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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 commercial property owners are often influenced by a municipality’s ability to provide economic development incentives; and

WHEREAS, 405 East Overton Road is a vacant parcel (approximately 4 acres) located in Dallas, Texas 75216 (as shown on the map in **Exhibit A**); and

WHEREAS, EmDev Fund, LLC or an affiliate thereof (“Developer”) is seeking City incentives to develop a new urban boarding facility located at 405 East Overton Road; and

WHEREAS, in addition to job creation, providing impoverished elementary school-aged students with educational resources during the home-life portion of the school day – from 3:30 p.m. to 8:00 am – will improve educational outcomes for this community with need and will further promote economic development; and

WHEREAS, investing in children at a foundational age to prevent gaps in education before they reach high school will benefit this community and the city of Dallas and will promote future economic development for the city of Dallas; and

WHEREAS, bringing education, recreation, and health care to this impoverished portion of South Oak Cliff will help working parents in this community by reinforcing educational growth for their children during the home-life portion of the school day; and

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

WHEREAS, on December 11, 2019, City Council authorized the continuation of its Public/Private Partnership Program - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects; and established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City of Dallas pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code by Resolution No. 19-1959; and

WHEREAS, pursuant to the Public/Private Partnership Program - Guidelines and Criteria, the proposed project is located within a target area and meets the minimum eligibility requirement of at least \$1 million in investment; and

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WHEREAS, in the context of the City's Market Value Analysis, the proposed project is generally surrounded by residential market types G, H, and I which reflect lower residential real estate markets in Dallas, and the proposed project will provide opportunity for local employment and services to the surrounding challenged residential market areas; and

WHEREAS, in furtherance of its governmental function as a political subdivision of the State of Texas, and consistent with the authority granted under Chapter 380 of the Texas Local government Code and the City of Dallas 2017 General Obligation Bond Program (Proposition I) and Ordinance No. 30554, it is in the best interest of the City to enter into a conditional grant agreement and provide this incentive as a part of the City's ongoing program to promote local economic development and to stimulate business and commercial activity in the City.

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 execute a conditional grant agreement with EmDev Fund, LLC or an affiliate thereof, approved as to form by the City Attorney, for the development of Phase I of the AT LAST! Project ("Project") located at 405 East Overton Road, Dallas, Texas 75216, in an amount not to exceed \$400,000.00.

SECTION 3. That the conditional grant agreement is hereby expressly made subject to all the following contingencies which must be performed or occur:

- (a) The Developer shall provide evidence of its fundraising strategy and pipeline for review and approval of Phase I of the Project prior to execution of the grant agreement.
- (b) The Developer shall obtain building permit(s) for Phase I of the Project by December 31, 2020. Demolition permits and/or foundation permits shall not fulfill this requirement.
- (c) The Developer shall complete the construction for Phase I of the Project and obtain the final Certificate of Occupancy ("CO") for House 1 by June 30, 2022. City funding shall only be used for development and construction of House 1 and site improvements.

SECTION 3. (continued)

- (d) The Developer shall document a minimum required initial investment of \$850,000.00, excluding acquisition. Eligible expenses shall include hard construction costs, permits, furniture/fixtures/equipment, survey, architect/engineer fees, environmental assessment/remediation, insurance, and site work. Only costs incurred after June 30, 2019 will be eligible to count toward the minimum investment.
- (e) The Phase I of the Project shall include the development of a minimum of one 5,000 square foot building and associated sitework for the property.
- (f) Prior to payment of the grant, the Developer shall provide three years of financial statements for EmDev Fund, LLC (and affiliates) and its tenant(s).
- (g) Upon stabilization of the Phase I of the Project as determined by the City, in its sole discretion. The Developer shall cause its tenant(s) to operate an urban boarding facility for a period of no less than three years.
- (h) Within three years of stabilization of Phase I of the Project, the Developer via the tenancy shall create and maintain no fewer than 12 full-time jobs (or full-time job equivalents) of which 51% (7 employees) shall be hired from low-to-moderate income census tracts in the city of Dallas or the following zip codes 75216, 75217, 75215, 75241 and 75210.
- (i) The Developer via the tenancy shall ensure that no fewer than eight students per year and no fewer than 24 students over the three year compliance period are provided basic, age-appropriate workforce development skills in the form of introduction to subject matters related to workforce development, career exposure, and career education for high-demand industries such as technology, coding, and health care.
- (j) The Developer via the tenancy shall ensure that no fewer than eight boarding school slots are available to students from the following the zip codes: 75216, 75217, 75215, 75241, 75210.
- (k) All employees hired after the date of the City Council authorization of the proposed grant agreement shall be paid a minimum starting hourly wage of \$15.00 per hour (excluding overtime, tips, bonuses, and benefits).

SECTION 3. (continued)

- (l) The City shall provide 2017 General Obligation Bond Funds in an amount not to exceed \$400,000.00 from Proposition I (Economic Development and Housing) for gap financing to support the development of Phase I of the Project. The General Obligation Bond Funds shall be awarded and deployed in the form of a conditional grant secured by a performance lien deed of trust. City's lien shall be subordinate only to the senior construction/permanent lender. City funding shall not be used for developer or operational fees.
- (m) The Developer shall submit Phase I of the Project plans for design review and approval by the City's Department of Planning and Urban Design staff and the Director of the Office of Economic Development ("OED"). Phase I of the Project must substantially conform to the approved design plans.
- (n) At least 90 calendar days prior the commencement of operations of House 1, the proposed management group must be submitted for review and approval by the Director of OED to consider acceptance based on the management group's comparable experience managing other educational, commercial, or mixed-use projects.
- (o) The Developer shall make a good faith effort to comply with the City's Business Inclusion and Development goal of 25% participation by certified Minority/Women-owned Business Enterprises for all hard construction expenditures on Phase I of the Project and meet all reporting requirements.
- (p) The Developer via the tenancy shall obtain a Child Care License from the Texas Department of Family and Protective Services within 180 days of execution of the grant agreement. To obtain a license, the Developer must obtain a Certificate of Training and pass an inspection. The Developer shall remain in good standing during the term of the contract.
- (q) The Developer via the tenancy shall pass the necessary state inspections within 180 days of being issued a final CO.
- (r) The Developer shall provide written annual reports to the Office of Economic Development on the progress in complying with the conditions of the grant agreement including a Certified Annual Occupancy Report for the Project and tenant documentation for annual operating budget, certified public accountant prepared financial statements, a copy of Form 990 or equivalent documentation, student enrollment and job creation requirements of the grant agreement.
- (s) The Director of OED may, at his sole discretion, extend any date specified herein for a period up to 12 months.

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SECTION 3. (continued)

- (t) Access to the 405 East Overton Road shall be provided to allow for inspection by City officials to ensure that the improvements and investments are made according to the specifications and terms of the grant agreement.
- (u) The Developer has agreed that it will not seek any City Office of Economic Development funding for operations of Phase I of this Project. Furthermore, if the Developer does not perform any term of the conditional grant, Developer may not seek additional City funding for Phase I of this Project for three years.

SECTION 4. That the City Manager is hereby authorized to execute a conditional grant agreement and performance lien and to execute a release of lien upon compliance with the conditional grant terms, approved as to form by the City Attorney. The City's lien shall be subordinate to the senior construction/permanent lender.

SECTION 5. That pursuant to the requirements detailed herein, Sections 1, 2 and 3, the City Manager is hereby authorized to increase appropriations in ECO (I) Fund, Fund 1V52, Department ECO, Unit VI20, Object 3016 in the amount of \$400,000.00 for the 2017 General Obligation Bond Fund associated with the conditional grant agreement.

SECTION 6. That pursuant to Sections 1, 2 and 4, the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$400,000.00 to EmDev, LLC or an affiliate from ECO (I) Fund, Fund 1V52, Department ECO, Unit VI20, Object 3016, Program EC17VI20, Encumbrance/Contract No. ECO-2020-00012846, Vendor VC21162.

SECTION 7. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the grant funds until such time as the documents are duly approved by all parties and executed.

SECTION 8. 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.