with respect to community property, the City may accept the signature of a spouse as a representation of both spouses that they support the creation or renewal of the PID absent a separate property agreement. This amendment clarifies that if staff is made aware of any disagreement among owners of community property those petitions will not be counted.

The City of Dallas first adopted a Public Improvement District (PID) Policy on December 14, 2005 and subsequently amended the policy pursuant to Resolution No. 08-1782 on June 25, 2008. This policy addresses issues related to eligibility for creation of PIDs, signature and petition requirements and reporting and financial accountability standards. This policy has improved the management and oversight of PIDs in Dallas.

**Fiscal Information**

No cost consideration

**Council District(s)**

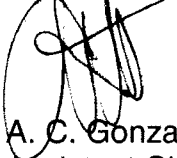
All

**STAFF**

Karl Stundins, Manager, Area Redevelopment Division  
Sue Hounsel, Senior Coordinator

**RECOMMENDATION**

Staff recommends approval. Please contact me if you have any questions.



A. C. Gonzalez  
Assistant City Manager

- C: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
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Helena Thompson-Stevens, Assistant to the City Manager