

FY 2002-2003

**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
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October 1, 2002 – September 30, 2003

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, stabilization, and growth of the Oak Cliff Gateway TIF District area. 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 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 year 2002-2003, on behalf of the Oak Cliff Gateway TIF Board of Directors, staff continued to monitor and track the construction contract work for the Oak Cliff Gateway TIF Project. The Oak Cliff Gateway TIF Project included, street paving, driveway and turn cuts, sidewalk curb and gutter, pedestrian lighting, landscaping and irrigation on Greenbriar and Tilden Streets and turn cuts and shadow turn improvements on Zang Boulevard. The replacement of water and wastewater infrastructure on Greenbriar Street (1920s –1930s vintage) 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. Staff actively represented the Board of Directors and the Department of Development Services to insure the construction of the project was conducted as planned and on budget. The project was substantially completed in June of 2003. Only the lighting on the north side of Greenbriar was pushed back, but installation has started and is expected to be complete during the second quarter, FY 2003-2004. As a part of their obligation to the City for tree mitigation on the construction site, JPI assumed responsibility for the maintenance and irrigation of the trees on the north side of Greenbriar. The City has picked up the operations and maintenance (O&M) costs for the pedestrian lighting. Additionally, JPI began construction of Phase II in November 2002 and is expected to be substantially complete at the end of the first quarter of FY 2003-2004.

During FY 2002-2003, the staff continued to market the Oak Cliff Gateway District as a whole as well as several specific tracts of land and structures. These efforts produced significant and recurring interest in the District and eventually resulted in seven inquiries from developers regarding opportunities. The contacts and coordination resulted in the prospect of one new project for the District. The project is in the planning stage and is expected to come to fruition in early 2004. Staff expects to receive a TIF Application on the project during the second quarter of 2003-2004.

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. Key: M = Million.

PROJECT	USE	APRX. INV.	TIF INV.	STATUS	YR COMPL.
The Catering Company 1407 N. Zang Boulevard	Com.	\$500,00		Compl.	1998
Kclinic 214 W. Colorado Boulevard	Off/prof.	\$420,930		Compl.	1998
ChildCare 1321 N. Zang Boulevard	Com.	\$144,090		Compl.	1999
Walgreen's 1306 N. Beckley Avenue	Retail	\$3.2M	\$38,976	Compl.	1999
Advantage Charter School 808 N. Ewing Street	Com.	\$2M		Compl.	2000
Oak Farms Dairy 1016 N. Lancaster Street	Com.	\$8M		Compl.	2000
1322 N. Beckley Ave. (Options Real Estate)	Off/prof., Res.	\$275,000		Compl.	2002
203 E. Colorado Boulevard (Barr property)	Off/prof.	\$1M		Compl.	2003
Jefferson at Kessler Heights – JPI 1600 N. Beckley Avenue	674 apts.	\$52M	\$2.9M (tax abatement)	Phase I compl., 338 units; Phase II under constr., 336 units	Phase I – 2002 Phase II – late 2003
Oak Cliff TIF Project Tilden, Beckley, Plowman, Oakenwald, Greenbriar, and Zang.	Infrastr., Street-scape		\$1,964,830 (\$1.45M from TIF Fund)	Subst. Compl.	2003
Colorado Boulevard Street Improvement Project	Infrastr., Street-scape		\$2.9M (\$500,000 from City Bond Funds)	Constr. Start – 09/02	2004 (Dec.)
* Lake Cliff Tower	Res/ Retail	\$20M		Planning	2006 (est.)
* Burnett Field	Mixed Use	\$60M		Research and Planning	2006 (est.)
TOTAL		\$146.8M	\$7.8M (\$1.98M from TIF Fund)		

*TIF participation pending

Oak Cliff Gateway TIF District



 TIF Boundary



December 9, 1999

Value and Increment Revenue Summary

The Oak Cliff Gateway TIF District's assessed 2003 tax value was \$52,797,457. This represents an increase of \$14.2 million over the assessed value of the base year (1992) value, 36.89%, and a \$4.1 million decrease (-6.98%) from the total for the previous year. Although there was an annual decrease, the captured increment will still result in the collection of approximately \$304,152 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 is expected to be completed by December 2004. The

Colorado Boulevard project has been delayed by right-of-way, utility clearance and survey issues. The \$1.9 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 \$1.9 million with the addition of Water Capital Program dollars for the replacement of water and wastewater lines along the length of Greenbriar Street. The project was substantially completed in June of 2003, but some streetscape installation (pedestrian lighting) will continue until the end of the second quarter FY 2003-2004.

Greenbriar Street Reconstruction



- 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. Jefferson at Kessler Heights, Phase I substantially completed construction in June 2002. As of September 30 2003, Phase I was 95 percent leased. Phase II (336 units) construction began in November 2002 and will be substantially complete not later than December 31, 2003.

Jefferson at Kessler Heights, Phase I



Jefferson at Founders Park – Phase II



- Add 150 elderly housing units including assisted living facilities.
During FY 2002-2003, 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.
- Add 100 single-family units.
Throughout 2002-2003, the staff continued to market the property in the area and secure the interest of developers.
- 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.
- 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
203 East Colorado Boulevard**



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

During the period October 1, 2002 through September 30, 2003, 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 2003 City of Dallas certified tax roll, the Oak Cliff Gateway TIF District value has decreased to \$52,797,457, which produces an increment value of \$14,227,329. During the period October 1, 2002 through September 30, 2003, the Oak Cliff Gateway Board of Directors met one (1) time and forwarded one item to the City Council for consideration and approval.

The TIF Board and staff monitored the completion of Phase I (338 units) of Jefferson at Kessler Park, 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 substantial completion of construction of the \$1.9 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 scheduled Board of Directors' Meeting. Coordination with the City of Dallas, Department of Public Works and Transportation (Colorado Boulevard), Trinity River Corridor Development Staff, the Dallas Plan 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 2002-2003, the Oak Cliff TIF Board of Directors collected the 2002 increment of \$385,383.

Planning and coordination efforts continued for the Colorado Boulevard Improvement construction project. During FY 2001-2002, the right-of-way issues were resolved and utility clearance issues were resolved. Public Works and Transportation estimated start of construction in September of 2002 with an approximate 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 12, 2003 pursuant to Resolution No. 03-0615, the City Council approved the 2001-2002 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 no pending actions regarding development in the Oak Cliff Gateway TIF District, although two development proposals are under research, planning and evaluation.

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	\$1,494,540
Pedestrian Linkages and Lighting	\$1,500,000	\$228,000
Educational and Training Facilities	\$600,000	\$0
TIF Administration	\$420,000	\$120,000
Development Total	\$5,285,263	\$1,662,540

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 2003-2004 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 in the retail core
- Office/professional 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 FY 2003-2004 and aggressively market the District for residential, retail and office/professional growth.