

WHEREAS, the City Council of the City of Dallas, Texas recognizes the importance of its role in local economic development; and,

WHEREAS, on June 26, 1996, the City Council, pursuant to Ordinance No. 22802, as amended, established Tax Increment Financing Reinvestment Zone Number Five (City Center TIF District) in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the City Center area through the use of tax increment financing as amended; and,

WHEREAS, on February 12, 1997, the City Council, pursuant to Ordinance No. 23034, as amended, approved the City Center TIF District Project Plan and Reinvestment Zone Financing Plan for the City Center TIF District as amended; and,

WHEREAS, on June 11, 2003, Resolution No's. 03-1723 and 03-1724, approved entering into a development agreement and declaring the intent to reimburse 1530 Main Street Hotel Group LP (now known as Dunhill 1530 Main LP) for environmental remediation, interior demolition, facade restoration, and related design costs related to the redevelopment of 1530 Main Street (Dallas National Bank Building) in an amount not to exceed \$2,950,000; and,

WHEREAS, on February 25, 2004, Resolution No. 04-0800 authorized a revision to the development agreement with 1530 Main Street Group LP to increase the TIF funding in an amount not to exceed \$1,350,000 for a total TIF fund of \$4,300,000; and,

WHEREAS, on May 26, 2004, Resolution No. 04-1751 authorized **(1)** a contract for selective demolition and environmental remediation related to the redevelopment of 1530 Main Street with ARC Abatement I Ltd., lowest responsible bidder of four, in an amount not to exceed \$462,529; **(2)** assignment of the contract to Dunhill 1530 Main LP for construction management; and **(3)** payment to Dunhill 1530 Main LP in an amount not to exceed \$237,471 for design, reimbursables and construction management for a total amount not to exceed \$700,000; and,

WHEREAS, on August 25, 2004, Resolution No. 04-2477 authorized **(1)** a contract for historical facade restoration of the building at 1530 Main Street with Key Construction, lowest responsible bidder of three, in an amount not to exceed \$2,451,000; **(2)** assignment of the contract to Dunhill 1530 Main LP for construction management; and **(3)** payment to Dunhill 1530 Main LP in an amount not to exceed \$299,000 for design, reimbursables and construction management; and,

WHEREAS, on January 12, 2005, Resolution No. 05-0193 authorized rescinding the award of contract with Key Construction for the historical facade restoration of the building at 1530 Main Street and readvertisement for bids; and,

February 28, 2007

WHEREAS, on April 27, 2005, Resolution 05-1370 authorized **(1)** a contract for selective demolition and window replacement at 1530 Main Street with Centex Construction, LLC, lowest responsible bidder of two, in an amount not to exceed \$740,000; **(2)** payment to TIF Hotel, Inc. in an amount not to exceed \$425,000 for design, reimbursables and construction management, and **(3)** assignment of the contract to Dunhill 1530 Main LP for construction management for a total amount not to exceed \$1,165,000; and,

WHEREAS, on June 22, 2005, Resolution No. 05-1980 authorized **(1)** a contract for tower crane and personnel/material hoist at 1524 Main Street with Centex Construction, LLC in an amount not to exceed \$585,000; **(2)** a contract for foundation & vault construction at 1524 Main Street with Centex Construction, LLC in an amount not to exceed \$761,477; **(3)** a contract for exterior restoration of 1530 Main Street and shell construction of 1524 Main Street with Centex Construction, LLC in an amount not to exceed \$6,510,000; **(4)** assignment of the contract to Dunhill 1530 Main LP for construction management; **(5)** an increase in appropriations in the amount of \$3,607,404 in the City Center TIF District Fund, and **(6)** payment to TIF Hotel, Inc. in an amount not to exceed \$1,750,000 for design, reimbursables and construction management; and,

WHEREAS, on March 8, 2006, Resolution No. 06-0866 authorized Supplemental Agreement No. 2 to the development agreement with Dunhill 1530 Main LP to reflect revised terms to **(1)** extend the project deadline from January 1, 2007 to December 31, 2007; **(2)** remove the health club and spa requirement; **(3)** combine and increase the private investment on both buildings from \$24,000,000 to \$31,500,000; and, **(4)** increase the number of hotel rooms from 108 to 114; and,

WHEREAS, on August 23, 2006, Resolution No. 06-2263 authorized **(1)** Change Order No. 1 to the contract for selective demolition and environmental remediation with ARC Abatement in the amount of \$50,256, from \$462,529 to \$512,785; **(2)** Change Order No. 1 to the contract for demolition and window replacement with Centex Construction, LLC, in the amount of \$50,879, from \$740,000 to \$790,879; **(3)** Change Order No. 1 to the contract for foundation and vault construction with Centex Construction, LLC, in the amount of \$189,223, from \$761,477 to \$950,700; **(4)** Change Order No. 1 to the contract for tower crane and personnel / material hoist with Centex Construction, LLC, in the amount of \$82,343, from \$585,000 to \$667,343; **(5)** Change Order No. 1 to the contract for exterior restoration and shell construction with Centex Construction, LLC, in the amount of \$895,802, from \$6,510,000 to \$7,405,802; **(6)** assignment of the change orders to Dunhill 1530 Main LP for construction management; **(7)** an increase in the appropriations in the amount of \$566,713 in the City Center TIF District Fund; and a decrease in the payment to TIF Hotel, Inc. by \$701,790; and,

WHEREAS, on December 13, 2006, Resolution 06-3444 authorized (1) Change Order No. 2 to increase the contract for exterior restoration and shell construction with Centex Construction, LLC in the amount of \$387,044, from \$7,405,802 to \$7,792,846; (2) assignment of the contract to Dunhill 1530 Main LP for construction management; (3) an increase in the appropriations in the amount of \$184,648 in the City Center TIF District Fund; and (4) a decrease in the payment to TIF Hotel, Inc. in an amount not to exceed (\$202,396) for design, reimbursables and construction management; and,

WHEREAS, it is now necessary to authorize Change Order No. 3 to the contract for exterior restoration and shell construction with Centex Construction, LLC in an amount not to exceed \$137,670, from \$7,792,846 to \$7,930,516; and,

WHEREAS, it is now necessary to decrease payment to TIF Hotel, Inc. in an amount not to exceed \$47,893 in compliance with the development agreement to reimburse the developer for design, reimbursables, and construction management.

Now, Therefore,

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

Section 1. That the City Manager is hereby authorized to increase the contract with Centex Construction, LLC for exterior restoration and shell construction of 1524 and 1530 Main Street in an amount not to exceed \$137,670, increasing the contract from \$7,792,846 to \$7,930,516.

Section 2. That the City Controller is hereby authorized to receive and deposit funds in an amount not to exceed \$47,893 from TIF Hotel, Inc., in Fund 0035, Department ECO, Unit P053, Revenue Source 8492.

Section 3. That the City Manager is hereby authorized to increase appropriations in City Center TIF District Fund, Fund 0035, Department ECO, Unit P124, Obj. 3072, by \$47,893, from \$8,475,323 to \$8,523,216.

Section 4. That, in accordance with the Dunhill 1530 Main LP Development Agreement, the costs for construction change orders in an amount not to exceed \$137,670 and the costs for design, reimbursables and construction management in an amount not to exceed (\$47,893) are hereby assigned for payment to TIF Hotel, Inc. for construction management for a total amount not to exceed \$89,777.

Section 5. That the City Controller is hereby authorized to disburse funds in accordance with the terms and conditions of the development agreement from:

1530 Main Street Exterior Restoration
City Center TIF District Fund
Fund 0035, Dept. ECO, Unit P053, Act. TCCN
Obj. 3072, Program PBTIF002, CT PD DEVP053I024-2
Vendor #518618, in an amount not to exceed \$ 61,775.00

1524 Main Street Shell Construction
City Center TIF District Fund
Fund 0035, Dept. ECO, Unit P124, Act. TCCN
Obj. 3072, Program PBTIF004, CT PD DEVP053I025-2
Vendor #518618, in an amount not to exceed \$ 75,895.00

1524 Main Street Reimbursables
City Center TIF District Fund
Fund 0035, Dept. ECO, Unit P124, Act. TCCN
Obj. 3072, Program PBTIF004, CT PD DEVP053I027-2
Vendor #518618, in an amount not to exceed (\$ 89,777.00)

Total in an amount not to exceed \$ 47,893.00

Section 6. That, in accordance with the provisions of the development agreement with Dunhill 1530 Main LP, should additional funding be necessary to complete the design and construction of the Joule Hotel, the City Controller is hereby authorized to deposit such additional funding as received from Dunhill 1530 Main LP for this purpose and should the developer's share of the final costs be less than the total amount received, the City Controller is hereby authorized to return same to the developer.

Section 7. That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

Distribution: Public Works and Transportation, Cheryl Nichols, OCMC, Room 101
Public Works and Transportation, Jay Macaulay, OCMC, Room 321
Office of Economic Development, Tenna Kirk, City Hall, 5CS
City Attorney

APPROVED BY
CITY COUNCIL

FEB 28 2007

Deborah Whittaker
City Secretary

APPROVED *Scott M. Miller*
HEAD OF DEPARTMENT

APPROVED *Scott Hines*
CITY CONTROLLER

APPROVED *[Signature]*
CITY MANAGER