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March 28, 2012

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

WHEREAS, on December 8, 2010, the City Council pursuant to Ordinance No. 28074, authorized the establishment of Tax Increment Financing Reinvestment Zone Number Nineteen (Cypress Waters 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 Cypress Waters area through the use of tax increment financing; and

WHEREAS, Ordinance 28074 established a board of directors (the "Board") for the Cypress Waters TIF District in accordance with the Act which allowed other taxing entities to have representation on the Board regardless of financial participation; and

WHEREAS, the Act was amended in the 2011 State legislative session and included a modification to the composition of boards of directors to allow in addition to the City, only those taxing units that have approved the payment of all or part of the tax increment produced by the unit into the tax increment fund the ability to appoint a member to the Board; and

WHEREAS, the City is creating a city-wide design peer review process for development projects and in lieu of individual TIF board design review committees, all TIF projects would go through a peer review process with the goal to provide objective, consistent design review across all of the City's TIF Districts; and

WHEREAS, on January 9, 2012, the Cypress Waters TIF District Board of Directors recommended the City Council accept the By-Laws; and

WHEREAS, the By-Laws include modifications to the District's Board structure to conform to the Act as amended and provide for a city-wide design peer review process.

NOW THEREFORE,

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

Section 1. That the By-Laws for Tax Increment Financing Zone Nineteen (Cypress Waters TIF District), attached hereto as **Exhibit A**, are approved.

Section 2. That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

Section 3. 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.

APPROVED BY
CITY COUNCIL

MAR 28 2012


City Secretary

**By-Laws of the
Cypress Waters TIF District
(Tax Increment Financing
Reinvestment Zone Number Nineteen)
City of Dallas, Texas**

**ARTICLE I
Powers and Purposes**

Section 1. Financing Development or Redevelopment in the District. In order to implement the purposes for which the Cypress Waters TIF District, City of Dallas, Texas (the "District") was formed, as set forth in the ordinance creating the District, the City of Dallas, Texas (the "City") may issue obligations to finance all or part of the cost of implementing the Project Plan and Reinvestment Zone Financing Plan (the "Project Plan") for the District as defined in the Texas Tax Increment Financing Act of the Texas Tax Code, Chapter 311, Vernon's Texas Codes Annotated, (the "Act").

Section 2. Books and Records; Approval of Programs and Financial Statements. The Cypress Waters TIF District Board of Directors (the "Board") shall keep correct and complete books and records of account and shall also keep minutes of its proceedings and the proceedings of committees having any of the authority of the Board. All books and records of the District may be inspected by any director or his or her agent or attorney for any proper purpose at any reasonable time; and at all times the City Council and the City auditor will have access to the books and records of the District. The City Council must approve all programs and expenditures for the District and annually review any financial statements of the District. City staff shall prepare all financial records and minutes for review and approval of the Board.

**ARTICLE II
Board of Directors**

Section 1. Powers, Number, and Term of Office. The property and affairs of the District shall be managed and controlled by the City Council based on the recommendations of the Board, subject to the restrictions imposed by law, the ordinance creating the District, and these by-laws. It is the intention of City Council that the Board, with the exception of creation of and amendments to the Project Plan, shall function only in an advisory or study capacity with respect to the District and shall exercise only those powers, advisory in nature, which are either granted to the Board pursuant to the Act or delegated to the Board by the City Council. The Board is specifically responsible for evaluating requests for TIF funding to assist with redevelopment projects in the District. The Board shall evaluate projects in terms of financial, design, and land-use components. Each year the Board will submit an annual report to the City Council. To the extent desired, the Board may adopt policies or guidelines related to implementing the Project Plan.

Board members appointed prior to September 1, 2011, including the representative from Coppell ISD and the representative from Dallas County Hospital District, will serve until their most recent two year terms expire. Subsequently, the Board shall consist of seven (7) directors: six (6) shall be appointed by the City Council of the City; and one (1) shall be appointed by the governing body of Dallas County (County); provided, however, that if a taxing unit that has approved the contribution of tax increment to the District (other than the City) waives its right to appoint a member to the Board, as evidenced by written resolution duly adopted by the governing body of such taxing unit, the City may appoint such Board member in its stead. In conformance with the Act, as amended in 2011, in addition to the City, only those taxing units that have approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the District may appoint a member to the Board. Should the Act be later amended, the City will make modifications to the By-Laws in conformance with the Act.

The first Board members shall serve for an initial term ending September 30, 2011, or until their successors are appointed. Subsequent directors shall be appointed by the governing bodies of the City and other jurisdictions that have approved the contribution of tax increment including Dallas County. The directors shall serve for a term of two (2) years beginning October 1 for directors appointed by the City, and beginning on the date designated in the order or resolution appointing the director for directors appointed by jurisdictions other than the City, or until their successors are appointed by the governing body of the taxing jurisdiction that appointed the director. A minimum of five (5) directors must be appointed for the Board to be considered a functioning body.

Any City-appointed Board member may be removed from office by the City Council for cause deemed by the City Council as sufficient for their removal in the interest of the public. The Board member may challenge his or her removal from the Board by demanding a public hearing before the City Council, within 10 days of notice of removal, where the causes for the removal will be made public.

In the event of a vacancy caused by the resignation, death, or removal for any reason of a director, the governing body of the respective taxing unit (i.e. City or County) which made such Board appointment shall be responsible for filling the vacancy.

Section 2. Meetings of Directors. The directors may hold their meetings within a publicly accessible place in the City as the Board may from time to time determine. Meetings will typically be held in City Hall. Meetings will be held in procedural accordance with *Roberts Rules of Order*.

Section 3. Regular Meetings. Regular meetings of the Board shall be held as needed to conduct the business of the Board. City staff shall coordinate meeting notices. All meetings of the Board shall be of a public nature unless pertaining to matters which may be discussed in a closed session in accordance with the Texas Open Meetings Act ("TOMA"). Notice of all regular and special meetings of the Board and any committees thereof shall be posted in accordance with TOMA.

Section 4. Special Meetings. Special meetings of the Board shall be held whenever called by a majority of the directors then in office or upon advice of or request by the City Council in accordance with TOMA.

The Secretary shall give notice to each director of each special meeting in person, or by mail, e-mail, telephone, or facsimile, at least two (2) hours before the meeting. Notice of all

special meetings shall state the purpose and subject of the meetings, which shall be the only business conducted.

Section 5. Quorum. A majority of the directors currently appointed to the Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the District. The action of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute an action of the Board, unless the action of a greater number is required by law. The quorum requirement shall also apply to any committees created by the Board.

Section 6. Conduct of Business. At the meetings of the Board, matters pertaining to the purposes of the District shall be considered in such order as from time to time the Board may determine. The scope of matters subject to Board review shall focus on the development and approval of the Project Plan and amendments to it; evaluation, approval, and recommendation to City Council concerning projects requesting TIF funding; and the creation of policies related to implementing the Project Plan.

The chairman shall preside at all meetings of the Board, and in the absence of the chairman, the vice chairman shall exercise the power of the chairman.

A final set of minutes shall be submitted to the City Secretary of the City upon approval by a majority of the Board.

Section 7. Standing Committee(s) and Ad Hoc Committee(s). The Board may appoint standing committees and ad hoc committees as needed to carry out the mission and intent of the District. Standing committees and ad hoc committees so designated shall serve in an advisory capacity to the Board, shall conduct all meetings in accordance with TOMA, shall keep regular minutes of the transactions of meetings, shall cause such minutes to be recorded in the books kept for that purpose, and shall report the same to the Board.

Section 8. Design Review Committee. Article IV of these by-laws describes an independent design review panel of design, engineering, and/or planning professionals to be designated by the city manager. In the event that such review panel is unable to provide design review of projects in the District, the Board shall have the ability to establish a design review committee (the "DRC") as a standing committee of the District. Members may be reappointed each year in the first meeting held after October 1 or may serve until their successors are appointed. After a committee member serves one year, the member can be reappointed for additional terms. In the event of a vacancy caused by the resignation, death, or removal for any reason of a committee member, the Board shall be responsible for filling the vacancy.

The purpose of the DRC shall be to recommend design guidelines and standards for the District, to review development plans of pending projects in the District, and to make recommendations that enable a project to comply with the adopted design guidelines and standards for the District.

The DRC, if established, shall be composed of nine (9) members. Three members shall be selected by the Board from the membership of the Board. A City representative from each of the following three functional areas: planning, engineering/transportation, and economic development shall be selected by the director of each department. A representative from DART, one urban architectural professional, and one urban landscape design professional shall be selected to serve on the District DRC by the director of Economic Development. In the event that a public improvement district ("PID") is created within the boundaries of the District, the

director of Economic Development shall select a representative from the PID to serve on the DRC and the DRC's membership shall be increased to ten (10). If established, the purpose of the DRC shall be to review development plans of pending projects in the District and make recommendations that enable a project to comply with adopted City of Dallas TIF Design Guidelines.

DRC members shall recuse themselves from voting on projects in which they have a substantial economic interest and/or for which they are under contractual obligations.

Section 9. Compensation of Directors. Directors as such shall not receive any salary or compensation for their services.

Section 10. Attendance. Unless provided otherwise by these by-laws, by the City ordinance creating the District, or by the Act, City-appointed Board members shall be subject to the provisions regulating attendance requirements for City boards pursuant to Chapter 8 of the Dallas City Code, Sections 8-20, 8-20.1 and 8-21. If noncompliance with such requirements by a Board member would result in forfeiture of the Board member's position under these provisions, the position shall be filled for the remainder of the term by appointment of the governing body which made the original appointment.

Section 11. Ethics. City-appointed Board members shall adhere to the City's Code of Ethics as found in the Dallas City Code Chapter 12A.

City-appointed Board members must comply with all City rules related to financial disclosure and ethics which supersede any provisions of these by-laws that may be contradictory.

ARTICLE III Officers

Section 1. Titles and Term of Office. The officers of the District shall consist of a chairman, a vice chairman, a secretary, and such other officers as the Board may from time to time elect as it considers appropriate; provided however that the mayor of the City shall nominate the chairman from among the members, subject to confirmation by the majority of the City Council, who shall serve as chairman for a term of one (1) year beginning on January 1 of the following year, or until his or her successor shall be appointed. The Board may elect a vice chairman to preside in the absence of the chairman or when there is a vacancy in the office of the chairman. The staff liaison to the Board shall serve as the secretary of the Board. One person may hold more than one office, except that the chairman shall not hold the office of secretary. Officers, other than the chairman and secretary, shall serve for two (2) year terms until a successor is appointed.

All officers, other than the chairman and secretary, shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the entire Board.

A vacancy in the office of any officer, other than the chairman or secretary, shall be filled by a vote of a majority of the directors. Absence from three (3) consecutive meetings or four (4) meetings in a six (6-) month period shall constitute adequate reason for removal from office without action from the Board.

Section 2. Powers and Duties of the Chairman. The chairman shall be the chief executive officer of the Board. Such appointment shall be subject to the approval of the City Council. The chairman shall be in general charge of the properties and affairs of the District and shall preside at all meetings of the Board.

Section 3. Vice Chairman. The vice chairman shall be a member of the Board, shall have such powers and duties as may be assigned by the Board and shall exercise the powers of the chairman during that officer's absence or inability to act. Any action taken by the vice chairman in the performance of the duties of the chairman shall be conclusive evidence of the absence or inability to act of the chairman at the time such action was taken.

Section 4. Secretary. The secretary shall keep the minutes of all meetings of the Board in books provided for the purpose, shall have charge of such books, records, documents, and instruments as the Board may direct, all of which shall at all reasonable times be open to inspection, and shall in general perform all duties incident to the office of secretary subject to the control of the City Council and the Board. A City staff member shall serve as secretary of the Board. The position of secretary is a non-voting office.

Section 5. Staff. Staff functions for the Board may be performed by the City as directed by the City Council, and the City shall be reimbursed for the costs for such services performed in connection with the District.

ARTICLE IV

Design Review of Projects in the District

Section 1. Design Review. Beginning in February 2012 or thereafter, upon City Council approval of amended by-laws, in lieu of a separate Cypress Waters TIF Design Review Committee, an independent group of design, engineering, and/or planning professionals selected by the City Manager shall provide design review of projects in the District for which the Board is considering recommending or has already recommended TIF funding. The design review professionals will review development plans of pending projects in the District and make recommendations that enable a project to comply with adopted design guidelines and standards or commonly accepted urban design or context-sensitive design principles that support the goals of the District. The TIF Board in their capacity shall retain final approval. When District projects are reviewed, one Board member shall serve on this peer review committee in an ex-officio capacity during the review of the District's project. In the event that the City-Manager-selected design professionals are unable to provide design review on a timely basis (recommended not to exceed 60 days from the time the project design is submitted), the Board shall have the ability to re-establish a design review committee as a standing committee of the District in accordance with the provisions of Article II of these by-laws.

ARTICLE V

Provisions Regarding By-Laws

Section 1. Effective Date. These by-laws, as amended, shall become effective only upon the occurrence of the following events:

- (1) The adoption of these by-laws by the Board, and
- (2) The approval of these by-laws by the City Council.

Section 2. Amendments to By-Laws. These by-laws may be amended by majority vote of the Board, provided that the Board files with the City Council a written application requesting that the City Council approve such amendment to the by-laws, specifying in such application the amendment or amendments proposed to be made. If the City Council by appropriate resolution finds and determines that it is advisable that the proposed amendment be made, authorizes the same to be made and approves the form of the proposed amendment, the Board shall proceed to amend the by-laws.

The by-laws may also be amended at any time by the City Council at its sole discretion by adopting an amendment to the by-laws by resolution of the City Council and delivering the by-laws to the secretary of the Board.

Section 3. Interpretation of By-Laws. These by-laws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section, or other part of these by-laws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these by-laws and the application of part of these by-laws to any other person or circumstance shall not be affected thereby.

ARTICLE VI

General Provisions

Section 1. Notice and Waiver of Notice. Whenever any notice whatsoever is required to be given under the provisions of these by-laws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled hereto at his post office address, as it appears on the books of the District, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 2. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing to the secretary of the Board and the City Secretary and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the City Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 3. Approval or Delegation of Power by the City Council. To the extent that these by-laws refer to any approval by the City, such approval or delegation shall be evidenced by a certified copy of an ordinance, or resolution (if permissible), duly adopted by the City Council.