

RECEIVED

2022 SEP -2 PM 1: 47

CITY SECRETARY
DALLAS, TEXAS

City of Dallas

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

Public Notice

220825

POSTED CITY SECRETARY
DALLAS, TX



Economic Development Committee

September 6, 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.)

2022 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
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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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(C) – Chair, (VC) – Vice Chair

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<https://dallascityhall.webex.com/dallascityhall/j.php?MTID=m668c8e11883df9c37510c33b8d6b66d2>

Call to Order

MINUTES

1. [22-1860](#) Approval of Minutes of the August 1, 2022 City Council Meeting Economic Development Committee

Attachments: [Minutes](#)

BRIEFING ITEMS

- A. [22-1247](#) Authorize a tax increment financing (TIF) development agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,100,000 payable from TOD TIF District funds, and a Chapter 380 economic development grant agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,050,000 (\$250,000 payable from Equity Revitalization Capital funds and \$1,800,000 payable from 2012 General Obligation Bond funds) in accordance with the City's Public/Private Partnership Program, in consideration of the Longhorn Ballroom Redevelopment Project ("Project") currently addressed as 200 Corinth Street and 2202-2222 Riverfront Boulevard in the Cedars West Sub-District of the TOD TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]

Attachments: [Presentation](#)

BRIEFING MEMORANDUMS

- B. [22-1859](#) Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis Garden TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]

Attachments: [Memorandum](#)

- C. [22-1610](#) Authorize amendment and assignment of incentive agreement to permit the developer's sale of 3540 Simpson Stuart Road (Save-U-More food store)
[Heather Lepeska, Interim Assistant Director, Office of Economic Development]

Attachments: [Memorandum](#)

- D. [22-1947](#) Authorize amendment of Southern Dallas Investment Fund (SDIF) Program Statement
[Joyce Williams, Director, Small Business Center]

Attachments: [Memorandum](#)

- E. [22-1977](#) Upcoming Agenda Item: Amendments to support the Oaklawn Place Project in the Maple/Mockingbird TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]

Attachments: [Memorandum](#)

EXECUTIVE SESSION

- F. [22-1950](#) 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.) and seek advice of its attorney (Sec. 551.071 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 #: 22-1860

Item #: 1.

Approval of Minutes of the August 1, 2022 City Council Meeting Economic Development Committee

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, AUGUST 1, 2022

22-0013

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

PRESENT: [7] Atkins, Arnold, *McGough, Narvaez (**1:04), *Resendez, West, Willis

ABSENT: [0]

The meeting was called to order at 1:01 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 2:48 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, AUGUST 1, 2022

EXHIBIT A

RECEIVED

2022 JUL 29 AM 11:16

**CITY SECRETARY
DALLAS, TEXAS**

City of Dallas

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

Public Notice

220701

POSTED **CITY SECRETARY
DALLAS, TX**



Economic Development Committee

August 1, 2022

1:00 PM

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Call to Order

MINUTES

1. [22-1534](#) Approval of Minutes of the June 6, 2022 City Council Meeting Economic Development Committee

Attachments: [Minutes](#)

BRIEFING ITEMS

- A. [22-1529](#) Department of Development Services Updates
[Andrew Espinoza, Director/Chief Building Official, Development Services]

Attachments: [Presentation](#)

BRIEFING MEMORANDUMS

- B. [22-1249](#) Slate of Candidates for the City of Dallas Economic Development Corporation Board of Directors
[Jennifer Todd-Goynes, Senior Consultant, TIP Strategies, Inc., and Robin Bentley, Director, Office of Economic Development]

Attachments: [Memo](#)

- C. [22-1532](#) Upcoming Public Improvement District (PID) Agenda Items: (1) August 10, 2022 Call for Public Hearing for PIDs to Set Annual Assessment Rates for 2022 and Adopt 2023 Service Plans; (2)(a) August 24, 2022 Public Hearing to amend 2022 Service Plans for four PIDs; (b) adopt 2022 Annual Assessment Rates and (c) Adopt 2023 Service Plans; and (3) September 14, 2022 PID Policy and Management Contract Amendments
[Jiroko Rosales, Assistant Director, Office of Economic Development]

Attachments: [Memo](#)

- D. [22-1609](#) Update on Requests for Proposals (RFPs) for Transit-Oriented Development (TOD) Proposals on DART-owned properties
[Kevin Spath, Assistant Director, Office of Economic Development]

Attachments: [Memo](#)

- E. [22-1695](#) South Dallas Opportunity Fund Update
[Joyce Williams, Director, Small Business Center]

Attachments: [Memo](#)

- F. [22-1708](#) Priorities for 88th Texas Legislative Session
[Robin Bentley, Director, Office of Economic Development]

Attachments: [Memo](#)

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MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, AUGUST 1, 2022

EXHIBIT B

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

AUGUST 1, 2022

Item 1: Approval of Minutes of the June 6, 2022 City Council Meeting Economic
Development Committee

Councilmember West moved to adopt the minutes as presented.

Motion seconded by Mayor Pro Tem Arnold and unanimously adopted. (Narvaez absent when
vote taken)

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

AUGUST 1, 2022

BRIEFING ITEMS

Item A: Department of Development Services Updates

The following individual briefed the committee on the item:

- Andrew Espinoza, Director/Chief Building Official, Development Services

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

AUGUST 1, 2022

BRIEFING MEMORANDUMS

- Item B: Slate of Candidates for the City of Dallas Economic Development Corporation Board of Directors
- Item C: Upcoming Public Improvement District (PID) Agenda Items: (1) August 10, 2022 Call for Public Hearing for PIDs to Set Annual Assessment Rates for 2022 and Adopt 2023 Service Plans; (2)(a) August 24, 2022 Public Hearing to amend 2022 Service Plans for four PIDs; (b) adopt 2022 Annual Assessment Rates and (c) Adopt 2023 Service Plans; and (3) September 14, 2022 PID Policy and Management Contract Amendments
- Item D: Update on Requests for Proposals (RFPs) for Transit-Oriented Development (TOD) Proposals on DART-owned properties
- Item E: South Dallas Opportunity Fund Update
- Item F: Priorities for 88th Texas Legislative Session

The committee discussed the items.

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, AUGUST 1, 2022

EXHIBIT C



City of Dallas

Department of Development Services Updates

**Economic Development
Committee
August 1, 2022**

Andrew Espinoza, Director/Chief Building Official
Development Services
City of Dallas

Presentation Overview



- Technology
- Residential Permit Metrics
- Performance Goals
- Recruitment and Onboarding
- Communication and Marketing
- Next Steps



- Completed the design, review, and testing of the updated plan review software
- Shift to Training Implementation
- 15 Trouble Tickets were reported from May 1 to June 10, and issues are normally addressed within a day
- Few minor issues since June and will continue to monitor

Technology



- Webinars held on July 12 and 13 were attended by 95 community participants
- Sessions outlined new features and improvements
- City Staff training began in early July and concludes on July 29
 - 145 individuals are included in the in-person program



Technology



- August 4 taking the system offline
- Go Live August 8 platform reactivated
- Paper plan submissions will be accepted
- Developer and Community Applicant Training will continue Saturday, August 13 and continues each Saturday ending September 10
- Development Services Training Center, 400 S. Zang Blvd



- Help Desk – Subject matter expert staff members have been identified and assist customers with questions associated with the new software enhancements
- Internal and External training will be used to establish future training sessions for the new and existing users
- Finalize program by September 21

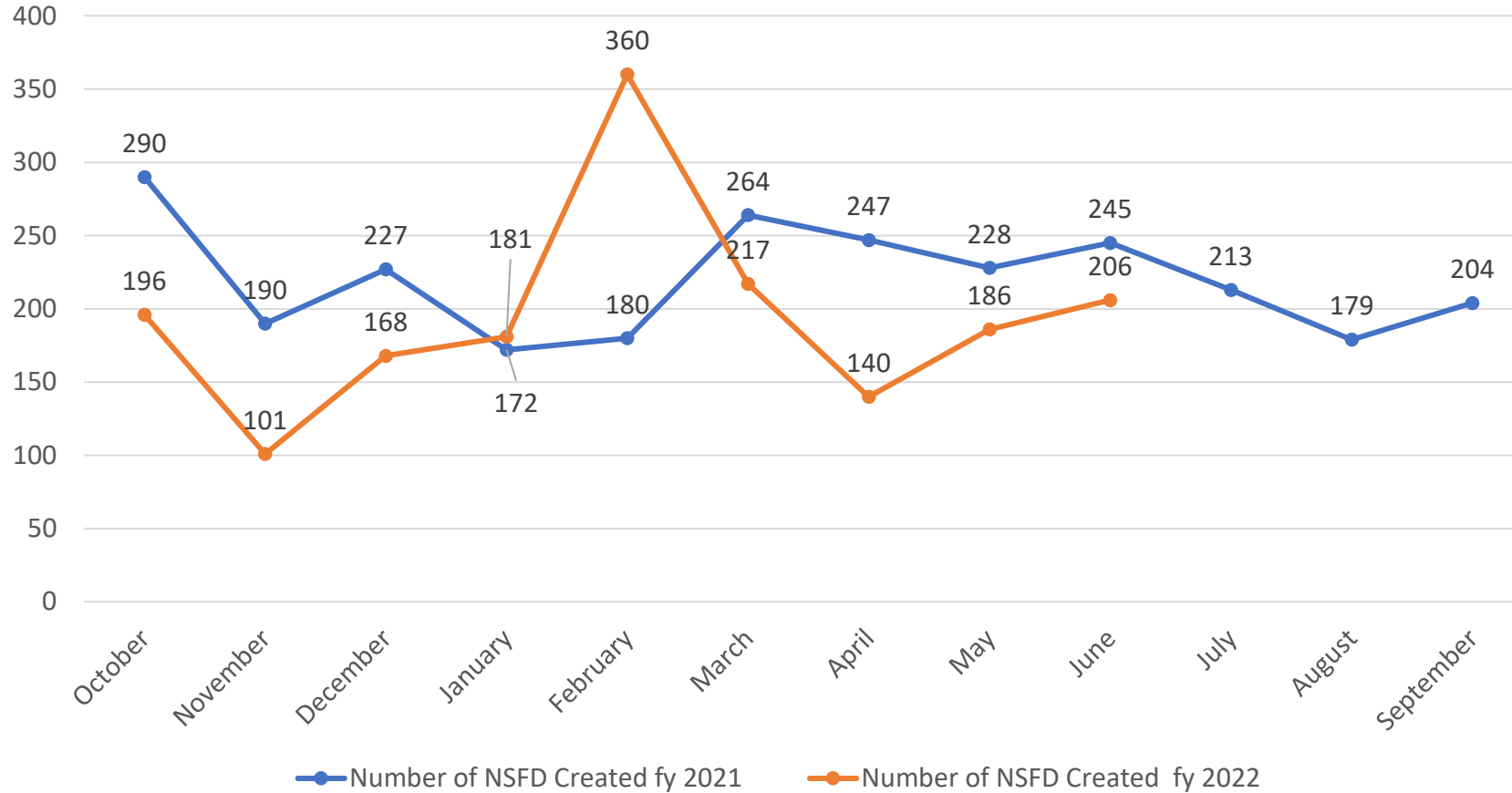
- Consultant reviewing and evaluating the current Statement of Work (SOW)
- That process has identified components of the SOW which need clarification
- Consultant held an in-person orientation meeting on June 23rd with DSD Staff to review the current status and future activities required to finalize the SOW

- Meetings are held to the City's business processes to match the program in the SOW and proposal
- The Department Staff is refining the strategy and procurement process with ITS/Procurement Department with a goal of completing negotiations by October 2022

Residential Permit Volume



New Single Family Permits Created



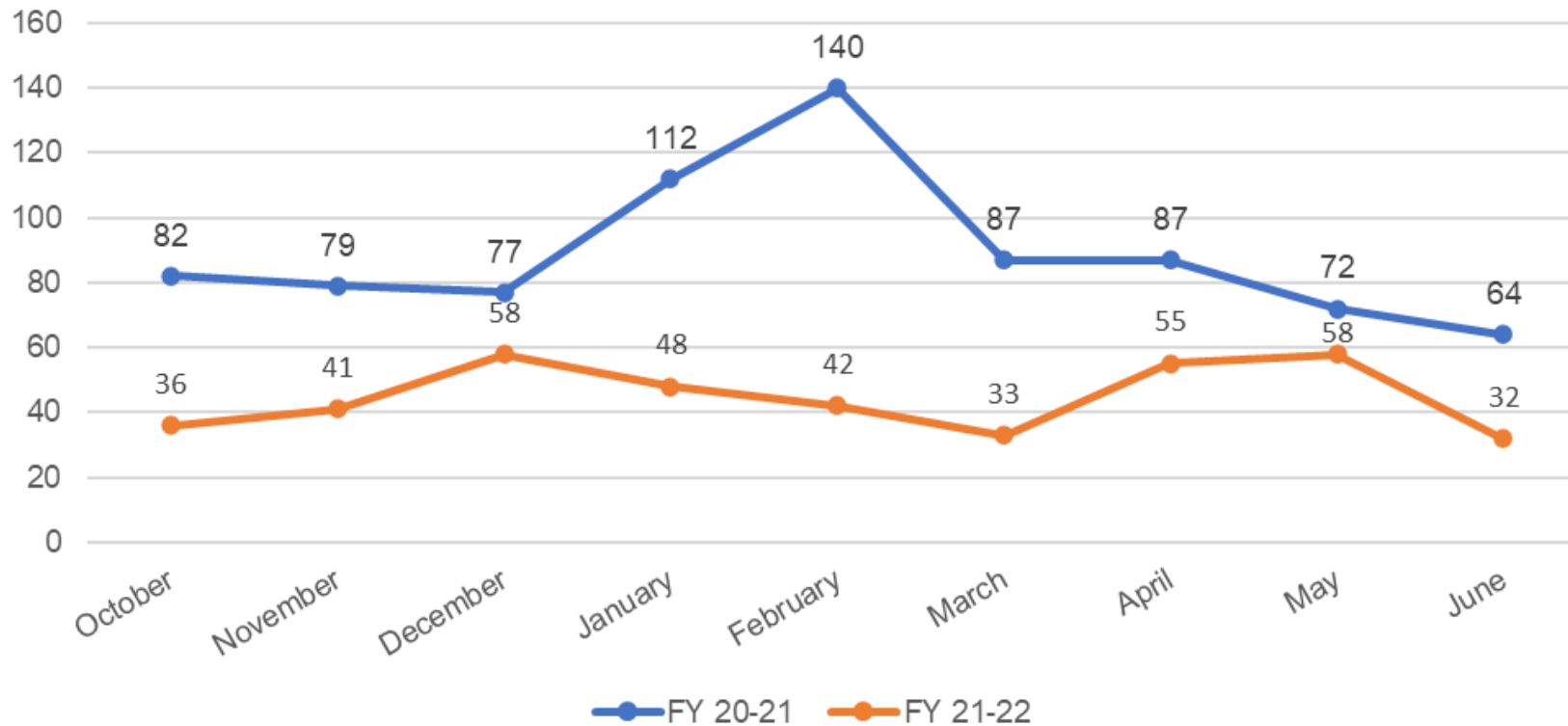
Number of residential single-family permits issued increased from 186 in previous month to 206 which represents an 11% increase



Residential Permit Average Turnaround



Residential Permits - Average Days to Issue
YTD Comparison



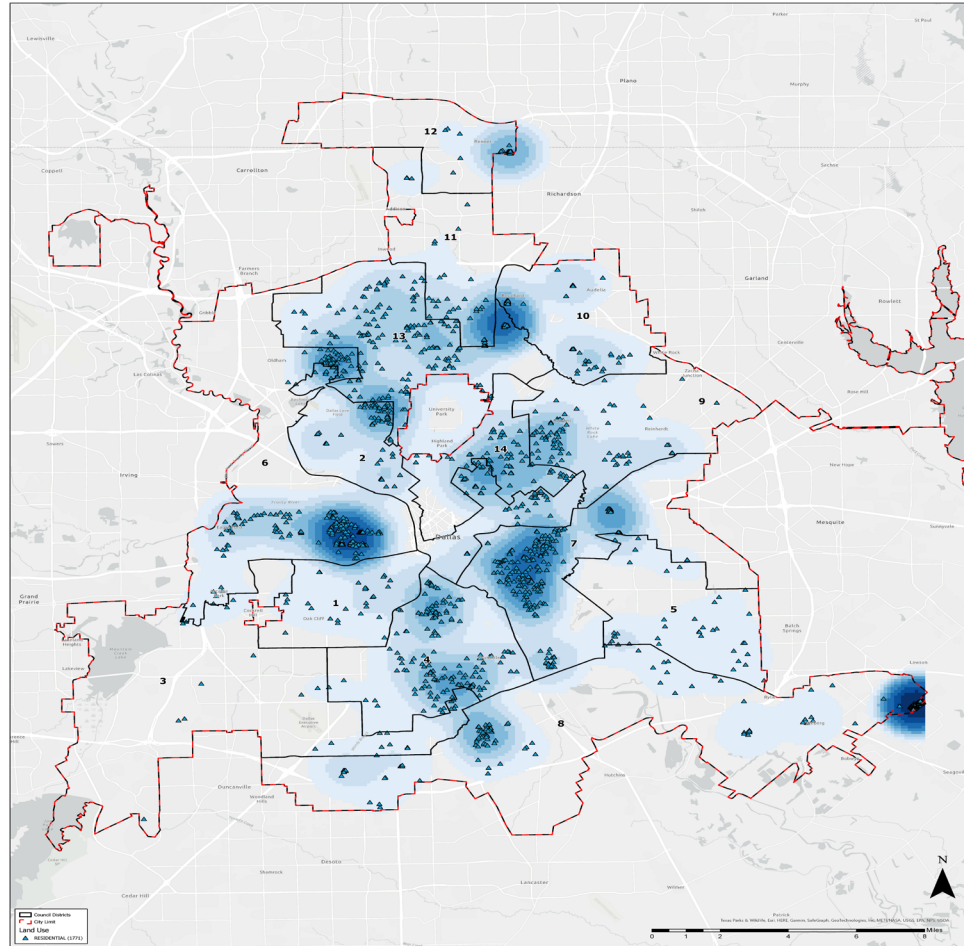
Number of days decreased from 58 days from previous month to 32 days which represents a 55% decrease in turnaround times



New Construction Permit Activities YTD Map

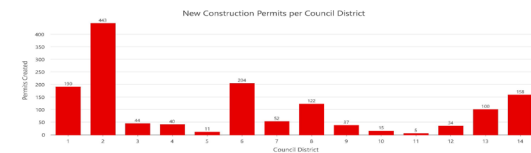
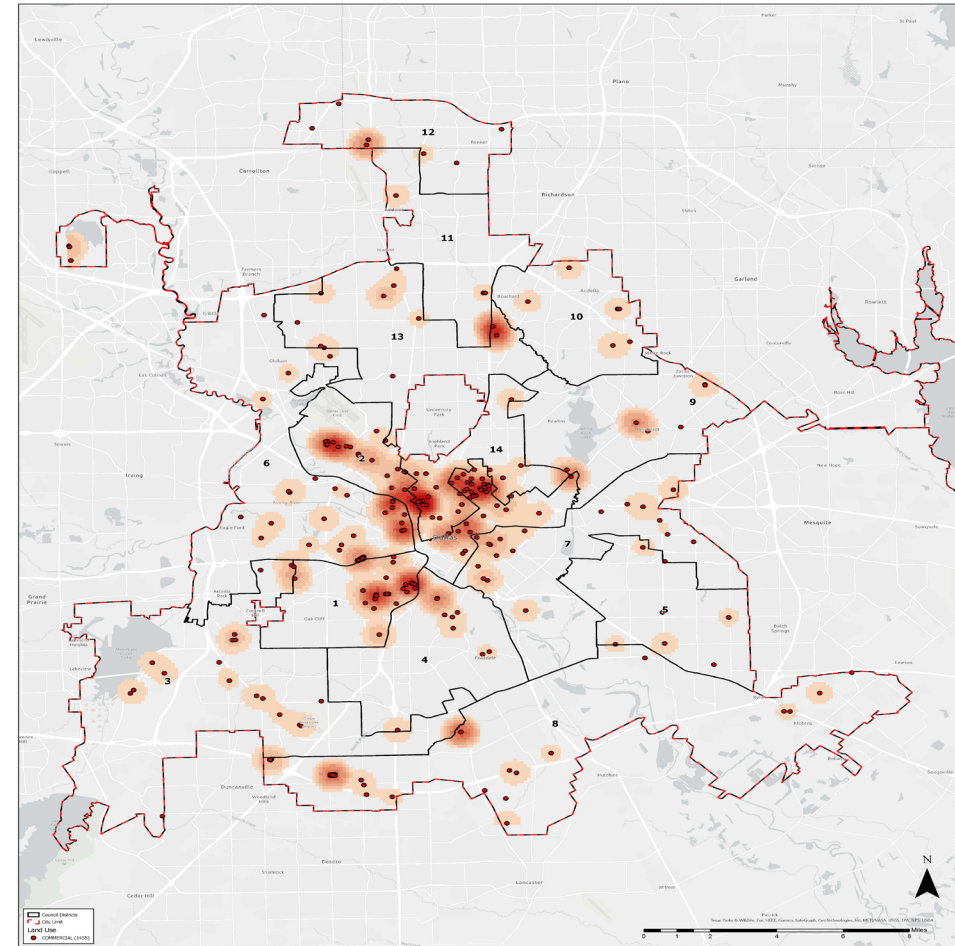


CITY OF DALLAS DEVELOPMENT SERVICES
Year-To-Date Residential New Construction Permits
Created October 1, 2021 - June 13, 2022



Prepared By:
City of Dallas Development Services, GIS Division
Source:
City of Dallas Development Services
Printed Date:
7/13/2022

CITY OF DALLAS DEVELOPMENT SERVICES
Year-To-Date Commercial New Construction Permits
Created October 1, 2021 - June 13, 2022



Prepared By:
City of Dallas Development Services, GIS Division
Source:
City of Dallas Development Services
Printed Date:
7/13/2022



Residential Permits



- RSVP Program
 - New Single-Family Projects and appointment based
- Remodel/Addition Workflow Process
- Affordable Housing Team
- Residential First Service Bulletins & Process workflow marketing materials
- Third Party Plan Review



Performance Goals



Residential Permitting Performance Metrics (Initial Review)

Process	Current	Proposed Goal
Prescreen	7 Days	1 Day/initial review
New Single-Family Residence	6 Weeks	15 Days
Single Family Additions/Remodels (Single Story less than 1,000 square feet)	6 Weeks	3 Days
New Single-Family Resubmittals	N/A	7 Days



Recruitment and Onboarding



- 41 critical positions identified filled
- 39 additional positions were added
- Created positions titles for multi-discipline "Combination" Inspector and Plans Examiner
- Currently implementing a Hiring and Talent Acquisition Team
 - One Supervisor
 - Two Administrative Specialists
 - Three Senior Office Assistants



Recruitment and Onboarding



- Incentive Pay Program
 - Provides financial incentives for acquiring certifications beyond minimum requirements
 - Additional \$150 per certification up to \$450/month (Max \$5,400/year)
 - Submitted to Human Resources July 2022 for review and approval
- 15 additional positions added to critical teams
- Compensation study draft was received on July 27, 2022



Recruitment and Onboarding



- Implementing Affordable Housing Team
- Expanding Meet and Greet Onboarding process training
 - DSD Academy
- Developing new hiring process to address department vacancy rate
- Add second Q-Team



Recruitment and Onboarding



- 320 E Jefferson, Oak Cliff Municipal Center
 - Poor layout/floor plan/not customer friendly
 - DSD to purchase and design a “One-Stop”
 - Economic Development, Housing, Water and other City and development partners
 - Conducting due diligence on potential purchase





- Monthly Newsletter
 - 34% increase in subscribers in the last 30 days
- Monthly Permit Activity Reports
 - Implemented May 2022
 - Permit Maps
 - Permit information for each permit application received
- Customer Service Feedback Survey
 - Implemented June 2022 received 63 surveys received
 - 95% satisfaction rate





- Constant Contact
 - 215 subscribers since May 2022
- Social Media – Increased social media activity has led to more community engagement
 - 0 engagement 90 days ago
 - In the last 28 days:
 - 62 new Facebook followers
 - 17,320 impressions (Prior average was ~240)
 - 1,623 post engagements (reactions, shares, and comments)





Engagement and Outreach (May-July)

- Dallas Builders Association
- Asian American Contractors and Professionals Association
- Regional Hispanic Contractors Association
- American Institute of Architects Dallas





Upcoming

- Downtown Dallas, Inc (DDI) Board of Governors Meeting
- Development Advisory Committee
- Code Amendment Advisory Committee
- Conceptual Development Restaurant Advisory Group
- Neighborhood Community Meetings



Next Steps



Strategic Programs & Initiatives

- RSVP Rapid Single-Family VIP/Minor Permit Program (August 2022)
- Partial Permit Issuance (August 2022)
- Residential Master Plan (August 2022)
- Pop Up Permit Saturday (Continuous)
- Plan Review Software Update Completion (September 2022)
- DSD Internal Talent Acquisition Team (October 2022)
- Complete Scope of Work for New Permitting Software (September 2022)





City of Dallas

Department of Development Services Updates

**Economic Development
Committee
August 1, 2022**

Andrew Espinoza, Director/Chief Building Official
Development Services
City of Dallas

Memorandum



CITY OF DALLAS

DATE August 1, 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 **Slate of Candidates for the City of Dallas Economic Development Corporation Board of Directors**

On May 2, 2021, City Council adopted recommendations to create a new economic development corporation to support and enhance the work of the City of Dallas Office of Economic Development. The purpose of the City of Dallas Economic Development Corporation (EDC) is to support business development and serve as a public developer on behalf of the City of Dallas. A 15-member Board of Directors will oversee the EDC.

Candidates for the Board of Directors were identified through a public outreach and application process, which began on March 11, 2022 and continued through April 30, 2022. The outreach and communications strategy included the following tactics during the nomination process to solicit applications: press releases, council memos, social media marketing, network referrals, and direct outreach to individuals and Chambers of Commerce.

More than 450 people interacted with the online form, and 120 completed online applications were received. TIP Strategies created candidate packets from the completed applications, which were shared with the Nominating Committee comprised of the Mayor, City Manager, Chair of the Economic Development Committee, and two representatives from the Economic Development Policy Task Force, Cullum Clark and Hilda Galvan. The nominating committee carefully considered all applicants and identified a strong slate of candidates for the Board of Directors, which will be considered at the August 10, 2022 City Council meeting.

The Directors initially will be responsible for:

- Hiring and supporting the EDC's Chief Executive Officer
- Providing guidance, oversight, and support to the EDC, including:
 - Participation in strategic planning activities and fundraising efforts
 - Prioritization and monitoring of programs and services
- Assisting the EDC with activities such as:
 - Financing strategies to support specific projects
 - Marketing Dallas to industries, businesses, and site selectors
 - Using professional networks and skillsets to help business and real estate deals

DATE August 1, 2022

SUBJECT **Slate of Candidates for the City of Dallas Economic Development Corporation Board of Directors**

Initial Directors will serve an initial term of two-, three-, or four years (as determined by random selection and established at the first Board meeting) and are eligible for reappointment to one or more three-year terms. No Director may serve for more than eight consecutive years. Directors do not receive a salary or compensation for their services but are entitled to reimbursement for reasonable expenses incurred during official duties as a Director. The City of Dallas has conducted a background check on all candidates.

Selected Candidates for the EDC Board of Directors are listed below; brief biographies are included at the end of this memo:

- Alan Dorantes, Senior Corporate Counsel, T-Mobile USA Inc.
- Ardo Fuentes, Senior Vice President, Investments, Stifel
- Chris Bradshaw, Business Services Support Directors, Goldman Sachs 10,000 Small Businesses
- Christopher Durovich, President & Chief Executive Officer, Children's Health
- Cynthia Figueroa, Managing Attorney, The Figueroa Law Group, PLLC
- Dania Duncan Moreno, Partner, Bell Nunnally & Martin LLP
- Gilbert Gerst, Senior Vice President & Corporate Manager of Community Development Banking, BOK Financial Corporation
- Holly Reed, Current Principal & Advocacy Practice Leader, Ryan, LLC
- Jimmy Tran, Owner & Area Developer, Code Ninjas
- John Stephens, General Partner, MJ Lupton Partners LP
- Johnnie King, President, KG Concessions DFW, LP
- Kim Noltemy, President & CEO, Dallas Symphony Association
- Linda McMahon, President & CEO, The Real Estate Council
- Michon Fulgham, CRA Director, Community Development Lending, Inwood National Bank
- Walter "Alan" Walne, Chairman of the Board & CEO, Bottom Line Consultants, Inc.

The selected candidates reflect a diversity of backgrounds and areas of expertise as detailed below:

Race/Ethnicity	Percentage of Selected Candidates
Asian	6.7%
Black or African American	20.0%
Hispanic	26.7%
White	46.7%

DATE August 1, 2022

SUBJECT **Slate of Candidates for the City of Dallas Economic Development Corporation Board of Directors**

Gender	Percentage of Selected Candidates
Female	46.7%
Male	53.3%

Industry	Percentage of Selected Candidates with Significant Experience in this Industry*
Business Consulting	14%
Education/Training	19%
Finance/Banking	24%
Healthcare	5%
Legal	10%
Nonprofit	10%
Real Estate/Construction	14%
Telecommunications	5%

** Note: The areas of expertise represent the current professional role of each nominee, and does not mention other expertise or other industry roles/experience, all of which are beneficial to the EDC and City of Dallas.*

Should you have any questions, please contact Robin Bentley, Director, Office of Economic Development at 214-671-9942 or by email at robin.bentley@dallas.gov.



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

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

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

DATE August 1, 2022
SUBJECT **Slate of Candidates for the City of Dallas Economic Development Corporation Board of Directors**

Summary of Candidate Biographies

Alan Dorantes

Alan Dorantes is currently a Senior Corporate Council at T-Mobile USA. Prior to his position at T-Mobile, Mr. Dorantes served as Chief of Staff/General Counsel for Feeding America, the nation's largest hunger relief organization. In this newly created role, he served as a critical partner to the CEO and the executive office, playing a connective role with both internal and external stakeholders helping to build strong relationships and ensure effective communication. Mr. Dorantes is responsible for overseeing Feeding America's legal affairs as well as board development and governance. Prior to joining Feeding America, he was an Assistant Vice President, Senior Legal Counsel of Human Resources at AT&T. Mr. Dorantes has championed diversity as a member of the Dallas Hispanic Law Foundation and is a member of the Institute for Inclusion in the Legal Profession. He is active with several additional community organizations as a member and board member.

Ardo Fuentes

Ardo Fuentes is the Senior Vice President of Investments at Stifel. He has served in various roles at Bank of America Merrill Lynch in New York City and Robert Stephens in San Francisco. Mr. Fuentes works to help individuals and family offices manage their financial needs, and helps businesses coordinate their exit strategies with their overall wealth management objectives and pursue profitability improvement. During his tenure in New York, he was Vice President in Global Corporate and Investment Banking, working as an Investment-Grade Debt Analyst. He is a board member Dallas CASA and a member of the advisory board of E-LEAD at UTEP's college of engineering; Mr. Fuentes previously served on the board of Uplift Education.

Chris Bradshaw

Chris Bradshaw is the Business Services Support Director for Goldman Sachs 10,000 Small Businesses at Dallas College. Ms. Bradshaw has had a successful career in business development and business launches and is skilled at turning data into narratives to drive action. In her current role she oversees day-to-day operations of the Goldman Sachs 10,000 Small Businesses team to include recruitment, alumni engagement, partner management, and program delivery. She is a member of the Hispanic Women's Network of Texas and is active in several mentoring, education, and support organizations.

DATE

SUBJECT

August 1, 2022

Slate of Candidates for the City of Dallas Economic Development Corporation Board of Directors

Christopher Durovich

Chris Durovich is the President and Chief Executive Officer of Children's Health and has more than 30 years of leadership experience in health care and physician practice management. Since 2003, Mr. Durovich has guided Children's Health to be one of the largest pediatric health care systems in the nation, serving 300,000 children each year. Prior to joining Children's Health, he served in leadership roles at The University of Texas MD Anderson Cancer Center, Baylor College of Medicine, the University of Michigan Health System, and Northwestern Medical Faculty Foundation. He is board member and executive committee member of Dallas Medical Resource. Mr. Durovich also serves on the boards of several organizations in the public, private, nonprofit, and academic sectors.

Cynthia Figueroa

Cynthia Figueroa is a Managing Attorney with The Figueroa Law Group, PLLC. She is an experienced attorney, acting in a general counsel role for private sector business and public sector clients, and has worked at the intersection of public and private sectors, helping both to succeed. Ms. Figueroa has experience with financial and bond counsel, has served as an elected official with Dallas County. In that capacity she ran an office of over 250 employees with over two million constituents in more than 30 cities. She has served on several boards in the private, nonprofit, and academic sectors.

Dania Duncan Moreno

Dania Duncan Moreno is a Partner with Bell Nunnally, LLC. She focuses her practice in both domestic and cross-border corporate and real estate transactions, representing international and US companies in the acquisition, disposition, leasing, and development of real estate properties for hospitality, retail, industrial, and residential projects throughout Texas, Mexico, and Latin America. She advises clients in connection with mergers and acquisitions, dispositions, joint ventures, and financing transactions in a broad range of industries. Ms. Duncan Moreno is actively involved with several legal associations, has published several articles, and has been recognized for her work in the legal profession.

Gilbert Gerst

Gilbert Gerst is a Senior Vice President and Corporate Manager of Community Development Banking at BOK Financial Corporation responsible for community development lending activity. He has over 35 years of experience in the financial services industry with expertise in community development lending and investment, economic development, small business financing, affordable housing, and workforce development. Mr. Gerst has also been a Vice President with Chase Bank's Community Development Real Estate Group and served on the board of many local organizations.

DATE August 1, 2022
SUBJECT **Slate of Candidates for the City of Dallas Economic Development Corporation Board of Directors**

Holly Reed

Holly Reed is a Principal and Advisory Practice Leader at Ryan, LLC where she works with internal tax experts to ensure that companies pay the taxes they owe. Prior to this position she worked for 25 years at Southwestern Bell/SBC/AT&T in a variety of capacities, spending most of her tenure focused on state and local initiatives that supported a healthy community environment to deploy capital. She was also employed as a Managing Director at the Texas Bullet Train where she was in charge of coalition building, government affairs, communication, media relations, and began working with minority business, small business, rural businesses, and workforce development. Ms. Reed has served in numerous leadership positions and on the board of organizations at the national, state, and local levels.

Jimmy Tran

Jimmy J. Tran is a business owner, nonprofit volunteer, board member, and civic leader. He founded Oak Lawn Group LLC in 2010, which is a real estate investment firm that makes both direct and indirect investments primarily focused on real estate and other income-producing assets. Mr. Tran is also the Owner of Code Ninjas Dallas, a computer coding program where kids learn coding by creating games and is also a League Commissioner for XP League Dallas, an esports league for elementary and middle school aged kids. Prior to becoming a small business owner and entrepreneur, Mr. Tran led Corporate Strategy and Mergers & Acquisitions activity for a \$10 billion+ business segment within CBRE, the world's largest commercial real estate services company. Prior to CBRE, he worked as a management consultant for Bain & Company in Dallas, Hong Kong and Singapore.

John Stephens

John Stephens currently serves as the General Partner of MJ Lupton Partners, a closely held fund investing in real estate, technology startups, and diversified equities. He is the former Senior Executive Vice President and Chief Financial Officer of ATT where he was responsible for financial planning, corporate development, accounting, tax, auditing, treasury, investor relations, and corporate real estate. Mr. Stephens served as ATT's CFO from June 2011 until his retirement in March 2021. He has extensive experience serving on the boards of private companies, foundations, chambers, and other organizations.

Johnnie King

Johnnie King has owned and operated several businesses in multiple industries for more than thirty years. He is currently the President of KG Concessions DFW, LP and is responsible for managing several restaurants in addition to negotiating operational contracts. Prior to this experience, Mr. King formed The King Group, Inc, an award-winning advertising and public relations firm.

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SUBJECT **Slate of Candidates for the City of Dallas Economic Development Corporation Board of Directors**

Kim Noltemy

Kim Noltemy is the President & CEO of the Dallas Symphony Association. Since Ms. Noltemy's arrival, the Dallas Symphony Orchestra (DSO) has embarked on bold, new strategic plan and has implemented numerous new initiatives that will have a long-term impact on the landscape of classical music in Dallas and the entire industry. Recognizing the need of systemic change in the classical music community, she recently introduced a comprehensive plan and commitment to equity, diversity, and inclusion at the DSO. Ms. Noltemy currently serves on the boards of several organizations.

Linda McMahon

Linda McMahon is the President & CEO of The Real Estate Council (TREC). TREC is the largest and most influential commercial real estate organization in the State of Texas with over 2,000 members and 675 member companies. Ms. McMahon knows both commercial real estate and Dallas well with three decades in banking, including 15 years with JP Morgan Chase bank leading the Southwest Region Community Development Group. She is passionate about building communities, and currently serves on multiple boards and commissions.

Michon Fulgham

Michon Fulgham is a CRA Community Development Advisor with Inwood National Bank who is known for her leadership and consensus-building skills. She has experience in community reinvestment, strategic project implementation, risk management remediation, crisis intervention, and corporate social responsibility from both a policy and implementation perspective.

Walter Walne

Walter Walne is the Chairman of the Board and CEO of Bottom Lien Consultants, Inc. he has owned a collision repair center for more than 40 years, with eight locations in North Texas. He was a member of the Dallas City Council and served as chair of the Business and Commerce Committee. Mr. Walne has also served on numerous boards and commissions while running and expanding his business, to include serving on the board of Trustees for Parkland Hospital as chair of the finance committee when Parkland designed and broke ground on their new site.

Memorandum



CITY OF DALLAS

DATE August 1, 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 **Upcoming Public Improvement District (PID) Agenda Items: (1) August 10, 2022 Call for Public Hearing for PIDs to Set Annual Assessment Rates for 2022 and Adopt 2023 Service Plans; (2)(a) August 24, 2022 Public Hearing to amend 2022 Service Plans for four PIDs; (b) adopt 2022 Annual Assessment Rates and (c) Adopt 2023 Service Plans; and (3) September 14, 2022 PID Policy and Management Contract Amendments**

Annual Service Plan Adoption Process and 2022 Service Plan Amendments

Public Improvement Districts (PIDs) in the City of Dallas are governed by Chapter 372 of the Texas Local Government Code (Improvement Districts in Municipalities and Counties) and the City of Dallas' PID Policy. Chapter 372 requires that the City Council annually call and hold a public hearing to set the annual assessment rate for property in each PID and approve an updated, five-year Service Plan for each PID. The service plan outlines the proposed cost of services and improvements to be provided to property owners annually. Per contractual agreement with each PID's management company, PID managers are required to prepare an updated service plan budget for their district and to hold an annual meeting with property owners where property owners are provided an opportunity to ask questions and provide input on the PID's preliminary service plan.

City staff reviewed the preliminary 2023 service plans submitted by each PID manager. Finding the preliminary Service Plans to be advisable, City staff recommends that on August 10, 2022, City Council authorizes calling a public hearing to be held on August 24, 2022. During the public hearing, any owner of property located within the boundaries of a PID will be provided a reasonable opportunity to speak for or against the PID's proposed assessment rate. At the close of the public hearing, City Council will take action to adopt the final 2023 Service Plans, the final 2022 Assessment Plans, and the 2022 Assessment Rolls for all the PIDs. A follow-up memo will be sent prior to the August 24, 2022 public hearing with more detailed information regarding final PID budgets proposed for the 2023 Service Plan year.

Additionally, during the 2021 Texas Legislative Session, House Bill 1543 amended Chapter 372 to require that, effective September 1, 2021, any updates to a PID's adopted Service Plan be by City Council ordinance. In accordance with these new requirements,

DATE August 1, 2022

Upcoming Public Improvement District (PID) Agenda Items: (1) August 10, 2022 Call for Public Hearing for PIDs to Set Annual Assessment Rates for 2022 and Adopt 2023 Service Plans; (2)(a) August 24, 2022 Public Hearing to amend 2022 Service Plans for four PIDs; (b) adopt 2022 Annual Assessment Rates and (c) Adopt 2023 Service Plans; and (3) September 14, 2022 PID Policy and Management Contract Amendments

Deep Ellum PID, Knox Street PID, Midtown Improvement District, North Lake Highlands PID, and Uptown PID have requested to amend their adopted 2022 Service Plans to reflect lower-than-budgeted expenditures, primarily due to project delays and vacancies. Staff reviewed the proposed mid-year budget amendments and found the requests to be reasonable and are recommending them to City Council for approval.

Background

A PID is a special assessment area created at the request of property owners in the proposed district via petition. Property owners pay a supplemental assessment with their taxes, which PIDs use for services and/or improvements above and beyond existing City services.

The assessment is an apportionment of the total cost of service enhancements and improvements approved by property owners who signed a petition in support of the district's creation or renewal. The assessment allows each PID to have its own work program or service plan, which may consist of eligible activities such as marketing, providing additional security, landscaping and lighting, street cleaning, and cultural or recreational improvements. The City's power to levy is limited to petition and budget categories/costs approved by property owners. Individual PIDs are governed by property owner elected boards and managed by a specifically formed non-profit organization or homeowners' association. Under a management contract with the City, PID managers are responsible for updating the PID's service plan annually, and - following City Council approval - implementation of the PID's annual service plan. Below is a list of the currently existing 14 PIDs in Dallas:

- Dallas Downtown Improvement District
- Deep Ellum Public Improvement District
- Klyde Warren Park/Dallas Arts Public Improvement District
- Knox Street Public Improvement District
- Lake Highlands Public Improvement District
- Midtown Improvement District (formerly Vickery Meadow)
- North Lake Highlands Public Improvement District
- Oak Lawn Hi-Line Public Improvement District
- Prestonwood Public Improvement District
- South Dallas/Fair Park Public Improvement District
- South Side Public Improvement District
- Tourism Public Improvement District
- University Crossing Public Improvement District
- Uptown Public Improvement District

DATE August 1, 2022

Upcoming Public Improvement District (PID) Agenda Items: (1) August 10, 2022 Call for Public Hearing for PIDs to Set Annual Assessment Rates for 2022 and Adopt 2023 Service Plans; (2)(a) August 24, 2022 Public Hearing to amend 2022 Service Plans for four PIDs; (b) adopt 2022 Annual Assessment Rates and (c) Adopt 2023 Service Plans; and (3) September 14, 2022 PID Policy and Management Contract Amendments

The City must call for a public hearing by early August and hold a public hearing by the end of August/early September so that Dallas County Tax Office can include the PID assessments in the regular tax bills. If this schedule is not met, the City would need to find another way to collect the assessments, costing the City additional funds to send a separate bill, and would likely not have the same success rate with the collection of assessment payments nor issuing and collecting penalty fees.

The Dallas County Tax Office remits PID assessment collections to the City on a daily basis. In turn, City staff disburse PID collections to PID management organizations on a monthly basis after tabulating and reconciling the monthly collection total and refunds made by the County. City staff record PID collections as revenue in a segregated, special revenue fund established in the City's treasury for each PID. The monthly collections issued to PID managers are recorded as expenditures in each PID fund. The projected amount of assessments to be disbursed from each PID fund are shown as cost considerations to the City, in recognition of revenue and expenditure transactions that will be recorded in each PID fund. To ensure that each PID fund has sufficient spending authority (i.e. appropriations) to disburse all assessments due to PID managers over the upcoming year, staff periodically request City Council approval to increase PID fund appropriations, using each PID's certified assessment roll to project revenue.

Good Governance Provisions:

On May 2, 2022, the Economic Development Committee was briefed via memo that staff is working with the City Attorney's Office to increase PID entity transparency, accountability, and City oversight, including alignment with the City's Chapter 12A Code of Ethics amendments adopted by the City Council on December 8, 2021.

Next steps:

- Brief Economic Development Committee.
- Amend City's PID Policy and 14 PID management contracts to require each PID management entity to align their internal policies and procedures with pertinent sections of the City's Chapter 12A Code of Ethics, as well as good management practices including but not limited to deterring conflicts of interest, collusion, inurement, and other actions that may be considered inappropriate for an organization receiving public funding.

Fiscal Information

There is no cost consideration to the City should the City Council authorize calling for a public hearing on August 10 to be held on August 24, 2022. There is a cost consideration to the City and to owners of property within the boundaries of each PID, should City Council approve each PID's 2023 Service Plan, final 2022 Assessment Plan, and 2022

DATE August 1, 2022

Upcoming Public Improvement District (PID) Agenda Items: (1) August 10, 2022 Call for Public Hearing for PIDs to Set Annual Assessment Rates for 2022 and Adopt 2023 Service Plans; (2)(a) August 24, 2022 Public Hearing to amend 2022 Service Plans for four PIDs; (b) adopt 2022 Annual Assessment Rates and (c) Adopt 2023 Service Plans; and (3) September 14, 2022 PID Policy and Management Contract Amendments

Assessment Roll after the close of each PID's public hearing on August 24, 2022. The FY 2022-23 Downtown Improvement District (DID) assessment for City-owned property is estimated at \$1,040,000.00 to be paid from the General Fund (\$696,000.00) and the Convention and Event Services Fund (\$344,000.00). The final DID assessment for City-owned property will be known once the 2022 DID Assessment Roll is finalized in upcoming days and those details will be included in the follow up memo that will be sent to the City Council prior to the August 24 public hearing. With the exception of the City's Tourism PID (2% assessment on value of hotel room nights rather than on property value), owners of property within the boundaries of each PID will pay an assessment that is calculated by applying the PID's 2022 assessment rate per \$100.00 of appraised property valuation as determined by the Dallas Central Appraisal District.

Should you have any questions, please contact Assistant Director, Jiroko Rosales, Office of Economic Development, at 214-671-8266 or Jiroko.Rosales@dallas.gov.



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

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
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Preston Robinson, Administrative Judge
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Jon Fortune, Deputy City Manager

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Robert Perez, Interim Assistant City Manager
Carl Simpson, Interim Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Memorandum



DATE August 1, 2022

CITY OF DALLAS

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

SUBJECT **Update on Requests for Proposals (RFPs) for Transit-Oriented Development (TOD) Proposals on DART-owned properties**

On November 10, 2021, City Council authorized the execution of a Memorandum of Understanding (MOU) with DART to allow the City to market six (6) DART-owned sites adjacent to light rail stations for real estate development by Resolution No. 21-1852. On December 9, 2021, the MOU was executed (attached as **Exhibit A**). The six stations are:

- 8th & Corinth Station
- Hampton Station
- Westmoreland Station
- Lake June Station
- Buckner Station
- Royal Lane Station

In February 2022, DART provided the City with due diligence information (e.g., deed records, title information, surveys, environmental reports, etc.) regarding each DART-owned site. After reviewing the information, the Office of Economic Development, along with DART staff and the City's Department of Planning and Urban Design, prepared a base RFP document that is now in the process of being customized and finalized to account for the specific context and conditions of each site. Staff is anticipating the public release of all six (6) RFPs before the end of the fiscal year.

Should you have any questions, please contact Kevin Spath, Assistant Director, in the Office of Economic Development at (214) 670-1691 or kevin.spath@dallas.gov

A blue ink signature of Majed A. Al-Ghafry.

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

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
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Exhibit A

“Memorandum of Understanding between Dallas Area Rapid Transit and the City of Dallas”

MEMORANDUM OF UNDERSTANDING**BETWEEN****DALLAS AREA RAPID TRANSIT****AND THE****CITY OF DALLAS**

This Memorandum of Understanding ("MOU") is an arrangement between the City of Dallas ("City"), a Texas home-rule municipality, and Dallas Area Rapid Transit ("DART"), a regional transportation agency created and organized pursuant to Chapter 452 of the Texas Transportation Code, regarding the development of certain DART and City-owned land near DART transit stations. For the sole purpose of this MOU, DART and the City shall be referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, DART owns properties at its light rail stations and transit facilities located throughout the City of Dallas which have demonstrated an underutilization of the property for its originally-intended purpose of transit operations and parking, originally required by the City as part of the permitting process; and

WHEREAS, the City and DART wish to facilitate the development of specifically identified underutilized DART parcels and, in some cases, City-owned parcels adjacent to or near the DART parcels into one or more cohesive, sustainable, vibrant, livable transit oriented developments, complementing one another with joint developments where feasible; and

WHEREAS, to that end, the Parties wish to jointly review and develop transit-oriented development ("TOD") plans and identify potential development partners that would be attractive for potential TOD, and, if desired by the parties, enter into Interlocal Agreements ("ILAs") specific to the properties which would allow for the advertisement and solicitation, such as requests for proposals ("RFP"), for development services for the parcels identified by the parties; and

WHEREAS, the parties wish to further memorialize their joint development intentions herein.

NOW THEREFORE, the Parties set forth their intentions as follows:

PURPOSE OF AGREEMENT. DART and the City desire to facilitate development near transit ("TOD Projects"). DART and the City each own property parcels near DART transit stations that may be suitable for the development of TOD Projects.

In order to investigate the suitability of each site for development, the City would like to solicit developers to create proposals for TOD Projects on the City and DART sites.

In order to facilitate these solicitations, DART agrees that the City may include the DART properties listed on **Exhibit A** (the "DART Sites") as potential development sites in the solicitations. The City shall clearly state in each solicitation that the DART Sites are owned by DART, and that development on a DART Site will require negotiation and agreement with DART or the execution of an Interlocal Agreement (ILA) with the City specifying the lease terms and process to negotiate and develop a Master Development Agreement (MDA) and Lease Agreement which will require the consent of the DART board of directors and Dallas City Council. Each solicitation will attach this MOU as an exhibit and will clearly state that there is no agreement between the City and DART as to the DART Sites beyond this MOU.

Once a developer has responded to a solicitation identifying a specific plan and indicating an interest in developing a TOD Project on a DART Site, the City will contact DART to negotiate an interlocal agreement spelling out the terms by which the City may move forward with such development. Any such interlocal agreement will require the consent of the Dallas City Council and the DART board of directors.

I. TERM. This MOU shall commence on December 1, 2021 and shall expire on November 30, 2024. The MOU will automatically renew for up to two consecutive one-year terms unless terminated by either party as described in Section III.

II. AMENDMENT. This MOU may be amended only upon written agreement signed by the Parties.

III. TERMINATION. The Parties understand that participation in this MOU is voluntary and may be terminated by either Party by giving thirty (30) days' written notice to the other Party of its intention to terminate.

IV. DART'S RESPONSIBILITIES. DART shall undertake the following activities prior to execution of the MOU:

- i. DART will provide information within its control regarding each DART Site upon the request of the City, including but not limited to, deed records, title information, surveys, and environmental reviews.
- ii. DART will outline known issues that might impact development, including but not limited to, environmental contamination, floodplain areas, existing easements, needed easements, and desired future terms to facilitate DART operation of transit facilities on the site.
- iii. DART will provide coordination with the Federal Transit Administration (FTA) review regarding review and input regarding any DART property with a Federal interest

V. CITY'S RESPONSIBILITIES. City shall undertake the following activities following execution of the MOU:

- i. The City will review the information provided by DART under Section IV and determine the suitability of each DART Site for development. Where applicable, the City will determine if an adjacent or nearby City site should also be considered in a future development plan.
- ii. For any site deemed developable, the City shall release a solicitation seeking a developer to propose a development plan for the site.
- iii. Once a developer has been deemed most advantageous or otherwise selected for negotiation, the City will notify DART and begin negotiation of an interlocal agreement and related sale and/or lease documents related to the relevant DART Site.

VI. COSTS. Each Party will bear its own costs in performing its obligations under this MOU.

VII. GENERAL PROVISIONS

- i. The Parties agree to work together at all times in good faith, meet regularly, and keep each other informed as to activities of the other, and maintain at all times a formal representative who shall serve as a point of contact for communications.

- ii. This MOU may be executed in multiple counterparts which, taken together, shall collectively constitute a single agreement, but in making proof of such agreement, it shall not be necessary to account for more than one such counterpart.
- iii. This MOU shall be performed and enforced in Dallas, Texas, and shall be construed in accordance with the laws of the State of Texas. Venue with respect to all disputes shall reside with the district courts of Dallas County, Texas.

VIII. TEXAS PUBLIC INFORMATION ACT

The exchange of information by the Parties is not a release of information to the general public, but rather an intergovernmental transfer of records from one governmental body to another for an official purpose. Notwithstanding any provisions of this MOU, the Parties acknowledge that they are subject to the Texas Public Information Act ("TPIA"), Texas Government Code Chapter 552, and that this MOU and any information created or exchanged in connection with this MOU is subject to the TPIA. The Parties agree to notify each other in writing within a reasonable time from receipt of a request for information covering the subject matter of this MOU.

SIGNATORIES. IN WITNESS WHEREOF, the Parties have executed this MOU as of the Effective Date stated above.

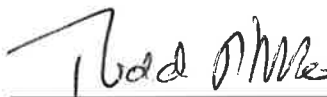
CITY OF DALLAS

T. C. BROADNAX, CITY MANAGER

By: 

ERIC ANTHONY JOHNSON
CHIEF OF ECONOMIC DEVELOPMENT AND
NEIGHBORHOOD SERVICES

DALLAS AREA RAPID TRANSIT



TODD PLESKO
INTERIM EXECUTIVE VICE PRESIDENT
GROWTH/ REGIONAL DEVELOPMENT

CRT
CRT

12/8/2021

12/9/2021

DATE

DATE

Approved as to Form:

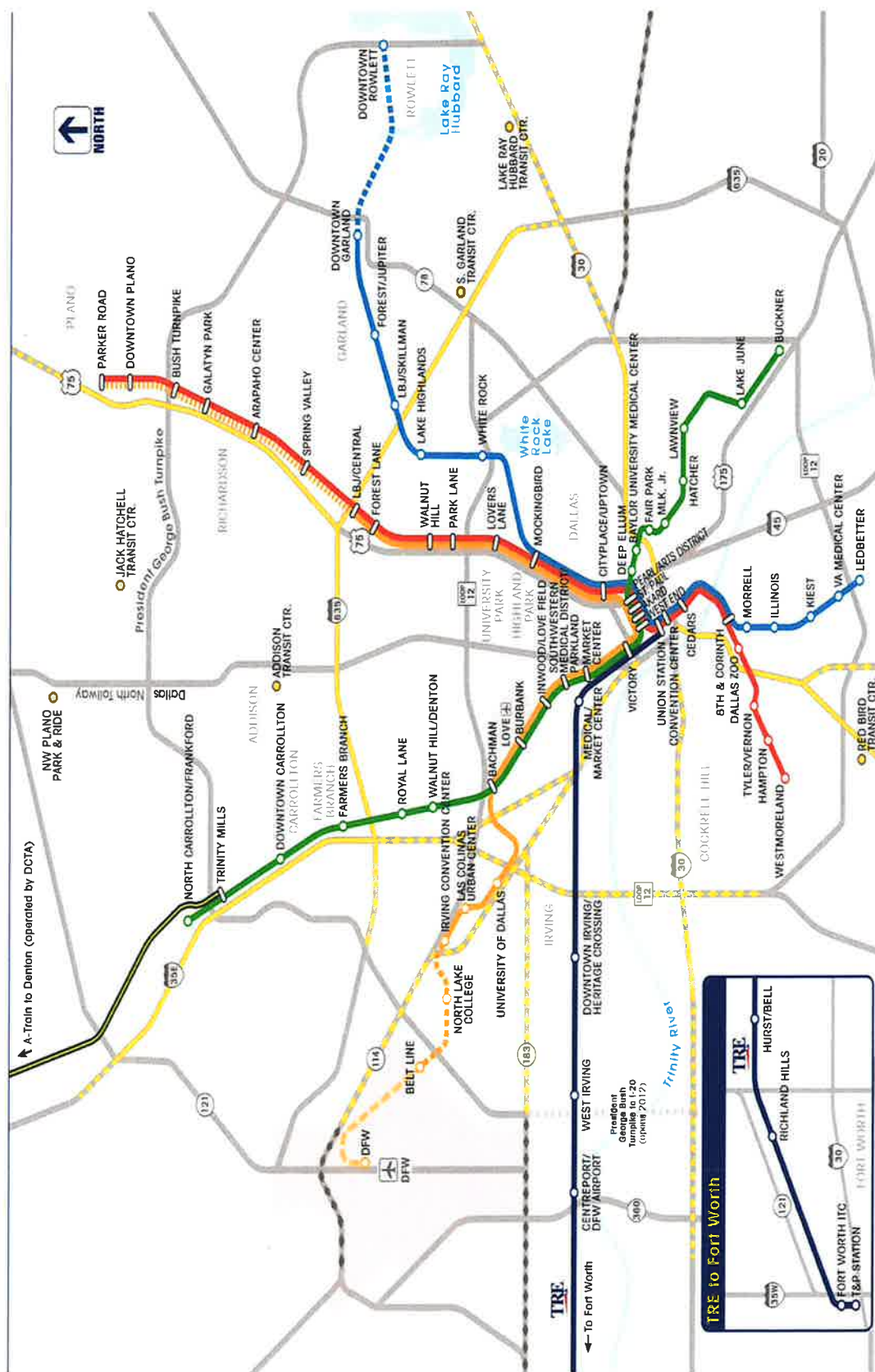
Christopher J. Caso, City Attorney


Assistant City Attorney

Exhibit A

DART Sites

Tod Sites



Lake June Station



#33
SCORE 55

Earth

Buckner Station



Westmoreland Station



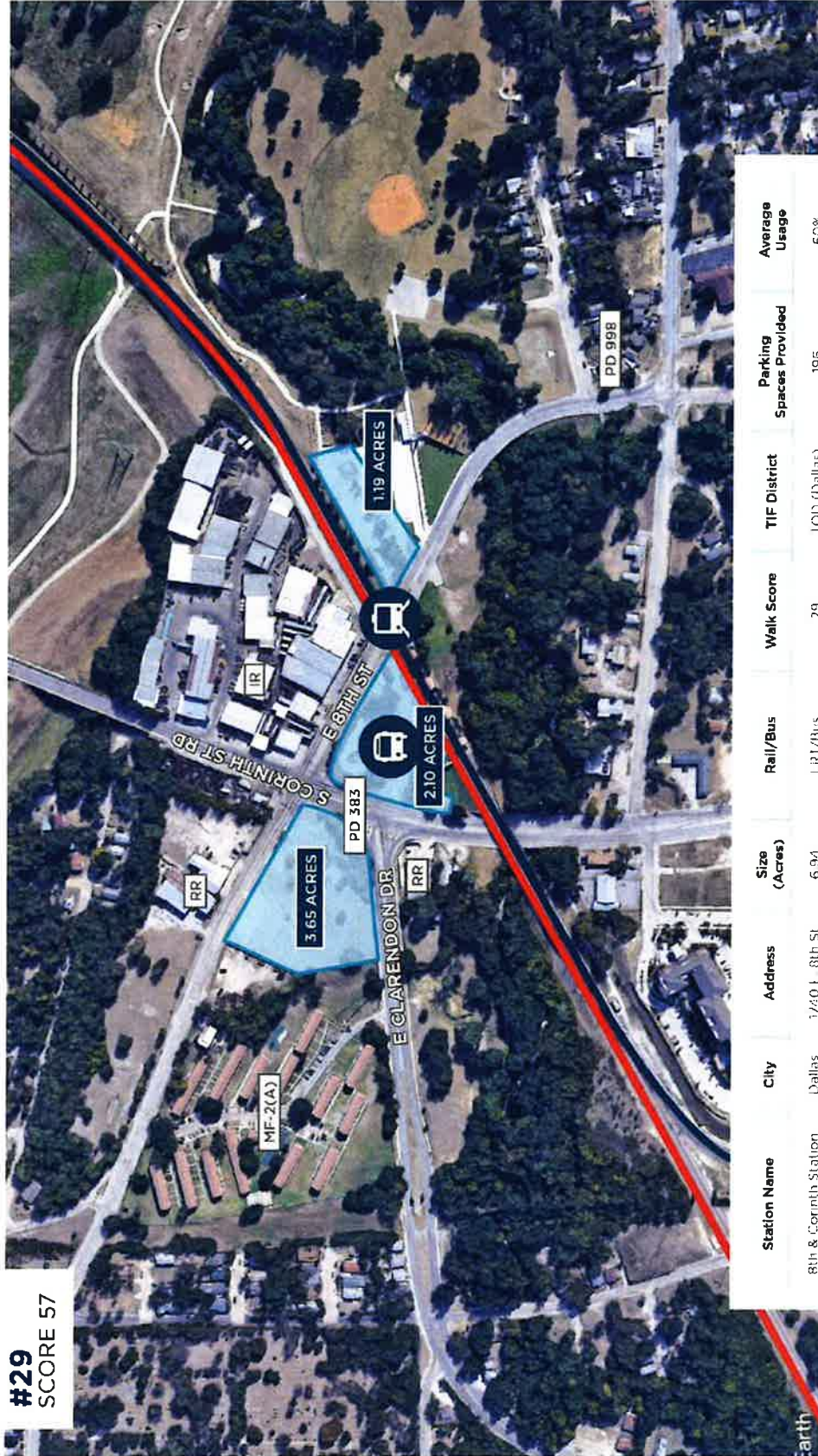
#06
SCORE 72

Hampton Station



8th and Corinth Station

#29
SCORE 57



Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
8th & Corinth Station	Dallas	1/40 E 8th St	6.94	LRT/Bus	29	IOD (Dallas)	195	60%

Royal Lane Station



Signature: *Consuelo R Tankersley*
Consuelo R Tankersley (Dec 3, 2021 11:55 CST)

Email: consuelo.tankersley@dallascityhall.com

Memorandum



CITY OF DALLAS

DATE August 1, 2022

TO Economic Development Council Committee

SUBJECT **South Dallas Opportunity Fund Update**

The purpose of this memorandum is to provide an update on the South Dallas/Fair Park Opportunity Fund (SDFPOF) as authorized by City Council Resolution No.18-0922 and Ordinance No. 30905 on June 27, 2018. The SDFPOF provides loans and grants to promote economic development and supports human development and small business initiatives in neighborhoods surrounding South Dallas Fair Park service area.

As authorized by City Council Resolution No.22-0457 and Ordinance 32000 on March 9, 2022, funding was transferred from the Office of Economic Development (OED) to the Small Business Center (SBC) in the amount of \$6,175,972. This amount reflects \$4,631,979 for loans and \$1,543,993 for grants.

A total of \$100,000 in funding for human development projects is awarded to non-profits as reimbursable grants through a Notice of Funding Available (NOFA) on an annual basis. Under the Human Development program, contracts must demonstrate measurable outcomes related to the following goals in the service area:

- increase workforce participation and readiness;
- stimulate small business activity and growth;
- improve health outcomes;
- improve public safety; or
- improve educational outcomes.

On July 25, 2022, the South Dallas/Fair Park Opportunity Board approved the following applications for human development funding for a total amount of \$46,000 to be disbursed by September 30, 2022.

1. Beacon Hill Preparatory Institute	\$15,000
2. Empowering the Masses	\$25,000
3. Cornerstone Crossroads Academy	\$ 6,000

On June 22, 2022, the City Council approved a \$350,000 authorization for a conditional Chapter 380 Economic Development loan with MLK Kingdom Complex, LLC for economic growth and job creation. Under the Economic Development program, projects must demonstrate job creation, job retention, or an increase in the service area tax base. There are four applications under review for underwriting approval for loan funding. Total amount of funding to be recommended by staff will be determined at the completion of underwriting recommendations, placed on the September 6th Economic Development

DATE August 1, 2022
SUBJECT **South Dallas Opportunity Fund Update**

Committee agenda and will be subsequently scheduled for City Council approval on September 28, 2022. The four applicants under review are:

1. Shekinah Legacy Holdings, LLC
2. DFW DawgLife, LLC
3. Da Bizzness Tax Title
4. Aunt Irene's Kitchen

In summary, the SDFPOF is \$5,757,472. This amount reflects a funding balance for SDFPOF grants in the amount of \$1,475,493 and a funding balance for SDFPOF loans in the amount of \$4,281,979.

Staff will be available to respond to questions and provide additional information at the August 1st Economic Development Committee meeting. In the meantime, please feel free to contact me or Joyce Williams, Director of the Small Business Center at joyce.williams@dallas.gov.



Kimberly Bizer Tolbert
Deputy City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
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Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE August 1, 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 **Priorities for 88th Texas Legislative Session**

In preparation for the upcoming Texas Legislative Session (88 R), Chairperson Atkins would like the Economic Committee to provide feedback about the City's legislative priorities regarding economic development. Written feedback can be submitted directly to Chairperson Atkins. There will also be time for discussion at the Economic Development Committee meeting on August 1, 2022.

Additionally, the Office of Economic Development, along with other departments, have recently been asked by the City's Office of Government Affairs to help support the development of the City's legislative agenda.

Should you have any questions, please contact Robin Bentley, Director, in the Office of Economic Development, at (214) 671-9942 or robin.bentley@dallas.gov.



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

c: T.C. Broadnax, City Manager
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City of Dallas

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

Agenda Information Sheet

File #: 22-1247

Item #: A.

Authorize a tax increment financing (TIF) development agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,100,000 payable from TOD TIF District funds, and a Chapter 380 economic development grant agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,050,000 (\$250,000 payable from Equity Revitalization Capital funds and \$1,800,000 payable from 2012 General Obligation Bond funds) in accordance with the City's Public/Private Partnership Program, in consideration of the Longhorn Ballroom Redevelopment Project ("Project") currently addressed as 200 Corinth Street and 2202-2222 Riverfront Boulevard in the Cedars West Sub-District of the TOD TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]



City of Dallas

Longhorn Ballroom

Redevelopment Project in the
TOD TIF District

Economic Development Committee
September 6, 2022

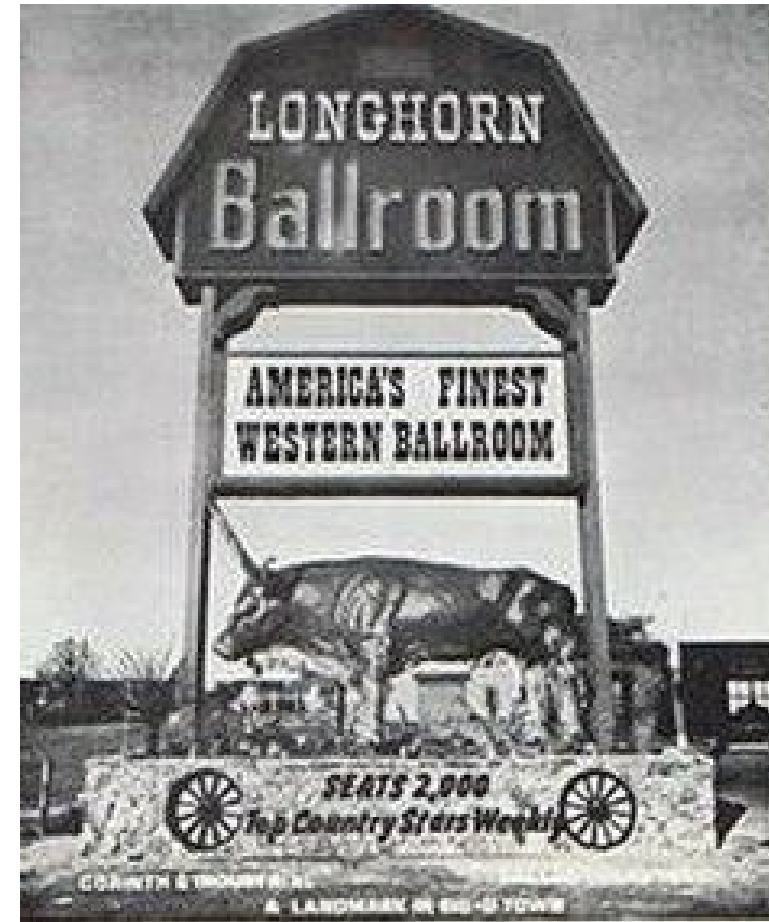
Kevin Spath, AICP, EDFP, HDFP
Assistant Director
Office of Economic Development

Presentation Overview



- Background
- Proposed Project
- Staff Recommendation
- Next Steps

- Appendix



Background: Location



- “Rock Island”
- Northeast corner of Corinth Street and Riverfront Boulevard
- Cedars West Sub-District of Transit-Oriented Development (TOD) Tax Increment Financing (TIF) District



Background: Location



- Project site: approximately 4.5 acres.
- Developer has acquired and assembled the parcel at 200 Corinth Street and 6 parcels at 2202-2222 Riverfront Boulevard.
- Developer also has parcel at 418 Corinth Street (0.969 acres) under contract.
- Cedars West Sub-District of TOD TIF District.



Background: History

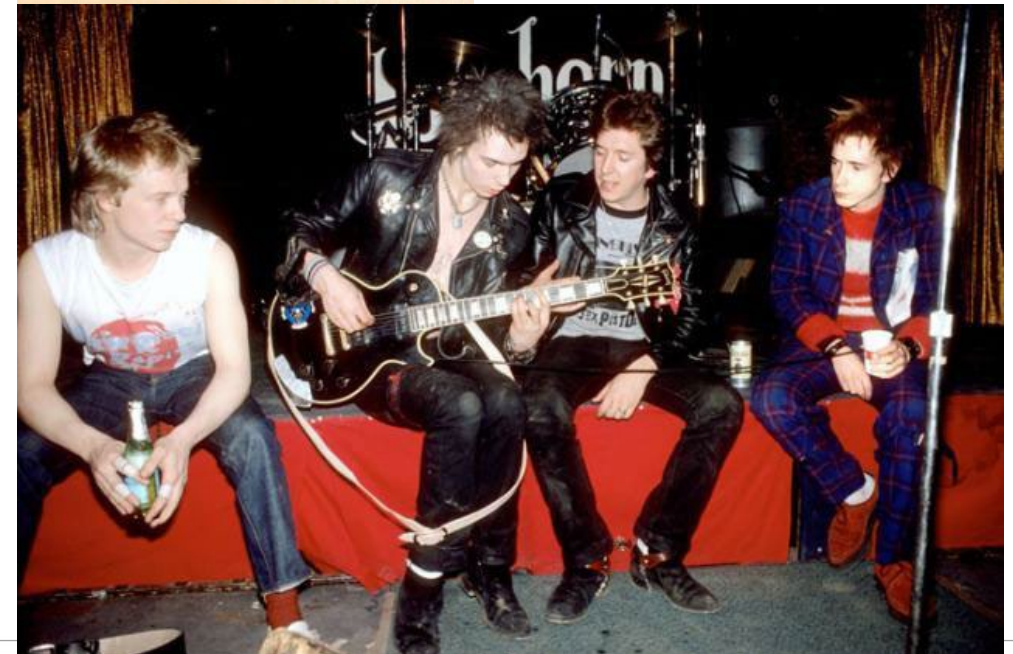


- Originally built in 1950 by O.L. Nelms for country music legend Bob Wills and His Texas Playboys and was originally named Bob Wills' Ranch House.
- Early 1950s: Jack Ruby served as manager, and in 1958 "Dewey" Groom took over, renaming it the Longhorn Ballroom.
- Iconic music venue for decades hosting a wide variety of acts from country legends such as Willie Nelson, Loretta Lynn, Merle Haggard, Charley Pride, Patsy Cline, and George Jones to world renowned Jazz, Blues, and R&B artist such as B. B. King, Ray Charles, Nat King Cole, James Brown and Al Green.
- 1978: the Ballroom reached international fame for being one of the only 7 venues to host the Sex Pistols on their only U.S. tour.



Background: History

- Late 1980s: Aerosmith filmed its music video “What it Takes” in the venue.
- Early 1990s: the Queen of Tejano, Selena, performed at the venue, and hip hop artist, 2 Live Crew, refused to take the stage resulting in a riot that involved over 50 police.
- Recognitions of the venue include:
 - “America's Most Unique Ballroom” by Country Music Reporter (1971)
 - “Texas's Most Historic Music Venue” by Texas Monthly (2017)
 - “From Country to Blues, Soul to Punk, and Tejano to Swing, the Longhorn Ballroom has been a Temple of Americana, a Pillar of Texas Music Heritage.” Center for Texas Music History (2021)



Background: Existing Conditions



- In addition to the main ballroom, there is a second “mixed-use” building on the property.
- “Longhorn Ballroom” sign was designated as a landmark sign in 1984.
- Over the past three decades, the property has been underutilized and has fallen into severe disrepair.
- In 2017, City Council authorized an economic development grant agreement up to \$500,000 with S&D Longhorn Partners, LLC to revitalize the property in two phases and restore operations of the main ballroom building as a music/event venue. First phase of improvements/requirements were completed, the ballroom became operational again as a music venue, and \$156,000.00 in grant funds were disbursed. In 2019, S&D Longhorn Partners, LLC entered bankruptcy, and the ballroom closed. Since then, the property has been vacant again, subject to vandalism, burglary, and theft.



Background: Existing Conditions



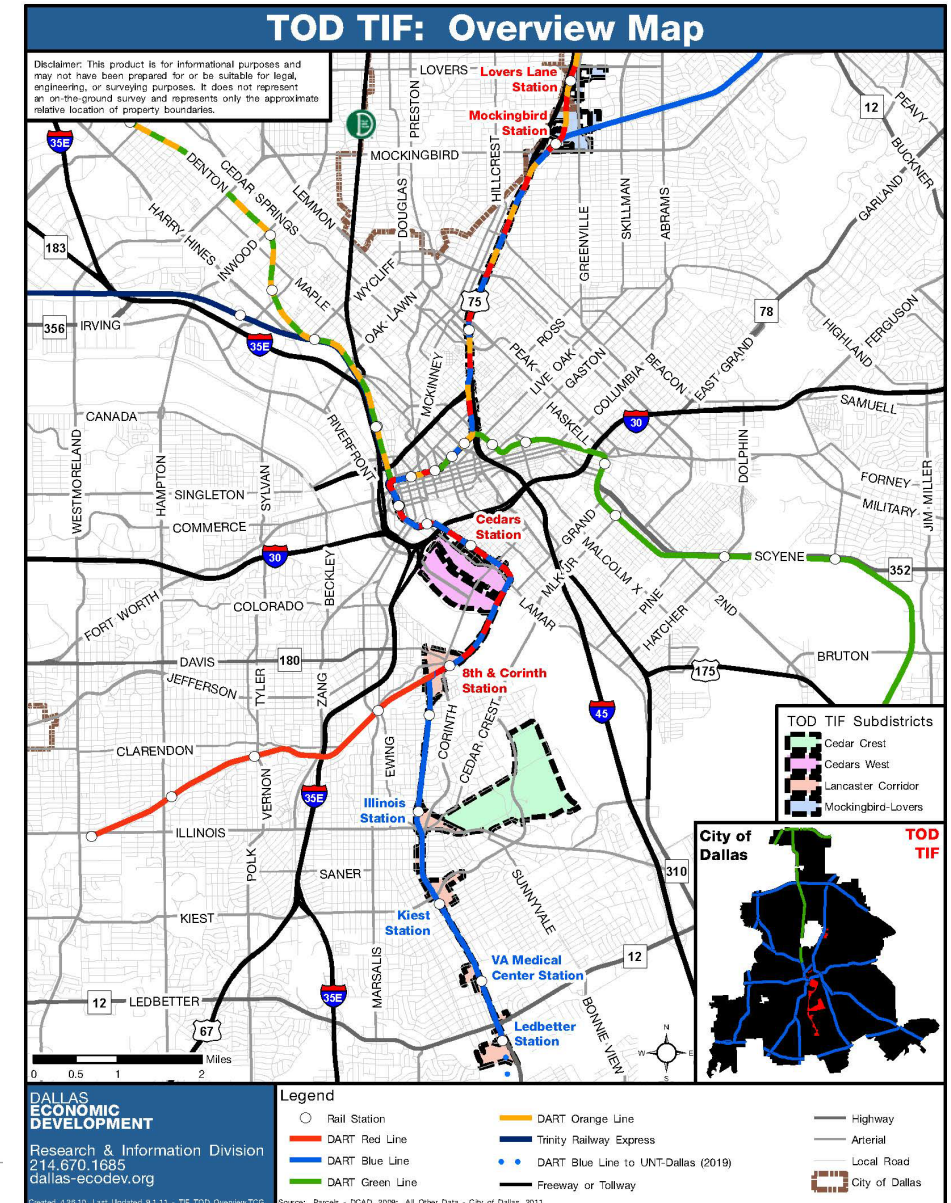
- Preservation Dallas 2020 List of Most Endangered Historic Places: “The Ballroom is not only a central element in Dallas entertainment history, but a place that has celebrated the diversity of American music.”
- May 2022: City Council approved rezoning (new sub-district with modified development standards in PD 784, the Trinity River Corridor Special Purpose Zoning District) to allow for the proposed Project, including an outdoor music venue, opening the opportunity to transform the vacant land adjacent to the buildings.



Background: TOD TIF District



- Created December 10, 2008, to encourage dense and pedestrian-friendly TOD around DART stations in the central portion of the City, help create a series of unique destinations, and foster the construction of facilities beneficial to the DART light rail system.
- 4 Sub-Districts:
 - Mockingbird/Lovers Lane
 - Cedars West
 - Lancaster Corridor (includes the 8th & Corinth, Illinois, Kiest, VA Medical Center, and Ledbetter DART station areas)
 - Cedar Crest (added in 2010)
- City's first "barbell" TIF district structure, providing a mechanism to allow for tax increment sharing to enhance funding for more distressed areas to jump start catalyst projects such as Lancaster Urban Village.
- 40% of the increment generated by the Mockingbird/Lovers Lane Sub-District and 10% of the increment generated by the Cedars West Sub-District is annually transferred to the Lancaster Corridor Sub-District.



Background: TOD TIF District



- Linking light rail station areas facilitates **tax increment sharing** to help stimulate Lancaster Corridor development by **providing additional project incentive capacity** to the Lancaster Corridor from a portion of increment **(40%)** transferred from the Mockingbird/Lovers Sub-District and **(10%)** transferred from the Cedars West Sub-District.

**TIF Project & Financing Plan - Estimated Increment Generation & Allocation
by Sub-District during 30-year term**

Sub-District	Property Value Estimate - New Development	Increment Generated (NPV)	Estimated TIF Budget Allocation (NPV 2009 dollars)
Lancaster Corridor	\$171,203,800	\$13,197,448	\$49,781,005
Cedar Crest	\$325,976,685	\$25,834,552	\$25,326,728
Mockingbird - Lovers	\$839,888,351	\$76,557,143	\$30,020,910
Cedars West	\$1,094,082,000	\$69,588,554	\$54,576,532
Affordable Housing (all sub-districts)	---	---	\$21,832,521
Administration	---	---	\$3,640,000
Total		\$185,177,697	\$185,177,697



Proposed Project



- Over the past year, Office of Economic Development (OED) staff has been working with Edwin Cabaniss on a proposal to rehabilitate, revitalize, and re-operationalize both the historic Longhorn Ballroom and the overall site.
- Mr. Cabaniss has comparable experience with the Kessler Theater in Dallas and the Heights Theater in Houston.
- Mr. Cabaniss and his team are also in the process of pursuing listing of the entire property on the National Register of Historic Places.



Kessler Theater (before)



Kessler Theater (after)



Proposed Project: Summary



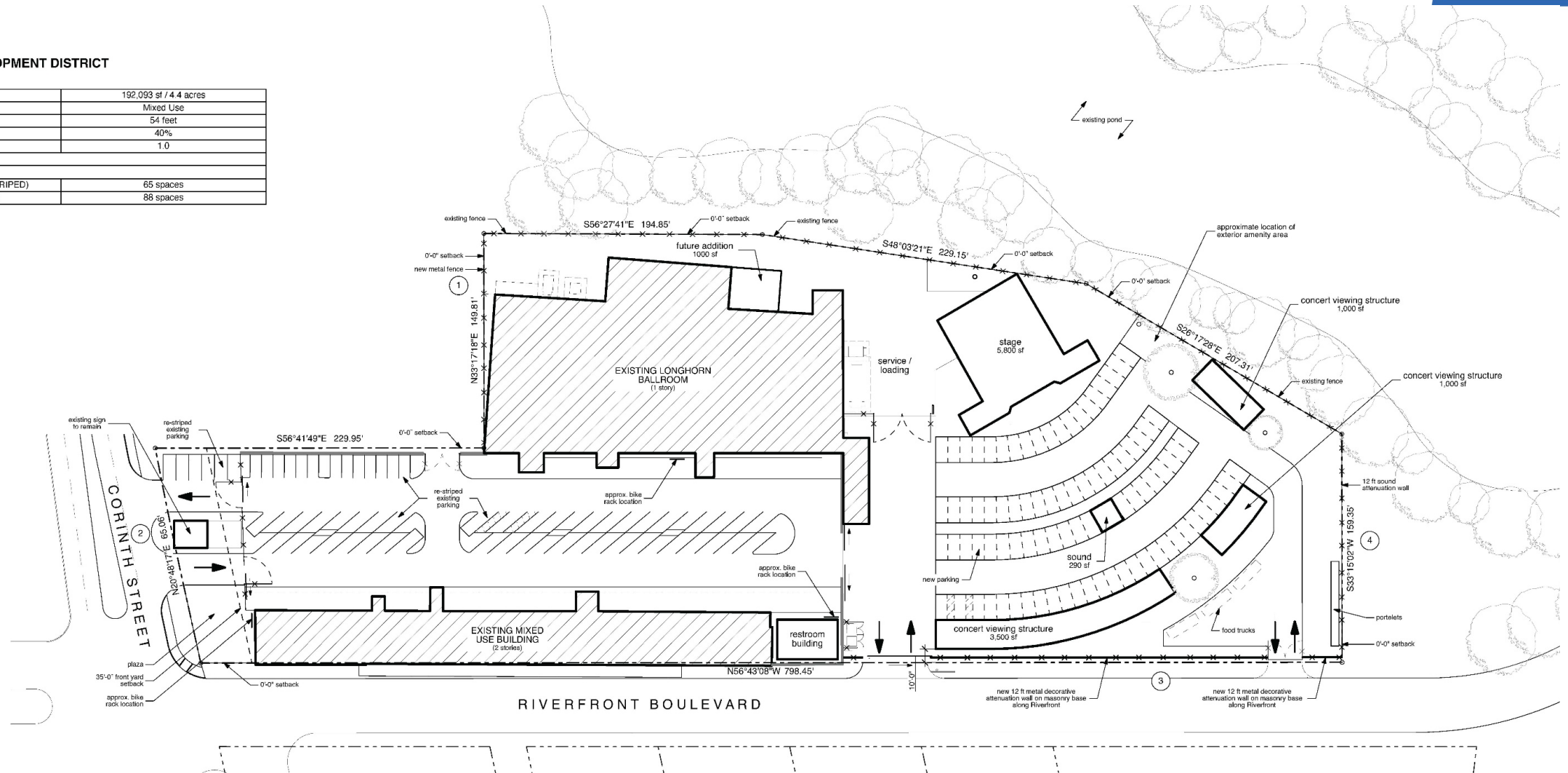
Project Developer: Island Rock Holdings, LLC (“Developer”) a Texas limited liability company and/or its assigns will, directly or indirectly, control the Project. Edwin Cabaniss is Managing Member.

Project Summary: In 2021, Developer submitted an incentive application to the Office of Economic Development for the Longhorn Ballroom Redevelopment Project (the “Project”):

- **Various interior improvements** to the approximately 30,052 square foot **existing Longhorn Ballroom building (“Building #1”)**, including structural; mechanical; electrical; plumbing; lighting; heating, ventilation and air-conditioning (HVAC); fire alarm/sprinkler; security system; finish-out;
- **Various exterior and interior improvements** to the approximately 20,351 square feet existing mixed-use commercial building (**“Building #2”**), including structural; mechanical; electrical; plumbing; lighting; HVAC; fire alarm/sprinkler; finish-out; façade restoration;
- **Site improvements to include the courtyard/parking lot and creation of a 2-acre outdoor “backyard” event space**, including grading; paving; parking; irrigation; landscape; hardscape; retaining wall; fencing; gates; lighting); and
- **Public infrastructure improvements and streetscape improvements** along the Project’s Corinth Street frontage and at the intersection of Corinth Street and Riverfront Boulevard.



TOTAL SITE AREA	192,093 sf / 4.4 acres
LAND USE	Mixed Use
MAX. BUILDING HEIGHT	54 feet
MAX. LOT COVERAGE	40%
MAX. FAR	1.0
PARKING	
EXISTING PARKING (RE-STRIPED)	65 spaces
NEW OVERFLOW PARKING	88 spaces



Proposed Project: Rendering



Longhorn Ballroom - Exterior Rendering

22 October 2021

Not for regulatory approval,
permitting, or construction.
Issued under the authority of
Robert L. Meckfessel, FAIA.



Proposed Project: Rendering



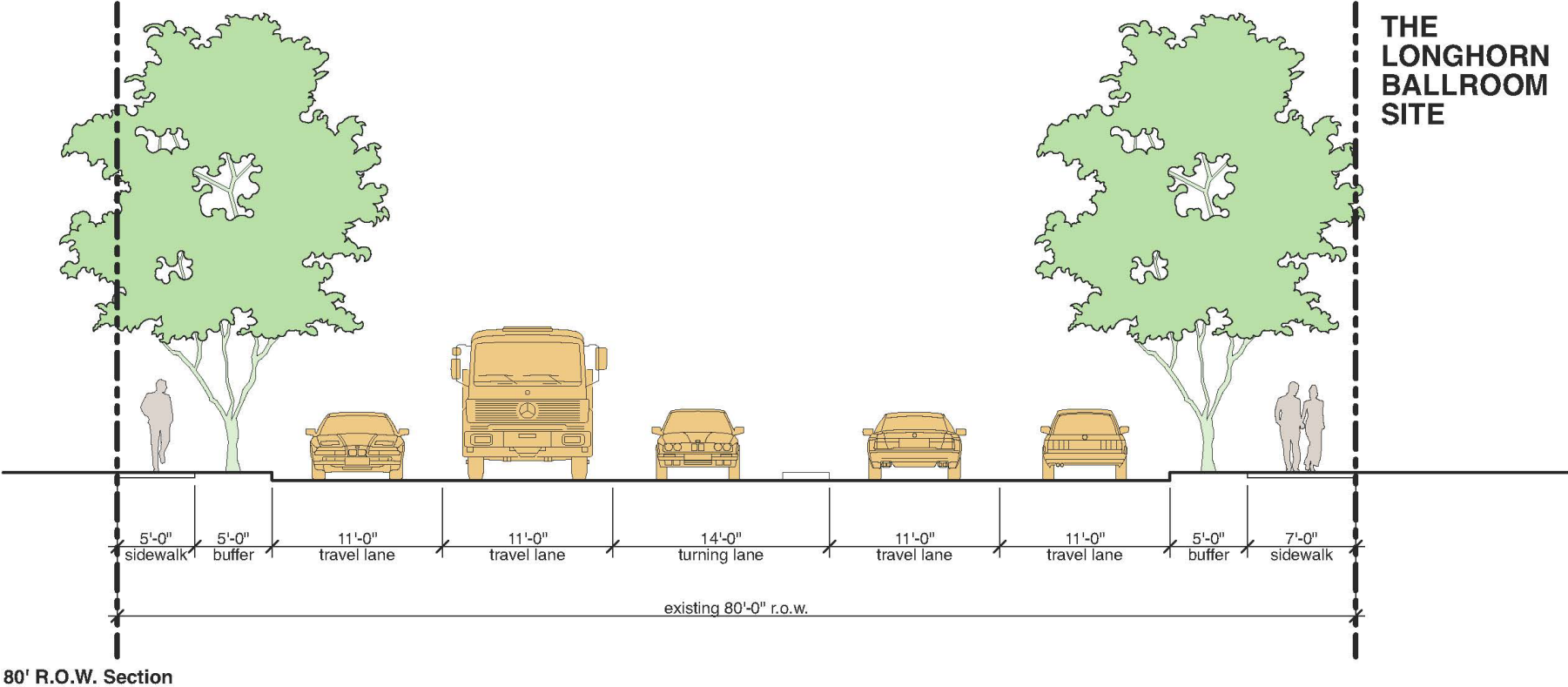
Longhorn Ballroom - Exterior Rendering

22 October 2021

Not for regulatory approval,
permitting, or construction.
Issued under the authority of
Robert L. Meckfessel, FAIA.



Proposed Project: Public Infrastructure



Longhorn Ballroom - Corinth Conceptual Cross Section

22 October 2021

Not for regulatory approval,
permitting, or construction.
Issued under the authority of
Robert L. Meckfessel, FAIA.



Proposed Project: Urban Design



- In October 2021, the City's Urban Design Peer Review Panel ("UDPRP") reviewed the Project and applauded Developer's efforts to rehabilitate the Longhorn Ballroom and bring it back to its former glory. The Panel encouraged the development team work to establish the Project as a bold statement for new development in this area of the city in the future.
- UDPRP recommendations:
 - Prioritize low impact development practices on this site, including preserving trees, maximizing pervious surfaces, and reducing urban heat island impacts. It was also noted to explore on-site rainwater capture.
 - Explore ways to connect and engage the site with the adjacent sump to serve as an amenity, while considering long-term opportunities for celebrating its unique location on Rock Island.
 - Advises the development plan show the southwest corner at Riverfront/Corinth as a plaza and suggests the development team explore opportunities for on-site bike parking.
 - Maximize how the two-story structure engages Riverfront Boulevard and providing a buffer between the sidewalk and the security wall to soften the pedestrian experience. It is also advised to consider the wall as an opportunity for public art or as an opportunity for an engaging, semi-transparent design.
 - Explore ways to minimize gravel and other pervious materials from becoming hazards on the Riverfront Boulevard bike lanes. Alternatively, it is recommended the design team explore bike facilities behind the back-of-curb to double as a widened sidewalk during events.
- As a result, Developer made changes to accommodate UDPRP's recommendations (see Appendix for more details)



Proposed Project: Budget



Uses	Amount	Percent	Investment Expenditure (eligible toward minimum investment requirement)
Acquisition	\$7,783,550	54.4%	\$7,783,550
Demolition	\$0	0.0%	
On-Site Improvements	\$0	0.0%	
Off-Site Infrastructure	\$1,393,385	9.7%	\$1,393,385
Building (Hard) Construction Costs	\$3,332,204	23.3%	\$3,332,204
General Conditions and Contingency	\$831,972	5.8%	
Professional Fees	\$350,000	2.4%	\$350,000
Soft Costs	\$413,370	2.9%	
Reserves	\$0	0.0%	
Developer Fee	\$214,846	1.5%	
Total Uses	\$14,319,327	100.0%	\$12,859,139

Note: the budget shown does not include \$850,000 in additional public improvements such as a traffic signal that may be required by the City.



Proposed Project: Sources



Sources	Amount	Percent
Bank Loan	\$3,500,000	24%
Investor Equity	\$10,819,327	76%
Total Sources	\$14,319,327	100%



Staff Recommendation: City Subsidy



City Subsidy in an amount **not to exceed \$4,150,000** comprised of:

- 1) **Tax increment financing (TIF) development agreement** with Island Rock Holdings, LLC and/or its affiliates in an amount **not to exceed \$2,100,000** payable from TOD TIF District funds ("**TIF Subsidy**")
- 2) **Chapter 380 economic development grant agreement** with Island Rock Holdings, LLC and/or its affiliates in an **amount not to exceed \$2,050,000** (\$250,000 payable from Equity Revitalization Capital funds and \$1,800,000 payable from 2012 General Obligation Bond funds) in accordance with the City's Public/Private Partnership Program ("**PPP Grant**")



Staff Recommendation: TIF Subsidy



- TIF Subsidy: an amount not to exceed **\$2,100,000 as reimbursement for actual TIF-eligible costs** and payable upon Developer's satisfaction of all terms and conditions in the development agreement
- A portion of the TIF Subsidy, \$850,000, is contingent on whether Developer is required to perform public improvements in addition to those described on the Project's site plan (for example, installing a traffic signal) and will not be disbursed to Developer if additional improvements are not required

Category	Amount
Cedars (West) Sub-District:	
Public Infrastructure Improvements	\$2,100,000
TOTAL TIF portion of CITY SUBSIDY – amount not to exceed	\$2,100,000

Note: The TIF Subsidy to the Project could be less if final (actual documented) costs for public infrastructure improvements are less than \$2,100,000 or if adequate increment does not accrue to the TIF fund.



Staff Recommendation: TIF Subsidy



Pursuant to the TIF District's Increment Allocation Policy:

- The Longhorn Ballroom Redevelopment Project is eligible for TIF funding from the 80% of tax increment retained by the Cedars West Sub-District.
- Based on current cash available (\$986,000) in the Cedars West Sub-District and anticipated collections in upcoming years, the full amount of TIF Subsidy (\$2,100,000) committed to the Longhorn Ballroom Redevelopment Project is projected to be collected by 2024.
- TIF District's Increment Allocation Policy will continue to provide that 40% of the increment generated by the Mockingbird/Lovers Lane Sub-District and 10% of the increment generated by the Cedars West Sub-District be transferred to the Lancaster Corridor Sub-District.
- Once completed, the Longhorn Ballroom Redevelopment Project is projected to generate approximately \$6,286 annually (estimated cumulative total of \$79,291 over the remaining life of the TIF District) to the Lancaster Corridor Sub-District (in addition to the other transfers based on completed development since the creation of the TOD TIF District).



Staff Recommendation: PPP Grant



PPP Grant (\$2,050,000) will be payable in two installments:

- Installment #1: \$1,025,000 upon completion of Building #1 and commencement of operations as required (see *Slide 30*)
- Installment #2: \$1,025,000 upon completion of Building #2 and compliance with the requirements (see *Slide 30*)



Staff Recommendation: Conditions



- Minimum Investment: Developer shall invest and document a **minimum of \$10,000,000 in eligible expenditures** in the Project, including capitalized costs for site acquisition, off-site infrastructure, on-site preparation, site amenities, building construction/finish-out/furnishings, and professional fees
- Minimum Project Requirements: Project shall include a minimum of **40,000 square feet of commercial and/or entertainment venue space** including both the **ballroom (Building #1)** and the **adjacent multipurpose building (Building #2)**, **site improvements including the courtyard/parking lot and creation of a new 2-acre outdoor “backyard” event space, and all public infrastructure improvements and streetscape improvements** required for the Project to obtain certificate(s) of occupancy and/or as described in the conceptual site plan and renderings.
- Building Permit Deadline: Developer shall **obtain a building permit for all Project components** as described on Slide 12 **by June 30, 2025**; a demolition permit or grading permit does not constitute meeting the obligation of this requirement.
- Completion Deadline: Construction of all the Project components described on Slide 12 shall be complete, and all portions of Building #1, Building #2, and the “backyard” event space shall be occupiable by **June 30, 2026** as evidenced by certificate(s) of occupancy, letter(s) of acceptance, certificate(s) of completion, and/or similar documentation from the City.



Staff Recommendation: Conditions



- Public Access to Infrastructure not owned by City: Prior to completion of the Project and at no cost to City, Developer shall provide reasonable **public access easements, deed restrictions, or other instruments** reasonably acceptable to the Director if any street and utility infrastructure improvements associated with the Project remain in non-City ownership but require public access.
- Property Management: The **proposed management group** for all Project components described on Slide 12 shall be submitted at least three months prior to Project completion for review by the Director to consider acceptance based on the management entity's comparable experience managing other comparable properties, such approval not being unreasonably withheld. Notwithstanding any provision to the contrary, any affiliate of the Developer shall be considered an approved manager for any component of the Project.
- Operating and Maintenance Agreement: If applicable and prior to Project completion, Developer shall execute a **20-year Operating and Maintenance Agreement** for all **non-standard public improvements**.
- Business Inclusion: Developer shall make a good faith effort to comply with City's Business Inclusion and Development ("BID") **goal of 32% participation by certified Minority/Women-owned Business Enterprises ("M/WBE")** for **all hard construction expenditures** of the Project and meet all reporting requirements.



Staff Recommendation: Conditions



- Quarterly Reporting: Until the Project has passed final building inspection and all required paperwork documenting Project completion for all components described on Slide 12 has been submitted to the OED, Developer shall submit to the OED **quarterly status reports** for ongoing work on the Project (including any public improvements). Such status reports shall be due within 30 calendar days following the end of each calendar quarter after the City Council approval date.
- Urban Design: Developer shall construct the Project (public and private improvements) in **substantial conformance with the conceptual site plan and conceptual renderings approved by the City's Planning and Urban Design Department, addressing the comments provided by the Urban Design Peer Review Panel on October 22, 2021**; allowable minor modifications may include those required for compliance with development regulations.
- Local Hiring: For all permanent employment opportunities created by the operation of the Project, Developer shall submit **a written plan describing how Developer or property management group shall 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.



Staff Recommendation: Conditions



- Local Education/Workforce Development Partnership: Developer or affiliate shall use best efforts to **partner with Dallas College and/or other mutually-approved non-profit service providers** (collectively, the “Non-Profit Partners”) to create **paid experiential learning opportunities** that would provide students in **Dallas College’s Commercial Music Program at the Cedar Valley Campus** (or equivalent) with **opportunities to gain exposure and experience in the commercial music industry** (e.g. composition and digital music production; music business and entrepreneurship; music performance; recording technology). Developer or affiliate shall endeavor to deliver to Director an agreement executed by Developer or affiliate and the Non-Profit Partners **documenting the terms of the proposed program no later than December 31, 2023**. At a minimum, Developer or affiliate shall use **best efforts to participate in the program through December 31, 2028**. Developer or affiliate shall provide to Director an **annual summary report regarding the status and outcomes of the paid experiential learning program involving the educational partner, including number of participants, salaries or other benefits paid to participants, and race/gender/ethnicity of participants, and a summary of the program activities**. The City shall not deem it a default of the development agreement if a Non-Profit Partner refuses participation or if program participants are terminated in the normal course of Developer’s (or affiliate’s) business for reasons consistent with their normal business practices.



Staff Recommendation: Conditions



- Public Safety Measures: Developer or affiliate shall **coordinate with the City's Office of Integrated Public Safety Solutions (OIPSS) and the Dallas Police Department (DPD) to create a reasonable security plan for the Project**, including any specific property improvements and/or operational considerations. Such a security plan may include increased security patrols during construction; a modern security camera system with DPD access; LED lighting throughout the property; perimeter fencing repairs; etc. The **security plan shall be approved** by OIPSS, DPD, and Director of Office of Economic Development (such approval not to be unreasonably withheld, conditioned, or delayed) **within 6 months** of the execution of the development agreement (with ongoing compliance with the security plan to be required throughout the term of the agreement). This requirement will be enforceable by specific performance.



Staff Recommendation: Conditions



- Minor Modifications: **The Director of the OED** may **authorize minor modifications** to the Project, and, in his or her sole discretion, the Director may refer any proposed design modifications to the TIF Board and/or UDPRP if the proposed design modifications materially affect the Project. In addition, **subject to TIF Board approval, the Director may extend all Project deadlines up to 12 months.**
- PPP Grant security and subordination: **The PPP Grant portion of the City Subsidy** shall be secured by **a performance lien deed of trust (or other instrument approved by the City Attorney's Office)** in favor of the City and shall be recorded in the real property records of Dallas County within 30 calendar days of execution of the agreement. City's lien shall be subordinate to the senior lender, whether the loan is made for construction or permanent financing purposes and to any lien encumbering the Property to secure any new market tax credits (NMTC). The City shall also consent and subordinate to any Property Assessed Clean Energy (PACE) assessment lien providing financing for any portion of the Project. The City's lien shall be released upon expiration of the 5-year period specifically referenced in the "Continued Minimum Occupancy Requirement in Building #2" on the next slide.



Staff Recommendation: Conditions



Commencement of Operations of the Longhorn Ballroom. Prior to City's disbursement of Installment #1 of the PPP Grant portion of the City Subsidy, the Longhorn Ballroom (Building #1) shall be open to the public and shall have commenced daily operations as an entertainment/event venue.

Continued Operations Requirement for Longhorn Ballroom. Subject to the occurrence of force majeure events, failure to maintain and operate the Longhorn Ballroom (Building #1) as an entertainment/event venue for 5 years after the date that Developer obtains a CO for Building #1 shall be a default of the agreement.

Minimum Occupancy Requirement in Building #2. Prior to City's disbursement of Installment #2 of the PPP Grant portion of the City Subsidy, Developer shall use reasonable commercial efforts to lease and occupy a minimum of 50% of the total gross floor area of Building #2 and shall provide reasonable evidence of such efforts to the City.

Continued Minimum Occupancy Requirement in Building #2. Subject to the occurrence of force majeure events, failure to use reasonable efforts to maintain a minimum of 50% of the total gross floor area of Building #2 as leased and occupied for 5 years after the date Developer initially meets the "Minimum Occupancy Requirement in Building #2" shall be a default of the agreement.

Specific Uses not Allowed in the Project. Pawn shops, sexually oriented businesses, payday lenders, and indoor gaming/gambling shall not be permitted in any portion of the Project for 5 years after the date that Developer obtains a CO for Building #1.



Staff Recommendation: Conditions



- IRS Section 118 Provisions. Without altering or excusing any obligation of the Developer under the agreement, the City acknowledges that the City Subsidy may be funded directly to Developer, or to an affiliate of Developer as Developer may direct, as necessary to facilitate the treatment of all City Subsidy payments under the agreement as non-shareholder contributions to capital, in accordance with the provisions of Section 118 of the Internal Revenue Code of 1986 (the "Code"). Developer acknowledges and agrees that the City expresses no opinion with respect to the appropriate federal income tax treatment of such payments and that the City has not made any representations or covenants other than in this section with respect to such federal income tax treatment of the City Subsidy. For purposes of this LOI, an "affiliate" of the Developer means an entity owned (in whole or part) and controlled by Developer's principal, Edwin Cabaniss.
- Assignment. Until completion of the Project, an assignment of the Developer's duties and obligations under the agreement shall only be allowed to a direct affiliate of Developer with the prior written approval of the Director, not to be unreasonably withheld, conditioned, or delayed. After completion of the Project, Developer may assign its rights or obligations under the agreement to any entity provided the assignee expressly assumes all of the obligations of the Developer under the agreement for the balance of the term of the agreement.



Next Steps



- On August 30, 2022, the TOD TIF District Board of Directors reviewed and unanimously recommended for approval a development agreement and a City Subsidy for the Longhorn Ballroom Redevelopment Project in an amount not to exceed \$4,150,000 as recommended by staff
- An agenda item will be placed on the City Council voting agenda on September 28, 2022





City of Dallas

Longhorn Ballroom

redevelopment project in the
TOD TIF District

Economic Development Committee
September 6, 2022

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

Appendix: Development Team



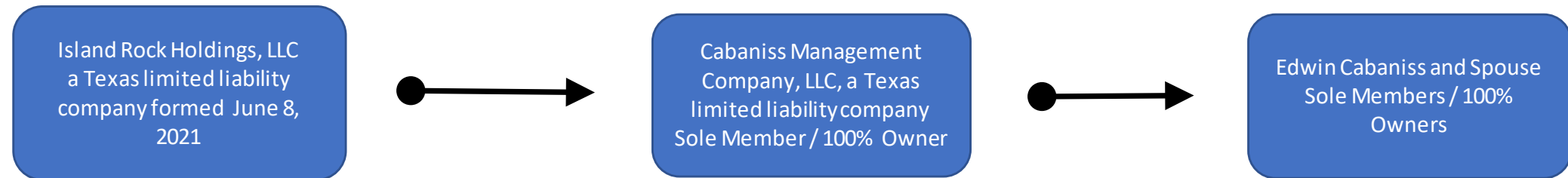
Role	Party Name
Developer/Primary Contact	Island Rock Holdings, LLC (Edwin Cabaniss, Managing Member)
Architect	DSGN Associates, Inc
Engineer	Basharkhah Engineering & Pierce Engineering
General Contractor	TBD
Property Management	Kessler Entertainment Group, LLC



Appendix: Developer



ISLAND ROCK HOLDINGS, LLC ORGANIZATIONAL CHART



Appendix: Urban Design



Developer modified design to respond to UDPRP recommendation:

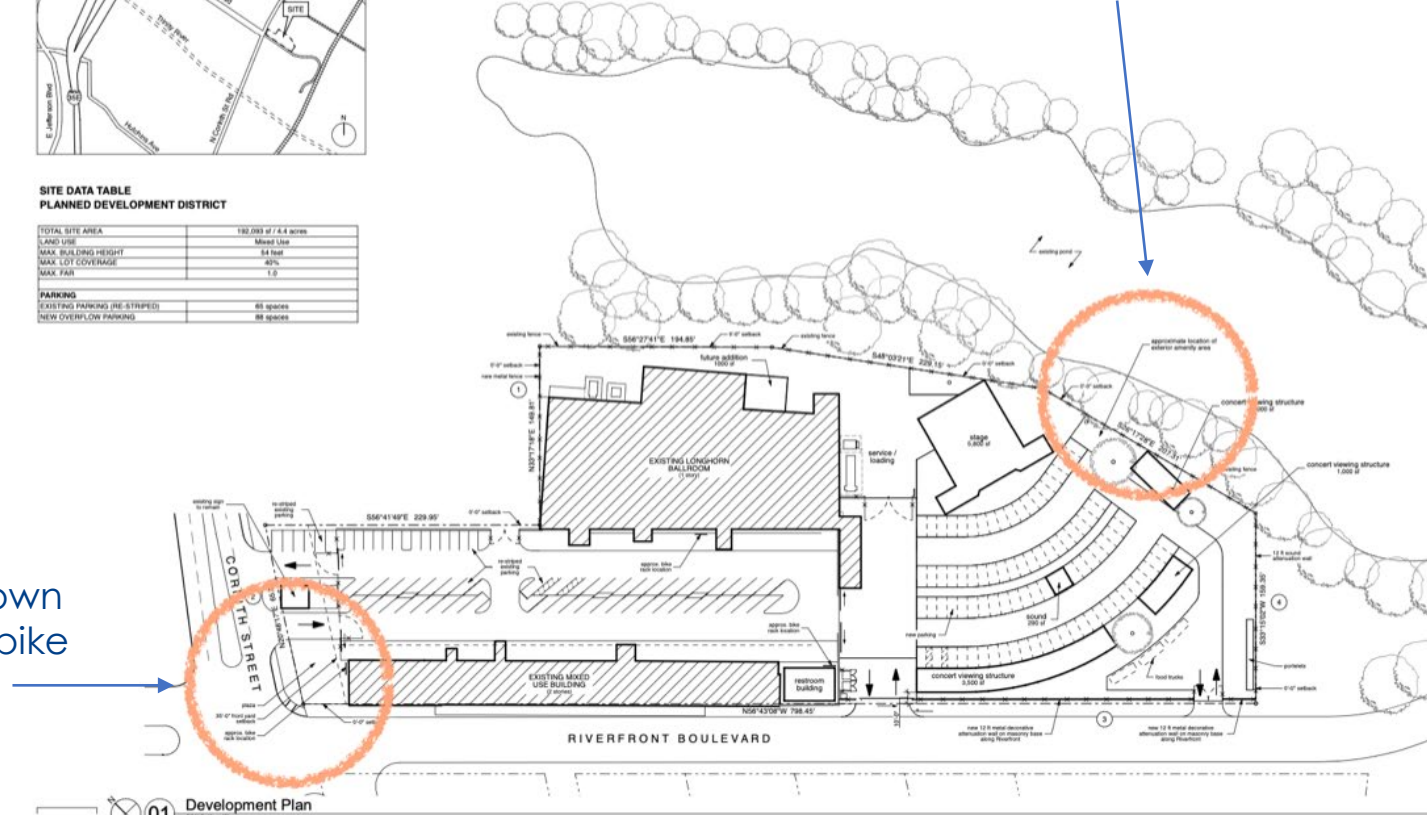


SITE DATA TABLE
PLANNED DEVELOPMENT DISTRICT

TOTAL SITE AREA	180,000 sq ft / 4.1 acres
LAND USE	Mixed Use
MAX BUILDING HEIGHT	64 feet
MAX LOT COVERAGE	40%
MAX FAR	1.0
PARKING	
EXISTING PARKING (RE-STRIPED)	65 spaces
NEW OVERFLOW PARKING	88 spaces

Amenity area highlighted – potential connections & improvements depend on what may be allowed on or near City sump.

Plaza location shown and can include bike parking



Longhorn
Ballroom Master
Development Plan
Dallas, TX
Project 2036.00

Owner
Big D Development
Architect
DSGN Associates, Inc.
115 West Greenville Lane
Dallas, Texas 75208 USA



Issue Date/ Rev
25 Oct 21 Issue for Application
07 Dec 21 Issue for Application
10 Dec 21 Issue for Application
28 Jan 22 Issue for Application
28 Mar 22 Issue for Application

Development Plan
Case
Z201-337



Appendix: Underwriting



- Developer's original incentive application requested \$3,959,858 in City incentives.
- National Development Council (NDC), under contract with the City, conducted independent underwriting of the incentive application. The staff recommended City subsidy is within a range of gap analysis provided by the underwriter. Conclusions of independent underwriting:
 - **Development team:** highly qualified and experienced to carry out the project
 - **Financial capacity:** Developer is bringing personal and other investor equity into the project.
 - **Permanent debt capacity of Project:** Debt capacity is being maximized. Project could support a maximum of \$3.5 million in debt capacity given the current nature and conditions of the local entertainment industry.
 - **Appraisal and Market Study:** Developer's assumptions are consistent with information presented; project appears viable.
 - **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:** Developer has maximized private debt and internal rate of return of 10.4% is reflective of a higher risk project.





City of Dallas

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

Agenda Information Sheet

File #: 22-1859

Item #: B.

Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis Garden TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]

Memorandum



DATE September 2, 2022

CITY OF DALLAS

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

SUBJECT **Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis
Garden TIF District**

An item for City Council consideration will be placed on the Wednesday, September 14, 2022 City Council agenda for supplemental design services for the Rosemont Safe Routes to School Project (Project) in the Davis Garden Tax Increment Financing (TIF) District. The item will authorize a supplemental contract with Halff Associates (Consultant) in the amount of \$194,400.00 to complete the design of the Project.

The National Center for Safe Routes to School (SRTS) serves as the U.S. Department of Transportation's clearinghouse for pedestrian and bicycle research and tools. SRTS programs aim to make it safer for students to walk and bike to school and encourage more walking and biking where safety is not a barrier. The SRTS approach promotes walking and bicycling to school through infrastructure improvements, enforcement, tools, safety, and education. The Transportation Alternatives Program (TAP), a federal program administered through the U.S. Department of Transportation, provides funding for a variety of generally smaller-scale transportation projects such as SRTS projects. TAP provides funds through the North Central Texas Council of Government's (NCTCOG) Regional Transportation Council (RTC), which determines the allocation of federal, state and regional transportation funds. The RTC periodically funds SRTS infrastructure projects through TAP calls for projects. Under the 2014 call for projects, \$5.7 million was awarded to 13 area SRTS projects, including \$86,957.00 for the Rosemont SRTS Project.

The purpose of the Rosemont SRTS Project is to support the neighborhood's desire for more of their children to bike and walk to school. Rosemont Primary School is directly adjacent to Rosemont Elementary and International Language Preparatory Middle School. The Project's goal is to create a system of limited-access safe streets across the neighborhood that connect the Rosemont Primary and Elementary Schools to the surrounding neighborhood. The Project's scope of work consists of the design and construction of bicycle and pedestrian improvements to include speed humps, neckdowns and curb extensions, bike lanes, sidewalks, ADA ramps, crosswalk markings and stop bars, and hybrid beacons.

DATE September 2, 2022
SUBJECT **Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis Garden TIF District**

In 2014, the Project was awarded a TAP grant by the Regional Transportation Commission (RTC) in an amount not to exceed \$86,957.00, with \$69,566.00 as the Federal share for engineering design and a local match requirement of \$17,391.00. On April 11, 2018, City Council authorized a professional services contract with the Consultant to provide design services for the Project. In November 2018, discussions between NCTCOG and the City of Dallas led to a change in design scope which resulted in a change directive. In the change directive, the Consultant was asked to take the revised scope to 60% design using the original funds. Completing the design (the remaining 40%) would increase the design cost by \$151,425.00 due to the change in scope.

Since any additional costs associated with the Project (in excess of \$86,957.00) are the responsibility of the City, several months ago the Public Works Department approached the Office of Economic Development and the Davis Garden TIF District with a request for the supplemental funding. The request was initially presented to the Davis Garden TIF District Board of Directors (TIF Board) on June 15, 2022. Based on input from the community and after TIF Board discussion during the June 15 meeting, two additional streets adjacent to the Rosemont Primary School and the Rosemont Elementary School were added to the scope of the Project with an estimated additional design cost of \$50,000.00. The engineering design for the Project consists of \$194,400.00 for design from Halff Associates, Inc, and \$6,894.00 for design review by TxDOT. The request for the total supplemental design cost of \$201,425.00 to complete the design of the Project was presented to the TIF Board on August 2, 2022 and was approved unanimously. The Project was presented to the Transportation and Infrastructure Committee at their meeting on August 15, 2022 and was recommended to move forward to City Council for consideration.

Please contact Kevin Spath, Assistant Director, Office of Economic Development, at Kevin.Spath@Dallas.gov should you have any questions or require further information.



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

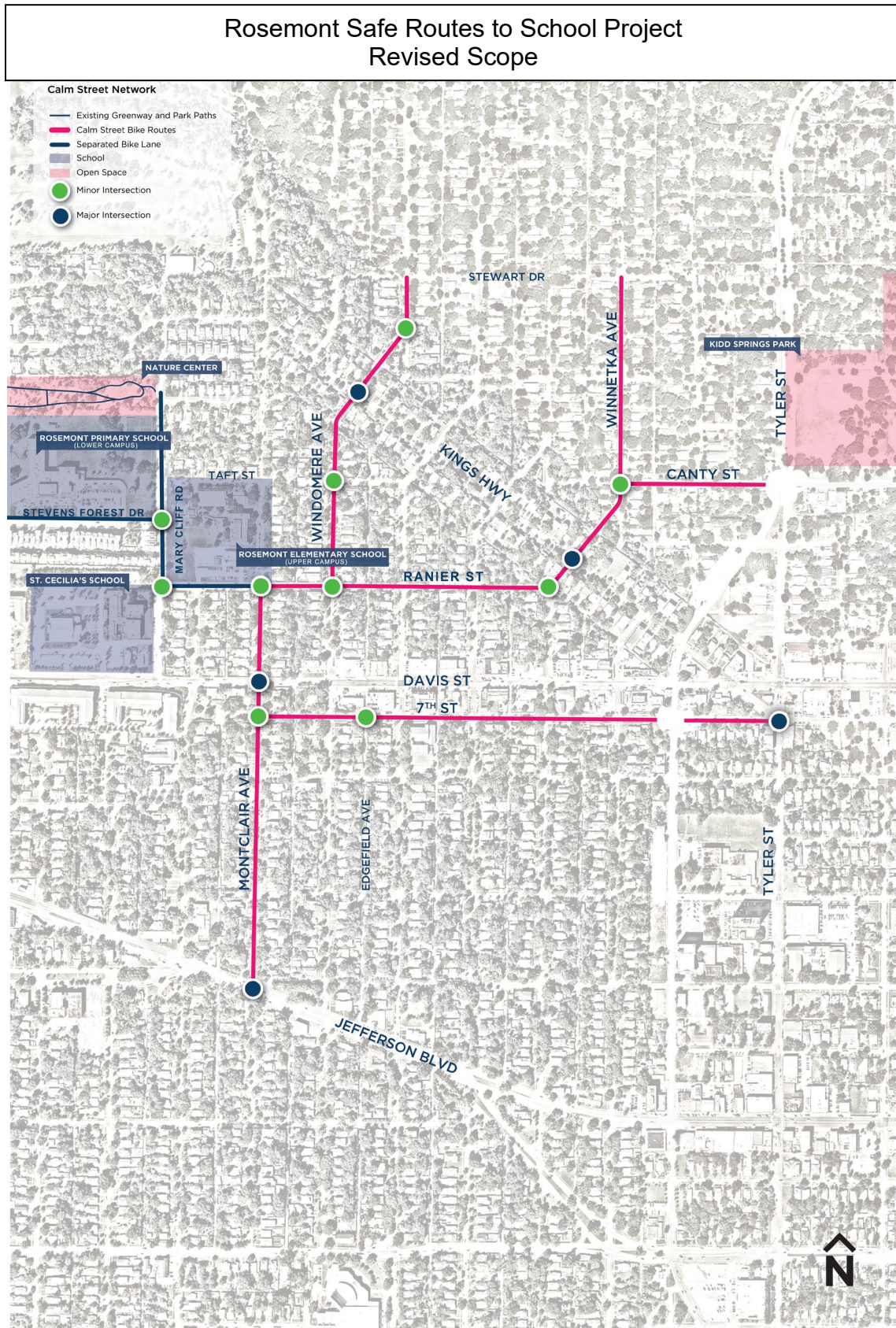
c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

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

DATE
SUBJECT

September 2, 2022

Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis
Garden TIF District





City of Dallas

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

Agenda Information Sheet

File #: 22-1610

Item #: C.

Authorize amendment and assignment of incentive agreement to permit the developer's sale of 3540 Simpson Stuart Road (Save-U-More food store)
[Heather Lepeska, Interim Assistant Director, Office of Economic Development]

Memorandum



DATE September 2, 2022

CITY OF DALLAS

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

SUBJECT **Upcoming Agenda Item: Authorize amendment and assignment of incentive agreement to permit the developer's sale of 3540 Simpson Stuart Road (Save-U-More food store)**

At the September 28, 2022 agenda meeting, City Council will be asked to consider an item to authorize an amendment and assignment to the grant agreement between the City of Dallas and KRR Construction LTD, consent of sale, and a conditional loan subordination for the property located at 3540 Simpson Stuart Road. The proposed new buyer is A&S Supermarkets LLC or an affiliate or subsidiary thereof (Cash Saver or Buyer).

On October 23, 2013, the Dallas City Council authorized a \$1.5 million grant agreement between the City of Dallas and KRR Construction LTD for the development of the property at 3540 Simpson Stuart Road, Dallas, Texas as a grocery store. On December 10, 2014, City Council approved an increase to the grant agreement to a total of \$2.8 million for the development of a full-service grocery store at this location by Moran Foods, LLC ("Save A Lot"). The Save A Lot grocery store opened on October 28, 2016. The deed of trust required 10-year operations as a grocery store and performance for the grant was secured by a lien against the property. After ten years of operations as a grocery store, the obligation to repay the grant would be lifted.

After originally operating as a Save A Lot grocery store, the store brand was converted to a Save-U-More store. In January 2021, Save-U-More closed and the property is currently for sale. Buyer intends to purchase the building for \$1,900,000.00 and reopen the location as a Cash Saver grocery store. Buyer signed a letter of intent for a \$1,560,000.00 senior loan with American Continental Bank (the "senior lien") and intends to continue operations in accordance with the requirements of the City's grant agreement. The required term for continued grocery store operations to qualify for forgiveness of the City's grant is five years and nine months. In order for the sale and reopening to move forward, the City's lien must be subordinated to the senior lien as a condition of the senior lender's financing.

The September 28, 2022 agenda item will authorize an amendment to the contract between KRR Construction LTD and the City of Dallas to clarify that the remaining term of operations for the grocery store is five years and nine months, and to assign the contract to Buyer. Additionally, it authorizes the consent of the sale of the property located at 3540 Simpson Stuart from KRR Construction LTD to Buyer upon approval of senior financing, and authorize the subordination the City's lien to the senior lien.

DATE September 2, 2022
SUBJECT **Upcoming Agenda Item: Authorize amendment and assignment of incentive agreement to permit the developer's sale of 3540 Simpson Stuart Road (Save-U-More food store)**

The letter of intent from American Continental Bank (ACB) identifies the following conditions that must be met before the final approval and funding of the loan including:

1. An appraisal showing that the as-is value of the property exceeds \$1.9M
2. A satisfactory environmental report
3. Tax forms, financial statements, credit histories, business plan, profit and loss projections, and other financial information from the company provided to the bank
4. Executed subordination agreement from the City of Dallas in favor of American Continental Bank

It is a condition of the City's consent that Buyer satisfy American Continental Bank's requirements (1-3 above) and close on the loan. If that does not occur, the City will not provide the consent or subordination. The City will also require that the store open by January 1, 2023.

Should you have any questions, please contact Robin Bentley, Director, Office of Economic Development, at (214) 671-9942 or Robin.Bentley@dallas.gov.



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

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
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Jack Ireland, 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 #: 22-1947

Item #: D.

Authorize amendment of Southern Dallas Investment Fund (SDIF) Program Statement
[Joyce Williams, Director, Small Business Center]

Memorandum



CITY OF DALLAS

DATE September 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 **Authorize amendment of Southern Dallas Investment Fund (SDIF) Program Statement**

The purpose of this memorandum is to provide an update on the revision of the Program Statement for the Southern Dallas Investment Fund (SDIF). Funding for this program was authorized to promote economic development throughout the city, provide grants of bond proceeds for private commercial, industrial, retail, residential/mixed-use development, neighborhood revitalization projects, and mixed income development under Ordinance 30554 Proposition I for \$2,500,000 in general obligation bond funding.

The SDIF grant funds are administered by the Small Business Center and designated for "Southern Dallas" defined for the purpose this grant, as the geographical boundaries within the Dallas city limits on the west, south and east. The northern border is the Trinity River, west and east of downtown and interstate 30.

Eligible recipients must be a for-profit business located in Southern Dallas that are officially registered with the Texas Secretary of State, operate as a legal for-profit small business as classified under size standards of the U.S. Small Business Administration and demonstrate a need for eligible assistance.

Should you have any questions or concerns, please contact me or Joyce Williams, Director, Small Business Center at joyce.williams@dallas.gov.

Kimberly Bizor Tolbert
Deputy City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
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EXHIBIT A

SOUTHERN DALLAS INVESTMENT FUND

PROGRAM STATEMENT

PURPOSE

The City hereby establishes and provides for the administration of the Southern Dallas Investment Fund (the “Fund”) to promote local economic development and stimulate business and commercial activity in the City, pursuant to Texas Local Government Code, Chapter 380. The purpose of the Fund is to provide grants (“Grant Funds”) to an Eligible Business (defined herein) located and operating in southern Dallas for Eligible Capital Expenditures (defined herein). For purposes of this program statement, the term “southern Dallas” refers to the geographical boundaries within Dallas city limits on the west, south and east. The northern border is the Trinity River west of downtown an Interstate 30 East of downtown as shown in **Exhibit A**. The Fund is administered by the Small Business Center.

FUNDING

The initial funding shall be \$2.5 million in 2017 general obligation bond funds from Proposition I, which authorized bonds for “the purpose of providing funds for promoting economic development throughout the city” and “through the city’s programs for economic development and housing including [...] making grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development, neighborhood revitalization projects, and mixed income development.” Accordingly, all Grant Funds using 2017 general obligation bond funds must comply with the City’s 2017 Capital Bond Program, the Internal Revenue Code, and U.S. Treasury regulations, guidance and rulings.

BUSINESS GROWTH

A for-profit business located in southern Dallas that receives grant Funds must use it for eligible capital expenditures to stimulate small business growth and commercial activity in southern Dallas, such as by attracting/retaining employees in southern Dallas or increasing taxable personal or real property in southern Dallas.

Eligible Participants:

To receive Grant Funds, a recipient must be: (1) a business officially registered with the Texas Secretary of State and operate as a legal for-profit business (“Eligible Business”); (2) classified as a small business under the size standards of the U.S. Small Business Administration; (3) physically located and operate in southern Dallas (as depicted in the program map attached as Exhibit A); and (4) demonstrate a need for assistance.

Grant Funds shall not be awarded to a business that requires a sexually oriented business license under Chapter 41A of the Dallas City Code, or a liquor store, a pawn shop, a body piercing studio, or a tattoo studio as those terms are defined by the Dallas Development Code.

Grant Funds shall not be awarded to a business that has outstanding city liens or tax liens, that is party to a lawsuit against the City, that has filed for bankruptcy in the previous 5 years, that is currently in default under any other agreement with the City, or that has, in the previous 5 years, been party to a contract with the City that was terminated due to default. All expenditures for services will be subject to state and local procurement laws.

Eligible Expenses:

An Eligible Business that receives Grant Funds must use it to for eligible capital expenditures (as defined for tax purposes) that: (1) stimulate business and commercial activity; (2) attracts/retains employees in southern Dallas; and/or (3) increases taxable personal or real property in southern Dallas ("Eligible Capital Expenditures"). Eligible capital expenditures include the costs of acquiring or producing any permanent structural alteration or other assets added to tangible real or personal property that improves it substantially, thereby increasing its overall property value to suit new needs and extending its useful life. A proposed expenditure must also be for a permitted use as it pertains to the property under the Dallas Development Code.

Examples of eligible capital expenditures include:

- permanent structural alteration to a building
- exterior and interior construction to a building

Post-Award Requirements:

Grant Funds recipients must document code compliance and maintenance of improvements for a period of five years following receipt of the grant.



City of Dallas

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

Agenda Information Sheet

File #: 22-1977

Item #: E.

Upcoming Agenda Item: Amendments to support the Oaklawn Place Project in the Maple/Mockingbird TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]

Memorandum



DATE September 2, 2022

CITY OF DALLAS

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

SUBJECT **Upcoming Agenda Item: Oaklawn Place Project - Proposed Amendments**

An item for City Council consideration will be placed on the Wednesday, September 28, 2022 City Council agenda requesting authorization to amend the previously authorized development agreement (Resolution No. 21-1776) for the Oaklawn Place Project ("Project"), a senior affordable multi-family development (84 apartments, of which 100% shall be rent restricted for senior households earning between 30% and 60% of AMFI) on approximately 1.8 acres of property currently addressed at 5717-5725 Sadler Circle in Tax Increment Financing Reinvestment Zone Number Eighteen (Maple/Mockingbird TIF District). The proposed amendments are as follows:

- 1) increase the TIF Subsidy by \$975,852.00 from \$4,438,154.00 to \$5,414,006.00, and
- 2) extend the deadline for obtaining a building permit from July 1, 2022 to July 1, 2023, and
- 3) extend the deadline for completing construction of the Project, including associated public improvements and streetscape improvements and making all portions of the building occupiable from December 31, 2023 or the placed in service deadline established by Texas Department of Housing & Community Affairs ("TDHCA") to December 31, 2024 or the placed in service deadline established by TDHCA, and
- 4) change the developer entity name from Sadler Circle Senior Apartments LLC to Resource Center of Dallas, Inc.,

and, as consideration,

- 5) increase the Developer's required minimum amount of Investment Expenditures from \$17,000,000.00 to \$20,000,000.00, and
- 6) increase the Developer's good faith effort goal from 32% to 36% for participation by certified Minority/Women-owned Business Enterprises in all hard construction expenditures on the Project.

DATE September 2, 2022
SUBJECT **Upcoming Agenda item: Oaklawn Place Project - Proposed Amendments**

On July 12, 2022, the Developer submitted a request to staff for amendments to the previously authorized development agreement/TIF subsidy, including an increase of \$1,007,066.00 to the subsidy needed to make the Project financially feasible. The Developer cited the following reasons for the request:

- extraordinary increases in construction costs due to supply chain problems associated with the COVID-19 pandemic
- inflation in labor and material rates commensurate with market inflation
- after value engineering and additional sub-bidding, total project cost increased \$5,307,021.00 from \$24,116,921.00 to \$29,423,942.00

After engaging the independent outside underwriter to verify the new funding gap, staff offered \$975,852.00 in additional TIF subsidy, which was accepted by the Developer on August 15, 2022. The amended total subsidy amount of \$5,414,006.00 would be allocated to the TIF district budget categories as shown below:

TIF BUDGET CATEGORY	AMOUNT
Environmental Remediation and Demolition	\$ 293,241.00
Infrastructure/Utility Improvements	\$1,028,948.00
Affordable Housing	\$4,091,817.00
TOTAL TIF SUBSIDY	\$5,414,006.00

On August 31, 2022, the Maple/Mockingbird TIF District Board of Directors reviewed and unanimously recommended City Council approval of the proposed amendments.

For reference and background information, attached to this memorandum is the briefing that was presented by the Office of Economic Development to the Housing and Homelessness Solutions Committee on October 25, 2021. See attached **Exhibit A**.

Please contact Kevin Spath, Assistant Director, Office of Economic Development, at kevin.spath@dallas.gov should you have any questions or require further information.



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

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

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



City of Dallas

Oaklawn Place

**An Affordable Senior Multi-Family Development Project
in the Maple/Mockingbird TIF District**

**Housing and Homelessness
Solutions Committee
October 25, 2021**

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

Presentation Overview



- Background
- Proposed Project
- Staff Recommendation
- TIF Board Recommendation
- Next Steps

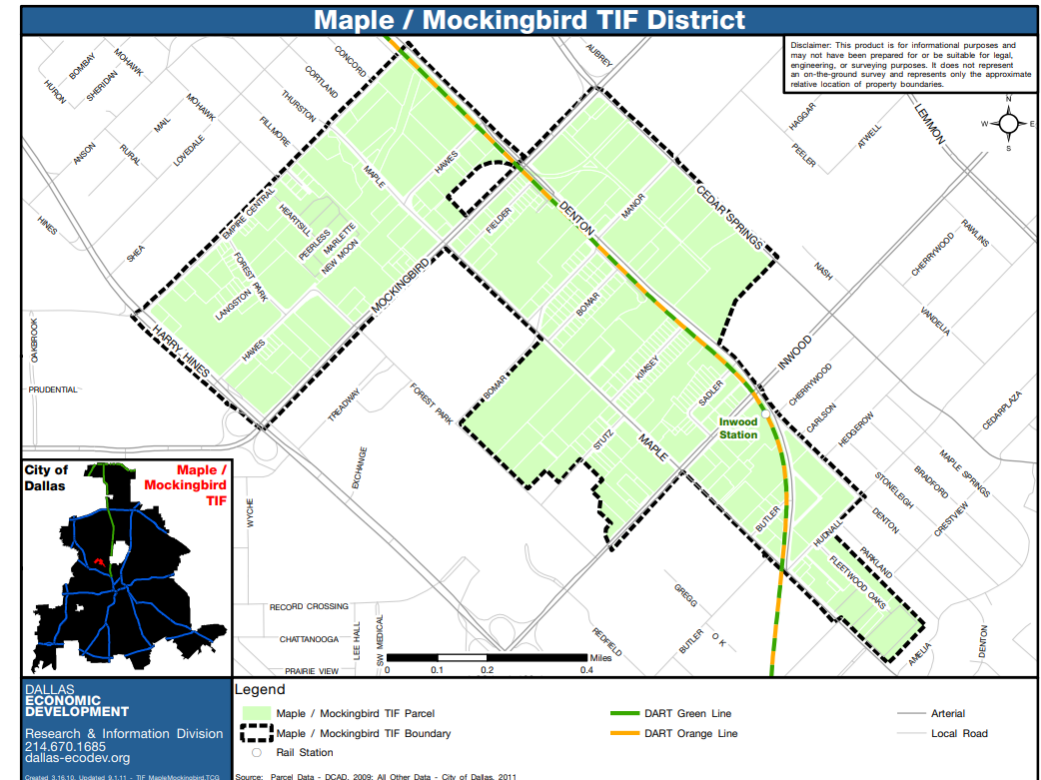
- Appendix



Background: Maple/Mockingbird TIF District



- Created in 2009 as a long-term tool to encourage redevelopment in the area southwest of Dallas Love Field Airport and northwest of the Southwestern Medical Center
- Participation rates
 - City: 70% 2009 - 2011
 - City: 85% 2012 - 2026
 - City: 70% 2027 - 2033
 - County: 55% 2012 - 2032
- District expires in 2033
- To date, taxable value of real property has increased by \$576 million within the District, an increase of 313% above the base value



Background: Location of Project



Oaklawn Place (the "Project") is located at 5717-5725 Sadler Circle in City Council District 2 in the Maple/Mockingbird TIF District



Background: Existing Conditions



- Current site consists of an undeveloped tract, boat and vehicle storage, a one-story residence, and a vacant one-story office building
- In October 2020, City Council approved Ordinance 31663 to change the zoning from an Industrial Research District (IR) to PD 1037 to accommodate this proposed Project



Proposed Project: Market Value Analysis



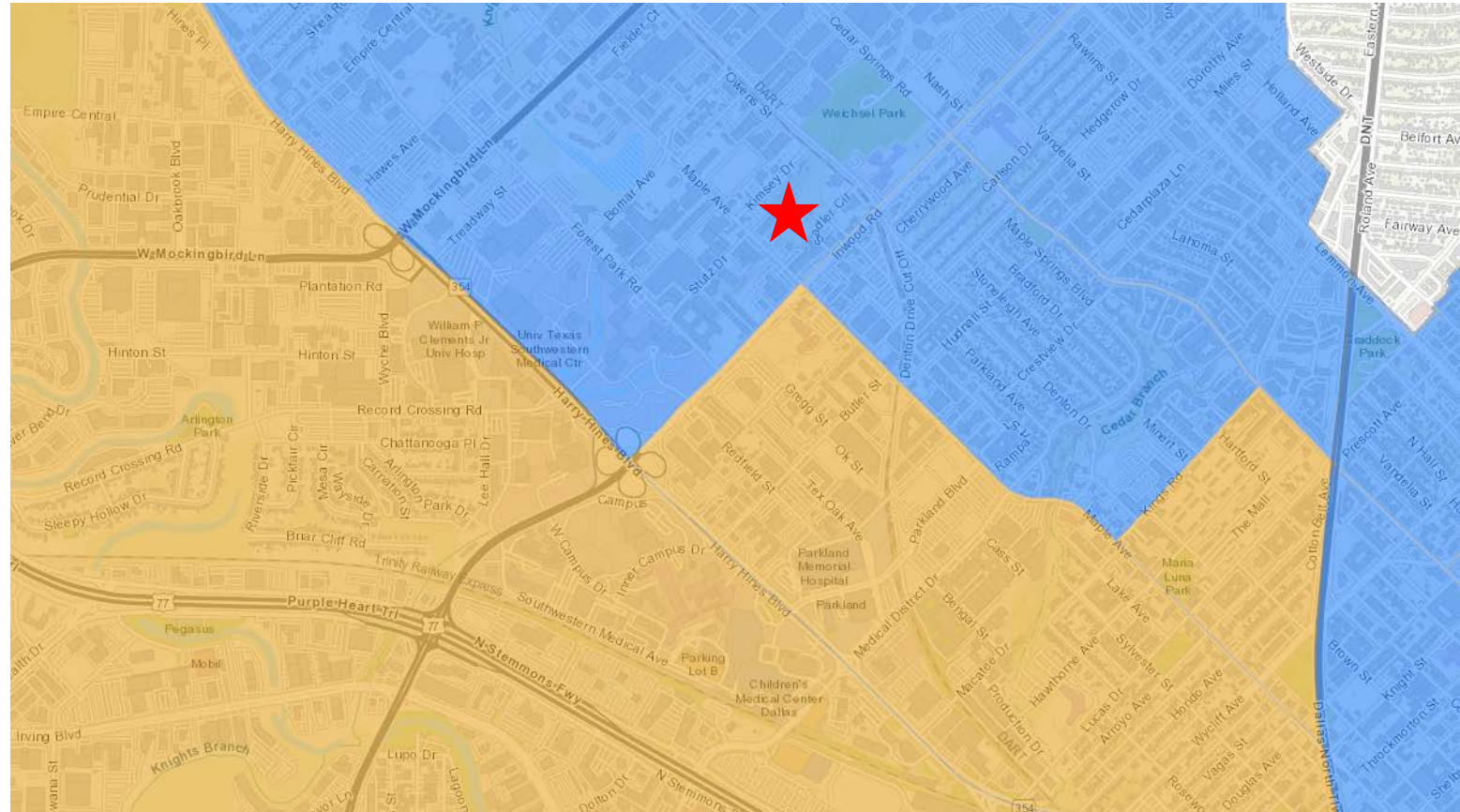
- Market Value Analysis (MVA) is a tool to assist residents and policy-makers to more precisely target intervention strategies in weak residential markets and support sustainable growth in stronger residential markets
- Project site is located on a non-residential tract; surrounded to the northwest by residential market type E (a middle residential market) and to the southeast by residential market types D, E, and F (middle residential markets)



Proposed Project: High Opportunity Area



- Project site is located in High Opportunity Area (depicted in **blue** color on the map)
- High Opportunity Areas within the city of Dallas are census tracts with poverty rate of 20% or below
- High Opportunity Areas often have attributes that, based on recent research, correlate with positive effects on the economic mobility of residents



Proposed Project: Summary



Project Developer: Sadler Circle Senior Apartments, LLC, a Texas limited liability company with equity investment in the form of 9% Low Income Housing Tax Credits (LIHTC) from National Equity Fund (TDHCA notification of LIHTC award on September 16, 2021)

Project Summary: Developer submitted an incentive application to the Office of Economic Development for the Oaklawn Place (the “Project”)

- 84 apartments, of which 100% shall be rent restricted for senior (55 or older) households earning between 30% and 60% of AMFI
- Total Project cost estimated \$24.1 million
- Start construction: January 1, 2022
- Complete construction: May 1, 2023

	RESID UNITS
30% AMFI	21
50% AMFI	34
60% AMFI	29
Low Income Total	84
Market Rate	0
Total units	84

Bedroom Type	RESID UNITS
1 Bedroom	79
2 Bedroom	5
Total Units	84



Proposed Project: Urban Design



- In August 2021, the City's Urban Design Peer Review Panel ("UDPRP") reviewed the Project and commended the development team for a high-quality design and for bringing much needed affordable housing to this area of the City
- UDPRP recommendations:
 - Explore opportunities to leverage the wooded ravine as a potential open space asset with a possible walking path, while also exploring ways to better connect the amenity deck to the surrounding natural areas
 - Leverage the landscaping, streetscape, and the Sadler Circle façade architecture to create a more pedestrian-oriented, human-scaled character
 - Apply integrated stormwater management (iSWM) design approaches, including bioswales, to manage on-site water quality as it exits the site and enters the adjacent riparian area
 - Work with the City to explore adjacent streetscape improvements to enhance walkability and access to the Love-Inwood DART Station
 - Give further design thoughts to the pedestrian bridge to maximize user experience while enhancing the connection to the adjacent open space
 - Refine the design of the fire lane to maximize it as an asset while also considering functionality and maintenance
 - Refine the parking lot design to allow for screening of the parking for adjacent neighbors and allow for enhanced landscaping on the parking field itself
- Developer has committed to working with staff to incorporate UDPRP's recommendations into the Project's final conceptual design



Proposed Project: Preliminary Rendering



Source: Perkins & Will



Proposed Project: Preliminary Elevations



Source: Perkins & Will



Proposed Project: Preliminary Site Plan



Source: Perkins & Will



Proposed Project: Budget



Uses	Amount	Percent
Acquisition	\$ 2,994,200	12.4%
Demolition	\$ 105,545	0.4%
Off-Site Infrastructure	\$ 250,000	1.0%
On-Site Preparation	\$ 825,957	3.4%
Site Amenities	\$ 422,455	1.8%
Building Construction, Finish-Out and Furnishings	\$ 10,742,127	44.5%
Contingency (6%)	\$ 740,765	3.1%
Contractor Overhead & Profit	\$ 1,832,159	7.6%
Soft Costs	\$ 1,176,701	4.9%
Professional Fees	\$ 895,000	3.7%
Financing	\$ 1,237,396	5.1%
Developer Fee	\$ 2,510,000	10.4%
Reserves	\$ 384,617	1.6%
Total Uses	\$ 24,116,922	100.0%



Proposed Project: Sources



Permanent Sources	Amount	Percent
Permanent Loan (BBVA Bank)	\$ 3,242,540	13%
Resource Center of Dallas	\$ 1,691,294	7%
Developer Fee Deferral	\$ 522,720	2%
FHLB Dallas AHP	\$ 750,000	3%
3rd Party Equity as 9% LIHTC (National Equity Fund)	\$ 13,472,214	56%
City (Maple/Mockingbird TIF Funds)	\$ 4,438,154	18%
Total Sources	\$ 24,116,922	100%



Staff Recommendation: TIF Funding



Staff Recommendation

- Authorize a development agreement and all other necessary documents with Sadler Circle Apartments LLC and/or its affiliates in an amount not to exceed **\$4,438,154** payable upon completion of the Project and Developer's satisfaction of all terms and conditions in the development agreement

Category	Amount
Environmental Remediation and Demolition	\$240,545
Infrastructure/Utility Improvements	\$843,536
Affordable Housing	\$3,354,073
TOTAL TIF SUBSIDY – amount not to exceed	\$4,438,154

Note: Funding could be less if final (actual documented) costs for the environmental remediation and demolition and infrastructure/utility improvements are less. Funds may be shifted from one category to another as long as the total amount of TIF funding does not exceed \$4,438,154. No interest shall accrue on any portion of the TIF funding. Related design, engineering, and professional services may be included in these categories.



Staff Recommendation: Conditions of TIF Funding



- Developer shall incur (or cause to be incurred) and provide documentation evidencing a **minimum of \$17,000,000 in Investment Expenditures** for the Project, including site acquisition, off-site infrastructure, on-site preparation, site amenities, building construction/finish-out/furnishings, and professional fees (e.g. architecture, engineering, landscape architecture, interior design)
- Project shall include a minimum of **84 residential units of which 100% (84) of the units shall be set aside and leased solely to those households earning between 30% and 60%** of the Area Median Family Income (AMFI) for a minimum of 15 years (the City's required "Affordability Period") (although anticipated to be set aside for 45 years for LIHTC)
- Developer shall set aside at least 10 percent of the dwelling units and solely lease those dwelling units to **holders of housing vouchers** or abide by any amendments to Ordinance 30246 and Chapter 20A
- Developer shall obtain a building permit by **July 1, 2022**. A foundation permit may constitute meeting the obligation of this requirement
- Construction of the Project, including associated public improvements streetscape improvements, shall be complete, and all portions of the building shall be occupiable by **December 31, 2023 or the placed in service deadline established by TDHCA** for the Project, as evidenced by certificate of occupancy, letter of acceptance, certificate of completion, and/or similar documentation from the City



Staff Recommendation: Conditions of TIF Funding



- Developer will execute a **20-year Operating and Maintenance Agreement** for all **non-standard public improvements**
- Developer will make a good faith effort to comply with City's Business Inclusion and Development ("BID") **goal of 32% participation by certified Minority/Women-owned Business Enterprises ("M/WBE")** for **all hard construction expenditures** of the Project and meet all reporting requirements
- Developer shall submit an **Affirmative Fair Housing Marketing Plan** for approval
- Until the Project has passed final building inspection and all required paperwork for payment has been submitted, Developer will submit to the Office of Economic Development **quarterly status reports** for ongoing work on the Project as well as public improvements (reporting information that will already be provided to the lender, tax credit investor, and TDHCA will be accepted)
- Developer shall submit updated conceptual drawings and renderings in **substantial conformance with the UDPRP's advice provided by the Urban Design Peer Review Panel on August 27, 2021**; allowable minor modifications may include those required for compliance with development regulations



Staff Recommendation: Conditions of TIF Funding



- For all permanent employment opportunities, Developer shall submit **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
- **Director of the Office of Economic Development may authorize minor modifications** to the Project, including, but not limited to, adjustment in unit type, unit mix, set-aside duration, and/or qualifying Area Median Family Income (only if also consistent with the Texas Department of Housing and Community Affairs Project requirements and in compliance with Maple/Mockingbird TIF District Policies and Plans)
- **With approval of the TIF Board and Director of the Office of Economic Development, deadline extension up to 12 months** may be granted



TIF Board Recommendation



On October 19, 2021, the Maple/Mockingbird TIF District Board of Directors reviewed and recommended for approval TIF funding for the Oaklawn Place Project in an amount not to exceed \$4,438,154 as recommended by staff



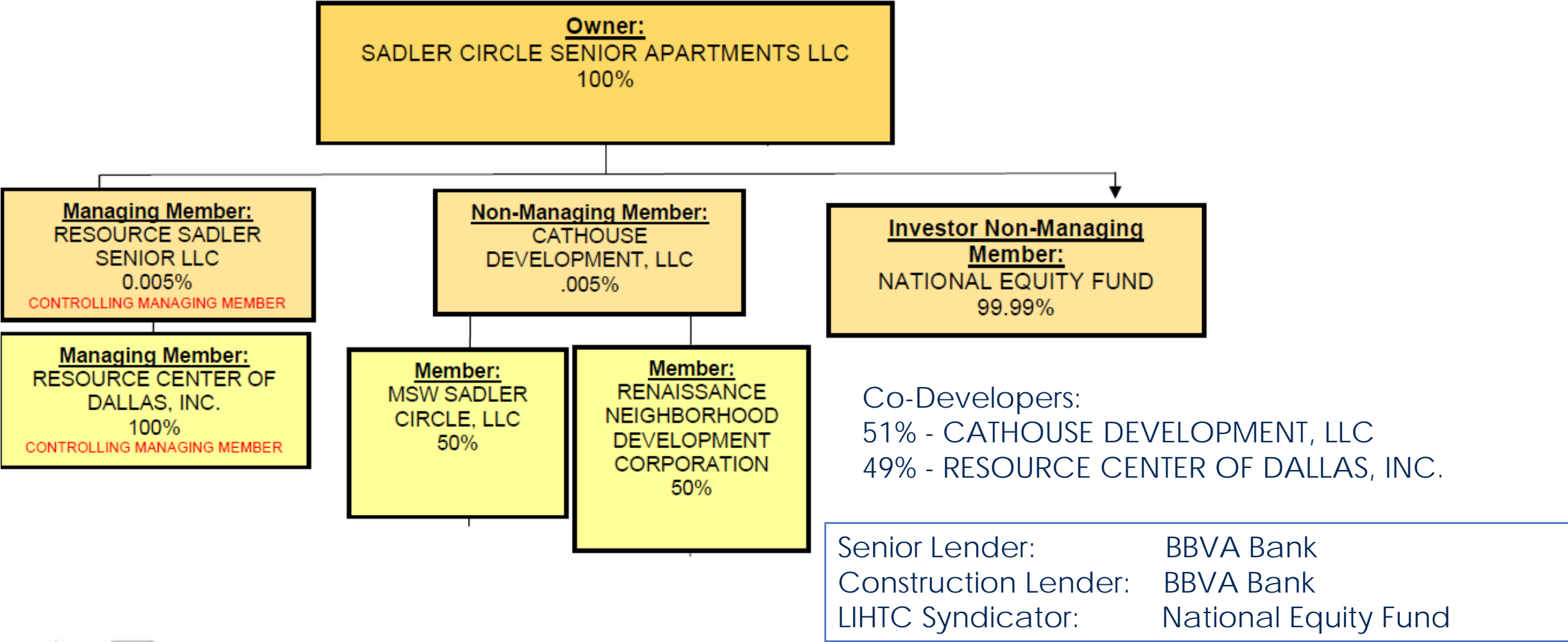
Next Steps



City Council voting agenda on October 27, 2021



Appendix: Ownership Structure



Appendix: Development Team



Role	Party Name
Owner Entity/Primary Contact	Sadler Circle Apartments LLC
Developer	Matthews Southwest (MSW); Resource Center of Dallas; Renaissance Neighborhood Development Corporation
Architect	Perkins & Will
Contractor	Spring Valley Construction Company
Property Management	Volunteers of America



Appendix: Project History



- On February 22, 2021, Housing and Homelessness Solutions Committee was briefed regarding the proposed Project
- On February 24, 2021, City Council authorized a Resolution of Support for Developer, related to its application to the TDHCA for 9% Low Income Housing Tax Credits for the proposed Project by Resolution No. 21-0374
- On September 16, 2021, Developer received formal notice from the TDHCA that the proposed Project was awarded 9% LIHTC
- On October 19, 2021, Maple/Mockingbird TIF District Board of Directors reviewed and recommended for approval TIF funding for the proposed Project in an amount not to exceed \$4,438,154 as recommended by staff



Appendix: Resident Support Services



The Project will provide the following support services to residents:

- monthly transportation to community events
- adult education classes
- income tax preparation classes
- health fairs
- exercise classes
- organized community programming

Resident services coordinator will provide:

- linkage to health services
- access to Resource Center services, including primary care, mental health counseling, health and support for AIDS, HIV+, Ryan White-eligible persons



Appendix: Maple/Mockingbird TIF District Budget



Category	Estimated TIF Expenditures (Current Dollars)	Allocated to Date	Pending Allocation for Oaklawn Place Project	Balance
Infrastructure/Utility Improvements	\$ 30,323,696	\$ 2,595,000	\$ 240,545	\$ 27,488,151
Environmental Remediation and Demolition	\$ 4,318,248	\$ 315,000	\$ 843,536	\$ 3,159,712
Affordable Housing	\$ 8,156,690	\$ 4,400,000	\$ 3,354,073	\$ 402,617
Retail/High Density Grant Program	\$ 7,782,442	\$ 3,690,000	\$ -	\$ 4,092,442
Administration and Implementation	\$ 2,735,606	\$ 414,673	\$ -	\$ 2,320,933
Total Project Costs	\$ 53,316,682	\$ 11,414,673	\$ 4,438,154	\$ 37,463,855



Appendix: Underwriting



- Project has also been through underwriting process with LIHTC application to TDHCA
- Developer's amended incentive application requested \$4,500,000 in TIF funding
- National Development Council (NDC), under contract with the City, conducted independent underwriting of the incentive application
- Conclusions of independent underwriting:
 - **Development team:** The development team appears highly qualified to carry out the proposed project
 - **Equity investors:** As a tax credit project, over half (approx. \$13.5M of \$24M) of project funding comes from equity generated from the LIHTCs. The tax credit investor requires several guarantees including completion. Should the Developer not perform, the investor (99.99% owner) may intercede to complete the project. Audited Financial Statements for the guarantor General Partner involved in the ownership structure were reviewed and show a more than adequate ability to fund guarantees.
 - **Permanent debt capacity of Project:** Maximized
 - **Appraisal and Market Study:** Applicant's assumptions are consistent with information presented
 - **Cost estimates of Project:** Costs reasonable in current market; Total development costs proved higher than projected since the original figures provided by the developer were not contracted prices.
 - **Rationale for subsidy:** The main driver of the subsidy need is TDHCA's artificial restriction of the tax credits to \$1.5M per year (\$15M total). Without the TDHCA restriction, the project has the potential to qualify for over \$24M in tax credits which would eliminate the gap.
 - **Rational for subsidy based on Returns:** 4.0% IRR for tax credit investor; within reasonable range; no undue enrichment





Oaklawn Place

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in the Maple/Mockingbird TIF District

Housing and Homelessness
Solutions Committee
October 25, 2021

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





City of Dallas

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

Agenda Information Sheet

File #: 22-1950

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.) and seek advice of its attorney (Sec. 551.071 T.O.M.A.)