



**City of Dallas**

# **Downtown Connection TIF District Plan Amendment &**

## **901 Main St. Redevelopment Project**

**a proposed mixed-use and transit-oriented redevelopment  
of Bank of America tower and adjacent property**

**Economic Development Committee**

**October 6, 2025**

**Tamara L. Leak, EDFP, HDFP  
Assistant Director [Interim]  
Office of Economic Development**

# Overview



- Background: Downtown Connection TIF District
- Staff Recommendation: Downtown Connection TIF District Plan Amendment
- Background and Proposed Project: 901 Main Street Redevelopment Project
- Staff Recommendation: TIF District Amendment and 901 Main Street Redevelopment Project
- TIF District Board/DDDA Board Action and Next Steps
- Appendix



# Background: Downtown Connection TIF District



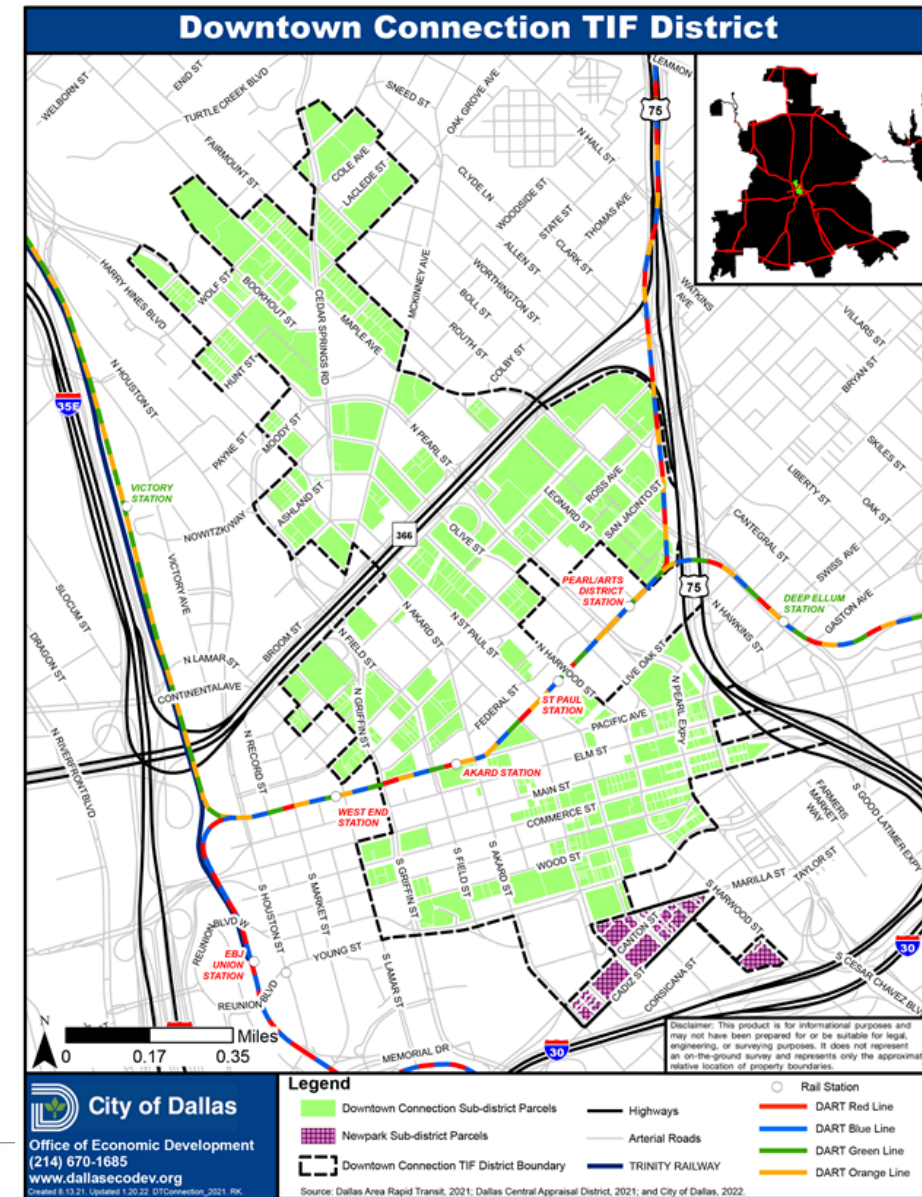
## Initiated in 2005 by property owner petition to:

- Create a fund for public capital improvements and investment in the core of downtown essential for redevelopment of vacant/historic buildings, underutilized/vacant lots, and surface parking lots
- Create a downtown neighborhood with more residents, greater density, and critical mass of development

## Downtown Dallas Development Authority (DDDA), a Local Government Corporation, was also created in 2005 to:

- Support implementation of the Downtown Connection TIF District's Project Plan and Reinvestment Zone Financing Plan
- Issue two series of tax increment contract revenue bonds to support the District's catalyst project – the Mercantile Block, Lone Star Gas Lofts Complex, and Continental building
- See **Appendix A** for more information on DDDA bond sales and repayment

**District expires on December 31, 2035 or when \$402.9 million net present value (approximately \$937.3 million total dollars) is collected**





# Background: Downtown Connection TIF District



- Downtown Connection Sub-district's 2025 certified DCAD value is approx. \$8.2 billion, an increase of \$7.65 billion (1,355%) from the sub-district's adjusted base year value of \$564.9 million
- The sub-district has directly supported the conversion and adaptive reuse of over 6.5 million square feet of vacant, obsolete, and/or historic office buildings in the downtown core into:
  - 1,893 residential units, inclusive of 342 affordable units (18% affordable)
  - 1,186 hotel rooms
  - 223,631 square feet of retail space
  - 562,969 square feet of office





# Background: Downtown Connection TIF District



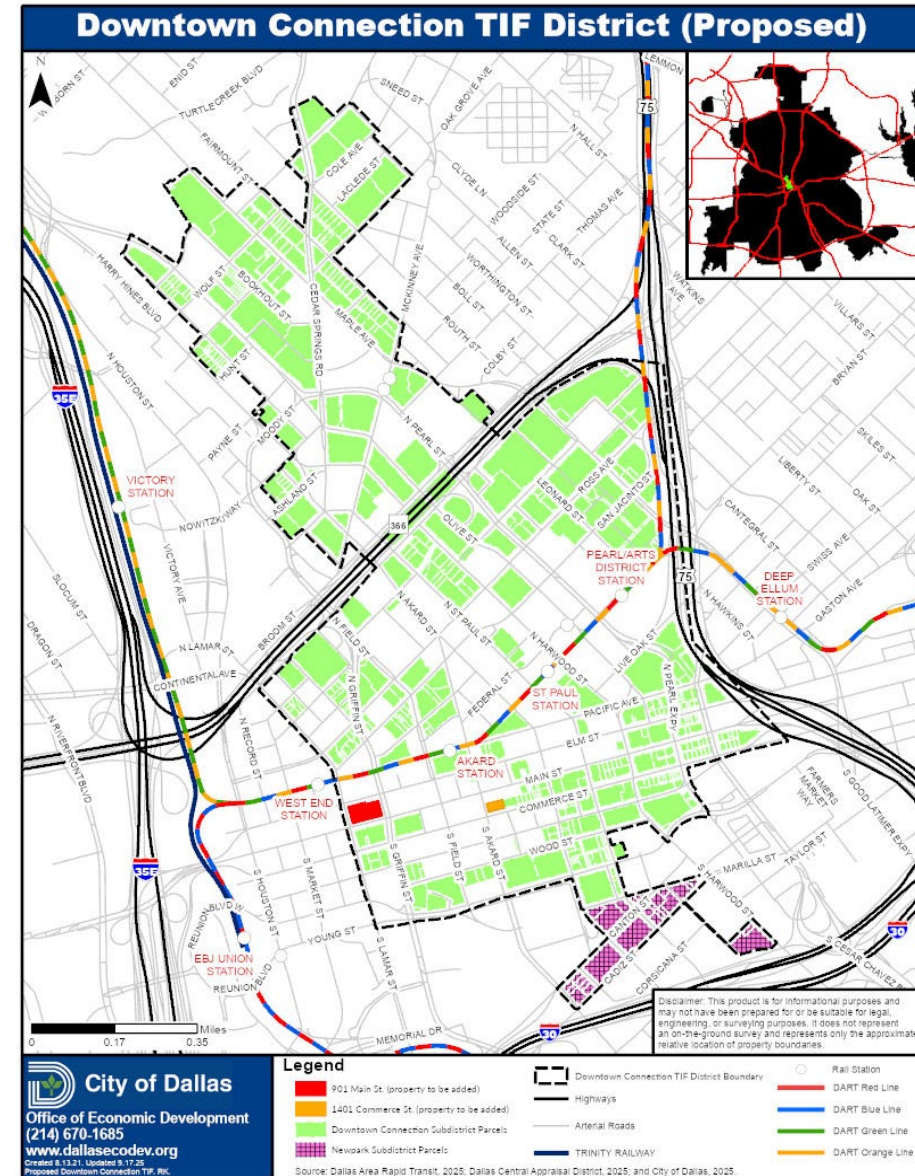
- June 2022: City Council approved Plan amendments:
  - Increased the geographic area of the District to create two sub-districts:
    - Downtown Connection Sub-district: boundary of the TIF District prior to 2022 amendment
    - Newpark Sub-district: new 14.2-acre sub-district created to support Newpark Dallas, a multi-phased, mixed-use development just south of City Hall
  - Increased and restructured the District's budget to create a separate budget for each sub-district to support:
    - Newpark Dallas development
    - Continued growth of underutilized parts of downtown
    - Redevelopment of existing building supply, vacant/underutilized properties, and surface parking lots
    - Development of additional mixed-income housing
    - Upgrade of public infrastructure needed to support future development projects
    - Replacement of two functionally obsolete Dallas Fire Rescue stations in downtown (Fire Station 18 and Fire Station 4)
  - Established a termination date for the Newpark Sub-district: 12/31/2052
    - Term of Downtown Connection Sub-district was not changed



# Staff Recommendation: Plan Amendment



- Staff recommends amending the TIF District Plan and boundary to add:
  - 901 Main Street – approx. 1.54 acres (shown in red)
  - 1401 Commerce Street – approx. 0.432 acres (shown in orange—as approved by TIF District Board in 2024)
- Boundary amendment will allow TIF funding from the Downtown Connection Sub-district to be used to facilitate the proposed 901 Main Street Redevelopment Project (described on the following slides)
- No additional Plan amendments are proposed
- Proposed Plan amendment would increase the TIF District's geographic size by less than 1%
- Current DCAD taxable value (2025 certified value) of the two properties to be added is \$150,320,400





# 901 Main Street Redevelopment Project

*a mixed-use and transit-oriented redevelopment project*

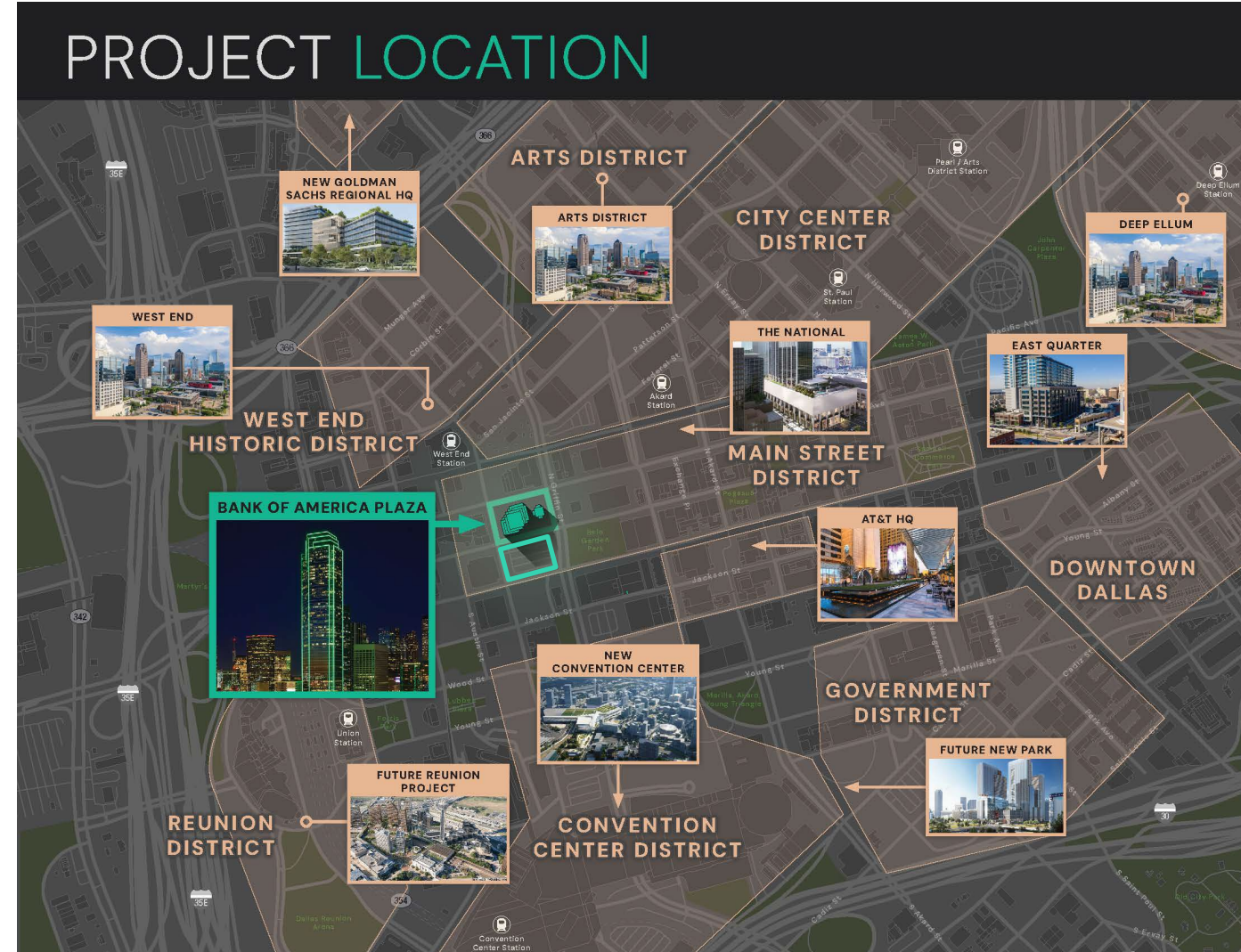




# Background: Project Location



- Project site includes 3 properties
  - 1.54 acres addressed as 901 Main Street (Bank of America Plaza)
  - 1.45 acres addressed as 900 Main Street
  - 0.057 acres addressed as 909 Commerce Street
- 901 Main is currently not located in Downtown Connection TIF District
- 900 Main and 909 Commerce are already located in the Downtown Connection TIF District
- Zoning (for all properties): CA-1(A)
- City Council District 14





# Background: Existing Conditions



- 72-story office tower (tallest building in Dallas; 3rd tallest in Texas; 45th tallest in the country)
- Designed by JPJ Architects and developed by Bramalea Limited
- Developed 1983-1985 as first phase of "Dallas Main Center" (second phase planned to include 600-room hotel and second office tower)
- Late modernist architectural style
- Approximately 1.8 million square feet of office space
- Approximately 70% occupancy



# Proposed Project: Summary



- **Project Developer:** 901 Main PAHG Partners, LLC and/or an affiliate (“Developer”) will design, fund, and construct 901 Main Street Redevelopment Project (“Project”)
- **Project Summary:** transformation of the iconic Bank of America Tower into a mixed-use building
  - office space in the tower to be reduced from 1.8 million square feet to 1.5 million square feet
  - conversion/addition of approximately 280 new hotel rooms and hotel amenity space
  - replacement of the sunken concrete garden adjacent to the tower with new ground-up construction of a glass and steel structure that will house the hotel lobby above the hotel ballroom and meeting rooms located on the concourse of the tower
  - new ground-up construction of a 1,115-space parking garage (8 levels) on property addressed as 900 Main Street and 909 Commerce Street
  - an elevated pedestrian walkway to connect the newly constructed structures across Main Street
- **Estimated Total Project Cost:** \$409,086,740





# Proposed Project: Urban Design Review



- On January 17, 2025, the City's Urban Design Peer Review Panel ("UDPRP") reviewed the Project and provided urban design advice to the Developer.
  - The Panel advises that, as the plan continues to progress, the design team ensure the pedestrian connection across Main Street is well thought-out to ensure comfort, safety, and interest. The Panel requests the applicant return before this group as additional phases are drafted.
  - The Panel suggests continuing to find ways to activate the Main Street corridor with active uses and pedestrian improvements.
  - The Panel recommends continuing to work with the City and stay engaged on any future public transportation changes that may occur to ensure the development can complement any proposed improvements.
  - The Panel states that, as a conceptual proposal, there are more urban design opportunities that should continue to be explored including:
    - Softening the excess of pavement on site and creating opportunities for shade and landscaping
    - Playing-up the street experience through attention to scale, color, and visual intrigue
    - Ensuring vehicle ingress/egress points and drop-off areas do not impact the free and clear movement of pedestrians
- Developer provided written responses to the UDPRP advice, and, on March 6, 2025, Planning and Development Department Preservation and Urban Design staff provided the following final comments to the Developer:
  - As additional phases are designed, please return to Urban Design Peer Review Panel for design review
  - Continue to coordinate transportation planning efforts with the City's Department of Transportation and Public Works
- Developer will continue to coordinate with the Office of Economic Development, Planning and Development Department, and other appropriate City departments throughout the permitting process. The approved final conceptual plans shall be attached to the Development Agreement.



# Proposed Project: Conceptual Site Plan



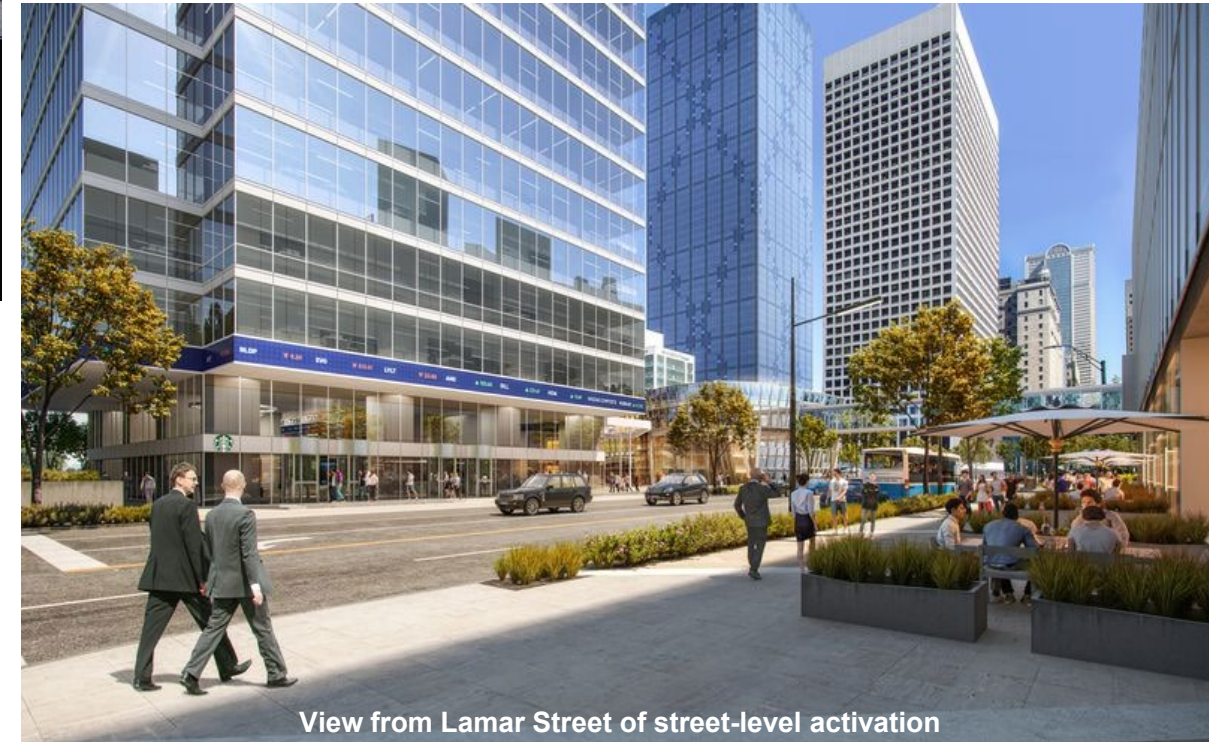
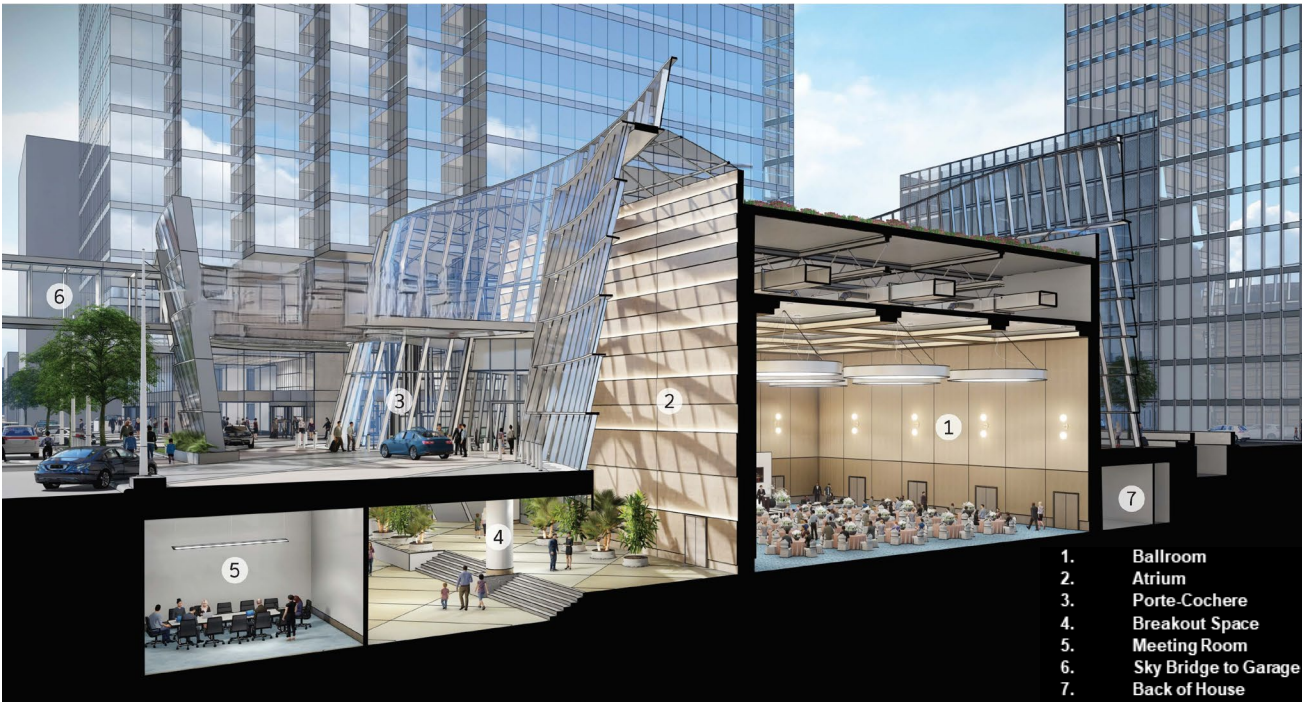


# Proposed Project: Renderings





# Proposed Project: Renderings





# Proposed Project: Renderings (Parking Garage)



# Proposed Project: Sources and Uses



Sources	Amount	%
Permanent Debt Financing	\$175,000,000	42.78%
Equity	\$136,086,740	33.27%
TIF District Funding	\$98,000,000	23.96%
<b>Total</b>	<b>\$409,086,740</b>	<b>100.00%</b>
Uses	Amount	%
Acquisition	\$172,450,000	42.15%
On/Off-Site Work	\$66,817,456	16.33%
Construction & Contingency	\$116,643,498	28.51%
Permits & Fees / FF&E	\$21,874,400	5.35%
Professional Fees	\$10,695,769	2.61%
Finance Costs	\$224,622	0.05%
Other Soft Costs	\$9,147,329	2.24%
Developer Fee and Consultants	\$8,733,666	2.13%
Rent-up & Operating Reserves	\$2,500,000	0.61%
<b>Total</b>	<b>\$409,086,740</b>	<b>100.00%</b>





# Staff Recommendation: TIF Development Agreement and TIF Subsidy



- Staff recommends authorization of a development agreement with 901 Main PAHG Partners, LLC and/or an affiliate (“Developer”) in an amount not to exceed \$98,000,000 as gap funding to make the Project financially feasible. The TIF Subsidy shall be payable upon completion of the Project and upon Developer’s satisfaction of all terms and conditions of the development agreement.
- The budget shown below outlines the recommended TIF Subsidy for the Project in accordance with the established budget for the Downtown Connection Sub-district. No interest shall accrue on any portion of the TIF Subsidy.

Budget Category	Amount
<i>Redevelopment of Vacant/Underutilized Downtown Buildings, Undeveloped/Underdeveloped Parcels, and Surface Parking Lots</i>	
Environmental Remediation and Interior/Exterior Demolition	\$3,454,356
Street and utility improvements (including off-site improvements)	\$3,000,000
Streetscape Improvements	\$3,588,100
Economic Development Grant	\$87,957,544
<b>TOTAL TIF SUBSIDY</b>	<b>\$98,000,000</b>

- Total TIF Subsidy may be less if actual expenditures for eligible environmental remediation, interior/exterior demolition, street and utility improvements (including off-site improvements) streetscape improvements, and architectural and engineering costs are less than \$10,042,456 and/or if the actual cost for the Project is less than \$409,086,740.



# Staff Recommendation: Agreement Conditions



Project Site Acquisition and Financing. Developer shall close acquisition of the Project site on or before September 30, 2026 (“Acquisition Deadline”) and provide evidence to the Office of Economic Development Director (“OED Director”) of \$240,000,000 in debt and equity commitments (an amount sufficient to deliver Substantial Completion of the Project) on or before December 31, 2026 (“Project Financing Deadline”). The Agreement for the Project shall terminate if Developer does not meet the Acquisition Deadline and the Project Financing Deadline.

Hotel Flag. Developer shall secure and provide evidence of an executed hotel franchise agreement with a four-star or higher rated hotel brand acceptable to the OED Director prior to the Acquisition Deadline.

TIF District Plan Amendment and Boundary Expansion. A precondition to the City’s execution of the Agreement is approval by the TIF District Board and City Council of an amendment of the TIF District Plan to expand the boundary of the Downtown Connection Sub-district of the TIF District to include the tower site addressed as 901 Main Street .

Minimum Investment. Developer shall invest (or cause to be invested) and provide documentation to OED Director evidencing a minimum of \$394,990,335 in eligible investment expenditures for the delivery of the Project, including acquisition, hard and soft costs, on-site and off-site public improvements, furniture, fixture and equipment, etc. by September 30, 2032.





# Staff Recommendation: Agreement Conditions



Required Project Components. The Project shall include the following Required Project Components (“Required Project Components”):

- minimum 800,000 square feet of relocated and renovated office space in the tower leased or brought to a leasable condition ready for tenant finish-out
- minimum 275,000 square feet of hotel and hotel amenity space in the tower (minimum 220 hotel rooms); and
- new construction of a predominately glass structure adjacent to the tower (minimum 14,000 square feet); and
- new construction of a parking garage (minimum 400,000 square feet and minimum 1,000 parking spaces) on the property addressed as 900 Main Street; and
- minimum 10,000 square feet of street-level retail/restaurant space integrated into the new parking garage
- completion of all necessary site work (e.g., excavation, placement of fill, grading) to prepare the Project site for the infrastructure improvements (e.g., new sidewalks and utilities) necessary to support the planned vertical improvements included with the Project; and
- construction of all public infrastructure improvements, including off-site public improvements (e.g., new sidewalks, utilities, and streetscape) necessary to support the planned vertical improvements included with the Project

Building Permit Deadline. Developer shall obtain a building permit for the Project from the City on or before September 30, 2029. A demolition permit or grading permit does not constitute satisfaction of this requirement.



# Staff Recommendation: Agreement Conditions



Substantial Completion Deadline. Developer shall cause the construction of the Required Project Components to be completed by September 30, 2032, as evidenced by certificate(s) of occupancy, certificate(s) of substantial completion, and/or similar documentation issued by the City; and Developer shall obtain final acceptance of any public infrastructure improvements associated with the construction of the Required Project Components by December 31, 2032

Public Access to Infrastructure not owned by City. Prior to the City's payment of any portion of the TIF Subsidy and at no cost to the City, Developer shall provide public access easements, deed restrictions, or other instruments reasonably acceptable to the OED Director if any street, utility, or open space improvement associated with the Project remains in non-City ownership but requires public access

Operating and Maintenance Agreement. Prior to Substantial Completion, Developer shall execute an Operating and Maintenance Agreement with 20-year term for any Non-Standard Public Improvements associated with the Project that will be owned by the City but maintained by the Developer.

Quarterly Reporting. Until all Required Project Components have passed final building inspection and Developer has submitted all required paperwork documenting Substantial Completion to the OED Director, Developer shall submit to the OED Director quarterly status reports for ongoing work on the Project. Such status reports shall be due within forty-five (45) calendar days following the end of each calendar quarter after the date of City Council's authorization of the Agreement.





# Staff Recommendation: Agreement Conditions



Minimum Occupancy Requirement. Prior to the initial payment of the TIF Subsidy, Developer shall provide evidence that:

- a minimum of 5,000 square feet of the street-level retail/restaurant space created in the parking garage component of the Project is leased and occupied; and
- the hotel portion of the Project is open and operational.

Ongoing Minimum Occupancy Requirement. After initial payment of the TIF Subsidy and until December 31, 2035 ("Minimum Occupancy Compliance Period"), Developer shall immediately notify City in writing if any occupancy falls below the minimum occupancy requirements above ("Ground Floor Occupancy Default" or "Hotel Occupancy Default"). Failure of Developer to cure either default within 120 calendar days or a reasonable time for the curing of such default shall constitute an uncured ground floor occupancy default ("Uncured Ground Floor Occupancy Default") and/or an uncured hotel occupancy default ("Uncured Hotel Occupancy Default"). For each year of an Uncured Ground Floor Occupancy Default, Developer shall remit a penalty payment of \$1 million per year. For each year of an Uncured Hotel Occupancy Default, Developer shall remit a penalty payment of \$4 million per year.

Local Hiring. For all permanent employment opportunities initially created by the operation of the Project, within twelve (12) months of the effective date of the Agreement, and prior to City's payment of any portion of the TIF Subsidy, Developer shall submit to the OED Director a written plan ("Local Hiring Plan") describing: (1) how Developer shall use and document commercially reasonable efforts to recruit and hire residents of the city of Dallas and (2) how Developer shall cause the hotel management entity 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 Developer/hotel management entity will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources.



# Staff Recommendation: Agreement Conditions



Minor Modifications. OED Director, after approval and recommendation by the TIF District Board, may authorize modifications to the Project and an extension of the Project's material dates and deadlines by up to twelve (12) months except as provided pursuant to the Force Majeure provision.

Post Construction Audit and Possible Reduction of TIF Subsidy. Following Substantial Completion of the Project and prior to disbursement of any portion of the TIF Subsidy, the City shall conduct a post-construction audit to review the Developer's total actual costs incurred to deliver the Project. For every \$100,000 in eligible total costs incurred below the estimated total cost of \$409,086,740, the City shall reduce the TIF Subsidy by \$24,000.

Urban Design. Prior to submitting construction plans as part of a building permit application for the Project to the City's Planning and Development Department ("PDD"), Developer shall submit a set of construction drawings to PDD Urban Design staff and OED Director for a final staff review to ensure that the Project (public and private improvements) will be constructed in substantial conformance with the final approved conceptual drawings and renderings attached to the Development Agreement.





# TIF District Board/DDDD Board Action

## Next Steps



**August 29, 2024:** Downtown Connection TIF District Board of Directors and DDDA Board of Directors reviewed and approved the TIF District Plan amendment to add the 1401 Commerce Street to the TIF District

**September 30, 2025:** Downtown Connection TIF District Board of Directors and DDDA Board of Directors scheduled to review and consider approval of the TIF District Plan amendment to add 900 Main Street to the TIF District

**September 30, 2025:** Downtown Connection TIF District Board of Directors to review and consider recommending approval of the Development Agreement and TIF Subsidy for 901 Main Street Redevelopment Project

**October 8, 2024:** City Council will call a public hearing to be held on October 22, 2025 to consider the proposed TIF District Plan amendment

**October 22, 2025:** City Council will conduct a public hearing to receive citizen comments on the proposed TIF District Plan amendment and, at the close of the public hearing, consider approval of the TIF District Plan amendment

**October 22, 2025:** If the TIF District Plan amendment is approved, City Council will, at the same meeting, consider the Agreement and TIF Subsidy for the 901 Main Street Redevelopment Project





# Appendix





# Appendix



**Appendix A:** DDDA Background and TIF Bonds Repayment Status

**Appendix B:** State TIF Law and City's Financial Management Performance Criteria (FMPC)

**Appendix C:** Project Development Team

**Appendix D:** Project Underwriting

**Appendix E:** Downtown 360 Plan



# Appendix A: DDDA Background & TIF Bonds Repayment Status



- On June 8, 2005, City Council:
  - Created the Downtown Connection TIF District (TIRZ #11) by Ordinance No. 26020
  - Established the DDDA to aid, assist and act on behalf of the City in the performance of the City's governmental and proprietary functions with respect to TIRZ #11 and the City Center TIF District (TIRZ #5) under Chapter 431 of the Texas Transportation Code
  - Approved the DDDA's Articles of Incorporation and authorized the City Manager to file the articles with the Secretary of State
  - Approved the DDDA's By-laws by Resolution No. 05-1755
- On August 29, 2005, City Council:
  - Authorized the execution of a Tri-Party Agreement by and among the City, TIRZ #11, and the DDDA, effective as of March 8, 2006 by Resolution No. 05-2545
    - In the agreement the City delegated to the DDDA certain duties and responsibilities with respect to TIRZ #11, including, but not limited to, the power to issue, sell or deliver its bonds, notes or other obligations in accordance with the terms of the Tri-Party Agreement
  - Adopted the Downtown Connection TIF District (TIRZ #11) Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 26096
  - Adopted a Chapter 380 Program whereby the City may make economic development loans or grants from City general funds or from tax increment revenues to TIRZ #11 or to the DDDA in furtherance of implementing the Project and Financing Plan
  - Authorized a Development Agreement with Forest City for the Mercantile Complex, the Continental Building and the Atmos Complex by Resolution No. 05-2545





# Appendix A: DDDA Background & TIF Bonds Repayment Status (Continued)



- On March 8, 2006, City Council:
  - Authorized the issuance and sale of up to \$51,000,000 in Downtown Dallas Development Authority Contract Tax Increment Revenue Bonds for the Mercantile project improvements;
  - Approved the Preliminary Official Statement, Trust Indenture and Bond Resolution; and,
  - Enacted other relating provisions by Resolution No. 06-0873
- On October 10, 2007, City Council:
  - Authorized the issuance and sale of up to \$30,000,000 in Downtown Dallas Development Authority Contract Tax Increment Revenue Bonds for the Mercantile project improvements;
  - Approved the Preliminary Official Statement and Bond Resolution; and
  - Enacted other relating provisions by Resolution No. 07-2993
- For both issuances, the issuer was DDDA and the Credit Pledge was:
  - Downtown Connection TIF District increment; or
  - City of Dallas General Fund annual appropriation, if increment accrual is insufficient

Downtown Connection TIF Tax Increment Financing District Fund  
Status of DDDA Bonds and Repayment  
As of September 30, 2024

Project	Bond Sales	Principal & Interest	Total Paid (P & I)	Balance Due
Mercantile	Series 2006 (\$50,605,343)	\$139,671,210	\$57,028,793	\$82,642,417
Mercantile	Series 2007 (\$28,950,514)	\$67,301,055	\$38,402,670	\$28,898,385
Total		\$206,972,265	\$95,431,463	\$111,540,802



# Appendix B: State TIF Law and City's Financial Management Performance Criteria (FMPC)



**State Law:** the total value of taxable real property in all TIF districts (including the proposed Zone expansion) cannot exceed 25% of the total value of taxable real property in entire City

- With proposed expansion of Downtown Connection TIF District, would be 12.82%

**City FMPC:** the total value of taxable real property in all TIF districts (including the proposed Zone expansion) plus the total value of taxable real property and business personal property in all active tax abatement reinvestment zones cannot exceed 15% of the total value of taxable real property and business personal property in entire City

- With proposed expansion of Downtown Connection TIF District, would be 11.64%





# Appendix C: Project Development Team



## Developer

901 Main PAHG Partners, LLC  
(Hoque Global & PegasusAblon)

## Architect

Hoefer Welker

## Engineers

Kimley-Horn; Datum; Blum Consulting  
Engineers

## General Contractor

Andres Construction

## Hotel Interior Designer

Looney Associates

## Hotel Partner

Horizon Capital



# Appendix D: Underwriting



- Grow America (formerly National Development Council), under contract with the City, conducted independent underwriting of the incentive application
- Development team's incentive application requested approximately \$150 million
- Conclusions of independent underwriting:
  - **Development Team:** appears highly qualified to carry out the Project, demonstrates extensive experience with development projects of similar size and scale, and has previous experience with tax increment financing
  - **Financial Capacity of Development Team/Debt Capacity of Project:** development team demonstrated sufficient financial capacity to support Project and has a track record of capitalizing similar complex development projects; development team is securing private debt (approximately \$175 million) and equity (approximately \$136 million); Project's proforma demonstrates long-term financial viability
  - **Cost Reasonableness of Project:** Project costs are reasonable given high-end quality and complexity of Project
  - **Rationale for Incentive based on Returns:** Without the proposed TIF Subsidy, Project returns (yield on cost) the first 9 years would be below the cap rate for the submarket; the proposed TIF Subsidy does not provide undue enrichment





# Appendix E: Downtown 360 Plan



901 Main Street Redevelopment Project supports the Downtown 360 Plan's Vision and Framework by advancing the Plan's Transformative Strategies

- **Advance Urban Mobility:** Encourage mixed-use, pedestrian-oriented design and development.
- **Build Complete Neighborhoods:** Growing a diverse offering of commercial, retail and entertainment services will be necessary to meet the growing needs in Downtown
- **Promote Great Placemaking:** Improve walkability of the urban core, to produce great streets and experiences that people enjoy, and to create economically-vibrant neighborhoods, excellent urban design in both public and private investments is imperative

THE **360**PLAN

2017 **PLAN FRAMEWORK**

## THE VISION

**A COMPLETE AND CONNECTED  
CITY CENTER**

## TRANSFORMATIVE STRATEGIES





# **Downtown Connection TIF District Plan Amendment &**

## **901 Main St. Redevelopment Project**

**a proposed mixed-use and transit-oriented redevelopment  
of Bank of America tower and adjacent property**

**Economic Development Committee  
October 6, 2025**

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Assistant Director [Interim]  
Office of Economic Development**