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**WHEREAS**, the City of Dallas (“City”) recognizes the importance of its role in local economic development and the public purposes of fostering economic growth; 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 May 26, 2021, the City Council adopted an Economic Development Policy 2022-2032 (“Policy”) by Resolution No. 21-0927; and

**WHEREAS**, on January 25, 2023, the City Council adopted a revised Policy by Resolution No. 23-0220 to clarify action items for City staff, align the action items with ongoing plans, programs, policies, and other initiatives at the City, designate lead City departments to implement the action items, and consolidate and prioritize such action items; and

**WHEREAS**, on January 25, 2023, in furtherance of the new Policy goals, the City Council also 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; and

**WHEREAS**, on January 25, 2023, with Resolution No. 23-0220, the City Council approved the designation of City of Dallas Neighborhood Empowerment Zone No. 21 (“NEZ No. 21”) pursuant to Chapter 378 of the Texas Local Government Code (“Chapter 378”); and

**WHEREAS**, on May 17, 2024, a Letter of Intent (“LOI”) for the proposed economic development incentive agreement, as described herein, was executed by and between Onu Ventures, Inc. and/or its affiliate and the City’s Director of the Office of Economic Development (“Director”) securing The Adaline Mixed-Income Multi-Family Residential Project which includes the commitment of (1) new ground-up construction of a 238-unit mixed-income multi-family development with the following affordability: (a) 20% of the units reserved for households earning at or below 80% of Area Median Income (“AMI”); (b) 80% of the units at market rate; (2) approximately 333 on-site surface parking spaces; (3) on-site improvements (e.g. grading, utilities, paving, drainage, lighting, landscaping, signage, etc.); and (4) resident amenities specifically including a swimming pool and clubhouse (all together the “Project”); and

**WHEREAS**, Onu Ventures, Inc. and/or its affiliates, will perform or cause to be performed all site and building improvements for the Project; and

**WHEREAS**, The Adaline at Bonnie View, LLC owns the 10 acres of real property that the Project will be constructed on; and

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**WHEREAS**, the City finds that the Project will not occur without this offer of an economic development incentive from the City; and

**WHEREAS**, the City finds that the Project will significantly advance the public purpose of economic development by assisting with the creation of new mixed-income, multi-family residential units within a Target Area identified by the Incentive Policy; and

**WHEREAS**, on August 5, 2024, the Economic Development Committee was briefed regarding this Project; and

**WHEREAS**, the City desires to enter into an economic development incentive agreement ("Incentive Agreement") with Onu Ventures, Inc. and/or its affiliates, and The Adaline at Bonnie, LLC, and/or its affiliates, to include (1) a real property tax abatement for a period of 10 years in an amount equal to the City's taxes assessed on 90 percent of the added taxable value of Property; and (2) a Chapter 380 Economic Development Grant in an amount not to exceed \$3,500,000.00, in consideration of the Project within the City of Dallas NEZ No. 21.

**Now, Therefore,**

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

**SECTION 1.** That the City Manager is hereby authorized, upon approval as to form by the City Attorney, to execute an Incentive Agreement with Onu Ventures, Inc. and/or its affiliates ("Developer/Grantee"), and The Adaline at Bonnie View, LLC, and/or its affiliates ("RP Owner"), to include: (1) a real property tax abatement ("RP Tax Abatement") for a period of ten years in an amount equal to the City's taxes assessed on ninety percent of the added taxable value of Property; and (2) a Chapter 380 Economic Development Grant ("Grant") in an amount not to exceed \$3,500,000.00, in consideration of the Project to be situated on approximately 10 acres currently addressed as 4343 and 4425 Riverside Road ("Property") in City of Dallas NEZ No. 21.

**SECTION 2.** 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 3.** That, pursuant to Section 6 of this Resolution, the Chief Financial Officer is hereby authorized to disburse grant funds in an amount not to exceed \$3,500,000.00 to Developer/Grantee (VC32658) from Public/Private Partnership Fund, Fund 0352, Department ECO, Unit X126, Activity PPPF, Object 3016, Program ADALAPTS, Encumbrance/Contract No. CX-ECO-2024-00025501.

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**SECTION 4.** That a estimated cost of \$46.7 million, the Developer/Grantee will perform all necessary site improvements (including grading, utilities, lighting, landscaping), and complete construction of the new residential buildings, amenities and parking.

**SECTION 5.** That the Incentive Agreement shall include the following two components:

- A. Grant in an amount not to exceed \$3,500,000.00.
- B. RP Tax Abatement for a period of ten (10) years in an amount equal to the City's taxes assessed on 90 percent of the added taxable value of the Property resulting from the Developer/Grantee's and/or RP Owner's real property investment in the Project.

**SECTION 6.** That the Grant shall be payable in a single installment upon Substantial Completion (defined in Section 9.E) of the Required Project Components as listed in Section 9.C of this Resolution and compliance with all other terms and conditions of the Incentive Agreement.

**SECTION 7.** That the RP Tax Abatement is subject to RP Owner and/or Developer/Grantee providing written documentation evidencing: (1) Substantial Completion (defined in Section 9.E) of the construction of the Required Project Components as listed in Section 9.C of this Resolution, and (2) compliance with all other terms and conditions of the Incentive Agreement.

The "added taxable value" of RP Owner's real property is the amount of the difference between the appraised value of the real property as shown on the tax rolls of the Dallas Central Appraisal District as of January 1, 2024, and the appraised value of the real property as shown on such tax rolls as of January 1 of the year of calculation. The value of the real property shall be as finally determined by Dallas Central Appraisal District ("DCAD").

Pursuant to Section 11.43 of the Texas Tax Code, it shall be the responsibility of RP Owner to file an annual exemption application form with the Chief Appraisal of the DCAD throughout the term of the RP Tax Abatement. In addition, RP Owner shall certify in a written annual report to the City (Director of the Office of Economic Development) by April 15 of each year throughout the term of the RP Tax Abatement that RP Owner is in compliance with the Incentive Agreement. The exemption application form and certification report shall be submitted to the City (Director of the Office of Economic Development) for review and approval prior to submission of the exemption application form to the DCAD. Failure of RP Owner to obtain City approval for the annual exemption application form may result in the loss of the RP Tax Abatement for the year. The exemption application form and form certification report will be attached to the Incentive Agreement for RP Owner's use.

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**SECTION 8.** That the real property subject to the RP Tax Abatement shall be located wholly on the Property and located within the City's Tax NEZ No. 21, as illustrated on the attached site map **Exhibit A**.

**SECTION 9.** That the Incentive Agreement shall include the following specific terms and conditions:

- A. Project Financing. Prior to or contemporaneously with the City's execution of the Incentive Agreement, Developer/Grantee shall close construction financing for the Project and provide evidence to Director of binding commitments of all capital sources necessary to deliver the Project.
- B. Deadline for Execution of Incentive Agreement. Developer/Grantee and RP Owner shall execute Incentive Agreement with the City by December 31, 2024.
- C. Required Project Components. The Project shall include the following Required Project Components ("Required Project Components"):
  - a. new ground-up construction of seven buildings totaling 238 multi-family residential units with a total minimum size of 85,321 gross square feet; and
  - b. minimum of 333 on-site parking spaces; and
  - c. resident amenities specifically including a swimming pool and clubhouse; and
  - d. on-site improvements (e.g. grading; utilities; paving; drainage; lighting; landscaping; signage; etc.) necessary to complete the components in Section 9.C(a), (b), and (c).
- D. Building Permit Deadline. Developer/Grantee shall obtain a building permit from the City by December 31, 2025. A foundation permit may constitute satisfaction of this requirement. A demolition permit or grading permit does not constitute satisfaction of this requirement.
- E. Substantial Completion Deadline. Developer/Grantee shall cause the construction of the Required Project Components described in Section 9.C to be substantially completed by December 31, 2027, as evidenced by certificate(s) of occupancy, letter(s) of acceptance, certificate(s) of substantial completion, and/or similar documentation issued by the City ("Substantial Completion"). Developer/Grantee shall obtain final acceptance of any public infrastructure improvements associated with the construction of the Project, as evidenced by a letter of acceptance or similar documentation issued by the City by June 30, 2028.

F. Minimum Investment. Developer/Grantee shall invest (or cause to be invested) and provide documentation evidencing a minimum of \$40,000,000 in acquisition costs and real property improvements, including the design, engineering and construction of site improvements and building improvements associated with the Project by December 31, 2027 ("Minimum Investment"). See **Exhibit B** for a detailed list of investment expenditures eligible to be counted toward the Minimum Investment requirement. Construction management costs may be included in the Minimum Investment calculation if the construction management services are performed by an independent and unaffiliated third-party. Construction management costs must be evidenced by invoices with detailed descriptions of services performed. Developer/Grantee fees, legal fees, marketing fees, financing fees, leasing commissions, carrying costs, reserves, operating deficits through stabilization and other similar costs shall not be included in the Minimum Investment calculation. With the exception of acquisition costs, professional fees, environmental assessments, and other eligible due diligence costs, no expenditures made by Developer/Grantee prior to execution of the Incentive Agreement may be included in the Minimum Investment calculation.

G. Affordability Requirement. The Project shall include a minimum of 238 residential units of which a minimum of 20 percent or 48 units shall be set aside and leased solely to those households earning at or below 80 percent of AMI, as determined by the U.S. Department of Housing and Urban Development ("HUD"), for 15 years from the date of the initial issuance of a certificate of occupancy for the residential component of the Project (the "Affordability Period").

The affordable units shall be identical in finish-out and materials as market rate units, shall be dispersed pro-rata among unit types as defined by the number of bedrooms in the unit, shall not be fixed to specific unit numbers, shall not be segregated or concentrated in any one floor or area of the Project, and shall be dispersed throughout all of the residential portions of the Project. Prior to or contemporaneously with the City's execution of the Incentive Agreement, the affordability provisions required by the Incentive Agreement shall be impressed upon the Property by deed restrictions filed in the Official Real Property Records of Dallas County.

After the Project's Substantial Completion as defined in Section 9.E herein and throughout the Affordability Period, Developer/Grantee shall monitor and submit bi-annual reports to the Director on the status of its compliance with the affordability requirements. Developer/Grantee shall submit written certification and documentation of compliance on the form attached as **Exhibit C**.

**SECTION 9.** (continued)

- H. Affirmative Fair Housing Marketing Plan. Developer/Grantee agrees to complete the Affirmative Fair Housing Marketing Plan (“AFHMP”) attached hereto as **Exhibit D** and submit the AFHMP for approval to the Fair Housing division within the City’s Office of Equity and Inclusion for approval. Developer/Grantee shall submit a copy of the approved AFHMP to the Director within 30 calendar days of approval and market the residential units pursuant to the approved AFHMP. Should City request amendments from time to time to the AFHMP to improve its effectiveness, Developer/Grantee shall cooperate in good faith to reach mutual agreement on reasonable modifications.
- I. Vouchers. In accordance with Section 20-4.1(b) of the Dallas City Code, Developer/Grantee shall make best efforts to lease up to 10 percent of the Project’s residential units to voucher holders during the Affordability Period from the date of Project’s Substantial Completion. Developer/Grantee shall register with a minimum of one local provider of housing vouchers at least 12 months prior to Project completion. “Best efforts” is defined as “compliance with Section 20A-4.1(a), compliance with the Incentive Agreement, and submission of the evidence of compliance to the Director.” As applicable, Ordinance 32195 shall be enforced. **Exhibit E** shall be completed and submitted by Developer/Grantee to the Director for review and verification. Should Ordinance 32195 and Chapter 20A of the Dallas City Code be further amended prior to Project completion, Developer/Grantee shall abide by such amended terms. Pursuant to Section 20A-4.1(a) of the Dallas City Code, Developer/Grantee shall not discriminate against holders of any housing vouchers, and Developer/Grantee shall comply with Section 20A-28 of the Dallas City Code regarding tenant selection.

Prior to or contemporaneously with the City’s execution of the Incentive Agreement, this requirement shall also be impressed upon the Property by deed restriction filed in the Official Real Property Records of Dallas County.

- J. M/WBE Inclusion in Construction of Project. Developer/Grantee shall make a good faith effort to comply with a goal of 40 percent participation by certified Minority/Women-owned Business Enterprises (“M/WBE”) for all hard construction expenditures (i.e., public and private improvements) for the Project and meet all process and reporting requirements of the City’s Business Inclusion and Development (“BID”) program. BID reporting requirements and forms are attached as **Exhibit F**. Compliance shall be coordinated with the City’s Office of Procurement Services.

**SECTION 9.** (continued)

- K. Local Hiring. For all permanent employment opportunities created by operation of the Project and prior to City payment of the Grant, Developer/Grantee shall submit to the City a written plan describing how Developer/Grantee or property management group shall use and document best efforts to recruit and hire residents of the City of Dallas. At a minimum, the written plan shall describe how Developer/Grantee or property management group will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources. The plan shall be subject to approval by the Director to ensure that employment opportunities are targeted to Dallas residents and that reasonable efforts are made to promote the hiring of neighborhood residents for any new jobs created.
- L. Property Management. The proposed management group for the Project shall be submitted at least three months prior to Project's Substantial Completion for review by Director to consider acceptance based on the management entity's comparable experience managing other multi-family residential properties with income-restricted units, such approval not to be unreasonably withheld.
- M. Public Access to Infrastructure Not Owned by City. If applicable, prior to City's payment of the Grant and at no cost to the City, RP Owner shall provide public access easements, deed restrictions, or other instruments reasonably acceptable to the Director if any internal streets and utility infrastructure improvements associated with the Project remain in non-City ownership but require public access.
- N. Operating and Maintenance Agreement. Prior to Substantial Completion, Developer/Grantee and/or RP Owner shall execute an Operating and Maintenance Agreement (defined below) for any Non-Standard Public Improvements (defined below) associated with the Project that will be owned by the City but maintained by the Developer/Grantee and/or RP Owner ("Operating and Maintenance Agreement"). If necessary, RP Owner shall obtain a license from City for the purpose of maintaining any Non-Standard Improvements in the public right-of-way that remain in non-City ownership. "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, including specially designed street/pedestrian lighting, brick pavers, bollards, public art, fountains, landscaping, and irrigation. If Developer/Grantee and/or RP Owner fails to maintain such Non-Standard Public Improvements after notice from City, City may, at its sole option, perform such maintenance and invoice Developer/Grantee and/or RP Owner for the costs, which costs Developer/Grantee and/or RP Owner shall pay within 30 days of notice. Developer/Grantee and/or RP Owner shall submit documentation evidencing that an executed Notice of Operating and Maintenance Agreement specifying the

**SECTION 9.** (continued)

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 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 Director approval (not to be unreasonably withheld, conditioned, or delayed), in whole or in part, to a new owner of all or a portion of the Project.

- O. Quarterly Reporting. Until the Project has passed final building inspection and all required paperwork documenting Substantial Completion pursuant to Section 9.E has been submitted to the Office of Economic Development, Developer/Grantee shall submit to the Director quarterly status reports for ongoing predevelopment and construction work on the Project. Such status reports shall be due within 30 calendar days following the end of each calendar quarter.
- P. Design. Following a formal review of the Project's preliminary conceptual drawings and renderings on April 15, 2024, the City of Dallas Planning and Development (P&D) Department staff provided advice **Exhibit G**. Prior to submitting construction plans to the City's Development Services Department as part of a building permit application, Developer/Grantee shall submit a set of the construction drawings to the P&D Department for a final staff review to ensure that the Project (i.e. public and private improvements) will be constructed in substantial conformance with the conceptual drawings presented to City Council.

P&D Department staff shall complete the final staff review of permit drawings within 10 business days of submission by Developer/Grantee.

Allowable minor modifications to the Project's design may include those required to comply with development regulations administered by the City's Development Services Department or other City departments, federal, state and local laws, codes and regulations. Prior to making any Project design changes that would be considered minor in nature, Developer/Grantee shall notify the Director and submit proposed changes to the Director and P&D Department for review and approval.

- Q. Minor Modifications. At Developer/Grantee's written request, the Director may authorize modifications to the Project, including a reduction in the number of residential units by up to five percent and an extension of the Project's material dates and deadlines by up to 12 months for just cause.

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**SECTION 9.** (continued)

- R. Force Majeure. Notwithstanding Section 9.Q or any other provision to the contrary, in the event the Project has been delayed because of Force Majeure, after being provided written notice by Developer/Grantee, Developer/Grantee shall have additional time to complete the Project, as may be required in the event of Force Majeure, defined herein, so long as requesting entity is diligently and faithfully pursuing completion of the Project, as reasonably determined by the Director. Extension of Project deadlines because of Force Majeure shall not require City Council approval. ("Force Majeure") shall mean any contingency or cause beyond the reasonable control of the Developer/Grantee, as reasonably determined by the Director including, without limitation, acts of nature or the public enemy, war, riot, civil commotion, insurrection, state, federal or municipal government (including, without limitation, timely issuance of permits needed to complete the development of the Project), or de facto governmental action (unless caused by acts or omissions of Developer/Grantee), fires, explosions, floods, pandemics, epidemics, or viral outbreaks other than the COVID-19 pandemic, shortages in labor or materials, and strikes. In the event of Force Majeure, Developer/Grantee shall be excused from doing or performing the same during such period of delay, so that the completion dates applicable to such performance shall be extended for a period equal to the period of time Developer/Grantee was delayed.
- S. Assignment. Until Developer/Grantee achieves Substantial Completion, an assignment of the rights and/or the obligations under the Incentive Agreement in whole or in part shall only be allowed to an affiliate of Developer/Grantee with the prior written approval of the Director, not to be unreasonably withheld. After Developer/Grantee achieves Substantial Completion, Developer/Grantee may assign its rights and/or obligations to any entity with the prior written approval of the Director, not to be unreasonably withheld.
- T. Legal Description of Project Site. Developer/Grantee shall provide a metes and bounds legal description of the Property (exclusive of any adjacent retail development site). The legal description shall be attached to the Incentive Agreement as an exhibit.

**SECTION 10.** That this resolution shall take effect immediately from and after its passage in accordance with the revisions of the Charter of the City of Dallas, and it is accordingly so resolved.