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CITY SECRETARY
DALLAS, TEXAS



CITY OF DALLAS

Memorandum

DATE October 14, 2011

TO Members of the Economic Development Committee:
Ann Margolin, (Vice-Chair), Monica Alonzo, Sheffie Kadane, Jerry Allen

SUBJECT **Economic Development Committee**
Monday, October 17, 2011, 9:00 – 10:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of October 3, 2011 Minutes of the Economic Development Committee
2. "Project Wall-E "(Executive Session pursuant to Section 551.0172, Texas Open Meetings Act to deliberate the purchase, exchange, lease, or value of real property where deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person)."
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
3. Inland Port Update
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
4. Council Strategic Plan Objectives Review
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
5. Upcoming agenda item for October 2011
 - JS& JH Enterprise Inc., Economic Development Grant

A handwritten signature in black ink, appearing to read 'Tennell Atkins'.

Tennell Atkins, Chair
Economic Development Committee

- C: The Honorable Mayor and Members of the City Council
- | | |
|--|--|
| Mary K. Suhm, City Manager | Ryan S. Evans, Assistant City Manager |
| Rosa Rios, Acting City Secretary | Forest Turner, Assistant City Manager |
| Tom Perkins, City Attorney | Jill A. Jordan, P.E., Assistant City Manager |
| Judge C. Victor Lander, Administrative Judge Municipal Court | Joey Zapata, Interim Assistant City Manager |
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| A.C. Gonzalez, First Assistant City Manager | Karl Zavitkovsky, Director, OED |
| | J. Hammond Perot, Assistant Director, OED |
| | Helena Stevens-Thompson, Asst. to the CMO |

A closed session may be held if the discussion on any of the above agenda items concerns one of the following:

- 1. Contemplated or pending litigation, or matters where legal advice is requested to the City Attorney. Section 551.071 of the Texas Open Meetings Act.**
- 2. The Purchase, exchange, lease or value of real property, if the deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.**
- 3. A contract for a prospective gift or donation to the City, if deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.**
- 4. Personnel matters involving appointments, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.**
- 5. The deployment or specific occasions for implementation of security personnel or device. Section 551.076 of the Texas Open Meetings Act.**
- 6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meeting Act.**

Economic Development Committee

Meeting Record

October 3, 2011

The Economic Development Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

Meeting Date: October 3, 2011 Meeting Start time: 9:01 AM

Committee Members Present:

Tennell Atkins
Ann Margolin
Jerry Allen
Sheffie Kadane
Monica Alonzo

Staff Present:

Ryan Evans, *Assistant City Manager, City Managers Office*
Karl Zavitkovsky, *Director, Office of Economic Development*
Daniel Oney, *Research and Information Manager, Office of Economic Development*
J. Hammond, *Assistant Director, Office of Economic Development*

Other Council Members Present:

Other Presenters:

1. Approval of September 6, 2011 Minutes of the Economic Development Committee

Presenter(s):

Action Taken/Committee Recommendation(s): Motion made to approve the minutes.

Motion made by: Ms. Margolin

Motion seconded by: Ms. Alonzo

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

2. Office of Economic Development overview

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development

Action Taken/Committee Recommendation(s):

Motion made by:

Motion seconded by:

Item passed unanimously: _____

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

October 3, 2011

ED Committee Meeting Record – Page 2 of 2



3. Dallas' Workforce and Jobs

Presenter(s): Daniel Oney, Research and Information Manager, Office of Economic Development

Action Taken/Committee Recommendation(s):

Motion made by:

Motion seconded by:

Item passed unanimously: _____

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

4. Upcoming agenda items for September 2011

- Home Depot Amendment
-

Action Taken/Committee Recommendation(s): Motion made to recommend items to council for approval.

Motion made by: Mr. Kadane

Motion seconded by: Mr. Allen

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

Meeting Adjourned: 10:28 AM

Approved By: _____

EXECUTIVE SESSION

“Project Wall-E (Executive Session pursuant to Section 551.0172, Texas Open Meeting Act to deliberate the purchase, exchange, lease, or value of real property where deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person).”

Memorandum



CITY OF DALLAS

DATE October 14, 2011

TO Members of the Economic Development Committee: Tennell Atkins (Chair),
Ann Margolin (Vice Chair) Jerry R. Allen, Sheffie Kadane, Monica Alonzo

SUBJECT **Inland Port Update**

On Monday, October 14, 2011, the Economic Development Committee will be briefed on the Inland Port Update.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3296.

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Ryan S. Evans
Assistant City Manager

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J. Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Inland Port Update

Economic Development Committee
October 17, 2011



The Vision

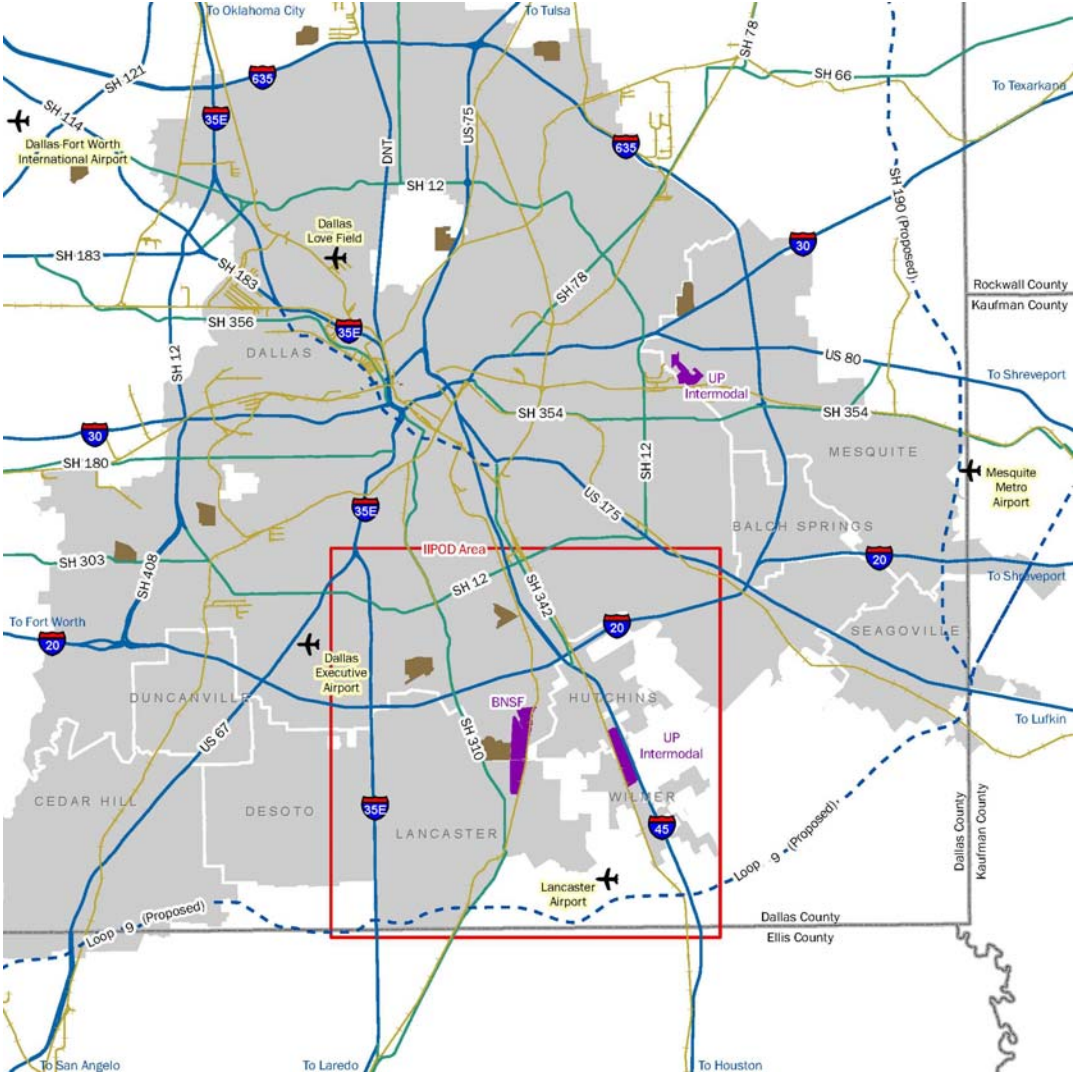
IIPOD was conceived to become:

- A successful **third phase** of **regional intermodal development** (leveraging DFW Airport and Alliance) and is a **key driver** in making Dallas the nation's premier logistics and distribution center
- A **catalyst for Southern Sector** investment, job growth and development of sustainable communities that increases city-wide tax base

IIPOD

International Inland
Port of Dallas

IIPOD Area



Dallas is Competitive

Despite the current economic conditions, Dallas remains a competitive regional distribution location

- **Transportation infrastructure** assets are excellent
 - Multiple interstate highways, future Loop 9, two Class One railroads and intermodal facilities
- **Transportation costs (low) and lease rates (competitive)** make Dallas an attractive destination

Logistical Strengths of the Region

The DFW region has the **third lowest distribution** costs of the top 50 U.S. consumer markets, trailing only Louisville and Memphis

More than **600 motor carriers** and almost **100 freight forwarders** operate out of the region

The **two largest FTZs** cover more than **9,600 acres**

- Southern Dallas currently has 2,470 acres

More than **700 million square feet of warehouse space**
2nd lowest price per square foot for warehouse space in major metropolitan cities

- Southern Dallas rates some of the lowest in the Metroplex

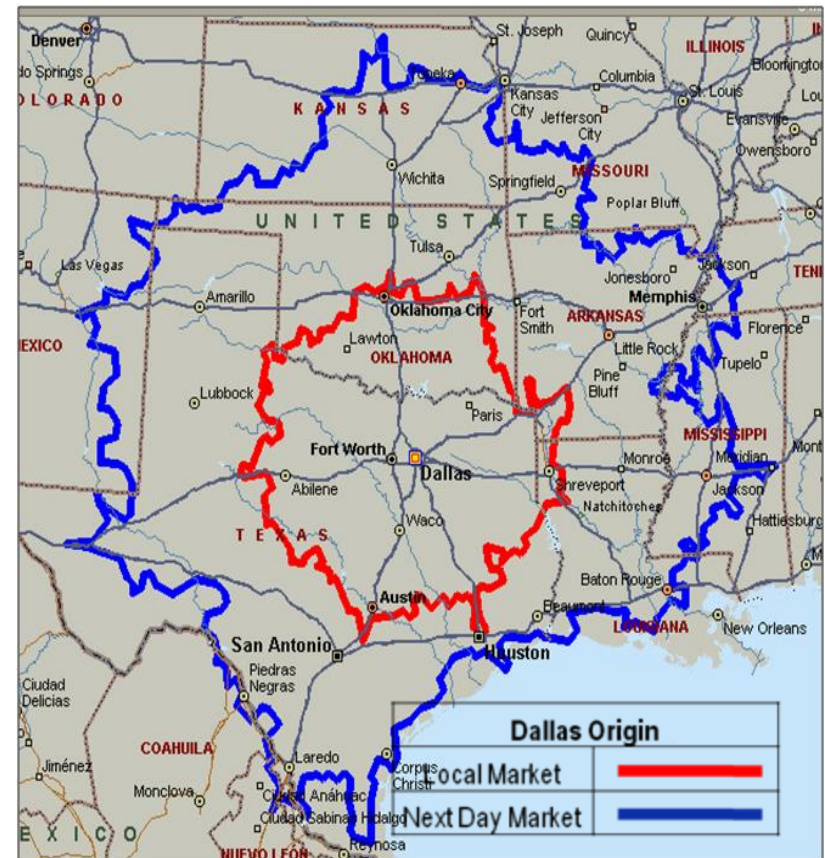
Good weather provides **year-round rail access**

Dallas Rates Highly as a Regional Distribution Hub

Large customer base within region and “next-day” window

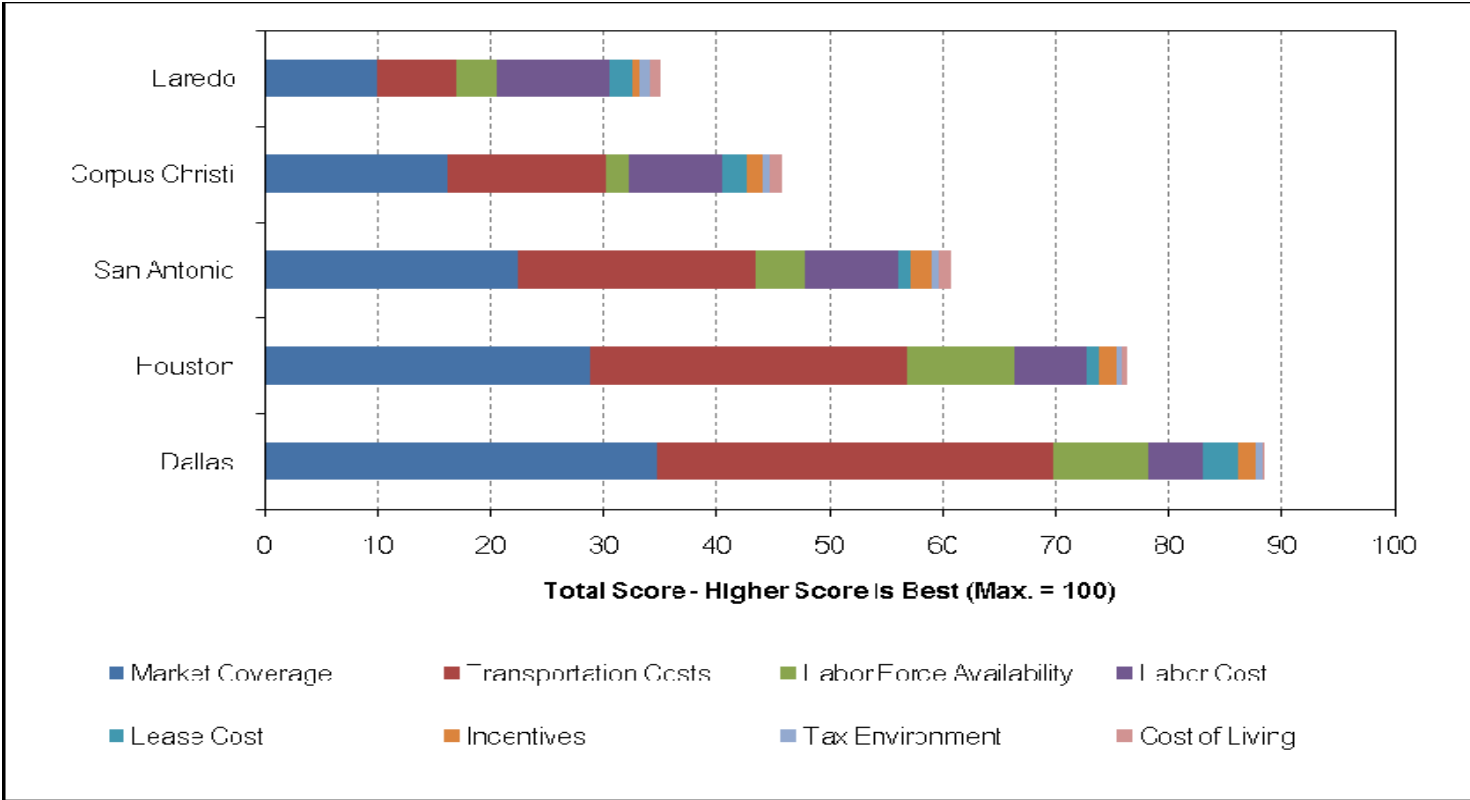
Transportation costs are lower than other locations

Labor force and lease rates are competitive



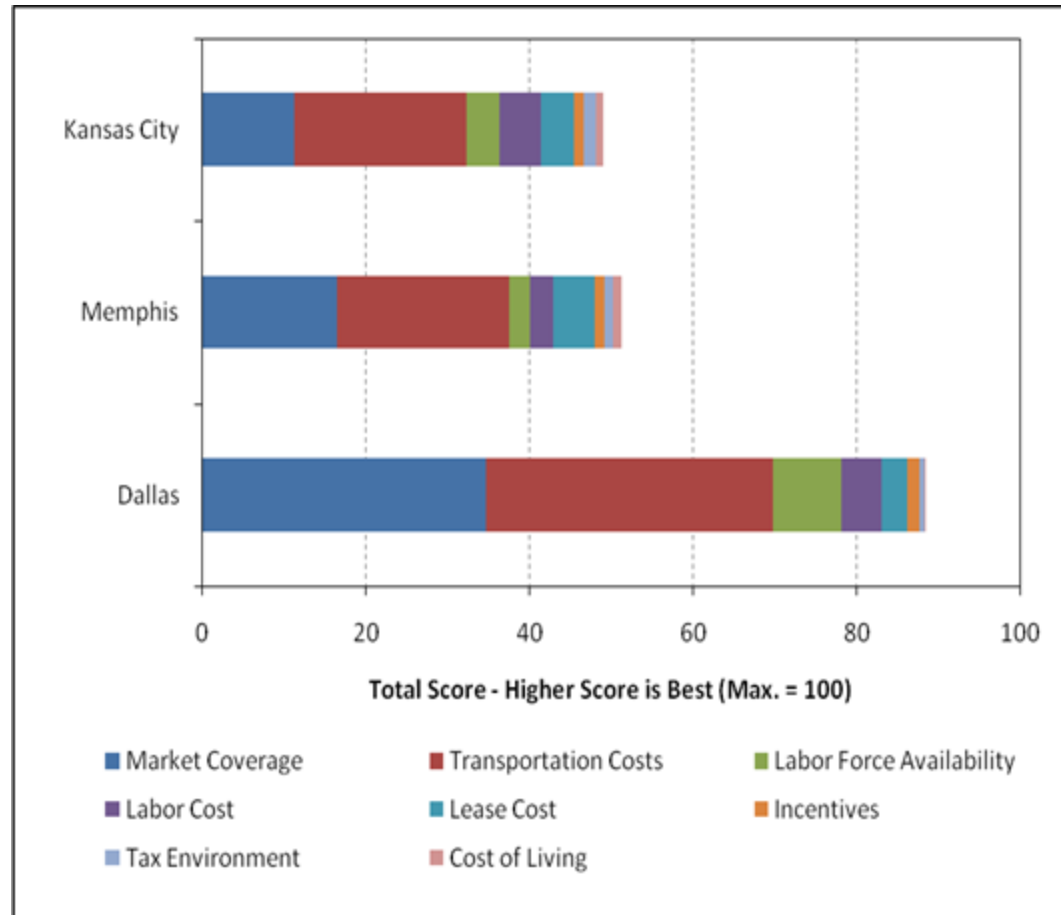
Dallas is Competitive State-wide

Dallas compared to Texas cities



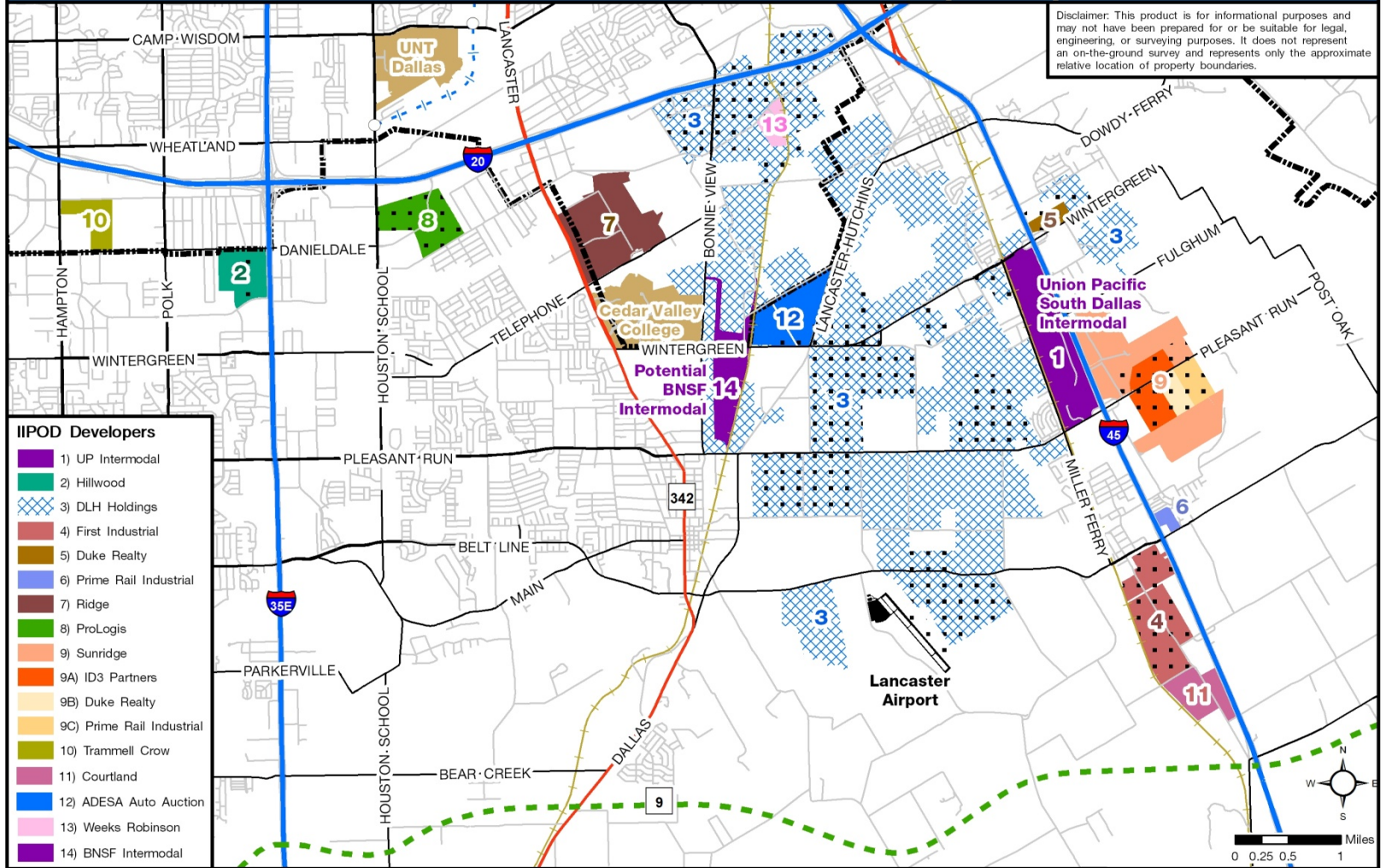
Dallas is Competitive Regionally

Dallas compared to regional cities



International Inland Port of Dallas (IIPOD)

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



IIPOD Developers	
	1) UP Intermodal
	2) Hillwood
	3) DLH Holdings
	4) First Industrial
	5) Duke Realty
	6) Prime Rail Industrial
	7) Ridge
	8) ProLogis
	9) Sunridge
	9A) ID3 Partners
	9B) Duke Realty
	9C) Prime Rail Industrial
	10) Trammell Crow
	11) Courtland
	12) ADESA Auto Auction
	13) Weeks Robinson
	14) BNSF Intermodal

DALLAS ECONOMIC DEVELOPMENT
 Research & Information Division
 214.670.1685
 dallas-ecodev.org

Created 1.5.2010, Last Updated 10.11.2011 - IIPOD.TCG

Legend

 Future DART Rail Station	 Tollway	 City of Dallas
 DART Blue Line South Extension (2018)	 Highway	 Foreign Trade Zone #39
 Proposed Tollway	 Arterial	 Lancaster Airport
 Freeway	 Local Road	 Colleges
	 Rail Lines	

Source: Proposed Freeway & Freight Rail - NCTCOG, 2009; Light Rail - DART, 2009; All Other Data - City of Dallas, 2010

Development Status

National developers remain interested in IIPOD area

- Duke, First Industrial, Trammell Crow, Hillwood and Prologis are among the active developers.

National companies have facilities in the IIPOD area

- American Standard, Unilever, Home Depot, Cintas and Whirlpool (under construction) all have significant warehousing facilities

Over 7 million sq. ft. of warehouse space developed with 3.8 million sq ft currently leased. An additional ~2 million sq ft to be occupied within the next year

Largest landowner, The Allen Group, in Chapter 11 bankruptcy

- Restructuring plan submitted
- Final arguments completed and judge's ruling expected this month

Status of Public Investment

Project	City Commitment	Partners	Total Cost	Status
Bonnie View Rd. (Langdon to Wintergreen)	\$7.9M (2006 Bond Program)	Dallas County	\$15.8M	In design phase
Regional Detention Pond	\$2.7M (2006 Bond Program)	N/A	\$2.7M	On Hold – Developer filed for Chap. 11 bankruptcy reorganization
Bonnie View Rd. (Langdon to Hutchins City Limit)	\$19.7M (2006 Bond money)	N/A	\$19.7M	On Hold – Roadway design completed; developer filed for Chap. 11 bankruptcy reorganization
Wintergreen Road Overpass	N/A	NCTCOG	\$4.5M	Completed
Pleasant Run Overpass	N/A	NCTCOG	\$8.0M	Completed
I-20 Frontage Roads (Bonnie View to JJ Lemmon)	\$4.7M (2006 Bond Program)	TxDOT	\$13.0M	Completed (8/10)
Telephone Rd. (Dallas / Lancaster to Bonnie View)	\$10.55M (2006 Bond program)	N/A	\$10.55M	On Hold – pending development activity along corridor

Status of Public Investment (Continued)

WRDA Authorization - \$40M authorized for environmental infrastructure in Dallas County. Requires annual appropriation and 75/25 match. DWU proposed using money for Southern Dallas transmission line (upgrades to Lancaster, Wilmer and Hutchins water systems) to be built and operated by DWU for 30 year term (approval pending)

Infrastructure Analysis – study by Wilbur Smith & Associates to project infrastructure needs through 2035. Total cost is \$923K (City of Dallas participation is \$290K). Other partners: Dallas County, NCTCOG, Lancaster, Wilmer, Hutchins, Ferris

Current Initiatives

1) Environmental & Infrastructure Study

North Central Texas Council of Governments is coordinating

- Wilbur Smith is the consultant
- Involves the Cities of Dallas, Ferris, Hutchins, Lancaster, and Wilmer as well as Dallas County
- Analyzes anticipated needs for water, wastewater and roads in the inland port area.

Phase I of study has been completed, Phase II - needs assessment - is currently underway.

- Most recent public meeting was held in September to get input on future land use plans.
 - Consultants will use each community's future land use plans and modeled growth projections to determine infrastructure needs in Southern Dallas County study area.

Current Initiatives

2) Workforce Training Program

Working with **Cedar Valley College and Workforce Solutions of Greater Dallas** to offer entry level workforce training in logistics with funding from U.S. Department of Labor

- Eligible participants are Southern Dallas residents who are unemployed and do not have a college degree.
- Training is free and consists of two 40 hour classes at Cedar Valley
 - First is Certified Logistics Associate (CLA)
 - Second is Certified Logistics Technician (CLT)
- Interview/employment assistance will be provided with successful completion of the class(es)
- 80 Dallas residents have attended the CLA classes

Next Steps

- 1) Continue to monitor and support private sector development
- 2) Southern Dallas County Infrastructure Analysis is expected to be completed in 1Q of 2013. Will provide a framework for coordinated infrastructure development
- 3) Continuation of workforce training program until 130 people are trained

Questions?



Memorandum



CITY OF DALLAS

DATE October 14, 2011

TO Members of the Economic Development Committee: Tennell Atkins (Chair),
Ann Margolin (Vice Chair) Jerry R. Allen, Sheffie Kadane, Monica Alonzo

SUBJECT **Council Strategic Plan Objectives Review**

On Monday, October 14, 2011, the Economic Development Committee will be briefed on the Council Strategic Plan Objectives Review.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3296.

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Assistant City Manager

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Council Strategic Plan Objectives Review

Economic Development Committee
October 17, 2011



Purpose

- To review Strategic Plan economic vibrancy goals/results
- To discuss possible additions or modifications

Strategic Plan: Economic Vibrancy Goals

- Convention Center Hotel open and operational by Q1 2012
- Redevelop 4% of aging multifamily housing by 2011
- Have at least one production facility with established supplier network by 2011, employing no less than 300 people in Southern Dallas
- Increase real property appraised values by \$200M/yr for 2009, 2010 and 2011 in 10 Opportunity Areas
- Continue streetcar implementation plan
- Increase percentage of business customers that rate the city's responsiveness as good or excellent
- Establish or re-invigorate retail in Southern Dallas

Strategic Plan: Results

- Convention Center Hotel completion and opening scheduled for 11/11/11
- 5% of aging multifamily housing stock demolished. Redevelopment slowed by recession
- 7 Southern Dallas manufacturing projects by 2011: 1,023 jobs; \$149.6M investment
- Opportunity Area values up 10.2% (7% in 5 northern areas and 24% in 5 southern areas)
- McKinney Avenue Trolley System construction underway; Dallas Streetcar Business Plan adopted in 12/09 and Trinity River Crossing Starter Line is funded/in advanced planning
- 2008 baseline: 85% of business customers say Dallas is a good or excellent place to do business
- 4 new or redeveloped Southern Dallas shopping centers (610K Sq. Ft.); 8 new Aldi grocery stores announced (5 opened); 4 new Walmarts announced

Strategic Plan:

Discussion of Possible Additions or Modifications

Set a 4-Year Objective: Employment

1. Measure reflects the level of business activity in Dallas and includes residents and commuters that work at a Dallas business site
2. Set a 4-year goal to increase number of Dallas jobs by 4% and an 8-year goal of 8%
3. COD employment estimate for 2010 was 1,038,000.
4. City can recover back to the 2008 high level of 1,080,000 in four years (+42K jobs) and grow to 1,124,000 in eight years (+86K jobs) with a robust business development effort

Set a 4-Year Objective: Labor Force

1. Measures number of Dallas residents who are active in the labor market (either employed or unemployed)
2. Set a 4-year goal of 2.5% growth and an 8-year goal of 5%
3. Dallas' labor force = 609,000 mid-year 2011
4. 2.5% increase represents 15K jobs and a 5% increase = 30k jobs
5. Reaching this goal depends on 1) improving workforce preparedness of Dallas' children and 2) successfully creating more sustainable middle-income neighborhoods.

Set a 4-Year Objective to Lower Unemployment Rate

1. Represents the % of Dallas residents in the labor force who are actively looking for work but unable to find it.
2. Set a 4-year unemployment rate goal of 8% and an 8-year goal of 6.5%
3. Dallas' unemployment rate stood at 9.2% mid-year 2011
4. "New normal" national unemployment rate should come down to about 6.7 to 7.5%
5. Estimate COD rate just below that at 6.2 - 6.7% with DFW at 5.5 - 6.3%
6. While COD's industry mix is more favorable to recovery, COD labor force (occupational mix) is not suited to fill positions.

Set Southern Dallas and TOD Focus Areas Objectives

- **Focus resources/additional investment in Southern Dallas and/or TOD (Citywide) neighborhoods with best chance of changing perceptions/attracting private investment**
 - Define focus areas
 - Measure change in real property values in focus areas (most increases will come from new construction)
 - Set 4-year and 8-year goals

Set a 4-Year Objective to Increase Downtown Property Values

1. Implement Downtown 360 recommendations
2. Measure real property values inside CBD and set 4-year goal to increase value by 4% and 8-year goal of 12%
3. Real tax base was \$3.8B in 2010
4. 4% growth comes from \$150M in new tax base
5. 12% growth comes from \$450M in new tax base

Discussion and Comments

Memorandum



DATE October 14, 2011

TO Members of the Economic Development Committee:
Tennell Atkins (Chair), Ann Margolin (Vice Chair), Jerry R. Allen, Monica Alonzo,
Sheffie Kadane

SUBJECT **JS & JH Enterprises Inc, Economic Development Grant, October 10, 2011 Council Agenda**

MAIN TOPIC

Authorize an economic development grant of \$100,000 with JS & JH Enterprises Inc. related to the development of a retail building located at 3502 Simpson Stuart Road in southern Dallas.

BACKGROUND

JS & JH Enterprises Inc. seeks City Council approval of an economic development grant of \$100,000 for developing an approximately 6,600 square foot retail building situated on approximately 0.928 acres located at the southeast quadrant of the intersection of Simpson Stuart Road and Bonnie View Road at 3502 Simpson Stuart Road. The developer plans to demolish the existing 1,260 square foot vacant building, which was formerly a fast food restaurant, and build the new facility. This retail project will contain a convenience store with gas pumps, which will offer expanded grocery components, such as fresh meats and vegetables, and have additional stores offering general merchandise and other retail related services. The convenience store will employ approximately 18 employees.

JS & JH Enterprises Inc. will make a private investment of approximately \$1,500,000 in order to be eligible for the proposed economic development grant. The economic development grant is designed to offset certain development costs including property acquisition, demolition, environmental remediation, and other related improvements for the redevelopment of this deteriorated building. The City grant will be payable upon obtaining a certificate of occupancy for the facility and the expenditure of at least \$1,500,000 on the project (land acquisition, demolition, improvements, and other related project costs) by December 31, 2012.

The proposed development meets minimum eligibility requirements of the Public/Private Partnership Program as adopted by the City Council on June 23, 2010.

PROJECT DETAILS

Project Site: Southeast corner of Simpson Stuart Road and Bonnie View Road at 3502 Simpson Stuart Road

Acreage: 0.928

Proposed Facility: 6,600 square feet

Real Property Investment: Building improvements and property acquisition: \$1.8 million

Minimum Required Jobs: NA

Average Wage: NA

ESTIMATED SCHEDULE OF THE PROJECT

Begin Construction	January 2012
Complete Construction	December 31, 2012

CITY INCENTIVES

Economic Development Grant
(Development Fees and other project costs
such as demolition and environmental remediation): \$100,000

FISCAL INFORMATION

- Financing: Public/Private Partnership Funds - \$100,000
- Net Fiscal Impact: 10Yr: \$0/Breakeven 20Yr: \$44,000

OWNER

John Chong

DEVELOPER

JS & JH Enterprises Inc.
John Chong, Director

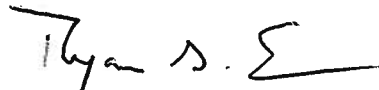
Council District

8

MAP

Attached

Should you have any questions, please contact me at (214) 670-3314.

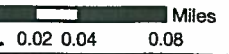
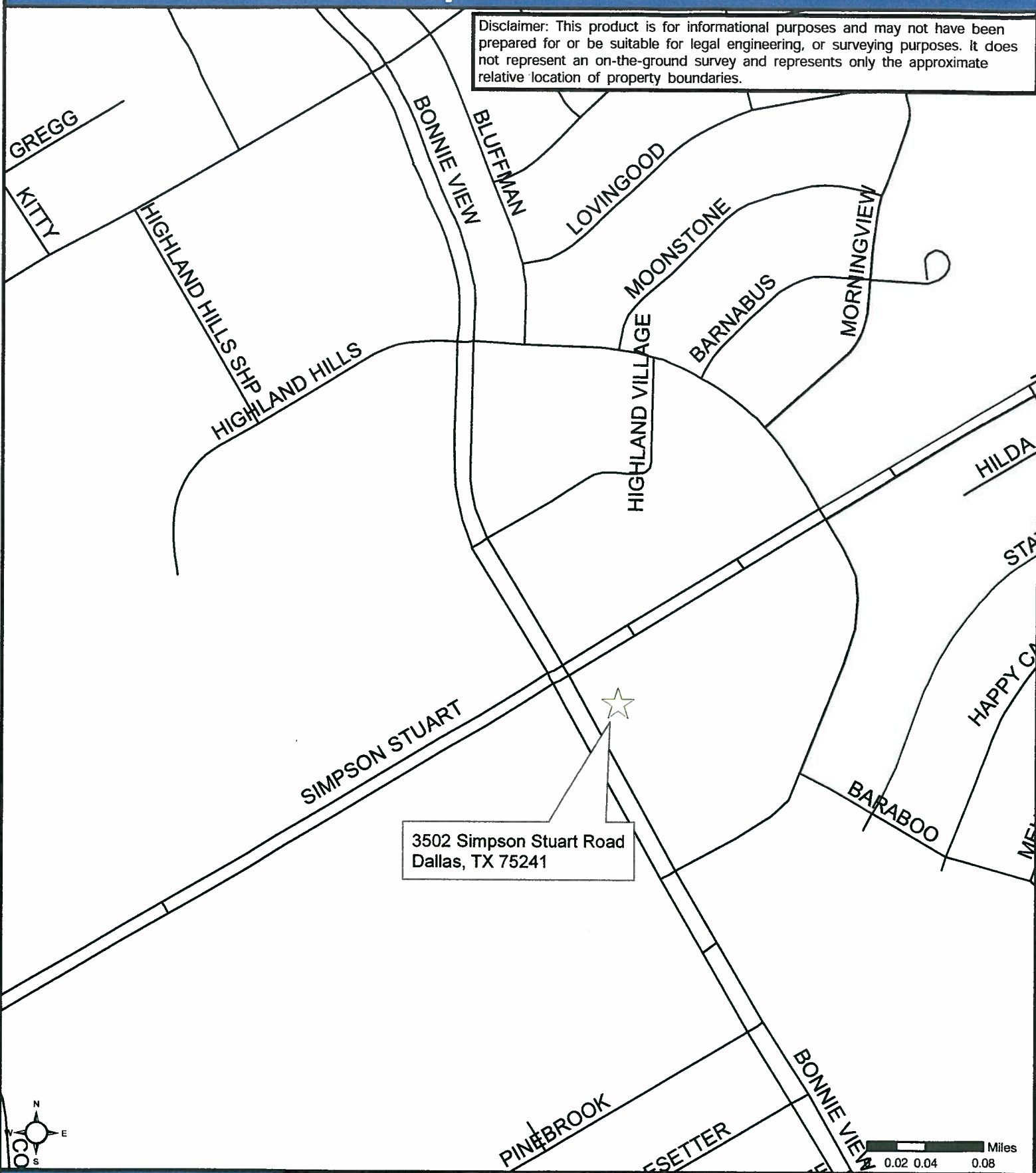


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3502 Simpson Stuart Road

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- Legend
- Highway
 - Roads

DALLAS ECONOMIC DEVELOPMENT
Research & Information Division
214.670.1685
dallas-ecodev.org

Data Source

Created: 08.15.11, Last Updated: 08.15.11, Earnest/Levy

