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WHEREAS, the City of Dallas (“City”) recognizes the importance of its role in local economic development; and

WHEREAS, it is in the City’s best interest to support and secure the retention and expansion of business operations within the City for the economic vitality and employment opportunities that these businesses bring for Dallas residents; and

WHEREAS, the City finds that the Project (defined below) will not be undertaken within the City without an offer of economic development incentives from the City; and

WHEREAS, pursuant to Resolution 22-0901 approved on June 8, 2022 for the period of July 1, 2022 through December 31, 2022, the City: (1) authorized the continuation of its Public/Private Partnership Program (“P/PPP”) - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects; and (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 of Dallas 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); and

WHEREAS, Local Government Code, Section 378.002 requires that the creation of a neighborhood empowerment zone promotes: (1) the creation or rehabilitation of affordable housing in the zone, or (2) an increase in economic development in the zone, or (3) an increase in the quality of social services, education or public safety provided to the residents of the zone; and

WHEREAS, the City finds that the creation of the City of Dallas Neighborhood Empowerment Zone No. 20 (“NEZ No. 20” or the “Zone”) would promote an increase in economic development in the Zone and benefits the public and is for the public purpose of increasing the public health, safety, and welfare of the persons in the municipality; and

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WHEREAS, the City finds that the creation of the Zone satisfies the requirements of the Property Redevelopment and Tax Abatement Act, Section 312.202 in that the creation and designation of the Zone is reasonably likely to contribute to the retention or expansion of primary employment and also attract major investment in the Zone that would be a benefit to the property and contribute to the economic development of the municipality; and

WHEREAS, NEZ No. 20 is being created by the City with the desired goal to properly produce a vibrant economic and social environment by way of tailoring project eligibility criteria in order to induce the investment of private resources in new or existing business enterprises located within the City of Dallas pursuant to Resolution No. 22-0901; and

WHEREAS, on June 6, 2022, the Economic Development Committee was briefed in executive session reviewed the proposed NEZ No. 20 and a related new investment opportunity and recommended City Council authorization of a resolution designating approximately 11 acres of property with a current address of 2323 North Field Street and bounded by North Field Street, Houston Street and Nowitzki Way in Dallas, Texas as further described by the map attached as **Exhibit A** (Map) (the “Property”) and the metes and bounds legal description attached as **Exhibit B** (Metes and Bounds - Legal Description); as “City of Dallas Neighborhood Empowerment Zone No. 20”; and

WHEREAS, the City desires to support the retention and creation of jobs through Goldman Sachs & Co. LLC or its affiliates (“Goldman Sachs” or “Tenant”) selection of Dallas as the location of its planned new urban office building (the “Project”) to be developed by Hunt Reality or its affiliates, including North End L.P. (“Hunt” or “Owner”) at Property, in accordance with the City’s Public/Private Partnership Program (“P/PPP”); and

WHEREAS, pursuant to the City’s P/PPP, the Project is in a non-target area and the Project meets the minimum eligibility criteria for a project located in a non-target area; and

WHEREAS, the City finds that Tenant and the Project will significantly advance the public purpose of economic development within the City; and

WHEREAS, the Economic Development Committee was briefed regarding this Project on June 6, 2022; and

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WHEREAS, the City desires to enter into a real property tax abatement agreement with Owner for added value to real property located within an approximately 4-acre area within NEZ No. 20 as further described by the map attached as **Exhibit A** (Map) and by the metes and bounds legal description attached as **Exhibit B** (Metes and Bounds - Legal Description); and

WHEREAS, the City also desires to enter into a business personal property tax abatement agreement with Tenant or an affiliate thereof for added value to business personal property located within an approximately 4.5-acre area within NEZ No. 20 as further described by the map attached as **Exhibit A** (Map) and by the metes and bounds legal description attached as **Exhibit B** (Metes and Bounds - Legal Description); and

WHEREAS, the City also desires to enter into a Chapter 380 economic development grant agreement with Tenant or an affiliate thereof to promote economic development, stimulate private sector investment, ensure job retention, encourage job creation, and grow the tax base in the City of Dallas.

Now, Therefore,

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

SECTION 1. That the findings of facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the City Council authorizes designating the approximately 11 acre property with a current address of 2323 North Field Street and bounded by North Field Street, North Houston Street, and Nowitzki Way in Dallas, Texas (the "Property") as depicted by the **Exhibit A** (Map) and further described by the metes and bounds legal description attached as **Exhibit B** (Metes and Bounds - Legal Description) as City of Dallas Neighborhood Empowerment Zone No. 20 ("NEZ No. 20" or the "Zone") pursuant to Chapter 378 of the Texas Local Government Code, on the basis of the determination that the creation of the Zone will promote an increase in economic development in the Zone, the Zone is intended to serve and will serve the public purpose of increasing the public health, safety, and welfare of the persons in the municipality, and the creation of the Zone satisfies the requirements of the Property Redevelopment and Tax Abatement Act (Section 312.202).

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SECTION 3. That the City Council authorizes the City Manager, upon approval as to form by the City Attorney, to execute a tri-party, cross-defaulted agreement with Owner and Tenant (“Tri-Party Agreement”), containing four sub-portions as follows: **(1)** a conditional real property tax abatement exempting 50% of the taxes on the added value to the net new tangible real property for a period of ten years with Hunt or an affiliate thereof, including North End L.P.; **(2)** a conditional business personal property tax abatement exempting 50% of the taxes on the added value to the net new tangible personal property for a period of five years with Goldman Sachs or an affiliate thereof; **(3)** a conditional Chapter 380 Economic Development Job Grant Agreement in an amount not to exceed \$4,000,000.00 associated with job retention and creation with Goldman Sachs or an affiliate thereof; and **(4)** a conditional Chapter 380 Economic Development Grant Agreement in an amount not to exceed \$375,000.00 associated with expedited permitting and soft costs grant; with Tenant or an affiliate thereof or Owner or an affiliate thereof; all in connection with jobs created and retained in association with a new Dallas office (“North End Office”) within City of Dallas NEZ No. 20 and in accordance with the City’s Public/Private Partnership Program.

SECTION 4. That the tax abatements that are authorized by the Tri-Party Agreement are not conditioned upon approval and execution of any other tax abatement agreement between either Tenant or Owner and any other taxing entity.

SECTION 5. That the business personal property and real personal property that are the subject of the Tri-Party Agreement shall be located entirely within NEZ No. 20 as depicted on the attached site map **Exhibit A** (Map) and as legally described in **Exhibit B** (Metes and Bounds - Legal Description).

SECTION 6. That the tax abatements, as provided for in the Tri-Party Agreement, are hereby expressly made subject to the following terms, conditions and obligations (“tax abatement requirements”), which Owner or Tenant (as applicable) must timely and satisfactorily perform or cause to occur:

- A. Owner shall complete construction of the core and shell of the North End Office with a minimum real property investment of \$390,000,000.00 by December 31, 2027.
 - i. If the Owner timely completes the Project, the real property tax abatement will begin on January 1 the year after the North End Office is completed and occupied, but no later than January 1, 2029.

SECTION 6. (continued)

- B. Site Replat: On or before December 31, 2025, Owner shall make an application to replat or create a separate tax parcel for the North End development site so that the North End Office is located on a single parcel, separate and apart from the park and other future phases of the North End development.
- i. The property tax abatement will be applicable only to the portion of the parcel on which Owner's proposed North End Office (which will be leased to Tenant) is located.
 - ii. Owner's making of an application for the replat or parcel identification is an express condition of the property tax abatement.
 - iii. Tenant shall undertake a minimum capital investment of \$90,000,000.00 by December 31, 2028, inclusive of both leasehold improvements and furniture, fixtures, and equipment. If the Tenant timely performs to City's satisfaction, the business personal property tax abatement will begin on January 1 the year after the business personal property tax eligible investment is completed, or earlier, if Owner desires and Owner/Tenant are otherwise in compliance with the agreement, but no later than January 1, 2029.

SECTION 7. That the Chapter 380 economic development grant in an amount not to exceed \$4,000,000.00 to Tenant ("Job Grant"), is hereby expressly made subject to the following terms, conditions and obligations ("grant requirements"), which Tenant must timely and satisfactory perform or cause to occur:

- A. Tenant shall retain and/or create a minimum of 5,000 jobs at the North End Office ("job requirement") on or before December 31, 2028, with an average base salary of \$90,000.00 ("wage requirement").
- i. For purposes of the Tri-Party Agreement, a "job" is defined as a full-time permanent Goldman Sachs employee scheduled to work at least 40 hours per week with benefits, subject to customary vacation, holidays, sick leave, and other paid activities. Contractors, part-time workers, interns, or other positions shall not qualify as "jobs" for purposes of the Tri-Party Agreement. Bonuses, overtime, benefits, or other similar payments do not count towards the salary requirements.

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SECTION 7, (continued)

- B. Tenant shall provide and maintain a minimum wage for all employees that is equal to or greater than the then-current living wage for an individual in Dallas County as determined by the Massachusetts Institute of Technology's Living Wage Calculator ("living wage requirement").
- C. A minimum of thirty-five percent (35%) of Tenant's employees at the North End Office are City residents ("local hiring requirement").
- D. Tenant shall execute a lease with Owner for a minimum of 800,000 square feet in the North End Office on or before December 31, 2027. The lease must have a minimum 15-year term.
- E. Tenant shall commence occupancy of the North End Office no later than December 31, 2028 ("occupancy requirement").
- F. Tenant shall continuously maintain the job, wage, living wage, local hiring, and occupancy requirements from the date of the job incentive payment through the earlier of December 31, 2038 or the date the real property and business personal property abatement periods expire, if they both end earlier than December 31, 2038 (the "Compliance Period").
- G. Tenant shall request payment of the Job Grant no later than June 30, 2029 but may request payment earlier provided all of the above terms and conditions are met.

SECTION 8. That an expedited permitting and soft costs reimbursement grant of up to \$375,000.00 to Tenant or Owner for any Q-TEAM fees, permitting fees, or other City of Dallas fees incurred by Tenant or by Owner in connection with the development of the North End Office, provided such expenses are incurred by December 31, 2027.

SECTION 9. That in addition to the specific terms and conditions outlined above, the incentives granted by the Tri-Party Agreement are hereby expressly made subject to all of the following terms, conditions and obligations ("incentive requirements"), which Owner or Tenant (as applicable) must timely and satisfactorily perform or cause to occur:

SECTION 9. (continued)

- A. Compliance Period: The compliance period will begin upon execution of the Tri-Party Agreement through December 31, 2038 (“Compliance Period”).

- B. Workforce Initiative: Tenant shall partner with the following educational institutions for the creation of a Workforce Program Initiative (“workforce initiative requirements”):
 - i. Paul Quinn College and the Paul Quinn College Work Program to allow students the opportunity to work for Tenant while earning compensation that can be applied toward tuition.
 - ii. UNT-Dallas to establish an internship program for current undergraduate or graduate students within the School of Business or other relevant programs.
 - iii. Dallas College to serve as an employer partner for its Workforce Scholars program and/or its adult apprenticeship program. Such a partnership would engage students in work-based activities including but not limited to paid or unpaid internships, co-ops, practicums, pre-apprenticeships, and registered and non-registered apprenticeships for youth and adults.
 - iv. Tenant will deliver to City executed agreements with each educational partner no later than December 31, 2024.
 - v. Tenant will continue to operate each program throughout the Tri-Party Compliance Period.
 - vi. Tenant or its educational partners shall provide City with an annual summary of the program including a summary of the status/outcomes of the workforce programs, number of participants, salaries or other benefits paid to participants, and race/gender/ethnicity of participants.

- C. M/WBE Participation: Owner (and Tenant, if Tenant is doing any construction work at the North End Office, such as tenant finish-out) shall undertake a good faith effort to comply with the City’s Business Inclusion and Development goal of 32% participation by Minority/Women-owned Business Enterprises for construction and construction-related expenditures incurred by Owner in the North End Office. Owner and Tenant shall coordinate M/WBE participation compliance with the City’s Small Business Center.

SECTION 9. (continued)

- D. Urban Design Peer Review Panel: Owner shall present the North End Office to the City's Urban Design Peer Review Panel ("Panel") on or before December 31, 2023 and shall incorporate the Panel's reasonable comments into the final design of the Project. If Owner objects to any such comment, the determination of whether such comment must be incorporated into the final design of the Project shall be made by the Director of the Office of Economic Development ("OED") and Planning and Urban Design Department after reviewing Owner's objection. Such final design plans, subject to the making of reasonable and customary change orders and "as built" modifications, must be submitted to the Director of the OED (the "Director") no later than December 31, 2024.

Owner shall complete construction of the core and shell of the North End Office (including the office building, the 1.5-acre park, and all necessary public improvements related to site for occupancy of the building, including sidewalks and pedestrian and vehicular access) in conformance with the final plans described above no later than December 31, 2027. Completion shall be evidenced by a temporary or final certificate of occupancy issued by City and acceptance by City of any public improvements.

- E. The Director, in his or her sole discretion, may extend any of the completion deadlines noted herein for up to twelve months.
- F. Tenant and Owner shall, upon request, permit City staff access to its corporate office to review all records and documents related to the obligations contained in the Tri-Party Agreement to monitor compliance with the incentive requirements of the Tri-Party Agreement, +-subject to the establishment of reasonable and customary data security, business information confidentiality, and worker privacy protections.
- G. Tenant and Owner shall provide written annual reports to the OED regarding each party's compliance with the incentive requirements of the Tri-Party Agreement, provided that the parties agree that such reports and documents shall not include confidential information pertaining to individual employees.

SECTION 9. (continued)

- H. Tenant or Owner's failure to comply with the incentive requirements of the Tri-Party Agreement throughout the Compliance Period may result in such party's repayment of incentives, which repayment would satisfy all obligations and not constitute a "default" under the Tri-Party Agreement. To ensure that Tenant and/or Owner have time to address any term or condition default and to account for hiring cycles and other business processes that might hinder such cure, the Tri-Party Agreement cure period will be one year.
- I. Either Tenant or Owner may assign the final Tri-Party Agreement to such party's respective affiliates upon contemporaneous written notification to the Director. "Affiliate," as used in this Tri-Party Agreement, includes any parent, sister, or majority-owned subsidiary entity of Tenant or Owner, as applicable, or any entity in which Tenant or Owner, as applicable, is the majority shareholder.
- J. Agreement Deadline: The final incentive requirements of the Tri-Party Agreement based upon the terms and conditions herein must be executed by and between City, Tenant, and Owner no later than March 31, 2023.

SECTION 10. That both Chapter 380 grants are subject to annual verification, audit, or other necessary procedures deemed appropriate by the City. The Director is authorized to make appropriate arrangements with Tenant to meet the verification, audit, or other necessary requirements to fulfill the purposes described herein.

SECTION 11. That the grants are personal to Tenant and Owner, respectively, and cannot be sold or assigned, in whole or in part, to any non-affiliated company.

SECTION 12. That pursuant to Section 7 and Section 9 of this resolution, the conditions the Tri-Party Agreement and upon City approval of annual appropriations, the Chief Financial Officer is hereby authorized to encumber and disburse funds to Goldman Sachs & Co. LLC and/or an affiliate from Public/Private Partnership Fund, Fund 0352, Department ECO, Unit W832, Object 3016, Activity PPPF, Program: PPPF0020, Contract No./Encumbrance# MASC-ECO-2022-00019598, Vendor No. VS0000027146, in an amount not to exceed \$4,000,000.

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SECTION 13. That upon City approval of annual appropriations, the Chief Financial Officer is hereby authorized to encumber and disburse funds to Goldman Sachs & Co. LLC and/or its affiliates (Vendor No. VS0000027146), or North End, LP and/or its affiliates, (Vendor No. VC25110) from Public/Private Partnership Fund, Fund 0352, Department ECO, Unit W832, Object 3016, Activity PPPF, Program PPPF0020, Contract No./Encumbrance# MASC-ECO-2022-00019598 in an amount not to exceed \$375,000.00. The combined total aggregate reimbursement for one or both vendors and/or their affiliates cannot exceed \$375,000.00.

SECTION 14. That this Resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.