

WHEREAS, the City recognizes the importance of its continued role in local economic development; and

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WHEREAS, on October 26, 2005, the City Council authorized the creation Tax Increment Reinvestment Zone Number Fourteen, (the "Skillman Corridor TIF District"), in accordance with the Tax Increment Financing Act, as amended, V.T.C.A Texas Tax Code, Chapter 311) to promote development and redevelopment in the Skillman Corridor area through the use of tax increment financing by Ordinance No. 26148, as amended; and

WHEREAS, on December 13, 2006, the City Council authorized the Skillman Corridor TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 26534 as amended; and

WHEREAS, the creation of a mixed-use, transit oriented town center in core of the Skillman Corridor TIF District is necessary for the future growth and expansion of residential and commercial activity within the City of Dallas; and

WHEREAS, the use of economic development incentives is a necessary tool in attracting a catalyst development to the Skillman Corridor TIF District; and

WHEREAS, on June 13, 2007, the City Council authorized a development agreement with PC LH Land Partners, LP ("PC LH") to provide TIF funding not to exceed \$23,000,000 related to the development of the Lake Highlands Town Center by Resolution Nos. 07-1739 and 07-1740; and

WHEREAS, on December 13, 2010, the Skillman Corridor TIF Board approved and recommended to the Director of the Office of Economic Development that certain Project deadlines be extended by six months; and

WHEREAS, on March 9, 2011, the City Council authorized the establishment of the Skillman Corridor TIF District Grant Program to implement the Project Plan and Reinvestment Zone Financing Plan; and

WHEREAS, on May 24, 2011, the Skillman Corridor TIF District Design Review Committee reviewed the current plans for the Lake Highlands Town Center development and preliminary comments from consultant Street Works, LLC and provided a recommendation to the Skillman Corridor TIF District Board of Directors; and

June 22, 2011

WHEREAS, on June 1, 2011, the Skillman Corridor TIF Board of Directors provided a recommendation to the City Council for an amendment to the development agreement with PC LH Land Partners, LP for the development of the Lake Highlands Town Center and for authority to dedicate future TIF Revenues up to \$40,000,000; and

WHEREAS, PC LH has completed certain requirements of the original development agreement as listed in the attached **Exhibit A**; and

WHEREAS, in furtherance of the Skillman Corridor TIF District Project Plan and Reinvestment Zone Financing Plan and to promote within the Skillman Corridor TIF District: (1) development and diversification of the economy, (2) elimination of unemployment and underemployment, and (3) development and expansion of commerce, the City desires to provide economic incentives to PC LH for the construction of a town center containing a minimum of 1,500,000 square feet of residential, retail, and office space located at the northeast and southeast corners of Skillman Street and Walnut Hill Lane in the Skillman Corridor TIF District as described in **(Exhibit B - Conceptual Site Plan and Exhibit C - Conceptual Phase I Elevations** that may be modified in conformance with a collaborative process with PC LH, an independent consultant, and the City); and

WHEREAS, the expenditure of TIF funds supporting this development is consistent with promoting development and redevelopment of the Skillman Corridor TIF District in accordance with the purposes for its creation, the City's revised Public/Private Partnership Guidelines and Criteria, the ordinance adopted by the City Council approving the Project and Financing Plan, and is for the purpose of making public improvements consistent with and described in the Project and Financing Plan for the Skillman Corridor TIF District.

NOW, THEREFORE,

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

Section 1. That the findings, determinations and certifications contained in the recitals above are incorporated herein for all purposes.

Section 2. That the issuer expects to incur debt as one or more series of obligation for the purpose of paying the costs of the Project. The following is a general functional description of the Project for which the expenditures to be reimbursed or paid and a statement of the maximum principal amount of debt expected to be issued for such reimbursement purposes.

Section 2. (Continued)**Project Description**

Design, engineering, construction management professional services; street, utility, streetscape, and other public infrastructure improvements; demolition and environmental remediation; land acquisition; student retention/relocation, and an economic development grant to be located within Reinvestment Zone Number Fourteen, (Skillman Corridor TIF District) as shown on **Exhibit D**, attached hereto

Debt To Be Issued

Not to exceed \$40,000,000
as provided by the Project
Plan and Reinvestment
Zone Financing Plan and
the Development Agreement

Section 3. That the total Skillman Corridor TIF District participation in the project costs for developing the Lake Highlands Town Center shall not exceed \$40,000,000, in accordance with the terms of the said development agreement.

Section 4. That nothing in the resolution shall be construed to require the City to approve payment from any source of City funds other than the Skillman Corridor TIF District Fund and/or Tax Increment Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Skillman Corridor TIF District, due to lack or unavailability of Skillman Corridor TIF District Funds shall no longer be considered project costs of the Skillman Corridor TIF District or the City to pay PC LH shall automatically expire.

Section 5. That this action will supersede Resolution Nos. 07-1739 and 07-1740 with the exception of requirements that PC LH has met and are still in effect.

Section 6. 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.

Distribution: Office of Economic Development - Tenna Kirk - 5CS
Office of Economic Development - Sajid Safdar, 2CN
City Attorney's Office - Sarah Hasib

APPROVED BY
CITY COUNCIL

JUN 22 2011


City Secretary

Exhibit A
Lake Highlands Town Center (LHTC)
Requirements met in the original development agreement

- Demolition or construction started by December 31, 2008 (*demolition began in November 2007*).
- PC LH complied with the Skillman Corridor TIF District Student Retention/Relocation Policy with former tenants assisted in relocation and the minimal impact on Richardson Independent School District (RISD) enrollment.
- Documentation was presented showing property acquisition costs of \$41.5 million as part of overall minimum private investment requirements.
- Public improvements for Phase I and future phases per original plans were substantially complete by December 31, 2010. A certificate of acceptance from the City's Public Works Department is in progress.
- Related park and trail improvements were completed in accordance with the City's Park and Recreation Department and Park Board approved agreements. The park land was conveyed to the City on March 31, 2011.
- An Operations and Maintenance agreement was executed for non-standard public improvements.
- City M/WBE goals were met for contracts to date including an overall 26% participation (with privately bid portions achieving a 33% participation).

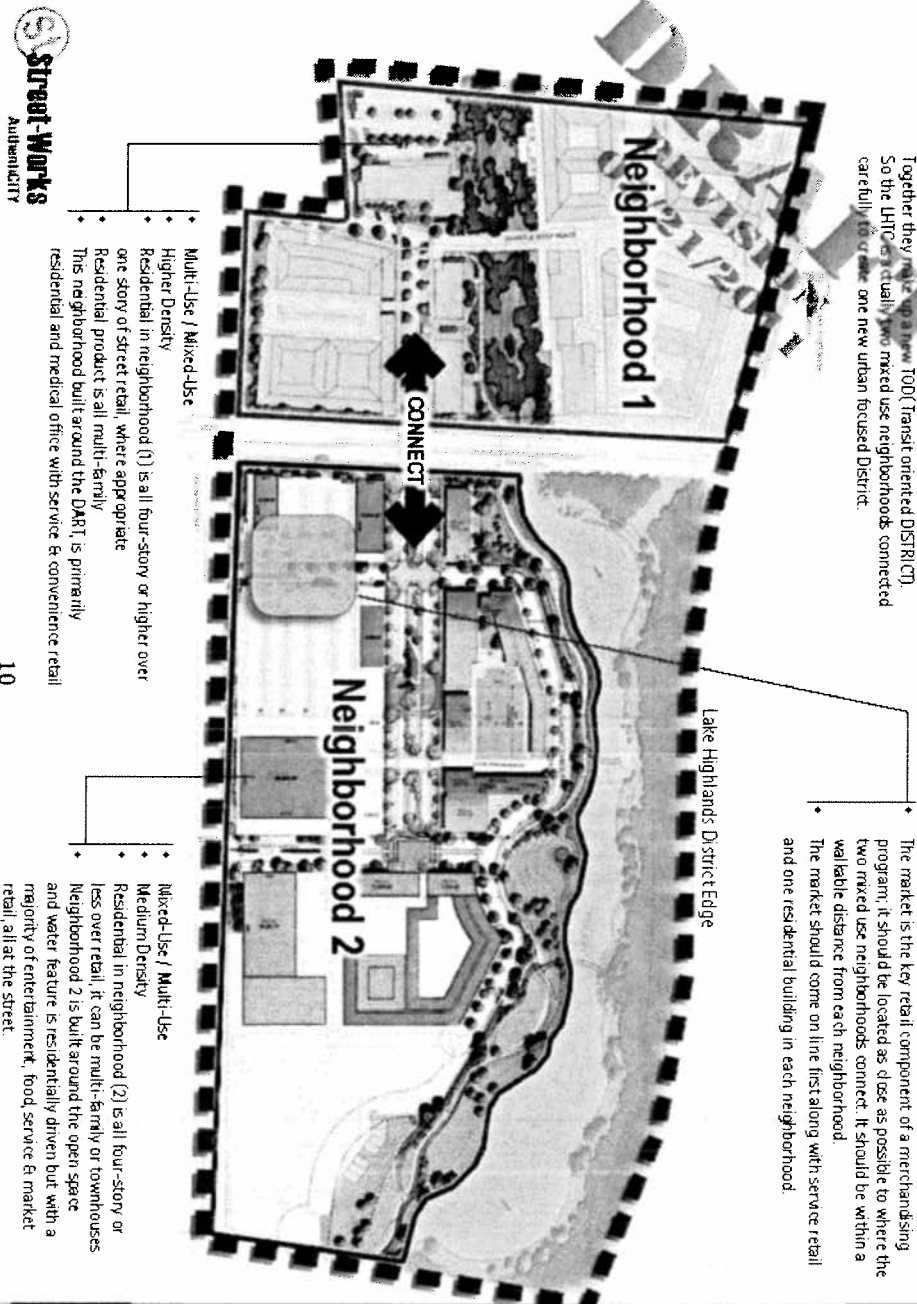
Exhibit B Lake Highlands Town Center (LHTC) Conceptual Site Plan

ONE DISTRICT, TWO NEIGHBORHOODS

We see a district with two neighborhoods, both mixed and multiple use where appropriate

- There are two separate mixed use neighborhoods, one around the DART station, and the other around the water feature. Together they make up a new TOD (Transit oriented DISTRICT). So the LHTC is actually two mixed use neighborhoods connected carefully to create one new urban focused District.

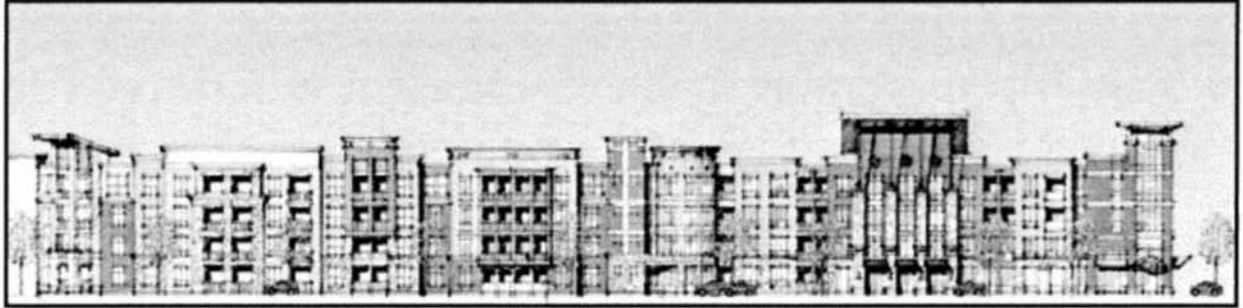
The market is the key retail component of a merchandising program, it should be located as close as possible to where the two mixed use neighborhoods connect. It should be within a walkable distance from each neighborhood. The market should come on line first along with service retail and one residential building in each neighborhood.



- Multi-Use / Mixed-Use
- Higher Density
- Residential in neighborhood (1) is all four-story or higher over one story of street retail, where appropriate
- Residential product is all multi-family
- This neighborhood built around the DART, is primarily residential and medical office with service & convenience retail

- Mixed-Use / Multi-Use
- Medium Density
- Residential in neighborhood (2) is all four-story or less over retail, it can be multi-family or townhouses
- Neighborhood 2 is built around the open space and water feature is residentially driven but with a majority of entertainment, food, service & market retail, all at the street

Exhibit C
Lake Highlands Town Center (LHTC)
Conceptual Phase I Elevations



East Elevation



North Elevation

Exhibit D
Lake Highlands Town Center (LHTC)
TIF Project Budget

TIF Plan Improvement Category	Amount
Skillman/Walnut Hill TOD: environmental remediation, interior/exterior demolition, street & utility improvements, streetscape, land acquisition, and park/plaza design & acquisition	\$22,000,000
Economic Development Grant portion	\$18,000,000
TOTAL TIF REQUEST	\$40,000,000

Note - Expenditures may be shifted from one eligible non-grant, TIF-eligible item to another as long as the total amount of TIF funding does not exceed \$40,000,000. The grant portion of the TIF subsidy may be reduced if specific TIF-eligible costs are higher; however the ability to shift the budget allocation from TIF eligible to grant will be limited to up to a 20% increase (and depending on the amount of City increment vs. County/RISD increment which cannot be used for grants)

- Base level \$23 million:
 - TIF-eligible improvements estimated at \$17 million.
 - Economic development grant portion of City increment, up to \$6 million.
- Additional \$17 million (includes \$10 million requested by PC LH and up to an additional \$7 million based on specific capital expenditures)
 - TIF-eligible improvements \$5 million
 - Economic development grant portion estimated at \$12 million