

**FY 2002-2003**

**ANNUAL REPORT  
REINVESTMENT ZONE NUMBER FOUR**

**CEDARS  
TAX INCREMENT FINANCING DISTRICT**



**CITY OF DALLAS**

Economic Development Department  
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Dallas, Texas 75201  
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October 1, 2002 – September 30, 2003

## **Mission Statement**

The mission of Reinvestment Zone Number Four, Cedars Tax Increment Financing District (Cedars TIF) is the development, redevelopment, stabilization, and growth of the Cedars TIF District. Accompanying goals are (1) the stabilization and growth of the value of the area's tax base and a positive reversal of urban decay through the placement and improvement of infrastructure as development and investment occurs and (2) the capitalization of the planned Trinity River development to secure growth and investment in the District.

## **Cedars TIF District Accomplishments**

During FY 2002-2003, the TIF District Board and Economic Development Department continued contact with several developers regarding proposed redevelopment and investment projects under study or evaluation in the District.

The District has seen renewed interest from the multifamily development sector. Several major area multifamily developers continue to look at opportunities in the District and appear to be evaluating the effects of the South Side on Lamar, Gilley's Dallas, and the Dallas Police Headquarters Facility.

The South Side on Lamar development by Matthews Southwest continues to promote development interest in the area. The Matthews Southwest successes have produced inquiries regarding investment and redevelopment. Matthews Southwest planned development projects along the east side of Lamar Street near I-30, when mature, will provide the first expansion across Lamar and solidify the beginning of the formal linkages between the District and the Convention Center.

The \$34.7 million Dallas Police Headquarters (DPH) was completed and occupied in March 2003. The DPH is located at the intersection of Lamar Street and Belleview Street. It continues to represent a public catalyst development in the District. Although it does not have a direct effect on the increase of property values in the District, it is hoped to increase interest in the District and the value of the surrounding properties.

The Cedars Cross TIF District Traffic and Transportation Study was completed and approved by the Board of Directors at its September 22, 2003 meeting. This comprehensive study was conducted to assess the existing land use and traffic patterns and then develop plans for improving the transportation network in anticipation of future land use changes. It also provided recommendation for new parking regulations as well as a guideline for the implementation of landscaping guidelines that could be developed in coordination of future developers.

Since inception in 1992, the TIF District has attracted the following new investment projects. The new development in and/or adjacent the District represents \$103,395,049 in total private and public investment. Development in the Cedars has been consistent and continues along with other factors to position the District for future growth.

PROJECT	USE	APPROXIMATE INVESTMENT*	STATUS	TIF INVESTMENT**	YEAR COMPLETED
Ramada Plaza 1011 S. Akard Street	Hotel	\$3,675,000	Completed		1996
Cedars Corner 1108 S. Akard Street	20 apts.	\$254,000	Completed		1998
South Side Grill 1326 S. Lamar Street	Commercial	\$138,800	Completed		2001
Metroplex-Greenhaven 1919 S. Harwood Street	Commercial	\$387,290	Completed	\$20,000	2002
South Side Plaza *** 1409 S. Lamar Street	455 lofts Comm./	\$38,776,000	Completed		2002
Gilley's*** 1135 S. Lamar Street	Entertainment	\$713,450	Completed		2003
Cedars Traffic and Transportation Study	Trans- portation	\$88,149	Completed	\$88,149	2003
Dallas Police Headquarters 1400 S. Lamar Street	Public Use	\$34,694,580	Completed		2003
Dallas Police Association 1412 E. Griffin Street	Office	\$46,890	Completed		2003
Resource One Credit Union Expansion 1200 Belleview Street	Office/ Financial	\$390,000	Completed		2003
Poor David's Pub 1313 S. Lamar Street***	Entertainment	\$35,380	Planned		2004
Gulf Cone Building 1400 Orr Street	40 Condos	\$395,510	Planned		2004
TxDOT STEP Grant Lamar Street and Belleview Street***	Streetscape	\$5,800,000	Planned	\$500,000	Est. 2005
Old City Park Education And Visitor Center 1717 Gano Street	Parks	\$18,000,000	Planned	\$15,000	Est. 2008
<b>TOTAL</b>		<b>\$103,395,049</b>		<b>\$623,149</b>	

\*Investment based on current taxable value or projected value for projects completed late 2003, under construction or announced.

\*\*TIF funding values are unadjusted.

\*\*\* Adjacent to TIF District



## Value and Increment Revenue Summary

The Cedars TIF District's 2003 assessed tax value was \$42,676,992. This represents an increase of \$7.4 million over the assessed value of the base year (1992) value, 20.90%, and \$107,080 (0.25%) over the total for the previous year. This increase will result in the collection of approximately \$134,040 in incremental revenue for the Cedars TIF District.

## Objectives, Programs and Success Indicators

In 1992, the Cedars Area Preliminary Tax Increment Financing Plan was approved by the City Council and Cedars TIF District Board of Directors was created. The Project Plan and Reinvestment Zone Financing Plan for the Cedars area was adopted by City Council in April 1997. City Council Ordinance Number 23991, dated August 25, 1999 to include Cedars TIF District participation by Dallas Independent School District, Dallas County and Dallas County Hospital District, amended the Project Plan and Reinvestment Zone Financing Plan. The goals of the Cedars TIF District are as follows:

- Make the Cedars Community a safer place to live and work.
- Make it easier to access the Cedars Community.
- Improve the image of the Cedars Community.
- Take advantage of the existing building stock.
- Diversify land use in the area.
- Increase recreational opportunities in the Cedars Community.
- Improve all public infrastructure and public utilities.

During the next ten years, the Cedars TIF will be instrumental in creating an expansion of the positive investment climate in the downtown area. New projects since 1992 have generated over \$103,395,049 in new and planned investments. Of that amount, \$63,860,219 has been completed or planned inside the Cedars TIF District boundaries using both private and public dollars.

<b>Investment Types</b>	<b>Project Status</b>	<b>Amount of Investment</b>
Public	Completed	\$ 34,772,729
Private	Completed	\$ 5,287,490
Public	Planned	\$ 23,800,000
Private	Planned	0
<b>Total In-District Investments</b>		<b>\$63,860,219</b>

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

- Improve the infrastructure within and adjacent to the District to promote new investment.  
*The Board continuously worked City staff and consultants to complete the Cedars TIF Cross District Traffic and Transportation study. Planning for the TxDOT STEP Grant project continued between the Board and Dallas Area Transit Authority (DART). All infrastructure improvements relating to the new Police Headquarters building were completed in FY 2002-2003.*
- Add 700 residential units.  
*To date 25 residential units have been completed. The staff has continued to provide information to multifamily developers with the objective of securing a high-density apartment complex development on a tract in the mid-central portion of the District. Multi-family developers appear to be evaluating overall situation in the District for signs that the anticipated district-wide expansion has begun. Based on past similar developments, staff speculates a possible development in the central part of the District might generate between 380-450 units.*
- Add 400 hotel/motel rooms.  
*No additional hotel rooms have been added. In 1996 the Ramada Plaza completed renovation of the hotel at a cost of \$5.0 million. This significant investment in the District adjacent to the Dallas Convention Center continues to attract a reasonable share of the convention and tourist business. To date, no new prospects for hotel/development have been secured.*
- Add 55,000 square feet of retail.  
*Matthews Southwest has redeveloped the restaurant (Southside Grill) on the northeast corner of Lamar Street and Belleview Street. The redeveloped restaurant represents approximately eight thousand (8,000) square feet of retail space retained.*
- Add 300,000 square feet of service center/flex office.  
*A total of 24,000 square feet of service center/flex office space has been added. Resource One Credit Union completed the total interior renovation of its Belleview Street location. It also expanded its drive-thru operations by installing two additional drive-thru lanes complete with video bank tellers. In addition, Resource One opened a mini-branch location inside of the Southside on Lamar development*

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

During the period of October 1, 2002 to September 30, 2003, the Cedars TIF Board met 3 times. According to the 2003 City of Dallas Tax Roll, the Cedars tax value has experienced an increase to \$42,676,992, which produces an increment value of \$7,376,232. During 2002-2003, the Cedars TIF District Board of Directors collected the 2002 increment of \$126,688.

During 2002-2003, the City of Dallas completed construction of the new Dallas Police Headquarters building in the Cedars TIF District. This new state-of-the-art headquarters is home to police administration, investigations, and a future museum of historical artifacts related to the Dallas Police Department. Construction was completed in March 2003. The total estimated public investment associated with the Police Headquarters Project is approximately \$64.0 million.



Resource One Credit Union underwent a \$2.0 million renovation and expansion in FY 2002-2003. As the Cedars only established financial institution, Resource One continued to demonstrate its commitment to remain in the Cedars by totally renovating its entire interior floor plan and it added two additional drive-thru lanes. In addition, Resource One opened a mini-branch location inside of the Southside on Lamar housing complex

FY 2002- 2003 saw the arrival of Gilley's Dallas, a unique entertainment facility that features a 26,000 square foot main showroom that seat 2,500 spectators. Located between the Dallas Convention Center and the new Dallas Police Headquarters, Gilley's Dallas will provide first-class facilities for business and convention meetings and events. Gilley's Dallas is the official site of the annual Dallas Golden Gloves amateur boxing tournament. It will also be home to the Dallas Jazz Legends Festival.



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

- On February 12, 2003, the City Council, pursuant to Resolution Number 03-0616, approved the FY 2001-2002 Annual Report on the financial status of Reinvestment Zone Number Four, City of Dallas, Texas (Cedars Area Tax Increment Financing District) submitted by the Reinvestment Zone Number Four Board (Cedars TIF 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 state Attorney General, as required by state statute.)

## Pending Cedars TIF District Items

At its September 22, 2003 meeting, the Cedars TIF District Board of Directors recommended that City Council accept and approved the recommendations set fourth in the Cedars Cross District Traffic and Transportation Study including the Board's alternative for the extension of Belleview Street. This item is scheduled for City Council review for November 12, 2003.

### Cedars 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 Cedars budget and spending to date is shown below:

#### Cedars TIF Project Plan Budget

ACTIVITY	BUDGET AMOUNT TIF SHARE in 1992 \$	ALLOCATED TO DATE In 2003 \$
Street Construction/ Water Streetscape, Sewer/ Drainage Improvements	\$3,356,097	\$320,000
Pedestrian Linkages/ Lighting	\$1,000,000	\$200,000
Education/Educational Facilities Improvement; Public Improvements Adjacent to Education Facilities	\$1,500,000	\$0
East – West Corridor Design and Construction	\$1,000,000	\$88,149
Administration	\$360,000	\$87,000
<b>Development Total</b>	<b>\$7,216,097</b>	<b>\$695,149</b>



## **FY 2003-2004 Work Program**

During 2003-2004, the Board will work closely with Public Works & Transportation to implement the recommendations of the Cedars Cross TIF District Traffic and Transportation study. The study, which was completed in September 2003, provided short-term and immediate-term recommendations for: (1) improving access between the Lamar area and the Old City Park-Farmer's Market areas, (2) creating east/west access through the TIF District, (3) funding strategies and plan implementation, and (4) meeting the traffic and access needs for the future growth of the District.

The Board will continue to assist in the identification and promotion of specific tracts for redevelopment in the District and target multifamily and single-family residential in those specified areas where large tracts of land can be assembled and redeveloped.

The current overall area development concept calls for the revitalization of the Lamar, Akard and Ervay Street corridors to promote the investment of residential, retail and commercial projects. As the development occurs, the streets will be enhanced in an urban style with wider sidewalks, lighting, street trees, other pedestrian amenities and on Ervay and Akard Streets, shadow-cut curbside parking. The Transportation study concluded that Akard and Ervay Streets could accommodate wider sidewalks and carry more traffic. The proximity of the Cedars to the Dallas Convention Center, the downtown hotels, plus the DART Light Rail Station and recent residential and entertainment investment make the concept of a residential, retail, restaurant, and entertainment venue highly feasible. The staff envisions the redevelopment of the Cedars TIF District primarily as a mixed-use residential neighborhood with associated retail, entertainment and office uses.

During 2003-2004, the staff and the TIF Board will participate in the plan development and design effort for the employment of the TxDOT STEP (\$5,800,000) grant for the streetscape improvements to Lamar Street (I-30 to Hickory) and Belleview Street (Lamar Street to Akard Street).

Coordination will continue with the Texas Department of Transportation concerning the planning for the reconstruction of the I-30 Canyon (Project Pegasus), the Trinity Corridor MIS, and with the Texas Trails Network, the Trinity River Development Staff and the Department of Energy concerning planned traffic improvements, pedestrian and recreational opportunities.

### **Cedars TIF District Board of Directors Recommendations**

The Cedars TIF District Board recommends that the District continue to pursue development opportunities during FY 2003-2004 and look to new overall development strategies to attract multifamily and single-family residential and retail/commercial development along Akard, Ervay, and Lamar Streets.