

MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, JUNE 6, 2023

23-0013

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

PRESENT: [6] Atkins, Arnold (\*\*2:04 p.m.), \*Narvaez, \*Resendez (\*\*1:07 p.m.),  
\*McGough, Willis

ABSENT: [1] West

The meeting was called to order at 1:06 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 at 1:26 p.m. and reconvened to open session at 1:27 p.m.

After all business properly brought before the committee had been considered, the meeting adjourned at 2:29 p.m.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
City Secretary Staff

\_\_\_\_\_  
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.**

**\*\* Note: Indicates arrival time after meeting called to order/reconvened.**

MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, JUNE 6, 2023

EXHIBIT A

**RECEIVED**

2023 JUN -2 PM 2: 54

**CITY SECRETARY  
DALLAS, TEXAS**

**City of Dallas**

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

**Public Notice**

**2 3 0 5 2 1**

**POSTED** CITY SECRETARY  
DALLAS, TX



**Economic Development Committee**

**June 6, 2023**

**1:00 PM**

## 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

## General Information

The Dallas Council Committees regularly meet on Mondays beginning at 9:00 a.m. and 1:00 p.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council Committee agenda meetings are broadcast live on [bit.ly/cityofdallastv](http://bit.ly/cityofdallastv) and on Time Warner City Cable Channel 16.

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 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.

## Información General

Los Comités del Concejo de la Ciudad de Dallas se reúnen regularmente los lunes en la Cámara del consejo en el sexto piso del Ayuntamiento, 1500 Marilla, a partir de las 9:00 a.m. y la 1:00 p.m. Las reuniones de la agenda del Comité del Consejo se transmiten en vivo por la estación de [bit.ly/cityofdallastv](http://bit.ly/cityofdallastv) y por cablevisión en la estación *Time Warner City Cable Canal 16*.

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 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 precisará 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 Economic Development Committee meeting on Spectrum Cable Channels 16 (English) and 95 (Spanish) and at [bit.ly/cityofdallastv](http://bit.ly/cityofdallastv).

<https://dallascityhall.webex.com/dallascityhall/j.php?MTID=maa292ce183ae199f8810f104ff06efec>

### Call to Order

### MINUTES

1. [23-1305](#) Approval of the May 1, 2023 Economic Development Committee Meeting Minutes

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

### BRIEFING ITEMS

- A. [23-1293](#) Development Services Monthly Technology and Metrics Review  
[Andrew Espinoza, Director/Chief Building Official, Development Services]

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

- B. [23-1294](#) Update on the Development Code Rewrite and Proposed Consultant  
[Julia Ryan, Director, Department of Planning and Urban Design]

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

- C. [23-1295](#) Update on the Dallas Examiner Project: Grant for Capital Improvements, Renovation and Restoration Costs at 4510 S. Malcolm X Blvd.  
[Joyce Williams, Director, Small Business Center]

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

### BRIEFING MEMOS

- D. [23-1297](#) Upcoming Agenda Item Regarding a New Markets Tax Credit Transaction for Vogel Alcove  
[Heather Lepeska, Assistant Director, Office of Economic Development]

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

- E. [23-1300](#) Upcoming Agenda Items Regarding Selection of the Most Advantageous Proposals in Response to the City's Requests for Proposals for Transit-Oriented Development of Property Owned by DART at 6 Light Rail Stations  
[Kevin Spath, Assistant Director, Office of Economic Development]  
**Attachments:** [Memorandum](#)
- F. [23-1301](#) Upcoming Agenda Item Regarding Redevelopment Project at 2516 Martin Luther King, Jr. Blvd in the Grand Park South TIF District  
[Kevin Spath, Assistant Director, Office of Economic Development]  
**Attachments:** [Memorandum](#)
- G. [23-1302](#) Upcoming Agenda Item Regarding Redevelopment Project at 2534 Royal Lane  
[Kevin Spath, Assistant Director, Office of Economic Development]  
**Attachments:** [Memorandum](#)
- H. [23-1303](#) Upcoming Agenda Item Regarding Redevelopment Project at 3000 Pegasus Park Drive  
[Kevin Spath, Assistant Director, Office of Economic Development]  
**Attachments:** [Memorandum](#)
- I. [23-1442](#) Upcoming Agenda Item Regarding Request for 12-Month Extension of Deadlines due to Force Majeure for Redevelopment Project at 1632 Martin Luther King, Jr. Blvd  
[Kevin Spath, Assistant Director, Office of Economic Development]  
**Attachments:** [Memorandum](#)
- J. [23-1425](#) Dallas Business Journal's 2022 Best Real Estate Deals  
[Kevin Spath, Assistant Director, Office of Economic Development]  
**Attachments:** [Memorandum](#)
- K. [23-1426](#) Upcoming Agenda Item: Approve a Forbearance Agreement and associated loan modification documents with TEOF HOTEL LP for the Section 108 Hotel Project  
[Maria Smith, Interim Assistant Director, Office of Economic Development]  
**Attachments:** [Memorandum](#)
- L. [23-1298](#) Development Code Amendment on 2-Year Waivers  
[Dr. Andreea Udrea, Assistant Director, Department of Planning and Urban Design]  
**Attachments:** [Memorandum](#)



- M. [23-1299](#) Update on SDFPOF approved NOFA human development grants and recipients (Dallas Prestige Group, Family Care Connection, Friends of MLK).  
[Joyce Williams, Director, Small Business Center]

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

**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, JUNE 6, 2023

EXHIBIT B

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

JUNE 6, 2023

Item 1: Approval of the May 1, 2023 Economic Development Committee Meeting Minutes

Councilmember Willis moved to adopt the minutes as presented.

Motion seconded by Deputy Mayor Pro Tem Narvaez and unanimously adopted. (Arnold, Resendez absent when vote taken; West absent)

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

JUNE 6, 2023

BRIEFING ITEMS

Item A: Development Services Monthly Technology and Metrics Review

The following individuals briefed the committee on the item:

- Vernon Young, Assistant Director, Development Services;
- Mina Eskander, Assistant Director, Development Services; and
- Majed Al-Ghafry, Assistant City Manager, City Manager's Office

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

JUNE 6, 2023

BRIEFING ITEMS

Item B: Update on the Development Code Rewrite and Proposed Consultant

The following individual briefed the committee on the item:

- Julia Ryan, Director, Department of Planning and Urban Design

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

JUNE 6, 2023

BRIEFING ITEMS

Item C: Update on the Dallas Examiner Project: Grant for Capital Improvements, Renovation and Restoration Costs at 4510 S. Malcolm X Blvd.

The following individual briefed the committee on the item:

- Joyce Williams, Director, Small Business Center`

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

JUNE 6, 2023

BRIEFING MEMOS

- Item D: Upcoming Agenda Item Regarding a New Markets Tax Credit Transaction for Vogel Alcove
- Item E: Upcoming Agenda Items Regarding Selection of the Most Advantageous Proposals in Response to the City's Requests for Proposals for Transit-Oriented Development of Property Owned by DART at 6 Light Rail Stations
- Item F: Upcoming Agenda Item Regarding Redevelopment Project at 2516 Martin Luther King, Jr. Blvd in the Grand Park South TIF District
- Item G: Upcoming Agenda Item Regarding Redevelopment Project at 2534 Royal Lane
- Item H: Upcoming Agenda Item Regarding Redevelopment Project at 3000 Pegasus Park Drive
- Item I: Upcoming Agenda Item Regarding Request for 12-Month Extension of Deadlines due to Force Majeure for Redevelopment Project at 1632 Martin Luther King, Jr. Blvd
- Item J: Dallas Business Journal's 2022 Best Real Estate Deals
- Item K: Upcoming Agenda Item: Approve a Forbearance Agreement and associated loan modification documents with TEOF HOTEL LP for the Section 108 Hotel Project
- Item L: Development Code Amendment on 2-Year Waivers
- Item M: Update on SDFPOF approved NOFA human development grants and recipients (Dallas Prestige Group, Family Care Connection, Friends of MLK).

The committee discussed the items.



MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, JUNE 6, 2023

EXHIBIT C



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1067

**Item #:** A.

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Development Services Monthly Technology and Metrics Review  
[Andrew Espinoza, Director/Chief Building Official, Development Services]



**City of Dallas**

# **Development Services Monthly Technology and Metrics Review**

**Economic Development  
Committee  
May 1, 2023**

Andrew Espinoza, Director/Chief Building Official  
Development Services  
City of Dallas

# Presentation Overview



- Technology
- Residential Permits
- Commercial Permits
- Update on Hiring and Recruitment
- 7800 N Stemmons Update
- Next Steps



# Technology



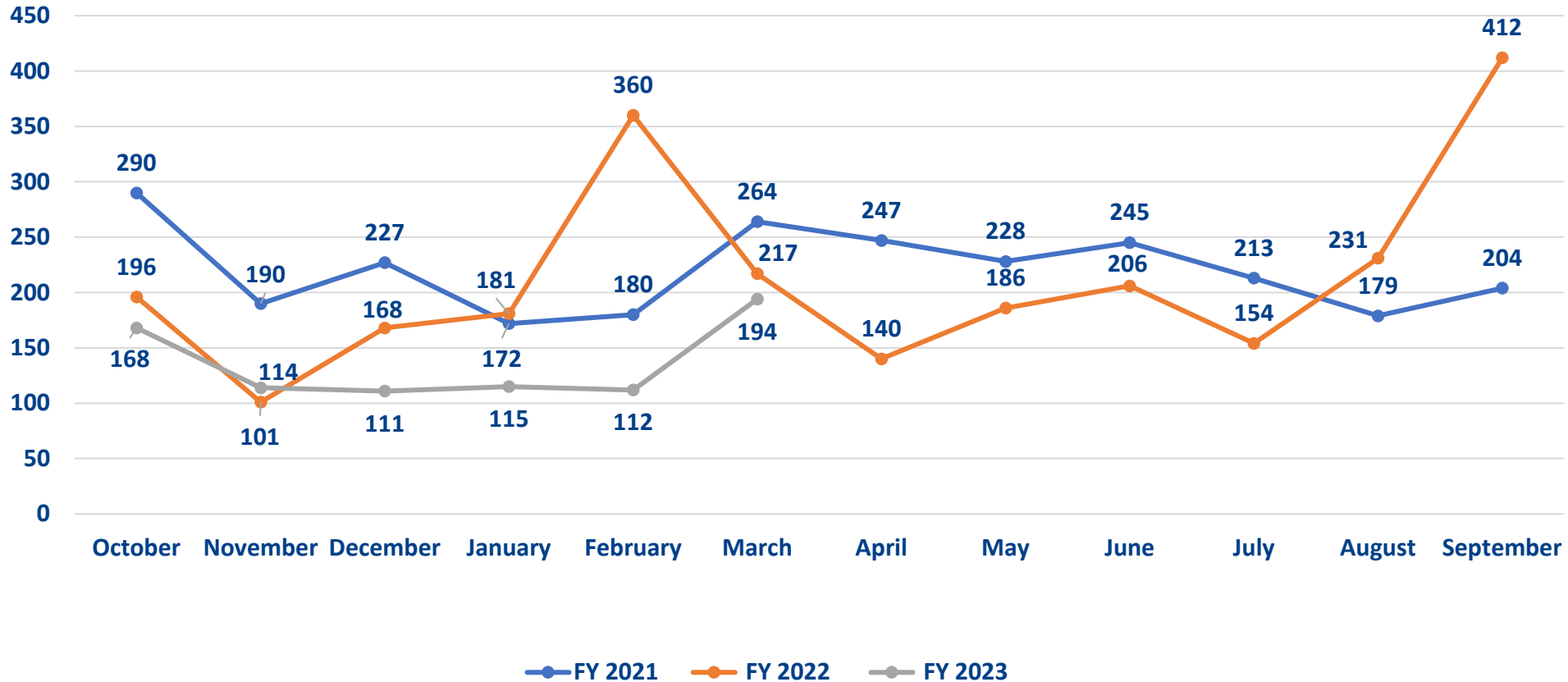
- Posse software replacement project is in progress
- Official project kick-off is set for May 1, 2023
  - Development Services (DSD) Accela, ITS, vendor, and consultants
- Permit Customer Queueing System to be implemented in April/May 2023
- Call Center Customer Management System fully implemented in April 2023



# Residential Permit Volume



## New Single Family Permits Created



**A total of 194 permits were processed for the month.**

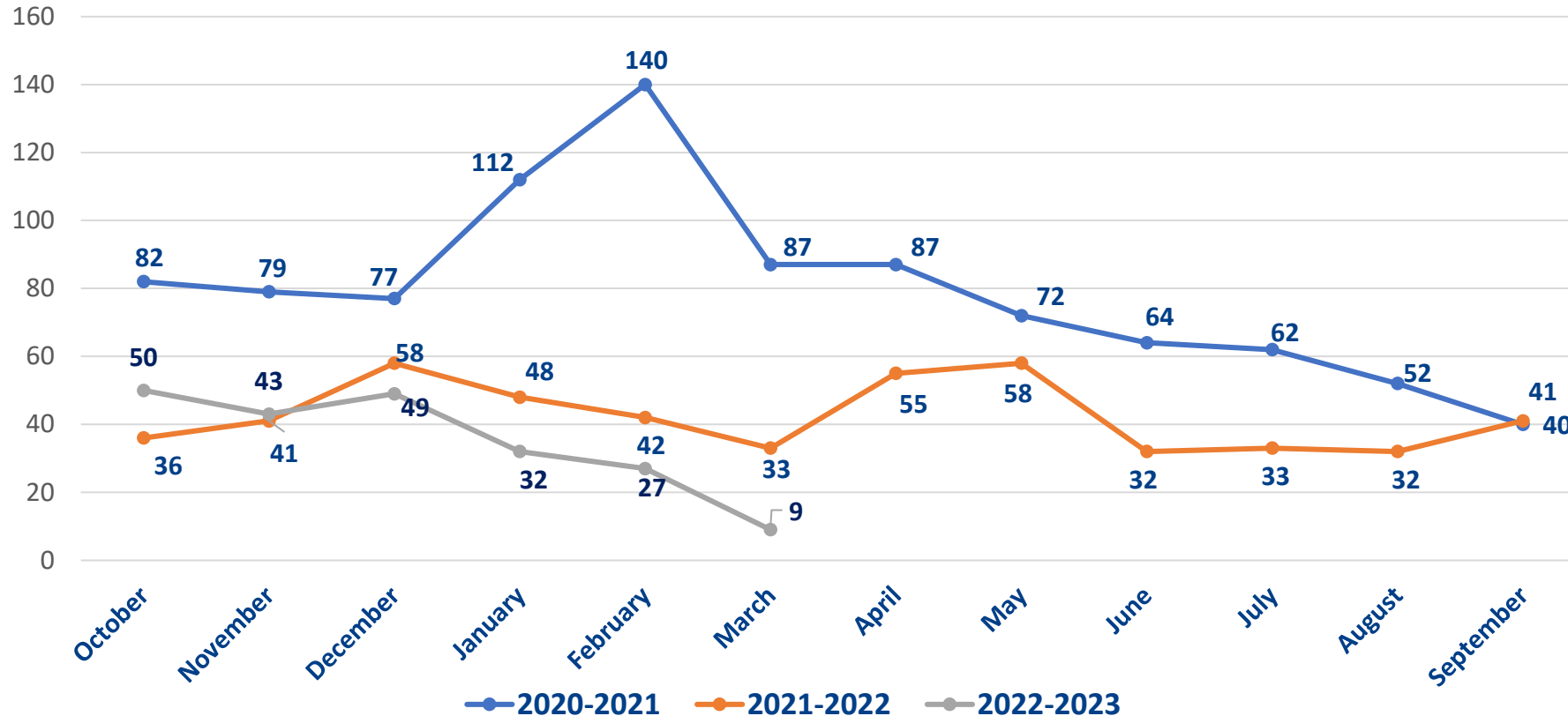
**226 permits were issued for the month.**



# Residential Permit Turnaround Times



Residential New Single Family Permits-Staff Time Median Days  
(calendar days) to Issue YTD Comparison



A decrease of 18 days from the previous month.

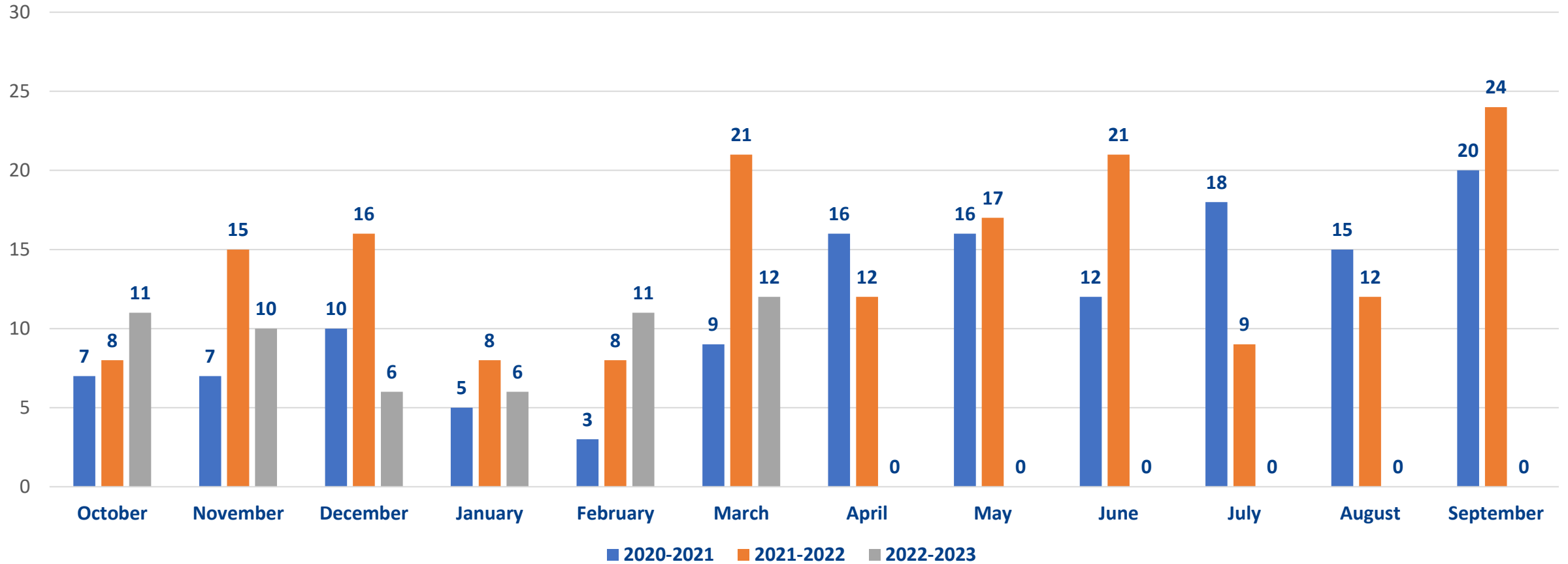
Submittals that did not require customer revisions in March were issued in 7 median days.



# Commercial Permit Volume



## New Commercial Project Permit Volume

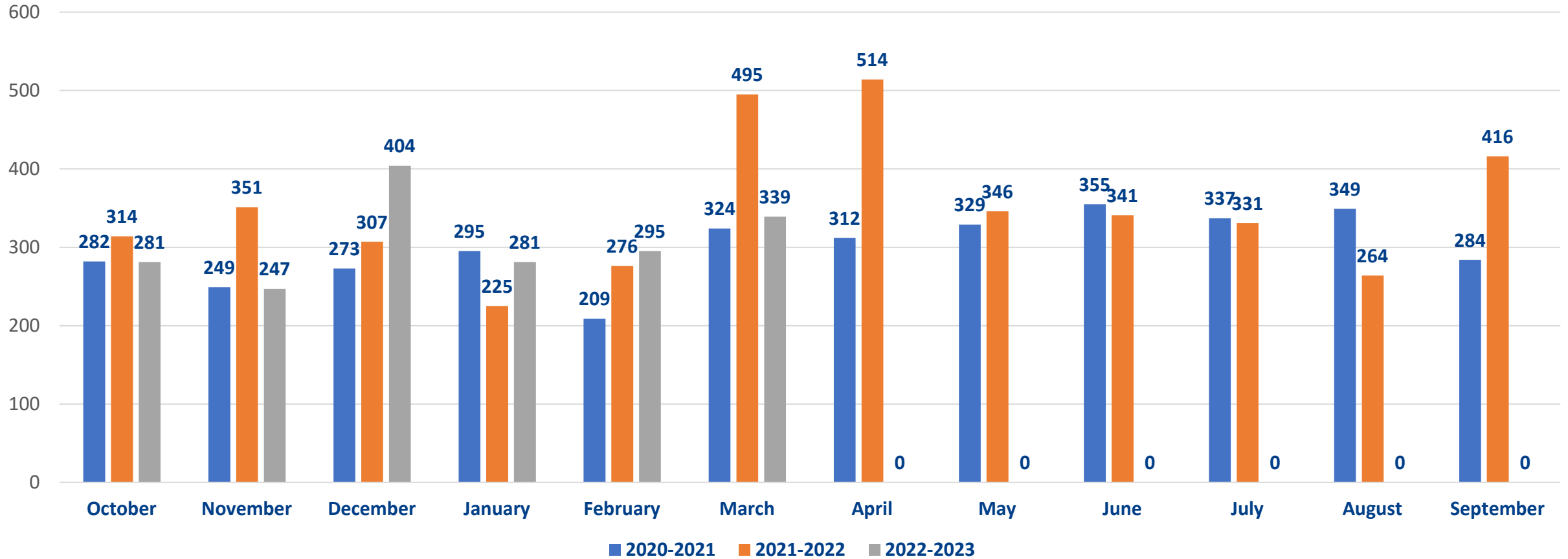




# Commercial Remodel Permit Volume



## Commercial Remodel Master Permit Volume



# Commercial Permit Metrics



Dallas Development Services Department Performance Goals FY2022-2023			2022			2023			
Metrics	Goal	FY21-22	Oct	Nov	Dec	Jan	Feb	Mar	YTD
<b># of Commercial Plan Review Submittals</b>									
Commercial New	N/A	171	11	10	6	8	11	12	58
Commercial Additions	N/A	156	19	17	28	16	33	26	139
Commercial Remodels	N/A	4,179	281	247	404	281	295	339	1,837
Express Plan Review (Q-Team)	N/A	842	23	16	20	23	22	51	155
Express Plan Review Minor Commercial (Q-Team 2)	N/A	N/A	N/A	N/A	N/A	N/A	14	8	22
<b>Average # of Days for Initial Review</b>									
New Commercial/Remodels	15 Days	12	10	10	11	10	9	9	10
Express Plan Review (Q-Team)	10 Days	7	5	5	2	3	2	5	4
Express Plan Review Minor Commercial (Q-Team 2)	1 Day	N/A	N/A	N/A	N/A	N/A	1	1	1



# Update On Hiring and Recruitment



- Development Services continues its hiring efforts to fill the current vacancies
- Total of 345 positions in the department, 66 positions are currently vacant [a vacancy rate of 18%]
- Currently 12 are in the Onboarding Process
- 18 new hires completed for the month of March 2023, with 10 of them being internal promotions or lateral moves within the department



# Update On Hiring and Recruitment (Continued)



Position	Total Vacancies
Administrative Specialist I	1
Administrative Specialist II	1
Commission/Board Coordinator	1
Deputy Building Official - Development Services	1
Development Services Administrator	2
Development Services Policy Administrator	1
Engineer Assistant I	1
Engineer Assistant I - Fire Protection	3
Engineer I	1
Inspector III - Building Inspection	1
Inspector III - Electrical	2
Inspector III - Plumbing	1
Inspector III - Signs	1
Lead Inspector - Multidiscipline	9
Lead Plans Examiner - Multidiscipline	3
Manager - Development Services Training	1
Permit Clerk	3
Plans Examiner	2

Position	Total Vacancies
Project Coordinator - Development	4
Records Technician I - Development Services	2
Senior Architect	1
Senior Departmental Budget Analyst	1
Senior Geographic Information System Analyst	1
Senior Geographic Information System Support Technician	2
Senior Inspector	1
Senior Inspector - Building Inspection	1
Senior Office Assistant	1
Senior Permit Clerk	4
Senior Plans Examiner	5
Senior Plans Examiner - Building Inspection	2
Senior Plans Examiner - Electrical	1
Senior Plans Examiner - Plumbing	1
Senior Project Coordinator - Development	1
Senior Training Specialist - Development Services	2
Supervisor - Departmental Finance	1



# 7800 N Stemmons Update



- Phase I design is complete and proposed completion date is slated for May 2023
- 5<sup>th</sup> floor will include:
  - Commercial Building Plan Review Teams
  - Q-Team & Fire Protection Plan Review
  - Administrative support staff
- Estimated completion for 1<sup>st</sup>, 2<sup>nd</sup>, and 9<sup>th</sup> floors by end of July 2023



# Next Steps



- Pop-Up Permit Saturdays/Every 3<sup>rd</sup> Saturday of the month
  - April 15, 2023 (5 Walk-in Customers)
  - Next event will be hosted on May 20, 2023
- Lunch and Learn Series
- Develop and share Commercial Permitting Dashboard July 2023
- Hiring Fair May 10, 2023 at Central Library
- Meet with stakeholders to get feedback on Self-Certification recommendations (May 2023)
- Continue to partner with the Bond Office and contractors as Phase 1 team is moved into 7800 N Stemmons





**City of Dallas**

# **Development Services Monthly Technology and Metrics Review**

**Economic Development  
Committee  
May 1, 2023**

Andrew Espinoza, Director/Chief Building Official  
Development Services  
City of Dallas



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1070

**Item #:** B.

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Call for Public Hearing: Minor Amendment to Oak Cliff Gateway TIF District  
[Kevin Spath, Assistant Director, Office of Economic Development]



# Memorandum



CITY OF DALLAS

DATE April 28, 2023

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 **Call for Public Hearing: Minor Amendment to Oak Cliff Gateway TIF District**

On May 24, 2023, staff will seek City Council authorization of a public hearing to be held on June 14, 2023 to receive comments on the proposed amendment to the Project Plan and Reinvestment Zone Financing Plan (“Plan”) for Tax Increment Reinvestment Zone Number Three, the Oak Cliff Gateway Tax Increment Financing (“TIF”) District (the “TIF District”) to:

- 1) increase the geographic area of the Bishop/Jefferson Sub-District (approximately 7 acres) to include properties at 1200 and 1400 E. Jefferson Boulevard; and
- 2) increase the geographic area of the Clarendon/Beckley/Kiest Sub-District (approximately 11 acres) to include:
  - a) approximately 4 acres generally on the northeast and southeast corners of Grant Street and Ridge Street, west of the terminus of Grant Street and north of the terminus of Ridge Street, and
  - b) approximately 7 acres generally in the 900 and 1000 blocks of Morrell Avenue at Fernwood Avenue and the 1200 and 1300 blocks of Morrell Avenue at Denley Drive; and
- 3) make corresponding modifications to the TIF District’s boundary and Plan; and, at the close of the public hearing on June 14, 2023, consider an ordinance amending Ordinance No. 21466, as amended, previously approved on November 11, 1992, and Ordinance No. 23033, as amended, previously approved on February 12, 1997, to reflect this amendment

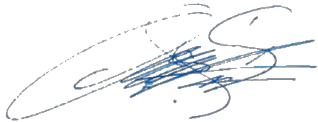
Pursuant to the Tax Increment Financing Act, as amended, VTCA Texas Tax Code, Chapter 311 (the “Act”), a public hearing is required if an amendment proposes to reduce or increase the geographic area of the TIF district, increase the amount of bonded indebtedness to be incurred, increase or decrease the percentage of a tax increment to be contributed by a taxing unit, increase the total estimated project costs, or designate additional property in the TIF district to be acquired by the municipality.

The proposed expansion of the Bishop/Jefferson Sub-District (see the attached **Exhibit A**) includes the Dallas Rapid Area Transit (DART) maintenance facility at 1200 E. Jefferson Boulevard. DART has begun an operational study to evaluate the possibility of relocating the maintenance function at this facility. Therefore, there is the potential for the DART property at 1200 E. Jefferson to become a future development site. Additionally, a small parcel at 1400 E. Jefferson that is currently being used for storage, is also proposed for inclusion in the Bishop/Jefferson Sub-District.

The proposed expansion of the Clarendon/Beckley/Kiest Sub-District (see the attached **Exhibit B**) includes a 4-acre site on the corners of Grant and Ridge Streets that was recently rezoned by City Council for multifamily use. Additionally, several contiguous and underutilized commercial properties along Morrell Avenue are ripening for redevelopment and are also proposed for inclusion in the Clarendon/Beckley/Kiest Sub-District.

On April 24, 2023, the Oak Cliff Gateway TIF District Board of Directors reviewed the proposed boundary and Plan amendment and recommended City Council approval.

Should you have any questions, please contact Kevin Spath, Assistant Director, Office of Economic Development at [kevin.spath@dallas.gov](mailto:kevin.spath@dallas.gov) or (214) 670-1691.



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

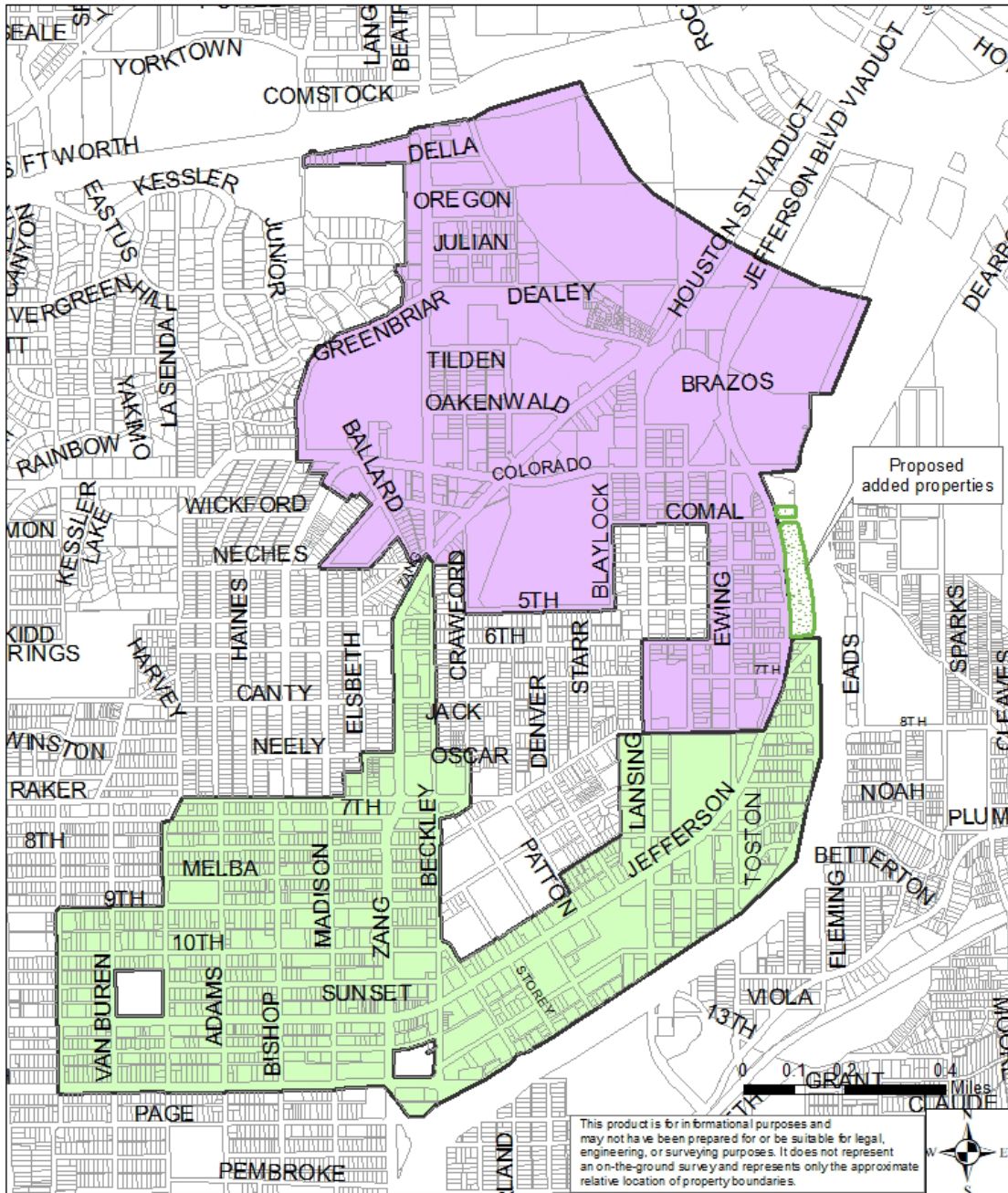
**[Attachments:]**

1. Exhibit A Proposed Expansion of the Bishop/Jefferson Sub-District Map
2. Exhibit B Proposed Expansion of the Clarendon/Beckley/Kiest Sub-District Map

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
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Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors

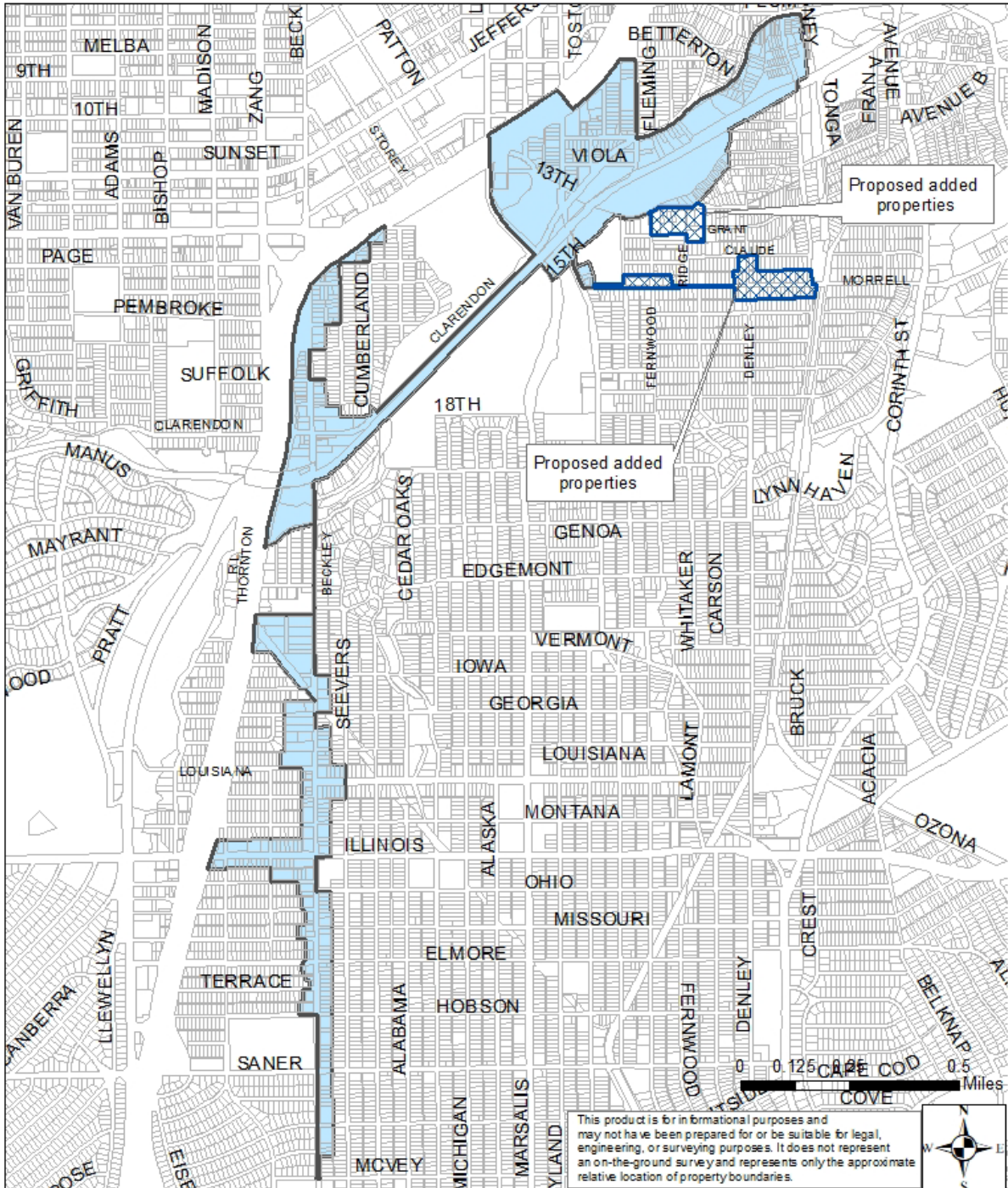
# Exhibit A





Oak Cliff Gateway TIF District -  
 Bishop/Jefferson Sub-District (potential  
 amend)  
 April 2023

	Bishop/Jefferson proposed expansion
	Bishop/Jefferson Sub-District
	Oak Cliff Gateway Sub-District

# Exhibit B



Oak Cliff Gateway TIF District -  
 Clarendon/Beckley/Kiest Sub-District  
 (potential amend)  
 April 2023

	Clarendon/Beckley/Kiest Sub-District
	Proposed Sub-District Expansion



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1071

**Item #:** C.

---

Newpark and SoGood Municipal Management Districts - Council Approval of Statutory Development Agreements

[Robin Bentley, Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE April 28, 2023

TO 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 **Council Approval of Development Agreements with the SoGood Cedars Municipal Management District and the NewPark Municipal Management Agreement**

The SoGood Cedars Municipal Management District and the NewPark Municipal Management District (collectively, the “MMDs”) were created in 2019 as Chapters 3963 and 3966 of the Texas Special District Local Laws Code (the “MMD Statutes”). Hoque Global has represented to the City of Dallas that the MMDs are necessary for the development of the NewPark and SoGood real estate developments in Dallas.

Under the MMD Statutes the MMDs will expire in June 2023 unless the City executes a “development agreement” with each MMD. In order to prevent automatic expiration of the MMDs in June 2023, staff recommends that the City Council authorize short agreements with each MMD in order to satisfy the statutory requirement. The agreements will specify that the City may still dissolve the MMDs at any time, and that City consents and approvals required under the MMD Statutes are not implied or granted by the agreements and must be specifically granted in future amendments. The agreements do not award any additional rights or funding to the property owner or the MMDs; they simply prevent automatic termination of the MMD.

An item to approve these two agreements will be considered by the City Council on the May 10, 2023 agenda. If you have additional question please contact Robin Bentley, Director of the Office of Economic Development at [robin.bentley@dallas.gov](mailto:robin.bentley@dallas.gov).

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

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
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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 #:** 23-1183

**Item #:** D.

---

D CEO's 2023 Commercial Real Estate Awards  
[Kevin Spath, Assistant Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE April 28, 2023

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 **D CEO's 2023 Commercial Real Estate Awards**

Staff is pleased to announce that several Dallas projects were recently recognized in D Magazine's D CEO 2023 Commercial Real Estate Awards. Launched in 2013, D CEO's annual program celebrates outstanding North Texas commercial real estate projects, transactions, dealmakers, and industry executives driving economic activity in the past year. Winners and finalists were recognized at an awards ceremony on March 28, 2023 and will be featured in the April 2023 issue of D CEO.

Out of a total of 68 finalists across 15 categories pertaining to projects and transactions, 33 of the projects recognized are located within the City of Dallas. Nine (9) of those projects won their respective categories. Among the winners, three (3) projects were directly or indirectly supported by the Office of Economic Development. The table below lists category winners located in the City of Dallas (asterisks indicate projects directly or indirectly supported by Office of Economic Development).

Category	Award Winner
Deal of the Year	Kay Bailey Hutchison Convention Center*
Best Redevelopment or Renovation	The Manufacturing District (in Design District)
Best Office Property Sale	Trammell Crow Center
Best Retail Lease or Project	Crescent Court
Best Hospitality Project	Hotel Swexan*
Best Land Deal	2727 Turtle Creek
Best Community Impact Award	Longhorn Ballroom*
Best Urban Office Lease	Texas Capital Bank
Best New Office Project	23 Springs

Please refer to **Exhibit A** for the complete list of winners and finalists located within the city as well as project summaries for those supported by the Office of Economic Development. For a comprehensive list of all the winners, please visit D Magazine's website at <https://www.dmagazine.com/publications/d-ceo/2023/april/see-the-winners-of-d-ceos-2023-commercial-real-estate-awards/>.

Among the categories celebrating individuals and organizations, the Office of Economic Development would like to congratulate all dealmakers and industry executives for their



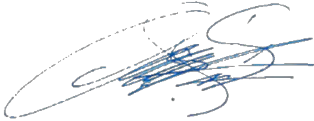
DATE April 28, 2023  
SUBJECT **D CEO's 2023 Commercial Real Estate Awards**  
PAGE **2 of 2**

recognition as economic development catalysts in our city. Special recognition was given to:

- Hunt Realty, Developer of the Year
- Mikial Onu, Founder and CEO of Onu Ventures, 2023 Emerging Commercial Real Estate Leader

Overall, the D CEO's 2023 Commercial Real Estate Awards further highlight the vibrancy and diversity of the commercial real estate market in Dallas and the North Texas region. Staff are proud of the Office of Economic Development's involvement in several of these projects.

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  
Tammy Palomino, Interim City Attorney  
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Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors

# EXHIBIT A

## D CEO's 2023 Commercial Real Estate Awards Dallas Winners & Finalists

**Category:** Deal of the Year

**Winner:** Kay Bailey Hutchison Convention Center



The D CEO magazine awarded the City of Dallas the 2023 Deal of the Year for the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan and future project implementation. This is the largest City-led economic development initiative in North Texas in the past thirty years. Since 2019, Convention and Event Services have been leading city staff and partners to assess and progress options to address the \$700 million in deferred maintenance at the KBHCCD. Following visits to competing convention centers across the U.S., the City Council voted in February 2022 to expand and relocate the KBHCCD to the west of Lamar Street, thereby freeing up 30 acres of downtown Dallas for future development. This expansion is expected to create approximately 50,000 jobs, and it will connect neighborhoods within and beyond the Central Business District, including the Cedars in south Dallas. Planned upgrades include enhanced transportation options, pedestrian-friendly paths, as well as new restaurant and retail offerings. In November 2022, Dallas voters approved Proposition A, which increased the City's hotel occupancy tax by two percent to fund the project, as well as significant renovations to Fair Park. On Wednesday, March 28, 2023, the Deal of the Year award was presented at the Frontiers of Flight Museum, and Deputy Mayor Pro Tem Omar Narvaez of District 6 and Council Member Jesse Moreno of District 2 accepted the honor on behalf of the City.

# EXHIBIT A

## D CEO's 2023 Commercial Real Estate Awards Dallas Winners & Finalists

**Category:** Best Redevelopment or Renovation

**Winner:** The Manufacturing District



D CEO's 2023 Best Redevelopment or Renovation project was awarded to Quadrant Investment Properties' Manufacturing District, located in Dallas' Design District. The almost 90,000-square-foot office center is complete with outdoor meeting areas, ground floor retail and second-floor tenant lounge with panoramic views of downtown Dallas and nearby Uptown. Quadrant Investment Properties has also completed a \$2 million renovation to The International, a large showroom and retail center and has landed anchor tenants like Alto—with more office projects in the works for the thriving district.

Redevelopment of the Design District has been catalyzed by the Design District TIF District located just to the northwest of downtown, straddling Stemmons Freeway from roughly Wichita Street to Medical District Drive. It was established to assist in the transformation of the old Stemmons Industrial area into a diversified, pedestrian friendly, mixed-use neighborhood near the heart of Downtown Dallas. The mission of the Design District TIF District is to provide a source of funding for public infrastructure improvements to assist in redeveloping an industrial and warehouse district to take full advantage of the expanding DART light rail system, to promote transit-oriented development, to improve access to the Trinity River, and to enhance the quality of development adjacent to the Trinity Corridor.

# EXHIBIT A

## D CEO's 2023 Commercial Real Estate Awards Dallas Winners & Finalists

**Category:** Best Hospitality Project

**Winner:** Hotel Swexan



D CEO's 2023 Best Hospitality Project has been awarded to Harwood International's Hotel Swexan. The Swexan is a 22-story boutique hotel being built at the corner of McKinnon and Moody streets, just west of the Crescent and the Tower Residences Ritz-Carlton condo building. The project has received nearly \$40 million in loans to make sustainable improvements as part of the City of Dallas Property Assessed Clean Energy (PACE) program. The project is utilizing approximately \$39.9 million in PACE financing to make sustainable improvements to the building's HVAC, plumbing, building envelope, glass curtain wall, and elevators, resulting in the savings of approximately 1.2 million kilowatt-hour of electricity and over 420,000 gallons of water annually. The project is by far the largest PACE project ever financed in Texas. The PACE lender, PACE Equity, collaborated with developer Harwood International on mid-construction funding which allowed the developer to cover cost overruns for high efficiency energy and water savings equipment.

# EXHIBIT A

## D CEO's 2023 Commercial Real Estate Awards Dallas Winners & Finalists

**Category:** Best Community Impact Award

**Winner:** Longhorn Ballroom



D CEO's 2023 Best Community Impact Award was given to Longhorn Ballroom for its redevelopment of Dallas' iconic venue. Recognized in 2017 by Texas Monthly as "Texas' Most Historic Music Venue," the Longhorn Ballroom was built in 1950 and operated as a popular music venue for decades. However, since the 1990s, the property became underutilized and had fallen into disrepair. Despite revitalization efforts in 2017, the property remained vacant and vulnerable to incidents of vandalism, burglary, and theft.

In 2021, the Office of Economic Development began coordinating with developer Edwin Cabaniss on his proposal to rehabilitate, revitalize, and re-operationalize both the Longhorn Ballroom and the overall site. The project includes various interior and exterior improvements to the two existing buildings, site improvements, and public infrastructure improvements, with a total estimated project cost of almost \$15 million. In September 2022, City Council authorized a tax increment financing (TIF) development agreement and an economic development grant agreement with Mr. Cabaniss' special purpose entity, Island Rock Holdings, in an amount totaling \$4.15 million to aid the redevelopment project. The Longhorn Ballroom reopened its door for its first show on March 30, 2023.

# EXHIBIT A

## D CEO's 2023 Commercial Real Estate Awards Dallas Winners & Finalists

**Category:** Developer of the Year

**Winner:** Hunt Realty



D CEO's 2023 Developer of the Year was awarded to Hunt Realty Investments. For more than 45 years, Hunt Realty Investments has been involved in real estate investments in the Dallas area, beginning with the purchase of land in 1975 for the renowned Reunion Tower. In 2007, Hunt Realty constructed a headquarters for its parent company, Hunt Consolidated, along Woodall Rodgers, which will soon overlook an expansion of Klyde Warren Park. However, its operations have intensified in recent years with ventures that are poised to truly revolutionize the area. One such project is NorthEnd, an 11-acre project along Field Street near the American Airlines Center. It is planned to feature 3.8 million square feet of mixed-use space, including a 1.5 acre park and a substantial new 980,000-square-foot campus for Goldman Sachs. City Council supported Phase I of the NorthEnd redevelopment through the authorization of an incentive package in June of 2022 to provide a real property tax abatement to Hunt, a business personal property tax abatement to Goldman Sachs, and an economic development grant to support the investment of \$390 million in real property improvements, \$90 million in business personal property improvements and the creation and/or retention of 5,000 jobs.

# EXHIBIT A

## D CEO's 2023 Commercial Real Estate Awards Dallas Winners & Finalists

### Additional Dallas Winners

Category	Winners Located in the City of Dallas
Best Office Property Sale	Trammell Crow Center
Best Retail Lease or Project	Crescent Court
Best Land Deal	2727 Turtle Creek
Best Urban Office Lease	Texas Capital Bank
Best New Office Project	23 Springs

### Additional Dallas Finalists

Category	Finalists Located in the City of Dallas
Best New Mixed-Use Project	Maple Terrace
Best Redevelopment or Renovation	Lincoln Centre, The Hill
Best Office Property Sale	The Luminary*, McKinney & Olive*
Best Retail Lease or Project	Poco Fiasco
Best Hospitality Project	Rosewood Mansion on Turtle Creek
Best Land Deal	Mountain Creek
Best Community Impact Award	City of Dallas Fire Station No. 59, the Kathlyn Joy Gilliam Museum and Learning Center
Best New Industrial Project	TCC Cedar Alt*
Best Suburban Office Lease	AMN Healthcare
Best Urban Office Lease	Bank OZK, Haynes and Boone, Lerma, McGuire Woods, Neiman Marcus Group*, TRG
Best New Multifamily Project	The Bohme
Best New Office Project	3300 Olympus Blvd*, Harwood No. 14, The Quad
Developer of the Year	Granite Properties, Harwood International
* Indicates direct or indirect support from the 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 #:** 23-1293

**Item #:** A.

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Development Services Monthly Technology and Metrics Review  
[Andrew Espinoza, Director/Chief Building Official, Development Services]





**City of Dallas**

# **Development Services Monthly Technology and Metrics Review**

**Economic Development  
Committee  
June 6, 2023**

Andrew Espinoza, Director/Chief Building Official  
Development Services  
City of Dallas

# Presentation Overview



- Technology
- Residential Permits
- Commercial Permits
- Update on Self-Certification
- Update on Hiring and Recruitment
- Stemmons Municipal Center Update (7800 N Stemmons Update)
- Communications
- Next Steps



# Technology



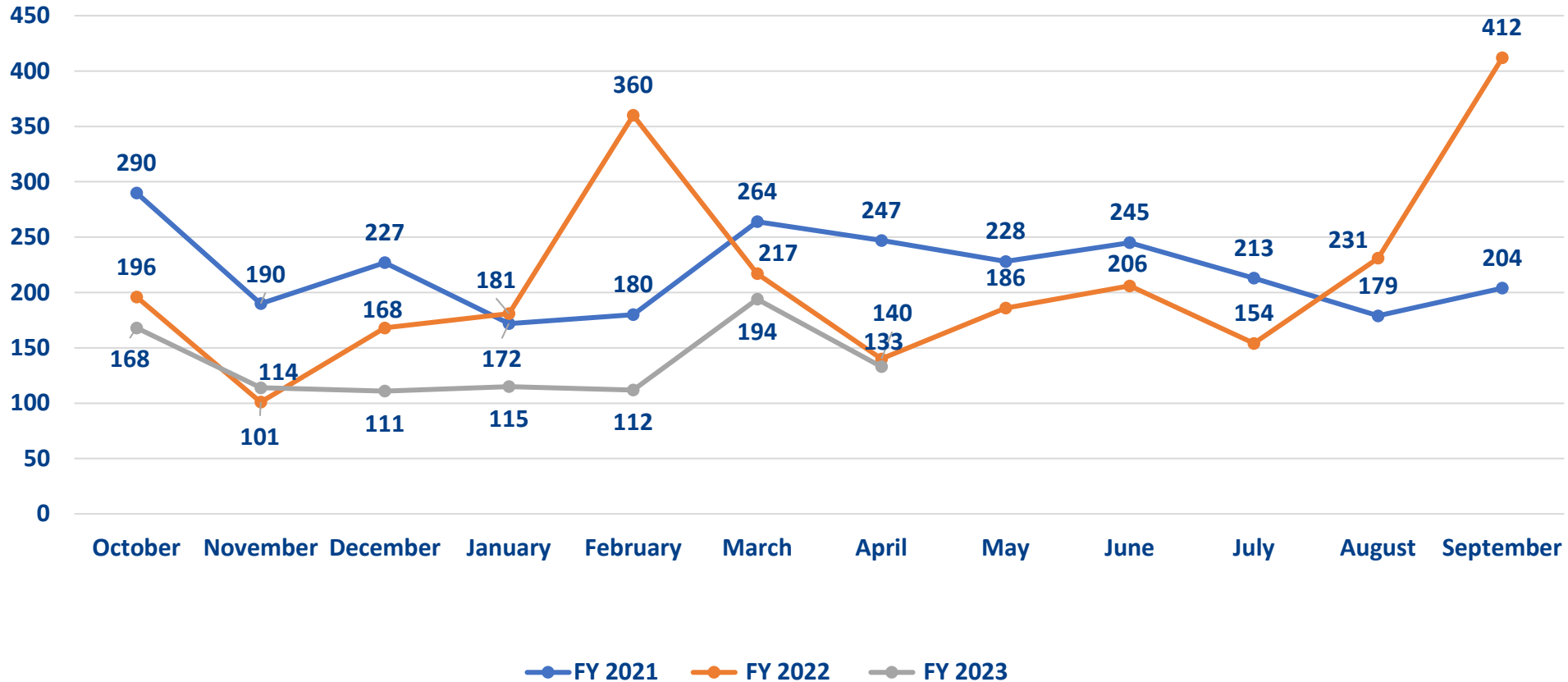
- Posse software replacement project (“Dallas Now”) is in progress
- Official project kick-off was held on May 1, 2023
  - Development Services (DSD) Accela, ITS, vendor, consultant, and other City Departments
- Ransomware impacted customer uploads, printing, GIS Zoning mapping, and user drives
  - ITS is working with DSD GIS Team to re-establish staff usability of GIS platform
  - A temporary solution has been identified



# Residential Permit Volume



## New Single Family Permits Created



**A total of 133 permits were processed for the month**

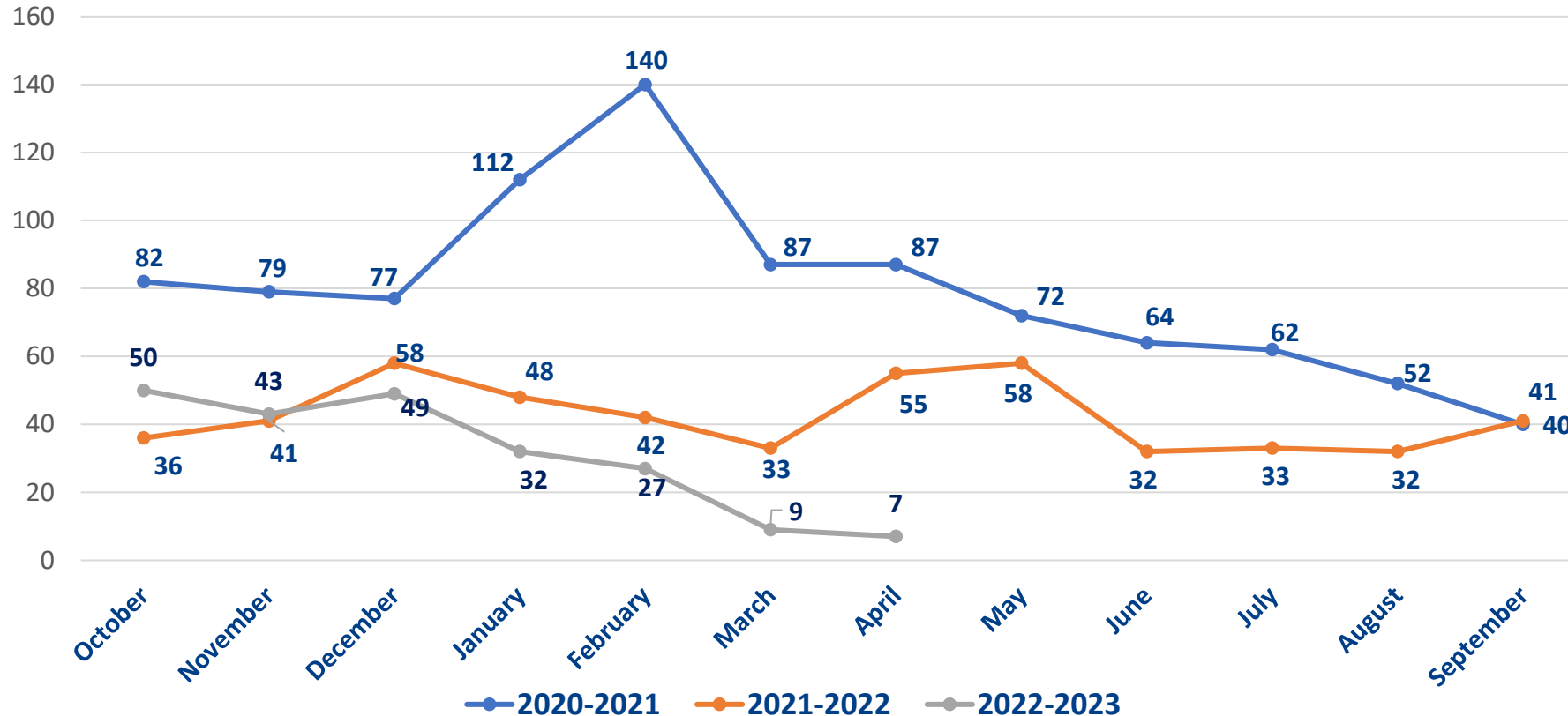
**135 permits were issued for the month**



# Residential Permit Turnaround Times



Residential New Single Family Permits-Staff Time Median Days  
(calendar days) to Issue YTD Comparison



A decrease of 2 days from the previous month

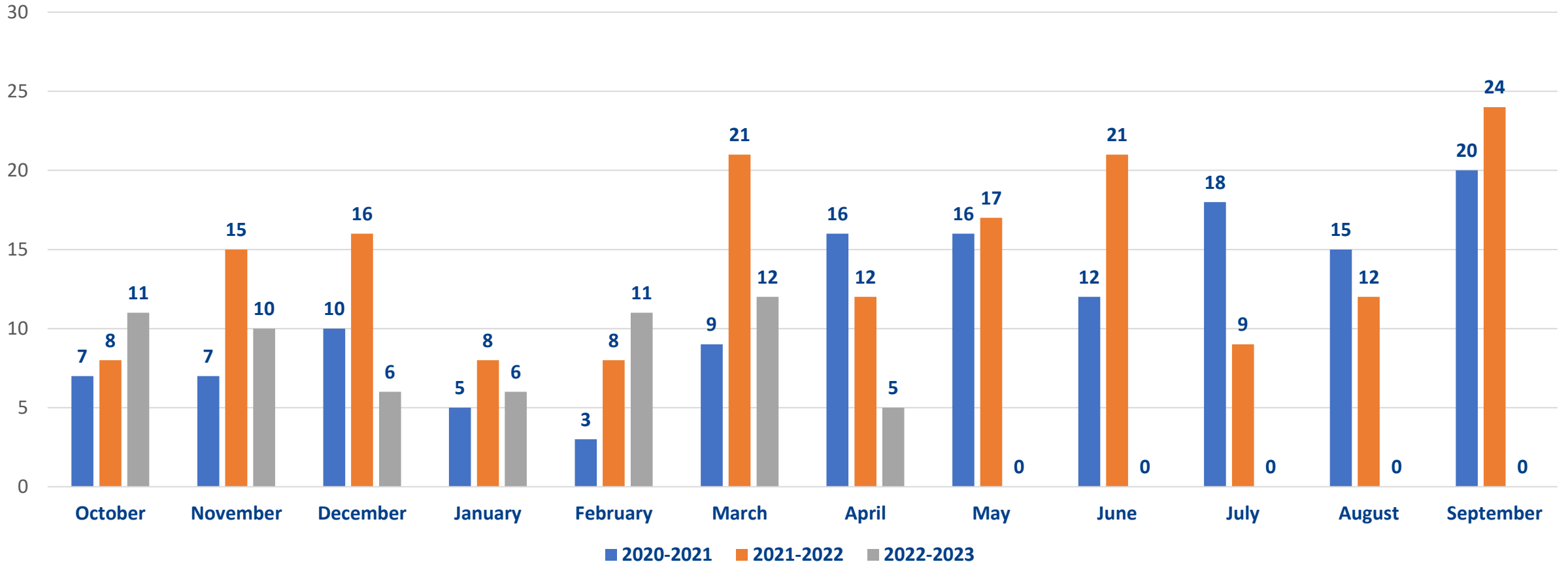
Submittals that did not require customer revisions in March were issued in 5 median days



# Commercial Permit Volume



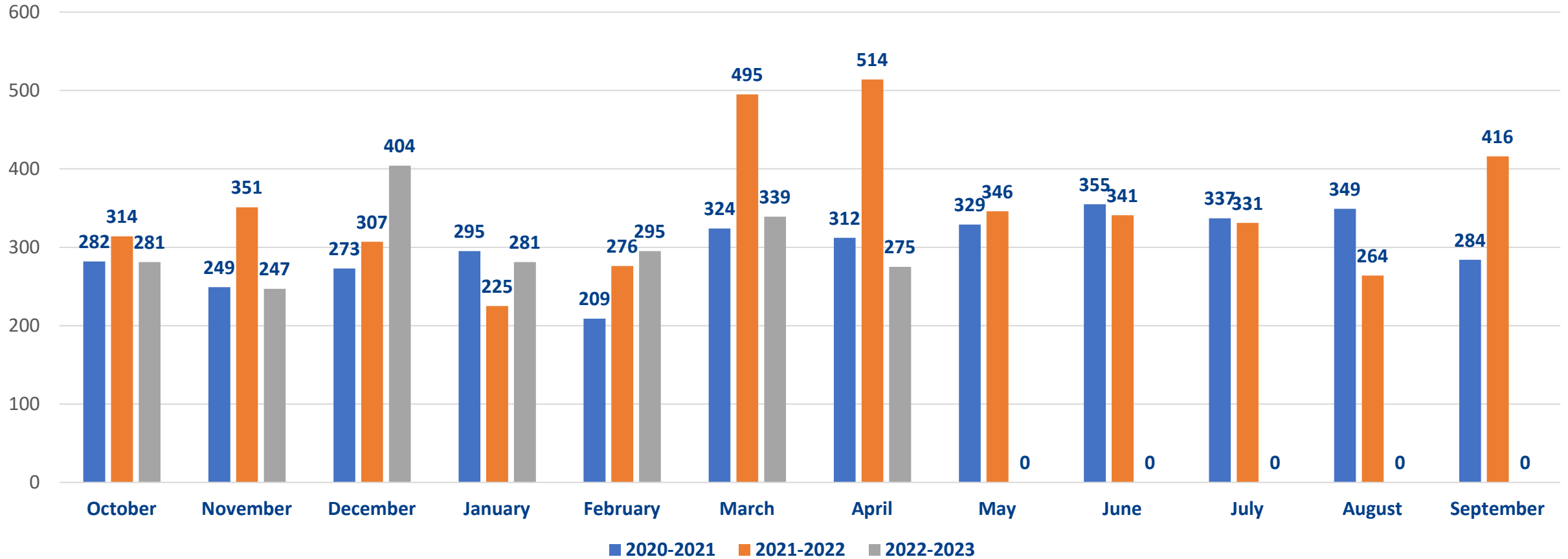
## New Commercial Project Permit Volume



# Commercial Remodel Permit Volume



## Commercial Remodel Master Permit Volume



# Commercial Permit Metrics



Dallas Development Services Department Performance Goals FY2022-2023			2022			2023				
Metrics	Goal	FY21-22	Oct	Nov	Dec	Jan	Feb	Mar	Apr	YTD
<b># of Commercial Plan Review Submittals</b>										
Commercial New	N/A	171	11	10	6	8	11	12	5	63
Commercial Additions	N/A	156	19	17	28	16	33	26	28	167
Commercial Remodels	N/A	4,179	281	247	404	281	295	339	275	2,122
Express Plan Review (Q-Team)	N/A	842	23	16	20	23	22	51	36	191
Express Plan Review Minor Commercial (Q-Team 2)	N/A	N/A	N/A	N/A	N/A	N/A	14	8	14	36
<b>Average # of Days for Initial Review</b>										
New Commercial/Remodels	15 Days	12	10	10	11	10	9	9	15	11
Express Plan Review (Q-Team)	10 Days	7	5	5	2	3	2	5	6	4
Express Plan Review Minor Commercial (Q-Team 2)	1 Day	N/A	N/A	N/A	N/A	N/A	1	1	1	1

**Note:** Correction date to deploy new Commercial Permitting Dashboard to be implemented in September 2023





# Update On Self-Certification



- Final Draft recommendations were submitted by the Matrix Group in April 2023
- Follow-up discussion sessions scheduled for May 2023
- Final report should be completed May 2023
  - DSD staff to share with development community stakeholders in June 2023
    - Dallas Home Builders Association, Texas Real Estate Council, Dallas American Institute of Architects, and the engineering development community
- Bring Final recommendations to Economic Development Committee in August 2023



# Update On Hiring and Recruitment



- Total of 345 positions in the department, 58 positions are currently vacant [a vacancy rate of 17%]
- Currently 21 are in the Onboarding Process
- Dallas Library, Civil Service, HR, Compensation, and DSD hosted a hiring fair on May 10, 2023
  - 64 interviews were conducted
  - 17 job offers were made
- Partnering with HR and Budget to request 5 (reclass) engineering intern positions mid-year FY2022-2023 and an additional 5 for FY2023-2024



# Update On Hiring and Recruitment



Position	Total Vacancies
Commission/Board Coordinator	1
Deputy Building Official - Development Services	1
Development Services Administrator	2
Development Services Policy Administrator	1
Engineer Assistant I	1
Engineer Assistant I - Fire Protection	3
Inspector III - Building Inspection	1
Inspector III - Electrical	2
Intern - Development Services Engineering	5
Lead Inspector - Multidiscipline	4
Lead Plans Examiner - Multidiscipline	4
Manager - Building Inspection	1
Manager - Development Services Training	1
Permit Clerk	5
Plans Examiner	1
Project Coordinator - Development	1

Position	Total Vacancies
Records Technician I - Development Services	1
Senior Architect	1
Senior Departmental Budget Analyst	1
Senior Geographic Information System Analyst	1
Senior Geographic Information System Support Technician	2
Senior Inspector - Building Inspection	1
Senior Permit Clerk	4
Senior Plans Examiner	4
Senior Plans Examiner - Building Inspection	3
Senior Plans Examiner - Electrical	1
Senior Plans Examiner - Plumbing	1
Senior Project Coordinator - Development	1
Senior Training Specialist - Development Services	2
Supervisor - Zoning Inspections	1
<b>Total Department Vacancies</b>	<b>58</b>



# Stemmons Municipal Center Update



- Phase I includes floors 1-5 and proposed completion date is slated for October 2023
  - As part of Phase 1, the 5th floor is scheduled for relocation in June 2023
  - Followed by the 2nd floor in August 2023
  - Remaining floors (1st, 3rd, and 4th) are scheduled for October 2023



# Stemmons Municipal Center Update



- DSD will be occupying floors 1-5 and will potentially include:
  - Dallas Fire Inspection
  - City Attorney's
  - Human Resource Partners
  - Northwest Inspection District Office



# Communications



- New Sr. Public Information Officer joined outreach and communications
- DSD is partnering with COMS to promote Pop Up Permit events via radio and television advertisements
- Continue to leverage social media and direct email communications to promote department events, trainings, and outreach
  - Recently created a Next Door account to reach more residents
- 95% customer satisfaction rate for April 2023



# Next Steps



- Pop-Up Permit Saturdays/Every 3rd Saturday of the month
  - May 20, 2023 (12 Walk-in Customers)
  - Next event will be hosted on June 17, 2023
- Lunch and Learn Series
  - June 15, 2023 – Session 4 Project Dox Applicant's tasks
  - June 20, 2023 – Mandatory Landscaping
- Develop and share Commercial Permitting Dashboard in September 2023
- Host late Summer Hiring Fair in August 2023
- Meet with stakeholders to get feedback on Self-Certification recommendations on June 15, 2023





**City of Dallas**

# **Development Services Monthly Technology and Metrics Review**

**Economic Development  
Committee  
June 6, 2023**

Andrew Espinoza, Director/Chief Building Official  
Development Services  
City of Dallas





# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1294

**Item #:** B.

---

Update on the Development Code Rewrite and Proposed Consultant  
[Julia Ryan, Director, Department of Planning and Urban Design]



**City of Dallas**

# **Comprehensive Reform of the Dallas Development Codes**

**Economic Development  
Committee  
June 6, 2023**

Julia Ryan, Director  
Department of Planning and Urban Design  
City of Dallas

# Presentation Overview



- Briefing Purpose
- Fiscal Information
- Background
- Project Purpose
- Next Steps



# Briefing Purpose



Brief Committee on upcoming City Council action on consultant procurement. City Council will consider:

- Authorizing a two-year consultant contract, with two additional one-year renewal options.
- Engaging the services of a firm to develop a modern, updated and user-friendly development code that is streamlined, consistent, clear, and aligned with all City plans and policies.



# Fiscal Information



- Contract amount not to exceed \$2,015,660
- **Financing:** Operating Carryover Fund (subject to annual appropriations)

Fund	FY 2023	FY 2024	Future Years
Operating Carryover Fund	\$201,566	\$806,264	\$1,007,830



# Background



Dallas is a modern, growing city with an outdated zoning code that unnecessarily inhibits development.

- The Development Code was last overhauled in 1987, based on code and principles from 1965.
- This antiquated approach to zoning has led to the creation of over 1,100 Planned Development Districts with different standards and requirements.





# Project Purpose



The code reform will include a general modernization of the development code to accomplish the following:

- Provide clarity.
- Improve efficiency in the development process.
- Eliminate barriers to equitable development.
- Modernize zoning designations to allow context sensitive development.
- Advance the goals of ForwardDallas.





# RCSP Process



The City issued a Request for Competitive Sealed Proposal (“RCSP”) in November 2022 for consultant services to support the comprehensive reform of the Dallas Development Codes.



# Next Steps



- City Council action: June 14, 2023.
  - Contract executed by Assistant City Manager and City Attorney's Office.
- Project kick-off/begin public engagement: Summer 2023.
- Complete draft code: Summer 2024.
- Final code adopted: Summer 2025.





**City of Dallas**

# **Comprehensive Reform of the Dallas Development Codes**

**Economic Development  
Committee  
June 6, 2023**

Julia Ryan, Director  
Department of Planning and Urban Design  
City of Dallas



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1295

**Item #:** C.

---

Update on the Dallas Examiner Project: Grant for Capital Improvements, Renovation and Restoration Costs at 4510 S. Malcolm X Blvd.

[Joyce Williams, Director, Small Business Center]



**City of Dallas**

# **South Dallas Fair Park Opportunity Fund**

**The Dallas Examiner Project**

**Economic Development Committee  
June 6, 2023**

Joyce Williams, Director  
Small Business Center  
City of Dallas

# Presentation Overview



- Project
- Purpose
- Projected Cost
- Economic Impact
- Staff Recommendation
- Next Steps



# Project – Existing Property



## The Dallas Examiner



- Founded by Fred J. Finch, Jr. Esq, this Dallas local newspaper has been published and distributed for 52 weeks every year since 1986 at the same address of: 4510 S. Malcolm X Blvd, Dallas, 75215.
- Black owned and operated, this newspaper provides local, state, and national news, and is recognized and respected by our community. The newspaper has received numerous local, state, and national awards, and is a credible voice and valuable source of information for Dallas residents.





## The Dallas Examiner Project:

- To improve the building located at **4510 S. Malcolm X Blvd.** Project scope consists of capital improvements and renovation costs related to restoration of the building.
- The rehabilitation/build-out of The Dallas Examiner will expand business services to include journalists staging locations for in-house interviews and training for interns.





# Existing Property Renovations



# Projected Cost



## The Dallas Examiner Project:

- The total project cost is **\$184,448.00**. The Dallas Examiner is seeking project reimbursable grant funding assistance of \$170,998.00 from the South Dallas Fair Park Opportunity Fund. Owner, Mollie Belt, will provide \$13,450.00 in owner's equity.
- Grant funding would be payable upon completion and verification of the renovations, project improvements, obtaining certificates of occupancy and/or equivalent evidence of completion. Expected date of completion is February 2024.



# Economic Impact



- This project will have an economic impact to community and to the City by creating up to 3 part-time jobs to the South Dallas Fair Park neighborhood.
- The current property value is \$120K. The project will create taxable improvements approximately 20% more than current value, provide services to the southern Dallas area, stimulate economic development, increase business activity, job creation, and promote confidence of commercial growth in southern Dallas.



# Staff Recommendation



- Authorize a Conditional South Dallas/Fair Park Opportunity Fund Chapter 380 Economic Development Grant Agreement in the amount of \$170,998.00 for improvement and renovation construction costs related to the building structure located at 4510 S. Malcolm X Blvd, Dallas, Texas, 75215.



# Next Steps



- City Council consideration on June 28, 2023
- Continue to partner with developer to implement project





**City of Dallas**

# **South Dallas Fair Park Opportunity Fund**

**The Dallas Examiner Project**

**Economic Development Committee  
June 6, 2023**

Joyce Williams, Director  
Small Business Center  
City of Dallas



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1297

**Item #:** D.

---

Upcoming Agenda Item Regarding a New Markets Tax Credit Transaction for Vogel Alcove  
[Heather Lepaska, Assistant Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE June 2, 2023

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 Regarding a New Markets Tax Credit Transaction for Vogel Alcove**

On June 14, 2023, the City Council will be asked to consider a resolution authorizing a New Markets Tax Credit (NMTC) transaction between Vogel Alcove, the Dallas Development Fund (DDF) and JPMorgan Chase (Chase) bank for interior finish-out of a new childcare facility at 3662 Camp Wisdom Road.

In 2009, the City of Dallas authorized the creation of DDF, a non-profit Community Development Entity (CDE) to apply for NMTC allocation from the U.S. Department of Treasury's Community Development Financial Institutions (CDFI) Fund and to manage awarded NMTC allocations. DDF was most recently awarded \$55 million in the 2021 allocation cycle, and previously has been awarded a total of \$185 million in allocation from the 2009, 2012, 2014, and 2017 cycles. DDF has closed \$185 million in allocation, to date.

The NMTC program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated CDEs. These investments must be used by the CDE for projects and investments in low-income communities, as defined by the NMTC program, and serve as the subsidy to the project in the NMTC transaction. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a 7-year credit allowance period.

On April 24, 2023, DDF considered and approved a NMTC transaction between DDF, Chase, and Vogel Alcove. This NMTC allocation will use up to \$6 million of DDF's \$55 million NMTC allocation. Chase is anticipated to provide a total of approximately \$1.8 million in NMTC equity to support the \$6 million in total allocation from DDF.

Vogel Alcove is constructing an interior finish-out for a new Vogel Alcove childcare center on the first floor of the Shops at RedBird. The 15,000 square foot childcare and resource center, the organization's second facility in Dallas, will deliver two-generation support to low-income families, with a strong focus on lower income families working at Red Bird and those experiencing homelessness (Project).

The Project will include four infant classrooms, four toddler classrooms, four preschool classrooms, dedicated sensory play and therapy spaces, offices, and multipurpose space



DATE June 2, 2023  
SUBJECT **Upcoming Agenda Item Regarding a New Markets Tax Credit Transaction for Vogel Alcove**  
PAGE **2 of 2**

for case management and training for adults. Vogel Alcove will enter into a 15-year lease at \$0/year Triple Net Lease (NNN) and will be responsible for the build out of the space.

Vogel Alcove will provide early childhood care and wrap-around support services to 134 unique students, ages 6 weeks to 5 years old, with enrichment programs in art, music, and physical development. Additionally, Vogel screens for developmental delays and disorders; when delays are identified, Vogel intervenes with the appropriate speech, occupational, and physical therapy on-site. An onsite pediatric nurse practitioner will care for the children’s health needs, perform vision and hearing screenings, make referrals for well-baby exams, and provide health training for parents. The developmental and behavioral health team also trains staff on trauma-informed care practices in the classroom, equips parents with behavioral intervention tools to use at home, and provides trauma-informed mental health programming onsite to help children process and cope with physical, emotional, and psychological trauma.

In addition to extensive services for children, Vogel provides support for the entire family. Each family is assigned a clinical case manager and parents have access to career readiness and job training, GED/ESL classes, financial literacy classes, and housing support and resource assistance. Vogel anticipates providing 50 parents with career readiness and job training at this new facility annually. Vogel will also partner with major employers at Red Bird Mall to facilitate pathways to employment for Vogel parents.

The Project is located at 3662 Camp Wisdom Road in Dallas, Texas. The Project address is NMTC-qualified and considered “severely distressed” per the CDFI fund based on a poverty rate of 34.6% and a median family income that is 35.6% of the area median income.

NMTC is a key funding source to ensure the viability of the Project. Without NMTC, Vogel Alcove would lack the resources to build the Project and would require additional fundraising, resulting in a delay in construction, or reduce the scope of the project.

Should you have any questions, please contact Robin Bentley, Director, Office of Economic Development, at [robin.bentley@dallas.gov](mailto:robin.bentley@dallas.gov) or 214-670-1685.



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

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim 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



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1300

**Item #:** E.

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Upcoming Agenda Items Regarding Selection of the Most Advantageous Proposals in Response to the City's Requests for Proposals for Transit-Oriented Development of Property Owned by DART at 6 Light Rail Stations

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

# Memorandum



CITY OF DALLAS

DATE June 2, 2023

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 Items regarding selection of the most advantageous proposals in response to the City's Requests for Proposals for transit-oriented development of property owned by DART at 6 light rail stations**

On July 1, 2020, a memorandum was issued by the Chairpersons of the City's Housing and Homelessness Solutions Committee, Transportation and Infrastructure Committee, Economic Development Committee, and Workforce, Education, & Equity Committee of the City Council, challenging the City to utilize all available land owned by the City or Dallas Area Rapid Transit (DART) within a half-mile of DART light rail stations to produce mixed-income housing developments. The memorandum entitled "Mixed-Income Housing Challenge for TODs for Post-Covid-19 Economic Development Recovery Efforts" is included as **Exhibit A** and is referred to as the "Housing Challenge."

For Phase I of the Housing Challenge, the City issued a Request for Proposals (RFP) in January 2021 to solicit transit-oriented development (TOD) proposals for 5 City-owned sites adjacent to DART light rail stations. City Council's approval of the recommended proposals occurred in May 2021.

On December 9, 2021, DART and the City executed a Memorandum of Understanding (**Exhibit B**) to give the City the ability to solicit TOD proposals for 6 DART-owned sites adjacent to DART light rail stations.

Phase II of the Housing Challenge focuses on DART-owned sites at the following light rail stations:

1. 8th & Corinth Station
2. Hampton Station
3. Westmoreland Station
4. Lake June Station
5. Buckner Station
6. Royal Lane Station

On September 29, 2022, the City issued 6 RFPs to solicit TOD proposals (one RFP for each of the 6 DART-owned sites).

Generally, for each RFP, potential respondents were invited to submit ambitious TOD proposals including affordable and mixed-income residential components. Each RFP also prioritized proposals maximizing public benefit and producing development consistent with DART TOD Policy and DART TOD Guidelines.

DATE June 2, 2023  
SUBJECT **Upcoming Agenda Items regarding selection of the most advantageous proposals in response to the City's Requests for Proposals for transit-oriented development of property owned by DART at 6 light rail stations**  
PAGE 2 of 2

On December 16, 2022, the RFPs closed with the City receiving 3 proposals for Hampton Station, 2 proposals for Westmoreland Station, 3 proposals for Lake June Station, 1 proposal for 8<sup>th</sup> & Corinth Station, 2 proposals for Buckner Station, and 1 proposal for Royal Lane Station.

A six-member committee from the following City departments and DART divisions reviewed and evaluated the proposals: Department of Housing & Neighborhood Revitalization (1); Department of Planning & Urban Design (1), Office of Economic Development (1), Department of Transportation (1), DART - Economic Development (1), and DART - Capital Planning (1).

Following review by the staff evaluation committee and interviews with all of the proposers, the Office of Procurement Services has recommended (and the Office of Economic Development has accepted the recommendation) to proceed with the highest scoring proposals (i.e. the most advantageous proposals).

On June 14, 2023, staff will request: (1) City Council approval of the selection of the recommended most advantageous proposal for each of the 6 RFPs and (2) City Council authorization for the City Manager (through the Office of Economic Development) to execute an exclusive negotiation agreement, approved as to form by the City Attorney, with the proposer of each of the 6 selected proposals. **Please note that these 6 solicitations are still ongoing, and further details cannot be discussed or disclosed per the City's Code of Ethics and Administrative Directive 4-5 until selection is approved by City Council.**

Should you have any questions, please contact Robin Bentley, Director, Office of Economic Development, at (214) 542-1843 or [robin.bentley@dallas.gov](mailto:robin.bentley@dallas.gov).



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

**[Attachments]**

1. Exhibit A Mixed Income Housing Challenge for TODs for Post COVID-19 Economic Development Recovery Efforts Memorandum
2. Exhibit B Memorandum of Understanding Between Dallas Area Rapid Transit and the City of Dallas

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
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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

# Memorandum



CITY OF DALLAS

DATE July 1, 2020

TO T.C. Broadnax, City Manager, Honorable Mayor and Members of the City Council

SUBJECT **Mixed Income Housing Challenge for TODs for Post-COVID-19 Economic Development Recovery Efforts**

Mr. Broadnax,

COVID-19 has caused the City and region many heartaches and challenges. But there are silver linings – for one, City staff members and their directors have shown incredible leadership and fortitude in meeting goals and timelines for economic recovery and for the protection of those who are the most vulnerable. We know that staff can rise to and meet hard challenges in crisis situations.

An ongoing challenge that Dallas has yet to conquer, which will only get worse post-COVID-19, is the lack of workforce housing. With this in mind, we ask you to harness the current momentum and the recent TOD analysis and take a giant leap forward in enabling the rapid construction of workforce housing.

**We challenge the City of Dallas and DART to work collectively to meet the following objectives:**

- Utilize available City of Dallas and/or DART land within one-half mile of up to ten (10) DART Transit stations.<sup>1</sup>
- To produce mixed income housing developments with no less than **1,000 affordable units** servicing individuals with income levels between 30-120% AMI, with each site featuring affordable units.
- **Issue Construction Permits on all projects by August 30, 2021.**

Meeting this challenge will require major coordination of efforts between agencies and departments, as well as expedition of permitting and designs, identification of economic subsidies to support the affordability components, thoughtful and creative design work, and a general willingness by everyone to “cut through red tape.” Cutting “through red tape” includes, but is not limited to, providing concierge service to walk all development projects through the permitting process.

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<sup>1</sup> City staff may invite Dallas Housing Authority (DHA) to participate in any and all aspects of this challenge to meet objectives.

## EXHIBIT A

DATE July 1, 2020

SUBJECT **Mixed Income Housing Challenge for TODs for Post-COVID-19  
Economic Development Recovery Efforts**

We propose the following timeline to meet the objectives:

- **August 2020 (Council Briefing) or (Housing and Homelessness Committee)**
  - DART, DHA, and City of Dallas Present up to ten (10) Proposed TOD Sites to Council, along with RFI (request for information) parameters.
  - The City *begins* analysis of *underground infrastructure* and projected needs for the proposed sites.
  - The City begins analysis of existing economic entitlements, and recommends expansions of TIF boundaries, if necessary.
  - The City develops station masterplans, considers placemaking opportunities to encourage pedestrian safety, considers modernized parking requirements (such as no parking minimums), and begins the process to change zoning as needed.
- **September/October 2020**
  - City of Dallas, in conjunction with DHA and/or DART, releases RFI (that includes available economic entitlements) on all Sites to Development Community.
- **November/December 2020 (Council Briefing)**
  - City of Dallas, in conjunction with DHA and/or DART, utilizes RFI results to compile RFPs for each site and presents concept to City Council.
  - Staff presents underground infrastructure needs to City Council.
- **January/February 2021**
  - Issuance of RFP for all sites.
- **TBD**
  - RFP due date should be early enough so projects can be awarded with enough time to meet the **August 2021** construction permit date on all projects.

Why is it important for us to tackle this challenge now? Other than the clear need for workforce housing, enabling aggressive expansion of real estate construction will help increase the City's desperately needed tax revenue.

When you brief the City Council and/or the Housing and Homelessness Committee, please be prepared to discuss the use of suggested funding mechanisms that could be available to potential builders, and *walk through a case example* of how PFC-financing (Public Facilities Corporation) could be utilized for at least one of the TOD sites. Please also consider the importance and relevancy of the Comprehensive Housing Policy in all efforts.

EXHIBIT A

DATE July 1, 2020

SUBJECT **Mixed Income Housing Challenge for TODs for Post-COVID-19  
Economic Development Recovery Efforts**



Chad West, Chair  
Housing & Homelessness  
Solutions Committee



Lee M. Kleinman, Chair  
Transportation &  
Infrastructure Committee



Tennell Atkins, Chair  
Economic Development  
Committee



Casey Thomas, Chair  
Workforce, Education, and  
Equity Committee

- c: Peer Chacko, Director, Planning & Urban Design  
Dr. Eric Anthony Johnson, Chief, Economic Development and Neighborhood Services  
Rocky Vaz, Director, Office of Emergency Management  
David Noguera, Director, Housing and Neighborhood Revitalization  
Kris Sweckard, Director, Sustainable Development & Construction  
Robert Perez, Director, Public Works  
Michael Rogers, Director, Transportation  
DART, Board of Directors  
Gary Thomas, President, DART

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CITY SECRETARY  
DALLAS, TEXAS

## MEMORANDUM OF UNDERSTANDING

BETWEEN

DALLAS AREA RAPID TRANSIT

AND THE

CITY OF DALLAS

This Memorandum of Understanding (“MOU”) is an arrangement between the City of Dallas (“City”), a Texas home-rule municipality, and Dallas Area Rapid Transit (“DART”), a regional transportation agency created and organized pursuant to Chapter 452 of the Texas Transportation Code, regarding the development of certain DART and City-owned land near DART transit stations. For the sole purpose of this MOU, DART and the City shall be referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS, DART owns properties at its light rail stations and transit facilities located throughout the City of Dallas which have demonstrated an underutilization of the property for its originally-intended purpose of transit operations and parking, originally required by the City as part of the permitting process; and

WHEREAS, the City and DART wish to facilitate the development of specifically identified underutilized DART parcels and, in some cases, City-owned parcels adjacent to or near the DART parcels into one or more cohesive, sustainable, vibrant, livable transit oriented developments, complementing one another with joint developments where feasible; and

WHEREAS, to that end, the Parties wish to jointly review and develop transit-oriented development (“TOD”) plans and identify potential development partners that would be attractive for potential TOD, and, if desired by the parties, enter into Interlocal Agreements (“ILAs”) specific to the properties which would allow for the advertisement and solicitation, such as requests for proposals (“RFP”), for development services for the parcels identified by the parties; and

WHEREAS, the parties wish to further memorialize their joint development intentions herein.

NOW THEREFORE, the Parties set forth their intentions as follows:

**PURPOSE OF AGREEMENT.** DART and the City desire to facilitate development near transit (“TOD Projects”). DART and the City each own property parcels near DART transit stations that may be suitable for the development of TOD Projects.

In order to investigate the suitability of each site for development, the City would like to solicit developers to create proposals for TOD Projects on the City and DART sites.

In order to facilitate these solicitations, DART agrees that the City may include the DART properties listed on **Exhibit A** (the “DART Sites”) as potential development sites in the solicitations. The City shall clearly state in each solicitation that the DART Sites are owned by DART, and that development on a DART Site will require negotiation and agreement with DART or the execution of an Interlocal Agreement (ILA) with the City specifying the lease terms and process to negotiate and develop a Master Development Agreement (MDA) and Lease Agreement which will require the consent of the DART board of directors and Dallas City Council. Each solicitation will attach this MOU as an exhibit and will clearly state that there is no agreement between the City and DART as to the DART Sites beyond this MOU.



Once a developer has responded to a solicitation identifying a specific plan and indicating an interest in developing a TOD Project on a DART Site, the City will contact DART to negotiate an interlocal agreement spelling out the terms by which the City may move forward with such development. Any such interlocal agreement will require the consent of the Dallas City Council and the DART board of directors.

**I. TERM.** This MOU shall commence on December 1, 2021 and shall expire on November 30, 2024. The MOU will automatically renew for up to two consecutive one-year terms unless terminated by either party as described in Section III.

**II. AMENDMENT.** This MOU may be amended only upon written agreement signed by the Parties.

**III. TERMINATION.** The Parties understand that participation in this MOU is voluntary and may be terminated by either Party by giving thirty (30) days' written notice to the other Party of its intention to terminate.

**IV. DART'S RESPONSIBILITIES.** DART shall undertake the following activities prior to execution of the MOU:

- i. DART will provide information within its control regarding each DART Site upon the request of the City, including but not limited to, deed records, title information, surveys, and environmental reviews.
- ii. DART will outline known issues that might impact development, including but not limited to, environmental contamination, floodplain areas, existing easements, needed easements, and desired future terms to facilitate DART operation of transit facilities on the site.
- iii. DART will provide coordination with the Federal Transit Administration (FTA) review regarding review and input regarding any DART property with a Federal interest

**V. CITY'S RESPONSIBILITIES.** City shall undertake the following activities following execution of the MOU:

- i. The City will review the information provided by DART under Section IV and determine the suitability of each DART Site for development. Where applicable, the City will determine if an adjacent or nearby City site should also be considered in a future development plan.
- ii. For any site deemed developable, the City shall release a solicitation seeking a developer to propose a development plan for the site.
- iii. Once a developer has been deemed most advantageous or otherwise selected for negotiation, the City will notify DART and begin negotiation of an interlocal agreement and related sale and/or lease documents related to the relevant DART Site.

**VI. COSTS.** Each Party will bear its own costs in performing its obligations under this MOU.

**VII. GENERAL PROVISIONS**

- i. The Parties agree to work together at all times in good faith, meet regularly, and keep each other informed as to activities of the other, and maintain at all times a formal representative who shall serve as a point of contact for communications.

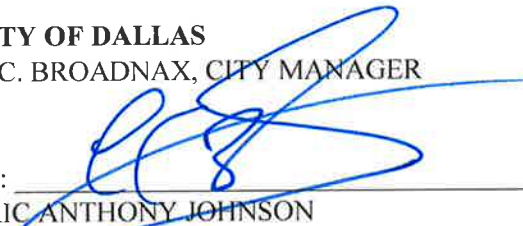
- ii. This MOU may be executed in multiple counterparts which, taken together, shall collectively constitute a single agreement, but in making proof of such agreement, it shall not be necessary to account for more than one such counterpart.
- iii. This MOU shall be performed and enforced in Dallas, Texas, and shall be construed in accordance with the laws of the State of Texas. Venue with respect to all disputes shall reside with the district courts of Dallas County, Texas.

**VIII. TEXAS PUBLIC INFORMATION ACT**

The exchange of information by the Parties is not a release of information to the general public, but rather an intergovernmental transfer of records from one governmental body to another for an official purpose. Notwithstanding any provisions of this MOU, the Parties acknowledge that they are subject to the Texas Public Information Act ("TPIA"), Texas Government Code Chapter 552, and that this MOU and any information created or exchanged in connection with this MOU is subject to the TPIA. The Parties agree to notify each other in writing within a reasonable time from receipt of a request for information covering the subject matter of this MOU.

**SIGNATORIES. IN WITNESS WHEREOF**, the Parties have executed this MOU as of the Effective Date stated above.

**CITY OF DALLAS**  
T. C. BROADNAX, CITY MANAGER

By:   
ERIC ANTHONY JOHNSON  
CHIEF OF ECONOMIC DEVELOPMENT AND  
NEIGHBORHOOD SERVICES

**DALLAS AREA RAPID TRANSIT**

  
TODD PLESKO  
INTERIM EXECUTIVE VICE PRESIDENT  
GROWTH/ REGIONAL DEVELOPMENT

CRT  
CRT

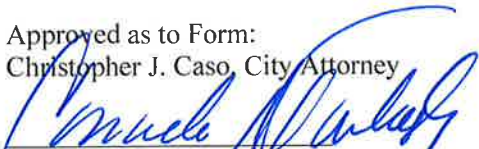
12/8/2021

12/9/2021

DATE

DATE

Approved as to Form:  
Christopher J. Caso, City Attorney

  
Assistant City Attorney

**Exhibit A**

**DART Sites**



# Lake June Station



**#33**  
SCORE 55

Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Lake June Station	Dallas	6410 Lake June Rd	22.90	LRT/Bus	56	None	434	23%

# Buckner Station



# Westmoreland Station



#06  
SCORE 72

Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Westmoreland Station	Dallas	2646 S Westmoreland Rd	15.21	LRT/Bus	62	None	672	41%

# Hampton Station

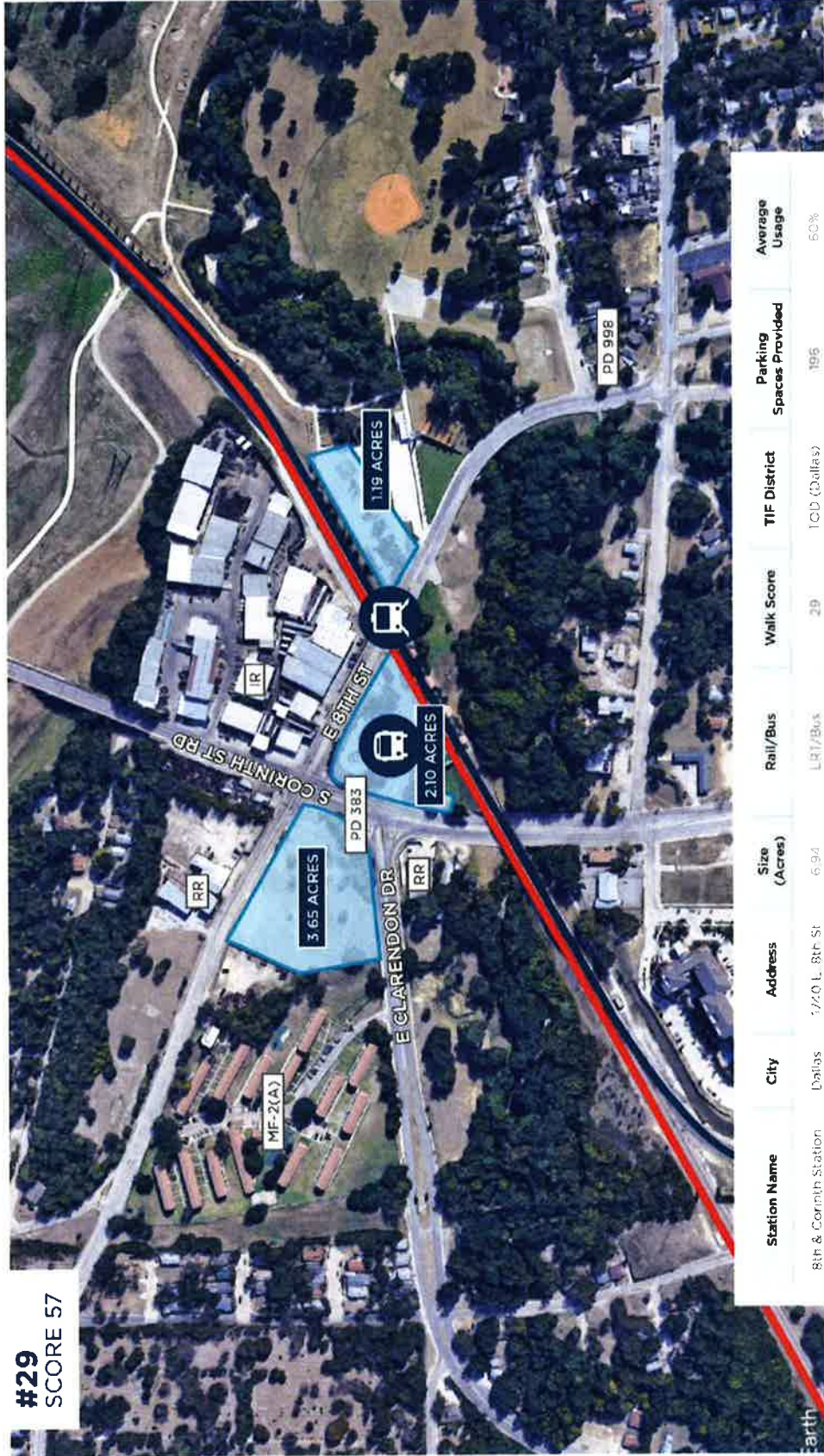


#30  
SCORE 57

Station Name	City	Address	Size (Acres)	Rail/Bus	Walk Score	TIF District	Parking Spaces Provided	Average Usage
Hampton Station	Dallas	2002 S Hampton Rd	10.60	LRT/Bus	58	None	455	44%



# 8<sup>th</sup> and Corinth Station



#29  
SCORE 57

# Royal Lane Station



#26  
SCORE 60

Signature: *Consuelo R Tankersley*  
Consuelo R Tankersley (Dec 3, 2021 11:55 CST)

Email: consuelo.tankersley@dallascityhall.com



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1301

**Item #:** F.

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Upcoming Agenda Item Regarding Redevelopment Project at 2516 Martin Luther King, Jr. Blvd in the Grand Park South TIF District  
[Kevin Spath, Assistant Director, Office of Economic Development]



**City of Dallas**

# **Legacy of Hope DFW Project**

**Redevelopment Project at 2516 Martin Luther King Jr Blvd  
In the Grand Park South TIF District**

**Economic Development Committee  
June 6, 2023**

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

# Overview



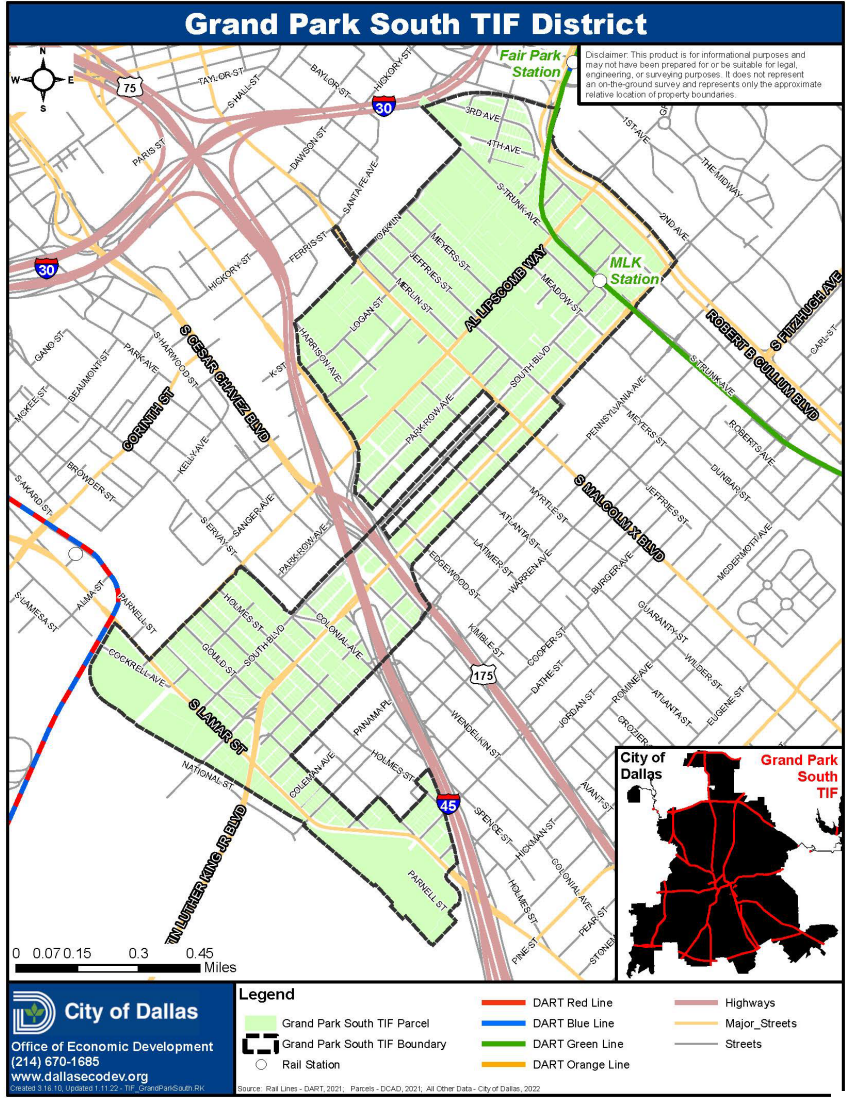
- Background
- Proposed Project
- Staff Recommendation
- TIF District Board of Directors Recommendation and Next Step
- Appendix



# Background: Grand Park South TIF District



- City Council established the Grand Park South TIF District by Ordinance Number 26147 on October 26, 2005
- TIF District is scheduled to terminate on December 31, 2035 (including collection of the 2035 increment in calendar year 2036 and any related matters to be concluded in 2036) or when the budget of \$29.8 million (2006 dollars) has been collected
- City of Dallas and Dallas County are the two participating jurisdictions (City's participation is 90%; County's participation is 65%)
- During 2021, the TIF District Board reviewed and recommended approval of an amendment to increase the geographic area of the TIF District by approximately 151 acres in an area bounded by Al Lipscomb Way, South Ervay Street, South Boulevard, Pennsylvania Avenue, and Botham Jean Boulevard. Amendment was approved by City Council in December 2021



# Background: Grand Park South TIF District



- TIF District's 2022 final DCAD value was \$147 million, an increase of \$68 million (86%) from the TIF District's amended base value of \$79 million
- Prior to this year, no private developments have applied for TIF District funding
- Development activity that has occurred in the TIF District without TIF District funding includes 92 residential units; 30,990 square feet of commercial space; and a new Billy Earl Dade Middle School.



3221 Flats (built by Urban Mixed-Use, LLC)



Fair Park Estates single-family homes built by Southfair Community Development Corporation



# Proposed Project: Summary



**Project Developer:** Vector Studies, LLC a Texas limited liability company, or an affiliate

**Project Summary:** Dr. Michelle Morgan (“Developer”) submitted an incentive application to the Office of Economic Development for the Legacy of Hope DFW project(“Project”)at 2516 Martin Luther King Blvd.

- Developer is proposing a **major rehabilitation of the 15,153 square foot building**. Renovations will include masonry improvements, exterior paint, improving the steel canopy, and removing the single-story wood structure on the left side building. Planned improvements will address the site as well as the interior and exterior of the existing building. Additional improvements will be made to entry points, additional parking, and landscaping.
- A local dentist for over 27 years, Dr. Morgan has owned and operated several private dental practices in Dallas including underserved neighborhoods. **Her vision is to continue the legacy of the founding Doctors Mason and Conrad as well as other Black doctors who built the Forest Avenue Hospital that once operated at 2516 Martin Luther King Blvd.**
- **Once completed, the facility will once again provide top quality care and services in private medical and dental practices.**
- **Total Project cost estimated: \$4.729 million**





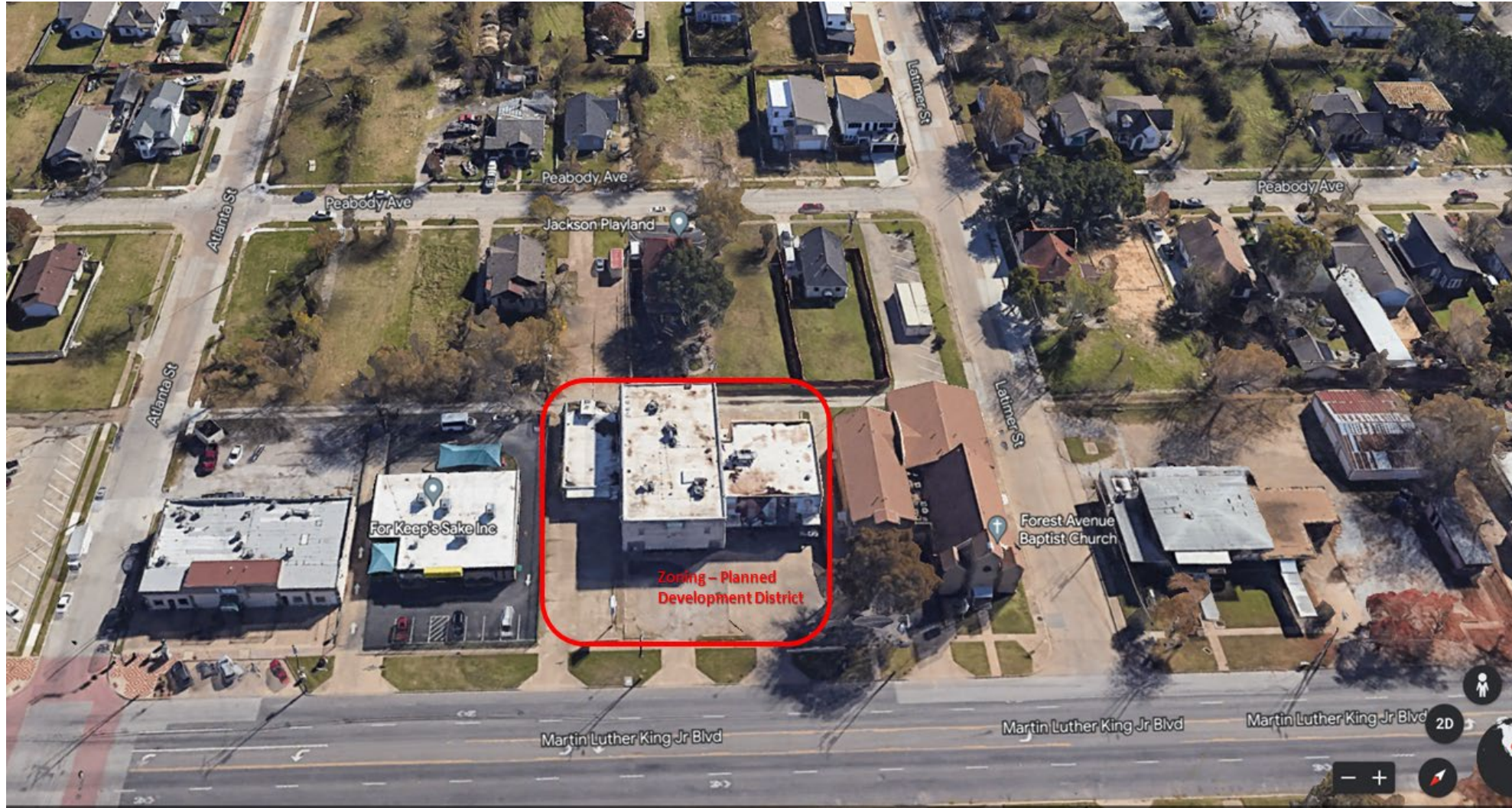
# Proposed Project: Location Map



# Proposed Project: Community Context



# Proposed Project: Aerial View



# Proposed Project: Community Context



Subject Property facing MLK Jr. Blvd



Forest Avenue Baptist church fronting MLK Jr. Blvd



For Keep's Sake Childcare Academy fronting MLK Jr. Blvd



South view of Project frontage, west side of MLK Jr. Blvd



Adjacent properties on the east side of MLK Jr. Blvd



Properties southeast of Project, east side of MLK Jr. Blvd

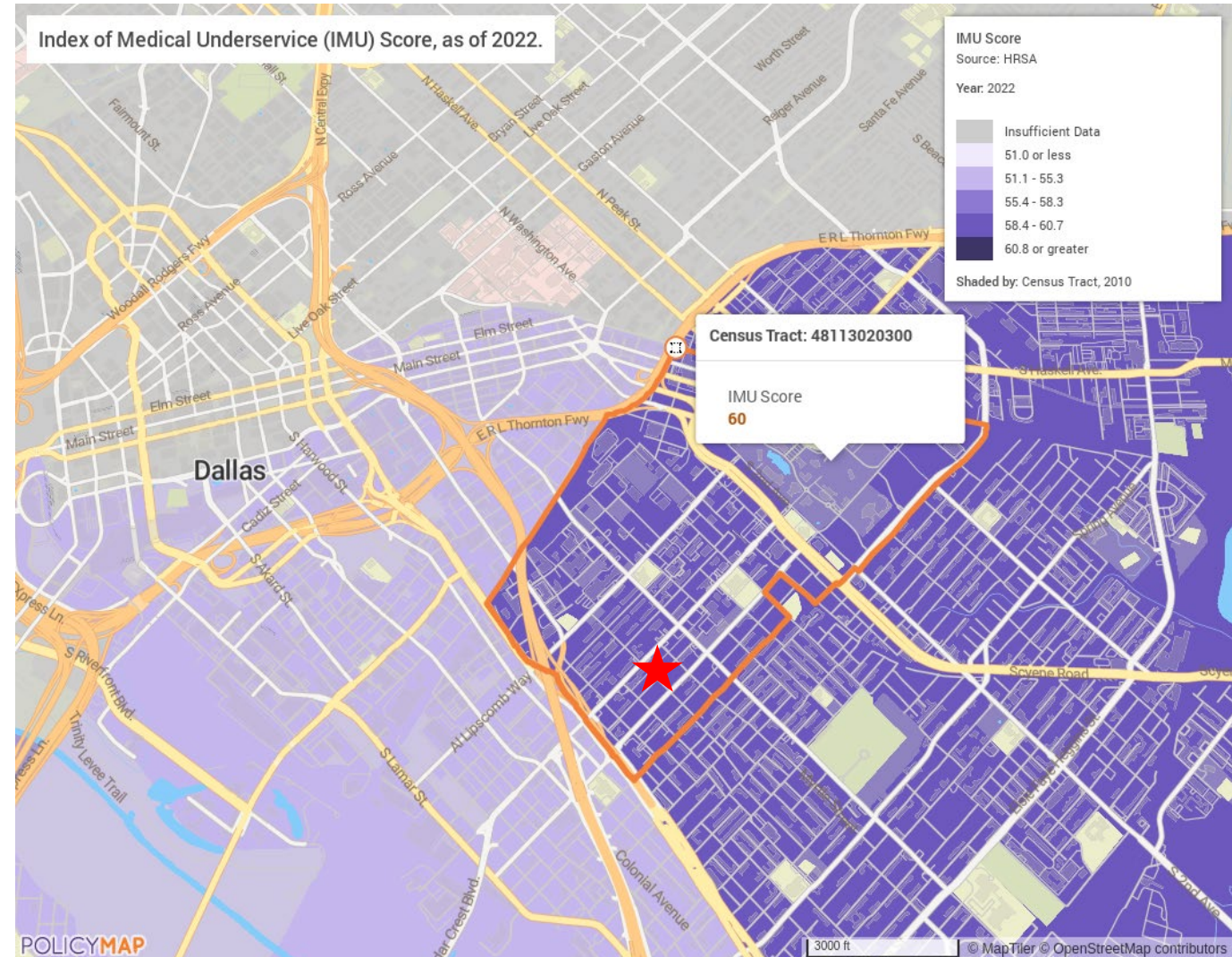


# Proposed Project: Medically Underserved Area



Medically Underserved Areas (MUA) are designated as having too few primary care providers, high infant mortality, high poverty, and/or a high elderly population by the Health Resources and Services Administration. Medically Underserved Populations (MUP) are areas where a specific population group is underserved, including groups with economic, cultural, or linguistic barriers to primary medical care.

 Project Location



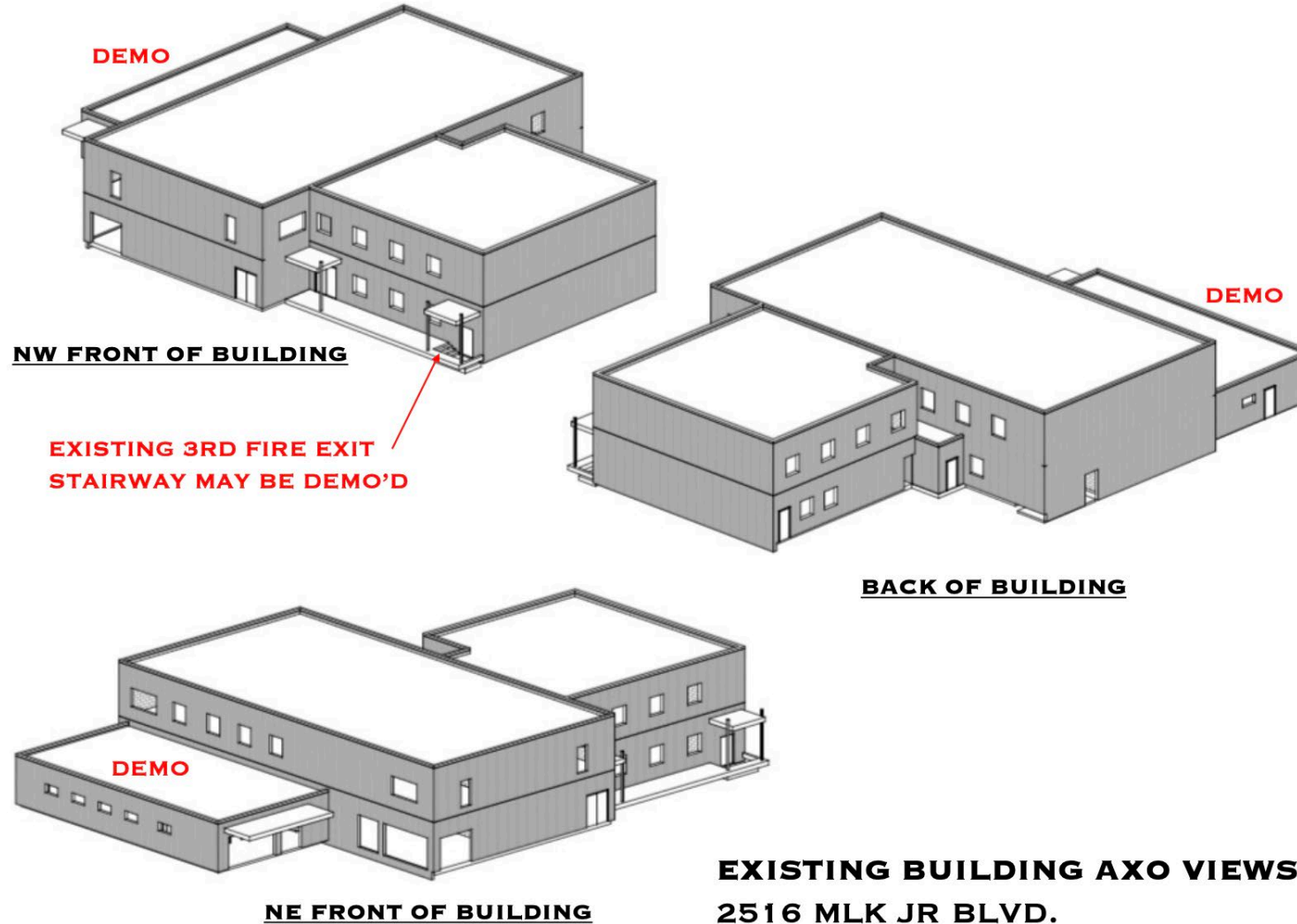
# Proposed Project: Property History



- Facility was one of six African American-owned hospitals in Dallas.
- Established in 1964, by a group of doctors and businessmen during the Jim Crow era, the Forest Avenue Hospital located at 2516 Forest Avenue (now known as Martin Luther King Jr Blvd), provided quality medical care to neighborhood residents. Over the years, the facility went through various iterations and finally closed in 1984.
- Mural was painted in 1978 as part of a federal manpower training program for low-income teens; the faces represent the co-founders Dr. Edward J. Mason, Dr. Emmet Conrad, and Dr. Judge E. Page, and Reverend Jesse L. Lott.



# Proposed Project: Existing Property Conditions

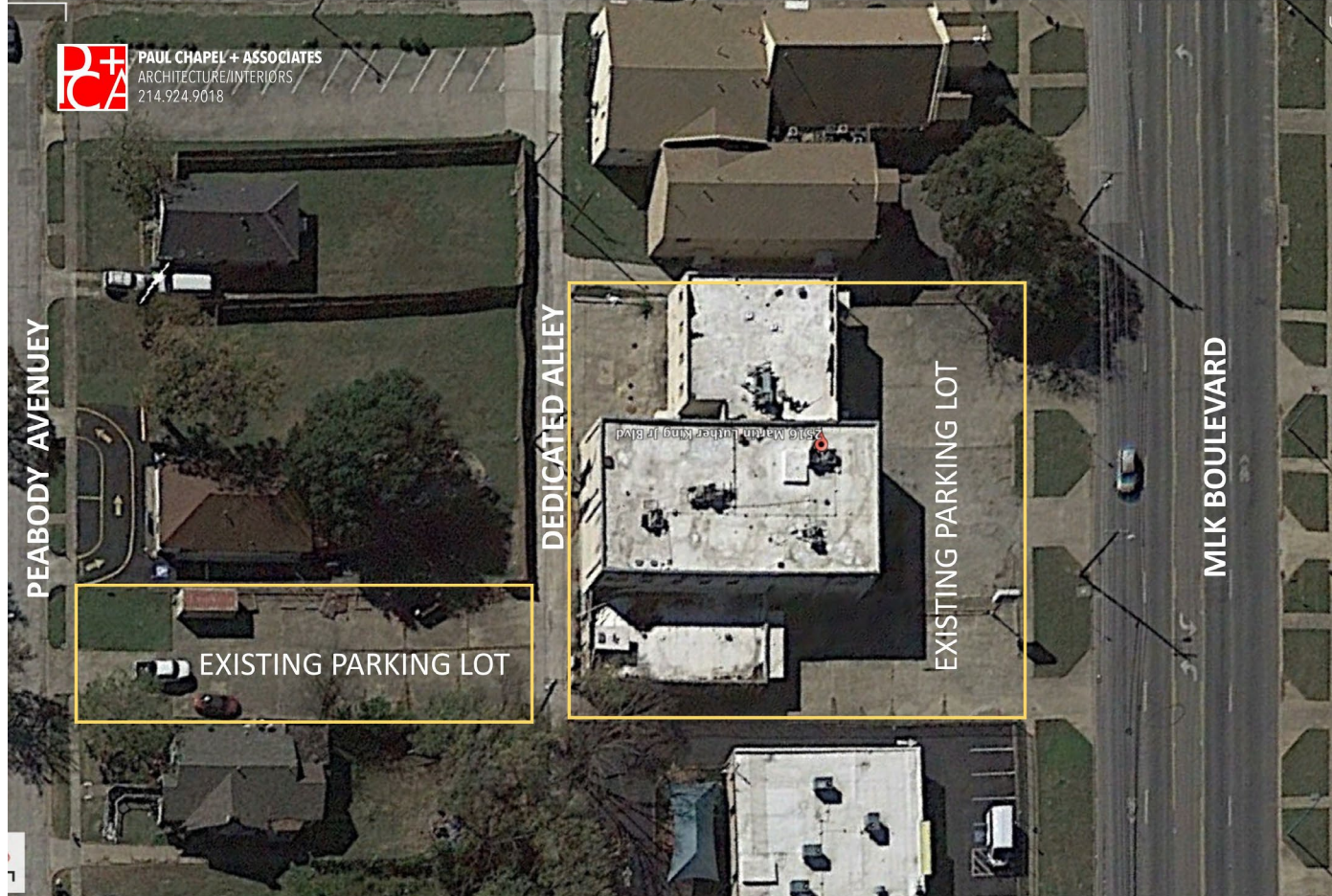


# Proposed Project: Existing Property Conditions





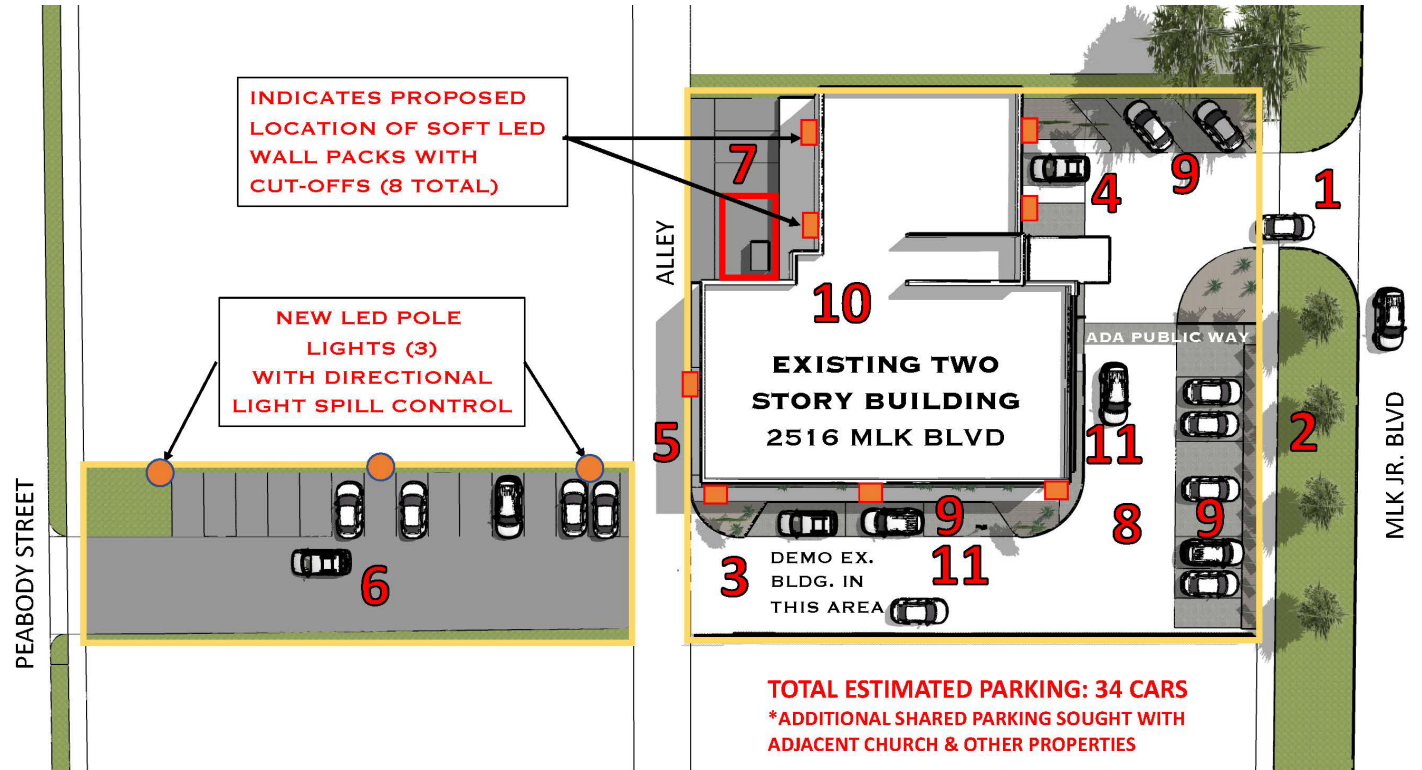
# Proposed Project: Plan View



**AERIAL PICTURE SHOWING THE TWO EXISTING PARCELS**



# Proposed Project: Site Improvements



## PROPOSED SITE IMPROVEMENTS

### LEGEND

1. REPAIR EXISTING TWO-WAY COD STREET CURB CUT.
2. INSTALL NEW LOW MAINTENANCE LANDSCAPING, ROCKED ISLANDS, IRRIGATION & NEW 5' CONC. PEDESTRIAN SIDEWALK AS REQUIRED.
3. INSTALL NEW CONCRETE PAVING, SIDEWALK, ROCKED ISLAND LANDSCAPING AS REQUIRED.
4. ADD NEW HANDICAP PARKING SPACES/SIGNAGE, PATH ACCESS & CURB RAMPS AS REQUIRED.
5. INSTALL NEW CONCRETE BLDG. EXIT RAMP AND GUARDRAILS
6. REPAIR EXISTING PAVING, ADD STRIPING & INSTALL NEW POLE LIGHTING.
7. INSTALL NEW 8' HIGH GATED TRASH ENCLOSURE W/ 4' HIGH BOLLARDS (4), CONFIGURE TO MEET MEDICAL WASTE PICKUP NEEDS.
8. INSTALL/REPAIR CONCRETE PARKING LOT PAVING IN FIRE LANE DRIVE
9. INSTALL NEW "PERVIOUS PAVERS" IN NEW CAR PARKING AREAS AS SHOWN.
10. ASSESS COLLECTION OF ROOF WATER FOR USE IN LANDSCAPE WATERING.
11. ASSESS MURAL ART ON FRONT OF BUILDING AND SIDE PARKING AREA TO BE SEEN FROM MLK DAY & NIGHT.



# Proposed Project: Floor Plans



1ST FLOOR BOMA M.T. USEABLE AREA  
7054 GROSS SF.



2ND FLOOR BOMA M.T. USEABLE AREA  
7032 GROSS SF.

**EXISTING SHELL BLDG.  
INTERIOR IMAGES**



# Proposed Project: Elevations



# Proposed Project: Elevations



# Proposed Project: Front Exterior



NOTE: LANDSCAPE SHOWN IS PENDING FINAL SITE SURVEY AND ABILITY TO ACCOMMODATE IT.



# Proposed Project: Urban Design Peer Review Panel



- On April 28, 2023, the City's Urban Design Peer Review Panel ("UDPRP") reviewed the Project and provided the following advice:
  - Panel recommends the applicant explore opportunities to reduce the amount of land given up to parking to set the standard for future MLK improvements and help encourage the idea of walking by looking into shared parking opportunities. Consider eliminating or reconfiguring two of the three existing driveway curb-cuts on MLK, creating a shift in parking, and opening opportunities for additional parking elsewhere.
  - Panel suggests exploring strategies to push sustainability opportunities on the site including permeable paving at the front of the site, as well as designing for water collection and water consumption.
  - Panel advises exploring the opportunity to maintain the mural in its current location or the reconfiguration, relocation, or reinterpretation of the mural.
  - Panel recommends similar landscaping treatment be given to Peabody Avenue as are being proposed along MLK.
  - Panel advises the parking and dumpster configuration in the rear alley be considered to facilitate its use and meet code requirements.
  - Panel recommends scrutiny be given to secure pedestrian accessibility from MLK and parking lots to the facility's main entry.
  - Panel recommends sensitivity be given to site lighting and its impact on neighbors.
  - Panel advises parking on the side closest to Peabody not encroach past neighbor's front yard.
- Developer has accommodated some of the Panel's advice and will continue to collaborate with PUD staff to accommodate Panel's advice to the maximum extent practical.



# Proposed Project: Budget



USES	AMOUNT	PERCENT	INVESTMENT EXPENDITURE (Eligible towards minimum investment requirement)
Acquisition	\$200,000	4%	\$200,000
Demolition	\$84,488	2%	\$84,488
On-Site Improvements	\$210,925	4%	\$210,925
Off-Site Infrastructure	\$0	0%	
Building (Hard) Construction Costs	\$2,420,236	51%	\$2,709,724
Tenant Improvements	\$854,511	18%	\$854,511
Contingency (3%)	\$268,750	6%	
Professional Fees	\$174,456	4%	\$174,456
Construction Finance	\$89,980	2%	
Permanent Finance	\$61,972	1%	
Soft Costs	\$130,000	3%	
Reserves	\$0	0%	
Developer Fee	\$233,996	5%	
<b>Total Uses</b>	<b>\$4,729,314</b>	<b>100%</b>	<b>\$4,234,104</b>





# Proposed Project: Sources



Sources	Amount	Percent
Senior Lender	\$1,590,318	34%
PACE lender	\$630,786	13%
Equity	\$200,000	4%
Bridged TIF District funding	\$2,308,210	49%
<b>Total Sources</b>	<b>\$4,729,314</b>	<b>100%</b>



# Staff Recommendation: TIF Subsidy



On February 22, 2023, staff executed a Letter of Intent for a development agreement with Developer which includes a recommended TIF Subsidy in a total amount **not to exceed \$2,308,210 as gap financing** to support the Project. The TIF Subsidy shall be payable upon completion of the Project and upon Developer's satisfaction of all terms and conditions in the development agreement.

The budget shown below outlines the anticipated TIF Subsidy in accordance with the established budget in the Grand Park South TIF District Project Plan and Reinvestment Zone Financing Plan.

Category	Amount
Environmental Remediation (includes demolition costs)	\$88,613
Public Infrastructure Improvements	\$100,000
Façade Restoration	\$233,945
Grant	\$1,885,652
<b>TOTAL TIF SUBSIDY – amount not to exceed</b>	<b>\$2,308,210</b>

*The TIF Subsidy sourced from the GPS TIF District Fund could be less if final (actual documented) costs for the public improvements (i.e. environmental remediation, public infrastructure improvements, and façade restoration) are less or if adequate tax increment does not accrue to the TIF District fund.*



# TIF District Board of Directors Recommendation and Next Step



- May 15, 2023: Grand Park South TIF District Board of Directors reviewed and unanimously recommended for City Council approval as recommended by staff
- June 14, 2023: City Council



# Appendix



- Development Team
- Conditions of Agreement
- Underwriting
- Grand Park South TIF District Budget



# Appendix: Development Team



Role	Party Name
Developer/Primary Contact	Dr. Michelle Morgan, Vector Studies, LLC
Architect	Paul Chapel, Paul Chapel & Associates
Engineer	Jacobs
General Contractor	Gregory L. Cody, GCC Enterprises
Development Consultant	Keith Smith (formerly with Venture Vertical)



# Appendix: Conditions of Agreement



- **Developer will invest and document a minimum of \$3,000,000 in eligible expenditures** in the Project, including site acquisition, off-site infrastructure, on-site preparation, site amenities, building construction/finish-out/furnishings, and professional fees.
- **Project will include the rehabilitation of a minimum of 15,000 square feet of commercial space, including all site improvements, public infrastructure improvements, and streetscape improvements required for the Project to obtain certificate(s) of occupancy and/or as described in the conceptual plans. The Project shall also include the restoration, re-creation or reinterpretation of the mural currently on the front façade of the building.**
- Developer will obtain a **building permit** for the Project components by **December 31, 2024**. A demolition permit or grading permit does not constitute meeting this requirement.



# Appendix: Conditions of Agreement



- 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.
- Until the Project has passed final building inspection and all required paperwork documenting Project completion has been submitted to the Office of Economic Development, Developer shall submit to the Office of Economic Development **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 Council approval date.
- Developer will 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 advice provided by the Urban Design Peer Review Panel.** Allowable minor modifications may include those required for compliance with development regulations.



# Appendix: Conditions of Agreement



- **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, 2026**, as evidenced by letter of acceptance, certificate of completion, or similar documentation.
- Prior to completion of the Project and at no cost to City, Developer shall **provide 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.
- The **proposed management group** for the Project must 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 multi-family properties, such approval not being unreasonably withheld.
- Developer will execute a **20-year Operating and Maintenance Agreement** for all **non-standard public improvements**.





# Appendix: Conditions of Agreement



- 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.
- Prior to the City's disbursement of any portion of the TIF Subsidy, Developer shall use commercially reasonable efforts to **lease and occupy a minimum of 60% of the net rentable floor area of the building.**
- **With approval of the TIF Board, the Director of the Office of Economic Development may authorize minor modifications to the Project,** including, but not limited to, a reduction of the minimum square footage requirement of less than fifteen percent, modifications to development mix and/ or design elements in compliance with GPS TIF District Policies and Plans, and an extension of the Project deadlines up to 12 months.



# Appendix: Underwriting



- National Development Council (NDC), under contract with the City, conducted independent underwriting of the incentive application
- Conclusions of independent underwriting:
  - **Applicant/Project Intent and Public Benefit Goals:** The Project's goal is to enrich the South Dallas community, a medically underserved area, through providing health and wellness options for dentistry, medical and psychiatric care. Additionally, the Project has a vocational training component to get area residents ready for the rapidly growing healthcare sector.
  - **Financial capacity:** Approximately 4.23% of the Project's funding is provided by owner equity. The owner appears to have sufficient personal resources to make this size investment.
  - **Permanent debt capacity of Project:** NDC finds that the Project likely cannot support additional debt.
  - **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:** The Project's costs seem generally reasonable. The rehabilitation cost of approximately \$210 psf, not including contingency (\$250 psf total hard costs), indicates the need for extensive rehabilitation. This is consistent with the apparent condition of the existing building and the proposed use of the building.
  - **Rational for City subsidy based on Returns:** Based on the risk of the Project and importance in terms of servicing this medically underserved area, a 20% cash on cash rate of return of equity is likely appropriate. Without City participation, it is unlikely the Project could move forward.



# Appendix: Grand Park South TIF District Budget



Category	Estimated TIF Expenditures (Current dollars)	Allocated to Date	Pending Allocation for Legacy of Hope DFW Project*	Balance
Infrastructure Improvements	\$71,895,857	\$500,000	\$100,000	\$71,295,857
Environmental Remediation	\$7,138,595	\$0	\$88,613	\$7,049,982
Façade Restoration	\$5,353,947	\$0	\$233,945	\$5,120,002
Parks, Open Space, and Signature Entries	\$10,197,994	\$0	\$0	\$10,197,994
Grant or Loan Programs	\$1,529,698	\$0	\$1,885,652	(\$355,954)
Administration and Implementation	\$5,863,846	\$444,852	\$0	\$5,418,994
<b>Total Project Costs</b>	<b>\$101,979,938</b>	<b>\$944,852</b>	<b>\$2,308,210</b>	<b>\$98,726,876</b>

*Budget shown in total dollars. Plan shows budget in net present value (NPV). \*A Plan amendment will likely be considered in the near future that includes a budget adjustment for the grant and loan program category.*





**City of Dallas**

# **Legacy of Hope DFW Project**

**Redevelopment Project at 2516 Martin Luther King Jr Blvd  
In the Grand Park South TIF District**

**Economic Development Committee  
June 6, 2023**

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 #:** 23-1302

**Item #:** G.

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Upcoming Agenda Item Regarding Redevelopment Project at 2534 Royal Lane  
[Kevin Spath, Assistant Director, Office of Economic Development]



**City of Dallas**

# **H Mart**

*a redevelopment project at  
2534 Royal Lane, Dallas, TX 75229*

Economic Development Committee  
June 6, 2023

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

# Overview



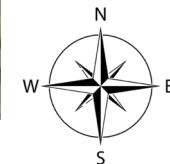
- **Background**
- **Proposed Project**
- **Staff Recommendation**
- **Next Step**
- **Appendix**



# Background: Location of Project



2534 Royal Lane, Dallas, TX 75229

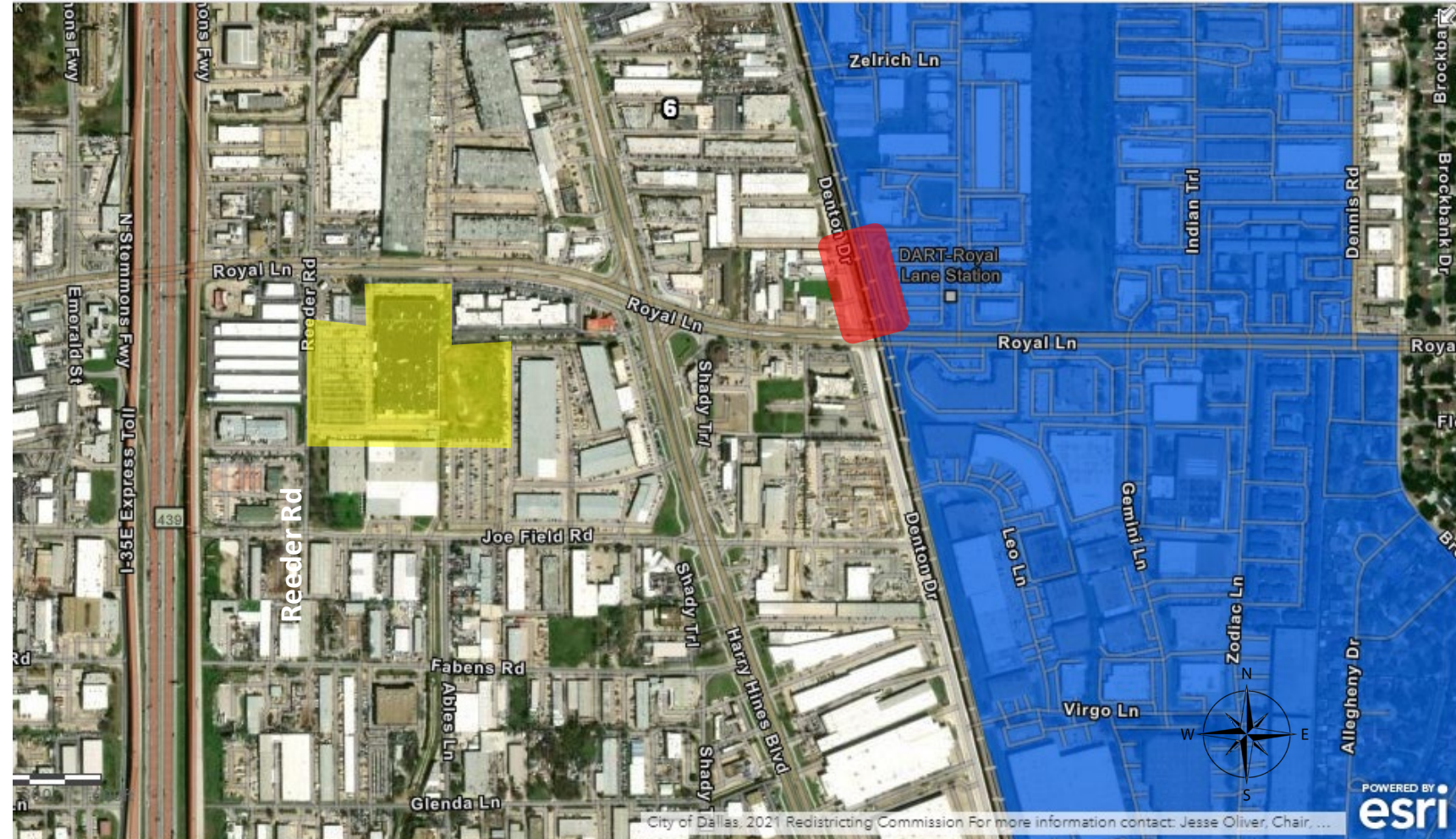




# Background: Location of Project



- Pursuant to the City's Incentive Policy (effective for the period January 1, 2023 through December 31, 2024), the project is not located in a Target Area (highlighted in blue)
- Project Site (highlighted in yellow) is approximately 1/3 mile (8-10 minute walk) from the Royal Lane DART station (highlighted in red)



# Background: Existing Conditions



- Entire property is approximately 9.6 acres
  - Proposed project is located on approximately 7.6 acres of the property ("Project Site") – outlined in red
  - Property owner has indicated possible future plans to develop the remaining 2 acres – outlined in green
- 2023 preliminary taxable value (Dallas CAD): \$4,420,100 (improvement: \$223,570; land: \$4,196,530)
- Existing building (approximately 143,200 sq. ft. built in 1966) has been underutilized/vacant for several years
- Zoning: Planned Development District 498 (PD 498) - allows general merchandise or food store greater than 3,500 square feet.



# Background: Existing Conditions



- Project Site is located in area (1.6 mile Royal Lane corridor between Luna Road and Harry Hines Blvd) that received recognition by the City on January 13, 2023 as Koreatown (including street signs and sign toppers)
- Official designation of Koreatown as a “place” (pursuant to Chapter 391 Government Code) by State Legislature was signed by Governor on May 23, 2023 (HCR 39—Anchia; SCR 31—Parker)
  - passed unanimously in both chambers
  - 10-year designation enables benefits (e.g. highway signage; cultural arts)



Source: Dallas Morning News



# Background: Existing Conditions



# Proposed Project: H Mart



- H Mart is the largest US-based supermarket chain specializing in Asian-style products, including groceries, meats, seafood, produce, housewares and ready-made meals
- Since the opening of the first H Mart in 1982 in Woodside, NY, the company has grown to over 72 stores across 14 different states with well over 4,500 employees
- H Mart currently operates 6 stores in the state of Texas (but none in Dallas)
- Closest locations are Carrollton and Plano
- Office of Economic Development has been engaged with H Mart for 7+ years



# Proposed Project: Summary



IYK Texas Corporation and/or its affiliate (“Developer”) will perform or cause to be performed all site and building improvements and will own the real property.

## **“Project”—total estimated \$28 million (excluding acquisition and carrying costs)**

- **Interior environmental remediation, selective interior demolition, substantial renovation, and finish-out of the existing 143,200 square foot building (e.g. roof; façade; structural; mechanical; electrical; plumbing; lighting; heating/ventilation/air-conditioning; fire alarm/sprinkler) , including:**
  - approx. 74,300 square foot H Mart supermarket (“Store”) on the first floor;
  - approx. 47,300 square feet of retail space on the first floor; and
  - approx. 16,500 square feet of office space on the second floor
- **Site improvements** (e.g. utilities; demolition/reconstruction of surface parking lot, site lighting, landscaping; signage)
- **Furniture, fixtures, equipment, machinery, inventory, security system for the H Mart supermarket**
- **Completion anticipated mid-late 2025**



# Proposed Project: Rendering



North Elevation  
(facing Royal Lane)



West Elevation  
(facing Reeder Road)



# Proposed Project: Urban Design



**On May 26, 2023, the City's Urban Design Peer Review Panel (UDPRP) reviewed the Project and provided the following advice:**

- The Panel encourages the parking lot be softened to help mitigate heat island effect by the selective removal of surface parking and by the addition of shade trees, landscaping, permeable paving, pedestrian pathways aligned with main entryways that lead to the streets, shading devices, and strategies to capture water run-off such as bioswales and rain gardens.
- The Panel advises exploring the potential of introducing a pedestrian access corridor from Harry Hines Blvd. that parallels Royal Lane and runs alongside the existing drainage easement to help unlock the value and profile of the undeveloped portion of the site in the future and align with a new side building entrance.
- The Panel recommends the addition of a generous sidewalk, landscaping, and street trees along Royal Lane that provide pedestrian comfort and protection for from moving vehicles.
- The Panel believes internal truck movements may impact parking islands and pedestrian walkways and suggest that configuration of the loading dock should be adjusted, as necessary.
- The Panel encourages the development team to pursue a 10% parking reduction from the City's development code based on distance from the Royal Lane DART LRT station and/or bus stops to allow for the open up the potential to replace parking spaces next to the restaurant spaces and add outdoor seating, patio space, landscaping, and pedestrian amenities.

**Developer will revise the Project plans to accommodate UDPRP's advice to the maximum extent practical.**





# Staff Recommendation



## Economic Development Grant

**up to \$2,500,000 (payable in 3 installments)**

- City Source: Public/Private Partnership Fund

## Sales Tax Grant

**up to \$1,000,000 over 10 years**

- up to 10 Annual Sales Tax Grant Payments, each being an amount equal to the lesser of: (a) 75% of the Sales Tax Receipts received by the City on the sale of Taxable Items consummated at the Store for a given year, or (b) \$100,000

## Real Personal Property (RP) Tax Abatement

**10-year/90% abatement on added taxable value of Property resulting from the real property investment in the Project**

- estimated value of RP abatement (foregone tax revenue) over 10 years: \$510,128

Staff recommends an economic development incentive agreement with an estimated total value of \$4,010,128 over 10 years

- economic development grant: \$2.5 million
- sales tax grant: \$1.0 million
- real property tax abatement: estimated foregone revenue \$510,128



# Staff Recommendation: Economic Development Grant



**Economic development Grant in an amount not to exceed \$2,500,000 payable in three (3) installments and subject to the following conditions:**

**Installment 1: Developer shall be eligible for Installment 1 in the amount of \$1,000,000 payable upon verification of the following:**

- Completion of the Required Project Components (as listed on Slide 14)
- Store is open to the public and has commenced daily operations

**Installment 2: Developer shall be eligible for Installment 2 in the amount of \$1,000,000 payable after first full year (12 months after commencement of Store operation) and upon verification of the following:**

- Minimum 40% of the non-Store portion of the building (i.e. net rentable area) is leased and occupied, and
- Minimum gross sales of \$17 million for the first full year of Store operation

**Installment 3: Developer shall be eligible for Installment 3 in the amount of \$500,000 payable after the second full year (24 months after commencement of Store operation) and upon verification of the following:**

- Minimum 60% of the non-Store portion of the building (i.e. net rentable area) is leased and occupied, and
- Minimum gross sales of \$20 million for the second full year of Store operation



# Next Step



June 14, 2023: City Council



# Appendix



- Incentive Agreement Requirements
- Underwriting Summary



# Appendix: Incentive Agreement Requirements



- **Minimum Lease.** Prior to or contemporaneously with City's execution of an Agreement, Developer shall execute a minimum 15-year lease to secure a Store of a minimum 70,000 square feet.
- **Deadline for Execution of Agreement.** Developer shall execute an Agreement with the City by June 30, 2024.
- **Required Project Components.** The Project shall include the following:
  - Environmental remediation (if necessary) of the building interior
  - Demolition of the building interior
  - Site improvements (e.g. utilities; demolition/reconstruction of surface parking lot; lighting; landscaping; signage)
  - Building renovation (e.g. roof; façade; structural; mechanical; electrical; plumbing; lighting; heating/ventilation/air-conditioning; fire alarm/sprinkler; finish-out)
  - Furniture, fixtures, equipment, machinery, inventory, and security system for the H Mart supermarket
- **Completion Deadline.** Developer shall cause the construction of all Required Project Components to be substantially completed by June 30, 2026 as evidenced by certificate(s) of occupancy, letter(s) of acceptance, certificate(s) of completion, and/or similar documentation.
- **Deadline for Commencement of Store Operations.** The Store shall open to the public and commence daily operations by June 30, 2026.



# Appendix: Incentive Agreement Requirements



- **Public Access to Infrastructure Not Owned by City/Acceptance of Public Infrastructure Improvements.** If applicable, prior to payment of any portion of the incentive and at no cost to the City, Developer shall provide public access easements, deed restrictions, or other instruments reasonably acceptable to the Director of the Office of Economic Development if any street and utility infrastructure improvements associated with the Project remain in non-City ownership but require public access. If applicable, Developer shall obtain final acceptance of any public infrastructure improvements associated with the construction of the Project, as evidenced by a letter of acceptance or similar documentation issued by the City by June 30, 2026.
- **Required Minimum Private Investment.** Developer shall incur (or cause to be incurred) and provide documentation evidencing a minimum of \$20 million in real property improvements by June 30, 2026, including site improvements and building improvements (including core, shell, and finish-out) associated with the design, engineering, and construction (including hard and soft costs) of the Project. Construction management costs may be included in the private investment calculation if the construction management services are performed by an independent and unaffiliated third-party. Construction management costs must be evidenced by invoices with detailed descriptions of services performed. Developer fees, legal fees, marketing fees, financing fees, leasing commissions, carrying costs, reserves, operating deficits through stabilization and other similar costs shall not be included in the private investment calculation. With the exception of professional fees, environmental assessments, and other eligible due diligence costs, no expenditures made by Developer prior to May 3, 2023 (date of execution of the incentive LOI) may be included in the private investment calculation.



# Appendix: Incentive Agreement Requirements



- **Business Inclusion.** Developer shall make a good faith effort to comply with a goal of 40% participation by certified Minority/Women-owned Business Enterprises (“M/WBE”) for all hard construction expenditures (i.e. public and private improvements) on the Project and meet all process and reporting requirements of the City’s Business Inclusion and Development (“BID”) program.
- **Urban Design.** Prior to City Council consideration of the proposed incentive components and terms/conditions of the Agreement, Developer shall undergo Urban Design Peer Review Panel (“UDPRP”) review and respond to UDPRP comments to the satisfaction of the City’s Planning and Urban Design Department (“PUD”) staff. Developer agrees to engage with the UDPRP and PUD staff and endeavor to achieve a mutual agreement on all urban design issues.
- **Assignment.** Until construction completion pursuant to Slide 14, an assignment of the rights and/or the obligations of the Agreement in whole or in part shall only be allowed to a direct affiliate of Developer with the prior written approval of the Director, not to be unreasonably withheld.

After construction completion, Developer may assign its rights and/or obligations under the Agreement to any entity with the prior written approval of the Director, not to be unreasonably withheld.

- **Specific Uses Not Allowed.** Pawn shops, sexually oriented businesses, payday lenders, and indoor commercial amusement/recreation uses shall not be permitted in the non-Store portion of the building for the term of the Agreement.



# Appendix: Incentive Agreement Requirements



- **Local Education/Workforce Partnership.** To provide further workforce development opportunities for local small businesses and/or Dallas College students, Developer (or affiliate) shall coordinate with Dallas College to develop and mutually agree upon program to either: **(1)** foster small business development through the use of food service/restaurant incubator space at the Property or **(2)** develop an internship, externship, apprenticeship, or other “earn-and-learn” program model for Dallas College students to learn about retail management. A document agreed by both parties and describing the program and expected program outcomes shall be provided to Director of the Office of Economic Development no later than June 30, 2026. Developer shall provide annual updates on the workforce or small business program annually as part of the required annual reporting. The annual reporting shall include general information regarding the race, ethnicity, and gender of program participants.
- **Operating and Maintenance Agreement.** If applicable, and prior to construction completion, Developer shall execute an Operating and Maintenance Agreement with a term of 20 years for any Non-Standard Public Improvements associated with the Project, and if necessary, obtain a license from City for the purpose of maintaining any improvements in the public right-of-way.





# Appendix: Incentive Agreement Requirements



- **Quarterly Reporting.** Until the Project has passed final building inspection and all required paperwork documenting construction completion has been submitted to the Office of Economic Development, Developer shall submit to the Director quarterly status reports for ongoing work on the Project, in the form to be attached to the Agreement. Such status reports shall be due within thirty (30) calendar days following the end of each calendar quarter.
- **Annual Reporting.** After construction completion, Developer shall submit an annual compliance report to the Director by April 15 of each year during the Compliance Period in the form attached to the Agreement.
- **Minor Modifications.** At Developer's written request, Director may authorize one (1) extension of the Project's material dates and deadlines by up to nine (9) months for just cause.
- **Ongoing Compliance.** Beginning on the date of City's payment of Grant Installment 3, Developer shall maintain compliance with the following requirements ("Compliance Conditions"), subject to annual verification for an additional seven (7) years ("Compliance Period"):
  - Minimum 60% of the non-Store portion of the building (i.e. net rentable area) is leased and occupied, and
  - Minimum annual gross sales of \$20 million from the Store operation



# Appendix: Incentive Agreement Requirements



- **Default or Failure to Maintain Operations during Compliance Period.** If Developer is in default under the terms of the Agreement or if the Store permanently closes during the Compliance Period for a continuous period of 180 days (for reasons other than casualty, condemnation, or Force Majeure), and Developer fails to cure the default or fails to cause the Store to re-open within ninety (90) days after written notice from the City, then Developer shall be required to repay the City the following amounts of the Grant: **(i)** for an uncured default, the amount of \$200,000 per year (prorated on a monthly basis for any partial years) for the remaining Compliance Period, or **(ii)** for a permanently closed Store, the amount of \$200,000 per year (prorated on a monthly basis for any partial years) for the period the Store is closed during the Compliance Period.
- If Developer is in default under the terms of the Agreement or if the Store permanently closes during the Compliance Period for a continuous period of 180 days (for reasons other than casualty, condemnation, or Force Majeure), and Developer fails to cure the default or fails to cause the Store to re-open within ninety (90) days after written notice from the City, then Developer shall cease to remain eligible for the Sales Tax Grant and the RP Tax Abatement.



# Appendix: Incentive Agreement Requirements



- **Force Majeure.** In the event the Project has been delayed because of Force Majeure, after being provided written notice by Developer, Developer shall have additional time to complete the Project, as may be required in the event of Force Majeure, defined herein, so long as Developer is diligently and faithfully pursuing completion of the Project, as reasonably determined by the Director. Extension of Project's material dates and deadlines because of Force Majeure shall not require City Council approval. "Force Majeure" shall mean any contingency or cause beyond the reasonable control of the Developer, as reasonably determined by the Director including, without limitation, acts of nature or the public enemy, war, riot, civil commotion, insurrection, state, federal or municipal government (including, without limitation, timely issuance of permits needed to complete the development of the Project), or de facto governmental action (unless caused by acts or omissions of Developer), fires, explosions, floods, pandemics, epidemics, or viral outbreaks other than the current pandemic, shortages in labor or materials, and strikes. In the event of Force Majeure, Developer shall be excused from doing or performing the same during such period of delay, so that the completion dates applicable to such performance shall be extended for a period equal to the period of time Developer was delayed.



# Appendix: Incentive Agreement Requirements



- **Local Hiring Plan.** For all permanent employment opportunities created by operation of the Store, Developer shall submit to the Director a written plan (“Local Hiring Plan”) describing how Developer shall use and document commercially reasonable efforts to recruit and hire residents of the city of Dallas with a goal of 40% city of Dallas residents hired for the Store’s opening and commencement of daily operations.
  - At a minimum, the Local Hiring Plan shall describe how Developer will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources.
  - The Local Hiring Plan shall be subject to approval by the Director, which approval shall not to be unreasonably withheld, to ensure that employment opportunities are targeted to Dallas residents and that commercially reasonable efforts are made by Developer to promote the hiring of neighborhood residents for all new permanent jobs created by the Project.
  - Within thirty (30) calendar days of the City’s receipt of the Local Hiring Plan, the Director shall either
    - (i) approve the Local Hiring Plan or
    - (ii) in the event the Director disapproves the Local Hiring Plan, give written notification to the Developer of the Director’s disapproval, specifying the reasons for such disapproval.
  - Compliance with the Local Hiring Plan shall be a material requirement for the Agreement



# Appendix: Underwriting Summary



- Developer's original incentive application requested \$8 million in City incentives
- National Development Council (NDC), under contract with the City, conducted independent underwriting of the incentive application. Conclusions of independent underwriting:
  - **Development team:** Appears highly qualified and experienced to carry out the project.
  - **Financial capacity:** Based on reviewed audited 2021, 2020 and 2019 plus unaudited partial year 2022 financial statements, the Developer has more than sufficient resources to complete a project of this size and scope.
  - **Permanent debt capacity of Project:** Project could support a maximum of \$10 million in permanent debt; Developer provided evidence of a Letter of Credit that could be used for the project.
  - **Cost estimates of Project:** Costs are 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 incentive based on Costs and Returns:** Project has a need for City incentive assistance. Without City incentive, the project produces low positive returns; however, those returns do not achieve the required return on investment for the Developer to invest in the project. With City incentive as recommended by staff, NDC concludes no undue enrichment of Developer.





**City of Dallas**

# **H Mart**

*a redevelopment project at  
2534 Royal Lane, Dallas, TX 75229*

Economic Development Committee  
June 6, 2023

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 #:** 23-1303

**Item #:** H.

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Upcoming Agenda Item Regarding Redevelopment Project at 3000 Pegasus Park Drive  
[Kevin Spath, Assistant Director, Office of Economic Development]



**City of Dallas**

# **Bridge Labs @ Pegasus Park**

*a redevelopment project at*

*3000 Pegasus Park Dr, Dallas, TX 75247*

Economic Development Committee

June 6, 2023

Kevin Spath, AICP, EDFP, HDFP

Assistant Director

Office of Economic Development



# Overview



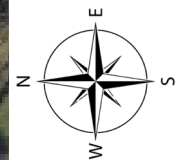
- **Background**
- **Proposed Project**
- **Staff Recommendation**
- **Next Step**
- **Appendix**



# Background: Location of Project



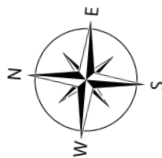
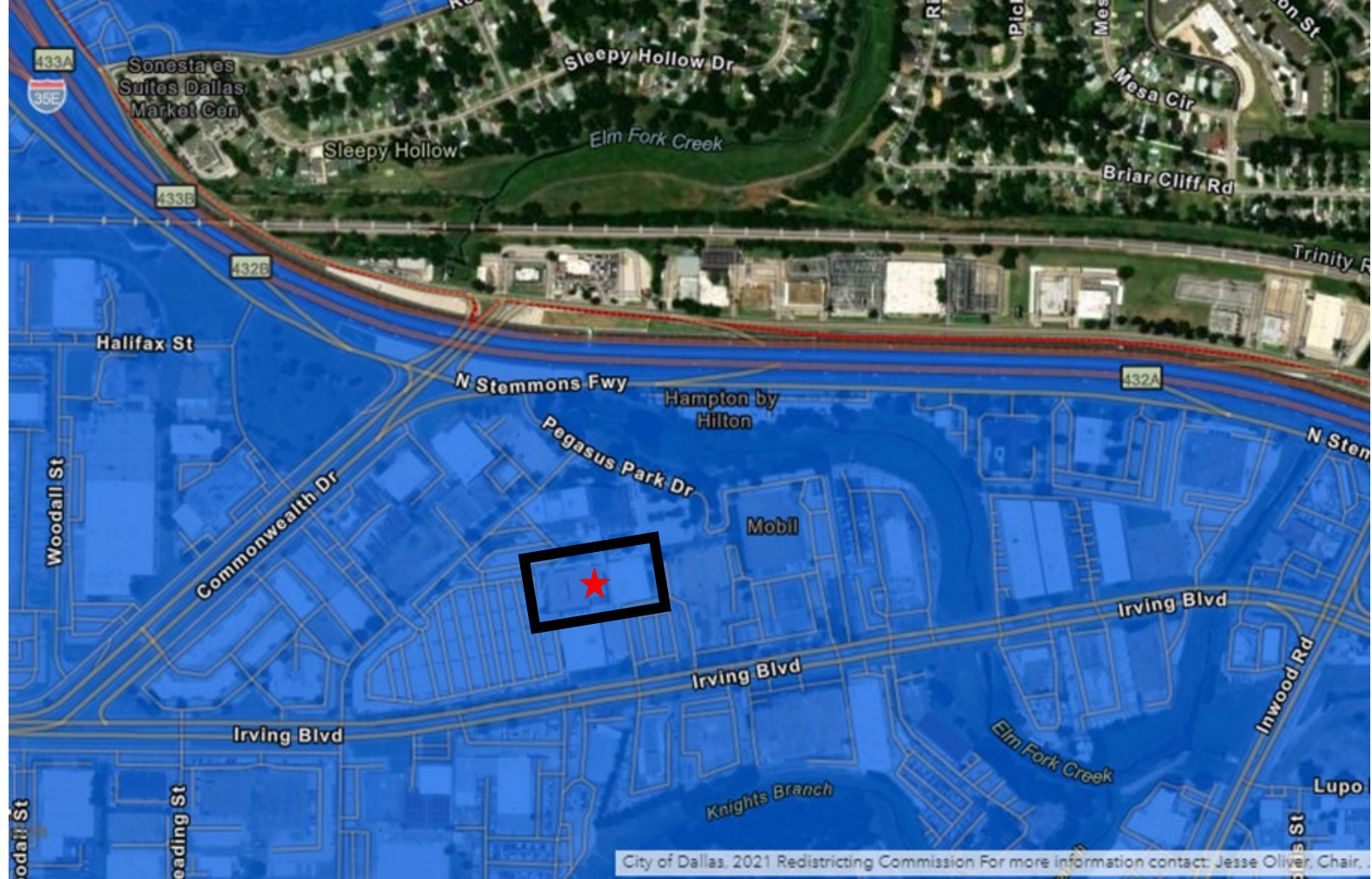
3000 Pegasus Park Dr, Dallas, TX 75247



# Background: Location of Project



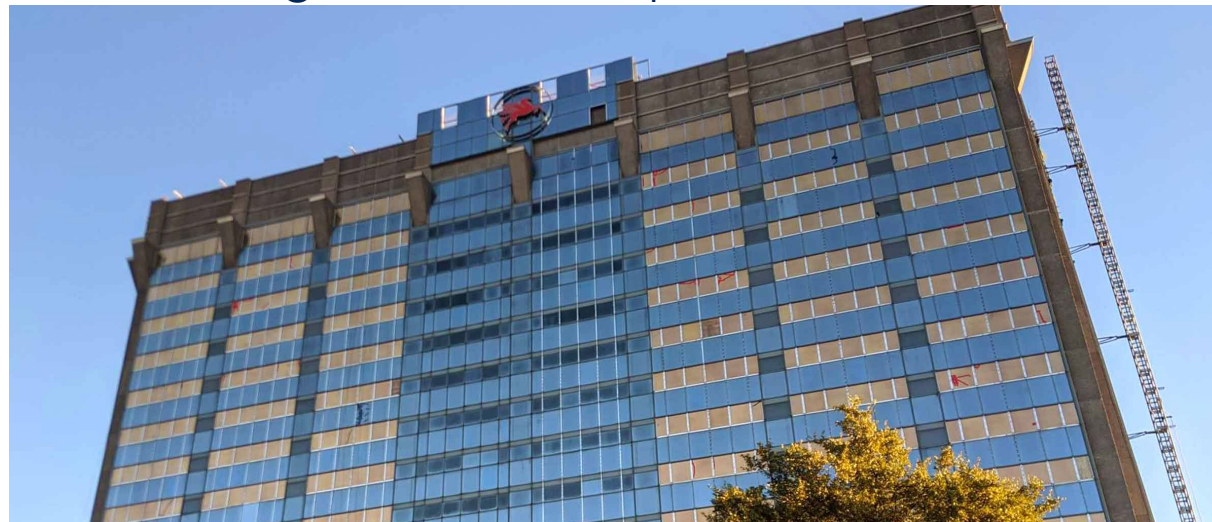
- Pursuant to the City's Incentive Policy (effective for the period January 1, 2023 through December 31, 2024), the proposed project site is located in a Target Area



# Background: Pegasus Park History



- Pegasus Park tower (formerly Pegasus Place) – an 18 story tower was originally built for the Zale Corporation in the late 1960s
- In 1976, the building was used in the science fiction movie Logan's Run
- Mobil Oil Corp purchased Pegasus Park and the tower in 1981 and became home to the Exxon Mobil Corp
- Exxon moved most of its operations out of the building in the early 2000s
- The building then sat empty for nearly a decade
- J Small Investments purchased the Pegasus Park campus in 2015 from Exxon Mobile



# Background: Pegasus Park Today



- J Small Investments and Lyda Hill Philanthropies are implementing a plan to transform Pegasus Park into a 23 acre campus envisioned to become Dallas' first life sciences campus
- Pegasus Park tower was renovated in 2021 to house a community of social impact, nonprofit, and philanthropic tenants
- Anchor tenant: BioLabs, a 37,000 square foot life science coworking facility opened in 2022
- Pegasus Park build-out over 10-15 years is planned to include:
  - 1 million square feet of life science research and lab space
  - 750,000 square feet of office space
  - parking facilities
  - campus amenities (parks and open spaces)
- Estimated total private investment exceeds \$1 billion





# Proposed Project: Bridge Labs

- Bridge Labs is the next phase in the creation of a regional epicenter for life sciences and biotechnology development in the city at Pegasus Park
- Bridge Labs Project will include redevelopment of two existing buildings on the Pegasus Park campus
  - Building 1 (highlighted in blue) - 74,082 square foot, 2-story building will be fully renovated
  - Building 2 (highlighted in orange) – 22,237 square foot building will be demolished and replaced with a newly constructed 2-story building 61,432 square feet in size
- In total, the Project will create approximately 135,000 square feet of life science/biotech laboratories and associated facilities at Pegasus Park



# Proposed Project: Summary



Pegasus Park, LLC and/or its affiliate (“Developer”) will perform or cause to be performed all site and building improvements.

- **Total Estimated Project Cost:** \$ \$110,700,483
  - estimated \$13,300,000 in acquisition and carrying costs
  - estimated \$250,000 in environmental remediation costs
  - estimated \$370,412 in demolition costs
  - estimated \$46,114,593 in core, shell and speculative lab construction costs
  - estimated \$409,656 in furniture, fixtures and equipment costs
  - estimated \$20,715,380 in tenant improvement allowance
  - estimated developer's fee of \$2,356,281
  - estimated \$27,184,161 in soft costs
- **Anticipated Project Sources:**
  - Construction Loan                      \$71,955,314 *(based on lender letter indicating a potential loan @ 65% LTC)*
  - Equity                                              \$38,745,169
- **Anticipated Completion: December 2025**



# Proposed Project: Development Team



## Developer

Pegasus Park, LLC

- J. Small Investments: over 20 years of experience sourcing real estate investments for capital partners
- Pyrite Capital Ventures, LLC: a Lyda Hill Philanthropies affiliate
- Montgomery Street Partners: a diversified commercial real estate investment firm

## Architect

Perkins & Will

## Construction Mgmt.

Pritchard Associates

## Contractor

Swinerton

## Property Mgt

J. Small Investments

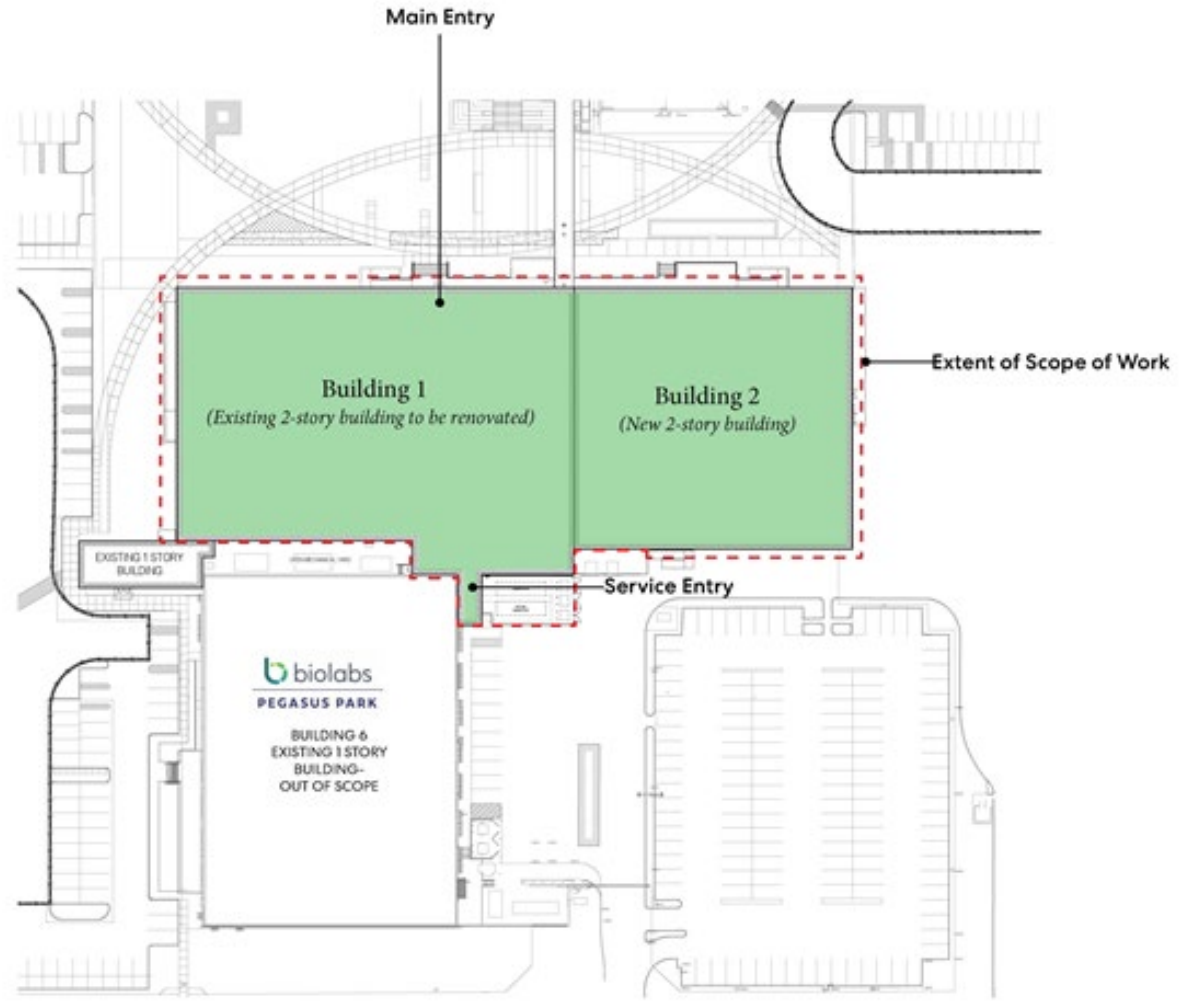
## Construction Lender

Hall Structured Finance





# Proposed Project: Site Plan



Proposed Site Plan



# Proposed Project: Rendering



# Proposed Project: Urban Design Review



On December 16, 2022, the City's Urban Design Peer Review Panel ("UDPRP") reviewed the entire Pegasus Park development plan and the conceptual plans for the Bridge Labs project. UDPRP's recommendations are below:

- Explore ways in which the Pegasus Park campus can be better incorporated with Pegasus Park Drive, Irving Boulevard, and the surrounding urban environment.
- Additional thought about the edges of the campus and how the proposed parking structures can be integrated further into the surrounding neighborhood is recommended along with consideration of adding usable space at prominent locations.
- Explore opportunities to better address how the Project Site can help activate, frame, and provide interest to the surrounding campus quad.
- Additional consideration should be given to how future parking structures can be designed to accommodate conversion to usable space in the future and/or incorporate usable space initially that better addresses prominent locations, mitigates visual dominance of the garages, and leads the campus to be more urban on public streets.
- Continue to work with transportation agencies to explore how the campus may connect to additional transit options safely and conveniently such as Trinity Rail Express.



# Proposed Project: Urban Design Review



## Continued

- Consider how landscape design can become an integral physical and visual piece of Pegasus Park with respect to urban heat island, sustainability, and low-impact development practices.
- Explore how the campus components can add to networking and personal interaction opportunities that infuse life to the campus by careful consideration of parking garage placement and complimentary uses wrapping parking garages.
- Explore how infrastructure, service, operation, and parking needs can coexist with the larger campus goals related to open space and circulation.
- The team should revisit program vs. parking demand to ensure the goals and intent of the campus are met. Continue to engage with City officials regarding parking requirements.
- Revisit the location of parking and lab space to ensure “bumpability” ratio on campus.

As a result, Developer made changes to the Bridge Labs conceptual plans to address UDPRP’s recommendations for the project site.

Developer also agreed to submit future development phases of Pegasus Park to the UDPRP to ensure the design recommendations for the campus are addressed.



# Staff Recommendation



## Economic Development Grant

**up to \$3,000,000 (payable in 3 installments)**

- City Source: Public/Private Partnership Fund

## Real Personal Property (RP) Tax Abatement

**10-year abatement on added taxable value of Property resulting from the real property investment in the Project**

- 90% abatement Years 1 through 7
- 70% abatement Years 8 through 10
- estimated value of RP abatement (foregone tax revenue) over 10 years: \$4.77 million

Staff recommends an economic development incentive agreement with an estimated total value of \$7.77 million over 10 years

- economic development grant: \$3 million
- real property tax abatement: estimated foregone revenue \$4.77 million



# Staff Recommendation: Economic Development Grant



**Economic development Grant in an amount not to exceed \$3,000,000 payable in three (3) installments and subject to the following conditions:**

**Installment 1: Developer shall be eligible for Installment 1 in the amount of \$1,200,000 payable upon verification of the following:**

- Completion of the Required Project Components (as listed on Slide 17)

**Installment 2: Developer shall be eligible for Installment 2 in the amount of \$1,000,000 payable after first full year (12 months after Substantial Completion) and upon verification of the following:**

- Minimum 50% of the net rentable area of the Project is leased and occupied

**Installment 3: Developer shall be eligible for Installment 3 in the amount of \$800,000 payable after the second full year (24 months after Substantial Completion) and upon verification of the following:**

- Minimum 75% of the net rentable area of the Project is leased and occupied



# Next Step



June 14, 2023: City Council



# Appendix



- Incentive Agreement Requirements
- Underwriting





# Appendix: Incentive Agreement Requirements



- **Project Financing.** Developer shall close construction financing for the Project prior to or contemporaneously with the City's execution of the Agreement. Developer shall provide evidence of binding commitments of all capital sources necessary to deliver the Project.
- **Deadline for Execution of Agreement.** Developer shall execute an Agreement with the City by April 1, 2024.
- **Building Permit Deadline.** Developer shall obtain a building permit from the City by June 30, 2024. A foundation permit may constitute satisfaction of this requirement. A demolition permit or grading permit does not constitute satisfaction of this requirement.
- **Required Project Components.** The Project shall include the following:
  - Environmental remediation;
  - Demolition of Building #2 and selective interior demolition within Building #1;
  - Site improvements (e.g. utilities; demolition/reconstruction of surface parking lot; lighting; landscaping; signage);
  - Renovation of Building #1 – minimum 70,000 square feet (e.g. roof; façade; structural; mechanical; electrical; plumbing); and
  - Construction of a new Building #3 – minimum 60,000 square feet.
- **Substantial Completion Deadline.** Developer shall cause the construction of the Required Project Components by December 31, 2025 as evidenced by certificate(s) of occupancy, letter(s) of acceptance, certificate(s) of substantial completion, and/or similar documentation issued by the City.



# Appendix: Incentive Agreement Requirements



- **Required Minimum Private Investment by Developer.** Developer shall invest (or cause to be invested) and provide documentation evidencing a minimum of \$70,000,000 in real property improvements, including the design, engineering and construction of site improvements and building improvements associated with the Project by December 31, 2025. Construction management costs may be included in the private investment calculation if the construction management services are performed by an independent and unaffiliated third-party. Construction management costs must be evidenced by invoices with detailed descriptions of services performed. Developer fees, legal fees, marketing fees, financing fees, leasing commissions, carrying costs, reserves, operating deficits through stabilization and other similar costs shall not be included in the private investment calculation. With the exception of professional fees, environmental assessments, and other eligible due diligence costs, no expenditures made by Developer prior to execution of this LOI may be included in the private investment calculation.
- **M/WBE Inclusion in Construction of Project.** Developer shall make a good faith effort to comply with a goal of 40% participation by certified Minority/Women-owned Business Enterprises (“M/WBE”) for all hard construction expenditures (i.e. public and private improvements) for the Project and meet all process and reporting requirements of the City’s Business Inclusion and Development (“BID”) program. See the BID reporting requirements and forms attached to this letter. Compliance shall be coordinated with the City’s Small Business Center.



# Appendix: Requirements



- **Public Access to Infrastructure Not Owned by City/Acceptance of Public Infrastructure Improvements.** If applicable, prior to City's payment of any portion of the incentive and at no cost to the City, Developer shall provide 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. If applicable, Developer shall obtain final acceptance of any public infrastructure improvements associated with the construction of the Project, as evidenced by a letter of acceptance or similar documentation issued by the City by June 30, 2026.
- **Operating and Maintenance Agreement.** If applicable, and prior to construction completion, Developer shall execute an Operating and Maintenance Agreement with a term of 20 years for any Non-Standard Public Improvements associated with the Project, and if necessary, obtain a license from City for the purpose of maintaining any improvements in the public right-of-way.
- **Ongoing Compliance.** Beginning on the date of City's payment of Grant Installment 3, Developer shall maintain compliance with the following requirement, subject to annual verification for the remaining term of the RP Tax Abatement:
  - Minimum 75% of the net rentable area of the Project is leased and occupied
- **Quarterly Reporting.** Until the Project has passed final building inspection and all required paperwork documenting Substantial Completion has been submitted to the Office of Economic Development, Developer shall submit to the Director quarterly status reports for ongoing work on the Project. Such status reports shall be due within thirty (30) calendar days following the end of each calendar quarter.



# Appendix: Incentive Agreement Requirements



- **Annual Reporting.** After Grant Installment #1 is earned by Developer and paid by City, Developer shall submit an annual compliance report to the Director by April 15 of each year during the Compliance Period in the form attached to the Agreement.
- **Minor Modifications.** At Developer's written request, the Director may authorize one (1) extension of the Project deadlines by up to nine (9) months for just cause.
- **Assignment.** Until Developer achieves Substantial Completion, an assignment of the rights and/or the obligations under the Agreement in whole or in part shall only be allowed to an affiliate of Developer with the prior written approval of the Director, not to be unreasonably withheld.

After Developer achieves Substantial Completion, Developer may assign its rights and/or obligations under the Agreement to any entity with the prior written approval of the Director, not to be unreasonably withheld.

- **Survey of Bridge Labs Site.** Developer shall provide a metes and bounds legal description and map of the Project site that depicts the separation of the Project site from the overall Pegasus Park parcel.
- **Future Phases.** City staff shall work in good faith with Developer to evaluate the overall master plan for Pegasus Park to consider the feasibility of the possible expansion of an existing TIF district or the creation of a new TIF district which may be necessary to facilitate public funding support for the development of future phases within the overall Pegasus Park master plan.



# Appendix: Incentive Agreement Requirements



- **Default or Failure to Maintain Operations during Compliance Period.** If Developer is in default under the terms of the Agreement or if the Project falls below the 75% minimum occupancy requirement described in Section E.9 during the Compliance Period for a continuous period of one-hundred (180) days (for reasons other than casualty, condemnation, or Force Majeure), and Developer fails to cure the default or fails to bring occupancy up to the required minimum of 75% within one-hundred eighty (180) days after written notice from the City, then Developer shall cease to remain eligible for the RP Tax Abatement and shall be required to repay the City the following amounts of the Grant: \$250,000 per year (prorated on a monthly basis for any partial years) for the remaining Compliance Period.
- **Force Majeure.** In the event the Project has been delayed because of Force Majeure, after being provided written notice by Developer, Developer shall have additional time to complete the Project, as may be required in the event of Force Majeure, defined herein, so long as requesting entity is diligently and faithfully pursuing completion of the Project, as reasonably determined by the Director. Extension of Project deadlines because of Force Majeure shall not require City Council approval. ("Force Majeure") shall mean any contingency or cause beyond the reasonable control of the Developer, as reasonably determined by the Director including, without limitation, acts of nature or the public enemy, war, riot, civil commotion, insurrection, state, federal or municipal government (including, without limitation, timely issuance of permits need to complete the development of the Project), or de facto governmental action (unless caused by acts or omissions of Developer), fires, explosions, floods, pandemics, epidemics, or viral outbreaks other than the COVID-19 pandemic, shortages in labor or materials, and strikes. In the event of Force Majeure, Developer shall be excused from doing or performing the same during such period of delay, so that the completion dates applicable to such performance shall be extended for a period equal to the period of time Developer was delayed.



# Appendix: Incentive Agreement Requirements



- **Local Hiring Plan.** For all permanent employment opportunities created by operation of the Store, Developer shall submit to the Director a written plan (“Local Hiring Plan”) describing how Developer shall use and document commercially reasonable efforts to recruit and hire residents of the city of Dallas with a goal of 40% city of Dallas residents hired for the Store’s opening and commencement of daily operations.
  - At a minimum, the Local Hiring Plan shall describe how Developer will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources.
  - The Local Hiring Plan shall be subject to approval by the Director, which approval shall not to be unreasonably withheld, to ensure that employment opportunities are targeted to Dallas residents and that commercially reasonable efforts are made by Developer to promote the hiring of neighborhood residents for all new permanent jobs created by the Project.
  - Within thirty (30) calendar days of the City’s receipt of the Local Hiring Plan, the Director shall either
    - (i) approve the Local Hiring Plan or
    - (ii) in the event the Director disapproves the Local Hiring Plan, give written notification to the Developer of the Director’s disapproval, specifying the reasons for such disapproval.
  - Compliance with the Local Hiring Plan shall be a material requirement for the Agreement



# Appendix: Incentive Agreement Requirements



- **Urban Design Review.** Following a formal review of the entire Pegasus Park development plan and the Project's preliminary conceptual drawings and renderings on December 16, 2022, the UDPRP provided urban design advice for the Developer. On March 30, 2023, Developer submitted to the City's Planning and Urban Design ("PUD") Department staff written responses and revised conceptual plans addressing the UDPRP's design advice. On April 14, 2023, PUD staff provided written responses to the Developer and approved the revised conceptual plans for the Project submitted on March 30, 2023. Additionally, PUD staff indicated that all future phases of the Pegasus Park development shall be required to undergo UDPRP review.

Prior to the submittal of the Project's construction plans to the City's Development Services Department as part of a building permit application, Developer shall submit a set of the construction drawings to PUD for a final staff review to ensure that the Project will be constructed in substantial conformance with the conceptual plans accepted by PUD. PUD staff shall complete the final staff review of permit drawings within ten (10) business days of submission by Developer.

Allowable minor modifications to the Project's design may include those required to comply with development regulations administered by the City's Development Services Department or other City departments, federal, state, and local laws, codes, and regulations. Prior to making any Project design changes that would be considered minor in nature, Developer shall notify the Director and submit proposed changes to the Director and PUD for review and approval.



# Appendix: Underwriting



- Developer's original incentive application requested \$10,361,374 in City incentives
- National Development Council (NDC), under contract with the City, conducted independent underwriting of the incentive application. Conclusions of independent underwriting:
  - **Development team:** Appears highly qualified and experienced to carry out the project.
  - **Financial capacity:** Based on the participation of Lyda Hill Philanthropies, the company should have more than adequate financial strength to carry out the proposed project.
  - **Debt capacity of Project:** The Project could support up to \$76.5 million in debt; City incentive has been underwritten with assumption that Project will maximize debt capacity.
  - **Cost estimates of Project:** While extremely high compared to typical office or flex industrial space, the special nature of the Project improvements makes these costs comparable to similar wet lab projects. The Project's costs seem reasonable. Construction costs could be higher than projected since the figures provided by the Developer do not represent contracted prices.
  - **Rationale for City incentive based on Costs and Returns:** Project has a need for City incentive assistance. A large driver of the subsidy need is the high cost of the specialized space being constructed. Additionally, the appraisal for the Project identifies a target equity dividend rate of 7%. Without City incentive, the project produces weak dividends early, and the targeted dividend to the Developer is not reached until year 5 of operations. With City incentive as recommended by staff, NDC concludes no undue enrichment of Developer.







**City of Dallas**

# **Bridge Labs @ Pegasus Park**

*a redevelopment project at  
3000 Pegasus Park Dr, Dallas, TX 75247*

Economic Development Committee

June 6, 2023

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 #:** 23-1442

**Item #:** I.

---

Upcoming Agenda Item Regarding Request for 12-Month Extension of Deadlines due to Force Majeure for Redevelopment Project at 1632 Martin Luther King, Jr. Blvd  
[Kevin Spath, Assistant Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE June 2, 2023

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 Regarding Request for 12-Month Extension of Deadlines due to Force Majeure regarding the Redevelopment Project at 1632 Martin Luther King, Jr. Blvd**

On October 28, 2020, City Council authorized a Chapter 380 economic development grant agreement (“Agreement”) and all other necessary documents with 1632 MLK LLC (“Grantee”) by Resolution No. 20-1731 in an amount not to exceed \$1 million in consideration of the proposed redevelopment of the commercial building at 1632 Martin Luther King Boulevard, Dallas, Texas 75215 (“Project”).

The Grantee, a for-profit affiliate of St. Philip’s School and Community Center, has been diligently and faithfully pursuing completion of the Project; however, due to extensive environmental remediation work on the Project which has been funded by and coordinated with the U.S. Environmental Protection Agency, the Project has experienced significant delays beyond the reasonable control of the Grantee.

As such, pursuant to Section 6 of the Agreement, the Grantee has recently requested a 12-month extension of all material dates and deadlines in the Agreement due to force majeure. Section 6 of the Agreement requires the City Council to approve any extensions requested by Grantee due to force majeure.

On June 14, 2023, staff will seek City Council approval of the 12-month extension requested by Grantee due to force majeure and authorization of an amendment to the Agreement (and all other necessary documents) to extend all material dates and deadlines by 12 months.

Should you have any questions, please contact Kevin Spath, Assistant Director, Office of Economic Development at (214) 670-1691 or [kevin.spath@dallas.gov](mailto:kevin.spath@dallas.gov).

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

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer 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



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1425

**Item #:** J.

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Dallas Business Journal's 2022 Best Real Estate Deals  
[Kevin Spath, Assistant Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE June 2, 2023

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 **Dallas Business Journal’s 2022 Best Real Estate Deals**

Staff is pleased to announce that several Dallas projects were recently recognized in Dallas Business Journal’s 2022 Best Real Estate Deals (BRED) award program. The BRED program highlights the best in real estate developments, both underway and delivered, across greater Dallas-Fort Worth. Winners were recognized at an awards ceremony on April 27, 2023, and will be featured in a Dallas Business Journal special report.

Out of a total of 65 finalists across 21 categories pertaining to projects and transactions, 17 of the projects recognized are located within the City of Dallas. Six (6) of those projects won their respective categories. Among the winners, two (2) projects were directly supported by the Office of Economic Development. The table below lists category winners located in the city of Dallas (asterisks indicate projects directly or indirectly supported by Office of Economic Development).

Category	Award Winner
Deal of the Year	Goldman Sachs*
Community Impact	Dream Center Dallas
HQ/Campus	Goldman Sachs*
Hospitality	JW Marriott Dallas Arts District*
Land Transaction	Mountain Creek Development
Neighborhood Impact	The Kathlyn Joy Gilliam Museum and Learning Center
Urban Office	23Springs

Please refer to **Exhibit A** for the complete list of winners and finalists located within the city as well as project summaries for those supported by the Office of Economic Development. For a comprehensive list of all the winners, please visit Dallas Business Journal’s website at <https://www.bizjournals.com/dallas/news/2023/04/28/best-real-estate-deals-winners.html>.

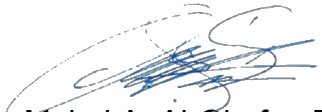
DATE June 2, 2023  
SUBJECT **Dallas Business Journal's 2022 Best Real Estate Deals**  
PAGE **2 of 2**

The Office of Economic Development would like to congratulate all dealmakers and industry executives for their involvement in these projects and recognition as economic development catalysts in our city. Special recognition was given to:

- Lucy Billingsley, Billingsley Company - Lifetime Achievement Award

Overall, the Dallas Business Journal's BRED award program further highlights the vibrancy and diversity of the real estate market in Dallas and the North Texas region. Staff are proud of the Office of Economic Development's involvement in several of these projects.

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

**[Attachment: Exhibit A Dallas Business Journal – Best Real Estate Deals Dallas Winners & Finalists]**

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer 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

# EXHIBIT A

Dallas Business Journal – Best Real Estate Deals  
Dallas Winners & Finalists

**Winner:** Goldman Sachs

**Categories:** (1) Deal of the Year, (2) HQ/Campus



Goldman Sachs has been honored with two prestigious awards by the Dallas Business Journal for their upcoming corporate office, currently under construction on an 11-acre property located between the American Airlines Center and the Perot Museum Dallas. The new Goldman Sachs campus is the first phase of Hunt Realty Investments' NorthEnd redevelopment. The four-and-a-half-acre Phase I project, developed by Hillwood Urban, includes a 1.5 acre park and a mid-rise, approximately 900,000 sq foot, office building that will house Goldman Sachs new Dallas office.

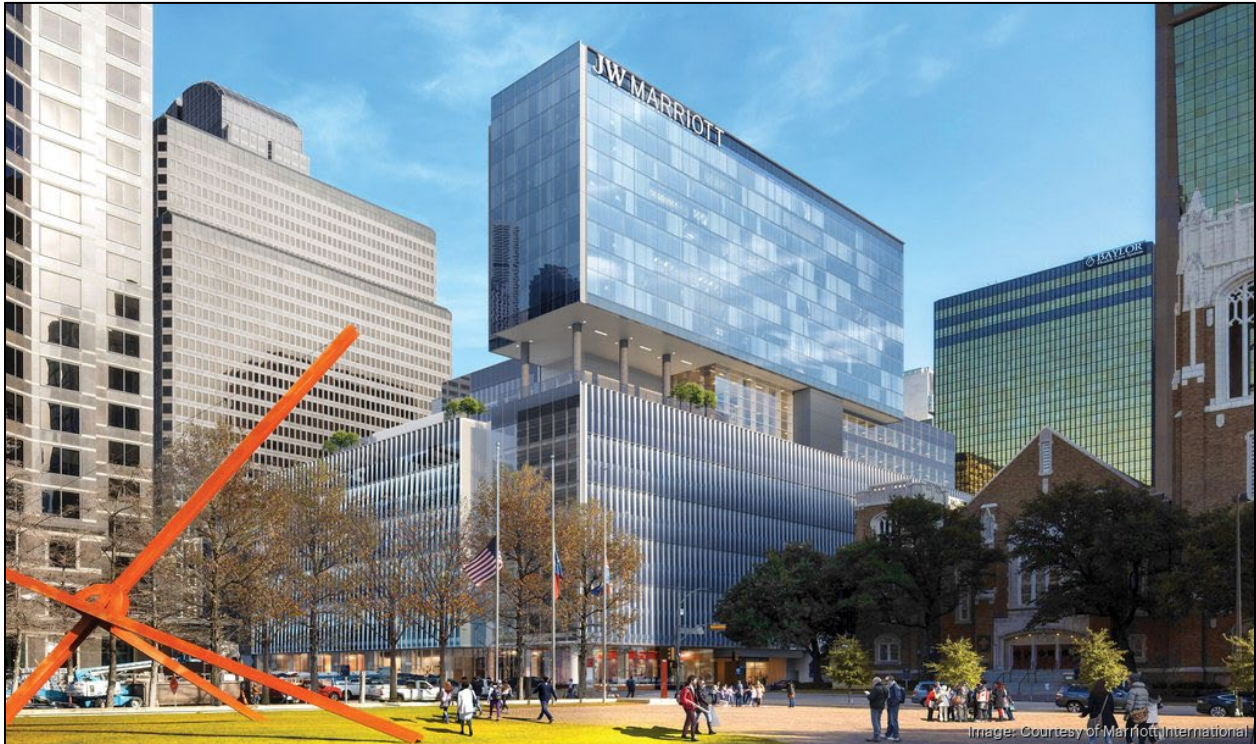
City Council demonstrated their support for Phase I of the NorthEnd redevelopment by authorizing an incentive package in June of 2022. This package included a real property tax abatement to Hunt, a business personal property tax abatement to Goldman Sachs, and an economic development grant. The incentives support the significant investment of \$390 million in real property improvements and \$90 million in business personal property improvements, as well as the creation and/or retention of 5,000 jobs.

# EXHIBIT A

Dallas Business Journal – Best Real Estate Deals  
Dallas Winners & Finalists

**Winner:** JW Marriott Dallas Arts District

**Category:** Hospitality



The JW Marriott Dallas Arts District has been awarded the title of Dallas Business Journal's Best Hospitality Project of 2022. After almost five years of planning and execution, this luxurious hotel is set to open in mid-June at a cost of \$130 million. The Sam Moon Group, recognized for previous successful hospitality ventures such as the Renaissance Dallas at Plano Legacy West, has utilized their years of experience to create a truly exceptional hotel experience.

This high-end hotel will include 267 rooms spanning from floor 14 to 22 with stunning views of the Dallas Arts District. The project received \$5 million in loans facilitated by the City of Dallas Property Assessed Clean Energy (PACE) program, which was utilized for various sustainable improvements, including building envelope, HVAC, interior/exterior lighting, plumbing, and elevator upgrades. These efforts are expected to result in an annual savings of approximately 450,000 kilowatt-hours of electricity and over 577,000 gallons of water.



# EXHIBIT A

Dallas Business Journal – Best Real Estate Deals  
Dallas Winners & Finalists

## **Additional Dallas Finalists**

<b>Category</b>	<b>Finalists Located in the City of Dallas</b>
Commercial Property Sale	The Luminary*
Community Impact	City of Dallas Fire Station #59
Land Transaction	2727 Turtle Creek
Multifamily	The Boheme
Office Lease	AMN Healthcare, Bank OZK, TRG, Texas Capital Bank Headquarters
Retail or Restaurants	Stanley Korshak at the Crescent
Urban Office	155 River Edge
* Indicates facilitation from the 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 #:** 23-1426

**Item #:** K.

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Upcoming Agenda Item: Approve a Forbearance Agreement and associated loan modification documents with TEOF HOTEL LP for the Section 108 Hotel Project  
[Maria Smith, Interim Assistant Director, Office of Economic Development]

# Memorandum



CITY OF DALLAS

DATE June 2, 2023

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: Approve a Forbearance Agreement and associated loan modification documents with TEOF HOTEL LP for the Section 108 Hotel Project**

Under the Section 108 program, the U.S. Department of Housing and Urban Development (HUD) provides communities with access to financing for large-scale community or economic development projects. The grantee pledges current and future Community Development Block Grant (CDBG) funds as collateral for the guaranteed loan. On January 14, 2015, the City Council via Resolution No. 15-0147, approved an \$11 million, 13-year Section 108 loan agreement with HUD for the rehabilitation of a blighted and vacant hotel structure termed the "Hotel Project". Concurrently, the City approved lending \$11 million in Section 108 loan funds received from HUD to TEOF Hotel LP, a for-profit entity, to rehabilitate the former Plaza Hotel at 1011 South Akard Street into a new, 12-floor, 237-room hotel which currently operates as the Lorenzo Hotel (Hotel Project).

On June 14, 2023, City Council will consider authorizing a loan Forbearance Agreement and associated loan modification documents with TEOF Hotel LP related to the Hotel Project. As part of the loan forbearance agreement, City Council will consider authorizing a Guarantee Agreement with Lawrence E. Hamilton, III, as trustee of the Lawrence E. Hamilton Living Trust. The Guarantee Agreement obligates the trust to maintain at least \$5 million in liquid assets (such amount which may be reduced to \$4 million in liquid assets if the hotel is converted to a Marriott or Hilton flagged hotel) and \$25 million in net worth which should cover the potential for a default on TEOF's note with City and pursuit of the trust's assets in the event a bank foreclosure or sale of hotel proceeds is insufficient to repay the City's outstanding liability with HUD.

This agenda item also requests City Council approval to amend the City's Hotel Project loan agreement with HUD to assign new collateral coverage provided through the Guarantee Agreement to HUD. While HUD has reviewed and provided an initial approval of the City's proposed loan workout, HUD must still review and approve the collateral coverage assignment. Execution of all loan workout documents is contingent on receipt of HUD's final approval on terms of new collateral assignment agreement.

Finally, the agenda item will request City Council approval to repay \$1,732,047.00 in CARE Act Funds used by the City to make principal and interest payments to HUD between January 1, 2021 and August 1, 2022, as funds are received from TEOF Hotel LP.

## **Background**

In FY 2018-19, administration of the City's outstanding Section 108 loan agreements, including the Hotel Project, was transferred from the Housing Department to the Office of Economic Development (OED). Both loans were initially set up to have a matching amortization schedule. Principal and interest payments made by TEOF Hotel LP with cash flow from the project would provide the City with funds to make payments on its Section 108 Loan from HUD. However, if the project's cash flow fell short or if the project otherwise failed, any applicable loan payments would be made from the City's future CDBG allocation of entitlement funds. The Hotel Project also had to meet the CDBG National Objective of benefitting low-to-moderate income persons and other public benefit standards set forth in HUD regulations, including the creation of an estimated 220 permanent full-time equivalent jobs.

In the spring of 2020, TEOF Hotel LP communicated to the City that, due to the impact that COVID-19 had on the hotel industry, it would be unable to make a loan principal payment of \$504,000.00 and interest payment of \$141,306.35 which the City needed to make a corresponding principal and interest payment on its loan to HUD due on August 1, 2020.

To avoid a loan default with HUD which would have jeopardized the City's future allocation of CDBG funds, on June 24, 2020 via Resolution No. 20-1036, the City Council authorized an additional promissory note with HUD that amortized the outstanding \$504,000.00 principal payment over remaining loan term and added variable interest on deferral note due quarterly. To make a \$141,306.35 interest payment that HUD did not allow the City to defer, the City offset funds from a payment due to TEOF Hotel LP under another agreement. The City is holding the balance of these offset funds in a debt service reserve fund to service the quarterly variable interest due on deferral note.

As the COVID-19 pandemic continued to unfold, TEOF Hotel LP continued to experience financial challenges. On November 11, 2020 via Resolution No. 20-1845, the City Council authorized the use of up to \$1,800,000.00 in Care Act funds as interim loan financing. A total of \$1,732,047.00 in Care Act funds was used to make principal and interest payments due to HUD between January 1, 2021 and August 1, 2022.

Since then, the City has had ongoing discussions with TEOF Hotel LP to negotiate a loan workout that reflects new liquidity and security requirements and a revised amortization schedule. The City has also been in communication with HUD's Loan Management Team to ensure that the City's proposed loan workout with TEOF Hotel LP is agreeable to HUD. After many months of review, the City's proposed loan workout documents were approved by HUD in May 2023, but final approval is still pending from HUD on the proposed new collateral coverage assignment.

In summary, the revised amortization schedule provides a way for TEOF Hotel LP to make the City whole for entire balance of funds loaned to TEOF Hotel LP plus interest which combined, total \$14,667,040.22 through loan's maturity on August 1, 2027 (*see Table 1 below*). To this aim, TEOF Hotel LP made a \$123,653.00 interest payment in December 2022

DATE June 2, 2023  
 SUBJECT **Upcoming Agenda Item: Approve a Forbearance Agreement and associated loan modification documents with TEOF HOTEL LP for the Section 108 Hotel Project**  
 PAGE **3 of 3**

(used by City to make a February 1, 2023 payment to HUD) plus \$53,304.70 in catch-up, unpaid interest due to City.

\$ 2,958,426.22	Paid by Borrower through 8/1/2020
\$ 123,653.00	Paid by Borrower 12/9/22 for 2/1/2023 interest payment
\$ 53,304.70	Paid by Borrower 12/9/22 for default interest catch up
\$ 11,531,656.30	Remaining payments through maturity
<b>\$ 14,667,040.22</b>	<b>Total</b>

*Table 1: Reconciliation of Funds Already Paid and To Be Paid by TEOF Hotel LP Through Maturity*

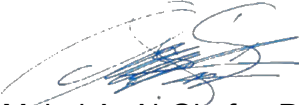
The borrower’s current outstanding loan balance is \$10,430,339.80 (see Table 2 below). A total of \$1,559,000.00 in overdue principal and \$858,339.80 in overdue interest payments will be amortized over remaining principal and interest payments that total \$9,114,316.50, for combined remaining payment total of \$11,531,656.30 between August 1, 2023 and August 1, 2027.

\$ 8,013,000.00	Principal over remaining term
\$ 1,559,000.00	Default principal
<b>\$ 9,572,000.00</b>	<b>Total principal</b>
\$ 858,339.80	Default interest
<b>\$ 10,430,339.80</b>	<b>Borrower’s Outstanding balance</b>
\$ 1,101,316.50	Interest over remaining term
<b>\$ 11,531,656.30</b>	<b>Total Through Maturity</b>

*Table 2: Remaining Loan Funds to Be Repaid by TEOF Hotel LP to City Through Maturity*

The forbearance agreement also contains language affirming City’s right to request repayment from TEOF Hotel LP for any deferral note carrying costs in excess of reserve funds held by the City due to HUD.

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

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

- c: T.C. Broadnax, City Manager
- Tammy Palomino, Interim 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



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1298

**Item #:** L.

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Development Code Amendment on 2-Year Waivers  
[Dr. Andreea Udrea, Assistant Director, Department of Planning and Urban Design]

# Memorandum



CITY OF DALLAS

DATE June 2, 2023

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 **Development Code amendment to address the two-year limitation applicability, standards to grant a waiver, and related regulations**

## Summary

The purpose of this memorandum is to brief the City Council Economic Development Committee on **DCA212-007**, a Development Code amendment to address the two-year waiting period required between a final decision of either **approval or denial** of a zoning change or specific use permit (SUP) and any subsequent application for a zoning change or SUP on that same property.

## Background

On May 11, 2022, City Plan Commission (CPC) authorized a public hearing to consider an amendment to Dallas Development Code, Section 51A-4.701(d), “Two year limitation”, to assess the applicability of the two-year limitation, the standard for the waiver of two-year limitation, and related regulations. The Zoning Ordinance Advisory Committee (ZOAC) met three times between November 2022 and January 2023 to review this item and forwarded its recommendation to the City Plan Commission (CPC), which met and made a recommendation on March 2, 2023.

## Issue

For CPC to grant a waiver to the waiting period, the Development Code requires a finding of, “changed circumstances to the property sufficient to warrant a new hearing.” Based on this language, staff and CPC have often had conflicting conclusions. Staff has historically interpreted this to mean that physical changes to the property must occur to warrant a new hearing. CPC often found intrinsic evidence to suggest that changes had occurred since the previous final decision, and almost always granted the waiver. Therefore, CPC authorized a code amendment to resolve the conflict between staff and CPC interpretations and to reconsider the narrow circumstances that warrant a waiver to the two-year waiting period.

Although it was not an original component of CPC’s rationale for initiating the code amendment, it is important to note that the current two-year waiting period applies equally to both previously approved and denied zoning and SUP cases, which arose as an issue during CPC’s review and discussion. The only exceptions are for final decisions

of denial without prejudice and when an SUP was approved for a period of two years or less.

Staff researched two-year waiver requests that were filed from 2018 to 2022 and found that of 13 waiver requests, eight (8) were submitted after a final decision of approval and five (5) were submitted after a final decision of denial. **All** waiver applications that were submitted after a final decision of **approval** by CPC were granted a waiver. For waiver requests submitted after a decision of denial, four (4) out of five (5) were granted.

Staff also analyzed the applicable regulations from 15 comparison cities and found that Austin, Baltimore, Boston, Buffalo, Columbus, Fort Worth, Houston, Minneapolis, Philadelphia, San Antonio, San Diego, San Francisco, and San Jose (13 cities) do **not** require a waiting period after a final decision of approval. Two (2) of the comparison cities have a similar requirement to Dallas: Atlanta requires a two-year waiting period for properties with a final decision of approval or denial, while El Paso requires a waiting period of just one-year for properties with a final decision of approval or denial.

### **CPC and Staff Recommendations**

After much discussion about waiver review criteria and whether to include or exempt previously approved cases from the two-year waiting period, CPC ultimately recommended a minor change to the existing regulations. Specifically, CPC recommended an amendment limited to additional language to expand the circumstances to grant a waiver but recommended **no change** to requiring a waiver for properties with previous final decisions of either **approval or denial** to be subject to the two-year waiting period before a subsequent application can be made.

Alternatively, based on CPC's pattern of waiver approvals, analysis of codes from surrounding and comparable jurisdictions, and the City's goal to remove barriers to certain development processes, staff recommends **eliminating approvals** from the two-year waiting period. The current two-year waiting period between an approved zoning or SUP application on a property creates an inefficient process and additional time constraints. Exempting previously approved cases from the two-year waiver process does not exempt these applications from additional public review. All zoning and SUP cases are still required to follow the CPC and City Council public hearing process. Staff's recommendation would simply remove an extra step to streamline the development process, especially in areas where the community is expecting development to occur. Staff's recommended amendments are intended to align Dallas more closely with other area cities and further the City's goal to undergo regulatory review to remove barriers to growth and development. The case report is attached to this memorandum.

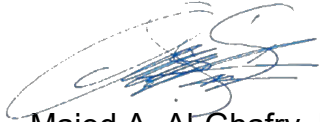


DATE June 2, 2023  
SUBJECT **Development Code amendment to address the two-year limitation applicability, standards to grant a waiver, and related regulations**  
PAGE **3 of 3**

## Next Steps

This item will be heard at the City Council meeting on June 14, 2023. Based on the analysis of the CPC and staff recommendations in the above section, staff is recommending that the City Council follow staff's recommendation to eliminate approvals from the two-year waiting period to help streamline the development process for previously approved projects.

Please contact Julia Ryan, Director of Planning and Urban Design, at (972) 894-1648 or [julia.ryan@dallas.gov](mailto:julia.ryan@dallas.gov) if you have any questions or concerns.



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

### [Attachment: DCA212-007 Case Report]

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
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M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
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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

**FILE NUMBER:** DCA212-007(LL) **DATE INITIATED:** Fall 2022

**TOPIC:** Development Code Amendment to consider amendments to the two-year limitation applicability, standards to grant a waiver, and related regulations

**COUNCIL DISTRICT:** All **CENSUS TRACTS:** All

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**REQUEST:** Consideration of amending Chapter 51A of the Dallas Development Code, Section 51A-4.701(d), "Two year limitation," to revise the applicability of the two-year limitation, standards to grant a waiver, and related regulations.

**SUMMARY:** The proposed code amendments modify the two-year limitation between a final decision of approval or denial of an application for a change in zoning or boundary line adjustment and a subsequent request and the standards to be considered to grant a waiver. These modifications are intended to align Dallas more closely with other area cities and further the City's goal to undergo regulatory review to remove barriers to growth and development.

**CPC RECOMMENDATION:** Approval of City Plan Commission's recommendations.

**STAFF RECOMMENDATION:** Approval of staff's recommendations.

**CODE AMENDMENT WEBPAGE:**  
<https://dallascityhall.com/departments/pnv/Pages/Code-Amendments.aspx>

**BACKGROUND INFORMATION:**

- On May 11, 2022, City Plan Commission (CPC) approved the request of Chair Joanna Hampton, Vice Chair Brent Rubin, and Commissioner Michael Jung to initiate a public hearing to consider a code amendment of the Dallas Development Code, Section 51A-4.701(d), “Two year limitation,” to revise the applicability of the two-year limitation, the standard for the waiver of two-year limitation, and related regulations.
- On November 15, 2022 and January 17, 2023, staff presented recommendations for two-year limitations to ZOAC. At the meeting, ZOAC asked staff to consider additional items to be considered to grant a waiver.
- On January 31, 2023, ZOAC motioned to move the item forward to CPC with an alternate recommendation to staff’s recommendations.
- On March 2, 2023, CPC motioned to move the item forward to City Council with an alternate recommendation to staff’s recommendations.

**STAFF ANALYSIS:**

CPC initiated the code amendment to review the current two-year waiting period required between a final decision of approval or denial of an application for a change in zoning or boundary line adjustment and a subsequent application for a change in zoning or boundary line adjustment. A two-year waiting period is not required for minor amendments to site, landscape, or development plans and original development plans. However, any change to an approved site, landscape, or development plan that does not qualify for a minor amendment would be subject to the two-year waiting period.

The current two-year waiting period between an approved zoning or specific use permit (SUP) application on a property creates challenges because relief from the waiting period is only granted with a waiver from CPC. The CPC waiver process adds at least a month to a minimum two public hearings by CPC and Council that are already required for a zoning change, including an SUP and a boundary adjustment.

To grant a waiver under the existing parameters, the commission must consider what is meant by “changed circumstances regarding the property sufficient to warrant a new hearing”. The meaning of this phrase has historically been interpreted in a variety of ways ranging from physical changes to the land or existing structures which have been altered outside the property owner’s control (e.g. tornado, fire damage, flooding, etc.) to changes that are not physically discernable such as a change in interpretation, property

owner, or market conditions. These differing interpretations have complicated the waiver process and therefore warrants review.

### Analyses of Previous Two-Year Waiver Requests

Most waiver applications are made so that a subsequent application and public hearings could occur to adjust for changes in market conditions, correct inconsistencies in the preceding zoning or SUP ordinance, or because an SUP was granted within two years on the same property, often for an unrelated use to the new application requiring a waiver.

Staff researched two-year waivers that were filed from 2018 to 2022 and found five out of 13 waivers that were submitted as a result of final decisions of denial (with prejudice). Of the 13 waiver applications that were submitted, 12 (92.3%) waivers were approved. Of those five waiver applications, two were granted approval by CPC within one month of filing and two were denied within one month of filing the application. Of those two denied by CPC, one was ultimately granted (overturned) upon an appeal to City Council within six months of filing the application. One waiver application was granted within two months of filing the application.

### Exempting Approvals from the Two-Year Waiting Period

CPC recommends no change to the waiting period for approvals whereas staff recommends an exemption for approvals for an SUP or for a change in zoning district classification or boundary from the two-year limitation. Staff's recommendation to exempt approvals from a waiting period will have at least four significant impacts as described below:

1. Exempting approvals from the waiting period would eliminate 61.5%, or eight out of 13 waiver applications, based on the waivers submitted between 2018 and 2022 – significantly reducing the number of waiver applications. This reduction in the number of waiver applications submitted will save time for staff and the commission.
2. Exempting approvals from the waiting period will save time for the property owner because the waiver process adds a minimum of one month in addition to the zoning change process which could take an additional three to six months when there is no backlog of cases. This additional time to go through a waiver process could negatively impact further development of a property. Staff's recommendation supports the goal to undergo regulatory review to remove barriers to growth and development, particularly in areas that are experiencing accelerated economic growth and vitality or a resurgence of growth and development. It also directly correlates to the Economic Development Policy (EDP) to analyze and improve development review processes to encourage predictability in order to meet the larger goal of leveraging a diverse range

of commercial and industrial development opportunities in all areas of the city to meet 10-year demand for business growth.

3. Exempting approvals from the waiting period would align with 13 out of 15 cities compared. The comparison shows that only Atlanta and El Paso require approvals to have a waiting period. Austin, Baltimore, Boston, Buffalo, Columbus, Fort Worth, Houston, Minneapolis, Philadelphia, San Antonio, San Diego, San Francisco, and San Jose do not require approvals to have any waiting period. Eliminating the waiting period for approvals would help to make Dallas competitive and ultimately better positioned for more development opportunities in a competitive climate.
4. Exempting approvals from a waiting period will realign previous decisions for approval with previous decisions for denial without prejudice instead of the current requirement which requires previous decisions for approval to wait like previous final decisions of denial (with prejudice). In rare circumstances when portions of a previous request that were not included in the previous approval are resubmitted within two years of the previous final decision, CPC and Council still retain the option to work with the applicant to find consensus, deny the subsequent request without prejudice, or deny the subsequent request with prejudice and impose a two-year waiting period before another subsequent request can be made. This concern for this rare circumstance should not outweigh the consequences of requiring all previous decisions of approval to get a waiver.

Ultimately, staff has found insufficient reasons to maintain a two-year waiting period for approvals alongside denials (with prejudice). Therefore, staff recommends that properties that were granted a specific use permit or approved for a change in zoning district classification or boundary should not be required to wait two years before making a subsequent request.

#### Additional Standards

Regarding CPC's recommendation to amend, "The commission may waive the two-year limitation if there is good cause [~~are changed circumstances regarding the property~~] sufficient to warrant a new hearing", staff cannot support replacing "changed circumstances" with "good cause". Since the meaning of "good cause" is unclear as to what it means, it is expected to lead to more confusion.

Staff does support allowing the applicant to justify or make the case for the request on a case by-case basis. Therefore, staff recommends the criteria to read, "The commission may waive the two-year limitation if there are changed circumstances [~~regarding the property~~] sufficient to warrant a new hearing" because removing "regarding the property" will help to resolve confusion and conflicting interpretations by staff and CPC. Historically,

“regarding the property” has often been interpreted to mean physical changes to the property (e.g., tornado, fire, flood) in lieu of nonphysical changes concerning the property sufficient to warrant a new hearing (e.g., changes in market conditions, correct inconsistencies in the preceding zoning or SUP ordinance, or because an SUP was granted within two years on the same property, often for an unrelated use to the new application requiring a waiver).

Refining Terminology:

The remaining proposed amendments include many changes that simply refine the existing interpretation. For example, the word “subsequent” is proposed to replace “further”. Although no significant changes in interpretation were discovered with this proposed change, staff believes “subsequent” is a more refined and appropriate word in this context and was seen in some comparison cities. The remainder of the changes proposed are considered improvements to the existing requirements but are not significant changes to current practices and interpretations.

**Summary of Staff Recommendations**

Staff recommends removing the two-year limitation for approvals of a change in zoning district classification or boundary, which includes decisions to grant SUPs. Exempting approvals from the two-year waiting period will significantly reduce the number of two-year waiver applications presented to CPC and it is expected to have a direct impact on development and economic growth; particularly in areas that are experiencing accelerated economic growth and vitality or a resurgence of growth and development. Staff’s recommended amendments will also align Dallas more closely with other area cities. Additionally, staff believes that staff’s recommended standards to grant a waiver provide more clarity and direction and allows the applicant to provide the justification for the waiver on a case-by-case basis.

**CPC/Staff Recommended Amendments to §51A-4.701. Zoning Amendments**

Note: ~~Strikeouts~~ are words being removed. Underlined words are words being added.

(d) Two-year [~~Two-year~~] limitation.

***CPC Recommendation:***

(1) Except as provided in Subsections (d)(2) and (d)(3), after a final decision is reached by the commission or city council either granting or denying a request for a change in a zoning district classification or boundary, no subsequent [~~further~~] applications may be considered for that property for two years from the date of the final decision.

(2) If the commission or the city council renders a final decision of denial without prejudice, or if the city council grants a specific use permit and imposes a time limit of two years or less, the two-year [~~two-year~~] limitation is waived.

***Staff Recommendation:***

(1) Except as provided in Subsections (d)(2) and (d)(3), after a final decision is reached by the commission or city council [~~either granting or~~] denying a request for a change in a zoning district classification or boundary, no subsequent [~~further~~] applications may be considered for that property for two years from the date of the final decision.

(2) If the commission or the city council renders a final decision of denial without prejudice, [~~or if the city council grants a specific use permit and imposes a time limit of two years or less,~~] the two-year [~~two-year~~] limitation is waived.

(3) A property owner may apply for a waiver of the two-year [~~two-year~~] limitation in the following manner:

(A) The applicant shall submit the [~~his~~] request in writing to the director. The director shall inform the applicant of the date on which the commission shall consider the [~~his~~] request and shall advise the applicant of the [~~his~~] right to appear before the commission.

***CPC Recommendation:***

(B) The commission may waive the two-year limitation if there is good cause [~~are changed circumstances regarding the property~~] sufficient to warrant a new hearing.

***Staff Recommendation:***

(B) The commission may waive the two-year limitation if there are changed circumstances [~~regarding the property~~] sufficient to warrant a new hearing.

(C) A simple majority vote by the commission is required to grant the request. If a waiver [~~rehearing~~] is granted, the applicant shall follow the procedure for a[n] zoning amendment per [~~to~~] this article or a request for a change in a zoning district classification or boundary.

(D)~~(C)~~ If the commission denies the request, the applicant may appeal in writing to the city council by filing an appeal with the director.



**MARCH 2, 2023 – DRAFT CITY PLAN COMMISSION MINUTES**

**23-697** DCA212-007(LL)

Planner: Lori Levy

**Motion:** It was moved to recommend **approval** of amending Chapter 51A of the Dallas Development Code, Section 51A-4.701(d), “Two year limitation” to revise the applicability of the two-year limitation, the standard for the waiver of two-year limitation, and related regulations, subject to Zoning Ordinance Advisory Committee proposed amendments and to follow staff’s recommendations regarding Subsections (3)(B) with change to read as follows: “The commission may waive the two-year limitation if there ~~are changed circumstances~~ **is good cause** sufficient to warrant a new hearing.”

Maker: Hampton  
Second: Blair  
Result: Carried: 13 to 0

For: 13 - Hampton, Herbert, Anderson, Shidid, Carpenter, Wheeler-Reagan, Blair, Jung, Housewright, Treadway, Stanard, Kingston, Rubin

Against: 0  
Absent: 2 - Popken, Haqq  
Vacancy: 0

**Friendly Amendment I:** It was moved to **amend** the motion to follow staff’s recommendations regarding Subsections (d)(1) and (d)(2): to change waivers only required after the denial with prejudice; no longer after the approval.

Maker: Rubin  
Second: Shidid  
Result: Failed: 5 to 8

For: 5 - Shidid, Carpenter, Wheeler-Reagan, Treadway, Rubin

Against: 8 - Hampton, Herbert, Anderson, Blair, Jung, Housewright, Stanard, Kingston  
Absent: 2 - Popken, Haqq  
Vacancy: 0

**Friendly Amendment II:** It was moved to **amend** the motion to follow staff’s recommendations regarding Subsections (3)(B): “The commission may waive the two-year limitation if there ~~are changed circumstances~~ **is good cause** sufficient to warrant a new hearing.”

**Note: Vice-Chair Rubin offered an amendment to Commissioner Kingston's Friendly Amendment II: to change "The commission may waive the two-year limitation if there are changed circumstances sufficient to warrant a new hearing." to "The commission may waive the two-year limitation if there is good cause sufficient to warrant a new hearing." Commissioner Kingston accepted the amendment.**

Maker: Kingston  
Second: Rubin  
Result: Carried: 10 to 3

For: 10 - Herbert, Anderson, Shidid, Carpenter, Wheeler-Reagan, Blair, Housewright, Treadway, Kingston, Rubin

Against: 3 - Hampton, Jung, Stanard  
Absent: 2 - Popken, Haqq  
Vacancy: 0

**Friendly Amendment III:** It was moved to **amend** the motion to follow staff's recommendations regarding Subsections (d)(2): to add language with the intent the waiver not required for City initiated zoning amendments (authorized hearings).

Maker: Rubin  
Second: Shidid  
Result: Failed: 5 to 8

For: 5 - Anderson, Shidid, Wheeler-Reagan, Treadway, Rubin

Against: 8 - Hampton, Herbert, Carpenter, Blair, Jung, Housewright, Stanard, Kingston  
Absent: 2 - Popken, Haqq  
Vacancy: 0

**Speakers:** None



# City of Dallas

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

## Agenda Information Sheet

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**File #:** 23-1299

**Item #:** M.

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Update on SDFPOF approved NOFA human development grants and recipients (Dallas Prestige Group, Family Care Connection, Friends of MLK).  
[Joyce Williams, Director, Small Business Center]

# Memorandum



CITY OF DALLAS

DATE June 2, 2023

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 **South Dallas Fair Park Opportunity Fund: NOFA Awards**

The purpose of this memorandum is to provide an update on the South Dallas/Fair Park Opportunity Fund (SDFPOF) as authorized by City Council Resolution No.18-0922 and Ordinance No. 30905 on June 27, 2018. The SDFPOF provides loans and grants to promote economic development and supports human development and small business initiatives in neighborhoods surrounding the South Dallas Fair Park service area.

A total of \$200,000 in funding for human development projects is authorized for award to non-profits as reimbursable grants through a Notice of Funding Available (NOFA) on an annual basis. Under the Human Development program, contracts must demonstrate measurable outcomes related to the following goals in the service area:

- increase workforce participation and readiness
- stimulate small business activity and growth
- improve health outcomes
- improve public safety; or
- improve educational outcomes

On May 13, 2023, the South Dallas/Fair Park Opportunity Fund Board approved the following applications for human development funding for a total amount of \$90,000 to be disbursed by May 31, 2024. The remaining fund balance of \$110,000 will be allocated for additional grants to non-profits through the Small Business Center.

Group	Funding Amount
Dallas Prestige Group	\$50,000
Family Care Connection	\$30,000
Friends of MLK	\$15,000

Staff will be available to respond to questions and provide additional information at the June 5, 2023 Economic Development Committee meeting. In the meantime, please feel free to contact me or Joyce Williams, Director of the Small Business Center at [joyce.williams@dallas.gov](mailto:joyce.williams@dallas.gov) should you have any additional questions or concerns.

Kimberly Bizer Tolbert  
Deputy City Manager

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
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Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors