



Legislation Text

File #: 22-2778, Version: 1

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

SUBJECT

Authorize (1) the transfer of \$2,600,000.00 from the City Center TIF District Fund to the Park & Recreation [Department Capital Gifts Donation & Development](#) Fund to fully deliver Harwood Park adjacent to Tax Increment Financing Reinvestment Zone Number Five (City Center TIF District); (2) an increase in appropriations in an amount not to exceed \$2,600,000.00 in the Park & Recreation [Department Capital Gifts Donation & Development](#) Fund; and (3) the disbursement of funds in an amount not to exceed \$2,600,000.00 from the Park & Recreation [Department Capital Gifts Donation & Development Fund to Parks for Downtown Dallas](#) to deliver Harwood Park, such improvements being necessary and convenient to the implementation of the City Center TIF District Project Plan and Reinvestment Zone Financing Plan, as amended - Not to exceed \$2,600,000.00 - Financing: **City Center TIF District Capital Gifts, Donation & Development** Fund (subject to availability and current and annual appropriations from tax increments)

BACKGROUND

On June 11, 2018, the City of Dallas and [Parks for Downtown Dallas \(PfDD\)](#) executed the [Downtown Dallas Priority Parks Development and Funding Agreement \(Agreement\)](#) to set forth the terms and conditions by which the City will allow PfDD to manage the design and construction of the Harwood Park improvements and undertake procurement for construction of Harwood Park (as well as detailing the terms of the three other priority parks), as authorized by City Council on May 23, 2018 by Resolution No. 18-0762.

However, in recent months, a funding gap caused by significant rising construction costs and additional City required infrastructure would result in a number of major amenities to have to be omitted from the Harwood Park construction if additional capital is not deployed to the project. Building parks in a dense urban environment is a complex endeavor. Harwood Park has the added complexity of incorporating two existing buildings governed by historic district development requirements, construction during unprecedented rising costs, and unanticipated traffic signalization requirements by the City.

[The Park & Recreation Department and PfDD are requesting](#) \$2,600,000.00 in funding support from the City Center TIF District district-wide set-aside funds ~~will~~ [to](#) allow Harwood Park to be fully delivered as it was planned and presented to the Park and Recreation Board, City Council, and the public in 2018.

The 4-acre Harwood Park property bounded by South Harwood Street, Jackson Street, South Pearl Expressway and Young Street, adjacent to the City Center TIF District, was assembled and purchased by PfDD from 2014-2018 and reimbursed in 2021 with Proposition B 2017 general obligation bond funds. Harwood Park is currently under construction to maintain the timeline established by the City Council for the 2017 Bond projects, and PfDD has met their funding obligations as established in the Agreement.

In July, Harwood Park was briefed to the City’s Urban Design Peer Review Panel (UDPRP), and the UDPRP was extremely pleased with the design, including the attention to the Harwood historic structures, the environmentally sound bioswales, and the nod to the prehistoric mammoths that roamed the area. At the recommendation of the UDPRP, educational signage (which would have been value-engineered out of the project) is being added back into the project with the proposed \$2,600,000 in City Center TIF District funds.

ESTIMATED PROJECT SCHEDULE

Project Start Date ~~June 2024~~ [February 2022](#)
Project Completion Date ~~June 2022~~ [September 2023](#)

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 26, 1996, City Council pursuant to Ordinance No. 22802, established Tax Increment Financing Reinvestment Zone Five (City Center TIF District) in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the “Act”) to promote development and redevelopment in the City Center area through the use of tax increment financing as amended.

On February 12, 1997, City Council, pursuant to Ordinance No. 23034, authorized the City Center TIF District Project Plan and Reinvestment Zone Financing Plan (“Plan”) for the City Center TIF District, as amended.

On June 6, 2004, City Council authorized adoption of the Downtown Parks Master Plan for the Park and Recreation Department by Resolution No. 04-1833.

On December 12, 2012, City Council, conducted a public hearing, received comments and approved amendments to the Plan and authorized Ordinance No. 28865 amending Ordinance No. 22802, previously approved on June 26, 1996, and an Ordinance No. 23034, previously approved February 12, 1997, to: (1) create two sub-districts within the City Center TIF District: (a) City Center Sub-district (original district boundary) and (b) Lamar Corridor/West End Sub-district; (2) increase the geographic area of the City Center TIF District to add approximately 27.14 acres to create the Lamar Corridor/West End Sub-district; (3) extend the current termination date of the City Center TIF District from December 31, 2012, to December 31, 2022, for the City Center Sub-district and establish a

termination date for the Lamar Corridor/West End Sub-district of December 31, 2037; (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 City Center TIF District's budget from \$87,567,717 total dollars to \$151,968,546 total dollars; and (6) make corresponding modifications to the City Center TIF District boundary, budget and Plan.

On February 7, 2013, the Park and Recreation Board was briefed and adopted the Downtown Parks Master Plan Update ("Updated Master Plan"), which included Pacific Plaza, Carpenter Park, Harwood Park and West End Plaza, as the four priority sites for recreation and dedicated parks, ~~was briefed and adopted by the Park and Recreation Board.~~

City Council was briefed on the "Updated Master Plan" on March 6, 2013.

On December 13, 2017, City Council adopted the 2017 updated Downtown 360 Plan, a strategic document that sets a clear, cohesive vision for Downtown Dallas and its surrounding neighborhoods, guiding the City Center to continued, long-term success and, as part of the Building Compete Neighborhoods Transformative Strategies, includes a directive to "create vibrant parks and neighborhood spaces" to "support the City Center's growing population [which] will generate new demand for improved park and open space as development in emerging neighborhoods, including the Cedars, Dallas Farmers Market, South Dallas/Fair Park, and Deep Ellum, continues" by Resolution No. 17-1940.

On September 22, 2022, the City Center TIF District Board of Directors approved forwarding to City Council an amendment to the Plan to shift and modify the set-asides established within the Tax Increment Financing Reinvestment Zone Number Five (City Center TIF District) budget including specifying that a) connecting and enhancing the greater city center, including, but not limited to the Farmers Market, is critical to supporting the goals and objectives of the Plan amendment, and as such, projects and initiatives furthering these goals and objectives may be eligible for City Center TIF District funding if the City Center TIF District Board of Directors and City Council find that such areas of public assembly benefit the City Center TIF District and b) funds for areas of public assembly inside or outside the City Center TIF District may be transferred to the Park and Recreation Department for disbursement or to a non-profit to ensure successful delivery of public parks in accordance with the Updated Master Plan.

On September 22, 2022, the City Center TIF District Board of Directors reviewed and unanimously recommended City Council approval of: (1) a request by the Dallas Park and Recreation Department and Parks for Downtown Dallas for a dedication of up to \$2,600,000 in Tax Increment Financing Reinvestment Zone Number Five (the TIF District) district-wide set-aside funds to offset significant rising construction costs and additional City required infrastructure, including traffic signalization needs, and ensure full delivery of Harwood Park, adjacent to the City Center TIF District, and (2) a finding that dedicating City Center TIF District funds outside the TIF District on Harwood Park, as an area of public assembly serving the TIF District and providing connectivity linking the City Center TIF District to other downtown destinations, is a benefit to the City Center TIF District and is necessary and convenient to the implementation of the Plan, as amended.

The Economic Development Committee ~~will be~~ was briefed by memorandum regarding this matter on December 5, 2022.

FISCAL INFORMATION

| Fund | FY 2023 | FY 2024 | Future Years |
|--|----------------|---------|--------------|
| Capital Gifts, Donation & Development Fund | \$2,600,000.00 | \$0.00 | \$0.00 |

MAP

Attached