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WHEREAS, the City of Dallas (“City”) recognizes the importance of its role in local economic development and the provision of mixed-income housing; 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, on November 7, 2006, Dallas voters approved a \$1.353 billion general obligation bond program for the City, of which \$41.4 million was included in Proposition 8 for the purpose of promoting economic development in the southern area of the city, and promoting economic development in other areas of the city in connection with transit oriented development, through planning, designing, constructing, improving, extending and expanding public street, utility and other infrastructure facilities, including the acquisition of land therefor, and through funding the City’s programs for economic development including the acquisition of improved and unimproved properties, the demolition of existing structures, making loans and grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development; and

WHEREAS, on November 7, 2017, Dallas voters approved a \$1.05 billion general obligation bond program for the City, of which \$55.4 million was included in Proposition I for the purpose of providing funds for promoting economic development throughout the city, through planning, designing, constructing, improving, extending, expanding public street, utility, and other infrastructure facilities, including the acquisition of land therefor; and through the City’s programs for economic development and housing including the acquisition of improved and unimproved properties, the demolition of existing structures, making grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development, neighborhood revitalization projects, and mixed income development; and

WHEREAS, on July 1, 2020, a memorandum (entitled “Mixed-Income Housing Challenge for TODs for Post-COVID-19 Economic Development Recovery Efforts”) was issued by the chairpersons of the City’s Housing and Homelessness Solutions Committee, Transportation and Infrastructure Committee, Economic Development Committee, and Workforce, Education, & Equity Committee of the City Council, challenging the City to utilize all available land owned by the City or Dallas Area Rapid Transit (“DART”) within a half-mile of DART light rail stations to produce mixed-income housing developments. This initiative was commonly known as the “Housing Challenge;” and

WHEREAS, Phase II of the City’s efforts to meet the Housing Challenge focuses on DART-owned sites at the following light rail stations: 8th & Corinth Station, Hampton Station, Westmoreland Station, Lake June Station; Buckner Station; Royal Lane Station; and

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

WHEREAS, on December 9, 2021, DART and the City executed a Memorandum of Understanding to give the City the ability to solicit transit-oriented development ("TOD") proposals for the following six DART-owned sites adjacent to DART light rail stations: 8th & Corinth Station, Hampton Station, Westmoreland Station, Lake June Station, Buckner Station, Royal Lane Station; and

WHEREAS, on September 29, 2022, the City issued six Request for Proposals (RFPs) to solicit Transit Oriented Development proposals (one RFP for each of the six DART-owned sites) including City Solicitation BVZ22- 00020443 (Request for Proposals for Transit-Oriented Development of Property Owned by Dallas Area Rapid Transit at the Buckner Station) ("City Solicitation") to solicit TOD proposals on DART-owned property at the Buckner Station; and

WHEREAS, on January 25, 2023, in furtherance of the new Policy goals, the City Council 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, as amended; 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 Chapter 380 of the Texas Local Government Code; and

WHEREAS, on June 14, 2023, the City Council authorized (1) selection of the recommended most advantageous proposal submitted by Palladium USA International, Inc. for City Solicitation BVZ22-00020443, most advantageous proposer of two, and (2) the City Manager or designee to execute an exclusive negotiation agreement, approved as to form by the City Attorney, with Palladium USA International, Inc. or an affiliate ("Palladium") by Resolution No. 23-0792; and

WHEREAS, on August 2, 2023, an Exclusive Negotiation Agreement was executed between the City and Palladium; and

WHEREAS, on May 4, 2024, Dallas voters approved a \$1.25 billion general obligation bond program, of which \$72.3 million was included in Proposition G for the purpose of providing funds for the City's programs for economic development pursuant to the City of Dallas Economic Development Incentive Policy, including making grants of bond proceeds and otherwise providing assistance and incentives for commercial, industrial, retail, residential, mixed-use development and other economic development and redevelopment, land acquisition, demolition, and infrastructure development; and

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WHEREAS, on July 31, 2024, Palladium submitted a development incentive application to the City's Office of Economic Development ("OED") requesting a development incentive to support the proposed development project; and

WHEREAS, on August 13, 2024, Palladium held a community outreach meeting at Pleasant Grove Branch Library (7310 Lake June Road); and

WHEREAS, on August 24, 2024, Palladium hosted a tour of the Palladium RedBird development for any interested community member; and

WHEREAS, on October 8, 2024, the Board of Directors of the Dallas Housing Finance Corporation ("DHFC") considered and adopted an inducement resolution declaring intent to issue bonds, in an aggregate principal amount not to exceed \$50,000,000, for a loan to Palladium to provide financing for the proposed development project; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board ("TBRB"); and containing other related provisions; and

WHEREAS, on October 17, 2024, Palladium and DHFC submitted an application to the TBRB to secure a bond reservation for the proposed project in the Private Activity Bond Allocation Program lottery; and

WHEREAS, on November 13, 2024, the City Council authorized a zoning change pursuant to Case Z234-226 to allow the proposed project to be developed at 8008 Elam Road by Ordinance Nos. 32917, 32918, and 32919; and

WHEREAS, on November 13, 2024, Palladium and DHFC received a lottery number in the Private Activity Bond Allocation Program; and

WHEREAS, on December 10, 2024, Palladium held a community outreach meeting (in English and Spanish) at Pleasant Grove Branch Library (7310 Lake June); 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

WHEREAS, on January 28, 2025, the Housing and Homelessness Solutions Committee of City Council was briefed by memorandum regarding the proposed project and Palladium's request for a Resolution of No Objection related to its application to the Texas Department of Housing and Community Affairs ("TDHCA") for 4% Non-Competitive Low Income Housing Tax Credits ("LIHTC"); and

WHEREAS, on January 28, 2025, Palladium and DHFC received a bond reservation from the TBRB (with DHFC as bond issuer); and

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WHEREAS, on January 30, 2025, Palladium submitted an application to TDHCA for 4% Non-Competitive LIHTCs for the proposed project (“Application No. 25442”); and

WHEREAS, on February 25, 2025, the DART Board approved an Exclusive Option Agreement to lease the Buckner Station property to Palladium (or its designated affiliate, including a housing finance corporation) for a period of no less than forty-five (45) years for the proposed project; and

WHEREAS, on February 26, 2025, the City Council held a public hearing to receive comments regarding Application No. 25442; and at the close of the public hearing, authorized a Resolution of No Objection, related to Application No. 25442, for the development of the proposed project by Resolution No. 25-0415; and

WHEREAS, on April 8, 2025, the Board of Directors of the DHFC considered and adopted a resolution approving a Memorandum of Understanding with Palladium USA International, Inc. or a designated affiliate for the acquisition, financing, development, and operation of the proposed project; and

WHEREAS, a Land Use Restriction Agreement (“LURA”) will be executed for the project in accordance with LIHTC requirements, which will commit the owner/developer of the proposed project to set aside and restrict a minimum of 244 units to serve households earning a maximum of 60% of AMI for a period of forty-five years; and

WHEREAS, the proposed project is located in a High Opportunity Area; and

WHEREAS, the City finds that the proposed project will not be undertaken within the city of Dallas without an offer of economic development incentives from the City; and

WHEREAS, the City finds that the proposed project will significantly advance the public purpose of economic development within the city; and

WHEREAS, consistent with the authority granted under the Incentive Policy, OED staff recommends that the City Council authorize the proposed Chapter 380 economic development grant and loan agreement for the proposed project; and

WHEREAS, in furtherance of its governmental function as a political subdivision of the State of Texas, and consistent with the authority granted under the Act, Chapter 380, Texas Local Government Code, the 2006 City of Dallas General Obligation Bond Program (Proposition 8), the 2017 City of Dallas General Obligation Bond Program (Proposition I), the 2024 General Obligation Bond Program (Proposition G), Ordinance No. 26421, Ordinance No. 30554, and Ordinance No. 32658, it is in the City’s best interest to enter into a Chapter 380 economic development grant and loan agreement as part of the City’s ongoing efforts to promote local economic development and to stimulate business and commercial activity and provide new affordable housing units within the city; and

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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; and

WHEREAS, on May 5, 2025, the Economic Development Committee of City Council was briefed regarding the proposed project; and

WHEREAS, to provide gap funding to make the proposed project (estimated total project cost of \$107.1 million) financially feasible, the City desires to execute a Chapter 380 economic development incentive agreement in a total amount not to exceed \$14,500,000.00, and all other necessary documents with Palladium Buckner Station, Ltd. And/or its affiliates, in consideration of the Palladium Buckner Station Project, a mixed-income and transit-oriented development project proposed on approximately 6.7 acres of real property currently addressed as 8008 Elam Road, Dallas, Texas 75217 in accordance with the Incentive Policy.

Now, Therefore,

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

SECTION 1. That the City Manager is hereby authorized to execute an economic development incentive agreement ("Agreement") with Palladium Buckner Station, Ltd. and/or its affiliates ("Developer") to include: **(1)** a Chapter 380 Economic Development Grant in an amount not to exceed \$8,316,907.16 ("Grant"); and **(2)** a Chapter 380 Economic Development Loan in an amount not to exceed \$6,183,092.84 ("Loan"), and all other usual and customary documents necessary, appropriate, and convenient to consummate this transaction, including but not limited to deed restrictions as further described herein, each approved as to form by the City Attorney, in consideration of the Palladium Buckner Station Project ("Project"), a mixed-income and transit-oriented development project proposed on approximately 6.7 acres of real property currently addressed as 8008 Elam Road, Dallas, Texas 75217 ("Property"), in accordance with the Economic Development Incentive Policy.

SECTION 2. That the following provisions shall specifically apply to the Loan and/or Grant:

- A. Up to the first \$3,098,494.00 of the Grant shall be disbursed at closing specifically to facilitate Developer's acquisition of the Property.
- B. After issuance of a building permit and commencement of construction, Developer may draw down (in up to 3 draw requests) the remaining amount of the Loan and Grant funds, less 5% retainage, on a reimbursable basis, for capitalized costs related

SECTION 2. (continued)

to construction of Project, including soft costs, but excluding developer fee. The 5% retainage shall be payable upon Substantial Completion and shall not count as one of the 3 draw requests.

- C. The Loan's interest rate shall be 3% simple non-compounding annual interest.
- D. The term of the Grant shall be 15 years to comply with the 15-year City Affordability Period, and the term of the Loan shall be coterminous with the senior lender.
- E. The Loan shall be a deferred developer loan fully repayable as set forth below:
 - i. Principal and interest payments shall be deferred until the deferred developer fee is paid in its entirety. At such time, repayment of the City's Loan with accrued, simple non-compounding interest shall commence based on the lower of: (1) 30% of surplus cash flow, or (2) an amortization schedule that is coterminous with the senior lender (40 years).
 - ii. The first Loan payment shall be due within 30 days after Regions Bank and the senior lender have approved the cash flow distribution necessary to make the required Loan payment. Loan payments will thereafter be due annually on the anniversary date of the first Loan payment within 30 days after Regions Bank and the senior lender have approved the cash flow distribution necessary to make such required Loan payment. All unpaid principal and interest will be due on the final payment date.
 - iii. After repayment of the Loan, all deed restrictions and deeds of trust will continue to secure the Developer's performance of the requirements described in the Agreement until termination of the 15-year City Affordability Period.
 - iv. The Loan may be prepaid, in whole or in part, at any time and from time to time, without penalty.
 - v. The remaining balance of the Loan (principal and interest) is immediately due and payable upon sale, refinancing, or transfer of the Project or upon maturity.
- F. The Agreement, a promissory note for the Loan, deeds of trust, and deed restrictions shall secure payment and performance. Deed restrictions shall be senior to all other project financing, subject to bond issuer restrictions and Housing Urban Development restrictions, if applicable, and shall be recorded to secure the 15-year City Affordability Period, regardless of any prepayment of the Loan. The City's Grant and Loan shall be subordinate to the construction and/or permanent financing for the

SECTION 2. (continued)

Project only. In order to secure payment and performance of the City's Grant and Loan, one or more deeds of trust shall be filed against the Property, including the leasehold and all improvements. The City's lien or liens may only be subordinate to a financial institution's superior lien or a loan in a greater amount. In the event, subordination agreements are required, the City agrees to provide in a form acceptable to the City and agrees not to unreasonably withhold them.

- G. Developer and its construction contractor shall name the City as Obligee/Co-Obligee in the payment and performance bonds Developer and its construction contractor must furnish for the Project.

SECTION 3. That expenditures made pursuant to this resolution shall be made from lawfully available funds, including the General Obligation Commercial Paper Notes Series A and B (the "Commercial Paper Notes"), as amended, and any expenditures made pursuant to this Resolution from lawfully available funds shall be reimbursed from the proceeds of the Commercial Paper Notes or from the proceeds of general obligation bonds issued by the City up to the amount of expenditures authorized by this resolution.

SECTION 4. That, pursuant to this resolution and the Agreement, the Chief Financial Officer is hereby authorized to disburse the incentive in a total amount not to exceed \$14,500,000.00 to Palladium Buckner Station, Ltd. and/or its affiliates (Vendor No. VC0000034281) from the funding sources as listed and described below:

Economic & Southern Area of City Transit-Oriented Development Funds
Fund 1T52, Department ECO, Unit X196
Activity ECNR, Object 3016, Program EC06X196
Encumbrance/Contract No.CX ECO-2025-00027737 \$ 1,220,000.00

Economic & Southern Area of City Transit-Oriented Development Funds
Fund 2T52, Department ECO, Unit X196
Activity ECNR, Object 3016, Program EC06X196
Encumbrance/Contract No.CX ECO-2025-00027737 \$ 80,000.00

Economic & Southern Area of City Transit-Oriented Development Funds
Fund 6T52, Department ECO, Unit X196
Activity ECNR, Object 3016, Program PABUSTN
Encumbrance/Contract No.CX ECO-2025-00027737 \$ 30,000.00

Economic & Southern Area of City Transit-Oriented Development Funds
Fund 7T52, Department ECO, Unit X196
Activity ECNR, Object 3016, Program PABUSTN

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SECTION 4. (continued)

Encumbrance/Contract No.CX ECO-2025-00027737 \$ 137,210.74

Economic & Southern Area of City Transit-Oriented Development Funds

Fund 8T52, Department ECO, Unit X196

Activity ECNR, Object 3016, Program PABUSTN

Encumbrance/Contract No.CX ECO-2025-00027737 \$ 70,095.13

Economic & Southern Area of City Transit-Oriented Development Funds

Fund 9T52, Department ECO, Unit X196

Activity ECNR, Object 3016, Program PABUSTN

Encumbrance/Contract No. CX ECO-2025-00027737 \$ 46,509.66

ECO (I) Fund

Fund 1V52, Department ECO, Unit VI39

Activity ECNR, Object 3016, Program EC17VI39,

Encumbrance/Contract No. CX ECO-2025-00027737 \$ 1,738,275.42

Economic Development (G) Fund

Fund 1Y52, Department ECO, Unit YG07, Activity ECNR ,

Object 3016, Program EC24YG07

Encumbrance/Contract No. CX ECO-2025-00027737 \$ 4,994,816.21

Public Private Partnership Fund

Fund 0352, Department ECO, Unit X196

Activity PPPF, Object 3015, Program PABUSTN

Encumbrance/Contract No. CX ECO-2025-00027737 \$ 6,183,092.84

Total amount not to exceed \$14,500,000.00

SECTION 5. That, pursuant to Section 4 of this resolution, once the Agreement and associated Loan documents are executed and Loan funds disbursed, that the Chief Financial Officer is hereby authorized to set up the respective notes receivable for the principal in the Public/Private Partnership Fund, Fund 0352, Department ECO, Balance Sheet Account 023D notes receivable and unearned/deferred revenue Balance Sheet Account 0898 in the respective amounts of the loan disbursements up to total not to exceed \$6,183,092.84 .

SECTION 6. That, pursuant to Section 4 of this resolution, once the Agreement and associated Loan documents are executed and Loan funds disbursed, that the Chief Financial Officer is hereby authorized to set up the respective interest receivable for the interest in the Public/Private Partnership Fund, Fund 0352, Department ECO, Balance Sheet Account 028E interest receivable and unearned/deferred revenue Balance Sheet

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Account 0898 for the interest for that corresponding year during the Loan period as per the Loan provisions.

SECTION 7. That, pursuant to Section 4 of this resolution, that the Chief Financial Officer is hereby authorized to receive and deposit Loan principal repayment from Palladium Buckner Station, Ltd. and/or its affiliates into the Public/Private Partnership Fund, Fund 0352, Department ECO, Unit X196, Revenue Source 847G, and reverse the notes receivable for the principal Balance Sheet Account 023D and unearned/deferred revenue Balance Sheet Account 0898 for the repayment of the principal amount not to exceed \$6,183,092.84 of the Loan.

SECTION 8. That, pursuant to Section 4 of this resolution, that the Chief Financial Officer is hereby authorized to receive and deposit Loan interest repayment from Palladium Buckner Station, Ltd. and/or its affiliates into the Public/Private Partnership Fund, Fund 0352, Department ECO, Unit X196, Revenue Source 847H, and reverse the interest receivable for the interest Balance Sheet Account 028E and unearned/deferred revenue Balance Sheet Account 0898 for the repayment of the interest amounts of the Loan annually for the amount of interest per the Loan provisions.

SECTION 9. That, in addition to the conditions set out in the sections above, the Agreement is hereby expressly made subject to all of the following requirements, terms, and conditions, which must be performed or occur:

- A. Capital Commitment. Prior to or contemporaneously with City's execution of the Agreement, Developer shall provide evidence of binding commitments of all capital sources necessary to complete the Project, including tax credit investor(s) binding commitment(s) and/or loan agreements.
- B. Property Control. Prior to or contemporaneously with City's execution of the Agreement, all necessary lease agreement(s) or purchase and sale agreement(s) between DART, DHFC, and/or Developer regarding long-term use and control of the Property shall be executed.
- C. Agreement Execution Deadline. Developer shall execute Agreement with the City by September 30, 2026.
- D. Required Minimum Investment. Developer shall invest (or cause to be invested) and provide documentation to the OED Director evidencing a minimum of \$60,000,000.00 in investment expenditures for the delivery of the Project ("Required Minimum Investment") (**Exhibit A**) by December 31, 2028. Construction management costs may be included in the Required Minimum Investment calculation if the construction

management services are directly related to ensuring the quality of the

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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 fees, legal fees, marketing fees, financing fees, leasing commissions, carrying costs, insurance, reserves, operating deficits through stabilization and other similar costs shall not be considered an eligible Investment Expenditure. With the exception of site acquisition/control costs, professional fees, environmental assessments and other eligible due diligence costs required by TDHCA, no expenditures made prior to the date of execution of the letter of intent between OED Director and Developer (April 25, 2025) may be included in the Required Minimum Investment calculation.

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

- i. new ground-up construction of residential buildings totaling a minimum of 290,000 gross square feet and a minimum of 304 residential units, of which a minimum of 80% (244 units) shall be set aside as affordable and leased in accordance with Section 9.F below;
- ii. new ground-up construction of two parking garages totaling a minimum of 350 parking spaces;
- iii. construction of a publicly accessible promenade (minimum 37 feet wide) providing a direct pedestrian connection to the DART Buckner Light Rail Station and five bike racks along the perimeter of the development adjacent to the station platform, from the corner of Elam Road and Buckner Boulevard, as depicted in **Exhibit C**;
- iv. wayfinding signage, to be approved by OED Director with consultation from the City’s Park and Recreation Department Director, not to be unreasonably withheld, placed near the intersection of Kipling Drive and Buckner Boulevard to promote Kleberg Trail connectivity, contingent upon such trail commencing construction prior to Substantial Completion of the Project;
- v. site improvements (public and private) necessary to complete the Project (e.g. utilities; demolition; lighting; landscaping; signage; streetscape); and
- vi. tenant amenities specifically including a clubhouse, community room, fitness center, courtyard, swimming pool, outdoor grilling area, dog park, playground, and sport court.

F. City Affordability. The Project shall contain a minimum total of 304 rental multi-family residential units, of which at least 80% (244) of the units shall be set aside and leased solely to those households earning at or below 60% of Area Median Income (“AMI”)

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for a minimum of fifteen (15) years beginning after the Project has reached Substantial Completion as defined in Section 9.I and has been placed in service ("City Affordability Period") (although anticipated to be set aside for 45 years for LIHTC LURA compliance), in accordance with the attached rent schedule (**Exhibit B**). Recertification at lease renewals of the affordable units shall be consistent with TDHCA regulations.

The affordable units shall be of identical finish-out and materials as market rate units and shall not be segregated or concentrated in any one floor or area of the Project but shall be dispersed throughout all of the residential portions of the Project. For the term of the City Affordability Period, the affordability requirements as described herein shall be impressed upon the Property by deed restriction (with HUD Rider attached) and filed in the Official Real Property Records of Dallas County contemporaneously with City's execution of the Agreement.

After the Project's completion as defined in Section 9.I herein and throughout the City Affordability Period, Developer shall monitor and submit reports twice a year to the

OED Director on the status of its compliance with the requirements of the Project's Affordability. Developer shall submit written certification and documentation of compliance or, in lieu, may submit TDHCA compliance documents.

Developer further agrees to complete the Affirmative Fair Housing Marketing Plan ("AFHMP") and submit the AFHMP to the City's Office of Equity and Inclusion for approval. Developer shall submit a copy of the approved AFHMP to the OED Director within thirty (30) days of approval and shall market the residential units in the Project pursuant to the AFHMP.

- G. Vouchers. In accordance with City of Dallas Ordinance No. 30246, approved by Resolution No. 16-1760, as amended by City of Dallas Ordinance 32195, approved by Resolution 22-0743, Developer shall make best efforts to lease up to ten percent (10%) of the Project's residential units to voucher holders during the City Affordability Period. Developer shall register with a minimum of one (1) local provider of housing vouchers at least 12 months prior to the Project's Substantial Completion. As applicable, Ordinance No. 32195 shall be enforced. Should Ordinance 32195 and Chapter 20A of the Dallas City Code be further amended prior to the Project's Substantial Completion, Developer shall abide by such amended terms. Pursuant to Section 20A-4.1(a) of the Dallas City Code, Developer shall not discriminate against holders of any housing vouchers, and Developer shall comply with Section 20A-28 of the Dallas City Code regarding tenant selection. This requirement shall also be impressed upon the Property by deed restriction filed in the Official Real Property

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Records of Dallas County contemporaneously with City's execution of the Agreement.

- H. Building Permit Deadline. Developer shall obtain a building permit, which may include a foundation permit, by September 30, 2026. A grading permit shall not meet this requirement.
- I. Substantial Completion Deadline. Developer shall cause the construction of the Required Project Components to be completed and all portions of the buildings shall be occupiable by December 31, 2027 or the placed in service deadline established by TDHCA for the Project, 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 provide OED Director documentation of any changes to TDHCA's placed in service deadline within five days of Developer notification. All portions of the multi-family units, parking garages and tenant amenities shall be complete at time of Substantial Completion.
- J. Property Management. The proposed property management group for the Project shall be Omnium Management Company, Inc., an affiliate of Palladium Buckner Station, Ltd. Any replacement or successor property management group must be approved in advance by OED Director.
- K. Operating and Maintenance Agreement. If applicable and prior to the Substantial Completion, Developer shall execute an Operating and Maintenance Agreement (defined below) for any Non-Standard Public Improvements (defined below) associated with the Project that will be owned by the City but maintained by the Developer (the "Operating and Maintenance Agreement"). If necessary, Developer shall obtain a license from City for the purpose of maintaining any improvements in the City's right-of-way. "Non-Standard Public Improvements" shall be defined as those public infrastructure improvements which exceed the City's standard design requirements, as determined by the City, and shall include specially designed street/pedestrian lighting, brick pavers, bollards, sidewalks, public art, fountains, landscaping and irrigation. With the exception of specially designed street/pedestrian lighting, public artwork and fountains, City shall retain ownership of such public improvements and may at its sole option, if Developer fails to maintain such public improvements after notice from City, perform such maintenance and invoice Developer for the costs, which costs Developer shall pay within 30 days of notice. Developer shall submit documentation evidencing that an executed Notice of Operating and Maintenance Agreement specifying the existence of an executed Operating and Maintenance Agreement for the Non-Standard Public Improvements

SECTION 9. (continued)

was recorded with the Dallas County Clerk's Office. The term for the Operating and Maintenance Agreement shall be twenty (20) years. The terms and conditions of the Operating and Maintenance Agreement are binding upon the successors and assigns of all parties hereto and may be assignable, subject to Director approval, in whole or in part, to a new owner of all or a portion of the Project. Developer shall remain responsible for the maintenance of the Non-Standard Public Improvements for a term of 20 years even if Developer chooses to forgo the Grant or Loan or is not paid the Grant or Loan as a result of uncured default.

- L. Public Access to Infrastructure not owned by City. Prior to Substantial Completion, Developer shall provide reasonable 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 non-City ownership but require public access.
- M. M/WBE Inclusion in Construction of Project. Developer shall make a good faith effort to comply with the City's Business Inclusion and Development ("BID") goal of percent 32% 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 BID program. Compliance shall be coordinated with the City's Office of Procurement Services.
- N. 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 OED quarterly status reports for ongoing work on the Project in the form to be attached to the Agreement. Upon execution of the Agreement, such status reports shall be due within 30 calendar days following the end of each calendar quarter.
- O. Urban Design. 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. Review by the UDPRP is required for all projects requesting economic development incentives. Following a formal review of the Project's preliminary conceptual drawings and renderings (**Exhibit C**) on March 29, 2024, the UDPRP provided recommendations (**Exhibit D**). On April 30, 2024, Developer submitted a response to the City's Planning and Development Department ("PDD") which is included in **Exhibit D**. On May 6, 2024, the PDD staff indicated that the responses submitted by Developer on April 30, 2024 satisfied the UDPRP's advice but that updated plans are required to be provided to PDD staff for final review, once available. Such updated plans satisfying PDD are a material requirement for the Agreement.

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Prior to submitting construction plans as part of a building permit application to the City's PDD, Developer shall submit a set of construction drawings to the Preservation and Urban Design staff of PDD 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 Agreement. PDD and OED staff shall complete the final staff review within ten (10) business days of submission.

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, including those changes described in Section 9.Q. 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 staff shall complete the final review to ensure compliance with concept plan of any much minor design changes within ten (10) business days of submission by the Developer.

- P. Local Hiring. For all permanent employment opportunities created by operation of the Project, Developer shall submit to the City a written plan ("Local Hiring Plan") describing how Developer or its property management group shall 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 or its property management group will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources. The Local Hiring Plan shall be subject to approval by the OED Director to ensure that employment opportunities are targeted to Dallas residents and that commercially reasonable efforts are made to promote the hiring of neighborhood residents for any new permanent jobs created. No portion of the Grant or Loan shall be disbursed to Developer until the OED Director approves the Local Hiring Plan. Within 30 calendar days of OED Director's receipt of the local hiring plan, the OED Director shall either approve the Local Hiring Plan or give written notification to the Developer of the OED Director's disapproval, specifying the reasons for such disapproval. Compliance with the Local Hiring Plan shall be a material requirement for the Agreement.
- Q. Minor Modifications. The OED Director may authorize minor modifications to the Project, including, but not limited to, adjustment in unit type (including decreases to the size of any unit by not more than 10% as shown in **Exhibit B**), unit mix, set-aside duration, and/or qualifying AMI, if consistent and in compliance with TDHCA's Project requirements and the City Economic Development Incentive Policy. The OED Director may also authorize an extension of the Project's material dates/deadlines up to 12 months.

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SECTION 9. (continued)

- R. Force Majeure. Notwithstanding Section 9.Q or any other provision of this resolution to the contrary, in the event the OED 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, within 10 business days, Developer provides OED Director notice of such event and is diligently and faithfully pursuing completion of the Project, as determined by the OED Director. Extension of Project deadlines as a result of Force Majeure shall not require City Council approval. "Force Majeure" shall mean any contingency or cause actually impacting the Project and beyond the reasonable control of and in no way caused, directly or indirectly, by the acts or omissions of Developer, as reasonably determined by the OED 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, pandemics, epidemics, or viral outbreaks, shortages in labor or materials, delays in or damages caused by delivery of materials, 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 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, subject to OED Director's approval.

- S. Other Public Sources of Funding. The City and Developer acknowledge that other public sources of funding or financial contribution (such as DART, Dallas Water Utilities, or the City's Department of Transportation & Public Works) are being evaluated to support the Project. If, prior to City's full disbursement of the Grant and Loan, the Project is approved for funding or financial contribution from any other public sources which partially reduce the Developer's financial gap for the Project, then the Grant or Loan shall be administratively reduced commensurately.

SECTION 10. That, until Substantial Completion of the Project, an assignment of the Agreement shall only be allowed to a direct affiliate of Developer with the prior written approval of the OED Director, not to be unreasonably withheld.

After Substantial Completion of the Project, Developer may assign its rights or obligations under the Agreement to any entity with the prior written approval of the OED Director.

Any receivables due under the Agreement may be assigned by Developer upon providing the OED Director with written notice within 30 calendar days of such assignment. Developer and any permitted assignee have the right, from time to time, to collaterally

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SECTION 10. (continued)

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 OED 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 11. That the City Council finds that the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

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.