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## Richardson: About \$16 million slated for two mixed-use projects

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Richardson's new tax increment financing district board has approved about \$16 million for two mixed-use projects in older areas of the city.

It's the first funding approved for the district, which was created last year to stimulate new development in an aging, 816-acre area along the Central Expressway corridor and the southwestern border of the city.

The money will help offset some of the demolition and other extra costs involved in redevelopment projects, and will be distributed only after the work is done, city officials say.

"We've tried to bring about the most economic way to get past the barriers to redevelopment," said Dan Johnson, Richardson's deputy city manager.

Under the city's TIF structure, 80 percent of increases in property tax revenue from new development will be dedicated to improvement projects within the district. The other 20 percent, plus sales tax and business and personal property tax revenues, will go into the city's general fund.

The seven members of the Richardson City Council are serving on the district board until residents are appointed later this year.

Although Dallas County commissioners haven't voted on participating in Richardson's first TIF district, the county's director of planning and development, Rick Loessberg, has been appointed to the board. A decision is expected in a few weeks. The Richardson school district has also been asked to participate.

With the funding package, the Towne Central retail and commercial project would receive \$6.3 million – \$5 million for a parking garage and \$1.3 million for streetscape and infrastructure improvements.

Towne Central will be built around the existing 12-story Chase Bank office tower on the northeast corner of Belt Line Road and Central Expressway. A Home Depot store will be the centerpiece of the project, which will also include retail and restaurant space.

The city would also spend \$2.8 million from a reserve fund to improve drainage at the 21.3-acre site being developed by Greenway Investment Co. and Fobare Commercial.

City officials say it's a good investment because the site, now valued at \$20 million, will increase in value to \$35.6 million after development and pump new life into a sagging commercial area.

Richardson City Council member Jim Shepherd cast the sole dissenting votes on the spending proposals. He questioned the use of public dollars on projects that mainly benefit developers.

Although the public could use the parking garage, Mr. Shepherd said the structure would mostly be for people who work in the Chase building. He also said drainage is not a problem on the site.

Mr. Johnson said that an engineering study has found a likelihood of flooding in that area and that the city would have to address the drainage problems eventually.

He also said that a multistory parking garage will allow more space for retail and restaurant development at the site. While he agrees that employees would use it during the week, it will provide parking for patrons of the stores and restaurants, especially on weeknights and weekends.

The board also approved \$9.58 million in TIF funds for Centennial Park, a 53-acre retail and residential redevelopment project on the northeast corner of Spring Valley and Greenville roads.

An additional \$1.8 million from a city reserve fund would be used for drainage improvements.

An aging, 337-unit apartment complex and 18 homes would be demolished to make way for 44,000 square feet of retail space, 150 townhomes, 300 condominiums and 500 apartments.

The current value of the property is \$10.7 million. City officials estimate the site would be worth \$82.4 million once it is fully developed.

Under the plan approved by the board, TIF funds will be used to reimburse costs to develop a park and for pavement, landscaping and other street improvements. The money would also be used for demolition and to relocate utilities. More than \$2 million will be allocated for the developer to acquire property for the project.

Mr. Shepherd questions why developer Winston Capital needed so much public money, especially for land acquisition.

A review of the Centennial Park project by Stainback Public/Private Real Estate found that the revenues and operating expenses are in line with industry averages but that the project would not be possible without the TIF reimbursements. ■