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CITY SECRETARY
DALLAS, TEXAS

City of Dallas

1500 Marilla Street, Room 6ES
Dallas, Texas 75201



Economic Development Committee

November 2, 2020

1:00 PM

Public Notice

200838

POSTED CITY SECRETARY
DALLAS, TX

2020 CITY COUNCIL APPOINTMENTS

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

(C) – Chair, (VC) – Vice Chair

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

This Economic Development Committee meeting will be held by videoconference. The meeting will be broadcast live on Spectrum Cable Channel 95 and online at [bit.ly/cityofdallas.tv](https://cityofdallas.tv).

The public may also listen to the meeting as an attendee at the following videoconference link:

<https://dallascityhall.webex.com/dallascityhall/onstage/g.php? MTID=e7376dcb979035538117ed5fe95b2060a>

Call to Order

MINUTES

1. [20-2151](#) Approval of the October 5, 2020 Economic Development Committee Meeting Minutes

Attachments: [Minutes](#)

EXECUTIVE SESSION BRIEFING ITEMS

A. 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.)

[Robin Bentley, Assistant Director, Office of Economic Development]

BRIEFING MEMORANDUMS

- B. [20-2149](#) Upcoming Agenda Item: New Market Tax Credit Transaction for Austin Street Center
[Robin Bentley, Interim Director, Office of Economic Development]

Attachments: [Memo](#)

- C. [20-2150](#) Upcoming Agenda Item: Board By-Laws and Final Plan for the University TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]

Attachments: [Memo](#)

ADJOURNMENT

EXECUTIVE SESSION NOTICE

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

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



City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-2151

Item #: 1.

Approval of the October 5, 2020 Economic Development Committee Meeting Minutes



City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-2149

Item #: B.

Upcoming Agenda Item: New Market Tax Credit Transaction for Austin Street Center
[Robin Bentley, Interim Director, Office of Economic Development]

Memorandum



CITY OF DALLAS

DATE October 30, 2020

The Honorable Members of the Economic Development Committee:

TO Tennell Atkins, (Chair), David Blewett, (Vice-Chair), Jennifer Staubach Gates,
Adam McGough, Omar Narvaez, Jaime Resendez, Chad West

SUBJECT **Upcoming Agenda Items: New Market Tax Credit Transaction for Austin Street Center**

On November 11, 2020, City Council will be asked to consider a council item to authorizing a New Markets Tax Credit transaction between the Dallas Development Fund, Capital One and Austin Street Center for the construction of a new Austin Street Center at 1717 Jeffries St.

The City of Dallas authorized the creation of the Dallas Development Fund (DDF), a non-profit Community Development Entity (CDE), by Resolution No. 09-0461 on February 11, 2009, to apply for a New Markets Tax Credit (NMTC) allocation from the U.S. Department of Treasury's Community Development Financial Institutions Fund in its 2009 funding cycle. DDF was awarded \$55 million in the 2017 allocation cycle and was previously awarded \$130 million in allocation from the 2009, 2012 and 2014 cycles. DDF has closed \$176.5 million in allocation to date and this is the remaining \$8.5 in allocation from its last award.

The NMTC program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated CDEs. These investments must be used by the CDE for projects and investments in low-income communities, as defined by the NMTC program. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a 7-year credit allowance period.

On October 8, 2020, DDF considered and approved a NMTC transaction between DDF, Capital One N.A. (Capital One), and Shelter Ministries of Dallas (Sponsor). This NMTC allocation will use up to \$8.5 million of DDF's \$55 million NMTC allocation. As the tax credit investor, Capital One is anticipated to provide a total of approximately \$2.73 million in NMTC equity to support the \$8.5 million in total allocation from DDF. Additionally, Capital One Community Renewal Fund intends to provide \$2 million in allocation, and PeopleFund NMTC LLC will provide up to \$7 million in allocation for a total allocation amount to the project of \$17.5 million.

Shelter Ministries of Dallas is building a new Austin Street Center (Austin Street), which is a 60,000 square-foot facility that includes 450 shelter beds, 30 medical respite beds, a commercial kitchen, and dedicated spaces for case management and other programming (the "Project"). The Project will replace the existing Austin Street shelter, which is located across the street from the new facility. Incorporating best practices seen in top-performing homeless shelters across the country, the Project will increase bed capacity by 50 beds and strengthen existing supportive service capacity with a focus on improving the health and wellness of the most vulnerable homeless population.

The design of the new facility reflects Austin Street's commitment to providing comprehensive care to clients and expanding capacity to address homelessness in Dallas. The Project will greatly enhance the delivery of services through key features:

- Dedicated spaces for training, counseling, and social interaction, including three new classrooms

- New dining hall and commercial kitchen, which will improve Austin Street's capacity to provide healthy food options as well as employment training opportunities.
- Increased bathroom and shower capacity for improved hygiene.
- Living space that enhances safety for clients, increases accessibility through wider walkways and steps to top bunks, and creates a more spacious sleeping arrangement with semi-private space for men and women.

The total project cost is \$20.7 million, which includes soft costs and land acquisition. The \$15 million capital campaign has raised \$11.4 M in cash and pledges (through July) to support the Austin Street project.

The project site qualifies as severely distressed based on a poverty rate of 31.4%. Additionally, the project site is located in a Medically Underserved Area, a USDA-Designated Food Desert and a Texas Enterprise Zone.

NMTC is a key funding source to ensure the viability of the Project. Without NMTC, Austin Street would lack the resources to build the Project and would require additional fundraising, resulting in a significant delay in construction, or reduce the scope of the project.

Should you have any questions, please contact me.



Dr. Eric Anthony Johnson
Chief of Economic Development & Neighborhood Services

<p>c: T.C. Broadnax, City Manager Chris Caso, City Attorney (Interim) Billerae Johnson, City Secretary Preston Robinson, Administrative Judge Kimberly Bizzor Tolbert, Chief of Staff to the City Manager</p>	<p>Majed A. Al-Ghafry, Assistant City Manager Jon Fortune, Assistant City Manager Joey Zapata, Assistant City Manager M. Elizabeth Reich, Chief Financial Officer M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion Directors and Assistant Directors</p>
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City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-2150

Item #: C.

Upcoming Agenda Item: Board By-Laws and Final Plan for the University TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]

Memorandum



CITY OF DALLAS

DATE October 30, 2020

TO Honorable Members of the Economic Development Committee:
Tennell Atkins (Chair), David Blewett (Vice-Chair), Jennifer Staubach Gates,
Adam McGough, Omar Narvaez, Jaime Resendez, Chad West

SUBJECT **Upcoming Agenda Item: Board By-Laws and final Plan for the University TIF District**

On December 9, 2020, City Council will consider approval of:

- (1) the By-Laws for the Board of Directors ("Board") of Tax Increment Financing Zone Number Twenty-One, the University TIF District ("District" or "Zone"), and
- (2) the final Project Plan and Reinvestment Zone Financing Plan ("Plan") for the District.

The University TIF District Board unanimously adopted the By-Laws (see Attachment A) on September 10, 2020 and forwarded a recommendation of approval to the City Council.

The University TIF District Board unanimously adopted the final Project Plan and Reinvestment Zone Financing Plan (see Attachment B) on October 6, 2020 and forwarded a recommendation of approval to the City Council.

Background: Board By-Laws

City Council approved the designation of the University TIF District by Ordinance No. 30733 on December 13, 2017.

The District By-Laws spell out the powers and duties of the Board. The by-laws for TIF districts in the City of Dallas have been standardized with little variation among TIF districts.

The District's Board is responsible for advising City Council on development or redevelopment in the District. Implementation of the Plan for the District shall be managed and controlled by the City Council based on the recommendations of the District's Board.

Pursuant to Ordinance No. 30733, the Board consists of nine (9) Board members:

- six (6) to be appointed by the City Council,
- one (1) member to be appointed by the State Senator's Office in whose district the University Hills Sub-District is located,

- one (1) member to be appointed by the State Representative's Office in whose district the University Hills Sub-District is located, and
- one (1) member to be appointed by the Dallas County Commissioners Court (per state law, Dallas County cannot appoint a member until Dallas County formally agrees to participate in the University TIF District).

Over the past 4-6 months, City Council has appointed five (5) members to the Board.

A minimum of five (5) members must be appointed for the Board to be considered a functioning body. A majority of the members currently appointed to the Board shall constitute a quorum.

Background: final Project Plan and Reinvestment Zone Financing Plan

City Council approved the designation of the University TIF District by Ordinance No. 30733 on December 13, 2017.

The District was created to encourage the sustainable development of properties near three major North Texas universities while taking advantage of each area's strategic regional location at the crossroads of key transportation corridors.

As allowed by Chapter 311 of the Texas Tax Code ("TIF Act"), the District comprises two non-contiguous sub-districts: (1) the University Center Sub-District in northern Dallas and (2) the University Hills Sub-District in southern Dallas.

One of the primary objectives in creating a non-contiguous District linking northern and southern Dallas is to allow increment sharing that will provide funding for the provision of public infrastructure in the underserved University Hills area that would not otherwise occur.

With the assistance of the University TIF District, higher quality development along with public open space and transit connections will be greater than without the District. Further, by overseeing the development in the University Hills area, the City can best protect City resources and ensure that public funding is used appropriately.

The University Center Sub-District is generally located east of Coit Road, west of Waterview Parkway, and south of the Dallas Area Rapid Transit ("DART") rail line (future Cotton Belt Silver Line of the DART Rail System). The University Center Sub-District encompasses approximately 161 acres, not including rights-of-way. For the base year (tax year 2017), the appraised value of taxable real property in the University Sub-District was \$44.5 million based on information from the Dallas Central Appraisal District (DCAD) and Collin Central Appraisal District (CCAD). In accordance with the forwardDallas! Comprehensive Plan Vision, the University Center Sub-District will increase opportunities for owner-occupied housing. Based on public research and community workshops, the Dallas community identified an unmet demand for home ownership, including traditional single-family homes that were near mixed-use areas.

The University Hills Sub-District is generally north of Interstate Highway 20 (Lyndon B. Johnson Freeway), west of Lancaster Road, and south of the DART rail line. The University Hills Sub-District encompasses approximately 297 acres, not including rights-of-way. For the base year (tax year 2017), the appraised value of taxable real property in the University Hills Sub-District was \$5,251,337 based on information from the DCAD. Development in the University Hills Sub-District will increase the outcomes anticipated by the forwardDallas! Comprehensive Plan Vision and the UNT – Dallas Area Plan by bringing jobs to the area, offering convenient transportation, and providing diverse housing and recreational activities.

As part of the statutory process for TIF districts, the TIF Act requires that a final Project Plan and Reinvestment Zone Financing Plan ("Plan") be developed for the TIF district and approved by the City Council after it has been prepared and adopted by the board of directors of the district.

The District's final Plan is consistent with the preliminary Plan that was developed for the District prior to the District's creation in 2017. Minor differences between the final Plan and the preliminary Plan reflect extensive review/refinement of development projections by City staff and the District's Board of Directors as well as input from key property owners/stakeholders.

The City's participation is proposed to be 90% from 2018 through 2047. A potential scenario for Dallas County participation (for the University Hills Sub-District only) has been presented in this Plan that forecasts participation at 65% for 20 years in tax years 2025-2044, pending formal approval by the Dallas County Commissioners Court at a later date.

The District's final Plan forecasts planned private development projects and public infrastructure improvement expenditures over its 30-year term. The City of Dallas will contribute approximately \$124.6 million in total dollars (\$52.6 million NPV 2018 dollars) to the District. It is anticipated that Dallas County will contribute approximately \$8.5 million in total dollars (\$3.4 million NPV 2018 dollars) to the District. The District's total budget is approximately \$133.2 million (\$55.9 million NPV 2014 dollars).

Under the authority of the TIF Act, the District's Project Plan Improvements consists of a program of administration and implementation, public infrastructure improvements, economic development grants, affordable housing, and parks/open space/trails, which is intended to stimulate private investment in the District to occur earlier and to a much greater extent than would occur solely through private investment in the reasonably foreseeable future.

It is estimated that, with City and County participation, the cumulative increased real property value is expected to reach approximately \$934.6 million during the life of the District. This includes approximately \$685.5 million in increased taxable real property value attributable to new private investment and \$249.1 million in increased taxable real property value attributable to property appreciation.

Should you have any questions, please contact Kevin Spath, Assistant Director, Office of Economic Development at 214-670-1691.



Dr. Eric Anthony Johnson

Chief of Economic Development & Neighborhood Services

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

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