



Legislation Text

File #: 21-1171, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality

AGENDA DATE: June 23, 2021

COUNCIL DISTRICT(S): 2, 6

DEPARTMENT: Office of Economic Development

EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize a development agreement and all other necessary documents with Circuit Trail Conservancy and/or its affiliates for the design and construction of the North Victory segment of the Hi Line Connector Trail Project located in the Victory Sub-district of the Sports Arena TIF District in an amount not to exceed \$11,562,124.00 - Not to exceed \$11,562,124.00 - Financing: Sports Arena TIF District Fund (subject to current and future appropriations from tax increments)

BACKGROUND

On March 31, 2005, the City of Dallas Park Board adopted the Dallas Trails Network Master Plan establishing a citywide network of constructed and planned linear, loop, nature and neighborhood trails extending across almost 250 miles. As part of an update to the plan in 2008, the City documented its intent to complete a City-wide circuit hike and bike trail loop that encompasses various existing and proposed trails, totaling approximately 53.5 miles, now called The Loop. When completed, The Loop will connect nine City Council districts.

In 2019, the City executed a development and funding agreement with the Circuit Trail Conservancy (CTC) for the purpose of assisting with the funding, land acquisition (if necessary), design and construction of hike and bike trails on the remaining undeveloped 11 miles of The Loop, comprised of the Circuit Trail Connector, Trinity Forest Spine Trail (North and South), the Trinity Gateway, and Trinity Skyline Trail Links. The CTC is a non-profit organization that was created to raise funds and partner with the City to design and construct the remaining component trail segments in The Loop.

Through a public private partnership, captured in the 2019 funding and development agreement between the City and the CTC, a total of \$43 million was allocated to the remaining trails that will complete the Loop: (1) City of Dallas 2017 Proposition B (Parks proposition) Bond Funds - \$20 million; (2) Dallas County - \$5 million; (3) Texas Department of Transportation (TxDOT) through the North Central Texas Council of Governments - \$8 million; and (4) CTC - \$10 million. The 2019 agreement gave the CTC the ability to seek alternative funding if the costs of The Loop exceed the

\$43 million already committed. Additionally, the agreement established that the City would procure, award, administer and manage construction contracts for The Loop trails, but, if the City chooses, administration of any construction contract may be assigned to the CTC.

In an effort to provide trails that are highly accessible and exceed the City's standard trail design, the total project costs for the remaining trails needed to complete the Loop exceed the \$43 million allocated to the project in 2019. As a result, in May 2020, the CTC submitted an application to the Office of Economic Development seeking additional funds for one of the component trail segments of The Loop, the Hi Line Connector Trail. The Hi Line Connector Trail will connect the KATY Trail in Victory Park to the Trinity Strand Trail in the Design District. The total cost of the Hi Line Connector Trail is approximately \$22.2 million.

Staff recommends TIF funding in the amount of \$11,562,124.00 as an alternative funding source for the portion of the Hi Line Connector Trail located in the Victory Sub-district of the Sports Arena TIF District. The requested TIF funding will allow the redistribution of City bond funds and increase in CTC private funds allocated to the other component trail segments of The Loop such as the Trinity Forest Spine Trail.

City Council's approval of this item will authorize the City Manager to execute a development agreement as well as any other related documents.

ESTIMATED SCHEDULE OF PROJECT

Begin Construction	June 2023
Complete Construction	June 2025

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 28, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Seven, City of Dallas, Texas ("Sports Arena TIF District") in accordance with the Tax Increment Financing Act, as amended, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act") to promote development and redevelopment through the use of tax increment financing by Resolution No. 98-3137 (Ordinance No. 23688); as amended.

On August 25, 1999, City Council authorized the Sports Arena Tax Increment Financing District Project Plan and Reinvestment Zone Financing Plan by Resolution No. 99-2628 (Ordinance No. 24002); as amended.

On March 31, 2005, Park and Recreation Board authorized the Dallas Trails Network Plan, which identified existing and proposed trails to be developed within the City of Dallas and was later updated in 2008.

On May 23, 2012, City Council conducted a public hearing and received comments on amendments to the Sports Arena TIF District Project and Reinvestment Zone Financing Plans and authorized an ordinance amending Ordinance No. 23688, previously approved on October 28, 1998, and Ordinance No. 24002, previously approved on August 25, 1999, to (1) add two new sub-districts within the Sports Arena TIF District: (a) Riverfront Gateway Sub-district and (b) West Dallas Sub-

district; (2) increase the geographical area of the Sports Arena TIF District to add approximately: (a) 4.5 acres to the Victory Sub-district (generally the original Sports Arena TIF District boundary); (b) 33 acres in the Riverfront Gateway Sub-district; and (c) 89.2 acres in the West Dallas Sub-district; (3) extend the termination date of the Sports Arena TIF District for a 10 year period from the City Council established termination date of December 31, 2018, to December 31, 2028, for the Victory Sub-district and establish a termination date for the Riverfront Gateway and West Dallas Sub-districts of December 31, 2042; (4) decrease the percentage of tax increment contributed by the City of Dallas during the extended term of the TIF District and establish other taxing jurisdictions participation percentages; (5) increase the Sports Arena TIF District budget from \$25,498,568.00 NPV (approximately \$46,961,785.00 total dollars) to \$94,409,005.00 NPV (approximately \$273,599,175.00 total dollars), an increase of \$68,910,437.00 NPV (approximately \$226,637,390.00 total dollars); (6) create an Economic Development TIF Grant Program within the District and adopt program guidelines; (7) make corresponding modifications to the Sports Arena TIF District map, budget and Project and Reinvestment Zone Financing Plans by Resolution No. 12-1424 (Ordinance No. 28672).

On January 10, 2019, the Park and Recreation Board authorized a development and funding agreement with the CTC.

On February 27, 2019, City authorized (1) a development and funding agreement (the “Original Funding Agreement”) with the Circuit Trail Conservancy (CTC), a Texas non-profit organization, for the purpose of assisting with the funding, land acquisition, design and construction of hike and bike trails on the remaining undeveloped 10 miles of The Loop, comprised of the Circuit Trail Connection (now called the Hi Line Connector Trail), Trinity Forest Spine Trail, the Trinity Gateway and Trinity Skyline Trail Links (collectively hereinafter referred to as “Project”); (2) the receipt and deposit of funds in an amount not to exceed \$10,000,000.00 from the CTC in the Circuit Trail Conservancy Fund; (3) establishment of appropriations in an amount not to exceed \$10,000,000.00 in the Circuit Trail Conservancy Fund; (4) a match in the amount of \$10,000,000.00 from the Park and Recreation Facilities (B) Fund (2017 Bond Funds); (5) execution of the development and funding agreement and all terms, conditions and documents required by the agreement; and (6) the disbursement of funds to the U.S. Army Corps of Engineers for work on the Trinity Forest Spine Trail South in an amount not to exceed \$3,500,000.00 from the Circuit Trail Conservancy Fund and in an amount not to exceed \$3,500,000.00 from the Park and Recreation Facilities (B) Fund (2017 Bond Funds) for a total not to exceed \$20,000,000.00, by Resolution No. 19-0340.

On June 2, 2021, the Sports Arena TIF District Board of Directors reviewed the Hi Line Connector Trail Project and recommended City Council authorization of a development agreement with Circuit Trail Conservancy and/or its affiliates for the design and construction of the North Victory segment of the Hi Line Connector Trail Project located in the Victory Sub-district of the Sports Arena TIF District in an amount not to exceed \$11,562,124.00.

The Economic Development Committee was briefed regarding the Hi Line Connector Trail Project on June 7, 2021.

FISCAL INFORMATION

Fund	FY 2021	FY 2022	Future Year (FY 2025)
------	---------	---------	-----------------------

Sports Arena TIF District Fund	\$0.00	\$0.00	\$11,562,124.00
--------------------------------	--------	--------	-----------------

<u>Council District</u>	<u>Amount</u>
2	\$ 0.00
6	<u>\$11,562,124.00</u>
Total	\$11,562,124.00

APPLICANT

Circuit Trail Conservancy

Philip Hiatt Haigh, Executive Director

MAP

Attached