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**CITY SECRETARY
DALLAS, TEXAS**

City of Dallas

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

Public Notice

220457

POSTED CITY SECRETARY
DALLAS, TX



Economic Development Committee

REVISED

May 2, 2022

1:00 PM

(For General Information and Rules of Courtesy, Please See Opposite Side.)
(La Información General Y Reglas De Cortesía Que Deben Observarse
Durante Las Asambleas Del Consejo Municipal Aparecen En El Lado Opuesto, Favor De Leerlas.)

General Information

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on Time Warner City Cable Channel 16. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 by 5:00 p.m. of the last regular business day preceding the meeting. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

Rules of Courtesy

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while

Información General

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaldía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación *Time Warner City Cable* Canal 16. El Ayuntamiento Municipal se reúne en el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 5:00 pm del último día hábil anterior a la reunión. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

Reglas de Cortesía

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal

"Los ciudadanos y visitantes presentes durante las

attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

asambleas del Ayuntamiento Municipal deben de obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que este presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisara al oficial que este presidiendo la sesión a tomar acción." Según la sección 3.3 (c) de las reglas de procedimientos del Ayuntamiento.

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."

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2021 CITY COUNCIL APPOINTMENTS

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

(C) – Chair, (VC) – Vice Chair

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

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

The public is encouraged 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 following videoconference link is available to the public to listen to the meeting and Public Affairs and Outreach will also stream the City Council Briefing on Spectrum Cable Channel 95 and [bit.ly/ cityofdallastv](https://bit.ly/cityofdallastv):

[WebEx Link]

Call to Order

MINUTES

1. [22-1007](#) Approval of Minutes of the April 4, 2022 City Council Meeting Economic Development Committee

Attachments: [Minutes](#)

BRIEFING ITEMS

- A. [22-1062](#) Development Services Review Update
[Majed A. Al-Ghafry, P.E., Assistant City Manager, City Manager's Office, and Will Mundinger, Executive in Residence, Development Services]

Attachments: [Presentation](#)

- B. [22-1006](#) Responsible Banking Ordinance for City Depository Banks
[M. Elizabeth Reich, Chief Financial Officer, City Manager's Office]

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

- C. [22-1005](#) Downtown Connection TIF District Plan Amendment and One Newpark Project, a proposed catalyst mixed-use and mixed-income development on 1.7 acres at the southeast corner of S. Akard Street and Canton Street
[Kevin Spath, Assistant Director, and Tamara Leak, Manager, Office of Economic Development]

Attachments: [Presentation](#)

BRIEFING MEMORANDUMS

- D. [22-1004](#) Reauthorization of Public/Private Partnership Program Guidelines and Criteria
 [Robin Bentley, Director, Office of Economic Development]

Attachments: [Memo](#)

- E. [22-764](#) Public Improvement District (PID) Upcoming Agenda Items: (1) Call for a Public Hearing to be held on June 8, 2022 to renew the 1) Knox Street Public Improvement District, 2) Lake Highlands Public Improvement District, 3) Midtown Improvement District, 4) the expansion of the Dallas Tourism Public Improvement District to include 6 additional hotels, and Providing Information on Planned Amendments to PID Management Contracts to Include Good Governance Provisions
 [Jiroko Rosales, Assistant Director, Office of Economic Development]

Attachments: [Memo](#)

EXECUTIVE SESSION

- F. [22-820](#) Deliberate the offer of a financial or other incentive to a business prospect ("Project X") that the City seeks to locate/relocate within the City and with which the city is conducting economic development negotiations (Sec. 551.087 T.O.M.A.)

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

File #: 22-1007

Item #: 1.

Approval of Minutes of the April 4, 2022 City Council Meeting Economic Development Committee

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, APRIL 4, 2022

22-0013

ECONOMIC DEVELOPMENT COMMITTEE
CITY COUNCIL CHAMBER, CITY HALL/VIDEO CONFERENCE
COUNCILMEMBER TENNELL ATKINS, PRESIDING

PRESENT: [6] Atkins, Arnold, *McGough, Narvaez (**1:07 p.m.), Resendez (**1:08 p.m.), Willis

ABSENT: [1] West

The meeting was called to order at 1:03 p.m. with a quorum of the committee present.

The meeting agenda, posted in accordance with Chapter 551, "OPEN MEETINGS," of the Texas Government Code, was presented.

After all business properly brought before the committee had been considered, the meeting adjourned at 2:24 p.m.

Chair

ATTEST:

City Secretary Staff

Date Approved

The agenda is attached to the minutes of this meeting as EXHIBIT A.

The actions taken on each matter considered by the committee are attached to the minutes of this meeting as EXHIBIT B.

The briefing materials are attached to the minutes of this meeting as EXHIBIT C.

***Note: Members of the Committee participated in this meeting by video conference.**

**** Note: Indicates arrival time after meeting called to order/reconvened.**

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, APRIL 4, 2022

EXHIBIT A

RECEIVED

Public Notice

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CITY SECRETARY
DALLAS, TEXAS

City of Dallas

POSTED CITY SECRETARY
DALLAS, TX

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



Economic Development Committee

April 4, 2022

1:00 PM

2021 CITY COUNCIL APPOINTMENTS

COUNCIL COMMITTEE	
ECONOMIC DEVELOPMENT Atkins (C), Arnold (VC), McGough, Narvaez, Resendez, West, Willis	ENVIRONMENT AND SUSTAINABILITY Blackmon(C), Ridley (VC), Arnold, Bazaldua, Resendez, Schultz, West
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AD HOC JUDICIAL NOMINATING COMMITTEE Resendez (C), Arnold, Bazaldua, Ridley, Thomas, West, Willis	AD HOC LEGISLATIVE AFFAIRS Atkins (C), McGough, Mendelsohn, Narvaez, Willis
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<https://dallascityhall.webex.com/dallascityhall/onstage/g.php?MTID=ebb62a9370d72fd68566b37aee7ae4d5d>

Call to Order

MINUTES

1. 22-756 Approval of the March 7, 2022 Economic Development Committee Meeting Minutes

Attachments: Minutes

BRIEFING ITEMS

- A. 22-761 Proposed One Dallas Options Program
[Pam Thompson, Housing Strategy Manager, Department of Housing & Neighborhood Revitalization]

Attachments: Presentation

- B. 22-763 Small Business Center Update on South Dallas and Southern Dallas Grant Initiatives
[Joyce Williams, Director, Small Business Center]

Attachments: Presentation

BRIEFING MEMORANDUMS

- C. 22-766 Economic Development Policy Task Force Vacancy Nominees
[Robin Bentley, Director, Office of Economic Development]

Attachments: Memo

- D. 22-821 Temporary Parklet Program and Transition to Dallas Street Seat Pilot Program
[Rosa Fleming, Director, Department of Convention and Event Services]

Attachments: Memo

ADJOURNMENT

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MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, APRIL 4, 2022

EXHIBIT B

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

APRIL 4, 2022

Item 1: Approval of the March 7, 2022 Economic Development Committee Meeting Minutes

Councilmember Willis moved to adopt the minutes as presented.

Motion seconded by Councilmember McGough and unanimously adopted. (Narvaez, Resendez absent when vote taken; West absent)

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

APRIL 4, 2022

BRIEFING

Item A: Proposed One Dallas Options Program

The following individual briefed the committee on the item:

- Pam Thompson, Housing Strategy Manager, Housing & Neighborhood Revitalization

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

APRIL 4, 2022

BRIEFING

Item B: Small Business Center Update on South Dallas and Southern Dallas Grant Initiatives

The following individual briefed the committee on the item:

- Joyce Williams, Director, Small Business Center

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

APRIL 4, 2022

BRIEFING MEMORANDUMS

Item C: Economic Development Policy Task Force Vacancy Nominees

Item D: Temporary Parklet Program and Transition to Dallas Street Seat Pilot Program

The committee discussed the items.

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, APRIL 4, 2022

EXHIBIT C



City of Dallas

Proposed One Dallas Options Program

**Economic Development Committee
April 4, 2022**

David Noguera, Director
Pam Thompson, Housing Strategy Manager
Department of Housing & Neighborhood Revitalization
City of Dallas

Presentation Overview



- Purpose
- Background
- Proposed
 - One Dallas Options
 - Amendments to Chapter 20A-4.1
- Next Steps
- Appendix
 - Q&A from March 28, 2022, Housing and Homelessness Solutions meeting



Purpose



- Proposal
 - Expand the Mixed Income Housing Development Bonus (MIHDB) to re-brand as One Dallas Options program
 - Program continues to be completely voluntary
 - Amend the Ch. 20A-4.1 voucher set aside
- Discuss amendments to City Code and Comprehensive Housing Policy (CHP)
 - Review proposed amendments to Chapter 51A-4.1 100, Art. 20A-II, Ch. 20A-4.1, and the CHP
 - Discuss updates since the December 14, 2021, Housing and Homelessness Solutions Committee



Background



- On October 26, 2016, the City Council amended Ch. 20A to require developers receiving City funding set aside 10% of dwelling units and solely lease those units to voucher holders
- On March 27, 2019, the City Council approved amendments to Chapter 51A and Chapter 20A-II to create a MIHDB
- Between 2017 and now, the City Council has approved nearly 55-60 zoning cases with a multifamily component, and out of those, nearly 40 have MIHDB components
 - These 40 have a base (zoning rights without any affordability in exchange) and a bonus (additional development rights in exchange for affordability)



Background – One Dallas Options Briefings



- **14** meetings in the last two years to review and refine the proposed One Dallas Options:
 - **Five HHS briefings:** October 26, 2020; January 25, June 8, and December 14, 2021; and March 28, 2022
 - **Two Housing Policy Task Force (HPTF) meetings:** May 11, 2021, and November 15, 2021
 - **Four Zoning Ordinance Advisory Committee meetings:** October 21, November 4, November 18, and December 16, 2021
 - **Three City Plan Commission (CPC) meetings:** January 6, February 17, and March 3, 2022
- More than **five** meetings with staff and developer groups between April 2021 and March 2022
 - Additional meetings between TREC and Daedalus throughout process



CPC Recommendations



- CPC's approval (generally following staff recommendation) forms the basis of the Div. 51A-4.1100 (development bonus) portion of One Dallas Options:
 - Create a set menu of bonus options in addition to the current by-right and specific PD options
 - Reduce the minimum parking requirements for mixed income developments using the program
 - Make additional minor changes to various implementation elements in Ch. 51A-4.1100



Proposal – One Dallas Options Overview



Incentives	Current	Proposed
Optional zoning bonuses (by-right, MF & MU districts)	X	X
Specific optional zoning bonuses (current & new PDs)	X	X
Menu of optional zoning bonuses (new/amended PDs)		X
Additional support for permit review		X
Financial incentives for on-site provision		X
Requirements	Current	Proposed
On-site reserved units	X	X
Fee-in-lieu payment		X
Land dedication		X



Proposal – One Dallas Options Overview



- Amend **Ch. 51A-4.1100** to add a menu of development bonus options and to clarify existing language
- Amend **Ch. 20A-II** to allow for a fee in lieu and land dedication in addition to on-site units, and to streamline requirements
- Amend **Ch. 20A-4.1** to 1) remove language requiring residential projects that receive financial support to set aside 10% of units and lease solely to voucher holders, and 2) strengthen the non-discrimination language
- Amend **Comprehensive Housing Policy (CHP)** to set policy direction for the One Dallas Options program and the uses of the fee in lieu (One Dallas Fund)



Chapter 51A Amendments



- Separate zoning bonuses into three “types”:
 - **Type 1** – **existing by-right bonuses in MF and MU districts**
 - Minor modifications recommended
 - Additional multifamily and retirement housing parking reduction
 - Qualifies for fee in lieu/land dedication
 - Fee set by City Council in Ch. 20A



Chapter 51A Amendments



- Separate zoning bonuses into three “types”:
 - **Type 2 – specific base and specific bonus in planned development districts (PDs)**
 - Land use elements negotiated on a case-by-case basis, including parking
 - Applies to existing PDs and can be used for new PDs
 - Qualifies for fee in lieu/land dedication
 - Fee set by City Council in Ch. 20A



Chapter 51A Amendments



- Three “types” (cont’d)
 - **Type 3** – new – specific base and menu of bonuses in PDs
 - Additional density, floor area ratio, height, and stories
 - Each calibrated to work together to allow additional, much-needed housing
 - Additional flexibility – bonuses vary by percentage of reserved units and by income band (see appendix)
 - Multifamily parking reduction
 - Commercial parking reduction (with exceptions)
 - Minimum of 80% of floor area must be residential to qualify, unless modified by the City Council
 - Qualifies for fee in lieu/land dedication
 - Fee set by City Council in Ch. 20A



Ch. 51A Amendments - Parking Reduction



- Parking utilization statistics
 - Staff asked current mixed income developers to conduct utilization studies - to count vehicles in their parking lots at night
 - Most developments used only **0.8 - 1.1** spaces per unit, sometimes leaving hundreds of spaces empty
 - Older Institute of Transportation Engineers and Kimley-Horn Associates studies found similar utilization rates
- Each unused parking space occupies land that could have been used for housing
- Each dollar used to build empty parking spaces could have been used to build housing
 - Particularly true with federal- or City-supported development projects
- Current mixed-income parking requirement is 1.25 per unit. Staff recommends not mandating the construction of future empty parking



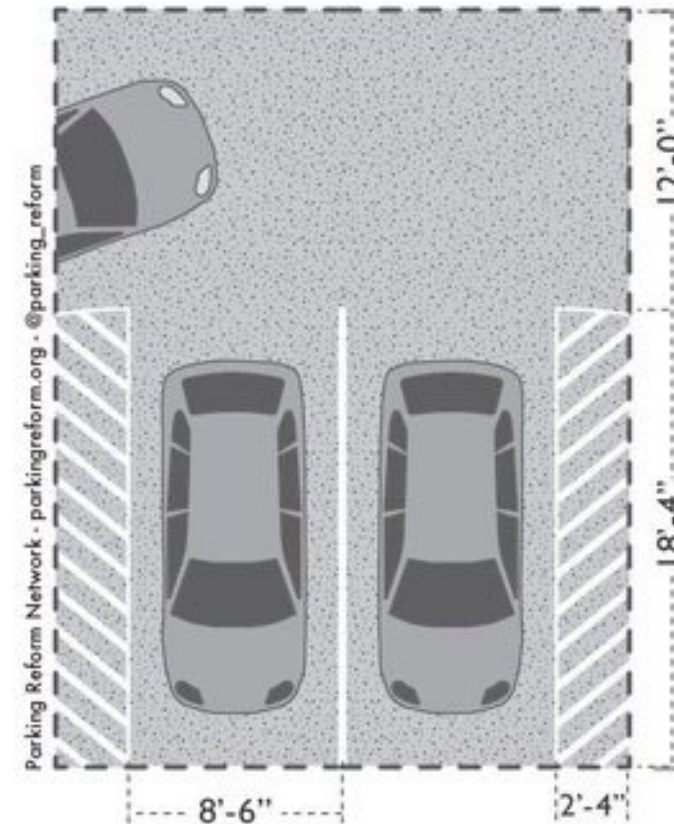
Ch. 51A Amendments - Parking Reduction



Living Space Vs. Parking Space



size for 2 bedroom apartment: 675 FT²



size for 2 parking spaces: 650 FT²

Sources: Transportation Cost and Benefit Analysis II - Parking Costs Victoria Transport Policy Institute (www.vtpi.org)

Graphic Adapted from Graphing Parking (<https://graphingparking.com/2013/07/23/parking-across-cascadia/>)

Image compiled by the Parking Reform Network - <https://parkingreform.org/> - @Parking_Reform



Chapter 51A Amendments



- CPC-recommended parking minimums:
 - **1.0** space per multifamily unit
 - **0.5** spaces per multifamily unit near transit
 - **0.5** spaces per unit for retirement housing
- Staff-recommended parking minimums:
 - **0.5** space per multifamily unit
 - **0.5** spaces per multifamily unit near transit
 - **0.25** spaces per unit for retirement housing
- These recommendations prioritize housing over empty parking spaces



Chapter 20A-II Amendments



- Additional options to fulfill this voluntary exchange of affordability for zoning bonuses:
 - Provide units on site – existing exchange
 - Fee in lieu – **new** – funds the One Dallas Fund
 - Land dedication – **new** – provides for City-initiated projects
- Additional amendments recommended to streamline process



Art. 20A-II Amendments – Fee in Lieu



- Daedalus Advisory Services (Consultant) recommended a set of fees
- The fee amounts preference on-site provision of units and allow a fee option for some developments
- Includes annual increase for inflation
 - Per the D/FW CPI, with a cap of 3.0% per year
- One set of fees for all developments using the bonus program
- Developments using the optional fee in lieu are not eligible for financial incentives



Art. 20A-II Amendments – Fee in Lieu



- Fee varies by number of stories and market strength
 - Areas of the city vary by the strength of the residential market
 - Varying the fee by market strength allows the policy to act as an equity tool to guide the program to encourage market rate units in weaker markets and affordability in stronger markets
- Calculated per square foot of floor area
 - Developments less than 80% residential floor area - fee assessed on the **total** floor area of the building
 - Developments greater than 80% residential - fee assessed on the **total residential** floor area
- Fee is assessed only on developments choosing to use the bonus options and choosing to pay the fee instead of providing on-site units



Art. 20A-II Amendments – Fee in Lieu



- Reduced fee in weaker market areas to encourage additional market rate units in those categories
- Fee varies by stories to hold total fee under 3% of construction costs

Construction Type (stories)	Strong Markets	Weaker Markets
1-5 stories	\$3.07	\$2.15
6-8 stories	\$4.91	\$3.44
9-12 stories	\$6.14	\$4.30
13+ stories	\$7.98	\$5.59



Art. 20A-II Amendments – Fee in Lieu



- Stakeholder concerns about fee:
 - Fee is too high – no one will use the program
 - Fee is too low – everyone opting into the program will use the fee and no units will be built on-site
 - Model has unrealistic assumptions
 - Model doesn't match CPC-approved bonuses
 - The resulting fund will not be used to increase the supply of housing and may go to overhead instead



Art. 20A-II Amendments – Fee in Lieu



- Response to stakeholder concerns
 - **Cost of fee**
 - Varies by number of stories
 - In line with Nexus Study recommendations, fee is estimated to be less than 3% of total cost
 - **Fee vs on-site**
 - Fee preferences on-site construction in low-rise buildings and offers an alternative in high-rise buildings for developments choosing to use the bonus
 - **Assumptions unrealistic**
 - Assumptions are input by individual developers
 - Bonuses are designed to provide a higher return to developments using the bonus, even accounting for on-site units, paying the fee, or dedicating land



Art. 20A-II Amendments – Fee in Lieu



- Response to stakeholder concerns
 - **Model doesn't match CPC**
 - Model is updated iteratively as proposal is refined. Consultant is currently updating to match CPC. Final model will match City Council-approved regulations
 - **Resulting fund won't be used for housing**
 - Fund will be distributed through existing Notice of Funding Availability to Develop Affordable Homeownership and Rental Housing (NOFA) process and will reimburse documented staff time and expenses to run the program
 - Follows TIF model of tracking staff time hourly and billing the time to TIF districts at the rate of the individual staff member



Art. 20A-II Amendments – Fee in Lieu



- Example # 1 – high rise – using new One Dallas menu
 - 100% multifamily building in strong market
 - By right: 16 stories, 260 units, park at 1 per bedroom
 - With full bonus:
 - 20 stories, 390 units, min. parking is 0.5-1.0 space per unit
 - 400,000 sf of residential floor area
 - Proposed options in exchange for bonus:
 - **Pay fee** - $400,000 * \$7.98 = \$3,192,000$ (& build 100% market-rate) **or**
 - **Dedicate land** worth \$3,192,000 (& build 100% market-rate) **or**
 - **Reserve units on-site**
 - 3% of 390 units at <50% AMI = 12 units (for full bonus) **or**
 - 5% of 338 units at 51-80% AMI = 17 units (for smaller bonus) **or**
 - 10% of 312 units at 81-100% AMI = 31 units (for smallest bonus)



Art. 20A-II Amendments – Fee in Lieu



- Example #2 – midrise – using new One Dallas menu
 - Mixed use building in strong market
 - By right: 4 stories, 150 units, park at 1 per bedroom
 - With full bonus:
 - 5 stories over ground floor retail
 - 225 units, min. parking is 0.5-1.0 space per unit
 - 200,000 sf of residential floor area (50,000 sf of retail)
 - Proposed options in exchange for bonus :
 - **Pay fee** - $200,000 * \$4.91 = \$982,000$ & build 100% market-rate **or**
 - **Dedicate land** worth \$ 982,000 & build 100% market-rate **or**
 - **Reserve units on site:**
 - 3% of 225 units at $\leq 50\%$ AMI = 7 units (for full bonus)**or**
 - 5% of 195 units at 51-80% AMI = 10 units (for smaller bonus)**or**
 - 10% of 180 units at 81-100% AMI = 18 units (for smallest bonus)



Art. 20A-II Amendments – Fee in Lieu



- Example #3 – low rise, using **existing by-right** MF-2(A) zoning bonus
 - 100% multifamily building in weaker market
 - By-right base: 3 stories, lot area/unit density limits apply, min. parking is 1 per bedroom
 - With full existing by-right bonus:
 - 85', or ~6 stories
 - ~300,000 sf of residential floor area
 - ~300 units, min. parking is 0.5-1.0 per unit
 - Proposed options in exchange for bonus :
 - **Pay fee** - $300,000 * \$2.15 = \$645,000$ & build 100% market-rate **or**
 - **Dedicate land** worth \$645,000 & build 100% market-rate **or**
 - **Reserve units on site**
 - 10% at 61-80% AMI and 5% at 81-100 AMI= 45 units **or**
 - Fewer units for smaller bonus



Art. 20A-II Amendments – Fee in Lieu



- Examples of under construction or finished projects, number of units, and what the fee could have been:

Stories	Estimated Square Footage	Mixed income units on site	Potential Fee Per Square Foot	Potential Total Fee
22	322,235	9	\$7.98	\$2,571,435
7	268,424	34	\$4.91	\$1,317,962
7	240,793	12	\$4.91	\$1,182,294
5	466,030	20	\$3.07	\$1,430,712
4	213,424	11	\$3.07	\$655,212



One Dallas Fund Creation/Management



- Create **One Dallas Fund**
 - To ensure fees collected through the fee in lieu option achieve their intended purpose of producing offsite affordable housing units
- Deposit fee in lieu funds into this fund
- Fund managed through Housing Department with City Council approval as applicable
- Provide updates on One Dallas Fund in monthly performance reports



One Dallas Fund Uses



- Development funding awarded through existing Notice of Funding Availability to Develop Affordable Homeownership and Rental Housing (NOFA)
 - Grant or loan depending on underwriting
 - Provide added flexibility on eligible uses and timelines that are not offered through federal grant funds
 - Provides gap financing for One Dallas Options developments with on-site units as needed
- Specific NOFA program language and application to be updated in the summer of 2022



One Dallas Fund Uses



- Administration
 - One Dallas Options designed to be self-sustaining
 - Staff time and expenses to implement program are tracked and billed to One Dallas Fund (ODF)
 - Budget enhancement requested:
 - One additional staff member will be dedicated to managing program (paid through ODF)
 - Additional general funds may be needed to supplement existing staff to support program through budget, compliance, and management oversight
 - Fund to pay for consultant work or data needs directly related to One Dallas Options program



Housing Policy Amendments



- Expand the mixed income housing development bonus program statement to re-brand as One Dallas Options and incorporate additional menus of options
- Create a One Dallas Fund program statement:
 - Guide use of fund
 - Fees collected through fee in lieu to be deposited into the One Dallas Fund
 - One Dallas Fund to be managed by City staff with City Council oversight
 - Specific guidance to be developed during the implementation phase



Art. 20A-II Amendments – Land Dedication



- Alternative to paying fee in lieu or providing units on site
- Subject to City Council approval
- Criteria:
 - Equal to or greater in value than the fee in lieu amount
 - Environmentally and geographically suitable for residential development
 - Phase 1 Environmental report and engineering report are required
- Like with the fee, developments dedicating land are not eligible for financial incentives
- Specific details and requirements will be worked out in a subsequent implementation phase



Art. 20A-II Amendments – Additional



- Income/rent –
 - Update *income* for eligibility to match the tax credit programs and use 24 CFR Section 5.609
 - Simplify *affordable rent* to match rent/income charts used for tax credit developments:
 - Approximately 30% of each household's income
 - Use TDHCA's rent and income limits for 4% and 9% tax credit projects as the basis
 - Publish a rent/income chart each year for this program
- Implementation:
 - Move specific implementation procedures to the program's user guide



Chapter 20A-4.1 Amendments (Vouchers)



- In 2016, Ch 20A-4.1 was amended to require that developments receiving financial incentives set aside 10% of units and lease them solely to voucher holders
- This effectively halted the use of TIF funding to build market rate multifamily development with a mixed income component



Chapter 20A-4.1 Amendments (Vouchers)



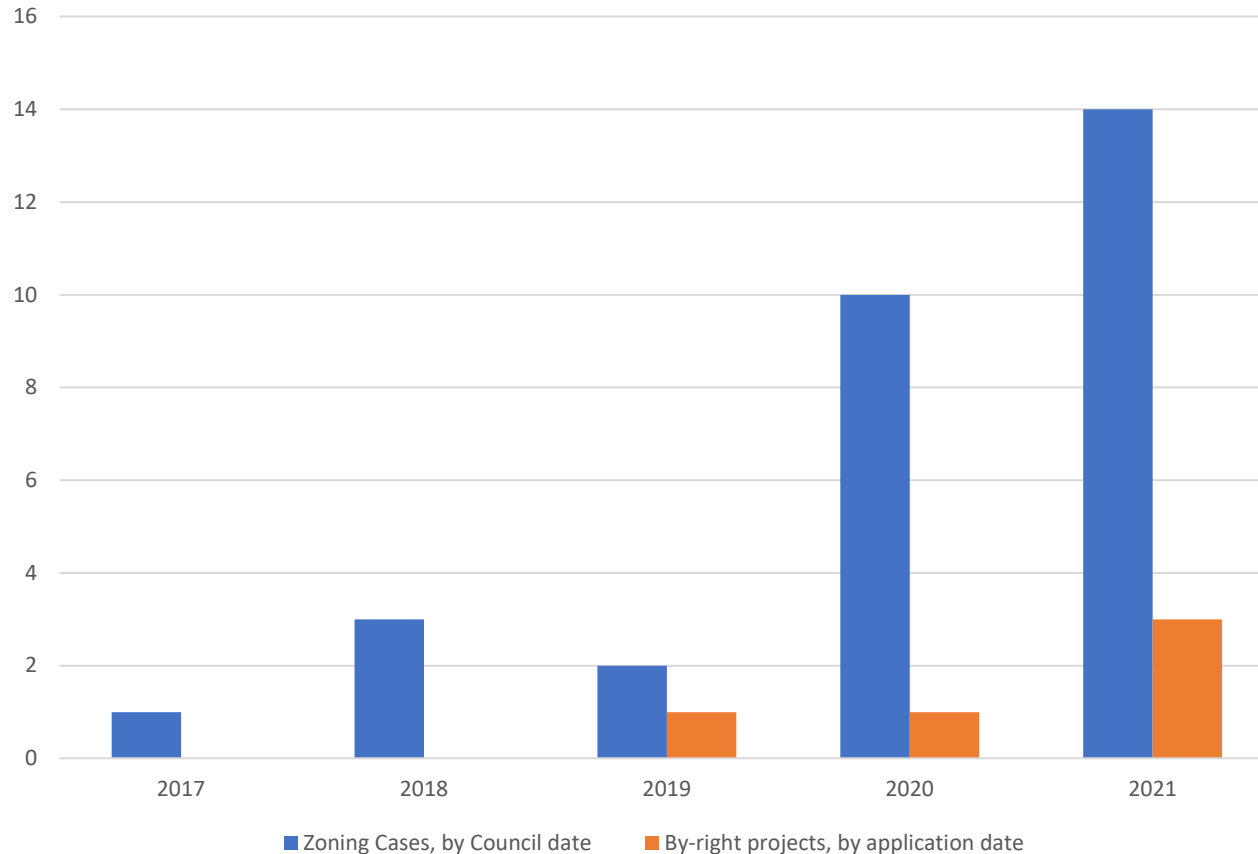
- Staff recommends removing the strict voucher set-aside requirement (which has restricted supply) and instead strengthening the non-discrimination language to improve performance. Owners shall:
 - Register as a vendor with one or more local providers of housing vouchers
 - Actively market to holders of housing vouchers through their affirmative fair housing marketing plan
 - Prioritize holders of housing vouchers on wait lists for occupancy of reserved units



Program Metrics



MIHDB Growth



- **5,249** units (21 projects) currently in program, counting permit application, construction, and completion
- 9 additional developments have zoning
- Additional ~20 projects in the pre-zoning pipeline



Proposal - Implementation Phasing



- Phase 1 – April and May 2022
 - City Council approval of amendments
 - Once approved, staff will develop the tools necessary for a successful program launch
- During the upcoming phases, staff will brief City Council on the program and processes for managing One Dallas Options and deploying funds



Proposal - Implementation Phasing



- Phase 2 – Transition period – fall 2022:
 - Seek guidance from the Controller's office and City auditor to draft specific guidelines and controls for fund
 - Seek enhancements to HOU, PUD, and DEV budget for staff to run program
 - Modify NOFA program as needed to use local funding
 - Create applications
 - Migrate program to Neighborly
 - Add program to NOFA process
 - Finalize developer handbook and marketing plan



Proposal - Implementation Phasing



- Phase 2 continued:
 - Post funded positions
 - Create training sessions for developers and staff
 - Create program evaluation criteria
 - Unit production
 - Fee amounts
 - Staff time required
 - Begin to collect fee in lieu payments



Proposal - Implementation Phasing



- Phase 3 – Deploy One Dallas Fund – January 2023:
 - Hire staff to run program and provide additional support for permit review process
 - Continue to create the land dedication process
 - Appraisal process
 - Site assessment requirements and process
 - Additional steps as needed
- Phase 4 – Spring 2023:
 - Implement land dedication process
 - Offer fee reimbursement/financial incentives through One Dallas Fund



Next Steps – Tentative Schedule



- **April 27, 2022** – potential City Council consideration and action on proposed code amendments and policy changes





City of Dallas

Proposed One Dallas Options Program

**Economic Development Committee
April 4, 2022**

David Noguera, Director
Pam Thompson, Housing Strategy Manager
Department of Housing & Neighborhood Revitalization
City of Dallas



Appendix



Questions and Answers from HHS



- **Q:** In Type 2 districts, “all elements” of the PD can still be negotiated on a case-by-case basis. Is this only all *land use elements*? Or does it also include the proposed fee?
- **A:**
 - Only land use elements
 - To encourage predictability, the fee is proposed to reside in Article 20A-II, which
 - regulates the implementation of the proposed One Dallas Program and
 - cannot be modified by a PD



Questions and Answers from HHS



- **Q:** How much underutilized parking is due to code requirements versus finance?
- **A:**
 - Staff does not collect specifics of developer financing, but some developers do provide more parking than required by code to ensure minimums are met or because of site specifics.
 - Current versus proposed:
 - The current code requires one space per bedroom, and bedroom is defined broadly to include studies, sunrooms, etc.
 - The current MHDB program requires 1 ¼ space per unit
 - The proposed minimums are closer to actual parking usage



Questions and Answers from HHS



- **Q:** Why is the fee higher in high-rise developments than in low-rise developments?
- **A:**
 - On a per-square-foot basis, construction costs for high-rise construction tend to be higher than they are for mid-rise or low-rise developments
 - The fee is calibrated to be less than two or three percent of hard construction costs



Questions and Answers from HHS



- **Q:** Has staff considered geographic zones to ensure that fees are used near where they are generated?
- **A:**
 - Staff has discussed a variety of geographic distribution frameworks but currently recommends that the funding be used to support development where it is needed
 - Current NOFA application process and scoring criteria are used to ensure developments meet fair housing, business inclusion, and other equity goals
 - Potential updates to scoring criteria:
 - Extra points for using funds within a certain radius of a fee-in-lieu project
 - Extra points for exceeding certain racial equity goals
 - Staff will address these concerns during summer 2022



Questions and Answers from HHS



- **Q:** Could One Dallas Options be entirely self-supporting?
- **A:**
 - Yes, provided City Council does not place an artificial percentage cap on administration costs
 - Example: If the first fee is \$1,000,000, that fee alone will support several years of one or two staff members



Questions and Answers from HHS



- **Q:** What limits does staff recommend on the administration expense to ensure that the fund is not used mostly for overhead?
- **A:**
 - Staff time devoted to One Dallas Options will be tracked on an hourly basis and billed to the One Dallas Fund
 - Staff does not recommend an arbitrary percentage given the potential variability of the fund income
 - Any other administrative expenditures billed to the One Dallas Fund will be reviewed to ensure they directly support the program
 - Example: additional data sources to ensure equitable outcomes and to monitor impacts



Questions and Answers from HHS



- **Q:** Need an active deployment of funds strategy
- **A:** Deployment strategy to be included in summer 2022 implementation work



Questions and Answers from HHS



- **Q:** Need more insight on land dedication
- **A:** Specific details and requirements will be worked out in a subsequent implementation phase and reported back to City Council by fall of 2023



Questions and Answers from HHS



- **Q:** Why are you recommending amending Ch. 20A-4.1 to remove the requirement that 10% of units in city-funded developments be set aside and leased solely to voucher holders, and how would the alternative work?
- **A:**
 - See the table on the next page for how much this requirement constrained supply
 - The current set-aside requirement means that 10% of the units must be vacant if voucher holders are not available
 - Less onerous occupancy requirements combined with more robust non-discrimination requirements will improve the production of units available to voucher holders



Effects of 20A-4.1 on TIF Production



- Chart shows data for residential or mixed use (with a residential component) TIF projects approved by City Council, 2009-2022

Time Span	# Projects Approved	Total # Units Approved	Total # Affordable Units
2009-2016 (before Ch. 20A-4.1)	28	6,184	1,681
2017-2019 (after Ch. 20A-4.1)	0	0	0
2020	1 (tax credit)	130	104
2021	2 (both tax credit)	314	268
2022 (to date)	1 ¹	429	86

¹Owner of this project may not move forward if proposed amendment fails



Questions and Answers from HHS



- **Q:** Between 2017 and 2022, about how many total zoning cases with a multifamily component were approved by City Council
- **A:**
 - 55-60 zoning cases between 2017 and 2022
 - nearly 40 have MIHDB components, with a base (zoning rights without any affordability in exchange) and a bonus (additional development rights in exchange for affordability)



Ch. 51A Amendments - Parking Reduction



- Multifamily example of “spillover” parking in far north Dallas



Almost completely empty rooftop parking

Cars on the street near driver's home **by choice** – **not** for lack of parking

Empty surface parking

Ch. 51A Amendments - Parking Reduction



- Multifamily example of “spillover” parking in far north Dallas



Cars on the street near driver's home **by choice** – **not** for lack of parking

Empty off-street surface parking

Future Expansion of One Dallas Options



- Potential items on the 2023 work plan:
 - Research and propose voluntary bonus fee for commercial properties to support affordable housing needs generated by the use
 - Propose bonuses related to single family and other for-sale residential uses
 - Discussion of additional green elements included in the development
 - Investigate faster permit review through dedicated Building Inspections staff



Links



- Code amendment page (with documents and videos):
 - <https://dallascityhall.com/departments/pnv/Pages/MIHDB.aspx>
- Chapter 51A – Multifamily districts:
 - https://codelibrary.amlegal.com/codes/dallas/latest/dallas_tx/0-0-0-29133
- Chapter 51A – Mixed Use districts:
 - https://codelibrary.amlegal.com/codes/dallas/latest/dallas_tx/0-0-0-31477
- Chapter 51A – Mixed Income Housing:
 - https://codelibrary.amlegal.com/codes/dallas/latest/dallas_tx/0-0-0-60833
- Chapter 20A-II:
 - https://codelibrary.amlegal.com/codes/dallas/latest/dallas_tx/0-0-0-59791
- Comprehensive Housing Policy:
 - <https://dallascityhall.com/departments/housing-neighborhood-revitalization/Pages/Comprehensive-housing-policy-2.aspx>





City of Dallas

Small Business Center Update on South Dallas and Southern Dallas Grant Initiatives

**Economic Development Committee
April 4, 2022**

Joyce Williams, Director
Small Business Center

Purpose of Briefing



- Provide an update of Southern Dallas Adaptive Reuse Grant, Southern Dallas Investment Fund and South Dallas Fair Park Opportunity Fund grant initiatives created to support small businesses in the South Dallas Fair Park and southern sector of Dallas.



Presentation Overview



- Background
- Adaptive Reuse Grant
- Southern Dallas Investment Fund
- South Dallas Fair Park Opportunity Fund
- Current Pipeline of Small Businesses
- FY 22 Action Plan
- Next Steps



Background



- Three programs were approved to promote economic development, stimulate business and commercial activity, and support human development initiatives in the South Dallas Fair Park area and southern sector of Dallas.
- The programs are specifically for small businesses
- The programs will serve small businesses south of I-30 and or south of the Trinity River (Adaptive Reuse and Southern Dallas Investment Fund)
- The program will serve small businesses in the South Dallas Fair Park area (South Dallas Fair Park Opportunity Fund)
- Total funding allocation \$8.7million

Southern Dallas Adaptive Reuse Program

PRE - CONSTRUCTION - ENCANTO MARKET & COCINA



Southern Dallas Adaptive Reuse Program



The purpose of the Southern Dallas Adaptive Reuse Program is to support building improvement grants from Public/Private Partnership funds to eligible commercial building owners who are for profit business operators in the building being improved to repurpose underutilized buildings in southern Dallas to support new and/or expanded uses as an alternative to demolition, vacancy and/or undesirable uses.

Eligibility and Criteria

- Program period until depletion of funds
- Maximum Grant amount \$30,000 approved by Administrative Action
- Minimum project investment \$150,000 (building improvements)
- Document code compliance and maintenance of improvements for a period of 5 years
- Grant recipient must be owner of repurposed building
- Recipient must utilize 51% of building for owner for profit business operation
- Building must be located in southern Dallas (south of the Trinity River and south of I- 30 from downtown to the Dallas east boundary).
- ***Excludes South/Dallas Fair Park area which will have a program designated for this geography***



Small Businesses funded by Adaptive Reuse



Business	Description	Investment	COD Grant	Council District
Bombay Holdings, LLC	Ophthalmology	\$1,032,300.00	\$30,000	1
AZAP Welding	Construction	\$266,500.00	\$30,000	5
Marfy Friendly Food Mark	Grocery Store	\$922,000.00	\$30,000	8
Southside City Street Tacos Restaurant	Restaurant	\$301,000.00	\$30,000	4
Nostalgic Habitats	Art Studio	\$1,250,000.00	\$30,000	1
Square Peg Properties	Antique Store	\$887,701.00	\$30,000	1
Encanto General Store	General Store	\$267,000.00	\$30,000	8
Tzoali Amaranth, LLC	Food Manufactory	\$380,000.00	\$30,000	8
Total		\$5,306,501.00	\$240,000	



Southern Dallas Investment Fund

DFW Dawg Life, LLC.



Southern Dallas Investment Fund



The purpose of the Southern Dallas Investment Fund is to promote local economic development and to stimulate business and commercial activity in the City, in conformance with Chapter 380 of the Texas Local Government Code. The purpose of the Fund is to support small businesses in southern Dallas approved through general obligated bond funds (Proposition I)

Eligibility and Criteria

- Document code compliance and maintenance of improvements requirements
- Recipient must utilize 51% of building for owner for profit business operation
- Building must be located in southern Dallas (south of the Trinity River and south of I- 30 from downtown to the Dallas east boundary).

Small Businesses funded by Southern Dallas Investment Fund



Business	Description	Investment	COD Grant	Council District
Hall's Honey Fried Chicken	Restaurant	\$41,000.00	\$45,000.00	3
DFW Dawg Life	Animal Clinic	\$76,825.00	\$50,000.00	7
Pollard and Sylvan (contract pending)	Office Space	\$806,539.00	\$50,000.00	6
Total		\$924,364.00	\$145,000.00	

Southern Dallas Fair Park Opportunity Fund

Kingdom Legacy
Potential Project



South Dallas Fair Park Opportunity Fund



The purpose of the South Dallas/Fair Park Opportunity Fund is to provide loans and grants to promote economic development and support human development initiatives in the neighborhoods surrounding Fair Park.

Eligibility and Criteria for Human Development

- Human development Grant recipients can only be awarded twice in any 5yr period.
- Human development will be only awarded for new and expanded services to at least 90% of the residents in the area
- Human development grants must have a dollar –for-dollar match (20% in-kind 80% cash)
- Human development annual maximum amount is \$100,00.00

Human development grants must address:

- Increase workforce participation and readiness
- Stimulate small business activity and growth
- Improve health outcomes
- Improve public safety
- Improve educational outcomes

South Dallas Fair Park Opportunity Fund, Cont'd



Eligibility and Criteria for Economic Development

- Maximum of 25% of budgeted funds may be awarded as grants;
- Minimum of 75% of budgeted funds must be awarded as repayable loans;
- Repayable loans will be 4% or less and term length determined under-writing criteria
- Repayable loans will primarily be focused on capital improvements ==
- Repayable loan criteria (ability to repay loan)
- Repayable loan must document:
 - Creation of jobs
 - Retention of jobs
 - Increase in Service Area tax base
 - Stimulate small business activity and growth

Small Businesses funded by South Dallas Fair Park Opportunity Fund (Human Development)



Business	Description	COD Grant	Council District
Beacon Hill Prep	Education	\$15,000.00	7
Education is Freedom	Education	\$15,000.00	7
Tenant Landlord Connect	Workforce Training	\$15,000.00	7
Anointed Sisters	Life Skills Training	\$7,500.00	7
Total		\$52,500.00	

Small Businesses in the Pipeline for Funding



Business	Project	Program	Request Pending Underwriting Approval	Council District
Shekinah Legacy Holdings (Feb.2022)	Building Improvements	SDFPOF	\$200,000.00	7
Milagro Taco Cantina (Feb. 2022)	Building Improvements	SDIF	\$50,000.00	6
Cozy D Heating (Feb. 2022)	Building Improvements	SDIF	\$100,000.00	4
The Dallas Weekly (Jan. 2022)	Building Improvements	SDFPOF	\$200,000.00	7
Precious Lamb (March 2022)	Building Improvements	SDIF	\$200,000.00	4
Kingdom Legacy (Nov. 2021)	Building Improvements	SDFPOF	\$300,000.00	7
Da Bizzness Tax Title (Jan. 2022)	Building Improvements	SDFPOF	\$30,000.00	7
Total			\$ 1,080,000.00	

Action Plan for South Dallas Fair Park Opportunity Fund



Meet with current SDFPOF Awardees

Provide Compliance Guidance for Human Development contracts

Guidance how to complete invoice documents for COD payment

Technical Assistance on monthly reporting

Launch Marketing Plan April 2022

Soft Launch March 2022 for all 3 programs

Website, Press Release, and Social Media

Host informational session at MLK for South Dallas Fair Park Restaurant Owners

Info session tour in Southern Dallas and an event at Fair Park (April – May 2022)

Monthly SDFPOF Board Meetings

Consistent Board Meetings

Board Orientation and Engagement by SBC staff and approval to open a NOFA

Board review and approval of contracts recommended by staff

Transparency and financial awareness for the Board

Establish Metrics for Contracts

Number of small businesses funded

Percentage of funds spent

Process contract approvals in 90 days
Report ROI metrics



Next Steps



- Identify best practices for underwriting options for small business loans
- Engage Councilmembers for small business informational tours within Council districts
- Meeting with community trusted connectors in the southern sector of Dallas (Pastor Coalitions, community advocacy groups, minority media partners, contractor associations, and minority chambers)
- Continue to host small business informational sessions to ensure feedback loops are timely and consistent





City of Dallas

Small Business Center Update on South Dallas and Southern Dallas Grant Initiatives

**Economic Development Committee
April 4, 2022**

Joyce Williams, Director
Small Business Center

Memorandum



CITY OF DALLAS

DATE April 4, 2022

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

SUBJECT **Economic Development Policy Task Force Vacancy Nominees**

In 2021, the City Council approved creation of an advisory task force to guide implementation of the Economic Development Policy and creation of an economic development entity. The work of this Economic Development Policy Task Force is underway and will continue until the end of 2022.

Two of the task force members, Kourtney Garrett (Downtown Dallas, Inc.) and Oric Walker (Atmos Energy) have resigned due to recent job relocations out of state. As outlined in the June 2021 City Council resolution approving the initial 15 members, task force vacancies are to be filled by nomination of the City Manager and approval by the City Council.

At the March 2022 Economic Development Committee meeting, members were asked to submit nominations to fill these two vacancies.

One nomination was submitted for Amy Tharpe, Interim President and Chief Executive Officer at Downtown Dallas, Inc. Additionally, Rebecca Acuña, Director of Government Affairs at PepsiCo was nominated during the 2021 nomination process and is proposed to fill the second vacancy. These two nominees will be presented to the City Council for appointment on the April 27, 2022, agenda.

If you have questions or concerns, please contact Robin Bentley, Director, at 214-671-9942 or Robin.Bentley@dallascityhall.com.

Thank you,

Majed A. Al-Ghafry, P.E.
Assistant City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Interim Assistant City Manager
Carl Simpson, Interim Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Memorandum



DATE April 4, 2022

CITY OF DALLAS

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

SUBJECT **Temporary Parklet Program and Transition to Dallas Street Seat Pilot Program**

Convention and Event Services – Office of Special Events (CES-OSE) is currently actively working and coordinating with Temporary Parklet Program permit holders as they transition to the Dallas Street Seats Pilot Program. The Temporary Parklet Program was authorized on May 18, 2020, through the COVID-19 Economic Recovery and Assistance Ad Hoc Committee and underwent several amendments which ultimately allowed the temporary program to remain in effect through February 28, 2022, as permit holders transitioned to the more permanent Dallas Street Seats Pilot Program. Currently, CES-OSE staff are working with six applicants who are electing to participate in the pilot.

Background

On June 24, 2020, City Council approved amendments to the Special Events Ordinance - Chapter 42A (Resolution No. 20-0970) allowing the permitting of temporary parklets through December 31, 2020. Given the ongoing occupancy restrictions related to COVID-19, on December 9, 2020, City Council approved (Resolution No. 20-1879) extending the temporary parklet program through April 30, 2021. Concurrently, City Council approved amendments to Chapter 42A to create the *Dallas Street Seats* pilot program. Chapter 42A amendments allow CES-OSE to permit a more permanent seating structure on public right-of-way through July 2022. This new program requires a higher level of financial investment and a more complex review of each unique location for which an application is submitted.

Recognizing the continued financial stresses on businesses as COVID-19 restrictions persisted, City Council approved a second extension of the temporary parklet program on April 28, 2021 (Resolution No. 21-0677) through September 30, 2021. This extension was intended to provide additional time for temporary parklet permit holders to transition to the *Dallas Street Seats* program if desired. On October 13, 2021, City Council approved Resolution No. 21-1837 which provided a third and final extension of the temporary parklet program through February 2022, allowing parklet permit holders additional time to finalize their *Dallas Street Seats* applications.

From the Temporary Parklet Program's peak of 19 temporary parklets, 6 were still receiving permits when the program ended February 28, 2022. CES-OSE has found that most temporary parklets have forgone their parklet activation as the pandemic continued in favor of a business-as-usual approach for their returning customers. To-date only 6 temporary parklets, and one business that is new to the process, have applied for a Dallas Street Seats Permit. **Attachment-A** provides an illustrative look at the progression of the parklet program.

DATE April 4, 2022
SUBJECT **Temporary Parklet Program and Transition to Dallas Street Seat Pilot Program**

Dallas Street Seats Update

As with any pilot program, there have been opportunities to strengthen the program while working across departments to help Dallas Street Seats applicants navigate the process. This has included working with the Department of Transportation to better define the public safety review requirements and sourcing external vendors for the required engineering report.

As vehicular traffic has continued to increase in Dallas' entertainment districts to pre-pandemic levels, staff supports the approach of temporary parklets making the transition to the safer Dallas Street Seats program with semi-permanent structures in the right-of-way versus more temporary elements. Both CES-OSE and Code Compliance are committed to exercising flexibility as applicants transition to the more permanent program but are also balancing some negative feedback from businesses that have lost available parking spaces in areas where more than one temporary parklet was originally permitted.

As the Temporary Parklet Program came to an end in February 2022, CES-OSE saw the most advancement with current Dallas Street Seats applicants since the Dallas Street Seats' inception. As of March 18, 2022, CES-OSE issued the first Phase I construction permit. To-date, four preliminary letters with pending requirements have been issued, one application is undergoing department review, and one denial has been issued due to time-restricted parking spaces.

The Dallas Street Seats Pilot Program was originally slated to sunset in July 2022. CES staff will brief Transportation & Infrastructure Committee by memo on May 16, 2022 to extend the program through July 2023. Should the Committee concur with the extension, CES staff will prepare an agenda item requesting Council approval of the extension on May 25, 2022.

Staff will continue to provide updates to the Committee as the program progresses. Should you have any questions, please contact Rosa Fleming, Director – Convention and Event Services, at 214.939.2755 or by email at rosa.fleming@dallascityhall.com.



Majed A. Al-Ghafry, P.E.
Assistant City Manager

cc: T. C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Interim Assistant City Manager
Carl Simpson, Interim Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

DATE April 4, 2022
SUBJECT **Temporary Parklet Program and Transition to Dallas Street Seat Pilot Program**

Attachment - A

Parklet Permits 4.30.21	Parklet Permits 9.30.21	Parklet Permits 2.28.22	Current Dallas Street Seats Applicants as of 3.29.22
3 Streets - Roy G's	3 Streets - Roy G's	3 Streets - Roy G's	
Booty's Street Café	Booty's Street Café		
Café Victoria	Café Victoria		
Coffee House Café Parklet			
Dunston's	Dunston's		
Eno's Pizza Tavern	Eno's Pizza Tavern	Eno's Pizza Tavern	Eno's Pizza Tavern
Le Bon Temps	Le Bon Temps		
Maracas Cocina	Maracas Cocina		Maracas Cocina
Mia's Tex Mex			
Mirador	Mirador		
Mr. Misster			
Rafa's Café Mexicano	Rafa's Café Mexicano	Rafa's Café Mexicano	
Single Wide			
Streets Fine Chicken	Streets Fine Chicken	Streets Fine Chicken	
The Old Monk	The Old Monk	The Old Monk	
TIKI Loco	TIKI Loco		TIKI Loco
Tiny Victories			
The Heights	The Heights	The Heights	The Heights
City Tavern Parklet	City Tavern Parklet		City Tavern
			Reveler's Hall
			Chimalma Taco Bar
Total: 19	Total: 14	Total: 6	Total: 7 (6 former parklets)



City of Dallas

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

Agenda Information Sheet

File #: 22-1062

Item #: A.

Development Services Review Update

[Majed A. Al-Ghafry, P.E., Assistant City Manager, City Manager's Office, and Will Munding, Executive in Residence, Development Services]



City of Dallas

Development Services Review Update

**Economic Development
Committee
May 2, 2022**

Majed A. Al-Ghafry, P.E., Assistant City Manager
Will Munding, Executive in Residence
Development Services
City of Dallas

Presentation Overview



- Background
- Current Status
- Specific Challenges, Current and Future Improvements
 1. Technology Issues (ProjectDox, POSSE, New Land Use Software)
 - Training
 2. HR Issues
 3. Data Metric and Webpage
 4. Permitting and Third-Party Reviewers
 5. Call Center and Customer Service
 - Communication Effort
 - Training
- Draft Efficiency Study by Matrix Consulting Group, April 2022
- Other Considerations
- Next Steps



Background



- Development Services presented permitting updates to the Economic Development Committee (EDC) on February 1, 2021
- The Chief Economic Development Officer then presented a department update to EDC on October 4, 2021
- The 10/4/2021 identified several upcoming enhancements. No timeline was presented.



Background (Continued)



The upcoming enhancements included:

- Proposed Chapter 52 Amendments (Completed)
- Permitting Software upgrade (In Progress)
- Metrics (Under Development)
- Building Inspection Call Center Improvements (Under Development)
- Leadership Recruitment (In Progress)
- Training and Talent Support Program (Under Development)
- Self Certification (Not Started)



Current Status



- Development Services continues to be inundated with Residential and Commercial permits that have been taking significant time to process
- This is due to several factors including:
 1. The pandemic of COVID-19 causing loss of staff and teams working remotely
 2. Complicated permitting process with many loopholes
 3. Integration of new permitting software without much support for troubleshooting and training
 4. Permit counts fluctuate from month to month
 5. Submittals have been sub-par in some instances making cycle reviews longer



Current Status (Cont.)



- Several operations are impacted including:
 1. Technology
 2. Human Resources
 3. Data integration and performance metrics
 4. Call center and customer service
 5. Communication
 6. Workflow and plan submittal/intake
 7. Follow through on permitting status
- All are operational issues that need to be addressed by the administrative management team



Specific Challenges: Technology



- **Four issues staff is dealing with:**
 1. The existing ProjectDox 9.1 software issues relating to intake, notification, and accessibility
 2. Updating to the new ProjectDox 9.2 software and user testing
 3. Replacing the outdated POSSE land use software with a new platform
 4. Training for ProjectDox for internal and external users



Specific Challenges: Technology (Cont.)



- **Staff's Actions To Date:**

1. Created a working group with Development Services and IT to address issues
2. Met with ProjectDox developer, Avolve, to fix bugs and explore integrating vendor staff into the department's technical support
3. Staff also evaluated the preferred vendor to replace the current POSSE land use system



Specific Challenges: Technology (Cont.)



- **Future Actions, Timelines, and Responsible Lead:**

1. User testing activity of updated version of ProjectDox 9.2 (May 2022)
2. Hire Gartner to evaluate proposal by preferred vendor to replace the POSSE system (May 2022)
3. Recommend to City Council a preferred vendor to replace the POSSE system (June 2022)
4. Create in-house technology support system that is dedicated to resolve technology issues moving forward (June 2022)
5. Create a timeline for system integration for the POSSE replacement system

- **Lead Staff:** Irma Hayes and Javier Ramon



Specific Challenges: HR



- **Six issues staff is dealing with:**
 1. Vacant top Executive positions
 2. Time it takes to hire and onboard new staff
 3. Lack of qualified applicant pool
 4. Lower than market compensation for skilled positions
 5. Competitive market for skilled services
 6. Workload and expectations



Specific Challenges: HR (Cont.)



- **Staff's Actions to Date:**

1. Streamlined the process among Civil Service, HR, and the hiring department to select and onboard candidates in a timely fashion
2. Currently a 2-month process, ideally it will operate in six to eight weeks from NeoGov-Open Hire to NeoGov-Hiring Request

- Of the 41 vacant positions in February 2022, 23 have been filled

	PRIORITY 1	PRIORITY 2	PRIORITY 3	PRIORITY 4	TOTAL OPEN POSITIONS
Open positions as of February 17, 2022	5	5	17	14	41
Open positions as of April 27, 2022	1	4	5	5	15
Positions Filled	4	1	12	9	26 total filled



Specific Challenges: HR (Cont.)



- **Future Actions, Timelines, and Responsible Lead:**
 1. Fill top Executive positions (May 2022)
 2. Continue with the effort of filling the remaining vacant positions (Ongoing)
 3. Add a third third-party reviewer to continue assisting staff with the workload (May 2022)
 4. Work with HR and Matrix Consulting Group to conduct compensation study indicative of market compensation for skilled staff (July 2022)
- **Lead Staff:** Will Munding and Natasha Wade



Specific Challenges:

Data Metrics and Webpage



- **Four issues staff is dealing with:**
 1. Inconsistent reporting or lack of reporting of key measures
 2. Certain operations are not tracked and/or utilized
 3. Navigating the department webpage is cumbersome and permit requirement flowchart is complex with little clarification to navigate
 4. Metrics are not transparent (not reported on the department webpage)



Specific Challenges: Data Metrics and Webpage (Cont.)



• Staff's Actions To Date:

1. Provided reporting for the number of residential permits and the time it takes to process
2. Tracked and compared permitting activities from year to year

	1 ST QUARTER 2022			
	Jan	Feb	Mar	Total
SFR	181	357	217	755
	4 TH QUARTER 2021			
	OCT	NOV	DEC	Total
SFR	196	101	168	465

DIFFERENCE OF 290



Specific Challenges: Data Metrics and Webpage (Cont.)



- **Future Actions, Timelines, and Responsible Lead:**
 1. Initiate an overhaul of the departments website to include performance metrics, easy-to-navigate process flowcharts, and transparent reporting (Ongoing)
 2. Provide monthly updates on all permits to the City Manager and elected officials (June 2022)
- Lead Staff: Kevin Delgado and Victor Cadungog



Specific Challenges: Permitting & Third-Party Reviewers



- **Five issues staff is dealing with:**
 1. Electronic submittals outpace staff resources and capabilities
 2. Inconsistent intake and exchange activity between staff and third-party reviewers
 3. Finding a replacement for an underperforming third-party reviewer
 4. Vendors are suited best to review plans and code, as zoning reviews are more difficult to complete
 5. Evaluating vendors' capacity to expand services into commercial and special projects



Specific Challenges: Permitting & Third-Party Reviewers (Cont.)



- **Staff's Actions To Date:**

1. Conducted weekly meeting with third-party reviewers to understand scope capacity and to establish enhanced communication and monitoring of the workflow
2. Intake and hand-off process with the third-party reviewers has improved
3. Staff has done a more comprehensive job of monitoring production



Specific Challenges: Permitting & Third-Party Reviewers (Cont.)



- **Future Actions, Timelines, and Responsible Lead:**

1. Acquire the services of a third vendor to review permits (May 2022)
2. Dedicate additional staff to work on zoning review (May 2022)
3. Continue to evaluate vendors ability to provide additional specialty services such as large commercial projects, DISD projects, affordable housing projects among others (Ongoing)
4. Explore the creation of a Self-Certification program for minor permits (September 2022)

- **Lead Staff: Will Munding and Willie Franklin**



Specific Challenges: Call Center and Customer Service



- **Five issues staff is dealing with:**

1. Customers complain that staff is not available in-person to answer questions or follow up on permits
2. To add, pre-permit submittal consulting and guidance is no longer available
3. Calls or requests are not returned or responded to by staff in a timely manner
4. Assisting in digital onboarding is missing in most cases
5. Frustration from customers and staff



Specific Challenges: Call Center and Customer Service (Cont.)



- **Staff's Actions to Date:**

1. Change are made in OCMC leadership with a focus on customer service
2. Improved the intake process by shifting staff to handle and better communicate with third-party reviewers
3. Delegated authority to senior department staff to evaluate and adjust process to improve service



Specific Challenges: Call Center and Customer Service (Cont.)



- **Future Actions, Timelines, and Responsible Lead:**

1. Customer service training (May 2022)
2. ProjectDox training for internal and external stakeholders (June/July 2022)
3. Increase and train staff in the call center to effectively handle the volume of calls (June/July 2022)
4. Improve the comprehensive project requirements checklist (July 2022)
5. Enhance the quality of submittals through pre-submittal staff and through clear website instructions (September 2022)

- Lead Staff: Vernon Young, Harim Perez, Carolina Yumet, and Irma Hayes



Specific Challenges: Communication



- **Four issues staff is dealing with:**
 1. Lack of communication among the divisions and with the outside world
 2. No live updates when new processes or procedures are implemented or enacted
 3. Lack of communication on issues encountered with customers
 4. ProjectDox, among other technology issues are not communicated to internal and external stakeholders



Specific Challenges: Communication (Cont.)



- **Staff's Actions to Date:**

1. Provided bi-weekly update memos to the City Council
2. Presented to Government Performance and Financial Management (GPFM) Committee on a monthly basis



Specific Challenges: Communication (Cont.)



- **Future Actions, Timelines, and Responsible Lead:**
 1. Hire a communications manager to provide for daily communications on department activities (May 2022)
 2. Provide updates on technology improvements instantaneously (May 2022)
 3. Provide a forum for internal and external stakeholders to communicate and share issues with the department for further action (June 2022)
- **Lead Staff:** Candidate has been identified



Draft Efficiency Study Findings



- Matrix Consulting Group was awarded a Sustainable Development and Construction Department (SDC) Workflow Evaluation and Staffing Study in early 2021.
- The Consultant has completed a draft study and staff is currently reviewing.
- Highlighted findings include:
 1. Create position of Land Management Software System Administrator
 2. Redesign department webpages to create a one-stop development portal



Draft Efficiency Study Findings (Continued)



4. Create dashboard to present performance data for department
5. Establish performance timelines for processing development review applications
6. Re-organize structure to create dedicated residential and commercial teams, move subdivision team to engineering, and move pre-application team to Strategic Business Unit



Draft Efficiency Study Findings (Continued)



7. Fill recommended positions as outlined in report
8. Create pre-application team
9. Develop training protocol / materials for staff with a focus on both technical training required and implementation of overall customer service training for all staff
10. Conduct market compensation study for key positions in department



Other Considerations



Self Certification:

- The Self-Certification Program allows a registered professional to take responsibility for and certify a project's compliance with building code, standards and ordinances.
- Examples of eligible permits can include multi-story buildings, landscape and parking lot plans by landscape architects, and grading and drainage and parking lot plans by civil engineers.
- Staff will explore this program further as other cities are utilizing this model with success.
- Timeline: Late Fall 2022.



Other Considerations (Continued)



Planning and Urban Design Unified Development Code:

- The Dallas Development Codes and processes haven't been meaningfully updated since the late 1980s
- Re-zonings are triggered on nearly every property that is developed
- As developments progress through to the building permit stage, the excessive customization of the parcel-by-parcel zoning, leads to **significant delays and errors in permitting**
- *Need to re-write the Dallas Development Codes (Chapter 51 and 51A):* A full rewrite of the development codes (including the sections that regulate the subdivision process among others). This is also an outcome of the ForwardDallas land use plan.
- Staff is preparing to present to the City Manager and City Council to begin this effort. Timeline: 12-18 months



Next Steps



- Provide update to the City Council on May 18, 2022
- Review, finalize, and implement suggested changes by the Matrix Consulting Group





City of Dallas

Development Services Review Update

**Economic Development
Committee
May 2, 2022**

Majed A. Al-Ghafry, P.E., Assistant City Manager
Will Munding, Executive in Residence
Development Services
City of Dallas



City of Dallas

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

Agenda Information Sheet

File #: 22-1006

Item #: B.

Responsible Banking Ordinance for City Depository Banks
[M. Elizabeth Reich, Chief Financial Officer, City Manager's Office]



City of Dallas

Responsible Banking Ordinance

**Economic Development Committee
May 2, 2022**

M. Elizabeth Reich
Chief Financial Officer

Sheri Kowalski
City Controller

Presentation Overview



- Background
- Responsible Banking Ordinance
- Requirements
- Next Steps



Background: Community Reinvestment Act



- Passed in 1977, the Community Reinvestment Act (CRA) is a federal law designed to encourage commercial banks and savings associations to help meet the needs of borrowers in all segments of their communities, including low- and moderate-income neighborhoods
- The goal of the CRA is to reduce discriminatory credit practices against low-income neighborhoods, also known as redlining



Responsible Banking Ordinance



- Local responsible banking ordinances:
 - Seek to leverage socially responsible loans, investments, and services from financial institutions receiving municipal deposits
 - Require these institutions to demonstrate a commitment to serving low- and moderate-income and minority neighborhoods
 - Establish oversight bodies, data reporting requirements, evaluation methods, and public input mechanisms
 - Hold financing institutions publicly accountable and increase their responsible lending and investing in neighborhoods



Cities with Responsible Banking Ordinance



City of Dallas's Ordinance



- Requires prospective bidders submit data on their socially responsible banking practices
- Uses socially responsible banking performance as a factor in determining the winning bid
- Requires City depositories submit an annual study of lending disparities



Requirements



- Banks and financial institutions bidding to become or serving as the City's depository must submit a statement of work and a supplemental report with required information as well as a long-term community reinvestment strategic plan, and a statement certifying policies against predatory lending to demonstrate its commitment to being a socially responsible bank



Requirements



- Community involvement and reinvestment
 - Report its effort to invest in low- and moderate-income areas and minority census tracts
 - Report its effort in collaborating and supporting organizations that target low-income people in the City and its community development activities
- Community banking needs
 - Continue to support and participate in programs that strive to reach underserved populations as described in the Community Reinvestment Act



Requirements



- Home ownership and consumer credit
 - Participate in outreach and educational opportunities aimed at preventing foreclosures for borrowers experiencing financial hardship
- ESG Practices
 - Participate in community-based causes and activities established to create responsible lending and reinvestment in moderate- to low-income neighborhoods and communities of color



Bidding and Annual Reporting



- Residential lending information
- Small business lending information
- Community development loan and investments
- Checking, savings, and loan products





- There will be an annual briefing to the appropriate City Council committee
- Committee will review:
 - Implementation
 - Effectiveness
 - Enforcement



Next Steps



- Receive feedback from Committee
- Schedule for City Council approval on May 25





City of Dallas

Responsible Banking Ordinance

**Economic Development Committee
May 2, 2022**

M. Elizabeth Reich
Chief Financial Officer

Sheri Kowalski
City Controller

ORDINANCE NO. _____

An ordinance amending Chapter 2, “Administration,” of the Dallas City Code by amending Article VIII; providing a socially responsible banking program; providing a saving clause; providing a severability clause; and providing an effective date.

WHEREAS, the practices and products, such as loan and investment products, of financial institutions have a measurable impact on the city’s tax base, quality of life, and overall economic viability and competitiveness;

WHEREAS, economic viability and competitiveness come from strengthening, and providing opportunities within all areas of the city; and

WHEREAS, financial institutions receive deposits and other forms of investments and accounts from city residents; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Article VIII, “Reserved,” of Chapter 2, “Administration,” of the Dallas City Code is amended to read as follows:

“ARTICLE VIII.

SOCIALLY RESPONSIBLE BANKING [RESERVED].

SEC[§]. 2-76. PURPOSE.

In return for the privilege of safeguarding and investing the community’s wealth and doing business with the city, financial institutions have a continuing and affirmative obligation to serve the credit and other financial needs of all communities, including and especially minority and low- and moderate-income communities and older adults, consistent with applicable laws and safety and soundness. The city shall assess financial institutions’ performance in meeting community needs and use this assessment as a factor in its decision to place municipal deposits in and conduct other business with financial institutions.

SEC. 2-77. CITY BANKING CONTRACTS.

(a) Powers and duties of the city treasurer.

(1) In selecting and monitoring qualified depositories for city moneys in accordance with Dallas City Charter, Chapter III, Section 20, the city treasurer shall have the power and duty to:

(A) require that prospective bidders provide the city with data on their socially responsible banking practices;

(B) use socially responsible banking performance as a factor in determining the winning bid;

(C) accept bids for depository services only from financial institutions that have received a rating of “satisfactory” or “outstanding” in their most recent Community Reinvestment Act review by the Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, or the Federal Reserve Board;

(D) include in contracts for depository services a statement of work in accordance with Section 2-78(a) that provides a framework for socially responsible banking; and

(E) gather an annual report required to be submitted by city depositories by April 15 or the first business day following April 15 if April 15 falls on a non-business day. The city treasurer may accept an annual Environmental, Social, and Governance (ESG) report (or other similar document) produced in the ordinary course by the financial institution, provided it substantially addresses the requirements set forth in this subparagraph. If the financial institution does not produce an annual report or the annual report does not substantially address the requirements in this subparagraph, the city treasurer shall require delivery of an annual report that:

(i) includes a comprehensive analysis of community banking needs and the depository’s community involvement and reinvestment, small business lending and community development, home ownership and consumer credit programs, distressed homeowners programs; products and services that are advantageous for the city and its residents, and other ESG practices in accordance with Section 2-78(a);

(ii) includes a long-term community reinvestment strategic plan to address disparities in its lending and investment activities, including how the depository will match or exceed peer lending performance in targeting capital access and credit needs; and

(iii) includes the information required in accordance with Section 2-78(b); and

(iv) includes a statement certifying that the depository institution has policies and procedures in place to prevent it and its affiliates from becoming a high-cost lender or a predatory lender consistent with Office of the Comptroller of the Currency regulations or, for

state-chartered institutions, practices defined by the FDIC's Supervisory Policy on Predatory Lending.

(2) With written notice to the city council, the city treasurer may waive the requirement in Section 2-77(a)(1)(C):

(A) if no qualified bidders apply;

(B) if the federal program is no longer applicable; or

(C) to satisfy a compelling city need.

(3) The city treasurer shall provide an annual briefing to the appropriate city council committee. The committee shall review the implementation, effectiveness, and enforcement of Section 2-77(a)(1)(E)(ii), (iii), and (iv) and make recommendations to city council regarding the authorization of city depositories.

(4) The city treasurer may request a voluntary report, consistent with that required by Section 2-77(a)(1)(E), from other financial institutions with which the city does business.

(b) Disqualification from contracting. Any depository that fails to submit to the city the required reporting information in accordance with Section 2-77(a)(1)(E) may be prohibited from entering into any contract with the city as a qualified depository for city moneys for a period of five years.

SEC. 2-78. STATEMENT OF WORK AND REPORTING.

(a) Statement of work. The statement of work for financial institutions in which the city places municipal deposits shall include factors related to socially responsible banking that comply with this subsection. With written notice to the city council, the city treasurer may deviate from this subsection to make necessary updates to reflect new devices, products, or technology to this scope of work.

(1) Community involvement and reinvestment.

(A) The bank shall report to the city on its efforts to invest in low and moderate income areas and minority census tracts.

(B) The bank shall report if it is collaborating and supporting any non-profit organizations focused on providing financial services, education, and asset building for low-income people in the city.

(C) The bank shall report if it is collaborating and supporting any organization that provides free tax preparation services in the city that target lower-income workers to help them take advantage of the Earned Income Tax Credit and other tax credits.

(D) The bank shall report on its community development activities (such as investments, lending, and services) to demonstrate the bank's response to the credit, financial and banking needs of low to moderate income individuals in the city, based on census tracts and/or zip codes provided by the city.

(E) The bank shall provide the city with at least 7-days advance written notice of branch closures within the city, including the reasons for any closures.

(2) Community banking needs.

(A) The bank shall support and participate in programs that strive to reach traditionally underserved populations as described in the Community Reinvestment Act. These may include unbanked, under banked, and low-income populations.

(B) The bank shall provide easy-to-understand fee schedules and make a reasonable effort to offer fair, responsible, and affordable small-dollar loans.

(3) Home ownership and consumer credit.

(A) The bank shall:

(i) participate in outreach and educational opportunities aimed at preventing foreclosures for borrowers experiencing financial hardship ; and

(ii) collaborate with HUD-certified housing counseling services.

(4) ESG practices. The bank shall participate in community-based causes and activities established to create responsible lending and reinvestment in moderate- to low-income neighborhoods and communities of color.

(b) Reporting. Any banking contract must include a requirement that the bank provide information to the city in accordance with this subsection.

(1) Residential lending information.

(A) The bank shall provide the total number and the total dollar amount of residential loans for one- to four-family dwellings applied for and originated during the previous calendar year in each of the following categories:

(i) Home purchase loans, both federally insured and conventional loans.

(ii) Refinancings of home loans.

(iii) Home improvement loans.

(iv) Home equity loans.

(v) Loans for second residences and investment properties.

(B) The data gathered in accordance with this paragraph must be for the entire city by census tract and/or zip code. The city shall provide the census tract and zip code data. For home loans, fixed-rate loans must be reported separately from adjustable-rate loans.

(2) Small business lending information.

(A) The city shall assess a bank's small business lending practices based upon data published by the Consumer Financial Protection Bureau (CFPB). The bank shall provide the city a copy of the most recent available Dallas Data published by the CFPB.

(B) The bank shall provide the number and dollar amount of small business loans originated during the previous calendar year for the entire city by zip code and/or census tract and for minority- and women-owned business enterprises in the entire city. Loans to small businesses with annual revenues above \$1 million must be reported separately from loans to small businesses with annual revenues under \$1 million consistent with CFPB reporting requirements. The bank may use data reporting procedures mandated by the federal Community Reinvestment Act for reporting small business loans.

(3) Community development loans and investments. The bank shall provide the number and dollar amount of community development loans and investments including loans and investments for affordable housing, small business development, economic development, and community facilities for the entire city by census tract and/or zip code. The bank may use definitions of community development found in federal Community Reinvestment Act regulations. For each loan and investment, the bank shall indicate if the loan or investment was for affordable housing, small business development, economic development, community facilities, and other such categories requested by the city treasurer.

(4) Checking, savings, and loan products. Information on selected checking, savings, prepaid card, small dollar loan, and other products marketed to Dallas residents, including information on fees, interest, and features.

~~[thru 2-80. Reserved.]”~~

SECTION 2. That Chapter 2 of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 3. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or

part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 4. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 5. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO, City Attorney

By _____
Assistant City Attorney

Passed _____



City of Dallas

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

Agenda Information Sheet

File #: 22-1005

Item #: C.

Downtown Connection TIF District Plan Amendment and One Newpark Project, a proposed catalyst mixed-use and mixed-income development on 1.7 acres at the southeast corner of S. Akard Street and Canton Street

[Kevin Spath, Assistant Director, and Tamara Leak, Manager, Office of Economic Development]



City of Dallas

**Downtown Connection
TIF District
Plan Amendment
&
One Newpark Project**
a catalyst mixed-use and mixed-income development

Economic Development Committee
May 2, 2022

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

Presentation Overview



- Background
- Staff Recommendation for Downtown Connection TIF District Plan Amendments
- Proposed One Newpark Project
- Staff Recommendation for One Newpark Project
- TIF Board and Downtown Dallas Development Authority Recommendation
- Next Steps
- Appendices



Background: Downtown Connection TIF District



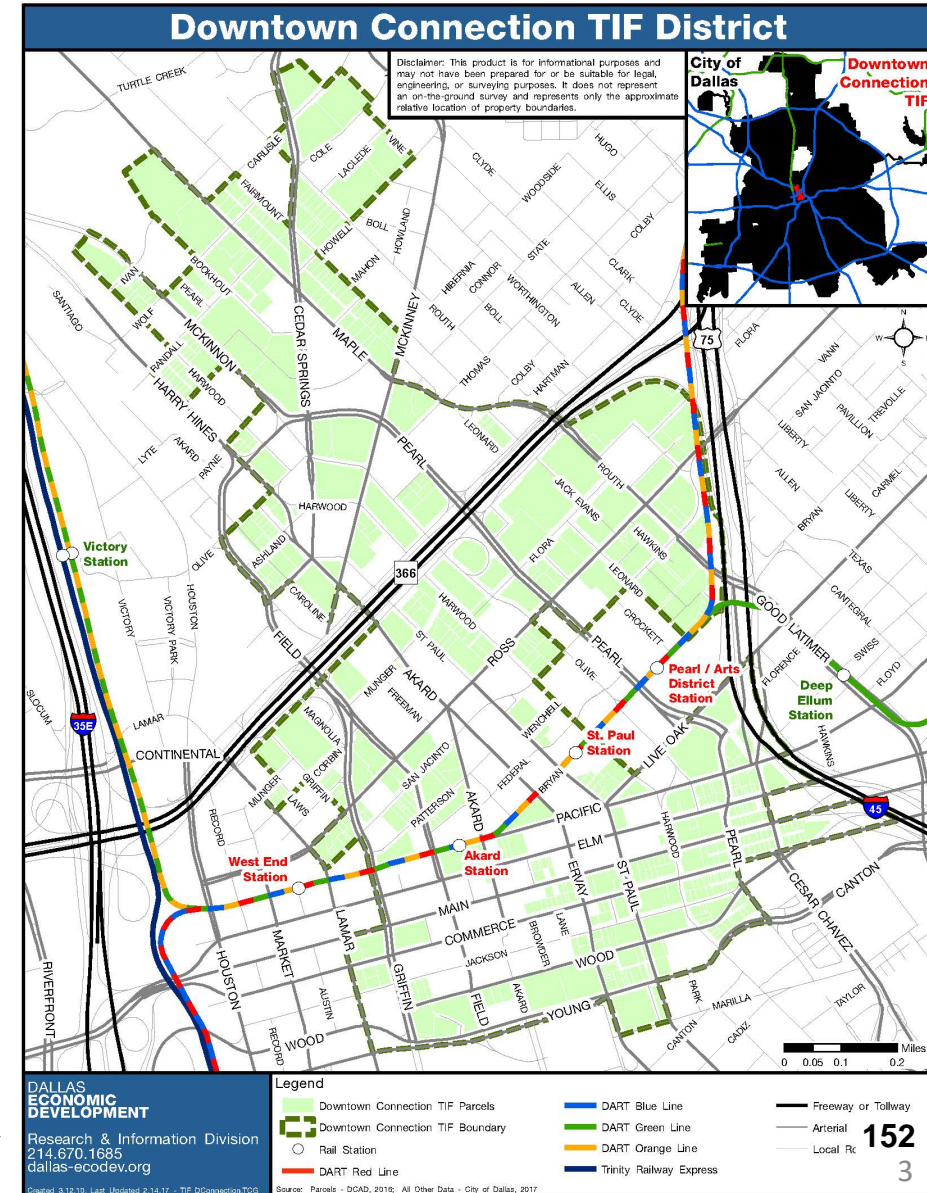
Initiated in 2005 by property owner petition to:

- Create a fund for public capital improvements in the core of downtown essential for redevelopment of vacant/historic buildings, underutilized vacant and surface parking lots
- Create a downtown neighborhood with more residents, greater density and critical mass of development

Downtown Dallas Development Authority (DDDA), a Local Government Corporation, was also created in 2005 to:

- Support implementation of the Downtown Connection TIF District's Project Plan and Reinvestment Zone Financing Plan
- Issue two series of tax increment contract revenue bonds to support the District's catalyst project – the Mercantile Block, Lone Star Gas Lofts Complex, and Continental building
- See **Appendix A** for more information on DDDA bond sales and repayment

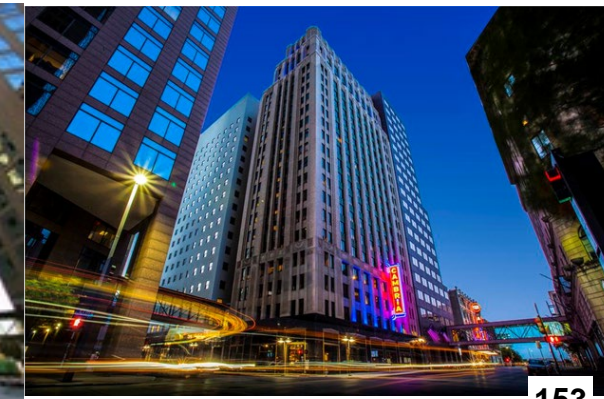
District expires on December 31, 2035 or when \$231.6 million Net Present Value (approximately \$454.7 million total dollars) is collected



Background: Downtown Connection TIF District



- District's 2021 certified DCAD value is approx. \$5.9 billion, an increase of \$5.3 billion (941.4%) from the District's adjusted base year value of \$564.9 million
- District has directly supported the conversion and adaptive reuse of over 6.5 million square feet of vacant, obsolete, and/or historic office buildings in the downtown core into:
 - 1,893 residential units, inclusive of 342 affordable units (18%)
 - 1,186 hotel rooms
 - 223,631 square feet of retail space
 - 562,969 square feet of office



Background: Downtown Connection TIF District



Current Budget Capacity of TIF District

- Currently, District's budget does not have the capacity to support new projects
- Explosive growth in the Uptown portion of the District, coupled with quicker-than-projected repurposing of vacant buildings downtown have caused the District to collect more increment sooner than originally projected
- District is anticipated to meet its current budget cap in 2026, 9 years earlier than the 2035 termination date and maturity date of the TIF revenue bonds supported by the District
- Early termination of the District would result in the following:
 - Not collecting enough increment to pay current developer obligations or fund retirement of outstanding bond debt
 - No source of funds to support the full implementation of the District's goals and objectives which included redevelopment of surface parking and vacant lots in the District (See next slide)

Downtown Connection TIF District Current Projected Increment Revenues to Retire TIF Fund Obligations			
	A	B	A - B
Category	Estimated Total Dollar TIF Budget	Allocated ³	Estimated Total Dollar Balance
Catalyst Projects: - Environmental remediation, demolition, historic façade, restoration, street/utility improvements & streetscape improvements, land acquisition, and non project costs, including, but not limited to machinery, equipment, materials and supplies	\$68,000,000	\$68,000,000	\$0
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, TIF grants, affordable housing	\$222,501,427	\$241,411,191	(\$18,909,764)
Uptown/Downtown connection improvements	\$0	\$0	\$0
Park and plaza design and acquisition	\$2,945,081	\$0	\$2,945,081
Affordable Housing²	\$3,000,000	\$3,000,000	\$0
Retail Initiative/Streetscape Improvements	\$1,985,000	\$459,845	\$1,525,155
Downtown Area Plan	\$515,000	\$512,464	\$2,536
Administration and Implementation	\$5,398,268	\$2,069,268	\$3,329,000
Debt Service (Interest Only)	\$150,363,000	\$150,363,000	\$0
Total Project Costs	\$454,707,775	\$465,815,767	(\$11,107,992)
¹ TIF Budget shown above in total dollars; TIF Project Plan shows the budget in net present value			
² The Affordable Housing line item has been reduced by the amount of money allocated to the Continental and 411 N. Akard TIF projects			
³ The Allocated total shown for the Redevelopment of Vacant/Underutilized Downtown Building line item reflects the total TIF District's commitment to projects currently in the Reimbursement Queue			

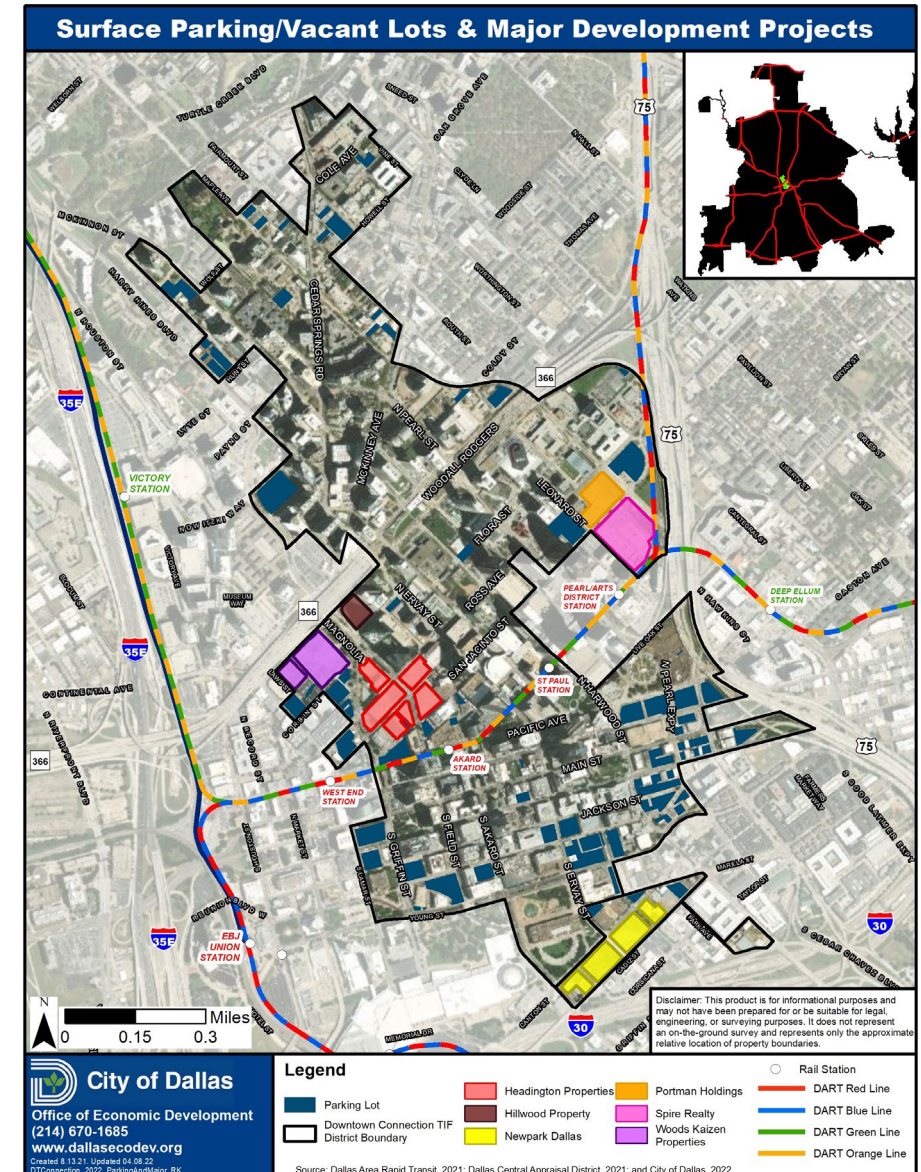


Background: Downtown Connection TIF District



New Development in the District

- The next phase of development in downtown Dallas will be redevelopment of existing surface parking and vacant lots with new ground-up construction
- Currently there are approx. 77 acres of surface parking lots and vacant lots in the Downtown Connection TIF District, resulting in gaps in the fabric of downtown
- Of the 77 acres, over 30 acres of surface parking and vacant lots have been announced for potential redevelopment
- Increasing density on these underutilized parcels will require significant public investment (e.g. roadway, water, sewer, storm drainage, sidewalks, lighting, mixed-income housing, etc.)



Staff Recommendation for Plan Amendments



To address the District's current lack of budget capacity and provide a mechanism to support future downtown development, Staff recommends the following amendments to the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan ("Plan"):

- Increase geographic area of the District (i.e. expand boundary)
- Create two sub-districts within the District
- Increase and restructure the District's current budget
- Establish a termination date for the new sub-district
- Establish a separate budget for the new sub-district
- Establish City participation rate for the new sub-district
- Request Dallas County participation in new sub-district
- Make corresponding modifications to the District's Plan



Staff Recommendation: Plan Amendments

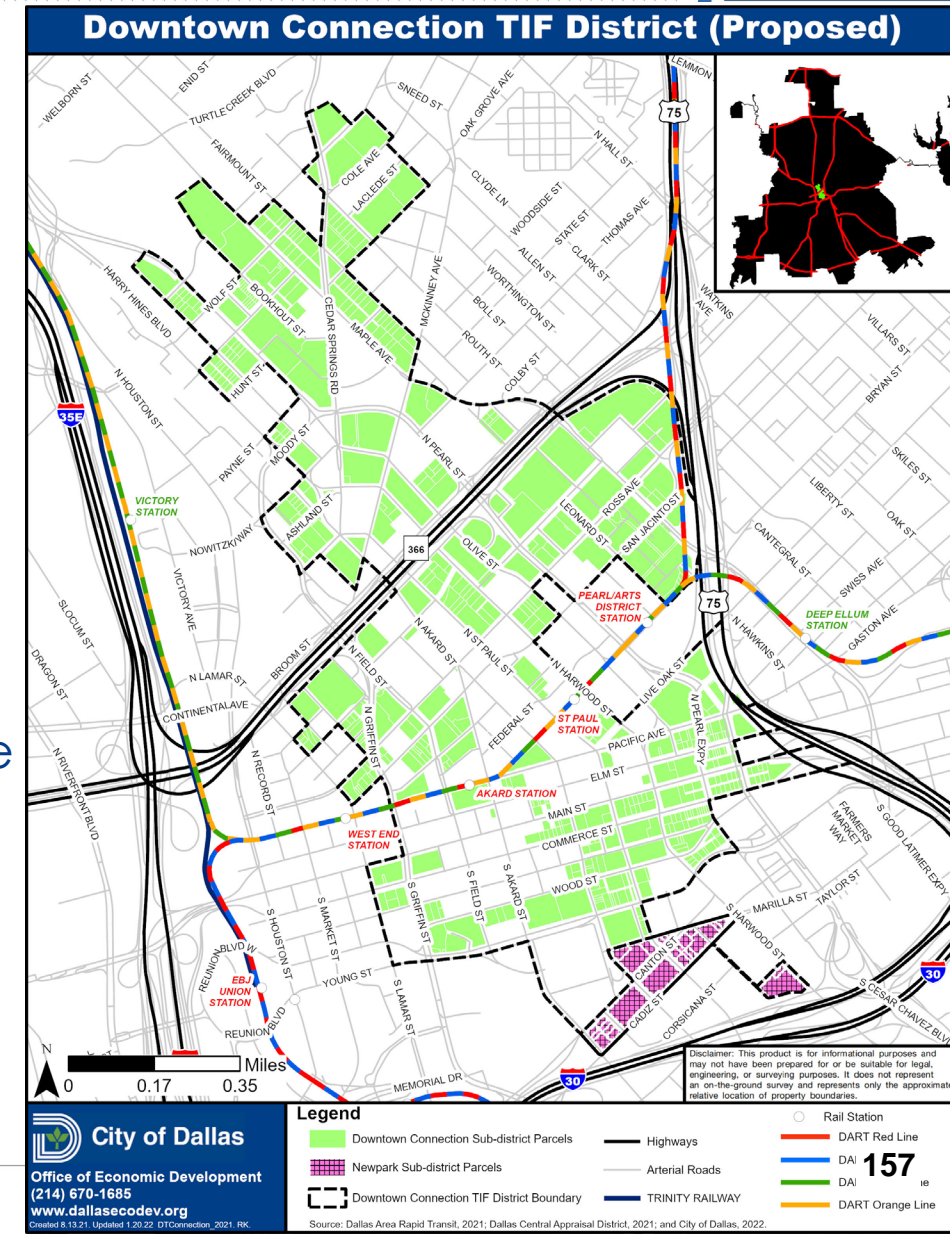


Boundary Expansion

- existing District is 266.5 acres
- proposing to expand the boundary to include an additional 14.2 acres (parcels shown in purple on map)
- 2021 certified DCAD taxable value of the added area is \$21,609,710

Create Two Sub-districts

- Downtown Connection Sub-district (existing Downtown Connection TIF District boundary: shown in green on map)
- Newpark Sub-district (14.2 acres to be added: shown in purple on map)
 - The Newpark Sub-district will support the proposed Newpark Dallas, a multi-phased, mixed-use development (See **Appendix B**)
- Separate TIF budgets for each Sub-district





Staff Recommendation: Plan Amendments

Downtown Connection Sub-district Budget

- Sub-district's total budget will increase from \$231.6 million Net Present Value (NPV) to \$402.9 million NPV
- The \$171.3 million NPV increase in the Downtown Connection Sub-district's budget will provide a source of funding to support:
 - Significant expenditures for environmental remediation, demolition, utility and roadway infrastructure improvements required to redevelop surface parking lots and vacant lots throughout the sub-district
 - Mixed-income housing in High Opportunity Area
 - Redevelopment of Fire Station #18 (660 N. Griffin St.) – a line item supporting relocation and/or reconstruction of this fire station has been added to the budget
 - Continued debt service payments on the District's bonds in later years of the District without diverting increment needed to pay outstanding project obligations or assist new redevelopment projects in the sub-district

Downtown Connection TIF District Budget 2022 Amendment				
Category	Current NPV Budget (2006) ¹	Estimated Total Dollars TIF Budget ²	Amended NPV Budget (2006)	Amended Estimated Total Dollars TIF Budget
Catalyst Projects: - Environmental remediation, demolition, historic façade, restoration, street/utility improvements & streetscape improvements, land acquisition, and non project costs, including, but not limited to machinery, equipment, materials and supplies	\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, TIF grants, affordable housing	\$152,653,168	\$0	\$239,255,247	\$629,007,549
Uptown/Downtown connection improvements³	\$0	\$0	\$0	\$0
Park and plaza design and acquisition	\$1,500,000	\$2,945,081	\$1,500,000	\$3,943,535
Affordable Housing⁴	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Ground Floor Activation/Streetscape Improvements⁴	\$1,985,000	\$1,985,000	\$1,985,000	\$1,985,000
Downtown Area Plan⁴	\$515,000	\$515,000	\$515,000	\$515,000
Public Safety Building (replace Fire Station #18)	\$0	\$0	\$5,146,398	\$13,530,000
Administration and Implementation	\$3,940,386	\$7,736,503	\$3,940,386	\$10,359,365
TIF Bonds		\$150,363,000	\$79,555,857	\$206,972,265
Total Project Costs	\$231,593,554	\$454,707,775	\$402,897,888	\$937,312,714
¹ Current and Amended values discounted to 2006 dollars at 5% discount rate. ² Current and Amended Total Dollar values are estimated based on annual TIF District value, project costs, increment collections and Debt Service schedules. These values will fluctuate annually. ³ Funds allocated to this line item have been reprogrammed to the Redevelopment line item. ⁴ Funds for the Affordable Housing, Ground Floor Activation/Streetscape Improvements and Downtown Area Plan line items are in cash.				



Staff Recommendation: Plan Amendments



Newpark Sub-district Budget

- Sub-district's total budget of \$90.3 million NPV will provide a source of funding to support:
 - Significant expenditures for environmental remediation, demolition, utility and roadway infrastructure improvements required to redevelop surface parking lots, vacant and underutilized lots throughout the sub-district
 - High density, mixed-use development projects
 - Mixed-income housing
 - Redevelopment of Fire Station #4 (816 S. Akard St.) – a line item supporting relocation/construction of this fire station is included in the budget

Newpark Sub-district Improvements Budget		
Category	NPV Budget ¹ (2022)	Estimated Total Dollar TIF Budget ²
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - <i>Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, streetscape</i>	\$19,778,349	\$49,000,000
Public Safety Building <i>(replace Fire Station #4)</i>	\$5,461,246	\$13,530,000
Economic Development TIF Grant - <i>High density mixed-use development projects, mixed-income housing</i>	\$63,273,208	\$156,756,626
Administration and Implementation	\$1,816,379	\$4,500,000
Total Project Costs	\$90,329,182	\$223,786,626
¹ NPV Budget values discounted to 2022 dollars at 5% discount rate. ² Estimated Total Dollar values reflect estimated total collections over the life of the sub-district. These values will fluctuate annually.		



Staff Recommendation: Plan Amendments



Terms

Downtown Connection Sub-district

- No change (30-year term, ending December 31, 2035)

Newpark Sub-district

- 30-year term (beginning January 1, 2022 and ending December 31, 2052)

Participation of Taxing Entities

Downtown Connection Sub-district

- City's participation: No change (90%)
- Dallas County's participation: Ended in 2020 (55%)

Newpark Sub-district

- City's participation: 90% for 30 years
- Dallas County will be requested to participate: 55% for 20 years beginning in Year 5 (2027)



Staff Recommendation: Plan Amendments

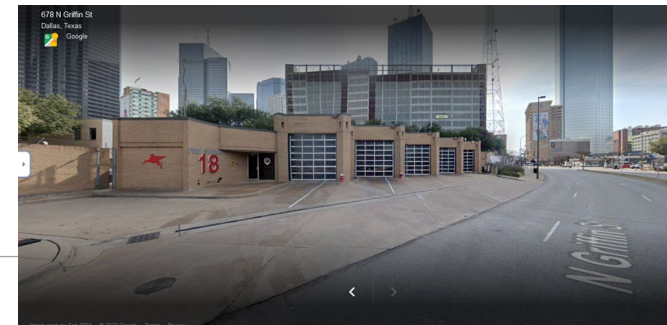
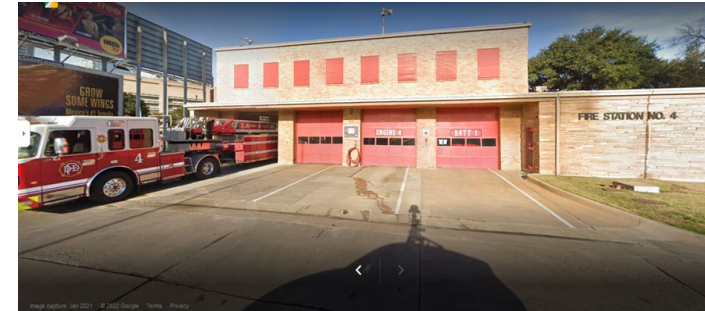


Mixed-Income Housing

- Critically important that mixed-income housing is provided as part of the proposed District expansion and development
- As part of the Plan Amendments, new ground-up construction projects with a residential component will be required to provide 20% of units to renters earning at/below 80% AMFI
- Redevelopment of existing buildings to include a residential component will continue to be required to provide 10% of units to renters earning at/below 80% AMFI
- Each sub-districts' budget has significant capacity to incentivize mixed-income housing

TIF Funding for Replacement of Aging Fire Stations Downtown

- Each sub-district's budget includes a line item to support relocation and/or reconstruction of downtown fire stations located near major redevelopment sites
- If fire station sites (Fire Station #18 and #4) or any other City-owned properties are purchased by a private developer for residential redevelopment, 30% of those residential units will be required to be provided to renters earning at/below 80% AMFI





Staff Recommendation: Plan Amendments

Strategic and Contextual Importance of Plan Amendments

- Encourages and supports continued growth of underutilized parts of downtown
- Supports development of additional mixed-income housing downtown and uptown
- Anticipated private development will fill in gaps in the urban fabric by redeveloping surface parking and vacant lots
- Provides a non-General Fund source of funding to support the upgrade of public infrastructure needed to support future development projects
- Provides a non-General Fund source of funding to replace two antiquated Dallas Fire Rescue stations in downtown
- Complements planned City investment in the redesigned Kay Bailey Hutchinson Convention Center, DISD's investment in a downtown school, TXDOT's investment in the redesigned I-30 Canyon Project, and Dallas College's interest in investing in a new Downtown campus





Staff Recommendation: Plan Amendments

Strategic and Contextual Importance of Plan Amendments

- Public investment (estimated \$2 billion) in the redesigned Kay Bailey Hutchinson Convention Center
 - February 2022: City Council selected Option 3C – West of Lamar
 - Option 3C – West of Lamar:
 - Builds new convention center with expanded footprint, meeting space and convention service offerings with large, elevated ballrooms
 - Opens Griffin and Lamar streets to natural light
 - Releases east of Lamar for future development

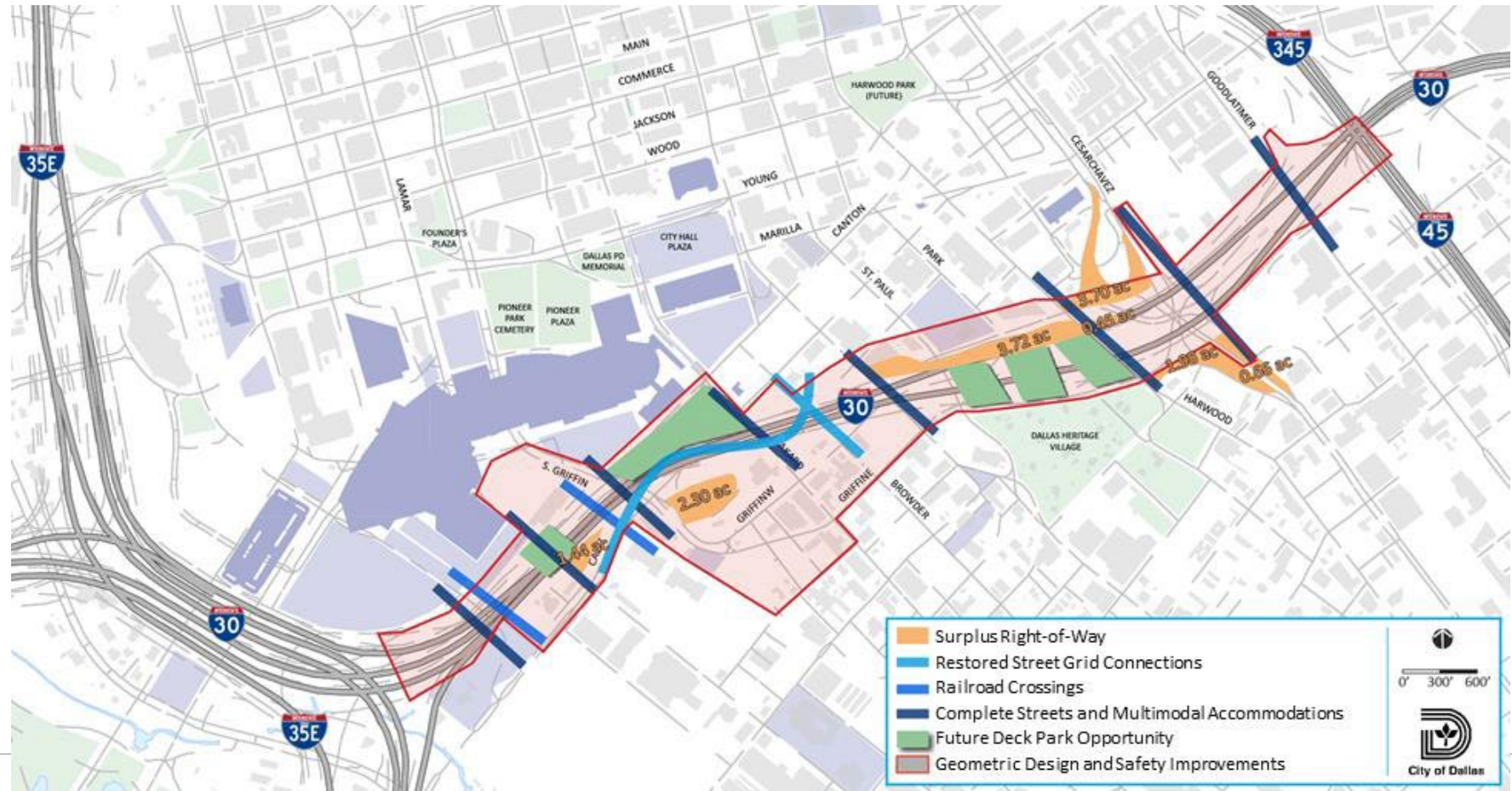




Staff Recommendation: Plan Amendments

Strategic and Contextual Importance of Plan Amendments

- TXDOT's \$564.7 million (\$418.7 million committed funding) investment in the redesigned I-30 Canyon Project (Illustrative Plan below is subject to change)



Staff Recommendation: Plan Amendments



Strategic and Contextual Importance of Plan Amendments

- DISD's \$95 million investment in a downtown school
 - 2020 Bond Program approved by voters
 - January 2021, DISD Board of Trustees authorized design-build construction of a downtown school site
 - June 2021, DISD Board of Trustees authorized negotiations and entering into a contract with a development team to design-build a downtown campus in an amount not to exceed \$95 million
- Dallas College's \$535 million investment in a downtown campus including student housing
 - 2019 Bond Program approved by voters





Staff Recommendation: Plan Amendments

Strategic and Contextual Importance of Plan Amendments

Downtown Connection Sub-district

- Facilitates over \$3.7 billion in private investment over remaining term of sub-district
 - Taxable value increase from \$5.9 billion in 2021 to \$11.6 billion in 2035
 - At termination, approx. \$85 million in tax revenue is projected to annually flow to the General Fund
- Over the remaining term of this Sub-district, approximately \$157.1 million is projected to flow to the General Fund

Newpark Sub-district

- Facilitates approx. \$1.5 billion in private investment over the proposed term of sub-district
 - Taxable value increase from \$21.6 million in 2021 to \$1.7 billion in 2052
 - In 2021, approx. \$106,000 flowed to the General Fund and will continue to flow to the General Fund annually over the term of the Newpark Sub-district
 - At termination, approx. \$13.6 million in tax revenue is projected to annually flow to the General Fund
- Cumulatively, approx. \$27.2 million is projected to flow to General Fund during the term of this Sub-district



One Newpark: Project Summary

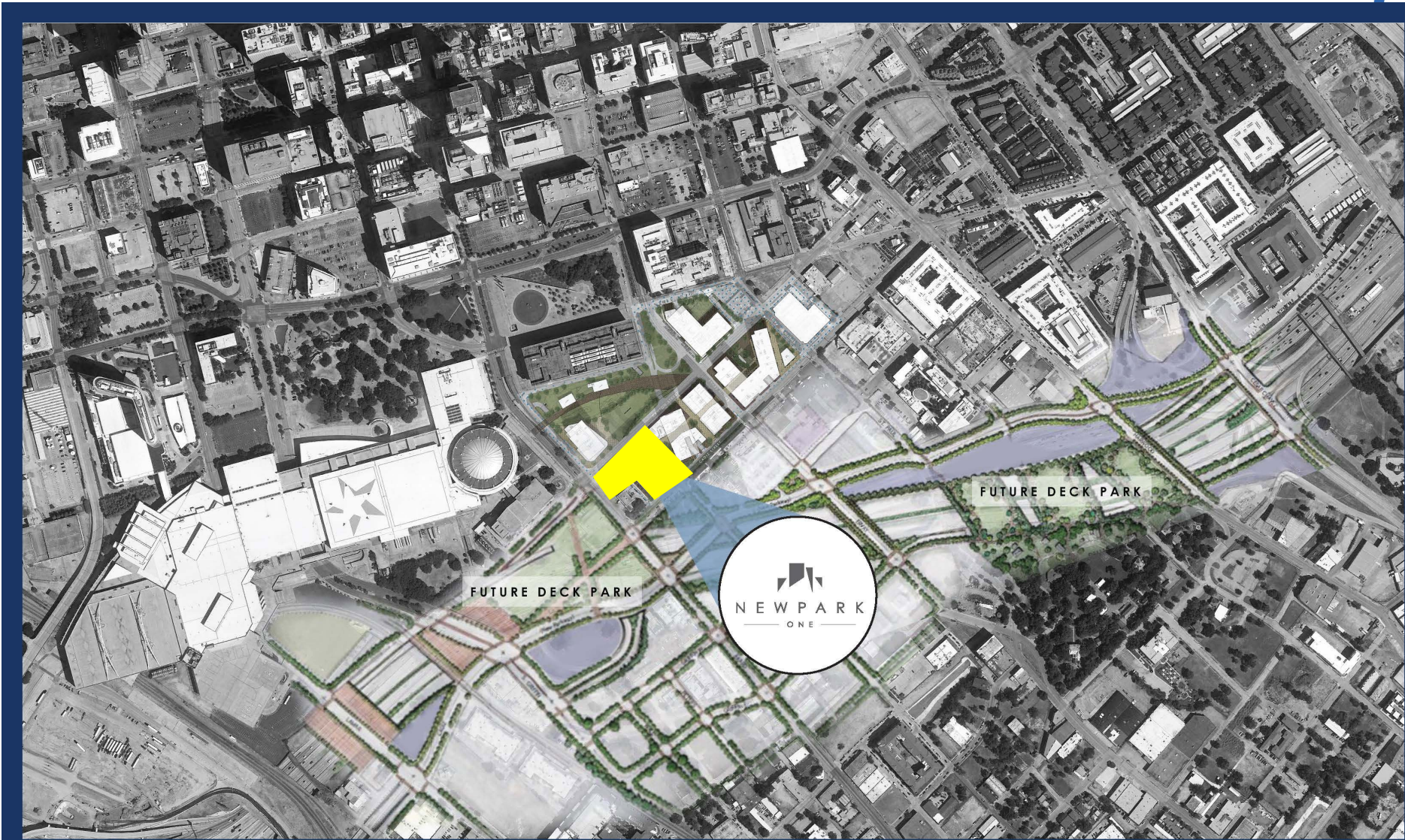


- **Project Developer:** One Newpark GP, LLC, a Texas limited liability company and/or its assigns will, directly or indirectly, control the One Newpark development project.
- **Project Summary:** In 2021, Developer submitted an incentive application to the Office of Economic Development for the One Newpark redevelopment project (“Project”), first phase of the master-planned Newpark Dallas development (See **Appendix B**)
 - a 38-floor, 1,345,845 square foot mixed-use, mixed-income tower to be constructed on 1.7 acres at southeast corner of Canton and Akard, south of City Hall
 - tower will include:
 - below-grade parking (3 levels)
 - street-level retail
 - above-grade parking (floors 3 through 8)
 - office component (floors 9 through 15)
 - 245-key hotel component (floors 17 through 23)
 - 268-unit multi-family component (top 15 floors)
 - 20% of units (54 units) will be set aside for households earning at/below 80% AMFI
 - total project cost: approximately \$378.7 million

Residential Unit Mix		
Bedroom Type	Units	%
Studio	26	10%
1Bd 1Ba	175	65%
2Bd 2Ba	67	25%
Total Units	268	100%



One Newpark: Project Location



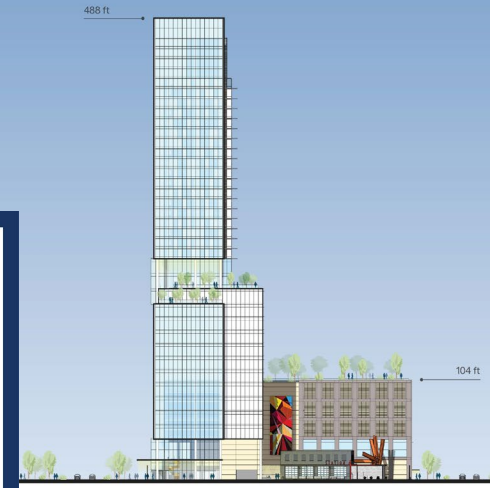
This aerial map shows the 83rd Street area in Chicago. The proposed lots, 83-1/4 and 83-1/2, are outlined in red. The map includes street names such as 83rd St, 84th St, and 85th St, and lot numbers. The proposed lots are located between 83rd St and 84th St, and between 84th St and 85th St. The map also shows the surrounding area, including the 83rd Street Corridor and the 83rd Street Station.



One Newpark: Site Plan and Elevations



CANTON STREET VIEW



S. AKARD STREET VIEW



CADIZ STREET VIEW



BROWDER STREET VIEW

One Newpark: Renderings



ONE NEWPARK

hague global LANOHA m2a PICKARD CHILTON studioOutside



ONE NEWPARK

hague global LANOHA m2a PICKARD CHILTON studioOutside



One Newpark: Project Budget



Uses		
<u>Land/Building:</u>	Amount	Percent
Land Cost (Acquisition) - <i>per As-Is Appraisal</i>	\$ 6,270,000	
ROW Abandonment Fee	\$ 3,038,325	
Total Land Acquisition	\$ 9,308,325	2.5%
Hard Costs:		
Sitework	\$ 2,304,931	
Building construction costs	\$ 213,170,839	
Garage construction costs	\$ 48,541,872	
Tenant Improvements	\$ 21,261,310	
Hard cost contingency	\$ 11,972,758	
Off-Site Improvements:	\$ 4,000,000	
Other hard costs (FF&E/Hotel OS&E)	\$ 10,040,000	
Total Hard Costs (total construction)	\$ 311,291,710	82.2%
Soft Costs:		
Marketing expenses, advertising, etc.	\$ 500,000	
Architects/Engineers/Consultants	\$ 8,010,500	
Legal & Accounting	\$ 1,873,763	
Loan expenses(origination fee and debt initerest to BE)	\$ 21,494,534	
Other soft costs (Permits/testing/inspections/broker commissions/loss to break even)	\$ 17,044,217	
Soft cost contingency	\$ 642,440	
Total Soft Costs	\$ 49,565,454	13.1%
Developer Fee:		
Developer Fee	\$ 8,550,617	2.3%
Total Development Costs	\$ 378,716,106	100.0%

Sources	Amount	Percent
Construction Loan	\$246,165,469	65%
Equity	\$132,550,637	35%
Total Sources	\$378,716,106	100%



Staff Recommendation: TIF/PPP Funding



Staff recommends authorization of a Development Agreement and all other necessary documents with One Newpark GP, LLC and/or its affiliates and a City Subsidy in a total amount not to exceed \$95,500,000 from the following sources:

Public/Private Partnership (PPP) Fund

- up to \$3,500,000 in the form of an economic development grant sourced from the City's PPP Fund (**"PPP Grant"**) to offset expenditures made by the Developer for City development fees such as right-of-way abandonment, permitting, plan review, and inspection fees

Newpark Sub-district of the Downtown Connection TIF District

- up to \$92,000,000 sourced from **future** tax increment in the Newpark Sub-district of the Downtown Connection TIF District (**"TIF Subsidy"**) for:
 - repayment of PPP Grant back to PPP Fund (\$3.5 million)
 - reimbursement of costs (actual expenditures) for TIF-eligible demolition activities, infrastructure/utility improvements, streetscape improvements, wayfinding and signage, including expenditures for design and engineering of these improvements
 - reimbursement of costs (actual expenditures) for TIF-eligible off-site public infrastructure/utility improvements including expenditures for design and engineering of these improvements
 - economic development grant for high density, mixed-use development and mixed-income housing



Staff Recommendation: TIF/PPP Funding



- TIF Subsidy exceeds the amount of increment projected to be generated by the One Newpark project (\$65.8 million over 30 years)
- For the Developer to receive the full TIF Subsidy offered to facilitate One Newpark, vertical development of other properties (i.e. future phases) within the proposed Newpark Dallas development must occur to accelerate the increase in property value and increment collection

PPP Grant	Amount
Grant to offset expenditures made by the Developer for City development fees such as right-of-way abandonment, permitting, plan review, and inspection fees	\$3,500,000
TIF Subsidy Category	Amount
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots	
Environmental Remediation/Demolition	\$2,304,931
Street/Utility Improvements	\$2,000,000
Streetscape Improvements	\$2,000,000
Economic Development TIF Grant (includes PPP Grant Repayment)	\$85,695,069
TIF SUBSIDY	\$92,000,000
TOTAL CITY SUBSIDY	\$95,500,000



Staff Recommendation: Conditions of PPP Grant



PPP Grant. A single subsidy payment in the form of a grant in an amount equal to the total City Expenses for the Project, but not to exceed \$3,500,000 from the City's PPP Fund shall be paid to the Developer upon Developer's submission of documentation and Office of Economic Development's verification that the following have occurred:

- Developer shall close construction financing for the Project prior to or contemporaneously with the City's execution of a development agreement with the Developer. Developer shall submit financing documentation to the City.
- Prior to City's execution of a development agreement, Developer shall execute a hotel franchise agreement with a national hotel brand acceptable to the Director of the Office of Economic Development ("Director") in his or her sole discretion.
- City Council approval of an expansion of the boundary of the Downtown Connection TIF District to create the Newpark Sub-district that will encompass all Newpark Dallas parcels as well as two parcels located on the northwest corner of South Harwood Street and Interstate 30 addressed as 1103 S. Harwood Street and 1900 St. Louis Street
- Developer shall obtain a building permit by December 31, 2024. A grading permit does not constitute meeting this requirement.
- City Council approval of the Developer's Browder Street abandonment request. See **Appendix C**





PPP Grant Conditions continued

- As a condition of the City's abandonment of the portion of Browder Street between Canton Street to the north and Cadiz Street to the south, Developer shall dedicate a public access easement with a minimum average width of 18', where at no point along the easement the width is less than 12' wide along the abandoned right-of-way prior to the Completion Deadline. The easement shall include a minimum 8' wide continuous, unobstructed accessible path connecting Cadiz Street to Canton Street.
- Developer shall provide documentation evidencing Developer's payment to the City of:
 - i. any funds required by the Real Estate Division of the City's Public Works Department for the abandonment fee associated with the Developer's request of the City to abandon the portion of Browder Street located between Canton Street to the north and Cadiz Street to the south (See **Appendix D**), and
 - ii. any development-related fees imposed by the City on Developer for planning and constructing the Project, including but not limited to development permit fees, plan review fees, building permit fees, parkland fees, and inspection fees.





Staff Recommendation: Conditions of TIF Subsidy

TIF Subsidy. Annual TIF payments from the Newpark Sub-district totaling an amount not to exceed \$92,000,000 inclusive of (1) \$3,500,000 to be paid back to the City's PPP Fund upon completion of the Project, and (2) \$88,500,000 to be paid to the Developer upon Developer's submission of documentation and Office of Economic Development's verification that the following have occurred:

- Developer shall incur (or cause to be incurred) and provide documentation evidencing a minimum of \$310,000,000 in Private Investment Expenditures for construction of the Project, including, on and off-site infrastructure improvements, site amenities, building finish-out/furnishings, and professional fees (e.g. architecture, engineering, landscape architecture, interior design).
- Developer shall complete construction of a minimum of 800,000 square feet of residential, office, retail and hotel space associated with the Project by December 31, 2027
- Prior to the initial payment of the TIF Subsidy, Developer shall provide evidence of the following:
 - 50% of the street level retail space is leased and occupied;
 - 50% of the office space is leased to one or more unaffiliated third-parties and copies of the executed lease(s) have been provided to the Director; and
 - the hotel is open and operational
- Within 12 months of the initial payment of the TIF Subsidy, Developer must commence tenant finish-out construction for at least 50% of the office space.



Staff Recommendation: Conditions of TIF Subsidy



TIF Subsidy Conditions continued

- After initial payment of the TIF Subsidy, Developer, for a period of 15 years thereafter, shall immediately notify City in writing if any occupancy falls below the minimum occupancy requirements described above
- A minimum of twenty percent (20%) of the residential units constructed as part of the Project shall meet the affordability requirements of the Downtown Connection TIF District (reduced rental rate for households earning at or below 80% of the Area Median Income for a minimum of 15 years) – inclusive of the below voucher units referenced below
- Developer shall abide by Ordinance 30246, approved by Resolution 16-1760, which requires “multifamily housing accommodations that benefit from a financial award approved by the city council on or after the effective date of this ordinance [October 26, 2016] shall set aside at least 10 percent (10%) of the dwelling units and solely lease those dwelling units to holders of housing vouchers
- Developer shall execute deed restrictions, by the date of the certificate of occupancy for the residential portion of the Project, and record such executed deed restrictions in the Official Real Property Records of Dallas County to ensure that the property will comply with the mixed-income housing and voucher requirements, as well as the source of income non-discrimination requirement
- Developer shall complete an Affirmative Fair Housing Marketing Plan and submit to the Fair Housing division of the City’s Office of Equity and Inclusion for review and approval and market the residential component of the Project pursuant to approved marketing plan



Staff Recommendation: Conditions of TIF Subsidy



TIF Subsidy Conditions continued

- Developer shall complete and obtain a letter of acceptance or similar documentation issued by the City, which may include a green tag issued from the Public Works Department for any public infrastructure improvements associated with the Project by June 30, 2028
- Prior to Project completion, Developer shall execute a 20-year Operating and Maintenance Agreement for any Non-Standard Public Improvements associated with the Project, and if necessary, obtain a license from City for the purpose of maintaining any improvements in the public right-of-way
- Developer shall make a good faith effort to comply with the City's Business and Workforce Inclusion's goal of 32% participation by certified Minority/Women-owned Business Enterprises ("M/WBE") for all hard construction expenditures on the Project and meet all reporting requirements
- Until the Project has passed final building inspection and all required paperwork documenting Project completion has been submitted to the Office of Economic Development, Developer shall submit to the Office of Economic Development quarterly status reports for ongoing work on the Project (including any public improvements)
- The Director may authorize minor modifications to the Project, including, but not limited to, adjustment of the square footage of each component of the building, and may, after approval and recommendation of the TIF District Board, authorize an extension of the Project deadlines up to 12 months.



Staff Recommendation: Conditions of TIF Subsidy



TIF Subsidy Conditions continued

- For all permanent employment opportunities created by operation of the Project, and prior to commencing any hiring activities and the initial payment of the TIF Subsidy, Developer shall submit to the City a written plan describing how Developer or property management group will use and document best efforts to recruit and hire residents of the city of Dallas. At a minimum, the written plan shall describe how local recruitment will be targeted through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources.
- The City's Public/Private Partnership Fund will receive 50% of increment generated within the Newpark Sub-district until the PPP Grant is repaid in full, after which 100% of increment generated in the Newpark Sub-district will flow to the Developer.



TIF Board and DDDA Recommendation



- **April 29, 2022:** The Downtown Connection TIF District Board of Directors and Downtown Dallas Development Authority (DDDA) reviewed the proposed Downtown Connection TIF District Plan amendments and recommended approval
- **April 29, 2022:** The Downtown Connection TIF District Board of Directors reviewed the proposed One Newpark project and recommended approval of a development agreement and a City subsidy in amount not-to-exceed \$95,500,000



Next Steps



- **June 8, 2022:** City Council will call a public hearing to be held on June 22, 2022 to consider the proposed Plan amendments
- **June 22, 2022:** City Council will conduct a public hearing to receive citizen comments on the proposed Plan amendments and, at the close of the public hearing, consider approval of the Plan amendments
- **June 22, 2022:** If the proposed Plan amendments are approved, City Council will, at the same meeting, consider a development agreement and City Subsidy for the One Newpark project
- **June 22, 2022:** If the proposed amendments and One Newpark development agreement and City Subsidy are approved, City Council will, at the same meeting, consider the Developer's Browder Street abandonment request



Appendices



Appendix A: DDDA Background and TIF Bonds Repayment Status

Appendix B: Newpark Dallas

Appendix C: Browder Street Abandonment Request Map

Appendix D: One Newpark Underwriting Report Summary

Appendix E: One Newpark Development Team

Appendix F: Tax Increment Projection: Downtown Connection Sub-district

Appendix G: Tax Increment Projection: Newpark Sub-district

Appendix H: State TIF Law and City's Financial Management Performance Criteria (FMPC)



Appendix A

DDDA Background and TIF Bonds Repayment Status



- **June 8, 2005, City Council:**
 - Created the Downtown Connection TIF District (TIRZ Eleven) by Ordinance No. 26020
 - Established the DDDA to aid, assist and act on behalf of the City in the performance of the City's governmental and proprietary functions with respect to TIRZ Eleven and the City Center TIF District (TIRZ Five) under Chapter 431 of the Texas Transportation Code
 - Approved the DDDA's Articles of Incorporation and authorized the City Manager to file the articles with the Secretary of State
 - Approved the DDDA's by-laws by Resolution No. 05-1755
- **August 29, 2005, City Council:**
 - Authorized the execution of a Tri-Party Agreement by and among the City, TIRZ Eleven, and the DDDA, effective as of March 8, 2006 by Resolution No. 05-2545
 - In the agreement the City delegated to the DDDA certain duties and responsibilities with respect to TIRZ Eleven, including, but not limited to, the power to issue, sell or deliver its bonds, notes or other obligations in accordance with the terms of the Tri-Party Agreement
 - Adopted the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 26096
 - Adopted a Chapter 380 Program whereby the City may make economic development loans or grants from City general funds or from tax increment revenues to TIRZ Eleven or to the DDDA in furtherance of implementing the Project and Financing Plan
 - Authorized a Development Agreement with Forest City for the Mercantile Complex, the Continental Building and the Atmos Complex by Resolution No. 05-2545



Appendix A (continued)

DDDA Background and TIF Bonds Repayment Status



- **March 8, 2006**, City Council:
 - Authorized the issuance and sale of up to \$51,000,000 in Downtown Dallas Development Authority Contract Tax Increment Revenue Bonds for the Mercantile project improvements;
 - Approved the Preliminary Official Statement, Trust Indenture and Bond Resolution; and,
 - Enacted other relating provisions by Resolution No. 06-0873
- **October 10, 2007**, City Council:
 - Authorized the issuance and sale of up to \$30,000,000 in Downtown Dallas Development Authority Contract Tax Increment Revenue Bonds for the Mercantile project improvements;
 - Approved the Preliminary Official Statement and Bond Resolution; and
 - Enacted other relating provisions by Resolution No. 07-2993

For both issuances, the issuer was DDDA and the Credit Pledge was:

- (1) Downtown Connection TIF District increment; or
- (2) City of Dallas General Fund annual appropriation, if increment accrual is insufficient

Downtown Connection TIF Tax Increment Financing District Fund
Status of DDDA Bonds and Repayment
As of September 30, 2021

Project	Bond Sales	Principal & Interest	Total Paid (P & I)	Balance Due
Mercantile	Series 2006 (\$50,605,343)	\$139,671,210	\$38,188,793	\$101,482,417
Mercantile	Series 2007 (\$28,950,514)	\$67,301,055	\$32,010,516	\$35,290,539
Total		\$206,972,265	\$70,199,309	\$136,772,956



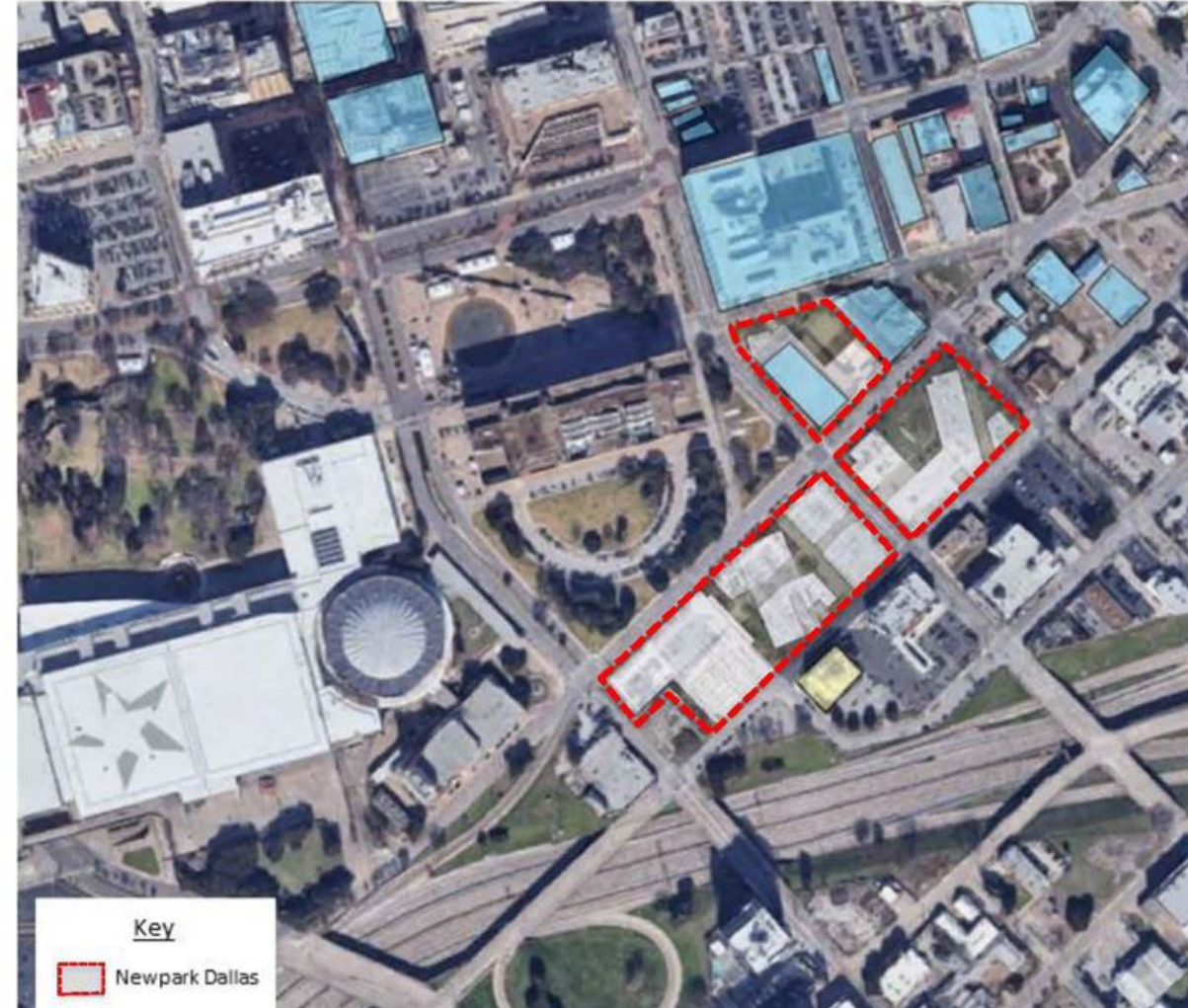
Appendix B

Newpark Dallas



Newpark Dallas

- Phased redevelopment of approx. 5 acres of surface parking lots south of City Hall owned by Hoque Global
- Planned development to include:
 - 1 million square feet of Class A office space
 - 200,000 square feet of retail space
 - thousands of residential units
 - 4-star hotel
- Estimated total private investment: \$1.5+ billion
- Approximately \$872 million in new taxable value is projected to be created at full build-out of Newpark Dallas
- In 2021, Hoque Global submitted a development incentive application requesting:
 - Expansion of the Downtown Connection TIF District boundary to include Newpark Dallas parcels
 - TIF subsidy to support phase one of the project (One Newpark)



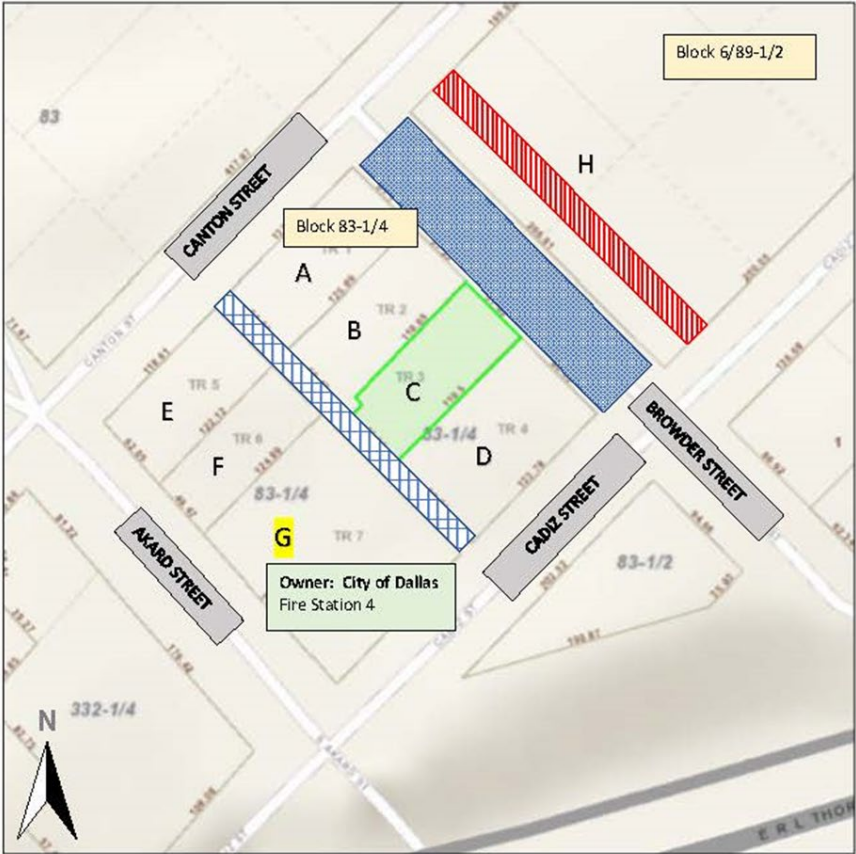
Appendix B (continued)

Newpark Dallas



Appendix C

Browder Street Abandonment Request Map



Log No. 50021

Applicant: Canton Cadiz Phase 1, LLC

Abandonment Areas:

Street	
Alley	
Dedication Area:	

Owner: Canton Cadiz Phase 1, LLC

- A – 801 BROWDER STREET – Inst. No. 201600336050
- B – 807 BROWDER STREET – Inst. No. 201600336050
- C – 809 BROWDER STREET – Inst. No. 201600336054
- D – 817 BROWDER STREET – Inst. No. 201600336051
- E – 1404 CANTON STREET – Inst. No. 201600336051
- F – 808 S AKARD STREET – Inst. No. 201600336051
- G – 816 S AKARD STREET – CITY OF DALLAS**
- H – 1600 CANTON STREET – Inst. No. 201600336048 (Abutting property)



Appendix D

One Newpark Underwriting Report Summary



- Developer's original incentive application requested \$130 million in City subsidy
- National Development Council (NDC), under contract with the City, conducted independent underwriting of the incentive application. Conclusions of independent underwriting:
 - **Development team:** Lanoha Real Estate Company appears highly qualified and experienced to carry out the project
 - **Financial capacity:** Based on the information presented, the partners of the Developer show a more than adequate ability to fund guarantees and take on a project this size
 - **Permanent debt capacity of Project:** Project could support a maximum of \$245 million in permanent debt with proposed City subsidy and, since projects seeking City subsidies are expected to maximize private sector debt, a \$250 million permanent loan amount was used in sizing the upper limit of the City subsidy
 - **Appraisal and Market Study:** Developer's assumptions are consistent with information presented; project appears viable however generates lower than market returns
 - **Cost estimates of Project:** costs reasonable in current market; construction costs could be higher than projected since the figures provided by the Developer do not represent contracted prices
 - **Rationale for City subsidy based on Costs and Returns:** significant infrastructure costs for higher density development, affordable units and low Yield-on-Cost (YoC) returns requiring a subsidy to generate even the lowest of returns. Underwriter concluded a YoC target of 7.79% with City subsidy is reasonable (i.e. no undue enrichment) since the project only reaches the target YoC 10 years after stabilization



Appendix E

One Newpark Development Team



Applicant/Owner	One Newpark, LP – An ownership entity to be established for the purpose of undertaking this project. Limited Partnership consists of: <ul style="list-style-type: none">• General Partner: One Newpark GP, LLC<ul style="list-style-type: none">- Lanoha Texas 1 NP, LLC- HG One Newpark Member, LLC• Limited Partners – unidentified limited partner investors
Developer	One Newpark GP, LLC
Master Planner	Pickard Chilton
Architect	Merriman Anderson Architects
Landscape Architect	studioOutside
General Contractor	Moss
Property Management	CBRE



Appendix F

Tax Increment Projection: Downtown Connection Sub-district



Downtown Connection TIF District										
Projected TIF Increment Schedule										
Tax Year		Total Property Value Estimate ¹	Property Value Growth	Comp. Value Growth	Anticipated Captured Value	Anticipated Accumulated Revenue (NPV)	Tax Increment Revenue into TIF CITY @ 90%	Tax Increment Revenue into TIF COUNTY @ 55%	Anticipated Increment Revenue	NPV Anticipated Increment Revenue
Base	2005	\$561,696,137								
Adj. Base	2009	\$564,917,317								
1	2006	\$759,033,448	35.13%	35.13%	\$197,337,311	\$1,370,108	\$1,208,059		\$1,438,614	\$1,370,108
County		\$759,016,948			\$197,320,811		\$230,555			
2	2007	\$989,078,707	30.31%	76.09%	\$427,382,570	\$4,450,867	\$2,844,731		\$3,396,536	\$4,450,867
County		\$988,341,787			\$426,645,650		\$551,805			
3	2008	\$1,515,616,786	53.24%	169.83%	\$953,920,649	\$10,691,983	\$6,065,898		\$7,224,872	\$10,691,983
County		\$1,595,047,713			\$1,033,501,376		\$1,158,974			
4	2009	\$1,512,292,589	-0.22%	169.24%	\$947,375,272	\$17,179,939	\$6,768,369		\$7,886,151	\$17,179,939
County		\$1,559,199,640			\$994,432,123		\$1,117,782			
5	2010	\$1,539,047,900	1.77%	174.00%	\$974,130,583	\$23,590,942	\$6,849,382		\$8,182,245	\$23,590,942
County		\$1,583,755,734			\$1,018,988,217		\$1,332,864			
6	2011	\$1,546,807,101	0.50%	175.38%	\$981,889,784	\$29,976,530	\$7,235,640		\$8,557,298	\$29,976,530
County		\$1,589,222,014			\$1,024,304,697		\$1,321,658			
7	2012	\$1,747,004,927	12.94%	211.02%	\$1,182,087,610	\$37,100,585	\$8,408,406		\$10,024,261	\$37,100,585
County		\$1,791,557,491			\$1,226,640,174		\$1,615,855			
8	2013	\$2,151,461,278	23.15%	283.03%	\$1,586,543,961	\$46,190,348	\$11,306,531		\$13,429,720	\$46,190,348
County		\$2,194,764,321			\$1,629,847,004		\$2,123,189			
9	2014	\$2,336,630,090	8.61%	316.00%	\$1,771,712,773	\$55,832,170	\$12,654,259		\$14,957,631	\$55,832,170
County		\$2,384,374,137			\$1,819,456,820		\$2,303,372			
10	2015	\$2,532,268,642	8.37%	350.83%	\$1,967,351,325	\$66,143,943	\$14,209,948		\$16,796,791	\$66,143,943
County		\$2,591,240,060			\$2,026,322,743		\$2,586,843			
11	2016	\$3,009,289,603	18.84%	435.75%	\$2,444,372,286	\$78,059,128	\$17,038,233		\$20,379,009	\$78,059,128
County		\$3,065,147,196			\$2,500,379,679		\$3,340,776			
12	2017	\$3,562,648,652	18.39%	534.27%	\$2,997,731,335	\$92,058,318	\$21,054,866		\$25,140,534	\$92,058,318
County		\$3,620,500,763			\$3,055,583,446		\$4,085,668			
13	2018	\$4,305,186,757	20.84%	666.46%	\$3,740,269,440	\$108,512,523	\$25,946,284		\$31,026,859	\$108,512,523
County		\$4,316,648,978			\$3,557,632,030		\$5,080,574			
14	2019	\$4,877,367,675	13.29%	768.33%	\$4,312,450,358	\$125,227,588	\$30,201,792		\$33,094,684	\$125,227,588
County		\$4,924,721,005			\$3,936,379,218		\$2,892,892			
15	2020	\$5,444,301,395	11.62%	869.26%	\$4,879,384,078	\$141,171,071	\$33,145,357	\$0	\$33,145,357	\$141,171,071
16	2021	\$5,883,074,613	8.06%	947.38%	\$5,318,157,296	\$158,127,051	\$37,012,779	\$0	\$37,012,779	\$158,127,051
17	2022	\$6,177,228,344	5.00%	999.75%	\$5,612,311,027	\$175,168,801	\$39,060,001	\$0	\$39,060,001	\$175,168,801
18	2023	\$6,486,089,761	5.00%	1054.73%	\$5,921,172,444	\$192,292,234	\$41,209,584	\$0	\$41,209,584	\$192,292,234
19	2024	\$6,810,394,249	5.00%	1112.47%	\$6,245,476,932	\$209,493,462	\$43,466,646	\$0	\$43,466,646	\$209,493,462
20	2025	\$7,150,913,961	5.00%	1173.09%	\$6,585,996,644	\$226,768,779	\$45,836,561	\$0	\$45,836,561	\$226,768,779
21	2026	\$7,508,459,659	5.00%	1236.75%	\$6,943,542,342	\$244,114,659	\$48,324,972	\$0	\$48,324,972	\$244,114,659
22	2027	\$7,883,882,642	5.00%	1303.58%	\$7,318,965,325	\$261,527,740	\$50,937,803	\$0	\$50,937,803	\$261,527,740
23	2028	\$8,278,076,774	5.00%	1373.76%	\$7,713,159,457	\$279,004,823	\$53,681,276	\$0	\$53,681,276	\$279,004,823
24	2029	\$8,691,980,613	5.00%	1447.45%	\$8,127,063,296	\$296,542,860	\$56,561,922	\$0	\$56,561,922	\$296,542,860
25	2030	\$9,126,579,644	5.00%	1524.83%	\$8,561,662,327	\$314,138,949	\$59,586,601	\$0	\$59,586,601	\$314,138,949
26	2031	\$9,582,908,626	5.00%	1606.07%	\$9,017,991,309	\$331,790,325	\$62,762,514	\$0	\$62,762,514	\$331,790,325
27	2032	\$10,062,054,057	5.00%	1691.37%	\$9,497,136,740	\$349,494,354	\$66,097,223	\$0	\$66,097,223	\$349,494,354
28	2033	\$10,565,156,760	5.00%	1780.94%	\$10,000,239,443	\$367,248,531	\$69,598,666	\$0	\$69,598,666	\$367,248,531
29	2034	\$11,093,414,598	5.00%	1874.99%	\$10,528,497,281	\$385,050,467	\$73,275,183	\$0	\$73,275,183	\$385,050,467
30	2035	\$11,648,085,328	5.00%	1973.73%	\$11,083,168,011	\$402,897,888	\$77,135,524	\$0	\$77,135,524	\$402,897,888
Total							\$1,029,485,010	\$29,742,807	\$1,059,227,817	\$402,897,888
2006 NPV @ 5%							\$384,184,399	\$18,713,489	\$402,897,888	

Notes:

¹District values in bold print are actual collection amounts for the district, remaining values are projections.

Redline in chart indicates when increment collection would cease if the Downtown Connection Sub-district's budget is not increased



Appendix G

Tax Increment Projection: Newpark Sub-district



							Tax Increment	Tax Increment	Total	Total Tax
		Inc	Property Value	Property Value	Cumulative	Anticipated	Revenue	Revenue	Tax Increment	Increment Rev
	Tax Year	Collected	Estimate	Growth (Annual)	Value Growth	Captured Value	City (90%)	County (55%)	Revenue 90%/55%	2022 NPV
	2022		\$21,609,710	Base Yr Value						
1	2023	2024	\$22,258,001	3.00%	3.00%	\$648,291	\$4,512	\$0	\$4,512	\$4,297
2	2024	2025	\$43,339,470	94.71%	100.56%	\$21,729,760	\$151,233	\$0	\$151,233	\$141,469
3	2025	2026	\$65,053,383	50.10%	201.04%	\$43,443,673	\$302,355	\$0	\$302,355	\$402,655
4	2026	2027	\$230,314,817	254.04%	965.79%	\$208,705,107	\$1,452,525	\$0	\$1,452,525	\$1,597,651
5	2027	2028	\$239,706,916	4.08%	1009.26%	\$218,097,206	\$1,517,891	\$273,434	\$1,791,325	\$3,001,201
6	2028	2029	\$246,898,123	3.00%	1042.53%	\$225,288,413	\$1,567,940	\$282,450	\$1,850,389	\$4,381,990
7	2029	2030	\$491,267,567	98.98%	2173.36%	\$469,657,857	\$3,268,678	\$588,822	\$3,857,500	\$7,123,443
8	2030	2031	\$506,005,594	3.00%	2241.57%	\$484,395,884	\$3,371,250	\$607,299	\$3,978,549	\$9,816,282
9	2031	2032	\$706,810,762	39.68%	3170.80%	\$685,201,052	\$4,768,794	\$859,054	\$5,627,847	\$13,444,042
10	2032	2033	\$728,015,085	3.00%	3268.93%	\$706,405,375	\$4,916,369	\$885,638	\$5,802,008	\$17,005,972
11	2033	2034	\$749,855,537	3.00%	3369.99%	\$728,245,827	\$5,068,372	\$913,020	\$5,981,392	\$20,503,168
12	2034	2035	\$1,009,313,704	34.60%	4570.65%	\$987,703,994	\$6,874,123	\$1,238,309	\$8,112,433	\$25,020,474
13	2035	2036	\$1,039,593,115	3.00%	4710.77%	\$1,017,983,405	\$7,084,859	\$1,276,271	\$8,361,130	\$29,454,560
14	2036	2037	\$1,070,780,908	3.00%	4855.09%	\$1,049,171,198	\$7,301,917	\$1,315,372	\$8,617,289	\$33,806,877
15	2037	2038	\$1,102,904,335	3.00%	5003.74%	\$1,081,294,625	\$7,525,486	\$1,355,646	\$8,881,132	\$38,078,853
16	2038	2039	\$1,135,991,465	3.00%	5156.86%	\$1,114,381,755	\$7,755,763	\$1,397,128	\$9,152,891	\$42,271,898
17	2039	2040	\$1,170,071,209	3.00%	5314.56%	\$1,148,461,499	\$7,992,947	\$1,439,855	\$9,432,802	\$46,387,398
18	2040	2041	\$1,205,173,346	3.00%	5477.00%	\$1,183,563,636	\$8,237,248	\$1,483,863	\$9,721,111	\$50,426,721
19	2041	2042	\$1,241,328,546	3.00%	5644.31%	\$1,219,718,836	\$8,488,877	\$1,529,192	\$10,018,069	\$54,391,211
20	2042	2043	\$1,278,568,402	3.00%	5816.64%	\$1,256,958,692	\$8,748,055	\$1,575,881	\$10,323,936	\$58,282,194
21	2043	2044	\$1,316,925,454	3.00%	5994.14%	\$1,295,315,744	\$9,015,009	\$1,623,970	\$10,638,979	\$62,100,974
22	2044	2045	\$1,356,433,218	3.00%	6176.96%	\$1,334,823,508	\$9,289,971	\$1,673,502	\$10,963,473	\$65,848,836
23	2045	2046	\$1,397,126,215	3.00%	6365.27%	\$1,375,516,505	\$9,573,182	\$1,724,519	\$11,297,702	\$69,527,043
24	2046	2047	\$1,439,040,001	3.00%	6559.23%	\$1,417,430,291	\$9,864,890	\$1,777,068	\$11,641,957	\$73,136,841
25	2047	2048	\$1,482,211,201	3.00%	6759.01%	\$1,460,601,491	\$10,165,348		\$10,165,348	\$76,138,696
26	2048	2049	\$1,526,677,537	3.00%	6964.78%	\$1,505,067,827	\$10,474,821		\$10,474,821	\$79,084,642
27	2049	2050	\$1,572,477,863	3.00%	7176.72%	\$1,550,868,153	\$10,793,577		\$10,793,577	\$81,975,684
28	2050	2051	\$1,619,652,199	3.00%	7395.02%	\$1,598,042,489	\$11,121,896		\$11,121,896	\$84,812,809
29	2051	2052	\$1,668,241,765	3.00%	7619.87%	\$1,646,632,055	\$11,460,065		\$11,460,065	\$87,596,989
30	2052	2053	\$1,718,289,018	3.00%	7851.47%	\$1,696,679,308	\$11,808,379		\$11,808,379	\$90,329,182
30 Years of Collection							\$199,966,333	\$23,820,293	\$223,786,626	



Appendix H

State Law and City's Financial Management Performance Criteria (FMPC)



State Law: the total value of taxable real property in all TIF districts (including the proposed Zone expansion) cannot exceed 25% of the total value of taxable real property in entire City

- With proposed expansion of Downtown Connection TIF District, would be 14.09%

City FMPC: the total value of taxable real property in all TIF districts (including the proposed Zone expansion) plus the total value of taxable real property and business personal property in all active tax abatement reinvestment zones cannot exceed 15% of the total value of taxable real property and business personal property in entire City

- With proposed expansion of Downtown Connection TIF District, would be 12.77%





Downtown Connection TIF District Plan Amendment & One Newpark Project

a catalyst mixed-use and mixed-income development

**Economic Development Committee
May 2, 2022**

Kevin Spath, Assistant Director
Office of Economic Development
City of Dallas





City of Dallas

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

Agenda Information Sheet

File #: 22-1004

Item #: D.

Reauthorization of Public/Private Partnership Program Guidelines and Criteria
[Robin Bentley, Director, Office of Economic Development]

Memorandum



CITY OF DALLAS

DATE May 2, 2022
Honorable Members of the City Council Economic Development Committee:
TO Tennell Atkins, (Chair), Carolyn King Arnold, (Vice Chair), Adam McGough, Omar Narvaez, Jaime Resendez, Chad West, Gay Donnell Willis
SUBJECT **Reauthorization of Public/Private Partnership Program Guidelines and Criteria**

City Council will consider two upcoming items related to the reauthorization of the Public/Private Partnership program. On May 11, 2022, the City Council will consider the approval of an item authorizing a June 8, 2022 public hearing to receive comments regarding the third extension of the Public/Private Partnership Program Guidelines and Criteria (the "Guidelines"). On June 8, 2022, the public hearing will be called, and upon closure of the hearing, the City Council will consider approval of the third extension of Guidelines for the period of July 1, 2022 through December 31, 2022.

The Dallas City Council approved the current Guidelines on December 11, 2019, by Resolution No. 19-1959. The Guidelines were re-adopted through City Council Resolution Nos. 20-1972 and 21-1052 on December 9, 2020 and June 9, 2021, respectively. The current Guidelines are effective through June 30, 2022.

The City Council approved a new Economic Development policy (the "Policy") on May 26, 2021. The Policy calls for a thorough review of current economic development incentive policies, including the Guidelines. This work is currently being conducted by HR&A Advisors with guidance from the Economic Development Task Force chaired by former City Council member Jennifer Gates. Revisions to the economic development incentive policies, including the Guidelines will be presented to City Council later this year. While the amendments to the incentive policies are being finalized, staff recommends extending the current Guidelines to allow sufficient time for completion of this work.

Should you have any questions, please contact Robin Bentley, Director, Office of Economic Development at 214-671-9942.

Majed A. Al-Ghafry, P.E.
Assistant City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Interim Assistant City Manager
Carl Simpson, Interim Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors



City of Dallas

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

Agenda Information Sheet

File #: 22-764

Item #: E.

Public Improvement District (PID) Upcoming Agenda Items: (1) Call for a Public Hearing to be held on June 8, 2022 to renew the 1) Knox Street Public Improvement District, 2) Lake Highlands Public Improvement District, 3) Midtown Improvement District, 4) the expansion of the Dallas Tourism Public Improvement District to include 6 additional hotels, and Providing Information on Planned Amendments to PID Management Contracts to Include Good Governance Provisions [Jiroko Rosales, Assistant Director, Office of Economic Development]

Memorandum



CITY OF DALLAS

DATE May 2, 2022

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

SUBJECT **Public Improvement District (PID) Upcoming Agenda Items: (1) Call for a Public Hearing to be held on June 8, 2022 to renew the 1) Knox Street Public Improvement District, 2) Lake Highlands Public Improvement District, 3) Midtown Improvement District, 4) the expansion of the Dallas Tourism Public Improvement District to include 6 additional hotels, and Providing Information on Planned Amendments to PID Management Contracts to Include Good Governance Provisions.**

Public Hearing on June 8, 2022:

On May 11, 2022, the City Council will be asked to consider a resolution calling for a public hearing to be held on June 8, 2022 to receive comments concerning the renewals of the 1) Knox Street Public Improvement District (KSPID), 2) the Lake Highlands Public Improvement District (LHPID), 3) the Midtown Improvement District (MID) and 4) the expansion of the Dallas Tourism Public Improvement District (DTPID) to include 6 additional hotels in accordance with Chapter 372 of the Texas Local Government Code (the Act).

The management entities for the KSPID, LHPID, and MID submitted petitions to the City on behalf of property owners requesting to be renewed for a new ten-year term effective January 1, 2023 through December 31, 2032. City staff reviewed the petitions and determined that the KSPID, LHPID, and MID meet the minimum requirements for renewal set in the City's PID policy and state law. The City's PID policy requires signed petitions from owners of at least 60% of the appraised value of real property liable for assessment and at least 60% of the land area or 60% of the record owners of real property liable for assessment. State law requires signed petitions from owners of at least 50% of the appraised value of real property liable for assessment and at least 50% of the land area or 50% of the record owners of real property liable for assessment.

The City Council may choose to approve or deny the renewal of the districts. Unless renewed, the LHPID and MID will terminate on December 31, 2022, resulting in the cessation of services and improvements provided within these two districts. The KSPID is being renewed early to avoid exceeding the seven-year assessment cost total approved by the district's property owners. Unless renewed, the KSPID will need to lower its assessment rate in 2023 and 2024 resulting in a reduction or cessation of services and improvements within the KSPID.

DATE May 2, 2022

SUBJECT **PID Upcoming Agenda Items: (1) Call for a Public Hearing to be held on June 8, 2022 to renew the 1) Knox Street Public Improvement District, 2) Lake Highlands Public Improvement District, and 3) Midtown Improvement District; and 4) expansion of the Dallas Tourism Public Improvement District, and (2) Information on Planned Amendments to PID Management Contracts to Include Good Governance Provisions.**

The 87th Texas Legislature enacted Senate Bill 804 which amended the Act to allow cities to add hotel properties to an existing hotel-PID with the property owner's consent if such property could have been included in the hotel-PID without violating the petition thresholds when the hotel-PID was created. VisitDallas, on behalf of the Dallas Tourism Public Improvement District Corporation (DTPIDC), submitted signed consent forms from six hotel properties that were not operational when the District's boundary was last expanded in August 2020. As such, the DTPIDC is requesting the City Council's consideration to add these six hotels to the District boundary. City staff verified the consent forms and determined that all six additional hotels can be added to the boundaries of the DTPID without violating the statutory requirements of the Act as amended by SB804.

The renewal Service Plans for the KSPID, LHPID, and MID are a ten-year forecast of service level needs and new development activities projected by each PID's management entity (see **Exhibits A, B, and C**). The table below summarizes key information about these three districts that have requested consideration for renewal. The assessment rates detailed below are subject to increase to a maximum of \$0.15 cents per \$100 of appraised value as determined by the Dallas Central Appraisal District or decrease throughout the term subject to a public hearing and City Council approval.

District	Created	Renewed	Council District	Management Company	Boundary Changes	Assessment Rate (cents/\$100 valuation)
KSPID	2010	2017	14	Knox Street Improvement District Corporation	No	\$0.15
LHPID	2008	2015	9, 10, 13	Lake Highlands Improvement District Corporation	Yes	\$0.13
MID	1993	1998, 2003, 2008, 2015	1, 13	Vickery Meadows Management Corporation DBA Midtown Management Corporation	Yes	\$0.05/\$100 for Standard Service Area and \$0.10/\$100 for Premium Service Area

1. Knox Street Public Improvement District (KSPID): The boundary of the KSPID consists of approximately 23 acres located in the Knox Street area of the City, bounded by Highway 75 on the northeast and Katy Trail to the west as shown on **Exhibit A-1**. The purpose of the KSPID is to provide enhanced security, and public safety, trash/litter removal, graffiti control, landscaping improvements in common

DATE May 2, 2022

SUBJECT **PID Upcoming Agenda Items: (1) Call for a Public Hearing to be held on June 8, 2022 to renew the 1) Knox Street Public Improvement District, 2) Lake Highlands Public Improvement District, and 3) Midtown Improvement District; and 4) expansion of the Dallas Tourism Public Improvement District, and (2) Information on Planned Amendments to PID Management Contracts to Include Good Governance Provisions.**

areas including plantings and hardscape, capital improvements including the scope of Complete Streets project and other sidewalk and streetscape improvements, marketing and programming, website and social media marketing, promotional activities such as pop-up events, distinctive lighting including holiday lighting, signage, business development and recruitment to promote the district/area, and expenses incurred in establishing, administering, and operating the KSPID such as liability insurance and financial audit as authorized by the Act and City Council.

2. Lake Highlands Public Improvement District (LHPID): The proposed district consists of approximately 780 acres located in the Lake Highlands area of the City, bounded by Highway 635 on the northeast. The current boundary of the LHPID will be expanded to include properties in the north and south of the current boundary as shown in the attached **Exhibit B-1**. The purpose of the LHPID is to provide public safety and enhanced security, beautification, recreation, cultural enhancements, custodial and landscaping maintenance, capital improvements, common area improvements permissible under the Act, acquisition and installation of art, business recruitment, and development to promote the area in and around LHPID, marketing and promotional activities, distinctive lighting and signage, and expenses incurred to establish, administer, and operate the LHPID as authorized by the Act and City Council.
3. Midtown Improvement District (MID): The Vickery Meadow Public Improvement District has been re-branded. As a result, the new name of the district is the Midtown Improvement District. The proposed district consists of approximately 704 acres located in the Midtown area of the City, bounded by Royal Lane on the northeast. The current boundary of the MID will be modified as shown in the attached **Exhibit C-1**. The purpose of the MID is to provide enhanced public safety and security, neighborhood improvements, landscaping, trash/litter removal, graffiti control, beautification, cultural enhancements, Southern Pacific Trail (SOPAC) improvements, Midtown Park, Shops at Park Lane, Midtown Plaza improvements, capital improvement projects, marketing and promotional activities, lighting and signage, business development and recruitment to promote the District, and expenses incurred to establish, administer, and operate the MID as authorized by the Act, including related audit costs, staff time, and liability insurance.
4. Dallas Tourism Public Improvement District (DTPID): The City Council authorized the establishment of the DTPID in 2012, its renewal in 2016, and its first boundary expansion in March 2020. The current boundary of the DTPID which includes designated hotel properties in the City of Dallas with 100 or more rooms will be expanded as shown in the attached **Exhibit D-1**. A list detailing the hotels to be

DATE May 2, 2022

SUBJECT **PID Upcoming Agenda Items: (1) Call for a Public Hearing to be held on June 8, 2022 to renew the 1) Knox Street Public Improvement District, 2) Lake Highlands Public Improvement District, and 3) Midtown Improvement District; and 4) expansion of the Dallas Tourism Public Improvement District, and (2) Information on Planned Amendments to PID Management Contracts to Include Good Governance Provisions.**

added is on **Exhibit D**. Hotel property owners collect the DTPID assessment from their guests at a rate of 2% of the price of the room nights sold, and then remit this assessment monthly to the City. The City Controller's Office then forwards the DTPID assessment collections to the Dallas Tourism Public Improvement District Corporation (DTPIDC), the DTPID's management entity, less an administrative fee. While adding new hotels to the DTPID may increase DTPID's assessment revenues, the total revenue that the DTPID can utilize is limited to the original revenue projections in the DTPID's service plan budget (capped at \$292.7 million assessment collections over 13-year DTPID term spanning October 2016 to September 2029). If, as a result of adding six hotels to the DTPID boundary, the DTPID's collections are expected to exceed the projected DTPID term revenue total, the DTPID would need to apply for an early renewal through a new petition and City Council approval process.

Good Governance Provisions:

Staff is also working with the City Attorney's Office to strengthen contract oversight and financial transparency in the public improvement district management agreements. The Office of Economic Development proposes to amend each PID management contract to increase transparency, accountability, and City oversight, including alignment with the Chapter 12A Code of Ethics amendments adopted by the City Council on December 8, 2021. More information about these proposed "good governance" provisions will be brought to this committee in August as part of the 2023 Service Plan and 2022 Assessment Rate approval process.

Recommendation

Staff recommends City Council's approval on May 11, 2022 to call a public hearing to be held on June 8, 2022. Should you have any questions, please contact Assistant Director Jiroko Rosales, Office of Economic Development, at Jiroko.Rosales@dallascityhall.com.



Majed A. Al-Ghafry, P.E.
Assistant City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizar Tolbert, Deputy City Manager

Jon Fortune, Deputy City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Interim Assistant City Manager
Carl Simpson, Interim Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Knox Street Public Improvement District																				
Service Plan 2023-2032																				
		2023		2024		2025		2026		2027		2028		2029		2030		2031		2032
		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast
INCOME																				
		Net Assessment Revenue ¹	\$	477,228		\$544,040		\$620,205		\$707,034		\$806,019		\$918,862		\$1,047,502		\$1,194,153		\$1,361,334
		Carryover Fund Balance From Previous Year	\$	815,854		\$ 59,198		\$ 2,704		\$ 129		\$ 36,033		\$ 1,413		\$ 3,911		\$ 3,048		\$ 4,797
		TOTAL INCOME & RESERVES	\$	1,293,082		\$603,238		\$622,909		\$707,163		\$842,052		\$920,275		\$1,051,414		\$1,197,201		\$1,366,131
EXPENSES																				
		Capital Improvements ⁽²⁾	\$	807,000	62%	\$150,000	25%	\$150,000	24%	\$175,000	25%	\$320,000	38%	\$370,000	40%	\$ 475,000	45%	\$ 230,635	19%	\$ 50,000
		Public Safety and Security ⁽³⁾	\$	155,020	12%	\$162,771	27%	\$170,910	27%	\$179,455	25%	\$188,428	22%	\$197,850	21%	\$ 207,742	20%	\$ 500,000	42%	\$ 748,734
		Marketing & Promotions ⁽⁴⁾	\$	258,228	20%	\$273,719	45%	\$287,405	46%	\$301,776	43%	\$316,864	38%	\$332,708	36%	\$ 349,343	33%	\$ 445,000	37%	\$ 544,534
		PID Renewal Fee ⁽⁵⁾	\$	-		\$ -														\$ 15,000
		Insurance & Audit	\$	13,135	1%	\$ 13,529	2%	\$ 13,935	2%	\$ 14,353	2%	\$ 14,783	2%	\$ 15,227	2%	\$ 15,683	1%	\$ 16,154	1%	\$ 16,639
		Administrative	\$	500	0%	\$ 515	0%	\$ 530	0%	\$ 546	0%	\$ 563	0%	\$ 580	0%	\$ 597	0%	\$ 615	0%	\$ 633
		TOTAL EXPENSES	\$	1,233,883		\$600,534		\$622,780		\$671,130		\$840,639		\$916,364		\$1,048,366		\$1,192,404		\$1,360,539
		CARRYOVER FUNDS AT YEAR END	\$	59,198	5%	\$ 2,704	0%	\$ 129	0%	\$ 36,033	5%	\$ 1,413	0%	\$ 3,911	0%	\$ 3,048	0%	\$ 4,797	0%	\$ 5,591
		TOTAL EXPENSES AND CARRYOVER FUNDS	\$	1,293,082		\$603,238		\$622,909		\$707,163		\$842,052		\$920,275		\$1,051,414		\$1,197,201		\$1,366,131
<div><div>** The % for each service category is calculated by dividing them by total expenses and carryover funds</div><div>(1) 2023 - 2032 Assessments are based on the maximum assessment rate of \$0.15 per \$100 of taxable value. Net Assessment includes County and City PID Charges. Growth rate assumption year over year is 14% (compared to a historically</div><div>(2) Carryover funds will be used to fund capital improvement projects such as (but not limited to) gateway markers, landcape improvements and maintenance, streetscape improvements and/or in conjunction with Knox Complete Streets and related study costs. The Complete Streets project is projected to occur in 2022-2023. A funding shortfall of approximately \$1.87M will be initially paid by the Knox District Holding Company, LLC, a special purpose entity formed by the Trammell Crow Company. The Knox PID District Board proposes to reimburse the Knox Districting Holding Company, LLC approximately \$1.87M from 2024-2030 Knox PID assessments. This proposed capital improvement expenditure is conditioned upon a vote of Board members (without a conflict of interest) affirming the proposed expenditure.</div><div>(3) Security will be used for (but not limited to) private security patrol, off-duty police, and related security systems equipment and montoring. Steady increase in public safety hours and personnel as the district stabilizes and grows.</div><div>(4) Website, marketing, social media, branding, banners, special events and holiday tree lighting and decor. Increase in scope as more tenants are introduced to the district with the delivery of new mixed use projects.</div><div>(5) Knox PID management corp plans to seek early renewal in order to maintain assessments and on-going expenditures as set forth above.</div></div>																				

Knox Street PID Boundaries

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



Legend

- Knox Street - 2021
- Tax Parcels - 2021

Data Source: City of Dallas, 2021; DCAD, 2021.

- Freeway
- Tollway
- Highway
- Arterial
- Local Streets
- Rail Station
- DART Red Line
- DART Blue Line
- DART Green Line
- DART Orange Line
- Commuter Rail

**LAKE HIGHLANDS PUBLIC IMPROVEMENT DISTRICT
SERVICE PLAN 2023 TO 2032**

			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE												
	Fund Balance from previous year		58,741	58,741	58,741	58,741	58,741	58,741	58,741	58,741	58,741	58,741
*	Net Assessment Revenue		1,169,646	1,403,575	1,684,290	2,021,148	2,425,378	2,910,454	3,492,544	4,191,053	5,029,264	6,035,116
	TOTAL REVENUE		1,228,387	1,462,316	1,743,031	2,079,889	2,484,119	2,969,195	3,551,285	4,249,794	5,088,005	6,093,857
EXPENDITURES												
1	Public Safety	41%	\$477,216	\$572,659	\$687,190	\$824,629	\$989,554	\$1,187,465	\$1,424,958	\$1,709,950	\$2,051,940	\$2,462,328
2	Public Area Improvements	32%	\$374,287	\$449,144	\$538,973	\$646,767	\$776,121	\$931,345	\$1,117,614	\$1,341,137	\$1,609,364	\$1,931,237
3	Capital Improvements	10%	\$116,965	\$140,358	\$168,429	\$202,115	\$242,538	\$291,045	\$349,254	\$419,105	\$502,926	\$603,512
4	Promotion/Marketing/Programing	6%	\$70,179	\$84,215	\$101,057	\$121,269	\$145,523	\$174,627	\$209,553	\$251,463	\$301,756	\$362,107
5	Administration	10%	\$116,965	\$140,358	\$168,429	\$202,115	\$242,538	\$291,045	\$349,254	\$419,105	\$502,926	\$603,512
	Audit	1%	\$8,188	\$9,825	\$11,790	\$14,148	\$16,978	\$20,373	\$24,448	\$29,337	\$35,205	\$42,246
	Insurance	1%	\$5,848	\$7,018	\$8,421	\$10,106	\$12,127	\$14,552	\$17,463	\$20,955	\$25,146	\$30,176
	TOTAL OPERATING EXPENDITURES		1,169,646	1,403,575	1,684,290	2,021,148	2,425,378	2,910,454	3,492,544	4,191,053	5,029,264	6,035,116
FUND BALANCE / RESERVES ⁶			\$ 58,741	\$ 58,741	\$ 58,741	\$ 58,741	\$ 58,741	\$ 58,741	\$ 58,741	\$ 58,741	\$ 58,741	\$ 58,741

* Assumes a 20% increase in property values each year based on the future growth and development of Lake Highlands.

1. Regular security patrols, patrol vehicle leases, safety lighting, crime reduction programs & events, and related expenses.

2. Median upkeep, non-standard ROW improvements, irrigation, Watercrest park & other park improvements, holiday lighting, distinctive lighting, Whitehurst improvements, non standard improvement, holiday lighting, wayfinding, signage, district art and murals, design, construction, aesthetics, graffiti removal and related services

3. Skillman corridor streetscape, gateway signage, Whitehurst Projects, lanscape enhancements, acquisition and installation of public art and any large scale improvements.

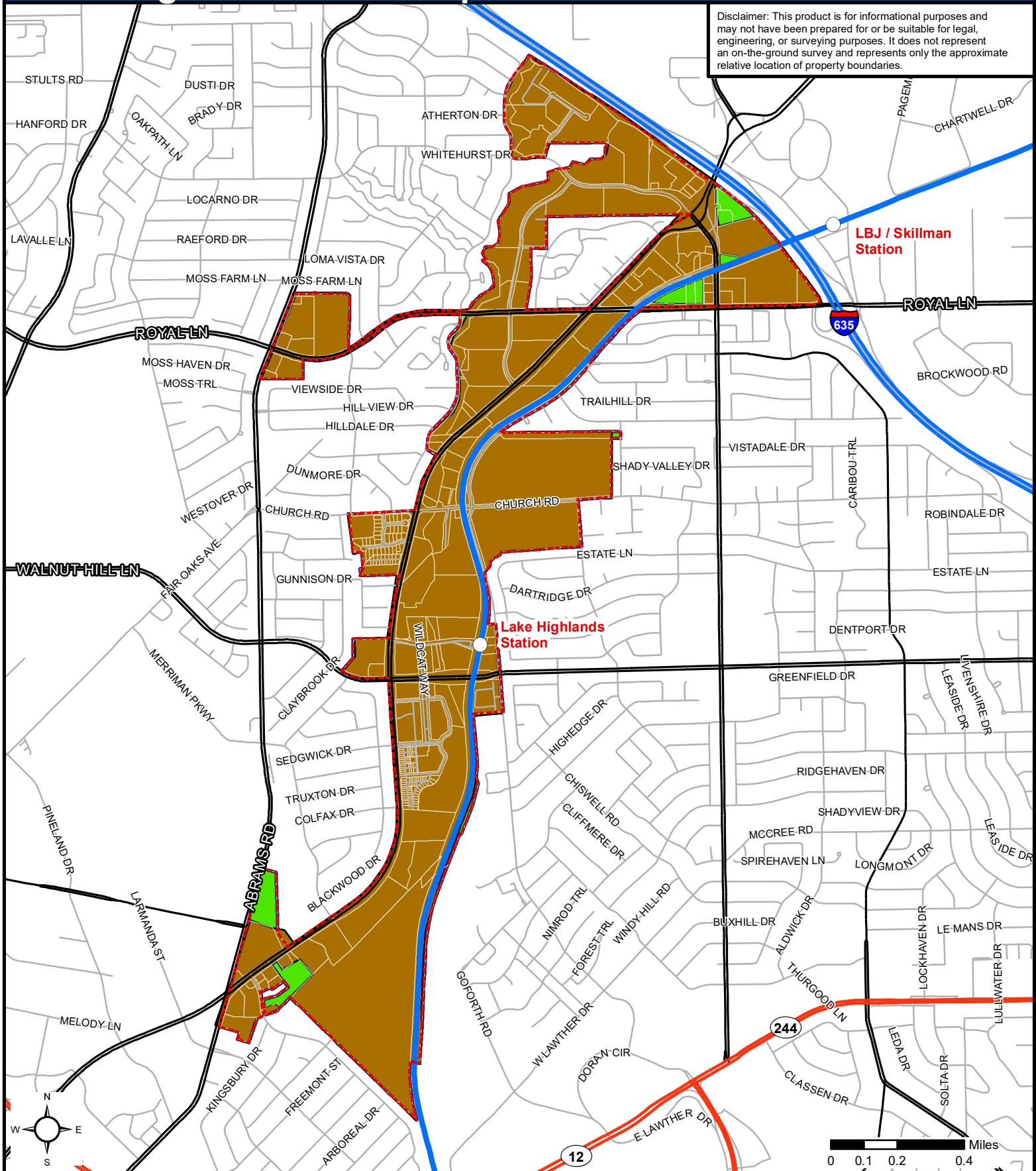
4. Website, marketing, outreach, marketing materials, branding efforts, programming, and business development.

5. Office management expenses, rent, staff and annaul property owner notice mailings.




6. Fund balance from the previous year designated by the Board of Directors for projects that falls within the Capital Improvement and Improvements categories

Lake Highlands Public Improvement District Boundaries







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Legend

-  Lake Highlands PID Existing Boundary
 Lake Highlands PID Proposed Boundary Expansion
 Tax Parcels - 2021

- Freeway
- Tollway
- Highway
- Arterial
- Local Streets

-  Rail Station
-  DART Red Line
-  DART Blue Line
-  DART Green Line
-  DART Orange Line
-  Commuter Rail

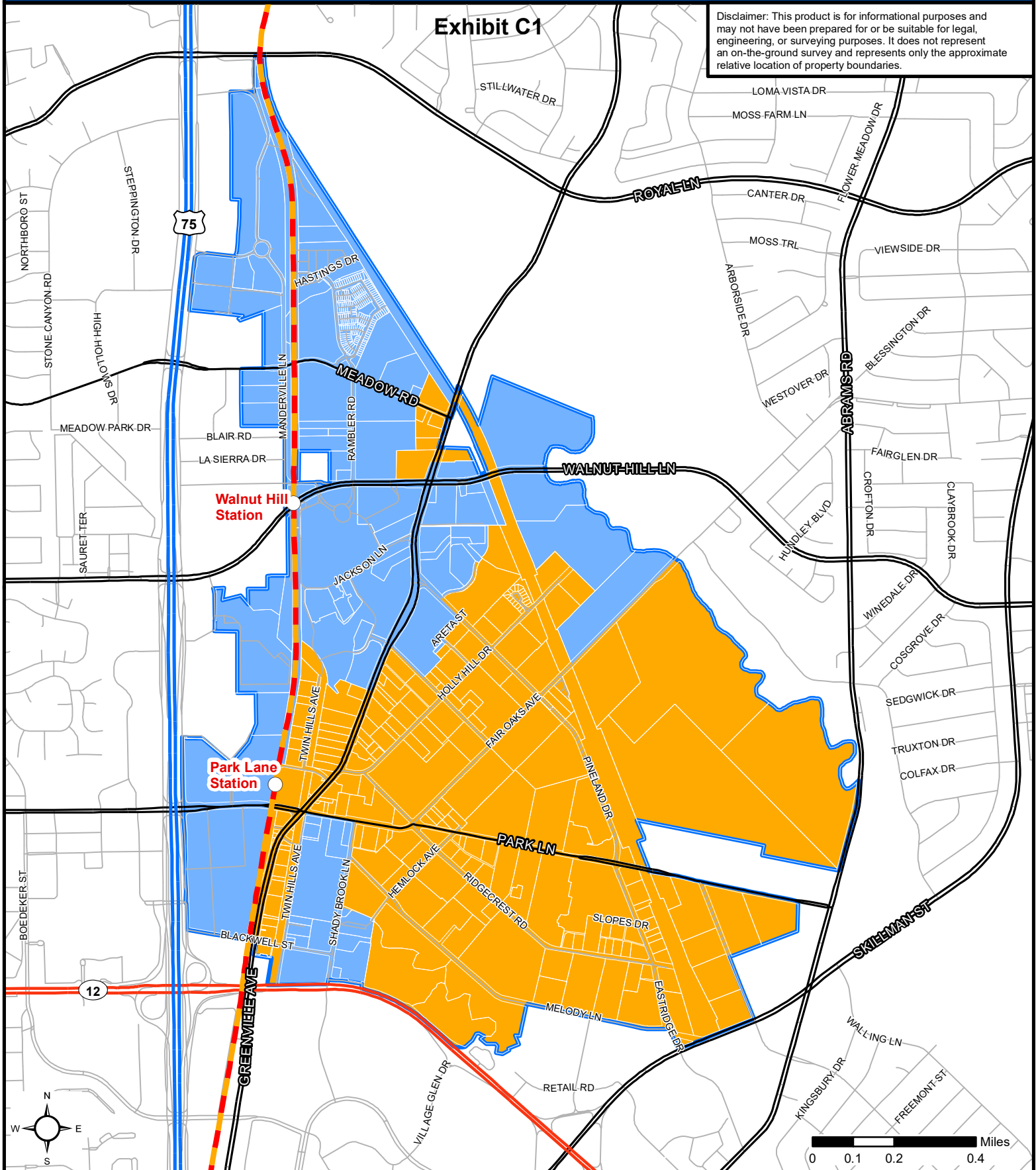
Data Source: City of Dallas, 2021; DCAD, 2021.

MIDTOWN IMPROVEMENT DISTRICT SERVICE PLAN (2023-2032)											
		2023 BUDGET	2024 BUDGET	2025 BUDGET	2026 BUDGET	2027 BUDGET	2028 BUDGET	2029 BUDGET	2030 BUDGET	2031 BUDGET	2032 BUDGET
REVENUES:											
Net Assessment		\$1,978,778	\$2,268,485	\$2,675,645	\$3,144,254	\$3,588,475	\$4,197,798	\$4,853,852	\$5,757,973	\$6,436,022	\$7,194,887
Interest Income		\$3,000	\$3,150	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Surplus Carried Forward		\$292,000	\$145,000	\$3,150	\$4,150	\$4,150	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE		\$2,273,778	\$2,416,635	\$2,679,795	\$3,148,404	\$3,592,625	\$4,197,798	\$4,853,852	\$5,757,973	\$6,436,022	\$7,194,887
DISBURSEMENTS:											
Public Safety & Security ¹	26%	\$554,058	\$589,806	\$668,911	\$754,621	\$825,349	\$923,516	\$1,019,309	\$1,151,595	\$1,222,844	\$1,295,080
Capital Improvements ²	27%	\$565,543	\$621,382	\$561,885	\$660,293	\$757,730	\$923,516	\$1,067,848	\$1,324,334	\$1,415,925	\$1,654,824
Property Standard & Operations ³	20%	\$415,543	\$499,067	\$615,398	\$723,178	\$861,234	\$1,049,449	\$1,213,463	\$1,497,073	\$1,737,726	\$1,870,671
Community Outreach, Cultural Enhancement & Marketing ⁴	14%	\$296,817	\$362,958	\$401,347	\$471,638	\$574,156	\$629,670	\$776,616	\$921,276	\$1,094,124	\$1,223,131
Business Recruitment & Economic Development ⁵	4%	\$79,151	\$90,739	\$133,782	\$157,213	\$179,424	\$209,890	\$194,154	\$230,319	\$257,441	\$287,795
Administrative Expenses ⁶	9%	\$197,878	\$226,848	\$267,564	\$345,868	\$358,848	\$419,780	\$533,924	\$575,797	\$643,602	\$791,438
Insurance & Audit Expenses	1%	\$19,788	\$22,685	\$26,756	\$31,443	\$35,885	\$41,978	\$48,539	\$57,580	\$64,360	\$71,949
TOTAL DISBURSEMENTS		\$2,128,778	\$2,413,485	\$2,675,645	\$3,144,254	\$3,592,625	\$4,197,798	\$4,853,852	\$5,757,973	\$6,436,022	\$7,194,887
ENDING FUND BALANCE		\$145,000	\$3,150	\$4,150	\$4,150	\$0	\$0	\$0	\$0	\$0	\$0
Notes: ¹ Safety and security initiatives, including but not limited to neighborhood safety database, SOPAC Trail & neighborhood security patrols, crime prevention homeless outreach team, public safety programs ² Building and public space improvement including but not limited to, sidewalks, new landscaping enhancements, complete streets programming, low impact development features, net zero initiatives, transportation enhancements, neighborhood planning studies, district identification and wayfinding signage, design & construction services, and other district improvements ³ Litter removal, additional waste services, graffiti mitigation & prevention, paint, sidewalk cleaning, cart pickup, lighting, electrical service, water utilities, seasonal landscape enhancements, SOPAC & Trail/Open Space/Five Points Plaza Management ⁴ Community enrichment activities such as, community events, outreach, recreational programming, youth development activities, seasonal events; Marketing and promotion activities including but not limited to website, advertising, streetlight pole banners, videography and photography, artwork, and newsletter. ⁵ Business recruitment & development to promote the district, data collection, innovation district initiatives, as well as efforts to ease the burden of opening and operating a business ⁶ Office Management & Items Required by PID Contract [*] Assumes average 13% annual increase in property value based on the future growth and development. Carried forward surplus due to ongoing planning and park improvement projects.											

Midtown Improvement District (Formerly Vickery Meadow PID) Boundary Extension

Exhibit C1

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Legend

- Proposed MID Standard Service Area
- Proposed MID Premium Service Area
- Proposed MID Parcels

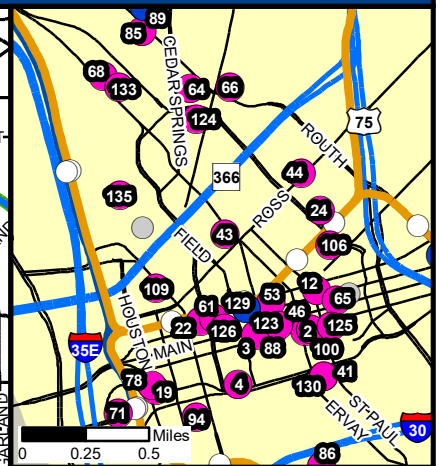
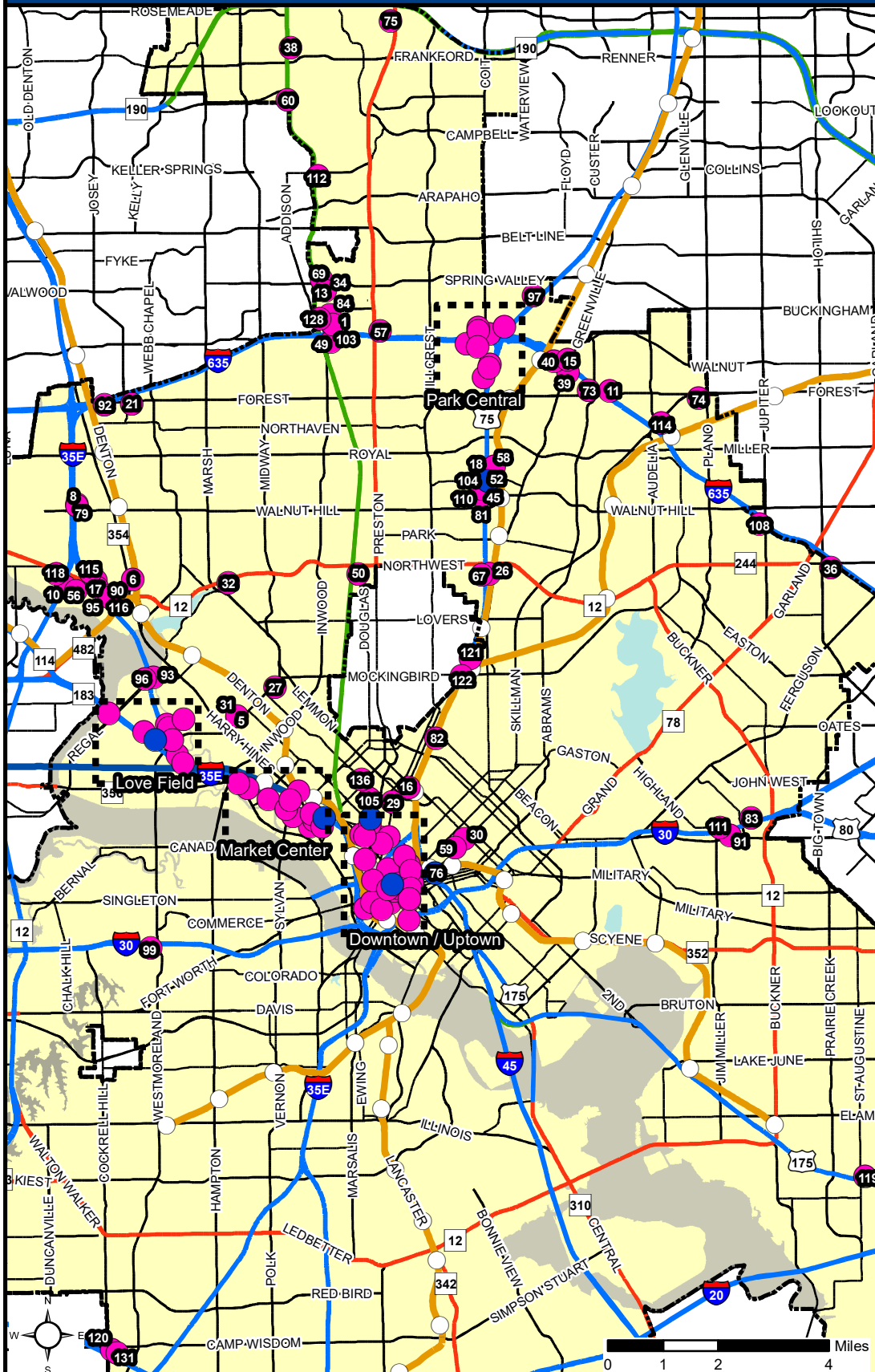
- Freeway
- Tollway
- Highway
- Arterial
- Local Streets

- Rail Station
- DART Red Line
- DART Blue Line
- DART Green Line
- DART Orange Line
- Commuter Rail

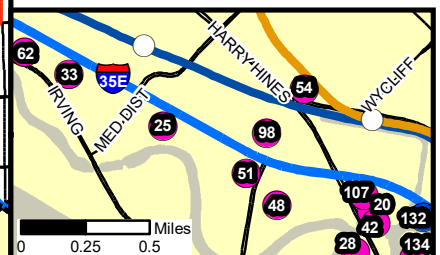
Exhibit D
Tourism PID
Proposed Additional Hotels over 100 Rooms to the DTPID Boundary Expansion

No	Hotel_Name	ST_NUMBER	ST_NAME	DCAD_Acc_N	TotalVal	PARCEL_ARE
52	Hilton Garden Inn Dallas-Central Expy/North Park Area	10350	N CENTRAL EXPY	007292000B0030000	\$9,533,020	67,041
55	Holiday Inn Express & Suites Dallas Market Ctr - Love Field	7800	JOHN W CARPENTER FWY	00000778423000000	\$4,901,870	72,990
76	Kimpton Pittman Hotel	2550	PACIFIC AVE	000280000A0020100	\$12,830,720	49,519
89	Marriott Dallas Uptown	3031	FAIRMOUNT ST	000944000904A0000	\$57,642,200	24,696
129	Thompson Hotels Dallas	1401	ELM ST	00000100441000000	\$138,210,000	80,899
132	Tru by Hilton Dallas Market Center	1949	N STEMMONS FWY	00000137743000000	\$9,200,000	63,889

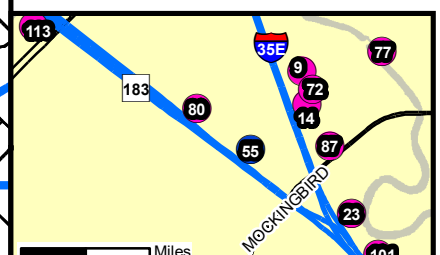
Exhibit D-1 - Tourism PID Hotels



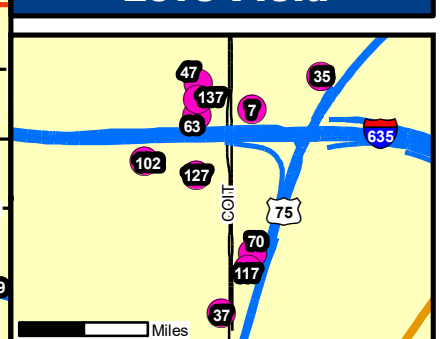
Downtown / Uptown



Market Center



Love Field



Park Central

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Legend

- Current - FY22 Tourism PID Hotel
- New - FY22 Tourism PID Hotel
- Rail Station
- Future Station
- DART Light Rail
- Commuter Rail
- ⋯ Future DART Light Rail
- Freeway
- Tollway
- Highway
- Arterial
- Escarpment
- Flood Plain
- Lake
- City of Dallas



City of Dallas

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

Agenda Information Sheet

File #: 22-820

Item #: F.

Deliberate the offer of a financial or other incentive to a business prospect ("Project X") that the City seeks to locate/relocate within the City and with which the city is conducting economic development negotiations (Sec. 551.087 T.O.M.A.)