



Legislation Text

File #: 22-2745, **Version:** 1

STRATEGIC PRIORITY: Economic Development
AGENDA DATE: December 14, 2022
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Economic Development
EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize a tax increment financing (“TIF”) development agreement with the Dallas County Heritage Society in an amount not to exceed \$650,000.00 payable from existing Cedars TIF District funds in consideration of the restoration of the Blum House and the Rall House to be used for leasable office space and park programming at Old City Park located at 1515 South Harwood Street - Not to exceed \$650,000.00 - Financing: Cedars TIF District Fund

BACKGROUND

Dallas County Heritage Society (“DCHS”) currently manages Old City Park (formerly known as Dallas Heritage Village) located at 1515 South Harwood Street in the Cedars TIF District (“TIF District”). In October 2018, the City’s Park and Recreation Board approved a Dallas Heritage Village Master Plan (“Master Plan”) for the City-owned park. The approved Master Plan seeks to enhance the visitor/customer experience at Old City Park.

In 2018, to begin implementation of the Master Plan, DCHS requested funding assistance from the TIF District to support a project involving the historic restoration of the Park Avenue House and the Rall House on the Old City Park campus. In June 2019, City Council approved Resolution No. 19-0918, authorizing a development agreement and TIF funding assistance in an amount not to exceed \$650,000.00. However, due to turnover of leadership at DCHS as well as impacts of COVID-19 in 2020 and 2021, DCHS was unsuccessful in raising the \$550,000.00 in required matching funds for the project. As such, the development agreement was never executed, and the project never moved forward.

Recently, DCHS (under the leadership of a new executive director) submitted a new request for funding assistance from the TIF District in an amount not to exceed \$650,000.00 for an updated project. With this updated project, DCHS is proposing to complete the historic restoration of the Blum House and the Rall House. Additionally, DCHS has indicated they have now successfully raised the \$550,000.000 in required matching funds for the project.

The scope of the updated project includes restoration of two structures originally built as residences circa 1900, the Blum House and the Rall House. The total project cost is approximately \$1,200,000.00, and the requested \$650,000.00 in TIF District funding would be used to offset construction costs to complete the historic restorations of the two structures. DCHS must provide proof of project funds prior to disbursement of the TIF District funding. The TIF District funding will be provided in the form of a grant and will be disbursed to DCHS on a reimbursement basis at regular milestones (but not more frequently than monthly) for costs and expenses incurred for eligible expenditures.

DCHS envisions using the restored Blum House and Rall House for park programming and leasable office space. As a condition of TIF District funding, DCHS will be required to dedicate 90 percent of the revenue generated by the rental of the Blum House and Rall House to structural repair and maintenance of Old City Park buildings.

The proposed project supports the following objectives of the Cedars TIF District Project Plan: (1) support the growth and success of activities at the Dallas Convention Center, Old City Park, and Farmers Market, (2) secure growth and investment in the TIF District, (3) encourage economic revitalization through hotel, for-sale and rental housing, retail and office development and (4) encourage preservation of historic buildings.

ESTIMATED SCHEDULE OF PROJECT

Begin Construction	June 2023
Complete Construction	December 2025

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 9, 1992, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Four (Cedars TIF District) in accordance with the Tax Increment Financing Act, as amended, V.T.C.A Texas Tax Code, Chapter 311 (the "Act") to promote development and redevelopment in the TIF District through the use of tax increment financing by Resolution No. 92-4302; Ordinance No. 21492, as amended.

On April 9, 1997, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Cedars TIF District by Resolution No. 97-1225; Ordinance No. 23092, as amended

On October 18, 2018, the City's Park and Recreation Board adopted the Dallas Heritage Village at Old City Park Master Plan.

On October 18, 2018, the Cedars TIF District Board of Directors reviewed and recommended approval of Cedars TIF District funding in an amount not to exceed \$650,000.00 (in the form of a grant) to support historic restoration of the Park Avenue House and Rall House to be used as co-working office space at the Dallas Heritage Village (now Old City Park).

On April 4, 2019, the City's Park and Recreation Board's Planning and Design Committee was briefed on the proposed restoration project by DCHS.

On June 12, 2019, City Council authorized (1) a development agreement with the Dallas County Heritage, Society Inc., in an amount not to exceed \$650,000.00 payable from existing and/or future Cedars TIF District funds to support restoration of the Park Avenue House and the Rall House to be used as co-working office space; and (2) an increase in appropriations in an amount not to exceed \$650,000.00 in the Cedars TIF District Fund by Resolution No. 19-0918.

On November 8, 2022, the Cedars TIF District Board of Directors reviewed and unanimously recommended approval of development agreement with the Dallas County Heritage Society in an amount not to exceed \$650,000.00 payable from existing Cedars TIF District funds in consideration of the restoration of the Blum House and the Rall House to be used for leasable office space and park programming at Old City Park located at 1515 South Harwood Street.

The Economic Development Committee was briefed regarding this matter on December 5, 2022.

FISCAL INFORMATION

Fund	FY 2023	FY 2024	Future Years
Cedars TIF District Fund	\$650,000.00	\$0.00	\$0.00

CONTACT INFORMATION

Dallas County Heritage Society

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