

MINUTES OF THE CITY COUNCIL COMMITTEE
TUESDAY, SEPTEMBER 5, 2023

23-0013

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

PRESENT: [7] Atkins, Narvaez, West, Arnold, *Bazaldua, Stewart, Ridley

ABSENT: [0]

The meeting was called to order at 1:10 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.

After all business properly brought before the committee had been considered, the meeting adjourned at 2:58 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.**

MINUTES OF THE CITY COUNCIL COMMITTEE
TUESDAY, SEPTEMBER 5, 2023

EXHIBIT A

City of Dallas

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



Economic Development Committee

September 5, 2023

1:00 PM

2023 CITY COUNCIL APPOINTMENTS

COUNCIL COMMITTEE	
ECONOMIC DEVELOPMENT Atkins (C), Narvaez (VC), Arnold, Bazaldua, Ridely, Stewart, West	GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT West (C), Blackmon (VC), Mendelsohn, Moreno, Resendez
HOUSING AND HOMELESSNESS SOLUTIONS Moreno (C), Mendelsohn (VC), Gracey, West, Willis	PARKS, TRAILS, AND THE ENVIRONMENT Stewart (C), Moreno (VC), Arnold, Bazaldua, Blackmon, Narvaez, West
PUBLIC SAFETY Mendelsohn (C), Stewart (VC), Atkins, Moreno, Willis	QUALITY OF LIFE, ARTS, AND CULTURE Bazaldua (C), Resendez (VC), Blackmon, Gracey, Ridely, Schultz, Willis
TRANSPORTATION AND INFRASTRUCTURE Narvaez (C), Gracey (VC), Atkins, Mendelsohn, Resendez, Schultz, Stewart	WORKFORCE, EDUCATION, AND EQUITY Schultz (C), Arnold (VC), Bazaldua, Blackmon, Resendez, Ridley, Willis
AD HOC COMMITTEE ON ADMINISTRATIVE AFFAIRS Atkins (C), Mendelsohn, Moreno,	AD HOC COMMITTEE ON GENERAL INVESTIGATING AND ETHICS Mendelsohn (C), Gracey, Johnson, Schultz, Stewart
AD HOC JUDICIAL NOMINATIONS Ridley (C), Resendez, West	AD HOC LEGISLATIVE AFFAIRS Mendelsohn (C), Atkins, Gracey, Narvaez, Stewart
AD HOC COMMITTEE ON PENSIONS Atkins (C), Blackmon, Mendelsohn, Moreno, Resendez, Stewart, West, Willis	AD HOC COMMITTEE ON PROFESSIONAL SPORTS RECRUITMENT AND RETENTION Gracey (C), Blackmon, Johnson, Moreno, Narvaez, Resendez, Schultz

(C) – Chair, (VC) – Vice Chair

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

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 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 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.

WebEx Link

Call to Order

MINUTES

1. [23-1972](#) Approval of the June 6, 2023 Economic Development Committee Meeting Minutes

Attachments: [Minutes](#)

BRIEFING ITEMS

- A. [23-1965](#) Office of Economic Development Overview
[Robin Bentley, Director, Office of Economic Development]

Attachments: [Presentation](#)

- B. [23-1966](#) Development Services Monthly Technology and Metrics Review
[Andrew Espinoza, Director/Chief Building Official, Development Services]

Attachments: [Presentation](#)

ACTION ITEMS

- C. [23-1069](#) Farmers Market TIF District: Request to Implement Paid Parking in the Farmers Market Public Parking Garage
[Kevin Spath, Assistant Director, Office of Economic Development]

Attachments: [Memorandum](#)

BRIEFING MEMOS

- D. [23-1969](#) Rosemont Safe Routes to School Project in the Davis Garden TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]

Attachments: [Memorandum](#)

- E. [23-2111](#) Quarterly Update on Incentives awarded via Administrative Action
[Robin Bentley, Director, Office of Economic Development]

Attachments: [Memorandum](#)

- F. [23-2112](#) Cabana Design District: a mixed-income multi-family redevelopment
project in the Design District TIF District
[Kevin Spath, Assistant Director, Office of Economic Development]

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, SEPTEMBER 5, 2023

EXHIBIT B

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

SEPTEMBER 5, 2023

Item 1: Approval of the June 6, 2023 Economic Development Committee Meeting Minutes

Councilmember Narvaez moved to adopt the minutes as presented.

Motion seconded by Councilmember Ridley and unanimously adopted.

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

SEPTEMBER 5, 2023

BRIEFING ITEMS

Item A: Office of Economic Development Overview

The following individuals briefed the committee on the item:

- Robin Bentley, Director, Office of Economic Development; and
- Kevin Spath, Assistant Director, Office of Economic Development

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

SEPTEMBER 5, 2023

BRIEFING ITEMS

Item B: Development Services Monthly Technology and Metrics Review

The following individuals briefed the committee on the item:

- Andrew Espinoza, Director/Chief Building Official, Development Services;
- Mina Eskander, Assistant Director, Development Services; and
- Majed Al-Gahfry, Assistant City Manager, City Manager's Office

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

SEPTEMBER 5, 2023

ACTION ITEMS

Item C: Farmers Market TIF District: Request to Implement Paid Parking in the Farmers Market Public Parking Garage

The following individuals briefed the committee on the item:

- Kevin Spath, Assistant Director, Office of Economic Development;
- Robin Bentley, Director, Office of Economic Development; and
- James Walton, Assistant Director, Department of Transportation

Councilmember Bazaldua moved to hold the item until the next Economic Development committee meeting.

Motion seconded by Councilmember West and unanimously held.

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

SEPTEMBER 5, 2023

BRIEFING MEMOS

Item D: Rosemont Safe Routes to School Project in the Davis Garden TIF District

Item E: Quarterly Update on Incentives awarded via Administrative Action

Item F: Cabana Design District: a mixed-income multi-family redevelopment project in the Design District TIF District

The committee discussed the items.

MINUTES OF THE CITY COUNCIL COMMITTEE
TUESDAY, SEPTEMBER 5, 2023

EXHIBIT C



City of Dallas

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

Agenda Information Sheet

File #: 23-1965

Item #: A.

Office of Economic Development Overview
[Robin Bentley, Director, Office of Economic Development]

Office of Economic Development Overview

Economic Development Committee
September 5, 2023

The logo of the City of Dallas, featuring a stylized white 'D' with a three-lobed leaf inside, set against a dark blue background with a fine white grid pattern.

City of Dallas

Robin Bentley, Director
Office of Economic Development
City of Dallas

Overview



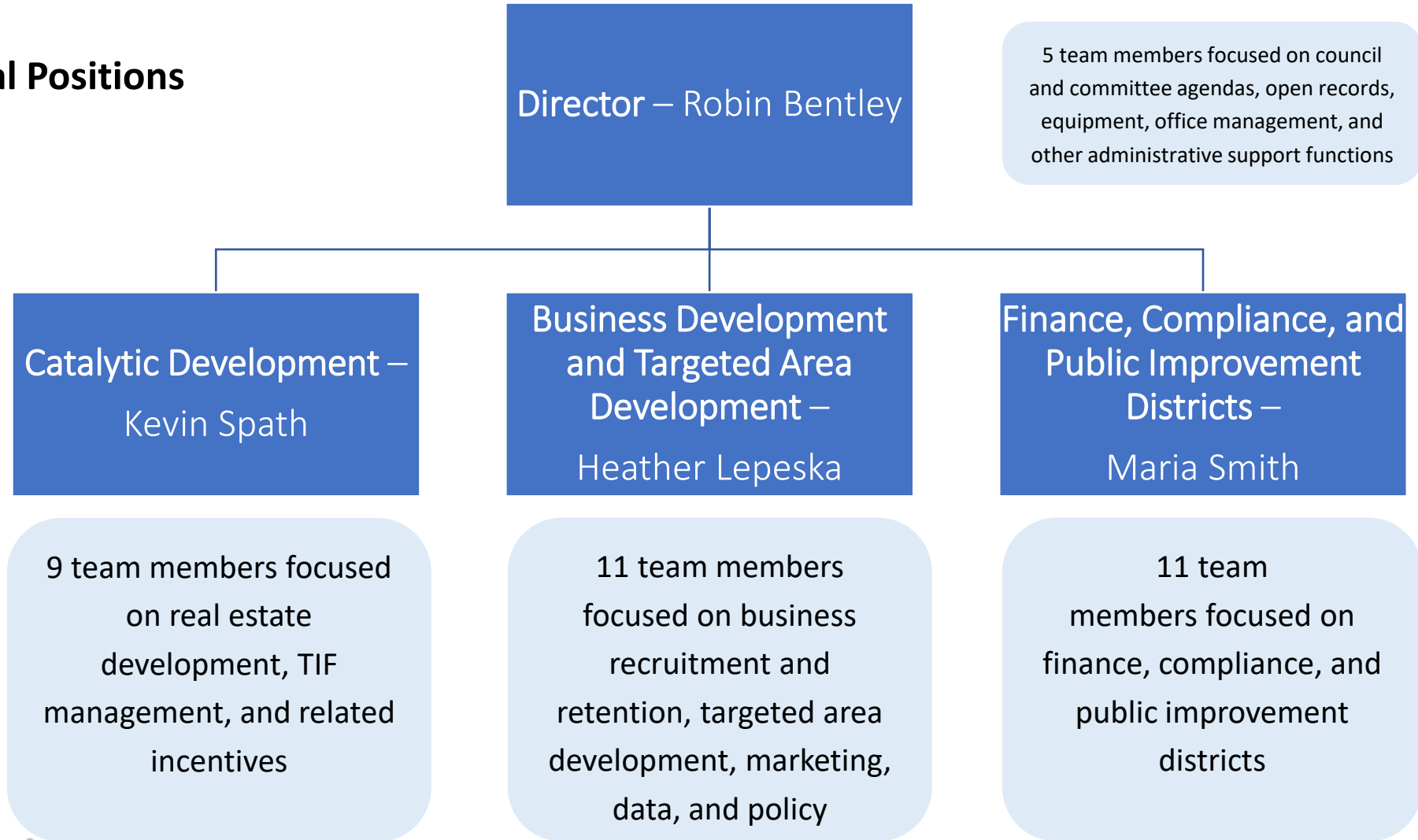
- Organizational Chart
- Budget Overview
- Departmental Impact
- Staff Teams
 - Administrative Services
 - Catalytic Development
 - Business Development
 - Targeted Area Development
 - Finance, Compliance, and PIDs
- Update on Economic Development Policy and Incentive Policy
- **Appendix** – Incentive Tools and Programs



Organizational Chart



40 Total Positions



Budget Overview



- **FY23 General Fund Expense Budget: \$4,019,415**
 - Salaries & benefits: \$4.7M
 - Supplies: \$36k
 - Services: \$1.05M
 - Reimbursements: \$1.8M
- **FY23 Capital Program appropriations:**
 - TIF Funds: \$117,031,693
 - Public Private Partnership Funds: \$8,500,000
 - 2017 Proposition I: \$5,611,368*

*Note: Does not include \$3.4M appropriated in FY23 for Housing department. 2017 bond funds are subject to City Council's discretionary use, based on their available allocation balances.



Departmental Impact



Last fiscal year, the City approved economic development incentives with a total estimated value of almost **\$200 million**.

This investment leveraged commitments from third parties for **\$1.4 billion in new capital investment** and is anticipated to lead to the **creation or retention of 8,184 jobs**.





Major activities:

- Management of **100+ City Council agenda items** each year
- Department-wide coordination and support for:
 - Records management
 - Open records requests (3-year average of **68 requests per year**)
 - Phone, computer, and equipment management
 - Travel coordination
 - Procurement card purchases
 - Meetings and office management



Catalytic Development



Major activities:

- Facilitate **real estate development projects** that would not occur without city incentives
- Lead implementation of large **catalytic developments** on behalf of the city (e.g. Hensley Field, International District, University Hills, transit-oriented development at DART light rail stations)
- Manage the City's 18 active **Tax Increment Financing (TIF) Districts**



Catalytic Development Team



Recent Accomplishments: Gateway Oak Cliff mixed-income project (400 S. Beckley)

- \$47 million development of 226 total units, of which 184 (80%) affordable at/below 60% AMFI
- 4% LIHTC + bond
- \$4,245,432 gap funding incentive from Oak Cliff Gateway TIF District
- Development agreement authorized by City Council in June 2021
- Construction nearing completion



Carleton Companies

Gateway Oak Cliff

Print #230614019

Date: 06/14/23

Lat/Lon: 32.742692 -96.821827

Order No. 75874

 Aerial Photography, Inc. 954-568-04



Catalytic Development Team



Recent Accomplishments: Tom Thumb at RedBird

- Approx \$20 million new 50,000 sq ft full-service grocery store in food desert
- Economic development incentive agreement with Randall's Food & Drugs LP authorized by City Council in April 2023 (\$5.2 million grant; \$600,000 sales tax grant; business personal property tax abatement 5 years/75%)
- Minimum required job creation: 90 (95 after Year 1)
- Minimum required local hiring: 40%
- Minimum required investment: \$17 million
- Minimum required gross sales: \$13 million (\$15 million after Year 1)

Tom Thumb[®]



Catalytic Development Team



Recent Accomplishments:

H MART Redevelopment Project (2534 Royal Lane)

- Approx \$28 million redevelopment of existing 143,200 sq ft vacant building on 7.6-acre site, including 74,300 sq ft H MART supermarket ("Store") on the first floor; 47,300 sq ft of retail space on the first floor; and approximately 16,500 sq ft of office space on the second floor
- Economic development incentive agreement authorized by City Council in June 2023 (\$2.5 million grant; \$1 million sales tax grant; real property tax abatement 10 years/90%)
- Required workforce/education partnership with Dallas College
- Local hiring goal: 40%
- M/WBE participation goal in construction: 40%
- Minimum required investment: \$20 million
- Minimum required gross sales: \$17 million (\$20 million after Year 1)



Catalytic Development Team



Recent Accomplishments:

Bridge Labs Project at Pegasus Park

- Approx \$100 million development, including full renovation of an existing building (74,082 sq ft), demolition of an adjacent existing building (22,237 sq ft), and ground-up construction of a new two-story building (61,432 sq ft) to deliver approximately 135,000 sq ft of new life science/biotech laboratories and associated facilities
- Economic development incentive agreement authorized by City Council in June 2023 (\$3.0 million grant; real property tax abatement 10 years/90% in Years 1-7 and 70% in Years 8-10)
- M/WBE participation goal in construction: 40%
- Minimum required investment: \$70 million



Business Development Team



Major activities:

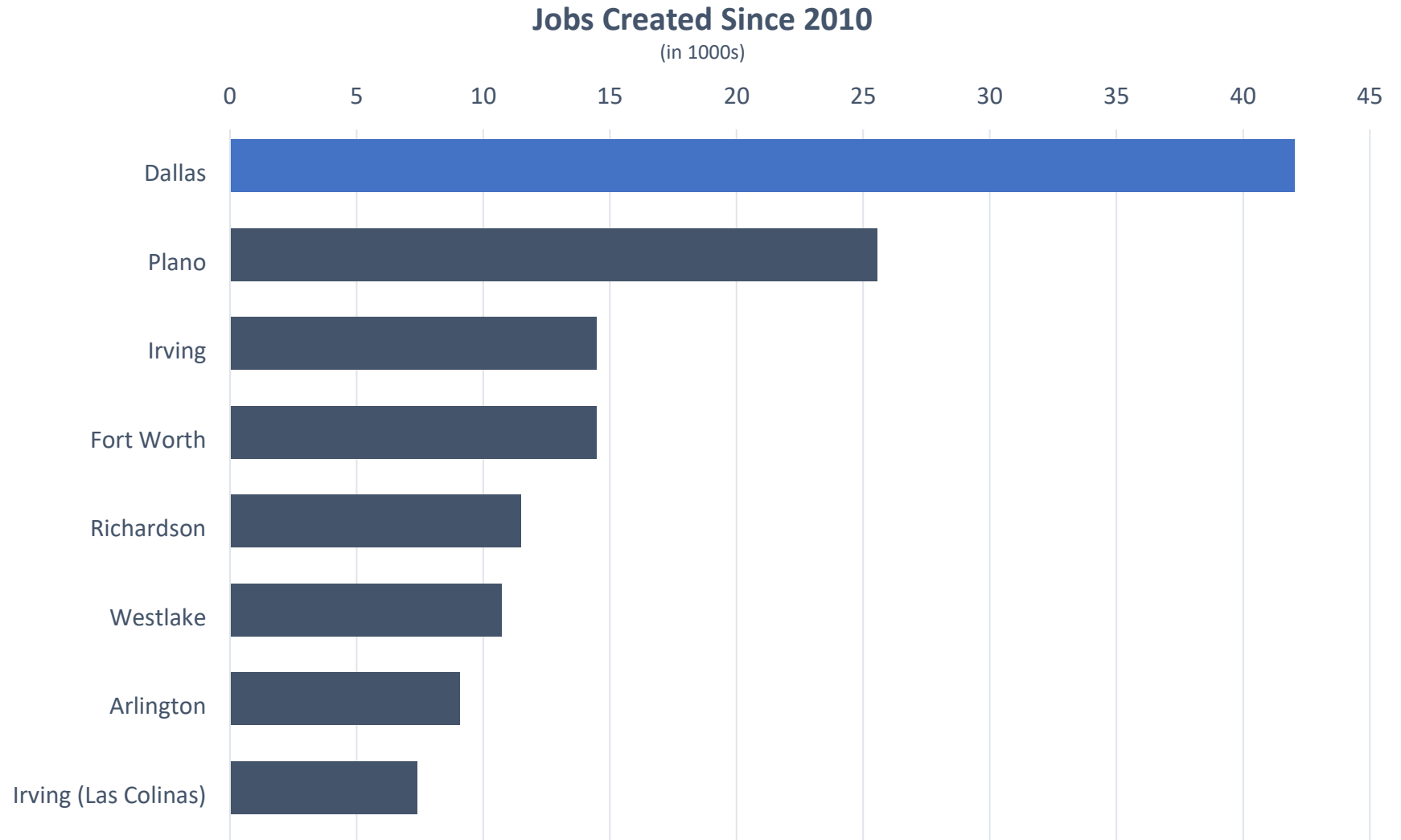
- Responsible for **business recruitment and business retention** activities aimed at creating living wage jobs and expanding the tax base
- Respond to **350+ annual requests for information** from companies, site selectors, chambers, Office of the Governor, and other inquirers.
- Represent the City at industry events
- Negotiate incentives and oversee projects through Council action, contract execution, and compliance
- Manage department's website, press releases, marketing collateral, and district fact sheets



Business Development Team



With more than **42,000** jobs created, **Dallas leads DFW** in jobs created since 2010 as tracked by the Dallas Regional Chamber.



Business Development Team

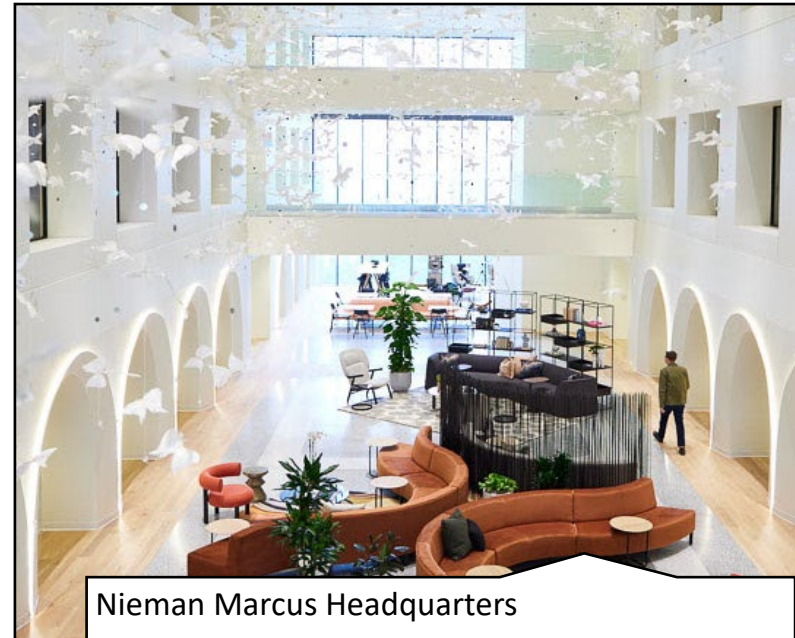


Recent Council-approved incentive projects include attraction of the Goldman Sachs NorthEnd redevelopment and retention of the Neiman Marcus headquarters



NorthEnd Redevelopment

- 5,000 jobs created or retained
- \$390 M required investment for building by Hunt
- \$90 M required investment by Goldman Sachs



Neiman Marcus Headquarters

- 1100 jobs retained, 300 jobs to be created
- Approximately \$17 million in improvements to Cityplace Office tower



Targeted Area Development Team



Major Activities:

- Incentivize **investments in areas of distress** in accordance with Chapter 373 and Chapter 380 of the Texas Local Government Code and City's Community Development Plan
- Oversee the City's **New Markets Tax Credit Program** and the program's oversight entity, the Dallas Development Fund
- Oversee the **Predevelopment Assistance Fund**, a flexible early funding source for MWBE and community developers
- Manage implementation of the **Economic Development Policy** approved by the City Council in January 2023



Targeted Area Development Team



- **NEW MARKETS TAX CREDITS:** Dallas Development Fund received \$55 million in allocation in most recent funding cycle bringing total allocation amount to \$240 million since program inception.
- **NONPROFIT DEVELOPERS:** Two applications pending for projects led by non-profit developers including Bonton Health and Wellness Center and Southfair Retail



Vogel Alcove at RedBird

Buildout of a new 15,000 SF childcare facility serving 134 children and their families



Behind Every Door

Will serve more than 3,000 youth, adults, and seniors annually with a broad array of services



Bonton Health & Wellness Center

11,000 SQFT to provide health and financial services , plus community and office space



Malcolm's Point

12000 sq ft of new office and retail space on AI Lipscomb Way



Finance, Compliance, and PID Teams



Major activities:

- **Finance Team:**

- Operating and capital budget development and monitoring of all OED funding sources
- Develop TIF payback schedules; complete annual TIF billing and TIF financials for annual reporting
- Process assessment disbursements to PID entities

- **Compliance Team:**

- Conduct on-site monitoring reviews of TIF development projects with a residential unit component to determine compliance with TIF mixed-income housing guidelines

- **Public Improvement District (PID) Team:**

- Manage the City's PID Program and 14 PID management agreements



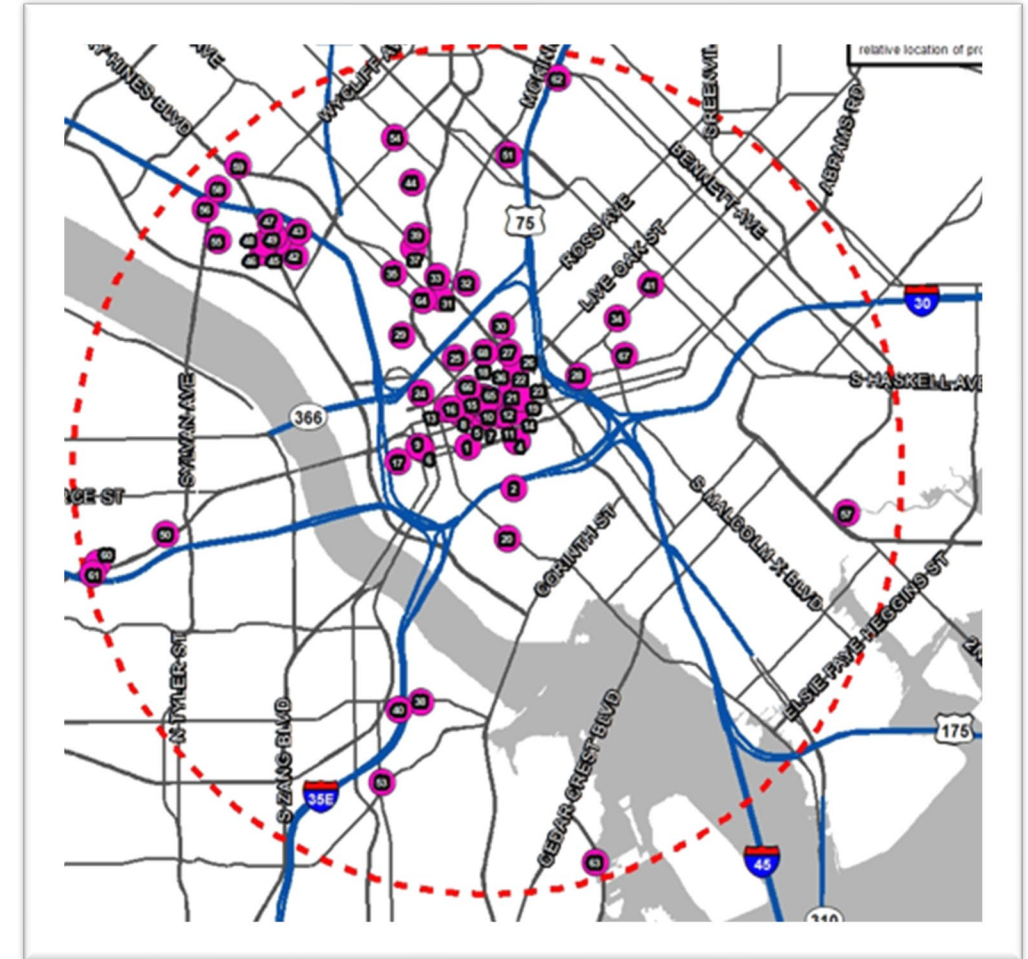
Finance, Compliance, and PID Teams



Recent Accomplishments:

PROJECT FINANCING ZONE (PFZ):

- OED staff will be responsible for establishing policies and procedures to manage the new PFZ, a state funding tool authorized by Council on October 13, 2021 to support implementation of the Kay Bailey Hutchison Convention Center redevelopment.
- The zone covers a 3-mile radius from the Convention Center and includes 65 hotels and their respective, on-site businesses
- The PFZ is estimated to collect \$2.2 billion in state increment over the next 30 years.



Finance, Compliance, and PID Teams



Recent Accomplishments:

PID “Good Governance” Policy Enhancements:

- In January 2023, Council amended City’s PID Policy to incorporate “good governance” standards of business conduct for PID management entities, including requirements for disclosure and recusal when conflicts of interest arise. The policy amendments also included new transparency requirements, including posting of board information and meeting minutes online.



Expansion of Compliance Work:

- In May 2022, responsibility for monitoring affordable units in 25 TIF-funded residential projects transferred from HOU to OED.
- Addition of 1 analyst position via internal reallocation in FY23 will allow team to monitor 100% of properties with affordability requirements by year-end, up from 44% of properties monitored in FY22.



Economic Development Policy



On January 25, 2023, the City Council approved the City of Dallas **Economic Development Policy**.

- Staff will roll out a web-based dashboard this fall to track progress on the 10-year implementation of the Policy.

The first deliverable under the policy was the new **Economic Development Incentive Policy**.

- The Incentive Policy adds new tools that institutionalize a **living wage**, streamline the process for **nonprofit and M/WBE developers**, create a new fund to address **infrastructure challenges** and prioritize investment in specific areas of distress referred to as **Target Areas**.
- Staff has been actively marketing the new tools and programs, including monthly informational meetings.
- All policy materials and applications are available in **English and Spanish**.
- The new **Incentive Inquiry Tool** is an online query tool to guide developers to the correct program by answering a few simple questions.



Questions?



Office of Economic Development Overview

Economic Development Committee
September 5, 2023

Robin Bentley, Director
Office of Economic Development
City of Dallas



City of Dallas



Economic Development Incentive Tools and Programs



Tax Increment Financing (TIF) Districts



- In 1986, Chapter 311 of the Texas Tax Code (“the Act”) became the enabling statute for tax increment reinvestment zones (TIRZ) or more commonly known as tax increment financing (TIF) districts
- The Act has evolved over time and includes requirements, rules, and criteria for creation of a TIF district, provisions for taxing entity participation, board of directors, procedures for tax increment collection, annual financial reporting, etc.
- In 1988, City of Dallas TIF program began with creation of State-Thomas TIF District
- In 2005, City of Dallas TIF Policy was adopted (amended in 2009 and 2015)
- In January 2023, City of Dallas TIF Policy was amended with City Council's approval of the new Economic Development Incentive Policy
- In many TIF districts, additional guidelines have been adopted by TIF district boards to focus on implementation of specific TIF district Project Plan (e.g. Mixed-Income Housing Guidelines; Urban Design Guidelines; Grant Program Guidelines; Increment Allocation Policies)



Public Improvement Districts (PIDs)



- Governed by Chapter 372 of the Texas Local Government Code (“the Act”) and City’s PID Policy
- Special districts created by the City at the request of property owners who petition City to levy a supplemental **assessment** (not a tax) on real property that is paid with the annual property tax bill
- Assessments fund special supplemental services that are above and beyond existing City services
- Funds cannot be used for private, personal purposes and are limited to petitioned categories as allowed by Chapter 372



Public Improvement Districts



Existing Dallas PIDs	Term
1. Downtown Improvement District	2021- 2027
2. Deep Ellum PID	2019-2025
3. Klyde Warren Park/Dallas Arts District PID	2022-2031
4. Knox Street PID	2023-2032
5. Lake Highlands PID	2023-2032
6. North Lake Highlands PID	2018-2024
7. Oak Lawn-Hi Line PID	2017-2023*
8. Prestonwood PID	2019-2025
9. South Dallas/Fair Park PID	2017-2023
10. South Side PID	2020-2026
11. Tourism PID	2016-2029
12. University Crossing PID	2021- 2027
13. Uptown PID	2020-2026
14. Midtown Improvement District	2023-2032

- Managed by contract with the City
- Management entities are typically non-profit entities governed by property owner-elected boards

*OLHPID renewed May 2023 for new ten-year term (2024-2033)



Negotiated Incentives



For projects with a total budget of \$25M or greater, outside of a target area, where the as-of-right abatement doesn't fill the financial gap or projects that align with the Community Development Plan, negotiated incentives may include:

- **Tax Abatements**

- Abatement terms vary by project depending on need after minimum qualifications are met

- **Economic Development Grants and Loans**

- Business development projects must create 50 jobs or retain at least 100 jobs, plus a minimum capital investment of \$2 million
- All incentivized jobs must pay a living wage

- **Community Development Grants and Loans**

- Be led by a community-based non-profit developer and either
 - Create 25 jobs that pay a living wage or document a minimum capital investment of \$2 M with any jobs hired by primary developer paying a living wage
- Community Impact projects
 - Meet a specific community need (like grocery stores, childcare centers, health care facilities or senior care facilities), create 15+ jobs with an average salary requirement equivalent or greater than the living wage and document a minimum capital investment of \$2 M

Grant and loan terms vary by project depending on need after minimum qualifications are met. Real estate development projects undergo underwriting/gap analysis. Business development projects undergo fiscal impact analysis



Targeted Neighborhood Enhancement Program



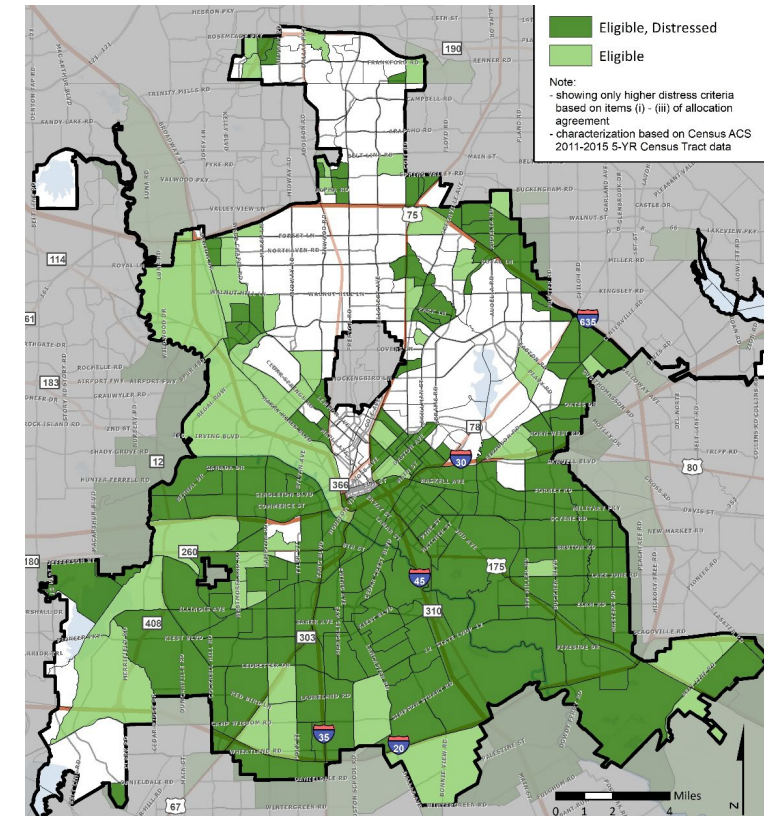
- In May 2019, City Council authorized the adoption of the Targeted Neighborhood Enhancement Program
- Program Purpose: To provide grants for neighborhood enhancements in neighborhoods designated as Revitalization Areas, Stabilization Areas, or Emerging Market areas under the City's Comprehensive Housing Policy. Grants not exceeding \$500,000 may be used for art installations, street sign toppers, neighborhood entry signage and other unifying signage, landscaping enhancements, lighting, and other improvements that enhance the safety, neighborhood identity, or aesthetics of the neighborhood.
- The Program is administered by the Office of Economic Development, but it does not have a dedicated source of funding.
- In May 2021, City Council authorized amendments to clarify that one of the purposes of the Program is to promote economic development by providing funding for the acquisition of improved and unimproved properties, demolition of existing structures, and assistance for private commercial, industrial, retail, residential, and mixed-use/mixed-income development in neighborhoods designated as target areas under the Comprehensive Housing Policy.
- To date, City Council has authorized 3 projects through the Targeted Neighborhood Enhancement Program:
 - 2019: \$500,000 to Golden SEEDS Foundation for neighborhood enhancements in The Bottom
 - 2021: \$254,000 in a City construction contract for sidewalks, curb, gutter, driveway approaches, and barrier free ramp improvements on Stafford Street between N. Edgefield and N. Willomet and on N. Edgefield approximately 300 feet north and approximately 150 feet south of the intersection with Stafford Street
 - 2021: \$5,677,000 for the City to acquire a 1.66-acre improved property at 5580 Peterson for future parkland



New Markets Tax Credits



- Congress created the NMTC program in 2000 to incentivize investments that create jobs and provide services in economically disadvantaged areas (green areas of map).
- The NMTC program is administered by the CDFI Fund. Through 2022, the CDFI Fund has made 1,461 awards totaling \$71 billion in tax credit authority to Community Development Entities (CDEs)
 - Dallas Development Fund is a CDE created by the City of Dallas in 2009 and the only CDE in Texas that has received allocation
- The NMTC program is used primarily to fund commercial, industrial, community facility, and mixed-use real estate projects, as well as operating businesses located in qualifying Low-Income Communities.
- NMTCs can subsidize approximately 15% to 20% of a project's capital needs, usually in the form of low-interest, forgivable debt.



Healthy Foods Dallas Initiative



- The Healthy Food Dallas Initiative's (HFDI) Community-Based Solutions Program is a financing program supported by the Dallas Development Fund (DDF) to increase the number of non-traditional food access points including corner stores and other fresh food options in low-income, underserved communities across Dallas.
- The initiative was created in response to the lack of affordable fresh and healthy foods in many Dallas neighborhoods, and growing evidence that healthy food access reduces the risk of developing diet-related diseases such as obesity, heart disease and diabetes.
- HFDI program awards forgivable loans, not to exceed \$70,000 per award, to non-profit entities that provide access to healthy food to a low-income population through innovation and/or community partnerships. Loan awards require a 50/50 match and can be used for redevelopment, improvements, construction and rehabilitation, technology and equipment installation and upgrades, staff training, security, and/or inventory.
- Through 2022, the HFDI awards to non-profits have increased access to healthy foods with the distribution of over 8M lbs of healthy food and over 6M healthy meals to the community.



Frazier Revitalization, Inc. (FRI) received a forgivable loan from the Healthy Food Dallas Initiative for an Urban Farm and seedling incubator. The loan allowed Frazier Revitalization to launch Dallas' first professional production & training farm, Hatcher Station Training Farm. The farm has expanded the number of urban gardens in Dallas deserts through the training and the delivery of seedlings. In response to COVID-19, the training farm moved from a raised bed model to a GroBox model, which increased the farm's impact on the community. The boxes are manufactured in South Dallas and were used to sell seedlings and keep farmers and furloughed farmers employed.

The GroBox model is a tremendous success, including an expansion to other areas of Dallas and pilot projects to distribute boxes in four different cities (Austin, San Antonio, Nashville, and Philadelphia).



As-of-Right Tax Abatements



Benefit

- Eligible applicants can choose either a **10 year, 90 percent real property** abatement or a **five-year, 90 percent business personal property** abatement

Eligibility

- Target Area
- Project budget of \$25 million or less
- Capital expenditures of at least \$2 million, or creation of 10 jobs or retention of 25 jobs
- Living Wage (MIT Living Wage Calculator)
- MWBE goal of 32% for construction
- No residential displacement or demolition without a plan

Process

- The application is streamlined and straightforward; no underwriting requirement.
- The awards are made by administrative action, so no committee review or council approval is required.
- Contracts are standardized forms



Predevelopment Assistance Loan Fund



Eligible Borrowers

- Citywide program for M/WBE developers and community developers with loans to enable project feasibility

Loan Amount

- Determined on a case-by-case basis according to need and project scope but not to exceed \$25,000

Loan Terms

- Interest-free; mature on the earlier of the closing date of construction financing for the project, **or** 12 months from the date of payment by the City

Loan Security

- Must be secured by a first lien deed of trust filed in county's real property records against property owned by the borrower valued in an amount equal to or greater than the loan amount, and/or by a personal guarantee from the borrower along with documentation that the borrower controls assets valued in an amount equal to or greater than the predevelopment loan amount

Property Assessed Clean Energy (PACE) Program



- Enables third-party financing for a variety of rehabilitation and redevelopment projects that increase efficiency by reducing onsite energy usage, reducing onsite water usage, and generating onsite energy. The PACE financing is offset by water/energy savings and is secured by a City assessment. Any property owner of commercial, industrial, agricultural, or multi-family residential (consisting of five or more units) located within the City of Dallas is eligible for PACE financing.
- Enabled by Texas Local Gov't Code Chapter 399 (the PACE Act), which authorizes municipalities and counties in Texas to work with private sector lenders and property owners to finance qualified improvements using contractual assessments voluntarily imposed on the property by the owner.
- Since the program's establishment, the Office of Economic Development has facilitated ten (10) PACE projects, resulting in a cumulative total of over \$112M in energy efficiency, water conservation, and distributed generation improvements across the city of Dallas.



Infrastructure Investment Fund (IIF)



- New funding source created with City Council's approval of new Economic Development Incentive Policy in January 2023 to be administered by Office of Economic Development.
- Goal: use funds to make targeted investments in infrastructure that further a specific area plan and/or to work with private partners to realize private investment and drive new economic activity in historically underserved areas.
- Funds can be used for (1) loans or grants to support third-party projects that grow the tax base and/or create Living Wage jobs in a Target Area, and (2) City-led projects that implement a City or community plan in a Target Area or otherwise prepare neighborhoods and properties in Target Areas for anticipated future economic development. Applicants with third-party projects apply using the same development incentive application form as Negotiated Incentives.
- Funds may be expended outside of Target Areas only with a $\frac{3}{4}$ vote of the City Council.
- Capitalized by ongoing collection of windfall funds from expiring TIF districts. For a period of 10 years after a TIF district expires, the M&O portion of the total annual increment contributed by the City in the TIF district's last year will be earmarked within the General Fund into the IIF. At the end of the initial 10-year period (and any extension period), City Council will review and can vote to extend this funding stream for additional 5-year periods.
- With expiration at end of 2022 of the Cedars TIF District and City Center Sub-District (within City Center TIF District), Office of Economic Development calculates that \$6,070,974 will start annually flowing to IIF in Summer 2024.





- The City of Dallas Economic Development Corporation (EDC) is a non-profit Local Government Corporation created to support business development and serve as a public developer within the City of Dallas.
- The EDC is overseen by a 15-member Board of Directors approved by the City Council. The board will contribute to the organization's success by representing a diversity of backgrounds, perspectives, geographies, and areas of expertise with the highest level of integrity and dedication to Dallas.

EDC Board of Directors

John Stephens, President

Linda McMahon, Vice President

Cynthia Figueroa, Secretary

Michon Fulgham, Treasurer

Alan Dorantes

Alan Walne

Ardo Fuentes

Chris Bradshaw

Dania Duncan Moreno

Johnnie King

Debra Hunter Johnson

Gilbert Gerst

Holly Reed

Jimmy Tran

Kim Noltemy



Texas Enterprise Fund (TEF)



- The State of Texas Enterprise Fund (TEF) is a deal-closing fund for the State of Texas which requires approval by the Governor, Lieutenant Governor, and Speaker of the House.
- The grant amount is determined by the state based on job numbers, wages, capital investment, and other factors.
- In order to receive a TEF award, projects must also have a commitment of local economic development incentives. In other words, if the City of Dallas does not support a project, it is not eligible for TEF funding.



Texas Enterprise Zone (TEZ) Nomination



- The Texas Enterprise Zone Program is a state sales and use tax refund program
- Cities nominate companies in their jurisdiction to receive Enterprise Zone Project designation and thus be eligible to receive state sales and use tax refunds on qualified expenditures
- Companies must meet minimum capital investment thresholds and create and/or retain jobs that employ a certain percentage of economically disadvantaged individuals, enterprise zone residents, or veterans
- Dallas receives 9 nominations per state biennium, and can utilize them on qualifying projects





City of Dallas

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

Agenda Information Sheet

File #: 23-1966

Item #: B.

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
September 5, 2023**

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

Presentation Overview



- Technology
- Metrics
- Self-Certification Update
- Fee Study
- House Bill 14
- Next Steps



Technology



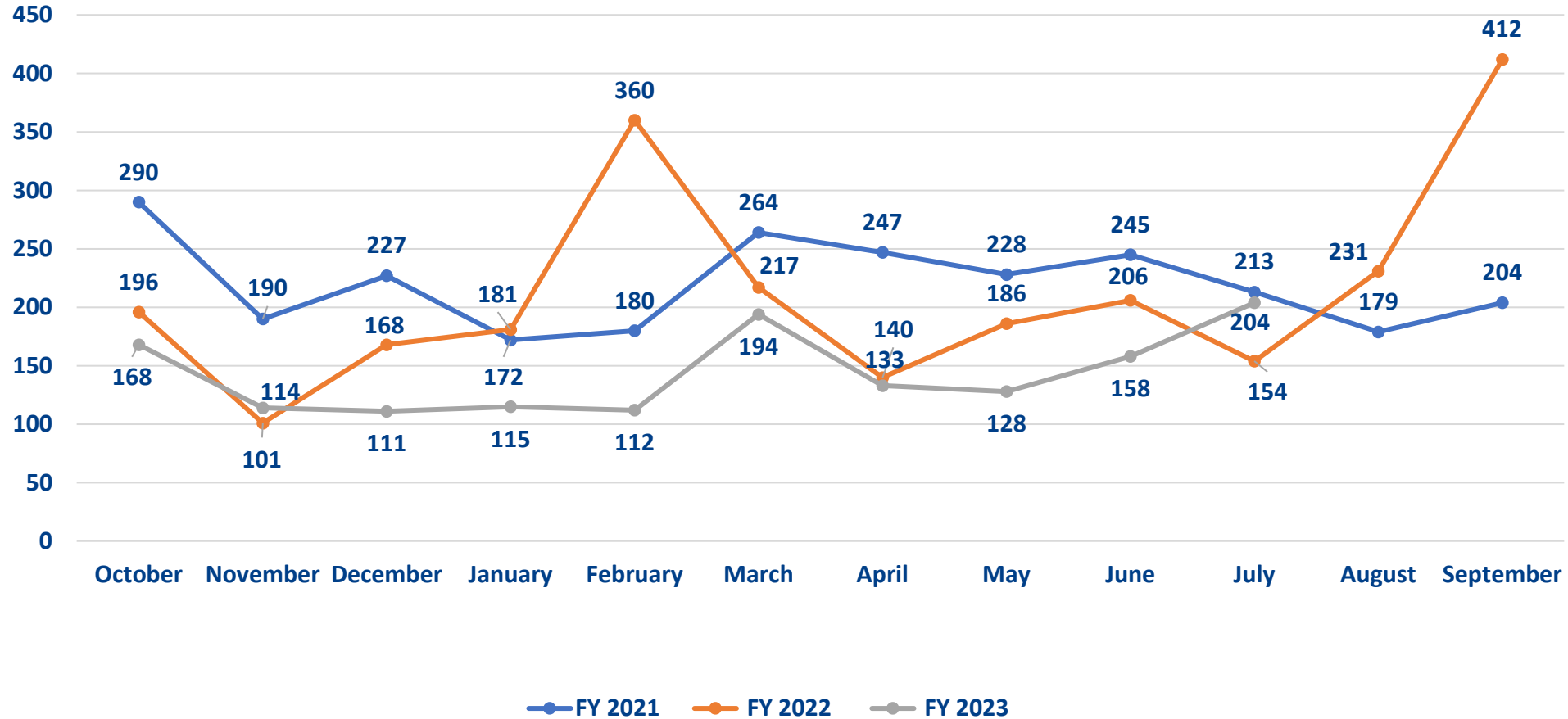
- DallasNow project continues into the third month of progress.
 - Commercial
 - Residential
 - Remodel
- Applications have been fully developed and are currently in the scripting phase.



Residential Permit Volume



New Single Family Permits Created



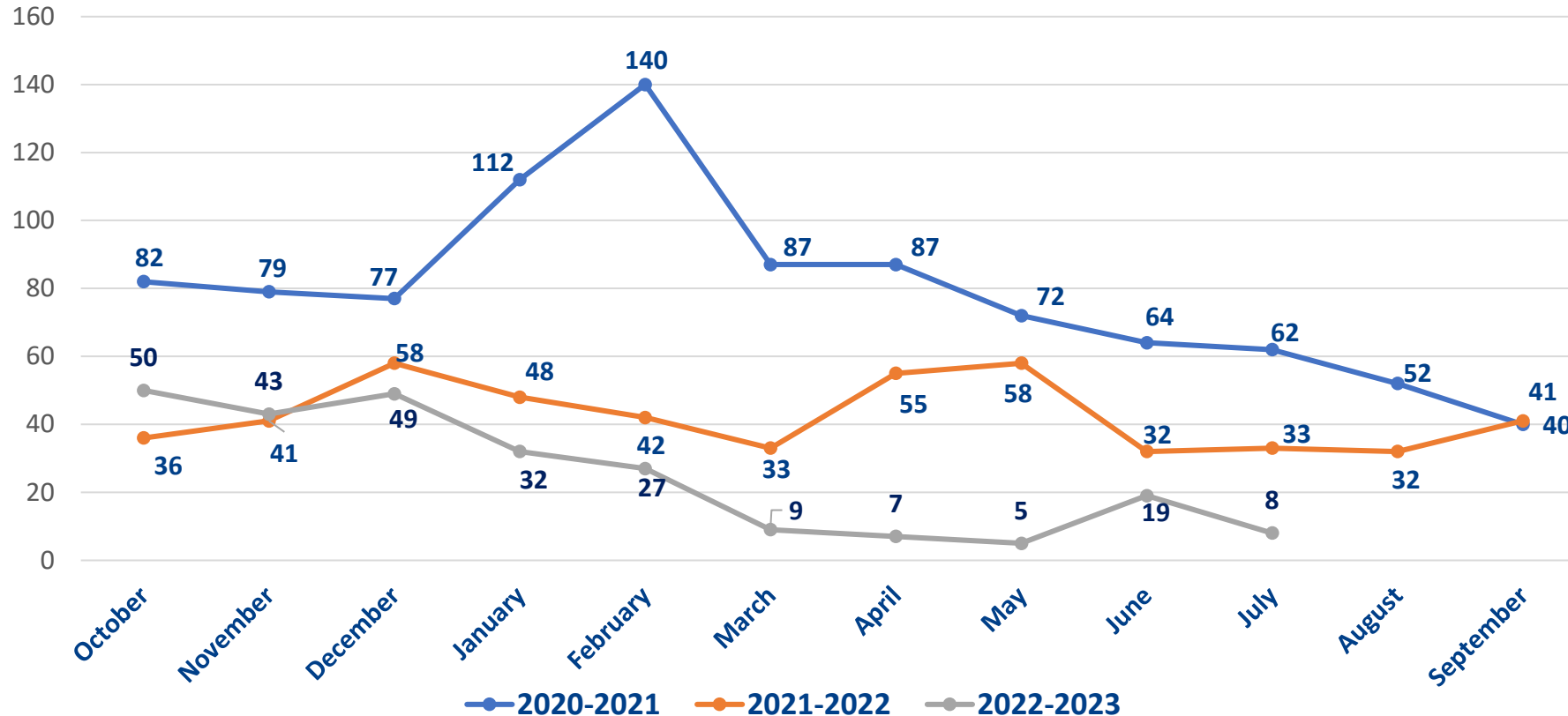
A total of 204 new single-family permits were processed (22.5% increase) for the month and 207 permits were issued



Residential Permit Turnaround Times



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



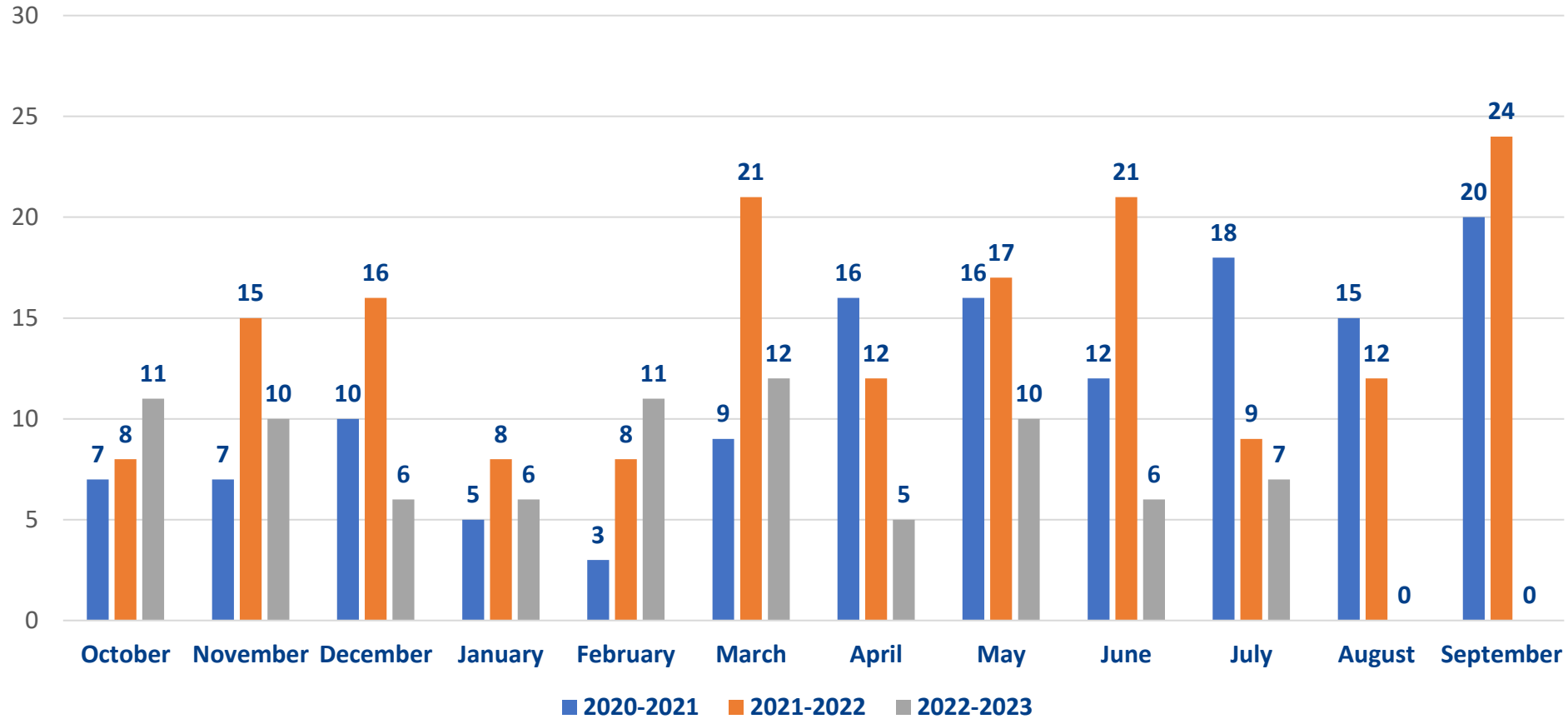
100% of initial permit reviews were performed within 3 days and 42 RSVP permits were issued the same day



Commercial Permit Volume



New Commercial Project Permit Volume



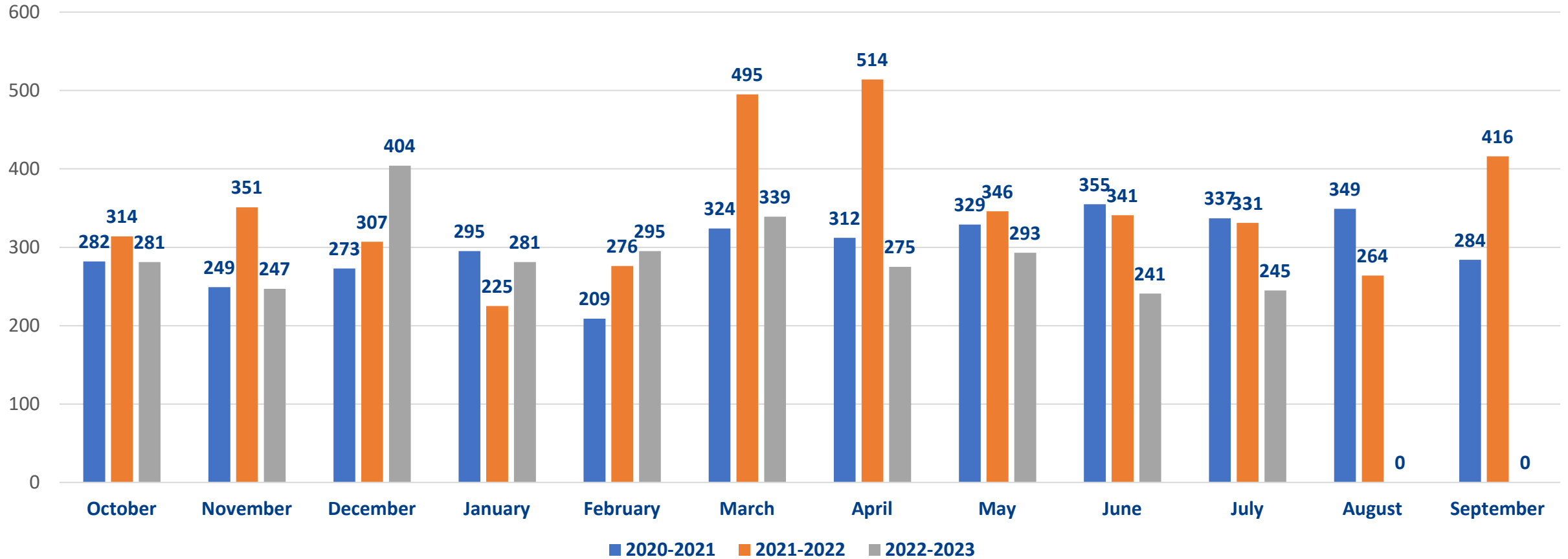
Complex Q-Team received 21 permit submittals and the Minor Q-Team received 26 permit submittals.



Commercial Remodel Permit Volume



Commercial Remodel Master Permit Volume



Commercial Permit Metrics



Dallas Development Services Department Performance Goals FY2022-2023			2022			2023							
Metrics	Goal	FY2022	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	YTD
# of Commercial Plan Review Submittals													
Commercial New	N/A	171	11	10	6	8	11	12	5	10	6	7	86
Commercial Additions	N/A	156	19	17	28	16	33	26	28	11	49	18	245
Commercial Remodels	N/A	4,179	281	247	404	281	295	339	275	293	241	245	2,901
Express Plan Review (Q-Team)	N/A	842	23	16	20	23	22	51	36	39	28	21	279
Express Plan Review Minor Commercial (Q-Team 2)	N/A	N/A	N/A	N/A	N/A	N/A	14	8	14	15	29	26	106
Average # of Days for Initial Review													
New Commercial/Remodels	15 Days	12	10	10	11	10	9	9	15	10	7	6	10
Express Plan Review (Q-Team)	10 Days	7	5	5	2	3	2	5	6	3	4	4	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	1	1	1

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



Update On Self-Certification



- **DSD partnered with the Matrix Group**
 - Phoenix, Arizona
 - North Las Vegas, Nevada
 - San Diego County, CA
 - Tulsa, Oklahoma
 - Forth Worth and Arlington, TX
- **Best Practices**
 - Expedite permits
 - Additional customer options
 - Qualifying professionals to self-certify specific projects



Update On Self-Certification



- **Qualifying projects would include:**
 - Building, Fire, Mechanical, Plumbing, Electrical plan review
 - New Single-Family (duplex) projects-all sizes
 - Minor commercial finish outs
 - Less than 3,000 square feet
 - Business and Mercantile Occupancies
 - Minor commercial remodel projects
 - Less than 5,000 square feet
 - Business and Mercantile Occupancies



Update On Self-Certification



- **Qualifying design/code professionals**
 - Registered Architects
 - Licensed Professional Engineers
 - Certified ICC Code Professionals
- DSD would process/register Self Certification Providers (SCPs) and publish a list to the development community and post on the DSD website



Update On Self-Certification



- **Registration of SCPs**

- Statement of Qualifications

- Experience with review and inspections
- Professional education
- Professional certifications
- Trade licenses
- Design professional licenses
- Accreditations



Update On Self-Certification



- **Registration of SCPs (Non-transferable)**
 - Certificate of Insurance
 - Indemnification Form
 - Annual Registration Fee (\$500.00 for SCP entity and \$200.00 for each SCP agent)
 - Point of Contact
 - Designate “Professional-in-Charge”
 - Designate “Technical Point of Contact”
 - Continual Education provided by DSD



Update On Self-Certification



- **Stakeholder Communication**

- **June 5th** Matrix Group DRAFT Guidelines
- **June 5th** Texas Real Estate Council
- **June 15th** Dallas Home Builders Association
- **June 22nd** Dallas Contractors Association
- **June 23rd** Dallas Independent School District
- **June 26th** American Institute of Architects Dallas
- **June 30th** Dallas Advisory Committee
- **July 18th, 2023**, met with public to receive feedback (2 Sessions)



Update On Self-Certification



- **June 26th** DSD Published Public Comment Card Survey
 - 20 respondents have taken the survey
 - 75% of respondents support creation of the program
 - Top 4 program types recommended for self-certification:
 - New Single-Family Homes
 - New Commercial Construction
 - New Commercial First-time Finish-outs
 - New Commercial Shell Buildings
 - Fire Alarm/Fire Sprinkler Trade Permits



Update On Self-Certification



• Stakeholder Feedback

- Respondents recommend that Building, Fire Alarm/Sprinkler, MEP, and Landscaping/Tree plan review types should be able to self-certify
- Most respondents indicated Texas Licensed Architects and Engineers should qualify as Self-Certification Providers
- Dashboard may be viewed here: <https://bit.ly/DSDSCP> (Appendix A)



Fee Study



- Partnered with the MGT of America Consultant Group
 - Enterprise fund must recover 100% service costs
 - Study was based initiated in 2019
 - Based on hourly rates and time spent on project types
 - Recommendations and Final Fee Schedule finalized in 1 Quarter of FY2023-2024
 - Follow up to EcoDev
 - Stakeholder outreach and communication on findings



House Bill 14



- **Third Party Review of Development Documents and Inspection of Improvements:**
- If the City does not approve, conditionally approve, or disapprove a development document by the 15th day after the date prescribed by a provision of this code, the review may be performed by a 3rd party.
- **DSD is meeting with CAO to:**
- Define specific sections of the Bill and determine:
- Code interpretations
- Code amendments
- 3rd party registration process
- 3rd party qualifications, insurance, and expectations





Next Steps

- Lunch and Learn Series
 - July 28, 2023 – Construction Management
 - August 11, 2023 – Signs 201
 - August 23, 2023 – Arborist/Tree Removal
 - August 25, 2023- Water/Wastewater Permits
 - August 30, 2023- DSD Affordable Housing Permit Team
 - August 31, 2023- Board of Adjustment
- Develop and share Commercial Permitting Dashboard in September 2023
- Finalize Fee Study Recommendations 1st Quarter of FY2023-2024
- Hiring Fair reschedule for September 2023



Appendix A-Survey Comments



- “This program should be targeted to commercial remodels and initial tenant finish outs where there is no zoning review required other than confirming items like parking and signage but nothing to do with the building, such as setbacks, height, lot coverage, etc. Applicants and the licensed professionals certifying these documents are not going to be willing to take zoning risk.”
- “This is an absurd idea on its face. Allowing members of the building industry to approve their own plans with no 3rd party input will lead to sub-standard and likely, dangerous construction taking place in Dallas.”
- “Please include language that allows for revocation of any permit that was issued for work that is not in line with city codes, not just found to be a danger to health safety or welfare. The codes already have this standard, but the revocation and appeal process will be considerably better if the revocation standard is the code, not the intent behind the code.”
- “Focus on Commercial Building Permits. Fire Sprinkler/Fire Alarm review is detrimental to project schedules.”
- “The quality of construction standards will be lowered, and the economic impact will cause significant losses in the construction industry. Not to mention the legal liability between contractors, investors and homeowners.”
- “I’m a Texas licensed architect and I do not think this is a good idea. The City should hire the right people (and enough people) so that the permitting department runs efficiently. This isn’t the answer.”





City of Dallas

Development Services Monthly Technology and Metrics Review

**Economic Development
Committee
September 5, 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

File #: 23-1069

Item #: C.

Farmers Market TIF District: Request to Implement Paid Parking in the Farmers Market Public Parking Garage

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

Memorandum



CITY OF DALLAS

DATE September 1, 2023

TO Honorable Members of the City Council Economic Development Committee: Tennell Atkins (Chair), Omar Narvaez (Vice Chair), Carolyn King Arnold, Adam Bazaldua, Paul Ridley, Kathy Stewart, Chad West

SUBJECT **Request to Implement Paid Parking in the Farmers Market Public Parking Garage**

In 2017, the City of Dallas purchased 300 public parking spaces within the Farmers Market Parking Garage as part of the Harvest Lofts (formerly known as Sheds 3 and 4) Project. Since opening to the public, daily parking has been free. The availability of free public parking is rare in Downtown Dallas and has caused negative impacts that were anticipated. As such, the Public Parking Garage Maintenance and Management Agreement (MMA) between the City and FM City Park LLC (the “Manager”) provides a mechanism to allow the Manager to implement paid parking for short-term daily parking. Implementing paid parking will act as a parking management tool by encouraging parking turnover. It is not intended to be overly burdensome for short-term parkers (Farmers Market visitors), but is intended to discourage long-term parkers (downtown residents and workers).

The proposed fee schedule (as proposed by Manager) is as follows:

- First two (2) hours free
- After first two hours of free parking, \$3.00 per hour with a maximum of \$18.00 per 24-hour period

The MMA prescribes an approval process for allowing the Manager to implement paid parking and sets out a revenue sharing formula. The Manager’s portion of revenue will be re-invested into Farmers Market area common spaces, including the public parking garage, to assist with security and maintenance obligations.

The MMA states that if the Manager wishes to charge a fee to vehicles in excess of twelve hours per month (special event parking), such request must be made in writing to the Director of Economic Development (“Director”). A request to implement daily paid parking was submitted to the Office of Economic Development by the Manager and subsequently reviewed by the Transportation Department. Staff recommends approval, subject to the feedback of the Economic Development Committee. According to the MMA, if the City agrees to charge for daily parking, such determination shall be approved by the Director and City of Dallas Economic Development Committee prior to implementation. Therefore, **this item requires action by the Economic Development Committee.**

Attached is **Exhibit A**, further detailing the background, proposal, and staff recommendation for implementing paid parking in the Farmers Market Public Parking Garage.

DATE September 1, 2023

SUBJECT **Request to Implement Paid Parking in the Farmers Market Public Parking Garage**

Should you have any questions, please contact Kevin Spath, Assistant Director, in the Office of Economic Development at (214) 670-1691 or 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

EXHIBIT A

Farmers Market TIF District Request to Implement Paid Parking in the Farmers Market Public Parking Garage

**Economic Development Committee
September 5, 2023**

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

Overview



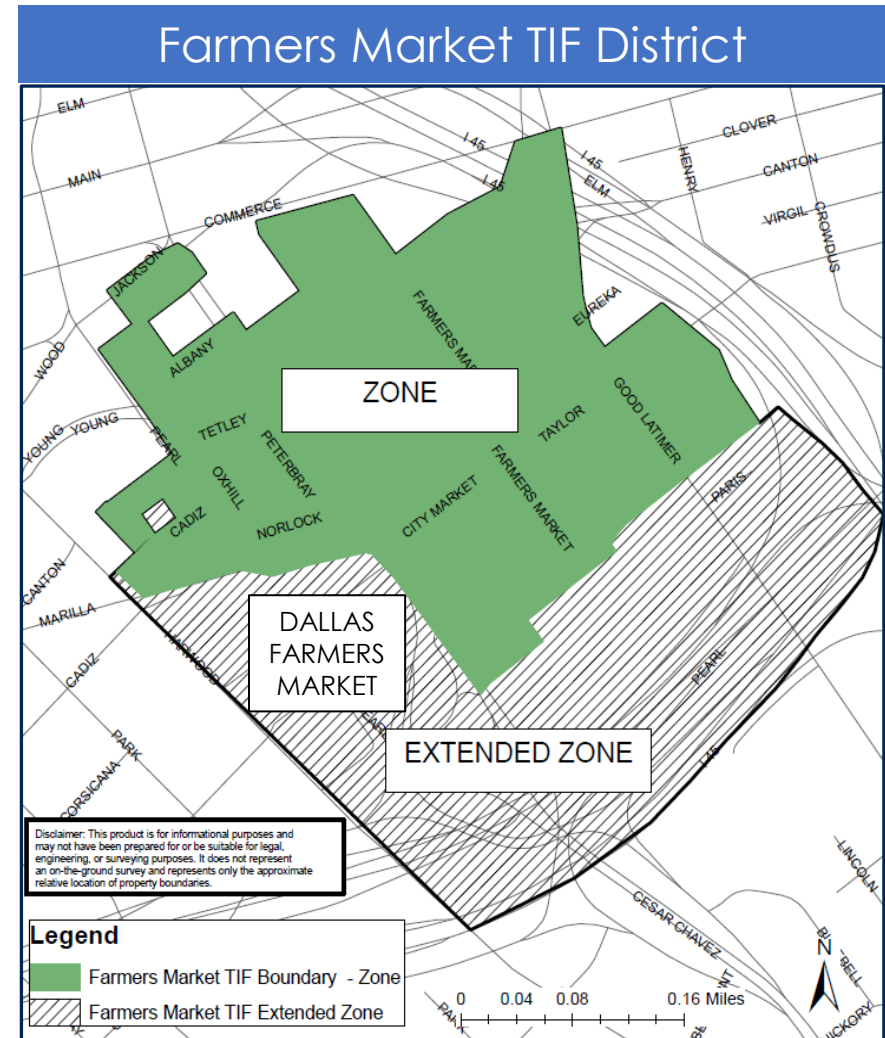
- Background
- Paid Public Parking Request
- Staff Recommendation, Economic Development Committee Action, and Next Steps



Background



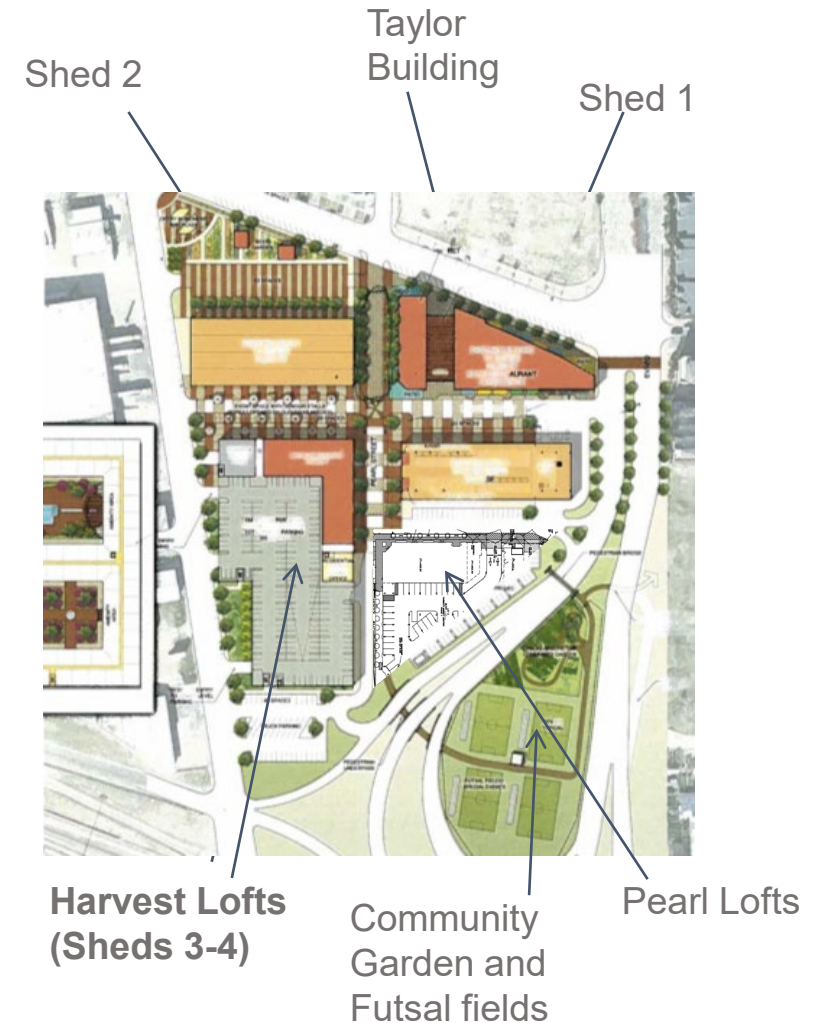
- Spring 2012, City issued RFP was issued to privatize and redevelop Dallas Farmers Market
- In numerous actions dating from 2013 to 2016, City Council approved amendments to the Farmers Market TIF District Plan and TIF District funding assistance for the Farmers Market Redevelopment Project to implement the Plan
- The Farmers Market Redevelopment Project is complete
 - In May 2022, one additional project was added, Pearl Lofts mixed-use mixed-income project, which began site demolition and construction in June 2023
- A Master Agreement regulates the Farmers Market Redevelopment Projects and each development site also has a separate development agreement



Background



	Agreement/ Project	Description	Required Private Investment	TIF District Funds	Status
1	Shed 1	119 stall local farmers market	\$800,000	\$300,000	Completed 7/2015; Paid
2	Shed 2	24,148 sf retail Mudhen restaurant	\$1,784,987	\$355,477	Completed 12/2016; Paid
3	Harvest Lofts (Shed 3 & 4)	240 apt units 16,000 sf retail 300 public parking spaces	\$28,000,000	\$13,204,350	Completed 11/2017; Paid
4	Taylor Building	60 apt units 25,000 sf retail	\$17,800,000	\$3,553,480	Completed 12/2019; Paid
5	Community Garden & Futsal Fields	Community garden & futsal fields	\$1,500,000	\$589,888	Completed 6/2019; Paid
6	Pearl Lofts	100 apt units 5,585 sf office	\$27,000,000	\$6,544,245	Under Construction



Background



Harvest Lofts

- **300 public parking spaces** were purchased by the City in 2017
 - Public parking spaces were constructed to serve the entire Farmers Market Area
 - Brian Bergersen (FM City Park, LLC, “Manager”) funded up-front costs for the construction of the public parking spaces
 - City paid \$8,149,535 to purchase the 300 public parking spaces and associated air rights
 - Funding Sources: 2006 Farmers Market bond funds, Farmers Market land sale proceeds, Public/Private Partnership funds, and Farmers Market TIF District funds
 - Public parking spaces are on the first floor and basement level with an open stairwell, dedicated elevator, and direct pedestrian passageways to Farmers Market sheds/retail
 - Remaining floors of the garage serve the Harvest Lofts residential units



Background



- March 2017: as part of City Council's approval of the City's acquisition of the public parking spaces, City entered into a **Maintenance and Management Agreement (MMA)** with Manager
- MMA dictated terms for charging patrons utilizing the public parking spaces and for revenue sharing between City and Manager
- MMA specifies that parking spaces shall be free to patrons with the exception of Special Events, defined as temporary events or gatherings open to the public in which the estimated number of participates/ spectators exceeds 50
 - Manager may charge vehicles up to 12 hours per month for such events
- MMA states that if Manager wishes to charge fees to vehicles in excess of twelve hours per month, such **request must be made in writing to the Director of Economic Development**
- MMA states that if City agrees to charge for daily parking, such determination shall be **approved by the Director** and City of Dallas **Economic Development Committee** prior to enforcing new parking rates



Paid Public Parking Request



- On March 10, 2023, Manager submitted a request to the Director of the Office of Economic Development to implement paid parking in the Farmers Market Public Parking Garage
- Office of Economic Development, Transportation Department, and City Attorney's Office have since worked with Manager on such request
- After discussions with the City's Department of Transportation and per the MMA, staff recommends approval subject to the feedback of Economic Development Committee



Paid Public Parking Request



- Why Paid Parking?

People living and working downtown are parking for free and taking up valuable Farmers Market short-term customer parking; Paid parking acts a parking management tool by encouraging parking turnover – it is not intended to be overly burdensome for short-term parkers but would discourage long-term parkers

- What are current parking rates downtown?

Free parking is unusual; Parking lots/garages fees vary from \$3 maximum (church) to \$25 maximum (hourly rates vary between \$2/hour to \$17/hour)

- Who is responsible for Garage Security and Maintenance?

Manager has full responsibility and currently employs security officer onsite 24/7. Manager has service contracts for trash, cleaning, and elevator maintenance. Parking revenue (page 9) would assist in funding security and maintenance in Farmers Market common spaces, including garage

- How will visitors know that paid parking is being implemented?

Ample signage and website updates will be provided to inform visitors that paid parking is being implemented



Paid Public Parking Request



Parking Revenue

- MMA specifies that the Manager pay City, out of Gross Parking Revenue, a percentage generated from the Public Parking Garage, as follows:

<u>Gross Parking Revenue</u>	<u>Percentage to City</u>
1st \$5,000 (i.e., \$0 - \$5,000)	20% to City
Next \$5,000 (i.e., \$5,001 - \$10,000)	25% to City
Next \$5,000 (i.e., \$10,001 - \$15,000)	30% to City
Next \$5,000 (i.e., \$15,001 - \$20,000)	40% to City
Next \$5,000 (i.e., \$20,001 - \$25,000)	45% to City
\$25,001 and up	50% to City

Per the MMA, by way of illustration, if the Gross Parking Revenue in a given calendar month is \$20,000, City would receive a total of \$5,750, which is the sum of \$1,000 (20% of the first \$5,000 in Gross Parking Revenue), \$1,250 (25% of the second \$5,000 in Gross Parking Revenue), \$1,500 (30% of the third \$5,000 in Gross Parking Revenue) and \$2,000 (40% of the fourth \$5,000 in Gross Parking Revenue)



Paid Public Parking Request



Equipment

- Section 3B of MMA states that, to the extent City elects to allow charging for daily parking or at any time if Manager elects to install parking-control equipment, Manager may, following receipt of approval from the Director, “deduct the reasonable costs of installing such equipment from City’s share of Gross Parking Revenues until the cost of installation is recovered”
- Manager proposes a license plate reader, control arm, cameras, visible parking rate signs, and 60 QR Code signs
 - Cost estimate of equipment: \$43,052
 - System intended to prevent wait times and not burden Harvest Lofts residents
 - Garage control arm will rise whether or not the QR Code payment system has been used and therefore it is possible that a vehicle exits without payment. If this occurs, an invoice in the amount owed plus a \$3 servicing fee will be mailed; if not paid within 30 days, a \$25 penalty will be added (Manager will be responsible – no City enforcement)
- Reporting of all financial transactions to City is required on a monthly basis



Paid Public Parking Request



Why the time is right to implement paid parking

- The garage has been in operation since 2017 with free daily parking
- Abuse of free parking at the periphery of downtown is occurring
- There is a perception of lack of available short-term public parking for the Farmers Market area
- Charging for parking at the requested rates is not anticipated to decrease patronage of the Farmers Market area
- Paid parking is needed to manage turnover and availability of short-term public parking supply
- Manager's portion of parking revenue will be reinvested to ensure high standards of maintenance and security
- Based on review of market rates for paid parking, staff and Manager believe the proposed rates for paid parking meet the Goldilocks principle



Staff Recommendation, Committee Action, and Next Steps



- Staff recommends that the Economic Development Committee approve paid parking with the following fee structure (as requested by Manager):
 - First two (2) hours free
 - After first two hours of free parking, then \$3.00 per additional hour with a maximum of \$18.00 per 24-hour period
- Within 6 months, staff will prepare a City Council agenda item to receive and deposit daily parking revenue
 - 2016 City Council resolution authorized deposit of revenue generated by **special event** parking into an Economic Development general fund
 - City Council action is needed to accept and deposit **daily parking revenue**
 - Revenue is not anticipated until after month 9 due to equipment purchase payback provision
 - Manager may begin charging for parking upon Economic Development Committee approval and after signs and equipment are installed





City of Dallas

**Farmers Market TIF District
Request to Implement Paid Parking in the
Farmers Market Public Parking Garage**

**Economic Development Committee
September 5, 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

File #: 23-1969

Item #: D.

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

Memorandum



CITY OF DALLAS

DATE September 1, 2023

Honorable Members of the City Council Economic Development Committee: Tennell
TO Atkins (Chair), Omar Narvaez (Vice Chair), Carolyn King Arnold, Adam Bazaldua, Paul
Ridley, Kathy Stewart, Chad West

SUBJECT **Update: Rosemont Safe Routes to School Project in the Davis Garden TIF District**

On June 21, 2023, the Davis Garden Tax Increment Financing (“TIF”) District Board of Directors (“Board”) unanimously approved a request by the City’s Department of Public Works for a dedication of up to \$50,500 in Davis Garden TIF District funding for supplemental design/engineering costs associated with the Rosemont Safe Routes to School Project (“Project”). As a result, execution of Supplemental Agreement No. 2 with Halff Associates, Inc. in an amount not to exceed \$50,500 to complete the design of the Project will be authorized through Administrative Action.

Background

The National Center for Safe Routes to School (“SRTS”) serves as the U.S. Department of Transportation’s clearinghouse for pedestrian and bicycle research and tools. SRTS programs aim to make it safer for students to walk and bike to school and encourage more walking and biking where safety is not a barrier. The SRTS approach promotes walking and bicycling to school through infrastructure improvements, enforcement, tools, safety, and education. The Transportation Alternatives Program (“TAP”), a federal program administered through the U.S. Department of Transportation, provides funding for a variety of generally smaller-scale transportation projects such as Safe Routes to School projects. In the North Central Texas region, TAP funding is deployed through the North Central Texas Council of Government (“NCTCOG”) Regional Transportation Council (“RTC”), which determines the allocation of federal, state, and regional transportation funds. The RTC periodically funds SRTS infrastructure projects through TAP calls for projects. Under the 2014 call for projects, \$5.7 million was awarded to 13 SRTS projects across the region, including \$86,957 for the Project.

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

DATE September 1, 2023
SUBJECT **Update: Rosemont Safe Routes to School Project in the Davis Garden TIF District**
PAGE **2 of 4**

In 2014, the Project was awarded a TAP grant by the RTC in an amount not to exceed \$86,957, with \$69,566 as the federal share for engineering design and a local match requirement of \$17,391 from the Davis Garden TIF District. On April 11, 2018, City Council authorized a professional services contract with Halff Associates, Inc. to provide engineering design services for the Project. In November 2018, discussions between NCTCOG and the City of Dallas led to a change in design scope which resulted in a change directive. In the change directive, Halff Associates, Inc. was asked to take the revised scope to 60% design using the original funds. Completing the design (the remaining 40%) would increase the design cost by \$151,425 due to the change in scope. Since any additional costs associated with the Project (in excess of \$86,957) are the responsibility of the City, the Department of Public Works approached the Office of Economic Development and the Davis Garden TIF District with a request for the supplemental funding.

The request was initially presented to the TIF Board on June 15, 2022. Based on input from the community and after TIF Board discussion during the June 15 meeting, two additional streets adjacent to the Rosemont Primary School and the Rosemont Elementary School were added to the scope of the Project with an estimated additional design cost of \$50,000. The request for the total supplemental design cost of \$201,425 (\$194,400 for engineering design services from Halff Associates, Inc. and \$6,894 for design review by TxDOT) to complete the design of the Project was presented to the TIF Board on August 2, 2022 and was approved unanimously. The supplemental funding request for the Project was also presented to the Transportation and Infrastructure Committee on August 15, 2022. On September 14, 2022, City Council authorized Supplemental Agreement No. 1 to the professional services contract with Halff Associates, Inc.

Since September 2022, City staff has been working with Halff Associates, Inc. and other stakeholders, exploring alternatives specifically for the two streets adjacent to the Rosemont campuses. On March 27, 2023, a public focus group meeting was held to discuss improvements proposed for the two additional streets that were added to the scope of the Project, Stevens Forest Drive and Mary Cliff Road, and preliminary designs were presented for consideration. At the meeting, participants requested a two-way curb-separated cycle track on the south side of Stevens Forest Drive, a bicycle and pedestrian crossing, and an advanced pedestrian warning such as a Rectangular Rapid Flashing Beacon (RRFB). Additionally, Department of Public Works staff determined that, for safety and comfort of pedestrians and cyclists, concrete buffers should be added to the bicycle lanes on Mary Cliff Road, and a sidewalk should be added between Rainer Street and Stevens Bluff Lane.

The previously approved scope of additional services for Stevens Forest Drive and Mary Cliff Road (\$50,000) included site visits, traffic analysis, sign and marking inventory,

DATE September 1, 2023
 SUBJECT **Update: Rosemont Safe Routes to School Project in the Davis Garden TIF District**
 PAGE **3 of 4**

alternative development, and bike lane plans. However, to support the additional design and survey services required for the additional pedestrian and bicycle modifications and additional infrastructure improvements identified during the March 27, 2023 focus group meeting, the Department of Public Works recently requested an additional \$50,500 in Davis Garden TIF District funding for supplemental design/engineering costs and will soon execute Supplemental Agreement No. 2 with Halff Associates, Inc. via Administrative Action for the additional \$50,500.

The total estimated construction cost for the original scope and the additional scope is \$1,690,491.50, of which \$689,410 will be funded by federal Transportation Alternative Set-Aside (TASA) funds, and the remaining \$1,001,081.50 (as well as any cost overruns) is anticipated to be funded by the Davis Garden TIF District.

Project Cost

Advanced Funding Agreement (CSJ No. 0918-47-138)	\$ 2,608.60
Advanced Funding Agreement (CSJ No. 0918-47-324)	\$ 6,894.00
Design	\$ 86,957.00
Supplemental Agreement No. 1	\$ 194,400.00
Supplemental Agreement No. 2 (execution in process)	\$ 50,500.00
Construction – Original Scope (Estimate)	\$ 1,282,491.50
<u>Construction – Additional Scope (Estimate)</u>	<u>\$ 408,000.00</u>
Total	\$ 2,031,851.50

Funding Source

Davis Garden TIF Fund 0060	\$ 271,925.00
Davis Garden TIF – Original Scope (anticipated for construction)	\$ 593,081.50
Davis Garden TIF – Additional Scope (anticipated for construction)	\$ 408,000.00
Federal TAP Fund F547 (design only)	\$ 69,565.60
<u>Federal TASA Funds (construction only)</u>	<u>\$ 689,410.00</u>
Total	\$2,031,982.10

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

Majed A. Al-Ghafry, P.E.

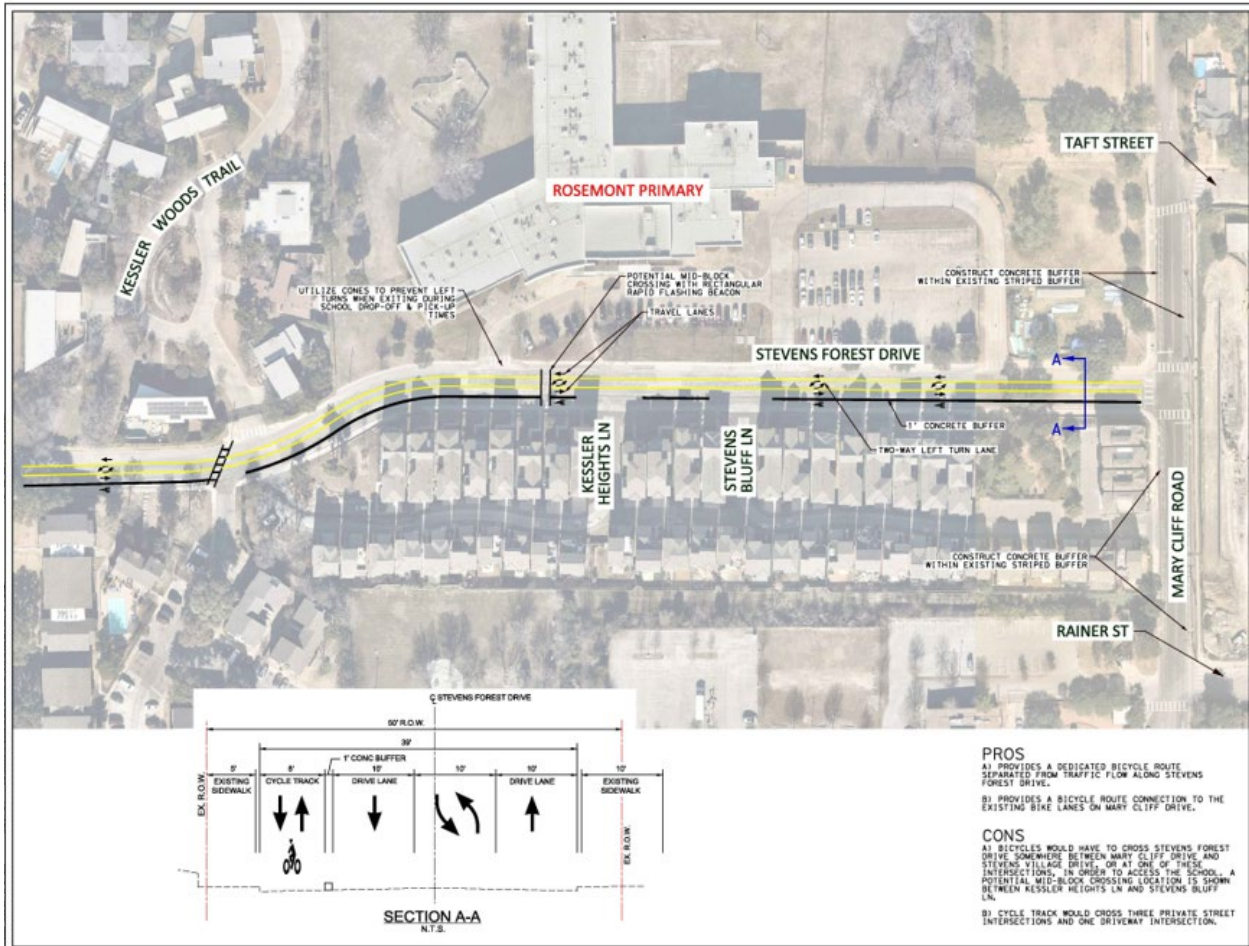
DATE September 1, 2023

SUBJECT Update: Rosemont Safe Routes to School Project in the Davis Garden TIF District

PAGE 4 of 4

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 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

File #: 23-2111

Item #: E.

Quarterly Update on Incentives awarded via Administrative Action
[Robin Bentley, Director, Office of Economic Development]

Memorandum



CITY OF DALLAS

DATE September 1, 2023

Honorable Members of the City Council Economic Development Committee: Tennell
TO Atkins (Chair), Omar Narvaez (Vice Chair), Carolyn King Arnold, Adam Bazaldua, Paul
Ridley, Kathy Stewart, Chad West

SUBJECT **Quarterly Update on Incentives Awarded via Administrative Action**

On January 25, 2023, the City Council approved an amended City of Dallas Economic Development Policy and approved a new Economic Development Incentive Policy. The Incentive Policy allows for certain incentive awards to be made by Administrative Action, rather than by City Council Resolution. These include:

1. As-of-Right Tax Abatements for certain projects in Target Areas
2. Incentive offers valued at or below \$1 million for projects in Target Areas
3. Incentive offers valued at or below \$1 million that are made to M/WBE developers or community developers throughout the city

The Incentive Policy specifies that the Office of Economic Development will update the Economic Development Committee via a quarterly memo summarizing incentives awarded by Administrative Action under these three programs. This memo is the first such quarterly update. One As-of-Right Tax Abatement has been executed via Administrative Action and is described on the attachment hereto.

Should you have any questions, please contact Robin Bentley, Director, Office of Economic Development, at 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
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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

**Trinity Industrial Park Project
As-of-Right Real Property Tax Abatement
Summary**

Applicant: Trinity Industrial Park, LP
Jack Crow, Authorized Representative

Property: Approximately 5.372 acres of vacant land located at 8733 N. Stemmons Freeway, Dallas, TX 75247 (City Council District 6)

Project Scope: New ground-up construction of two (2) Class A office/warehouse buildings totaling approximately 78,120 square feet. The estimated total project cost of \$16,830,608 includes the following:

- a. Land acquisition cost: \$3,150,500;
- b. Estimated hard construction costs: \$11,196,222, inclusive of \$1,484,208 in tenant improvements and \$328,142 of contingency;
- c. Estimated architecture and engineering costs: \$634,394; and
- d. Estimated soft costs: \$1,849,491

Minimum Investment Requirement: Owner shall invest a minimum of \$10,000,000 in (a) hard construction and development costs, (b) construction and development related soft costs.

M/WBE Good Faith Effort Participation Goal: 32%

Real Property Tax Abatement: Real property tax abatement for a period not to exceed ten (10) years in an amount equal to the City's taxes assessed on ninety percent (90%) of the added taxable value of the real property resulting from Owner's real property investment in the Project.

Estimated forgone tax revenue over 10-year abatement term: \$1.1 million

Estimated project completion date: December 31, 2024

Real Property Tax Abatement Agreement: Executed 8/7/2023 (AA 23-5981)





City of Dallas

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

Agenda Information Sheet

File #: 23-2112

Item #: F.

Cabana Design District: a mixed-income multi-family redevelopment project in the Design District TIF District

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



City of Dallas

Cabana Design District

**a mixed-income multi-family redevelopment project in
the Design District TIF District**

**Economic Development Committee
September 5, 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 Steps
- Appendix



Background: Property Location



Cabana Design District (the "Project") is located at 899 N. Stemmons Freeway in the Design District Sub-District of the Design District TIF District (City Council District 6)



Background: Property History



Cabana Motor Hotel, Dallas, Texas

- 1962: Property was originally developed as the Cabana Motor Court Hotel by Las Vegas hotelier Jay Sarno, and, in its heyday, was visited by celebrities like The Beatles and Led Zeppelin. A young Raquel Welch worked as a cocktail waitress in the “Bon Vivant Room.”
- Property changed ownership a few times before being sold in 1984 to Dallas County for use as a jail facility.
- In November 2017, the property was purchased by Centurion American Development Group with plans to rehabilitate the property back to a hotel (see Slide 35).
- Property is listed on the National Register of Historic Places (SG100003923).



Background: Existing Conditions



Background: Existing Conditions



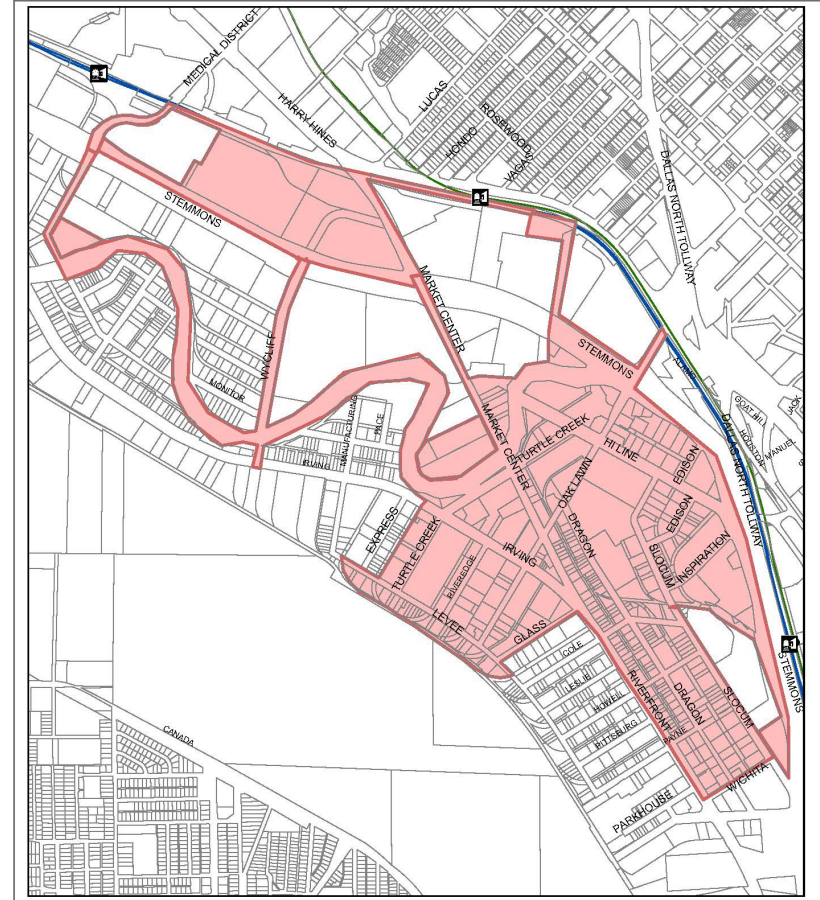
- 3.27 acres of land
- 122,776 square feet of building (11 stories, plus basement)
- 138,484 square feet of building (2 stories)
- 1-level parking structure
- 4-level parking structure
- Property has been **vacant since 2013**
- Property has been vandalized and continues to decay
- Almost all original interior features were demolished or substantially altered prior to 2017 acquisition by Centurion American Development Group
- Area surrounding the Project is challenged (large electrical sub-station; existing uses with limited street activation)
- Current (2023) taxable value of the real property is \$8.1 million (DCAD)





Background: Design District TIF District

- 2005: City Council established the Design District TIF District by Ordinance Number 26021 as a long-term economic development tool. Redevelopment of Cabana Hotel property was anticipated to be a catalyst project for the southern part of the Design District.
- 2013: TIF District Plan (and boundary) was amended.
- Scheduled to terminate on December 31, 2027 (including collection of tax year 2027 increment in calendar year 2028 and any related matters to be concluded in 2028) or when the budget of \$76.9 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 55% in the Design District Sub-District and 40% in the Market Center/Stemmons Sub-District).
- To date, taxable value of real property has increased by \$1.05 billion within the TIF District, an increase of 371% from the base value.
- **To date, 3,041 residential units have been completed or are under construction; however, only 63 units (2%) are income-restricted.**



Background: Existing Planning and Zoning



- Design District TIF District Project Plan and Financing Plan (2005)
 - Attract private development including a goal of 4,500 residential units
 - Mixed-income/affordability
 - Connect downtown with Trinity River corridor
 - Improve pedestrian environment with streetscape improvements
 - Provide funding to stimulate conversion of underutilized/vacant properties
- Trinity River Corridor Comprehensive Land Use Plan (2005)
- Stemmons Corridor-Southwestern Medical District Area Plan (2010)
- Downtown 360 Plan (2011; updated 2017)
- Zoning: 2019 zoning amendment (Ordinance 31235) to the Old Trinity and Design District Special Purpose District (PD 621) originally approved by City Council in 2002
 - Subdistrict 1J (“transit-oriented, mixed-use zoning district for the development of a combination of medium to high density residential...”)
 - Demolition Delay Overlay (DDO-2)
 - Downtown Perimeter Special Provision Sign District (SPSD)



Proposed Project: Housing Tax Credits



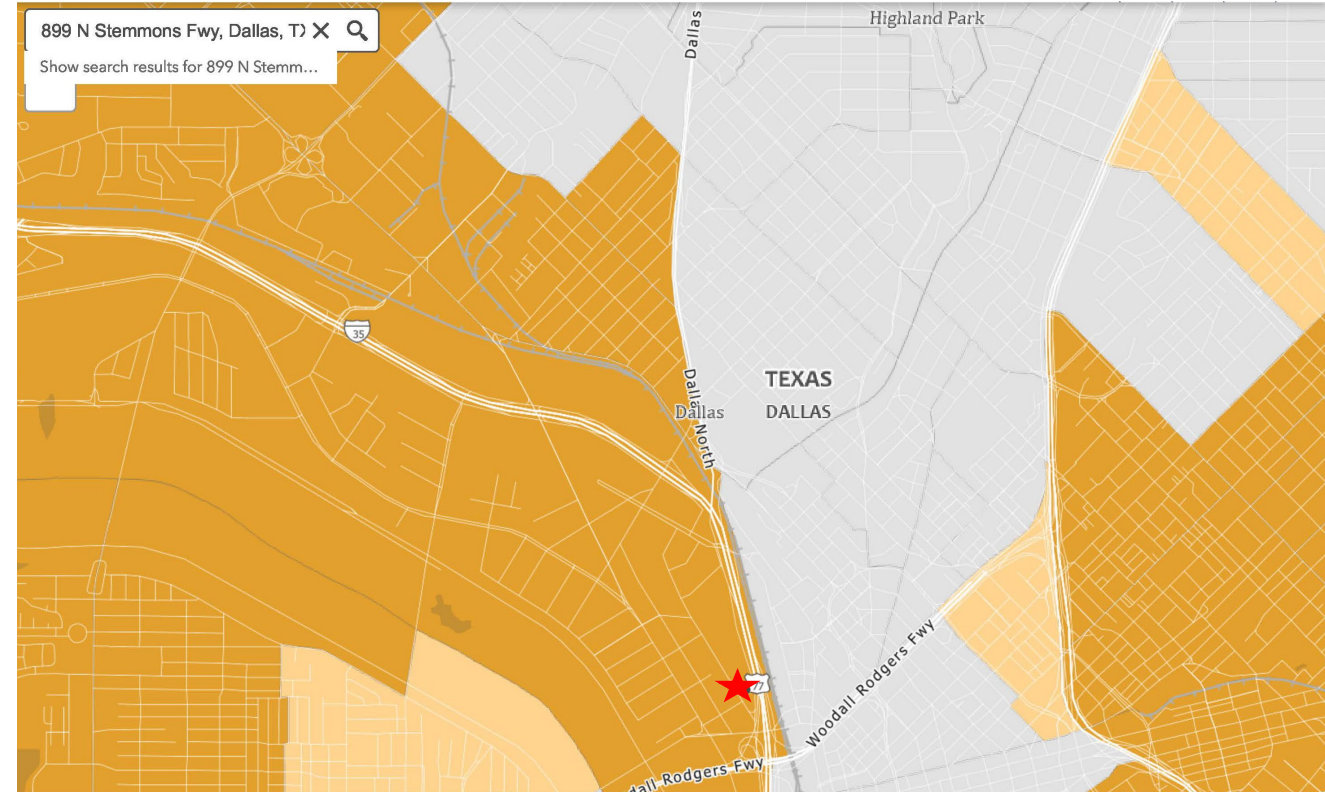
- January 23, 2023: Housing and Homelessness Solutions Committee was briefed regarding the proposed Project and the Developer's request for a Resolution of Support related to its application to the Texas Department of Housing & Community Affairs (TDHCA) for competitive 9% Housing Tax Credits (HTC) in the 2023 application cycle
- February 22, 2023: City Council authorized a Resolution of Support for Developer, related to its application to the Texas Department of Housing & Community Affairs (TDHCA) for competitive 9% Housing Tax Credits (HTC) in the 2023 application cycle for the proposed Project by Resolution No. 23-0279
- July 27, 2023: TDHCA formally awarded 9% HTCs to the proposed Project (the proposed Project was the highest scoring/top ranked application out of 24 total applications in Region 3/Urban)



Proposed Project: High Opportunity Areas



- Project is at the **edge of a High Opportunity Area** (depicted in grey color on the map)
- A High Opportunity Area within the city of Dallas is where the census tract has a poverty rate of 20% or below
- High Opportunity Areas often have attributes that, based on recent research, appear to have a positive effect on the economic mobility of residents



High Opportunity Areas



Proposed Project: Summary



Project Developer: Cabana Sycamore Development, Inc. (“Developer”) a Texas corporation whose officers will be principals of Sycamore Strategies, LLC, a Texas limited liability company

Project Summary: Developer submitted an incentive application to the Office of Economic Development to support the Cabana Design District: a mixed-income multi-family (“Project”) at 899 North Stemmons Freeway

- **Rehabilitation and adaptive reuse** (in compliance with Secretary of Interior’s Standards) **of the 2 vacant historic buildings, partial demolition/retrofitting of the 4-level parking structure, and new ground-up construction of approximately 19,472 square foot addition** to deliver **160 multi-family residential units, of which 64 (40%) will be income-restricted for 45 years**
- Approximately 283 total parking spaces (approximately 260 structured parking spaces, 19 on-site surface parking spaces, and 4 on-street parking spaces), an interior courtyard with a pool, and other amenities
- **Total Project cost estimated: \$116.3 million**

	RESID UNITS
30% AMI	27
60% AMI	9
70% AMI	14
80% AMI	14
Low Income Total	64
Market Rate	96
Total Units	160

Bedroom Type	RESID UNITS
Efficiency	8
1 Bedroom	40
2 Bedroom	98
3 Bedroom	14
Total Units	160



Proposed Project: Summary



Project Amenities and Resident Support Services

UNIT AMENITIES:

- Full electric kitchen appliance package,
- Spacious nine-foot ceilings,
- Generous porches or balconies with storage closets
- Decorative lighted ceiling fans in living and bedrooms
- Garden tubs and walk-in showers,
- Full size washer and dryer connections,
- Radiant barrier, oversized walk-in closets and high-speed internet and cable tv access

EXTERIOR AMENITIES:

- Resort style pool
- Pavilion with seating and outdoor fans,
- BBQ grills and picnic areas for gatherings,
- Bocce court,
- Garden planters
- Spacious dog park

RESIDENT SERVICES

- Monthly Transportation to community/social event
- Annual Income Tax Preparation
- Food Pantry
- Annual Health Fair
- Weekly Exercise Class
- Local Law Enforcement Partnership
- Notary Services
- Bi-Monthly Recreational Activities (Arts and Crafts, Book Club etc.)
- Bi-Monthly Social Activities (Potlucks, Holiday Celebrations etc.)
- Weekly Home Chore or Maintenance for Elderly or Disabled Tenants



Proposed Project: Conceptual Site Plan



UDG

THE CABANA HOTEL
DALLAS, TX

BONNER
CARRINGTON™

SYCAMORE
STRATEGIES

PAPE-DAWSON
ENGINEERS

SITE PLAN

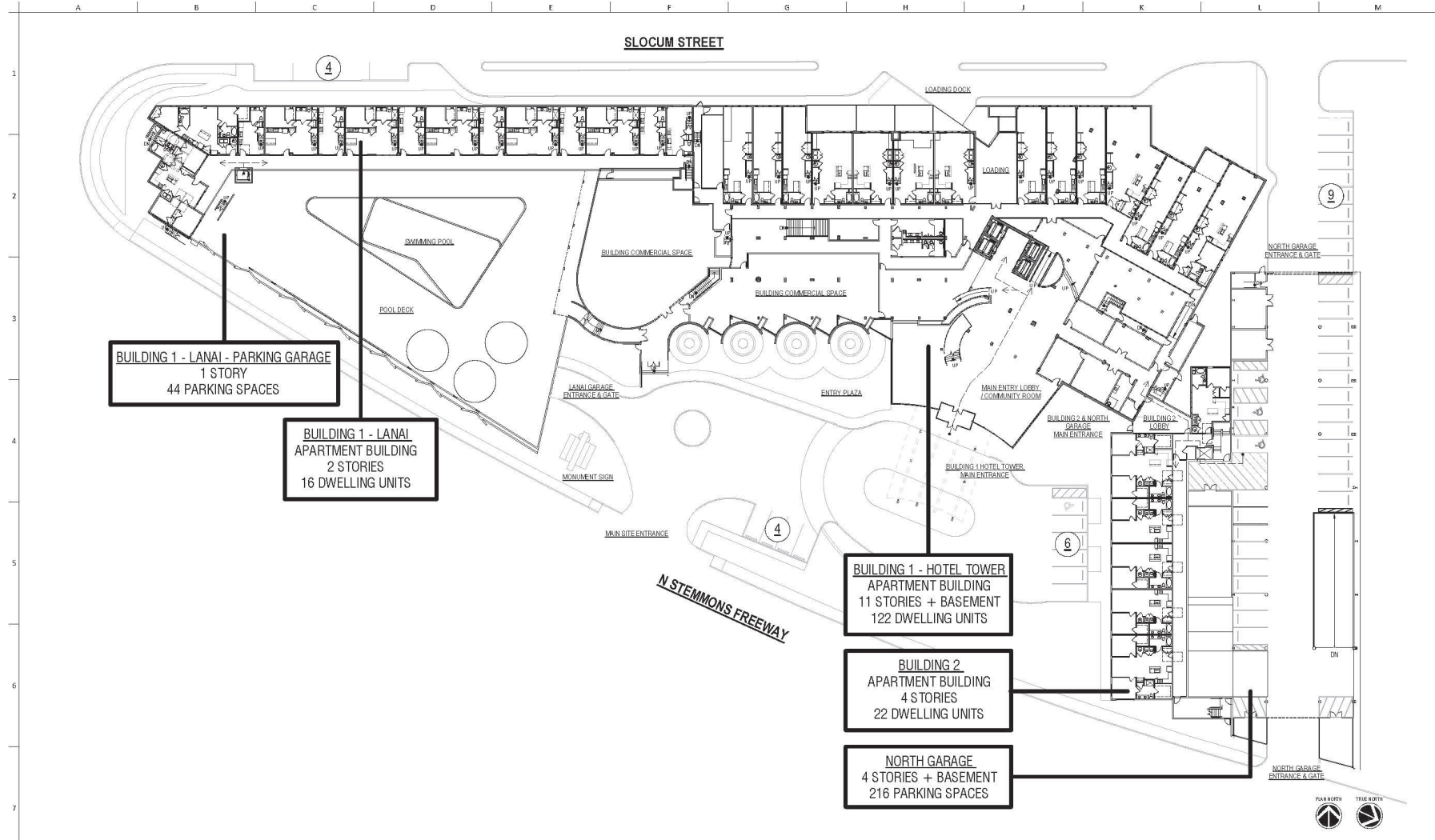
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Date: 02.24.2023

FOR PRESENTATION PURPOSES ONLY



Proposed Project: Detailed Site Plan



Proposed Project: Rendering



THE CABANA HOTEL
DALLAS, TX



SYCAMORE
STRATEGIES



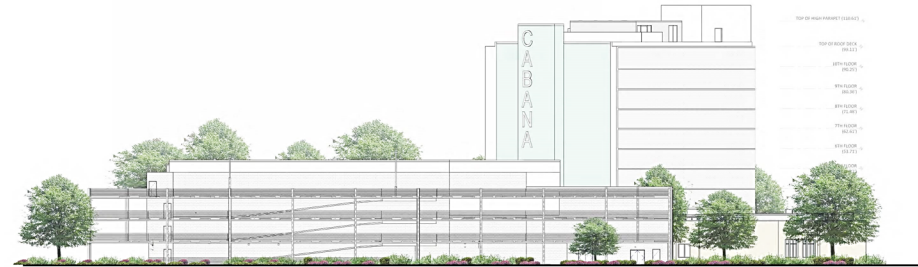
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FOR PRESENTATION PURPOSES ONLY



Proposed Project: Elevations



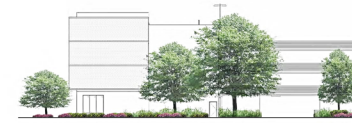
WEST ELEVATION - Building 2



NORTH ELEVATION



SOUTH ELEVATION



EAST ELEVATION - Building 2



THE CABANA HOTEL
DALLAS, TX



SYCAMORE STRATEGIES



ELEVATIONS
Scale: NTS
Date: 02.24.2023
FOR PRESENTATION PURPOSES ONLY



Proposed Project: Elevations



EAST ELEVATION - N Stemmons Freeway



WEST ELEVATION - Slocum Street



THE CABANA HOTEL
DALLAS, TX



SYCAMORE
STRATEGIES



ELEVATIONS
Scale: NTS
Date: 02.24.2023
FOR PRESENTATION PURPOSES ONLY



Proposed Project: Urban Design Peer Review Panel



- On May 26, 2023, the City's Urban Design Peer Review Panel ("UDPRP") reviewed the Project and provided the following advice:
 - Panel recommends the sidewalk be pushed off the curb to increase pedestrian safety and provide landscape opportunities along Slocum. The Panel also advises improvements to the sidewalk condition on Slocum to encourage access to amenities in the district.
 - Panel advises that on-street parking layout be reviewed for walkability, efficiency, and ease of use along Slocum.
 - Selective members of the Panel recommend exterior amenity space and entry be designed to better serve the needs of the residents by removing parking and vehicle circulation areas where possible and/or replacing pavement with other permeable paving and landscaping improvements. One Panel member did not support this suggestion as it would diminish the historic character of the original Cabana Hotel.
 - Panel advises the proposed residential addition be designed to respect the architectural language of the original Cabana Hotel.
 - Panel suggests the design team reference the SITES USGBC rating system to help guide the design, development, and management of sustainable and resilient landscape and open space components of the site.
 - Panel advises special consideration be given to the location and design of the pedestrian path connecting the existing sidewalk on the I-35 frontage road to the building's main entry.
- Developer has accommodated the Panel's advice and will continue to collaborate with PUD staff to provide updated documents prior to building permit application.



Proposed Project: Budget



Uses	Amount	Percent
Acquisition	\$28,000,000	0.4%
Demolition	\$150,200	0.8%
On-Site Improvements	\$2,784,020	8.3%
Off-Site Infrastructure	\$140,000	0.7%
Building (Hard) Construction Costs	\$54,187,967	60.3%
Contingency	\$2,461,299	3.5%
Professional Fees	\$2,487,500	2.6%
Soft Costs	\$14,471,630	9.8%
Reserves	\$1,651,858	2.3%
Developer Fee	\$10,000,000	11.3%
Total Uses	\$116,334,474	100.0%



Proposed Project: Sources



Permanent Sources	Amount	Percent
Permanent Loan	\$20,970,000	18%
Federal/State Historic Tax Credit Equity	\$31,594,460	27%
3rd Party Equity as 9% LIHTC	\$17,998,200	15%
Deferred Developer Fee	\$4,771,315	4%
City of Dallas	\$41,000,500	35%
Total Uses	\$116,334,475	100%



Staff Recommendation: TIF Subsidy



On August 16, 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 \$41,000,000 as gap financing** to support the Project. The TIF Subsidy shall be payable in installments as detailed in Slide 22 and subject to 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 Design District TIF District Project Plan and Reinvestment Zone Financing Plan.

Category	Amount
Environmental Remediation and Demolition	\$150,200
Public Infrastructure Improvements	\$2,505,734
Economic Development Grant	\$38,344,066
TOTAL TIF SUBSIDY – amount not to exceed	\$41,000,000

The budget shown below outlines the anticipated TIF Subsidy in accordance with the established budget in the Design District TIF District Project Plan and Reinvestment Zone Financing Plan. Funds may be shifted from one category to another as long as the total amount of TIF Subsidy does not exceed \$41,000,000; however, the Grant component shall not exceed \$39,000,000.



Staff Recommendation: TIF Subsidy



Staff recommends a **TIF Subsidy in a total amount not to exceed \$41,000,000, payable in at least three (3) installments** as further described below:

- **Installment No. 1:** \$5,000,000 payable to Developer contemporaneously with the acquisition closing of the Property, secured by (i) a second lien deed of trust on the Property which shall be subordinate only to the senior financing for the Project under the terms and conditions of a subordination agreement approved by the Director (the “Deed of Trust”), and (ii) a guaranty made by Sycamore Strategies, LLC and Hunt Capital Partners, LLC on a joint and several basis in favor of the City, which will include a \$2,000,000 liquidity and \$12,000,000 net worth requirement, such financial covenants which will be on an aggregate basis among the guarantors and tested (1) prior to payment of Installment Nos. 1 and 2, and (2) annually starting on December 31st the year after the acquisition closing (the “Guaranty”). The Deed of Trust and Guaranty shall be released upon Developer and Owner satisfying the requirements for the payment of Installment No. 3.
- **Installment No. 2:** \$5,000,000 payable to Developer upon achievement of fifty percent (50%) completion of construction of the Project, as evidenced by detailed pay applications from a third-party construction manager approved by the Director as to the status of completion of the Project, in its reasonable discretion. Installment No. 2 will be secured by the Deed of Trust and Guaranty.
- **Installment No. 3** (and future installments, if necessary): Up to \$31,000,000 payable to Developer upon achievement of completion of the Project, so long as a Developer is otherwise in compliance with the terms and conditions of the development agreement.

TIF Subsidy payments shall also be made in accordance with the Design District TIF District Increment Allocation Policy.

Following completion of the Project and being placed in service, the City shall conduct a **post-construction audit** to review the Developer’s actual costs incurred to deliver the Project.

For every \$100,000 in actual costs incurred below the estimated total cost of \$116,334,474, the City shall reduce the TIF Subsidy (in the Economic Development Grant category) by \$35,000. The City agrees to complete such audit within three (3) months of City’s receipt of all necessary supporting documentation from Developer.



TIF District Board of Directors Recommendation and Next Steps



- August 31, 2023: Design District TIF District Board of Directors reviewed and discussed the proposed Project; action deferred until September 11 meeting
- September 11, 2023: Design District TIF District Board
- September 27, 2023: City Council





Appendix



Appendix: Development Team



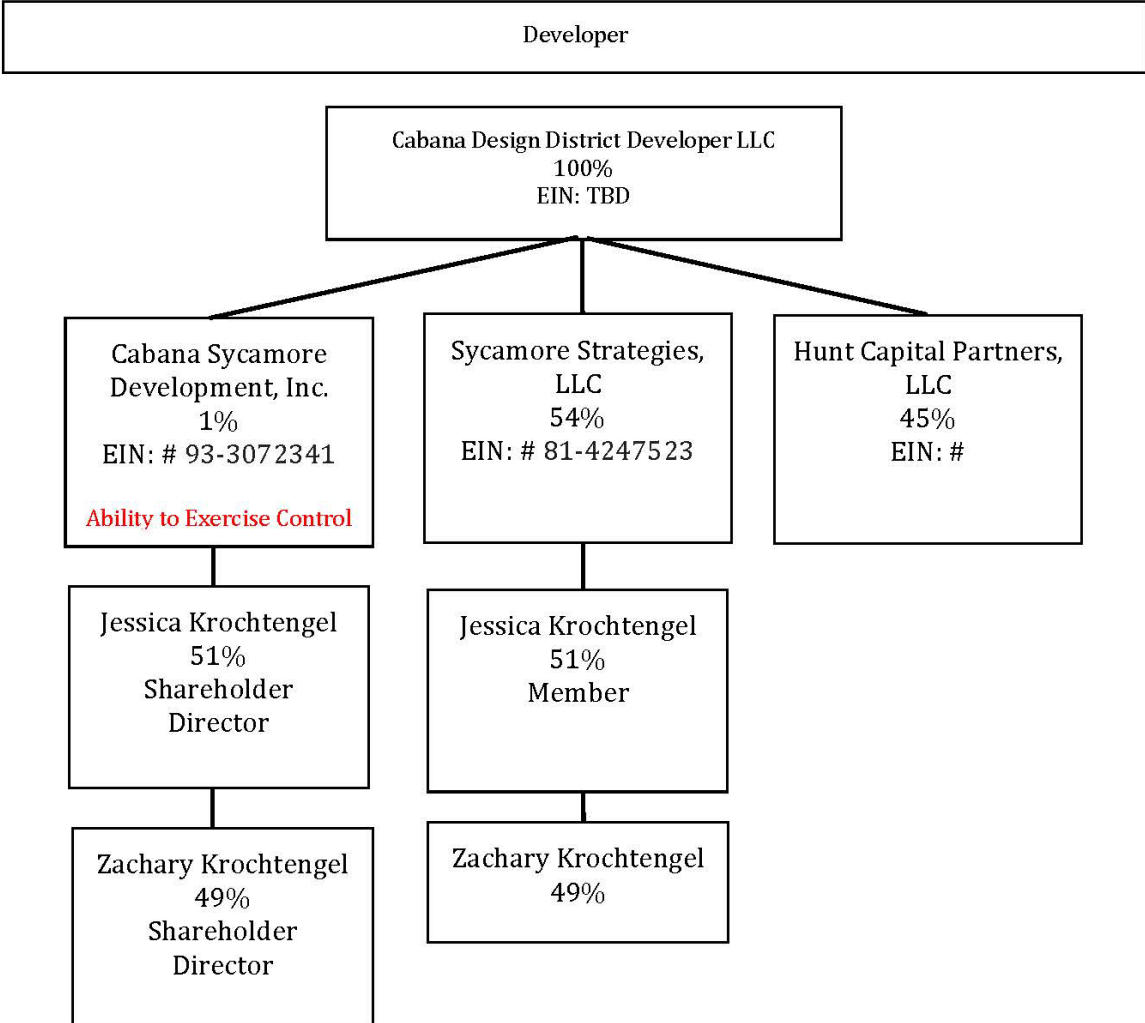
Role	Party Name
Developer/Primary Contact	Cabana Sycamore Development, Inc. (Sycamore Strategies, LLC--Jessica Krochtengel; Zach Krochtengel)
Architect	Urban Design Group
Engineer	Jacobs
General Contractor	Bonner Carrington Construction
Attorney	Barry Palmer (Coats Rose); Phill Geheb (Munsch Hardt); Philip Kingston (Sheils Winnubst)
Property Management	Bonner Carrington



Appendix: Developer



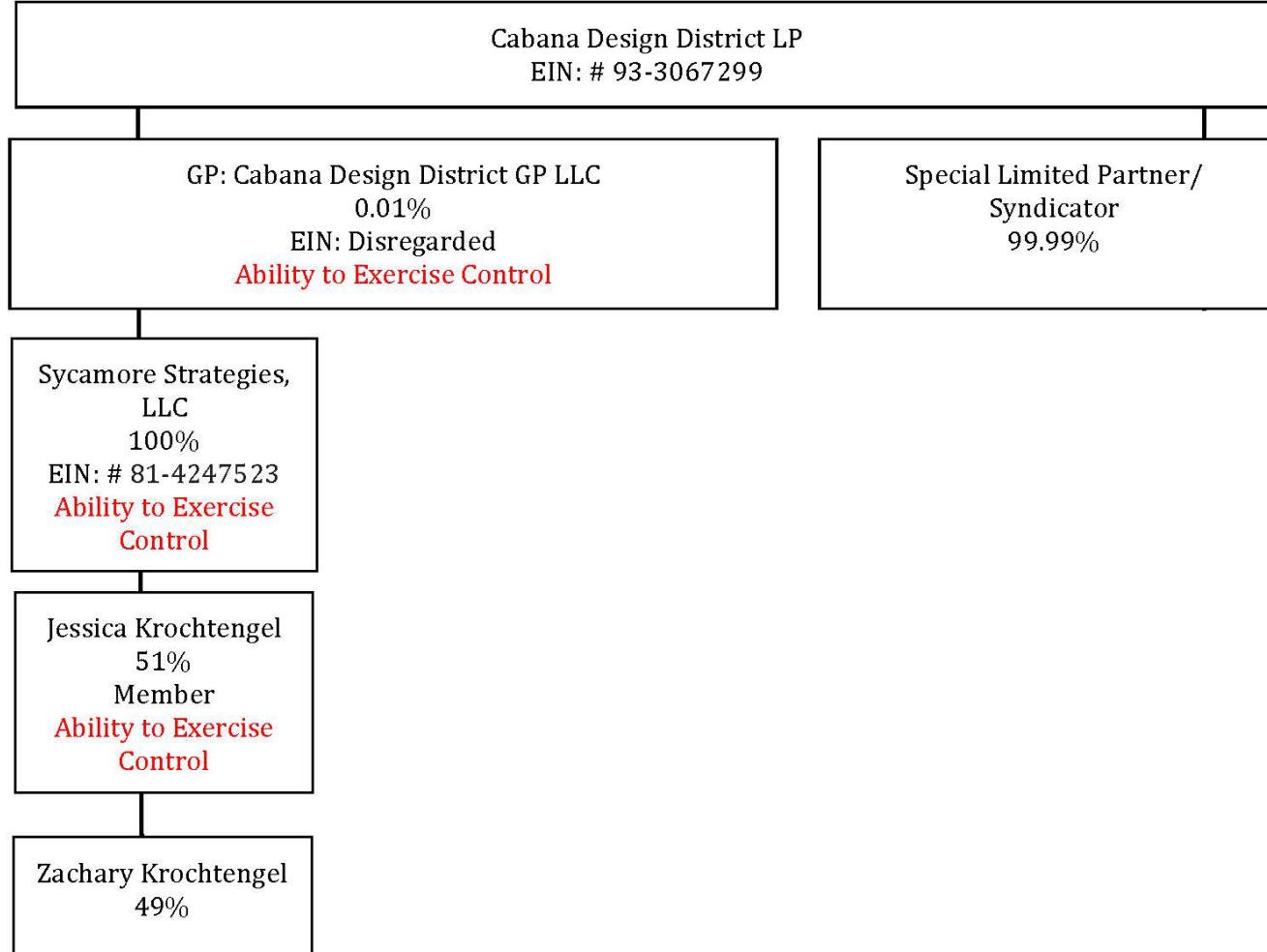
Cabana Design District: Developer
TDHCA #23100
Organizational Chart



Appendix: Owner



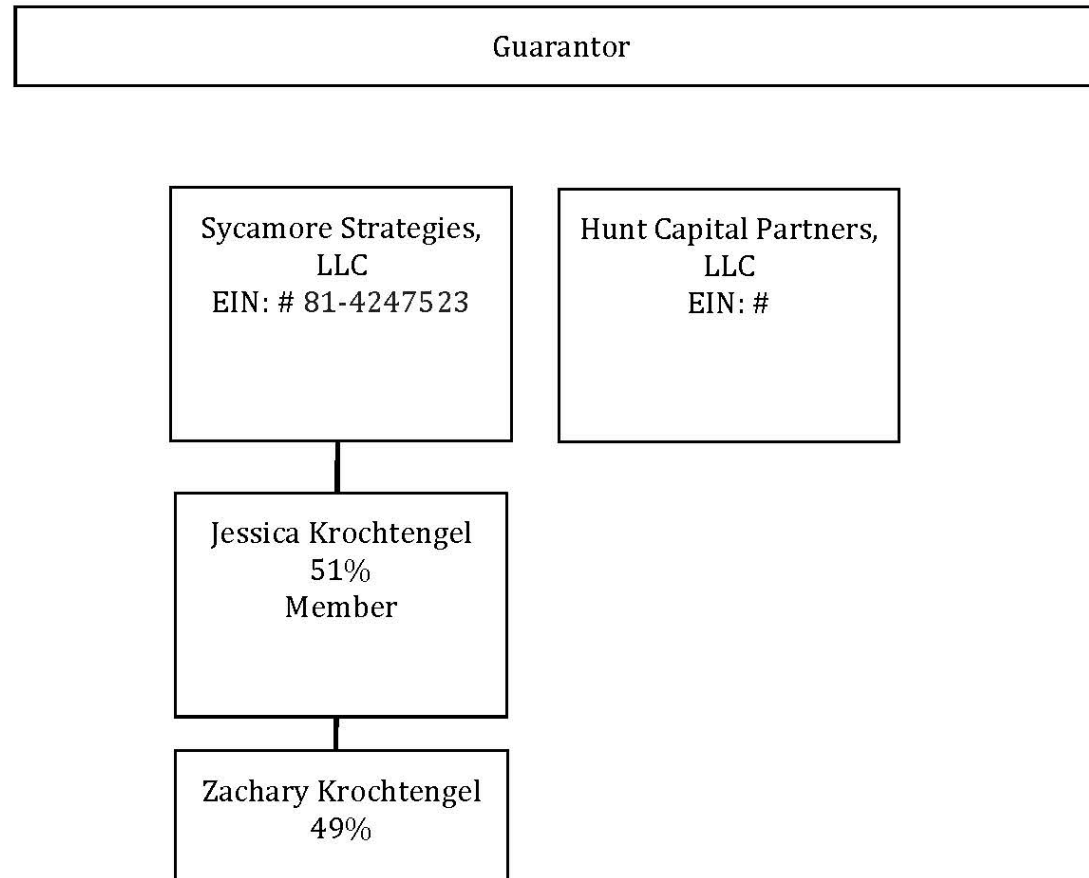
Cabana Design District: Ownership TDHCA #23100 Organizational Chart



Appendix: Guarantor



Cabana Design District: Guarantor
TDHCA #23100
Organizational Chart



Appendix: Conditions of Agreement



- **Developer shall invest and document a minimum of \$83,000,000 in eligible expenditures** in the Project, including site acquisition, environmental assessment and remediation, off-site infrastructure, on-site preparation, site amenities, building construction/finish-out/furnishings, and professional fees .
- **Project shall include a minimum of 160 residential units of which a minimum of 40% (64) of the units shall be set aside and leased solely to those households earning a maximum of 80% of the AMI for a minimum of 15 years (“Affordability Period”)** (although to be set aside for 45 years pursuant to the LIHTC LURA).
- In accordance with Section 20-4.1 (b) of the Dallas City Code, Developer shall make **best efforts to lease up to ten percent (10%) of the Project’s residential units to voucher holders** during the Affordability Period from the date of Project Completion.
- Developer shall submit an **Affirmative Fair Housing Marketing Plan** for approval.



Appendix: Conditions of Agreement



- Developer shall obtain a **building permit** for the Project components by **December 31, 2024**. A demolition permit or grading permit does not constitute meeting this requirement.
- **Construction of the Project, including associated public improvements/streetscape improvements, shall be complete**, and all portions of the building shall be occupiable by **December 31, 2027**, as evidenced by certificate of occupancy, letter of acceptance, certificate of completion, and/or similar documentation from the City.
- Developer shall execute a **20-year Operating and Maintenance Agreement** for all **non-standard public improvements**.
- Developer shall make a good faith effort to comply with City's Business Inclusion and Development ("BID") goal of **40% participation by certified Minority/Women-owned Business Enterprises ("M/WBE") for all hard construction expenditures** of the Project and meet all reporting requirements.



Appendix: Conditions of Agreement



- 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 shall construct the Project (public and private improvements) **in substantial conformance with the conceptual site plan and conceptual renderings approved by the City's Planning and Urban Design Department, addressing the advice provided by the Urban Design Peer Review Panel on May 26, 2023.** Allowable minor modifications may include those required for compliance with development regulations.
- For all **permanent employment opportunities** created by operation of the Project and prior to City payment of Installment No. 3 of the TIF Subsidy, Developer shall submit to the City **a written plan describing how Developer or property management group shall use and document best efforts to recruit and hire residents of the city of Dallas.**



Appendix: Conditions of Agreement



- The **proposed management group** for the Project shall be submitted at least 3 months prior to Project completion for review by Director to consider acceptance based on the management entity's comparable experience managing other multi-family residential properties with income-restricted units, such approval not being unreasonably withheld.
- **Prior to payment of Installment No. 3** of the TIF Subsidy, Developer shall provide evidence that a minimum of **seventy percent (70%) of the residential units in the Project are leased and occupied.**
- **Director may authorize minor modifications to the Project**, including, but not limited to, adjustment in unit type, unit mix, income-restriction duration, and/or qualifying AMI, if consistent with the TDHCA Project requirements and in compliance with Design District TIF District Policies and Plans. Additionally, after specific **approval and recommendation of the TIF Board, the Director may authorize an extension of the Project's material dates and 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:
 - **Development team:** Development team appears highly qualified to carry out the proposed Project.
 - **Equity investors:** As a tax credit project, \$49.6 million of funding for Project is equity generated from housing tax credits and historic tax credits (state and federal). The tax credit investor requires several guarantees, including completion. Should the Developer not perform, the investor (99.99% owner) may intercede to complete the Project.
 - **Market, Project Viability, and Reasonable of Operating Assumptions:** Developer's assumptions used in the projection of Project income are consistent with information presented in the Appraisal and Market Study. Developer's assumptions for operating expenses (\$9,091 per unit per year) are lower than the Appraisal (\$9,810) but are higher than TDHCA's average for the Dallas region (\$6,197). The proposed Project appears viable.
 - **Permanent debt capacity of Project:** NDC finds that the Project likely cannot support additional debt.
 - **Cost estimates of Project:** Rehabilitation hard cost estimate (\$285 psf) is in the upper range of similar residential rehabilitation projects reviewed; soft costs overall are very high (48% of hard costs); construction costs could be higher (or lower) than projected since the figures provided by the Developer do not represent contracted prices. NDC recommends a post-construction audit of actual construction costs.
 - **Rationale for City subsidy based on Costs:** The main driver of the City subsidy is: (1) high soft costs, and (2) TDHCA's artificial restriction of the housing tax credits to \$2.0 million per year (\$20 million total). Without the TDCHA restriction, the Project would have the potential to qualify for over \$60 million in housing tax credits (which would eliminate the funding gap).
 - **Rational for City subsidy based on Returns:** Tax credit syndication prices (\$0.87/housing tax credit; \$0.86/historic tax credit) is within a reasonable range for the Dallas market (\$0.86-\$0.91). Developer proposes to take a 9.4% developer fee (\$10 million) which is slightly below the typical range of 10%-15% for these types of projects.



Appendix: Design District TIF District Budget



Category	Estimated TIF Expenditures (Current dollars)	Allocated to Date	Pending Allocation for Project	Balance
Design District Sub-district				
*Paving & Streetscape				
*Wayfinding & District Signage				
*Water, Wastewater & Storm				
*Open Spaces, Plazas, Portals, Civic				
*Environmental Remediation & Demolition				
*Utility Burial				
*Economic Development Grants	\$81,756,586	\$31,647,887	\$41,000,000	\$9,108,699
Market Center/Stemmons Sub-district				
*Paving & Streetscape				
*Wayfinding & District Signage				
*Water, Wastewater & Storm				
*Open Spaces, Plazas, Portals, Civic				
*Environmental Remediation & Demolition				
*Utility Burial				
*Economic Development Grants	\$32,572,854	\$0	\$0	\$32,572,854
Trinity Strand Trail	\$7,610,724	\$7,400,000	\$0	\$210,724
Administration	\$4,566,434	\$633,017	\$0	\$3,933,417
Total Project Costs	\$126,506,598	\$39,680,904	\$41,000,000	\$45,825,694
<i>Budget shown in total dollars. TIF District Plan shows budget in net present value (NPV)</i>				



Appendix: 2019 Development Agreement



- On November 13, 2019, City Council authorized a development agreement with Cabana Development, LLC, an affiliate of Centurion American Development Group (“Centurion”), in an amount not to exceed \$15.5 million in TIF District funding to support the Cabana Hotel Redevelopment Project by Resolution No. 19-1804.
- The project was proposed to include the historic rehabilitation of the property into 260 hotel rooms as well as the hotel’s original amenities, including restaurant, entertainment, and conference facilities.
- The project encountered delays and challenges during the COVID-19 pandemic.
- Centurion has recently submitted a letter (1) confirming that Centurion no longer desires to pursue the Cabana Hotel Redevelopment Project, and (2) authorizing the Director of the Office of Economic Development to request City Council rescission of the TIF District funding previously awarded on November 13, 2019 by Resolution No. 19-1804, effective upon the Developer’s closing on the acquisition of the Property from Centurion.





City of Dallas

Cabana Design District

a mixed-income redevelopment project in
the Design District TIF District

Economic Development Committee
September 5, 2023

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