

**JUNE 27, 2018 CITY COUNCIL ADDENDUM  
CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Addendum dated June 27, 2018. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.



T.C. Broadnax  
City Manager

6/22/18  
Date



Elizabeth Reich  
Chief Financial Officer

6-22-18  
Date

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CITY SECRETARY  
DALLAS, TEXAS

**ADDENDUM  
CITY COUNCIL MEETING  
WEDNESDAY, JUNE 27, 2018  
CITY OF DALLAS  
1500 MARILLA STREET  
COUNCIL CHAMBERS, CITY HALL  
DALLAS, TX 75201  
9:00 A.M.**

**REVISED ORDER OF BUSINESS**

Agenda items for which individuals have registered to speak will be considered no earlier than the time indicated below:

9:00 a.m.      **INVOCATION AND PLEDGE OF ALLEGIANCE**

**OPEN MICROPHONE**

**CLOSED SESSION**

**MINUTES**

Item 1

**CONSENT AGENDA**

Items 2 - 60

**CONSENT ADDENDUM**      Addendum Items 1 - 9

**ITEMS FOR INDIVIDUAL CONSIDERATION**

No earlier  
than 9:15 a.m.

Items 61 - 63  
Addendum Items 10 - 14

**PUBLIC HEARINGS AND RELATED ACTIONS**

1:00 p.m.

Items 64 - 94

## **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 pistol 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."*

**ADDENDUM  
CITY COUNCIL MEETING  
JUNE 27, 2018  
CITY OF DALLAS  
1500 MARILLA STREET  
COUNCIL CHAMBERS, CITY HALL  
DALLAS, TEXAS 75201  
9:00 A.M.**

ADDITIONS:

Closed Session

Personnel (Sec. 551.074 T.O.M.A.)

- Deliberate the appointment of City Auditor.

CONSENT ADDENDUM

**Department of Transportation**

1. An ordinance amending Chapter 28, "Motor Vehicles and Traffic," of the Dallas City Code by amending Section 28-41.1; **(1)** providing that motor-assisted scooters may be operated on city owned and city operated property and in the public right-of-way; and **(2)** providing rules for operating and riding motor-assisted scooters on city owned and city operated property and on any public path, trail, alley, street, highway, or sidewalk within the City - Financing: No cost consideration to the City
2. An ordinance amending Chapter 43, "Streets and Sidewalks," of the Dallas City Code by **(1)** adding a new Article X, "Dockless Vehicle Permit"; **(2)** providing that a permit is required to operate a dockless vehicle service within the city; and **(3)** establishing fees and providing regulations for a dockless vehicle permit program - Not to exceed \$396,993 - Financing: General Funds (subject to annual appropriations)

**Park & Recreation Department**

3. Authorize the **(1)** acceptance of a reimbursable matching grant in the amount of \$1,000,000 from the Texas Parks and Wildlife Department's (TPWD) Urban Outdoor Recreation Grant Program for the development of Runyon Creek Trail Phase 2 Project located at 1900 East Camp Wisdom Road; **(2)** establishment of appropriations in an amount not to exceed \$1,000,000 in the TPWD Urban Outdoor Grant Fund; **(3)** receipt and deposit of funds in an amount not to exceed \$1,000,000 in the TPWD Urban Outdoor Grant Fund; **(4)** allocation of \$5,885 in 2006 Bond Funds and \$894,115 in 2012 Bond Funds for the City's required match of the grant; **(5)** acceptance of a donation in the amount of \$100,000 from the University of North Texas at Dallas for the remaining balance of the City's required match of the grant; **(6)** receipt and deposit of funds in an amount not to exceed \$100,000 in the Capital Gifts, Donation and Development Fund; **(7)** establishment of appropriations in an amount not to exceed \$100,000 in the Capital Gifts, Donation and Development Fund; and **(8)** execution of the grant agreement - Total not to exceed \$2,000,000 - Financing: TPWD Urban Outdoor Grant Funds (\$1,000,000), 2006 Bond Funds (\$5,885), 2012 Bond Funds (\$894,115) and Capital Gifts, Donation and Development Funds (\$100,000)

**ADDENDUM  
CITY COUNCIL MEETING  
JUNE 27, 2018**

ADDITIONS: (continued)

CONSENT ADDENDUM (continued)

**Park & Recreation Department** (continued)

**Note:** Addendum Item Nos. 4 and 5 must be considered collectively.

4. Authorize **(1)** a Project Specific Agreement with Dallas County, County Transportation Major Capital Improvement Projects 40226, for trail design and construction of Northaven Trail Phase 2A from Cinderella Lane to Preston Road; **(2)** the receipt and deposit of funds from Dallas County in an amount not to exceed \$2,469,469 for the County's share of the construction cost in the Capital Gifts, Donation and Development Fund; and **(3)** the establishment of appropriations in an amount not to exceed \$2,469,469 in the Capital Gifts, Donation and Development Fund - Not to exceed \$4,961,437 - Financing: 2006 Bond Funds (\$1,463,956), 2012 Bond Funds (\$1,028,012) and Capital Gifts, Donation and Development Funds (\$2,469,469)
5. Authorize a construction contract for the Northaven Trail Phase 2A Project located east of Preston Road to Cinderella Lane - RoeschCo Construction, Inc., best value proposer of seven - Not to exceed \$3,616,700 - Financing: 2006 Bond Funds (\$791,588), 2012 Bond Funds (\$1,028,012) and Capital Gifts, Donation and Development Funds (\$1,797,100)
6. Authorize a twenty-year development, operation, and maintenance agreement with one ten-year renewal option and two additional five-year renewal options, with Reverchon Sports and Entertainment, LLC for a proposed new baseball field and stadium at Reverchon Park located at 3505 Maple Avenue - Annual Revenue: \$18,000
7. Authorize a sixteen-month contract through November 7, 2019, with two one-year renewal options with METCO Engineering, Inc., through a Cooperative Purchasing Agreement with Dallas County, to provide job order contracting services for facility projects - Not to exceed \$4,000,000 - Financing: 2017 Bond Funds (estimated \$2,400,000) and General Funds (estimated \$1,600,000) (subject to annual appropriations)

**ADDENDUM  
CITY COUNCIL MEETING  
JUNE 27, 2018**

ADDITIONS: (continued)

CONSENT ADDENDUM (continued)

**Park & Recreation Department** (continued)

8. Authorize a professional services contract to provide topographic surveys, platting, geotechnical information, conceptual design, design development, construction documents, procurement phase services, and construction administration for six spraygrounds to be constructed at: Grauwlyer Park located at 7780 Harry Hines Boulevard; Nash/Davis Park, including a Master Plan, located at 3700 North Hampton Road; Jaycee/Zaragoza Park located at 3114 Clymer Street; Kleberg Park located at 1515 Edd Road; and Timberglen Park located at 3900 Timberglen Road; and a small sprayground, walking trail, playground and shade pavilion at K.B. Polk Park located at 3860 Thedford Avenue - Dunaway Associates, L.P., most qualified proposer of five - Not exceed \$878,000 - Financing: 2017 Bond Funds
9. Authorize a design-build services contract for pre-design and pre-construction services, an early construction package, and architectural and engineering services for the design and construction of Fair Park Facility Improvements for Music Hall located at 909 1st Avenue, African American Museum located at 3536 Grand Avenue and Aquarium Annex located at 1458 1st Avenue - Harrison, Walker & Harper, LP., most qualified proposer of three - Not to exceed \$930,303 - Financing: 2017 Bond Funds

ITEMS FOR INDIVIDUAL CONSIDERATION

**Office of Economic Development**

10. Authorize a conditional grant agreement with SHOP DEV LLC or an affiliate thereof for renovation of the Hillcrest Village Shopping Center located at 6959 Arapaho Road - Not to exceed \$3,000,000 - Financing: 2017 Bond Funds

**WWF Operating Company, LLC**

**\*Note:** Addendum Item Nos. 11, 12 and 13 must be considered collectively.

11. \* Authorize a resolution designating approximately 13.9 acres of property located at 3400 Dan Morton Drive, located at the southeast corner of Kiest Boulevard and Dan Morton Drive in Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 6 ("City of Dallas NEZ No. 6"), pursuant to Chapter 378 of the Texas Local Government Code to promote an increase in economic development in the zone, establish the boundaries of the zone and provide for an effective date - Financing: No cost consideration to the City

**ADDENDUM  
CITY COUNCIL MEETING  
JUNE 27, 2018**

ADDITIONS: (continued)

ITEMS FOR INDIVIDUAL CONSIDERATION (continued)

**Office of Economic Development** (continued)

**WWF Operating Company, LLC**

\***Note:** Addendum Item Nos. 11, 12 and 13 must be considered collectively.

12. \* Authorize a business personal property tax abatement agreement with WWF Operating Company, LLC for a period of five years in an amount equal to the City's taxes assessed on 50 percent of the increased taxable value of WWF Operating Company, LLC's business personal property at the manufacturing facility situated on approximately 13.9 acres of property at 3400 Dan Morton Drive, located at the southeast corner of Kiest Boulevard and Dan Morton Drive in southern Dallas, in accordance with the City's Public/Private Partnership Program - Estimated Revenue Foregone: \$85,140 over a five-year period
  
13. \* Authorize a Chapter 380 economic development grant agreement with WWF Operating Company, LLC in an amount not to exceed \$150,000 related to WWF Operating Company, LLC's establishing a new segment of production in a facility situated on approximately 13.9 acres of property located at the southeast corner of 3400 Dan Morton Drive, located at the southeast corner of Kiest Boulevard and Dan Morton Drive in southern Dallas, in accordance with the City's Public/Private Partnership Program - Not to exceed \$150,000 - Financing: Public/Private Partnership Funds

**ADDENDUM  
CITY COUNCIL MEETING  
JUNE 27, 2018**

ADDITIONS: (continued)

ITEMS FOR INDIVIDUAL CONSIDERATION (continued)

**Office of Economic Development** (continued)

14. Authorize **(1)** a resolution designating approximately 11.54 total acres of property located at 3100 and 3201 Olympus Boulevard in Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 7 ("City of Dallas NEZ No. 7"), pursuant to Chapter 378 of the Texas Local Government Code to promote an increase in economic development in the zone, establish the boundaries of the zone and provide for an effective date; **(2)** a business personal property tax abatement agreement with Nokia of America Corporation located at 3100 and 3201 Olympus Boulevard for a period of five years in an amount equal to the City's taxes assessed on 50 percent of the increased value of the applicable business personal property, in accordance with the City's Public/Private Partnership Program; **(3)** a Chapter 380 sales tax grant agreement in an amount not to exceed \$1,650,000 with Nokia of America Corporation; **(4)** a Chapter 380 economic development grant agreement in an amount not to exceed \$1,500,000 associated with job creation with Nokia of America Corporation; **(5)** a Chapter 380 economic grant agreement in an amount not to exceed \$1,000,000 associated with local hiring; and **(6)** the nomination to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism through the Economic Development Bank with Nokia of America Corporation or an affiliate thereof in connection with the proposed consolidation of their office and research operations into a new North American headquarters which will be comprised of a two building office development located at 3100 and 3201 Olympus Boulevard in accordance with the City's Public/Private Partnership Program - Total not to exceed \$4,809,842 - Financing: Estimated Revenue Foregone (\$659,842 over five year period), Tax Agreement Funds (\$1,650,000) (subject to appropriations) and Public/Private Partnership Funds (\$2,500,000)

DELETION:

**Department of Sustainable Development and Construction**

19. An ordinance abandoning a street easement to AG-QIP Park Creek Owner, L.P., the abutting owner, containing approximately 601 square feet of land, located near the intersection of Welborn and Hall Streets; and authorizing the quitclaim; and providing for the dedication of approximately 10 square feet of land needed for a sidewalk and utility easement - Revenue: \$102,771, plus the \$20 ordinance publication fee



**ADDENDUM DATE June 27, 2018**

ITEM		IND	DISTRICT	TYPE	DEPT.	DOLLARS	DESCRIPTION
#	OK	DEF					
1			All	C	TRN	NC	An ordinance amending Chapter 28, "Motor Vehicles and Traffic," of the Dallas City Code by amending Section 28-41.1; (1) providing that motor-assisted scooters may be operated on city owned and city operated property and in the public right-of-way; and (2) providing rules for operating and riding motor-assisted scooters on city owned and city operated property and on any public path, trail, alley, street, highway, or sidewalk within the City - Financing: No cost consideration to the City
2			All	C	TRN	\$396,993.00	An ordinance amending Chapter 43, "Streets and Sidewalks," of the Dallas City Code by (1) adding a new Article X, "Dockless Vehicle Permit"; (2) providing that a permit is required to operate a dockless vehicle service within the city; and (3) establishing fees and providing regulations for a dockless vehicle permit program - Not to exceed \$396,993 - Financing: General Funds (subject to annual appropriations)
3			8	C	PKR	\$1,000,000.00	Authorize the (1) acceptance of a reimbursable matching grant in the amount of \$1,000,000 from the Texas Parks and Wildlife Department's (TPWD) Urban Outdoor Recreation Grant Program for the development of Runyon Creek Trail Phase 2 Project located at 1900 East Camp Wisdom Road; (2) establishment of appropriations in an amount not to exceed \$1,000,000 in the TPWD Urban Outdoor Grant Fund; (3) receipt and deposit of funds in an amount not to exceed \$1,000,000 in the TPWD Urban Outdoor Grant Fund; (4) allocation of \$5,885 in 2006 Bond Funds and \$894,115 in 2012 Bond Funds for the City's required match of the grant; (5) acceptance of a donation in the amount of \$100,000 from the University of North Texas at Dallas for the remaining balance of the City's required match of the grant; (6) receipt and deposit of funds in an amount not to exceed \$100,000 in the Capital Gifts, Donation and Development Fund; (7) establishment of appropriations in an amount not to exceed \$100,000 in the Capital Gifts, Donation and Development Fund; and (8) execution of the grant agreement - Total not to exceed \$2,000,000 - Financing: TPWD Urban Outdoor Grant Funds (\$1,000,000), 2006 Bond Funds (\$5,885), 2012 Bond Funds (\$894,115) and Capital Gifts, Donation and Development Funds (\$100,000)
4			13	C	PKR, PBW	\$4,961,437.04	Authorize (1) a Project Specific Agreement with Dallas County, County Transportation Major Capital Improvement Projects 40226, for trail design and construction of Northaven Trail Phase 2A from Cinderella Lane to Preston Road; (2) the receipt and deposit of funds from Dallas County in an amount not to exceed \$2,469,469 for the County's share of the construction cost in the Capital Gifts, Donation and Development Fund; and (3) the establishment of appropriations in an amount not to exceed \$2,469,469 in the Capital Gifts, Donation and Development Fund - Not to exceed \$4,961,437 - Financing: 2006 Bond Funds (\$1,463,956), 2012 Bond Funds (\$1,028,012) and Capital Gifts, Donation and Development Funds (\$2,469,469)
5			13	C	PKR, PBW	\$3,616,700.00	Authorize a construction contract for the Northaven Trail Phase 2A Project located east of Preston Road to Cinderella Lane - RoeschCo Construction, Inc., best value proposer of seven - Not to exceed \$3,616,700 - Financing: 2006 Bond Funds (\$791,588), 2012 Bond Funds (\$1,028,012) and Capital Gifts, Donation and Development Funds (\$1,797,100)
6			2	C	PKR	REV \$18,000	Authorize a twenty-year development, operation, and maintenance agreement with one ten-year renewal option and two additional five-year renewal options, with Reverchon Sports and Entertainment, LLC for a proposed new baseball field and stadium at Reverchon Park located at 3505 Maple Avenue - Annual Revenue: \$18,000
7			All	C	PKR	\$4,000,000.00	Authorize a sixteen-month contract through November 7, 2019, with two one-year renewal options with METCO Engineering, Inc., through a Cooperative Purchasing Agreement with Dallas County, to provide job order contracting services for facility projects - Not to exceed \$4,000,000 - Financing: 2017 Bond Funds (estimated \$2,400,000) and General Funds (estimated \$1,600,000) (subject to annual appropriations)

**ADDENDUM DATE June 27, 2018**

ITEM		IND		DISTRICT	TYPE	DEPT.	DOLLARS	DESCRIPTION
#	OK	DEF						
8				2, 6, 8, 12	C	PKR	\$878,000.00	Authorize a professional services contract to provide topographic surveys, platting, geotechnical information, conceptual design, design development, construction documents, procurement phase services, and construction administration for six spraygrounds to be constructed at: Grauwlyer Park located at 7780 Harry Hines Boulevard; Nash/Davis Park, including a Master Plan, located at 3700 North Hampton Road; Jaycee/Zaragoza Park located at 3114 Clymer Street; Kleberg Park located at 1515 Edd Road; and Timberglen Park located at 3900 Timberglen Road; and a small sprayground, walking trail, playground and shade pavilion at K.B. Polk Park located at 3860 Thedford Avenue - Dunaway Associates, L.P., most qualified proposer of five - Not exceed \$878,000 - Financing: 2017 Bond Funds
9				7	C	PKR	\$930,303.00	Authorize a design-build services contract for pre-design and pre-construction services, an early construction package, and architectural and engineering services for the design and construction of Fair Park Facility Improvements for Music Hall located at 909 1st Avenue, African American Museum located at 3536 Grand Avenue and Aquarium Annex located at 1458 1st Avenue - Harrison, Walker & Harper, LP., most qualified proposer of three - Not to exceed \$930,303 - Financing: 2017 Bond Funds
10				12	I	ECO	\$3,000,000.00	Authorize a conditional grant agreement with SHOP DEV LLC or an affiliate thereof for renovation of the Hillcrest Village Shopping Center located at 6959 Arapaho Road - Not to exceed \$3,000,000 - Financing: 2017 Bond Funds
11				3	I	ECO	NC	WWF Operating Company, LLC: Authorize a resolution designating approximately 13.9 acres of property located at 3400 Dan Morton Drive, located at the southeast corner of Kiest Boulevard and Dan Morton Drive in Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 6 ("City of Dallas NEZ No. 6"), pursuant to Chapter 378 of the Texas Local Government Code to promote an increase in economic development in the zone, establish the boundaries of the zone and provide for an effective date - Financing: No cost consideration to the City
12				3	I	ECO	REV \$-85,140	WWF Operating Company, LLC: Authorize a business personal property tax abatement agreement with WWF Operating Company, LLC for a period of five years in an amount equal to the City's taxes assessed on 50 percent of the increased taxable value of WWF Operating Company, LLC's business personal property at the manufacturing facility situated on approximately 13.9 acres of property at 3400 Dan Morton Drive, located at the southeast corner of Kiest Boulevard and Dan Morton Drive in southern Dallas, in accordance with the City's Public/Private Partnership Program - Estimated Revenue Foregone: \$85,140 over a five-year period
13				3	I	ECO	\$150,000.00	WWF Operating Company, LLC: Authorize a Chapter 380 economic development grant agreement with WWF Operating Company, LLC in an amount not to exceed \$150,000 related to WWF Operating Company, LLC's establishing a new segment of production in a facility situated on approximately 13.9 acres of property located at the southeast corner of 3400 Dan Morton Drive, located at the southeast corner of Kiest Boulevard and Dan Morton Drive in southern Dallas, in accordance with the City's Public/Private Partnership Program - Not to exceed \$150,000 - Financing: Public/Private Partnership Funds

**ADDENDUM DATE June 27, 2018**

ITEM		IND		DISTRICT	TYPE	DEPT.	DOLLARS	DESCRIPTION
#	OK	DEF						
14				6	I	ECO	\$4,809,842.00	Authorize (1) a resolution designating approximately 11.54 total acres of property located at 3100 and 3201 Olympus Boulevard in Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 7 ("City of Dallas NEZ No. 7"), pursuant to Chapter 378 of the Texas Local Government Code to promote an increase in economic development in the zone, establish the boundaries of the zone and provide for an effective date; (2) a business personal property tax abatement agreement with Nokia of America Corporation located at 3100 and 3201 Olympus Boulevard for a period of five years in an amount equal to the City's taxes assessed on 50 percent of the increased value of the applicable business personal property, in accordance with the City's Public/Private Partnership Program; (3) a Chapter 380 sales tax grant agreement in an amount not to exceed \$1,650,000 with Nokia of America Corporation; (4) a Chapter 380 economic development grant agreement in an amount not to exceed \$1,500,000 associated with job creation with Nokia of America Corporation; (5) a Chapter 380 economic grant agreement in an amount not to exceed \$1,000,000 associated with local hiring; and (6) the nomination to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism through the Economic Development Bank with Nokia of America Corporation or an affiliate thereof in connection with the proposed consolidation of their office and research operations into a new North American headquarters which will be comprised of a two building office development located at 3100 and 3201 Olympus Boulevard in accordance with the City's Public/Private Partnership Program - Total not to exceed \$4,809,842 - Financing: Estimated Revenue Foregone (\$659,842 over five year period), Tax Agreement Funds (\$1,650,000) (subject to appropriations) and Public/Private Partnership Funds (\$2,500,000)

**TOTAL \$23,743,275.04**

**STRATEGIC PRIORITY:** Mobility Solutions, Infrastructure, and Sustainability

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Department of Transportation

**CMO:** Majed Al-Ghafry, 670-3302

**MAPSCO:** Various

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**SUBJECT**

An ordinance amending Chapter 28, "Motor Vehicles and Traffic," of the Dallas City Code by amending Section 28-41.1; **(1)** providing that motor-assisted scooters may be operated on city owned and city operated property and in the public right-of-way; and **(2)** providing rules for operating and riding motor-assisted scooters on city owned and city operated property and on any public path, trail, alley, street, highway, or sidewalk within the City - Financing: No cost consideration to the City

**BACKGROUND**

This item is on the addendum because of additional research and information which was requested by the Committee and City Council. Beginning in the summer of 2017 dockless bike share companies began operating in Dallas under a trial period. During the trial period various companies expressed interest in deploying dockless motor assisted electric scooters as part of their vehicle fleet. Section 28-41.1 of the Dallas City Code prohibits the use of motor assisted scooters on City of Dallas property and rights-of-way. In order for the dockless motor assisted scooters, to be legally used on City property, Section 28-41.1 of the Dallas City Code would need to be amended to remove the motor assisted scooter use prohibition.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On February 22, 2006, the Dallas City Council approved Ordinance No. 26265 adding Section 28-41.1, "Restrictions on the Use of Motor Assisted Scooters, Pocket Bikes, and Mini-motorbikes" to Chapter 28 of the Dallas City Code. This ordinance prohibits the use of motor assisted scooters on any city-owned or city-operated property or any public path, trail, alley, street, highway, or sidewalk within the city, except on a public path or trail set aside for the exclusive use of bicycles.

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)** (continued)

On August 14, 2017, the Mobility Solutions, Infrastructure & Sustainability Committee was briefed on the dockless bike share companies interested in operating in Dallas. The Committee recommended a pilot program to allow dockless bike share companies to operate, monitor operations to identify possible regulatory requirements, and review data for route planning and infrastructure needs.

On February 26, 2018, the Mobility Solutions, Infrastructure & Sustainability Committee was briefed on the results of the trial period and the process for policy development.

On March 26, 2018, the Mobility Solutions, Infrastructure & Sustainability Committee was briefed on dockless mobility vehicles and informed they would be briefed in April 2018 on the draft ordinance and fee structure.

On April 9, 2018, the Mobility Solutions, Infrastructure & Sustainability Committee was briefed on the dockless mobility ordinance and fee structure. The Committee's primary concerns were the proposed permit fees and the per vehicle costs. Also discussed was the introduction of other types of mobility vehicles and their potential Code impacts. Specifically, the introduction of motorized scooters currently conflicts with a City ordinance and would need to be amended to allow their use. The ordinance amendment was briefed to the full City Council on June 6, 2018 with the final consideration scheduled for June 27, 2018.

Information about this item was provided to the Mobility Solutions, Infrastructure and Sustainability Committee on June 11, 2018.

## **FISCAL INFORMATION**

No cost consideration to the City.

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Chapter 28, "Motor Vehicles and Traffic," of the Dallas City Code by amending Section 28-41.1; providing that motor-assisted scooters may be operated on city owned and city operated property and in the public right-of-way; providing rules for operating and riding motor-assisted scooters on city owned and city operated property and on any public path, trail, alley, street, highway, or sidewalk within the city; providing a penalty not to exceed \$200; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Section 28-41.1, "Restrictions on the Use of Motor Assisted Scooters, Pocket Bikes, and Minimotorbikes," of Division 1, "Generally," of Article IV, "Operation of Vehicles," of Chapter 28, "Motor Vehicles and Traffic," of the Dallas City Code is amended to read as follows:

**"SEC. 28-41.1. RESTRICTIONS ON THE USE OF MOTOR ASSISTED SCOOTERS, POCKET BIKES, AND MINIMOTORBIKES.**

(a) In this section:

- (1) ADULT means any individual 17 years of age or older.
- (2) CHILD means any individual younger than 17 years of age.
- (3) HELMET means a properly-fitted bicycle helmet that:

(A) is not structurally damaged; and

(B) conforms to current standards of the American National Standards Institute, the American Society for Testing and Materials, the Snell Memorial Foundation, or any federal agency having regulatory jurisdiction over bicycle helmets.

(4) MOTOR ASSISTED SCOOTER:

(A) means a self-propelled device with:

- (i) at least two wheels in contact with the ground during operation;
- (ii) a braking system capable of stopping the device under typical operating conditions;
- (iii) a gas or electric motor not exceeding 40 cubic centimeters;
- (iv) a deck designed to allow a person to stand or sit while operating the device; and
- (v) the ability to be propelled by human power alone; and

(B) does not include:

- (i) a pocket bike or mini- motorbike;
- (ii) a moped or motorcycle;
- (iii) an electric bicycle or motor- driven cycle, as defined by Section 541.201 of the Texas Transportation Code, as amended;
- (iv) a motorized mobility device, as defined by Section 542.009 of the Texas Transportation Code, as amended;
- (v) an electric personal assistive mobility device, as defined by Section 551.201 of the Texas Transportation Code, as amended; or
- (vi) a neighborhood electric vehicle, as defined by Section 551.301 of the Texas Transportation Code, as amended.

~~(5) [NIGHTTIME means the period beginning one-half hour after sunset and ending one-half hour before sunrise, as determined using the times for sunset and sunrise published in a newspaper of general circulation in the city for a particular day.]~~

~~(6)] PARENT means a person who is the natural parent, adoptive parent, step-parent, or court- appointed guardian or conservator of a child.~~

~~(6[7]) PASSENGER means any person riding upon or attached to a motor assisted scooter who is not the primary operator of the vehicle.~~

~~(7[8]) POCKET BIKE or MINIMOTORBIKE:~~

(A) means a self-propelled vehicle that:

(i) is equipped with an electric motor or internal combustion engine having a piston displacement of less than 50 cubic centimeters;

(ii) is designed to propel itself with not more than two wheels in contact with the ground;

(iii) has a seat or saddle for the use of the operator;

(iv) is not designed for use on a highway; and

(v) is ineligible for a certificate of title under Chapter 501 of the Texas Transportation Code, as amended; and

(B) does not include:

(i) a moped or motorcycle;

(ii) an electric bicycle or motor-driven cycle, as defined by Section 541.201 of the Texas Transportation Code, as amended;

(iii) a motorized mobility device, as defined by Section 542.009 of the Texas Transportation Code, as amended;

(iv) an electric personal assistive mobility device, as defined by Section 551.201 of the Texas Transportation Code, as amended;

(v) a neighborhood electric vehicle, as defined by Section 551.301 of the Texas Transportation Code, as amended; or

(vi) a motor assisted scooter, as defined in this subsection.

(8[9]) WEARING A HELMET means that a helmet is properly attached to a person's head with the chin straps of the helmet securely fastened and tightened.

(b) A person commits an offense if he:

(1) operates or rides a motor assisted scooter on any ~~[city-owned or city-operated property or any public path, trail, alley, street, highway, or]~~ sidewalk within the central business district; said district being formed by the following street lines:

The south line of Young Street from Houston Street to Lamar Street.

The west line of Lamar Street from Young Street to the DART Rail Corridor.

The north line of the DART Rail Corridor from Lamar Street to I-45.



The west line of I-45 from the DART Rail Corridor to I-30.

The north line of I-30 from I-45 to Exposition Avenue.

The east line of Exposition Avenue from I-30 to CBD Fair Park Link.

The east line of the CBD Fair Park Link from Exposition Avenue to Gaston Avenue.

The north line of Gaston Avenue from the CBD Fair Park Link to Pacific Avenue.

The north line of Pacific Avenue from Gaston Avenue to Pearl Street.

The east line of Pearl Street from Pacific Avenue to Ross Avenue.

The north line of Ross Avenue from Pearl Street to Austin Street.

The west line of Austin Street from Ross Avenue to Pacific Avenue.

The north line of Pacific Avenue from Austin Street to Houston Street.

The west line of Houston Street from Pacific Avenue to Young Street.

~~[city, except on a public path or trail set aside for the exclusive use of bicycles;]~~

(2) is a parent of a child or is an adult with care, custody, or control of a child, and he knowingly permits, or by insufficient control allows, the child to operate or ride a motor assisted scooter on any ~~[city owned or city operated property or any public path, trail, alley, street, highway, or]~~ sidewalk within the central business district; said district being formed by the following street lines:

The south line of Young Street from Houston Street to Lamar Street.

The west line of Lamar Street from Young Street to the DART Rail Corridor.

The north line of the DART Rail Corridor from Lamar Street to I-45.

The west line of I-45 from the DART Rail Corridor to I-30.

The north line of I-30 from I-45 to Exposition Avenue.

The east line of Exposition Avenue from I-30 to CBD Fair Park Link.

The east line of the CBD Fair Park Link from Exposition Avenue to Gaston Avenue.

The north line of Gaston Avenue from the CBD Fair Park Link to Pacific Avenue.

The north line of Pacific Avenue from Gaston Avenue to Pearl Street.

The east line of Pearl Street from Pacific Avenue to Ross Avenue.

The north line of Ross Avenue from Pearl Street to Austin Street.

The west line of Austin Street from Ross Avenue to Pacific Avenue.

The north line of Pacific Avenue from Austin Street to Houston Street.

The west line of Houston Street from Pacific Avenue to Young Street.

[city, ~~except on a public path or trail set aside for the exclusive use of bicycles;~~]

(3) is a child and operates or rides a motor assisted scooter without wearing a helmet while on any city owned or city operated property or on any [a] public path, [ø] trail, alley, street, highway, or sidewalk within the city [set aside for the exclusive use of bicycles];

(4) is a parent of a child or is an adult with care, custody, or control of a child, and he knowingly permits, or by insufficient control allows, the child to operate or ride a motor assisted scooter on any city owned or city operated property or on any [a] public path, [ø] trail, alley, street, highway, or sidewalk within the city [set aside for the exclusive use of bicycles] when the child is not wearing a helmet;

(5) [~~operates or rides a motor assisted scooter at nighttime on a public path or trail set aside for the exclusive use of bicycles;~~]

(~~6~~) transports any passenger on a motor assisted scooter while on any city owned or city operated property or on any [a] public path, [ø] trail, alley, street, highway, or sidewalk within the city [set aside for the exclusive use of bicycles], unless the scooter is equipped with a seat and a set of foot rests for the passenger; or

(~~6~~[7]) while operating a motor assisted scooter on a sidewalk or a public path or trail set aside for the exclusive use of bicycles, fails to yield the right-of-way to any pedestrian on the sidewalk, path, or trail.

(c) A person commits an offense if he operates or rides a pocket bike or minimotorbike on any city- owned or city-operated property or any public path, trail, alley, street, highway, or sidewalk within the city.

(d) An offense under this section is punishable by a fine not to exceed \$200. Except as specifically provided otherwise in this section, a culpable mental state is not required for the commission of an offense under this section.”

SECTION 2. That a person violating a provision of this ordinance, upon conviction, is punishable by a fine not to exceed \$200.

SECTION 3. That Chapter 28 of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 4. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 5. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 6. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

LARRY E. CASTO, City Attorney

By \_\_\_\_\_  
Assistant City Attorney

Passed \_\_\_\_\_

**STRATEGIC  
PRIORITY:**

Mobility Solutions, Infrastructure, and Sustainability

**AGENDA DATE:**

June 27, 2018

**COUNCIL DISTRICT(S):**

All

**DEPARTMENT:**

Department of Transportation

**CMO:**

Majed Al-Ghafry, 670-3302

**MAPSCO:**

Various

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**SUBJECT**

An ordinance amending Chapter 43, "Streets and Sidewalks," of the Dallas City Code by **(1)** adding a new Article X, "Dockless Vehicle Permit"; **(2)** providing that a permit is required to operate a dockless vehicle service within the city; and **(3)** establishing fees and providing regulations for a dockless vehicle permit program - Not to exceed \$396,993 - Financing: General Funds (subject to annual appropriations)

**BACKGROUND**

This item is on the addendum because of additional research and information which was requested by the Committee and City Council. Traditional bike share systems rely on stations for users to retrieve and return rented bicycles. Since the introduction of docking-based bike share systems technological changes created self-locking bicycles that do not require docking stations or to be secured to a fixed object.

Beginning in the summer of 2017 dockless bike share companies began operating in Dallas under a trial period. During the trial period the City's 311 system was updated to add a reporting feature for dockless bike share. Staff worked with the bike share companies on operational concerns, and the framework to manage a dockless vehicle program was developed within the City's Department of Transportation.

To formalize operational agreements between the City of Dallas and the dockless vehicle companies, operational requirements and a permit fee structure were developed to recover costs associated with managing the program.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On August 14, 2017, the Mobility Solutions, Infrastructure & Sustainability Committee was briefed on the dockless bike share companies interested in operating in Dallas. The Committee recommended a pilot program to allow dockless bike share companies to operate, monitor operations to identify possible regulatory requirements, and review data for route planning and infrastructure needs.

On February 26, 2018, the Mobility Solutions, Infrastructure & Sustainability Committee was briefed on the results of the trial period and the process for policy development.

On March 26, 2018, the Mobility Solutions, Infrastructure & Sustainability Committee was briefed on dockless mobility vehicles and informed they would be briefed in April 2018 on the draft ordinance and fee structure.

On April 9, 2018, the Mobility Solutions, Infrastructure & Sustainability Committee was briefed on the dockless mobility ordinance and fee structure. The Committee's primary concerns were the proposed permit fees and the per vehicle costs. Also discussed was the introduction of other types of mobility vehicles and their potential Code impacts. Specifically, the introduction of motorized scooters currently conflicts with a City ordinance and would need to be amended to allow their use. The final ordinance and fee structure was briefed to the full City Council on June 6, 2018 with the final consideration scheduled for June 27, 2018.

Information about this item was provided to the Mobility Solutions, Infrastructure and Sustainability Committee on June 11, 2018.

**FISCAL INFORMATION**

General Funds - \$396,993 (subject to annual appropriations)

Initial funding is to be provided by the City of Dallas Department of Transportation. Funding will be recovered through the permit and fee structure.

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Chapter 43, “Streets and Sidewalks,” of the Dallas City Code by adding a new Article X; providing that a permit is required to operate a dockless vehicle service in the city; establishing fees and providing regulations for a dockless vehicle permit program; providing a penalty not to exceed \$500; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Chapter 43, “Streets and Sidewalks,” of the Dallas City Code is amended by adding a new Article X, “Dockless Vehicle Permit,” to read as follows:

**“ARTICLE X.**

**DOCKLESS VEHICLE PERMIT.**

**SEC. 43-157. DEFINITIONS.**

In this article:

(1) DIRECTOR means the director of the department designated by the city manager to enforce and administer this article and includes representatives, agents, or department employees designated by the director.

(2) DOCKLESS VEHICLE means a bicycle, an electric bicycle, or an electric motor-assisted scooter, pursuant to the definitions set forth in Texas Transportation Code, Sections 541.201 and 551.351, that can be located and unlocked using a smartphone app.

(3) OPERATOR means an individual or company that has been issued an operating authority permit under this article.

(4) REBALANCE means moving dockless vehicles from an area of low demand to an area of high demand.

(5) RESIDENTIAL AREA means a residential district as defined in Section 51A-2.102, “Definitions,” of the Dallas Development Code, or a planned development district or conservation district with residential base zoning.

**SEC. 43-158. GENERAL AUTHORITY AND DUTY OF DIRECTOR.**

The director shall implement and enforce this article and may by written order establish such rules or regulations, consistent with this article and state or federal law, as he determines are necessary to discharge his duty under, or to affect the policy of, this article.

**SEC. 43-159. ESTABLISHMENT OF RULES AND REGULATIONS.**

(a) Before adopting, amending, or abolishing a rule, the director shall hold a public hearing on the proposal.

(b) The director shall fix the time and place of the hearing and, in addition to notice required under the Open Meetings Act (Chapter 551, Texas Government Code), as amended, shall notify each operator and such other persons as the director determines are interested in the subject matter of the hearing.

(c) After the public hearing, the director shall notify all operators and other interested persons of the director's action and shall post an order adopting, amending, or abolishing a rule on the official bulletin board in city hall for a period of not fewer than 10 days. The order becomes effective immediately upon expiration of the posting period.

**SEC. 43-160. OPERATING AUTHORITY PERMIT.**

A person commits an offense if, within the city, he operates, or causes or permits the operation of, a dockless vehicle service without a valid operating authority permit issued under this article.

**SEC. 43-161. APPLICATION FOR OPERATING AUTHORITY PERMIT.**

(a) To obtain an operating authority permit, a person shall make application in the manner prescribed by the director. The applicant must be the person who will own, control, or operate the proposed dockless vehicle program.

(b) An applicant shall file with the director a verified application statement, to be accompanied by a non-refundable application fee, containing the following:

(1) the form of business of the applicant and, if the business is a corporation or association, a copy of the documents establishing the business and the name and address of each person with a 20 percent or greater ownership interest in the business;

(2) the verified signature of the applicant;

(3) the address of the fixed facilities to be used in the operation, if any, and the address of the applicant's corporate headquarters, if different from the address of the fixed facilities;

(4) the name of the person designated by the applicant to receive on behalf of the applicant any future notices sent by the city to the operator, and that person's contact information, including a mailing address, telephone number, and email or other electronic address;

(5) documentary evidence from an insurance company indicating that such insurance company has bound itself to provide the applicant with the liability insurance required by this article;

(6) documentary evidence of payment of ad valorem taxes on property within the city, if any, to be used in connection with the operation of the proposed dockless vehicle program;

(7) documentary evidence from a bonding or insurance company or a bank indicating that the bonding or insurance company or bank has bound itself to provide the applicant with the performance bond or irrevocable letter of credit required by this article;

(8) the number and types of dockless vehicles to be operated; and

(9) an agreement to indemnify the city.

(c) An operating authority permit may be renewed following the process in this section.

(d) The initial application for an operating authority permit must be accompanied by an application fee of \$808 and the appropriate vehicle fee as specified in Section 43-172. Applications to renew an operating authority permit must be accompanied by an application fee of \$404 and the appropriate vehicle fee as specified in Section 43-172.

**SEC. 43-162. CHANGES TO INFORMATION IN OPERATING AUTHORITY APPLICATION.**

(a) Any changes to the information provided in the operating authority permit application must be reported to the director, in the manner prescribed by the director, within 10 days of the change.

(b) If the information reported to the director under this section includes an increase in the number of dockless vehicles, any additional vehicle fees due under Section 43-172 must be submitted to the director simultaneously with the change in information.

**SEC. 43-163. EXPIRATION OF OPERATING AUTHORITY PERMIT.**

An operating authority permit expires one year from the date it is issued.



**SEC. 43-164. REFUSAL TO ISSUE OR RENEW OPERATING AUTHORITY PERMIT.**

(a) The director shall refuse to issue or renew an operating authority permit if the applicant:

(1) intentionally or knowingly makes a false statement as to a material matter in an application for a permit or permit renewal; or

(2) has been convicted twice within a 12-month period for a violation of this article regarding the deployment of a dockless vehicle or the rebalancing or removal of a dockless vehicle, or a rule or regulation adopted under this article regarding the deployment of a dockless vehicle or the rebalancing or removal of a dockless vehicle, or has had an operating authority permit revoked within two years of the date of application.

(b) If the director determines that a permit should be denied, the director shall notify the applicant or operator in writing that the application is denied and include in the notice the specific reason or reasons for denial and a statement informing the applicant or operator of the right to, and the process for, appeal of the decision.

**SEC. 43-165. SUSPENSION OR REVOCATION OF OPERATING AUTHORITY PERMIT.**

(a) Suspension. The following regulations apply to the suspension of an operating authority permit:

(1) The director may suspend an operating authority permit if the director determines that the operator failed to comply with a request to remove a dockless vehicle or a request to rebalance dockless vehicles issued by the director within the time specified in the order.

(2) Suspension of an operating authority permit does not affect the expiration date of the permit.

(b) Revocation. The following regulations apply to the revocation of an operating authority permit:

(1) The director shall revoke an operating authority permit if the director determines that the operator has:

(A) made a false statement as to a material matter in the application concerning the operating authority permit;

(B) failed to maintain the insurance required by this article;

(C) failed to maintain the performance bond or irrevocable letter of credit required by this article;

(D) operated dockless vehicles that were not authorized by the operating authority permit; or

(E) failed to pay a fee required by this article.

(2) After revocation of an operating authority permit, an operator is not eligible for another permit for a period of up to two years, depending on the severity of the violation resulting in the revocation.

**SEC. 43-166. APPEALS.**

Any person whose application for an operating authority permit, or renewal of an operating authority permit, is denied by the director, or an operator whose operating authority permit has been revoked or suspended by the director, may file an appeal with the permit and license appeal board in accordance with Section 2-96, "Appeals From Actions of Department Directors," of this code.

**SEC. 43-167. NONTRANSFERABILITY.**

An operating authority permit is not transferable. This regulation should not be construed to impede the continuing use of trade names.

**SEC. 43-168. OPERATIONS.**

(a) Each operator shall provide dockless vehicles to accommodate a wide range of users.

(b) Each dockless vehicle permitted under this article must display the emblem of the operator along with a unique identification number.

(c) Dockless vehicles must not display third party advertising.

(d) Dockless vehicles must meet all requirements of local, state, and federal law. Bicycles must meet the safety standards outlined in ISO 43.150 – Cycles, Subsection 4210, as amended.

(e) Dockless vehicles must be high quality and sturdily built to withstand the effects of weather and constant use for five years.

(f) Dockless vehicles must be well maintained and in good riding condition.

(g) Each dockless vehicle permitted under this article must be equipped with active global positioning system technology.

- (h) Spoken word alarm systems are prohibited on dockless vehicles.
- (i) Operators shall maintain a staffed operations center.
- (j) Operators shall maintain a 24-hour customer service number posted on each dockless vehicle for customers and citizens to report safety concerns, make complaints, ask questions, or request a dockless vehicle be relocated.
- (k) Operators shall rebalance dockless vehicles at least once per week.
- (l) Operators shall provide the director with contact information for someone who can rebalance and relocate dockless vehicles. The operator shall rebalance or relocate dockless vehicles within two hours of receiving notification on weekdays between 6:00 a.m. and 6:00 p.m. (excluding holidays) and within 12 hours of receiving notice at all other times. An operator shall notify the director within 24 hours of a change of contact information.
- (m) An operator shall remove any inoperable dockless vehicle, or a dockless vehicle that is not safe to operate, from the right-of-way within 24 hours of notice from the director. A dockless vehicle removed from the right-of-way in accordance with this subsection must be repaired before it is returned to revenue service.
- (n) An operator shall provide the director with special access, via the operator's app or other device, to immediately unlock and remove dockless vehicles that are blocking access to city property or the public right-of-way.
- (o) Any dockless vehicle retrieved by the director from a stream, lake, fountain, or other body of water will be disposed of in accordance with Division 2, "Sale of Unclaimed and Surplus Property," of Article IV, "Purchasing," of Chapter 2, "Administration," of the Dallas City Code, as amended, if not collected by the operator after notification.
- (p) If the city incurs any costs addressing or abating any violations of this section, or incurs any costs of repair or maintenance of public property, the operator shall reimburse the city for the costs within 30 days of receiving written notice from the director.
- (q) An operator shall not place or attach any personal property (other than dockless vehicles), fixtures, or structures in the public right-of-way without the separate written permission of the director. Any permission to place items in the public right-of-way must be incorporated into the permit.
- (r) An operator shall not adversely affect the property of any third parties during the use of city property or the public right-of-way.
- (s) An operator shall educate customers regarding the law applicable to riding, operating, and parking a dockless vehicle. An operator's mobile application must provide information notifying the user that:

(1) minors must wear helmets while riding a bicycle as required by Section 9-8, "Bicycle Helmet Required," of the Dallas City Code and while riding a motor assisted scooter as required by Section 28-41.1, "Restrictions on the Use of Motor Assisted Scooters, Pocket Bikes, and Minimotorbikes," of the Dallas City Code;

(2) dockless vehicles must be parked legally and properly;

(3) bicyclists and motor assisted scooters must yield to pedestrians on sidewalks and trails; and

(4) bicycles may not be ridden on sidewalks within the central business district per Section 9-1, "Applicability of Traffic Regulations to Bicycle Riders," of the Dallas City Code.

(t) The number of dockless vehicles in a fleet must be commensurate with the expected level of service.

**SEC. 43-169. DOCKLESS VEHICLE PARKING, DEPLOYMENT, AND OPERATION.**

(a) Dockless vehicles may not be parked in a manner that would impede normal and reasonable pedestrian access on a sidewalk or in any manner that would reduce the minimum clear width of a sidewalk to less than 48 inches.

(b) Dockless vehicles may not be parked in a manner that would impede vehicular traffic on a street or alley.

(c) Dockless vehicles may not be parked in a manner that would impose a threat to public safety or security.

(d) Dockless vehicles may not be parked on a public street without specific permission from the director.

(e) Dockless vehicles may not be deployed on a block where the sidewalk is less than 96 inches in width, or on a block that does not have sidewalks. The director may determine other blocks where deploying dockless vehicles is prohibited.

(f) Dockless vehicles must be deployed on a sidewalk or other hard surface, at a bicycle rack, or at a city-owned location. Dockless vehicles may only be deployed on private property with the permission of the property owner.

(g) Dockless vehicles must stand upright while parked.

(h) Dockless vehicles may not be parked in a visibility triangle as defined in Section 51A-4.602, "Fence, Screening and Visual Obstruction Regulations," of the Dallas Development Code.

(i) Dockless vehicles may not be parked within five feet of a crosswalk or curb ramp, unless given specific permission by the director.

(j) Dockless vehicles may not be parked in a way that blocks:

(1) Transit stops, shelters, or platforms.

(2) Commercial loading zones.

(3) Railroad tracks or crossings.

(4) Passenger loading zones or valet parking service areas.

(5) Disabled parking zones.

(6) Street furniture that requires pedestrian access (for example, benches or parking pay stations).

(7) Building entryways.

(8) Vehicular driveways.

(k) Dockless vehicles parked along multi-use trails may only be parked at trailheads or other areas identified by the director.

(l) Dockless vehicles that are parked in an incorrect manner must be re-parked or removed by the operator within two hours of receiving notice from the director on weekdays between 6:00 a.m. and 6:00 p.m. (excluding holidays) and within 12 hours of receiving notice from the director at all other times.

(m) A dockless vehicle that is parked in a residential area may remain in the same location for up to 48 hours as long as it is parked in accordance with this section. An operator shall relocate or rebalance a dockless vehicle parked in a residential area after receiving a citizen request or complaint in accordance with the timeframes specified in Section 43-169(l).

(n) The director may remove and store any dockless vehicle that is left parked at the same location for seven or more consecutive days if the director has sent the operator a notification to rebalance the dockless vehicle.

(1) The operator is responsible for the costs of removal and storage.

(2) The director shall invoice the operator for the cost of removal and storage.

(3) Any dockless vehicle that remains unclaimed with the city for 60 days is subject to sale in accordance with Division 2, "Sale of Unclaimed and Surplus Property," of Article IV, "Purchasing," of Chapter 2, "Administration," of the Dallas City Code, as amended.

(4) The director may identify designated dockless vehicle parking zones. Subject to advance approval of the director, an operator may indicate virtual dockless vehicle parking areas with paint or decals where appropriate in order to guide riders to preferred parking zones in order to assist with orderly parking of dockless vehicles throughout the city.

(o) Every person riding a dockless vehicle upon the streets of the city shall be subject to provisions of all laws and ordinances applicable to the operator of any other vehicle, except those provisions of laws and ordinances which, by their very nature, can have no application; provided, however, it shall not be unlawful to ride a dockless vehicle on a public sidewalk anywhere in the city outside of the central business district; said district being formed by the following street lines:

The south line of Young Street from Houston Street to Lamar Street.

The west line of Lamar Street from Young Street to the DART Rail Corridor.

The north line of the DART Rail Corridor from Lamar Street to I-45.

The west line of I-45 from the DART Rail Corridor to I-30.

The north line of I-30 from I-45 to Exposition Avenue.

The east line of Exposition Avenue from I-30 to CBD Fair Park Link.

The east line of the CBD Fair Park Link from Exposition Avenue to Gaston Avenue.

The north line of Gaston Avenue from the CBD Fair Park Link to Pacific Avenue.

The north line of Pacific Avenue from Gaston Avenue to Pearl Street.

The east line of Pearl Street from Pacific Avenue to Ross Avenue.

The north line of Ross Avenue from Pearl Street to Austin Street.

The west line of Austin Street from Ross Avenue to Pacific Avenue.

The north line of Pacific Avenue from Austin Street to Houston Street.

The west line of Houston Street from Pacific Avenue to Young Street.

(p) Any person riding a dockless vehicle upon a sidewalk shall yield the right- of-way to any pedestrian and shall give audible signal before overtaking and passing such pedestrian.

**SEC. 43-170. INSURANCE REQUIREMENTS.**

(a) An operator shall procure and keep in full force and effect no less than the insurance coverage required by this section through a policy or policies written by an insurance company that:

- (1) is authorized to do business in the State of Texas;
- (2) is acceptable to the city; and
- (3) does not violate the ownership or operational control prohibition described in Subsection (e) of this section.

(b) The insured provisions of the policy must name the city and its officers and employees as additional insureds, and the coverage provisions must provide coverage for any loss or damage that may arise to any person or property by reason of the operation of a dockless vehicle.

(c) An operator shall maintain the following insurance coverages:

(1) The commercial general liability insurance must provide single limits of liability for bodily injury (including death) and property damage of \$1 million for each occurrence, with a \$2 million annual aggregate.

(2) If an operator will utilize motor vehicles in its operations, the business automotive liability insurance must cover owned, hired, and non-owned vehicles, with a combined single limit for bodily injury (including death) and property damage of \$500,000 per occurrence.

(3) Worker's compensation insurance with statutory limits.

(4) Employer's liability insurance with the following minimum limits for bodily injury by:

- (A) accident, \$500,000 per each accident; and
- (B) disease, \$500,000 per employee with a per policy aggregate of \$500,000.

(d) Insurance required under this article must:

(1) include a cancellation provision in which the insurance company is required to notify the director in writing not fewer than 30 days before cancelling the insurance policy (for a reason other than non-payment) or before making a reduction in coverage;

(2) include a cancellation provision in which the insurance company is required to notify the director in writing not fewer than 10 days before cancelling for non-payment;

(3) cover all dockless vehicles during the times that the vehicles are deployed or operating in furtherance of the operator's business;

(4) include a provision requiring the insurance company to pay every covered claim on a first-dollar basis;

(5) require notice to the director if the policy is cancelled or if there is a reduction in coverage; and

(6) comply with all applicable federal, state, and local laws.

(e) No person who has a 20 percent or greater ownership interest in the operator may have an interest in the insurance company.

(f) An operator may not be self-insured.

(g) Any insurance policy required by this article must be on file with the city within 45 days of the issuance of the initial operating authority permit, and thereafter within 45 days of the expiration or termination of a previously issued policy.

#### **SEC. 43-171. DATA SHARING.**

(a) An operator shall cooperate with the city in the collection and analysis of aggregated data concerning its operations.

(b) An operator shall provide a quarterly report to the director that includes:

(1) Total number of rides for the previous quarter.

(2) Total number of vehicles in service for the previous quarter.

(3) Number of rides per vehicle per day.

(4) Anonymized aggregated data taken by the operator's dockless vehicles in the form of heat maps showing routes, trends, origins, and destinations.

(5) Anonymized trip data taken by the operator's dockless vehicles that includes the origin and destination, trip duration, and date and time of trip.



(c) An operator shall provide other reports at the director's request.

**SEC. 43-172. VEHICLE FEE.**

An operator shall pay a vehicle fee as follows:

Number of Dockless Vehicles	Fee
1-100	\$2,100
101-200	\$4,200
201-300	\$6,300
301-400	\$8,400
401-500	\$10,500
Fee per dockless vehicle in excess of 500	\$21

**SEC. 43-173. PERFORMANCE BOND OR IRREVOCABLE LETTER OF CREDIT.**

Before issuance of an operating authority permit, the operator shall give the director a performance bond or an irrevocable letter of credit approved as to form by the city attorney.

(1) A bonding or insurance company authorized to do business in the State of Texas and acceptable to the city must issue the performance bond. A bank authorized to do business in the State of Texas and acceptable to the city must issue the irrevocable letter of credit.

(2) The performance bond or irrevocable letter of credit must list the operator as principal and be payable to the city.

(3) The performance bond or irrevocable letter of credit must remain in effect for the duration of the operating authority permit.

(4) The amount of the performance bond or irrevocable letter of credit must be at least \$10,000.

(5) Cancellation of the performance bond or irrevocable letter of credit does not release the operator from the obligation to meet all requirements of this article and the operating authority permit. If the performance bond or irrevocable letter of credit is cancelled, the operating authority permit shall be suspended on the date of cancellation and the operator shall immediately cease operations until the operator provides the director with a replacement performance bond or irrevocable letter of credit that meets the requirements of this article.

(6) The city may draw against the performance bond or irrevocable letter of credit or pursue any other available remedy to recover damages, fees, fines, or penalties due from the operator for violation of any provision of this article or the operating authority permit.

**SEC. 43-174. ENFORCEMENT.**

(a) The director may, with or without notice, inspect any dockless vehicle operating under this article to determine whether the dockless vehicle complies with this article, rules and regulations established under this article, or other applicable laws.

(b) The director shall enforce this article. Upon observing a violation of this article or the rules or regulations established by the director, the director shall take necessary action to ensure effective regulation of dockless vehicles.

**SEC. 43-175. CRIMINAL OFFENSES.**

(a) A person commits an offense if he violates or attempts to violate a provision of this article, or a rule or regulation established by the director under this article, that is applicable to a person. A culpable mental state is not required for the commission of an offense under this article unless the provision defining the conduct expressly requires a culpable mental state. A separate offense is committed each day in which an offense occurs.

(b) Prosecution for an offense under Subsection (a) does not prevent the use of other enforcement remedies or procedures applicable to the person charged with or the conduct involved in the offense.”

SECTION 2. That a person violating a provision of this ordinance, upon conviction, is punishable by a fine not to exceed \$500.

SECTION 3. That Chapter 43 of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 4. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 5. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 6. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

LARRY E. CASTO, City Attorney

By \_\_\_\_\_  
Assistant City Attorney

Passed \_\_\_\_\_

**STRATEGIC PRIORITY:** Quality of Life

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 8

**DEPARTMENT:** Park & Recreation Department

**CMO:** Willis Winters, 670-4071

**MAPSCO:** 65 U X Y

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**SUBJECT**

Authorize the **(1)** acceptance of a reimbursable matching grant in the amount of \$1,000,000 from the Texas Parks and Wildlife Department's (TPWD) Urban Outdoor Recreation Grant Program for the development of Runyon Creek Trail Phase 2 Project located at 1900 East Camp Wisdom Road; **(2)** establishment of appropriations in an amount not to exceed \$1,000,000 in the TPWD Urban Outdoor Grant Fund; **(3)** receipt and deposit of funds in an amount not to exceed \$1,000,000 in the TPWD Urban Outdoor Grant Fund; **(4)** allocation of \$5,885 in 2006 Bond Funds and \$894,115 in 2012 Bond Funds for the City's required match of the grant; **(5)** acceptance of a donation in the amount of \$100,000 from the University of North Texas at Dallas for the remaining balance of the City's required match of the grant; **(6)** receipt and deposit of funds in an amount not to exceed \$100,000 in the Capital Gifts, Donation and Development Fund; **(7)** establishment of appropriations in an amount not to exceed \$100,000 in the Capital Gifts, Donation and Development Fund; and **(8)** execution of the grant agreement - Total not to exceed \$2,000,000 - Financing: TPWD Urban Outdoor Grant Funds (\$1,000,000), 2006 Bond Funds (\$5,885), 2012 Bond Funds (\$894,115) and Capital Gifts, Donation and Development Funds (\$100,000)

**BACKGROUND**

This item is on the addendum in order for the agreement to be executed with the Texas Parks and Wildlife Department (TPWD), so TPWD can review and approve the construction documents so bidding can begin. One and one-half months would be lost on the schedule otherwise. The funding information needed to be revised.

**BACKGROUND** (continued)

On September 27, 2017, City Council authorized an application for an Urban Outdoor Recreation Grant in the amount of \$1,000,000 from the Texas Parks and Wildlife Department for development of Phase 2 of the Runyon Creek Trail project located at 1900 East Camp Wisdom Road by Resolution No. 17-1550, which extends the existing trail from the new Singing Hills Recreation Center to the University of North Texas at Dallas campus. The Texas Parks and Wildlife Department has awarded \$1,000,000 for the project.

The grant stipulates a 50 percent match funding requirement which totals \$1,000,000. The existing 2012 Bond Program allocation for the Runyon Creek Trail in the amount of \$900,000 and a \$100,000 match from the University of North Texas at Dallas, for a total of \$1,000,000, will be used for the required local match.

This item authorizes acceptance of the grant and execution of the agreement with the Texas Parks and Wildlife Department.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On September 7, 2017, the Park and Recreation Board authorized an application for an Urban Outdoor Recreation Grant.

On September 27, 2017, City Council authorized an application for an Urban Outdoor Recreation Grant from the Texas Parks and Wildlife Department by Resolution No. 17-1550.

On June 7, 2018, the Park and Recreation Board authorized the acceptance of a reimbursable matching grant from the Texas Parks and Wildlife Department's Urban Outdoor Recreation Grant program and execution of an agreement with the Texas Parks and Wildlife Department.

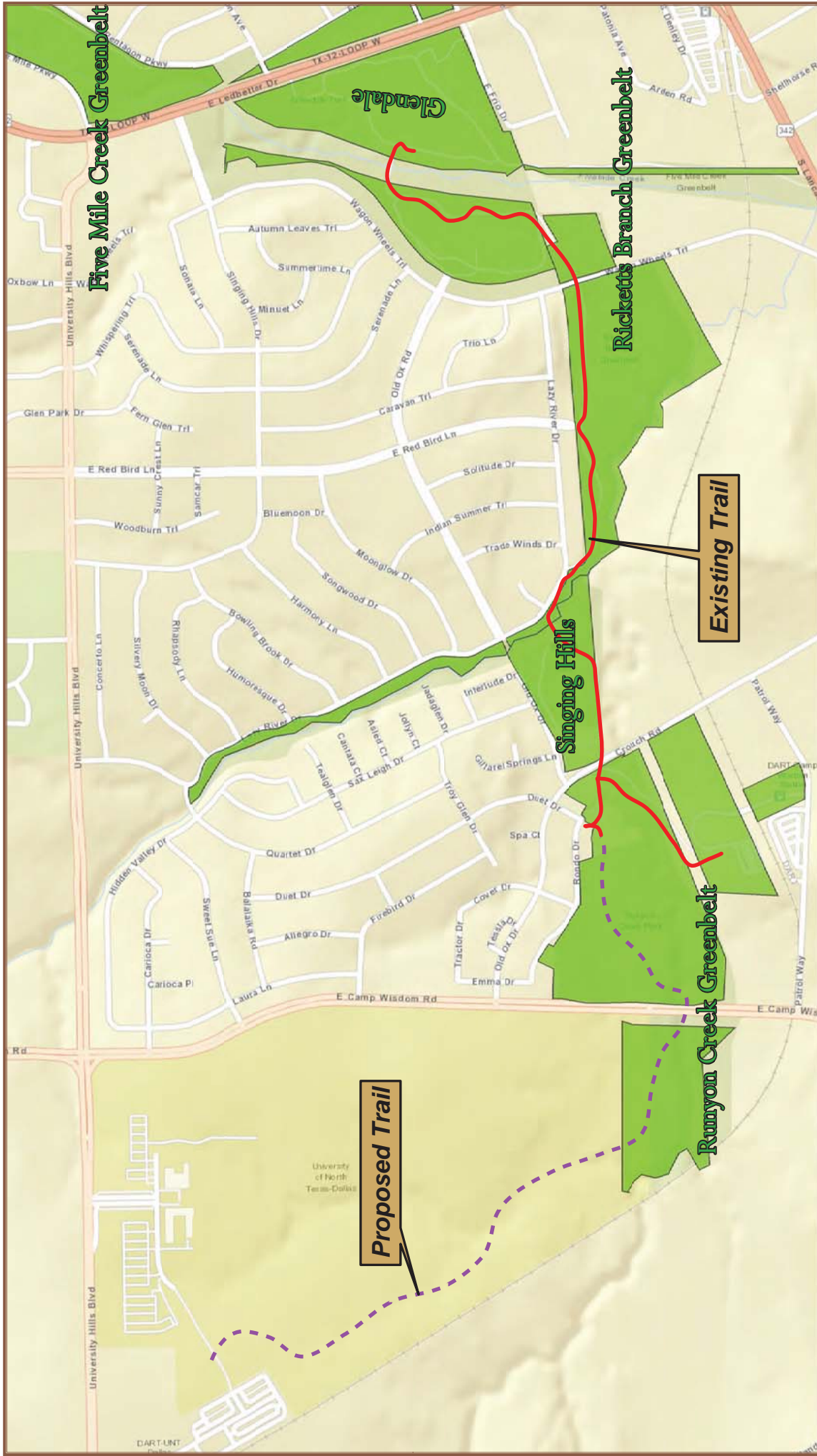
Information about this item will be provided to the Quality of Life, Arts and Culture Committee on June 25, 2018.

**FISCAL INFORMATION**

TPWD Urban Outdoor Grant Funds - \$1,000,000.00  
2006 Bond Funds - \$5,884.66  
2012 Bond Funds - \$894,115.34  
Capital Gifts, Donation and Development Funds - \$100,000.00

**MAP**

Attached



**Runyon Creek Trail  
(1900 E Camp Wisdom Rd)**

Mapsc0  
65 U,X,Y

District  
8

June 27, 2018

**WHEREAS**, the United States Congress has passed the Land and Water Conservation Fund Act of 1965 (Public Law 88-578) authorizing the Secretary of the Interior to provide financial assistance to states, and political subdivisions thereof, for outdoor recreation purposes; and

**WHEREAS**, the Texas Legislature has approved the Park and Wildlife Code, Section 131.309 authorizing the State of Texas, and its political subdivisions, to participate in the Federal program established under said Public Law 88-578, or such other programs as are hereinafter established by the Federal Government; and

**WHEREAS**, the Texas Legislature has approved the Parks and Wildlife Code, Section 24.005 for the purpose of allowing the political subdivisions of the State of Texas to participate in the Texas Recreation and Parks Account Program; and

**WHEREAS**, on September 27, 2017, City Council authorized an application for an Urban Outdoor Recreation Grant in the amount of \$1,000,000 from the Texas Parks and Wildlife Department for development of Phase 2 of the Runyon Creek Trail project by Resolution No. 17-1550 and the City was successful in its application; and

**WHEREAS**, it is deemed feasible and the Texas Parks and Wildlife Department is willing to enter into a Program Project Agreement with the City for the design and construction of a trail and other amenities and improvements.

**Now, Therefore,**

**BE IT RESOLVED BY THE PARK AND RECREATION BOARD AND THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the President of the Park and Recreation Board and the City Manager are hereby authorized to accept a reimbursable matching grant from the Texas Parks and Wildlife Department's (TPWD) Urban Outdoor Recreation Grant Program in the amount of \$1,000,000 and sign a grant agreement with TPWD and all documents required by the grants, approved as to form by the City Attorney.

**SECTION 2.** That the City Manager is hereby authorized to establish appropriations in an amount not to exceed \$1,000,000 in the TPWD Grant-Runyon Creek Greenbelt Trail Project Fund, Fund S325, Department PKR, Unit 3630, Object 4599.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to receive and deposit funds in an amount not to exceed \$1,000,000 in the TPWD Grant-Runyon Creek Greenbelt Trail Project Fund, Fund S325, Department PKR, Unit 3630, Revenue Code 6516.

June 27, 2018

**SECTION 4.** That the City Manager is hereby authorized to accept a donation in the amount of \$100,000 from the University of North Texas at Dallas for the remaining balance of the City's required match of the grant.

**SECTION 5.** That the Chief Financial Officer is hereby authorized to receive and deposit funds from the University of North Texas at Dallas in an amount not to exceed \$100,000 in the Capital Gifts, Donation and Development Fund, Fund 0530, Department PKR, Unit 7165, Revenue Code 6531.

**SECTION 6.** That the City Manager is hereby authorized to increase appropriations in an amount not to exceed \$100,000 in the Capital Gifts, Donation and Development Fund, Fund 0530, Department PKR, Unit 7165, Object 4599.

**SECTION 7.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$1,000,000 from the TPWD Grant-Runyon Creek Greenbelt Trail Project Fund, Fund S325, Department PKR, Unit 3630, Object 4599.

**SECTION 8.** That the Chief Financial Officer is hereby authorized to disburse required matching funds in an amount not to exceed \$1,000,000, as follows:

Capital Gifts, Donations and Development Fund Fund 0530, Department PKR, Unit 7165 Activity HIBT, Object 4599, Program PB12S619	\$100,000.00
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2006 Bond Fund

Park and Recreation Facilities Fund Fund 2T00, Department PKR, Unit 7165 Activity HIBT, Object 4599, Program PB12S619	\$ 5,884.66
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2012 Bond Fund

Street and Transportation Improvements Fund Fund 2U22, Department PBW, Unit S619 Activity HIBT, Object 4599, Program PB12S619	\$ 50,960.91
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Street and Transportation Improvements Fund Fund 3U22, Department PBW, Unit S619 Activity HIBT, Object 4599, Program PB12S619	\$312,381.22
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Street and Transportation Improvements Fund Fund 4U22, Department PBW, Unit S619 Activity HIBT, Object 4599, Program PB12S619	<u>\$530,773.21</u>
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Total amount not to exceed	\$1,000,000.00
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June 27, 2018

**SECTION 9.** That the City Manager is hereby authorized to reimburse to the granting agency expenditures identified as ineligible. Further, the City Manager shall notify the appropriate City Council Committee of expenditures identified as ineligible no later than 30 days after the reimbursement.

**SECTION 10.** That the City Manager shall keep the appropriate City Council Committee informed of all final granting agency monitoring reports not later than 30 days after the receipt of the report.

**SECTION 11.** That this contract is designated as Contract No. PKR-2018-00006652.

**SECTION 12.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Quality of Life

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 13

**DEPARTMENT:** Park & Recreation Department  
Department of Public Works

**CMO:** Willis Winters, 670-4071  
Majed Al-Ghafry, 670-3302

**MAPSCO:** 24B C D 25A B

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**SUBJECT**

Authorize **(1)** a Project Specific Agreement with Dallas County, County Transportation Major Capital Improvement Projects 40226, for trail design and construction of Northaven Trail Phase 2A from Cinderella Lane to Preston Road; **(2)** the receipt and deposit of funds from Dallas County in an amount not to exceed \$2,469,469 for the County's share of the construction cost in the Capital Gifts, Donation and Development Fund; and **(3)** the establishment of appropriations in an amount not to exceed \$2,469,469 in the Capital Gifts, Donation and Development Fund - Not to exceed \$4,961,437 - Financing: 2006 Bond Funds (\$1,463,956), 2012 Bond Funds (\$1,028,012) and Capital Gifts, Donation and Development Funds (\$2,469,469)

**BACKGROUND**

This item is on the addendum because Dallas County Commissioner's Court will consider this item on July 3, 2018 and City Council must take action first. The original resolution had to be revised to clarify the funding information.

In 2011, the City entered into a Funding Agreement, as amended, with Dallas County for the development of a master plan and to establish a preliminary budget for the project. This action will authorize a Project Specific Agreement (PSA) to establish the terms for the design, right-of-way acquisition, funding, and other responsibilities for Northaven Trail Phase 2A from Cinderella Lane to Preston Road. Phase 2A will provide a vital east-west multimodal transportation link in the Regional Veloweb identified in the North Central Texas Council of Government's Mobility 2040 trail network with access to employment, residential areas, schools, parks, and commercial centers.

## **BACKGROUND** (continued)

Dallas County previously managed the Northaven Trail Phase 2A to 30 percent design completion, from December 2012 to January 2017. In January 2017, the City took over the management of the project and completed design in March 2018. The City initiated a Request for Competitive Sealed Proposals for construction procurement and received proposals on May 4, 2018. Now that the final project cost for Phase 2A has been established, the execution of this PSA is necessary to establish funding, roles and responsibilities, and other requirements.

This project is a 50/50 cost-sharing between the City and Dallas County; however, the City is required to fund 100 percent of the cost of amenities and landscaping. This action will fund City of Dallas total project costs of \$2,491,968.52, including the City's 50 percent share of the construction base price amount and an alternate bid for landscaping in the amount of \$22,500.00, which will be funded 100 percent by the City. The construction contract award is a separate action item and the construction contract award amount is included in the City's total funding responsibility in this PSA. Dallas County's share of the project costs is \$2,469,469.00. The total project cost is \$4,961,437.04. Project costs include: design, construction, traffic signal equipment, materials testing, Dallas County's administrative costs, and construction contingency.

All phases of the Northaven Trail will include: a twelve-foot wide trail, the installation of signalized crossings at twenty-four street crossings, and pedestrian traffic beacons at Royal Lane, Marsh Lane, and Webb Chapel Road. When all phases are completed the entire length of the Northaven Trail will be nearly nine miles long extending from White Rock Creek Trail to the Walnut Hill/Denton DART Station.

Phase 1A of the Northaven Trail from Valleydale Drive to Preston Road was completed by the City in 2013. The City of Dallas and Dallas County have partnered to design and construct the remainder of the Northaven Trail. Currently, Phases 2B and 2C are under construction and are being managed by Dallas County in partnership with the City and the Texas Department of Transportation.

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On April 13, 2011, City Council authorized a ten-year master agreement with Dallas County governing major transportation capital improvement projects by Resolution No. 11-0927.

On October 20, 2011, the Park and Recreation Board authorized a Funding Agreement with Dallas County.

On November 7, 2011, City Council authorized a Funding Agreement with Dallas County for the development of a master plan for an approximate 6.5-mile section of the Northaven Trail between the Walnut Hill DART Green Line light rail station and Preston Road by Resolution No. 11-2977.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)** (continued)

On December 12, 2012, City Council authorized an Amendment to the Program Funding Agreement with Dallas County for the development of a master plan for the Northaven Trail between the Walnut Hill/Denton Station and Preston Road to expand the project limits, scope and funding to include design and construction of the Northaven Trail's additional phases between the Walnut Hill/Denton Station and the White Rock Creek Trail by Resolution No. 12-3057.

On December 11, 2014, the Park and Recreation Board approved the Northaven Trail Master Plan.

On June 7, 2018, the Park and Recreation Board authorized a Project Specific Agreement with Dallas County (County Transportation Major Capital Improvement Projects 40226) for trail design and construction of Northaven Trail Phase 2A from Cinderella Lane to Preston Road.

Information about this item will be provided to the Quality of Life, Arts and Culture Committee on June 25, 2018.

**FISCAL INFORMATION**

2006 Bond Funds - \$1,463,956.37

2012 Bond Funds - \$1,028,012.15

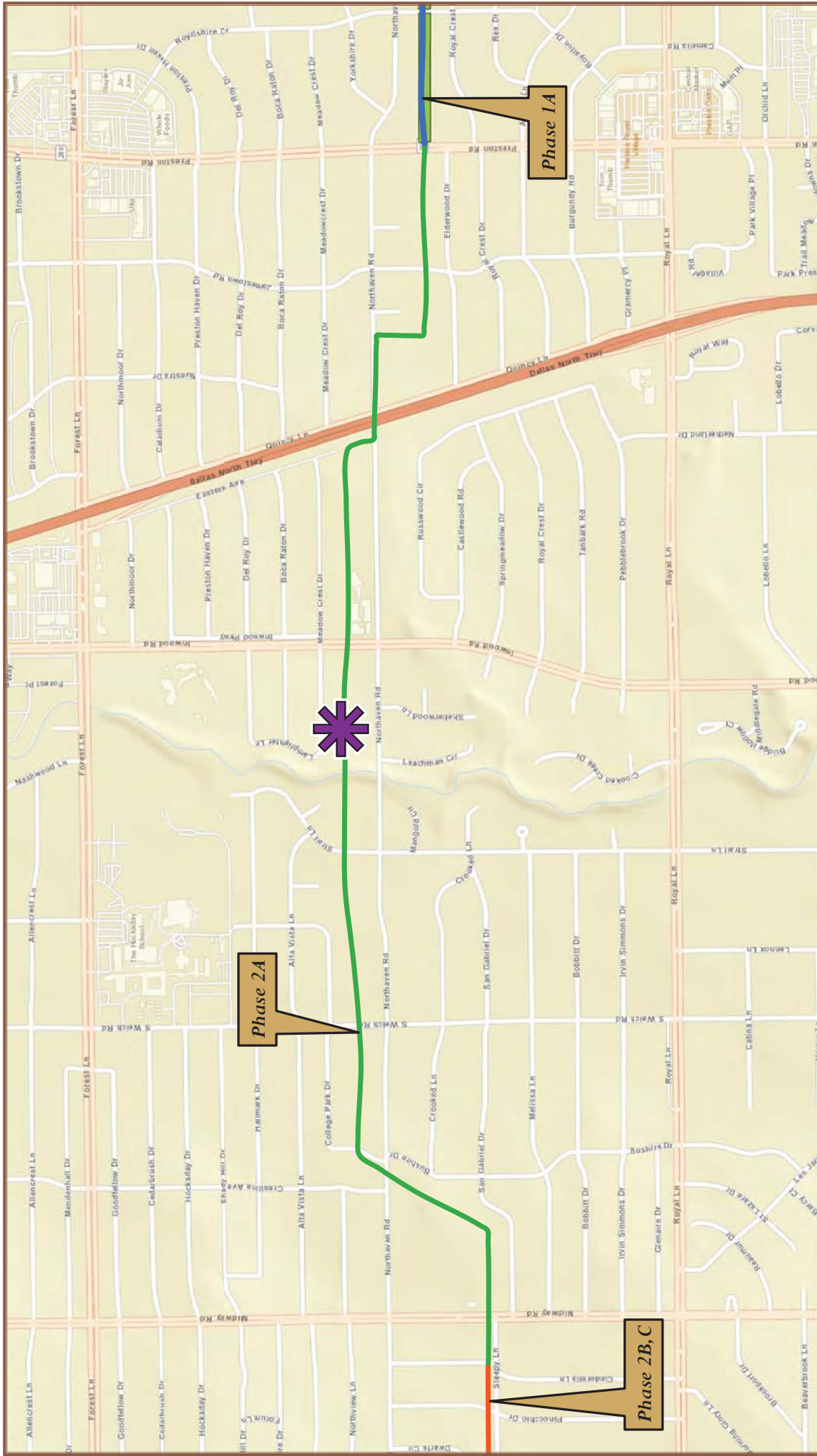
Capital Gifts, Donation and Development Funds - \$2,469,468.52

**Estimated Project Share Costs**

City of Dallas	\$2,491,968.52
Dallas County	<u>\$2,469,468.52</u>
Total	\$4,961,437.04

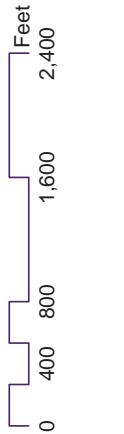
**MAP**

Attached



Mapsco  
 24 B,C,D  
 25 A,B

**Northaven Trail Phase 2A  
 (Cinderella Ln—Preston Rd)**



District  
 13

June 27, 2018

**WHEREAS**, Chapter 791 of the Texas government Code and Texas Transportation Code Article 251 provides authorization for local governments to contract with each other for the performance of governmental functions and services, and joint funding of transportation projects; and

**WHEREAS**, on April 13, 2011, City Council authorized a ten-year master agreement with Dallas County governing major transportation capital improvement projects by Resolution No. 11-0927; and

**WHEREAS**, on November 7, 2011, City Council authorized a Funding Agreement with Dallas County for the development of a master plan for an approximate 6.5-mile section of the Northaven Trail between the Walnut Hill DART Green Line light rail station and Preston Road, in an amount not to exceed \$50,000.00, by Resolution No. 11-2977; and

**WHEREAS**, on December 12, 2012, City Council authorized Amendment No. 1 to the Program Funding Agreement with Dallas County for the development of a master plan for the Northaven Trail between the Walnut Hill/Denton Station and Preston Road to expand the project limits, scope and funding to include design and construction of the Northaven Trail's additional phases between the Walnut Hill/Denton Station and the White Rock Creek Trail by Resolution No. 12-3057; and

**WHEREAS**, it is now necessary to authorize a Project Specific Agreement (PSA) assignment to the City as project lead, for trail design and construction, acquisition of right-of-way for construction of the project, and cost sharing for the remainder of the Northaven Trail Phase 2A from Cinderella Lane to Preston Road.

**Now, Therefore,**

**BE IT RESOLVED BY THE PARK AND RECREATION BOARD AND THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to sign a Project Specific Agreement with Dallas County, approved as to form by the City Attorney, for trail design and construction of Northaven Trail Phase 2A from Cinderella Lane to Preston Road, in an amount not to exceed \$4,961,437.04.

**SECTION 2.** That the President of the Park and Recreation Board and the City Manager are hereby authorized to execute a PSA with Dallas County, approved as to form by the City Attorney.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to receive and deposit funds in an amount not to exceed \$2,469,468.52 from Dallas County in the Capital Gifts, Donation and Development Fund, Fund 0530, Department PKR, Unit T241, Activity HIBT, Revenue Code 6511.

June 27, 2018

**SECTION 4.** That the City Manager is hereby authorized to establish appropriations in an amount not to exceed \$2,469,468.52 in the Capital Gifts, Donation and Development Fund, Fund 0530, Department PKR, Unit T241, Object 4599.

**SECTION 5.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$4,961,437.04 in accordance with the terms and conditions of the PSA, as follows:

Capital Gifts, Donation and Development Fund Fund 0530, Department PKR, Unit T241, Object 4599 Activity HIBT, Program PK06T241	\$2,469,468.52
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2006 Bond Fund

Park and Recreation Facilities Fund Fund 1T00, Department PKR, Unit T241, Object 4599 Activity HIBT, Program PK06T241	\$ 68,657.71
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Park and Recreation Facilities Fund Fund 2T00, Department PKR, Unit T241, Object 4599 Activity HIBT, Program PK06T241	\$ 38,570.56
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Park and Recreation Facilities Fund Fund 7T00, Department PKR, Unit T241, Object 4599 Activity HIBT, Program PK06T241	\$ 627,443.90
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Park and Recreation Facilities Fund Fund 8T00, Department PKR, Unit T241, Object 4599 Activity HIBT, Program PK06T241	\$ 894.70
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Park and Recreation Facilities Fund Fund 9T00, Department PKR, Unit T241, Object 4599 Activity HIBT, Program PK06T241	\$ 447.90
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Park and Recreation Facilities Fund Fund BT00, Department PKR, Unit T241, Object 4599 Activity HIBT, Program PK06T241	\$ 346,822.29
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Park and Recreation Facilities Fund Fund 4T00, Department PKR, Unit T241, Object 4599 Activity HIBT, Program PK06T241	\$ 381,119.31
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June 27, 2018

**SECTION 5.** (continued)

2012 Bond Fund

Street and Transportation Improvements Fund  
Fund 2U22, Department PBW, Unit S618, Object 4599  
Activity HIBT, Program PB12S618 \$ 160,389.15

Street and Transportation Improvements Fund  
Fund 4U22, Department PBW, Unit S618, Object 4599  
Activity HIBT, Program PB12S618 \$ 867,623.00

Total amount not to exceed \$4,961,437.04

**SECTION 6.** That this contract is designated as Contract No. PKR-2018-00006586.

**SECTION 7.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



**STRATEGIC PRIORITY:** Quality of Life

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 13

**DEPARTMENT:** Park & Recreation Department  
Department of Public Works

**CMO:** Willis Winters, 670-4071  
Majed Al-Ghafry, 670-3302

**MAPSCO:** 24 B C D 25 A B

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**SUBJECT**

Authorize a construction contract for the Northaven Trail Phase 2A Project located east of Preston Road to Cinderella Lane - RoeschCo Construction, Inc., best value proposer of seven - Not to exceed \$3,616,700 - Financing: 2006 Bond Funds (\$791,588), 2012 Bond Funds (\$1,028,012) and Capital Gifts, Donation and Development Funds (\$1,797,100)

**BACKGROUND**

This item is on the addendum in order for construction to begin in July 2018. This portion of the trail is between one segment that is already open and one that is under construction. This item is tied to the overall funding of the project per the Project Specific Agreement for Northaven Trail Phase 2A.

This action will authorize a construction contract with RoeschCo Construction, Inc. for the Northaven Trail Phase 2A, in an amount not to exceed \$3,616,700.00. On May 4, 2018, seven proposals were received for the Northaven Trail Phase 2A Project. RoeschCo Construction, Inc. was selected as the Best Value Proposer. The procurement method utilized for this project was Request for Competitive Sealed Proposals (RFCSP). A RFCSP is a “best value” process that takes into consideration price, qualifications, prior experience, financial sufficiency, M/WBE participation, and schedule.

**BACKGROUND** (continued)

The scope of work for the Northaven Trail Phase 2A Project includes:

- 12 feet multi-use concrete trail
- Three HAWK traffic signals
- 120 feet trail bridge crossing at Bachman Branch Creek
- Two parking lot replacements for Northaven Trail stakeholders
- Re-surfacing of existing parking lots for Northaven Trail stakeholders (YMCA, Grace Bible Church)

Dallas County and the City of Dallas, in a separate action item, are entering into a Project Specific Agreement (PSA) for trail design and construction of Northaven Trail Phase 2A which outlines the responsibilities of each entity, including the funding for the project. The City of Dallas and Dallas County are equally funding this construction contract award, except for the City fully funding Alternate No. 1, in the amount of \$22,500.00 for landscaping. For this action, the total funding from the City of Dallas is \$1,819,600.00 and from Dallas County is \$1,797,100.00. These amounts are included in the PSA as construction funding responsibilities for each entity.

Proposals based on RFCSP are evaluated on pre-set criteria which include cost, qualifications of the prime contractor, construction amount and schedule ratings, which are based on mathematical formulas, with the best price and best schedule being given the highest scores. Ratings "1" to "10" are given for each criterion with "10" being the best rating. These ratings are multiplied by the weighting to obtain the score for each criterion.

The following is a list of the rating criteria and values for each criterion:

<u>Rating Criteria</u>	<u>Value</u>
1. Proposed Construction Contract Award	40%
2. Qualifications/Experience/References for Prime Firm	15%
3. Subcontractor Experience	10%
4. Business Inclusion and Development Plan	15%
5. Financial Sufficiency	10%
6. Schedule/Time of Completion	<u>10%</u>
	100%

**ESTIMATED SCHEDULE OF PROJECT**

Began Design	October 2013
Completed Design	March 2018
Begin Construction	October 2018
Complete Construction	July 2019

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On April 5, 2018, the Park and Recreation Board's Planning and Design Committee was briefed on construction procurement.

On June 7, 2018, the Park and Recreation Board authorized a construction contract with RoeschCo Construction, Inc. for the Northaven Trail Phase 2A located from east of Preston Road to Cinderella Lane.

Information about this item will be provided to the Quality of Life, Arts and Culture Committee on June 25, 2018.

**FISCAL INFORMATION**

2006 Bond Funds - \$791,587.85  
2012 Bond Funds - \$1,028,012.15  
Capital Gifts, Donation and Development Funds - \$1,797,100.00

**M/WBE INFORMATION**

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$3,616,700.00	Construction	25.00%	87.56%	\$3,166,700.00

- This contract exceeds the M/WBE goal of 25.00%

**PROPOSAL INFORMATION**

The following seven proposals were received and opened on May 4, 2018:

\*Denotes successful proposer

<u>Proposers</u>	<u>Base Bid</u>	<u>**Alter. No. 1</u>	<u>Total Bid</u>	<u>Scores</u>
*RoeschCo Construction, Inc. 9801 Carnfield Avenue Ste. 200 Frisco, Texas 75033	\$3,594,200.00	\$ 22,500.00	\$3,616,700.00	4928.75
The Fain Group, Inc.	\$4,132,800.00	\$140,000.00	\$4,272,800.00	4364.25
Joe Funk Construction	\$4,198,014.60	\$104,000.00	\$4,302,014.60	3273.35
Cole Construction	\$4,241,448.00	\$ 30,000.00	\$4,271,448.00	2684.65

**PROPOSAL INFORMATION** (continued)

<b><u>Proposers</u></b>	<b><u>Base Bid</u></b>	<b><u>**Alter. No. 1</u></b>	<b><u>Total Bid</u></b>	<b><u>Scores</u></b>
Gadberry Construction Co.	\$4,002,424.50	\$ 20,301.00	\$4,022,725.50	4263.15
Vescorp Construction, LLC	\$4,321,464.79	\$ 52,000.00	\$4,373,464.79	4260.10
Texas Standard Construction	\$3,786,616.00	\$ 23,500.00	\$3,810,116.00	2604.25

\*\*Alternate No. 1 - provides for landscaping.

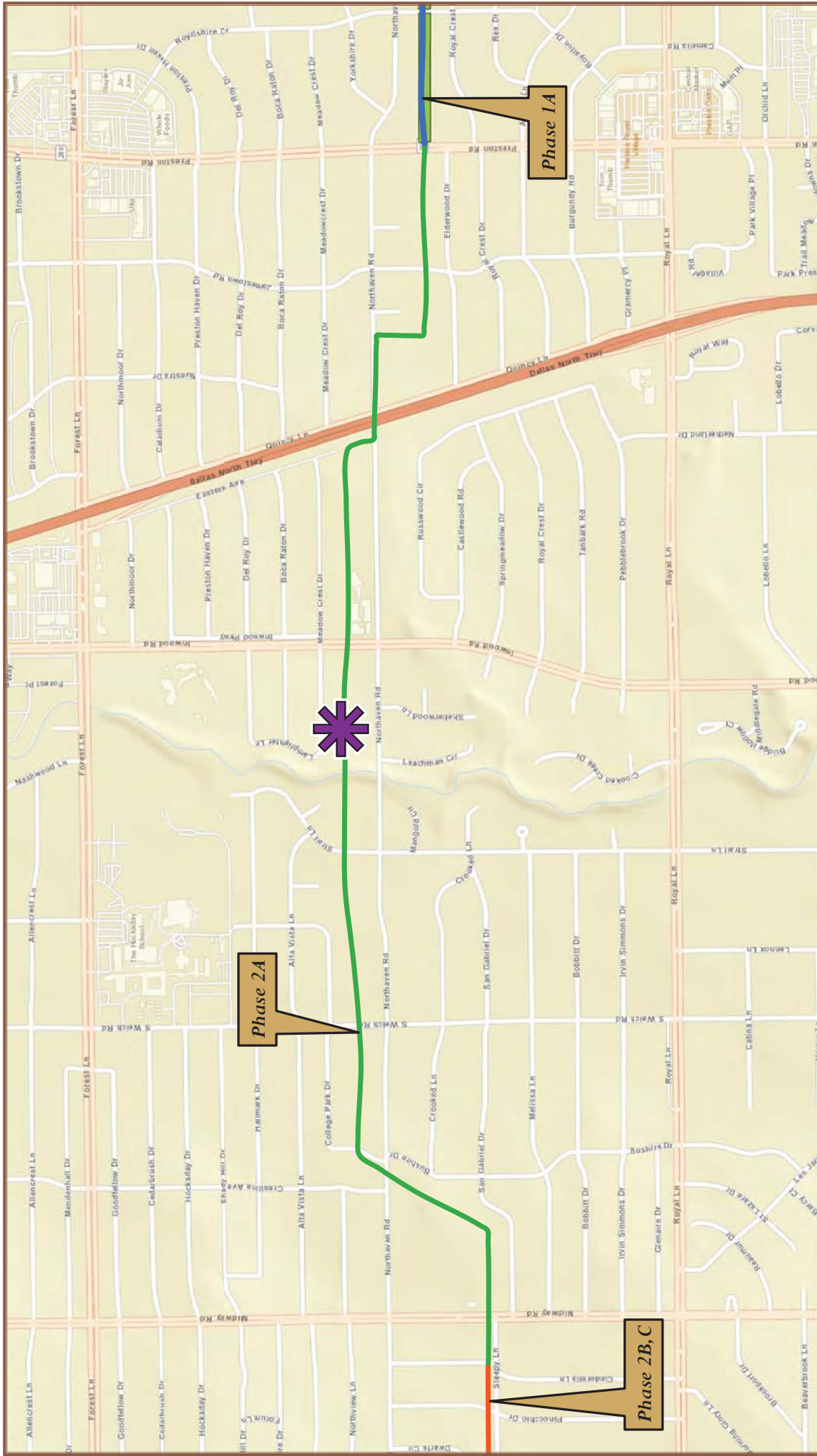
**OWNER**

**RoeschCo Construction, Inc.**

Marcie Roeschley, President

**MAP**

Attached



# Northaven Trail Phase 2A (Cinderella Ln—Preston Rd)

MapSCO  
24 B,C,D  
25 A,B

District  
13

June 27, 2018

**WHEREAS**, on May 4, 2018, seven proposals were received for the construction of Northaven Trail Phase 2A. The scope of work for this project includes construction of a 12 feet multi-use concrete trail, three HAWK traffic signals, 120 feet trail bridge crossing at Bachman Branch Creek, two parking lot replacements, re-surface existing parking lots, and replace sections of trail, sod, etc. disturbed by the construction work; and

**WHEREAS**, it has been determined that acceptance of the best and final offer from RoeschCo Construction, Inc. for construction of the Northaven Trail Phase 2A located east of Preston Road to Cinderella Lane, in an amount not to exceed \$3,616,700.00 is the best value for the City of Dallas.

<u>Proposers</u>	<u>Base Bid</u>	<u>Alter. No. 1</u>	<u>Total Bid</u>	<u>Scores</u>
RoeschCo Construction, Inc.	\$3,594,200.00	\$ 22,500.00	\$3,616,700.00	4928.75
The Fain Group, Inc.	\$4,132,800.00	\$140,000.00	\$4,272,800.00	4364.25
Joe Funk Construction	\$4,198,014.60	\$104,000.00	\$4,302,014.60	3273.35
Cole Construction	\$4,241,448.00	\$ 30,000.00	\$4,271,448.00	2684.65
Gadberry Construction Co.	\$4,002,424.50	\$ 20,301.00	\$4,022,725.50	4263.15
Vescorp Construction, LLC	\$4,321,464.79	\$ 52,000.00	\$4,373,464.79	4260.10
Texas Standard Construction	\$3,786,616.00	\$ 23,500.00	\$3,810,116.00	2604.25

**Now, Therefore,**

**BE IT RESOLVED BY THE PARK AND RECREATION BOARD AND THE CITY COUNCIL OF THE CITY OF DALLAS**

**SECTION 1.** That the City Manager is hereby authorized to sign a construction contract with RoeschCo Construction, Inc., approved as to form by the City Attorney, for the Northaven Trail Phase 2A Project located east of Preston Road to Cinderella Lane, in an amount not to exceed \$3,616,700.00.

**SECTION 2.** That the President of the Park and Recreation Board and the City Manager are hereby authorized to execute a construction contract with RoeschCo Construction, Inc., approved as to form by the City Attorney.

June 27, 2018

**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$3,616,700.00 to RoeschCo Construction, Inc., as follows:

Capital Gifts, Donation and Development Fund  
 Fund 0530, Department PKR, Unit T241, Object 4599  
 Activity HIBT, Program PK06T241  
 Commodity 91200, Vendor VS0000057213  
 Encumbrance/Contract No. PKR-2018-00006501 \$1,797,100.00

2006 Bond Fund

Park and Recreation Facilities Fund  
 Fund 1T00, Department PKR, Unit T241, Object 4599  
 Activity HIBT, Program PK06T241  
 Commodity 91200, Vendor VS0000057213  
 Encumbrance/Contract No. PKR-2018-00006501 \$68,657.71

Park and Recreation Facilities Fund  
 Fund 2T00, Department PKR, Unit T241, Object 4599  
 Activity HIBT, Program PK06T241  
 Commodity 91200, Vendor VS0000057213  
 Encumbrance/Contract No. PKR-2018-00006501 \$38,570.56

Park and Recreation Facilities Fund  
 Fund 7T00, Department PKR, Unit T241, Object 4599  
 Activity HIBT, Program PK06T241  
 Commodity 91200, Vendor VS0000057213  
 Encumbrance/Contract No. PKR-2018-00006501 \$627,443.90

Park and Recreation Facilities Fund  
 Fund 8T00, Department PKR, Unit T241, Object 4599  
 Activity HIBT, Program PK06T241  
 Commodity 91200, Vendor VS0000057213  
 Encumbrance/Contract No. PKR-2018-00006501 \$894.70

Park and Recreation Facilities Fund  
 Fund 9T00, Department PKR, Unit T241, Object 4599  
 Activity HIBT, Program PK06T241  
 Commodity 91200, Vendor VS0000057213  
 Encumbrance/Contract No. PKR-2018-00006501 \$447.90

Park and Recreation Facilities Fund  
 Fund BT00, Department PKR, Unit T241, Object 4599  
 Activity HIBT, Program PK06T241  
 Commodity 91200, Vendor VS0000057213  
 Encumbrance/Contract No. PKR-2018-00006501 \$55,573.08

June 27, 2018

**SECTION 3.** (continued)

2012 Bond Fund

Street and Transportation Improvements Fund  
Fund 2U22, Department PBW, Unit S618, Object 4599  
Activity HIBT, Program PB12S618  
Commodity 91200, Vendor VS0000057213  
Encumbrance/Contract No. PKR-2018-00006501 \$160,389.15

Street and Transportation Improvements Fund  
Fund 4U22, Department PBW, Unit S618, Object 4599  
Activity HIBT, Program PB12S618  
Commodity 91200, Vendor VS0000057213  
Encumbrance/Contract No. PKR-2018-00006501 \$867,623.00

Total amount not to exceed \$3,616,700.00

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



**STRATEGIC PRIORITY:** Quality of Life

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 2

**DEPARTMENT:** Park & Recreation Department

**CMO:** Willis Winters, 670-4071

**MAPSCO:** 45A

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**SUBJECT**

Authorize a twenty-year development, operation, and maintenance agreement with one ten-year renewal option and two additional five-year renewal options, with Reverchon Sports and Entertainment, LLC for a proposed new baseball field and stadium at Reverchon Park located at 3505 Maple Avenue - Annual Revenue: \$18,000

**BACKGROUND**

This item is on the addendum because potential donors have recently expressed interest in the project, but City Council approval of the agreement is necessary before they will commit. Staff did not want to lose the interest of potential donors.

On December 1, 2016, the Park and Recreation Board was briefed regarding potential opportunities for the development and operation of a new ballpark at Reverchon Park. Park and Recreation Department (PKR) staff received direction to hold a public input meeting and then issue a Request for Proposals.

On July 12, 2017 and September 12, 2017, PKR held public meetings with the community and stakeholders. On January 17, 2018 and January 24, 2018, the City of Dallas (City) publicly advertised the Request for Proposals for the subject project. In response to this advertisement, the Office of Procurement Services received one proposal on February 23, 2018 from Reverchon Sports and Entertainment, LLC (RSE), a Texas limited liability company.

It is proposed that RSE, the developer, and the City enter into a development, operation, and maintenance agreement which outlines the roles and responsibilities for the proposed ballpark. Following are the proposed deal points.

## **BACKGROUND** (continued)

### **General**

1. RSE will replace the existing Reverchon baseball field and stadium with a new, improved facility consisting of:
  - a. 1,400 permanent seats, including accessible seats, and additional 600 to 1,000 temporary bleacher seats that could be stored off site, when not needed.
  - b. a support facility that includes restrooms, concessions, locker rooms, and dugouts for each team.
  - c. four private suites with space for eight to ten people in each.
  - d. public restrooms accessible to the users of the park.
  - e. elimination of the present drainage, utility, and structural problems.
  - f. meeting the needs of all present patrons plus an expanded list of possible users.
2. RSE will be responsible for development, design, marketing, sponsorships, branding, advertising, sales, and daily stadium operations and maintenance.
3. The term of the agreement will be twenty-years with one ten-year renewal option and two additional five-year renewal options.
4. RSE will comply with the City's Business Inclusion and Development Plan, making a good faith effort to achieve the percentage goal for minority and/or women owned business enterprises.
  - a. RSE will provide reports of the M/WBE participation at the initiation of design, commencement of construction, and completion of construction.
5. RSE shall deposit the necessary funds into the dedicated bank account no later than December 31, 2018, construction starting one year later.
6. The City will have the right to audit and receive accountings from RSE's funding accounts.
7. RSE has naming rights, subject to approval of the PKR Director.

### **Design and Construction**

1. The new design will reflect the original spirit of the park. Building materials will contain the same historic character as found in the rest of the park.
2. RSE will submit construction documents to PKR and the Park and Recreation Board for review and approval.

## **BACKGROUND** (continued)

### **Design and Construction** (continued)

3. RSE will arrange and lead public input meetings and meetings with other stakeholders during the design process.
4. The new design will include signage, styled after existing signage, that directs people to the ballpark from Maple Avenue and Turtle Creek Boulevard. This is separate from the existing gateway sign.
5. The new design will have minimal impact on existing trees. If any trees are removed from the site, RSE will provide tree mitigation. PKR will provide tree assessments.
6. The new design will have minimal light pollution on adjacent property.
7. The estimated design and construction cost of the stadium is \$15,000,000.
8. RSE will provide new water, electric, and gas service meters and major supply lines to the site.
9. Parking:
  - a. RSE will repave the parking lot and consider using permeable paving or similar system. The existing capacity (120 spaces) will remain.
  - b. RSE is currently in negotiations with adjacent parking garages for an additional 1,000 to 1,300 spaces. RSE will finalize this parking agreement before the City executes the contract.
10. The duration of the project will be 17 months from notice to proceed to substantial completion (occupancy). RSE will raise all funding and disclose its accountings to the City before they begin construction.
11. RSE shall deposit the necessary funds into the dedicated bank account no later than December 31, 2018, construction starting one year later.
12. RSE will carry insurance for the entire agreement period. The design-build firm will include construction warranties, payment and performance bonds as well as insurance as required by the City's Office of Risk Management.
13. RSE will provide photometrics for exterior lighting. PKR will review and approve the lighting design for the project.

## **BACKGROUND** (continued)

### **Operations and Maintenance**

1. RSE will provide all maintenance of the facility, ball field, and parking lot. The agreement will denote the boundary of maintenance responsibility in a precise site plan.
2. RSE will use funds from naming and branding rights, sponsorship, season ticket sales, suite sales, etc. to offset annual operational expenses. City will approve of all advertisers, advertisements, and placement of any advertising.
3. RSE will replace the worn areas of the artificial turf field as needed.
4. RSE will carry insurance that covers routine usage and operation of complex.
5. RSE will provide a traffic control plan for all proposed (typical and unique) events.
6. The parking lot will be accessible to the public at all times, regardless of ballpark activity.
7. RSE will meet with representatives from all potential users and determine a schedule for the following year. RSE will work with all current users to schedule reservations based on their historical usage of the field.
8. The remaining open dates will be accessible to RSE to schedule for the professional team, other amateur leagues and other events.
  - a. Dallas Independent School District (DISD) (25 uses/year) and Dallas Recreation Center League (DPARD) (18 uses/year) will not pay for their reservations. PKR (12 uses/year) will be not pay for their reservations.
  - b. North Texas Amateur Baseball League (NTABL) (30-60 uses/year), Mexican American Baseball League (MABL) (10 uses/year) and other current paying field users will pay a reduced (25 percent off) fee, shown listed below.
  - c. Park and Recreation Board will approve increases to the fees.
  - d. Proposed rental uses and fees for all groups are listed below.

**BACKGROUND** (continued)

**Operations and Maintenance**

<b><u>Type of Rental</u></b>	<b><u>Name of User</u></b>	<b><u>Uses per year</u></b>	<b>Cost per Hour</b>	
			<b><u>Without Lights</u></b>	<b><u>With Lights</u></b>
Baseball	DISD	25	Free	Free
Baseball	DPARD	18	Free	Free
Baseball	PKR	12	Free	Free
Baseball	NTABL	30-60	\$55	\$95
Baseball	MABL	10	\$55	\$95
Baseball/Softball	Other Leagues	TBD	\$75	\$125

<b>Amateur Soccer Games/Practice</b>	<b>Cost per Hour</b>	
	<b><u>Without Lights</u></b>	<b><u>With Lights</u></b>
	\$55	\$95

9. RSE will pay \$18,000 to PKR annually to be used for additional maintenance (as a result of the new activity) in the rest of Reverchon Park, deposited in a multi-year fund. This amount will start to escalate annually after the first five years and be based on the Consumer Price Index.
10. RSE will share 20 percent of gross concessions revenues.
11. RSE will submit their hours of operation for PKR Director approval.
12. RSE will comply with all city, state and federal ordinances, regulations and codes.
13. Food Concessions:
  - a. There will be a dedicated area within the new facility, open when a minimum of 500 attendees are at an event.
14. Park users will have access to public restrooms. PKR staff will maintain the restrooms serving the park.
  - a. RSE will pay for their utility usage.

**BACKGROUND** (continued)

**Operations and Maintenance**

15. RSE estimates 662,500 attendees for 750 events, during the first five years, including:
- a. Sports: professional baseball, high school baseball, amateur baseball, soccer, boxing, and other sports
  - b. Other games/competitions: mixed martial arts and high school bands
  - c. Other: music events, charity races, festivals (St. Patrick's Day, Oktoberfest, BBQ competitions, etc.), Snow Park, Easter Egg Hunts, and City of Dallas events

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On December 1, 2016, the Park and Recreation Board was briefed by staff on the Reverchon Park Ballfield Proposed Redevelopment.

On June 7, 2018, the Park and Recreation Board authorized a twenty-year development, operation, and maintenance agreement with one ten-year renewal option and two additional five-year renewal options, with Reverchon Sports and Entertainment, LLC. The final vote to approve the item with the following amendments: that the number of free uses for the City be increased from 6 to 12 usages; that RSE deposit the necessary funds into the dedicated bank account no later than December 31, 2018, construction starting one year after that; that RSE share 20 percent of gross concessions revenues; and that the terms of the agreement be changed from 30 years to 20 years with one ten-year renewal option and two additional five-year renewal options.

Information about this item will be provided to the Quality of Life, Arts and Culture Committee on June 25, 2018.

**FISCAL INFORMATION**

Annual Revenue - \$18,000

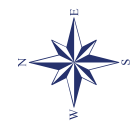
**OWNER**

**Reverchon Sports and Entertainment, LLC**

Mark Schuster, Chief Executive Officer

**MAP**

Attached



# Reverchon Park (3505 Maple Ave)

Mapsc0  
45 A

District  
2



June 27, 2018

**WHEREAS**, on January 17, 2018, a solicitation for the development, operation and management of the Reverchon Ballpark was developed by the Park and Recreation Department and publicly advertised by the Office of Procurement Services; and

**WHEREAS**, on February 23, 2018, one proposal was received; and

**WHEREAS**, it is now desirable and in the best interest of the City of Dallas to authorize a twenty-year development, operation, and maintenance agreement with one ten-year renewal option and two additional five-year renewal options, with Reverchon Sports and Entertainment, LLC for a proposed new baseball field and stadium at Reverchon Park located at 3505 Maple Avenue, with an annual revenue of \$18,000.

**Now, Therefore,**

**BE IT RESOLVED BY THE PARK AND RECREATION BOARD AND THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to sign a twenty-year development, operation, and maintenance agreement with one ten-year renewal option and two additional five-year renewal options, with Reverchon Sports and Entertainment, LLC, approved as to form by the City Attorney, for a proposed new baseball field and stadium at Reverchon Park located at 3505 Maple Avenue, with an annual revenue of \$18,000.

**SECTION 2.** That the President of the Park and Recreation Board and the City Manager are hereby authorized to execute a twenty-year development, operation, and maintenance agreement with one ten-year renewal option and two additional five-year renewal options, with Reverchon Sports and Entertainment, LLC, approved as to form by the City Attorney.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to receive and deposit annual revenue received from Reverchon Sports and Entertainment, LLC in the amount of \$18,000 into the General Fund, Fund 0641, Department PKR, Unit 6688, Revenue Code 8411, Activity RVSC, Commodity 90916, Vendor VS97033.

**SECTION 4.** That this contract is designated as Contract No. PKR-2018-00006530.

**SECTION 5.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Quality of Life

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Park & Recreation Department

**CMO:** Willis Winters, 670-4071

**MAPSCO:** Various

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**SUBJECT**

Authorize a sixteen-month contract through November 7, 2019, with two one-year renewal options with METCO Engineering, Inc., through a Cooperative Purchasing Agreement with Dallas County, to provide job order contracting services for facility projects – Not to exceed \$4,000,000 – Financing: 2017 Bond Funds (estimated \$2,400,000) and General Funds (estimated \$1,600,000) (subject to annual appropriations)

**BACKGROUND**

This item is on the addendum so that 2017 Bond Program projects and potential emergency repairs can move forward. Additional time was required to address legal concerns.

A Job Order Contract (JOC) is a procurement method used for maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is of a recurring nature, but the delivery times, type, and quantities of work are indefinite. The Park and Recreation Department has previously utilized JOC services through the Public Works Department's contract since 2012. The current contract between METCO Engineering Inc. (METCO) and the City of Dallas (City) presented an opportunity to complete major City projects to improve climate control of building occupants. METCO has provided the City with energy cost reduction savings on projects since 2012.

Due to the limits of the current contract, the Park and Recreation Department proposes to utilize the Dallas County JOC. Dallas County currently has a JOC with a term that extends through November 7, 2019 and may be renewed annually for two additional one-year terms. This action would approve a Cooperative Purchasing Agreement with Dallas County that would allow the City to utilize the existing Dallas County JOC.

**BACKGROUND** (continued)

The Park and Recreation Department can utilize the Dallas County contract to complete projects, including those funded by the bond program or general funds, including emergency repairs. Services under the JOC include heating, ventilation and air conditioning, electrical, plumbing, and drywall/painting. The JOC allows emergency repairs to be implemented in a more timely manner than other procurement methods. Pricing by METCO under this contract would be per the RSMeans Data standards.

This is a sixteen-month contract through November 7, 2019, with two one-year renewal options in an amount not to exceed \$4,000,000.00. If renewed for years two and three, the contracts will be in an amount not to exceed \$2,000,000.00 each year. Projects would be funded on an as-needed basis, up to these limits.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On June 7, 2018, the Park and Recreation Board authorized a contract with METCO Engineering, Inc.

Information about this item will be provided to the Quality of Life, Arts and Culture Committee on June 25, 2018.

**FISCAL INFORMATION**

2017 Bond Funds - estimated \$2,400,000.00 (subject to annual appropriations)  
General Funds - estimated \$1,600,000.00 (subject to annual appropriations)

**M/WBE INFORMATION**

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$4,000,000.00	CO-OP	N /A	N/A	N/A

- The Business Inclusion and Development Plan does not apply to Cooperative Purchasing Agreements (CO-OPs)

**OWNER**

**METCO Engineering, Inc.**

Barry Bagheri, President

June 27, 2018

**WHEREAS**, the State of Texas Government Code, Section §2269.403 provides for job order contracting by local municipalities; and

**WHEREAS**, Park and Recreation job order contracting services are desirable and necessary to perform construction, repair, rehabilitation, and alterations at City buildings; and

**WHEREAS**, it is desirable for the Park and Recreation Department to establish contracts with job order contracting firms to provide construction services; and

**WHEREAS**, on November 21, 2017, Dallas County, after a Request for Proposal procurement process, awarded nine job order contracts for Job Order Contracting Services for small to large construction and/or construction related projects for Dallas County; and

**WHEREAS**, METCO Engineering, Inc. was one of the firms selected to provide Job Order Contracting Services for construction and/or construction related projects as identified in the agreement between Dallas County and METCO Engineering, Inc.; and

**WHEREAS**, it is now desirable to authorize a sixteen-month contract through November 7, 2019, with two one-year renewal options with METCO Engineering, Inc., through a Cooperative Purchasing Agreement with Dallas County, to provide job order contracting services for facility projects, in an amount not to exceed \$4,000,000.

**Now, Therefore,**

**BE IT RESOLVED BY THE PARK AND RECREATION BOARD AND THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to sign a sixteen-month contract through November 7, 2019, with two one-year renewal options with METCO Engineering, Inc., approved as to form by the City Attorney, to provide job order contracting services for facility projects, in an amount not to exceed \$4,000,000.

**SECTION 2.** That the President of the Park and Recreation Board and the City Manager are hereby authorized to execute a sixteen-month contract, with two one-year renewal options with METCO Engineering, Inc., approved as to form by the City Attorney.

**SECTION 3.** That the Director of the Park and Recreation Department or designated representative is authorized to request services as needed from METCO Engineering, Inc. in accordance with the contract terms.

June 27, 2018

**SECTION 4.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$4,000,000 (subject to annual appropriations) to METCO Engineering, Inc., as follows:

General Fund		
Fund 0001, Department PKR, Unit Various, Object Various		
Vendor VS0000025965		\$1,600,000
(estimated)		
2017 Bond Fund		
Fund Various, Department PKR, Unit Various, Object Various		
Vendor VS0000025965		<u>\$2,400,000</u>
(estimated)		
Total amount not to exceed		\$4,000,000

**SECTION 5.** That this contract is designated as Contract No. PKR-2018-00006713.

**SECTION 6.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Quality of Life

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 2, 6, 8, 12

**DEPARTMENT:** Park & Recreation Department

**CMO:** Willis Winters, 670-4071

**MAPSCO:** 4A 33M R 34G 43M 42K L P Q 69A M

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**SUBJECT**

Authorize a professional services contract to provide topographic surveys, platting, geotechnical information, conceptual design, design development, construction documents, procurement phase services, and construction administration for six spraygrounds to be constructed at: Grauwlyer Park located at 7780 Harry Hines Boulevard; Nash/Davis Park, including a Master Plan, located at 3700 North Hampton Road; Jaycee/Zaragoza Park located at 3114 Clymer Street; Kleberg Park located at 1515 Edd Road; and Timberglen Park located at 3900 Timberglen Road; and a small sprayground, walking trail, playground and shade pavilion at K.B. Polk Park located at 3860 Thedford Avenue – Dunaway Associates, L.P., most qualified proposer of five - Not exceed \$878,000 – Financing: 2017 Bond Funds

**BACKGROUND**

This item is on the addendum due to the time sensitive nature of this project to complete construction for the 2020 pool season. Design needs to begin in July 2018. Placing this item on the addendum gave staff sufficient time for fee negotiations in order to place this on the agenda prior to Council recess.

On February 14, 2018, a Request for Qualifications was issued for the Aquatics Phase 2 facilities, which included four Aquatic Centers and six spraygrounds. Six firms submitted Statements of Qualifications. Five firms were short-listed and a Request for Proposal was sent to the short-listed firms on March 16, 2018.

This action will authorize a professional services contract with Dunaway Associates, L.P. to provide topographic surveys, platting, geotechnical information, conceptual design, design development, construction documents, procurement phase services, and construction administration for six spraygrounds to be constructed at: Grauwlyer Park; Nash/Davis Park Nash/Davis Park, including a Master Plan; Jaycee/Zaragoza Park; Kleberg Park; and Timberglen Park; and a small sprayground, walking trail, playground and shade pavilion at K.B. Polk Park.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On June 21, 2018, the Park and Recreation Board authorized a professional services contract with Dunaway Associates, L.P.

Information about this item will be provided to the Quality of Life, Arts and Culture Committee on June 25, 2018.

**FISCAL INFORMATION**

2017 Bond Funds - \$878,000.00

<b><u>Council District</u></b>	<b><u>Amount</u></b>
2	\$302,000.00
6	\$317,000.00
8	\$111,000.00
12	<u>\$148,000.00</u>
Total	\$878,000.00

**ESTIMATED SCHEDULE OF PROJECT**

Begin Design	July 2018
Complete Design	March 2019
Begin Construction	July 2019
Complete Construction	May 2020

**M/WBE INFORMATION**

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<b><u>Contract Amount</u></b>	<b><u>Category</u></b>	<b><u>M/WBE Goal</u></b>	<b><u>M/WBE %</u></b>	<b><u>M/WBE \$</u></b>
\$878,000.00	Architectural & Engineering	25.66%	28.30%	\$248,500.00

- This contract exceeds the M/WBE goal of 25.66%

## **PROPOSAL INFORMATION**

On April 4, 2018, five proposals were received and opened from solicitation number CIZ1706 from short-listed firms and were ranked in order of preference. This professional services contract is being awarded in its entirety to the most qualified proposer.

\*Denotes successful proposer

<b><u>Proposers</u></b>	<b><u>Address</u></b>	<b><u>Rank</u></b>
*Dunaway Associates, L.P.	550 Bailey Avenue Suite 400 Fort Worth, Texas 76107	**2
Kimley-Horn and Associates, Inc.	13455 Noel Road Two Galleria Office Tower Suite 700 Dallas, Texas 75240	1
GFF, Inc.	2808 Fairmount Street Suite 300 Dallas, Texas 75201	3
MESA Design Associates, Inc.	2001 North Lamar Street Suite 100 Dallas, Texas 75202	4
Aquatic Design & Engineering	189 South Orange Avenue Suite 1250 Orlando, Florida 32801	5

\*\*The solicitation included four aquatic centers and six spraygrounds. The No. 1 ranked firm was selected for the aquatic centers and the No. 2 ranked firm was selected for the spraygrounds.

## **OWNER**

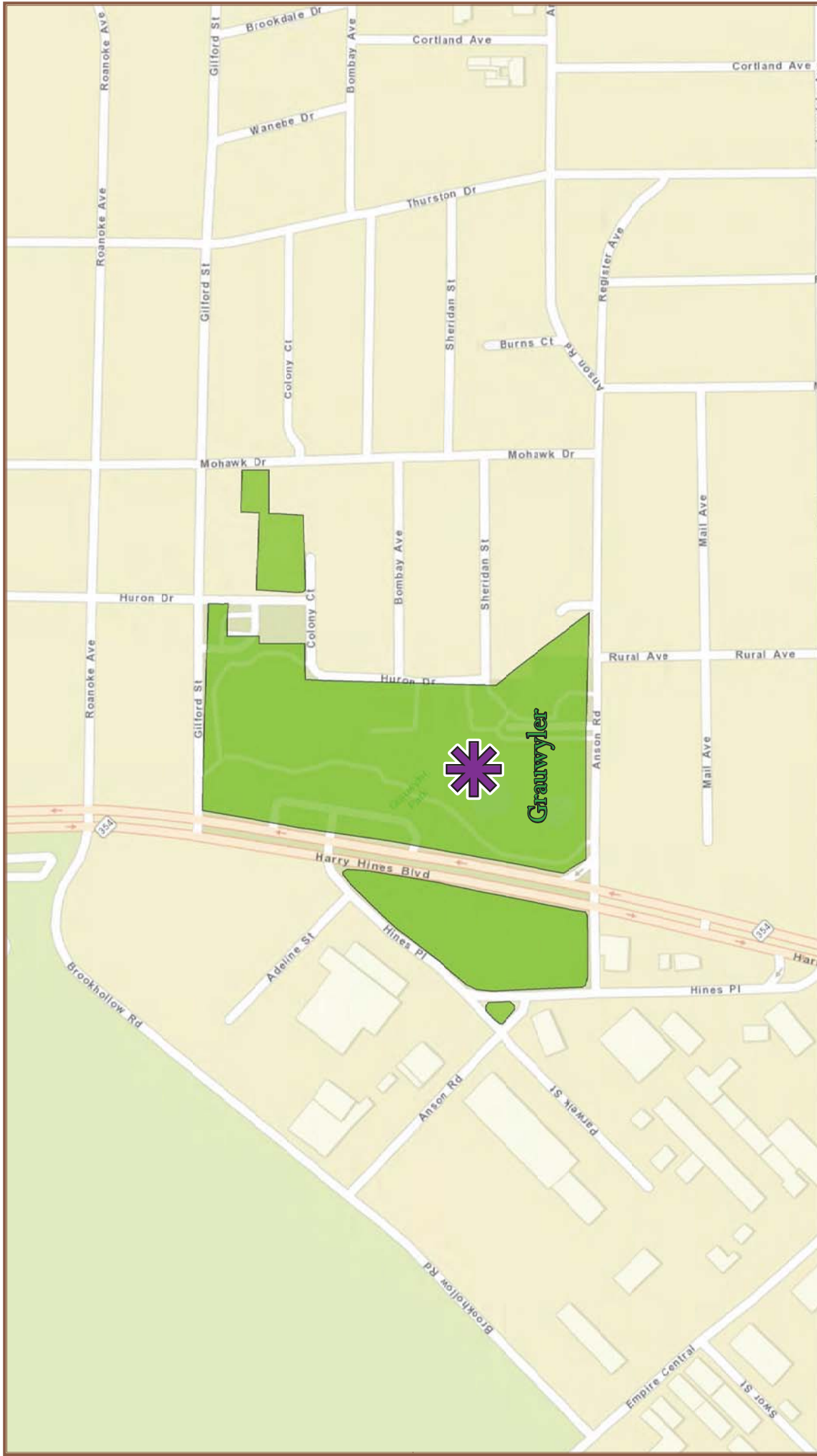
### **Dunaway Associates, L.P.**

Tom Galbreath, Chief Executive Officer

## **MAPS**

Attached



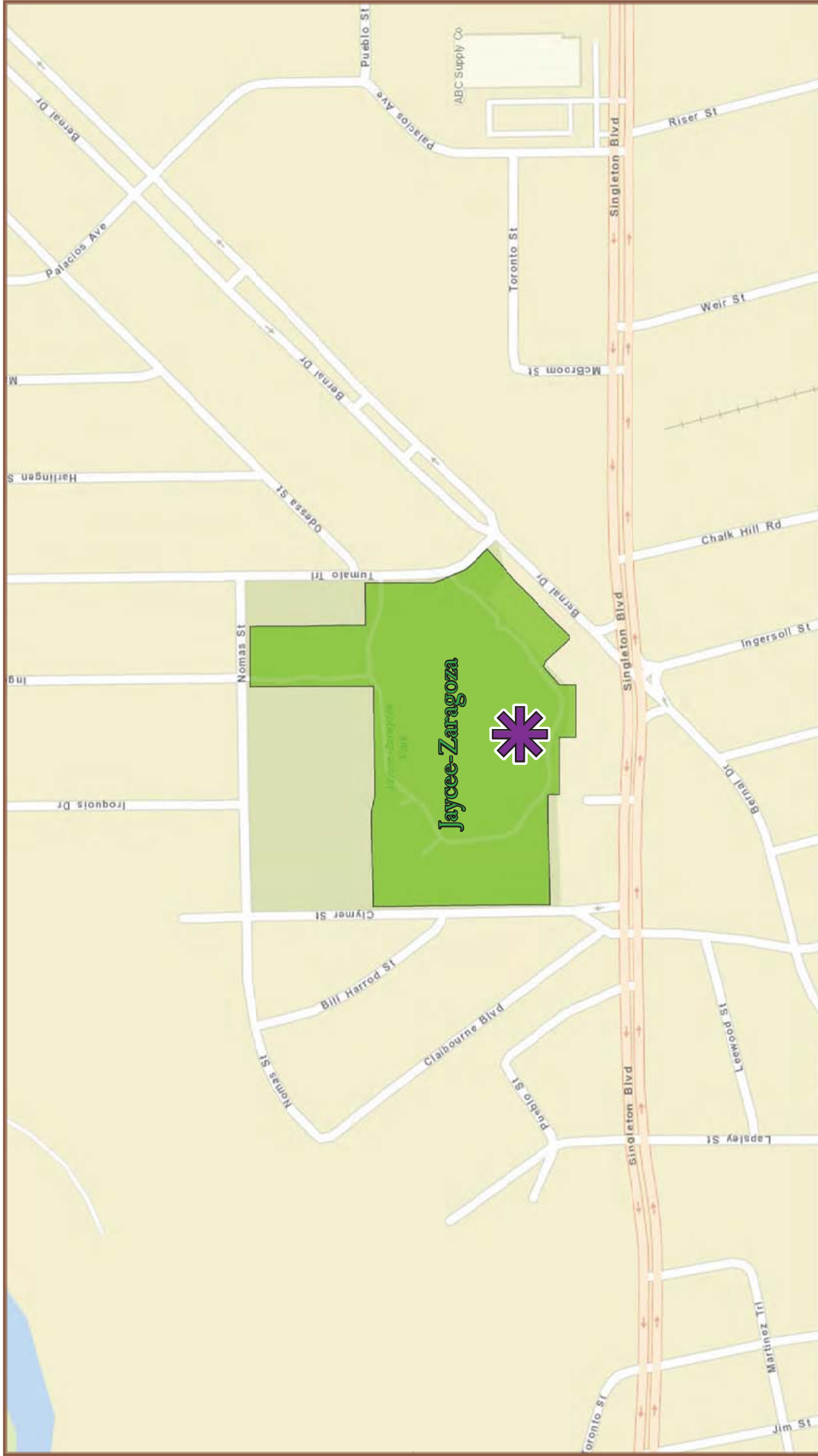


District  
2

33 M,R

Grauwylers Park Spray Ground  
(7780 Harry Hines Boulevard)

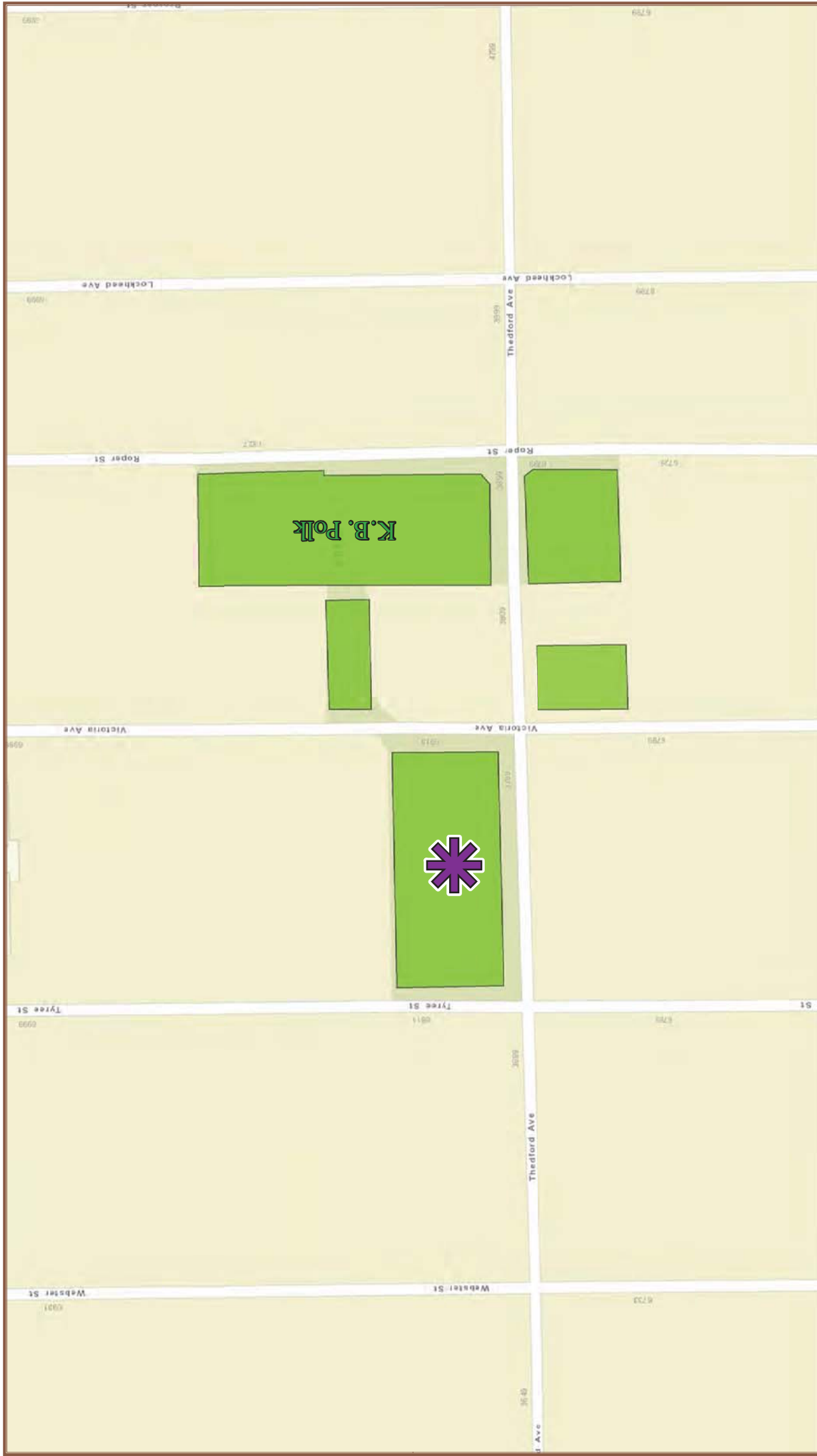




## Jaycee/Zaragoza Park Spray Ground (3114 Clymer St)

MapSCO  
42 K,L,R,Q

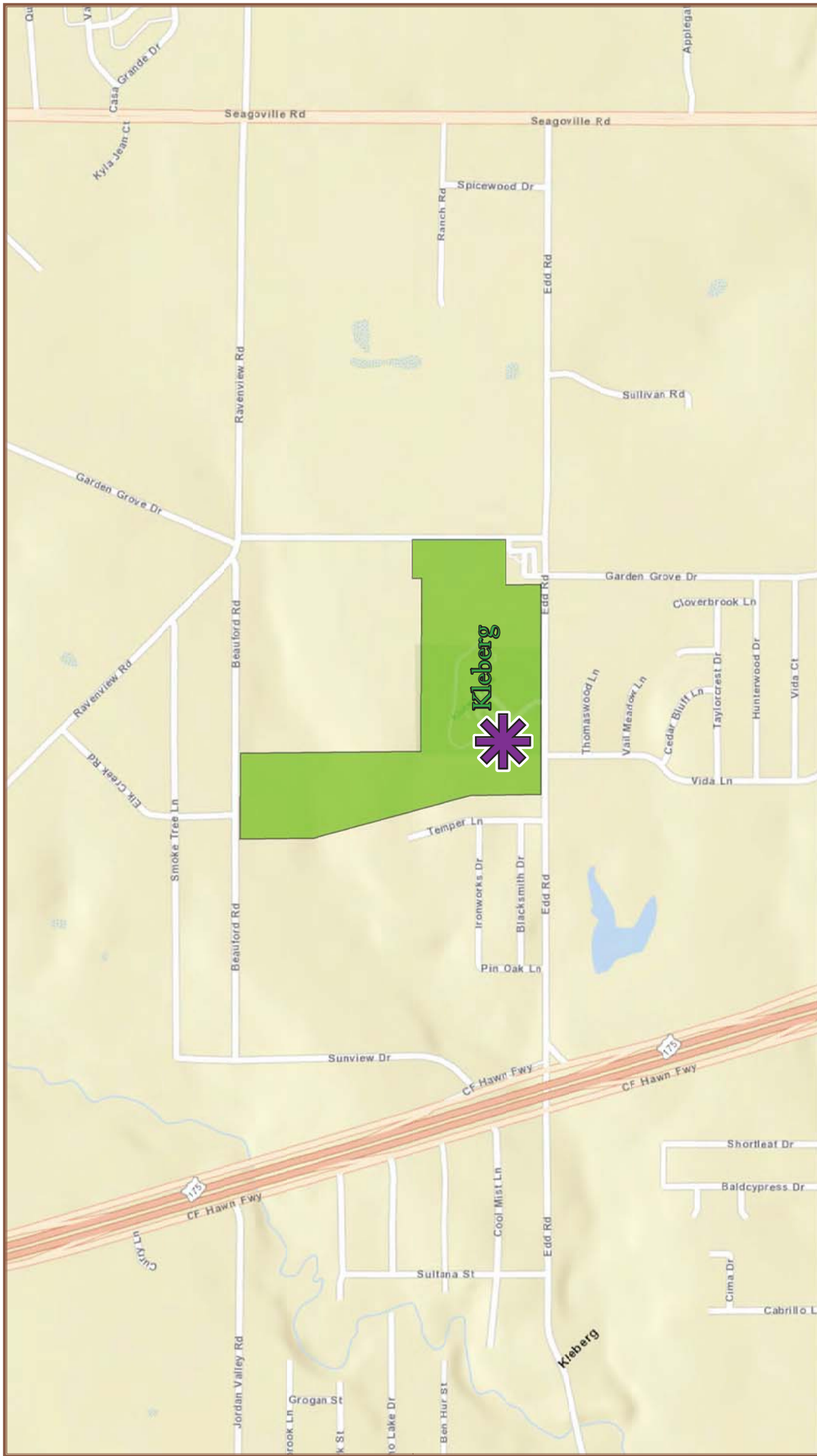
District  
6



# K.B. Polk Park Spray Ground (3860 Theadford Ave)

MapSCO  
34 G

District  
2

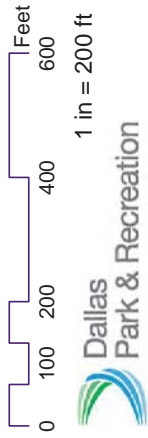


District  
8

Mapsc  
69A M

# Kleberg Park Spray Ground (1515 Edd Road)

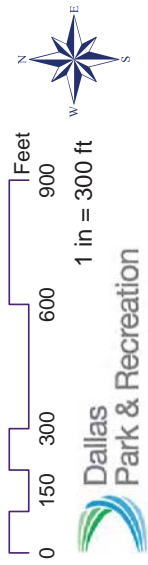
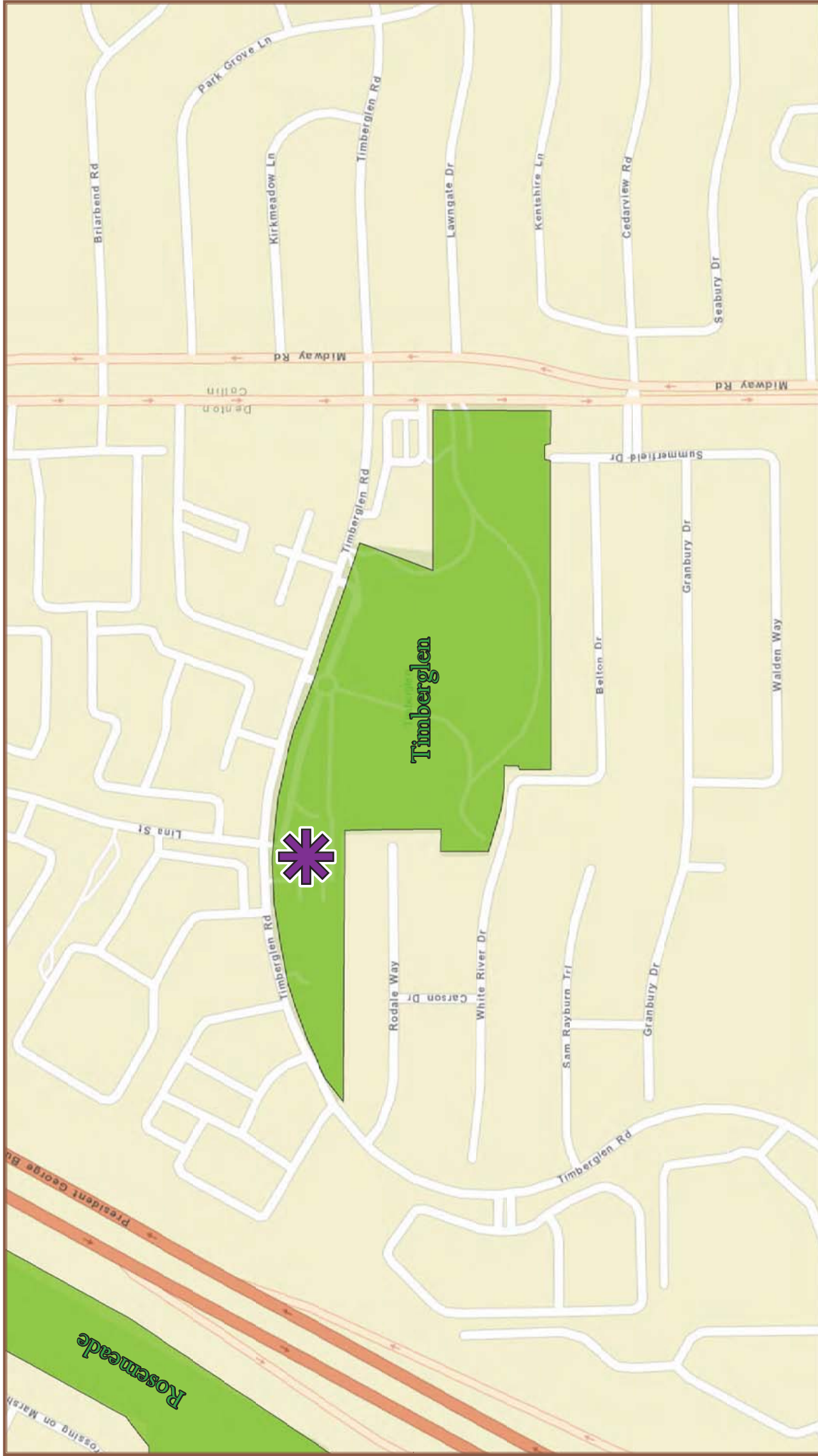




Nash/Davis Park Spray Ground  
 (3700 North Hampton Road)

MapSCO  
 43 M

District  
 6



**Timberglen Park Spray Ground**  
 (3900 Timberglen Road)

MapSCO  
4A

District  
12



June 27, 2018

**WHEREAS**, the City desires to enter into a professional services contract with Dunaway Associates, L.P., most qualified proposer of five, to provide topographic surveys, platting, geotechnical information, conceptual design, design development, construction documents, procurement phase services, and construction administration for six spraygrounds to be constructed at Grauwlyer Park located at 7780 Harry Hines Boulevard; Nash/Davis Park, including a Master Plan, located at 3700 North Hampton Road; Jaycee/Zaragoza Park located at 3114 Clymer Street; Kleberg Park located at 1515 Edd Road; and Timberglen Park located at 3900 Timberglen Road; and a small sprayground, walking trail, playground and shade pavilion at K.B. Polk Park located at 3860 Thedford Avenue, in an amount not to exceed \$878,000.

**Now, Therefore,**

**BE IT RESOLVED BY THE PARK AND RECREATION BOARD AND THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to sign a professional services contract with Dunaway Associates, L.P., approved as to form by the City Attorney, for topographic surveys, platting, geotechnical information, conceptual design, design development, construction documents, procurement phase services, and construction administration for six spraygrounds to be constructed at Grauwlyer Park located at 7780 Harry Hines Boulevard; Nash/Davis Park, including a Master Plan, located at 3700 North Hampton Road; Jaycee/Zaragoza Park located at 3114 Clymer Street; Kleberg Park located at 1515 Edd Road; and Timberglen Park located at 3900 Timberglen Road; and a small sprayground, walking trail, playground and shade pavilion at K.B. Polk Park located at 3860 Thedford Avenue, in an amount not to exceed \$878,000.

**SECTION 2.** That the President of the Park and Recreation Board and the City Manager are hereby authorized to execute a professional services contract with Dunaway Associates, L.P., Inc., approved as to form by the City Attorney.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$878,000 to Dunaway Associates, L.P., in accordance with the terms and conditions of the contract from the 2017 Bond Funds, as follows:

Grauwlyer Park Sprayground

Park and Recreation Facilities (B) Fund

Fund 1V00, Department PKR, Unit VB42

Object 4111, Activity AQFC, Program PK17VB42

Commodity 92500, Vendor VS0000059194

Encumbrance/Contract No. PKR-2018-00006681

\$151,000

June 27, 2018

**SECTION 3.** (continued)K.B. Polk Park Sprayground

Park and Recreation Facilities (B) Fund  
 Fund 1V00, Department PKR, Unit VB44  
 Object 4111, Activity AQFC, Program PK17VB44  
 Commodity 92500, Vendor VS0000059194  
 Encumbrance/Contract No. PKR-2018-00006681 \$151,000

Nash/Davis Park – Master Plan

Park and Recreation Facilities (B) Fund  
 Fund 1V00, Department PKR, Unit VB83  
 Object 4111, Activity AQFC, Program PK17VB83  
 Commodity 92500, Vendor VS0000059194  
 Encumbrance/Contract No. PKR-2018-00006681 \$ 33,500

Nash/Davis Park Sprayground

Park and Recreation Facilities (B) Fund  
 Fund 1V00, Department PKR, Unit VB81  
 Object 4111, Activity AQFC, Program PK17VB81  
 Commodity 92500, Vendor VS0000059194  
 Encumbrance/Contract No. CX-PKR-2018-00006681 \$142,500

Jaycee/Zaragoza Park Sprayground

Park and Recreation Facilities (B) Fund  
 Fund 1V00, Department PKR, Unit VB76  
 Object 4111, Activity AQFC, Program PK17VB76  
 Commodity 92500, Vendor VS0000059194  
 Encumbrance/Contract No. CX-PKR-2018-00006681 \$141,000

Kleberg Park Sprayground

Park and Recreation Facilities (B) Fund  
 Fund 1V00, Department PKR, Unit VK14  
 Object 4111, Activity AQFC, Program PK17VK14  
 Commodity 92500, Vendor VS0000059194  
 Encumbrance/Contract No. CX-PKR-2018-00006681 \$111,000

Timberglen Park Sprayground

Park and Recreation Facilities (B) Fund  
 Fund 1V00, Department PKR, Unit VK66  
 Object 4111, Activity AQFC, Program PK17VK66  
 Commodity 92500, Vendor VS0000059194  
 Encumbrance/Contract No. CX-PKR-2018-00006681 \$148,000

Total amount not to exceed \$878,000



June 27, 2018

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Quality of Life

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 7

**DEPARTMENT:** Park & Recreation Department

**CMO:** Willis Winters, 670-4071

**MAPSCO:** 46 P,Q

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**SUBJECT**

Authorize a design-build services contract for pre-design and pre-construction services, an early construction package, and architectural and engineering services for the design and construction of Fair Park Facility Improvements for Music Hall located at 909 1st Avenue, African American Museum located at 3536 Grand Avenue and Aquarium Annex located at 1458 1st Avenue - Harrison, Walker & Harper, LP., most qualified proposer of three - Not to exceed \$930,303 - Financing: 2017 Bond Funds

**BACKGROUND**

On March 7, 2018, a solicitation for design-build services for the Fair Park Facility Improvements at Music Hall, African American Museum and Aquarium Annex was developed by the Park and Recreation Department and publicly advertised by the Office of Procurement Services. On March 30, 2018, three statements of qualifications were received. On April 13, 2018, a Request for Qualifications (RFQ) was issued to three firms. On April 27, 2018, three proposals were received. On May 2, 2018, Harrison, Walker & Harper, LP. received the highest ranking, making them the most qualified proposer as the result of a qualifications-based selection process in accordance with City of Dallas Administrative Directive 4-5.

This design-build services contract will assess the condition of the existing three facilities as well as prioritize and provide design solutions for the following needs: (1) Music Hall at Fair Park: American with Disabilities Act (ADA) improvements, water infiltration, roof leaks, new elevator, plumbing line repairs, carpeting, and other repairs as identified by the assessment; (2) African American Museum: building sign, water infiltration, stage railing, carpeting, heating, ventilation, and air conditioning (HVAC) system, lighting, security, and other repairs as identified by the assessment; (3) Aquarium Annex: exterior wall and window framing, ADA improvements, structural repairs, ceiling repairs, plumbing fixtures, HVAC replacement, fire alarm replacement, security system replacement, and other repairs as identified by the assessment.

**BACKGROUND** (continued)

This contract award includes pre-design and pre-construction services and architectural and engineering services for the design and construction of the facility improvements at Fair Park for Music Hall, African American Museum and Aquarium Annex. The contract will also include an early construction package for the Music Hall in the amount of \$600,000 to address ADA items and an ADA accessible elevator to meet the Spring 2019 event schedule.

**ESTIMATED SCHEDULE OF PROJECT**

Begin Design	July 2018
Complete Design	January 2019
Begin Construction (early package for Music Hall)	November 2018
Begin Construction	April 2019
Complete Construction	March 2020

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On June 7, 2018, the Park and Recreation Board authorized a design-build services contract with Harrison, Walker & Harper, LP.

Information about this item will be provided to the Quality of Life, Arts and Culture Committee on June 25, 2018.

**FISCAL INFORMATION**

2017 Bond Funds - \$930,303.00

African American Museum	\$ 88,620.00
Aquarium Annex	\$106,039.00
Music Hall	<u>\$135,644.00</u>
	\$330,303.00 (Preliminary Design)
Music Hall	\$600,000.00 (Design-Build)
Total Project Cost	\$930,303.00

## **M/WBE INFORMATION**

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<b><u>Contract Amount</u></b>	<b><u>Category</u></b>	<b><u>M/WBE Goal</u></b>	<b><u>M/WBE %</u></b>	<b><u>M/WBE \$</u></b>
\$930,303.00	Construction	25.00%	26.59%	\$247,375.00

- This contract exceeds the M/WBE goal of 25.00%

## **PROPOSAL INFORMATION**

Three proposals were received from solicitation number CIZ1708 and opened on April 27, 2018. This design-build services contract is being awarded in its entirety to the most advantageous proposer.

\*Denotes successful proposer

<b><u>Proposers</u></b>	<b><u>Scores</u></b>
*Harrison, Walker & Harper, LP 2510 S. Church Street Paris, Texas 75460	380
Phoenix I Restoration and Construction, Ltd. 3535 Travis Street, Suite 250 Dallas, Texas 75204	367
Thos. S. Byrne, Inc. dba Byrne Construction Services 551 E. Berry Street Fort Worth, Texas 76110	357

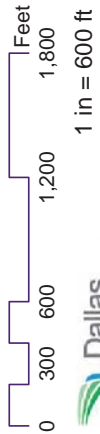
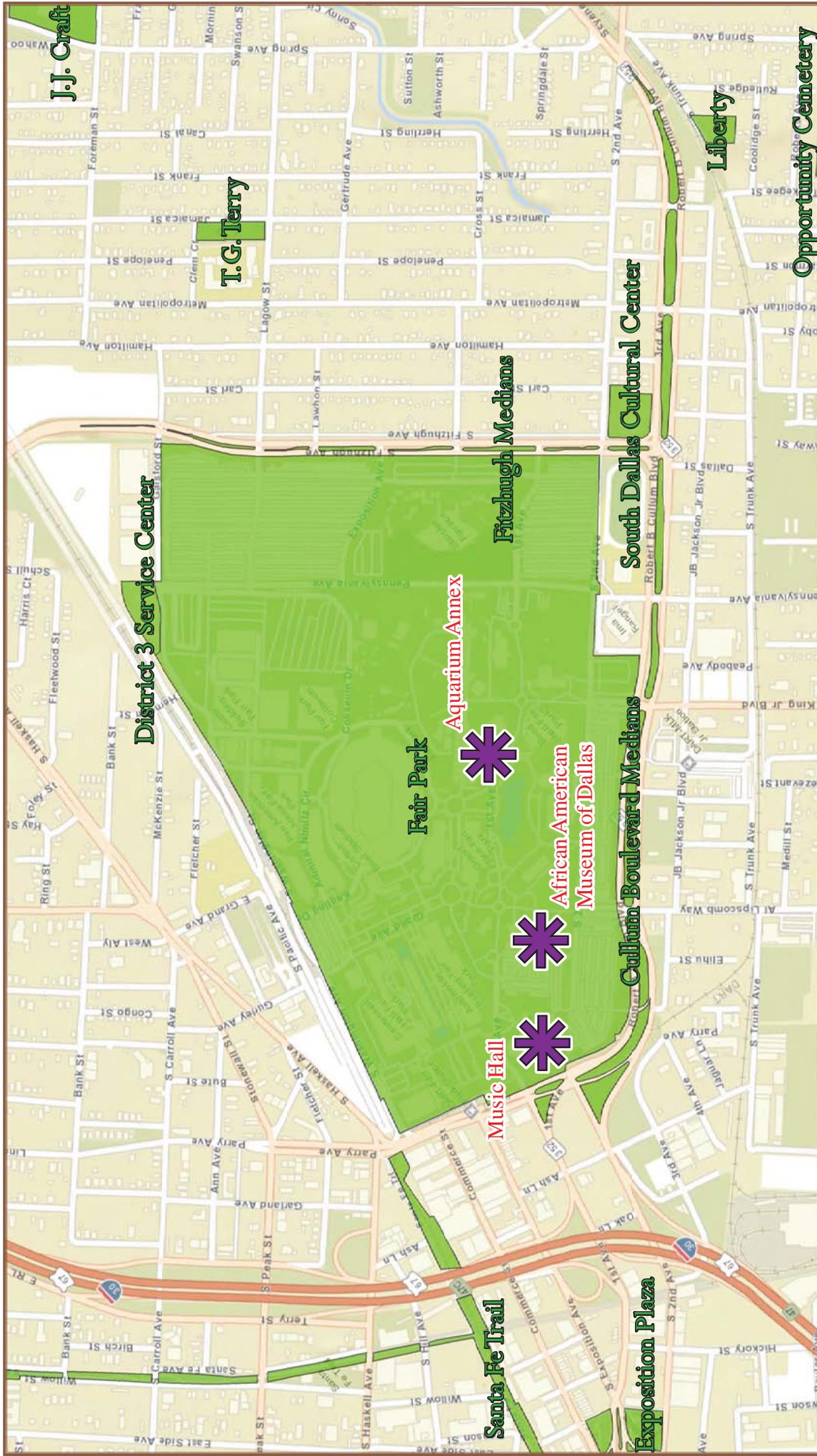
## **OWNER**

**Harrison, Walker & Harper, LP.**

Jordan Harper, Chief Executive Officer

## **MAP**

Attached



Fair Park—Various  
 (909 1st Ave, 3536 Grand Ave, 1458 1st Ave)

Mapsc0  
 46 P,Q

District  
 7

June 27, 2018

**WHEREAS**, on March 7, 2018, a solicitation for Design-Build Services for the Facility Improvements at Music Hall, African American Museum and Aquarium Annex was developed by the Park and Recreation Department and publicly advertised by the Office of Procurement Services; and

**WHEREAS**, on March 30, 2018, three statements of qualifications were received; and

**WHEREAS**, on April 13, 2018, a proposal request was issued to three firms; and

**WHEREAS**, on April 27, 2018, three proposals were received; and

**WHEREAS**, on May 2, 2018, Harrison, Walker & Harper, LP. was selected as the most qualified proposer of the three respondents as the result of a qualifications-based selection process in accordance with City of Dallas Administrative Directive 4-5; and

**WHEREAS**, it is now desirable and in the best interest of the City of Dallas to a design-build services contract with Harrison, Walker & Harper, LP., most qualified proposer of three, for pre-design and pre-construction services, an early construction package, and architectural and engineering services for the design and construction of Fair Park Facility Improvements for Music Hall located at 909 1st Avenue, African American Museum located at 3536 Grand Avenue and Aquarium Annex located at 1458 1st Avenue, in an amount not to exceed \$930,303.

**Now, Therefore,**

**BE IT RESOLVED BY THE PARK AND RECREATION BOARD AND THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to sign a design-build services contract with Harrison, Walker & Harper, LP, approved as to form by the City Attorney, for pre-design and pre-construction services, an early construction package, and architectural and engineering services for the design and construction of Fair Park Facility Improvements for Music Hall located at 909 1st Avenue, African American Museum located at 3536 Grand Avenue and Aquarium Annex located at 1458 1st Avenue, in an amount not to exceed \$930,303.

**SECTION 2.** That the President of the Park and Recreation Board and the City Manager are hereby authorized to execute a design-build services contract with Harrison, Walker & Harper, LP., approved as to form by the City Attorney.

June 27, 2018

**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$930,303 to Harrison, Walker & Harper, LP., from 2017 Bond Funds, as follows:

Fair Park Improvements (C) Fund Fund 1V02, Department PKR, Unit VC02, Object 4559 Activity HIBT, Program PK17VC02, CX-PKR-2018-00006532 Commodity 90625, Vendor 513339	\$600,000
Fair Park Improvements (C) Fund Fund 1V02, Department PKR, Unit VC02, Object 4111 Activity HIBT, Program PK17VC02, CX-PKR-2018-00006532 Commodity 90625, Vendor 513339	\$135,644
Fair Park Improvements (C) Fund Fund 1V02, Department PKR, Unit VC03, Object 4111 Activity HIBT, Program PK17VC03, CX-PKR-2018-00006532 Commodity 90625, Vendor 513339	\$ 88,620
Fair Park Improvements (C) Fund Fund 1V02, Department PKR, Unit VC11, Object 4111 Activity HIBT, Program PK17VC11, CX-PKR-2018-00006532 Commodity 90625, Vendor 513339	<u>\$106,039</u>
Total amount not to exceed	\$930,303

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 12

**DEPARTMENT:** Office of Economic Development

**CMO:** Raquel Favela, 671-5257

**MAPSCO:** 46 K, L

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**SUBJECT**

Authorize a conditional grant agreement with SHOP DEV LLC or an affiliate thereof for renovation of the Hillcrest Village Shopping Center located at 6959 Arapaho Road - Not to exceed \$3,000,000 - Financing: 2017 Bond Funds

**BACKGROUND**

This item is being placed on the addendum per the City Manager's Office request.

SHOP DEV LLC (SHOP) submitted an incentive application to the City of Dallas for the redevelopment of a shopping center at 6959 Arapaho Road. The 147,466 square foot retail property is located on 11 acres. The property is underutilized, with only 34 percent occupancy due to property disrepair. The property is bounded by a "C" market to the south and a "D" market to the north using the classifications of the Market Value Analysis.

SHOP proposes to renovate the property into a high-end shopping and dining environment, anchored by a City of Dallas park. The project budget is approximately \$28,000,000 including the cost of acquisition. The project scope includes:

1. Sale of approximately 65,716 square feet of land in the center of the shopping center to the City of Dallas for use as a public park as approved in Council Resolution No. 18-0763 on May 23, 2018. The park would have frontage on Arapaho Road and retail/services/restaurants on two sides. SHOP will execute a Development and Maintenance Agreement as described in Council Resolution No. 18-0763 approved on May 23, 2018.
2. Demolition of an approximately 40,000 square foot two-story building that sits within the new park footprint. The building is vacant except for a small karate studio that will be relocated elsewhere in the shopping center.



**BACKGROUND** (continued)

3. Renovations to the existing remaining buildings including:
  - a. Asbestos remediation
  - b. Building façade enhancement
  - c. Repair/replacement of roofs
  - d. Modernize/repair elevator
  - e. Repair/replace existing iron railing
  - f. Add wayfinding signage throughout the center and update existing monument sign
  - g. Create pedestrian pathways, including accessible routes throughout the project
  - h. Enhanced hardscape and landscaping/irrigation
  - i. Repair parking lot

Conditional grant agreement terms include the following:

- Developer to acquire the property no later than March 31, 2019.
- Developer to demolish the building sitting in the park footprint, including relocation of existing tenants to other sites in the property, no later than December 31, 2019.
- Developer to sell the park property and execute the Development and Maintenance Agreement as required by Council Resolution No. 18-0763 approved on May 23, 2018.
- Construction to commence on or before September 1, 2019 and will be complete no later than December 31, 2020.
- Developer will invest a minimum of \$9 million in improvements including demolition, renovation expenses and tenant improvements.
- Shopping Center must be 75 percent occupied by December 31, 2022.

The City will provide bond funds for gap financing for the construction of the project in the form of a conditional grant not to exceed \$3,000,000 secured by a performance lien. The conditional grant will be satisfied and the lien will be released with the completion of the project. The City's lien will be subordinate to the senior construction lender.

City Council approval of this item will authorize the City Manager to execute the conditional grant agreement and related documents with the developer.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On February 15 and April 5, 2018, the Park and Recreation Board was briefed on the proposed park acquisition.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)** (continued)

On May 23, 2018, City Council authorized acquisition from SHOPCO DEV LLC, of a tract of land containing a total of approximately 65,716 square feet located at 6959 Arapaho Road for a proposed new park; and a twenty-year development and maintenance agreement, with two five-year renewal options, with SHOPCO DEV LLC for the new park to be located at 6959 Arapaho Road by Resolution No. 18-0763.

The Economic Development and Housing Committee was briefed in Executive Session to discuss the offer of a financial or other incentive for the redevelopment of Hillcrest Village under Section 551.087 of the Texas Government Code on June 18, 2018.

**FISCAL INFORMATION**

2017 Bond Funds - \$3,000,000

**OWNER/DEVELOPER**

**SHOP DEV LLC**

Daniel Fuller, President

June 27, 2018

**WHEREAS**, the City recognizes the importance of its role in local economic development; and

**WHEREAS**, SHOP DEV LLC or an affiliate thereof (Developer) wishes to partner with the City of Dallas to renovate the Hillcrest Village shopping center located at 6959 Arapaho Road; and

**WHEREAS**, on May 23, 2018, City Council authorized acquisition from SHOPCO DEV LLC, of a tract of land containing a total of approximately 65,716 square feet located at 6959 Arapaho Road for a proposed new park; and a twenty-year development and maintenance agreement, with two five-year renewal options, with SHOPCO DEV LLC for the new park to be located at 6959 Arapaho Road by Resolution No. 18-0763.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to sign a conditional grant agreement with the SHOP DEV LLC or an affiliate thereof for the acquisition, partial demolition, and redevelopment of the Hillcrest Village Shopping Center located at 6959 Arapaho Road, approved as to form by the City Attorney's Office.

**SECTION 2.** That the conditional grant agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- Developer to acquire the property no later than March 31, 2019.
- Developer to demolish the building sitting in the park footprint, including relocation of existing tenants to other sites in the property, no later than December 31, 2019.
- Developer to sell the park property and execute the Development and Maintenance Agreement as required by Council Resolution No. 18-0763, approved on May 23, 2018.
- Construction to commence on or before September 1, 2019 and will be complete no later than December 31, 2020.
- Developer will invest a minimum of \$9 million in improvements including demolition, renovation expenses and tenant improvements, including but not limited to:
  - Asbestos remediation
  - Building façade enhancement
  - Repair/replacement of roofs
  - Modernize/repair elevator
  - Repair/replace existing iron railing

June 27, 2018

**SECTION 2.** (continued)

- o Add wayfinding signage throughout the center and update existing monument sign
- o Create pedestrian pathways, including accessible routes, throughout the project
- o Enhanced hardscape and landscaping/irrigation
- o Repair parking lot
- Shopping Center must be at least 75 percent occupied by December 31, 2022.
- Any amendments to the OmniPlan renderings submitted to the Office of Economic Development and any other renderings must be reviewed by the Urban Review Peer Review Panel. Developer must incorporate the comments of that panel in its final renderings to the satisfaction of the director of the Department of Planning and Urban Design prior to commencement of construction.

**SECTION 3.** That the City Manager, upon approval as to form by the City Attorney, is authorized to execute the conditional grant agreement and performance deed of trust and to execute a release of lien upon compliance with the conditional grant terms. The City's lien will be subordinate to the senior construction lender.

**SECTION 4.** That Pursuant to Sections 1, 2 and 3 of this resolution, the City Manager is hereby authorized to increase appropriations in ECO (I) Fund, Fund 1V52, Department ECO, Unit VI06, Object 3016 in the amount of \$3,000,000 for the 2017 Bond funding associated with the conditional grant agreement.

**SECTION 5.** That Pursuant to Sections 1, 2, and 4 of this resolution, the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$3,000,000 from ECO (I) Fund, Fund 1V52, Department ECO, Unit VI06, Object 3016 Program No. 1V52HILLCR, Encumbrance/Contract No. CX-ECO-2018-00006757, Vendor VS97624.

**SECTION 6.** That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the grant funds, until such time as the documents are duly approved by all parties and executed.

**SECTION 7.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 6

**DEPARTMENT:** Office of Economic Development

**CMO:** Raquel Favela, 671-5257

**MAPSCO:** 11 A-K

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**SUBJECT**

Authorize **(1)** a resolution designating approximately 11.54 total acres of property located at 3100 and 3201 Olympus Boulevard in Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 7 (“City of Dallas NEZ No. 7”), pursuant to Chapter 378 of the Texas Local Government Code to promote an increase in economic development in the zone, establish the boundaries of the zone and provide for an effective date; **(2)** a business personal property tax abatement agreement with Nokia of America Corporation located at 3100 and 3201 Olympus Boulevard for a period of five years in an amount equal to the City's taxes assessed on 50 percent of the increased value of the applicable business personal property, in accordance with the City's Public/Private Partnership Program; **(3)** a Chapter 380 sales tax grant agreement in an amount not to exceed \$1,650,000 with Nokia of America Corporation; **(4)** a Chapter 380 economic development grant agreement in an amount not to exceed \$1,500,000 associated with job creation with Nokia of America Corporation; **(5)** a Chapter 380 economic grant agreement in an amount not to exceed \$1,000,000 associated with local hiring; and **(6)** the nomination to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism through the Economic Development Bank with Nokia of America Corporation or an affiliate thereof in connection with the proposed consolidation of their office and research operations into a new North American headquarters which will be comprised of a two building office development located at 3100 and 3201 Olympus Boulevard in accordance with the City's Public/Private Partnership Program - Total not to exceed \$4,809,842 - Financing: Estimated Revenue Foregone (\$659,842 over five year period), Tax Agreement Funds (\$1,650,000) (subject to appropriations) and Public/Private Partnership Funds (\$2,500,000)

**BACKGROUND**

This item is being placed on the addendum per the City Manager's Office request.

## **BACKGROUND** (continued)

Since April 2018, city staff has been in discussions with representatives of Nokia of America Corporation (“Nokia”) as they have been evaluating sites both regionally (Dallas, Irving, Coppell, Frisco, Plano, and Richardson) and nationally (New Jersey and Illinois) for a new North American headquarters.

Nokia is a multinational telecommunications, information technology and consumer electronics company. Founded in 1865, Nokia employs over 100,000 people representing 160 nationalities across over 100 countries. In 2016, Nokia acquired Alcatel-Lucent, which included the innovative “idea factory” facilities known as Bell Labs in Murray Hill, New Jersey. The combined entity, Nokia Corporation, is now the second largest mobile equipment manufacturer in the world. Nokia is based in Espoo, Finland.

The headquarters project will involve a minimum 10-year lease term (with extension options that could extend the term to 20 years) for approximately 350,000 total square feet of Class A office space in the following buildings in the Cypress Waters development:

- 3100 Olympus Blvd (existing building on approximately 8.406 acres)
  - 50,000 to 100,000 SF -- office space
- 3201 Olympus Blvd (new build-to-suit building on approximately 3.134 acres)
  - Up to 100,000 SF – high tech lab space
  - Up to 150,000 SF -- engineering

Nokia estimates a total new real property investment of approximately \$75,700,000 (inclusive of tenant improvement allowance) associated with the two buildings. An initial estimated investment in business personal property (such as furniture, fixtures and equipment) will be approximately \$8,400,000. Nokia also has committed to an annual estimated investment in information technology (IT) software & hardware of \$10,000,000 per year over 10 years.

Nokia plans to have 2,320 Full Time Equivalent (“FTE”) employees at the Cypress Waters offices by the end of 2019, including intraregional relocation of 1,476 FTE employees from their current Irving offices and an additional 844 FTE employees from Plano and other areas within the DFW region, as well as potentially from outside of Texas. Nokia plans to have a headcount of 2,355 FTE employees by the end of 2020. The average FTE annual salary will be \$133,000.

Nokia is requesting City Council consideration of the following incentives:

**BACKGROUND** (continued)

- (1) The creation of City of Dallas Neighborhood Empowerment Zone No. 7 to facilitate a business personal property tax abatement. Neighborhood Empowerment Zones (NEZs) are designated areas where municipalities can offer incentives that promote investment and economic development. According to the Texas Local Government Code (Chapter 378), an NEZ must be created for at least one of the following purposes: the creation and rehabilitation of affordable housing (including manufactured housing); economic development opportunities in the zone; or an increase in the quality of social services, education, or public safety provided to residents of the zone.
- (2) A business personal property tax abatement for a period of five (5) years in an amount equal to the City taxes assessed on fifty percent (50%) of the increased value of the Nokia's business personal property.
- (3) An annual Chapter 380 sales tax grant not to exceed \$165,000 per year for 10 years.
  - i. For the ten (10) year period beginning January 1, 2020 through December 31, 2029, the City shall provide an annual Sales Tax Grant not to exceed \$165,000 annually. Each Sales Tax Grant (as defined in the resolution) shall be in amount equal to the lesser of 50% of the Sales Tax Receipts (as defined in the resolution) received by the City or \$165,000. The cumulative total of each annual Sales Tax Grant awarded amount over the 10-year period shall not exceed \$1,650,000, less a five percent (5%) administrative fee.
  - ii. The City of Dallas shall retain a fee of five percent (5%) from each annual Sales Tax Grant payment to fund audit and compliance functions related to the administration of the sales tax grant.
  - iii. Amounts eligible for the annual payments but which are unpaid because they would cause the annual grant to exceed \$165,000 (less the five percent administrative fee) in a given year during the 10-year grant term, may roll over as payment credits for future years, so long as the total 10-year cumulative total amount paid does not exceed \$1,650,000 (less the five percent (5%) fee administrative). Any unpaid payment credits rolled over from previous years will expire on December 31, 2029.
- (4) A one-time conditional Chapter 380 economic development job creation grant valued at \$1,500 per net new FTE jobs above the 2,320 existing North Texas jobs to be relocated to Cypress Waters in an amount not to exceed \$1,500,000.

**BACKGROUND** (continued)

- i. The average annual salary shall be a minimum of \$120,000 for each net new FTE job.
  - ii. A minimum of ten percent (10%) of all FTE jobs at Nokia, inclusive of the net new jobs, shall be filled by residents of the city of Dallas.
  - iii. Nokia shall conduct a minimum of three job fairs by December 31, 2023 at locations approved by the Director of the Office of Economic Development to facilitate the recruitment and hiring of residents of the City of Dallas.
  - iv. Following the one-time payment of the job grant on or before December 31, 2023, Nokia shall maintain the net new FTE jobs applicable to the job grant at the North American headquarter buildings at Cypress Waters through December 31, 2029 and meet all conditions of all other components of the City's incentive package to Nokia.
- (5) A conditional Chapter 380 economic development local hiring grant up to \$1,000,000, available any year over the term of the business personal property abatement, where Nokia can increase the percentage of its employees who are Dallas residents from the current estimated 4% up to the following possible percentages:
- i. If Nokia can increase the FTE percentage of current employees that are Dallas residents from approximately 4% up to a range of 10% to 19.9%, the City of Dallas will pay \$100,000 grant for that year.
  - ii. If Nokia can increase the FTE percentage of current employees that are Dallas residents from approximately 4% to a range of 20% or higher, the City of Dallas will pay \$200,000 grant for that year.
- (6) The City of Dallas will nominate this project for designation as a Texas Enterprise Zone (EZ) Project.

The proposed incentives will help secure new investment and high-income, high technology job opportunities within the City of Dallas. Specifically, the business personal property tax abatement will allow Nokia to make a cost-competitive, substantial on-site investment in modern, high-tech equipment and infrastructure within its North American headquarters. The proposed grants and EZ Project nomination will help advance high-tech, high wage Dallas-based employment opportunities with a focus on Nokia hiring and retaining employees who will reside in the City of Dallas.

In addition to the conditions noted in the proposed incentives above, Nokia shall also satisfy and agree to the following incentive terms:



**BACKGROUND** (continued)

- A. Nokia shall execute a lease for approximately 350,000 total square feet of Class A office space for a minimum term of ten years with options for a minimum extension of the term of an additional ten years for approximately 350,000 total square feet of Class A office space in the following buildings in the Cypress Waters Development:
- 3100 Olympus Boulevard (existing building)
  - 3201 Olympus Boulevard (new build-to-suit building)
- B. The business personal property abatement will only be applicable to the leased Nokia sites.
- C. The business personal property abatement period will begin on or before January 1, 2021.
- D. Nokia will invest a minimum of \$7,000,000 in business personal property improvements on or before December 31, 2019.
- E. Nokia will have a minimum of 2,300 FTE jobs with a minimum average annual salary of \$120,000 in Cypress Waters by December 31, 2020.
- This requirement must be accomplished as a condition for the business personal property abatement to begin.
  - This requirement must be maintained throughout the term of the business personal property abatement.
- F. Nokia shall execute a formal agreement with the Dallas Independent School District (DISD) by end of 2019 to participate as an Industry Partner in the Pathway to Technology Early College High School (P-TECH) program.

In the context of the City's Market Value Analysis ("MVA"), the project is located on two non-residential tracts within close walking proximity to MVA Market Category E. Nokia's proposed North American headquarter buildings will provide significant high wage, high technology local employment to this mixed use, mid-market area which otherwise would be lost to other regional or out-of-state cities.

Staff is recommending approval of the NEZ designation, business personal property tax abatement, Texas Enterprise Zone nomination, and Chapter 380 sales tax, job creation, and local hiring grants as requested by Nokia.

## **ESTIMATED SCHEDULE OF PROJECT**

### **3100 Olympus Boulevard**

Building Shell Finished	July 2018
Tenant Improvements Completion	February 2019
Building Occupancy Begins	February 2019

### **3201 Olympus Boulevard**

Building/Tenant Improvements Start	December 2018
Building/Tenant Improvements Completion	May 2019
Building Occupancy Begins	May 2019

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

The Economic Development and Housing Committee was briefed in Executive Session to discuss the offer of a financial or other incentive for Nokia under Section 551.087 of the Texas Government Code on June 18, 2018.

## **FISCAL INFORMATION**

Estimated Revenue Foregone - \$659,842 over a five year period (business personal property tax abatement agreement)

Tax Agreement Funds - \$1,650,000 (subject to appropriations) (Chapter 380 sales tax grant agreement and economic grant agreement associated with local hiring)

Public/Private Partnership Funds - \$2,500,000 (associated with job creation)

Total incentive valuation is estimated to be up to \$4,809,842. The estimated net present value of City revenues is \$11,303,323 over the ten-year period.

## **TENANT/LEASEE**

### **Nokia of America Corporation**

Ricky Corker, President

Robert L. Canavan, Transformation Execution

## **MAP**

Attached

# Location Map Project Stellar (3100 and 3201 Olympus Boulevard)



June 27, 2018

**WHEREAS**, the City recognizes the importance of its role in local economic development; and

**WHEREAS**, it is in the interest of the City of Dallas to support and secure the expansions and relocations of business operations within the city of Dallas and the economic vitality and employment opportunities that these business operations bring for Dallas residents; and

**WHEREAS**, the proposed project will not occur within the City of Dallas without an offer of economic development incentives from the City of Dallas; and

**WHEREAS**, on December 14, 2016, City Council: (1) authorized the continuation of its Public/Private Partnership Program - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects; and (2) established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City of Dallas pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code, by Resolution No. 16-1984; and

**WHEREAS**, the City desires to support the proposed consolidation and relocation of office and research operations of Nokia of America Corporation or an affiliate thereof (hereafter referred to as "Nokia") into a new North American headquarters which will be comprised of a two building office development located at 3100 and 3201 Olympus Boulevard in accordance with the City's Public/Private Partnership Program; and

**WHEREAS**, Title 12 of the Texas Local Government Code, Section 378.002 requires that the creation of the City of Dallas Neighborhood Empowerment Zone No. 7 ("City of Dallas NEZ No. 7") promote: (1) the creation or rehabilitation of affordable housing in the zone, or (2) an increase in economic development in the zone, or (3) an increase in the quality of social services, education or public safety provided to the residents of the zone; and

**WHEREAS**, the City finds that the creation of City of Dallas NEZ No. 7 will promote an increase in economic development in the zone by promoting job creation and additional business activity; and

**WHEREAS**, the City finds that the creation of the City of Dallas NEZ No. 7 benefits the public and is for the public purpose of increasing the public health, safety, and welfare of the persons in the municipality; and

June 27, 2018

**WHEREAS**, the City finds that the creation of the zone satisfies the requirements of the Property Redevelopment and Tax Abatement Act Section 312.202 in that the creation of the zone is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the municipality; and

**WHEREAS**, Title 12 of the Texas Local Government Code, Section 378.004 empowers municipalities to enter into agreements abating municipal property taxes on property in the zone subject to the duration limits of Section 312.2004, Tax Code; and

**WHEREAS**, Nokia proposes to consolidate and relocate office and research into a new North American headquarters which will be comprised of a two building office development located at 3100 and 3201 Olympus Boulevard within City of Dallas NEZ No. 7, thereby promoting economic development, job creation, and increased business activity in the zone; and

**WHEREAS**, the City desires to enter into a business personal property tax abatement agreement with Nokia for added value to business personal property located within City of Dallas NEZ No. 7 as further described by the Metes and Bounds Legal Description attached as **Exhibit B**.

**WHEREAS**, on February 22, 2017, City Council elected to participate in the Texas Enterprise Zone Program, by Ordinance No. 30376; and

**WHEREAS**, the local incentives offered under this resolution are the same on this date as were outlined in Ordinance No. 30376; and

**WHEREAS**, the Office of the Governor, Economic Development and Tourism (OOGEDT), through the Economic Development Bank (the "Bank"), will consider Nokia as an enterprise zone project pursuant to a nomination and an application made by the City; and

**WHEREAS**, the City of Dallas ("City") desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the City and to provide employment to residents of enterprise zones, economically disadvantaged individuals and veterans; and

**WHEREAS**, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code ("Act"), Nokia has applied to the City for designation as an enterprise zone project; and

June 27, 2018

**WHEREAS**, the City finds that Nokia meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act; and

**WHEREAS**, the City finds that Nokia meets the criteria for tax relief and other incentives adopted by the City; and

**WHEREAS**, the City finds that it is in the best interest of the City to nominate Nokia as an enterprise project pursuant to the Act; and

**WHEREAS**, on June 18, 2018, the Economic Development and Housing Committee reviewed the proposed project and recommended City Council authorization of the following: (1) designation of approximately 11.54 total acres of property located at 3100 and 3201 Olympus Boulevard in Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 7 ("City of Dallas NEZ No. 7"), pursuant to Chapter 378 of the Texas Local Government Code to promote an increase in economic development in the zone, establish the boundaries of the zone and provide for an effective date; (2) a business personal property tax abatement agreement with Nokia; (3) a Chapter 380 sales tax grant agreement in an amount not to exceed \$1,650,000 with Nokia; (4) a Chapter 380 economic development grant agreement in an amount not to exceed \$1,500,000 associated with job creation with Nokia; (5) a Chapter 380 economic grant agreement in an amount not to exceed \$1,000,000 associated with local hiring with Nokia; and (6) the nomination to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor Economic Development and Tourism through the Economic Development Bank with Nokia in connection with the proposed consolidation of their office and research operations into a new North American headquarters which will be comprised of a two building office development located at 3100 and 3201 Olympus Boulevard.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

June 27, 2018

**SECTION 2.** That the City Manager is hereby authorized to execute **(1)** a resolution designating approximately 11.54 total acres of property located at 3100 and 3201 Olympus Boulevard in Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 7 ("City of Dallas NEZ No. 7"), pursuant to Chapter 378 of the Texas Local Government Code to promote an increase in economic development in the zone, establish the boundaries of the zone and provide for an effective date; **(2)** a business personal property tax abatement agreement with Nokia of America Corporation for a period of five years in an amount equal to the City's taxes assessed on 50 percent of the increased value of the applicable business personal property in accordance with the City's Public/Private Partnership Program; **(3)** a Chapter 380 sales tax grant agreement in an amount not to exceed \$1,650,000 with Nokia of America Corporation; **(4)** a Chapter 380 economic development grant agreement in an amount not to exceed \$1,500,000 associated with job creation with Nokia of America Corporation; **(5)** a Chapter 380 economic grant agreement in an amount not to exceed \$1,000,000 associated with local hiring with Nokia; and **(6)** the nomination to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism through the Economic Development Bank with Nokia of America Corporation or an affiliate thereof in connection with the proposed consolidation of their office and research operations into a new North American headquarters which will be comprised of a two building office development located at 3100 and 3201 Olympus Boulevard, in accordance with the City's Public/Private Partnership Program, approved as to form by the City Attorney.

**SECTION 3.** That the approval and execution of the business personal property tax abatement agreement by the City is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

**SECTION 4.** That the City of Dallas NEZ No. 7 is hereby created as depicted on the attached site map **Exhibit A** (Map) and as legally described in **Exhibit B** (Metes and Bounds Legal Description).

**SECTION 5.** That the business personal property subject to the tax abatement agreement shall be located entirely within City of Dallas NEZ No. 7 as depicted on the attached site map **Exhibit A** (Map) and as legally described in **Exhibit B** (Metes and Bounds Legal Description).

**SECTION 6.** That the tax abatement agreement and grant agreements shall include the following terms, as applicable:

- (a) None of the property subject to the business personal property tax abatement is owned or leased by a member of the City Council of the City of Dallas or by a member of the City Plan Commission.

June 27, 2018

**SECTION 6.** (continued)

- (b) The business personal property tax abatement will only be applicable to the business personal property owned by Nokia located entirely within City of Dallas NEZ No. 7.
- (c) Development of the property shall conform to all requirements of the City's zoning ordinance and that the use of the property is consistent with the general purpose of encouraging development or redevelopment in the City of Dallas NEZ No. 7 during the period the business personal property tax abatement is in effect.

**SECTION 7.** That the City of Dallas shall provide Nokia a five-year tax abatement of 50% of the added value to the business personal property within the area of land depicted on the attached site map **Exhibit C** (Map) and as legally described in **Exhibit D** (Metes and Bounds Legal Description). Key terms shall include:

- (a) The business personal property abatement period will begin on or before January 1, 2021.
- (b) Nokia will invest a minimum of \$7,000,000 in business personal property improvements on or before December 31, 2019.
- (c) Nokia will have a minimum of 2,300 FTE jobs with a minimum average annual salary of \$120,000 in Cypress Waters by December 31, 2020.
  - i. This requirement must be accomplished as a condition for the business personal property abatement to begin.
  - ii. This requirement must be maintained throughout the term of the business personal property abatement.

**SECTION 8.** That Nokia shall satisfy and agree to the following terms as associated with the Chapter 380 sales tax grant agreement:

- (a) For the 10 year period beginning January 1, 2020 through December 31, 2029, the City shall provide an annual Sales Tax Grant not to exceed \$165,000 annually. Each Sales Tax Grant shall be an amount equal to the lesser of 50% of the Sales Tax Receipts received by the City or \$165,000. The cumulative total of each annual Sales Tax Grant awarded amount over the 10-year period shall not exceed \$1,650,000, less the 5% fee referenced in Section 8c.
- (b) Amounts eligible for the annual payments but which are unpaid because they would cause the annual grant to exceed \$165,000 (less the five percent (5%) fee referenced in Section 8c) in a given year during 10 year grant term, may roll over as payment credits for future years, so long as the total 10-year cumulative total amount paid does not exceed \$1,650,000 (less the 5% fee referenced in Section 8c). Any unpaid payment credits rolled over from previous years will expire on December 31, 2029.



June 27, 2018**SECTION 8.** (continued)

- (c) The City of Dallas shall retain a fee of five percent (5%) from each annual Sales Tax Grant payment to fund audit and compliance functions related to the administration of the sales tax grant.
- (d) For purposes of the sales tax grant agreement, the following terms have the meanings described below:
  - i. “Annual Compliance Reporting” shall include, but not be limited to, Nokia providing the City of Dallas summary documentation of all monthly sales tax receipts and copies of all applicable monthly Texas Comptroller Sales and Use Tax Return reports.
  - ii. “Sales Tax” shall mean the 1% sales tax imposed by the City for its general fund, pursuant to Chapter 321 of the Texas Tax Code on the sale of Taxable Items by Nokia or its affiliates that are consummated at the regional headquarters operation in Cypress Waters during the applicable grant period.
  - iii. “Sales Tax Grants” shall mean economic development grants each in the amount equal to 50% of the Sales Tax Receipts received by the City from the Texas Comptroller’s Office for the applicable grant period, according to a schedule to be determined by the City’s Budget Office, to be paid annually to Nokia upon completion of the Annual Compliance Reporting verification. The amount of each Sales Tax Grant shall be computed by multiplying the Sales Tax Receipts received by the City by 50% for the given grant period, up to \$165,000 annually.
  - iv. “Sales Tax Receipts” shall mean the City’s actual receipts from the State of Texas from Nokia’s collection of Sales Tax.
  - v. “Taxable Items” shall mean both a “taxable item” and a “taxable service” as those terms are defined by Chapter 151, Texas Tax Code, as amended. Construction materials and furniture, fixtures, and equipment (FF&E) purchased in the city of Dallas can be included; however, the City will not reimburse for non-construction expenses such as meals, hotel stays, soft costs, professional fees, moving expenses, etc.

**SECTION 9.** That Nokia shall satisfy and agree to the following terms associated with the one-time conditional Chapter 380 economic development job creation grant. The Chapter 380 economic development job creation grant shall be valued at \$1,500 per net new current, on-site (at the time of the job creation grant payment request) FTE job above the 2,320 FTE to be relocated to City of Dallas NEZ No. 7 in an amount not to exceed \$1,500,000.

- (a) Nokia shall maintain compliance with all conditions of all other components of the City’s incentive package as described herein.

June 27, 2018**SECTION 9.** (continued)

- (b) The average annual salary shall be a minimum of \$120,000 for each net new FTE job.
- (c) A minimum of 10% of all current FTE jobs at Nokia, inclusive of the net new current FTE jobs on-site at the time of the one-time job creation grant payment request, shall be filled by residents of the city of Dallas.
- (d) Nokia shall conduct a minimum of three job fairs by December 31, 2023 at locations approved by the Director of the Office of Economic Development to facilitate the recruitment and hiring of residents of the City of Dallas.
- (e) Following the one-time payment of the Chapter 380 economic development job creation grant on or before December 31, 2023, Nokia shall maintain the net new FTE jobs applicable to the job grant at the North American headquarter buildings in City of Dallas NEZ No. 7 through December 31, 2029 and meet all conditions of all other components of the City's incentive package to Nokia.

**SECTION 10.** That Nokia shall satisfy and agree to the following terms associated with a conditional Chapter 380 economic development local hiring grant in an amount not to exceed \$1,000,000, which will be available over the five year term of the business personal property abatement, where Nokia can increase the percentage of its employees who are Dallas residents from the current estimated 4% up to the following possible percentages:

- (a) If Nokia can increase the FTE percentage of current employees that are Dallas residents from approximately 4% up to a range of 10.1% to 19.9%, the City of Dallas will pay a total not to exceed \$100,000 grant for that year.
- (b) If Nokia can increase the FTE percentage of current employees that are Dallas residents from 4% to 20% or higher, the City of Dallas will pay a total not to exceed \$200,000 grant for that year.
- (c) At no time shall this grant exceed a payment to Nokia of \$200,000 per year over the five year term.
- (d) At no time shall this grant exceed a total cumulative sum amount to Nokia of \$1,000,000 over the five year term.

**SECTION 11.** That Nokia is a qualified business and meets the criteria for designation as an Enterprise Project under Chapter 2303, Subchapter F of the Enterprise Zone Act on the following grounds:

June 27, 2018

**SECTION 11.** (continued)

- (a) Nokia is a "qualified business" under Section 2303.402 of the Enterprise Zone Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction located outside an enterprise zone and at least 35% of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals or veterans;
- (b) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities within the area; and
- (c) The designation of Nokia as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

**SECTION 12.** That the City finds that Nokia meets the criteria for incentives adopted by the City and nominates Nokia for Enterprise Zone project status on the grounds that it will create or retain a higher level of employment and create economic activity and stability.

**SECTION 13.** That the designation of Nokia will contribute significantly to the achievement of the plans of the City of Dallas for development.

**SECTION 14.** That the City finds that it is in the best interest of the City to nominate Nokia as an Enterprise Project pursuant to the Enterprise Zone Act and hereby authorizes the Director of the Office of Economic Development to prepare and submit an application to the Office of the Governor, Economic Development and Tourism through the Economic Development Bank for designation of Nokia as an Enterprise Project.

**SECTION 15.** That the Enterprise Project shall take effect on the date of designation of the Enterprise Project by the Office of the Governor, Economic Development and Tourism through the Economic Development Bank and terminate five years after date of designation.

**SECTION 16.** That in addition to the terms highlighted in Sections 6 through 11 above, Nokia shall also satisfy and agree to the following terms:

- (a) Nokia shall execute a lease by December 31, 2018 for approximately 350,000 total square feet of Class A office space for a minimum term of 10 years with options for a minimum extension of the term of an additional 10 years for approximately 350,000 total square feet of Class A office space in the following buildings in the Cypress Waters Development:
  - i. 3100 Olympus Boulevard (existing building)
  - ii. 3201 Olympus Boulevard (new build-to-suit building)

June 27, 2018**SECTION 16.** (continued)

- (b) Nokia shall execute a formal agreement with the Dallas Independent School District (DISD) by end of 2019 to participate as an Industry Partner in the Pathway to Technology Early College High School (P-TECH) program.
- (c) Nokia shall provide written semi-annual reports to the Office of Economic Development on the progress of Nokia's project and associated annual compliance with any and all agreements awarded by the City. Report documentation may include, but not be limited to, invoices, job employment lists, state and local sales tax reports and notarized affidavits as requested by the City from Nokia. The Director of the Office of Economic Development, in consultation with the City's Chief Financial Officer and Budget Director, is authorized to make appropriate arrangements with Nokia to meet the documentation, verification, or other necessary requirements to fulfill the quarterly reporting purposes described herein.

**SECTION 17.** That the Chapter 380 grants as noted within this Resolution are subject to annual verification, audit, or other necessary procedures deemed appropriate by the City, inclusive of but not limited to, the verification of Nokia's sales tax collections. The Director of the Office of Economic Development, in consultation with the City's Chief Financial Officer and Budget Director, is authorized to make appropriate arrangements with Nokia to meet the verification, audit, or other necessary requirements to fulfill the purposes described herein.

**SECTION 18.** That the Chapter 380 grants and business personal property abatement as noted within this Resolution are personal to Nokia and cannot be sold or assigned to non-affiliated companies without City Council approval.

**SECTION 19.** That pursuant to Section 8 of this Resolution, and subject to audit verification of annual sales taxes to the City of Dallas, Texas as originating at the office development located at 3100 and 3201 Olympus Boulevard and legally described in **Exhibit D** (Metes and Bounds Legal Description) per the agreement, the Chief Financial Officer is hereby authorized to receive and deposit said sales tax collected into Fund 0680, Department ECO, Unit E390, Revenue Code 6100 in accordance with the terms of the Chapter 380 sales tax grant agreement.

**SECTION 20.** That pursuant to Section 8 of this Resolution, the Chief Financial Officer is hereby authorized to disburse funds from Tax Agreement Fund, Fund 0680, Department ECO, Unit E390, Object Codes various, Activity TXAG, Encumbrance/Contract No. CX-ECO-2018-00006788, Vendor VS0000077955, in an amount not to exceed \$1,650,000 (subject to appropriations) less the 5% fee referenced in Section 8c and in accordance with the terms of the Chapter 380 sales tax agreement.

June 27, 2018

**SECTION 21.** That the City Manager is hereby authorized to transfer funds in an amount not to exceed \$1,650,000 (subject to appropriations) from the General Fund, Fund 0001, Department BMS, Unit 1991, Object 3690, to the Tax Agreement Fund, Fund 0680, Department ECO, Unit E390, Revenue Code 9201, for sales tax rebates in accordance with the terms of the sales tax grant agreement pursuant to Chapter 380 of the Texas Local Government Code.

**SECTION 22.** That pursuant to Section 9 of this Resolution, the Chief Financial Officer is hereby authorized to disburse funds for a Chapter 380 one-time conditional job creation grant from Public/Private Partnership Fund, Fund 0352, Department ECO, Unit 9992, Object 3016, Activity PPPF, Encumbrance/Contract No. CX-ECO-2018-00006788, Vendor VS0000077955, in an amount not to exceed \$1,500,000.

**SECTION 23.** That pursuant to Section 10 of this Resolution the Chief Financial Officer is hereby authorized to disburse funds for a Chapter 380 local hiring grant from Public/Private Partnership Fund, Fund 0352, Department ECO, Unit 9992, Object 3016, Activity PPPF, Encumbrance/Contract No. CX-ECO-2018-00006788, Vendor VS0000077955, in an additional amount not to exceed \$1,000,000.

**SECTION 24.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



## Exhibit B

### Metes and Bounds Legal Description for Neighborhood Empowerment Zone (NEZ) No. 7 3100 Olympus Boulevard

BEING that certain tract of land situated in the John L. Whitman Survey, Abstract No. 1521 and the Nancy Cousey Survey, Abstract No. 318, City of Dallas, Dallas County, Texas, being all of the property conveyed by Special Warranty Deed to CWO8 Land, LTD. as recorded under Instrument Numbers 201700086856 and 201700086855, Official Public Records, Dallas County, Texas, and being more particularly described as follows:

COMMENCING at an aluminum disk monument stamped "Cypress Water No. 1 Addition RPLS 5336" found for the East corner of Lot 1, City Block E/8465, Cypress Waters No. 1 Addition, an addition to the City of Dallas, Dallas County, Texas, according to the plat thereof recorded under Instrument Number 201400297953, Official Public Records, Dallas County, Texas, same being in the northwesterly right-of-way line of Cypress Waters Boulevard (108' right-of-way at this point) (Instrument Numbers 201400297953 and 201600069779, said Official Public Records);

THENCE North 31 deg. 41 min. 39 sec. East, along the northwesterly right-of-way line of said Cypress Waters Boulevard, a distance of 170.00 feet to a 1/2 inch iron rod found for the most southerly corner of said CWO8 Land tract, same being the POINT OF BEGINNING;

THENCE North 58 deg. 18 min. 21 sec. West, along the southerly line of said CWO8 Land tract, a distance of 457.40 feet to a 1/2 inch iron rod with "Peiser & Mankin SURV" red plastic cap found for the most westerly corner of said CWO8 Land tract;

THENCE North 31 deg. 41 min. 39 sec. East, along the westerly line of said CWO8 Land tract, a distance of 846.70 feet to a 1/2 inch iron rod with "Peiser & Mankin SURV" red plastic cap found for the most northerly corner of said CWO8 Land tract, same being in the southwesterly right-of-way line of Olympus Boulevard (variable width right-of-way) (Instrument Number 201600150636, aforesaid Official Public Records);

THENCE along the common line of said CWO8 Land tract and said Olympus Boulevard as follows:

South 58 deg. 17 min. 41 sec. East, a distance of 2.55 feet to an aluminum disk monument stamped "Cypress Waters No. 4 Addition, Phase 1 RPLS 5336" found for corner;

South 31 deg. 42 min. 19 sec. West, a distance of 8.00 feet to a 1/2 inch iron rod found for an internal corner from which a 5/8 inch iron rod found bears North 36 deg. 31 min. 41 sec. East, 1.47 feet;

South 58 deg. 17 min. 41 sec. East, a distance of 380.85 feet to a point for corner, same being the North end of a corner clip in the intersection of said Olympus Boulevard and aforesaid Cypress Waters Boulevard;

## Exhibit B

### Metes and Bounds Legal Description for Neighborhood Empowerment Zone (NEZ) No. 7 3100 Olympus Boulevard

THENCE South 13 deg. 18 min. 01 sec. East, along the common line of said CWO8 Land tract and said corner clip, a distance of 28.29 feet to a point for the most easterly corner of said CWO8 Land tract from which an aluminum disk monument stamped "Cypress Waters No. 4 Addition, Phase 1 RPLS 5336" found bears North 40 deg. 47 min. 07 sec. East, 0.42 feet;

THENCE along the common line of said CWO8 Land tract and the northwesterly right-of-way line of said Cypress Waters Boulevard as follows:

South 31 deg. 41 min. 39 sec. West, a distance of 231.90 to a 1/2 inch iron rod found for the beginning of a tangent curve to the left, having a radius of 105.00 feet and a central angle of 47 deg. 11 min. 36 sec.;

Along said tangent curve to the left, an arc distance of 86.49 feet and a chord bearing and distance of South 08 deg. 05 min. 51 sec. West, 84.06 feet to an aluminum disk monument stamped "Cypress Waters No. 4 Addition, Phase 1 RPLS 5336" found for the beginning of a reverse curve to the right, having a radius of 63.50 feet, and a central angle of 47 deg. 11 min. 36 sec.;

Along said reverse curve to the right, an arc distance of 52.30 feet and a chord bearing and distance of South 08 deg. 05 min. 51 sec. West, 50.84 feet, to a 1/2 inch iron rod found for angle point from which a aluminum disk monument stamped "Cypress Waters No. 4 Addition, Phase 1 RPLS 5336" found bears North 13 deg. 11 min. 21 sec. West, 0.44 feet;

South 31 deg. 41 min. 39 sec. West, a distance of 463.10 feet to the POINT OF BEGINNING and containing 366,173 square feet or 8.406 acres of computed land, more or less.

The Company is prohibited from insuring the area or quantity of the land described therein. Therefore, the Company does not represent that the acreage or square footage calculations are correct and references to the quantity are for informational purposes only.



## Exhibit B

### Metes and Bounds Legal Description for Neighborhood Empowerment Zone (NEZ) No. 7 3201 Olympus Boulevard

BEING a tract of land situated in the Nancy Cousey Survey, Abstract No. 318, and the G.W. Laws Survey, Abstract No. 843, City of Dallas Block 8466, Dallas County, Texas, and being a portion of Lot 1, Block D/8466, Cypress Waters The Sound Addition, Phase 1, an addition to the City of Dallas, Dallas County, Texas, according to the plat thereof recorded under Instrument Number 201700117585, Official Public Records, Dallas County, Texas, and being part of a tract of land described as "Shallows South Tract" in Special Warranty Deed to Cypress Waters Land A, Ltd., recorded in Instrument No. 20080370202, Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a point for the most southerly corner of said Lot 1, same being the West end of a corner clip in the intersection of Olympus Boulevard (variable width right-of-way) and Wharf Road (66 foot right-of-way);

THENCE North 58 deg. 17 min. 41 sec. West, along the common line of said Lot 1 and said Olympus Boulevard, a distance of 355.63 feet to a point for the West corner of the herein described tract, same being in the easterly line of that certain tract of land described as "Shoreline Property" in Special Warranty Deed to CW Shoreline Land, Ltd., recorded in Instrument No. 201200024638, Official Public Records of Dallas County, Texas;

THENCE along the common line of said Shallows South tract and said Shoreline tract as follows:

North 41 deg. 22 min. 41 sec. East, a distance of 76.82 feet to a point for angle point;  
North 32 deg. 00 min. 55 sec. East, a distance of 116.49 feet to a point for angle point;  
North 20 deg. 07 min. 52 sec. East, a distance of 183.43 feet to a point for the North corner of the herein described tract, same being in the northerly line of aforesaid Lot 1, same being in the southerly right-of-way line of Bleecker Street (66 foot right-of-way);

THENCE South 58 deg. 17 min. 41 sec. East, along the common line of said Lot 1 and said Bleecker Street, a distance of 383.90 feet to a point for the most northerly Northeast corner of said Lot 1, same being the North end of a corner clip in the intersection of said Bleecker Street and aforesaid Wharf Road;

THENCE South 13 deg. 17 min. 41 sec. East, along the common line of said Lot 1 and said corner clip, a distance of 14.14 feet to a point for the most easterly Northeast corner of said Lot 1;

THENCE South 31 deg. 42 min. 19 sec. West, along the common line of said Lot 1 and said Wharf Road, a distance of 346.91 feet to a point for corner, same being the East end of aforesaid corner clip in the intersection of said Wharf Road and said Olympus Boulevard;

THENCE South 76 deg. 42 min. 19 sec. West, along the common line of said Lot 1 and

## **Exhibit B**

### **Metes and Bounds Legal Description for Neighborhood Empowerment Zone (NEZ) No. 7 3201 Olympus Boulevard**

said corner clip, a distance of 21.21 feet to the POINT OF BEGINNING and containing 136,525 square feet or 3.134 acres of computed land, more or less.



## Exhibit D

### Metes and Bounds Legal Description 3100 Olympus Boulevard

BEING that certain tract of land situated in the John L. Whitman Survey, Abstract No. 1521 and the Nancy Cousey Survey, Abstract No. 318, City of Dallas, Dallas County, Texas, being all of the property conveyed by Special Warranty Deed to CWO8 Land, LTD. as recorded under Instrument Numbers 201700086856 and 201700086855, Official Public Records, Dallas County, Texas, and being more particularly described as follows:

COMMENCING at an aluminum disk monument stamped "Cypress Water No. 1 Addition RPLS 5336" found for the East corner of Lot 1, City Block E/8465, Cypress Waters No. 1 Addition, an addition to the City of Dallas, Dallas County, Texas, according to the plat thereof recorded under Instrument Number 201400297953, Official Public Records, Dallas County, Texas, same being in the northwesterly right-of-way line of Cypress Waters Boulevard (108' right-of-way at this point) (Instrument Numbers 201400297953 and 201600069779, said Official Public Records);

THENCE North 31 deg. 41 min. 39 sec. East, along the northwesterly right-of-way line of said Cypress Waters Boulevard, a distance of 170.00 feet to a 1/2 inch iron rod found for the most southerly corner of said CWO8 Land tract, same being the POINT OF BEGINNING;

THENCE North 58 deg. 18 min. 21 sec. West, along the southerly line of said CWO8 Land tract, a distance of 457.40 feet to a 1/2 inch iron rod with "Peiser & Mankin SURV" red plastic cap found for the most westerly corner of said CWO8 Land tract;

THENCE North 31 deg. 41 min. 39 sec. East, along the westerly line of said CWO8 Land tract, a distance of 846.70 feet to a 1/2 inch iron rod with "Peiser & Mankin SURV" red plastic cap found for the most northerly corner of said CWO8 Land tract, same being in the southwesterly right-of-way line of Olympus Boulevard (variable width right-of-way) (Instrument Number 201600150636, aforesaid Official Public Records);

THENCE along the common line of said CWO8 Land tract and said Olympus Boulevard as follows:

South 58 deg. 17 min. 41 sec. East, a distance of 2.55 feet to an aluminum disk monument stamped "Cypress Waters No. 4 Addition, Phase 1 RPLS 5336" found for corner;

South 31 deg. 42 min. 19 sec. West, a distance of 8.00 feet to a 1/2 inch iron rod found for an internal corner from which a 5/8 inch iron rod found bears North 36 deg. 31 min. 41 sec. East, 1.47 feet;

South 58 deg. 17 min. 41 sec. East, a distance of 380.85 feet to a point for corner, same being the North end of a corner clip in the intersection of said Olympus Boulevard and aforesaid Cypress Waters Boulevard;

## Exhibit D

### Metes and Bounds Legal Description 3100 Olympus Boulevard

THENCE South 13 deg. 18 min. 01 sec. East, along the common line of said CWO8 Land tract and said corner clip, a distance of 28.29 feet to a point for the most easterly corner of said CWO8 Land tract from which an aluminum disk monument stamped "Cypress Waters No. 4 Addition, Phase 1 RPLS 5336" found bears North 40 deg. 47 min. 07 sec. East, 0.42 feet;

THENCE along the common line of said CWO8 Land tract and the northwesterly right-of-way line of said Cypress Waters Boulevard as follows:

South 31 deg. 41 min. 39 sec. West, a distance of 231.90 to a 1/2 inch iron rod found for the beginning of a tangent curve to the left, having a radius of 105.00 feet and a central angle of 47 deg. 11 min. 36 sec.;

Along said tangent curve to the left, an arc distance of 86.49 feet and a chord bearing and distance of South 08 deg. 05 min. 51 sec. West, 84.06 feet to an aluminum disk monument stamped "Cypress Waters No. 4 Addition, Phase 1 RPLS 5336" found for the beginning of a reverse curve to the right, having a radius of 63.50 feet, and a central angle of 47 deg. 11 min. 36 sec.;

Along said reverse curve to the right, an arc distance of 52.30 feet and a chord bearing and distance of South 08 deg. 05 min. 51 sec. West, 50.84 feet, to a 1/2 inch iron rod found for angle point from which a aluminum disk monument stamped "Cypress Waters No. 4 Addition, Phase 1 RPLS 5336" found bears North 13 deg. 11 min. 21 sec. West, 0.44 feet;

South 31 deg. 41 min. 39 sec. West, a distance of 463.10 feet to the POINT OF BEGINNING and containing 366,173 square feet or 8.406 acres of computed land, more or less.

The Company is prohibited from insuring the area or quantity of the land described therein. Therefore, the Company does not represent that the acreage or square footage calculations are correct and references to the quantity are for informational purposes only.

## Exhibit D

### Metes and Bounds Legal Description 3201 Olympus Boulevard

BEING a tract of land situated in the Nancy Cousey Survey, Abstract No. 318, and the G.W. Laws Survey, Abstract No. 843, City of Dallas Block 8466, Dallas County, Texas, and being a portion of Lot 1, Block D/8466, Cypress Waters The Sound Addition, Phase 1, an addition to the City of Dallas, Dallas County, Texas, according to the plat thereof recorded under Instrument Number 201700117585, Official Public Records, Dallas County, Texas, and being part of a tract of land described as "Shallows South Tract" in Special Warranty Deed to Cypress Waters Land A, Ltd., recorded in Instrument No. 20080370202, Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a point for the most southerly corner of said Lot 1, same being the West end of a corner clip in the intersection of Olympus Boulevard (variable width right-of-way) and Wharf Road (66 foot right-of-way);

THENCE North 58 deg. 17 min. 41 sec. West, along the common line of said Lot 1 and said Olympus Boulevard, a distance of 355.63 feet to a point for the West corner of the herein described tract, same being in the easterly line of that certain tract of land described as "Shoreline Property" in Special Warranty Deed to CW Shoreline Land, Ltd., recorded in Instrument No. 201200024638, Official Public Records of Dallas County, Texas;

THENCE along the common line of said Shallows South tract and said Shoreline tract as follows:

North 41 deg. 22 min. 41 sec. East, a distance of 76.82 feet to a point for angle point;  
North 32 deg. 00 min. 55 sec. East, a distance of 116.49 feet to a point for angle point;  
North 20 deg. 07 min. 52 sec. East, a distance of 183.43 feet to a point for the North corner of the herein described tract, same being in the northerly line of aforesaid Lot 1, same being in the southerly right-of-way line of Bleecker Street (66 foot right-of-way);

THENCE South 58 deg. 17 min. 41 sec. East, along the common line of said Lot 1 and said Bleecker Street, a distance of 383.90 feet to a point for the most northerly Northeast corner of said Lot 1, same being the North end of a corner clip in the intersection of said Bleecker Street and aforesaid Wharf Road;

THENCE South 13 deg. 17 min. 41 sec. East, along the common line of said Lot 1 and said corner clip, a distance of 14.14 feet to a point for the most easterly Northeast corner of said Lot 1;

THENCE South 31 deg. 42 min. 19 sec. West, along the common line of said Lot 1 and said Wharf Road, a distance of 346.91 feet to a point for corner, same being the East end of aforesaid corner clip in the intersection of said Wharf Road and said Olympus Boulevard;

THENCE South 76 deg. 42 min. 19 sec. West, along the common line of said Lot 1 and

## **Exhibit D**

### **Metes and Bounds Legal Description 3201 Olympus Boulevard**

said corner clip, a distance of 21.21 feet to the POINT OF BEGINNING and containing 136,525 square feet or 3.134 acres of computed land, more or less.

**ADDENDUM ITEM # 11,12,13**

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 3

**DEPARTMENT:** Office of Economic Development

**CMO:** Raquel Favela, 671-5257

**MAPSCO:** 52 W X; 62 A B

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**SUBJECT**

**WWF Operating Company, LLC**

- \* Authorize a resolution designating approximately 13.9 acres of property located at 3400 Dan Morton Drive, located at the southeast corner of Kiest Boulevard and Dan Morton Drive in Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 6 (“City of Dallas NEZ No. 6”), pursuant to Chapter 378 of the Texas Local Government Code to promote an increase in economic development in the zone, establish the boundaries of the zone and provide for an effective date – Financing: No cost consideration to the City
- \* Authorize a business personal property tax abatement agreement with WWF Operating Company, LLC for a period of five years in an amount equal to the City’s taxes assessed on 50 percent of the increased taxable value of WWF Operating Company, LLC’s business personal property at the manufacturing facility situated on approximately 13.9 acres of property at 3400 Dan Morton Drive, located at the southeast corner of Kiest Boulevard and Dan Morton Drive in southern Dallas, in accordance with the City’s Public/Private Partnership Program - Estimated Revenue Foregone: \$85,140 over a five-year period
- \* Authorize a Chapter 380 economic development grant agreement with WWF Operating Company, LLC in an amount not to exceed \$150,000 related to WWF Operating Company, LLC’s establishing a new segment of production in a facility situated on approximately 13.9 acres of property located at the southeast corner of 3400 Dan Morton Drive, located at the southeast corner of Kiest Boulevard and Dan Morton Drive in southern Dallas, in accordance with the City’s Public/Private Partnership Program - Not to exceed \$150,000 - Financing: Public/Private Partnership Funds



## **BACKGROUND**

This item is on the addendum per the City Manager's Office request.

For the past several months, staff has been in discussions with representatives of WWF Operating Company, LLC regarding the possibility of establishing a segment of production that is currently operating outside of Texas to an existing facility situated on approximately 13.9 acres of property at 3400 Dan Morton Drive in Dallas (located at the southeast corner of Kiest Boulevard and Dan Morton Drive). WWF Operating Company, LLC has also been considering sites in other states including Ohio and Virginia for this project.

### Company

WWF Operating Company, LLC is a wholly-owned subsidiary of parent company Danone SA and, until last month, had been commonly referred to as DanoneWave Public Benefit Corporation ("DanoneWave"). Danone SA is ranked #446 on Fortune's Global 500 list (2017).

In 2017, DanoneWave, the newly combined entity of WhiteWave Foods Company and Danone's U.S. dairy business, became incorporated as a Public Benefit Corporation in the United States. With more than \$6 billion in revenue and 6,000 employees, DanoneWave was the country's largest public benefit corporation, which is a corporate structure intended to operate in a responsible and sustainable manner. A public benefit corporation is managed in a way that balances shareholders' financial interests with social and environmental considerations.

In April 2018, DanoneWave announced the achievement of becoming the largest Certified B Corporation<sup>®</sup> in the world and changed its name to Danone North America. B Corporations are for-profit companies certified by a third-party non-profit entity called B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency.

Danone North America operates in the United States from headquarter offices in White Plains, New York and Broomfield, Colorado. Its portfolio of brands includes Activia<sup>®</sup>, DanActive<sup>®</sup>, Danimals<sup>®</sup>, Dannon<sup>®</sup>, Danonino<sup>®</sup>, Danone<sup>®</sup>, Earthbound Farm<sup>®</sup>, Horizon Organic<sup>®</sup> premium dairy products, International Delight<sup>®</sup> coffee creamers and iced coffee, Light & Fit<sup>®</sup>, Oikos<sup>®</sup> Greek yogurt, Silk<sup>®</sup> plant-based foods and beverages, So Delicious<sup>®</sup> Dairy Free, Vega<sup>®</sup> and Wallaby<sup>®</sup> Organic.

## **BACKGROUND** (continued)

### Previous Incentives approved for the facility at 3333 Dan Morton Drive (across the street from the proposed project)

In April 2011, to facilitate the establishment of the WhiteWave Foods manufacturing facility in Dallas at 3333 Dan Morton Drive, City Council authorized by Resolution No. 11-0998; Ordinance No. 28168 the creation of tax abatement reinvestment zone No. 75, a 10-year/90 percent business personal property tax abatement, and a \$250,000 grant.

In February 2014, City Council authorized by Resolution No. 14-0392 a nomination of WhiteWave Food's application to the State of Texas Economic Development Bank for an Enterprise Zone (EZ) project designation for 3333 Dan Morton Drive.

In November 2014, to support a proposed 100,000 square foot expansion of WhiteWave Food's manufacturing facility at 3333 Dan Morton Drive, City Council authorized by Resolution No. 14-1941 a \$300,000 grant. However, due to delays in construction, the grant agreement was never executed.

### Proposed Project

As part of a manufacturing plant rationalization initiative WWF Operating Company, LLC has been evaluating the possibility of establishing a segment of production that is currently operating outside of Texas to a facility situated on approximately 13.9 acres of property at 3400 Dan Morton Drive in Dallas (located at the southeast corner of Kiest Boulevard and Dan Morton Drive) WWF Operating Company, LLC has also been considering sites in other states including Ohio and Virginia for this project.

There is an existing building (approximately 266,000 square feet) at 3400 Dan Morton Drive comprised of a 248,516 square foot warehouse and a 17,484 square foot office. The building is significantly underutilized and has fewer than five employees.

WWF Operating Company, LLC's investment for the proposed project at 3400 Dan Morton Drive is estimated to involve approximately \$8.7 million, including approximately \$5.8 million in machinery and equipment, approximately \$1.8 million in costs to pack and move machinery and equipment, and approximately \$1.1 million in building improvements and furniture/fixtures to renovate and prepare the existing building to support the new production line.

## **BACKGROUND** (continued)

With the project, WWF Operating Company, LLC plans to create approximately 45 to 55 net new FTE jobs at 3400 Dan Morton Drive by mid-2019 (and potentially up to 75 net new FTE jobs by mid-2021 if another shift is added). WWF Operating Company, LLC estimates average wages to be approximately \$18.66 per hour (not including benefits) and approximately \$24.82 per hour (including benefits).

### **Incentive**

Staff is recommending City Council approval of: (1) a business personal property tax abatement for a period of five years in an amount equal to the City's taxes assessed on 50 percent of the increased taxable value of WWF Operating Company, LLC's business personal property at the facility located in City of Dallas Neighborhood Empowerment Zone No. 6; and (2) a Chapter 380 economic development grant in an amount not to exceed \$150,000 in consideration of WWF Operating Company, LLC's job creation.

To facilitate a tax abatement at this location, staff is also recommending the creation of City of Dallas Neighborhood Empowerment Zone No. 6. Neighborhood Empowerment Zones (NEZs) are designated areas where municipalities can offer incentives that promote investment and economic development. According to the Texas Local Government Code (Chapter 378), an NEZ must be created for at least one of the following purposes: the creation and rehabilitation of affordable housing (including manufactured housing); economic development opportunities in the zone; or an increase in the quality of social services, education, or public safety provided to residents of the zone.

WWF Operating Company, LLC is considering sites in other states including Ohio and Virginia for this project. The City's proposed incentive will help secure new business investment and employment opportunities at this southern Dallas location. Additionally, this project will significantly increase the diversity of products manufactured at WWF Operating Company, LLC's Dallas operations and could position Dallas for potential future investment and job creation as WWF Operating Company, LLC continues to grow domestically and globally.

The tax abatement agreement shall include, among other provisions, the following terms:

- (a) The business personal property subject to tax abatement shall be located entirely within City of Dallas NEZ No. 6, City of Dallas, Texas.
- (b) None of the business personal property subject to tax abatement is owned or leased by a member of the City Council of the City of Dallas or by a member of the City Plan Commission.

**BACKGROUND** (continued)

- (c) The development/installation of the business personal property shall conform to all requirements of the City's zoning ordinance and that the use of the business personal property shall be consistent with the general purpose of encouraging development or redevelopment in the reinvestment zone during the period the tax abatement is in effect.
- (d) The City shall provide WWF Operating Company, LLC a 50 percent abatement of the added value to the business personal property for a period of five years for business personal property located within City of Dallas NEZ No. 6 as legally described in Exhibit B of the Resolution. The tax abatement shall commence on or before January 1, 2020.
- (e) That in order for WWF Operating Company, LLC to receive the tax abatement during any year of the agreement, WWF Operating Company, LLC shall be required to document and certify annually its compliance with the terms outlined in the tax abatement agreement by April 15 of each year of the agreement.
- (f) The proposed project shall result in WWF Operating Company, LLC's minimum investment of \$1,500,000 by April 15, 2019 to decommission, pack, and move machinery and equipment to 3400 Dan Morton Drive within City of Dallas NEZ No. 6.
- (g) The proposed project shall result in WWF Operating Company, LLC's installing machinery and equipment with a minimum added taxable value of \$5,000,000 by April 15, 2019 at 3400 Dan Morton Drive within City of Dallas NEZ No. 6.
- (h) The proposed project shall result in WWF Operating Company, LLC's minimum investment of \$1,000,000 (any combination of real property improvements and furniture/fixtures) by April 15, 2019 to renovate the existing building at 3400 Dan Morton Drive within City of Dallas NEZ No. 6.
- (i) WWF Operating Company, LLC shall create a minimum of 45 net new FTE jobs with a minimum average hourly wage of \$18.66 (excluding benefits) by April 15, 2019 at 3400 Dan Morton Drive within City of Dallas NEZ No. 6.
- (j) WWF Operating Company, LLC shall hold a minimum of two job fairs by April 15, 2019 at locations in the city of Dallas approved by the Director of the Office of Economic Development to facilitate the recruitment and hiring of residents of the city of Dallas. WWF Operating Company, LLC shall also engage in best efforts and coordination with Workforce Solutions Greater Dallas to facilitate the recruitment and hiring of qualified veterans.

**BACKGROUND** (continued)

- (k) WWF Operating Company, LLC shall ensure that a minimum 20% of the 45 net new FTE jobs created at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 (in other words, at least 9) are filled by residents of the city of Dallas.
- (l) WWF Operating Company, LLC shall maintain the minimum 45 net new FTE jobs at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 for the term of the abatement.
- (m) WWF Operating Company, LLC shall provide written quarterly reports to the Office of Economic Development on the progress in satisfying the conditions of the abatement.
- (n) The Director of the Office of Economic Development may, at his sole discretion, extend any material date in the tax abatement agreement for a period up to 12 months for just cause.
- (o) That a proportionate percentage of the property tax revenue foregone as a result of the tax abatement agreement will be recaptured by the City if WWF Operating Company, LLC is in default of terms as provided by the tax abatement agreement.
- (p) That access to 3400 Dan Morton Drive within City of Dallas NEZ No. 6 shall be provided by WWF Operating Company, LLC to allow for the inspection by City inspectors and officials to ensure that the improvements and investments are made according to the specification and terms of the tax abatement agreement.
- (q) That the Dallas City Council may terminate or modify the agreement if WWF Operating Company, LLC fails to comply with the agreement.
- (r) That the tax abatement agreement shall be personal to WWF Operating Company, LLC and shall only be assignable upon written approval of the assignment by the City's Director of the Office of Economic Development.

Regarding the grant agreement, the City of Dallas shall pay a one-time conditional economic development grant valued at \$2,000 per net new FTE job created at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 by April 15, 2021 in a total amount not to exceed \$150,000. The grant shall be contingent upon WWF Operating Company, LLC's compliance with the following key conditions:

- (a) WWF Operating Company, LLC's continued compliance with all conditions of the business personal property tax abatement agreement at 3400 Dan Morton Drive within City of Dallas NEZ No. 6.

**BACKGROUND** (continued)

- (b) The minimum average hourly wage shall be \$18.66 (excluding benefits) for each net new FTE job created at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 by April 15, 2021.
- (c) By April 15, 2021, WWF Operating Company, LLC shall hold a minimum of two (2) additional job fairs (in addition to the minimum two job fairs required for the associated business personal property tax abatement) at locations in the city of Dallas approved by the Director of the Office of Economic Development to facilitate the recruitment and hiring of residents of the city of Dallas. WWF Operating Company, LLC shall also engage in best efforts and coordination with Workforce Solutions Greater Dallas to facilitate the recruitment and hiring of qualified veterans.
- (d) By April 15, 2021, WWF Operating Company, LLC shall conduct two tours of the entire WWF Operating Company, LLC manufacturing facility (3333 Dan Morton Drive and 3400 Dan Morton Drive) for P-TECH students enrolled in the Manufacturing Pathway at South Oak Cliff High School in order for the students to gain better understanding regarding WWF Operating Company's manufacturing operations, get exposure to possible career interests, and learn about the skill sets needed for entry-level employment opportunities at WWF Operating Company, LLC's manufacturing facility in southern Dallas.
- (e) A minimum 20% of the net new FTE jobs created at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 by April 15, 2021 are filled by residents of the city of Dallas.
- (f) WWF Operating Company, LLC shall provide written quarterly reports to the Office of Economic Development on the progress in satisfying the conditions of the grant.

The estimated foregone business personal property tax revenue is \$85,140. Inclusive of the Chapter 380 grant (in an amount not exceeding \$150,000), the total estimated value of the incentive is \$235,140. Based on the City's fiscal impact analysis over a ten-year period, the estimated present value of net revenues from this project is \$230,972.

In the context of the City's Market Value Analysis (MVA), the project is located in a non-residential tract and is generally surrounded by residential market types D, E, F, G, and H, which reflect middle to lower-middle residential real estate markets in Dallas. The project will provide additional local employment opportunities to these surrounding residential areas.

## **ESTIMATED SCHEDULE OF PROJECT**

Begin Construction            July 2018  
Complete Construction       February 2019

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

The Economic Development and Housing Committee was briefed in Executive Session to discuss the offer of a financial or other incentive for the redevelopment of WWF Operating Company, LLC under Section 551.087 of the Texas Government Code on June 18, 2018.

## **FISCAL INFORMATION**

Public/Private Partnership Funds - \$150,000 (Chapter 380 economic development grant agreement)  
Estimated Revenue Foregone - \$85,140 over a five year period of the business (personal property tax abatement)

## **OWNER**

### **WWF Operating Company, LLC**

Mark Johnson, Vice President Finance – Supply Chain

## **MAP**

Attached





June 27, 2018

**WHEREAS**, the City recognizes the importance of its role in local economic development; and

**WHEREAS**, the use of economic development incentives is a necessary tool in attracting economic and business development to southern Dallas; and

**WHEREAS**, Title 12 of the Local Government Code, Section 378.002 requires that the creation of the City of Dallas Neighborhood Empowerment Zone No. 6 (“City of Dallas NEZ No. 6”) promote: (1) the creation or rehabilitation of affordable housing in the zone, or (2) an increase in economic development in the zone, or (3) an increase in the quality of social services, education or public safety provided to the residents of the zone; and

**WHEREAS**, the City finds that the creation of City of Dallas NEZ No. 6 will promote an increase in economic development in the zone by promoting job creation and additional business activity at this southern Dallas location; and

**WHEREAS**, the City finds that the creation of the City of Dallas NEZ No. 6 benefits the public and is for the public purpose of increasing the public health, safety, and welfare of the persons in the municipality; and

**WHEREAS**, within the City’s Market Value Analysis (“MVA”), the proposed City of Dallas NEZ No. 6 is surrounded by market types E, F, G, and H, reflecting middle to lower-middle residential real estate markets within Dallas; and

**WHEREAS**, the City finds that the creation of the zone satisfies the requirements of the Property Redevelopment and Tax Abatement Act Section 312.202 in that the creation of the zone is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the municipality.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

June 27, 2018

**SECTION 2.** That the City of Dallas NEZ No. 6 is hereby created as defined by the **Exhibit A** (map) and **Exhibit B** (metes and bounds legal description).

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



## Exhibit B

### (Metes and Bounds Legal Description)

#### Neighborhood Empowerment Zone (NEZ) No. 6

Tract I:

Being situated in the John J. Metcalf Survey, Abstract No. 885, and being all of Lot 1, Block 1/8024 of the Seventh Section Redbird Industrial Park West, an Addition to the City of Dallas, Texas, according to the Plat recorded in Volume 79226, Page 2086, of the Map Records of Dallas County, Texas, and being the same property conveyed to Americana Foods Limited Partnership, by Deed recorded in Volume 2005094, Page 10220, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a ½ inch iron rod found for corner at the Northeast corner of said Lot 1 and the common Southeast corner of Lot 2 of said Seventh Section Redbird Industrial Park West, said point being 438.74 feet South of the South line of W. Kiest Boulevard (120 foot right-of-way) and also being 2,450 feet West of the centerline of Duncanville Road;

THENCE S 00 degrees 15 minutes 50 seconds East, along the West line of a tract of land conveyed to Americana Foods Limited Partnership by Deed recorded in Volume 2005094, page 10239, Deed Records, Dallas County, Texas, a distance of 1,260.85 feet to a ½ inch iron rod set with yellow plastic cap stamped "DCA INC." for corner and the beginning of a curve to the left having a delta angle of 07 degrees 09 minutes 09 seconds, a radius of 620.81 feet and a chord that bears North 03 degrees 50 minutes 25 seconds West, a chord length of 77.45 feet;

THENCE along said curve to the left, an arc length of 77.50 feet to a ½ inch iron rod set with yellow plastic cap stamped "DCA INC." for corner;

THENCE North 07 degrees 25 minutes 00 seconds West along the Northeast line of a 34 foot easement conveyed to Atchison, Topeka & Santa Fe Railway Company, a distance of 10.00 feet to the beginning of a curve to the left having a delta angle of 82 degrees 07 minutes 11 seconds, a radius of 495.34 feet and a chord that bears North 48 degrees 28 minutes 35 seconds West, a chord length of 650.72 feet;

THENCE along said curve to the left, an arc length of 709.95 feet to a ½ inch iron rod found for corner;

THENCE North 89 degrees 49 minutes 55 seconds West (North 89 degrees 32 minutes 10 seconds West per recorded plat), a distance of 0.69 feet to a ½ inch iron rod found for corner, said corner lying the East right-of-way line of Dan Morton Drive (64 foot public right-of-way);

THENCE North 00 degrees 15 minutes 50 seconds West, along said East right-of-way line of Dan Morton Drive, a distance of 683.76 to a ½ inch iron rod found for corner at the beginning of a curve to the right having a delta angle of 05 degrees 47 minutes 04 seconds, a radius of 558.00 feet, and a chord that bears North 02 degrees 37 minutes 42 seconds East, a chord length of 56.31 feet;

THENCE along said curve to the right, an arc length of 56.33 feet to an "X" set in concrete for corner at the Southwest corner of Lot 2 of said Block 1/8024 of the Seventh Section Redbird Industrial Park West;

THENCE North 89 degrees 44 minutes 10 seconds East, along the South line of said Lot 2, a distance of 489.12 feet to the POINT OF BEGINNING and containing 417,698 square feet or 9.5890 acres of land.

## Exhibit B

### Tract II:

Being a tract of land situated in the John J. Metcalf Survey, Abstract No. 855, being all of Lot 2, Block 1/8024 of the Seventh Section Redbird Industrial Park West, an Addition to the City of Dallas, Texas, according to the plat recorded in Volume 79226, Page 2086, of the Map Records of Dallas County, Texas, and being the same tract of land conveyed to Americana Foods Limited Partnership, by Deed recorded in Volume 2005094, Page 10231, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a ½ inch iron rod found for corner on the North end of a corner clip at the intersection of the south line of W. Kiest Boulevard (State Highway Spur 303) (120 foot public right-of-way) and the East right-of-way line of Dan Morton Drive (64 foot public right-of-way), said corner also being the Northern most Northwest corner of said Lot 2, Block 1/8024;

THENCE South 89 degrees 48 minutes 27 seconds East, along said South right-of-way line of W. Kiest Boulevard, a distance of 373.97 feet to a ½ inch iron rod found for corner, said corner being the Northeast corner of said Lot 2 and the common Northwest corner of a tract of land conveyed to Americana Foods Limited Partnership, by Deed recorded in Volume 2005094, Page 10239, Deed Records, Dallas County, Texas;

THENCE South 00 degrees 15 minutes 50 seconds East, departing said South right-of-way line of W. Kiest Boulevard, along the East line of said Lot 2, a distance of 438.74 feet to a ½ inch iron rod found for corner, said corner being the Northeast corner of Lot 1 of said Block 1/8024 of The Seventh Section Redbird Industrial Park West;

THENCE South 89 degrees 44 minutes 10 seconds West, along the North line of a said Lot 1, a distance of 489.12 feet to an "X" set in concrete for corner, said corner lying in said East right-of-way line of Dan Morton Drive and a curve to the right having a delta angle of 18 degrees 54 minutes 32 seconds, a radius of 558.00 feet and chord that bears North 14 degrees 58 minutes 30 seconds East, a chord length of 183.32 feet;

THENCE along said curve to the right, an arc length of 184.15 feet to a ½ inch iron rod found for corner, said corner being the beginning of a reverse curve to the left having a delta angle of 24 degrees 14 minutes 25 seconds, a radius of 622.00 feet, and chord that bears North 12 degrees 18 minutes 34 seconds East, a chord length of 261.19 feet;

THENCE along said reverse curve to the left, an arc length of 263.15 feet to ½ inch iron rod found for corner;

THENCE North 45 degrees 11 minutes 00 seconds East, along said corner clip, a distance of 14.14 feet to the POINT OF BEGINNING and containing 189,119 square feet or 4.3416 acres of land.

June 27, 2018

**WHEREAS**, the City recognizes the importance of its role in local economic development; and

**WHEREAS**, it is in the interest of the City of Dallas to support and secure the expansions and relocations of business operations within the city of Dallas and the economic vitality and employment opportunities that these business operations bring for Dallas residents; and

**WHEREAS**, on December 14, 2016, pursuant to Resolution No. 16-1984, the City Council: (1) authorized the continuation of its Public/Private Partnership Program - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects; and (2) established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City of Dallas pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code; and

**WHEREAS**, on June 27, 2018, pursuant to Title 12 of the Local Government Code, Section 378 ("the Act"), the City created City of Dallas Neighborhood Empowerment Zone No. 6 ("City of Dallas NEZ No. 6"); and

**WHEREAS**, Title 12 of the Local Government Code, Section 378.004 empowers municipalities to enter into agreements abating municipal property taxes on property in the zone subject to the duration limits of Section 312.2004, Tax Code; and

**WHEREAS**, WWF Operating Company, LLC proposes to establish a new segment of production at a facility within City of Dallas NEZ No. 6, thereby promoting economic development, job creation, and increased business activity in the zone; and

**WHEREAS**, the City desires to enter into a business personal property tax abatement agreement with WWF Operating Company, LLC for added value to business personal property located within City of Dallas NEZ No. 6 as further described by the metes and bounds legal description attached as **Exhibit B**.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

June 27, 2018

**SECTION 1.** That the City Manager is hereby authorized to sign a business personal property tax abatement agreement with WWF Operating Company, LLC, approved as to form by City Attorney's Office, for added value to the business personal property in accordance with the Act and the City's Public/Private Partnership Program - Guidelines and Criteria.

**SECTION 2.** That the approval and execution of the tax abatement agreement by the City is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

**SECTION 3.** That the business personal property ("Property") subject to the tax abatement agreement will be located within City of Dallas NEZ No. 6 as depicted on the attached site map **Exhibit A (Map)** and as legally described in **Exhibit B (Metes and Bounds)**.

**SECTION 4.** That the tax abatement agreement shall provide, among other provisions, the following:

- (a) The Property subject to tax abatement shall be located entirely within City of Dallas NEZ No. 6, City of Dallas, Texas.
- (b) None of the Property subject to tax abatement is owned or leased by a member of the City Council of the City of Dallas or by a member of the City Plan Commission.
- (c) The development/installation of the Property shall conform to all requirements of the City's zoning ordinance and that the use of the Property shall be consistent with the general purpose of encouraging development or redevelopment in the reinvestment zone during the period the tax abatement is in effect.
- (d) The City shall provide WWF Operating Company, LLC a 50 percent abatement of the added value to the business personal property for a period of five years for business personal property located within City of Dallas NEZ No. 6 as legally described in **Exhibit B (Metes and Bounds)**. The tax abatement shall commence on or before January 1, 2020.
- (e) That in order for WWF Operating Company, LLC to receive the tax abatement during any year of the agreement, WWF Operating Company, LLC shall be required to document and certify annually its compliance with the terms outlined in the tax abatement agreement by April 15 of each year of the agreement.

June 27, 2018**SECTION 4.** (continued)

- (f) The proposed project shall result in WWF Operating Company, LLC's minimum investment of \$1,500,000 by April 15, 2019 to decommission, pack, and move machinery and equipment to 3400 Dan Morton Drive within City of Dallas NEZ No. 6.
- (g) The proposed project shall result in WWF Operating Company, LLC's installing machinery and equipment with a minimum added taxable value of \$5,000,000 by April 15, 2019 at 3400 Dan Morton Drive within City of Dallas NEZ No. 6.
- (h) The proposed project shall result in WWF Operating Company, LLC's minimum investment of \$1,000,000 (any combination of real property improvements and furniture/fixtures) by April 15, 2019 to renovate the existing building at 3400 Dan Morton Drive within City of Dallas NEZ No. 6.
- (i) WWF Operating Company, LLC shall create a minimum of (45 net new full-time equivalent (FTE) jobs with a minimum average hourly wage of \$18.66 (excluding benefits) by April 15, 2019 at 3400 Dan Morton Drive within City of Dallas NEZ No. 6.
- (j) WWF Operating Company, LLC shall hold a minimum of two job fairs by April 15, 2019 at locations in the city of Dallas approved by the Director of the Office of Economic Development to facilitate the recruitment and hiring of residents of the city of Dallas. WWF Operating Company, LLC shall also engage in best efforts and coordination with Workforce Solutions Greater Dallas to facilitate the recruitment and hiring of qualified veterans.
- (k) WWF Operating Company, LLC shall ensure that a minimum 20% of the 45 net new FTE jobs created at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 (in other words, at least 9) are filled by residents of the city of Dallas.
- (l) WWF Operating Company, LLC shall maintain the minimum 45 net new FTE jobs at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 for the term of the abatement.
- (m) WWF Operating Company, LLC shall provide written quarterly reports to the Office of Economic Development on the progress in satisfying the conditions of the abatement.



June 27, 2018

**SECTION 4.** (continued)

- (n) The Director of the Office of Economic Development may, at his sole discretion, extend any material date in the tax abatement agreement for a period up to 12 months for just cause.
- (o) That a proportionate percentage of the property tax revenue foregone as a result of the tax abatement agreement will be recaptured by the City if WWF Operating Company, LLC is in default of terms as provided by the tax abatement agreement.
- (p) That access to 3400 Dan Morton Drive within City of Dallas NEZ No. 6 shall be provided by WWF Operating Company, LLC to allow for the inspection by City inspectors and officials to ensure that the improvements and investments are made according to the specification and terms of the tax abatement agreement.
- (q) That the Dallas City Council may terminate or modify the agreement if WWF Operating Company, LLC fails to comply with the agreement.
- (r) That the tax abatement agreement shall be personal to WWF Operating Company, LLC and shall only be assignable upon written approval of the assignment by the City's Director of the Office of Economic Development.

**SECTION 5.** That this resolution take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



## Exhibit B

### (Metes and Bounds Legal Description)

#### Neighborhood Empowerment Zone (NEZ) No. 6

Tract I:

Being situated in the John J. Metcalf Survey, Abstract No. 885, and being all of Lot 1, Block 1/8024 of the Seventh Section Redbird Industrial Park West, an Addition to the City of Dallas, Texas, according to the Plat recorded in Volume 79226, Page 2086, of the Map Records of Dallas County, Texas, and being the same property conveyed to Americana Foods Limited Partnership, by Deed recorded in Volume 2005094, Page 10220, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a ½ inch iron rod found for corner at the Northeast corner of said Lot 1 and the common Southeast corner of Lot 2 of said Seventh Section Redbird Industrial Park West, said point being 438.74 feet South of the South line of W. Kiest Boulevard (120 foot right-of-way) and also being 2,450 feet West of the centerline of Duncanville Road;

THENCE S 00 degrees 15 minutes 50 seconds East, along the West line of a tract of land conveyed to Americana Foods Limited Partnership by Deed recorded in Volume 2005094, page 10239, Deed Records, Dallas County, Texas, a distance of 1,260.85 feet to a ½ inch iron rod set with yellow plastic cap stamped "DCA INC." for corner and the beginning of a curve to the left having a delta angle of 07 degrees 09 minutes 09 seconds, a radius of 620.81 feet and a chord that bears North 03 degrees 50 minutes 25 seconds West, a chord length of 77.45 feet;

THENCE along said curve to the left, an arc length of 77.50 feet to a ½ inch iron rod set with yellow plastic cap stamped "DCA INC." for corner;

THENCE North 07 degrees 25 minutes 00 seconds West along the Northeast line of a 34 foot easement conveyed to Atchison, Topeka & Santa Fe Railway Company, a distance of 10.00 feet to the beginning of a curve to the left having a delta angle of 82 degrees 07 minutes 11 seconds, a radius of 495.34 feet and a chord that bears North 48 degrees 28 minutes 35 seconds West, a chord length of 650.72 feet;

THENCE along said curve to the left, an arc length of 709.95 feet to a ½ inch iron rod found for corner;

THENCE North 89 degrees 49 minutes 55 seconds West (North 89 degrees 32 minutes 10 seconds West per recorded plat), a distance of 0.69 feet to a ½ inch iron rod found for corner, said corner lying the East right-of-way line of Dan Morton Drive (64 foot public right-of-way);

THENCE North 00 degrees 15 minutes 50 seconds West, along said East right-of-way line of Dan Morton Drive, a distance of 683.76 to a ½ inch iron rod found for corner at the beginning of a curve to the right having a delta angle of 05 degrees 47 minutes 04 seconds, a radius of 558.00 feet, and a chord that bears North 02 degrees 37 minutes 42 seconds East, a chord length of 56.31 feet;

THENCE along said curve to the right, an arc length of 56.33 feet to an "X" set in concrete for corner at the Southwest corner of Lot 2 of said Block 1/8024 of the Seventh Section Redbird Industrial Park West;

THENCE North 89 degrees 44 minutes 10 seconds East, along the South line of said Lot 2, a distance of 489.12 feet to the POINT OF BEGINNING and containing 417,698 square feet or 9.5890 acres of land.

## Exhibit B

### Tract II:

Being a tract of land situated in the John J. Metcalf Survey, Abstract No. 855, being all of Lot 2, Block 1/8024 of the Seventh Section Redbird Industrial Park West, an Addition to the City of Dallas, Texas, according to the plat recorded in Volume 79226, Page 2086, of the Map Records of Dallas County, Texas, and being the same tract of land conveyed to Americana Foods Limited Partnership, by Deed recorded in Volume 2005094, Page 10231, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a ½ inch iron rod found for corner on the North end of a corner clip at the intersection of the south line of W. Kiest Boulevard (State Highway Spur 303) (120 foot public right-of-way) and the East right-of-way line of Dan Morton Drive (64 foot public right-of-way), said corner also being the Northern most Northwest corner of said Lot 2, Block 1/8024;

THENCE South 89 degrees 48 minutes 27 seconds East, along said South right-of-way line of W. Kiest Boulevard, a distance of 373.97 feet to a ½ inch iron rod found for corner, said corner being the Northeast corner of said Lot 2 and the common Northwest corner of a tract of land conveyed to Americana Foods Limited Partnership, by Deed recorded in Volume 2005094, Page 10239, Deed Records, Dallas County, Texas;

THENCE South 00 degrees 15 minutes 50 seconds East, departing said South right-of-way line of W. Kiest Boulevard, along the East line of said Lot 2, a distance of 438.74 feet to a ½ inch iron rod found for corner, said corner being the Northeast corner of Lot 1 of said Block 1/8024 of The Seventh Section Redbird Industrial Park West;

THENCE South 89 degrees 44 minutes 10 seconds West, along the North line of a said Lot 1, a distance of 489.12 feet to an "X" set in concrete for corner, said corner lying in said East right-of-way line of Dan Morton Drive and a curve to the right having a delta angle of 18 degrees 54 minutes 32 seconds, a radius of 558.00 feet and chord that bears North 14 degrees 58 minutes 30 seconds East, a chord length of 183.32 feet;

THENCE along said curve to the right, an arc length of 184.15 feet to a ½ inch iron rod found for corner, said corner being the beginning of a reverse curve to the left having a delta angle of 24 degrees 14 minutes 25 seconds, a radius of 622.00 feet, and chord that bears North 12 degrees 18 minutes 34 seconds East, a chord length of 261.19 feet;

THENCE along said reverse curve to the left, an arc length of 263.15 feet to ½ inch iron rod found for corner;

THENCE North 45 degrees 11 minutes 00 seconds East, along said corner clip, a distance of 14.14 feet to the POINT OF BEGINNING and containing 189,119 square feet or 4.3416 acres of land.

June 27, 2018

**WHEREAS**, the City recognizes the importance of its role in local economic development; and

**WHEREAS**, it is in the interest of the City of Dallas to support and secure the expansions and relocations of business operations within the city of Dallas and the economic vitality and employment opportunities that these business operations bring for Dallas residents; and

**WHEREAS**, on December 14, 2016, pursuant to Resolution No. 16-1984, City Council: (1) authorized the continuation of its Public/Private Partnership Program - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects; and (2) established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City of Dallas pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code; and

**WHEREAS**, on June 27, 2018, pursuant to Title 12 of the Local Government Code, Section 378 (“the Act”), the City created City of Dallas Neighborhood Empowerment Zone No. 6 (“City of Dallas NEZ No. 6”); and

**WHEREAS**, Title 12 of the Local Government Code, Section 378.004 empowers municipalities to enter into agreements abating municipal property taxes on property in the zone subject to the duration limits of Section 312.2004, Tax Code; and

**WHEREAS**, WWF Operating Company, LLC proposes to establish a new segment of production at a facility within City of Dallas NEZ No. 6, thereby promoting economic development, job creation, and increased business activity in the zone; and

**WHEREAS**, the City desires to enter into an economic development grant agreement with WWF Operating Company, LLC regarding its proposed establishment of a new segment of production at a facility located within City of Dallas NEZ No. 6 as further described by the metes and bounds legal description attached as **Exhibit B**.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

June 27, 2018

**SECTION 1.** That the City Manager is hereby authorized to sign a Chapter 380 economic development grant agreement with WWF Operating Company, LLC, related to its establishing a new segment of production in a facility situated on approximately 13.9 acres of property at 3400 Dan Morton Drive at the southeast corner of Kiest Boulevard and Dan Morton Drive, in southern Dallas, in accordance with the City's Public/Private Partnership Program within the City of Dallas NEZ No. 6, as depicted on the attached site map **Exhibit A** (Map) and as legally described in **Exhibit B** (Metes and Bounds), approved as to form by the City Attorney.

**SECTION 2.** That the City of Dallas shall pay a one-time conditional economic development grant valued at \$2,000 per net new FTE job created at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 by April 15, 2021 in a total amount not to exceed \$150,000. The grant shall be contingent upon WWF Operating Company, LLC's compliance with the following key conditions:

- (a) WWF Operating Company, LLC's continued compliance with all conditions of the business personal property tax abatement agreement at 3400 Dan Morton Drive within City of Dallas NEZ No. 6.
- (b) The minimum average hourly wage shall be \$18.66 (excluding benefits) for each net new FTE job created at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 by April 15, 2021.
- (c) By April 15, 2021, WWF Operating Company, LLC shall hold a minimum of two additional job fairs (in addition to the minimum two job fairs required for the associated business personal property tax abatement) at locations in the city of Dallas approved by the Director of the Office of Economic Development to facilitate the recruitment and hiring of residents of the city of Dallas. WWF Operating Company, LLC shall also engage in best efforts and coordination with Workforce Solutions Greater Dallas to facilitate the recruitment and hiring of qualified veterans.
- (d) By April 15, 2021, WWF Operating Company, LLC shall conduct two tours of the entire WWF Operating Company, LLC manufacturing facility (3333 Dan Morton Drive and 3400 Dan Morton Drive) for P-TECH students enrolled in the Manufacturing Pathway at South Oak Cliff High School in order for the students to gain better understanding regarding WWF Operating Company's manufacturing operations, get exposure to possible career interests, and learn about the skill sets needed for entry-level employment opportunities at WWF Operating Company, LLC's manufacturing facility in southern Dallas.
- (e) A minimum 20% of the net new FTE jobs created at 3400 Dan Morton Drive within City of Dallas NEZ No. 6 by April 15, 2021 are filled by residents of the city of Dallas.

June 27, 2018

**SECTION 2.** (continued)

- (f) WWF Operating Company, LLC shall provide written quarterly reports to the Office of Economic Development on the progress in satisfying the conditions of the grant.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$150,000 from Public/Private Partnership Fund, Fund 0352, Department ECO, Unit 9992, Object 3016, Activity PPPF, Contract No. ECO-2018-00006668, Vendor VS0000061943.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.





## Exhibit B

### (Metes and Bounds Legal Description)

#### Neighborhood Empowerment Zone (NEZ) No. 6

Tract I:

Being situated in the John J. Metcalf Survey, Abstract No. 885, and being all of Lot 1, Block 1/8024 of the Seventh Section Redbird Industrial Park West, an Addition to the City of Dallas, Texas, according to the Plat recorded in Volume 79226, Page 2086, of the Map Records of Dallas County, Texas, and being the same property conveyed to Americana Foods Limited Partnership, by Deed recorded in Volume 2005094, Page 10220, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

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THENCE along said curve to the right, an arc length of 56.33 feet to an "X" set in concrete for corner at the Southwest corner of Lot 2 of said Block 1/8024 of the Seventh Section Redbird Industrial Park West;

THENCE North 89 degrees 44 minutes 10 seconds East, along the South line of said Lot 2, a distance of 489.12 feet to the POINT OF BEGINNING and containing 417,698 square feet or 9.5890 acres of land.

## Exhibit B

### Tract II:

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THENCE South 00 degrees 15 minutes 50 seconds East, departing said South right-of-way line of W. Kiest Boulevard, along the East line of said Lot 2, a distance of 438.74 feet to a ½ inch iron rod found for corner, said corner being the Northeast corner of Lot 1 of said Block 1/8024 of The Seventh Section Redbird Industrial Park West;

THENCE South 89 degrees 44 minutes 10 seconds West, along the North line of a said Lot 1, a distance of 489.12 feet to an "X" set in concrete for corner, said corner lying in said East right-of-way line of Dan Morton Drive and a curve to the right having a delta angle of 18 degrees 54 minutes 32 seconds, a radius of 558.00 feet and chord that bears North 14 degrees 58 minutes 30 seconds East, a chord length of 183.32 feet;

THENCE along said curve to the right, an arc length of 184.15 feet to a ½ inch iron rod found for corner, said corner being the beginning of a reverse curve to the left having a delta angle of 24 degrees 14 minutes 25 seconds, a radius of 622.00 feet, and chord that bears North 12 degrees 18 minutes 34 seconds East, a chord length of 261.19 feet;

THENCE along said reverse curve to the left, an arc length of 263.15 feet to ½ inch iron rod found for corner;

THENCE North 45 degrees 11 minutes 00 seconds East, along said corner clip, a distance of 14.14 feet to the POINT OF BEGINNING and containing 189,119 square feet or 4.3416 acres of land.

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** 2 44

**DEPARTMENT:** Department of Aviation

**CMO:** Jody Puckett, 670-3390

**MAPSCO:** 34B F

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**SUBJECT**

Authorize a sublease agreement between The Braniff Centre, LP and CLT Commercial Partners, LP of approximately 248,020 square feet of land and improvements located at Dallas Love Field - Financing: No cost consideration to the City

**BACKGROUND**

The City of Dallas entered into a Commercial Lease for a thirty-nine year agreement with three ten-year renewal options with The Braniff Centre, LP on May 20, 2016. As part of the Commercial Lease agreement, The Braniff Centre, LP has the right to sublease all or a portion of the lease premises, but with respect to any sublease having a term of twenty years or covering more than 100,000 square feet of improvements, such sublease shall be approved by Dallas City Council.

The proposed sublease agreement between The Braniff Centre, LP and CLT Commercial Partners, LP contains the identical terms and conditions as the original Commercial Lease between the City of Dallas and The Braniff Centre, LP and will contain approximately 248,020 square feet.

In accordance to the terms and conditions of the original Commercial Lease, The Braniff Centre, LP seeks approval of the Dallas City Council for the sublease agreement with CLT Commercial Partners, LP.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On September 9, 2015, City Council authorized a thirty-nine year lease agreement with three ten-year renewal options with The Braniff Centre, LP at Dallas Love Field, for approximately 414,600 square feet of land for commercial development by Resolution No. 15-1693.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)** (continued)

The Mobility Solutions, Infrastructure & Sustainability Committee will be briefed by memorandum regarding this matter on June 25, 2018.

**FISCAL INFORMATION**

No cost consideration to the City.

June 27, 2018

**WHEREAS**, the City of Dallas owns that certain airport in Dallas more commonly known as Dallas Love Field Airport (“Airport”); and

**WHEREAS**, the City of Dallas entered into a Commercial Lease for a term of thirty-nine years with three ten-year renewal options with The Braniff Centre, LP on May 20, 2016 at the Airport; and

**WHEREAS**, The Braniff Centre, LP has the right to sublease all or a portion of the leased premises in accordance to the terms and conditions of the Commercial Lease; and

**WHEREAS**, The Braniff Centre, LP must seek Dallas City Council approval of any sublease having a term of twenty years or covering more than 100,000 square feet.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the Dallas City Council, upon approval as to form by the City Attorney, hereby approves a sublease agreement between The Braniff Centre, LP and CLT Commercial Partners, LP of approximately 248,020 square feet of land and improvements located at Dallas Love Field Airport.

**SECTION 2.** That the key terms and conditions of the sublease are:

- a. Identical to the original Commercial Lease between the City of Dallas and The Braniff Centre, LP.
- b. The sublease premises contains approximately 248,020 square feet of land and improvements.

**SECTION 3.** That this contract is designated as Contract No. AVI-2016-00000755.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**REVISED AGENDA ITEM # 18**

**STRATEGIC PRIORITY:**

Mobility Solutions, Infrastructure, and Sustainability

**AGENDA DATE:**

June 27, 2018

**COUNCIL DISTRICT(S):**

1

**DEPARTMENT:**

Department of Sustainable Development and Construction

**CMO:**

Majed Al-Ghafry, 670-3302

**MAPSCO:**

54C

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**SUBJECT**

An ordinance **(1)** granting a revocable license to Bishop Art's District Merchants Association, Inc., to occupy, maintain and utilize portions of certain rights-of-way within the boundaries of the Bishop Avenue/Eighth Street Conservation District, located near the intersection of Bishop Avenue and Davis Street; and **(2)** providing for the implementation of a streetscape improvement permit process - Financing: No cost consideration to the City

**BACKGROUND**

This item grants a revocable license to Bishop Art's District Merchants Association, Inc., to occupy, maintain and utilize portions of certain rights-of-way within the boundaries of the Bishop Avenue/Eighth Street Conservation District. This item also provides for the implementation of a streetscape permit process for the use of said right-of-way by the merchants of the Association. The use of this area will not impede pedestrian or vehicular traffic.

Each permit holder will indemnify the City and carry general liability insurance naming the City as an additional insured.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Information about this item will be provided to the Mobility Solutions, Infrastructure & Sustainability Committee on June 25, 2018.

**FISCAL INFORMATION**

No cost consideration to the City.

**OWNER**

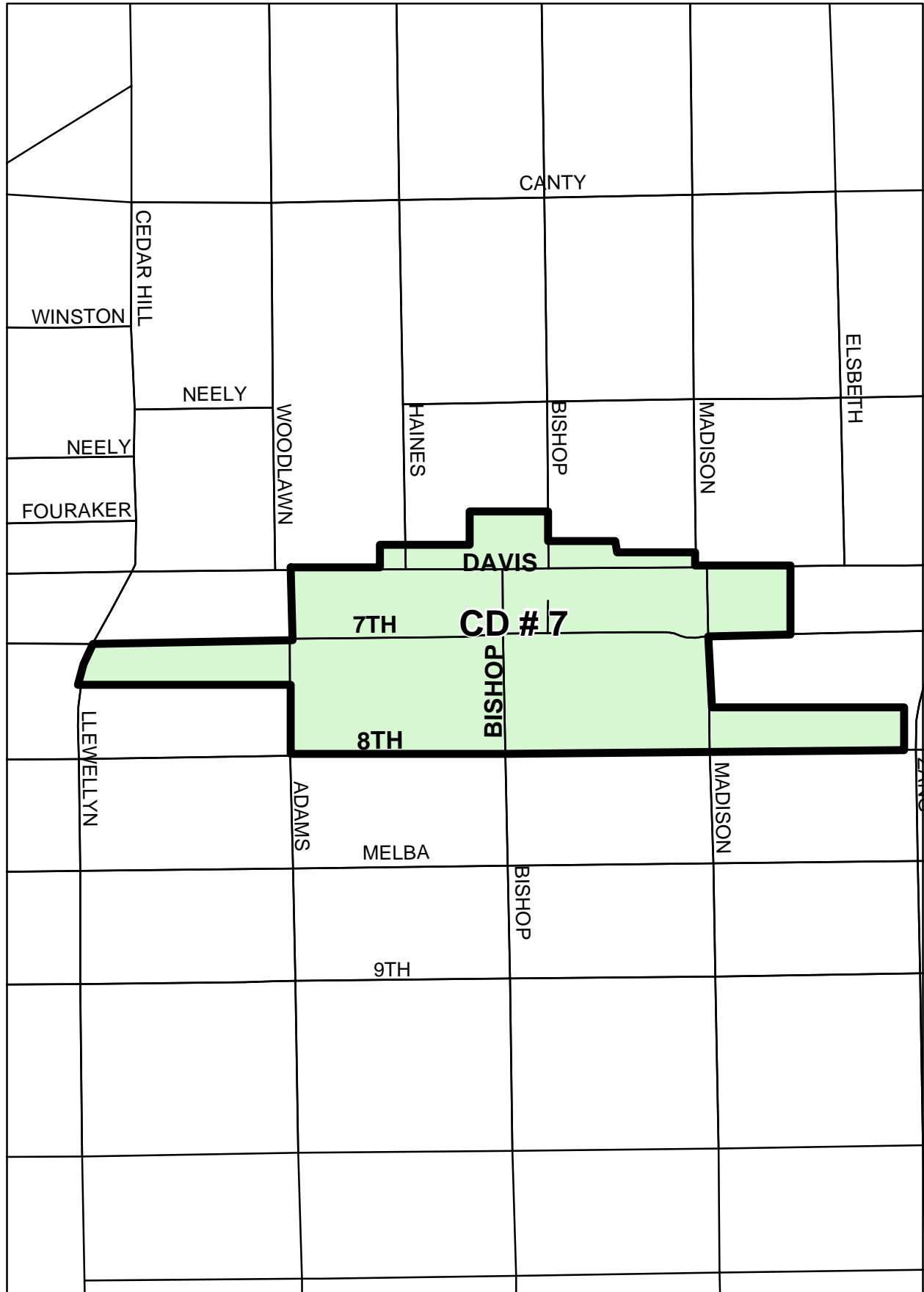
**Bishop Art's Merchants Association, Inc.**

Shane Spillers, President

**MAP**

Attached

# Bishop/8th Conservation District CD #7 Boundaries





**ORDINANCE NO. \_\_\_\_\_**

An ordinance granting a non-exclusive revocable license to all subsequently permitted property owners or tenants (with written consent of property owners), under the terms of this ordinance, of all property within the Bishop Avenue/Eighth Street Conservation District, by and through the Bishop Arts District Merchants Association, Inc., to occupy, maintain and utilize portions of certain rights-of-way within the boundaries of the Bishop Avenue/Eighth Street Conservation District, located near the intersection of Bishop Avenue and Davis Street adjacent to City Blocks 1/3141, 21/3141, 2/3142, 3/3143, 4/3144, 26/3146, 27/3147 and 28/3148 within the limits hereinafter more fully described, for the purpose of installing and maintaining, streetscape improvements, including but not limited to landscaping and appurtenant irrigation systems, planters, crosswalk texturing and coloring, art work, lighting, benches, flag poles, bollards, trash receptacles, awnings and canopies, premise signs, A-frame signs and sidewalk cafés; providing for the terms and conditions of this license; providing for initial and annual fee compensation to be paid to the City of Dallas; providing for certain permit fees; providing for payment of the publication fee; and providing an effective date of this license and ordinance.

**ooo0ooo**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That a non-exclusive revocable license, hereinafter referred to as “license”, subject to the restrictions and conditions of this ordinance, is hereby granted to all subsequently permitted property owners or tenants (with written consent of property owners), under the terms of this ordinance, of all property within the Bishop Avenue/Eighth Street Conservation District, by and through the Bishop Arts District Merchants Association, Inc., a Texas corporation, its successors and assigns, hereinafter referred to as the sponsor “**GRANTEE**”, to administer the collective grant by City to subsequent permitted property owners to occupy, maintain and utilize for the purpose set out hereinbelow the area of land described in Exhibit A, hereinafter referred to as “licensed area” which is attached hereto and made a part hereof.

**SECTION 2.** That this license is granted for a term of ten (10) years, unless sooner terminated according to other terms and provisions herein contained.

**SECTION 3.** That the **GRANTEE** shall pay to the City of Dallas the following fees, if applicable, for each permitted property location:

- (a) an initial fee of **TWO HUNDRED AND NO/100 DOLLARS (\$200.00)**, to install and maintain certain streetscape elements, including but not limited to landscaping and appurtenant irrigation systems, planters, crosswalk texturing and coloring, art work, lighting, benches, flag poles, bollards, trash receptacles, A-frame signs and awnings and canopies without a premise sign;
- (b) an initial fee of **THREE HUNDRED AND NO/100 DOLLARS (\$300.00)** and an annual fee of **TWO HUNDRED AND NO/100 DOLLARS (\$200.00)** to install and maintain a premise sign and sidewalk café.

**SECTION 4.** That said initial fees, for all applicable locations, shall be paid to the City of Dallas prior to the issuance of a/all streetscape improvement permit(s). Said annual fees shall become due and payable on the 2<sup>nd</sup> day of January each year, in advance, during the term hereof. Such initial and annual fee consideration, collectively, shall be in addition to and exclusive of any other taxes or special assessments required by law to be paid by **GRANTEE**. Should **GRANTEE** fail to pay the above stated annual fee(s) within sixty (60) days of the due date, the Director of Department of Sustainable Development and Construction may terminate this license. All sums payable to the City of Dallas hereunder shall be paid to the Chief Financial Officer of the City of Dallas and deposited in the General Fund, Fund 0001, Department DEV, Unit 1181, Revenue Source 8200. In the event **GRANTEE's** check for the license fee is dishonored, **GRANTEE** shall pay to the City a processing fee of \$25.00 for each dishonored check. Additionally, all monies owed to the City under this license shall be subject to the assessment of interest at a rate of 10 percent a year from the day after any monies become due until it is paid in full, in accordance with Section 2-1.1 of the Dallas City Code.

**SECTION 5.** That the licensed area shall be used by **GRANTEE** for the following purpose under the direction of the Director of Department of Sustainable Development and Construction of the City of Dallas: installing and maintaining, streetscape improvements, including but not limited to landscaping and appurtenant irrigation systems, planters, crosswalk texturing and coloring, art work, lighting, benches, flag poles, bollards, trash receptacles, awnings and canopies, premise signs, A-frame signs and sidewalk cafés.

**SECTION 6.** That this license is subject to the provisions set forth in Exhibit B, attached hereto and made a part hereof.

**SECTION 7.** That this license is nonexclusive and is made expressly subject and subordinate to the right of the City to use the licensed area for any public purpose. The Governing Body of the City of Dallas reserves the right to terminate and cancel this license, at will, by Resolution passed by said Governing Body. Upon termination, all rights granted hereunder shall thereupon be considered fully terminated and cancelled and the City of Dallas shall not be held liable by reason thereof. Said Resolution shall be final and shall not be subject to review by the Courts. **GRANTEE** shall have the right of cancellation upon giving the City of Dallas sixty (60) days written notice of its intention to cancel, and in either event upon the termination or cancellation by the City or **GRANTEE**, as the case may be, this license shall become null and void and **GRANTEE** or anyone claiming any rights under this instrument shall remove, to the extent required by the Director of Department of Sustainable Development and Construction, any improvements and encroachments from the licensed area at **GRANTEE's** expense. Failure to do so shall subject **GRANTEE** to the provisions contained in Exhibit B, Subsection (a). All work shall be done at the sole cost of **GRANTEE** and to the satisfaction of the Director of Department of Sustainable Development and Construction.

**SECTION 8.** That the license is subject to the following conditions, terms and reservations:

- a) **GRANTEE** shall be responsible to apply for and obtain a streetscape improvement permit ("permit") for each participating merchant location within the area

**SECTION 8.** (continued)

described in Exhibit "A" before locating streetscape improvements in the public right-of-way. Each participating merchant location shall require a streetscape improvement permit.

- b) **GRANTEE** shall provide the Director of Department of Sustainable Development with evidence of: (i) request for a permit from the participating merchant; and (ii) written consent of the property owner, to apply for a streetscape improvement permit.
- c) **GRANTEE** shall make application for a permit to the Director of Department of Sustainable Development and Construction, or designee subject to the following:
  - (i) The application must be in writing on a form approved by the Director of Department of Sustainable Development and Construction and accompanied by plans or drawings showing the area of the public right-of-way affected and the construction and planting proposed.
  - (ii) Upon receipt of the application and any required fees, the Director of Department of Sustainable Development and Construction or designee shall circulate it to all affected City departments and utilities for review and comment. If, after receiving comments from affected City departments and utilities, the Director determines that the streetscape improvements proposed will not be inconsistent with and will not unreasonably impair the public use of the right-of-way, the Director shall issue the permit to the **GRANTEE**, property owner, and/or merchant otherwise, the Director of Department of Sustainable Development and Construction shall deny the permit.
  - (iii) A permit issued by the Director of Department of Sustainable Development and Construction is subject to immediate revocation upon written notice if at any time the Director determines that the use of the right-of-way authorized by the permit is inconsistent with or unreasonably impairs the public use of the right-of-way.

**SECTION 8.** (continued)

- (iv) The issuance of a permit to **GRANTEE**, property owner, and/or merchant shall not excuse **GRANTEE**, property owner, merchant, their agents, employees, or others, as the case may be, from liability in the installation or maintenance of streetscape improvements in the public right of way.
- (v) Upon the installation of streetscape improvements in the public right-of-way, **GRANTEE** and/or merchant shall procure, pay for, and keep in full force and effect commercial general liability insurance coverage as set forth in provisions of Exhibit B. Proof of insurance shall be required on an individual property location basis and failure to maintain and provide required insurance shall render the license null and void as to the individual property location.
- (d) **GRANTEE** and/or merchant is responsible for maintaining the streetscape improvements and the premises safe and in good condition and repair, at no expense to the city, and the city is absolutely exempt from any requirements to maintain streetscape improvements or make repairs. The granting of a license for streetscape improvements under this subsection does not release the owner or merchant from liability for the installation or maintenance of streetscape improvements in the public right-of-way.
- (e) **GRANTEE** and/or merchant shall ensure the installation of an A-frame sign be no greater than 44" x 24" in size, is placed in a manner to maintain continued pedestrian ingress and egress, and is compliant with the Americans with Disabilities Act (ADA).
- ~~(f)~~ That except as otherwise provided herein, all use of the public right-of-way must be approved in accordance with the requirements of Article VI, "License for the Use of Public Right-of-Way," of Chapter 43, "Streets and Sidewalks," of the Dallas City Code, as amended.

**SECTION 9.** Upon the passage of this ordinance, the Director of Department of Sustainable Development and Construction, or designee, is hereby authorized to execute a NOTICE OF LICENSE and to file same in the deed records of Dallas County,

**SECTION 9.** (continued)

Texas. Additionally, the Director of Department of Sustainable Development and Construction, or designee, is hereby authorized to execute a cancellation of Notice of License upon termination by the City or **GRANTEE** and to file such cancellation of Notice of License in the deed records of Dallas County, Texas.

**SECTION 10.** That the terms and conditions contained in this ordinance shall be binding upon **GRANTEE**, its successors and assigns.

**SECTION 11.** That this license may not be assigned without prior written approval from the Director of Department of Sustainable Development and Construction, or designee. Such assignment shall recite that it is subject to the terms, restrictions and conditions contained in this ordinance. The assignee shall deliver a copy of the assignment, along with the assignee's written acceptance of the provisions of this ordinance, to the Director of Department of Sustainable Development and Construction within 10 days of such assignment; said assignment and written acceptance shall be forwarded to the City Secretary of the City of Dallas. Should **GRANTEE** fail to obtain prior written approval for assignment of this license or fail to provide the City of Dallas with the required written acceptance and a copy of the assignment, the Director of Department of Sustainable Development and Construction, or designee, may terminate this license.

**SECTION 12.** That the City Secretary is hereby authorized and directed to certify a copy of this ordinance for recordation in the Deed Records of Dallas County, Texas, which certified copy shall be delivered to the Director of Department of Sustainable Development and Construction, or designee. Upon receipt of the fees pursuant to Section 3 of this ordinance, an acceptable certificate of insurance and the fee for publishing this ordinance which **GRANTEE** shall likewise pay, the Director of Department of Sustainable Development and Construction, or designee, shall deliver to **GRANTEE** the certified copy of this ordinance. The Director of Department of Sustainable Development and Construction, or designee, shall be the sole source for receiving certified copies of this ordinance for one year after its passage.

**SECTION 13.** That this ordinance is also designated for City purposes as Contract No. DEV-2018-00006690.

**SECTION 14.** That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:  
LARRY E. CASTO, City Attorney

DAVID COSSUM, Director  
Department of Sustainable Development and  
Construction

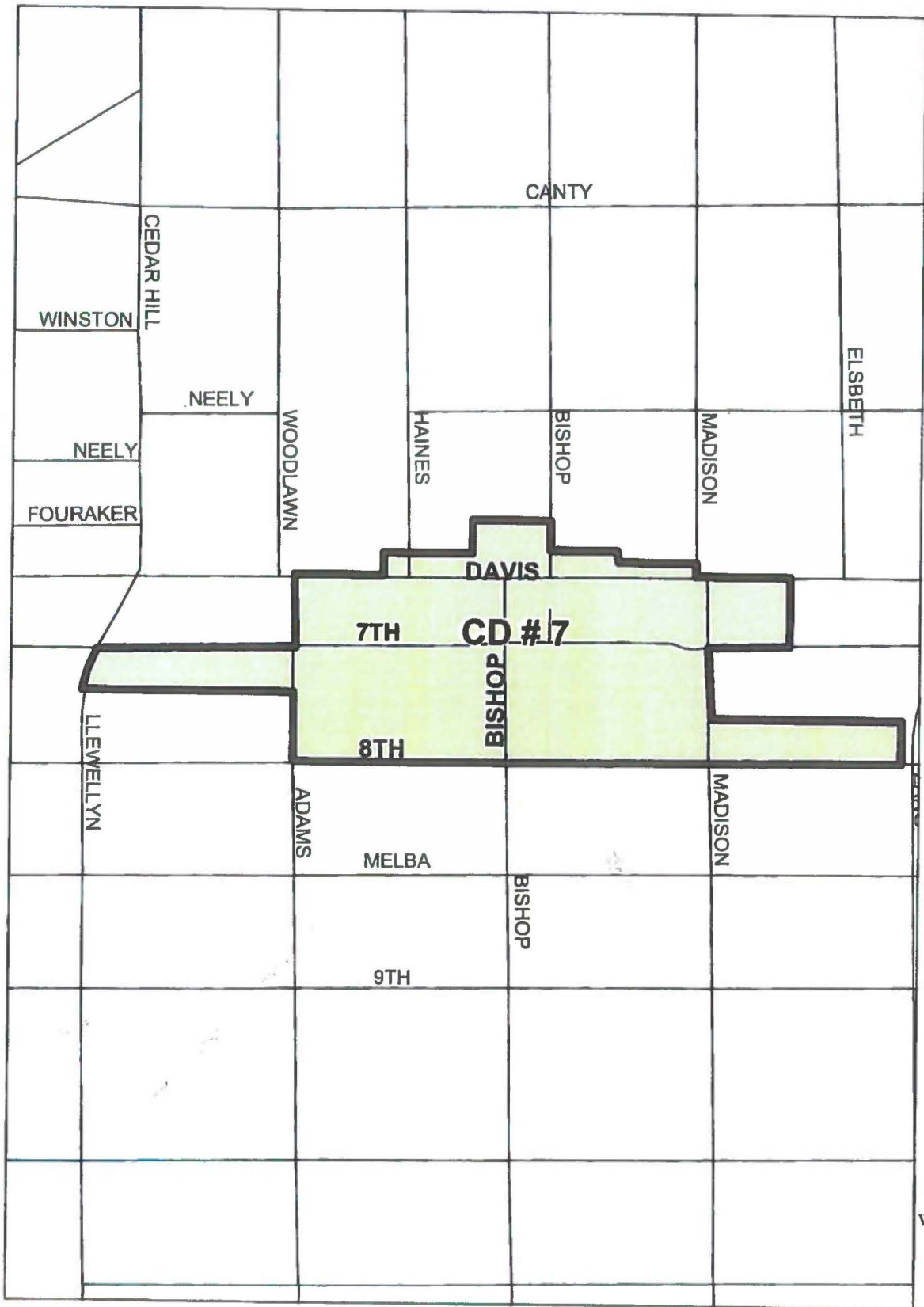
BY:  Assistant City Attorney  
BY:  Assistant Director  
SOR

Passed \_\_\_\_\_.

# Exhibit A

## Bishop/8th Conservation District

### CD #7 Boundaries





**EXHIBIT B  
COMMERCIAL ENTITY  
ADDITIONAL LICENSE PROVISIONS**

That this license is granted subject to the following additional conditions, terms and reservations:

- (a) That at such time as this license is terminated or canceled for any reason whatsoever, **GRANTEE**, upon orders issued by the City acting through the Director of Sustainable Development and Construction, or designee, shall remove all installations, improvements and appurtenances owned by it situated in, under or attached to the licensed area, and shall restore the premises to its former condition in accordance with the requirements of the Director of Sustainable Development and Construction at the sole cost of **GRANTEE**. In the event, upon termination of this license, **GRANTEE** shall fail to remove its installations, improvements and appurtenances and to restore the licensed area in compliance with orders issued by City, or such work is not done to the satisfaction of the Director of Sustainable Development and Construction, then in either event the City shall have the right to do all work necessary to restore said area to its former condition or cause such work to be done, and to assess the cost of all such work against **GRANTEE**; in neither event shall the City of Dallas be liable to **GRANTEE** on account thereof.
- (b) It is further understood that if and when the City of Dallas, in the exercise of its discretion, shall determine that the grade of any street, sidewalk or parkway should be modified or changed, or that any other work should be done in connection with any public improvement which will affect the licensed area, and/or any of **GRANTEE's** installations and improvements thereon, any modifications or changes to **GRANTEE's** facilities in the licensed area or in construction or reconstruction of any public improvement attributable to **GRANTEE's** use of the licensed area and/or its installations and improvements thereon, shall be made at the sole expense of **GRANTEE** and to the satisfaction of the Director of Sustainable Development and Construction.
- (c) At such time as this license is granted, it is agreed, and a condition hereof, that **GRANTEE** shall procure and keep in full force and effect **Commercial General Liability Insurance** coverage issued by an insurance company authorized and approved by the State of Texas, acceptable to the City of Dallas and issued in the standard form approved by the Texas Department of Insurance. The insured provisions of this policy must name the City of Dallas as an additional insured protecting the City of Dallas against any and all claims for damages to persons or property as a result of or arising out of the use, operation and maintenance by **GRANTEE** of the licensed area and **GRANTEE's** installations, improvements, landscaping and equipment in connection therewith and located therein. The Commercial General Liability coverage must include, but not limited to, Premises/Operations, Independent Contractors and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of not less than \$500,000 per occurrence and \$500,000 annual aggregate. This insurance shall also include coverage for underground, explosion and collapse hazards (i.e. not excluded). If this insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than

**EXHIBIT B  
COMMERCIAL ENTITY  
ADDITIONAL LICENSE PROVISIONS**

twelve (12) months following termination of this license and removal of the installations, improvements and appurtenances and restoration of the licensed area pursuant to paragraph (a) above. Coverage, including any renewals, shall contain the same retroactive date as the original policy applicable to this license. The City of Dallas reserves the right to review the insurance requirements set forth herein during the effective term of the license and to adjust insurance coverages and their limits when deemed necessary and prudent by the City of Dallas' Risk Management based upon changes in statutory law, court decisions, or the claims history of the industry as well as the City of Dallas.

1. **GRANTEE** agrees that with respect to the above required insurance, all insurance contracts and certificates of insurance will contain and state, in writing, that coverage shall not be canceled, nonrenewed or materially changed except after thirty (30) days written notice by certified mail to Department of Sustainable Development and Construction.
  2. **GRANTEE** shall carry said insurance at its expense and shall furnish the City of Dallas proof of such insurance. In the event said insurance should terminate during the licensing term hereof, or **GRANTEE** fails to furnish proof of insurance coverage in accordance with the specifications as required by this section, the Director of Sustainable Development and Construction, or designee, may terminate the license granted herein.
- (d) **GRANTEE** is prohibited from using the licensed area in any manner which violates Federal, State or local laws, regulations, rules and orders, regardless of when they become or became effective, including without limitation, those related to health, safety, noise, environmental protection, waste disposal and water and air quality, and shall provide satisfactory evidence of compliance upon the request of the City of Dallas. Should any discharge, leakage, spillage, emission or pollution of any type occur upon or from the licensed area due to **GRANTEE's** use and occupancy thereof, **GRANTEE**, at its expense, shall be obligated to clean up the licensed area to the satisfaction of the City of Dallas and any governmental body having jurisdiction thereover. The City of Dallas may, at its option, clean the licensed area. If the City of Dallas elects to do so, **GRANTEE** shall promptly pay to the City of Dallas the reasonable cost of such cleanup upon receipt of bills therefore. **GRANTEE** agrees that the indemnity provisions contained in paragraph (g) herein shall be fully applicable to the requirements of this paragraph, in event of **GRANTEE's** breach of this paragraph, or as a result of any such discharge, leakage, spillage, emission or pollution arising out of the **GRANTEE's** use of the licensed area.
- (e) This license is subject to all State laws, the provisions of the Charter of the City of Dallas as it now exists, or may hereafter be adopted or amended, and the ordinances of the City of Dallas now in effect or those which may hereafter be passed or adopted. The City of Dallas shall have the right to increase or decrease the compensation to be charged for the use contemplated by this grant in

**EXHIBIT B  
COMMERCIAL ENTITY  
ADDITIONAL LICENSE PROVISIONS**

accordance with the provisions of the Dallas City Code as it now exists, or as may hereafter be adopted or amended.

- (f) The Governing Body of the City of Dallas reserves the right, at any time without notice, to terminate and cancel this license, by resolution, upon a finding by the Governing Body that this license is inconsistent with the public use of the property or whenever the purpose or use of the license is likely to become a nuisance and all rights granted hereunder shall thereupon be considered fully terminated and canceled and the City of Dallas shall not be held liable by reason thereof. The decision of the Governing Body of the City in this matter shall be final and binding upon all parties insofar as the City's determination as to whether the **GRANTEE's** use of this license constitutes a nuisance or is inconsistent with the public use of the property.
- (g) As a condition hereof, **GRANTEE** agrees and is bound to defend, indemnify and hold the City of Dallas, its officers, agents and employees, harmless against any and all claims, lawsuits, judgments, costs and expenses for bodily injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons, that may arise out of or be occasioned by the use, occupancy and maintenance of the licensed area or **GRANTEE's** installations and improvements within the licensed area, from any act or omission of any representative, agent, customer and/or employee of **GRANTEE**, or by **GRANTEE's** breach of any of the terms or provisions of this license, or by any negligent or strictly liable act or omission of **GRANTEE**, its officers, agents, employees or contractors in the use, occupancy and maintenance of **GRANTEE's** installations and improvements within the licensed area; except that the indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence or fault of the City of Dallas, its officers, agents, employees or separate contractors, and in the event of joint and concurring negligence or fault of both the **GRANTEE** and the City of Dallas, responsibility and liability, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, without, however, waiving any governmental immunity available to the City of Dallas under Texas law and without waiving any defenses of the parties under Texas law. This obligation to indemnify and defend shall also include any claim for damage that any utility or communication company, whether publicly or privately owned, may sustain or receive by reason of **GRANTEE's** use of the licensed area or **GRANTEE's** improvements and equipment located thereon. In addition to the foregoing, **GRANTEE** covenants and agrees never to make a claim of any kind or character whatsoever against the City of Dallas for damage of any kind that it may suffer by reason of the installation, construction, reconstruction, operation or maintenance of any public improvement, utility or communication facility on the licensed area, whether presently in place or which may in the future be constructed or installed, including but not limited to, any water or wastewater mains or storm sewer facilities, regardless of whether such damage is due to

**EXHIBIT B  
COMMERCIAL ENTITY  
ADDITIONAL LICENSE PROVISIONS**

flooding, infiltration, backflow or seepage caused from the failure of any installation, natural causes, City's negligence, or from any other cause whatsoever.

- (h)** This license is subject to any existing utilities or communication facilities, including drainage, presently located within the licensed area, owned and/or operated by the City of Dallas or any utility or communications company, public or private, and to any vested rights presently owned by an utility or communications company, public or private, for the use of the licensed area for facilities presently located within the boundaries of said licensed area. It is the intent of the foregoing that this permission herein is made expressly subject to the utilization of the licensed area for communication and utility purposes, both public and private, including drainage, over, under, through, across and along the licensed area. No buildings shall be constructed or placed upon, over or across the licensed area in such a manner as to interfere with the operation of any utilities and communication facilities. All and any communication company and utility, both public and private, shall have the right to remove and keep removed all or parts of any buildings which may in any way endanger or interfere with the construction, maintenance or efficiency of its respective systems within the licensed area. All communication companies and utilities, both public and private, shall have the full right to remove and keep removed all parts of any buildings, fences, trees, or other improvements or growths which in any way may endanger or interfere with the construction, maintenance and efficiency of its respective system and shall at all times have the full right of ingress and egress to or from and upon the licensed area for the purpose of constructing, relocating, inspecting, patrolling, maintaining and adding to or removing all or part of its respective systems without the necessity at any time of procuring the permission of anyone.

**STRATEGIC PRIORITY:** Human and Social Needs

**AGENDA DATE:** June 27, 2018

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services  
Office of Cultural Affairs  
Mayor and City Council Office

**CMO:** Elizabeth Reich, 670-7804  
Joey Zapata, 670-1204  
T.C. Broadnax, 670-3297

**MAPSCO:** N/A

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**SUBJECT**

**Food & Beverage Services for the Office of Cultural Affairs**

- \* Authorize a five-year concession contract, with five one-year renewal options, for food and beverage services at the Morton H. Meyerson Symphony Center and Moody Performance Hall – Culinaire International, Inc., most advantageous proposer of three - Estimated Average Annual Net Revenue: \$536,669 (63 percent net revenue-share to the City)
- \* Authorize a five-year service contract, with five one-year renewal options, for catering services for City Council lunches - Culinaire International, Inc., most advantageous proposer of two - Not to exceed \$132,225 - Financing: General Funds (subject to annual appropriations)

**BACKGROUND**

This concession contract will provide for food and beverage services at the Morton H. Meyerson Symphony Center and Moody Performance Hall. Food and beverage services are provided prior to and at intermission for most events at these venues. Services at the Morton H. Meyerson Symphony Center include upscale dining in the Opus Restaurant, lighter fare in the Pavilion, bar services, and catering services are available for special events. At the Moody Performance Hall, services primarily consist of bar and snack services.

**BACKGROUND** (continued)

This concession contract includes a management fee as well as the revenue split of 63 percent net revenue to the City. In addition to the \$100,000 capital investment required by the City, the vendor will make a one-time \$150,000 capital investment payment. Capital improvements/enhancements to both venues will immediately become the property of the City. Proposed capital improvements include:

- Upgrade/replacement of current tables and chairs in the Morton H. Meyerson Symphony Center Opus area
- New point of sale systems for both the Morton H. Meyerson Symphony Center and the Moody Performance Hall
- Replacement of all china, glassware, and flatware in the Morton H. Meyerson Symphony Center and the Moody Performance Hall
- New concession service equipment and portable bar modifications along with new refrigeration units for the Moody Performance Hall

A separate five-year service contract will provide catering services for City Council lunches. The Mayor and City Council members are often expected to work through lunch on Council briefing and agenda days. Therefore, in order to maintain work flow and convenience for the City Council members, lunch is to be provided to Council on these days. The estimated number of individuals served is 30 per lunch. Approximately four catered lunches are expected each month, with the exception of the months of March, July, November, and December.

A six member committee from the following departments reviewed and evaluated the qualifications:

- Park and Recreation Department (2)
- Office of Cultural Affairs (2)
- Department of Equipment & Building Services (1)
- Office of Procurement Services (1)\*

\*The Office of Procurement Services only evaluated the revenue and cost.

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

- Fee and revenue share 40 points
- Overall approach and methodology 40 points
- Capability and experience 20 points

**BACKGROUND** (continued)

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 972 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

On November 10, 2015, City Council authorized the wage floor rate of \$10.94, by Resolution No. 15-2141; the selected vendor meets this requirement.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

The Government Performance & Financial Management Committee will receive this item for consideration on June 18, 2018.

**FISCAL INFORMATION**

General Funds - \$132,225.00 (subject to annual appropriations)  
Estimated Average Annual Net Revenue - \$536,669.20

**M/WBE INFORMATION**

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$536,669.20	Revenue	N/A	N/A	N/A

- The Business Inclusion and Development Plan does not apply to Revenue contracts, however, the prime contractor is a certified M/WBE

## **PROPOSAL INFORMATION**

The Office of Procurement Services received the following proposals from solicitation number BTZ1722. We opened them on September 29, 2017. We recommend the City Council award this concession contract and service contract to the most advantageous proposers by group.

\*Denotes successful proposer

<b><u>Proposers</u></b>	<b><u>Address</u></b>	<b><u>Score</u></b>	<b><u>Amount</u></b>
*Culinaire International, Inc.	8303 Elmbrook Dr. Dallas, TX 75247	Group 1 – 96.40 Group 2 – 96.40	\$2,683,346.02 (Revenue) \$ 132,225.00 (Cost)
Sodexo Service of Texas Limited Partnership Option 1	3020 Woodcreek Dr. Suite B Downers Grove, IL 60515	Group 1 – 80.56 Group 2 – No bid	\$2,224,266.40 (Revenue) No Bid
Sodexo Service of Texas Limited Partnership Option 2	3020 Woodcreek Dr. Suite B Downers Grove, IL 60515	Group 1 – 81.64 Group 2 – No bid	\$2,296,766.40 (Revenue) No Bid
Café Nostra Piaaz LP, dba CN Catering	2115 Butler St. Dallas, TX 75235	Group 1 – 73.16 Group 2 – 62.56	\$2,372,273.64 (Revenue) \$ 213,602.50 (Cost)

## **OWNER**

### **Culinaire International, Inc.**

Richard N. Gussoni, President  
Charles F. Lafrano, Secretary



June 27, 2018

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to sign a concession contract with Culinaire International, Inc. (500344), approved as to form by the City Attorney, for food and beverage services at the Morton H. Meyerson Symphony Center and Moody Performance Hall for a term of five years, with five one-year renewal options, in an estimated average annual net revenue amount of \$536,669.20 (63 percent net revenue-share to the City). If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to Culinaire International, Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by Culinaire International, Inc. under the contract.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to receive and deposit all revenues received from Culinaire International, Inc. to Fund 0001, Department OCA, Unit 4820, Revenue Code 7824, Encumbrance/Contract No. OCA-2018-00006050.

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

June 27, 2018

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to sign a service contract with Culinaire International, Inc. (500344), approved as to form by the City Attorney, for catering services for City Council lunches for a term of five years, with five one-year renewal options, in an amount not to exceed \$132,225. If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to Culinaire International, Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by Culinaire International, Inc. under the contract.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$132,225 (subject to annual appropriations) from Master Agreement Service Contract No. MCC-2018-00006801.

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.