

December 14, 2022

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

WHEREAS, on December 9, 1992, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Four (Cedars TIF District) in accordance with the Tax Increment Financing Act, as amended, Texas Tax Code, Chapter 311, as amended (the Act) to promote development and redevelopment in the District through the use of tax increment financing by Resolution No. 92-4302; Ordinance No. 21492, as amended; and

WHEREAS, on April 9, 1997, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Cedars TIF District by Resolution No. 97-1225; Ordinance No. 23092, as amended; and

WHEREAS, on October 18, 2018, the Dallas Park and Recreation Board adopted the Dallas Heritage Village at Old City Park Master Plan; and

WHEREAS, on October 18, 2018, the Cedars TIF District Board of Directors reviewed and adopted an Economic Development TIF Grant Program for the Cedars TIF District, as amended (attached as **Exhibit A**); and

WHEREAS, on October 18, 2018, the Cedars TIF District Board of Directors reviewed and recommended approval of Cedars TIF District funding in an amount not to exceed \$650,000.00 (in the form of a grant) to support the historic restoration of the Park Avenue House and Rall House to be used as co-working office space at the Dallas Heritage Village (now Old City Park) located at 1515 South Harwood Street; and

WHEREAS, on June 12, 2019, City Council authorized (1) a development agreement with the Dallas County Heritage, Society (DCHS), in an amount not to exceed \$650,000.00, payable from existing and/or future Cedars TIF District Funds, to support the historic restoration of the Park Avenue House and Rall House to be used as co-working office space at the Dallas Heritage Village (now Old City Park) located at 1515 South Harwood Street; and (2) an increase in appropriations in an amount not to exceed \$650,000.00 in the Cedars TIF District Fund by Resolution No. 19-0918; and

WHEREAS, due to turnover of leadership at DCHS as well as impacts of COVID-19 in 2020 and 2021, DCHS was unsuccessful in raising the \$550,000.00 in required matching funds for the project, and, as a result, the development agreement was never executed, and the project never moved forward; and.

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WHEREAS, on October 26, 2022, the City received a new request from the DCHS for TIF District funding to support an updated historic restoration project at Old City Park; and

WHEREAS, on November 8, 2022, the Cedars TIF District Board of Directors reviewed and unanimously recommended approval of a development agreement with the Dallas County Heritage Society in an amount not to exceed \$650,000.00 payable from existing Cedars TIF District funds in consideration of the historic restoration of the Blum House and the Rall House to be used for leasable office space and park programming at Old City Park located at 1515 S. Harwood Street; and

WHEREAS, the expenditure of Cedars TIF District funds supporting this Project is consistent with promoting development and redevelopment of the Cedars TIF District in accordance with the purposes for its creation, the ordinance adopted by the City Council approving the Cedars TIF District Project Plan and Reinvestment Zone Financing Plan, and is for the purpose of making public improvements consistent with and described in the Cedars TIF District Project Plan and Reinvestment Zone Financing Plan; and

WHEREAS, the proposed Project supports the following goals of the Cedars TIF District's Project Plan and Reinvestment Zone Financing Plan: (1) support the growth and success of activities at the Dallas Convention Center, Dallas Heritage Village (now Old City Park), and Farmers Market, (2) secure growth and investment in the Cedars TIF District, (3) encourage economic revitalization through hotel, for-sale and rental housing, retail, and office development, and (4) encourage preservation of historic buildings.

WHEREAS, to further implement the Cedars TIF District Project Plan and Reinvestment Zone Financing Plan, the City desires to enter into a development agreement with DCHS in an amount not to exceed \$650,000.00 payable in the form of a grant from existing Cedars TIF District Funds, in consideration of the historic restoration of the Blum House and the Rall House at Old City Park (the Project) located at 1515 S. Harwood Street.

Now, Therefore,

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

SECTION 1. That the City Manager, upon approval as to form by the City Attorney, is hereby authorized to execute a development agreement with Dallas County Heritage Society (DCHS) in an amount not to exceed \$650,000.00 (the Funds) payable in the form of a grant from existing Cedars TIF District Funds (the District Funds) to support the historic restoration of the Blum House and the Rall House to be used for leasable office space and park programming at Old City Park located at 1515 S. Harwood Street. The Cedars TIF District funding will be provided to DCHS in the form of a grant and will be disbursed on a reimbursement basis at regular milestones, but not more frequently than monthly, for costs and expenses incurred for eligible expenditures. A location map for the

Project is attached as **Exhibit B**. **Exhibit C** includes the current conditions of the Blum House and the Rall House and the estimated total budget for the Project.

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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 in addition to the conditions set out in the sections above, the development agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- A. The Funds is subject to the following:
 - Park and Recreation Board review and approval of the proposed Project; and
 - City Council approval of the Funds for the Project.
- B. The Funds shall be used for restoration costs only and none of the TIF District funding shall be used for furniture, technology upgrades that are not fixtures of the restored homes (i.e., no computers or other equipment that can be removed from the homes) or to fund a maintenance endowment.
- C. DCHS shall provide evidence satisfactory to the City that it has secured the remaining \$550,000.00 of the Project budget in unencumbered funds to complete the Project prior to the release of any portion of the Funds.
- D. Prior to applying for a building permit, DCHS shall submit elevations for all four sides of the Blum House and the Rall House for review and approval by the City's Office of Historic Preservation. The elevations shall include notes that describe the historic siding, windows, etc., to be repaired and restored as part of the Project, and any other information requested by the City's Office of Historic Preservation.
- E. Completed renovations shall conform to final elevation plans approved by the Office of Historic Preservation. No construction may commence and no portion of the Funds will be disbursed until all such reviews are complete and approvals are granted.
- F. DCHS shall obtain a building permit from the City and commence construction on or before June 30, 2023.
- G. DCHS shall obtain a Certificate of Occupancy (CO) for the Blum House and the Rall House on or before December 31, 2025.
- H. Restoration and rehabilitation of the Blum House and the Rall House shall be in conformance with City approved elevation plans and all applicable Secretary of the Interior's Standards for Rehabilitation, especially regarding repair and restoration

of historic wood siding, trim, and existing wood window light pattern and material. Restoration and rehabilitation must also be in compliance with state, local, and federal laws.

- I. DCHS shall comply with the Business Inclusion and Development (BID) goal of thirty-two percent (32%) Minority/Women-owned Business Enterprise (MWBE) participation for construction and construction related expenditures for the Project and meet all reporting requirements.
- J. Until DCHS has completed all Project improvements and received a CO for the Blum House and the Rall House, DCHS shall submit to the Office of Economic Development quarterly status reports for ongoing work on the Project. Such status reports shall be due no later than 30 calendar days beyond the end of each calendar quarter after the City Council approval date.
- K. The Director of the Office of Economic Development (the Director) may authorize an extension of the Project deadlines up to 6 months.
- L. Prior to leasing space in the Blum House and the Rall House for office space, DCHS shall provide documentation of approval of the proposed use and rental rates executed by the Office of Arts and Culture. No construction may commence, and no portion of the Funds shall be issued until such approval is secured.
- M. If leasing of space within the Blum House and the Rall House is approved by the Office of Arts and Culture, DCHS shall direct ninety percent (90%) of revenue generated by such use to a maintenance reserve account dedicated solely to structural maintenance and repairs of buildings and building systems in Old City Park (excluding routine maintenance, telephone systems, janitorial services, and any other existing obligations of DCHS under the Management and Operation Agreement between the City and Old City Park, attached as **Exhibit D** (the Operation Agreement)).
- N. Construction, use, insurance, management, and maintenance for the restored buildings and purchased and/or installed improvements as part of this Project shall be in conformance with the Operation Agreement.
- O. DCHS shall provide proof of personal property insurance for the Project.
- P. The Blum House and the Rall House shall remain open and operational throughout the current term (expires May 26, 2023) and any future renewals or extensions of the Operation Agreement.

SECTION 4. That each request for payment of the Funds shall include the following: an invoice from the general contractor detailing costs incurred, progress reports, copies of sub-contractor and supplier invoices, proof of payment to sub-contractors and suppliers

who support the Project, and other documentation requested by City. Full payment of the Funds may be less if actual restoration costs are less than \$650,000.00.

SECTION 5. That if DCHS is unable to complete the Project, as determined by the City Manager or his/her designee, any unpaid portion of the TIF District funding shall be transferred to the City's Park and Recreation Department to complete the Project.

SECTION 6. That this contract is designated as Contract No. ECO-2023-00020937.

SECTION 7. That the Chief Financial Officer is hereby authorized to encumber and disburse funds in the form of a grant in an amount not to exceed \$650,000.00 to Dallas County Heritage Society payable from existing tax increment as follows:

Cedars TIF District Fund, Fund: 0033, Department: ECO, Unit: W438, Activity: TCED, Program # CEDTIF0011, Object:3016, Contract/Encumbrance #: ECO-2023-00020937, Vendor #:126247.

SECTION 8. That nothing in this resolution shall be construed to require the City to approve payment of the Funds from any source of the City funds other than the Cedars TIF District Fund.

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 this transaction, until such time as the Agreement is duly approved and executed by the City and DCHS.

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.