

June 22, 2022

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

WHEREAS, investment decisions made by businesses and developers are often influenced by a municipality’s ability to provide economic development incentives; and,

WHEREAS, on June 8, 2005, the City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Eleven, City of Dallas, Texas (“Downtown Connection TIF District” or the “District”) in accordance with the Tax Increment Financing Act, as amended, Texas Tax Code, Chapter 311 (the “Act”) to promote development and redevelopment in the Uptown and Downtown areas through the use of tax increment financing by Resolution No. 05-1779; Ordinance No. 26020; as amended; and

WHEREAS, on August 29, 2005, City Council authorized the District’s Project Plan and Reinvestment Zone Financing Plan for Tax Increment Financing Reinvestment Zone Number Eleven (the “Project and Financing Plan”) and a participation agreement with Dallas County for the District by Resolution No. 05-2543; Ordinance No. 26096, as amended; and

WHEREAS, on June 9, 2021, pursuant to Resolution No. 21-1052 approved by the City Council, the City: (1) elected to continue its participation in economic development incentives and approved an extension of its Public/Private Partnership Program (“PPP”) - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects, (2) established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code (“Economic Development Act”), and (3) established appropriate guidelines and criteria governing tax abatement agreements to be entered into by City as required by the Property Redevelopment and Tax Abatement Act, as amended, Texas Tax Code, Chapter 312 (“Tax Abatement Act”); and

June 22, 2022

WHEREAS, on April 29, 2022, the Downtown Connection TIF District Board of Directors and Downtown Dallas Development Authority recommended approval of the following amendments to the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan (“Plan”) to: (1) create two sub-districts within the Zone: (a) Downtown Connection Sub-district (original Zone boundary) and (b) Newpark Sub-district; (2) increase the geographic area of the Zone to add approximately 14.2 acres to create the Newpark Sub-district to facilitate anticipated redevelopment; (3) increase the total budget of the Zone (Downtown Connection Sub-district budget) from \$231,593,554.00 Net Present Value (NPV 2005 dollars) (approximately \$454,707,775.00 total dollars) to \$402,897,888.00 NPV (approximately \$1,059,227,817.00 total dollars, an increase of \$171,304,334.00 NPV (approximately \$604,520,042.00 total dollars); (4) modify the Downtown Connection Sub-district budget to add a line item for a public safety building to replace Fire Station #18; (5) establish a termination date for the Newpark Sub-district of December 31, 2052; (6) establish the percentage of tax increment contributed by the City of Dallas during the term of the Newpark Sub-district at 90%; (7) establish a total budget for the Newpark Sub-district of \$90,329,182.00 NPV 2022 dollars (approximately \$223,786,626.00 total dollars); (8) request Dallas County participation in the Newpark Sub-district at 55% for twenty years beginning in 2027; and (9) make corresponding modifications to the Zone boundary, budget, Plan; and

WHEREAS, on April 29, 2022, the Downtown Connection TIF District Board of Directors reviewed and recommended City Council authorization of a development agreement and all other necessary documents with One Newpark GP, LLC and/or its affiliates for a City subsidy in an amount not to exceed \$95,500,000.00 comprised of (1) an amount not to exceed \$3,500,000.00 in the form of an economic development grant payable from the City’s Public/Private Partnership Fund (“PPP Grant”) and (2) an amount not to exceed \$92,000,000.00 payable from future Downtown Connection TIF District funds in consideration of the One Newpark Project, a 38-floor, 1,345,845 square foot mixed-use, mixed-income development to be constructed on 1.7 acres at the southeast corner of S. Akard Street and Canton Street (the “Project”); and

WHEREAS, on May 2, 2022, the Economic Development Committee of City Council was briefed regarding this Project; and

WHEREAS, on May 24, 2022, the City received an updated appraisal for the Browder Street right-of-way requested to be abandoned by One Newpark GP, LLC as part of the Project. The abandonment fee, based on the updated appraisal, increased from \$3,038,325.00 to \$3,611,647.00; and

June 22, 2022

WHEREAS, on June 6, 2022, the Economic Development Committee of the City Council was briefed by memo of an increase the PPP Grant portion of the City Subsidy from \$3.5 million to \$4.1 million to reflect the \$600,000.00 increase in the abandonment fee for the Project; and

WHEREAS, pursuant to the City's PPP – Guidelines and Criteria, effective for the period July 1, 2021 through June 30, 2022, this Project is located in a non-target area and exceeds the minimum eligibility criteria requirements of the PPP – Guidelines and Criteria for a non-target area based on the anticipated Project investment totaling almost \$380 million; and

WHEREAS, consistent with the authority granted under the Economic Development Act and the City's PPP – Guidelines and Criteria, staff recommends that the City Council authorize the PPP Grant as part of the City's ongoing program to promote local economic development and to stimulate business and commercial activity in the city of Dallas; and

WHEREAS, in furtherance of the Project and Financing Plan, as amended, and to promote within the District: (1) development and diversification of the economy, (2) elimination of unemployment and underemployment, and (3) development and expansion of commerce, the City desires to provide economic incentives to One Newpark GP, LLC and/or its affiliates to support the Project; and

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

WHEREAS, improvements in the District will significantly enhance the value of all the taxable real property in the District and will be to the City's general benefit.

Now, Therefore,

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

June 22, 2022

SECTION 1. That the City Manager is hereby authorized to execute a development agreement (“development agreement”) and all other necessary documents, each as approved as to form by the City Attorney, with One Newpark GP, LLC and/or its affiliates (“Developer”), in an amount not to exceed \$96,100,000.00, comprised of (1) an amount not to exceed \$4,100,000.00 in the form of an economic development grant payable from the City’s Public/Private Partnership Fund (“PPP Grant”) and (2) an amount not to exceed \$92,000,000.00 payable from future Downtown Connection TIF District funds (“TIF Subsidy”) in consideration of the One Newpark Project, a 38-floor, 1,345,845 square foot mixed-use, mixed-income development to be constructed on 1.7 acres at the southeast corner of S. Akard Street and Canton Street (shown in **Exhibit A** – Location Map), thereby confirming the Downtown Connection TIF District Board of Director’s dedication of current and future tax increment revenues, in an amount not to exceed \$92,000,000.00 as shown in **Exhibit B**.

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 the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$4,100,000.00 to One Newpark GP, LLC, and/or its affiliates from the Public/Private Partnership Fund, as follows:

Public/Private Partnership Fund
Fund 0352, Department ECO, Unit W829
Activity PPPF, Object 3016, Program NEWPARKPRJ
Encumbrance/Contract No.CX ECO-2022-00019507
Vendor VC25105 \$4,100,000.00

SECTION 4. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$92,000,000.00 to One Newpark GP, LLC, and/or its affiliates from the Downtown Connection TIF District Fund (subject to annual appropriations from tax increments), as follows:

Downtown Connection TIF Fund
Fund 0044, Department ECO, Unit W829
Activity DDCT, Object 3072, Program NEWPARKPRJ
Encumbrance/Contract No.CX ECO-2022-00019507
Vendor VC25105 \$2,304,931.00

Downtown Connection TIF Fund
Fund 0044, Department ECO, Unit W829
Activity DDCT, Object 4599, Program NEWPARKPRJ
Encumbrance/Contract No.CX ECO-2022-00019507
Vendor VC25105 \$2,000,000.00

June 22, 2022

Downtown Connection TIF Fund
Fund 0044, Department ECO, Unit W829
Activity DDCT, Object 4599, Program NEWPARKPRJ
Encumbrance/Contract No.CX ECO-2022-00019507
Vendor VC25105 \$2,000,000.00

Downtown Connection TIF Fund
Fund 0044, Department ECO, Unit W829
Activity DDCT, Object 3016, Program NEWPARKPRJ
Encumbrance/Contract No. CX ECO-2022-00019507
Vendor VC25105 \$85,695,069.00

Total amount not to exceed \$92,000,000.00

Funds may be shifted among the TIF Subsidy budget categories except the TIF grant, so long as the total TIF Subsidy does not exceed \$92,000,000.00. The total TIF grant shall not exceed \$85,695,069.00 under any circumstances but may be less if actual expenditures for the remaining categories exceed \$6,304,931.00.

SECTION 5. That the Developer shall design, fund and/or construct the Project and related public infrastructure improvements on and adjacent to property currently addressed as 808 S. Akard Street; 801, 807, 809 and 817 Browder Street; 1404 Canton Street; and a portion of 1600 Canton Street in the Newpark Sub-district of the District as described in Section 7 and in substantial conformance with the Project’s conceptual plans set forth in **Exhibits C, D, E, F, G and H.**

SECTION 6. That nothing in this resolution shall be construed to require the City to approve payment from any source of City funds other than the funds listed in Section 3 and Section 4. Any TIF Subsidy funds dedicated to the Project under the development agreement that remain unpaid upon termination of the District, due to lack or unavailability of Downtown Connection TIF District Funds, shall no longer be considered project costs of the District or the City, and the District’s obligation to pay the Developer shall automatically expire.

SECTION 7. That the development agreement, including payment of any portion of the City Subsidy thereto, is hereby expressly made subject to all of the following terms, conditions and obligations, which Developer must timely and satisfactorily perform or cause to be performed as follows:

- A. **PPP Grant.** A single subsidy payment in the form of a grant reimbursement in an amount equal to the total City Expenses described in subsection iv. but not to exceed \$4,100,000.00 from the City’s PPP Fund shall be paid to the Developer upon Developer’s submission of documentation and verification by the Office of Economic Development (“OED”) staff that the following have occurred:

SECTION 7. (continued)

- i. Project Financing. Developer shall close construction financing for the Project prior to or contemporaneously with the City's execution of a development agreement with the Developer. Developer shall submit financing documentation to the City.
- ii. Hotel Flag. Prior to City's execution of a development agreement, Developer shall execute a hotel franchise agreement with a national hotel brand acceptable to the Director of the OED ("Director") in his or her sole discretion.
- iii. Downtown Connection TIF District Expansion. City Council approval of an expansion of the boundaries of the Downtown Connection TIF District to create the Newpark Sub-district that will encompass all Newpark Dallas properties and two parcels located on the northwest corner of South Harwood Street and Interstate 30 addressed as 1103 S. Harwood Street and 1900 St. Louis Street. See **Exhibit I**.
- iv. City Expenses. Developer shall provide documentation evidencing Developer's payment to the City of (i) any funds required by the Real Estate Division of the City's Public Works Department for the abandonment fee associated with the Developer's request of the City to abandon the portion of Browder Street located between Canton Street to the north and Cadiz Street to the south (See **Exhibit J**), and (ii) any development-related fees imposed by the City on Developer for planning and constructing the Project, including but not limited to development permit fees, plan review fees, building permit fees, parkland fees, and inspection fees.
- v. Browder Street Abandonment Request. City Council approval of the Developer's abandonment request.
- vi. Browder Street Abandonment Condition. As a condition of the City's abandonment of the portion of Browder Street between Canton Street to the north and Cadiz Street to the south, Developer shall dedicate a public access easement with a minimum average width of 18', where at no point along the easement the width is less than 12' wide along the abandoned right-of-way prior to the Completion Deadline. The easement shall include a minimum 8' wide continuous, unobstructed accessible path connecting Cadiz Street to Canton Street. See **Exhibit K**
- vii. Building Permit Deadline. Developer shall obtain a building permit no later than December 31, 2024. A grading permit does not constitute meeting this requirement.

SECTION 7. (continued)

B. TIF Subsidy. Annual TIF payments from the Newpark Sub-district totaling an amount not to exceed \$92,000,000.00 inclusive of (1) repayment of the PPP Grant upon completion of the Project and (2) remaining TIF Subsidy, after repayment of PPP Grant, to be paid to the Developer upon Developer's submission of documentation and OED's verification that the following have occurred:

- i. Minimum Private Investment. Developer shall incur (or cause to be incurred) and provide documentation evidencing a minimum of \$310,000,000.00 in Private Investment Expenditures (See **Exhibit L**) for construction of the Project, including, on and off-site infrastructure improvements, site amenities, building finish-out/furnishings, and professional fees (e.g., architecture, engineering, landscape architecture, interior design). Construction management costs may be considered a Private Investment Expenditure if 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 be evidenced by invoices with detailed descriptions of services performed. 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 a Private Investment Expenditure. With the exception of site acquisition, professional fees, environmental assessments and other eligible due diligence costs required to complete a City of Dallas Development Incentive Application, no expenditures made prior to City Council approval of this proposed TIF Subsidy may count towards minimum private investment.
- ii. Completion Deadline. Developer shall complete construction of a minimum of 800,000 square feet of residential, office, retail and hotel space associated with the Project by December 31, 2027, as evidenced by a certificate of occupancy for the residential component and commercial components as described in Section 7.B.iii.

Certificates of completion, and/or similar documentation issued by the City indicating all construction work is complete and the space is occupiable and/or ready for tenant finish out is required for all remaining portions of the building not required to provide a certificate of occupancy. All portions of the building shall be occupied or occupiable and/or ready for tenant finish-out by the Completion Deadline date.

- iii. Minimum Occupancy Requirement for Commercial Uses. Prior to the initial payment of the TIF Subsidy, Developer shall provide evidence of the following:
 - a) Fifty percent (50%) of the street level retail space is leased and occupied;

SECTION 7.)continued)

- b) Fifty percent (50%) of the office space is leased to one or more unaffiliated third-parties and copies of the executed lease(s) have been provided to the Director; and
 - c) the hotel is open and operational.
- iv. Tenant Finish-Out Construction Commencement. Within 12 months of the initial payment of the TIF Subsidy, Developer must commence tenant finish-out construction for at least fifty percent (50%) of the office space.
- v. Ongoing Minimum Occupancy Requirement for Commercial Uses. After initial payment of the TIF Subsidy, Developer, for a period of fifteen (15) years thereafter, shall immediately notify City in writing if any occupancy falls below the minimum occupancy requirements described in Section 7.B.v. (the "Occupancy Default"). Such notice shall specify the nature of the default, the period of existence thereof, and the action Developer is taking or proposes to take with respect to curing the Occupancy Default. Failure of Developer to cure the Occupancy Default within 180 calendar days following written notice by City shall constitute an uncured occupancy default ("Uncured Occupancy Default"). In the event of Uncured Occupancy Default, then City shall reduce the TIF Subsidy in the following manner for each use that has an uncured occupancy default: the required minimum percentage of total net leasable square feet minus the actual percentage of total net leasable square feet times the TIF Subsidy. (Example: $50\% - 40\% = 10\% \times \$X = \$X$ immediately remitted back to City or withheld by City if the entire TIF Subsidy has not yet been disbursed). Failure to meet the requirements detailed in this section constitutes a default under this Agreement
- vi. Mixed-Income Housing. A minimum of twenty percent (20%) of the residential units constructed as part of the Project shall meet the affordability requirements of the Downtown Connection TIF District. Developer shall also ensure the following:
- a) Affordable units are required to meet the affordability requirements for a fifteen (15) year period (from the date of a final certificate of occupancy for the residential portion of the Project);
 - b) The Developer must submit semi-annual reports to the OED (from the date of certificate of occupancy) with sufficient information that shows compliance with the affordable housing requirements;
 - c) Affordable units shall be dispersed substantially pro-rata among units by

the number of bedrooms in each unit so that not all the affordable units are one-bedroom units;

All affordable units shall be of substantially identical finish-out and materials as market rate units, shall float within each unit type, shall not be fixed to specific unit numbers and shall not be segregated or concentrated in any one floor or area of any area of the Project site. Tenants occupying the affordable units shall not be restricted in any way from common areas or amenities within the project site, unless such restrictions apply to all tenants. Additionally, the affordable units shall be dispersed substantially pro-rata among units by the number of bedrooms that are in each unit so that not all the affordable units are any single bedroom type.

- vii. Housing Vouchers. Developer shall abide by Ordinance 30246, approved by Resolution 16-1760, which requires “multifamily housing accommodations that benefit from a financial award approved by the city council on or after the effective date of this ordinance [October 26, 2016] shall set aside at least ten percent (10%) of the dwelling units and solely lease those dwelling units to holders of housing vouchers, including vouchers directly or indirectly funded by the federal government, for a minimum of 15 years from the date of the initial issuance of the housing accommodation’s certificate of occupancy”. Should Ordinance 30246 and Chapter 20A of the Dallas City Code be amended prior to the Project’s certificate of occupancy date, Developer shall abide by such amended requirements. Additionally, Developer agrees that it will not discriminate against potential renters on the basis of source of income, including federal housing vouchers.

Dwelling units leased to voucher holders to satisfy the ten percent (10%) requirement in this section shall count towards the twenty percent (20%) Mixed-Income Housing requirement contained in Section 7.B.vi above.

- viii. Deed Restrictions. Developer shall execute deed restrictions, by the date of the certificate of occupancy for the residential portion of the Project, in a form to be mutually agreed upon by Developer and the City and record such executed deed restrictions in the Official Real Property Records of Dallas County to ensure that the property will comply with the mixed-income housing and voucher requirements, as well as the source of income non-discrimination requirement, described herein.
- ix. Affirmative Fair Housing Marketing Plan. Developer shall complete an Affirmative Fair Housing Marketing Plan (form of document attached as **Exhibit M**) and submit to the Fair Housing division of the City’s Office of Equity and Inclusion for review and approval and market the residential component of the Project pursuant to the City approved marketing plan.
- x. Acceptance of Public Infrastructure Improvements. Developer shall complete

and obtain a letter of acceptance or similar documentation issued by the City, which may include a green tag issued from the Public Works Department for any public infrastructure improvements associated with the Project by June 30, 2028.

- xi. Operating and Maintenance Agreement. Prior to Project completion, Developer shall execute an Operating and Maintenance Agreement (defined below) for any Non-Standard Public Improvements (defined below) associated with the Project (the “Operating and Maintenance Agreement”), and if necessary, obtain a license from 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 artwork, brick pavers, enhanced concrete pavers, fountains and other structures, City shall retain ownership of such public improvements and may at its sole option, if Developer fails to maintain such public improvements after notice from City, perform such maintenance and invoice Developer for the costs, which costs Developer shall pay within thirty (30) days of notice. Developer shall submit documentation evidencing 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 the Director’s 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 a term of twenty (20) years even if Developer chooses to forgo the City Subsidy or is not paid the City Subsidy as a result of default.

- xii. Business Inclusion. Developer shall make a good faith effort to comply with the City’s Business and Workforce Inclusion’s goal of thirty-two percent (32%) participation by certified Minority/Women-owned Business Enterprises (“M/WBE”) for all hard construction expenditures on the Project and meet all reporting requirements. See **Exhibit N**.
- xiii. Quarterly Reporting. Until the Project has passed final building inspection and all required paperwork documenting Project completion has been submitted to the OED, Developer shall submit to the OED quarterly status reports for ongoing work on the Project (including any public improvements). Such status reports shall be due within thirty (30) calendar days following the end of each

calendar quarter.

- xiv. 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 TIF subsidies. Following a formal review of the entire Newpark Dallas redevelopment plan and the Project’s preliminary conceptual drawings and renderings on October 23, 2020, the UDPRP provided urban design advice for the Developer. On March 8, 2021, and August 31, 2021, Developer submitted to the City’s Planning and Urban Design (“PUD”) Department staff written responses and revised conceptual plans addressing the UDPRP’s design advice. See **Exhibit O** for UDPRP comments and Developer and PUD responses.

Prior to submitting construction plans to the City’s Development Services Department as part of a building permit application, Developer shall submit a set of the construction drawings to the PUD 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 the TIF District Board and City Council. PUD Department staff shall complete the final staff review of permit drawings within 10 business days of submission by Developer.

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 shall notify the Director and submit proposed changes to the Director and PUD Department for review and approval.

- xv. Local Hiring. For all permanent employment opportunities created by operation of the Project, and prior to commencing any hiring activities and the initial payment of the TIF Subsidy, Developer shall submit to the City a written plan describing: (i) how Developer or property management group shall use and document best efforts to recruit and hire residents of the city of Dallas; and (ii) how Developer shall cause all tenants to 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, property management group and/or tenant 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. No TIF Subsidy shall be paid to Developer until Director approves the written plan. Within thirty (30) calendar days of the City’s receipt of the Local

Hiring Plan, the Director shall either approve the Local Hiring Plan or (ii) in the event the Director disapproves the Local Hiring Plan, give written notification to the Owner of the Director's disapproval, specifying the reasons for such disapproval.

- xvi. Minor Modifications. The Director may authorize minor modifications to the Project, including, but not limited to, adjustment of the square footage of each component of the building, and may, after approval and recommendation of the TIF District Board, authorize an extension of the Project deadlines up to twelve (12) months.
- xvii. PPP Grant Repayment. The City's Public/Private Partnership Fund will receive fifty percent (50%) of increment generated within the Newpark Sub-district until the PPP Grant is repaid in full, after which one hundred percent (100%) of increment generated in the Newpark Sub-district would flow to the Developer as TIF Subsidy portion of the City Subsidy.

SECTION 8. That, pursuant to Section 3 and Section 7.B.xvii of this resolution and upon approval of annual appropriations, the Chief Financial Officer is hereby authorized to set up Due to Other Funds in the Downtown Connection TIF District Fund, Fund 0044, Department ECO, Unit: W829, Balance Sheet Account 0429, debit object code 3099 in an amount not to exceed \$4,100,000.00. Also, the Chief Financial Officer is hereby authorized to set up Due from Other Funds in the Public/Private Partnership Fund, Fund 0352, Department ECO, Balance Sheet Account 0271 and Deferred Revenue Balance Sheet Account 088G in the amount of \$4,100,000.00.

SECTION 9. That, pursuant to Section 7.B.xvii of this resolution and upon approval of annual appropriations, the Chief Financial Officer is hereby authorized to transfer fifty percent (50%) of increment generated annually within the Newpark Sub-district of the Downtown Connection TIF Fund, Fund 0044, Department ECO, Unit W829, Balance Sheet Account 0429, credit Balance Sheet Cash Account 0001 to Public/Private Partnership Fund, Fund 0352, Department ECO, Unit W829, Various Revenue Sources until up to \$4,100,000.00, the PPP Grant, is repaid in full.

SECTION 10. That, pursuant to Section 9 of this resolution, the Chief Financial Officer is authorized to reverse Due from Other Funds, in the Public/Private Partnership Fund, Fund 0352, Department ECO Balance Sheet Account 0271 and Deferred Revenue Balance Sheet Account 088G until up to \$4,100,000.00, the PPP Grant, is repaid and transferred in full.

SECTION 11. That all payments of the TIF Subsidy portion of the City Subsidy are subject to the availability of tax increment. If the appraised value of the property in the Newpark Sub-district of the Downtown Connection TIF District remains constant or decreases in value from the base year value, annual payments may be reduced or unpaid due to lack of available increment. The TIF Subsidy shall be paid solely from the Tax Increment Fund, if and when tax increments are received and available for such purpose, during the

remaining life of the Newpark Sub-district of the Downtown Connection TIF District (including collection of the 2052 tax year increment in calendar year 2053), subject to the limitations on payment provided in the final Development Agreement authorized by City Council.

SECTION 12. That assuming all other conditions for payment have been met, the City of Dallas will administer the payment of the TIF Subsidy for the Project annually, pursuant to the Downtown Connection TIF District Increment Allocation Policy attached hereto as **Exhibit P**.

SECTION 13. That in the event of an Uncured Default, City shall have the right to elect any or all of the following actions in its sole discretion: (i) terminate the development agreement effective immediately upon written notice of such intent to Developer and demand immediate repayment by Developer of the City Subsidy and said City Subsidy shall be immediately due and payable by Developer without further or additional notice; and/or (ii) pursue any other legal remedies available at law or equity, including but not limited to specific performance. In the event of termination of the development agreement under (i), any City Subsidy funds available but unpaid to Developer shall be immediately rescinded and Developer shall have no further right to such City Subsidy and any amount due and owing after the demand date shall accrue interest at the maximum rate of interest allowed by law.

SECTION 14. That until completion of the Project, an assignment of the rights and/or the obligations of the development agreement, in whole or in part, will only be allowed to a direct affiliate of Developer with the prior written approval of the Director.

After completion of the Project and all conditions for the City Subsidy have been met, Developer may assign its rights or obligations under the development agreement to any entity with the prior written approval of the Director. 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, or interest under the development agreement for the benefit of their respective lenders without the consent of, but with prior written notice and approval of the 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 development agreement unless the lender agrees in writing to perform such obligations or incur such liability.

SECTION 15. That in the event the 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, 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 Director. "Force majeure" shall mean any contingency or cause beyond the reasonable control of Developer, as determined by the Director 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, and strikes. In the event of force majeure, Developer, after providing Director with written notice of the event of force majeure, 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 Director's approval.

SECTION 16. 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.