

Memorandum



CITY OF DALLAS

DATE May 2, 2025

TO Honorable Members of the City Council Economic Development Committee: Tennell Atkins (Chair), Omar Narvaez (Vice Chair), Carolyn King Arnold, Chad West, Adam Bazaldua, Paul Ridley, and Kathy Stewart

SUBJECT **Upcoming Agenda Item: Cityplace Phased Development/Redevelopment**

On May 28, 2025, staff will seek City Council authorization of four real property tax abatement agreements to support four separate phases of new development/redevelopment of the Cityplace Tower and surrounding undeveloped land at 2711 N. Haskell Avenue proposed by NexPoint Diversified Real Estate Trust. The total private investment planned for all four phases is estimated at \$445 million.

Please see the attached **Exhibit A** for more detailed information. Should you have any questions, please contact Kevin Spath, Director (I), in the Office of Economic Development at (214) 670-0170 or kevin.spath@dallas.gov.

Service First, Now!

Robin Bentley
Assistant City Manager

c: Kimberly Bizar Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager

Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)
Directors and Assistant Directors



City of Dallas

Cityplace Development/Redevelopment

**four mixed-income, mixed-use, and transit-oriented
development projects
(City Council District 14)**

**Economic Development Committee
May 5, 2025**

Kevin Spath, AICP, EDFP, HDFP
Director (I)
Office of Economic Development

Overview



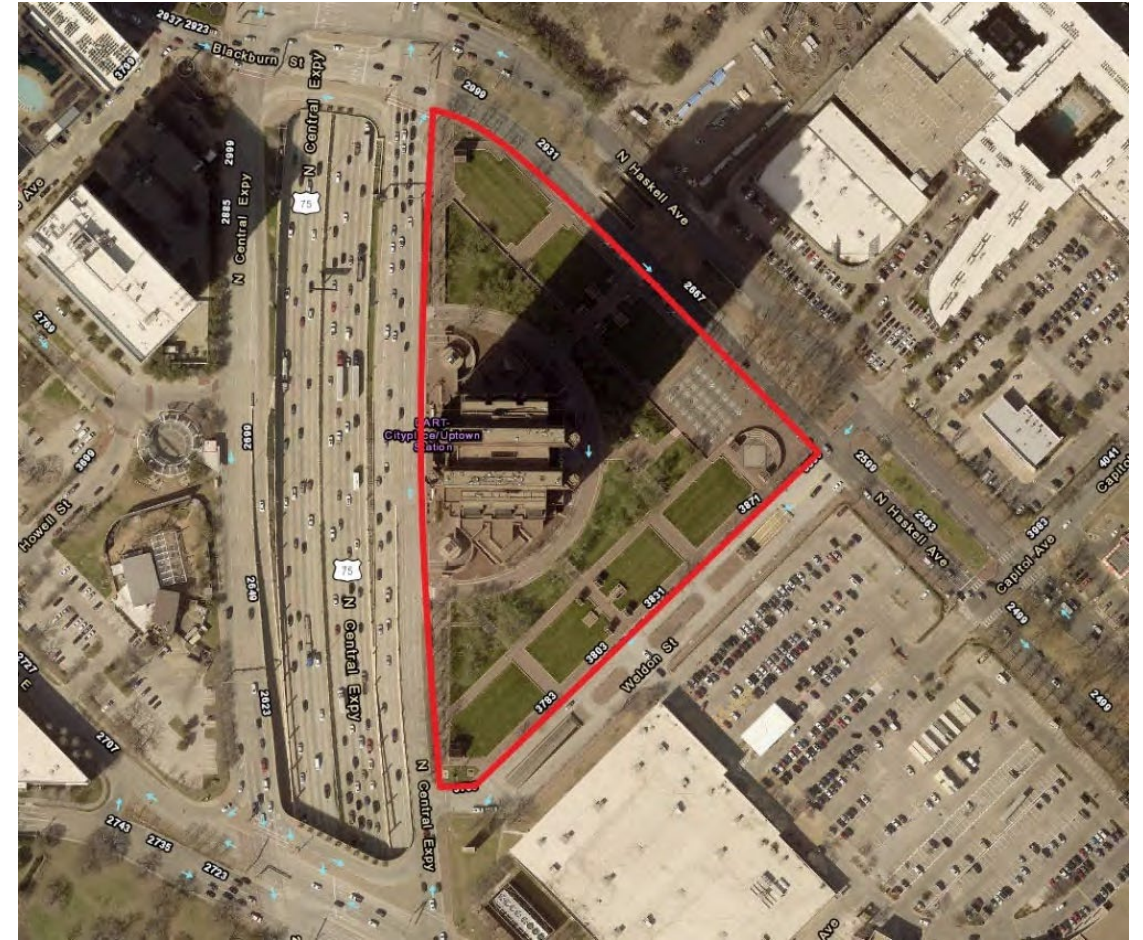
- Background
- Proposed Projects
- Staff Recommendation
- Next Step
- Appendices



Background: Property (2711 N. Haskell Ave)



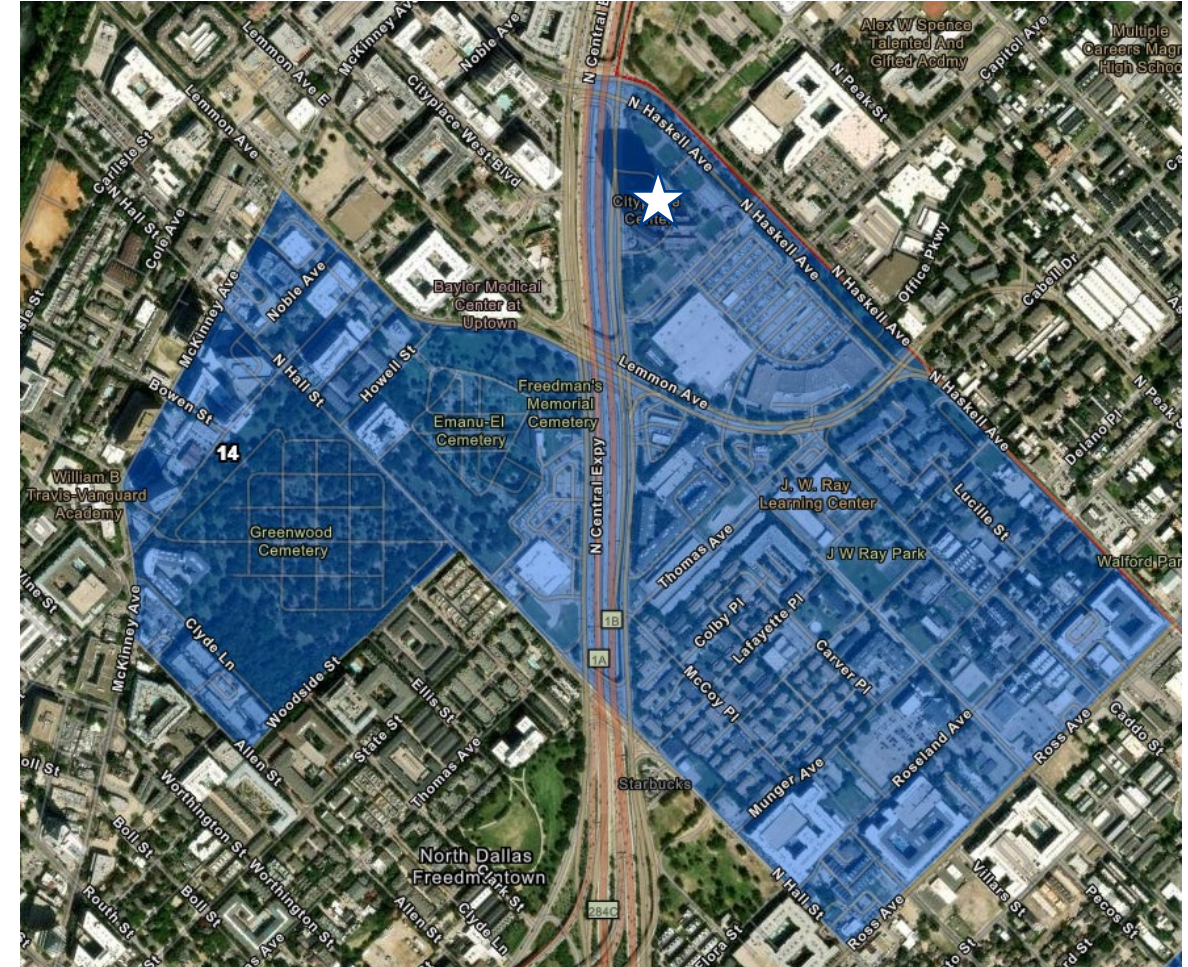
- currently comprised of two Dallas Central Appraisal District accounts which divide the real property into two condo units: (a) Cityplace Tower on approximately 3.3 acres of land and (b) approximately 5.3 acres of unimproved land surrounding the Cityplace Tower, totaling approximately 8.68 acres of land
- 42-story building constructed in 1985 and containing 1,356,054 square feet of rentable area, with direct access to the underground Cityplace/Uptown DART station
- approximately 5.3 acres of unimproved land surrounding the Cityplace Tower
- six (6) existing underground parking garages totaling approximately 3,373 parking spaces
- zoning: Planned Development District 305 (Cityplace)



Background: Property (2711 N. Haskell Ave)



- in Economic Development Target Area (blue color) per City's Economic Development Incentive Policy
- near High Opportunity Areas
- acquired by NexPoint Diversified Real Estate Trust in 2018



Background: Existing Property Conditions



Existing Cityplace Tower and unimproved land surrounding Cityplace Tower



Proposed Project: Phase 1: The Apron



Project Owner/Developer: NexPoint Diversified Real Estate Trust and affiliate (CP Tower Owner, LLC) and CP Land Owner, LLC

Project Summary: Phase 1: The Apron: new ground-up construction of eight 6-story buildings on 5.3 acres of unimproved land surrounding Cityplace Tower, consisting of:

- 465 mixed-income multi-family residential units (rental) including efficiencies, one-bedroom units, and two-bedroom units. Of the total number of units, 93 units (20%) will be income-restricted, and 372 units (80%) will not be income-restricted
- ground floor commercial space (approximately 22,300 gross square feet; approximately 15,610 net rentable square feet)
- tenant amenities including pools, fitness center, and social activity spaces
- site improvements consisting of:
 - modernization of and safety improvements for the interface between Cityplace Tower and the underground Cityplace/Uptown DART station
 - renovation of the existing six (6) underground parking garages including necessary structural enhancements
 - landscaping improvements including a centrally located water feature, enhanced gardens, tree groves, and seating rest area
 - enhancements to site access and circulation including the existing private loop road, Haskell Avenue pedestrian improvements from US 75 frontage road to Capitol Avenue, and the addition of a deceleration lane at the US 75 frontage road (contingent upon approval by the Texas Department of Transportation and the City's Department of Transportation and Public Works)
 - wayfinding signage along the US 75 frontage road (contingent upon approval by the Texas Department of Transportation and the City's Department of Transportation and Public Works)



Proposed Project: Phase 2: The Tower



Project Summary: Phase 2: The Tower: conversion of specific condominiumized floors within the Cityplace Tower from vacant office space into multi-family residential (rental) units, consisting of:

- **Phase 2A**

- conversion of floors 15-21, 32-36, and 39-41 to approximately 240 mixed-income multi-family residential units (rental) to include one-bedroom units, two-bedroom units, and three-bedroom units with 48 (20%) income-restricted units and 192 (80%) market rate units
- development of an amenity floor (likely on floor 4 and likely to be shared with hotel users) consisting of a fitness center and swimming pool (residents of Phase 2A, 2B, and 2C will have access to the amenity floor)

- **Phase 2B**

- conversion of floors 27-28 and 37-38 to approximately 115 mixed-income multi-family residential units (rental) to include approximately 115 one-bedroom units with 23 (20%) income-restricted units and 92 (80%) market rate units

- **Phase 2C**

- conversion of floors 22-26 and 29-31 to approximately 150 mixed-income multi-family residential units (rental) to include one-bedroom units, two-bedroom units, and three-bedroom units with 30 (20%) income-restricted units and 120 (80%) market rate units

Phase 2: The Tower will not include portions of the Tower that are anticipated to be maintained as office or hotel uses



Proposed Project: Summary (all 4 phases)



Phase 1: The Apron	Phase 2A: Cityplace Tower Floors 15-21, 32-36, 39-41	Phase 2B: Cityplace Tower Floors 27-28, 37-38	Phase 2C: Cityplace Tower Floors 22-26, 29-31	Totals
372 market rate units	192 market rate units	92 market rate units	120 market rate units	776 total market rate units
93 affordable units	48 affordable units	23 affordable units	30 affordable units	194 total affordable units
465 total units	240 total units	115 total units	150 total units	970 total residential units

Estimated Total Project Cost: \$445,261,449

Anticipated Construction Start Date of Phase 1: The Apron: Q4 2025



Proposed Project: Urban Design



- On March 21, 2025, City's Urban Design Peer Review Panel ("UDPRP") reviewed the Project. The following summarizes the design recommendations:
- UDPRP recommended:
 - making the tower's ground floor more pedestrian friendly between the site and the underground Cityplace/Uptown DART Station entry and discuss with landscape architect the possibility of incorporating hardscape that is more sustainable and permeable
 - reaching out to the adjacent property owner (Cityplace Market Shopping Center) to consider partnering together to make improvements along their side of Weldon Street to plant at least 10 street trees to increase pedestrian comfort and safety on this edge of the surrounding neighborhood
 - working with City of Dallas to design a safe midblock crossing that could be added on Haskell Avenue
 - increasing the access and legibility of the Cityplace/Uptown DART Station, exploring an alternate station entry location closer to the density proposed along Haskell Avenue for The Apron and closer to the existing established neighborhood to the east that would be more accessible to all users, and prioritizing and accommodating all transit connections and multi-modal opportunities
 - exploring how the streetscape and landscape design can respond more appropriately to the differing contexts of Haskell Ave and Weldon St while providing quality well-lit green spaces for residents, businesses, and visitors
 - working with City of Dallas to consider how Weldon Street might allow for a lane reduction to gain additional space for landscape enhancements
 - reconsidering the appropriateness of The Apron's architectural design by taking influence from the modern Cityplace Tower and contemporary neighboring West Village aesthetic



Proposed Project: Site Plan



Proposed Project: Renderings



Proposed Project: The Apron Elevations



04 75 EXPRESSWAY ELEVATION
SCALE 1/16"=1'-0"



03 PLAZA ELEVATION
SCALE 1/16"=1'-0"



02 HASKELL AVE ELEVATION
SCALE 1/16"=1'-0"



01 CITY PLACE LOOP ELEVATION
SCALE 1/16"=1'-0"



Proposed Project: Sources and Uses



Sources of funds	Amount	% of Total
Senior Loan (NexBank)	\$ 189,929,150	55.71%
Subordinated Debt (Preferred Financing)	68,822,710	20.19%
Owner Equity	81,999,692	24.10%
Financing Gap	153,960	0.24%
Total	\$ 340,905,513	100.00%
Uses of Funds	Amount	% of Total
Acquisition (Land and Improvements)	\$ 37,000,000	10.85%
Site Improvements	10,200,000	2.99%
Rehabilitation & New Construction	353,506,610	74.36%
Professional Fees	8,629,406	2.53%
Financing Costs (including construction interest)	16,396,169	4.81%
Developer Fee	12,432,491	3.65%
Soft Costs & Reserves	2,740,837	0.80%
Total Project Costs (TPC)	\$ 340,905,513	100.00%



Staff Recommendation: City Incentive



- Based on a comprehensive review of the real estate development incentive application and extensive consultation with the City's independent outside underwriter, staff has proposed, for each of the 4 phases, a real property (RP) tax abatement for a period of ten years in an amount equal to the City's taxes assessed on ninety percent (90%) of the added taxable value to the real property resulting from and in consideration of the Owner/Developer's real property investment in and delivery of each phase
- Each tax abatement is independent of each other
- The tax abatement for Phase 1: The Apron must be earned by Owner/Developer in order for any of the tax abatements for Phase 2: The Tower to be earned
- On April 10, 2025, staff executed a Letter of Intent (LOI) with Owner/Developer
- Estimated total value of tax abatements for all 4 phases (forgone revenue): \$13,849,498
- Ratio of private investment (\$340,905,513) to total value of City abatements (\$13,849,497): 25:1



Next Step



May 28, 2025: City Council





Appendices



Appendices



- Appendix A:** Agreement Conditions
- Appendix B:** Ownership Structures
- Appendix C:** Development Team
- Appendix D:** Projected Taxable Value
- Appendix E:** Project Underwriting
- Appendix F:** North Haskell and US 75 Improvement Project
- Appendix G:** DART Cityplace/Uptown Station



Appendix A: Agreement Conditions



- Required Minimum Investment. Owner shall invest (or cause to be invested) and provide documentation to the OED Director evidencing a minimum investment expenditure for the delivery of the Project (“Required Minimum Investment”) as described in the table below. Construction management costs (evidenced by invoices with detailed descriptions of services performed) may be included in the Required 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. Site acquisition cost, 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. With the exception of professional fees, environmental assessments and other eligible due diligence costs, no expenditures made prior to execution of the LOI on April 10, 2025 may be included in the Required Minimum Investment calculation.

Phase	Minimum Required Investment	Required Deadline for Meeting Minimum Required Investment
1	\$145,000,000	December 31, 2028
2A	\$100,000,000	December 31, 2028
2B	\$28,000,000	December 31, 2029
2C	\$53,000,000	December 31, 2030



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- Required Project Components. The Project shall include the following ("Required Project Components") for the issuance of a Tax Abatement. **It is understood that each independent phase of Phase 2: The Tower is optional. If Owner does not choose to complete Phase 2A, Phase 2B, and/or Phase 2C, then Owner will not earn a Tax Abatement for that specific phase.** However, Phase 1: The Apron must be earned by Owner in order for any of the Tax Abatement(s) for Phase 2: The Tower to be earned.
 - **Phase 1: The Apron: Required Project Components:**
 - new ground-up construction of a minimum of 465 mixed-income multi-family residential units (rental), of which a minimum of 20% (93 units) shall be set aside as affordable and leased solely to households earning at/below 80% AMI
 - a minimum of 15,000 net rentable square feet of ground floor retail/commercial space throughout the Phase 1 buildings
 - tenant amenities, to be shared with hotel, including rooftop pool, fitness center, and social activity spaces
 - site improvements (public and private) necessary to complete Phase 1 of the Project which shall include modernization of and safety improvements for the interface between Cityplace Tower and the underground Cityplace/Uptown DART station in coordination with DART's improvement efforts, renovation and structural enhancement of the 6 underground parking garages, landscaping improvements and all necessary utilities, lighting, signage, and streetscape to complete the Project
 - **Phase 2: The Tower: Required Project Components:**
 - Phase 2A: conversion of floors 15-21, 32-36, and 39-41 to deliver a minimum of 240 mixed-income multi-family residential units (rental), of which a minimum of 20% (48 units) shall be set aside as affordable and leased solely to households earning at/below 80% AMI



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- **Phase 2: The Tower: Required Project Components continued:**
 - Phase 2A: construction of amenity floor within the Tower consisting of fitness center and swimming pool to be accessible to all residents of Phase 2A, Phase 2B, and Phase 2C of the Tower
 - Phase 2B: conversion of floors 27-28 and 37-38 to deliver a minimum of 115 mixed-income multi-family residential units (rental), of which a minimum of 20% (23 units) shall be set aside as affordable and leased solely to households earning at/below 80% AMI
 - Phase 2C: conversion of floors 22-26 and 29-31 to deliver a minimum of 150 mixed-income multi-family residential units (rental), of which a minimum of 20% (30 units) shall be set aside as affordable and leased solely to households earning at/below 80% AMI
- Affordability and Vouchers. Of the rental multi-family residential units constructed, at least 20% of the units shall be set aside and leased solely to those households earning at/below 80% of AMI, as determined by the U.S. Department of Housing and Urban Development ("HUD"), for a minimum of 15 years (the "Affordability Period").
 - The affordable units shall be of identical finish-out and materials as market rate units and shall not be segregated or concentrated in any one floor or area of the Project but shall be dispersed throughout all of the residential portions of the Project
 - Developer shall make best efforts to lease up to 10% of the Project's residential units to voucher holders during the Affordability Period pursuant to Section 20A of Dallas City Code
 - Affordability and voucher requirements shall be impressed upon the Property by deed restriction prior to Substantial Completion of each phase for the term of the Affordability Period
 - Developer shall submit an Affirmative Fair Housing Marketing Plan for approval by City's Office of Equity and Inclusion



Appendix A: Agreement Conditions



- Phase 1: The Apron: Ground Floor Retail/Commercial Space. As a specific requirement for the Phase 1 Tax Abatement, Owner shall construct or cause to be constructed a minimum of 15,000 square feet of net rentable square feet of ground floor retail/commercial use within Phase 1: The Apron.
 - Owner may propose alternative active uses for a maximum of 5,000 square feet of the net rentable commercial space, but such alternative active uses must receive written approval in advance by the OED Director
- Building Permit Deadline. For each phase of the Project, Owner shall obtain a building permit, which may include a foundation permit, if applicable, in accordance with the Building Permit Deadlines as shown in the table below. A grading permit shall not meet this requirement.
- Substantial Completion Deadline. For each phase of the Project, Owner shall cause the construction of the Required Project Components to be completed, and all portions of the buildings shall be occupiable, as applicable, in accordance with the Substantial Completion Deadlines shown in table below.

Phase	Building Permit Deadline	Substantial Completion Deadline
1	December 31, 2026	December 31, 2028
2A	December 31, 2026	December 31, 2028
2B	December 31, 2027	December 31, 2029
2C	December 31, 2028	December 31, 2030



Appendix A: Agreement Conditions



- Property Management. The proposed property management group for the Project, which may be an affiliate of Owner, must be submitted at least three (3) months prior to Substantial Completion of Phase 1: The Apron for review by the OED Director to consider acceptance based on the management entity's comparable experience managing other multi-family properties, such approval not being unreasonably withheld.
 - Should the management group for the residential component and commercial component of the Project be separate groups, both management groups shall be accepted by the OED Director
 - Any replacement or successor property management group must be approved by OED Director
- Operating and Maintenance Agreement. Developer will execute a 20-year Operating and Maintenance (O&M) Agreement for any Non-Standard Public Improvements prior to Substantial Completion.
 - Includes public infrastructure improvements that exceed the City's standard design requirements and shall include specially designed street/pedestrian lighting, brick pavers, bollards, sidewalks, public art, fountains, landscaping, and irrigation
 - Developer shall submit documentation evidencing the O&M Agreement was recorded with the Dallas County Clerk's Office
 - O&M Agreement is binding upon the successors and assigns 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
 - Developer shall remain responsible for the maintenance of the Non-Standard Public Improvements for 20-year term even if Developer chooses to forgo the City Incentive or does not fully earn the City Incentive as a result of uncured default



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- Public Access to Infrastructure not owned by City. Prior to earning the Phase 1 Tax Abatement and at no cost to City, Owner shall provide reasonable 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 non-City ownership but require public access.
- M/WBE Inclusion in Construction of Project. Developer shall make a good faith effort to comply with the City's Business Inclusion and Development ("BID") goal of thirty-two percent (32%) participation by certified Minority/Women-owned Business Enterprises ("M/WBE") for all hard construction expenditures (public and private improvements) for the Project and meet all process and reporting requirements of the City's Business Inclusion and Development ("BID") program.
- Quarterly Reporting. For each phase of the Project, until all Required Project Components have passed final building inspection and Owner has submitted all required paperwork documenting Substantial Completion to the OED Director, Owner shall submit to OED Director quarterly status reports for ongoing work on each phase of the Project in the form to be attached to the Agreement. Such status reports shall be due within 30 calendar days following the end of each calendar quarter.



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- Urban Design. Final review of the plans shall be provided to the Urban Design staff within the Planning and Development Department ("PUD") and attached to the Agreement for each Project phase. Compliance with the updated plans are a material requirement for the City Incentive.

Additionally, for each phase of the Project, prior to submitting construction plans as part of a building permit application to the City's PUD, Owner shall submit a set of construction drawings to the Urban Design staff of PUD and OED Director for a final staff review to ensure that the specific phase of the Project (public and private improvements) will be constructed in substantial conformance with the final approved conceptual drawings and renderings attached to the Agreement. PUD and OED staff shall complete the final staff review within ten (10) business days of submission.

For each phase of the Project, allowable minor modifications to the urban design may include those required to comply with development regulations administered by the City's PUD or other City departments, federal, state and local laws, codes and regulations. Prior to making any urban design changes that would be considered minor in nature, Owner shall notify the OED Director and submit proposed changes to the OED Director for review and approval. OED staff shall complete the review within ten (10) business days of submission by the Owner.



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- Local Hiring. For all permanent employment opportunities created by operation of each phase of the Project, Owner shall submit to the City a written plan ("Local Hiring Plan") describing (a) how Owner or its property management group shall use and document commercially reasonable efforts to recruit and hire residents of the city of Dallas and (b) how Owner or its property management group shall cause all non-residential tenants of all buildings in the Project to use and document commercially reasonable efforts to recruit and hire residents of the city of Dallas. At a minimum, the Local Hiring Plan shall describe how Owner, its property management group, and/or tenants will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources. The Local Hiring Plan shall be subject to approval by the OED Director to ensure that employment opportunities are targeted to Dallas residents and that commercial reasonable efforts are made to promote the hiring of neighborhood residents for any new permanent jobs created. No tax abatement shall be earned by Owner for any phase of the Project until the OED Director approves the Local Hiring Plan.
- Property Maintenance and Inspection. For each phase of the Project, Owner shall ensure that the Project is maintained in accordance with all applicable City property standards for the duration of the Term of each Agreement. City will verify maintenance to these standards through on-site inspections at a minimum of every 2 years and reserves the right to inspect more frequently if City deems it necessary, in its sole discretion.



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- Annual Application/Certification for Tax Exemption. It shall be the responsibility of Owner, pursuant to V.T.C.A., Tax Code, §11.43, to file an annual exemption application form with the chief appraiser of the Dallas Central Appraisal District. In addition, Owner shall certify in a written report to the City by April 15 of each year throughout the Term of each Agreement that Owner is in compliance with each applicable term in each Agreement executed by the City and Owner, including but not limited to providing a notarized affidavit of compliance and evidence of the payment of real property taxes and business personal property taxes owed to the City by Owner. The exemption application and certification report shall be submitted to the OED Director for review and approval prior to submission of the exemption application to the Dallas Central Appraisal District. Failure of Owner to obtain OED Director's approval for the exemption application may result in the loss of the tax exemption for the year.
- Minimum Ground Floor Occupancy Requirement for Phase 1: The Apron. Prior to commencement of the Phase 1 Tax Abatement, Owner shall provide evidence that a minimum of 50% of the minimum of 15,000 net rentable square feet of ground floor retail/commercial space is leased and occupied pursuant to the requirement on Slide 21. For the avoidance of doubt, Owner shall provide evidence that a minimum of 7,500 square feet of ground floor retail/commercial space is leased and occupied prior to commencement of the Phase 1 Tax Abatement.



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- Ongoing Ground Floor Occupancy Requirement for Phase 1: The Apron. After commencement of the Phase 1 Tax Abatement and for the duration of the Term of the Phase 1 Tax Abatement ("Ground Floor Occupancy Compliance Period"), Owner shall immediately notify City in writing if ground floor occupancy falls below the Minimum Ground Floor Occupancy Requirement for Phase 1: The Apron ("Ground Floor Occupancy Default"). Such notice shall specify the nature of the Ground Floor Occupancy Default, the period of existence thereof, and the action Owner is taking or proposes to take with respect to curing the Ground Floor Occupancy Default. Failure of Owner to cure the Ground Floor Occupancy Default within 180 calendar days following written notice by Owner or City shall constitute an uncured Ground Floor Occupancy Default ("Uncured Ground Floor Occupancy Default"). If Owner is making a good faith effort to cure by taking commercially reasonable and continuous steps to cure any Ground Floor Occupancy Default, the 180-calendar day cure period may be extended by the OED Director in his/her sole discretion.
- Minor Modifications. For each phase of the Project, the OED Director may authorize minor modifications, including but not limited to, adjustment in unit type, unit mix, set-aside duration, qualifying Area Median Income, and/or an extension of the Project's material dates and deadlines up to 12 months.
- Deadline for Execution of Agreement. Owner shall execute Phase 1 Tax Abatement Agreement with City by June 30, 2026.
- Re-verification of Underwriting for Phase 2B and Phase 2C. Prior to City's execution of Phase 2B Tax Abatement Agreement and Phase 2C Tax Abatement Agreement, Owner shall submit updated sources, uses, and operating assumptions for City to conduct an updated verification of underwriting to ensure that the gap funding assistance offered for Phase 2B and 2C is still reasonable to support the completion of Phase 2B and Phase 2C.



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- Recapture Liability and Taxes Retroactively Due. In the event of uncured default for (a) failure to complete the Project in accordance with the Tax Abatement Agreement(s) or (b) the conviction for a violation under 8 U.S.C. Section 1324a(f), all taxes which otherwise would have been paid to the City without the benefit of the Tax Abatement(s) (but were in fact not paid by reason of the Tax Abatement), including statutory interest and statutory penalties thereon (collectively with such taxes, "Recapture Liability"), will become a debt to the City from Owner and shall be due, owing and paid to the City by Owner within 60 calendar days of the expiration of the cure period. Such Recapture Liability shall be equal to all taxes which would otherwise have been paid to the City from the beginning of the tax abatement period to the date of termination (interest and penalties will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas).

Owner shall pay liquidated damages to the City in the event of uncured default for any of the following occurrences: (c) Owner allows its real property taxes and/or business personal property taxes owed the City to become delinquent, (d) Owner fails to certify in a written report to the City by April 15 of each year throughout the Term of the Agreement(s) that Owner is in compliance with each applicable term of the Agreement(s), (e) Owner fails to obtain OED Director approval for Owner's assignment of all or a portion of the Property to a new owner, (f) Owner allows an Uncured Ground Floor Occupancy Default, or (g) Owner breaches any other term or condition of the Agreement(s). Such liquidated damages shall be in an amount equal to all taxes for the year (or years) in which such default occurs, which otherwise would have been paid to the City without the benefit of the Tax Abatement (but were in fact not paid by reason of the Tax Abatement), including interest and penalties thereon charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas). The eligibility of the Owner to obtain the benefit of the Tax Abatement(s) shall resume in the subsequent years after the event of default is cured.

The Agreement for each phase shall be independent of the other(s). There shall be no cross default between phases.



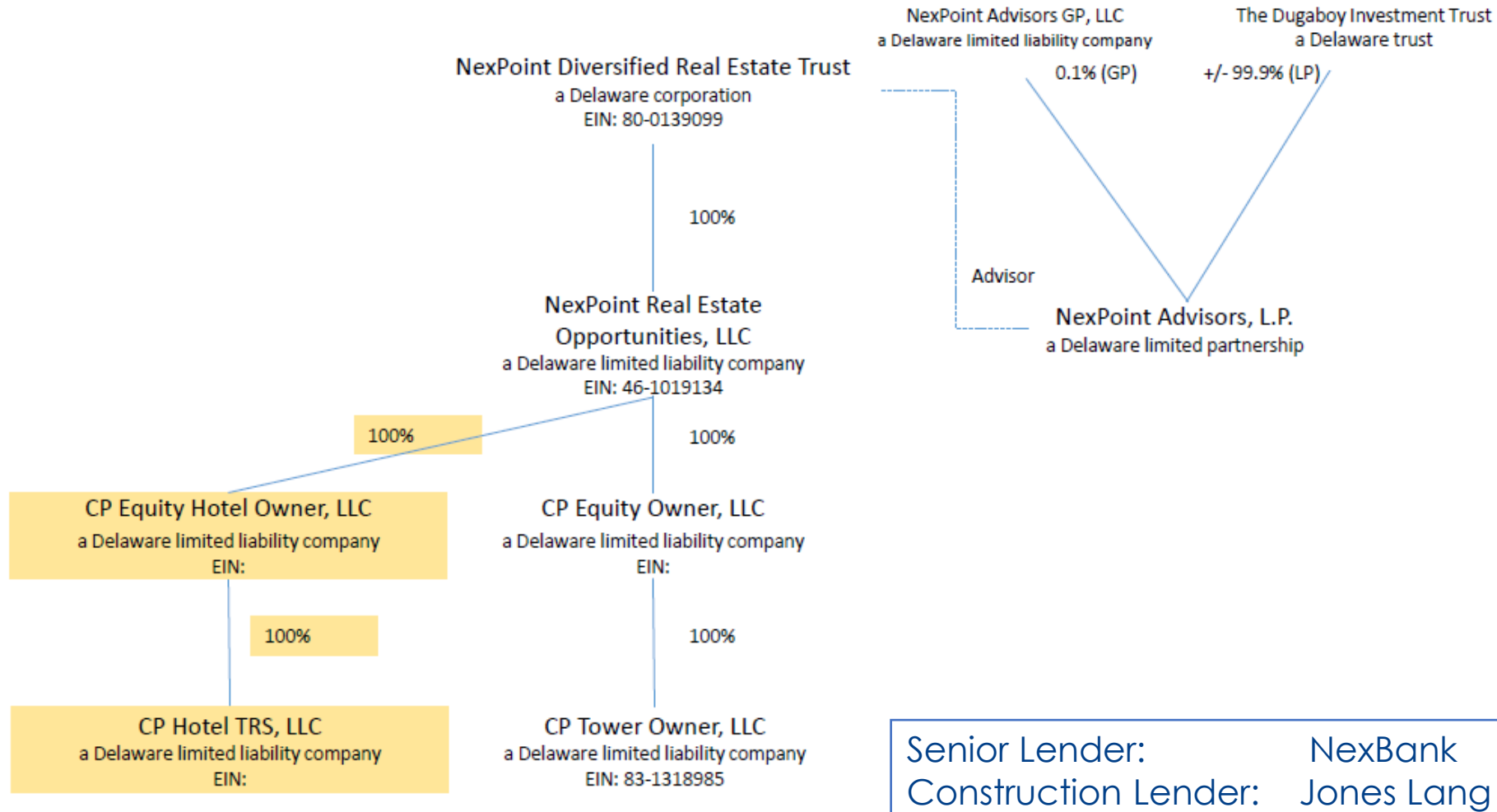
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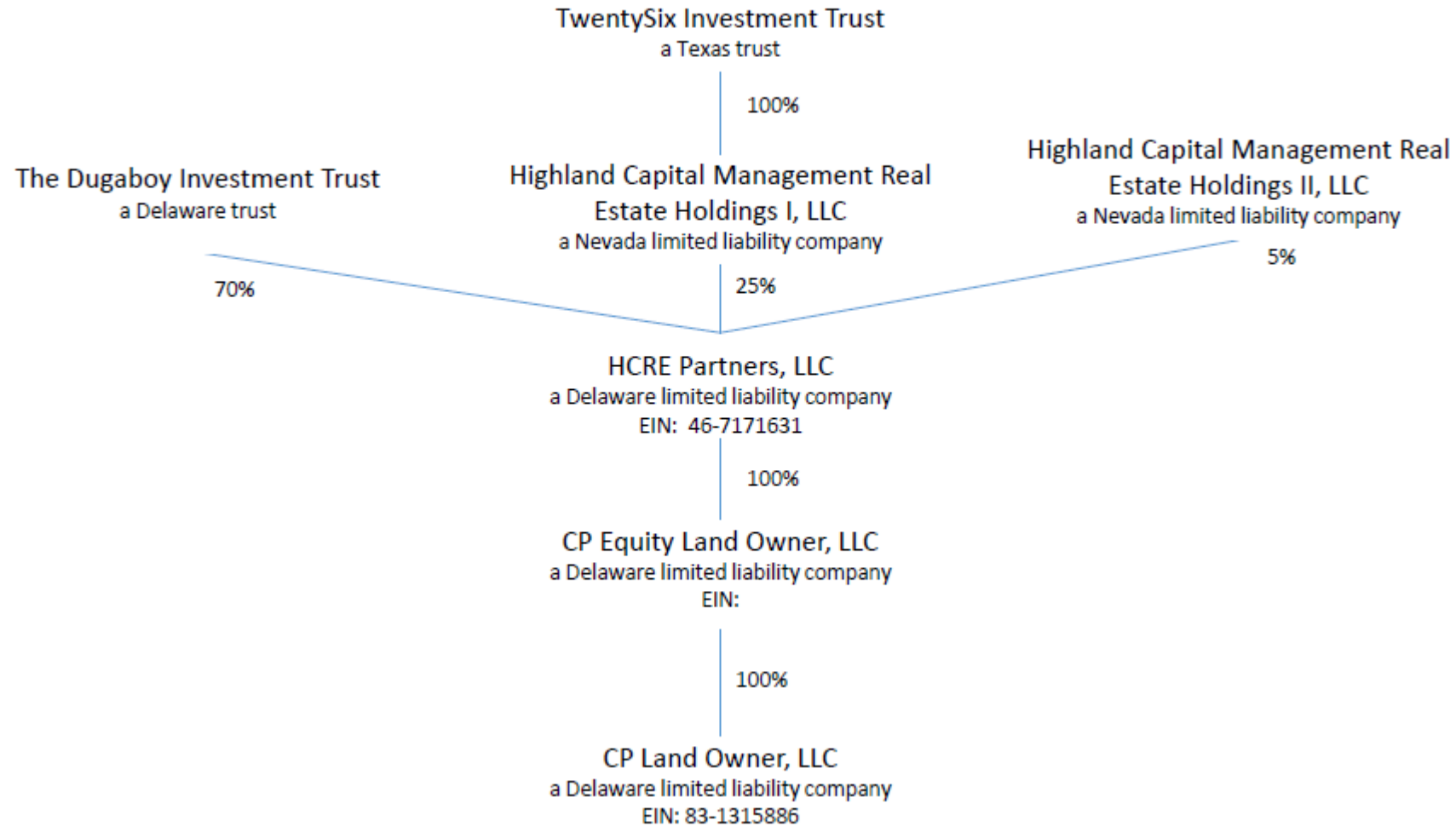
- Force Majeure. In the event the OED Director determines the Project has been delayed as a result of Force Majeure, after being provided written notice by Developer, Developer shall have additional time to complete the Project, so long as, within ten business days, Developer provides OED Director notice of such event and is diligently and faithfully pursuing completion of the Project. Extension of Project deadlines as a result of Force Majeure shall not require City Council approval. 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.



Appendix B: Ownership Structure (CP Tower Owner, LLC)



Appendix B: Ownership Structure (CP Land Owner, LLC)



Appendix C: Development Team



Role	Party Name
Developer Entity/Primary Contact	NexPoint Diversified Real Estate Trust
Architect	Nunzio Marc DeSantis Architects
General Contractor	Gordon Highlander
Property Management	TBD (will require approval by OED Director)
Leasing	TBD (will require approval by OED Director)



Appendix D: Projected Taxable Value



- Per DCAD, the total 2024 taxable value of the Property was \$164,242,250 (\$158,000,000 for Cityplace Tower and the 3.3 acres of land on which the Tower is located and \$6,242,250 for the 5.3 acres of unimproved land surrounding the Cityplace Tower)
- Upon completion of all 4 phases of the Project (excluding the portions of the Cityplace Tower that will be maintained as office and hotel uses), taxable value is projected to be approximately \$354,725,000



Appendix E: Project Underwriting



- Grow America, under contract with the City, conducted independent underwriting of the development incentive application. Conclusions of independent underwriting:
 - **Development team:** highly qualified and experienced to carry out Project
 - **Gap analysis:** gap financing assistance in the form of a 10-year real property tax abatement is reasonable to support the completion of the Project and does not unduly enrich the Project's owner investors
 - **Permanent debt capacity of Project:** applicant has identified debt sources that are sufficient to cover most projected Project costs
 - **Appraisal and Market Study:** revenue, vacancy, and operating expense projections did not vary significantly from the applicant's projections
 - **Cost estimates of Project:** figures are not outside the range of expenses seen on other projects since the rapid rise in construction costs during and since the pandemic and given the planned quality of the construction and proposed amenities
 - **Rationale for City Incentive:** cost of the identified debt does not cash flow for up to nine (9) years of operations, and the resulting returns on invested equity are significantly below market rates.

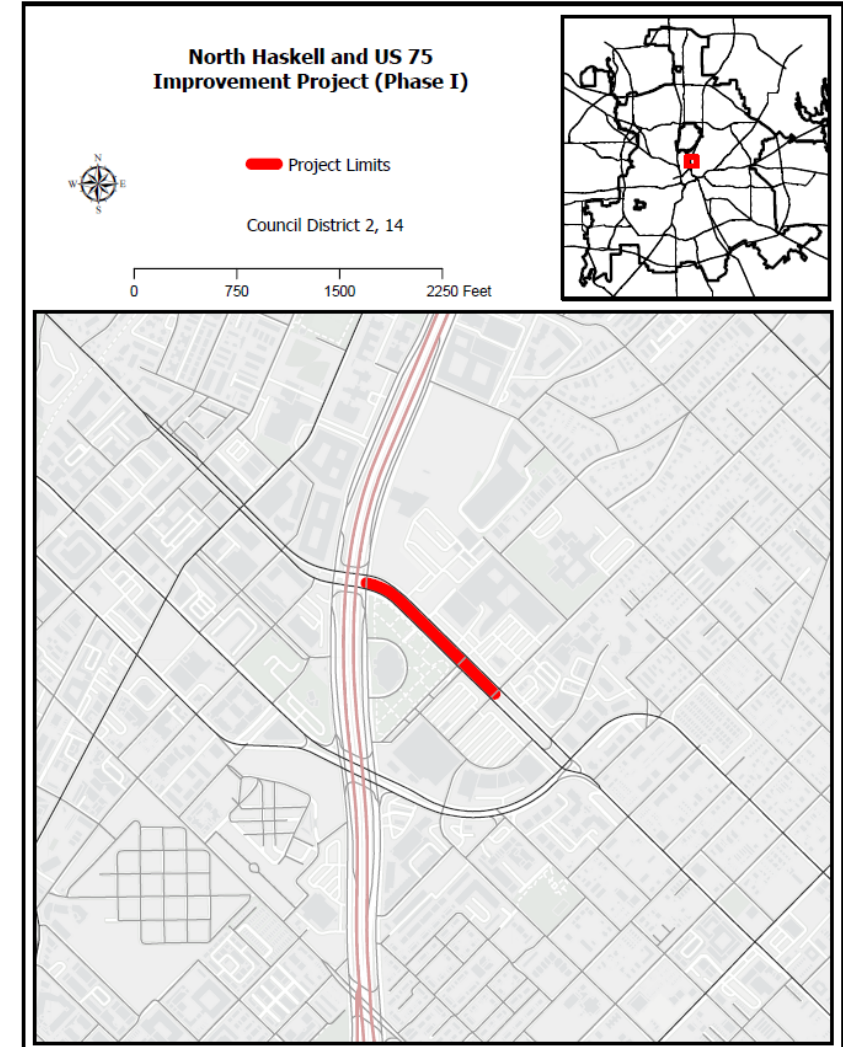


Appendix F: North Haskell and US 75 Project



North Haskell and US 75 Improvement Project (Phase I)

- On December 12, 2024, the North Haskell and US 75 Improvement Project (“Project”) was approved by the North Central Texas Council of Governments (NCTCOG) Regional Transportation Council (RTC) as part of a cost overrun partnership with the City of Dallas. The Project will be completed in 2 phases.
- Phase I will construct pedestrian improvements along North Haskell Avenue from US 75 Northbound Frontage Road to Capitol Avenue, including crosswalks, median sidewalk, and pedestrian signals, as well as roadway improvements to include dual left-handed turn lanes from eastbound North Haskell Avenue to the “The Central” development. Future cost to the City is \$1.5 million for construction of Phase I.
- Phase II will replace the traffic signal at US 75 Southbound Frontage Road and North Haskell Avenue, including the extension of the US 75 Southbound Frontage Road left-turn bay and placement of fiber optic connectivity.
- The Project will advance the City’s Vision Zero goal of eliminating traffic fatalities and reducing severe injuries (North Haskell Avenue is on the Vision Zero High Injury Network and would benefit from traffic safety improvements). The Project will also improve pedestrian facilities and enhance access to the DART Cityplace/Uptown Station, including the provision of traffic calming measures.



Map by TPW GIS, January 2025



Appendix G: DART Cityplace/Uptown Station



DART Transform (10-year System Modernization Program)

Cityplace/Uptown Station Improvements (next 3 years)

- Replacement of 6 escalators (up to \$32.5 million), including rebuilding around existing truss and phasing the construction to minimize customer impact
- Replacement of 2 inclinator
- Full length platform raise to accommodate light rail vehicle level boarding
- Station area refinements
 - New finishes
 - New passenger information displays
 - New lighting
 - New ticket machines
 - Fire suppression upgrades
 - Fire management panel
- The upgrades will improve both safety and functionality for passengers



**Photo Credit: Dallas Area Rapid Transit*





City of Dallas

Cityplace Development/Redevelopment

**four mixed-income, mixed-use, and transit-oriented
development projects
(City Council District 14)**

**Economic Development Committee
May 5, 2025**

Kevin Spath, AICP, EDFP, HDFP
Director (I)
Office of Economic Development