

June 11, 2025

**WHEREAS**, the City of Dallas ("City") recognizes the importance of its role in local economic development and the public purposes of fostering economic growth; and

**WHEREAS**, investment decisions made by business owners, developers, and property owners are often significantly influenced by a municipality's ability to provide economic development incentives; and

**WHEREAS**, it is in the interest of the City to support and secure the development, redevelopment, establishment, expansion, and relocation of businesses within the City for the economic vitality and employment opportunities that these businesses bring for Dallas residents; and

**WHEREAS**, on February 24, 2021, and April 14, 2021, by Resolution Nos. 21-0444 and 21-0616, respectively, City Council authorized a Business Personal Property Tax Abatement and Chapter 380 Grant Agreement ("Agreement") between the City of Dallas and Digital Realty Trust, L.P. ("Digital"), specifically including (1) a 50% business personal property tax abatement on added applicable business personal property tax for a period of five years, and (2) a Chapter 380 economic development grant equal to \$1,000.00 for each new permanent full-time job created by December 31, 2025 in a total amount not to exceed \$200,000.00; and

**WHEREAS**, the Agreement was conditioned upon the multiple phase expansion and renovation of Digital's data center and offices ("Project") located at 2323 Bryan Street in the central business district and the creation of a minimum of 143 jobs by December 31, 2025; and

**WHEREAS**, due to unforeseen circumstances and technical challenges related to the expansion of the data center capacity, Digital no longer intends to move forward with the data center expansion part of the Project and more than \$100 million in capital investment and instead has completed a renovation of approximately \$13 million; and

**WHEREAS**, Digital has created or retained 143 jobs on site with an average salary that exceeds the required minimum salary of \$120,000.00; and

**WHEREAS**, due to the Project changes, Digital submitted a request to City staff to amend the Agreement; and

**WHEREAS**, the additional consideration to the City for the amendments requested by the Digital is the required creation of additional jobs and a reduction in the amount of city incentives, including a reduction of the maximum grant from \$200,000.00 to \$50,000.00, and the forgoing of the abatement with an value of \$252,929.00 in City ad valorem taxes over a five-year period at the time of City Council approval;

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**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, upon approval as to form by the City Attorney, to amend the Economic Development Agreement with Digital Realty Trust, L.P. previously approved on February 24, 2021, and April 14, 2021, by Resolution Nos. 21-0444 and 21-0616 respectively, as follows: **(1)** delete the Business Personal Property Tax Abatement; **(2)** reduce Digital's minimum investment requirement from \$104 million to \$13 million; **(3)** reduce the amount of the Chapter 380 economic development grant from \$1,000.00 to \$290.00 for each new full-time permanent job for a total reduction of \$150,000.00 (from \$200,000.00 for a total amount not to exceed \$50,000.00); **(4)** increase the required minimum number of full-time permanent jobs created at 2323 Bryan Street with a minimum average annual salary requirement of \$120,000 from 143 full-time permanent jobs to 175 full-time permanent jobs; **(5)** reduce the minimum local hiring requirement from 35% to 25% city of Dallas residents and clarify that the hybrid work positions assigned to the 2323 Bryan Street location count towards the local hiring requirement.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to reduce the Chapter 380 Economic Development grant funds to Digital Realty Trust, L.P. or an affiliate thereof in accordance with all the terms and conditions of the grant agreement from the Public Private Partnership Fund, Fund 0352, Department. ECO, Unit W675, Object 3016, Activity PPPF, Vendor No.VC22765, Contract/Encumbrance No. ECO-2021-00015619.

**SECTION 4.** 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.