

October 23, 2019

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

WHEREAS, on June 8, 2005, City Council authorized the establishment of Tax Increment Financing Reinvestment ("TIF") Zone Number Eight, the Design District TIF District by Resolution No. 05-1780; Ordinance No. 26021, as amended; and

WHEREAS, on April 12, 2006, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Design District TIF District by Resolution No. 06-1076; Ordinance No. 26303; as amended; and

WHEREAS, on May 24, 2019, the Design District TIF District Board of Directors reviewed the proposed Virgin Hotel Infrastructure Project and recommended City Council authorization of a development agreement with DD Dunhill Hotel LLC and/or its affiliates, in an amount not to exceed \$3,622,885.00; and

WHEREAS, on June 12, 2019, City Council authorized a development agreement with DD Dunhill Hotel LLC, and/or its affiliates ("Developer") in an amount not to exceed \$3,622,885.00, payable from future Design TIF District Funds, in consideration of the Virgin Hotel Infrastructure Project on and adjacent to property currently addressed at 1909 Hi Line Drive in Tax Increment Financing Reinvestment Zone Number Eight (Design District TIF District) by Resolution No. 19-0949; and

WHEREAS, the Developer has requested an amendment to divide implementation and TIF subsidy payment eligibility for the Virgin Hotel Infrastructure Project into two portions: **(1)** Phase I and Phase IIA with the same deadlines as previously authorized; and **(2)** Phase IIB with a completion deadline extended from June 30, 2020 to June 30, 2023 in order to avoid potential construction damage from other development activity; and

WHEREAS, on September 26, 2019, the Design District TIF District Board of Directors reviewed the proposed amendment to the Virgin Hotel Infrastructure Project and recommended City Council authorization.

Now, Therefore,

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

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SECTION 1. That the City Manager is hereby authorized to amend Resolution No. 19-0949, previously approved on June 12, 2019, authorizing a development agreement with DD Dunhill Hotel LLC and/or its affiliates (“Developer”) for the Virgin Hotel Infrastructure Project (“Project”) on and adjacent to property currently addressed at 1909 Hi Line Drive in Tax Increment Financing (“TIF”) Reinvestment Zone Number Eight (Design District TIF District), to divide implementation and TIF subsidy payment eligibility for the Project into two portions (as shown in **Exhibit A1-A2**): **(1)** Phase I and Phase IIA with the same deadlines as previously authorized; and **(2)** Phase IIB with a completion deadline extended from June 30, 2020 to June 30, 2023, approved as to form by the City Attorney.

SECTION 2. That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

SECTION 3. That SECTION 7 of Resolution No. 19-0949 is hereby amended as follows:

- F. Developer will obtain a letter of acceptance or similar documentation issued by the City signifying acceptance of the Phase I and Phase IIA TIF eligible improvements by June 30, 2020 and for Phase IIB by June 30, 2023.
- G. Developer will complete construction and pass final building inspection for the building shell of the Project by June 30, 2020.
- ~~H. If applicable, Developer will obtain a letter of acceptance or similar documentation issued by the City signifying acceptance of any public infrastructure improvements associated with the Project by June 30, 2022.~~

SECTION 4. That SECTION 9 of Resolution No. 19-0949 is hereby amended as follows:

That assuming all other conditions for payment have been met, the City of Dallas will administer the payment of the TIF Subsidy for the Project annually, pursuant to the Design District TIF District Increment Allocation Policy attached hereto as **Exhibit C**. Reimbursement for Phase I and Phase IIA TIF eligible costs will be considered upon completion of all the above requirements except completion of Phase IIB. Phase IIB TIF eligible costs will be considered for reimbursement upon completion and acceptance of those improvements and compliance with ongoing agreement provisions. In addition, Phase IIA and Phase IIB improvements may be reimbursed from available cash or if not sufficient TIF district-wide set aside funding may be utilized up to \$2,542,800.00 upon completion of all development agreement obligations.

SECTION 5. That except for the sections above, all other requirements of Resolution No. 19-0949 will remain in full force and effect.

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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 of Dallas, and it is accordingly so resolved.