Memorandum

CITY OF DALLAS

DATE October 28, 2025

TO Honorable Members of the City Council Economic Development Committee: Jesse Moreno (Chair), Paul Ridley (Vice Chair), Lorie Blair, Laura Cadena, Zarin Gracey, Bill Roth, Chad West

SUBJECT **Upcoming Agenda Item: Rivulet (Phase 1), a proposed mixed-use and master-planned development at 6400 University Hills Boulevard (City Council District 3)**

On November 12, 2025, staff will seek City Council authorization of a Chapter 380 economic development grant agreement with RG University Hills, LLC and/or its affiliates ("Developer") in an amount not to exceed $23,500,000.00 ("Grant") in consideration of Phase 1 of the Rivulet development project ("Project") proposed on undeveloped land currently addressed as 6400 University Hills Boulevard in City Council District 3. The proposed Project is located west of University Hills Boulevard and north of Camp Wisdom Road. The Property is bisected by Ricketts Branch Creek and is approximately 150 feet from the University of North Texas at Dallas campus.

Rivulet is a mixed-use, master-planned, and multi-phased development to include a mix of single-family residential, multi-family residential, commercial, and open space uses in an area of southern Dallas known as the Education Corridor. The development will aim to bring needed goods and services, housing, and an opportunity to create an active gathering place for the community with a mix of buildings in a wooded setting surrounding Ricketts Branch Creek.

Phase 1 of the Rivulet development will encompass approximately 71 acres and focus on the delivery of horizontal infrastructure improvements essential for supporting future vertical development. Phase 1 will create the necessary building and pad sites for the delivery of approximately 150 single-family attached townhomes, 160 single-family detached homes, and 200 multi-family residential units.

Please see the attached **Exhibit A** for more detailed information regarding the Project and the proposed economic development grant agreement. Should you have any questions, please contact Kevin Spath, Director, Office of Economic Development at (214) 670-1691 or kevin.spath@dallas.gov

Service First, Now!

Robin Bentley
Assistant City Manager

c:
Kimberly Bizor Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
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
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors

City of Dallas

EXHIBIT A

Rivulet (Phase 1)

a mixed-use and master-planned development near the University of North Texas at Dallas

Economic Development Committee
November 3, 2025

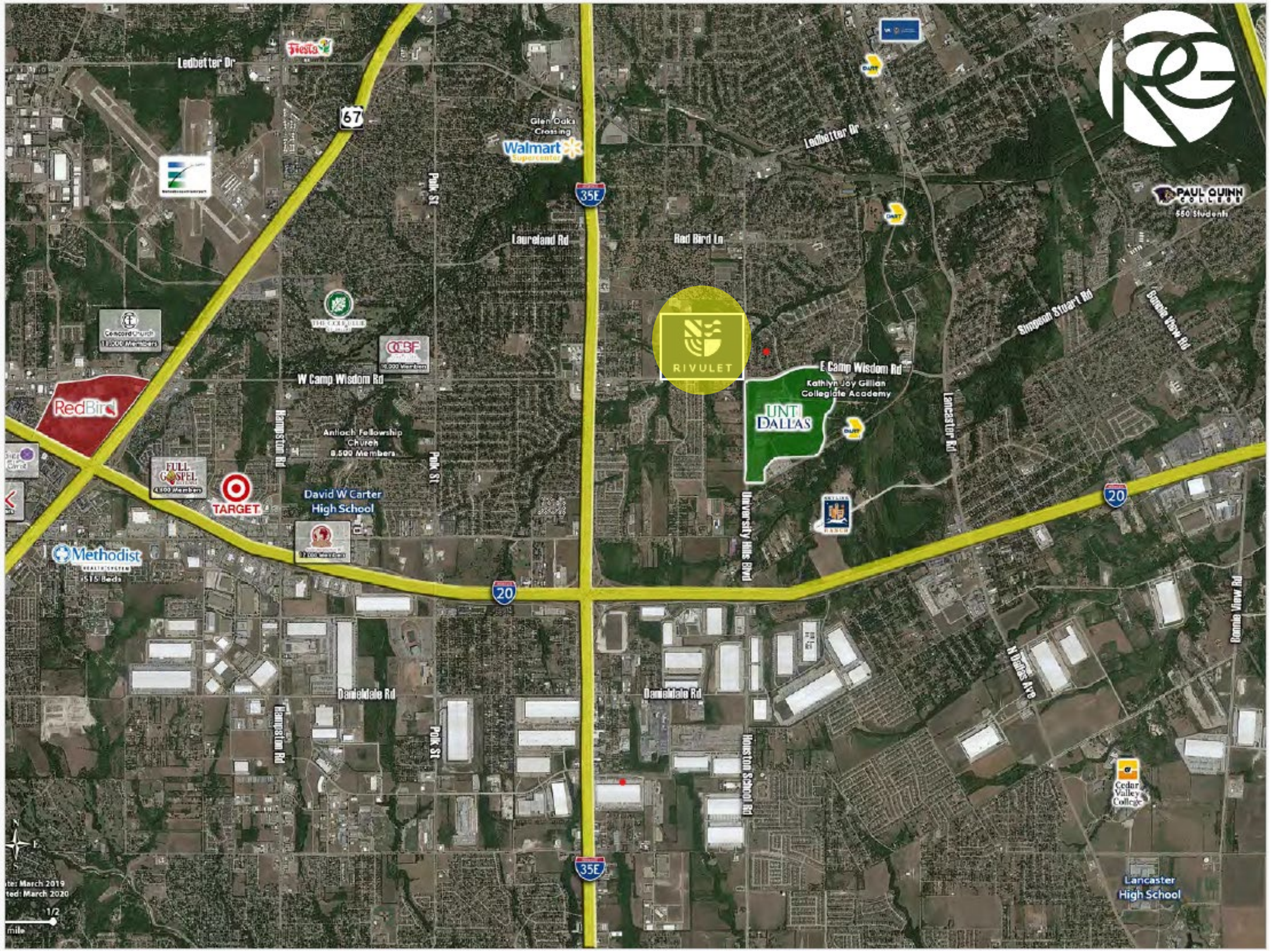
Kevin Spath, AICP, EDFP, HDFP
Director
Office of Economic Development

Overview

- Background (Slides 3-4)
- Proposed Project (Slides 6-14)
- Staff Recommendation (Slides 15-21)
- Next Step (Slide 22)
- Appendix (Slides 23-25)

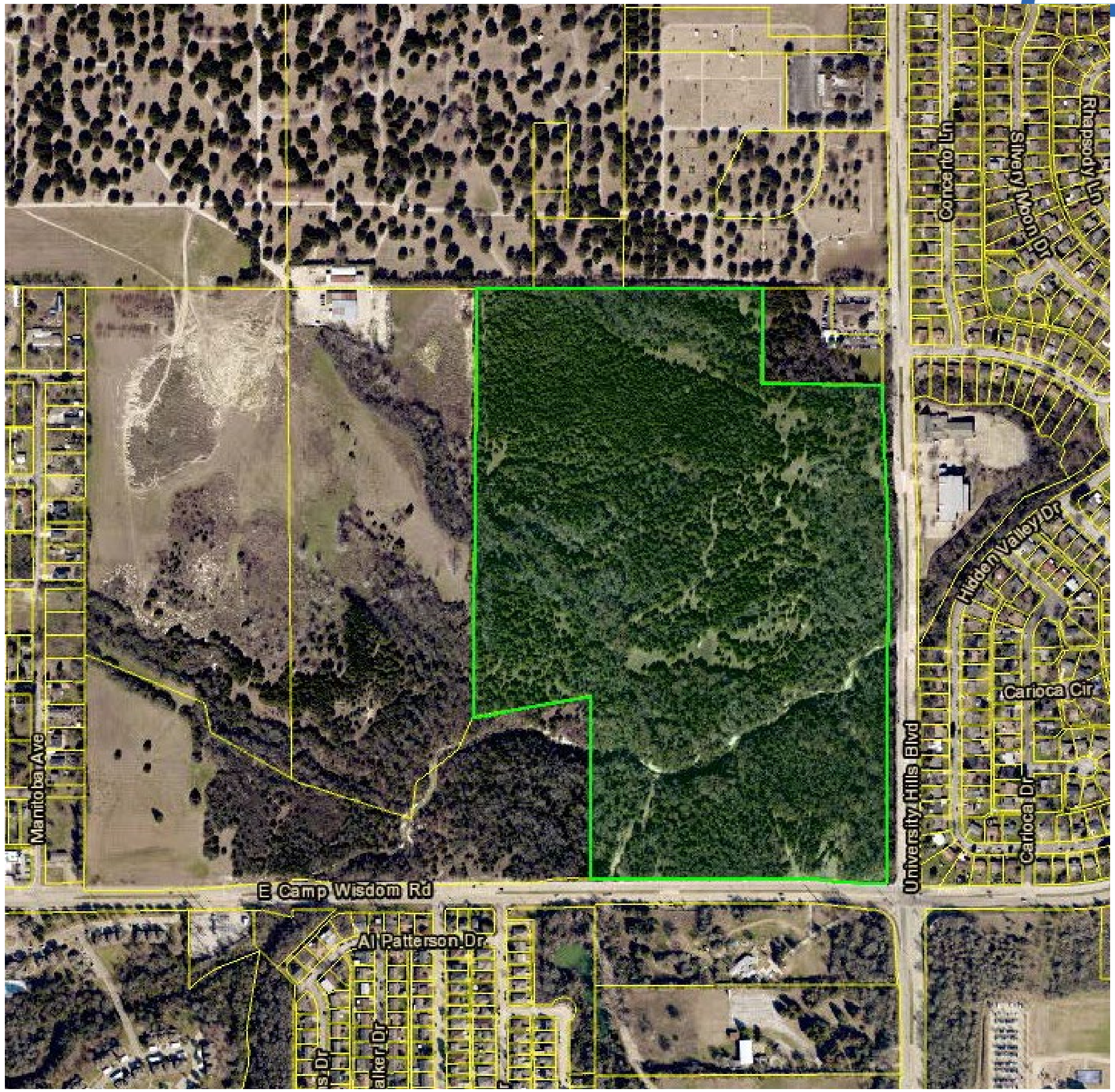
Background: Project Location & Surrounding Area

- Located in the southern Dallas Education Corridor
- 150 feet from the University of North Texas at Dallas campus
- Easy access to major highways (I-20, I-35, US 67, I-45)
- 0.7 miles to UNT-Dallas DART station and 1.3 miles to the Camp Wisdom DART station



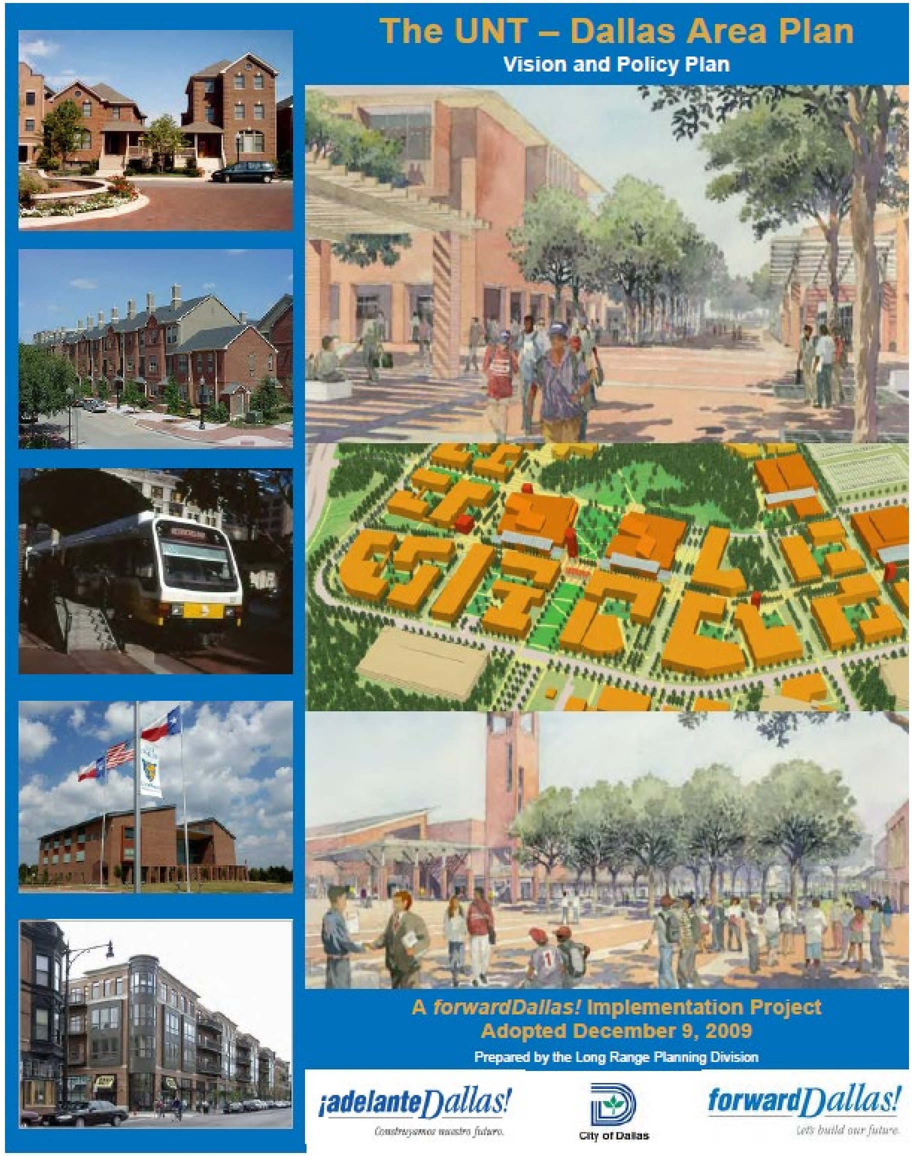
Background: Project Location

- addressed as 6400 University Hills Boulevard
- approximate total: 90 undeveloped acres
- Zoning: PD 49 (amended in 2022 by City Council Ordinance No. 32314 to enable the proposed Project and include design standards)
- City Council District 3
- In Economic Development Target Area per City's Economic Development Incentive Policy



Background: UNT-Dallas Area Plan

- adopted by City Council in 2009
- established a future development vision and strategies for implementation
- UNT-Dallas campus area was one of the top priority areas identified in the forwardDallas! comprehensive plan
- vision for the area is to create a vibrant university town with a balance of jobs, housing, and recreation that serves Southeast Oak Cliff and the region
- Area Plan identifies Project Site as “urban neighborhood” which is intended to offer a variety of housing options within easy access to work, shopping, and recreation opportunities


The UNT – Dallas Area Plan
Vision and Policy Plan

A *forwardDallas!* Implementation Project
Adopted December 9, 2009
Prepared by the Long Range Planning Division

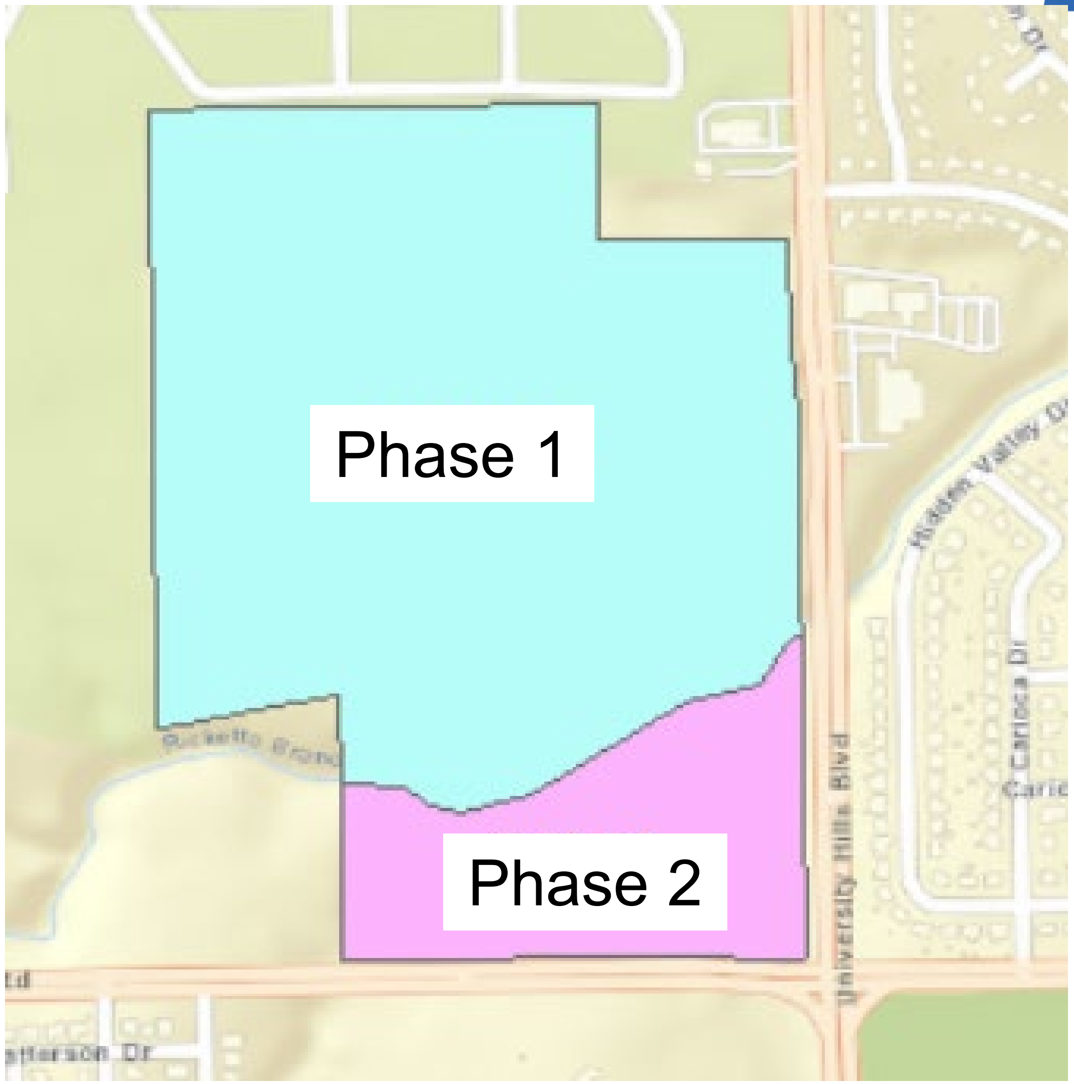
¡adelanteDallas!
Construyamos nuestro futuro.
City of Dallas
forwardDallas!
Let's build our future.

Proposed Project: Master Plan

planned uses include:

- single-family detached residential homes
- single-family attached residential (townhomes)
- multi-family residential units (apartments)
- retail (grocery, fitness, neighborhood services)
- office
- possible civic/City
- open green space

Proposed Project: Phasing



Proposed Project: Rivulet Phase 1

- **Project Developer**: RG University Hills, LLC, and/or its affiliates
- **Project Summary**: In 2023, Developer applied to the Office of Economic Development for development incentive (i.e. gap funding) to make Rivulet Phase 1 financially feasible. With the Phase 1 Project, Developer will:
  - complete horizontal infrastructure improvements necessary to make the Project building pad sites shovel-ready, and
  - convey at least 300 platted lots to home builder(s) for the construction and sale of a mix of single-family attached townhomes and single-family detached homes, and
  - convey a platted lot to a multi-family developer for the construction of a minimum of 200 rental multi-family residential units, and
  - construct either of the following neighborhood amenities:

    (i) an air-conditioned club house and pool, or

    (ii) at least 4 of the following: covered pavilion, grill/picnic area, dog park, neighborhood trails, playground, or a multi-sport court
- **Estimated Project cost**: $47.2 million

Proposed Project: Urban Design Peer Review Panel

- On April 28, 2023, the City's Urban Design Peer Review Panel ("UDPRP") reviewed the Master Plan and provided urban design recommendations to Developer:
    - Look at a greater commitment to placing the commercial buildings closer to the creek and conserving natural features closer to the street to take greater advantage of the land's natural features.
    - Work with the City to determine the viability of roundabout at Camp Wisdom/University Hills and how the development may be experienced and accessed differently than the traditional four-way signalized intersection.
    - Explore the possibility of making the creek a more attractive amenity, which may include holding water for longer periods of time.
    - Preserve established trees can contribute to more walkable, livable, and sustainable development from day one.
    - Explore how to work with the existing topography to add one level of commercial parking to free up land that could be better used for future development, increase the amount of wooded land conserved, and see what kinds of interesting building configurations and relationships with the site and the creek frontage it might facilitate.
    - Look at how the front half (commercial portion) of the development can be slightly condensed to make it more walkable, concentrating activity around a boardwalk spine.

Proposed Project: Urban Design Peer Review Panel

- Further study trail network, diagonal organizing element, midblock parking, and the intersection design at Camp Wisdom/University Hills to ensure the development produces a very walkable and bikeable environment rather than an experience geared to the automobile. It is imperative that the development design be welcoming to students from UNT-D and the surrounding neighborhoods.
- Pursue environmental opportunities that can make the development more sustainable, more complementary to the existing natural environment, and less like a typical suburban development model.
- Explore strategies for creating a more viable place by adding density and uses to the front half (commercial portion) of the site, introducing a mix of uses that include a residential component.
- Look at a circulation system that connects all quadrants of the Camp Wisdom/University Hills intersection, which allows the site to grow and evolve over time.

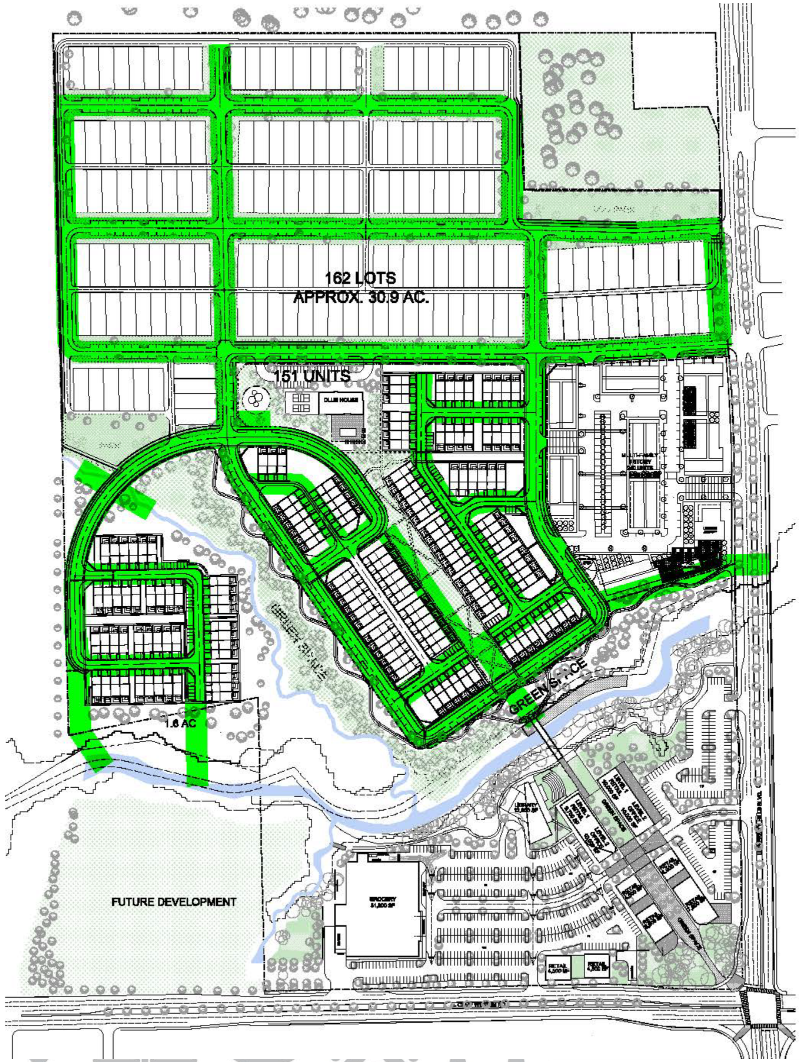
- On October 16, 2023, Developer provided written responses to UDPRP recommendations. Planning and Development Department (PDD) Preservation and Urban Design staff indicated that the responses submitted by Developer satisfied the UDPRP's recommendations, and Developer shall submit updated plans to PDD staff to ensure any proposed changes achieve the goals set by the UDPRP's recommendations (and updated plans shall be attached as exhibits to Agreement).

Proposed Project: Renderings

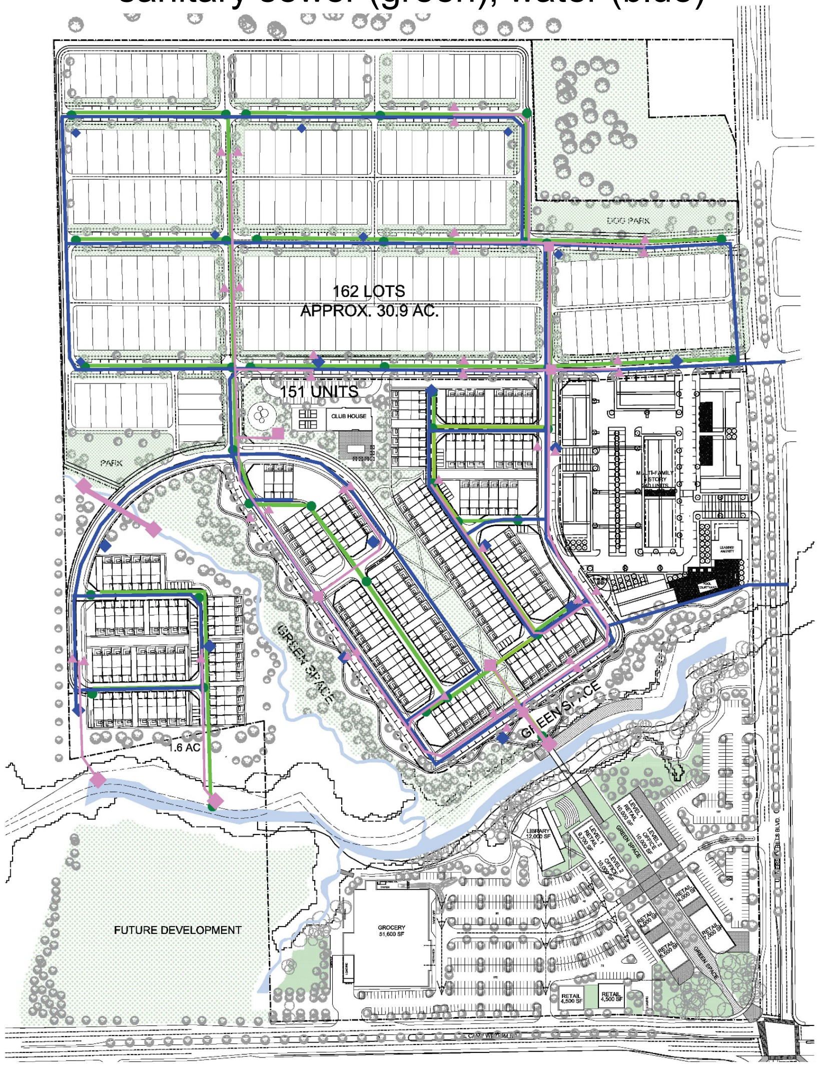
Proposed Project: Renderings

Proposed Project: Public Infrastructure

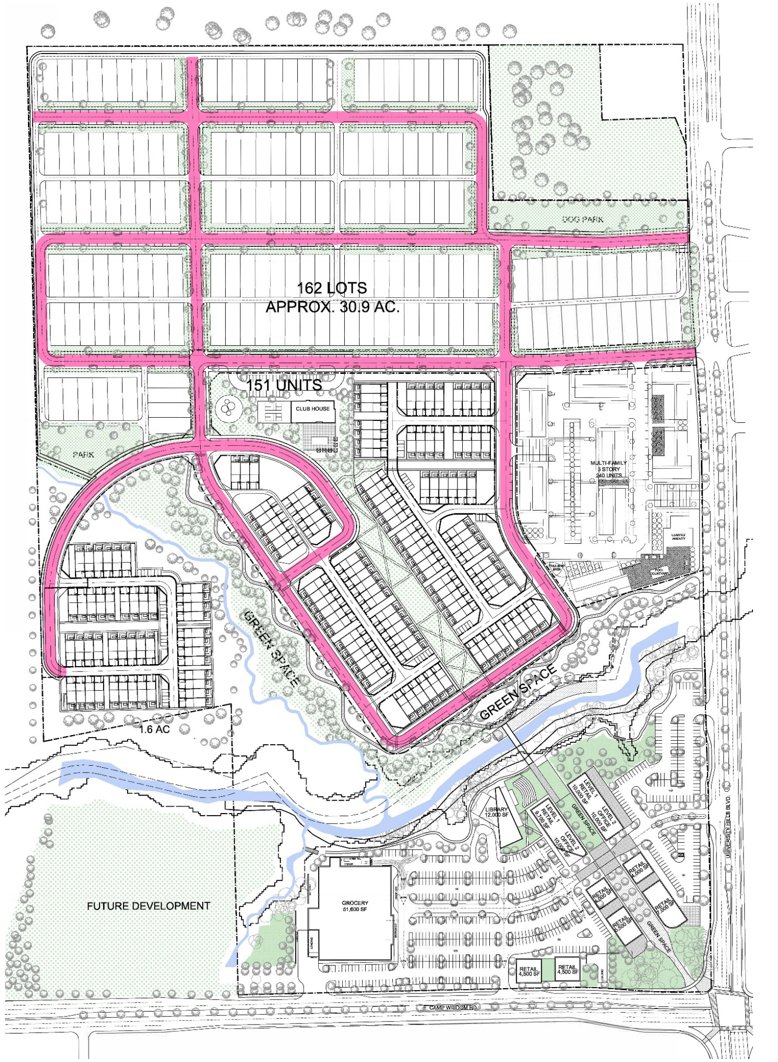
Phase I: public rights-of-way grading; utilities excavation (green)



Phase II: stormwater (pink); sanitary sewer (green); water (blue)



Phase III: roadway paving (pink)



Proposed Project: Sources and Uses

Project Funding (Sources)

Sources of Funds	Amount	
Equity	$4,732,839	10%
Aggregate Revolving Sr. Debt	$42,517,667	90%
Total	**$47,250,506**	**100%**

Project Budget (Uses)

Uses of Funds	Amount	
Land Acquisition	$6,157,236	13%
Hard Construction Costs	$27,897,437	59%
Construction Management Fee	$3,558,208	8%
Professional Fees	$3,144,419	7%
Soft Costs	$3,350,137	7%
Financing Costs	$3,143,069	7%
Total	**$47,250,506**	**100%**

Staff Recommendation

Staff recommends an economic development incentive (“**Grant**”) in the form of a Chapter 380 economic development grant agreement in **an amount not to exceed $23,500,000** as gap funding to make the Project financially feasible.

The Grant shall be sourced as follows (subject to current and annual appropriations):

- An amount not to exceed $503,533 from the City’s 2012 General Obligation Bond Fund (Proposition 3: Economic Development/Housing);
- An amount not to exceed $1,721,521 from the City’s 2017 General Obligation Bond Fund (City Council District 3 discretionary allocation of Proposition I: Economic Development/Housing);
- An amount not to exceed $14,411,515 from the City’s 2024 General Obligation Bond Fund (Proposition G: Economic Development/Housing), and
- An amount not to exceed $6,863,431 from the City’s Infrastructure Investment Fund.

Staff Recommendation

The Grant shall be earned by and disbursed to the Developer as follows:

- **Grant Installment No. 1** in an amount not to exceed $4,712,610 shall be payable as reimbursement for actual capital costs incurred by Developer for Developer's completion of design and construction of the specific **Phase I public infrastructure improvements (public rights-of-way grading; utilities excavation)** as illustrated on Slide 13.

- **Grant Installment No. 2** in an amount not to exceed $5,791,202 shall be payable as reimbursement for actual capital costs incurred by Developer for Developer's completion of design, construction, and City acceptance of the specific **Phase II public infrastructure improvements (stormwater; sanitary sewer; water)** as illustrated on Slide 13.

- **Grant Installment No. 3** in an amount not to exceed $3,380,005 shall be payable as reimbursement for actual capital costs incurred by Developer for Developer's completion of design, construction, and City acceptance of the specific **Phase III public infrastructure improvements (roadway paving)** as illustrated on Slide 13.

- **Grant Installment No. 4** in an amount not to exceed $9,616,183 shall be payable **upon Developer's completion and submission of documentation evidencing completion of each of the requirements set forth in the Agreement (Slides 17-21).**

Staff Recommendation: Grant Agreement Requirements

Project Financing and Execution of Grant Agreement

- Developer shall close construction financing for the Project prior to or contemporaneously with the City's execution of Grant Agreement with Developer (and provide evidence of binding commitments for all capital sources). Developer shall execute the Grant Agreement by December 31, 2026.

Grading Permit

- Developer shall obtain a grading permit for the Project by December 31, 2027.

Minimum Investment

- Developer shall invest (or cause to be invested) and provide documentation evidencing a minimum of $30,000,000 in investment expenditures for the delivery of the Project ("Minimum Investment") by December 31, 2029

Environmental Remediation/Demolition

- Developer shall perform all legally required environmental remediation and any demolition necessary to construct the Project by December 31, 2027.

Site Preparation Work

- Developer shall perform site work (e.g. excavation; placement of fill; grading) for the Project necessary to support the planned vertical improvements and obtain final acceptance by December 31, 2028.

Infrastructure Construction

- Developer shall construct the infrastructure improvements (e.g., new roads, utilities, and streetscape) of the Project needed to support the planned vertical improvements and obtain the City's written final acceptance of such infrastructure improvements by December 31, 2029.

Staff Recommendation: Grant Agreement Requirements

Public Access to Infrastructure not owned by City

- Prior to City's payment of Grant Installment No. 5, and at no additional 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 improvements associated with the Project remain in private ownership but require public access.

Operating and Maintenance Agreement

- Developer shall execute a 20-year Operating and Maintenance Agreement by December 31, 2029 for any Non-Standard Public Improvements. If necessary, Developer shall obtain a license from the City for the purpose of maintaining any improvements in the public right-of-way.

Quarterly Reporting

- Until completion of the Minimum Vertical Related Items, Developer shall submit quarterly status reports for ongoing work on the Project within 45 calendar days following the end of each calendar quarter (following execution of the Grant Agreement).

Parkland Dedication Ordinance

- Developer shall comply with the City's Parkland Dedication Ordinance, as amended.

Minor Modifications and Extensions

- Allowable minor modifications to the Project's design may include those required to comply with development regulations administered by the City's PDD 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 OED Director and submit proposed changes to the OED Director for review and approval. OED Director may authorize minor modifications to the Project so long as they are consistent with the Design Guidelines. OED Director may also authorize an extension of the Project's material dates and deadlines by up to twenty-four (24) months except as provided by the Force Majeure provision.

Staff Recommendation: Grant Agreement Requirements

Design

- Developer shall submit a set of construction drawings to the Preservation and Urban Design staff for a final staff review to ensure that the Project will be constructed in substantial conformance with the Urban Design Peer Review Panel (“UDPRP”) recommendations.

Design Guidelines

- Developer shall submit neighborhood design guidelines and/or a pattern book for the Project for review and approval by the City’s Planning and Development Department (PDD) staff (“Design Guidelines”) by December 31, 2026. The Design Guidelines shall serve as special conditions for the Project and shall be included in the Real Estate Covenants described on Slide 20.

Staff Recommendation: Grant Agreement Requirements

Minimum Vertical Related Items

By December 31, 2030, Developer shall complete the following:

- convey a minimum of 300 platted lots to home builder(s) for the construction of a mix of single-family attached townhomes and single-family detached homes; and
- convey a platted lot to a multi-family developer for the construction of a minimum of 200 rental multi-family residential units; and
- construct either of the following neighborhood amenities:
  - (i) an air-conditioned club house and pool, or
  - (ii) at least 4 of the following: covered pavilion, grill/picnic area, dog park, neighborhood trails, playground, or a multi-sport court
- All construction of vertical development must be completed in conformance with the Design Guidelines, the Real Estate Covenants, and all other requirements of the Agreement.

Real Estate Covenants

- Developer shall establish restrictive covenants for all future vertical development on the Property (“Real Estate Covenants”). By December 31, 2026, a draft set of Real Estate Covenants shall be provided by Developer for review by OED Director and City Attorney’s Office. Once approved by OED Director and City Attorney, Developer shall file the approved covenants in the Real Property Records of Dallas County along with the filing of the final plat for the Project. Covenants shall include each of the following:

  I. A requirement that future vertical development of the Property shall be in conformance with the approved Design Guidelines;

  II. Deed restrictions ensuring that any rental multi-family residential development constructed on the Property must include not less than 20% of units set aside for households earning no more than 80% Area Median Family Income (“AMFI”) for 15 years; that such units shall be marketed pursuant to an Affirmative Fair Housing Marketing Plan reviewed and approved by the Fair Housing division within the City; and that multi-family developers building on the Property shall comply with the City’s voucher requirements in accordance with Section 20-4.1(b) of the Dallas City Code.

  III. A requirement that for-sale home builders constructing single-family detached and single-family attached homes on the Property shall partner with the City to market and encourage perspective home buyers to participate in the City’s Homebuyer Assistance Program, which offers closing cost, down payment, and/or other financial assistance to certain income qualified households as outlined in the homebuyer assistance program statement.

Staff Recommendation: Grant Agreement Requirements

<u>Security for Performance</u>

- Prior to any payment of the Grant, a deed of trust, deed restrictions, guaranty, or other security instrument required by the City Attorney's Office to secure Developer's performance of each of the requirements and obligations set forth in the Agreement (Slides 17-21) shall be executed by Developer in a form approved by the City Attorney's Office. Such document(s) shall be recorded in the Real Property Records of Dallas County against Developer's interests in the Property. Such document(s) shall be released upon expiration of and satisfaction of the performance obligations of the Agreement, or upon Developer's sale of any portion of the Property to an unaffiliated developer for completion of vertical construction. Such document(s) shall be subordinated to construction and/or permanent lenders during the term of the Agreement. Developer shall also provide a title policy for the Property prior to execution of such documents.

<u>Management Entity</u>

- Developer shall establish a homeowner's association, public improvement district, or other management entity acceptable to OED Director to ensure upkeep of common areas, including green spaces, and to provide additional security and other neighborhood supplemental services by December 31, 2029.

<u>Property Transfer</u>

- Developer shall not enter into a contract to sell, lease, encumber, or otherwise transfer any portion of the Property to a non-affiliated entity without the OED Director's prior written consent, which consent shall not be unreasonably withheld. Transfer without such consent shall be an event of default of the Agreement. If any of the Property is planned to be transferred to non-affiliated entities (not related to Developer), at least 30 calendar days before the Developer enters into a contract with a non-affiliated entity for any portion of the Property that is the subject of this LOI (i.e., excluding the commercial tract south of Ricketts Branch Creek), Developer shall submit financial and management background information for review by the OED Director to consider written consent, provided, however, that the City acknowledges and hereby consents to the Developer's existing contracts with (i) affiliates of LGI Homes with respect to the sale of the Project's single-family detached lots and single-family attached townhome lots, and (ii) affiliates of Smart Living Residential with respect to the sale of the Project's multi-family tract (such contracts, as the same may be amended from time to time, the "Existing Contracts").

Next Step

November 12, 2025: City Council

Appendix

Appendix: Development Team

Developer	RG University Hills, LLC (Terrence Maiden, CEO, Russell Glen; Dan Healy, CEO, Civitas Capital Group; Mike Sanford, Founding Partner, MBM Companies)
Architect	5G Studio
Landscape Architect	TBG Partners
Engineer	Pacheco Koch
Construction Manager	Republic Property Group

Appendix: Underwriting

- Grow America (formerly National Development Council), under contract with the City, conducted independent underwriting of the development incentive application
- Developer's development incentive application requested $27 million
- Conclusions of independent underwriting:
  - **Development team**: development team has extensive real estate development experience with a track record of successful projects. Each development team member has between 15 and 30 years of real estate development experience.
  - **Debt capacity of Project**: adequate debt and equity financing information was provided by Developer. Project's debt capacity is being maximized.
  - **Market feasibility of Project**: revenue assumptions are supported by market feasibility study; study indicates significant demand for market rate and affordable for-sale homes, multi-family residential units, and commercial space.
  - **Cost reasonableness of Project**: Project costs are reasonable given complexity of the project.
  - **Rationale for incentive based on Returns**: Projected equity returns with the proposed City incentive are reasonable (12.9%) within an acceptable range of 10-15% of project costs; City incentive will not provide an undue enrichment of Developer.

EXHIBIT A

Rivulet (Phase 1)

a mixed-use and master-planned development near the University of North Texas at Dallas

Economic Development Committee November 3, 2025

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