

MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, SEPTEMBER 6, 2022

22-0013

ECONOMIC DEVELOPMENT COMMITTEE  
CITY COUNCIL CHAMBER, CITY HALL/VIDEO CONFERENCE  
COUNCILMEMBER TENNELL ATKINS, PRESIDING

PRESENT: [7] Atkins, Arnold, \*West, \*Resendez, Narvaez, \*McGough, Willis

ABSENT: [0]

The meeting was called to order at 1:03 p.m. with a quorum of the committee present.

The meeting agenda, posted in accordance with Chapter 551, "OPEN MEETINGS," of the Texas Government Code, was presented.

The meeting recessed to closed session at 1:54 p.m. and reconvened to open session at 2:24 p.m.

After all business properly brought before the committee had been considered, the meeting adjourned at 2:24 p.m.

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Chair

ATTEST:

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City Secretary Staff

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Date Approved

The agenda is attached to the minutes of this meeting as EXHIBIT A.

The actions taken on each matter considered by the committee are attached to the minutes of this meeting as EXHIBIT B.

The briefing materials are attached to the minutes of this meeting as EXHIBIT C.

**\*Note: Members of the Committee participated in this meeting by video conference.**

MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, SEPTEMBER 6, 2022

EXHIBIT A

**RECEIVED**

2022 SEP -2 PM 1: 47

CITY SECRETARY  
DALLAS, TEXAS

**City of Dallas**

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

**Public Notice**

220825

**POSTED** CITY SECRETARY  
DALLAS, TX



**Economic Development Committee**

**September 6, 2022**

**1:00 PM**

(For General Information and Rules of Courtesy, Please See Opposite Side.)  
(La Información General Y Reglas De Cortesía Que Deben Observarse  
Durante Las Asambleas Del Consejo Municipal Aparecen En El Lado Opuesto, Favor De Leerlas.)

## 2022 CITY COUNCIL APPOINTMENTS

<b>COUNCIL COMMITTEE</b>	
<b>ECONOMIC DEVELOPMENT</b> Atkins (C), Arnold (VC), McGough, Narvaez, Resendez, West, Willis	<b>ENVIRONMENT AND SUSTAINABILITY</b> Blackmon(C), Ridley (VC), Arnold, Bazaldua, Resendez, Schultz, West
<b>GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT</b> Mendelsohn (C), Willis (VC), Atkins, Bazaldua, McGough, Ridley, West	<b>HOUSING AND HOMELESSNESS SOLUTIONS</b> Thomas (C), Moreno (VC), Arnold, Blackmon, Mendelsohn, Ridley, Schultz
<b>PUBLIC SAFETY</b> McGough (C), Mendelsohn (VC), Atkins, Moreno, Resendez, Thomas, Willis	<b>QUALITY OF LIFE, ARTS, AND CULTURE</b> Bazaldua (C), West (VC), Arnold, Blackmon, Narvaez, Ridley, Thomas
<b>TRANSPORTATION AND INFRASTRUCTURE</b> Narvaez (C), Atkins (VC), Bazaldua, Mendelsohn, Moreno, Schultz, Willis	<b>WORKFORCE, EDUCATION, AND EQUITY</b> Schultz (C), Thomas (VC), Blackmon, McGough, Moreno, Narvaez, Resendez
<b>AD HOC JUDICIAL NOMINATING COMMITTEE</b> Resendez (C), Arnold, Bazaldua, Ridley, Thomas, West, Willis	<b>AD HOC LEGISLATIVE AFFAIRS</b> Atkins (C), McGough, Mendelsohn, Narvaez, Willis
<b>AD HOC COMMITTEE ON PROFESSIONAL SPORTS RECRUITMENT AND RETENTION</b> Johnson (C), Atkins, Bazaldua, Blackmon, Thomas	<b>AD HOC COMMITTEE ON GENERAL INVESTIGATING &amp; ETHICS</b> Mendelsohn (C), Atkins, Blackmon, McGough, Schultz
<b>AD HOC COMMITTEE ON ADMINISTRATIVE AFFAIRS</b> Willis (C), McGough, Moreno, Schultz, West	

(C) – Chair, (VC) – Vice Chair

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

## **General Information**

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on Time Warner City Cable Channel 16. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 by 5:00 p.m. of the last regular business day preceding the meeting. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

## **Rules of Courtesy**

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while

## **Información General**

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaldía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación *Time Warner City Cable* Canal 16. El Ayuntamiento Municipal se reúne en el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 5:00 pm del último día hábil anterior a la reunión. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

## **Reglas de Cortesía**

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal

"Los ciudadanos y visitantes presentes durante las

attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

asambleas del Ayuntamiento Municipal deben de obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que este presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisara al oficial que este presidiendo la sesión a tomar acción." Según la sección 3.3 (c) de las reglas de procedimientos del Ayuntamiento.

## **Handgun Prohibition Notice for Meetings of Governmental Entities**

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

*"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."*

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

*"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."*

"Pursuant to Section 46.03, Penal Code (places weapons prohibited), a person may not carry a firearm or other weapon into any open meeting on this property."

*"De conformidad con la Sección 46.03, Código Penal (coloca armas prohibidas), una persona no puede llevar un arma de fuego u otra arma a ninguna reunión abierta en esta propiedad."*

The City Council Economic Development Committee meeting will be held by videoconference and in the Council Chambers, 6th Floor at City Hall.

The public is encouraged to attend the meeting virtually; however, City Hall is available for those wishing to attend the meeting in person following all current pandemic-related public health protocols.

The following videoconference link is available to the public to listen to the meeting and Public Affairs and Outreach will also stream the City Council Briefing on Spectrum Cable Channel 95 and [bit.ly/cityofdallastv](https://dallascityhall.webex.com/dallascityhall/j.php?MTID=m668c8e11883df9c37510c33b8d6b66d2):

<https://dallascityhall.webex.com/dallascityhall/j.php?MTID=m668c8e11883df9c37510c33b8d6b66d2>

### Call to Order

### MINUTES

1. [22-1860](#) Approval of Minutes of the August 1, 2022 City Council Meeting Economic Development Committee

**Attachments:** [Minutes](#)

### BRIEFING ITEMS

- A. [22-1247](#) Authorize a tax increment financing (TIF) development agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,100,000 payable from TOD TIF District funds, and a Chapter 380 economic development grant agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,050,000 (\$250,000 payable from Equity Revitalization Capital funds and \$1,800,000 payable from 2012 General Obligation Bond funds) in accordance with the City's Public/Private Partnership Program, in consideration of the Longhorn Ballroom Redevelopment Project ("Project") currently addressed as 200 Corinth Street and 2202-2222 Riverfront Boulevard in the Cedars West Sub-District of the TOD TIF District

[Kevin Spath, Assistant Director, Office of Economic Development]

**Attachments:** [Presentation](#)

### BRIEFING MEMORANDUMS

- B. [22-1859](#) Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis Garden TIF District

[Kevin Spath, Assistant Director, Office of Economic Development]

**Attachments:** [Memorandum](#)



- C. [22-1610](#) Authorize amendment and assignment of incentive agreement to permit the developer's sale of 3540 Simpson Stuart Road (Save-U-More food store)  
[Heather Lepaska, Interim Assistant Director, Office of Economic Development]

**Attachments:** [Memorandum](#)

- D. [22-1947](#) Authorize amendment of Southern Dallas Investment Fund (SDIF) Program Statement  
[Joyce Williams, Director, Small Business Center]

**Attachments:** [Memorandum](#)

- E. [22-1977](#) Upcoming Agenda Item: Amendments to support the Oaklawn Place Project in the Maple/Mockingbird TIF District  
[Kevin Spath, Assistant Director, Office of Economic Development]

**Attachments:** [Memorandum](#)

#### **EXECUTIVE SESSION**

- F. [22-1950](#) 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.) and seek advice of its attorney (Sec. 551.071 T.O.M.A.)

#### **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]

MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, SEPTEMBER 6, 2022

EXHIBIT B

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

SEPTEMBER 6, 2022

Item 1: Approval of Minutes of the August 1, 2022 City Council Meeting Economic Development Committee

Deputy Mayor Pro Tem Narvaez moved to adopt the minutes as presented.

Motion seconded by Councilmember Willis and unanimously adopted.

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

SEPTEMBER 6, 2022

BRIEFING ITEMS

Item A: Authorize a tax increment financing (TIF) development agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,100,000 payable from TOD TIF District funds, and a Chapter 380 economic development grant agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,050,000 (\$250,000 payable from Equity Revitalization Capital funds and \$1,800,000 payable from 2012 General Obligation Bond funds) in accordance with the City's Public/Private Partnership Program, in consideration of the Longhorn Ballroom Redevelopment Project ("Project") currently addressed as 200 Corinth Street and 2202-2222 Riverfront Boulevard in the Cedars West Sub-District of the TOD TIF District

The following individuals briefed the committee on the item:

- Kevin Spath, Assistant Director, Office of Economic Development;
- Edwin Cabaniss, Owner; and
- Sue Hounsel, Manager, Office of Economic Development

Mayor Pro Tem Arnold moved to forward the item to city council.

Motion seconded by Deputy Mayor Pro Tem Narvaez and unanimously adopted.

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

SEPTEMBER 6, 2022

BRIEFING MEMORANDUMS

- Item B: Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis Garden TIF District
- Item C: Authorize amendment and assignment of incentive agreement to permit the developer's sale of 3540 Simpson Stuart Road (Save-U-More food store)
- Item D: Authorize amendment of Southern Dallas Investment Fund (SDIF) Program Statement
- Item E: Upcoming Agenda Item: Amendments to support the Oaklawn Place Project in the Maple/Mockingbird TIF District

The committee discussed the items.

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

SEPTEMBER 6, 2022

EXECUTIVE SESSION

Item F: 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.) and seek advice of its attorney (Sec. 551.071 T.O.M.A.)

At 1:54 p.m., Councilmember Atkins announced the executive session of the city council authorized by Chapter 551, “OPEN MEETINGS,” of the (Texas Open Meetings Act) to discuss the following matter:

- 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.) and seek advice of its attorney (Sec. 551.071 T.O.M.A.)

The closed session ended and reconvened to open session at 2:24 p.m. No other matters were discussed during the closed session.

MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, SEPTEMBER 6, 2022

EXHIBIT C





# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 22-1247

**Item #:** A.

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Authorize a tax increment financing (TIF) development agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,100,000 payable from TOD TIF District funds, and a Chapter 380 economic development grant agreement with Island Rock Holdings, LLC and/or its affiliates in an amount not to exceed \$2,050,000 (\$250,000 payable from Equity Revitalization Capital funds and \$1,800,000 payable from 2012 General Obligation Bond funds) in accordance with the City's Public/Private Partnership Program, in consideration of the Longhorn Ballroom Redevelopment Project ("Project") currently addressed as 200 Corinth Street and 2202-2222 Riverfront Boulevard in the Cedars West Sub-District of the TOD TIF District  
[Kevin Spath, Assistant Director, Office of Economic Development]



**City of Dallas**

# **Longhorn Ballroom**

Redevelopment Project in the  
TOD TIF District

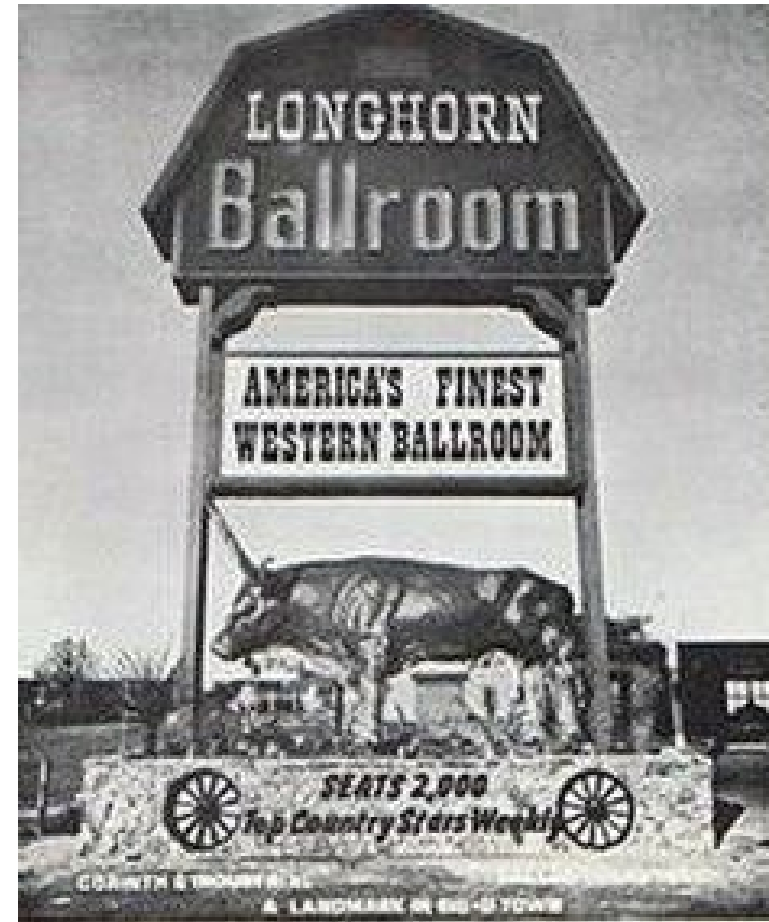
**Economic Development Committee**  
**September 6, 2022**

Kevin Spath, AICP, EDFP, HDFP  
Assistant Director  
Office of Economic Development

# Presentation Overview



- Background
- Proposed Project
- Staff Recommendation
- Next Steps
  
- Appendix



# Background: Location



- “Rock Island”
- Northeast corner of Corinth Street and Riverfront Boulevard
- Cedars West Sub-District of Transit-Oriented Development (TOD) Tax Increment Financing (TIF) District



# Background: Location



- Project site: approximately 4.5 acres.
- Developer has acquired and assembled the parcel at 200 Corinth Street and 6 parcels at 2202-2222 Riverfront Boulevard.
- Developer also has parcel at 418 Corinth Street (0.969 acres) under contract.
- Cedars West Sub-District of TOD TIF District.



# Background: History



- Originally built in 1950 by O.L. Nelms for country music legend Bob Wills and His Texas Playboys and was originally named Bob Wills' Ranch House.
- Early 1950s: Jack Ruby served as manager, and in 1958 "Dewey" Groom took over, renaming it the Longhorn Ballroom.
- Iconic music venue for decades hosting a wide variety of acts from country legends such as Willie Nelson, Loretta Lynn, Merle Haggard, Charley Pride, Patsy Cline, and George Jones to world renowned Jazz, Blues, and R&B artist such as B. B. King, Ray Charles, Nat King Cole, James Brown and Al Green.
- 1978: the Ballroom reached international fame for being one of the only 7 venues to host the Sex Pistols on their only U.S. tour.



# Background: History

- Late 1980s: Aerosmith filmed its music video “What it Takes” in the venue.
- Early 1990s: the Queen of Tejano, Selena, performed at the venue, and hip hop artist, 2 Live Crew, refused to take the stage resulting in a riot that involved over 50 police.
- Recognitions of the venue include:
  - “America’s Most Unique Ballroom” by Country Music Reporter (1971)
  - “Texas’s Most Historic Music Venue” by Texas Monthly (2017)
  - “From Country to Blues, Soul to Punk, and Tejano to Swing, the Longhorn Ballroom has been a Temple of Americana, a Pillar of Texas Music Heritage.” Center for Texas Music History (2021)



# Background: Existing Conditions



- In addition to the main ballroom, there is a second “mixed-use” building on the property.
- “Longhorn Ballroom” sign was designated as a landmark sign in 1984.
- Over the past three decades, the property has been underutilized and has fallen into severe disrepair.
- In 2017, City Council authorized an economic development grant agreement up to \$500,000 with S&D Longhorn Partners, LLC to revitalize the property in two phases and restore operations of the main ballroom building as a music/event venue. First phase of improvements/requirements were completed, the ballroom became operational again as a music venue, and \$156,000.00 in grant funds were disbursed. In 2019, S&D Longhorn Partners, LLC entered bankruptcy, and the ballroom closed. Since then, the property has been vacant again, subject to vandalism, burglary, and theft.





# Background: Existing Conditions



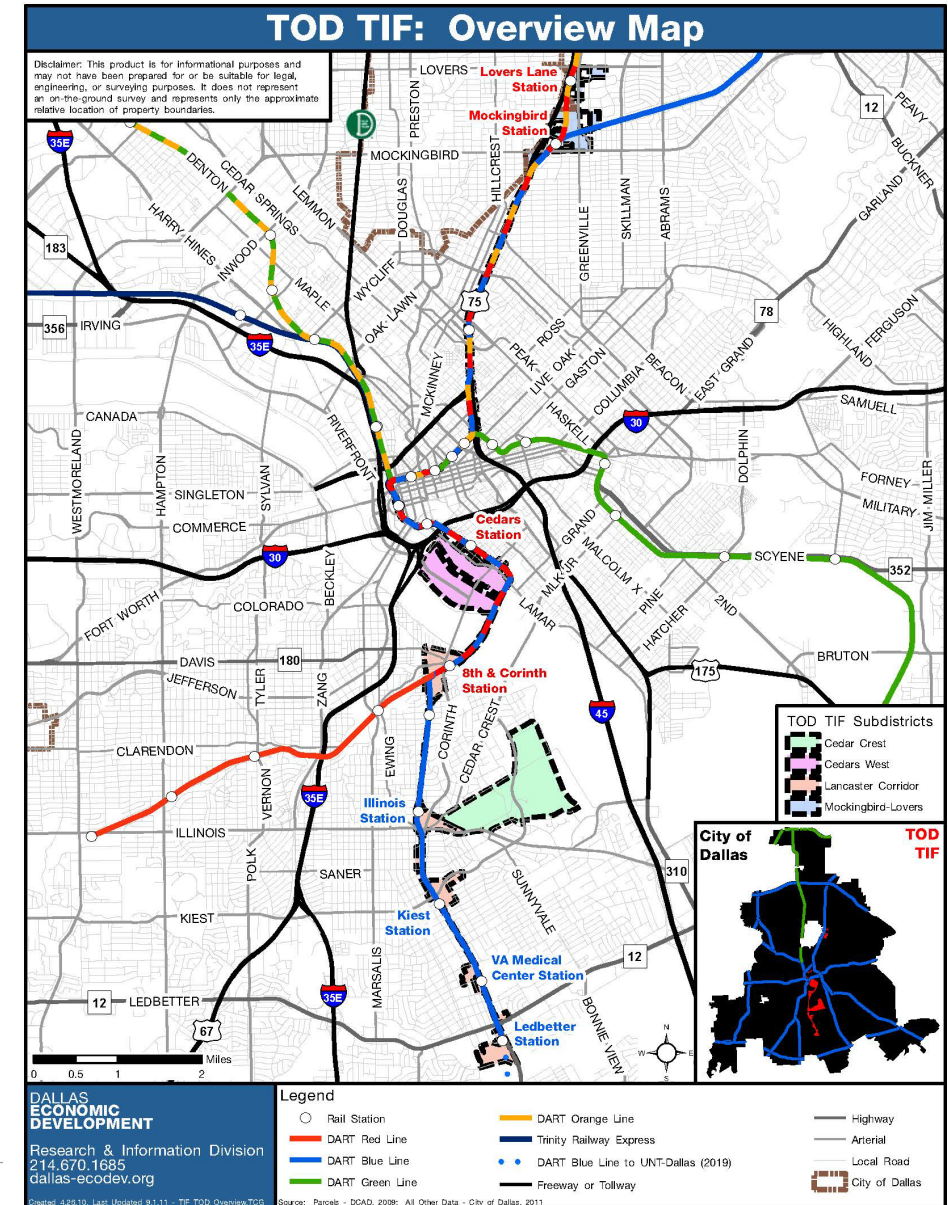
- Preservation Dallas 2020 List of Most Endangered Historic Places: “The Ballroom is not only a central element in Dallas entertainment history, but a place that has celebrated the diversity of American music.”
- May 2022: City Council approved rezoning (new sub-district with modified development standards in PD 784, the Trinity River Corridor Special Purpose Zoning District) to allow for the proposed Project, including an outdoor music venue, opening the opportunity to transform the vacant land adjacent to the buildings.



# Background: TOD TIF District



- Created December 10, 2008, to encourage dense and pedestrian-friendly TOD around DART stations in the central portion of the City, help create a series of unique destinations, and foster the construction of facilities beneficial to the DART light rail system.
- 4 Sub-Districts:
  - Mockingbird/Lovers Lane
  - Cedars West
  - Lancaster Corridor (includes the 8th & Corinth, Illinois, Kiest, VA Medical Center, and Ledbetter DART station areas)
  - Cedar Crest (added in 2010)
- City's first "barbell" TIF district structure, providing a mechanism to allow for tax increment sharing to enhance funding for more distressed areas to jump start catalyst projects such as Lancaster Urban Village.
- 40% of the increment generated by the Mockingbird/Lovers Lane Sub-District and 10% of the increment generated by the Cedars West Sub-District is annually transferred to the Lancaster Corridor Sub-District.



# Background: TOD TIF District



- Linking light rail station areas facilitates **tax increment sharing** to help stimulate Lancaster Corridor development by **providing additional project incentive capacity** to the Lancaster Corridor from a portion of increment **(40%)** transferred from the Mockingbird/Lovers Sub-District and **(10%)** transferred from the Cedars West Sub-District.

**TIF Project & Financing Plan - Estimated Increment Generation & Allocation  
by Sub-District during 30-year term**

<b>Sub-District</b>	<b>Property Value Estimate - New Development</b>	<b>Increment Generated (NPV)</b>	<b>Estimated TIF Budget Allocation (NPV 2009 dollars)</b>
Lancaster Corridor	\$171,203,800	\$13,197,448	\$49,781,005
Cedar Crest	\$325,976,685	\$25,834,552	\$25,326,728
Mockingbird - Lovers	\$839,888,351	\$76,557,143	\$30,020,910
Cedars West	\$1,094,082,000	\$69,588,554	\$54,576,532
Affordable Housing (all sub-districts)	---	---	\$21,832,521
Administration	---	---	\$3,640,000
<b>Total</b>		<b>\$185,177,697</b>	<b>\$185,177,697</b>



# Proposed Project



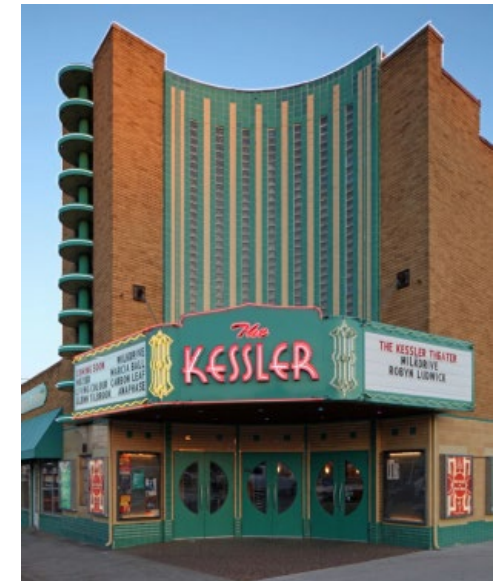
- Over the past year, Office of Economic Development (OED) staff has been working with Edwin Cabaniss on a proposal to rehabilitate, revitalize, and re-operationalize both the historic Longhorn Ballroom and the overall site.
- Mr. Cabaniss has comparable experience with the Kessler Theater in Dallas and the Heights Theater in Houston.
- Mr. Cabaniss and his team are also in the process of pursuing listing of the entire property on the National Register of Historic Places.



Kessler Theater (before)



Kessler Theater (after)



# Proposed Project: Summary



**Project Developer:** Island Rock Holdings, LLC (“Developer”) a Texas limited liability company and/or its assigns will, directly or indirectly, control the Project. Edwin Cabaniss is Managing Member.

**Project Summary:** In 2021, Developer submitted an incentive application to the Office of Economic Development for the Longhorn Ballroom Redevelopment Project (the “Project”):

- **Various interior improvements** to the approximately 30,052 square foot **existing Longhorn Ballroom building (“Building #1”)**, including structural; mechanical; electrical; plumbing; lighting; heating, ventilation and air-conditioning (HVAC); fire alarm/sprinkler; security system; finish-out;
- **Various exterior and interior improvements** to the approximately 20,351 square feet existing mixed-use commercial building (**“Building #2”**), including structural; mechanical; electrical; plumbing; lighting; HVAC; fire alarm/sprinkler; finish-out; façade restoration;
- **Site improvements to include the courtyard/parking lot and creation of a 2-acre outdoor “backyard” event space**, including grading; paving; parking; irrigation; landscape; hardscape; retaining wall; fencing; gates; lighting); and
- **Public infrastructure improvements and streetscape improvements** along the Project’s Corinth Street frontage and at the intersection of Corinth Street and Riverfront Boulevard.

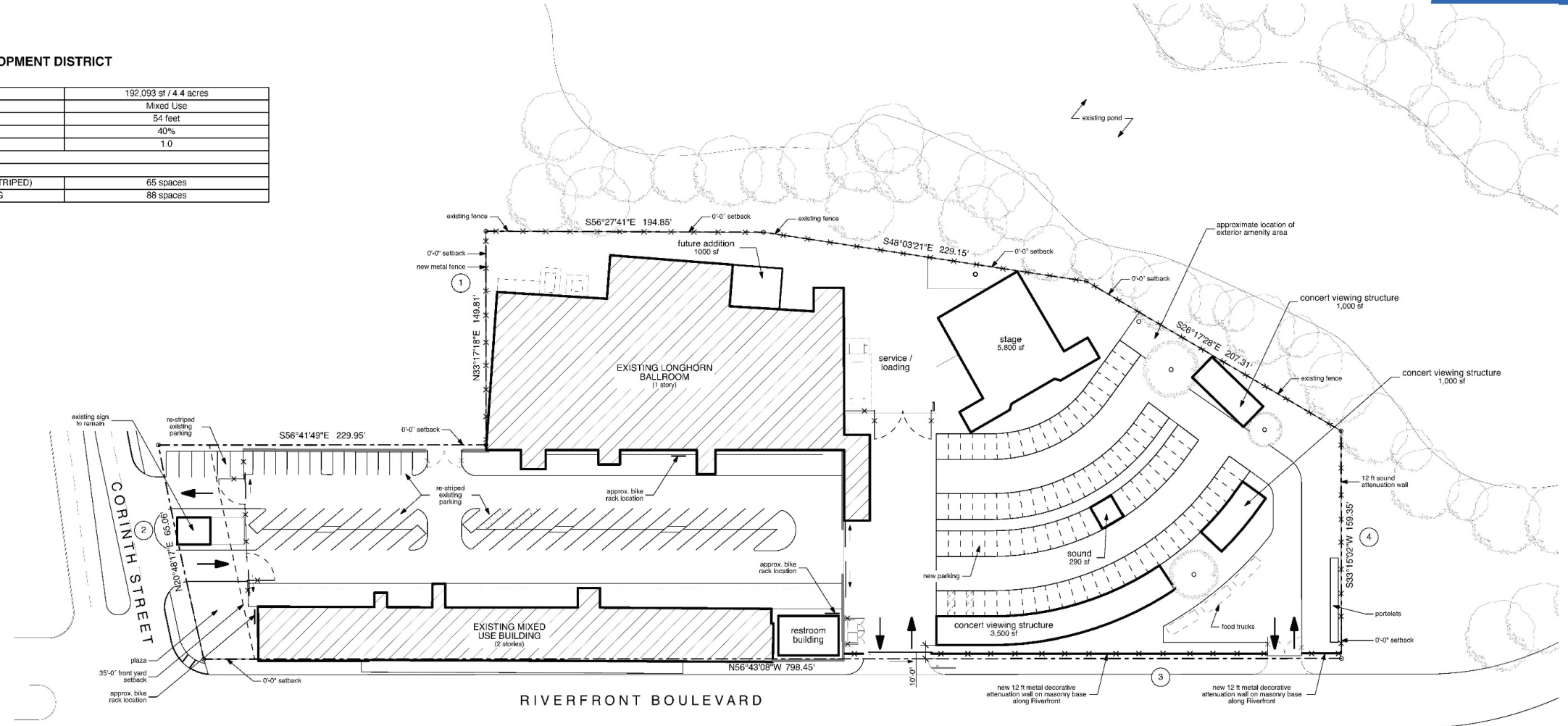


# Proposed Project: Site Plan



**SITE DATA TABLE**  
PLANNED DEVELOPMENT DISTRICT

TOTAL SITE AREA	192,093 sf / 4.4 acres
LAND USE	Mixed Use
MAX. BUILDING HEIGHT	54 feet
MAX. LOT COVERAGE	40%
MAX. FAR	1.0
<b>PARKING</b>	
EXISTING PARKING (RE-STRIPED)	65 spaces
NEW OVERFLOW PARKING	86 spaces



01 Development Plan  
SCALE: 1" = 40'



# Proposed Project: Rendering



Longhorn Ballroom - Exterior Rendering

22 October 2021

Not for regulatory approval,  
permitting, or construction.  
Issued under the authority of  
Robert L. Meckfessel, FAIA.



# Proposed Project: Rendering



**Longhorn Ballroom - Exterior Rendering**

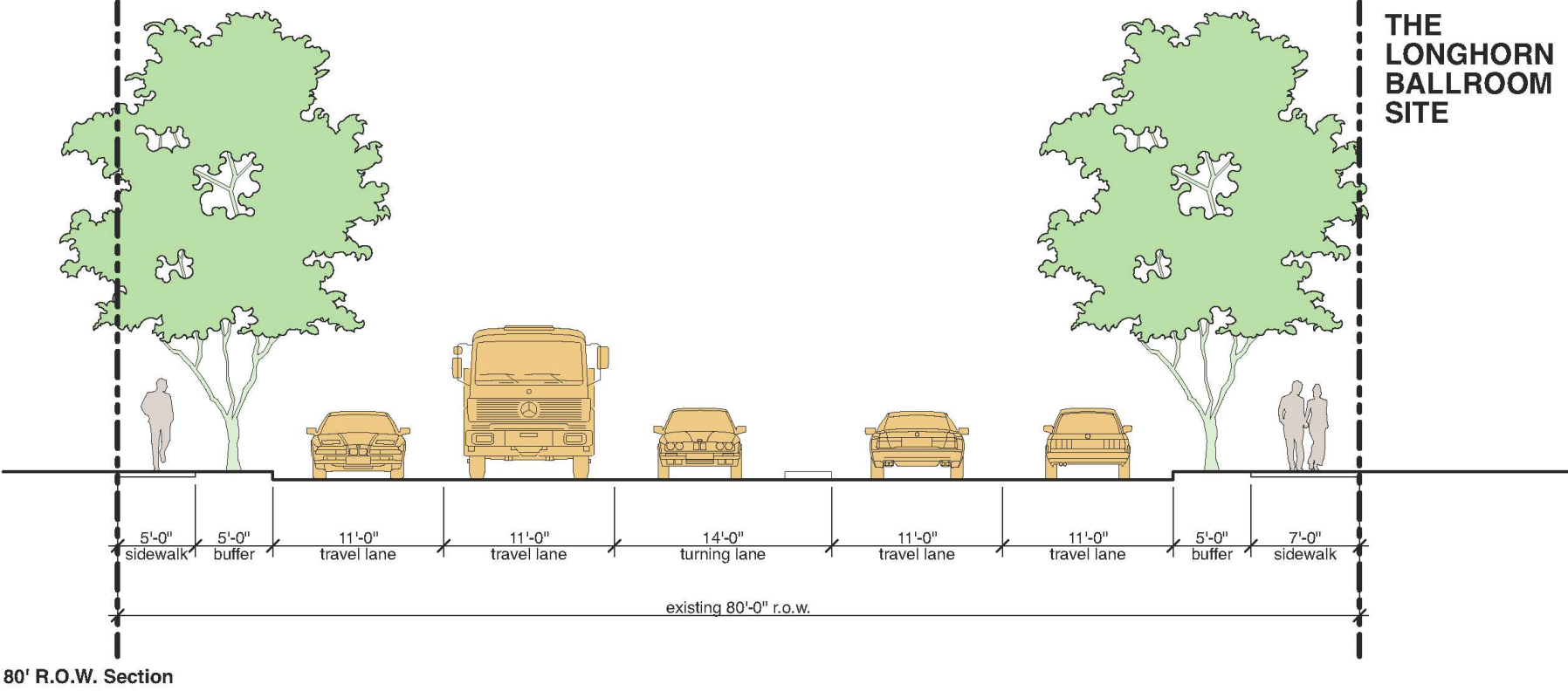
22 October 2021

Not for regulatory approval,  
permitting, or construction.  
Issued under the authority of  
Robert L. Meckfessel, FAIA.





# Proposed Project: Public Infrastructure



## Longhorn Ballroom - Corinth Conceptual Cross Section

22 October 2021

Not for regulatory approval, permitting, or construction. Issued under the authority of Robert L. Meckfessel, FAIA.



# Proposed Project: Urban Design



- In October 2021, the City's Urban Design Peer Review Panel ("UDPRP") reviewed the Project and applauded Developer's efforts to rehabilitate the Longhorn Ballroom and bring it back to its former glory. The Panel encouraged the development team work to establish the Project as a bold statement for new development in this area of the city in the future.
- UDPRP recommendations:
  - Prioritize low impact development practices on this site, including preserving trees, maximizing pervious surfaces, and reducing urban heat island impacts. It was also noted to explore on-site rainwater capture.
  - Explore ways to connect and engage the site with the adjacent sump to serve as an amenity, while considering long-term opportunities for celebrating its unique location on Rock Island.
  - Advises the development plan show the southwest corner at Riverfront/Corinth as a plaza and suggests the development team explore opportunities for on-site bike parking.
  - Maximize how the two-story structure engages Riverfront Boulevard and providing a buffer between the sidewalk and the security wall to soften the pedestrian experience. It is also advised to consider the wall as an opportunity for public art or as an opportunity for an engaging, semi-transparent design.
  - Explore ways to minimize gravel and other pervious materials from becoming hazards on the Riverfront Boulevard bike lanes. Alternatively, it is recommended the design team explore bike facilities behind the back-of-curb to double as a widened sidewalk during events.
- As a result, Developer made changes to accommodate UDPRP's recommendations (see Appendix for more details)



# Proposed Project: Budget



Uses	Amount	Percent	Investment Expenditure (eligible toward minimum investment requirement)
Acquisition	\$7,783,550	54.4%	\$7,783,550
Demolition	\$0	0.0%	
On-Site Improvements	\$0	0.0%	
Off-Site Infrastructure	\$1,393,385	9.7%	\$1,393,385
Building (Hard) Construction Costs	\$3,332,204	23.3%	\$3,332,204
General Conditions and Contingency	\$831,972	5.8%	
Professional Fees	\$350,000	2.4%	\$350,000
Soft Costs	\$413,370	2.9%	
Reserves	\$0	0.0%	
Developer Fee	\$214,846	1.5%	
<b>Total Uses</b>	<b>\$14,319,327</b>	<b>100.0%</b>	<b>\$12,859,139</b>

Note: the budget shown does not include \$850,000 in additional public improvements such as a traffic signal that may be required by the City.



# Proposed Project: Sources



Sources	Amount	Percent
Bank Loan	\$3,500,000	24%
Investor Equity	\$10,819,327	76%
<b>Total Sources</b>	<b>\$14,319,327</b>	<b>100%</b>



# Staff Recommendation: City Subsidy



**City Subsidy** in an amount **not to exceed \$4,150,000** comprised of:

- 1) **Tax increment financing (TIF) development agreement** with Island Rock Holdings, LLC and/or its affiliates in an amount **not to exceed \$2,100,000** payable from TOD TIF District funds ("**TIF Subsidy**")
- 2) **Chapter 380 economic development grant agreement** with Island Rock Holdings, LLC and/or its affiliates in an **amount not to exceed \$2,050,000** (\$250,000 payable from Equity Revitalization Capital funds and \$1,800,000 payable from 2012 General Obligation Bond funds) in accordance with the City's Public/Private Partnership Program ("**PPP Grant**")



# Staff Recommendation: TIF Subsidy



- TIF Subsidy: an amount not to exceed **\$2,100,000 as reimbursement for actual TIF-eligible costs** and payable upon Developer's satisfaction of all terms and conditions in the development agreement
- A portion of the TIF Subsidy, \$850,000, is contingent on whether Developer is required to perform public improvements in addition to those described on the Project's site plan (for example, installing a traffic signal) and will not be disbursed to Developer if additional improvements are not required

Category	Amount
<b>Cedars (West) Sub-District:</b>	
Public Infrastructure Improvements	\$2,100,000
<b>TOTAL TIF portion of CITY SUBSIDY – amount not to exceed</b>	<b>\$2,100,000</b>

Note: The TIF Subsidy to the Project could be less if final (actual documented) costs for public infrastructure improvements are less than \$2,100,000 or if adequate increment does not accrue to the TIF fund.



# Staff Recommendation: TIF Subsidy



## Pursuant to the TIF District's Increment Allocation Policy:

- The Longhorn Ballroom Redevelopment Project is eligible for TIF funding from the 80% of tax increment retained by the Cedars West Sub-District.
- Based on current cash available (\$986,000) in the Cedars West Sub-District and anticipated collections in upcoming years, the full amount of TIF Subsidy (\$2,100,000) committed to the Longhorn Ballroom Redevelopment Project is projected to be collected by 2024.
- TIF District's Increment Allocation Policy will continue to provide that 40% of the increment generated by the Mockingbird/Lovers Lane Sub-District and 10% of the increment generated by the Cedars West Sub-District be transferred to the Lancaster Corridor Sub-District.
- Once completed, the Longhorn Ballroom Redevelopment Project is projected to generate approximately \$6,286 annually (estimated cumulative total of \$79,291 over the remaining life of the TIF District) to the Lancaster Corridor Sub-District (in addition to the other transfers based on completed development since the creation of the TOD TIF District).



# Staff Recommendation: PPP Grant



PPP Grant (\$2,050,000) will be payable in two installments:

- Installment #1: \$1,025,000 upon completion of Building #1 and commencement of operations as required (see *Slide 30*)
- Installment #2: \$1,025,000 upon completion of Building #2 and compliance with the requirements (see *Slide 30*)





# Staff Recommendation: Conditions



- Minimum Investment: Developer shall invest and document a **minimum of \$10,000,000 in eligible expenditures** in the Project, including capitalized costs for site acquisition, off-site infrastructure, on-site preparation, site amenities, building construction/finish-out/furnishings, and professional fees
- Minimum Project Requirements: Project shall include a minimum of **40,000 square feet of commercial and/or entertainment venue space** including both the **ballroom (Building #1)** and the **adjacent multipurpose building (Building #2)**, **site improvements including the courtyard/parking lot and creation of a new 2-acre outdoor “backyard” event space, and all public infrastructure improvements and streetscape improvements** required for the Project to obtain certificate(s) of occupancy and/or as described in the conceptual site plan and renderings.
- Building Permit Deadline: Developer shall **obtain a building permit for all Project components** as described on Slide 12 **by June 30, 2025**; a demolition permit or grading permit does not constitute meeting the obligation of this requirement.
- Completion Deadline: Construction of all the Project components described on Slide 12 shall be complete, and all portions of Building #1, Building #2, and the “backyard” event space shall be occupiable by **June 30, 2026** as evidenced by certificate(s) of occupancy, letter(s) of acceptance, certificate(s) of completion, and/or similar documentation from the City.



# Staff Recommendation: Conditions



- Public Access to Infrastructure not owned by City: Prior to completion of the Project and at no cost to City, Developer shall provide reasonable **public access easements, deed restrictions, or other instruments** reasonably acceptable to the Director if any street and utility infrastructure improvements associated with the Project remain in non-City ownership but require public access.
- Property Management: The **proposed management group** for all Project components described on Slide 12 shall be submitted at least three months prior to Project completion for review by the Director to consider acceptance based on the management entity's comparable experience managing other comparable properties, such approval not being unreasonably withheld. Notwithstanding any provision to the contrary, any affiliate of the Developer shall be considered an approved manager for any component of the Project.
- Operating and Maintenance Agreement: If applicable and prior to Project completion, Developer shall execute a **20-year Operating and Maintenance Agreement** for all **non-standard public improvements**.
- Business Inclusion: Developer shall make a good faith effort to comply with City's Business Inclusion and Development ("BID") **goal of 32% participation by certified Minority/Women-owned Business Enterprises ("M/WBE")** for **all hard construction expenditures** of the Project and meet all reporting requirements.



# Staff Recommendation: Conditions



- Quarterly Reporting: Until the Project has passed final building inspection and all required paperwork documenting Project completion for all components described on Slide 12 has been submitted to the OED, Developer shall submit to the OED **quarterly status reports** for ongoing work on the Project (including any public improvements). Such status reports shall be due within 30 calendar days following the end of each calendar quarter after the City Council approval date.
- Urban Design: Developer shall construct the Project (public and private improvements) in **substantial conformance with the conceptual site plan and conceptual renderings approved by the City's Planning and Urban Design Department, addressing the comments provided by the Urban Design Peer Review Panel on October 22, 2021**; allowable minor modifications may include those required for compliance with development regulations.
- Local Hiring: For all permanent employment opportunities created by the operation of the Project, Developer shall submit **a written plan describing how Developer or property management group shall use and document best efforts to recruit and hire residents of the City of Dallas**. At a minimum, the written plan shall describe how local recruitment will be targeted through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources.



# Staff Recommendation: Conditions



- Local Education/Workforce Development Partnership: Developer or affiliate shall use best efforts to **partner with Dallas College and/or other mutually-approved non-profit service providers** (collectively, the “Non-Profit Partners”) to create **paid experiential learning opportunities** that would provide students in **Dallas College’s Commercial Music Program at the Cedar Valley Campus** (or equivalent) with **opportunities to gain exposure and experience in the commercial music industry** (e.g. composition and digital music production; music business and entrepreneurship; music performance; recording technology). Developer or affiliate shall endeavor to deliver to Director an agreement executed by Developer or affiliate and the Non-Profit Partners **documenting the terms of the proposed program no later than December 31, 2023**. At a minimum, Developer or affiliate shall use **best efforts to participate in the program through December 31, 2028**. Developer or affiliate shall provide to Director an **annual summary report regarding the status and outcomes of the paid experiential learning program involving the educational partner, including number of participants, salaries or other benefits paid to participants, and race/gender/ethnicity of participants, and a summary of the program activities**. The City shall not deem it a default of the development agreement if a Non-Profit Partner refuses participation or if program participants are terminated in the normal course of Developer’s (or affiliate’s) business for reasons consistent with their normal business practices.



# Staff Recommendation: Conditions



- Public Safety Measures: Developer or affiliate shall **coordinate with the City's Office of Integrated Public Safety Solutions (OIPSS) and the Dallas Police Department (DPD) to create a reasonable security plan for the Project**, including any specific property improvements and/or operational considerations. Such a security plan may include increased security patrols during construction; a modern security camera system with DPD access; LED lighting throughout the property; perimeter fencing repairs; etc. The **security plan shall be approved** by OIPSS, DPD, and Director of Office of Economic Development (such approval not to be unreasonably withheld, conditioned, or delayed) **within 6 months** of the execution of the development agreement (with ongoing compliance with the security plan to be required throughout the term of the agreement). This requirement will be enforceable by specific performance.



# Staff Recommendation: Conditions



- Minor Modifications: **The Director of the OED** may **authorize minor modifications** to the Project, and, in his or her sole discretion, the Director may refer any proposed design modifications to the TIF Board and/or UDPRP if the proposed design modifications materially affect the Project. In addition, **subject to TIF Board approval, the Director may extend all Project deadlines up to 12 months.**
- PPP Grant security and subordination: **The PPP Grant portion of the City Subsidy** shall be secured by **a performance lien deed of trust (or other instrument approved by the City Attorney's Office)** in favor of the City and shall be recorded in the real property records of Dallas County within 30 calendar days of execution of the agreement. City's lien shall be subordinate to the senior lender, whether the loan is made for construction or permanent financing purposes and to any lien encumbering the Property to secure any new market tax credits (NMTTC). The City shall also consent and subordinate to any Property Assessed Clean Energy (PACE) assessment lien providing financing for any portion of the Project. The City's lien shall be released upon expiration of the 5-year period specifically referenced in the "Continued Minimum Occupancy Requirement in Building #2" on the next slide.



# Staff Recommendation: Conditions



Commencement of Operations of the Longhorn Ballroom. Prior to City's disbursement of Installment #1 of the PPP Grant portion of the City Subsidy, the Longhorn Ballroom (Building #1) shall be open to the public and shall have commenced daily operations as an entertainment/event venue.

Continued Operations Requirement for Longhorn Ballroom. Subject to the occurrence of force majeure events, failure to maintain and operate the Longhorn Ballroom (Building #1) as an entertainment/event venue for 5 years after the date that Developer obtains a CO for Building #1 shall be a default of the agreement.

Minimum Occupancy Requirement in Building #2. Prior to City's disbursement of Installment #2 of the PPP Grant portion of the City Subsidy, Developer shall use reasonable commercial efforts to lease and occupy a minimum of 50% of the total gross floor area of Building #2 and shall provide reasonable evidence of such efforts to the City.

Continued Minimum Occupancy Requirement in Building #2. Subject to the occurrence of force majeure events, failure to use reasonable efforts to maintain a minimum of 50% of the total gross floor area of Building #2 as leased and occupied for 5 years after the date Developer initially meets the "Minimum Occupancy Requirement in Building #2" shall be a default of the agreement.

Specific Uses not Allowed in the Project. Pawn shops, sexually oriented businesses, payday lenders, and indoor gaming/gambling shall not be permitted in any portion of the Project for 5 years after the date that Developer obtains a CO for Building #1.



# Staff Recommendation: Conditions



- IRS Section 118 Provisions. Without altering or excusing any obligation of the Developer under the agreement, the City acknowledges that the City Subsidy may be funded directly to Developer, or to an affiliate of Developer as Developer may direct, as necessary to facilitate the treatment of all City Subsidy payments under the agreement as non-shareholder contributions to capital, in accordance with the provisions of Section 118 of the Internal Revenue Code of 1986 (the "Code"). Developer acknowledges and agrees that the City expresses no opinion with respect to the appropriate federal income tax treatment of such payments and that the City has not made any representations or covenants other than in this section with respect to such federal income tax treatment of the City Subsidy. For purposes of this LOI, an "affiliate" of the Developer means an entity owned (in whole or part) and controlled by Developer's principal, Edwin Cabaniss.
- Assignment. Until completion of the Project, an assignment of the Developer's duties and obligations under the agreement shall only be allowed to a direct affiliate of Developer with the prior written approval of the Director, not to be unreasonably withheld, conditioned, or delayed. After completion of the Project, Developer may assign its rights or obligations under the agreement to any entity provided the assignee expressly assumes all of the obligations of the Developer under the agreement for the balance of the term of the agreement.





# Next Steps



- On August 30, 2022, the TOD TIF District Board of Directors reviewed and unanimously recommended for approval a development agreement and a City Subsidy for the Longhorn Ballroom Redevelopment Project in an amount not to exceed \$4,150,000 as recommended by staff
- An agenda item will be placed on the City Council voting agenda on September 28, 2022





**City of Dallas**

# **Longhorn Ballroom**

redevelopment project in the  
TOD TIF District

**Economic Development Committee**  
**September 6, 2022**

Kevin Spath, AICP, EDFP, HDFP  
Assistant Director  
Office of Economic Development

# Appendix: Development Team



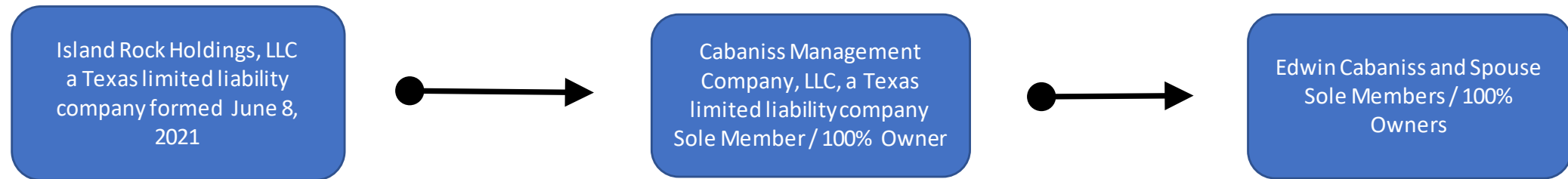
Role	Party Name
Developer/Primary Contact	Island Rock Holdings, LLC (Edwin Cabaniss, Managing Member)
Architect	DSGN Associates, Inc
Engineer	Basharkhah Engineering & Pierce Engineering
General Contractor	TBD
Property Management	Kessler Entertainment Group, LLC



# Appendix: Developer



## ISLAND ROCK HOLDINGS, LLC ORGANIZATIONAL CHART



# Appendix: Urban Design



Developer modified design to respond to UDPRP recommendation:

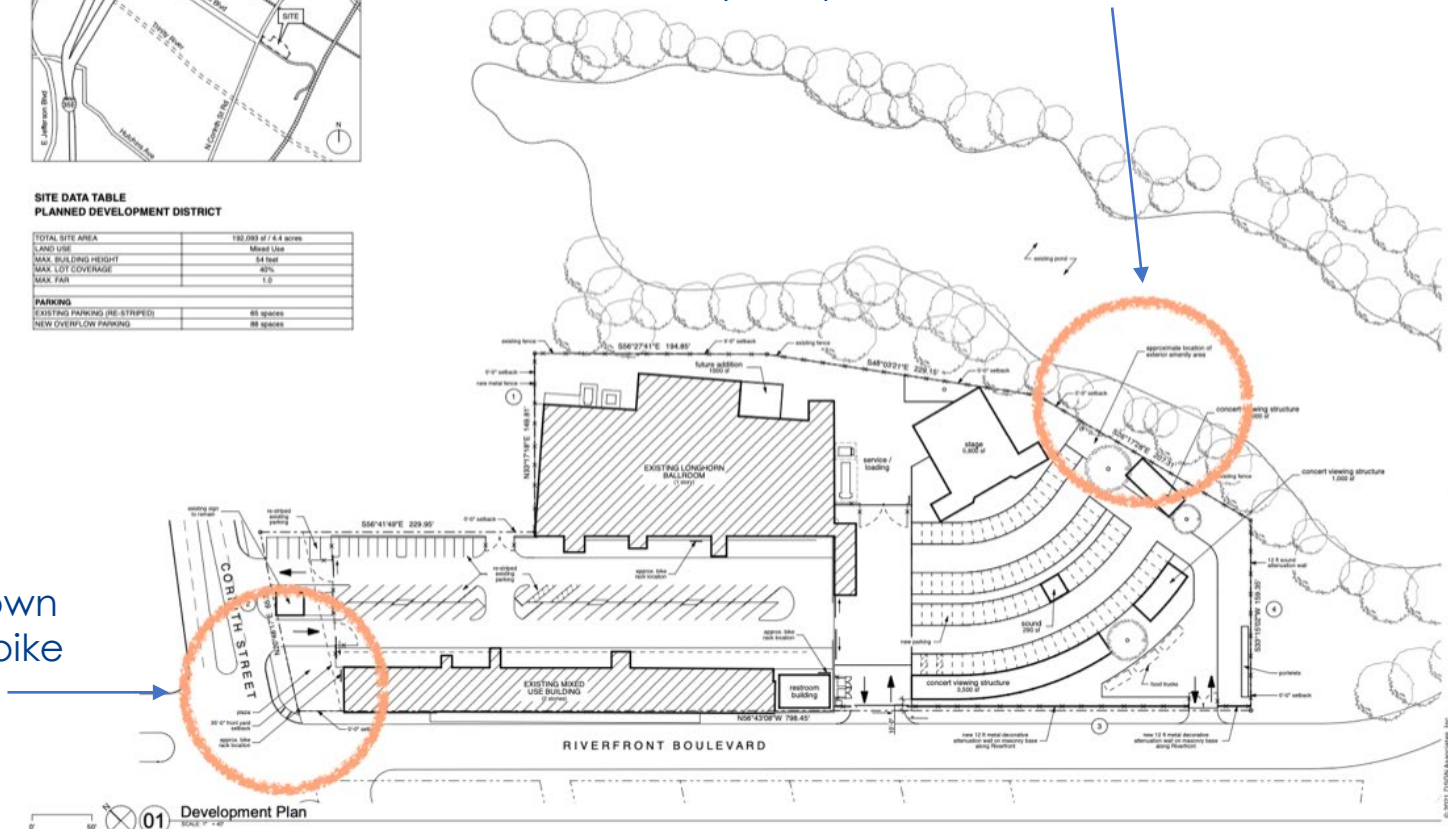
Amenity area highlighted – potential connections & improvements depend on what may be allowed on or near City sump.



KEY  
 ○ sound marker

**SITE DATA TABLE**  
**PLANNED DEVELOPMENT DISTRICT**

TOTAL SITE AREA	192,000 sq ft / 4.4 acres
LAND USE	Mixed Use
MAX BUILDING HEIGHT	64 feet
MAX LOT COVERAGE	48%
MAX FAR	1.0
<b>PARKING</b>	
EXISTING PARKING (RE-STRIPED)	63 spaces
NEW OVERFLOW PARKING	88 spaces



Plaza location shown and can include bike parking

**DSGN**

**Longhorn Ballroom Master Development Plan**  
 Dallas, TX  
 Project 2006.00

Owner  
 Big D Development

Architect  
 DSGN Associates, Inc.  
 115 West Greenville Lane  
 Dallas, Texas 75201 USA

28 January 2022

**Issue Date/ Rev**

25 Oct 21	Issue for Application
07 Dec 21	Issue for Application
10 Dec 21	Issue for Application
28 Jan 22	Issue for Application
28 Mar 22	Issue for Application

**Development Plan Case Z201-337**



# Appendix: Underwriting



- Developer's original incentive application requested \$3,959,858 in City incentives.
- National Development Council (NDC), under contract with the City, conducted independent underwriting of the incentive application. The staff recommended City subsidy is within a range of gap analysis provided by the underwriter. Conclusions of independent underwriting:
  - **Development team:** highly qualified and experienced to carry out the project
  - **Financial capacity:** Developer is bringing personal and other investor equity into the project.
  - **Permanent debt capacity of Project:** Debt capacity is being maximized. Project could support a maximum of \$3.5 million in debt capacity given the current nature and conditions of the local entertainment industry.
  - **Appraisal and Market Study:** Developer's assumptions are consistent with information presented; project appears viable.
  - **Cost estimates of Project:** costs reasonable in current market; construction costs could be higher than projected since the figures provided by the Developer do not represent contracted prices.
  - **Rationale for City subsidy based on Costs and Returns:** Developer has maximized private debt and internal rate of return of 10.4% is reflective of a higher risk project.





# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 22-1859

**Item #:** B.

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Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis Garden TIF District  
[Kevin Spath, Assistant Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE September 2, 2022

Honorable Members of the City Council Economic Development Committee: Tennell  
TO Atkins, (Chair), Carolyn King Arnold, (Vice Chair), Adam McGough, Omar Narvaez,  
Jaime Resendez, Chad West, Gay Donnell Willis

SUBJECT **Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis  
Garden TIF District**

An item for City Council consideration will be placed on the Wednesday, September 14, 2022 City Council agenda for supplemental design services for the Rosemont Safe Routes to School Project (Project) in the Davis Garden Tax Increment Financing (TIF) District. The item will authorize a supplemental contract with Halff Associates (Consultant) in the amount of \$194,400.00 to complete the design of the Project.

The National Center for Safe Routes to School (SRTS) serves as the U.S. Department of Transportation's clearinghouse for pedestrian and bicycle research and tools. SRTS programs aim to make it safer for students to walk and bike to school and encourage more walking and biking where safety is not a barrier. The SRTS approach promotes walking and bicycling to school through infrastructure improvements, enforcement, tools, safety, and education. The Transportation Alternatives Program (TAP), a federal program administered through the U.S. Department of Transportation, provides funding for a variety of generally smaller-scale transportation projects such as SRTS projects. TAP provides funds through the North Central Texas Council of Government's (NCTCOG) Regional Transportation Council (RTC), which determines the allocation of federal, state and regional transportation funds. The RTC periodically funds SRTS infrastructure projects through TAP calls for projects. Under the 2014 call for projects, \$5.7 million was awarded to 13 area SRTS projects, including \$86,957.00 for the Rosemont SRTS Project.

The purpose of the Rosemont SRTS Project is to support the neighborhood's desire for more of their children to bike and walk to school. Rosemont Primary School is directly adjacent to Rosemont Elementary and International Language Preparatory Middle School. The Project's goal is to create a system of limited-access safe streets across the neighborhood that connect the Rosemont Primary and Elementary Schools to the surrounding neighborhood. The Project's scope of work consists of the design and construction of bicycle and pedestrian improvements to include speed humps, neckdowns and curb extensions, bike lanes, sidewalks, ADA ramps, crosswalk markings and stop bars, and hybrid beacons.



DATE September 2, 2022

SUBJECT **Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis Garden TIF District**

In 2014, the Project was awarded a TAP grant by the Regional Transportation Commission (RTC) in an amount not to exceed \$86,957.00, with \$69,566.00 as the Federal share for engineering design and a local match requirement of \$17,391.00. On April 11, 2018, City Council authorized a professional services contract with the Consultant to provide design services for the Project. In November 2018, discussions between NCTCOG and the City of Dallas led to a change in design scope which resulted in a change directive. In the change directive, the Consultant was asked to take the revised scope to 60% design using the original funds. Completing the design (the remaining 40%) would increase the design cost by \$151,425.00 due to the change in scope.

Since any additional costs associated with the Project (in excess of \$86,957.00) are the responsibility of the City, several months ago the Public Works Department approached the Office of Economic Development and the Davis Garden TIF District with a request for the supplemental funding. The request was initially presented to the Davis Garden TIF District Board of Directors (TIF Board) on June 15, 2022. Based on input from the community and after TIF Board discussion during the June 15 meeting, two additional streets adjacent to the Rosemont Primary School and the Rosemont Elementary School were added to the scope of the Project with an estimated additional design cost of \$50,000.00. The engineering design for the Project consists of \$194,400.00 for design from Halff Associates, Inc, and \$6,894.00 for design review by TxDOT. The request for the total supplemental design cost of \$201,425.00 to complete the design of the Project was presented to the TIF Board on August 2, 2022 and was approved unanimously. The Project was presented to the Transportation and Infrastructure Committee at their meeting on August 15, 2022 and was recommended to move forward to City Council for consideration.

Please contact Kevin Spath, Assistant Director, Office of Economic Development, at [Kevin.Spath@Dallas.gov](mailto:Kevin.Spath@Dallas.gov) should you have any questions or require further information.



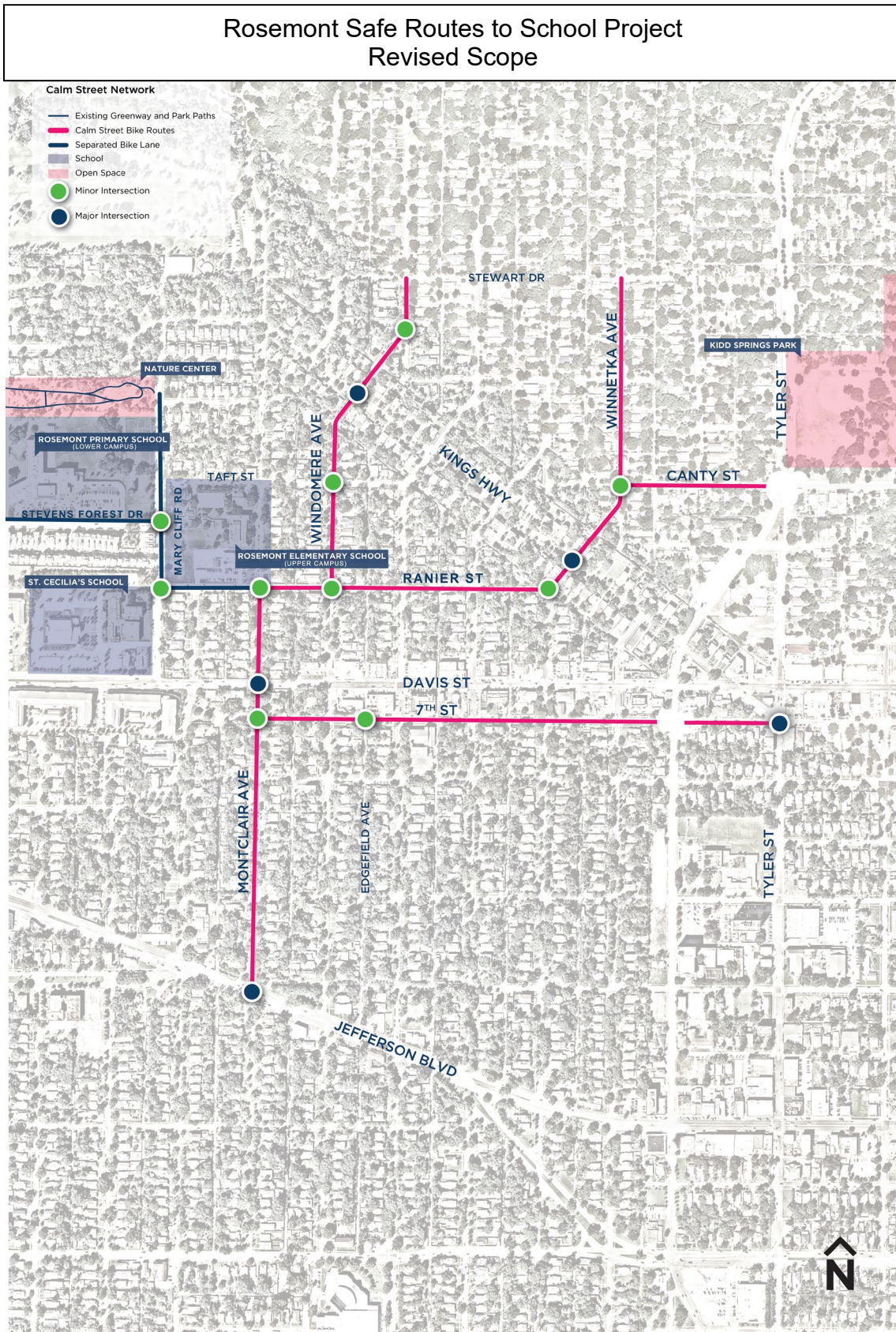
**Majed A. Al-Ghafry, P.E.**  
Assistant City Manager

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors

DATE September 2, 2022

SUBJECT Upcoming Agenda Item: Rosemont Safe Routes to School Project in the Davis Garden TIF District





# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 22-1610

**Item #:** C.

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Authorize amendment and assignment of incentive agreement to permit the developer's sale of 3540 Simpson Stuart Road (Save-U-More food store)  
[Heather Lepeska, Interim Assistant Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE September 2, 2022

Honorable Members of the City Council Economic Development Committee: Tennell  
TO Atkins, (Chair), Carolyn King Arnold, (Vice Chair), Adam McGough, Omar Narvaez,  
Jaime Resendez, Chad West, Gay Donnell Willis

SUBJECT **Upcoming Agenda Item: Authorize amendment and assignment of incentive agreement to permit the developer's sale of 3540 Simpson Stuart Road (Save-U-More food store)**

At the September 28, 2022 agenda meeting, City Council will be asked to consider an item to authorize an amendment and assignment to the grant agreement between the City of Dallas and KRR Construction LTD, consent of sale, and a conditional loan subordination for the property located at 3540 Simpson Stuart Road. The proposed new buyer is A&S Supermarkets LLC or an affiliate or subsidiary thereof (Cash Saver or Buyer).

On October 23, 2013, the Dallas City Council authorized a \$1.5 million grant agreement between the City of Dallas and KRR Construction LTD for the development of the property at 3540 Simpson Stuart Road, Dallas, Texas as a grocery store. On December 10, 2014, City Council approved an increase to the grant agreement to a total of \$2.8 million for the development of a full-service grocery store at this location by Moran Foods, LLC ("Save A Lot"). The Save A Lot grocery store opened on October 28, 2016. The deed of trust required 10-year operations as a grocery store and performance for the grant was secured by a lien against the property. After ten years of operations as a grocery store, the obligation to repay the grant would be lifted.

After originally operating as a Save A Lot grocery store, the store brand was converted to a Save-U-More store. In January 2021, Save-U-More closed and the property is currently for sale. Buyer intends to purchase the building for \$1,900,000.00 and reopen the location as a Cash Saver grocery store. Buyer signed a letter of intent for a \$1,560,000.00 senior loan with American Continental Bank (the "senior lien") and intends to continue operations in accordance with the requirements of the City's grant agreement. The required term for continued grocery store operations to qualify for forgiveness of the City's grant is five years and nine months. In order for the sale and reopening to move forward, the City's lien must be subordinated to the senior lien as a condition of the senior lender's financing.

The September 28, 2022 agenda item will authorize an amendment to the contract between KRR Construction LTD and the City of Dallas to clarify that the remaining term of operations for the grocery store is five years and nine months, and to assign the contract to Buyer. Additionally, it authorizes the consent of the sale of the property located at 3540 Simpson Stuart from KRR Construction LTD to Buyer upon approval of senior financing, and authorize the subordination the City's lien to the senior lien.

DATE September 2, 2022

SUBJECT **Upcoming Agenda Item: Authorize amendment and assignment of incentive agreement to permit the developer's sale of 3540 Simpson Stuart Road (Save-U-More food store)**

The letter of intent from American Continental Bank (ACB) identifies the following conditions that must be met before the final approval and funding of the loan including:

1. An appraisal showing that the as-is value of the property exceeds \$1.9M
2. A satisfactory environmental report
3. Tax forms, financial statements, credit histories, business plan, profit and loss projections, and other financial information from the company provided to the bank
4. Executed subordination agreement from the City of Dallas in favor of American Continental Bank

It is a condition of the City's consent that Buyer satisfy American Continental Bank's requirements (1-3 above) and close on the loan. If that does not occur, the City will not provide the consent or subordination. The City will also require that the store open by January 1, 2023.

Should you have any questions, please contact Robin Bentley, Director, Office of Economic Development, at (214) 671-9942 or [Robin.Bentley@dallas.gov](mailto:Robin.Bentley@dallas.gov).



Majed A. Al-Ghafry, P.E.  
Assistant City Manager

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
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Carl Simpson, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 22-1947

**Item #:** D.

---

Authorize amendment of Southern Dallas Investment Fund (SDIF) Program Statement  
[Joyce Williams, Director, Small Business Center]

# Memorandum



CITY OF DALLAS

DATE September 2, 2022

Honorable Members of the City Council Economic Development Committee: Tennell Atkins, (Chair), Carolyn King Arnold, (Vice Chair), Adam McGough, Omar Narvaez, Jaime Resendez, Chad West, Gay Donnell Willis

SUBJECT **Authorize amendment of Southern Dallas Investment Fund (SDIF) Program Statement**

The purpose of this memorandum is to provide an update on the revision of the Program Statement for the Southern Dallas Investment Fund (SDIF). Funding for this program was authorized to promote economic development throughout the city, provide grants of bond proceeds for private commercial, industrial, retail, residential/mixed-use development, neighborhood revitalization projects, and mixed income development under Ordinance 30554 Proposition I for \$2,500,000 in general obligation bond funding.

The SDIF grant funds are administered by the Small Business Center and designated for "Southern Dallas" defined for the purpose this grant, as the geographical boundaries within the Dallas city limits on the west, south and east. The northern border is the Trinity River, west and east of downtown and interstate 30.

Eligible recipients must be a for-profit business located in Southern Dallas that are officially registered with the Texas Secretary of State, operate as a legal for-profit small business as classified under size standards of the U.S. Small Business Administration and demonstrate a need for eligible assistance.

Should you have any questions or concerns, please contact me or Joyce Williams, Director, Small Business Center at [joyce.williams@dallas.gov](mailto:joyce.williams@dallas.gov).

A handwritten signature in black ink, appearing to read 'Kimberly Bizer Tolbert'.

Kimberly Bizer Tolbert  
Deputy City Manager

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors

# **EXHIBIT A**

## **SOUTHERN DALLAS INVESTMENT FUND**

### **PROGRAM STATEMENT**

#### **PURPOSE**

The City hereby establishes and provides for the administration of the Southern Dallas Investment Fund (the “Fund”) to promote local economic development and stimulate business and commercial activity in the City, pursuant to Texas Local Government Code, Chapter 380. The purpose of the Fund is to provide grants (“Grant Funds”) to an Eligible Business (defined herein) located and operating in southern Dallas for Eligible Capital Expenditures (defined herein). For purposes of this program statement, the term “southern Dallas” refers to the geographical boundaries within Dallas city limits on the west, south and east. The northern border is the Trinity River west of downtown an Interstate 30 East of downtown as shown in **Exhibit A**. The Fund is administered by the Small Business Center.

#### **FUNDING**

The initial funding shall be \$2.5 million in 2017 general obligation bond funds from Proposition I, which authorized bonds for “the purpose of providing funds for promoting economic development throughout the city” and “through the city’s programs for economic development and housing including [...] making grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development, neighborhood revitalization projects, and mixed income development.” Accordingly, all Grant Funds using 2017 general obligation bond funds must comply with the City’s 2017 Capital Bond Program, the Internal Revenue Code, and U.S. Treasury regulations, guidance and rulings.

#### **BUSINESS GROWTH**

A for-profit business located in southern Dallas that receives grant Funds must use it for eligible capital expenditures to stimulate small business growth and commercial activity in southern Dallas, such as by attracting/retaining employees in southern Dallas or increasing taxable personal or real property in southern Dallas.

#### **Eligible Participants:**

To receive Grant Funds, a recipient must be: (1) a business officially registered with the Texas Secretary of State and operate as a legal for-profit business (“Eligible Business”); (2) classified as a small business under the size standards of the U.S. Small Business Administration; (3) physically located and operate in southern Dallas (as depicted in the program map attached as Exhibit A); and (4) demonstrate a need for assistance.

Grant Funds shall not be awarded to a business that requires a sexually oriented business license under Chapter 41A of the Dallas City Code, or a liquor store, a pawn shop, a body piercing studio, or a tattoo studio as those terms are defined by the Dallas Development Code.



Grant Funds shall not be awarded to a business that has outstanding city liens or tax liens, that is party to a lawsuit against the City, that has filed for bankruptcy in the previous 5 years, that is currently in default under any other agreement with the City, or that has, in the previous 5 years, been party to a contract with the City that was terminated due to default. All expenditures for services will be subject to state and local procurement laws.

**Eligible Expenses:**

An Eligible Business that receives Grant Funds must use it to for eligible capital expenditures (as defined for tax purposes) that: (1) stimulate business and commercial activity; (2) attracts/retains employees in southern Dallas; and/or (3) increases taxable personal or real property in southern Dallas (“Eligible Capital Expenditures”). Eligible capital expenditures include the costs of acquiring or producing any permanent structural alteration or other assets added to tangible real or personal property that improves it substantially, thereby increasing its overall property value to suit new needs and extending its useful life. A proposed expenditure must also be for a permitted use as it pertains to the property under the Dallas Development Code.

Examples of eligible capital expenditures include:

- permanent structural alteration to a building
- exterior and interior construction to a building

**Post-Award Requirements:**

Grant Funds recipients must document code compliance and maintenance of improvements for a period of five years following receipt of the grant.



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 22-1977

**Item #:** E.

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Upcoming Agenda Item: Amendments to support the Oaklawn Place Project in the Maple/Mockingbird TIF District  
[Kevin Spath, Assistant Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE September 2, 2022

Honorable Members of the City Council Economic Development Committee: Tennell  
TO Atkins, (Chair), Carolyn King Arnold, (Vice Chair), Adam McGough, Omar Narvaez,  
Jaime Resendez, Chad West, Gay Donnell Willis

SUBJECT **Upcoming Agenda Item: Oaklawn Place Project - Proposed Amendments**

An item for City Council consideration will be placed on the Wednesday, September 28, 2022 City Council agenda requesting authorization to amend the previously authorized development agreement (Resolution No. 21-1776) for the Oaklawn Place Project ("Project"), a senior affordable multi-family development (84 apartments, of which 100% shall be rent restricted for senior households earning between 30% and 60% of AMFI) on approximately 1.8 acres of property currently addressed at 5717-5725 Sadler Circle in Tax Increment Financing Reinvestment Zone Number Eighteen (Maple/Mockingbird TIF District). The proposed amendments are as follows:

- 1) increase the TIF Subsidy by \$975,852.00 from \$4,438,154.00 to \$5,414,006.00, and
- 2) extend the deadline for obtaining a building permit from July 1, 2022 to July 1, 2023, and
- 3) extend the deadline for completing construction of the Project, including associated public improvements and streetscape improvements and making all portions of the building occupiable from December 31, 2023 or the placed in service deadline established by Texas Department of Housing & Community Affairs ("TDHCA") to December 31, 2024 or the placed in service deadline established by TDHCA, and
- 4) change the developer entity name from Sadler Circle Senior Apartments LLC to Resource Center of Dallas, Inc.,

and, as consideration,

- 5) increase the Developer's required minimum amount of Investment Expenditures from \$17,000,000.00 to \$20,000,000.00, and
- 6) increase the Developer's good faith effort goal from 32% to 36% for participation by certified Minority/Women-owned Business Enterprises in all hard construction expenditures on the Project.

DATE September 2, 2022  
SUBJECT **Upcoming Agenda item: Oaklawn Place Project - Proposed Amendments**

On July 12, 2022, the Developer submitted a request to staff for amendments to the previously authorized development agreement/TIF subsidy, including an increase of \$1,007,066.00 to the subsidy needed to make the Project financially feasible. The Developer cited the following reasons for the request:

- extraordinary increases in construction costs due to supply chain problems associated with the COVID-19 pandemic
- inflation in labor and material rates commensurate with market inflation
- after value engineering and additional sub-bidding, total project cost increased \$5,307,021.00 from \$24,116,921.00 to \$29,423,942.00


After engaging the independent outside underwriter to verify the new funding gap, staff offered \$975,852.00 in additional TIF subsidy, which was accepted by the Developer on August 15, 2022. The amended total subsidy amount of \$5,414,006.00 would be allocated to the TIF district budget categories as shown below:

TIF BUDGET CATEGORY	AMOUNT
Environmental Remediation and Demolition	\$ 293,241.00
Infrastructure/Utility Improvements	\$1,028,948.00
Affordable Housing	\$4,091,817.00
<b>TOTAL TIF SUBSIDY</b>	<b>\$5,414,006.00</b>

On August 31, 2022, the Maple/Mockingbird TIF District Board of Directors reviewed and unanimously recommended City Council approval of the proposed amendments.

For reference and background information, attached to this memorandum is the briefing that was presented by the Office of Economic Development to the Housing and Homelessness Solutions Committee on October 25, 2021. See attached **Exhibit A**.

Please contact Kevin Spath, Assistant Director, Office of Economic Development, at [kevin.spath@dallas.gov](mailto:kevin.spath@dallas.gov) should you have any questions or require further information.



Majed A. Al-Ghafry, P.E.  
Assistant City Manager

- c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
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Carl Simpson, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors

Exhibit A



**City of Dallas**

## Oaklawn Place

An Affordable Senior Multi-Family Development Project  
in the Maple/Mockingbird TIF District

Housing and Homelessness  
Solutions Committee  
October 25, 2021

Kevin Spath, AICP, EDFP, HDFP  
Assistant Director  
Office of Economic Development

# Presentation Overview



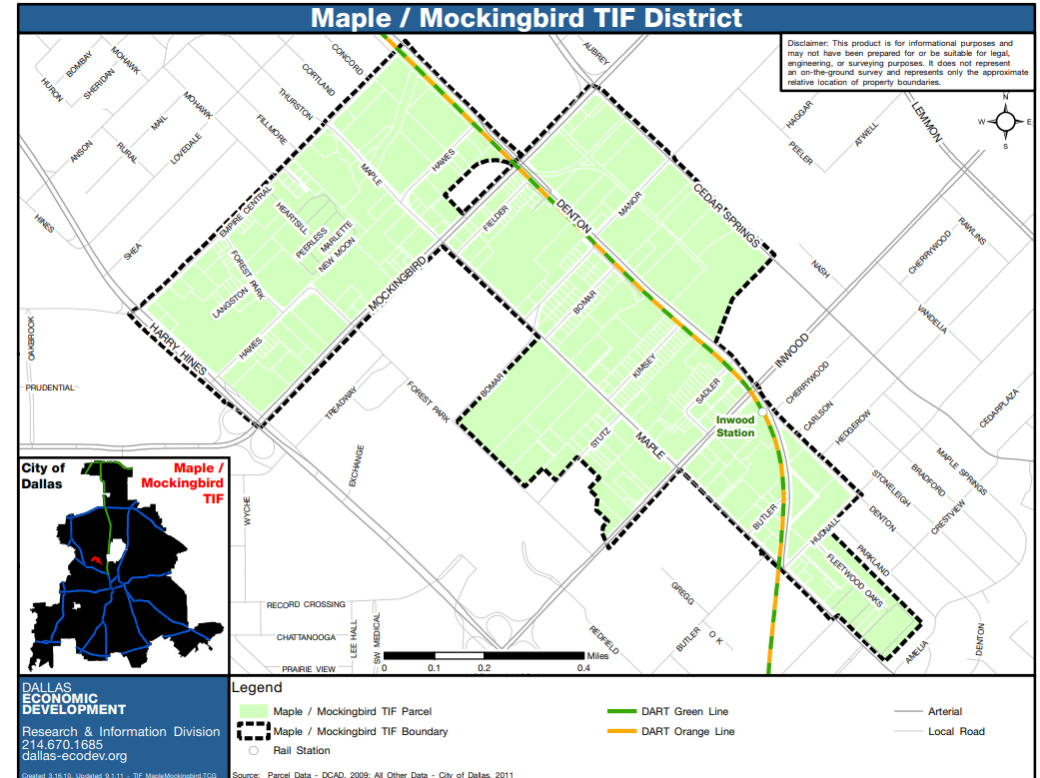
- Background
- Proposed Project
- Staff Recommendation
- TIF Board Recommendation
- Next Steps
  
- Appendix



# Background: Maple/Mockingbird TIF District



- Created in 2009 as a long-term tool to encourage redevelopment in the area southwest of Dallas Love Field Airport and northwest of the Southwestern Medical Center
- Participation rates
  - City: 70% 2009 - 2011
  - City: 85% 2012 - 2026
  - City: 70% 2027 - 2033
  - County: 55% 2012 - 2032
- District expires in 2033
- To date, taxable value of real property has increased by \$576 million within the District, an increase of 313% above the base value



# Background: Location of Project



Oaklawn Place (the "Project") is located at 5717-5725 Sadler Circle in City Council District 2 in the Maple/Mockingbird TIF District





# Background: Existing Conditions



- Current site consists of an undeveloped tract, boat and vehicle storage, a one-story residence, and a vacant one-story office building
- In October 2020, City Council approved Ordinance 31663 to change the zoning from an Industrial Research District (IR) to PD 1037 to accommodate this proposed Project



# Proposed Project: Market Value Analysis



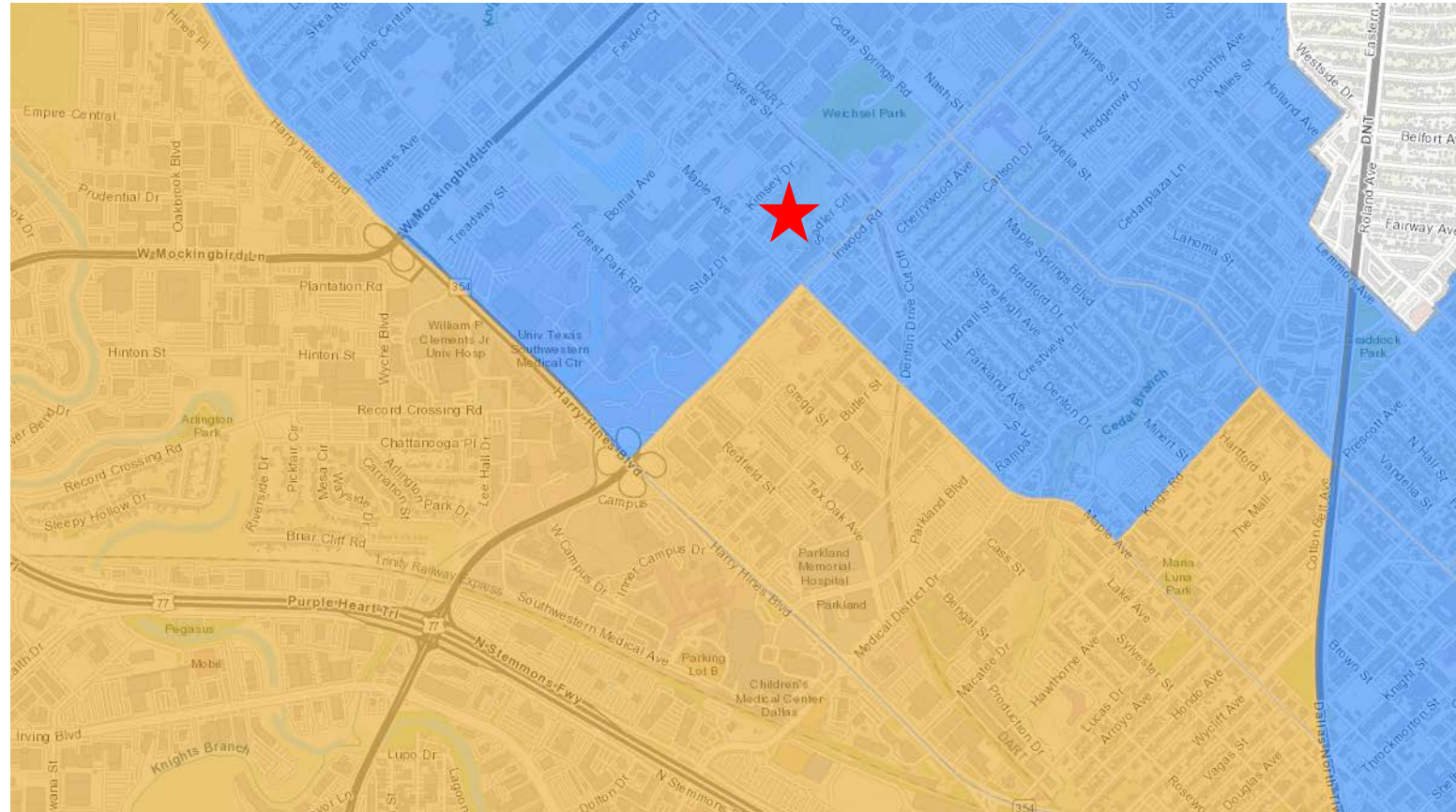
- Market Value Analysis (MVA) is a tool to assist residents and policy-makers to more precisely target intervention strategies in weak residential markets and support sustainable growth in stronger residential markets
- Project site is located on a non-residential tract; surrounded to the northwest by residential market type E (a middle residential market) and to the southeast by residential market types D, E, and F (middle residential markets)



# Proposed Project: High Opportunity Area



- Project site is located in High Opportunity Area (depicted in **blue** color on the map)
- High Opportunity Areas within the city of Dallas are census tracts with poverty rate of 20% or below
- High Opportunity Areas often have attributes that, based on recent research, correlate with positive effects on the economic mobility of residents



# Proposed Project: Summary



**Project Developer:** Sadler Circle Senior Apartments, LLC, a Texas limited liability company with equity investment in the form of 9% Low Income Housing Tax Credits (LIHTC) from National Equity Fund (TDHCA notification of LIHTC award on September 16, 2021)

**Project Summary:** Developer submitted an incentive application to the Office of Economic Development for the Oaklawn Place (the "Project")

- 84 apartments, of which 100% shall be rent restricted for senior (55 or older) households earning between 30% and 60% of AMFI
- Total Project cost estimated \$24.1 million
- Start construction: January 1, 2022
- Complete construction: May 1, 2023

	RESID UNITS
30% AMFI	21
50% AMFI	34
60% AMFI	29
<b>Low Income Total</b>	<b>84</b>
Market Rate	0
<b>Total units</b>	<b>84</b>

Bedroom Type	RESID UNITS
1 Bedroom	79
2 Bedroom	5
<b>Total Units</b>	<b>84</b>



# Proposed Project: Urban Design



- In August 2021, the City's Urban Design Peer Review Panel ("UDPRP") reviewed the Project and commended the development team for a high-quality design and for bringing much needed affordable housing to this area of the City
- UDPRP recommendations:
  - Explore opportunities to leverage the wooded ravine as a potential open space asset with a possible walking path, while also exploring ways to better connect the amenity deck to the surrounding natural areas
  - Leverage the landscaping, streetscape, and the Sadler Circle façade architecture to create a more pedestrian-oriented, human-scaled character
  - Apply integrated stormwater management (iSWM) design approaches, including bioswales, to manage on-site water quality as it exits the site and enters the adjacent riparian area
  - Work with the City to explore adjacent streetscape improvements to enhance walkability and access to the Love-Inwood DART Station
  - Give further design thoughts to the pedestrian bridge to maximize user experience while enhancing the connection to the adjacent open space
  - Refine the design of the fire lane to maximize it as an asset while also considering functionality and maintenance
  - Refine the parking lot design to allow for screening of the parking for adjacent neighbors and allow for enhanced landscaping on the parking field itself
- Developer has committed to working with staff to incorporate UDPRP's recommendations into the Project's final conceptual design



# Proposed Project: Preliminary Rendering



Source: Perkins & Will



# Proposed Project: Preliminary Elevations



Source: Perkins & Will



# Proposed Project: Preliminary Site Plan



Source: Perkins & Will





# Proposed Project: Budget



Uses	Amount	Percent
Acquisition	\$ 2,994,200	12.4%
Demolition	\$ 105,545	0.4%
Off-Site Infrastructure	\$ 250,000	1.0%
On-Site Preparation	\$ 825,957	3.4%
Site Amenities	\$ 422,455	1.8%
Building Construction, Finish-Out and Furnishings	\$ 10,742,127	44.5%
Contingency (6%)	\$ 740,765	3.1%
Contractor Overhead & Profit	\$ 1,832,159	7.6%
Soft Costs	\$ 1,176,701	4.9%
Professional Fees	\$ 895,000	3.7%
Financing	\$ 1,237,396	5.1%
Developer Fee	\$ 2,510,000	10.4%
Reserves	\$ 384,617	1.6%
<b>Total Uses</b>	<b>\$ 24,116,922</b>	<b>100.0%</b>



# Proposed Project: Sources



Permanent Sources	Amount	Percent
Permanent Loan (BBVA Bank)	\$ 3,242,540	13%
Resource Center of Dallas	\$ 1,691,294	7%
Developer Fee Deferral	\$ 522,720	2%
FHLB Dallas AHP	\$ 750,000	3%
3rd Party Equity as 9% LIHTC (National Equity Fund)	\$ 13,472,214	56%
City (Maple/Mockingbird TIF Funds)	\$ 4,438,154	18%
<b>Total Sources</b>	<b>\$ 24,116,922</b>	<b>100%</b>



# Staff Recommendation: TIF Funding



## Staff Recommendation

- Authorize a development agreement and all other necessary documents with Sadler Circle Apartments LLC and/or its affiliates in an amount not to exceed **\$4,438,154** payable upon completion of the Project and Developer's satisfaction of all terms and conditions in the development agreement

Category	Amount
Environmental Remediation and Demolition	\$240,545
Infrastructure/Utility Improvements	\$843,536
Affordable Housing	\$3,354,073
<b>TOTAL TIF SUBSIDY – amount not to exceed</b>	<b>\$4,438,154</b>

Note: Funding could be less if final (actual documented) costs for the environmental remediation and demolition and infrastructure/utility improvements are less. Funds may be shifted from one category to another as long as the total amount of TIF funding does not exceed \$4,438,154. No interest shall accrue on any portion of the TIF funding. Related design, engineering, and professional services may be included in these categories.



# Staff Recommendation: Conditions of TIF Funding



- Developer shall incur (or cause to be incurred) and provide documentation evidencing a **minimum of \$17,000,000 in Investment Expenditures** for the Project, including site acquisition, off-site infrastructure, on-site preparation, site amenities, building construction/finish-out/furnishings, and professional fees (e.g. architecture, engineering, landscape architecture, interior design)
- Project shall include a minimum of **84 residential units of which 100% (84) of the units shall be set aside and leased solely to those households earning between 30% and 60%** of the Area Median Family Income (AMFI) for a minimum of 15 years (the City's required "Affordability Period") (although anticipated to be set aside for 45 years for LIHTC)
- Developer shall set aside at least 10 percent of the dwelling units and solely lease those dwelling units to **holders of housing vouchers** or abide by any amendments to Ordinance 30246 and Chapter 20A
- Developer shall obtain a building permit by **July 1, 2022**. A foundation permit may constitute meeting the obligation of this requirement
- Construction of the Project, including associated public improvements streetscape improvements, shall be complete, and all portions of the building shall be occupiable by **December 31, 2023 or the placed in service deadline established by TDHCA** for the Project, as evidenced by certificate of occupancy, letter of acceptance, certificate of completion, and/or similar documentation from the City



# Staff Recommendation: Conditions of TIF Funding



- Developer will execute a **20-year Operating and Maintenance Agreement** for all **non-standard public improvements**
- Developer will make a good faith effort to comply with City's Business Inclusion and Development ("BID") **goal of 32% participation by certified Minority/Women-owned Business Enterprises ("M/WBE")** for **all hard construction expenditures** of the Project and meet all reporting requirements
- Developer shall submit an **Affirmative Fair Housing Marketing Plan** for approval
- Until the Project has passed final building inspection and all required paperwork for payment has been submitted, Developer will submit to the Office of Economic Development **quarterly status reports** for ongoing work on the Project as well as public improvements (reporting information that will already be provided to the lender, tax credit investor, and TDHCA will be accepted)
- Developer shall submit updated conceptual drawings and renderings in **substantial conformance with the UDPRP's advice provided by the Urban Design Peer Review Panel on August 27, 2021**; allowable minor modifications may include those required for compliance with development regulations



# Staff Recommendation: Conditions of TIF Funding



- For all permanent employment opportunities, Developer shall submit **a written plan describing how Developer or property management group will use and document best efforts to recruit and hire residents of the city of Dallas**. At a minimum, the written plan shall describe how local recruitment will be targeted through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources
- **Director of the Office of Economic Development may authorize minor modifications** to the Project, including, but not limited to, adjustment in unit type, unit mix, set-aside duration, and/or qualifying Area Median Family Income (only if also consistent with the Texas Department of Housing and Community Affairs Project requirements and in compliance with Maple/Mockingbird TIF District Policies and Plans)
- **With approval of the TIF Board and Director of the Office of Economic Development, deadline extension up to 12 months** may be granted



# TIF Board Recommendation



On October 19, 2021, the Maple/Mockingbird TIF District Board of Directors reviewed and recommended for approval TIF funding for the Oaklawn Place Project in an amount not to exceed \$4,438,154 as recommended by staff



# Next Steps

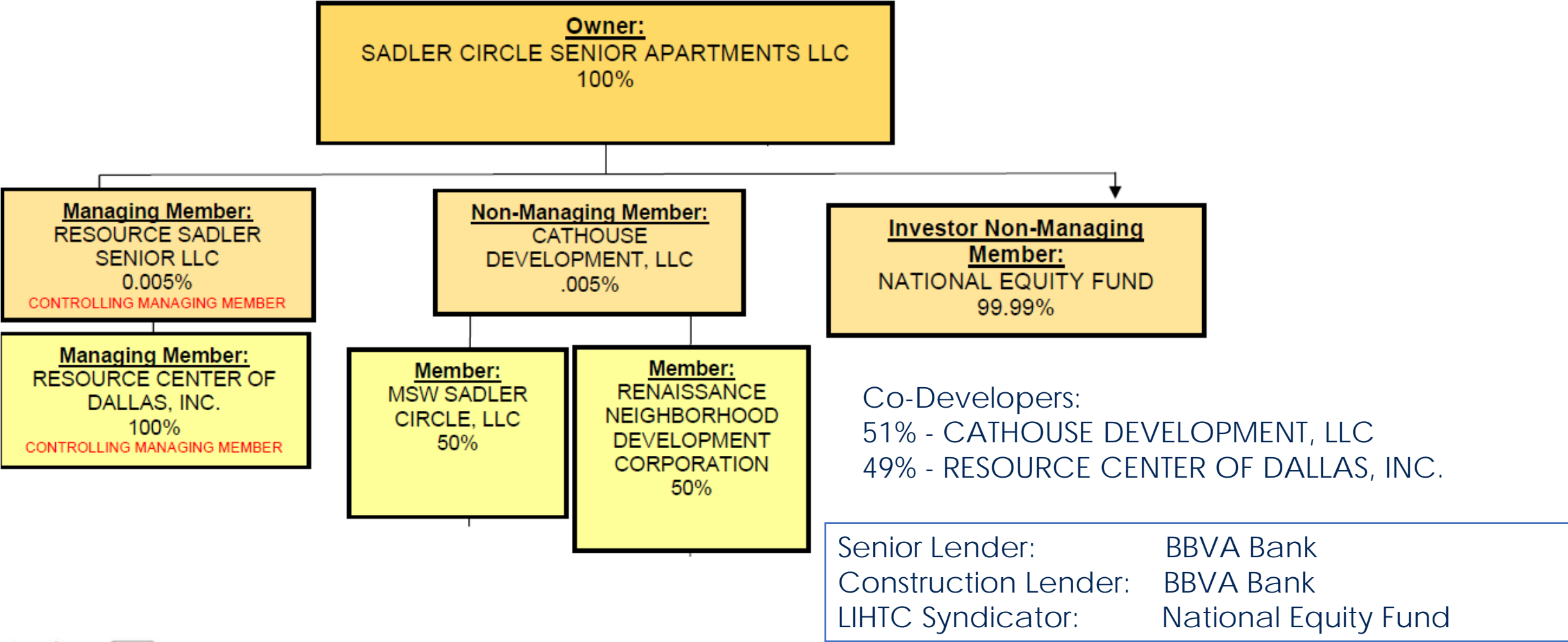


City Council voting agenda on October 27, 2021





# Appendix: Ownership Structure



# Appendix: Development Team



Role	Party Name
Owner Entity/Primary Contact	Sadler Circle Apartments LLC
Developer	Matthews Southwest (MSW); Resource Center of Dallas; Renaissance Neighborhood Development Corporation
Architect	Perkins & Will
Contractor	Spring Valley Construction Company
Property Management	Volunteers of America



# Appendix: Project History



- On February 22, 2021, Housing and Homelessness Solutions Committee was briefed regarding the proposed Project
- On February 24, 2021, City Council authorized a Resolution of Support for Developer, related to its application to the TDHCA for 9% Low Income Housing Tax Credits for the proposed Project by Resolution No. 21-0374
- On September 16, 2021, Developer received formal notice from the TDHCA that the proposed Project was awarded 9% LIHTC
- On October 19, 2021, Maple/Mockingbird TIF District Board of Directors reviewed and recommended for approval TIF funding for the proposed Project in an amount not to exceed \$4,438,154 as recommended by staff



# Appendix: Resident Support Services



The Project will provide the following support services to residents:

- monthly transportation to community events
- adult education classes
- income tax preparation classes
- health fairs
- exercise classes
- organized community programming

Resident services coordinator will provide:

- linkage to health services
- access to Resource Center services, including primary care, mental health counseling, health and support for AIDS, HIV+, Ryan White-eligible persons



# Appendix: Maple/Mockingbird TIF District Budget



Category	Estimated TIF Expenditures (Current Dollars)	Allocated to Date	Pending Allocation for Oaklawn Place Project	Balance
Infrastructure/Utility Improvements	\$ 30,323,696	\$ 2,595,000	\$ 240,545	\$ 27,488,151
Environmental Remediation and Demolition	\$ 4,318,248	\$ 315,000	\$ 843,536	\$ 3,159,712
Affordable Housing	\$ 8,156,690	\$ 4,400,000	\$ 3,354,073	\$ 402,617
Retail/High Density Grant Program	\$ 7,782,442	\$ 3,690,000	\$ -	\$ 4,092,442
Administration and Implementation	\$ 2,735,606	\$ 414,673	\$ -	\$ 2,320,933
<b>Total Project Costs</b>	<b>\$ 53,316,682</b>	<b>\$ 11,414,673</b>	<b>\$ 4,438,154</b>	<b>\$ 37,463,855</b>



# Appendix: Underwriting



- Project has also been through underwriting process with LIHTC application to TDHCA
- Developer's amended incentive application requested \$4,500,000 in TIF funding
- National Development Council (NDC), under contract with the City, conducted independent underwriting of the incentive application
- Conclusions of independent underwriting:
  - **Development team:** The development team appears highly qualified to carry out the proposed project
  - **Equity investors:** As a tax credit project, over half (approx. \$13.5M of \$24M) of project funding comes from equity generated from the LIHTCs. The tax credit investor requires several guarantees including completion. Should the Developer not perform, the investor (99.99% owner) may intercede to complete the project. Audited Financial Statements for the guarantor General Partner involved in the ownership structure were reviewed and show a more than adequate ability to fund guarantees.
  - **Permanent debt capacity of Project:** Maximized
  - **Appraisal and Market Study:** Applicant's assumptions are consistent with information presented
  - **Cost estimates of Project:** Costs reasonable in current market; Total development costs proved higher than projected since the original figures provided by the developer were not contracted prices.
  - **Rationale for subsidy:** The main driver of the subsidy need is TDHCA's artificial restriction of the tax credits to \$1.5M per year (\$15M total). Without the TDHCA restriction, the project has the potential to qualify for over \$24M in tax credits which would eliminate the gap.
  - **Rational for subsidy based on Returns:** 4.0% IRR for tax credit investor; within reasonable range; no undue enrichment





# Oaklawn Place

An Affordable Senior Multi-Family Development Project  
in the Maple/Mockingbird TIF District

**Housing and Homelessness  
Solutions Committee  
October 25, 2021**

Kevin Spath, AICP, EDFP, HDFP  
Assistant Director  
Office of Economic Development





# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 22-1950

**Item #:** F.

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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.) and seek advice of its attorney (Sec. 551.071 T.O.M.A.)