November 27, 2013

To: Tennell Atkins (Chair), Rick Callahan (Vice Chair), Scott Griggs, Adam Medrano, Jerry Allen, Lee Kleinman

Subject: Vogel Alcove Expansion: New Market Tax Credit

At the December 11 Council meeting, you will consider authorizing a New Markets Tax Credit (NMTC) transaction between the Dallas Development Fund (DDF), J.P. Morgan Chase (Chase), and Vogel Alcove (Developer) for the renovation of property located at 1738 Gano St, as well as additional operating expenses to support the expansion by Vogel Alcove (Project).

The City of Dallas authorized the creation of the Dallas Development Fund (DDF), a non-profit Community Development Entity (CDE), on February 11, 2009, to apply for and eventually operate a New Markets Tax Credit (NMTC) allocation from the U.S. Department of Treasury's Community Development Financial Institutions Fund in its 2009 funding cycle. DDF was awarded a $55 million allocation under the 2009 cycle, and awarded that allocation to four projects from 2011-2013. DDF applied for additional allocation in 2012, and was awarded $30 million under the 2012 funding cycle.

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

On November 25, 2013, DDF considered and unanimously approved a NMTC transaction between DDF, Chase, and the Developer. This NMTC project will use $6 million of DDF's $30 million NMTC allocation; Chase will invest up to $6.0 million in NMTC allocation from DDF, which will in turn generate approximately $1.922 in NMTC equity for the benefit of the Project. The total project cost is approximately $6 million.

Vogel Alcove serves Dallas' homeless population by providing free childcare to homeless children, which allows their parents to focus on rebuilding their lives. This NMTC transaction will allow Vogel Alcove to relocate its facilities to the former City Park Elementary school. The new facility will increase Vogel Alcove's capacity, reduce the number of waitlisted children, and allow expanded services to be offered, especially related to family support. Vogel Alcove is located in a highly distressed census tract, with a 30% poverty rate.

The community benefits from this project include the following:

- Early Childhood Services: expanded childcare for children ages 6 months to 5 years. At the new facility, Vogel Alcove can serve an additional 32 children. They also screen and address (as needed) developmental delays and disorders for these young children.

Dallas-Together, we do it better
• After School Programs: A new after school program to provide care and educational programming to 25 homeless elementary school children.
• Family Support Services: Each family is assigned a case manager, and parents have access to training, job search assistance, child care assistance and referrals to other community resources.
• Healthcare: Through a partnership with Parkland’s Homeless Outreach Medical Services (HOMES) and Community Dental Care, children can receive free well-child check-ups, treatments, immunizations, referrals and dental care.

Without NMTC assistance, Vogel Alcove's expansion in its facility would take substantially longer. Vogel has a current waitlist of over 40 children for its day care offerings, and has a need to offer expanded services. The NTMC funding allows these services to be offered sooner than if Vogel Alcove was 100% dependent on its capital campaign. DDF's funding helps address funding challenges related to build-out, operating expenses, and expanded services.

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

Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Rosa Rios, City Secretary
Warren M.S. Ernst, City Attorney
Judge Daniel Solis, Administrative Judge Municipal Court
Craig Kinton, City Auditor
Frank Librio, Public Information Officer
Ryan S. Evans, Interim 1st Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Mgr.
Theresa O'Donnell, Interim Assistant City Mgr.
Jeanne Chipperfield, CFO, OFS
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO

Dallas-Together, we do it better
DATE    November 27, 2013
TO      Tennell Atkins (Chair), Rick Callahan (Vice Chair), Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman
SUBJECT  Consultant Selection for Public Awareness and Marketing Assistance to Complement GrowSouth

At the December 11th Council meeting, you will consider authorizing a one-year service contract not to exceed $250,000 for public awareness, advertising and marketing related to GrowSouth with Allyn Media.

This service contract will allow the Office of Economic Development in partnership with the Mayor’s Office and the Public Information Office to hire a media and marketing firm to provide strategic, creative, interactive, media and public relation services related to the Mayor’s GrowSouth campaign. The deliverables will include research and planning, creative development, marketing communications, media placement and public relations. City funds are supporting working media only. The creative development is being provided pro-bono.

The Mayor launched his GrowSouth campaign in February 2012, with a focus on smartly developing Southern Dallas. GrowSouth is a comprehensive strategy to build a foundation for sustainable growth which includes key projects that can serve as catalysts for development in key areas. The City has presented a work plan that supports what they can accomplish as part of “GrowSouth” including short term and long term infrastructure and capital improvements that will support and enhance growth in Southern Dallas. The media campaign will focus on paving the way for new perceptions of Southern Dallas.

On July 18, 2013, the City of Dallas issued a Request For Proposal seeking proposals from professional marketing firms to develop a targeted public awareness campaign to complement the branding efforts of the Mayor’s GrowSouth initiative. A six member evaluation committee was selected from the following departments: the Office of Economic Development, the Dallas Police Department, the Public Information Office, Mayor’s Office, Strategic Customer Services and Business Development and Procurement Services (Business Development and Procurement Services only evaluated the proposed pricing.)

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Pricing: services provided within a fixed budget  (30 points)
- Quality of prior campaigns and qualifications of key staff (25 points)
- Responsiveness to proposal, proposed method for conducting campaigns and project plan (25 points)
- Experience in the last five years with development of public awareness or advertising campaign as the primary business focus (20 points)
As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 1,639 email solicitation notifications to vendors registered under respective commodities. Additionally, in an effort to secure more proposal responses, notifications were sent by the BDPS' ResourceLink Team (RLT) to 25 Chambers of Commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

Allyn Media from Dallas, TX was determined to be the most advantageous proposer of seven, and Council is asked to authorize a $250,000 service contract for a one year term. The $250,000 reflects the working media budget.

The scores and address of the respondents are below.

*Denotes successful proposer

<table>
<thead>
<tr>
<th>Proposers</th>
<th>Address</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Allyn Media</td>
<td>3232 McKinney Ave.</td>
<td>87.29</td>
</tr>
<tr>
<td></td>
<td>Suite 660</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dallas, TX 75204</td>
<td></td>
</tr>
<tr>
<td>Time Warner Cable</td>
<td>5001 Spring Valley Rd.</td>
<td>86.09</td>
</tr>
<tr>
<td>Media</td>
<td>Suite 300E</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dallas, TX 75244</td>
<td></td>
</tr>
<tr>
<td>Moatsworks Studios,</td>
<td>1568 Sandston Dr.</td>
<td>82.20</td>
</tr>
<tr>
<td>LLC</td>
<td>Frisco, TX 75034</td>
<td></td>
</tr>
<tr>
<td>aMAEzing, LLC</td>
<td>215 N. Center St.</td>
<td>70.53</td>
</tr>
<tr>
<td></td>
<td>Suite 1507</td>
<td></td>
</tr>
<tr>
<td></td>
<td>San Antonio, TX 78202</td>
<td></td>
</tr>
<tr>
<td>Enigma, LLC</td>
<td>100 Crescent Court</td>
<td>67.45</td>
</tr>
<tr>
<td></td>
<td>Suite 700</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dallas, TX 75201</td>
<td></td>
</tr>
<tr>
<td>Marcus Graham Project</td>
<td>1409 S. Lamar St.</td>
<td>64.01</td>
</tr>
<tr>
<td></td>
<td>Suite 108</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dallas, TX 75215</td>
<td></td>
</tr>
<tr>
<td>Adbongo, Inc.</td>
<td>2626 Valley View Lane</td>
<td>40.66</td>
</tr>
<tr>
<td></td>
<td>Dallas, TX 75234</td>
<td></td>
</tr>
</tbody>
</table>

Dallas-Together, we do it better
Should you have any questions or concerns, please contact me at (214) 670-3296.

Ryan S. Evans  
Interim First Assistant City Manager

cc:  A.C. Gonzalez, Interim City Manager  
Warren M. S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge  
Rosa A. Rios, City Secretary  
Craig D. Kinton, City Auditor  
Jill A. Jordan, P. E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Librio, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council
DATE: November 27, 2013

TO: Members of the Economic Development Committee: Tennell Atkins (Chair), Rick Callahan (Vice Chair), Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman

SUBJECT: 711 Elm Street Development Agreement – Downtown Connection TIF District; December 11, 2013 City Council Agenda

The Lamar Corridor/West End Sub-district of the City Center TIF District was created to expand the downtown core and redevelopment momentum to the West End. Redevelopment of surface parking lots, vacant or mostly vacant buildings in the West End area is possible with some public investment.

The proposed project will complete improvements to the façade, vacant ground floor retail space and outdoor public area of the building located at 711 Elm Street. The building is adjacent to the historic West End, West End DART Rail Station, and is across the street from El Centro College. The ground floor retail space accounts for 6,600 square feet. Currently 3,600 square feet of the ground floor space is occupied by a 7-11 and small restaurant. The upper floors of the building are used for parking. The ground floor retail and parking garage serves El Centro College students, faculty and staff, visitors to the West End, commuters on the DART Rail line and Downtown employees working in office buildings nearby.

The building has approximately 3,000 square feet of vacant ground floor space that faces Austin Street, directly adjacent to the West End DART Rail Station. Staff is proposing, through the use of TIF funds for the project, to reimburse the developer’s costs to activate Austin Street with enhanced streetscape that the developer would not install otherwise and renovation of the vacant space. These improvements will improve pedestrian connectivity to the rail station. TIF funds will not be used to reimburse any parking renovation costs.

The project is scheduled to be reviewed by the Landmark Commission on January 6, 2013, to ensure its design complies with the West End District Historical Design Guidelines. Approval of the project’s design by the Landmark Commission and issuance of a Certificate of Appropriateness is a requirement of TIF funding.

The total project cost for the redevelopment project is $562,323. TIF funding for the project is proposed to be a maximum of $124,000, of which $50,000 is in the form of an Economic Development TIF Grant. TIF funding will reimburse project costs for demolition, façade improvements, and Austin Street streetscape improvements. The proposed improvements to Austin Street would not occur but for, TIF participation.

The 711 Elm Street redevelopment project is consistent with the Downtown Dallas 360 Plan’s vision for revitalization of the West End area and adds to the area’s development momentum.

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

Ryan S. Evans
Interim First Assistant City Manager
C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Rosa Rios, City Secretary
Warren M.S. Ernst, City Attorney
Judge Daniel Solis, Administrative Judge Municipal Court
Craig Kinton, City Auditor
Frank Librio, Public Information Officer
Forest E. Turner, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Mgr.
Jeanne Chipperfield, CFO, OFS
Karl Zavtkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO
DATE November 27, 2013

To
Members of the Economic Development Committee: Tennell Atkins (Chair), Rick Callahan (Vice Chair)
Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman

SUBJECT Aloft Hotel Development Agreement Amendment — Downtown Connection TIF District;
December 11, 2013 City Council Agenda

The Aloft Hotel TIF project was completed May of 2010. Current DCAD assessed value (stabilized) for
the project is $13.7M, which is 87% of Staff’s original estimated value for the project ($15.8M). Staff has
proposed and the developer has agreed to a reduced TIF award of $3,734,419, which is 87% of the
developer’s requested amendment. This results in a cost savings of $559,845 from the budgeted TIF
expenditure.

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

Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Rosa Rios, City Secretary
Warren M.S. Ernst, City Attorney
Judge Daniel Solis, Administrative Judge Municipal Court
Craig Kinton, City Auditor
Frank Librio, Public Information Officer
Forest E. Turner, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Mgr.
Jeanne Chipperfield, CFO, OFS
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO
DATE November 27, 2013

TO Members of the Economic Development Committee: Tennell Atkins (Chair), Rick Callahan (Vice Chair) Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman

SUBJECT LTV Tower (1600 Pacific Ave.) Redevelopment Project Deadline Extension – Downtown Connection TIF District; December 11, 2013 City Council Agenda

On May 22, 2013, City Council approved various agreements associated with the LTV Tower redevelopment project. These agreements established deadlines for certain benchmarks to occur as the project progressed. Since Council’s approval, First National Bank of Edinburg, the bank that held the note for the building, failed.

On September 16, 2013, the Federal Deposit Insurance Corporation (FDIC) took over First National Bank of Edinburg (FNB). In the takeover, a portion of the FNB’s assets and liabilities were assumed by Plains Capital Bank, with the remainder of the assets, including the FNB’s mortgage on the LTV Building were assumed by the FDIC as receiver. The bank takeover and subsequent negotiations with the FDIC necessitates an extension to allow the developer, 1600 Pacific Landlord, LLC (parent company HRI Properties), time to close the financing for the redevelopment project.

The following project deadlines are requested to be extended from December 31, 2013, to June 30, 2014 (6 months):
- effective date of the project’s eligibility for reimbursement
- building acquisition and project construction financing closing date
- building/demolition permit and start of construction date

The following project deadlines are requested to be extended from December 31, 2015 to June 30, 2016 (6 months):
- completion of construction and final acceptance date of public infrastructure improvements
- execution of an Operation and Maintenance agreement for public infrastructure improvements

To date, the developer has negotiated a Tri-Party agreement with the FDIC and Ricchi Dallas Investments, LLC, whereby at closing, the FDIC will release its first mortgage lien on the building in exchange for a cash payment plus a pledge of the TIF funding approved for the project. The developer has also applied for a building permit with the City on October 30, 2013, executed a franchise agreement with a hotel brand, received a term sheet for a construction/mini-permanent loan with a formal commitment expected by November 30, 2013, executed a term sheet with its equity partner and received a term sheet for its historic tax credit investor.

The redeveloped building will include 171 hotel rooms with small meeting space and 186 luxury apartment units. Parking located within in the building on floors 2 through 4 will be dedicated to residents of the building, while parking space under the building will service hotel guests.

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

Ryan S. Evans
Interim First Assistant City Manager
C: The Honorable Mayor and Members of the City Council
   A. C. Gonzalez, Interim City Manager
   Rosa Rios, City Secretary
   Warren M.S. Ernst, City Attorney
   Judge Daniel Solis, Administrative Judge Municipal Court
   Craig Kinton, City Auditor
   Frank Librio, Public Information Officer
   Forest E. Turner, Assistant City Manager

   Jill A. Jordan, P.E., Assistant City Manager
   Joey Zapata, Assistant City Manager
   Charles M. Cato, Interim Assistant City Manager
   Theresa O'Donnell, Interim Assistant City Mgr.
   Jeanne Chipperfield, CFO, OFS
   Karl Zavitkovsky, Director, OED
   J. Hammond Perot, Assistant Director, OED
   Elsa Cantu, Assistant to the CMO