

Memorandum



DATE December 4, 2009

TO Members of the Economic Development Committee: Ron Natinsky (Chair),
Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane,
Mitchell Rasansky, Linda Koop, Steve Salazar

SUBJECT **“Deal Points for Development and Endowment Agreements for Belo Garden”**

On Monday, December 7, 2009, you will be briefed on the “Deal Points for Development and Endowment Agreements for Belo Garden”. The briefing material is attached.

Should you have any questions, please contact me at (214) 670-4071.



Paul D. Dyer, Director
Park and Recreation

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Director, Office of Financial Services
David Cook, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Deal Points for Development and Endowment Agreements for Belo Garden

Economic Development Committee
December 7, 2009



Purpose of Briefing

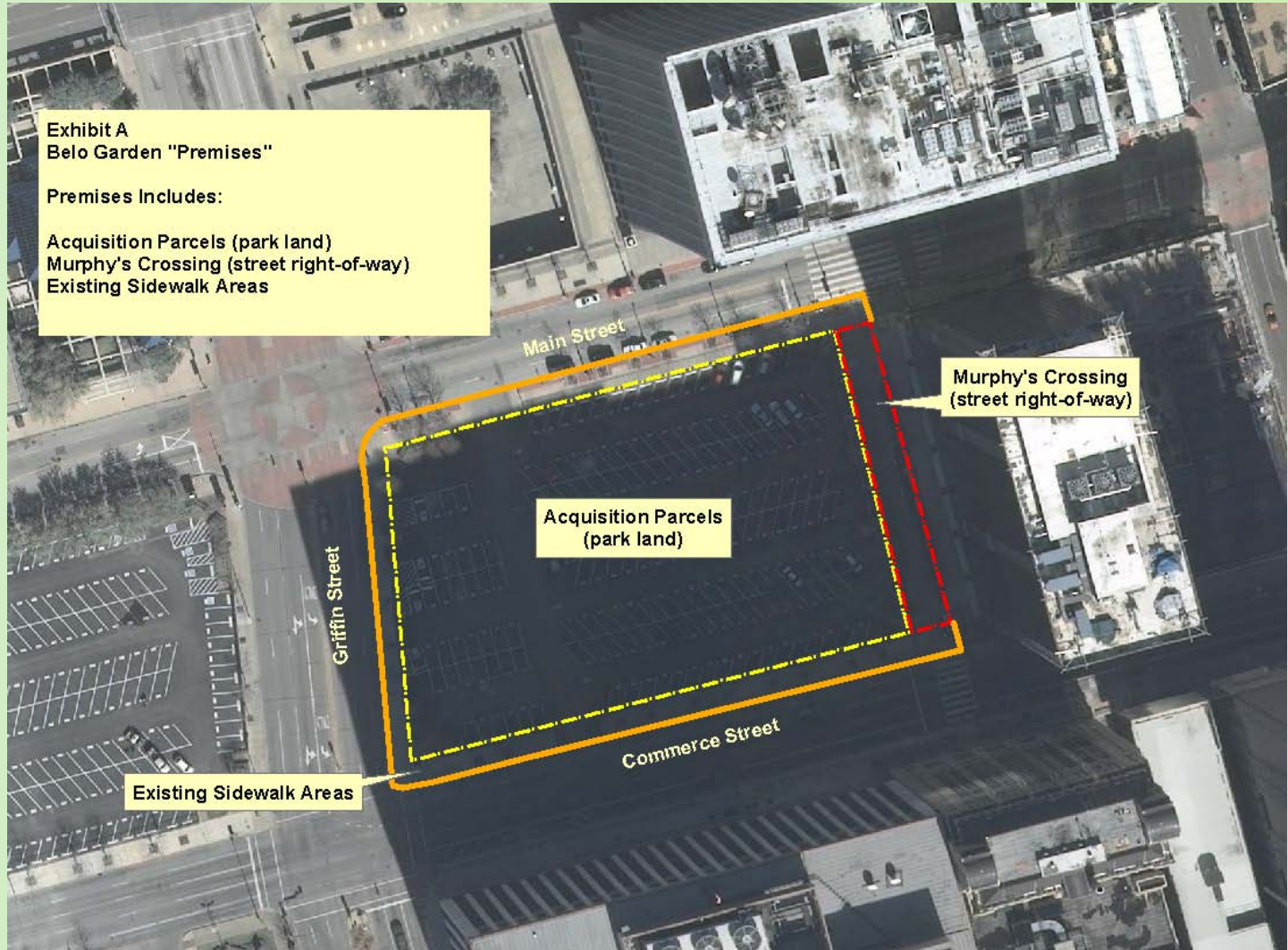
- Present and receive concurrence on the terms for a development agreement with Belo Corp. and The Belo Foundation and an endowment agreement with Maureen and Robert Decherd for Belo Garden



Project Background

- The proposed 1.6 acre site consists of:
 - 1.5-acre site bounded by Main, Griffin and Commerce Streets
 - 0.1-acre pedestrian walkway known as “Murphy’s Crossing”
- One of three proposed “core parks” in the City’s Downtown Parks Master Plan
- 2006 Bond Program included \$6.5M allocation for this project as matching funds

Project Background



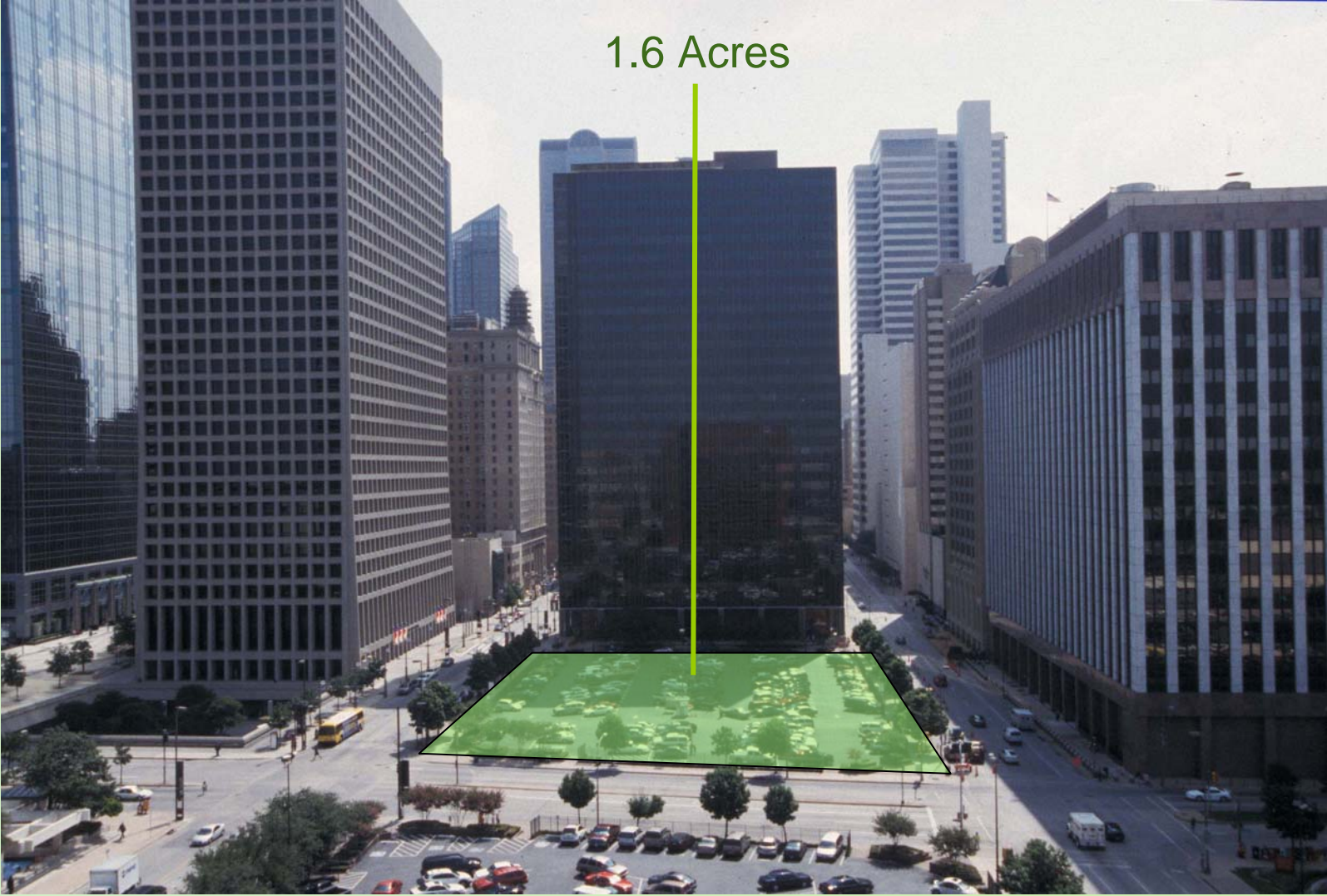
Project Background

- The Park and Recreation Department developed a public/private partnership with Belo Corp. and The Belo Foundation to fund the design and construction of a new park on this site
- Additionally, Maureen and Robert Decherd have established a permanent endowment fund for major capital repairs for the park

Naming Rights

- In consideration of the Donors, the park shall be named **Belo Garden** to honor and recognize the contributions of Alfred Horatio Belo and of the employees of Belo Corp. and A. H. Belo Corporation to the City of Dallas
- This naming was established in accordance with the “Criteria for Establishing Capital Development Partnerships for New Downtown Parks” – adopted by the Park and Recreation Board in 2004

Project Site



Project Background

- **Belo Corp. and The Belo Foundation** have deposited \$5.5 million in the Belo Garden Fund at The Dallas Foundation
- **Maureen and Robert Decherd** have deposited \$1 million in the Belo Garden Permanent Endowment Fund at The Dallas Foundation
- Total private donations deposited at The Dallas Foundation - **\$6.5 million**

Funding Sources

• City of Dallas (2003 and 2006 Bond Programs)	\$7.1M
• Grants and Other Sources	\$0.9M
• Belo Corp.	\$3.0M
• The Belo Foundation	\$2.5M
• Maureen and Robert Decherd	\$1.0M
	<hr/>
Total Project Funding	\$14.5M

Funding Allocation

- Land Acquisition and Environmental Remediation (City) \$8.0M
- Design and Construction (Belo Corp., The Belo Foundation) \$5.5M
- Major Repair and Capital Improvement Endowment (Maureen and Robert Decherd) \$1.0M

Total Funding Allocation **\$14.5M**

Acquisition and Remediation

- The City has acquired fee simple title to the site
- The City is responsible for preparation of the site prior to construction of the park by Belo. This consists of:
 - Environmental remediation - estimated to be \$2 million (A design contract for the remediation is currently underway)
 - Provide the site as a “building site” by May 1, 2010, which will permit Belo to begin construction of Belo Garden

Acquisition and Remediation

- Updated cost estimates for the remediation work will be finalized in December 2009
- Based upon these estimates the City will determine if there is adequate funding for environmental remediation of the site
- Should adequate funding not be available is remediation, the City has the right, until **January 31, 2010**, to terminate the agreements

Design and Construction

- Belo is responsible for the design and construction of the park
- Belo has engaged **Hargreaves Associates**, a nationally recognized Landscape Architecture firm, to develop a master plan and the design for Belo Garden



Master Plan



Master Plan



Griffin and Main St. Entrance

Master Plan



Central Fountain Plaza

Master Plan

Garden and Garden Wall



Design and Construction

- Contracts managed by Belo shall:
 - Contain insurance and payment and performance bond provisions under limits acceptable to the City
 - Release, indemnify and hold the City harmless
 - Obligate the firm or contractor to comply with all applicable local, state and federal laws
 - Use good faith efforts to meet the goals established in the City's Business Inclusion and Development (BID) Plan
- Funding for the construction contracts are currently held in an account at The Dallas Foundation

Design and Construction

- The Dallas Foundation will disburse the funds necessary to make payments under the construction contract
- City will review and approve design and construction documents
- Construction of Belo Garden must be completed by the later of one of the following dates:
 - February 28, 2012; or
 - 18 months after the completion of environmental remediation

Design and Construction

- If Belo does not meet the above-referenced deadline, the City may take over construction of the project
- Upon completion of construction and acceptance by the City, Belo Garden will be turned over to the City for maintenance and operation

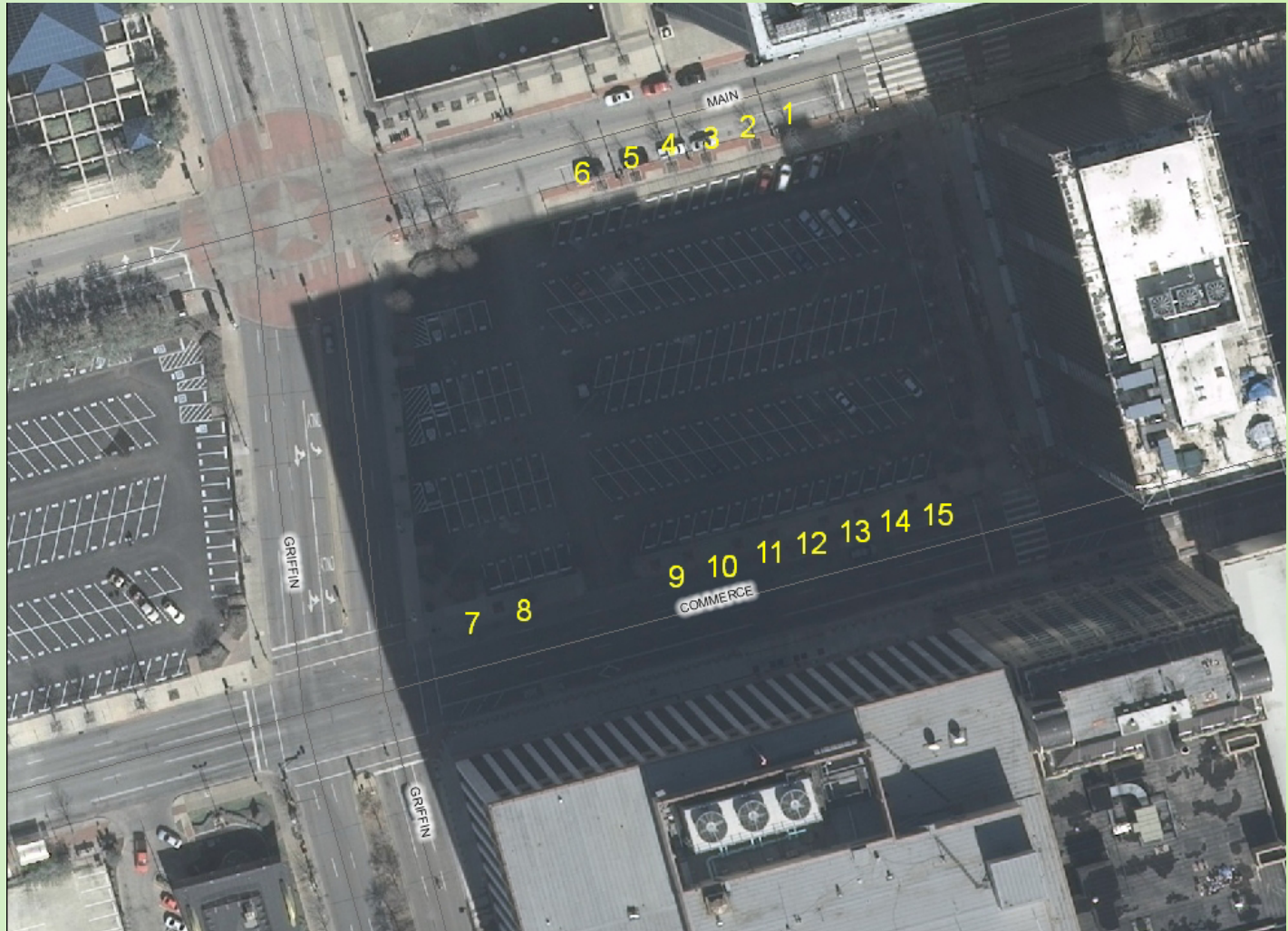
Capital Maintenance Endowment

- A permanent endowment has been established and the income shall be used for major capital repairs and improvements
- The City and the Decherds shall work collaboratively to identify major capital repairs and improvements at Belo Garden, using income from the endowment as the funding source

General Operational Terms

- It is the strong desire of the Donors to improve the street aesthetics in the area around **Belo Garden** and **Dealey Plaza**
- The Donors have stipulated the following conditions:
 - Removal of a total of 22 on-street parking spaces around the perimeter of **Belo Garden** (15 spaces) and along Houston Street adjacent to **Dealey Plaza** (7 spaces)
 - Prohibit street advertising within or around the perimeter of **Belo Garden**

Belo Garden On-Street Parking



Dealey Plaza On-Street Parking



General Operational Terms

- In the event of a permanent closure of Belo Garden the City shall seek and designate a substitute site of comparable size and design for a “substitute” park
- The term for the **Development Agreement** is one year after the completion of construction of Belo Garden
- The term for the **Endowment Agreement** is 99 years, unless terminated at an earlier date (e.g., the endowment ceases to exist or the income from the endowment is no longer available)

Project Schedule

- Complete construction documents and permitting for environmental remediation February 2010
- Advertise for bids March 2010
- City Council contract award April 2010
- Start remediation May 2010
- Complete remediation July 2010
- Deliver “clean” site to Belo for construction July 2010
- Start park construction (Belo) August 2010
- **Complete construction February 2012 or earlier**

Next Steps

- City Council consideration of approval of Development Agreement and Endowment Agreement

December 9, 2009