



Legislation Details (With Text)

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On agenda: 9/28/2022 **Final action:**

Title: Authorize the first amendment to the development agreement between the City of Dallas and Burchfield & Partners, LLC to extend the deadline to March 31, 2024 for completing the development project and to increase the City’s reimbursement amount for the development of certain airport-owned common-use improvements at Dallas Executive Airport - Not to exceed \$600,000.00 - Financing: Aviation Construction Fund (subject to annual appropriations)

Sponsors:

Indexes: 3

Code sections:

Attachments: 1. Resolution

Date	Ver.	Action By	Action	Result
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STRATEGIC PRIORITY: Transportation & Infrastructure

AGENDA DATE: September 28, 2022

COUNCIL DISTRICT(S): 3

DEPARTMENT: Department of Aviation

EXECUTIVE: Kimberly Bizer Tolbert

SUBJECT

Authorize the first amendment to the development agreement between the City of Dallas and Burchfield & Partners, LLC to extend the deadline to March 31, 2024 for completing the development project and to increase the City’s reimbursement amount for the development of certain airport-owned common-use improvements at Dallas Executive Airport - Not to exceed \$600,000.00 - Financing: Aviation Construction Fund (subject to annual appropriations)

BACKGROUND

On April 11, 2018, the Dallas City Council authorized a thirty-nine year and eleven-month lease agreement, with three ten-year renewal options, with Burchfield & Partners, LLC (B&P) for approximately 228,690 square feet of land (5.25 acres) at Dallas Executive Airport by Resolution No. 18-0516 for aeronautical development. The lease, which was effective March 8, 2019, includes a development agreement that describes the manner in which B&P is required to design and construct certain capital improvements and provides for certain economic incentives from the City’s Department of Aviation (AVI).

As part of the development agreement, B&P is required to expend a minimum of \$15,931,859.00 for the development of (i) a minimum 60,000 square feet of combined aircraft hangar and office space (Leasehold Improvements) and (ii) an airport-controlled common-use aircraft ramp area, taxiway connectors, and infrastructure to the site (Common-Use Improvements). AVI agreed to reimburse B&P in an amount not to exceed \$4,164,186.00 for approved expenditures related to the Common-Use Improvements. Additionally, because this is a catalyst project that will fuel additional development on the west side of the airfield, AVI also agreed to reimburse B&P up to 30 percent of the expenditures incurred for the Leasehold Improvements, in an amount not to exceed \$3,500,000.00.

B&P's final deadline to complete the construction of the leasehold and common-use improvements and obtain a certificate of occupancy is December 31, 2022. However, due to unforeseen delays, the development project will not be completed prior to the deadline. Additionally, due to increases in construction costs, the initial construction cost estimates have increased for both the leasehold and common-use improvements.

The City now desires to extend the deadline for B&P to complete construction of the project and obtain a certificate of occupancy by an additional fifteen months to March 31, 2024. The City also desires to increase the reimbursement amount for the Common-Use Improvements by an additional \$600,000.00 to account for construction cost increases.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On April 11, 2018, City Council authorized a thirty-nine year and eleven-month lease agreement, with three ten-year renewal options, with Burchfield & Partners, LLC by Resolution No. 18-0516.

[The Transportation and Infrastructure Committee was briefed by memorandum regarding this matter on September 19, 2022. <https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fdallascityhall.com%2Fgovernment%2Fcitymanager%2FDocuments%2FCouncil%2520Materials%2FBurchfield%2520Partners%2C%2520LLC%2520%25E2%2580%2593%2520Amendment%2520to%2520Development%2520Agreement.pdf&data=05%7C01%7Ckeiondra.johnson%40dallas.gov%7C28eedea5e02e4a44229208da97fa2b64%7C2935709ec10c4809a302852d369f8700%7C0%7C0%7C637989397961406856%7CUnknown%7CTWFpbGZsb3d8eyJWljoImC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikk1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=XDX6PaO%2Faz55efB64WJ6EfJHt97etqrrBmxRsUGtT3E%3D&reserved=0>](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fdallascityhall.com%2Fgovernment%2Fcitymanager%2FDocuments%2FCouncil%2520Materials%2FBurchfield%2520Partners%2C%2520LLC%2520%25E2%2580%2593%2520Amendment%2520to%2520Development%2520Agreement.pdf&data=05%7C01%7Ckeiondra.johnson%40dallas.gov%7C28eedea5e02e4a44229208da97fa2b64%7C2935709ec10c4809a302852d369f8700%7C0%7C0%7C637989397961406856%7CUnknown%7CTWFpbGZsb3d8eyJWljoImC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikk1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=XDX6PaO%2Faz55efB64WJ6EfJHt97etqrrBmxRsUGtT3E%3D&reserved=0)

FISCAL INFORMATION

Fund	FY 2022-23	FY 2023-24	Future Years
Aviation Construction Fund	\$600,000.00	\$0.00	\$0.00

OWNER

Burchfield & Partners, LLC

Rodney Burchfield, Managing Principal