

November 12, 2025

WHEREAS, the City of Dallas ("City") recognizes the importance of its role in local economic development and the provision of mixed-income housing; and

WHEREAS, investment decisions made by business owners, developers, and property owners are often significantly influenced by a municipality's ability to provide economic development incentives; and

WHEREAS, on November 6, 2012, Dallas voters approved a \$642 million general obligation bond program, of which \$55 million was included in Proposition No. 3 for the purpose of providing funds for the following public purpose, to-wit: promoting economic development in the Southern area of the city and promoting economic development in other areas of the city in connection with transit-oriented development, through planning, designing, constructing, improving, extending and expanding public street, utility, and other infrastructure facilities, including the acquisition of land thereof, and through funding the city's programs for economic development including the acquisition of improved and unimproved properties, the demolition of existing structures, making loans and grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development; and

WHEREAS, on November 7, 2017, Dallas voters approved a \$1.05 billion general obligation bond program for the City, of which \$55.4 million was included in Proposition I for the purpose of providing funds for promoting economic development throughout the City, through planning, designing, constructing, improving, extending, expanding public street, utility, and other infrastructure facilities, including the acquisition of land therefor; and through the City's programs for economic development and housing including the acquisition of improved and unimproved properties, the demolition of existing structures, making grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development, neighborhood revitalization projects, and mixed income development; and

WHEREAS, on May 26, 2021, the City Council adopted the City of Dallas Economic Development Policy 2022-2032 ("Policy") by Resolution No. 21-0927, as amended; and

WHEREAS, on January 25, 2023, in furtherance of the new Policy goals, the City Council authorized a new Economic Development Incentive Policy ("Incentive Policy") effective for the period January 1, 2023 through December 31, 2024, by Resolution No. 23-0220, as amended; and

WHEREAS, the Incentive Policy establishes certain guidelines and criteria for the use of the City incentive programs for private development projects and establishes programs for making loans and grants of public money to promote local economic development and stimulate business and commercial activity in the City pursuant to Chapter 380 of the Texas Local Government Code; and

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WHEREAS, on May 4, 2024, Dallas voters approved a \$1.25 billion general obligation bond program, of which \$72.3 million was included in Proposition G for the purpose of providing funds for the City's programs for economic development pursuant to the City of Dallas Economic Development Incentive Policy, including making grants of bond proceeds and otherwise providing assistance and incentives for commercial, industrial, retail, residential, mixed-use development and other economic development and redevelopment, land acquisition, demolition, and infrastructure development; and

WHEREAS, on January 8, 2025, the City Council adopted an amended Incentive Policy effective for the period January 1, 2025 through December 31, 2026 by Resolution No. 25-0162; and

WHEREAS, the City finds that the proposed project will not be undertaken within the city of Dallas without an offer of economic development incentives from the City; and

WHEREAS, the City finds that the proposed project will significantly advance the public purpose of economic development within the city; and

WHEREAS, the proposed project is located in an Economic Development Target Area pursuant to the Incentive Policy; and

WHEREAS, consistent with the authority granted under the Incentive Policy, OED staff recommend that the City Council authorize a Chapter 380 economic development grant agreement to support the proposed project; and

WHEREAS, in furtherance of its governmental function as a political subdivision of the State of Texas, and consistent with the authority granted under the Act, Chapter 380, Texas Local Government Code, the 2012 City of Dallas General Obligation Bond Program (Proposition 3), the 2017 City of Dallas General Obligation Bond Program (Proposition I), the 2024 General Obligation Bond Program (Proposition G), Ordinance No. 28740, Ordinance No. 30554, and Ordinance No. 32658, it is in the City's best interest to enter into a Chapter 380 economic development grant agreement as part of the City's ongoing efforts to promote local economic development and to stimulate business and commercial activity and provide new affordable housing units within the City; and

WHEREAS, the City Council finds that the City is: (i) acting in its governmental capacity and its performance hereunder is pursuant to authority granted by the State of Texas, its sovereign or for the benefit of the sovereign; (ii) authorizing this agreement to primarily benefit the public at large; or (iii) performing functions closely related to or essential to the performance of governmental activities; and

WHEREAS, on November 3, 2025, the Economic Development Committee of City Council was scheduled to be briefed regarding the proposed project, but the Economic Development Committee was unable to review project due to insufficient time; and

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WHEREAS, the City Council was briefed by memorandum regarding this project on November 7, 2025; and

WHEREAS, to provide gap funding to make the proposed project financially feasible, the City desires to execute a Chapter 380 economic development grant agreement and all other necessary documents ("Agreement") with RG University Hills, LLC, a Texas limited liability company and/or its affiliates ("Developer") in an amount not to exceed \$23,500,000.00 ("Grant") in consideration of the Rivulet Phase 1 Project, a master-planned and mixed-use development proposed on real property currently undeveloped and addressed as 6400 University Hills Boulevard, in accordance with the Economic Development Incentive Policy.

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 a Chapter 380 economic development grant agreement and all other necessary documents ("Agreement") with RG University Hills, LLC, a Texas limited liability company and/or its affiliates ("Developer") in an amount not to exceed \$23,500,000.00 ("Grant") in consideration of the Rivulet Phase 1 Project ("Project"), a master-planned and mixed-use development proposed on approximately 71 acres of currently undeveloped real property addressed as 6400 University Hills Boulevard (as depicted in **Exhibit A**), in accordance with the Economic Development Incentive Policy, 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 expenditures made pursuant to this resolution shall be made from lawfully available funds, including the General Obligation Commercial Paper Notes Series A and B (the "Commercial Paper Notes"), as amended, and any expenditures made pursuant to this Resolution from lawfully available funds shall be reimbursed from the proceeds of the Commercial Paper Notes or from the proceeds of general obligation bonds issued by the City up to the amount of expenditures authorized by this resolution.

SECTION 4. That, pursuant to this resolution and the Agreement, the Chief Financial Officer is hereby authorized to disburse the Grant in a total amount not to exceed \$23,500,000.00 to RG University Hills, LLC and/or its affiliates (Vendor No. VC0000034829) from the funding sources listed and described below:

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SECTION 4. (continued)

Economic Development & Housing Development Fund

Fund 4U52, Department ECO, Unit X262

Activity ECNR, Object 4550, Program RIVULET

Encumbrance/Contract No. CX ECO-2026-00029115 \$503,533.00

ECO (I) Fund

Fund 1V52, Department ECO, Unit VI47

Activity ECNR, Object 4550, Program EC17VI47,

Encumbrance/Contract No. CX ECO-2026-00029115 \$1,721,521.00

Economic Development (G) Fund

Fund 1Y52, Department ECO, Unit YG08, Activity ECNR ,

Object 4550, Program EC24YG08

Encumbrance/Contract No. CX ECO-2026-00029115 \$1,415,327.00

Fund 1Y52, Department ECO, Unit YG08, Activity ECNR ,

Object 4510, Program EC24YG08

Encumbrance/Contract No. CX ECO-2026-00029115 \$3,380,005.00

Fund 1Y52, Department ECO, Unit YG08, Activity ECNR ,

Object 3016, Program EC24YG08

Encumbrance/Contract No. CX ECO-2026-00029115 \$9,616,183.00

Infrastructure Investment Fund

Fund 5117, Department ECO, Unit X262

Activity, Object 4599, Program RIVULET

Encumbrance/Contract No. CX ECO-2026-00029115 \$4,712,610.00

Fund 5117, Department ECO, Unit X262

Activity, Object 4550, Program RIVULET

Encumbrance/Contract No. CX ECO-2026-00029115 \$2,150,821.00

Total amount not to exceed \$23,500,000.00

SECTION 5. That, pursuant to Section 4 of this resolution, upon execution of the Agreement, the following Grant shall be earned by and disbursed to Developer as follows:

- A. Grant Installment No. 1 in an amount not to exceed \$4,712,610.00 shall be payable as reimbursement for actual capital costs incurred by Developer for Developer's completion of design and construction of the specific Phase I public infrastructure improvements (public rights-of-way grading; utilities excavation) as illustrated in **Exhibit B**.

SECTION 5. (continued)

- B. Grant Installment No. 2 in an amount not to exceed \$5,791,202.00 shall be payable as reimbursement for actual capital costs incurred by Developer for Developer's completion of design, construction, and City acceptance of the specific Phase II public infrastructure improvements (stormwater; sanitary sewer; water) as illustrated in **Exhibit C**.
- C. Grant Installment No. 3 in an amount not to exceed \$3,380,005.00 shall be payable as reimbursement for actual capital costs incurred by Developer for Developer's completion of design, construction, and City acceptance of the specific Phase III public infrastructure improvements (roadway paving) as illustrated in **Exhibit D**.
- D. Grant Installment No. 4 in an amount not to exceed \$9,616,183.00 shall be payable upon Developer's completion and submission of documentation evidencing completion of each of the requirements set forth in the Agreement pursuant to Section 6.A through Section 6.Q of this resolution.

SECTION 6. That, in addition to the conditions set out in the sections above, the Agreement is hereby expressly made subject to all of the following requirements, terms, and conditions, which must be performed or occur:

- A. Project Financing and Execution of Agreement. Developer shall close construction financing for the Project prior to or contemporaneously with the City's execution of an Agreement with the Developer and provide evidence to the OED Director of binding commitments for all capital sources necessary to deliver the Project. Developer shall execute the Agreement by December 31, 2026.
- B. Grading Permit Deadline. The Developer shall obtain a grading permit for the Project by December 31, 2027.
- C. Minimum Investment. The Developer shall invest (or cause to be invested) and provide documentation to the Office of Economic Development Director ("OED Director") evidencing a minimum of \$30,000,000 in investment expenditures for the delivery of the Project ("Minimum Investment") by December 31, 2029. See **Exhibit E** for a detailed list of investment expenditures eligible to be counted toward the Minimum Investment. Construction management costs may be included in the Minimum Investment calculation if the construction management services are directly related to ensuring the quality of the construction of the Project and are performed by an independent and unaffiliated third party. Construction management costs must

SECTION 6. (continued)

be evidenced by invoices with detailed descriptions of services performed. Property acquisition, Developer fees, legal fees, marketing fees, financing fees, leasing commissions, carrying costs, reserves, operating deficits through stabilization and other similar costs shall not be considered an eligible Investment Expenditure.

- D. Environmental Remediation/Demolition. The Developer shall perform all legally required environmental remediation and any demolition necessary to construct the Project by December 31, 2027.
- E. Site Preparation Work. The Developer shall perform site work (e.g., excavation, placement of fill, grading) for the Project necessary to support the planned vertical improvements (as described in Section 6.N) and obtain the City's written final acceptance of such work by December 31, 2028.
- F. Infrastructure Construction. The Developer shall construct the infrastructure improvements (e.g., new roads, utilities, and streetscape) of the Project needed to support the planned vertical improvements (as described in Section 6.N) and obtain the City's written final acceptance of such infrastructure improvements by December 31, 2029.
- G. Public Access to Infrastructure not owned by City. Prior to the City's payment of Grant Installment No. 4, and at no additional cost to the City, Developer shall provide public access easements, deed restrictions, or other instruments reasonably acceptable to the OED Director if any street, utility, or open space improvements associated with the Project remain in private ownership but require public access.
- H. Operating and Maintenance Agreement. By December 31, 2029, the Developer (or its assignee as provided herein) shall execute an Operating and Maintenance Agreement (defined below) for any Non-Standard Public Improvements (defined below), if any, associated with the Project that will be owned by the City but maintained by the Developer (the "Operating and Maintenance Agreement"). If necessary, Developer shall obtain a license from the City for the purpose of maintaining any improvements in the public right-of-way. "Non-Standard Public Improvements" shall be defined as those public infrastructure improvements which exceed the City's standard design requirements, as determined by the City, and shall include specially designed street/pedestrian lighting, brick pavers, bollards, sidewalks, public art, fountains, landscaping and irrigation. With the exception of specially designed street/pedestrian lighting, public art work and fountains, the City shall retain ownership of such public improvements and may at its sole option, if Developer

SECTION 6. (continued)

fails to maintain such public improvements after notice from the City, perform such maintenance and invoice the Developer for the costs, which costs the Developer shall pay within thirty days of notice. Developer shall submit documentation evidence that an executed Notice of Operating and Maintenance Agreement specifying the existence of an executed Operating and Maintenance Agreement for the Non-Standard Public Improvements was recorded with the Dallas County Clerk's Office. The term for the Operating and Maintenance Agreement shall be twenty (20) years. The terms and conditions of the Operating and Maintenance Agreement are binding upon the successors and assigns of all parties hereto and may be assignable, subject to OED Director approval, in whole or in part, to a new owner of all or a portion of the Project or to another entity such as a public improvement district or property owner's association. Developer or its assignee shall remain responsible for the maintenance of the Non-Standard Public Improvements for a term of twenty (20) years even if Developer chooses to forgo the Grant or is not paid the Grant as a result of default.

- I. Quarterly Reporting. Until completion of the Minimum Vertical Related Items, Developer shall submit to OED quarterly status reports for ongoing work on the Project in the form to be attached to the Agreement. Following execution of the Agreement, such quarterly status reports shall be due within 45 calendar days following the end of each calendar quarter.
- J. Design. The Urban Design Peer Review Panel ("UDPRP") is an independent group of professional designers selected by the City Manager with expertise in architecture, landscape architecture, engineering, and urban planning. Review by the UDPRP is required for all projects requesting economic development incentives. Following a formal review of the preliminary master plan for the Rivulet Development (**Attachment F**) on April 28, 2023, the UDPRP provided recommendations (see **Attachment G**). On October 16, 2023, Developer submitted a response to the City's Planning and Development Department ("PDD") which are included in **Attachment H**. On October 23, 2024, the PDD staff indicated that the responses submitted by Developer on October 10, 2023 satisfied the UDPRP's advice but that updated plans are required to be provided to PDD staff to ensure any proposed changes achieve the goals set by the UDPRP's recommendations. Updated plans meeting the UDPRP's recommendations shall be attached as exhibits to the Agreement.

SECTION 6. (continued)

Prior to submitting construction plans as part of a building permit application for subsequent Minimum Vertical Related Items to the City's PDD, Developer shall submit a set of construction drawings to the Preservation and Urban Design staff of PDD and OED Director for a final staff review to ensure that the Project (public and private improvements) will be constructed in substantial conformance with the final conceptual plans attached to the Agreement. PDD and OED staff shall complete the final staff review within ten business days of submission.

- K. Design Guidelines. By December 31, 2026, Developer shall submit neighborhood design guidelines and/or a pattern book for the Project for review and approval by the City's Planning and Development Department (PDD) staff ("Design Guidelines"). The Design Guidelines shall serve as special conditions for the Project and shall be included in the Real Estate Covenants described in Section 6.O.
- L. Parkland Dedication Ordinance. Developer shall comply with the City's Parkland Dedication Ordinance, as amended.
- M. Minor Modifications and Extensions. Allowable minor modifications to the Project's design may include those required to comply with development regulations administered by the City's PDD or other City departments, federal, state and local laws, codes and regulations, including those changes described in Section 5.J. Prior to making any Project design changes that would be considered minor in nature, Developer shall notify the OED Director and submit proposed changes to the OED Director for review and approval. OED Director may authorize minor modifications to the Project so long as they are consistent with the Design Guidelines. OED Director may also authorize an extension of the Project's material dates and deadlines by up to twenty-four (24) months except as provided by the force majeure provision in Section 9.
- N. Minimum Vertical Related Items. By December 31, 2030, Developer shall complete the following ("Minimum Vertical Related Items"):
 - a. convey a minimum of 300 platted lots to home builder(s) for the construction of ~~a mix of~~ single-family ~~attached townhomes and single-family~~ detached homes; and
 - b. convey a platted lot to a multi-family developer for the construction of a minimum of 200 rental multi-family residential units; and
 - c. construct either of the following neighborhood amenities:
 - (i) an air-conditioned club house and pool, or

SECTION 6. (continued)

- (ii) at least four (4) of the following: covered pavilion, grill or picnic area, dog park, neighborhood trails, playground, or a multi-sport game court.

All construction of vertical development must be completed in conformance with the Design Guidelines, the Real Estate Covenants, and all other requirements of the Agreement as described herein.

O. Real Estate Covenants. Developer shall establish restrictive covenants for all future vertical development on the Property ("Real Estate Covenants"). By December 31, 2026, a draft set of Real Estate Covenants shall be provided by Developer for review by OED Director and City Attorney's Office. Once approved by OED Director and City Attorney, Developer shall file the approved covenants in the Real Property Records of Dallas County along with the filing of the final plat for the Project. Covenants shall include each of the following:

- i. A requirement that future vertical development of the Property shall be in conformance with the approved Design Guidelines described in Section 6.K.
- ii. Deed restrictions ensuring that any rental multi-family residential development constructed on the Property must include not less than 20% of units set aside for households earning no more than 80% Area Median Family Income ("AMFI") for 15 years; that such units shall be marketed pursuant to an Affirmative Fair Housing Marketing Plan reviewed and approved by the Fair Housing division within the City; and that multi-family developers building on the Property shall comply with the City's voucher requirements in accordance with Section 20-4.1(b) of the Dallas City Code.
- iii. A requirement that for-sale home builders constructing single-family detached ~~and single-family attached~~ homes on the Property shall partner with the City to market and encourage perspective home buyers to participate in the City's Homebuyer Assistance Program, which offers closing cost, down payment, and/or other financial assistance to certain income qualified households as outlined in the homebuyer assistance program statement.

SECTION 6. (continued)

P. Security for Performance. Prior to any payment of the Grant, a deed of trust, deed restrictions, guaranty, or other security instrument required by the City Attorney's Office to secure Developer's performance of each of the requirements and obligations set forth in the Agreement pursuant to Section 6.A through Section 6.Q of this resolution shall be executed by Developer in a form approved by the City Attorney's Office. Such document(s) shall be recorded in the Real Property Records of Dallas County against Developer's interests in the Property. Such document(s) shall be released upon expiration of and satisfaction of the performance obligations of the Agreement, or upon Developer's sale of any portion of the Property to an unaffiliated developer for completion of vertical construction. Such document(s) shall be subordinated to construction and/or permanent lenders during the term of the Agreement. Developer shall also provide a title policy for the Property prior to execution of such documents.

Q. Management Entity. By December 31, 2029, Developer shall establish a homeowner's association, public improvement district, or other management entity acceptable to OED Director to ensure upkeep of common areas, including green spaces, and to provide additional security and other neighborhood supplemental services.

SECTION 7. That Developer shall not enter into a contract to sell, lease, encumber, or otherwise transfer any portion of the Property to a non-affiliated entity without the OED Director's prior written consent, which consent shall not be unreasonably withheld. Transfer without such consent shall be an event of default of the Agreement. If any of the Property is planned to be transferred to non-affiliated entities (not related to Developer), at least 30 calendar days before the Developer enters into a contract with a non-affiliated entity for any portion of the Phase 1 Property that is the subject of this resolution (i.e., excluding the commercial tract south of Ricketts Branch Creek), Developer shall submit financial and management background information for review by the OED Director to consider written consent, provided, however, that the City acknowledges and hereby consents to the Developer's existing contracts with (i) affiliates of LGI Homes with respect to the sale of the Project's single-family detached lots ~~and single-family attached townhome lots~~, and (ii) affiliates of Smart Living Residential with respect to the sale of the Project's multi-family tract (such contracts, as the same may be amended from time to time, the "Existing Contracts").

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SECTION 8. That Developer's inability to meet or maintain compliance with any of the material requirements or conditions of the Agreement (as described herein), if not cured within 365 calendar days (or if not reasonably susceptible of cure within such 365-day period, within a reasonable time for the curing of such default; such reasonable time shall be determined in the Director's sole discretion) after written notice of such failure is provided by the City to the Developer, shall be an event of default under the Agreement. In the event of default, City, in its sole discretion, shall have the right to elect any or all legal actions or remedies available pursuant to the security document(s) and the Agreement.

SECTION 9. That notwithstanding Section 6.M or any other provision of this resolution to the contrary, in the event the OED Director determines (which determination shall not be unreasonably withheld, conditioned, or delayed) the Project has been delayed as a result of Force Majeure, after being provided written notice by Developer, Developer shall have additional time to complete the Project, as may be required in the event of Force Majeure, defined herein, so long as Developer is diligently and faithfully pursuing completion of the Project, as determined by the OED Director (which determination shall not be unreasonably withheld, conditioned, or delayed). Extension of Project deadlines as a result of Force Majeure shall not require City Council approval. "Force Majeure" shall mean any contingency or cause beyond the reasonable control of Developer, as reasonably determined by the OED Director (which determination shall not be unreasonably withheld, conditioned, or delayed) including, without limitation, acts of nature or the public enemy, war, riot, civil commotion, insurrection, state, federal or municipal government, or de facto governmental action (unless caused by acts or omissions of Developer), fires, explosions, floods, pandemics, epidemics, or viral outbreaks, shortages in labor or materials, delays in or damages caused by delivery of materials, and strikes. In the event of Force Majeure, Developer shall be excused from doing or performing the same during such period of delay, so that the completion dates applicable to such performance, or to the construction requirement shall be extended for a period equal to the period of time Developer was delayed, subject to OED Director's approval (which approval shall not be unreasonably withheld, conditioned, or delayed).

SECTION 10. That, until completion of the Project, an assignment of the Developer's duties and obligations under the Agreement shall only be allowed to a direct affiliate of Developer with the prior written approval of the OED Director, not to be unreasonably withheld, conditioned, or delayed.

After completion of the Project (i.e., performance of all the requirements set forth in the Agreement pursuant to Section 6.A through Section 6.Q of this resolution), Developer may assign its rights or obligations under the Agreement to any entity, provided the assignee expressly assumes all of the obligations of the Developer under the Agreement for the balance of the term of such Agreement.

SECTION 10. (continued)

Any receivables due under the Agreement may be assigned by Developer or assignee upon providing the OED Director with written notice within thirty (30) calendar days of such assignment. Developer and assignee have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, interest under the Agreement for the benefit of their respective lenders without the consent of, but with written notice to, the OED Director. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate the lender to perform any obligations or incur any liability under the Agreement unless the lender agrees in writing to perform such obligations or incur such liability.

SECTION 11. 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.