

Memorandum



CITY OF DALLAS

DATE May 21, 2024

Honorable Members of the Government Performance and Financial Management
TO Committee: Chad West (Chair), Paula Blackmon (Vice Chair), Cara Mendelsohn, Jesse
Moreno, Jaime Resendez

SUBJECT **Review of City Real Estate for Sale, Development, or Redevelopment
Opportunities**

Background

The purpose of this memorandum is to provide the Government Performance and Financial Management (GPFM) Committee with an update on the review and identification of potential opportunities to sell, develop, or redevelop assets within the City's real estate portfolio.

Opportunities for Sale, Development or Redevelopment of City Real Estate Assets

In April 2024, the GPFM Committee was informed that over the last several months, staff from the Departments of Economic Development, Housing and Neighborhood Revitalization, Building Services, Public Works, and the City Manager's Office have been reviewing the City's real estate portfolio to identify opportunities to sell, develop, or redevelop the City's real estate assets. Consistent with the April 2024 update provided to GPFM, appraisals are underway for the following properties:

1. Executive Airport,
2. Canton St. Service Center,
3. Dallas Water Utilities (DWU) Property in Hutchins, TX,
4. Vilbig Auto Pound,
5. Oak Cliff Municipal Center (OCMC),
6. North Oak Cliff Library,
7. Park Forest Library,
8. Family Gateway Building,
9. Downtown Courts Building, 5th Floor,
10. 606 Good Latimer.

As noted in previous updates to the GPFM Committee, DWU funded the cost of appraisal for the Hutchins, TX property (Item 3 above) and the cost for the Executive Airport (Item 1 above) appraisal was funded through the Aviation Department. The appraisal costs of \$36K, to appraise the remaining properties, was funded through General Fund contingency, which was approved by City Council on May 8, 2024, as part of the mid-year budget adjustment.

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Given that the inter-departmental team is working through the appraisal process for the identified properties, it is anticipated that staff should be ready to discuss the appraisals during an executive session in June 2024.

Development or Redevelopment Opportunities

While the property appraisals are underway, please recall that staff has also identified potential opportunities to develop or redevelop the following properties as mixed-use:

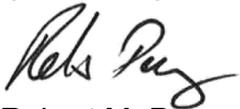
1. Vilbig Auto Pound,
2. Oak Cliff Municipal Center (OCMC),
3. North Oak Cliff Library,
4. Park Forest Library,
5. Family Gateway Building,
6. 606 Good Latimer.

Also noted in the GPFM Committee's, April 2024 update, given the mixed-use vision for the properties listed above, staff would seek \$600K in funding for brokerage and request for proposals (RFP) development services for properties 1-4 and that RFPs for properties 5-6 would be developed in-house. Subsequently, as part of the May 8th, mid-year budget adjustment, City Council approved \$600K from General Fund contingency to fund brokerage and RFP-development services.

Next Steps

Given that the property appraisals are underway, and funding has been identified for brokerage and RFP-development services, once the appraisals have been completed and discussed with the GPFM Committee and City Council, staff will seek City Council's guidance to move forward with the sale or redevelopment of the identified properties.

In summary, the purpose of this memorandum was to provide the GPFM Committee with an update on the review, update, determination of, and next steps for opportunities for development and redevelopment of the City's real estate portfolio. Should there be any questions, please contact me at robert.perez@dallas.gov.



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Assistant City Manager

c: Kimberly Bizer Tolbert, City Manager (I)
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Jon Fortune, Deputy City Manager
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M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Donzell Gipson, Assistant City Manager (I)
Robin Bentley, Assistant City Manager (I)
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors