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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, the City established Tax Increment Financing Reinvestment Zone Number Seventeen (“University TIF District” or “District”) and established a Board of Directors (“Board”) for the District to promote development or redevelopment in the District pursuant to by Resolution No.17-1941;Ordinance No. 30733, authorized by the City Council on December 13, 2017, as authorized by the TIF Act (“Act”), Chapter 311 of the Texas Tax Code, as amended; and

WHEREAS, on December 9, 2020, City Council authorized the Project Plan and Reinvestment Zone Financing Plan (“Plan”) for this District by Resolution No. 20-1894; Ordinance No. 31713; and

WHEREAS, on May 26, 2021, the City Council adopted an Economic Development Policy 2022-2032 (“Policy”) by Resolution No. 21-0927, as amended; and

WHEREAS, on June 22, 2022, the City Council authorized a development agreement (“Agreement”) and all other necessary documents, upon approval as to form by the City Attorney, with I-20 Lancaster Development, LLC and/or its affiliates for a City Subsidy in an amount not to exceed \$34,210,966.00 comprised of (1) an amount not to exceed \$2,800,000.00 in the form of an economic development grant payable from the City's Public/Private Partnership Fund and (2) an amount not to exceed \$31,410,966.00 plus an additional grant in lieu of interest payable from future University TIF District funds in consideration of the University Hills Phase I catalyst project on property generally bounded by Interstate Highway 20 (“Lyndon B. Johnson Freeway”), Lancaster Road, and the DART rail line in Tax Increment Financing Reinvestment Zone Number Twenty One (“University TIF District”) by Resolution No. 22-1008; and

WHEREAS, on January 25, 2023, in furtherance of the new Policy goals, the City Council also authorized a new Economic Development Incentive Policy (Incentive Policy) effective for the period January 1, 2023 through December 31, 2024, by Resolution No. 23-0220, which was later amended on March 27, 2024, by Resolution No. 24-0435; and

WHEREAS, the Incentive Policy establishes certain guidelines and criteria for the use of City incentive programs for private development projects and establishes programs for making loans and grants of public money to promote local economic development and stimulate business and commercial activity in the City pursuant to Texas Local Government Code, Chapter 380, among other statutes; and

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WHEREAS, pursuant to the City's Incentive Policy, this Project is located in a Target Area and in a non-Target area; and

WHEREAS, on December 2, 2024, the Economic Development Committee of City Council was briefed regarding this matter; and

WHEREAS, the proposed Project will not occur within the city of Dallas without an amended offer of economic development incentives from the City and complies with the Plan, the City's Incentive Policy, and all applicable local, state, and federal laws; and

WHEREAS, the City Council finds that the City is: (i) acting in its governmental capacity and its performance hereunder is pursuant to authority granted by the State of Texas, its sovereign or for the benefit of the sovereign; (ii) authorizing this Agreement to primarily benefit the public at large; or (iii) performing functions closely related to or essential to the performance of governmental activities.

Now, Therefore,

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

SECTION 1. That the City Council hereby authorizes amendments to Resolution No. 22-1008, previously approved by City Council on June 22, 2022, authorizing a development agreement ("Agreement") and all other necessary documents with I-20 Lancaster Development, LLC and/or its affiliates ("Developer"), approved as to form by the City Attorney, related to the University Hills Phase I catalyst project ("Project") on property generally bounded by Interstate Highway 20 ("Lyndon B. Johnson Freeway"), Lancaster Road, and the DART rail line to: **(1)** increase the City Subsidy by \$1,750,000.00 from an amount not to exceed \$34,210,966.00 to an amount not to exceed \$35,960,966.00 by increasing the economic development grant payable from the City's Public/Private Partnership Fund ("PPP Grant") by \$1,750,000.00 from an amount not to exceed \$2,800,000.00 to an amount not to exceed \$4,550,000.00 and include the specific requirement for Developer to design, construct, and achieve City acceptance of the specific wastewater infrastructure improvement originally planned to be delivered by Dallas Water Utilities (Project Area 75-4-C in the 2020 Unserved Areas Program); **(2)** extend various material dates and deadlines; **(3)** transfer an amount not to exceed \$1,750,000.00 from the ARPA Redevelopment Fund to the Public/Private Partnership Fund; **(4)** make other corresponding modifications, and, in consideration; **(5)** increase the Developer's minimum investment requirement by \$2,000,000.00 from \$60,000,000.00 to \$62,000,000.00; **(6)** amend the Minimum Vertical Requirements to require the Developer to prepare and sell an additional 50 residential sites to third-party builders for the construction of single-family homes; and **(7)** amend the Minimum Vertical Requirements to require the Developer to construct a community amenity center with a pool.

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SECTION 2. That Section 3 of Resolution No. 22-1008 is amended as follows (deleted text are shown as strikethroughs, added text are shown in underlined font):

“SECTION 3. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$4,550,000.00 to I-20 Lancaster Development, LLC, and/or its affiliates from the Public/Private Partnership Fund (subject to annual appropriations), as reimbursement for: (1) all fees incurred on or before December 31, [2026]2027 for all permitting, plan review, and inspection fees, and (2) actual costs incurred for the design, construction, and City acceptance of the wastewater infrastructure improvements as depicted in Exhibit E to this resolution (originally planned to be delivered by Dallas Water Utilities as Project Area 75-4-C in the 2020 Unserved Areas Program), as follows:

Public/Private Partnership Fund
Fund 0352, Department ECO, Unit W832
Activity PPPF, Object 3016, Program UNVHILLS,
Encumbrance/Contract No. CX ECO-2022-00019601
Vendor VC25137

~~[\$2,800,000.00]~~\$4,550,000.00”

SECTION 3. That Section 4 of Resolution No. 22-1008 is amended as follows (deleted text are shown as strikethroughs, added text are shown in underlined font):

“SECTION 4. That, upon Developer’s completion and City acceptance of the specific stormwater infrastructure improvements depicted in Exhibit F to this resolution, Developer may begin receiving TIF Subsidy payment only for the actual costs incurred to deliver the specific stormwater infrastructure improvements depicted in Exhibit F, contingent on the availability of District funds and subject to the Repayment Obligations. The balance of the TIF Subsidy will still be subject to completion of all of the obligations set forth in the Agreement (including those terms and conditions set forth in Sections 8.A. through Section 8.I. of this resolution, as amended), the City Council hereby authorizes the Chief Financial Officer to disburse funds in an amount not to exceed \$31,410,966.00 plus an additional grant in lieu of interest payable from current and future University TIF District funds to I-20 Lancaster Development, LLC and/or its affiliates from the University TIF District Fund (subject to annual appropriations from tax increments), as follows:

University TIF District Fund
Fund 0051, Department ECO, Unit W832
Activity UVTD, Object 4599, Program UNVHILLS,
Encumbrance/Contract No. CX ECO-2022-00019601
Vendor VC25137

\$31,410,966.00”

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SECTION 4. That Section 8 of Resolution No. 22-1008 is amended as follows (deleted text are shown as strikethroughs, added text are shown in underlined font):

“SECTION 8. That, in addition to the conditions set out in the Agreement (pursuant to Section 1 and Section 6 of this resolution), the TIF Subsidy is hereby expressly made subject to all of the following terms, conditions and obligations, which Developer must perform or cause to occur as described herein (except that Developer may begin receiving payment of a relatively small portion of the TIF Subsidy only for the actual costs incurred to deliver the specific stormwater infrastructure improvements depicted in Exhibit F pursuant to Section 3 above):

- A. Purchase of Land: [~~On or before December 31, 2023,~~] Within 90 calendar days of Developer’s execution of the Agreement, Developer shall purchase the entire assemblage of property (approximately 279 acres) from [~~CADG Property Holdings I, LLC~~] VM Fund I, LLC as shown in the overall conceptual master plan (**Exhibit C**) and provide evidence of such purchase to the Director of the Office of Economic Development (“Director”).
 1. Agreement Execution Deadline. Developer shall execute the Agreement on or before: (a) 30 calendar days after City Council approval of this resolution; or (b) 30 calendar days after City delivery of the City-signed Agreement to Developer incorporating the amendments contained in this resolution, whichever is later.
- B. Construction Funding: On or before [~~December 31, 2023,~~](i) June 30, 2025 or (ii) 180 calendar days after Developer’s execution of the Agreement, whichever is later, Developer shall secure and provide satisfactory evidence to the Director of construction funds or financing for the horizontal development of the Project.
- C. Minimum Investment: On or before [~~December 31, 2026~~]June 30, 2028, Developer must document a minimum investment of [~~\$60,000,000~~]\$62,000,000 in the horizontal development (e.g., environmental remediation; demolition; site preparation work; infrastructure) of the Project. The term "Invest" or "Investment" means the sum of all development costs for land acquisition, environmental remediation costs (if any); demolition costs (if any); site preparation costs (excavation; placement of fill; grading), and construction costs (hard and soft) for horizontal infrastructure improvements paid, payable, or actually incurred by or on behalf of the Developer, with respect to the Project (hereinafter defined) and the improvements thereon. Construction soft costs specifically include the following items: architecture, engineering, interior design (only if related to the building structure), and construction

SECTION 4. (continued)

management fees. Construction management is solely intended to cover fees paid to an outside consultant or third party who confirms the quality of the work. Construction management fees must be invoiced with a detailed description of work performed. Developer fees, legal fees, marketing fees, leasing commissions, furniture/fixture/equipment costs, construction material testing costs, permit/inspection fees, builder's risk insurance, property insurance during construction, consultant fees, construction financing fees, construction loan interest, construction loan closing costs, carrying costs (e.g., interest costs on land; maintenance costs on land; ad valorem taxes, etc.), operating deficits through stabilization and other similar costs shall not be considered toward this definition of Investment. The Developer must provide documentation of all such expenditures in a form satisfactory to the Director in his or her sole discretion. Expenditures made towards the minimum investment requirement shall include only those eligible costs incurred on or after the date (June 3, 2022) of final execution of the Letter of Intent between the City and the Developer.

- D. Environmental Remediation/Demolition: Developer shall perform all legally required environmental remediation and any demolition necessary to construct the Project by ~~[December 31, 2025]~~June 30, 2027.
- E. Site Preparation Work: Developer shall perform all necessary site preparation work (e.g., excavation, placement of fill, grading) to prepare the site for the infrastructure improvements (e.g., new roads and utilities) necessary to support the planned vertical improvements included with the Project (as described in Section 8.L. and Section 8.M. of this resolution) and obtain the City's written final acceptance (if necessary) of such work by ~~[December 31, 2025]~~June 30, 2027.
- F. Infrastructure Construction and Acceptance: Developer shall construct the infrastructure improvements (e.g., new roads, utilities, and streetscape) necessary to support the planned vertical improvements included with the Project (as described in Section 8.K. of this resolution) and obtain the City's written final acceptance of same by ~~[December 31, 2026]~~June 30, 2028.
- G. Design Guidelines: By September 30, 2023, Developer ~~[shall]~~ submitted a draft traditional neighborhood design guidelines and/or a pattern book, for the development, for the [University Hills Sub-District for] review and approval by the City's Planning and [Urban Design]Development Department (PDD) staff. PDD has approved [T]these specific guidelines, as special conditions for the [University TIF District, shall be incorporated into a set of master design guidelines to be adopted by the Board (as approved, the "Design Guidelines")] Project. The Design Guidelines are

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attached as **Exhibit G** and shall be included in the covenants described in Section 8(H) of this resolution.

- H. Real Estate Covenants: Developer shall establish covenants for all future vertical development in the Project. ~~[The]~~A draft set of covenants [shall be] was provided by Developer for Director's review ~~[and approval]~~ by September 30, 2023. Once approved by Director and City Attorney, Developer shall file the approved covenants in the Real Property Records of Dallas County with Developer's filing of the final plat for the Project. Covenants shall address each of the following:
- i. Design Guidelines: A requirement that future vertical construction in the Project conforms with the Design Guidelines.
 - ii. Affordable Housing (Rental Multi-Family Residential): Deed restrictions ensuring that multi-family residential developments built on the Project site will comply with the TIF program mixed-income housing requirements (i.e., twenty percent (20%) of units set aside for households earning no more than 80% area median family income for 15 years); that such units will be marketed pursuant to an Affirmative Fair Housing Marketing Plan approved by Director; and that multi-family residential developers building on the Project site will abide by the City's voucher related Ordinance 30246; as amended by City Council on May 11, 2022.
 - iii. Homebuyer Assistance Program (For-Sale Single-Family Residential): A requirement that for-sale home builders constructing single-family homes on the Project site shall partner with the City to market and encourage homebuyers to participate in the City's to-be-developed homebuyer assistance program for the University Hills Sub-district, which would offer closing cost, down payment, and/or other financial assistance to certain income qualified households, as outlined in the homebuyer assistance program statement to be approved by the Board. Homebuyer assistance funds will be funded from the first \$5,300,000.00 of District increment (less administrative costs), inclusive of the current cash balance. Staff estimates that the homebuyer assistance program will be fully funded in this amount by 2023, after which any additional funds for the homebuyer assistance program would come only from the 10% affordable housing line item in the Plan. The TIF Subsidy will be funded from increment accrued after the homebuyer assistance program is fully funded.

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- I. Management Entity: On or before [~~December 31, 2025~~] June 30, 2028, Developer shall establish a homeowner's association, public improvement district, or other management entity acceptable to Director to ensure upkeep of common areas including the green spaces and amenity center and to provide additional security and other neighborhood services.
- J. Repayment Obligation: Developer shall be eligible to begin receiving disbursement of the TIF Subsidy once Developer completes and documents its completion of each of the obligations set forth in the Agreement (pursuant to Section 8.A. through Section 8.I. of this resolution)[~~.]~~ (except that Developer may begin receiving payment of a relatively small portion of the TIF Subsidy only for the actual costs incurred to deliver the specific stormwater infrastructure improvements depicted in Exhibit F pursuant to Section 3 above). Developer shall be liable for repayment of the TIF Subsidy (the "Repayment Obligation") until it completes the Minimum Vertical Related Items as provided in the Agreement (pursuant to the definition provided herein). Such Repayment Obligation will be documented in a form approved by the City Attorney, which may include deed restrictions, a deed of trust, guaranty, or other documents to secure performance. The Repayment Obligation may be forgiven as provided in the Agreement (pursuant to section 8.M. of this resolution).
- K. Security: Any deed of trust, deed restrictions, guaranty, or other security documents required by the City Attorney's Office to secure the Repayment Obligation shall be executed by Developer [~~simultaneously with the Agreement~~] prior to any payment of the TIF Subsidy in a form approved by the City Attorney's Office. Such documents shall be recorded in the Real Property Records of Dallas County against [~~Grantee's~~] Developer's interests in the [~~p~~]Property [~~within (14) days of execution of the Agreement~~]. Such documents shall be released upon expiration of and satisfaction of obligations under the Agreement, or upon Developer's sale of any portion of the property to an unaffiliated developer for completion of vertical construction. Such documents shall be subordinate to construction/permanent lenders during the term of [~~this~~] the Agreement. Developer shall provide a title policy to the City prior to any payment of the TIF Subsidy.
- L. Minimum Vertical Requirements: Developer shall complete the sale of all single-family lots to builders and multi-family/commercial pad sites to developers acceptable to Director in his or her reasonable discretion, such approval not to be unreasonably withheld, by December 31, [~~2026~~] 2029. Developer shall (i) prepare and sell sites to third-party builders for the

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SECTION 4. (continued)

construction of a minimum of [~~200~~] 500 single-family [~~attached townhomes, 250 detached~~] homes[,] and 30,000 square feet of non-residential space, [~~and~~](ii) construct or cause the construction of a minimum of 200 units of multi-family housing, and (iii) construct a community amenity center with a pool (the "Minimum Vertical Related Items"). All construction must be completed in conformance with the Design Guidelines, covenants, affordable housing restrictions, and other requirements of the Agreement (as described herein).

M. Forgiveness of Repayment Obligation: The Repayment Obligation will be forgiven in the following tranches so long as Developer is otherwise in compliance with the Agreement:

- i. Twenty-five percent (25%) upon the sale of 200 residential lots to third-party builders for construction of single-family [~~attached townhomes~~] homes, which sale must be completed no later than [~~December 31, 2032~~]June 30, 2034.
- ii. Twenty-five percent (25%) upon the sale of [~~250~~]300 residential lots to third-party builders sufficient for construction of single-family [~~detached~~] homes, which sale must be completed no later than [~~December 31, 2032~~]June 30, 2034, and completion of construction of a community amenity center with a pool.
- iii. Twenty-five percent (25%) upon the completion of construction of 200 units of multi-family residential evidenced by a certificate of occupancy or equivalent documentation received on or before [~~December 31, 2032~~]June 30, 2034.
- iv. Twenty-five percent (25%) upon the sale of land to a third-party builder sufficient for construction of at least 30,000 square feet of non-residential office or retail space, which sale must be completed no later than [~~December 31, 2032~~]June 30, 2034.

N. Operating and Maintenance Agreement: On or before [~~December 31, 2025~~]June 30, 2028, the Developer shall execute and fund an Operating and Maintenance Agreement for all non-standard public infrastructure improvements associated with the Project. Compliance with the executed operating and maintenance agreement shall be required of all future owners for the entire period (20 years) of the operating and maintenance agreement. If Developer chooses to forgo the TIF Subsidy or defaults on its obligations[~~e~~], Developer shall [~~be~~]remain responsible for the maintenance of the non-standard public improvements through the term of

SECTION 4. (continued)

the operating and maintenance agreement. Any assignment of Developer's maintenance obligations under the Agreement (and the operating and maintenance agreement) to another entity (e.g., new property owner, public improvement district, or property owner's association) shall require Director's prior written approval. If additional non-standard public improvements are constructed after initial execution of the operating and maintenance agreement, the agreement scope may be amended, or separate operating and maintenance agreements may be executed with other parties.

- O. Required Instruments: At no cost to the City, Developer shall provide public access easements, deed restrictions, or other instruments required by the Director in a form acceptable to the City Attorney if any street and utility infrastructure improvements as part of the Project remain privately owned in order to be considered for TIF Subsidy funding.
- P. Parkland Dedication: Developer shall comply with the City's Parkland Dedication Ordinance (Section 51A-4.1000 of the City's Code of Ordinances), as amended.
- Q. M/WBE Participation: Developer shall make good faith efforts to comply with the City's Business Inclusion and Development ("BID") goal of 32% participation by certified minority/women-owned business enterprises (M/WBE) for the hard construction costs of the horizontal development of the Project and meet all reporting requirements for each.
- R. Urban Design Peer Review Panel: 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. The Project ~~[is scheduled to be]~~was reviewed by UDPRP on [July 1, 2022,] July 28, 2023, and the Developer ~~[shall be required to complete the UDPRP process for the overall conceptual master plan and the Project and respond]~~ responded to comments to the satisfaction of the City's [Department of Planning and Urban Design (PUD)]PDD staff [prior to execution of the Agreement for the Project]on October 23, 2024. Conformance with the approved design plans shall be a material condition of TIF Subsidy payments. The Director may authorize minor modifications to the conceptual plans which may arise during the development process due to local, state, or federal regulatory requirements so long as the minor modifications are in substantial conformance with the spirit and intent of the UDPRP advice. Modifications to the conceptual plans, should the Director determine they are material, shall require review by the UDPRP. As the final step in the urban design

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process and prior to permit approval, Developer shall provide a set of permit drawings for the Project to the City's [Department of Planning and Urban Design (PUD)] PDD for internal review and approval to ensure compliance with UDPRP recommendations and responses. The [~~Planning and Urban Design Department~~] PDD shall complete the review of the permit drawings within ten (10) business days of Developer's submission. All future phases of development as illustrated in the conceptual master plan shall be required to undergo the UDPRP process to review conformance with the approved conceptual master plan.

- S. Quarterly Reporting: Until the Developer has received full forgiveness of the Repayment Obligation, Developer shall submit to the Office of Economic Development quarterly status reports for ongoing work on the Project. Such status reports shall be due within 30 calendar days following the end of each calendar quarter after the [~~Council approval date~~] execution of the Agreement.
- T. Modifications and Extensions: Subject to Section 8.T., [T]the Director, after approval and recommendation of the Board, may authorize minor modifications to the Project so long as they are consistent with the Plan's goals and the Design Guidelines, including extensions of [~~any of the~~] to certain Project deadlines up to 24 months.
- U. The Director is not authorized to extend deadlines to execute the Agreement, purchase the land, and secure construction funding."

SECTION 5. That Section 14 of Resolution No. 22-1008 is hereby deleted in its entirety and replaced with this new Section 14 to read:

"SECTION 14. That the Chief Financial Officer is hereby authorized to record expenses in an amount not to exceed \$1,750,000.00 in the ARPA Redevelopment Fund, Fund 0A72, Department DWU, Unit AR08, Program No. 724556, Object 4560, with an offset to Fund 0A72, Department DWU, BSA 0001, and a corresponding revenue of \$1,750,000 in the Public/Private Partnership Fund, Fund 0352, Department ECO, Unit W832, Activity PPPF, Revenue Code 9000, with and offset to Fund 0352, Department ECO, BSA 0001

SECTION 6. That a new Section 16 is hereby added to Resolution No. 22-1008 to read:

"SECTION 16. Developer shall not allow a public facility corporation ("PFC") sponsored by the University Hills Municipal Management District to be created for the Project; however, projects sponsored by the City's PFC may be permitted."

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SECTION 7. That a new Section 17 is hereby added to Resolution No. 22-1008 to read:

“SECTION 17. Notwithstanding Section 12 of Resolution No. 22-1008, if Developer fails to comply with the amended deadline to execute the Agreement, the amended deadline to purchase the land, or the amended deadline to secure construction funding as described in Section 8, the Developer shall have no cure period, and the City shall rescind all authorizations and funding commitments provided by Resolution No. 22-1008, as amended (and City shall terminate the Agreement if Agreement has been executed).”

SECTION 8. That, with the exception of the amendments described above, subject to Section 9 of this resolution, all other requirements of Resolution No. 22-1008 shall remain in full force and effect.

SECTION 9. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to this grant, until such time as the Agreement is duly executed by all parties. Should Developer fail to (a) timely execute this Agreement as contemplated by Section 4.A.1. of this resolution; or (b) timely purchase the land as contemplated by Section 4.A. of this resolution; or (c) timely secure construction funding as contemplated by Section 4.B of this resolution, both this resolution and Resolution No. 22-1008 shall thereafter be null and void.

SECTION 10. That, subject to Section 9 of this resolution, this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City, and it is accordingly so resolved.