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CITY SECRETARY  
DALLAS, TEXAS

## City of Dallas

1500 Marilla Street,  
Council Chambers, 6th Floor  
Dallas, Texas 75201



### Economic Development Committee

October 4, 2021

1:00 PM

Public Notice

210 834

POSTED

CITY SECRETARY  
DALLAS TX

## 2021 CITY COUNCIL APPOINTMENTS

COUNCIL COMMITTEE	
<b>ECONOMIC DEVELOPMENT</b> Atkins (C), Arnold (VC), McGough, Narvaez, Resendez, West, Willis	<b>ENVIRONMENT AND SUSTAINABILITY</b> Blackmon(C), Ridley (VC), Arnold, Bazaldua, Resendez, Schultz, West
<b>GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT</b> Mendelsohn (C), Willis (VC), Atkins, Bazaldua, McGough, Ridley, West	<b>HOUSING AND HOMELESSNESS SOLUTIONS</b> Thomas (C), Moreno (VC), Arnold, Blackmon, Mendelsohn, Ridley, Schultz
<b>PUBLIC SAFETY</b> McGough (C), Mendelsohn (VC), Atkins, Moreno, Resendez, Thomas, Willis	<b>QUALITY OF LIFE, ARTS, AND CULTURE</b> Bazaldua (C), West (VC), Arnold, Blackmon, Narvaez, Ridley, Thomas
<b>TRANSPORTATION AND INFRASTRUCTURE</b> Narvaez (C), Atkins (VC), Bazaldua, Mendelsohn, Moreno, Schultz, Willis	<b>WORKFORCE, EDUCATION, AND EQUITY</b> Schultz (C), Thomas (VC), Blackmon, McGough, Moreno, Narvaez, Resendez
<b>AD HOC JUDICIAL NOMINATING COMMITTEE</b> Resendez (C), Arnold, Bazaldua, Ridley, Thomas, West, Willis	<b>AD HOC LEGISLATIVE AFFAIRS</b> Atkins (C), McGough, Mendelsohn, Narvaez, Willis
<b>AD HOC COMMITTEE ON COVID-19 RECOVERY AND ASSISTANCE</b> Thomas (C), Atkins, Mendelsohn, Moreno, Ridley	<b>AD HOC COMMITTEE ON GENERAL INVESTIGATING &amp; ETHICS</b> Mendelsohn (C), Atkins, Blackmon, McGough, Schultz

(C) – Chair, (VC) – Vice Chair

### Handgun Prohibition Notice for Meetings of Governmental Entities

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

*"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."*

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

*"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."*

"Pursuant to Section 46.03, Penal Code (places weapons prohibited), a person may not carry a firearm or other weapon into any open meeting on this property."

*"De conformidad con la Sección 46.03, Código Penal (coloca armas prohibidas), una persona no puede llevar un arma de fuego u otra arma a ninguna reunión abierta en esta propiedad."*

This Council Committee meeting will be held by videoconference and in the Council Chambers, 6th Floor at City Hall.

The Public is encourage to attend the meeting virtually, however, City Hall is available for those wishing to attend the meeting in person following all current pandemic-related public health protocols.

The meeting will be broadcast live on Spectrum Cable Channel 16 and online at [bit.ly/cityofdallas.tv](https://cityofdallas.tv). The public may also listen to the meeting as an attendee at the following videoconference link:

<https://dallascityhall.webex.com/dallascityhall/onstage/g.php?MTID=efdf64e271832c039a7b94da8f599aa5>

## Call to Order

## MINUTES

1. [21-1881](#) Approval of the September 21, 2021 Economic Development Committee Meeting Minutes

**Attachments:** [Minutes](#)

## BRIEFING ITEMS

- A. [21-1882](#) Overview of Proposed Refuge Dallas Lake Highlands Project  
[Kimberly Bizer Tolbert, Chief of Staff, City Manager's Office; Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services, City Manager's Office; Terry Lowery, Director, Dallas Water Utilities]

**Attachments:** [Presentation](#)

- B. [21-1884](#) Kay Bailey Hutchison Convention Center Dallas Master Plan Update and Project Financing Zone  
[Rosa Fleming, Director, Convention and Events Services; Robin Bentley, Director, Office of Economic Development; Joey Zapata, Assistant City Manager, City Manager's Office; Dr. Eric A. Johnson, Chief of Economic Development & Neighborhood Services, City Manager's Office]

**Attachments:** [Presentation](#)

- C. [21-1879](#) Department of Development Services: Transformation and Realignment Strategy - Phase II Assessment and Recommendations  
[Dr. Eric A. Johnson, Chief of Economic Development, City Manager's Office]

**Attachments:** [Presentation](#)

**Briefing Memorandum**

- D.     [21-1886](#)     Upcoming Agenda Item: Authorize a three-year service contract, with two one-year renewal options, for third-party administrator services for the City's Property Assessed Clean Energy (PACE) program for the Office of Economic Development- Texas Property Assessed Clean Energy Authority dba Texas PACE Authority, only proposer  
[Kevin Spath, Assistant Director, Office of Economic Development]

**Attachments:**   [Memo](#)

**ADJOURNMENT**

**EXECUTIVE SESSION NOTICE**

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

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated 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. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex Govt. Code §551.089]



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 21-1881

**Item #:** 1.

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Approval of the September 21, 2021 Economic Development Committee Meeting Minutes

# Economic Development Meeting Record

The Economic Development Committee meetings are recorded. Agenda materials are available online at [www.dallascityhall.com](http://www.dallascityhall.com). Recordings may be reviewed/copied by contacting the Economic Development Committee Coordinator at 214-671-8958

**Meeting Date:** September 21, 2021

**Convened:** 1:02p.m.

**Adjourned:** 2:29 p.m.

**Committee Members Present:**

Tennell Atkins, Chair  
Carolyn King Arnold, Vice Chair  
B. Adam McGough  
Omar Narvaez  
Jaime Resendez  
Chad West  
Gay Donnell Willis

**Committee Members Absent:**

**Other Council Members Present:**

**Presenters:**

Dr. Eric Johnson, Chief Eco. Dev. & Neighborhood Services  
Robin Bentley, Director, Office of Economic Development  
Kevin Spath, Assistant Director, Office of Economic Development  
Jiroko Rosales, Assistant Director, Office of Economic Development  
Julia Ryan, Interim Director, Planning and Urban Design  
Nadine S. Lee, President & CEO, DART  
Rob Smith, Interim Vice President, Planning and Scheduling, DART  
Gayle Terrell, DART Board Member  
Laura C. Freeland, Executive Director

## AGENDA

Call to Order (1:02 p.m.)

**1. Approval of the August 2, 2021 Meeting Minutes**

**Presenter(s):** Tennell Atkins, Chair

**Action Taken/Committee Recommendation(s):** A motion was made to approve the minutes for the June 7, 2021 Economic Development Committee meeting.

Motion made by: Omar Narvaez	Motion seconded by: Jaime Resendez
Item passed unanimously: X	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:

**2. Hensley Field: Summary of Preliminary Recommendations**

**Presenter(s):** Jim Adams, Principal, McCann Adams Studio

**Action Taken/Committee Recommendation(s):** No action taken

Motion made by:	Motion seconded by:
Item passed unanimously:	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:

3. **DART: Schedule, Redesign Schedule, and East and West route timeline**  
**Presenter(s):** Nadine Lee, President & CEO, Dallas Area Rapid Transit, DART

**Action Taken/Committee Recommendation(s):** No action taken

Motion made by:	Motion seconded by:
Item passed unanimously:	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:

4. **Southern Dallas County Inland Port Transportation Management Association**  
**Presenter(s):** Laura C. Freeland, Executive Director

**Action Taken/Committee Recommendation(s):** No action taken

Motion made by:	Motion seconded by:
Item passed unanimously:	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:

5. **Authorize (1) designating approximately 5.4 acres of property addressed as 1823 North Hall Street, located at the northwest corner of North Hall Street and Flora Street in Dallas, Texas, as City of Dallas Neighborhood Empowerment Zone No. 19 ("City of Dallas NEZ 19"), pursuant to Chapter 378 of the Texas Local Government Code to promote the creation of affordable housing and an increase in economic development in the zone, establish the boundaries of the zone, and provide for an effective date, and (2) a real property tax abatement agreement with SEK Hall Street, LLC or an affiliate hereof ("SEK Hall Street") for a period of ten years in an amount equal to the City's taxes assessed on 90 percent of the increased taxable value of real property in conjunction with a new mixed-income and mixed-use development project (the "One City View Project") to be situated on approximately 5.4 acres (the "Property") at 1823 North Hall Street in City of Dallas NEZ 19, in accordance with the City's Public/Private Partnership Project – Estimated Revenue Foregone: \$3,892,504.00 over a ten-year period**  
**Presenter(s):** Kevin Spath, Assistant Director, Office of Economic Development

**Action Taken/Committee Recommendation(s):** No action taken

Motion made by:	Motion seconded by:
Item passed unanimously:	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:

Adjourn (2:29 p.m.)

**APPROVED BY:**

**Tennell Atkins, Chair**  
**Economic Development Committee**

**ATTESTED BY:**

**Tenna Kirk, Coordinator**  
**Economic Development Committee**





# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 21-1882

**Item #:** A.

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### Overview of Proposed Refuge Dallas Lake Highlands Project

[Kimberly Bizer Tolbert, Chief of Staff, City Manager's Office; Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services, City Manager's Office; Terry Lowery, Director, Dallas Water Utilities]



**City of Dallas**

# **Overview of Proposed Refuge Dallas Lake Highlands Project**

**Kimberly Bizer Tolbert, Chief of Staff**

**Terry Lowery, Director of Dallas Water Utilities**

**Eric Anthony Johnson, Chief of Economic  
Development and Neighborhood Services**

# Presentation Overview



- Current Needs
- Proposed Partnership with Refuge Dallas – Lake Highlands
  - Alignment with City's Strategic Priorities
  - Alignment with City Council Policies
- City Public Land -12000 Greenville Avenue
- Summary of Proposed Lease Agreement and Development Obligations
  - Project Partners
  - Vision & Design
  - Timeline/Schedule
  - Estimated Costs
- Summary of Proposed Development Agreement and Project Phasing
- Next Steps



# Current Needs



- Food Insecurity – Healthy Food Options
- Affordable Housing and Homeless
- Wrap Around Services for Vulnerable Populations
- Rental Assistance and Eviction Diversion
- Workforce Development and Job Training



# Proposed Partnership with Refuge Dallas



- The Refuge Dallas Project is a proposed development in Lake Highlands that will seek to bring light, hope and transformation to all residents no matter what zip code they live in
- The Project will seek to create an environment of support and community to encourage residents to transition out of crisis with the wrap around services
- Provide residents with options that address their needs and improve themselves and their circumstances:
  - Affordable Housing
  - Job Skills/Training
  - Financial Stability
  - Supportive Services



# Alignment with City's Strategic Priorities

**Economic Development:** Partnering with Local Corporations to provide Workforce and Job training and placement while creating new jobs and fostering an environment of entrepreneurship

**Environment & Sustainability:** Building an Urban Farm with a Farmers Market, open green space, and environmentally friendly technology and practices

**Government Performance & Financial Management:** Using a debt free model and private fundraising to develop and construct project

**Housing & Homelessness Solutions:** Provide innovative housing options for neighbors experiencing homelessness and provide a one-stop shop to address all needs on site



# Alignment with City's Strategic Priorities

**Public Safety:** Focus on safety and provide training in private security and cyber security while providing returning residents with pre and post release support; and provide critical services to those impacted by sex trafficking

**Quality of Life, Arts, & Culture:** Provide open green/performance spaces to encourage community, arts, and culture

**Transportation and Infrastructure:** Develop new infrastructure and connecting streets along the Forest and 635 transportation corridor

Provide innovative housing options for neighbors experiencing homelessness and provide a one-stop shop to address all needs on site

# Alignment with City Council Policies

- Focus on job growth and living wage jobs
- Promotes health and fitness along with healthy food options for all
- MVA- Area H
- Creates affordable housing options in Northeast Dallas
- Promotes greater fair housing choices
- Helps to overcome patterns of segregation
- Near stabilization area and LBK 635 Expansion area
- Includes developer obligations per the Housing Policy Land Transfer Program
- Increases economic opportunities and business development for people of color
- Increases access to housing and services for women and people of color
- Prioritizes preserving and increasing trees to support our canopy
- Looks at solar options and green energy





# 12000 Greenville Avenue Property



# 12000 Greenville Property



- In 2012, a consultant performed a programming effort for the Southeast Service Center and how best to utilize space
- Best options were for DWU to move two groups – Material Services and Meter Operations to a different location
- DWU owned the Abrams Pump Station facility adjacent to this parcel
- Purchase also provided the potential to reduce DWU leases over time
- February 24, 2016, City Council approved an item for DWU to purchase the parcel from TxDOT for an amount not to exceed \$3,386,000



# Current Status



- The need to relocate did not materialize over time and DWU maintained its facilities at the Southeast Service Center
- With the decision not to relocate, the entire parcel is no longer needed beyond existing easements, access points and the ability to replace the Abrams Pump Station and Ground Storage Reservoir in the future
- A 40-year lease is being developed for use of the land incorporating utility needs both current and future









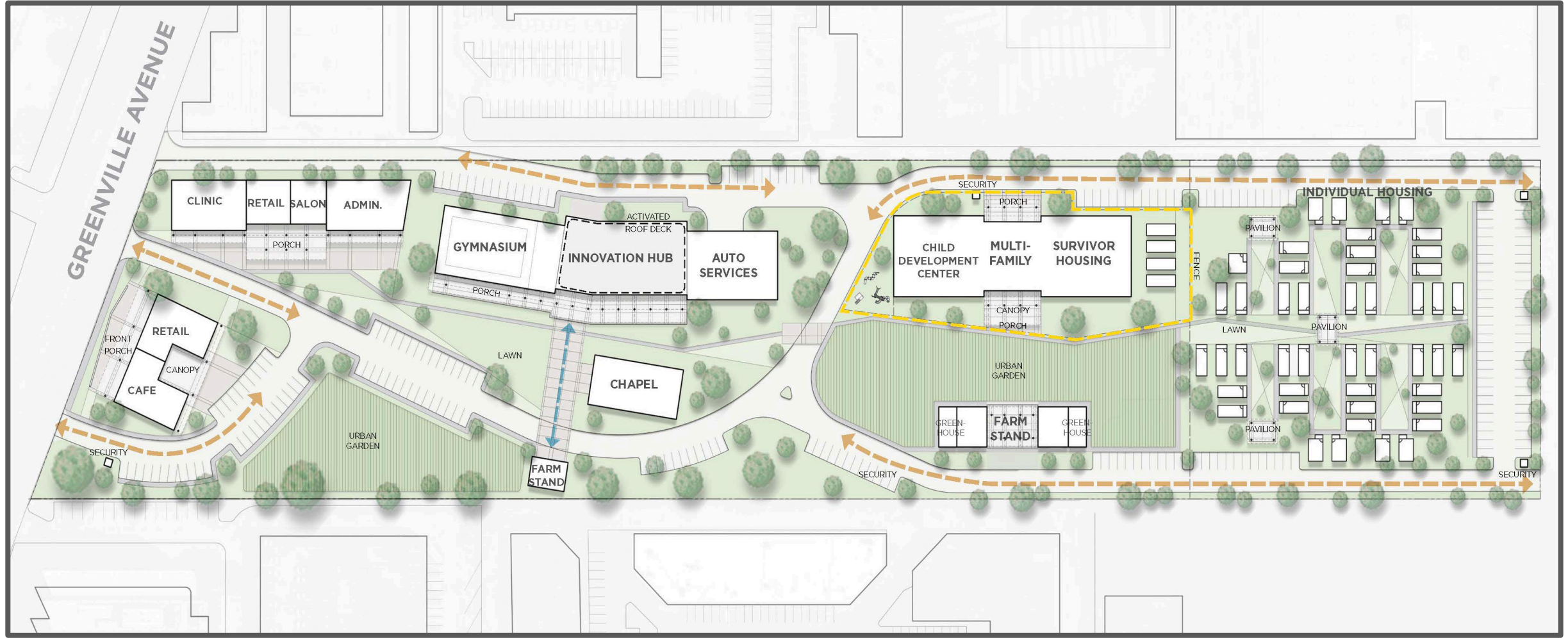
# Lease of Land Considerations



- Section 253.011 of the Local Government Code provides for a direct sale or lease of City real property to a qualifying 501 (c)(3) nonprofit for use to promote a Public Purpose
- The lessee will not pay rent to the city. Rather, the consideration for the lease will be completion of the Project, including specific obligations and benchmarks to be outlined in this presentation
- The primary use of the subject property will be to address **three main public uses** while providing restaurant, retail, and other mixed uses to serve and benefit the surrounding communities:
  - **Farming operations** and cafeteria services will address the need for healthy food options
  - **The Workforce Innovation and Entrepreneurship Hub** will partner with corporations and professional training programs to provide job and workforce training as well as job placement services
  - **Innovative housing options** will provide affordable housing to individuals and some families coming out of crisis



# Refuge Dallas– Lake Highlands



# Project Partners



## Partners

the **HUMAN IMPACT**

The Human Impact exists to befriend the homeless and bridge the relational gap to change lives. Their unique response to this destabilization is to come alongside the chronically homeless, becoming a long-term support system in their lives. They choose to love the chronically homeless, a group that is often forgotten and marginalized.



Founded in 2018, the Child Poverty Action Lab (CPAL) has built an unprecedented coalition of local public agency CEOs collectively adopting a shared goal of reducing Dallas' child poverty rate by 50% within a single generation.



**HOUSE OF  
CHERITH**

House of Cherith provides safe housing and supportive services where women can recover from the trauma of sexual exploitation. House of Cherith's focus is to serve the survivors struggling to recover from the years, or even decades, of trauma they have endured.





# A Place for Community





# On-Site Services

- Workforce Readiness/Vocational training
- Job placement and counseling
- Health and Wellness
  - Medical, Vision, Dental
  - Mental and Emotional Care
  - Fitness classes
  - Health and Nutrition education
- Fresh food options
- Trauma care for survivors of sexual exploitation
- Youth development
- Personal financial management training
- Returning neighbor program
  - Pre and post release programs
- Family reunification
- Diversion program
- Life skills
- Conflict Resolution

# On-Site Features

- Workforce Innovation Hub and Entrepreneur center
- Primary and behavioral health services
- Urban Farm and greenhouses
- Farmers Market
- Housing for individuals and families transitioning out of homelessness
- Housing for survivors of sexual exploitation
- Community Retail
  - Farm-to-table Restaurant
  - Coffee House
  - Retail Salon
  - Retail Boutique
- Gymnasium and fitness area
- Co-working space
- Event Space
- Cafeteria

# Timeline



# Estimated Project Cost

**CITY OF REFUGE - LAKE HIGHLANDS**  
12000 Greenville Ave, Dallas TX

Projected Cash Flow  
Completion of Site Due Diligence & Planning through GB Date  
March 2021 - May 2022



## ARCHITECTURE & ENGINEERING FEES

SITE / SHELL AND CORE ELEMENTS	
Architecture & MP	\$450,000
Core Finishes	\$ - INCL
Structural Eng.	\$ - INCL
MEP / FP Eng.	\$ - INCL
Civil Eng.	\$95,000
L/S & H/S Design	\$75,000
AE Reimb. Allow	\$35,000
Geotechnical Rpt	\$3,000
Environmental Rpt (Ph 1 & 2)	\$11,000
Surveying Svcs (Bndry, Topo, Plat)	\$20,000
Interior Finishes (Site Built Structures)	
Programming	\$335,000
Space Planning / Interior Finishes	\$ - INCL
MEP / FP Eng.	\$ - INCL
Low Voltage & Security Eng.	\$20,000
AE Reimb. Allow	\$5,000
Tiny Homes (Turnkey)	
Arch Master Planning & CA	\$90,000
Civil Eng.	\$30,000
Construction Admin.	\$ - INCL
Legal & Consulting	
Legal Fees	\$15,000
Land Acquisition	\$ - INCL
Contracts	\$ - INCL
Environmental Consulting	\$30,000
Env. Remediation Allow (Hard Costs)	(Others)
<b>Total =</b>	<b>\$1,204,000</b>

# Developer Obligations



- The following developer obligations will be incorporated into and be conditions of the ground lease
- Final Site Plan by October 31, 2022.
- Secure commitments of workforce partners by December 31, 2022.
- Site work (e.g. paving, grading, site preparation, utility connections, or demolition) will commence no later than October 31, 2022.
- Submit to the City a phasing schedule that includes deadlines for completion of each phase of the project.



# Developer Obligations



- Complete initial funding for the project (\$8 Million), no later than June 30, 2023.
- Present to City reasonable evidence of all funding reasonably anticipated to be necessary for completion of the project no later than December 31, 2024.
- Complete project no later than December 31, 2026





# FULL PROJECT

LEGEND	
COLOR	DESCRIPTION
	ECONOMIC DEVELOPMENT
	HOUSING
	FOOD SECURITY
	OFFICE/SERVICE
	INFRASTRUCTURE
	OPEN SPACE

FOOD SECURITY

BUDGET: \$2,500,000

ECONOMIC DEVELOPMENT

BUDGET: \$4,500,000

SERVICE

BUDGET: \$6,000,000

HOUSING

BUDGET: \$9,000,000



## OMNIPLAN



LAKE HIGHLANDS CITY OF REFUGE  
CITY COMMITTEE MEETING 10.04.2025



INFRASTRUCTURE & GROUND BREAKING

BUDGET: \$6,500,000



OMNIPLAN



LAKE HIGHLANDS CITY OF REFUGE  
CITY COMMITTEE MEETING 10.04.2021

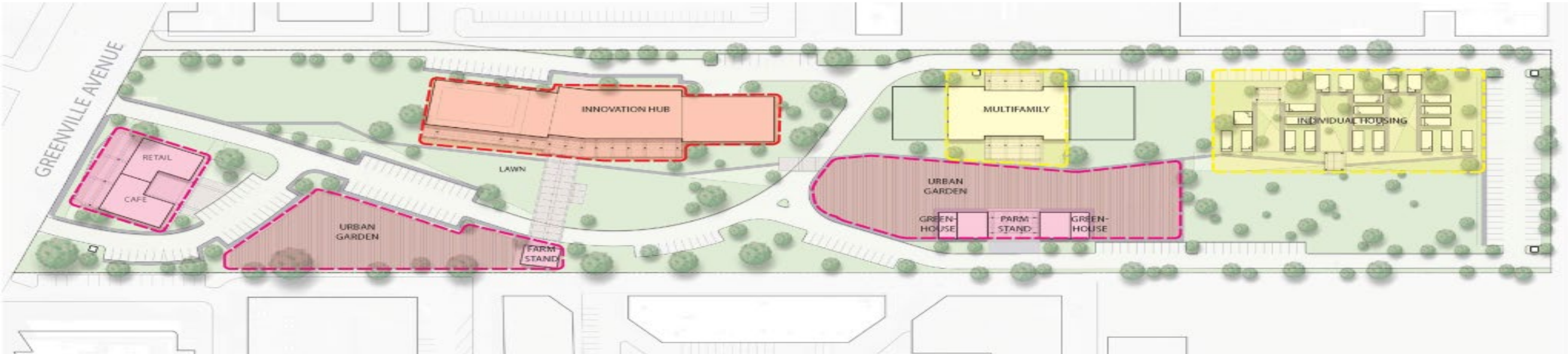




FOOD SECURITY  
BUDGET: \$2,500,000

ECONOMIC DEVELOPMENT  
BUDGET: \$4,500,000

HOUSING  
BUDGET: \$6,500,000

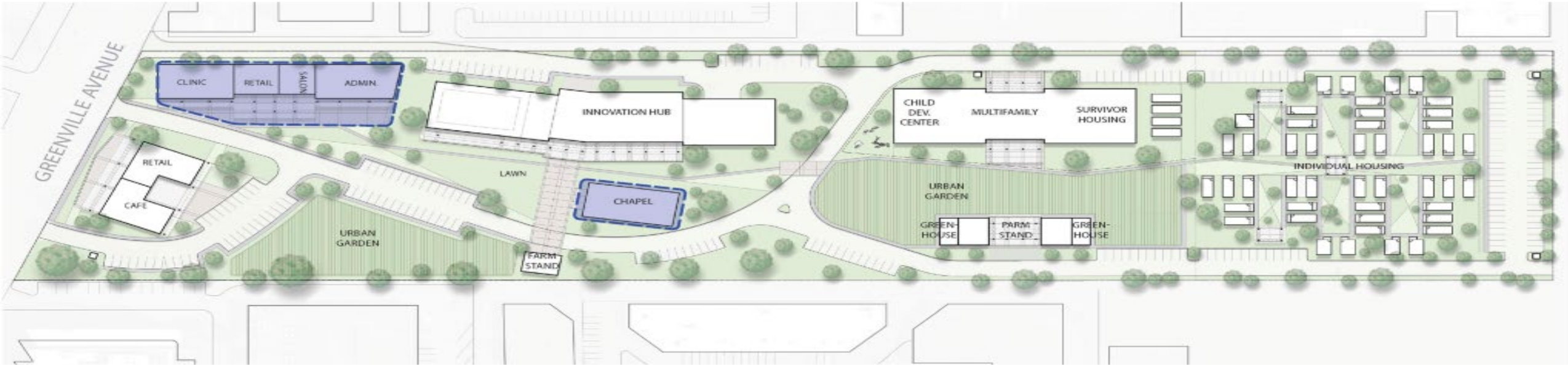


SERVICE  
BUDGET: \$2,000,000

HOUSING  
BUDGET: \$ 2,500,000



SERVICE  
BUDGET: \$4,000,000



OMNIPLAN



LAKE HIGHLANDS CITY OF REFUGE  
CITY COMMITTEE MEETING 10, 04, 2025





# Next Steps



- Receive feedback and comments from Economic Development Committee
- Staff will present an item to City Council on October 13 to consider the proposed ground lease to Refuge City of Dallas, Inc.
- After City Council approval of the lease, Refuge City of Dallas, Inc. will proceed with fundraising commitments to support the project
- Estimated project groundbreaking is planned for May 2022
- Incentive requests for the project, if any, will require additional City Council approval at a later date



# Appendix



	PHASE 1 (SF)	MASTERPLAN (SF)
<b>RESIDENTIAL</b>	<b>21,057</b>	<b>25,358</b>
MULTIFAMILY FOR WOMEN & CHILDREN	21,057	0
TINY HOUSES FOR THE HOMELESS	0	20,000
GROUP HOME FOR SEX TRAFFICKING SURVIVORS	0	5,358
<b>RETAIL</b>	<b>7,200</b>	<b>5,400</b>
RESTAURANT / CAFÉ	3,600	0
RETAIL	3,600	3,000
CLOTHING STORE	0	600
BARBER SHOP / SALON	0	1,800
<b>COMMUNITY AMENITIES</b>	<b>0</b>	<b>13,485</b>
CHAPEL / EVENT SPACE	0	4,485
CHILD DEVELOPMENT CENTER	0	4,512
CLINIC	0	4,488
<b>INNOVATION HUB</b>	<b>37,807</b>	<b>4,514</b>
ADMINISTRATION	0	4,514
GYMNASIUM	10,500	0
AUTO SERVICES	7,000	0
CO-WORKING	9,725	0
CAFÉ	500	0
CAFETERIA / KITCHEN	5,800	0
VIDEO & AUDIO PRODUCTION SUITE	800	0
SUPPORT AND CIRCULATION	3,483	0
<b>SITE AMENITIES</b>	<b>5,000</b>	<b>0</b>
FARM STAND	5,000	0
<b>TOTAL BY PHASE</b>	<b>71,064</b>	<b>48,757</b>
<b>TOTAL</b>		<b>119,820</b>





# City of Dallas

1500 Marilla Street  
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## Agenda Information Sheet

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**File #:** 21-1884

**Item #:** B.

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Kay Bailey Hutchison Convention Center Dallas Master Plan Update and Project Financing Zone [Rosa Fleming, Director, Convention and Events Services; Robin Bentley, Director, Office of Economic Development; Joey Zapata, Assistant City Manager, City Manager's Office; Dr. Eric A. Johnson, Chief of Economic Development & Neighborhood Services, City Manager's Office]



**City of Dallas**

# **Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Update and Project Financing Zone**

**Economic Development Committee  
October 4, 2021**

Rosa Fleming - Director, Convention and Event Services  
Robin Bentley - Director, Economic Development  
Joey Zapata - Assistant City Manager  
Dr. Eric A. Johnson - Chief of Economic Development  
& Neighborhood Services





## Purpose

Convention and Event Services (CES) is requesting the Economic Development Committee's recommendation to seek full City Council approval of an ordinance allowing the establishment of a **Project Financing Zone** (PFZ) as one of the financing streams for the Kay Bailey Hutchison Convention Center (KBHCCD) Master Plan.





# Agenda

1. Project Overview
  - *The What: Project Purpose and Need*
2. Purpose of the Plan
  - *The Why: The Problem*
3. Convention Center Alternatives to Date
  - *The Process: How We Got To The Alternatives*
4. Financing Structure
  - *Project Financing Zone and Proposed Financing Structure*
5. Summary and Next Steps



# The What: Project Vision



**Produce a master plan that transforms the KBHCCD into the #1 Convention Center and convention center urban district in the United States that:**

- meets current and future market demands efficiently, adaptably and flexibly
- generates an unparalleled experience for customers, visitors, exhibitors and City residents that leads to economic prosperity and return on Citizen's investments
- integrates the surrounding communities through a series of multi-modal and barrier-free connective links, and
- promotes accessibility, energy, excitement and equity both locally and regionally.





# The What: Four Integrated Plans



## KBHCCD Master Plan

- Modernized Facility and Upgraded Service

## Multimodal Station Feasibility and Transportation Study

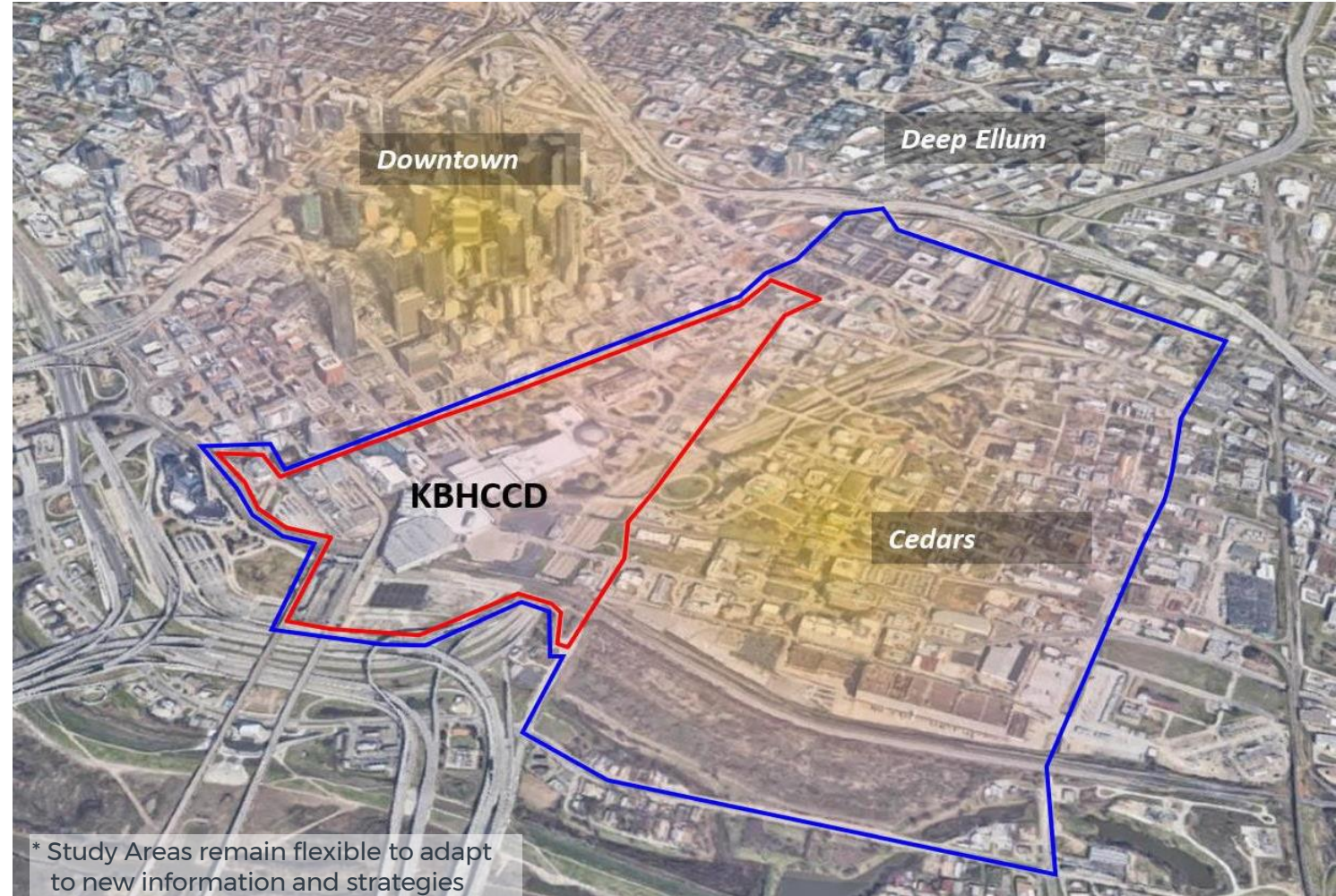
- Bring Transit Assets together

## Area Master Plan

- Connect to Urban Realm and Create a destination

## Financial Feasibility and Implementation

- Capture value to fund implementation



# The What: Project Delivery and Governance



**Project delivery and long-term operations should allocate risk and responsibility between the public and private sectors to capitalize on private sector efficiency, new public tools, and ensure City goals for an exemplary and equitable Convention Center and District are achieved.**

- **Various governance options exist, separately or in combination**, for delivering and operating the Convention Center, development district, and multi-modal transportation investments
- The approved **Economic Development Corporation should have a lead role in delivering or managing major components** of the capital projects and real estate development and asset management
- There are likely to be **opportunities for public-private partnerships for a portion of the work that would shift risk and take advantage of market efficiencies**, in particular for the surrounding district's commercial development and public realm, and potentially for the multi-modal hub



# Why are we in the Convention business?



Convention Centers are a city's living room for guests and locals, allowing the community to host major and multiple events, from business trade shows, to conventions, association conferences, and consumer shows, to sports events and fanfests. Despite the KBHCCD impact, there is significant latent demand for Dallas to lead to new opportunities.

The ***KBHCCD annually:***

Hosts more than **800,000 attendees**, mostly patrons from outside of Dallas

- Generates more than **330,000 hotel room nights**
- Induces almost **\$300 million in direct new spending to Dallas**, plus spinoff spending
- **Supports 5,000+ long-term jobs** in hotels, restaurants, bars and retailers, ride share/taxi drivers and others associated with both DFW airport, Love Field and many other support businesses
- Introduces hundreds of thousands of visitors to Dallas and downtown who spend time and dollars in the City

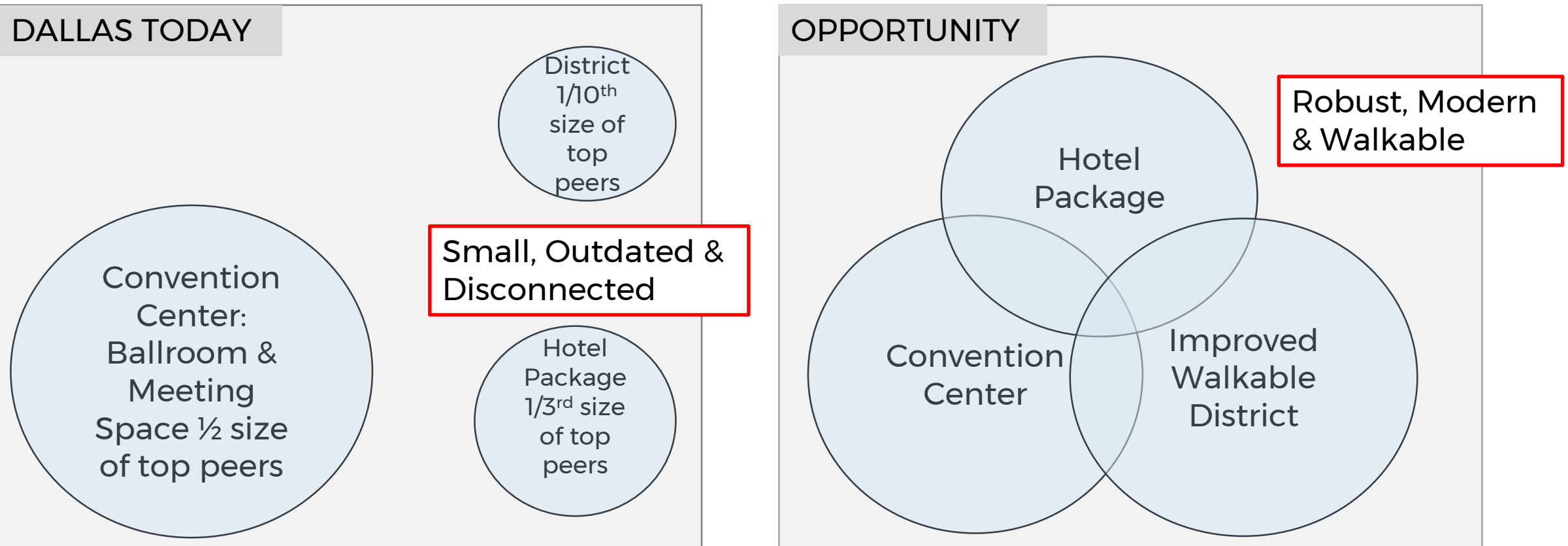




# The Why: Market Expectations have Shifted for the KBHCCD



Event planners demand more from convention centers, districts around them and the walkable hotel package. There are 20+ cities in North America offering more compelling versions of these elements. KBHCCD is **disconnected** from downtown and Cedars, outdated, and has **little ballroom/meeting room space**, and has **1/3 of the walkable hotel rooms** that it should.



# The Why: Competitive Cities Are Moving Ahead



Many of the competitive cities are currently expanding (or have recently expanded) their convention centers and packages, including:

- Las Vegas Convention Center, Las Vegas NV
- Washington State Convention Center, Seattle WA
- Javits Center, New York NY
- Colorado Convention Center, Denver CO
- Indiana Convention Center, Indianapolis IN
- Henry B Gonzales Convention Center, San Antonio TX
- Kentucky International Convention Center, Louisville KY
- Expansions in the works include Austin, Orlando, Fort Worth, Cincinnati and others

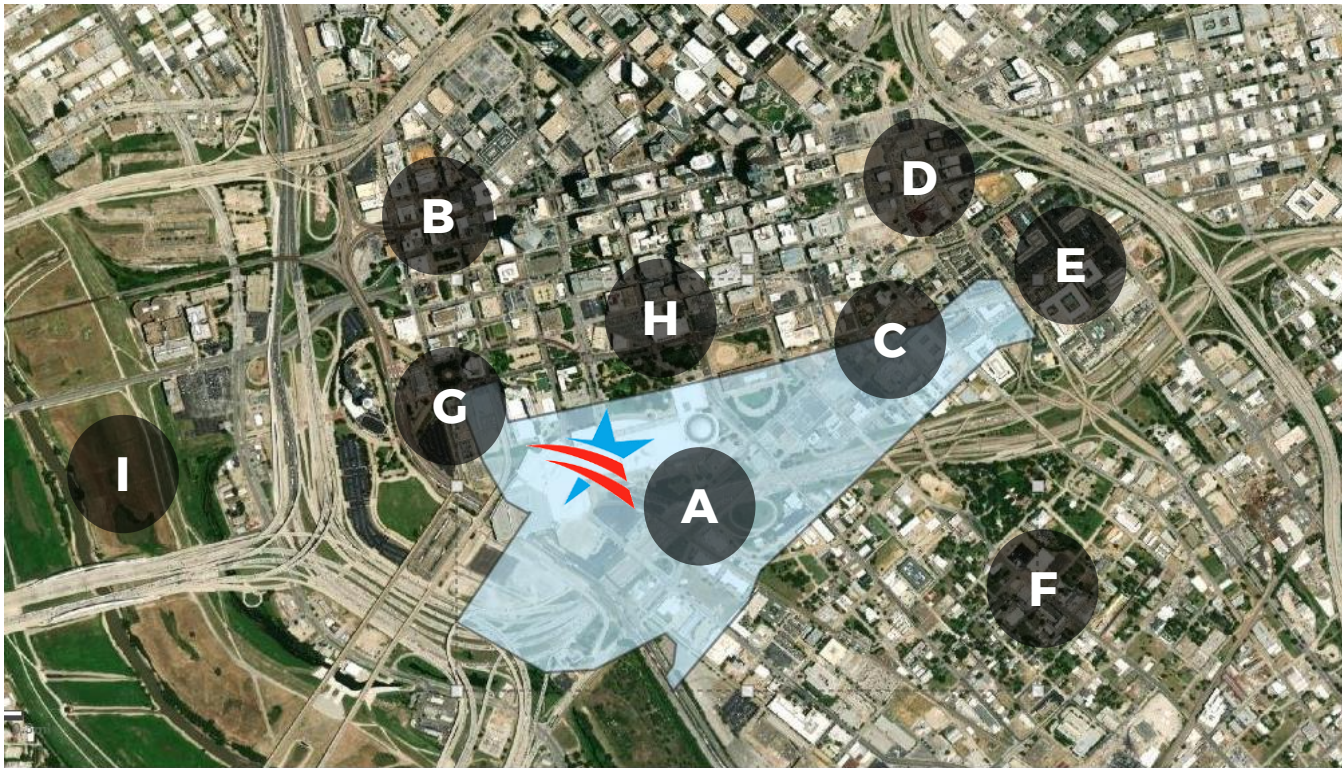


# The Why: Build on Downtown's Momentum



Downtown Dallas continues to emerge as a destination to live, work, play, and visit. A repositioned Convention Center will set the stage for a vibrant new district and can leverage the excitement and energy generated by this renaissance.

## Recent/Planned Major Developments

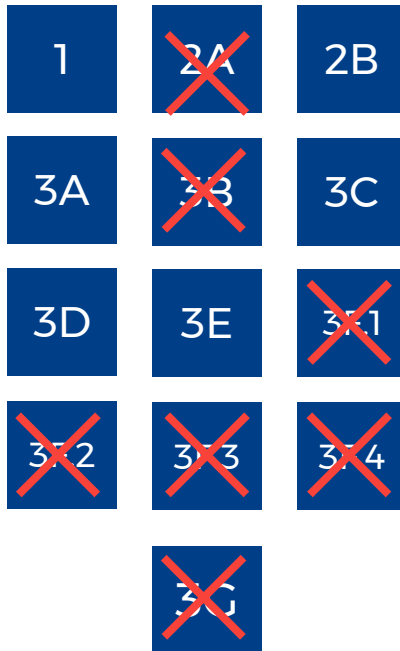


- A. I-30 Deck Park (proposed)
- B. D2 Subway
- C. Newpark Dallas
- D. East Quarter Growth
- E. Farmers Market Growth
- F. Cedars Growth
- G. Dallas Morning News Site
- H. AT&T Discovery District Opening
- I. Harold Simmons Park

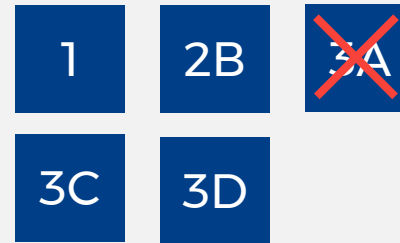




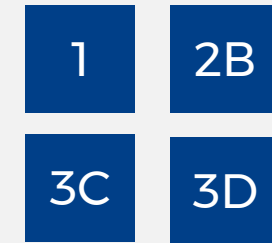
# Convention Center: Screening the Alternatives



Phase 1 Screen  
based on  
feedback and  
fatal flaws



Phase 2 Screen  
based on  
meeting goals  
and objectives



Develop and analyze a full range  
of alternatives (over 13)




Advance the most promising  
alternatives for a more rigorous  
analysis (five alternatives)

Identify and  
advance the most  
promising  
alternatives for  
City Council review



# Convention Center: Baseline + Three Alternatives Identified

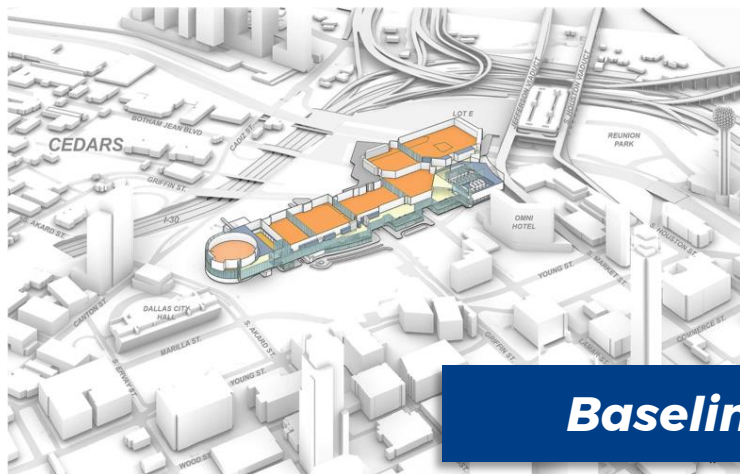


Big D	1 Baseline (Patch and Repair) 				
Bigger D	2A Campus 	2B Hybrid/Revised Campus 			
Biggest D	3A Flat East of Lamar 	3B Stacked 	3C Flat West of Lamar 	3D Flat Underground 	3E Flat East of Griffin 
	3F.1 Lot E + Hall F reuse 	3F.2 Lot E 	3F.3 Lot E Future Expansion Exhibit Halls on Level 2 	3F.4 Lot E Future Expansion Exhibit Halls on Level 0 	3G Former Reunion Arena Site (no graphic developed) 





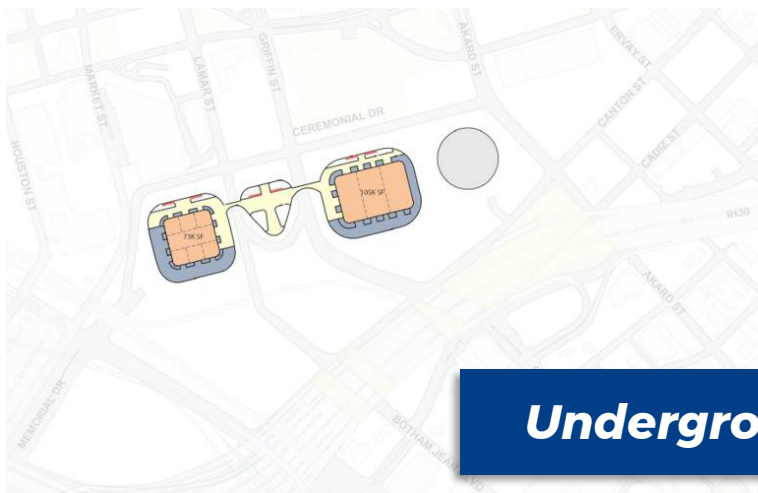
# Convention Center: Baseline + Three Alternatives Identified



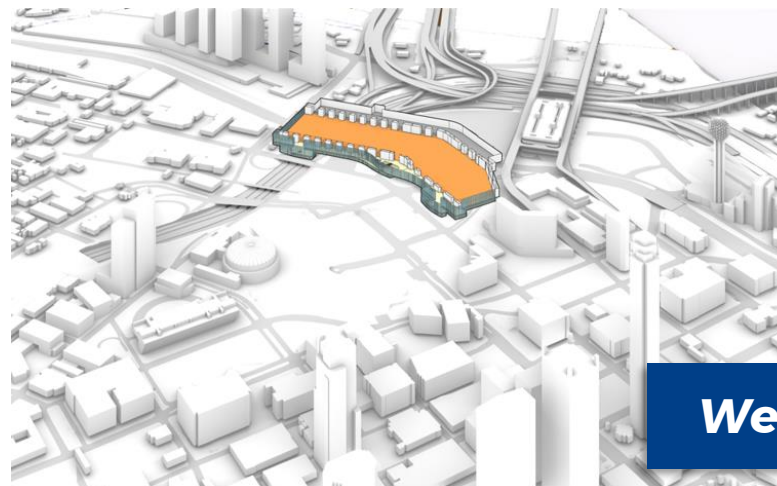
**Baseline**



**Campus Hybrid**



**Underground**



**West of Lamar**



# Summary: Rating of Options



Substantially  
meets the  
goal



Partially  
meets the  
goal



Substantially  
does not meet  
the goal



Goals/Objectives	Baseline	Campus/Hybrid	West of Lamar	Underground
Meets CC Program Needs				
Improves District				
Connects to Downtown				
Connects to Cedars				
Development Potential				
Economic Impact				
Construction Phasing				
<b>Overall Ranking:</b>				



# Financing Structures: Project Financing Zone (PFZ)



## **Project financing model established on September 13, 2013, through Senate Bill 748 as part of the 83<sup>rd</sup> Texas Legislature**

Amends the Texas Tax Code (“Code”) to add Section 351.1015 which authorizes the City of Dallas and the City of Fort Worth to designate certain areas within their jurisdictions as areas eligible to receive the state’s portion of certain revenues

- Code defines those revenues as “incremental hotel-associated revenue” (Hotel Occupancy Tax (HOT), state sales tax and mixed beverage tax revenues collected from hotels)
- Revenues can be used to help finance the acquisition, lease, construction, improvement, enlargement and equipment of qualified projects within the zone
- City Council, based on staff recommendations, can adopt an ordinance designating a PFZ and provide the adopted ordinance to the Texas State Comptroller
- Upon notification of the adoption of the ordinance, the Comptroller is required to deposit incremental hotel-associated revenue into a separate suspense account to be held in trust for the municipality creating the zone
- Increment can be provided to the municipality for up to 30 years
- Municipality has five years to begin the project, or the increment is recaptured by the state



# Financing Strategy: Proposed Funding Sources



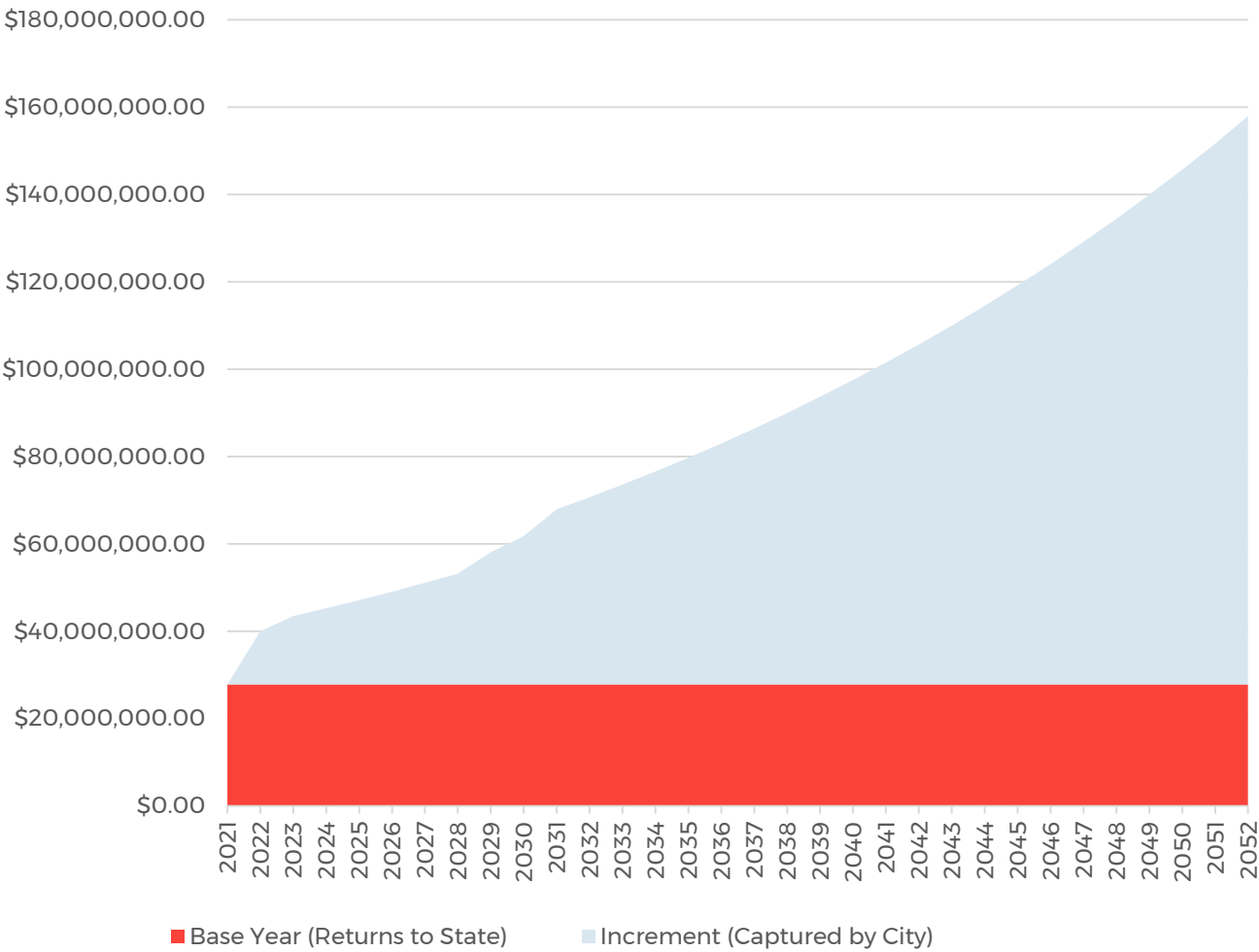
Funding Sources	Range of Revenue Sources	Note
Debt Restructuring	\$250 - \$500 M	CES working with Bond Counsel
Project Financing Zone (PFZ)	Approx. \$2.2 B	State Funds Redirected to City of Dallas
2% Hotel Occupancy Tax Increase	Approx. \$1.5 B	New visitor fee
Monetization of Public RE (CC Sites)	\$100 - \$240 M	Leverages existing under-utilized assets
Total Proposed Funding Sources	\$4.0 B - \$4.4 B	



# Dallas Project Financing Zone Projections



PFZ Annual Increment



	Base Year (Returns to State)	Increment (Captured by City)
2021	\$28,000,000	\$0
2022	\$28,000,000	\$12,000,000
2023	\$28,000,000	\$16,000,000
2024	\$28,000,000	\$17,000,000
2025	\$28,000,000	\$19,000,000
2026	\$28,000,000	\$21,000,000
2027	\$28,000,000	\$23,000,000
2028	\$28,000,000	\$25,000,000
2029	\$28,000,000	\$30,000,000
2030	\$28,000,000	\$34,000,000
2031	\$28,000,000	\$40,000,000
2032	\$28,000,000	\$43,000,000
2033	\$28,000,000	\$46,000,000
2034	\$28,000,000	\$49,000,000
2035	\$28,000,000	\$52,000,000
2036	\$28,000,000	\$55,000,000
2037	\$28,000,000	\$59,000,000
2038	\$28,000,000	\$62,000,000
2039	\$28,000,000	\$66,000,000
2040	\$28,000,000	\$70,000,000
2041	\$28,000,000	\$74,000,000
2042	\$28,000,000	\$78,000,000
2043	\$28,000,000	\$82,000,000
2044	\$28,000,000	\$87,000,000
2045	\$28,000,000	\$91,000,000
2046	\$28,000,000	\$96,000,000
2047	\$28,000,000	\$101,000,000
2048	\$28,000,000	\$107,000,000
2049	\$28,000,000	\$112,000,000
2050	\$28,000,000	\$118,000,000
2051	\$28,000,000	\$124,000,000
2052	\$28,000,000	\$130,000,000





# Financing Structure: Project Financing Zone (cont.)



## Benefits

**Redirects tax revenues from the State of Texas** to the City of Dallas.

**Does not create new taxes or fees**, even on users/visitors.

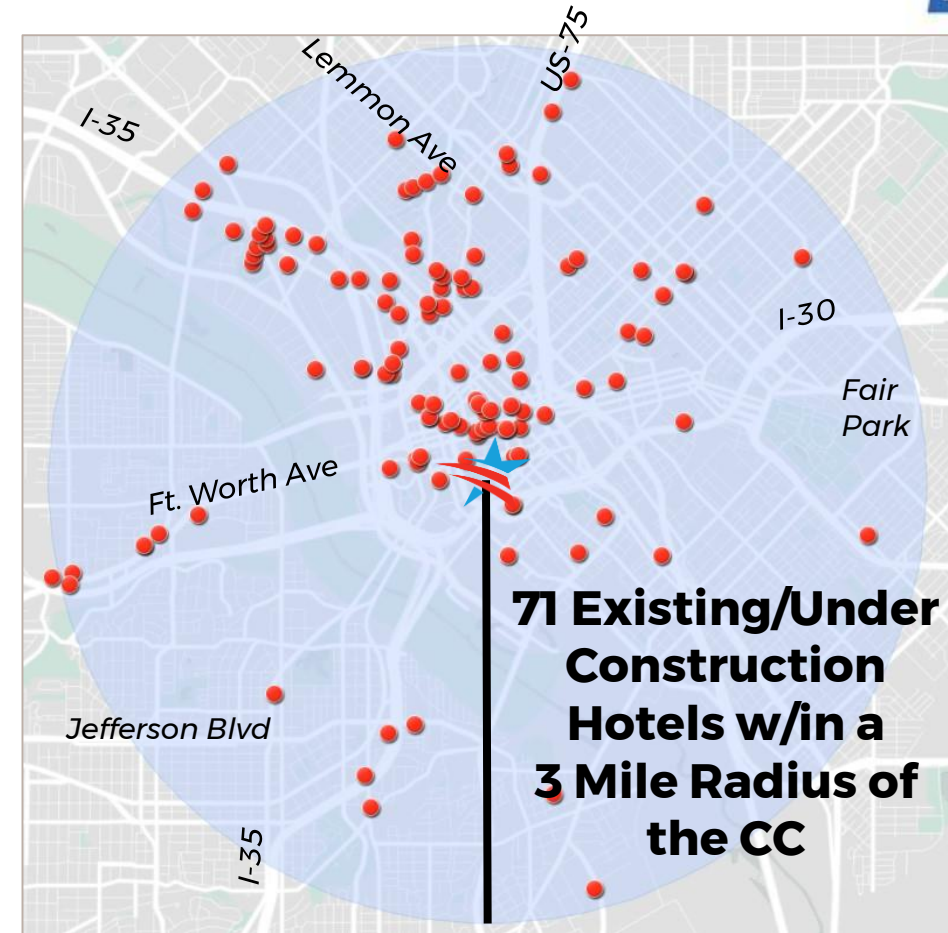
From within a **designated 3-mile zone**, **incremental hotel-associated state tax revenue** (Hotel occupancy, mixed-beverage, and sales tax) above the established base-year amount is returned to CES for **up to 30 years** for a Convention Center project.

Enabled by local government code Chapter 351, must be initiated by City Council and approved by State Comptroller.

## Value

**~ \$2.2 B**

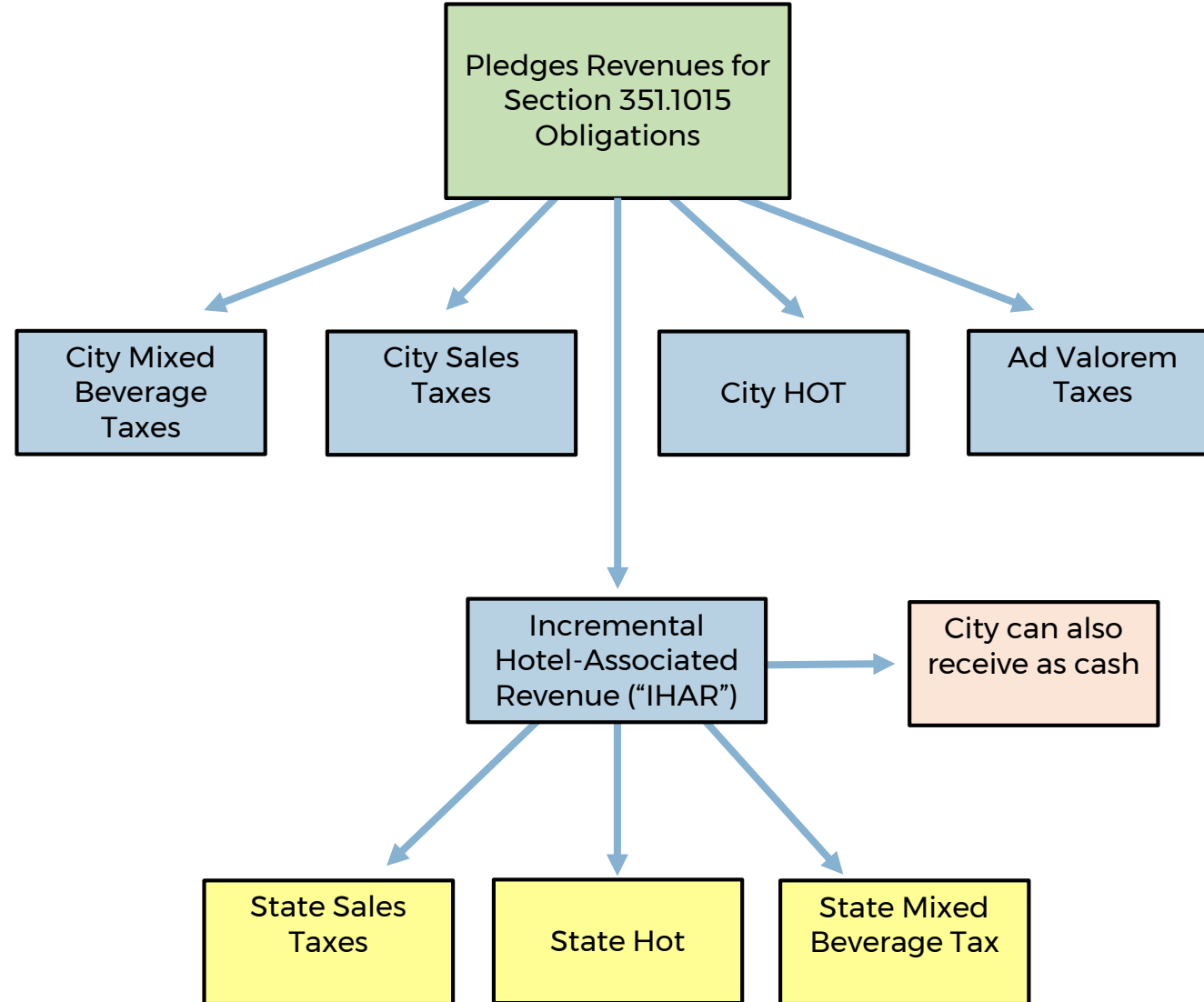
Total PFZ Increment Revenue (2021\$), 30-Yr



\*These numbers represent conceptual, order-of-magnitude estimates that are appropriate for a master plan.



# Financing Structure: Project Financing Zone (cont.)



# Project Benefits



Convention Center Project Creates the Opportunity To:

- **Nearly double annual attendance** via the addition of new events and somewhat larger events, on average
- **Generate ~330k additional annual hotel room nights** in Dallas by stabilization, bringing annual total to ~700k hotel room nights
- Yield **50-100K jobs** (construction and permanent), up to **\$2.5 B in property taxes** and **\$30-50B** in total spending over 30 years
- Improve operating efficiency to bolster Convention and Event Services (CES) **continued operation as an enterprise department without reliance on the General Fund**
- **Redirect state taxes** back to Dallas, **capture new visitor and user fees**, and **leverage existing assets** to renovate or reconstruct the Convention Center



# Summary of Analysis



## Benefits of the Project Financing Zone (PFZ)

- A PFZ will redirect State of Texas hotel tax revenue to fund a City of Dallas venue project for 30 years
- The Texas Tax Code permits a PFZ in Dallas to be used only for convention center projects
- The PFZ is projected to generate up to \$2.2 B (2021\$) over 30 years
  - *Projection assumes rooms revenue return to pre-pandemic levels by 2024, then increase by historical 4.1% annual inflation-adjusted growth rate*
- Initiating the PFZ now maximizes increment captured by capitalizing on COVID-induced reduction in tax revenue
- The City of Dallas has five years to initiate the project upon approval of the PFZ, and may decline to use the PFZ at no risk should the project not move forward

## Alternatives Analysis

- Alternative 3C - West of Lamar best meets the goals and objectives of the master plan



## Next Steps



- Should the Economic Development Committee recommend City Council action for the adoption of the Project Financing Zone Ordinance, staff would schedule the item for the October 13, 2021, City Council agenda.
- If approved by City Council, Convention and Event Services staff, working with the City Controller's Office, would provide the requisite ordinance and correspondence to the Texas Comptroller of Public Accounts before November 13, 2021







# **Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Update and Project Financing Zone**

## **Economic Development Committee October 4, 2021**

Rosa Fleming – Director, Convention and Event Services

Robin Bentley – Director, Economic Development

Joey Zapata – Assistant City Manager

Dr. Eric A. Johnson – Chief of Economic Development & Neighborhood Services





# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 21-1879

**Item #:** C.

---

Department of Development Services: Transformation and Realignment Strategy - Phase II  
Assessment and Recommendations  
[Dr. Eric A. Johnson, Chief of Economic Development, City Manager's Office]



**City of Dallas**

# Department of Development Services

Economic Development Committee  
October 4, 2021

Dr. Eric A. Johnson  
Chief, Economic Development and  
Neighborhood Services  
City of Dallas

# Overview



As of October 1, 2020:

- Department name change: from Department of Sustainable Development and Construction to Department of Development Services.
- Moved Zoning from Department of Development Services to Department of Planning and Urban Design.





# Overview



Department of Development Services Transformation and realignment strategy:

- Phase I: Leadership Transition
- Phase II: Assessment and Recommendations
- Phase III: Realignment, Implementation and Refinement



# Overview



## Phase II:

- Assessment and Recommendations:
  - Policy
  - Technology
  - Process and Infrastructure
  - Department Organization



# Overview



- Proposed Chapter 52 Amendments
- Permitting Software
- Metrics
- Building Inspection Call Center Improvements
- Leadership Recruitment
- Training and Talent Support Program
- Self Certification Program
- Phase III Overview
- Q & A





# Chapter 52 Proposed Amendments





# Chapter 52 Proposed Amendments



- Department of Development Services review revealed changes to Chapter 52 needed to improve efficiency and effectiveness.
- Proposed Chapter 52 Changes include:
  - Incomplete Application Expiration
  - Permit Application Review Time
  - Eliminate Void Permit Refunds
  - Private Provider Review



# Chapter 52: Incomplete Application Expiration



## Background Information:

- Section 245.002(e) of the Texas Local Government Code says a municipality may provide that a permit application in the pre-screen stage expires on or after the 45<sup>th</sup> day the application is filed if:
  - The applicant fails to provide documents or other information necessary to comply with the agency's technical requirements relating to the form and content of the application, and
  - Within 10 business days of application filing, the municipality provides written notice specifying any additional required information as well as the date the application will expire if the information is not provided.



# Chapter 52: Incomplete Application Expiration



## Current Provision:

- Chapter 52 does not provide for the Building Official to have the authority to expire after 45 days, applications in the pre-screen stage that are incomplete.



# Chapter 52: Incomplete Application Expiration



## Proposed Change:

- Amend Chapter 52 to add and mirror Section 245.002(e) of the Texas Local Government Code language, to give the building official the authority to expire incomplete applications that are in pre-screen after 45 days.\*

\*If an applicant does not respond after 45 days to a City staff request for deficient or missing items, the Building Official has the right to expire their application. Thus the applicant must file a new application.





## Chapter 52: Permit Application Review Time



Current Provision:

- Building inspection currently pre-screens permit applications in the order in which they are received.



# Chapter 52: Permit Application Review Time



## Proposed Change:

- Amend Chapter 52 to provide staff with 10 business days to review an application in the pre-screen stage.
- Amend Chapter 52 to allow an application in the pre-screen stage to maintain its place in line, unless the applicant does not provide the additional deficient or missing items requested within 10 business days of the Building Official's notice letter of deficiency.
- If the requested deficient or missing items are not provided within 45 days or any time thereafter, the Building Official has the authority to cancel the application.



# Chapter 52: Void Permits



## Current Provision:

- According to Chapter 52, an application for a building permit that is under review (past the pre-screen stage) and is still missing City staff requested deficient or missing items, is considered void if the requested deficient or missing items have not been submitted to staff by the 180th day of requesting.
- An applicant can at any time, request a refund of up to 80% of the permit fee.
- There is no time limit for requesting the refund.
- There is no process in place for closing out void permits.



## Chapter 52: Void Permits



### Proposed Change:

- Amend Chapter 52 to eliminate refunds only for void permits that are under review with no activity for 180 days from the applicant for requested deficient or missing items.
- The City of Dallas will trigger a process for multiple notifications to the applicant over the course of 180 days. The applicant will be advised they have not responded to a request for deficient or missing items. If the applicant has not responded by the 180<sup>th</sup> day, the void permit will be cleared, and the applicant is not eligible for a refund.





# Chapter 52: Private Provider Review



## Current Provision:

- When a property owner or builder applies for a permit, all plan reviews and inspections must be performed by City of Dallas building inspection staff.



# Chapter 52: Private Provider Review



## Proposed Change:

- Amend Chapter 52 to authorize the Building Official to allow Private Providers (3rd party vendors not paid by the City of Dallas) to perform plan review and / or inspection functions on behalf of a permit applicant.
- Staff will return to council by end of Q2 2022 with recommendations for programmatic ordinance language, best practices, and an implementation process.





# Permitting Software



# Permitting Software



- Department of Development Services staff working with Department of Information Technology Services to reconfigure the current electronic application portal, Electronic Plan Review System (ProjectDox).
- Projected 6-month turnaround.
- Major improvements and updates include making the submission and notification process easier and more efficient and more user-friendly.



# Permitting Software



- Department of Development services staff is developing path to replace City of Dallas legacy building inspection and plan review permitting system, POSSEE.
- Goal is to align building inspection and plan review permitting system with electronic submission portal.
- Staff working to identify best configuration for plan review permitting system replacement.
- 2-year Implementation timeline after configuration is determined and contract finalized.







# Metrics



# Metrics



- Permitting performance, metrics, and target data reporting is required for effective Economic Development Policy implementation.
- Data is tied to effectiveness of both the permitting building inspection and plan review technology and permitting system and electronic submission portal.
- Updated metrics and reporting methods will provide Council with departmental performance information, customers with clear expectations, and the public with data to track permitting and inspection activity.



# Metrics



## Current Budget Book and Dallas 365 Performance Metrics & Targets:

Performance Metric	Description	FY 2021-22 Proposed
Average Time from Permit Application Submission to First Pre-Screen (YTD)	Average days for permit application pre-screen	10 days
Average Time from Permit Application Acceptance to Completion of First Review - Residential (YTD)	Average days to complete first review for residential permit applications deemed complete and ready for review	15 days
Average Time from Permit Application Acceptance to Completion of First Review - Commercial (YTD)	Average days to complete first review for commercial permit applications deemed complete and ready for review	21 days
Percentage of Building Inspections Completed Next Day (YTD)	Percentage of inspections performed by next day as requested	98.0%



# Metrics



## Next Steps:

- By Spring 2022, Development Services will launch a new quarterly performance report.
- SDC will track metrics in priority areas for leadership and customers:
  - Permit review & issuance timing
  - Permit application & issuance volume
  - Inspection responsiveness
  - Customer service efficiency
  - Cross-departmental coordination





# Building Inspection Call Center Improvements





# BI Call Center Improvements



- A Continuous Improvement Project – 4-month duration
- Combination of Toyota Production System and City Six Sigma Leaders
  - Staff from Toyota.
  - City Staff from BI, DWU, ITS, Budget Office, 311 Customer Service, and DFR.
- At the start of the project
  - Handle (Answer) Rate – 66%.
  - Long Wait Time (15 Minutes or more) – 69%.
  - Long Wait Time for Zoning questions – average of 5 days.



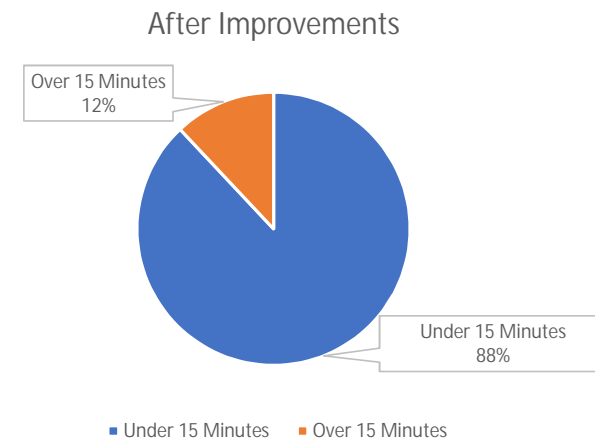
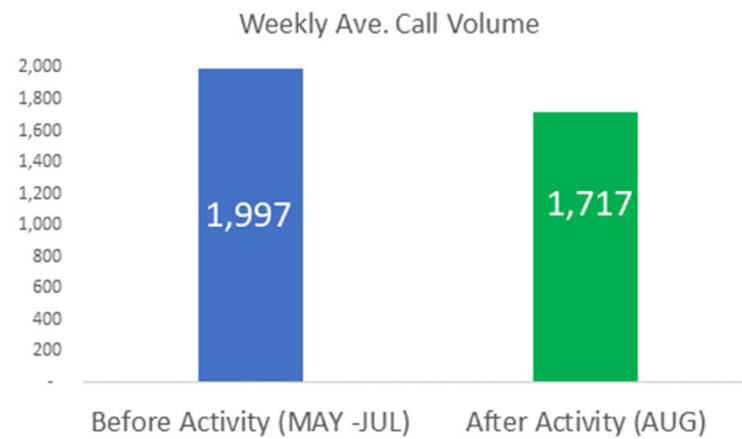
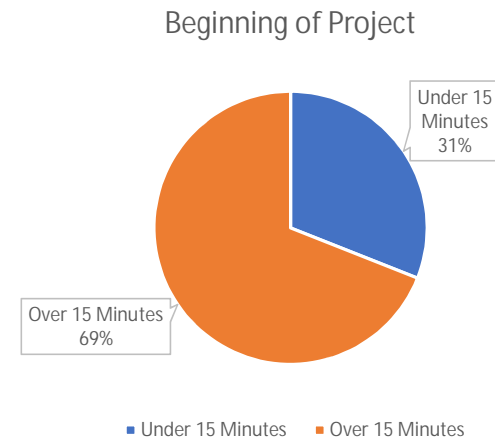
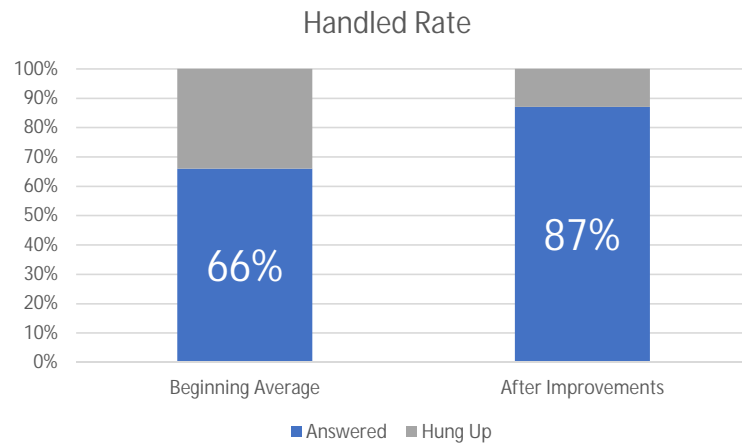
# BI Call Center Improvements



- Investment in staff: Hardware, System Access, Training
- Project Dox Technical Issues: Verification Code
- Zoning Consultations: From Emails to Appointments
- Website Improvements: 17 Changes - Cumulative Results
- Optimal Staffing: More Spanish Speakers, Phone Coverage



# BI Call Center Improvements





# Leadership Recruitment



# Leadership Recruitment



- Positions with current interim leadership:
  - Department of Development Services:
    - Director
    - Building Official
  - Department of Planning and Urban Design,  
Director





# Leadership Recruitment



## Proposed Timeline To Begin Q1 2022\*

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
1. Research & Engagement						
2. Job Description & Applicant Assessment						
3. Candidate Sourcing						
4. Application Portal Open						
5. Interviews & Evaluation						
6. Selection						

\*Recruitment for positions will be simultaneous and open to external and internal candidates, including interim leadership





# Training and Talent Support Program



# Training and Talent Support Program



- The Training and Talent Support Program will contain a series of events and opportunities meant to support the Department of Development Services and Department of Planning and Urban Design professional growth and team cohesion.
- Program:
  - 2-day annual professional conference organized by staff.
  - Four 1-day training events led by professional trainers with targeted topics.
  - Professional certification opportunities that allocate funding for national or state professional conference participation that is relevant to the respective staff member's position.
  - Supervisor and team-led training opportunities.



# Training and Talent Support Program



- Coordinated by a dedicated team of 2 full-time staff and 3 volunteer staff.
- Mandatory participation for each staff in any capacity: 2-day annual conference + 8 staggered training days each year.
- Dedicated website.
- Metrics and measurable outcomes to show professional growth and employee wellbeing.



# Training and Talent Support Program



## Year 1 Timeline:

- Prelaunch and preparatory phase: October 2020 - December 2020
- Launch: January 2022
- Annual Conference: Spring 2022

## Year 1 Proposed Budget:

- \$700,000 - \$900,000 (Enterprise Fund)







# Self-Certification Program



# Self-Certification Program



- City Staff is currently researching best practices, processes, and compliance requirements for a self certification program for the building community.
- Staff will present its recommendations to council in Q2 2022.





# Phase III Overview



# Phase III Overview



Phase III:

- Realignment, Implementation and Refinement

Phase III Projected Timeline:

- End of Q2 2022 (in concert with Economic Development Policy implementation start date)





# Q&A







**City of Dallas**

# **Sustainable Development and Construction Update**

**Economic Development Committee  
October 4, 2021**

Dr. Eric A. Johnson  
Chief, Economic Development and Neighborhood Services  
City of Dallas



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 21-1886

**Item #:** D.

---

Upcoming Agenda Item: Authorize a three-year service contract, with two one-year renewal options, for third-party administrator services for the City's Property Assessed Clean Energy (PACE) program for the Office of Economic Development- Texas Property Assessed Clean Energy Authority dba Texas PACE Authority, only proposer  
[Kevin Spath, Assistant Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE October 1, 2021

TO Honorable Members of the Economic Development Committee:  
Tennell Atkins (Chair), Carolyn King Arnold (Vice Chair), Adam McGough, Omar Narvaez, Jaime Resendez, Chad West, Gay Donnell Willis

SUBJECT

**Upcoming Agenda Item: Authorize a three-year service contract, with two one-year renewal options, for third-party administrator services for the City's Property Assessed Clean Energy (PACE) program for the Office of Economic Development – Texas Property Assessed Clean Energy Authority dba Texas PACE Authority, only proposer - Financing: No cost consideration to the City**

On October 13, staff will seek City Council authorization to execute a three-year service contract with two one-year renewal options with Texas Property Assessed Clean Energy Authority dba Texas PACE Authority for third-party administrator services for the City's Property Assessed Clean Energy (PACE) program.

On May 6, 2021, the City of Dallas issued BB21-00016024, a Request for Competitive Sealed Proposals (RFCSP) to procure third-party services related to the administration of the City's PACE program. Texas Property Assessed Clean Energy Authority dba Texas PACE Authority was the only proposer. The Office of Procurement Services conducted a single proposal review and found no exceptions.

This service contract will provide third-party administrator services for the City's PACE program, a financing tool to help property owners access long-term loans for clean energy, energy efficiency, and water conservation improvements. PACE financing provides contractual agreements between property owners, third-party lenders, and the City. At the request of a property owner, the City places an assessment on a property, which secures the PACE financing from a third-party lender.

The PACE program administrator serves as the primary point of contact for the City of Dallas PACE program. The program administrator is responsible for overseeing day-to-day tasks including but not limited to the following:

- Coordinating efforts between property owners and lenders throughout the application process
- Verifying application materials of property owners
- Gathering and maintaining reporting data in compliance with any applicable statute(s)
- Marketing and promoting the City of Dallas PACE program
- Maintaining the City of Dallas PACE program website

Additionally, the PACE the program administrator is responsible for maintaining a list of third-party service providers, including lenders/capital providers, independent third-party

DATE October 1, 2021

SUBJECT **Upcoming Agenda Item: Authorize a three-year service contract, with two one-year renewal options, for third-party administrator services for the City's Property Assessed Clean Energy (PACE) program for the Office of Economic Development – Texas Property Assessed Clean Energy Authority dba Texas PACE Authority, only proposer - Financing: No cost consideration to the City**

reviewers (qualified engineers), contractors, consultants, and attorneys with experience facilitating PACE transactions in Texas.

Please see the attached **Exhibit A** for background information regarding the City's PACE program.

Should you have any questions, please contact Kevin Spath, Assistant Director in the Office of Economic Development, at (214) 670-1691 or [kevin.spath@dallascityhall.com](mailto:kevin.spath@dallascityhall.com)

Regards,



Dr. Eric A. Johnson

Chief of Economic Development & Neighborhood Services

C: Honorable Mayor and City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors





**City of Dallas**

City of Dallas  
Property Assessed Clean Energy  
(PACE) Program  
Third-Party Administrator Service Contract

Economic Development Committee  
October 4, 2021

Kevin Spath, AICP, EDFP, HDFP  
Assistant Director  
Office of Economic Development

# Overview



- Background
- Staff Recommendation
- Next Step





# Background: What is PACE?



- Innovative financing mechanism that enables owners of privately owned commercial, industrial, and multi-family (5 or more units) properties to obtain low-cost, long-term loans for water conservation upgrades, energy efficiency improvements, and renewable retrofits to their buildings
- In exchange for funds provided by a private lender to pay for the improvements, the property owner voluntarily requests that the local government place an assessment secured with a senior lien on the property until the assessment is paid in full
- The term of the assessment may extend up to the projected life of the improvement, which can result in utility cost savings that exceed the amount of the assessment payment



# Background: What is PACE?



## TEXAS PROPERTY ASSESSED CLEAN ENERGY (FINANCING)

*A simple way of paying for capital projects with no money out of pocket*

What: Long term, low cost 100% financing for energy efficiency, water conservation and distributed generation projects

Where: Commercial (including non-profit), industrial (manufacturing/agricultural) and multi-family (5+units) properties

How: Repaid via special property assessment over the useful life of the improvements

- Voluntary
- Open Market

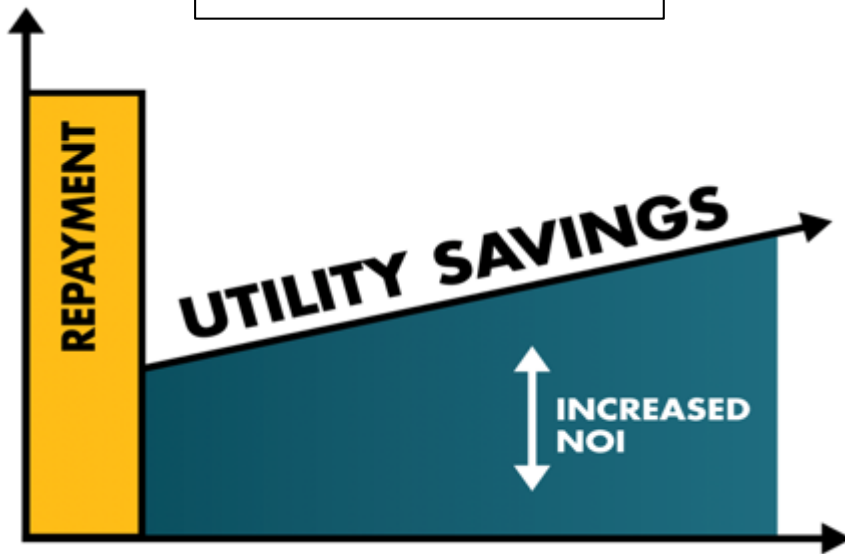


# Background: Why PACE?



Lower Utility Costs & Increased Net Operating Income

Conventional



PACE



# Background: What is PACE?



## PACE is Win-Win-Win-Win-Win

- Property owners: lower utility bills, energy & water efficiency, energy independence, potential property value increase; longer loan term; transferability of debt
- Local contractors: source of increased business, best practices, keeping up with technology advancements
- Lenders: new loans, steady & stable process, fully collateralized, assessment lien position, improved asset value
- State of Texas: over the long-term, reduced peak demand, enhanced grid reliability, improved air quality, water resource conservation
- Local municipalities: increased economic development, improved building stock, increased competitiveness



# Background: Dallas PACE Program Timeline



2013: City supports Texas PACE Act (Chapter 399 Local Government Code); signed into law June 14, 2013

2013-2014: City participates in PACE in a Box Working Groups

2015: City adopts Resolution of Intent to establish PACE program (based on PACE in a Box model); initiates competitive procurement process to solicit a third-party Program Administrator

2016: City establishes first City-enacted PACE Program in Texas; selects Texas PACE Authority (TPA) as Program Administrator

2017: City closes first PACE project (\$24 million PACE financing); largest PACE project in Texas to-date

2020: City adopts first Comprehensive Environmental and Climate Action Plan (CECAP); identifies PACE program as specific action to help achieve Goal 1 (increase energy efficiency of existing buildings) and Goal 2 (ensure affordable access to renewable energy)



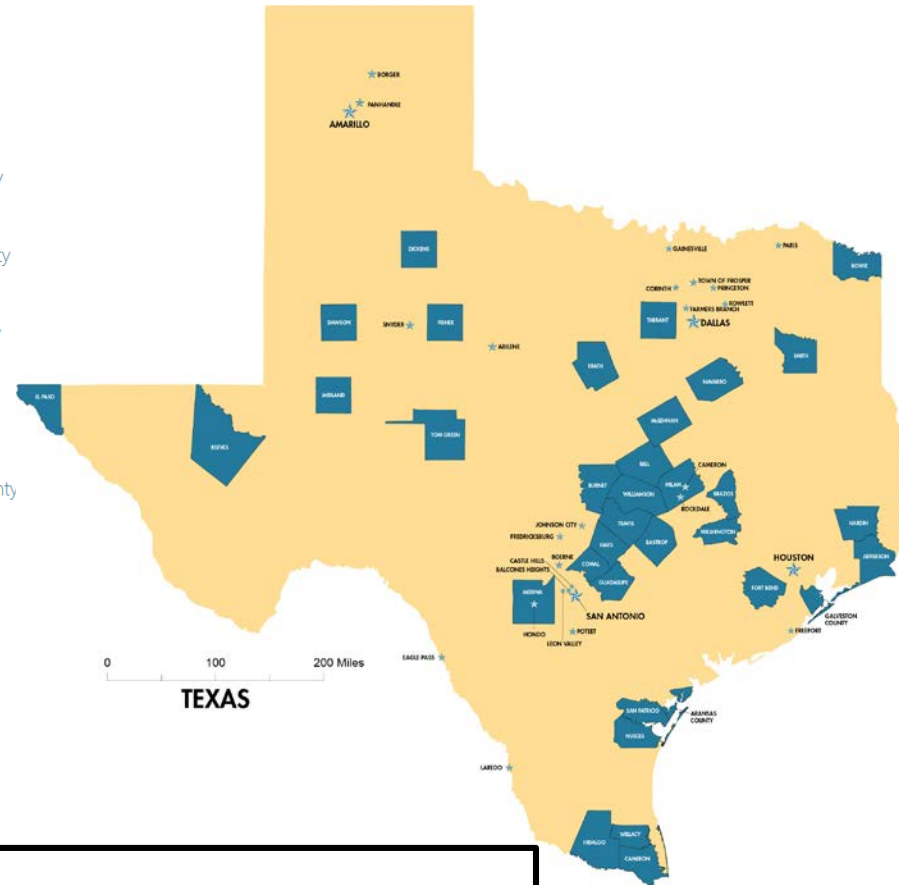


# Background: Growing PACE Market



## COUNTIES

Aransas County	Bastrop County	Bell County
Bowie County	Brazos County	Burnet County
Cameron County	Comal County	Dawson County
Dickens County	El Paso County	Erath County
Fisher County	Fort Bend County	Galveston County
Guadalupe County	Hardin County	Hays County
Hidalgo County	Jefferson County	Medina County
McLennan County	Midland County	Milam County
Navarro County	Nueces County	Reeves County
San Patricio County	Smith County	Tarrant County
Tom Green County	Travis County	Washington County
Willacy County	Williamson County	



## CITIES

City of Abilene	City of Amarillo	City of Balcones Heights
City of Boerne	City of Borger	City of Cameron
City of Castle Hills	City of Corinth	City of Dallas
City of Eagle Pass	City of Farmers Branch	City of Fredericksburg
City of Freeport	City of Gainesville	City of Hondo
City of Houston	Jacinto City	Johnson City
City of Laredo	City of Leon Valley	City of Panhandle
City of Paris	City of Poteet	City of Princeton
Town of Prosper	City of Rockdale	City of Rowlett
City of San Antonio	City of Snyder	



**TEXAS** ★ **PACE**  
**AUTHORITY**

- Non-profit 501c(3) created in 2015
- Served as Administrator for City of Dallas PACE program 2016-2021

- 64 local PACE programs statewide
- >60% of state population
- Total PACE projects: 50
- Total PACE investment: \$171 Million





# Background: Dallas PACE Projects



Continental Gin



Butler Brothers



Red Bird Mall Redevelopment

Projects	PACE Financing	Property Type	CO2 Avoided (tonnes)	Annual electricity Savings (kWh)	Annual Natural Gas Savings (mmBTU)	Annual Water Savings (Kgal)
Butler Brothers	\$23,912,325	Mixed Use	3,507	6,691,648	460	692
Dallas Paint and Body	\$74,140	Retail	21	40,572	-	-
Jackson Street Garage	\$5,140,164	Retail	266	511,524	-	-
Continental Gin	\$5,250,000	Mixed Use	1,318	1,398,812	11,124	515
JW Marriott	\$5,059,884	Hospitality	252	448,135	350	577
Red Bird Mall Redevelopment	\$3,350,000	Mixed Use	351	673,784	-	3,420
White Rock Tower	\$496,383	Office	310	596,499	-	-
7	\$43,282,895.13		6,024	10,360,974	11,934	5,204



# Background: 2021 RFCSP



- On May 6, 2021, the City of Dallas issued BB21-00016024, a Request for Competitive Sealed Proposals (RFCSP) to procure third-party services related to the administration of the City's PACE program.
- Texas Property Assessed Clean Energy Authority dba Texas PACE Authority was the only proposer.
- 6-member staff panel from Planning & Urban Design Department, Office of Environmental Quality & Sustainability, Office of Economic Development including Business Workforce & Inclusion division, and Office of Procurement Services selected the sole proposer on the basis of demonstrated competence and qualifications.
- Office of Procurement Services conducted a single proposal review and found no exceptions.



# Staff Recommendation and Next Step



## Staff Recommendation

- Authorize a three-year service contract, with two one-year renewal options, with Texas Property Assessed Clean Energy Authority dba Texas PACE Authority for third-party administrator services for the City's PACE program

## Next Step

- An agenda item will be placed on October 13, 2021 City Council agenda





EXHIBIT A



**City of Dallas**

# City of Dallas PACE Program

Third-Party Administrator Services

Economic Development Committee  
October 4, 2021

Kevin Spath, AICP, EDFP, HDFP  
Assistant Director  
Office of Economic Development