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

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

**WHEREAS**, on August 29, 2005, the City Council authorized the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan (“TIF District Plan” or “Plan”) by Ordinance No. 26096; Resolution No. 05-2544, as amended; and

**WHEREAS**, the Act provides that the City may exercise any power necessary and convenient to carry out the objectives of the statute including the power to acquire real property by purchase, condemnation, or other means to implement project plans and sell that property on the terms and conditions and in the manner it considers advisable; and

**WHEREAS**, the provisions of 272.001 (b)(6) of the Texas Local Government Code further provide that the City may sell City-owned property for fair market value and/or exchange for land of comparable value without public bidding if the property is located in a reinvestment zone and development of the property is consistent with the project plan adopted by the City for the Zone; 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 January 25, 2023, in furtherance of the new Policy, the City Council authorized a new Economic Development Incentive Policy (“Incentive Policy”) by Resolution No. 23-0220, as amended; and

**WHEREAS**, on January 8, 2025, the City Council adopted an amended Incentive Policy effective for the period January 1, 2025 through December 31, 2026 by Resolution No. 25-0162; and

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**WHEREAS**, on April 1, 2025, the Downtown Connection TIF District Board of Directors recommended approval of a development agreement with Tango North RF, LLC, a Texas limited liability company and/or its affiliates in an amount not to exceed \$29,399,487, payable from existing and future TIF District funds, for the Fire Station No. 18 Relocation Project ("Project") including (a) City's acquisition from Developer of three properties addressed as 1205 Patterson Avenue, 1212 San Jacinto Street, and 1214 San Jacinto Street totaling approximately 0.967 acres (the property on which the future Fire Station No. 18 will be located); (b) City's direct sale to Developer of an approximately 1.09 acre property addressed as 660 North Griffin Street (the property on which the existing Fire Station No. 18 is located); and (c) reimbursement of development costs associated with Developer's design, engineering, financing, construction, and conveyance to the City of a new Fire Station No. 18 facility (and associated infrastructure and streetscape improvements); and

**WHEREAS**, on April 7, 2025, the Economic Development Committee of City Council was briefed regarding this Project; and

**WHEREAS**, on May 14, 2025, the City Council held a public hearing and authorized amendments to the TIF District Plan to (1) add a provision to the TIF District Plan for a direct sale of approximately 1.09 acres of City-owned property addressed as 660 N. Griffin Street and the existing Fire Station No. 18 in as-is condition and at fair market value in accordance with Chapter 311 of the Texas Tax Code and Chapter 272 of the Texas Local Government Code; (2) reprogram \$6,980,602.00 in net present value (NPV) 2006 dollars (approximately \$17,561,516.00 in total dollars) from the Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots line item to the Public Safety Building line item in the Downtown Connection Sub-district budget to support the relocation and construction of a new Fire Station No. 18 facility in the Zone; and (3) make corresponding modifications to the Zone's Plan by Ordinance No. \_\_\_\_\_; Resolution No. \_\_\_\_\_; and

**WHEREAS**, the City finds that the direct sale of approximately 1.09 acres of City-owned property addressed as 660 North, Griffin Street (including the existing Fire Station No. 18) in as-is condition and at fair market value to Developer for the purpose of constructing a new fire station facility on property within the Zone is in accordance with the Zone's Plan, and as provided in the Act; and

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

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**WHEREAS**, this action is necessary to relocate and fund construction of public facilities and improvements needed to ensure Dallas Fire Rescue services meet the demands of the Zone; and

**WHEREAS**, consistent with the authority granted under the Incentive Policy, staff recommends that the City Council authorize the proposed development agreement with Developer for the Project; 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 of 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 facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

**SECTION 2.** That the City Manager is hereby authorized to: (1) execute a development agreement ("Agreement"), approved as to form by the City Attorney, with Tango North RF, LLC ("Developer") and/or its affiliates, in an amount not to exceed \$29,399,487.00 ("TIF Subsidy"), payable from current and future Downtown Connection Sub-district funds, in consideration of the Developer's design, engineering, financing, and construction of a new Fire Station No. 18 and associated infrastructure and streetscape improvements ("Project") to be developed on three vacant properties currently addressed as 1205 Patterson Avenue, 1212 San Jacinto Street, and 1214 San Jacinto Street and adjacent rights-of-way in the Zone; (2) upon completion and acceptance of the Project, (a) City's acquisition from Developer of the properties addressed as 1205 Patterson Avenue, 1212 San Jacinto Street, and 1214 San Jacinto Street totaling approximately 0.967 acres (the property on which the future Fire Station No. 18 will be located) ("Project Site"); and (b) City's direct sale to the Developer of approximately 1.09 acres of property addressed as 660 N. Griffin Street, including the existing Fire Station No. 18 ("City Property") in as-is condition and at fair market value in accordance with Chapter 311 of the Texas Tax Code and Chapter 272 of the Texas Local Government Code; and (3) upon completion and acceptance of the Project and Project Site, the City Manager to execute customary and reasonable closing documents, as may be required and approved as to form by the City Attorney to effectuate the transaction.

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**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds to Tango North RF, LLC., and/or its affiliates (subject to current and annual appropriations from tax increments) from the Downtown Connection Sub-district of the Downtown Connection TIF District Fund, Fund 0044, Department ECO, Unit X200, Activity DDCT, Program FIRESTN18, Object 4310, Vendor VC0000034223, Contract/Encumbrance No. ECO-2025-00027766 in an amount not to exceed \$29,399,487.00.

**SECTION 4.** That the Developer shall design, fund, and construct the new Fire Station No. 18 and related public infrastructure improvements on the Project Site (see **Exhibit A**) and adjacent rights-of-way in the Zone.

**SECTION 5.** That, in addition to the conditions set out in the sections above, the Agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- A. Minimum Investment. Developer shall invest (or cause to be invested) and provide documentation to the OED Director evidencing a minimum of \$21,000,000.00 in investment expenditures for delivery of the Project, including construction costs, construction-related softs costs, developer's fee, and professional fees (e.g., architecture, engineering, landscape architecture, interior design, surveying, environmental remediation) associated with the Project ("Minimum Investment") by December 31, 2028. See **Exhibit B** for a detailed list of investment expenditures eligible to be counted toward the Minimum Investment requirement. Construction management costs may be included in the Minimum Investment calculation if the construction management services are directly related to ensuring the quality of the construction of the Project and are performed by an independent and unaffiliated third-party. Construction management costs must be evidenced by invoices with detailed descriptions of services performed. Developer legal fees, marketing fees, carrying costs and other similar costs shall not be considered an eligible investment expenditure. With the exception of professional fees and other eligible due diligence costs for the Project, no expenditures made by Developer prior to execution of the Letter of Intent for the Project on March 28, 2025, shall count towards the Minimum Investment calculation.
- B. Developer's Fee. Developer's fee for the Project shall not exceed 4% of the total Project cost (not including developer's fee, financing fees, and payments made by the Office of Economic Development ("OED") directly to the City's Office of Bond & Construction Management and to the City's Facilities and Real Estate Management Department).
- C. Required Project Components. The Project shall include the following Required Project Components ("Required Project Components"):

**SECTION 5. (continued)**

- i. ground-up construction of a new fire station facility of at least 22,000 square feet in size on the Project Site; and
  - ii. fire station facility shall have at least four (4) pull-through bays for apparatus storage; and
  - iii. minimum of 28 on-site parking spaces and a minimum of 8 off-site parking spaces; and
  - iv. on-site and off-site improvements (public and private) necessary to complete Section 5.C(i), 5.C(ii), and 5.c(iii) (e.g. utilities; demolition/reconstruction of surface parking lot; lighting; landscaping; signage; streetscape; traffic signals).
- D. Building Permit Deadline. Developer shall obtain a building permit for the Project by December 31, 2026. A grading permit does not constitute meeting this requirement.
- E. Substantial Completion Deadline. Construction of the Project, including any associated public improvements, shall be complete, and all portions of the building shall be occupiable by December 31, 2028, as evidenced by certificate(s) of occupancy, letter(s) of acceptance, certificate(s) of completion, and/or similar documentation issued by the City ("Substantial Completion"). Developer shall also obtain final acceptance of any public infrastructure improvements associated with the construction of the Required Project Components described in Section 5.C, as evidenced by a letter(s) of acceptance or similar documentation issued by the City, by June 30, 2029.
- F. Review of Preliminary Design Plans. Developer shall submit draft preliminary plans (site plan, landscape plan, elevations, floor plans, etc.) for the design of the Project to the Director of the Office of Economic Development ("Director") and the Chief of Dallas Fire Rescue ("Chief") for review, comments (if any) and approval.
- G. Review of Construction Drawings. Developer shall submit construction drawings for the Project at 20% and 90% completion levels to the Director and Chief for review, comments (if any) and approval prior to submitting an application and 100% construction drawings to the City for a building permit for the Project.
- H. Performance Bond. Developer shall provide evidence of a Performance Bond and Payment Bond by the Developer's General Contractor prior to beginning construction of the Project.

**SECTION 5. (continued)**

- I. Replat Project Site. Prior to conveyance of the Project and Project Site to the City, the Developer shall prepare the required documents and complete the replatting process for the Project Site.
- J. M/WBE Inclusion in Construction of Project. Developer shall make a good faith effort to comply with a goal of forty percent (40%) participation by certified Minority/Women-owned Business Enterprises ("M/WBE") for all hard construction expenditures (public and private improvements) for the Project and meet all process and reporting requirements of the City's Business Inclusion and Development ("BID") program. BID program reporting requirements and forms that will be attached to the Agreement and are attached hereto as **Exhibit C**. Compliance shall be coordinated with the City's Office of Procurement Services.
- K. Quarterly Reporting. Until all Required Project Components have passed final building inspection and Developer has submitted all required paperwork documenting Substantial Completion pursuant to Section 5.E to the OED Director, Developer shall submit to OED quarterly status reports for ongoing work on the Project in the form to be attached to the Agreement. Such status reports shall be due within thirty (30) calendar days following the end of each calendar quarter after the City Council authorization of the Agreement.
- L. Project Modifications. Director, after review, approval and recommendation by the Chief, may authorize modifications to the Project and an extension of the Project's material dates and deadlines by up to twelve (12) months for just cause except as provided in Section 12.
- M. Excess Project Costs. All hard construction costs in excess of \$19,576,845.00, including those costs incurred as a result of change orders and claims, shall be paid by Developer, and Developer shall not look to the City for any reimbursement of such excess costs unless such costs are related to a City's directive. The Director and/or Chief reserve the right to review and approve all change orders for the Project. City reserves the right to perform inspections, measurements or verifications of the estimates of work quantities as are necessary. City also reserves the right to conduct a reasonable audit of the construction contractor's books, records and other data related to any proposed change order.
- N. Legal/Accounting Fees. Developer may submit documentation for reimbursement of up to \$50,000.00 for legal/accounting fees incurred as part of securing financing and constructing the Project. Costs may be reimbursed upon completion of the Project and review and approval of all receipts and invoices by the City, including City Attorney's Office and at the City's discretion. Approval of reimbursement of legal/accounting fees not exceeding the cumulative total limit of \$50,000.00 shall not be unreasonably withheld.

**SECTION 5.** (continued)

- O. Post Construction Audit and Conveyance. Upon completion of construction and a City-conducted post-construction audit, the Developer shall convey the land (at no cost) and all building improvements on the Project Site to the City, and the City shall simultaneously convey the City Property (at no cost) and all building improvements on the City Property to Developer. City agrees to make a good faith effort to complete the post-construction audit no later than 90 calendar days after the City's receipt of all necessary supporting documents, subject to the completeness of the documentation provided by Developer to City. Developer shall pay all contractors, subcontractors, and liens on the Project and Project Site prior to conveyance to City.

**SECTION 6.** That upon completion of the Project, satisfaction of all Project requirements, and subject to the availability of Downtown Connection Sub-district funds, the Project shall be eligible for a total TIF Subsidy in an amount not to exceed \$29,399,487.00. The TIF Subsidy includes, but is not limited to (1) reimbursement of costs (actual expenditures) of building design, engineering and construction which include costs of required utility improvements, building fixtures, off-site public improvements, and construction management; (2) reimbursement of actual expenditures for streetscape improvements which may include, but are not limited to sidewalk construction, street/pedestrian lighting and landscaping; (3) the difference in the appraised values for the Project Site and the City Property; and (4) financing costs, including interest, which shall not exceed \$4,195,000.00.

Notwithstanding the foregoing, in the event construction and/or reimbursement is delayed resulting in the accrual of additional interest, any remaining, unused funds allocated to hard cost and soft cost contingency line items may be used to reimburse additional interest costs arising from the delay(s). Upon completion and City acceptance of the newly constructed facility, Developer and City shall effectuate a real estate transaction whereby the City shall acquire the Developer's Property inclusive of the Fire Station No. 18 facility, and the Developer shall simultaneously acquire the City Property through a direct land sale by the City. Project costs may only be reimbursed upon completion of the Project and a post-construction audit conducted by the City which includes the review and approval of all receipts, documentation, and invoices.

**SECTION 7.** That, prior to closing the direct land sale of the City Property to the Developer, the Developer shall execute deed restrictions, upon approval as to form by the City Attorney, to secure compliance with the Downtown Connection TIF District Mixed-Income Housing Guidelines (see **Exhibit D**) for any future residential development on formerly City-owned property in the TIF District. Specifically, the guidelines require a minimum of thirty percent (30%) of all residential units constructed on City-owned land purchased by a private developer to be rented at a reduced rental rate to households earning at or below eighty percent (80%) of the area median family income for the Dallas Metro Area. The deed restrictions shall be recorded in the Real Property Records of Dallas County.

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**SECTION 8.** That all payments of the TIF Subsidy are subject to the availability of sufficient tax increment in the Downtown Connection TIF District fund. If the appraised values of the properties in the Downtown Connection Sub-district remains constant or decreases in value, the TIF Subsidy for that year may be reduced or unpaid due to the lack of available tax increment, however the accrual of any part of the unpaid balance is allowed per the Downtown Connection TIF District Increment Allocation Policy (**see Exhibit E**). The TIF Subsidy shall be paid solely from the tax increment deposited into TIF District fund for the Downtown Connection Sub-district, if and when tax increments are received and available for such purpose, during the remaining term of the Downtown Connection Sub-district (including collection of the 2035 tax year increment in calendar year 2036), subject to the limitations on payment provided in the final Agreement authorized by City Council and executed by the City Manager, if any.

**SECTION 9.** That until completion of the Project and conveyance to the City, an assignment of the Developer's duties and obligations under the Agreement shall only be allowed to a direct affiliate of Developer with the prior written approval of the Director, not to be unreasonably withheld, conditioned, or delayed.

After completion of the Project, Developer may assign its rights or obligations under the Agreement to any entity provided the assignee expressly assumes all of the obligations of the Developer under the Agreement for the balance of the term of such Agreement. Any receivables due under the Agreement may be assigned by Developer or assignee upon providing the Director with written notice within thirty (30) calendar days of such assignment. 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, interest under the Agreement for the benefit of their respective lenders without the consent of, but with written notice to, 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 Agreement unless the lender agrees in writing to perform such obligations or incur such liability.

**SECTION 10.** That notwithstanding Section 5.L or any other provision of this resolution to the contrary, 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 and/or Chief. "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 shall be excused from doing or performing the same during such period of delay, so that the



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**SECTION 10.** (continued)

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. Extension of Project deadlines as a result of Force Majeure shall not require City Council approval.

**SECTION 11.** 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. Any TIF Subsidy funds dedicated to the Project under the Agreement that remain unpaid upon termination of the TIF District, due to lack or unavailability of TIF District funds, shall no longer be considered project costs of the TIF District or the City, and the TIF District's obligation to pay the Developer shall automatically expire.

**SECTION 12.** 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.