

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

WHEREAS, the City of Dallas recognizes the importance of retaining and expanding its existing employment base; and

WHEREAS, by resolution approved on June 13, 2012, the City Council elected to continue its participation in tax abatement and established appropriate Public/Private Partnership Program Guidelines and Criteria governing tax abatement agreements to be entered into by the City as required by the Property Redevelopment and Tax Abatement Act, as amended, V.T.C.A. Tax Code, Chapter 312 (the "Act"); and

WHEREAS, the City desires to enter into a Chapter 380 economic development grant agreement with Reel FX, Inc., in consideration of Reel FX, Inc., investment in building and site improvements and the creation and retention of jobs in Dallas at its headquarters facility located at 301 North Crowds Street in Dallas, Texas.

NOW, THEREFORE,

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

Section 1. That the City Manager, upon approval as to form by the City Attorney is hereby authorized to execute a Chapter 380 economic development grant agreement with Reel FX, Inc., associated with retaining the company's headquarters in Dallas.

Section 2. The That the economic development grant agreement with Reel FX, Inc., shall include:

- An economic development grant in an amount not to exceed \$1,750,000, to be paid to grantee in three installments (described below), on or before December 31, 2015.
- Grant installments will be paid as follows:
 - (a.) \$875,000 (50%) of the grant will be paid upon request subsequent to acquisition of the property by the company, its affiliates or investors;
 - (b.) \$437,500 (25%) of the grant will be paid upon request after Reel FX has reached 310 jobs onsite and invested \$2,000,000 in building and site improvements and related costs on or before April 15, 2014;
 - (c.) \$437,500 (25%) of the grant will be paid upon request after Reel FX has reached the required 375 total jobs on or before April 15, 2015;

Section 2. (Continued)

- (d.) That if Reel FX, Inc., fails to employ a minimum of 375 jobs in Dallas beginning April 16, 2015 through April 15, 2020, the city may recapture a pro-rated portion of the grant of \$2,500 per job below the 375 job requirement, up to a maximum of \$437,500 associated with the grant; and
- (e.) That if at any point during the term of the agreement, the company fails to operated its headquarters within the city of Dallas; \$875,000 of the grant shall be recaptured.

Section 3. That the City Controller is hereby authorized to encumber and disburse funds from: Fund 0352, Department ECO, Unit 9992, Object 3016, Activity PPPF, Encumbrance No. ECO9992H171, Vendor No. VS0000071727, as necessary to make payments as described above in Section 2 in an amount not exceed \$1,750,000.

Section 4. That the City Controller is hereby authorized to receive and deposit the recapture amount for non-compliance, in accordance with the terms of the grant agreement, in Fund 0352, Department ECO, Unit 9992, Activity PPPF, Revenue Source 8476, in an amount of \$350,000 per year for each year of non-compliance up to a maximum of five years after the first year of compliance with the grant agreement.

Section 5. 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

JUN 27 2012


City Secretary