

FY 2003-2004

**ANNUAL REPORT
REINVESTMENT ZONE NUMBER THREE**

**OAK CLIFF GATEWAY
TAX INCREMENT FINANCING DISTRICT**



CITY OF DALLAS

Development Services Department
1500 Marilla, 5CS
Dallas, Texas 75201
(214) 670-1685

October 1, 2003 – September 30, 2004

Mission Statement

The mission of Reinvestment Zone Number Three, Oak Cliff Gateway Tax Increment Financing District (Oak Cliff Gateway TIF) is the promotion of the redevelopment, growth and stabilization of the Oak Cliff Gateway TIF District area. Accompanying goals are (1) growth of the value of the area's tax base through the promotion of residential and retail development and a positive reversal of urban decay through the planning and placement of critical infrastructure improvements and (2) the implementation of the pertinent recommendations of the Urban Land Institute (ULI) Study on the tracts of land composing the northern and northwestern portions of the District, and (3) the establishment of direct linkages with the Trinity River Corridor and the capitalization of that effort for the promotion of growth and development in the District.

Oak Cliff Gateway TIF District Accomplishments

During the fiscal year 2003-2004, on behalf of the Oak Cliff Gateway TIF Board of Directors, the staff tracked the completion of the construction contract for the Oak Cliff Gateway TIF Project. This project included, street reconstruction, driveway and turn cuts, sidewalk curb and gutter, pedestrian lighting, street trees, landscaping and irrigation on Greenbriar and Tilden Streets and the construction of turn cuts and shadow turn improvements on Zang Boulevard. The replacement of water and wastewater infrastructure on Greenbriar Street as a part of the construction was supported by the City of Dallas Water Utilities Capital Improvement Program, and brought the total cost of the Oak Cliff TIF Project to \$1,964,830. The project was completed during the second quarter, FY 2003-2004. JPI completed construction of Jefferson at Founder's Park, Phase II (338 units) at the beginning of the second quarter of 2003-2004.

During FY 2003-2004, the staff continued to market the Oak Cliff Gateway District as a whole as well as several specific tracts of land and structures. The efforts resulted in project concepts, research and preliminary proposals for new construction involving two residential developments on Greenbriar Lane between Dealy Street and Zang Boulevard and the renovation of the Lake Cliff Tower facility accompanied by new construction of a retail component on adjoining and adjacent property. These announced projects have produced significant interest in the District from local and out of state residential and retail developers.

Projects with direct or planned/envisioned TIF financial assistance are shown in bold type. All completed, under-construction or planned TIF District development projects are as indicated below.

PROJECT	USE	APPROX. INV.	TIF INV.	STATUS	YR COMPL
The Catering Company 1407 N. Zang Boulevard	Com.	\$500,000		Complete	1998
Kclinic 214 W. Colorado Boulevard	Off/prof.	\$420,930		Complete	1998
ChildCare 1321 N. Zang Boulevard	Com.	\$144,090		Complete	1999
Walgreen's 1306 N. Beckley Avenue	Retail	\$3,200,000	\$38,976	Complete	1999
Advantage Charter School 808 N. Ewing Street	Com.	\$2,000,000		Complete	2000
Oak Farms Dairy 1016 N. Lancaster Street	Com.	\$8,000,000		Complete	2000
1322 N. Beckley Ave. (Options Real Estate)	Off/prof., Res.	\$275,000		Complete	2002
203 E. Colorado Boulevard (Barr property)	Off/prof.	\$1,000,000		Complete	2003
**JPI Ph I & II 1600 N. Beckley Avenue	Multi-family	\$52,000,000	\$2,900,000 (tax abatement)	Complete - 674 units	2004
Oak Cliff TIF Project Greenbriar Lane	Infrastr., streetscape		\$1,964,830	Complete	2004
Colorado Boulevard Street Improvement Project	Infrastr., street-scape		\$2,900,000	Construction Started – 09/02	2004 (Dec.)
*Trinity Townhomes 431 E. Greenbriar Ln.	Residential	\$10,000,000	None	Planned	2006
*Beckley Properties	Retail/Off	\$1,500,000	\$450,000	Planned	2006 (est.)
*Lake Cliff Tower 329 E. Colorado Blvd.	Res./ Retail	\$19,000,000	\$4,100,000 *** \$370,000	Planned	2006 (est.)
*Greenbriar Mid-rise 415 E. Greenbriar Ln.	Residential Office	\$15,000,000	None	Planned	2008 (est.)
* Burnett Field	Mixed Use, High Density	\$60,000,000	Est. \$2,000,000	Planned	2009 (est.)
TOTAL		\$173,040,020	\$14,723,806		

*TIF participation pending

** Out of TIF District

*** Other City Funds

TIF District Investment Summary

\$ 15,540,020	Completed
\$105,500,000	Planned
\$ 52,000,000	Out of the TIF District

Jefferson at Kessler Heights - Phase I 1604 N. Beckley Avenue



Jefferson at Founders Park – Phase II



Oak Cliff Gateway TIF District



□ TIF Boundary



December 9, 1999

Value and Increment Revenue Summary

The Oak Cliff Gateway TIF District's assessed 2004-tax value was \$55,722,366. This represents an increase of \$17.1 million over the assessed value of the base year (1992) value, 44.47%, and a \$2.9 million increase (5.54%) from the total for the previous year. The captured increment will still result in the collection of approximately \$373,576 in incremental revenue for the Oak Cliff Gateway TIF District.

Objectives, Programs and Success Indicators

In 1992, the Oak Cliff Gateway Area Tax Increment Financing Reinvestment Zone was created by the City Council and Oak Cliff Gateway TIF District Board of Directors appointed. In February 1997, the Project Plan and Reinvestment Zone Financing Plan for the Oak Cliff Gateway TIF was adopted by the City Council. In December 1998 the TIF Project Plan and Reinvestment Zone Financing Plan was amended and the boundary was changed by the City Council to exclude property for development as a catalyst for the area. These actions set and maintained the goals for the TIF District -

- Make the Oak Cliff Gateway Community a safer place to live and work.
- Make it easier to access the Oak Cliff Gateway Community.
- Improve the image of the Oak Cliff Gateway Community.
- Take advantage of the existing building stock in the area.
- Diversify land uses in the area.
- Take advantage of Lake Cliff Park and the public amenities.
- Take advantage of Methodist Medical Center and its anchor effect for the area.
- Improve all public utilities.

The following specific objectives and development program set the framework for the planned public improvements within the Oak Cliff Gateway TIF District and, in *italics*, specific actions by the Board addressing these objectives:

- Improve the infrastructure within and adjacent to the District to promote investment.

Street reconstruction projects on Beckley Avenue, Zang Boulevard and Jefferson Boulevard were completed and closed out in early October 2000. The Colorado Boulevard improvement Project (I-35 to Blaylock Street) started construction in September 2002 and will be completed by December 2004. The Colorado Boulevard project was delayed by right-of-way, utility clearance and survey issues. The \$1,500,000 million Oak Cliff TIF Project, related to the JPI development, was awarded and started construction in April of 2001 with the initial work focusing on the required storm water improvements on Greenbriar Street and the reconstruction of Tilden Street from Beckley Avenue to its terminus at Oakenwald Street. The project was expanded to \$1,900,000+ million with the addition of Water Capital Improvement Program dollars for the replacement of water and wastewater lines along the length of Greenbriar Street. The project was substantially complete in June of 2003, and completed with distinctive pedestrian lighting and street trees in February 2004.

Greenbriar Lane



- Add 500 market rate apartments.
The planning and coordination for JPI-Jefferson at Kessler Park (Phase I – 338 units) involving a total of 674 upscale apartments was completed in early 2000-2001. Construction began in November 2000. JPI - Jefferson at Kessler Heights, Phase I, was completed in June 2002. As of September 30 2003, Phase I was 95 percent leased. JPI - Jefferson at Founder's Park, Phase II, (336 units) began construction in November 2002 and was substantially completed prior to December 31, 2003. As of September 30, 2004, Phase II was 94 percent leased. The lease rate of both Phase I and Phase II well exceed the averages for the Dallas upscale/luxury multi-family market.

- Add 150 elderly housing units including assisted living facilities.
During 2003-2004, the TIF Board of Directors and staff continued to encourage local developers to consider the placement of elderly housing/assisted living facilities on available land near Methodist Medical Center. Two developers considered projects in the district on the land along Beckley Avenue between Tilden Steet and Oakenwald Street, but neither came to fruition.

- Add 100 single-family units.
During 2003-2004, the staff was successful in securing interest from a local developer resulting in a plan and proposal to construct 38 townhomes on the property at 431 E. Greenbriar Lane. In December 2004, the City Council will consider a variance for the development, which will establish a sub-district in Sub-Area A to allow the construction of the townhomes. Both the City Staff and the City Planning Commission (CPC) forwarded a recommendation to the City Council for approval.

- Add 90,000 square feet of additional industrial space.
The Oak Farms Dairy expansion of the existing site near Zang Boulevard and the Trinity River has added 60,000 square feet of industrial space to the District and continued to improve the property with landscape shielded and fenced, secure employee and commercial parking.

- Add 140,000 square feet of additional retail/commercial space.
To date over 30,000 square feet of retail/commercial space has been added in the District with an additional 52,500 square feet planned.

- Add 40,000 square feet of office/professional development.

To date approximately 70,400 square feet of office/professional space has been added in the District. Options Real Estate, a local realtor and development company constructed an office/professional/residential structure on the property at 1322 N. Beckley Avenue. The construction was completed in August of 2002 and the lower office/professional portion of the structure was immediately occupied. The residential unit above is occupied. John Barr and Associates has completed the renovation and construction of the property at Colorado Boulevard and Englewood Road. The development added approximately 17,000 square feet through renovation and new construction.

Barr and Associates



Year-end Summary of Meetings/ City Council Actions and Highlights of Accomplishments

During the period October 1, 2003 through September 30, 2004, the Oak Cliff Gateway TIF District Board promoted new development in the District and approved for continued planning two possible construction and development projects. According to the 2004 City of Dallas certified tax roll, the Oak Cliff Gateway TIF District value has increased to \$55,722,366, which produces an increment value of \$17,152,238. During the period October 1, 2003 through September 30, 2004, the Oak Cliff Gateway Board of Directors met one (1) time and forwarded one item to the City Council for consideration and approval. The Oak Cliff Gateway TIF District Design and Review Sub-Committee met one (1) time and forwarded a recommendation for approval and continued planning for the redevelopment of the Lake Cliff Tower building and the construction of 32,500 square feet of retail space on adjoining and adjacent properties.

The TIF Board and staff closely monitored the completion of Phase II (336 units) of Jefferson at Kessler Park (Phase I) and Jefferson at Founder's Park (Phase II), a 674 unit JPI apartment complex on the land bounded by Zang Boulevard, Oakenwald Street, Plowman Street, Tilden Street, Beckley Avenue and Greenbriar Lane. The Board of Directors and staff also coordinated and monitored the completion of construction of the \$1,900,000 million public improvement project for the reconstruction, utilities and streetscape on Tilden and Greenbriar Streets. The Board requested and received regular progress reports as well as formal briefings during electronic updates and a scheduled Board of Director's Meeting. Coordination with the City of Dallas, Department of Public Works and Transportation (Colorado Boulevard), Trinity River Corridor Development Staff, and the Texas Department of Transportation continued during the year with direct Board and Economic Development staff participation in the meetings, conferences and workshops.

During FY 2003-2004, the Oak Cliff TIF Board of Directors collected the 2003 increment of \$260,649.

Planning and coordination efforts continued for the Colorado Boulevard Improvement construction project. During FY 2003-2004, the continuing right-of-way issues were completely resolved and utility clearance problems were worked successfully. Public Works and Transportation continued construction during FY 2003-2004 and maintained the estimated completion date of December 2004. The project experienced survey problems during construction and was delayed by four months during FY 2002-2003. Plan adjustments were made and construction resumed in September 2003. Estimated completion date is still December 2004.

During the subject period, the City Council approved one (1) item associated with the Oak Cliff Gateway TIF District:

- On February 11, 2004 pursuant to Resolution No. 04-0526, the City Council approved the 2002-2003 Annual Report on the financial status of Reinvestment Zone Number Three, City of Dallas, Texas (Oak Cliff Gateway Area Tax Increment Financing District) submitted by the Reinvestment Zone Number Three Board (Oak Cliff Gateway Area Board of Directors), and authorized the City Manager to submit the annual report to other taxing units which participate in the Zone, as well as to the Office of the Texas Attorney General, as required by state statute.

Pending Oak Cliff Gateway TIF District Items

There are four pending actions regarding development in the Oak Cliff Gateway TIF District:

1. Authorization of a proposed amendment to the Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan, which adds the authority of the District to sell TIF Bonds to finance infrastructure and other authorized improvements, the conveyance of land for Economic Development purposes and changes to the project plan to specifically include the legally authorized expenditures related to façade improvements, demolition, and environmental remediation.
2. Authorize a development agreement between the City of Dallas and Evergreen Realty partners for the redevelopment of the Lake Cliff Tower facility to provide 60 luxury condominiums, secure covered parking and other amenities in and around the tower facility and the new construction of 32,500 square feet of retail and commercial space on the site and on adjacent property. The requested public improvements include, sidewalks, median reconstruction, façade improvements, demolition, environmental remediation, streetscape and distinctive lighting. The estimated level of private investment is \$19,000,000 million. The estimated level of proposed TIF participation in the project is \$4,100,000 million.
3. Authorize a development agreement between the City of Dallas and Beckley Properties, Limited for the redevelopment of numerous retail and commercial structures and properties (approximately 20,000 square feet) bounded by El Dorado Street, Beckley Avenue, Madison Street and Ballard Street. The requested public improvements include, alley reconstruction, sidewalks and retaining wall improvements, streetscape and distinctive lighting. The estimated level of private investment is \$1,500,000 million. The estimated level of proposed TIF participation is \$450,000.
4. Approval and acceptance of the FY 2003-2004 Oak Cliff Gateway TIF District Annual Report.

Oak Cliff Gateway TIF Project Budget and Spending Status

Each TIF District establishes a budget for the public improvement expenditures necessary to support private investment in the district in the Project Plan and Reinvestment Zone Financing Plan. The Oak Cliff Gateway budget and spending to date is shown below:

Oak Cliff Gateway TIF Project Plan Budget

ACTIVITY	BUDGET AMOUNT TIF SHARE in 1998 \$	ALLOCATED TO DATE In 1998 \$
Street Construction/Street-scape/Water/Sewer/Drainage Improvements	\$2,765,263	\$1,500,540
Pedestrian Linkages and Lighting	\$1,500,000	\$728,000
Educational and Training Facilities	\$600,000	\$0
TIF Administration	\$420,000	\$200,000
Development Total	\$5,285,263	\$2,428,540

Oak Cliff Gateway TIF District Construction Contracts and Minority Participation For All Oak Cliff Gateway TIF Projects

Project	Contractor	Contract Awarded	% Minority Participation
Oak Cliff TIF Project	Tiseo Paving Company	\$1,964,830	19.53%

FY 2004-2005 Work Program

The Oak Cliff Gateway TIF District Board of Directors will aggressively seek new single-family, multifamily, office/professional, commercial and retail investment in the District. The Board of Directors specifically will seek to secure:

- High density, mixed-use development adjacent to the Trinity River Corridor
(Implementation of the Urban Land Institute Study Panel recommendations)
- Additional single and multifamily developments
- Expansion of retail and commercial development

- Office/professional and assisted living development near Methodist Medical Center

The Board of Directors will work with the City Economic Development Division, Development Services Department staff to identify sites for development to meet investor needs, to achieve tax base growth and development objectives and to secure and protect the investment of existing businesses and residents.

Oak Cliff Gateway TIF District Board of Directors Recommendations

The Oak Cliff Gateway TIF District Board recommends that the District continue to pursue specified development opportunities in 2004-2005 and aggressively market the District for residential, retail and office/professional growth.