

Meeting #6 of the PD15 Working Group

Park Cities Baptist Church

October 24, 2017

6:00 – 7:30 p.m.

Summary Notes

I. Welcome.....Council Member Jennifer Gates

Council Member Jennifer Gates called the meeting to order at 6:01 PM (Plan Commissioner Murphy was ill). Gates welcomed the working group and facilitated introductions of members and a passing of the sign-in sheets for working group members and audience attendees.

The meeting was well attended.

• Meeting #5 Summary Notes and Neighborhood Feedback

After a delay, the prior meeting notes were distributed to area representatives for distribution to their residents by Council Member Gates and posted that afternoon on PHSNA.org.

Gates asked for Neighborhood feedback:

Diamond Head: Lee Shuey noted that their building has formed working groups to discuss different options. A resident survey was conducted with approximately half of residents responding.

- 15 to 4 in favor of condo ownership as opposed to rental
- Density was almost a tie
- Underground or wrapped parking in favor
- Majority in favor of green space
- Repair potholes
- Majority against another outlet onto Northwest Hwy
- Address the storm water is an issue

Further comments from Diamond Head residents included: Adding sidewalks, slowing traffic on Bandera, tree and neighborhood preservation, encourage concrete and steel, and retain lower density. Several voiced a desire to not redevelop the Diamond Head

condos but were open to increasing density to increase property values. Overall, 120 units per acre was felt to be too much.

Preston Tower's representative Keith Burtner stated that a couple of its HOA board members had attended the last working group meeting and were becoming more engaged. The Preston Tower representatives brought their HOA board up to speed on the discussions of the working group and is just starting to bring the homeowners up to speed. They had not had specific meetings prior. Preston Tower and Athena are considering having a town hall meeting for their combined (~500) residents.

- Its members expressed support for the Preston Road/Northwest Highway area Plan.
- Keith called approximately 11 of the members in this working group (those unlikely to have a direct stake in redevelopment) to assess their support for the Preston Road and Northwest Highway Area Plan adopted by the city in December 2016. Eight of them stated that they respect the vision for our neighborhood as outlined in the Area Plan. They understand that some allowance will need to be made for Preston Place, but want the Area Plan vision for the neighborhood to be used as a guideline and if deviations need to be made from that it needs to be for a reason that can be justified.

Other comments:

- Steve Dawson (owner of 6124 Bandera apartments) wishes we could focus on helping the people from Preston Place.
- Carla Young (Athena) feels they need more outreach to Athena residents. While they are aware of last year's Area Plan, some have forgotten what that is. A Town Hall meeting, perhaps with Preston Place will be planned. Athena residents are not attending working group sessions very much.
- Maura Conley (Diplomat) wants the process to move more quickly.
- Council Member Gates was contacted by Ashley Parks (former Preston Hollow East Association president and Area Plan task force member). People very interested that any future development abides by the Residential Proximity Slope.
- Council member Gates originated the Preston Road and Northwest Highway Area Plan Task Force. Over the space of two years, they had many meetings in public and private. They did not do market analysis backing up their vision with economics.
- Former Dallas Mayor and Athena owner Laura Miller interrupted the group stating that the Area Plan was to be the framework for going forward in all of the zones including

Zone 4 (Pink Wall to Hillcrest). That the majority of the people in Zone 4 want no more than 4 stories. No comment on how she got to the “majority”.

- Mary Ann Scott interrupted, stating that Miller’s conjecture is not true.
- There was a heated back and forth as Miller was asked to curtail her comments until the question time. Gates tried to regain control of the meeting and did so thanks to John Welch asking if he could comment on the four stories.
- John Welch (See attachment) — Pointed out that page 22 of Area Plan lists Guidelines and Existing zoning rights
 - Will not remove existing zoning rights
 - PD-15’s underlying zoning classification is MF-3 which allows for unlimited height reined in by a floor area ratio (FAR) of 4:1.
 - Regardless of the Area Plan, PD-15 is not limited to 4 stories. Instead, FAR and Proximity Slope apply
 - Preston Place could develop to 15 stories or higher depending.
 - Additional incentives should be encouraged to promote particular types of development.
 - He noted that while not a PD-15 owner, had his home burned along with 59 fellow owners, the four-story limitation damages their ability to sell and recoup their losses.
 - Council member Gates concurred that PD-15 is not limited in height. She confirmed the only limitation is a floor to area ratio.
 - Gates noted there is no RPS in PD-15 nor would it be required to be inserted into the PD documents.
 - RPS is already exceeded by both of the towers that were built prior to RPS guidelines.
- Curtis Kehr (Royal Orleans) said that while they’re in the Area Plan’s Zone 4, they thought PD-15 was separate.
- Gates reiterated that PD-15 is in Zone 4, and the Area Plan cannot take a zoning right away. Using the existing PD-15 definitions, it would need to comply with FAR and density. She noted that one building could file a zoning case to utilize all or a part of the ~60 surplus units available. It would require updating the PD’s site plan. But other PD-15

properties wanting those surplus units would fight the allocation of those units (as they are a shared resource).

- Welch — Noted that in the prior meeting Preston Place realized that if they want a tower, it will have to be sited as far south (out of the view plane of the existing towers). If that can be done then Preston Tower will give on the height limitations. Royal Orleans has realized that what Preston Place does can impact its future development potential.
- Jon Anderson (Athena) stated that four story construction does not generate enough land value to exceed the market value of the current properties (individual unit sales are more profitable than land sale). Preston Place is in a unique situation because they don't have anything left to go back home to. But for anybody else only able to build a third or fourth story it's unlikely to be economically viable. So what happens to those buildings behind the Pink Wall that have let maintenance slip for decades and don't have the money to repair them?
- Council member Gates pointed out that Transwestern made it work with a three and four story height limitation. Anderson pointed out that deal was accomplished using 2010-2011 prices on what was super low-density land. Those economics have radically changed in the past five years. Gates admitted that a market analysis was not conducted as part of the area plan. Anderson feels it's not economically feasible to build only four stories for anyone in the community.
- Arnold (Preston Place) stated they cannot rebuild if limited to four stories. Nobody wants something built on the Preston Place lot that decreases neighborhood value.
- Steve Dawson agreed that PD-15 can go higher than 4 stories. There are only four other properties within PD-15 that can be redeveloped because Preston Tower and Athena will not. Each of the other building sites have unique issues. The other dynamic here is that in trying to pick a number, it might be fine for five, years or ten years, but things change and that number may not work 20 years out. The decision made 50 years ago to limit to 52 units per acre is inadequate today.
- Welch — all properties are in the PD and can all exceed four stories. The limit of 52.4 units per acre is too limiting.

II. Policy Considerations

- a. Polikov's proposed PD-15 Policy for a collaborative regulatory process
- b. Other proposed policy considerations

Gates — PD-15 is on the list for an authorized hearing but the wait is long (2+ years). Staff would take the policy and after public forums with everyone invited, staff would move forward on recommendations.

Gates read highlights from Scott Polikov's outline.

- Residential Proximity Slope issues
- The concept of buying more density from other building was discussed (Transferrable development rights).
- Some discussion of giving developers the unit per acre number, however Polikov counseled against giving a number. Developers will be considering their own market analysis to determine the number. Eventually we will need to get to a number, because Gates pointed out that that is always written into a PD. Unfortunately, that could be limiting in the future.
- More units on the front (south) part of the area versus on to the back/north.
- Be fair to all four properties.
- Transwestern ran into RPF from both the West and North.
- More discussion about potential, or not, of properties developing together.
 - Spurlock - wants the 3 or 4 properties to get together and redevelop together
 - Arnold - PP has been marketing its property for the last few months. No developer wants to redevelop all three. Market Driven. They've have developers suggest that if they could get all three properties at a low-ball price they might — but no one wants to sell low.
 - A question about putting something into the PD to incentivizes development of all three — Arnold asked if they were willing to put up \$5 to \$10m to compensate the owners of the smaller buildings for the financial loss.
 - In general, developers right now are discussing a tower 12 - 25 stories with more density than currently allowed.
- If they were to claim the balance of what is currently allowed; that's not equitable.
- Even within RPS a tower can be built - beautiful — significant increase in density. That would enhance the economics and aesthetics of the neighborhood.
- Jon - on Measurement — Recommends we look at definitions in the same way the city measures zoning. Instead of using X-number of units per acre look at MF-2, MF-3

descriptions that talk about Unit types, setbacks, heights. Use the zoning language of today versus being stuck with outdated measurements.

- Gates — The City does not like certain size etc. constraints put into a PD because it changes the affordability factor. Larger units are less affordable.
- Maura - Focus on what we can affect and stop with what we can't.
- Dawson — Jon's point is valid — can't do this by so many units per acre.
- Gates — Anything we do will automatically trigger a zoning case.
- Jon— residential setback restrictions don't currently exist in the PD. We don't currently have RPS in the PD. Started after PD-15 was developed.
 - Jonathan - zoning attorney - Dallas development code if RPS is specifically applied it...If you want to have RPS applied it needs to be specially entered into the PD.
- Laura Miller (interrupting) — the only thing “sacrosanct” in the Area Plan is Residential Proximity Slope (that can't be forced on PD-15).
- Gates — More from Polikov Memo — How can PHS building values be sustained for generations to come?
- Dawson — we don't know what the needs will be 20 years out.
- Gates — if its taller it will be built to last longer.
- Over six stories not six and brick. Diplomat proposal is a hybrid steel and concrete with sticks and bricks above.
- Don't build in limits that will effect the construction in the PD.
- Trying to create a PD that is sustainable for future development. For all of us and the people who come after us.

More from Polikov memo.

- Jon Anderson thought the number of units is not the primary measurement. FAR, yes, other common measurements like mass on the land and how it plays with the rest of the neighborhood.
- No assurances that we may not have a fight from the rest of the people in PD if one goes first before redefinition of the PD. Continue to work together.

- Maura — Working to bring the owners up to speed on the working group is great, but recommend against different factions working in isolation behind closed doors. Keep this open and transparent.
- Gates — No longer need to meet on this weekly (we haven't been). Have staff begin. Laura Miller interrupted and Gates took time to explain it all to Laura Miller. Gates wants to go back to staff to see if they can move it up at this point.
- Laura Miller — Feels like people are getting rushed... She attempted to tell us how to proceed, beginning with Preston Place putting forward its design then the other smaller properties can negotiate with Preston Place over what's left. Mary Ann Scott interrupted. People at the table and audience asked Gates to quiet Miller as her comments weren't viewed as helpful or appropriate.
 - Arnold told Miller that she has shown up for the first time and is not behaving by the rules that we've agreed to.
 - Mary Ann pointed out that the Task Force is working very well and that she thought that Miller needed to sit down.
 - Gates called for calm.
- Keith Burtner was only able to read the principals (Polikov Memo) that afternoon. Wants to read the minutes of today's discussion. And, in Pritchett's absence, was uncomfortable moving forward with them. Want's time to digest. He's confused.
- Gates to ask staff to look at and comment on principles. A meeting in a few weeks.
- Dawson noted that ~600 owners in PD-15 and that HOAs should be allowed one vote per complex (six votes total). It would still need to go through public hearings.
- Jon — According to city staff, it's highly likely the HOA boards can already vote the sentiments of their residents as a single vote.
- Gates gave more history about the need for this working group in response to Lisa Williams question about why we've already been put in a cue for an authorized hearing. Gates further noted that staff is unwilling to look at moving-up the hearing date unless we have an agreement.
- The PD will go through the Public process all together.
- Jon Anderson — If the plan calls for different outcomes on different parcels, the PD must be broken by track within the PD to assign differing rights.

- Giving the rights to the PD all at the same time.
- More meetings to come.
- Double check bylaws and check with lawyers about number of votes needed in each condo assn.

III. Next Steps.....Council Member Gates —
 November 14
 No guarantee of authorized hearing
 Gates - somebody has to cover zoning application process costs

IV. Q & A (5-7 minutes time permitting)..... Members of the Public

Public comments - Lisa Williams (Diamond Head) go for your own zoning. Does not believe PP insurance does not cover the loss.

Preston Place - Are we under chapter 82? Did any adopt the new 82?

Laura Miller - some 700 homeowners not being communicated with.

Gates — shared rights and equitability.

Arnold — not backward. Understands that someone coming in at this late date doesn't get it, but. Diplomat has shared plans. The others do not because developers are waiting to see if we can come to an agreement on what the new parameters will be and if it will make economic sense.

VII. Adjournment.....Jennifer Gates

Attachments:

- Polikov's Policy Considerations
- Notes from John Welch