

May 13, 2020

WHEREAS, WCWRD Inc, by and through its affiliates and subsidiaries, is redeveloping and renovating Red Bird Mall located at 3662 West Camp Wisdom Road; and

WHEREAS, the Project is supporting increased density and diversified uses (e.g. retail, office, entertainment, and open space) in a more pedestrian oriented development pattern to enhance economic vibrancy, improve quality of life, and provide permanent employment opportunities to southern Dallas; and

WHEREAS, the Project is located in a Redevelopment Area as designated in the City of Dallas Comprehensive Housing Policy adopted by City Council on May 9, 2018 by Resolution No. 18-0704, as amended; and

WHEREAS, the City recognizes the importance of its role in local economic development; and

WHEREAS, the use of economic development incentives is a necessary tool in attracting catalyst developments to southern Dallas; and

WHEREAS, on May 14, 2014, City Council authorized the designation of the Mall Area Redevelopment TIF District in accordance with the Tax Increment Financing Act, as amended, V.T.C.A. Texas Tax Code, Chapter 311, by Resolution No. 14-0783; Ordinance No. 29340; and

WHEREAS, the Mall Area Redevelopment TIF District was created to stimulate private investment and sustain the orderly redevelopment and revitalization of two commercial core assets of the City while taking advantage of each area's strategic regional location at the crossroads of key transportation corridors; and

WHEREAS, the Mall Area Redevelopment TIF District comprises two non-contiguous sub-districts: (1) the Montfort-IH 635 Sub-District for the Valley View Center Mall area in northern Dallas and (2) the Westmoreland-IH 20 Sub-District for the Red Bird Mall area in southern Dallas; and

WHEREAS, on June 17, 2015, City Council authorized the Mall Area Redevelopment TIF District Project Plan and Reinvestment Zone Financing Plan by Resolution No. 15-1145; Ordinance No. 29771; and

WHEREAS, on January 13, 2016, City Council authorized entering into a Chapter 380 Grant Agreement ("2016 Chapter 380 Grant Agreement") providing Developer with a \$2,400,000.00 grant for the Project, such grant being secured by a deed of trust ("Deed of Trust") encumbering the Project by Resolution No. 16-0103; and

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WHEREAS, on June 13, 2018, City Council authorized a first amendment to the 2016 Chapter 380 Grant Agreement to extend all dates in the 2016 Chapter 380 Grant Agreement by eighteen (18) months by Resolution No. 18-0850; and

WHEREAS, on June 13, 2018, City Council authorized entering into a Tax Increment Development, Chapter 380 Grant, and Chapter 380 Loan Agreement ("2018 TIF/Chapter 380 Agreement") with Developer in consideration of the Red Bird Mall Redevelopment Project, providing: (1) a conditional grant in an amount not to exceed \$10,000,000.00; (2) a 15-year interest-only subordinate loan in an amount not to exceed \$12,000,000.00 ("Loan"); (3) a development agreement awarding an amount not to exceed \$15,600,000.00 in tax increment funding from the Mall Area Redevelopment TIF District; and (4) an assignment of all tax increment payable under the 2018 TIF/Chapter 380 Agreement to the City, the Loan and performance obligations which are secured by the Deed of Trust and a guaranty provided by 3662 Investors, LP by Resolution No. 18-0850; and

WHEREAS, on December 11, 2019, City Council authorized the re-adoption of the City of Dallas' Public/Private Partnership Program Guidelines and Criteria through December 31, 2020, which (1) established certain guidelines and criteria for the use of City incentive programs for private development projects; (2) established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code; and (3) established appropriate guidelines and criteria governing tax abatement agreements to be entered into by City as required by the Property Redevelopment and Tax Abatement Act, as amended, (Texas Tax Code, Chapter 312) ("Tax Abatement Act") by Resolution No. 19-1959; and

WHEREAS, on January 8, 2020, City Council authorized: (1) a New Markets Tax Credit transaction between the Dallas Development Fund and its subsidiaries, Capital One N.A. and its subsidiaries and Developer for improvements within the Red Bird Mall Redevelopment Project; and (2) a second amendment to the 2016 Chapter 380 Grant Agreement, a first amendment to the 2018 TIF/Chapter 380 Agreement with Developer, and to amend or execute any other documents necessary to: (A) release the property owned by OMRB LLC (being the Foot Locker) and the property owned by OMRB II LLC (being the Lawn) from the lien Deed of Trust and the indebtedness evidenced by the City's 15-year interest-only subordinate loan; (B) specifically remove the condition of the disbursement of the second loan installment that all 2017 General Obligation Bond Funds be fully disbursed and expended by Developer and allow the second loan installment to be disbursed on or before January 31, 2020; (C) increase the Developer's required total minimum investment for the Project by \$1,000,000.00 from \$115,000,000.00 to \$116,000,000.00 as consideration for (A) and (B); and (D) make such other modifications which may be necessary to effectuate the foregoing amendments by Resolution No. 20-0118; and

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WHEREAS, the Developer has recently requested additional funding and amendments to the 2016 Chapter 380 Grant Agreement and the 2018 TIF/Chapter 380 Agreement; and

WHEREAS, on May 8, 2020, the Mall Area Redevelopment TIF District Board of Directors reviewed and recommended approval of additional funding and the associated amendments to the 2016 Chapter 380 Grant Agreement and the 2018 TIF/Chapter 380 Agreement.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager is hereby authorized to execute **(1)** a third amendment to the Chapter 380 Grant Agreement ("2016 Chapter 380 Agreement") with WCWRD Inc and its affiliates or subsidiaries ("Developer") and a second amendment to the Tax Increment Development, Chapter 380 Grant, and Chapter 380 Loan Agreement ("2018 TIF/Chapter 380 Agreement") with Developer, approved as to form by the City Attorney, related to the Red Bird Mall Redevelopment Project ("Project") to: (a) increase the amount of the 2018 Chapter 380 conditional grant by \$3,000,000.00 in bond funds; (b) remove the requirement that the Developer make any Distributable Cash Payments to the City pari passu with distributions of cash flow to the Project's equity investors; and (c) increase the minimum Investment Requirement for the Project by \$14,000,000.00; **(2)** placement of deed of trust in favor the City on the former Sears property and, at the request of the Developer, any other future properties acquired by the Developer within the Westmoreland-IH 20 Sub-District of Tax Increment Reinvestment Zone Number Twenty ("Mall Area Redevelopment TIF District"); and **(3)** the City Manager to negotiate and execute any other documents, including but not limited to Subordination, Non-Disturbance, and Attornment agreements necessary to accommodate the Project in accordance with City Council approved terms, approved as to form by the City Attorney.

SECTION 2. That the Chief Financial Officer is authorized, pursuant to Section 1 of this resolution, to disburse funds in an additional amount not to exceed \$3,000,000.00 as follows:

2012 Bond Funds	
Fund 2U52, Department ECO, Unit S801, Object 3016	
Activity INSF, Program EC12S801	
Contract No. Encumbrance/MASC-ECO-2018-00006525-9	
Vendor VS100310	\$1,380,786.00

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SECTION 2. (continued)

2017 Bond Funds

Fund 1V52, Department ECO, Unit VI04, Object 3016

Activity INSF, Program EC17VI04

Contract No. Encumbrance/MASC-ECO-2018-00006525-10

Vendor VS100310 \$1,119,214.00

2017 Bond Funds

Fund 1V52, Department ECO, Unit VI03, Object 3016

Activity INSF, Program EC17VI03

Contract No. Encumbrance/MASC-ECO-2018-00006525-11

Vendor VS100310 \$ 500,000.00

Total amount not to exceed \$3,000,000.00

SECTION 3. That the following additional amendments be made to the 2016 Chapter 380 Agreement, 2018 TIF/Chapter 380 Agreement, and deeds of trust to executed to:

- a. Amend the Project Map, Project Budget, and the legal description for the Project Site to reflect the associated amendments in Section 1 of this resolution.
- b. Allow development costs incurred by the Developer on the Sears Property to be counted towards the Developer's Investment Requirement.
- c. Allow development costs incurred by the Developer on any Future Property to be counted towards the Developer's Investment Requirement only if such Future Property is added as collateral to the deeds of trust in favor of the City.
- d. Increase by \$6,500,000.00 (from \$10,000,000.00 to \$16,500,000.00) the limitation on the amount of acquisition costs of additional property that can be counted towards the Developer's Investment Requirement.
- e. Amend the definition of Main Mall Properties to include the building portion of the Sears Property, subject to the rights in favor of the current tenant, The University of Texas Southwestern Medical Center.

SECTION 4. That removal of the requirement that the Developer make any Distributable Cash Payments to the City *pari passu* with distributions of cash flow to the Project's equity investors, as authorized in Section 1 of this resolution, only applies to Section 5.B(3) of the 2018 TIF/Chapter 380 Agreement. Section 6.G and Section 6.T of the 2018 TIF/Chapter 380 Agreement remain unaffected and in full force and effect.

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SECTION 5. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the funds described herein, until such time as the documents are duly approved by all parties and executed.

SECTION 6. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City, and it is accordingly so resolved.