

October 26, 2022

**WHEREAS**, the City of Dallas (“City”) is the owner of various tracts of land containing approximately 1.23 acres of land, being in Block C/3890, Dallas, Dallas County, Texas, more commonly known as 3011-3039 South Lancaster Road (the “Property”) and located at the northwest corner of South Lancaster Road and East Corning Avenue as depicted in the map attached as **Exhibit A**; and

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

**WHEREAS**, in accordance with Section 272.001(b)(6) of the Texas Local Government Code, City is permitted to sell or exchange for other land, City-owned real property located in a reinvestment zone designated as provided by law and that City desires to have developed under a project plan adopted by the City for the zone, without complying with government notice and bidding requirements set forth in Section 272.001(a) of the Texas Local Government Code or other law; and

**WHEREAS**, the Property is developable and located in the tax increment reinvestment zone seventeen (“TOD TIF District”) designated by the City and that the City desires to have developed under the TOD TIF District’s project plan; and

**WHEREAS**, on May 26, 2022, the City released City Solicitation BVZ22-00019439, a Request for Proposals (RFP) to offer the Property for sale, in compliance with state law, for commercial development; and

**WHEREAS**, UCR Development Services LLC submitted a proposal for the site that received the highest score (i.e. most advantageous proposal); and

**WHEREAS**, on October 26, 2022, City Council approved a resolution, authorizing the selection of the most advantageous proposal submitted by UCR Development Services LLC (“UCR”) for City Solicitation BVZ22-00019439; and

**WHEREAS**, to achieve the development goals outlined in City Solicitation BVZ22-00019439 as proposed by UCR, the City desires to enter into a development agreement with UCR, and/or its affiliates, providing for the sale of the Property to UCR, for a sale price no less than fair market value, and subject to (i) a right of reverter in favor of the City in event UCR fails to develop the Property as required, and (ii) a right-of-entry in favor of UCR for due diligence purposes.

**Now, Therefore,**

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

October 26, 2022

**SECTION 1.** That the City is the owner of the Property and hereby authorizes the sale and development of the Property in compliance with Section 272.001(b)(6) of the Texas Local Government Code, under a project plan adopted by the City for the TOD TIF District, and set forth in proposal submitted by UCR Development Services LLC (“UCR” or “Developer”) for City Solicitation BVZ22-00019439, without complying with governmental notice and bidding requirements set forth in Section 272.001(a) of the Texas Local Government Code or other law.

**SECTION 2.** That the City Manager or designee, upon approval as to form by the City Attorney, is authorized to execute a development agreement with UCR incorporating the proposal submitted by UCR Development Services LLC (“UCR” or “Developer”) for City Solicitation BVZ22-00019439 to provide for the development of the Property, and including the sale of the Property to UCR for a sale price no less than fair market value, and subject to (i) a right of reverter in favor of the City in event UCR fails to develop the Property as required, (ii) a 365-day right-of-entry in favor of UCR for due diligence purposes, and (iii) other terms, including operating covenants, as may be deemed necessary and approved as to form by the City Attorney, to ensure that, after sale of the Property, the Property is developed and operated in substantial conformance with the Proposal.

**SECTION 3.** That upon receipt of a purchase payment amount that is no less than fair market value as determined pursuant to this Resolution, the City Manager or designee, is authorized to execute a Deed Without Warranty, to be attested by the City Secretary, upon approval as to form by the City Attorney for the Property. The sale transaction shall be closed between the parties no later than December 31, 2023; provided, however, the Director of the Office of Economic Development is authorized to extend in writing such closing date by up to one hundred and eighty (180) days.

**SECTION 4.** That the Deed Without Warranty shall provide that the conveyance to Developer is subject to the following:

- a) The terms of the development agreement including the right of reverter in favor of the City in the event Developer fails to develop the Property as required.
- b) A restriction prohibiting the placement of industrialized housing on the Property.
- c) Any visible and apparent easements and any encroachments whether of record or not.
- d) To extent not reserved, reservation by the City of all oil, gas, and other minerals in and under the Property with a waiver of surface access rights relating to said minerals.
- e) Any and all covenants, conditions, reservations, restrictions, exceptions, easements, rights-of-way, mineral interests, mineral leases or other instruments of record and applicable to the Property or any part thereof.

**SECTION 4.** (continued)

- f) To the maximum extent allowed by law, (i) Developer is taking the Property "AS IS, WHERE IS, WITH ALL FAULTS"; (ii) City disclaims responsibility as to the accuracy or completeness of any information relating to the Property; (iii) Developer assumes all responsibility to examine all applicable building codes and zoning ordinances to determine if the Property can be used for the purposes desired and to check for outstanding or pending code enforcement actions including but not limited to repair or demolition orders; and (iv) City expressly disclaims and Developer expressly waives, any warranty or representation, express or implied, including without limitation any warranty of condition, habitability, merchantability or fitness for a particular purpose of the Property.
- g) City makes no representations of any nature regarding the Property and specifically disclaims any warranty, guaranty or representation, oral or written, express or implied, past, present, or future, concerning: (i) the nature and condition of the Property, including without limitation, the water, soil and geology, and the suitability thereof and the Property for any and all activities and uses which Developer may elect to conduct thereon, and the existence of any environmental substances, hazards or conditions or presence of any endangered or protected species thereon or compliance with all applicable laws, rules or regulations; (ii) the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition or otherwise; (iii) the compliance of the Property or its operation with any law, ordinance or regulation of any federal, state, or local governmental authority; and (iv) whether or not the Property can be developed or utilized for any purpose. For purposes hereof, "environmental substances" means the following: (a) any "hazardous substance" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C.A. Section 9601 et. seq., as amended, (b) any "hazardous substance" under the Texas Hazardous Substances Spill "Prevention and Control Act, Tex. Water Code, Section 26.261, et. seq. as amended, (c) petroleum or petroleum-based products (or any derivative or hazardous constituents thereof or additives thereto), including without limitation, fuel and lubrication oils, (d) any "hazardous chemicals" or "toxic chemicals" under the Occupational Safety and Health Act, 29 U.S.C.A. Section 651 et. seq., as amended, (e) any "hazardous waste" under the Resource Conservation and Recovery Act, 42 U.S.C.A. Section 6901 et sea, as amended, (f) asbestos, (g) polychlorinated biphenyls, (h) underground storage tanks, whether empty, filled, or partially filled with any substance, (i) any substance, the presence of which is prohibited by federal, state or local laws and regulations, and (j) any other substance which by federal, state or local laws and regulations requires special handling or notification of governmental authorities in its collection, storage, treatment or disposal.

**SECTION 4.** (continued)

References to particular acts or codifications in this definition include all past and future amendments thereto, as well as applicable rules and regulations as now or hereafter promulgated thereunder.

- h) Such other terms and requirements of the sale and/or disclaimers as the City deems necessary, convenient, or appropriate.

**SECTION 5.** That the sale price for the Property shall be no less than the “as is” fair market value of the fee simple estate of the Property as established by an appraisal conducted by a Texas certified general appraiser.

**SECTION 6.** That if a title policy is desired by the Developer, same shall be at the expense of said Developer.

**SECTION 7.** That the sale of City-owned property shall be subject to standby fees, taxes, and assessments, if any, by any taxing authority for the year of closing and subsequent years and assessments by any taxing authority for prior years due to changes in land usage or ownership, and the payment of said standby fees, taxes, and assessments, if any, shall be assumed by Developer.

**SECTION 8.** That the Chief Financial Officer shall receive and deposit proceeds of the Property sale into General Fund, Fund 0001, Department PBW, Balance Sheet 0519, and the Department of Public Works Real Estate Division shall be reimbursed for any administrative costs incurred to close the sale transaction (e.g. survey, field notes, legal description, appraisal). Reimbursement proceeds shall be deposited into General Fund, Fund 0001, Department PBW, Unit 1181, Object 5011, and any remaining proceeds shall be transferred to the General Capital Reserve Fund, Fund 0625, Department BMS, Unit 8888, Revenue Code 8118.

**SECTION 9.** 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 sale of the Property or the development agreement until such a time as the documents are duly approved by all parties and executed.

**SECTION 10.** 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.