

November 14, 2012

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

WHEREAS, on May 26, 2010, the City Council authorized a memorandum of understanding to outline the strategies, future steps, and conditions for the funding of infrastructure improvements necessitated by the development of Cypress Waters in order to ensure a coordinated, master-planned development for Cypress Waters within the corporate limits of the City but outside accessible city services by Resolution No. 10-1348; and

WHEREAS, on December 8, 2010, the City Council authorized the creation of Tax Increment Reinvestment Zone Number Nineteen, (the Cypress Waters TIF District), in accordance with the Tax Increment Financing Act, as amended, V.T.C.A Texas Tax Code, Chapter 311, (the Act) and established a board of directors for the District to promote development and redevelopment in the Cypress Waters area through the use of tax increment financing by Ordinance No. 28074; and

WHEREAS, on June 8, 2011, the City Council authorized the Cypress Waters TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28224; and

WHEREAS, on June 8, 2011, the City Council authorized the establishment of the Cypress Waters Grant Program by Resolution No. 11-1546 (**Exhibit A – Cypress Waters Grant Program**); and

WHEREAS, on October 3, 2012, the Cypress Waters TIF District Board of Directors reviewed the proposed Cypress Waters Phase 2 development (the Project) and recommended the City Council authorize a development agreement with Billingsley LD, Ltd. and dedicate a principal amount not to exceed \$6,522,398 plus an additional grant in an amount not to exceed five percent per year of such dedication for eligible project costs associated with the Project; and

WHEREAS, in furtherance of the Cypress Waters TIF District Project Plan and Reinvestment Zone Financing Plan, the City desires to reimburse Billingsley LD, Ltd. (the "Owner") for the costs of infrastructure improvements and other eligible costs, in the northeast quadrant of South Belt Line Road and Hackberry Road in the Cypress Waters TIF District as described in the conceptual site plan attached hereto as **Exhibit B – Phase 2 Infrastructure Plan**.

NOW, THEREFORE,

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

November 14, 2012

Section 1. That the City Manager, upon approval as to form by the City Attorney, is hereby authorized to execute a development agreement between Billingsley LD, Ltd., (the "Owner") and the City of Dallas, on behalf of the Cypress Waters TIF District to confirm the Cypress Waters TIF District Board of Director's dedication of future tax increment revenues in a principal amount not to exceed \$6,522,398 plus an additional grant to provide funding for TIF-eligible project costs as shown in **Exhibit C - Budget**. These costs include, but are not limited to, design, engineering, construction management, and professional services related to infrastructure improvements in support of Cypress Waters Phase 2 as part of the implementation of the Cypress Waters TIF District Project Plan and Reinvestment Zone Financing Plan.

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 the City Controller is hereby authorized to encumber and disburse funds from:

Cypress Waters TIF District Fund - Fund 0066, Department ECO, Unit P759, Activity CWTD, Object 3072, Program No. CWTIF0002, CT ECOP759A202-01, Vendor No. VS0000063575, in an amount not to exceed \$1,074,975; and

Cypress Waters TIF District Fund - Fund 0066, Department ECO, Unit P759, Activity CWTD, Object 4111, Program No. CWTIF0002, CT ECOP759A202-02, Vendor No. VS0000063575, in an amount not to exceed \$628,549; and

Cypress Waters TIF District Fund - Fund 0066, Department ECO, Unit P759, Activity CWTD, Object 4510, Program No. CWTIF0002, CT ECOP759A202-03, Vendor No. VS0000063575, in an amount not to exceed \$2,987,987; and

Cypress Waters TIF District Fund - Fund 0066, Department ECO, Unit P759, Activity CWTD, Object 4510, Program No. CWTIF0002, CT ECOP759A202-04, Vendor No. VS0000063575, in an amount not to exceed \$1,202,338; and

Cypress Waters TIF District Fund - Fund 0066, Department ECO, Unit P759, Activity CWTD, Object 4599, Program No. CWTIF0002, CT ECOP759A202-05, Vendor No. VS0000063575, in an amount not to exceed \$628,549; and

Cypress Waters TIF District Fund - Fund 0066, Department ECO, Unit P759, Activity CWTD, Object 3016, Program No. CWTIF0002, CT ECOP759A202-06, Vendor No. VS0000063575, a TIF program grant, as described in Section 4 below, in an amount to be determined later;

Total TIF funds not to exceed \$6,522,398, plus a Cypress Waters TIF program grant.

Section 4. That the grant authorized shall be an amount equal to interest calculated based on conditions specified in Section 8 and shall be set at a fixed rate equal to 5% of the amount dedicated by the Cypress Waters TIF District Board of Directors.

Section 5. That the Owner shall fund infrastructure improvements in the northeast quadrant of South Belt Line Road and Hackberry Road supporting the Cypress Waters Phase 2 Improvements in the Cypress Waters TIF District, and that the City and the Cypress Water TIF District Board of Directors shall dedicate to the Owner from future tax increment revenues an amount not to exceed \$6,522,398 plus an additional grant in an amount not to exceed five percent (5%) of such dedication.

Owner will be paid solely from the Cypress Waters TIF District Funds in accordance with the terms of the development agreement described in hereof, but only to the extent such Cypress Waters TIF District funds are available for such purpose. Expenditures that are reimbursed through Dallas Water Utilities, if any, for water infrastructure improvements are not also eligible to be reimbursed through TIF funding. The TIF financial contribution to the project could be less if the actual cost of eligible TIF expenses related to the project are less.

Section 6. That nothing in the resolution shall be construed to require the City to approve payment from any source of City funds other than the Cypress Waters TIF District Fund and/or Tax Increment Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Cypress Waters TIF District, due to lack or unavailability of Cypress Waters TIF District Funds shall no longer be considered project costs of the Cypress Waters TIF District or the City and the obligation of the Cypress Waters TIF District to pay the Owner shall automatically expire.

Section 7. That in addition to the conditions set out in the Sections above, the Development Agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

A. Cypress Waters Phase 2 (the "Project") is defined as follows:

- (1) The Project, at approximately the northeast quadrant of South Belt Line Road and Hackberry Drive, will include the infrastructure to support office development in the Cypress Waters TIF District as described on **Exhibit B - Phase 2 Infrastructure Plan**. Specifically, the Project will include:
 - a. Two entry features, one at South Belt Line Road and Saintsbury Street and one at Cypress Waters Boulevard and Hackberry Drive (to be named Chartwell Avenue), both to include signage and landscape/hardscape improvements with privately funded artwork

Section 7. (Continued)

- b. Roadway and utility improvements: 1) the extension of Cypress Waters Boulevard from Hackberry Drive to the Phase 1 development; 2) the extension of Saintsbury Street from the termination of the Phase 1 improvements to the proposed Cypress Waters Boulevard extension
 - c. Publicly accessible open space improvements along Cypress Waters Boulevard.
- B The Project will be divided into three phases, Phase 2a, 2b, and 2c as follows:
 - (1) Phase 2a includes the entry features for Cypress Waters Boulevard at Hackberry Drive, entry features for Saintsbury Street at South Belt Line Road, the construction of Cypress Waters Boulevard from Hackberry Drive to the Phase 1 development, and open space improvements along Cypress Waters Boulevard;
 - (2) Phase 2b includes a 6-foot wide sidewalk on one side of Cypress Waters Boulevard and a 14-foot wide cycle track/sidewalk on the other side of Cypress Waters Boulevard connecting Hackberry Drive to Phase 1; and
 - (3) Phase 2c includes the construction of Saintsbury Street from the termination of the Phase 1 improvements to the proposed Cypress Waters Boulevard extension, including 6-foot sidewalks on both sides of the street.
- C. Owner will develop and maintain publicly accessible green space in all three portions of the central open space and in the two entryway areas as noted in the site plan submittal. Public access will be obtained through a public access easement approved by the City.
- D. The Owner will obtain approval from the City to begin the construction of Phase 2a by March 31, 2013.
- E. The Owner shall obtain a final certificate of acceptance issued by the City for the public improvements of Phase 2a by January 31, 2014.
- F. The sidewalks in Phase 2b will be completed concurrently with adjacent property development. Specifically Owner will complete construction and obtain a final certificate of acceptance issued by the City for the sidewalk and/or cycle track/sidewalk on each side of the street in Phase 2b by the time no more than two buildings have been completed on that side of the street.

Section 7. (Continued)

- G. The Owner will obtain approval from the City to begin the construction of Phase 2c by January 1, 2020.
- H. The Owner shall obtain a final certificate of acceptance issued by the City for the public improvements of Phase 2c by December 31, 2021.
- I. The Project shall include wide sidewalks designed to accommodate pedestrian traffic as required in the Urban Design Guidelines for Projects Located in City of Dallas Tax Increment Financing Districts and subsection for the Cypress Waters TIF District.
- J. Unless approved by the TIF board and Design Studio prior to construction of the fence, properties adjacent to the Project shall not have fences taller than 4 feet except as required by City code. Fences taller than 30" shall have a pattern that is greater than 60% open. Proposed permanent fencing shall be shown on submitted site plans prior to TIF board review. City and Owner acknowledge that for safety reasons the agricultural land must be fenced and that agricultural fencing will move as development occurs.
- K. The Project shall conform to recommended bicycle facilities as follows:
 - (1) Cypress Waters Boulevard: Cypress Waters Boulevard from Hackberry Drive to the Phase 1 area shall include an 8 foot wide cycle track and a 6 foot wide pedestrian path. The cycle track and pedestrian path would follow along the park edges and continue through the office district. Ideally, the cycle track would extend to the trail which is planned to encircle the lake and beyond the trail into the residential area. If that is not possible, alternative accommodations must be approved by the City. The planned location of the cycle track and/or hike and bike trail is shown on **Exhibit D1-D2**. The Owner will consult with City of Dallas staff in the design of the cycle track and intersection treatments. Intersection treatments may include special paint, pavers, stamped concrete, etc. Final design of the cycle track and intersection treatments will be included as an exhibit in the development agreement.
 - (2) Bike racks shall be located in key locations throughout the area served by the Project.
- L. The Project shall conform to the following design recommendations and a final site plan shall be submitted to and approved by the City Design Studio and/or the City's Peer Review Process:

Section 7. (Continued)

- (1) Office buildings when fronting or immediately adjacent to park space shall be designed to comply with minimum standards as shown below:
 - a. Building Setbacks
 - i. Condition 1: Building along street – 70% of building façade along right-of-way will have a minimum of 10' and maximum of 25' setback
 - ii. Condition 2A: Building directly adjacent to park - 70% of building façade will have a minimum of 10' and maximum of 25' setback from edge of area defined as a park.
 - iii. Condition 2B: Building adjacent to park w/ private drive between park and building – private drive to be maximum of 60' in width with 70% of building façade to have a minimum of 10' and maximum of 25' setback from edge of area defined as open space.
 - b. Buildings will have at least one main entrance facing the public right of way or park.
 - c. Building entrances facing park and public right-of-way will be transparent.
 - d. Buildings will be a minimum of 26 feet in height.
 - (2) Project shall follow Urban Design Guidelines for Projects Located in City of Dallas Tax Increment Financing Districts and as included in the subsection for Cypress Waters
 - (3) Developer shall comply with the standard TIF design review process, including urban design peer review, for each successive private development along public streets and public spaces prior to a development plan being submitted to the City.
- M. Minor modifications of the design provisions may be approved through the standard TIF district design review process as needed.
- N. The Owner will execute an Operating and Maintenance Agreement for all non-standard public improvements by the date of the final certificate of acceptance for each phase of the Project. Such Operating and Maintenance Agreement shall be for a term of thirty (30) years and may be transferred as outlined in the MOU.

Section 7. (Continued)

- O. Pursuant to the Final Cypress Waters Project Plan and Reinvestment Zone Financing Plan and the executed Cypress Waters Memorandum of Understanding (MOU) between the City of Dallas and Cypress Waters Land Development, LLC, the Project shall comply with the District's established criteria for mixed income housing (**Exhibit E – Cypress Waters Mixed Income Housing Policy**).
- P. Owner shall comply with Business Inclusion and Development ("BID") reporting requirements and use reasonable efforts to meet a BID goal of certified minority/women-owned business enterprise (M/WBE) participation of 25% for the TIF-reimbursable improvements.
- Q. Until completion of all requirements, Owner shall submit to the Director of the Office of Economic Development a quarterly status report for ongoing work on the Project. Such status reports will be due at the end of each calendar quarter after the Council approval date, if any (**Exhibit F – Quarterly Project Status Report**).

Section 8. That Cypress Waters TIF District funds are allocated to projects proportionately, dependent on the portion of the increment created by the project and other projects in the District by the same developer. In compliance with the adopted Cypress Waters TIF District Increment Allocation Policy (**Exhibit G – Cypress Waters TIF District Increment Allocation Policy**), the Owner will be eligible to receive as Individual Increment TIF funding equivalent to the increment generated from 1) this Project, 2) any other projects affiliated with the Owner in the District not seeking additional TIF funds, after administrative fees have been paid.

All remaining increment, up to an amount not to exceed \$6,522,398, plus an additional grant shall be allocated according to the Cypress Waters TIF Increment Allocation Policy as adopted by the Cypress Waters TIF Board on October 3, 2012.

Section 9. That upon completion of the project and satisfaction of all project requirements and subject to the availability of Cypress Waters TIF District funds, the Project shall be eligible for total TIF reimbursements in an amount not to exceed \$6,522,398 plus an additional grant in an amount not to exceed five percent (5%) of such dedication. Interest shall be calculated for each phase separately beginning with the completion and acceptance of the requirements of Section 7 for each phase and shall be calculated based on the unreimbursed amount only.

November 14, 2012

Section 10. That additional terms related to items such as permits, easements, water/sewer improvements, and auditing procedures, as outlined in the Cypress Waters Memorandum of Understanding approved by Council on May 26, 2010, will be specified in the development agreement.

Section 11. That the Director of the Office of Economic Development, after approval and recommendation of the Cypress Waters TIF District Board of Directors, may authorize minor modifications to the project including development site plan, phasing, and/or an extension of the project deadlines for each phase up to six months. Reasonable extensions required due to force majeure shall be allowed.

Section 12. 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.

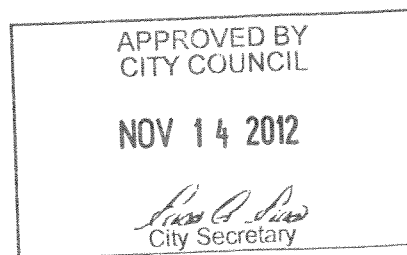


Exhibit A
City of Dallas
Cypress Waters TIF District Grant Program

The City of Dallas wishes to establish the Cypress Waters Grant Program pursuant to Chapter 311 of the Texas Tax Code, to implement the Project and Reinvestment Zone Financing Plan for the Cypress Waters Tax Increment Financing (TIF) District (District).

The purpose of the Cypress Waters Grant Program is to promote: (1) development and diversification of the economy, (2) elimination of unemployment or underemployment, (3) development or expansion of residential, transportation, business, and commercial activity; (4) creation of a broader mix of residential property types; and (5) density within the district. The City will achieve these objectives by making grants from the tax increment fund of the District in an aggregate amount not to exceed the amount of tax increment produced by the City and paid into the tax increment fund for the District. No County monies can be used to pay for economic development grants; however, County monies can be used as a direct pledge for eligible TIF project costs.

Use of Funds:

All grant awards must be recommended by the Cypress Waters TIF Board and approved by City Council. Nothing contained herein shall obligate the City to provide grant awards as this Program does not constitute an entitlement.

Payment of Funds:

No grant funds will be distributed until all conditions of the grant agreement have been fulfilled. Grants may be made up to the amount of tax increment produced by the City and paid into the tax increment fund for the Cypress Waters TIF District. The City may in the future negotiate with financial institutions to secure bonds or other obligations, or lines of credit, to aid in the funding of projects within the TIF District.

Grants in lieu of interest:

Additional grants may be considered in lieu of interest on the principal costs of public infrastructure improvements. Projects subject to compliance with the memorandum of understanding between the City of Dallas and Billingsley Company approved by Council on May 26, 2010 may be eligible for grants in lieu of interest at a rate of 5%. For all other projects, the interest rate will be calculated at a fixed rate equal to the market rate on the date that City Council approves the development agreement for a TIF Bond with a 15-year payout level debt service and a "Baa" credit rating using the Municipal Market Data Scale, as determined by the City with the assistance of its financial advisor. Interest will accrue until payoff or the duration of the 30-year term of the TIF District. This provision will not be universally considered but rather on an individual project basis with emphasis given to projects that have public improvement costs beyond the immediate needs of the private development.

Eligible types of projects:

- Catalyst developments of sufficient size to stimulate new retail and commercial activity
- High volume retail anchors
- Mixed-use, transit-oriented developments
- Mixed-income housing developments
- Neighborhood serving commercial developments
- Office, industrial, or other commercial developments
- Public safety facilities

Eligibility criteria:

The project's eligibility for funding will be determined based on factors such as:

- Level of investment
- Job creation
- Feasibility of the development "but for" the incentives
- Ability to stimulate other investment in the District
- Provisions for public improvements that benefit the District as a whole
- Linkages with a DART transit station

Project requirements:

- The developer must meet affordable housing requirements established by the Cypress Waters TIF District Project Plan and Reinvestment Zone Financing Plan and any related City requirements.
- The developer must competitively bid construction of public improvements and follow the City's M/WBE Good Faith Effort Policy.
- The developer must promote hiring of neighborhood residents for any new jobs created.
- The developer must comply with established design guidelines for the District or in the absence of adopted guidelines, receive approval of the project design from the City's Office of Economic Development and the TIF board's design review process.

Cypress Waters Grant Program Area
(Coincides with Cypress Waters TIF District boundary)

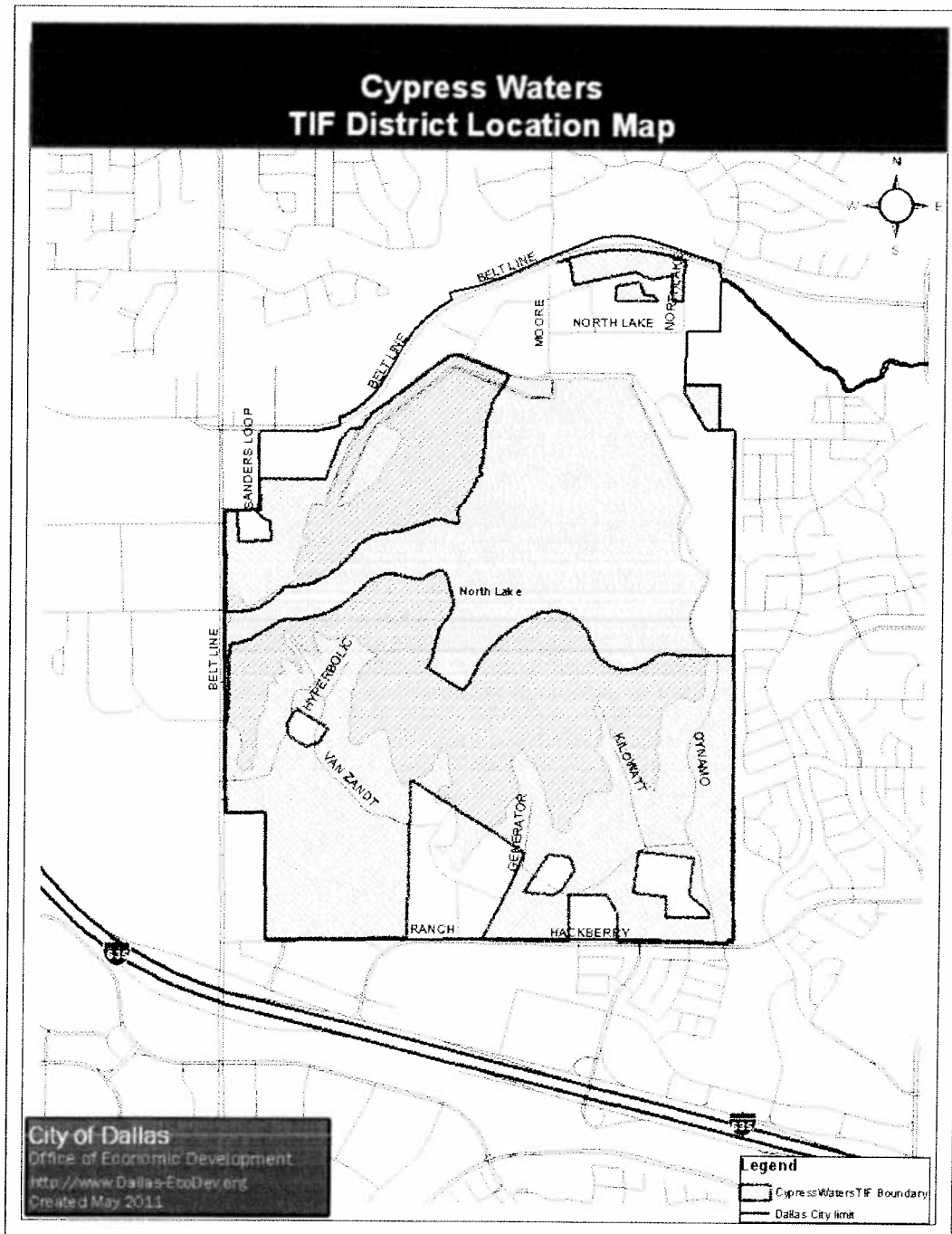
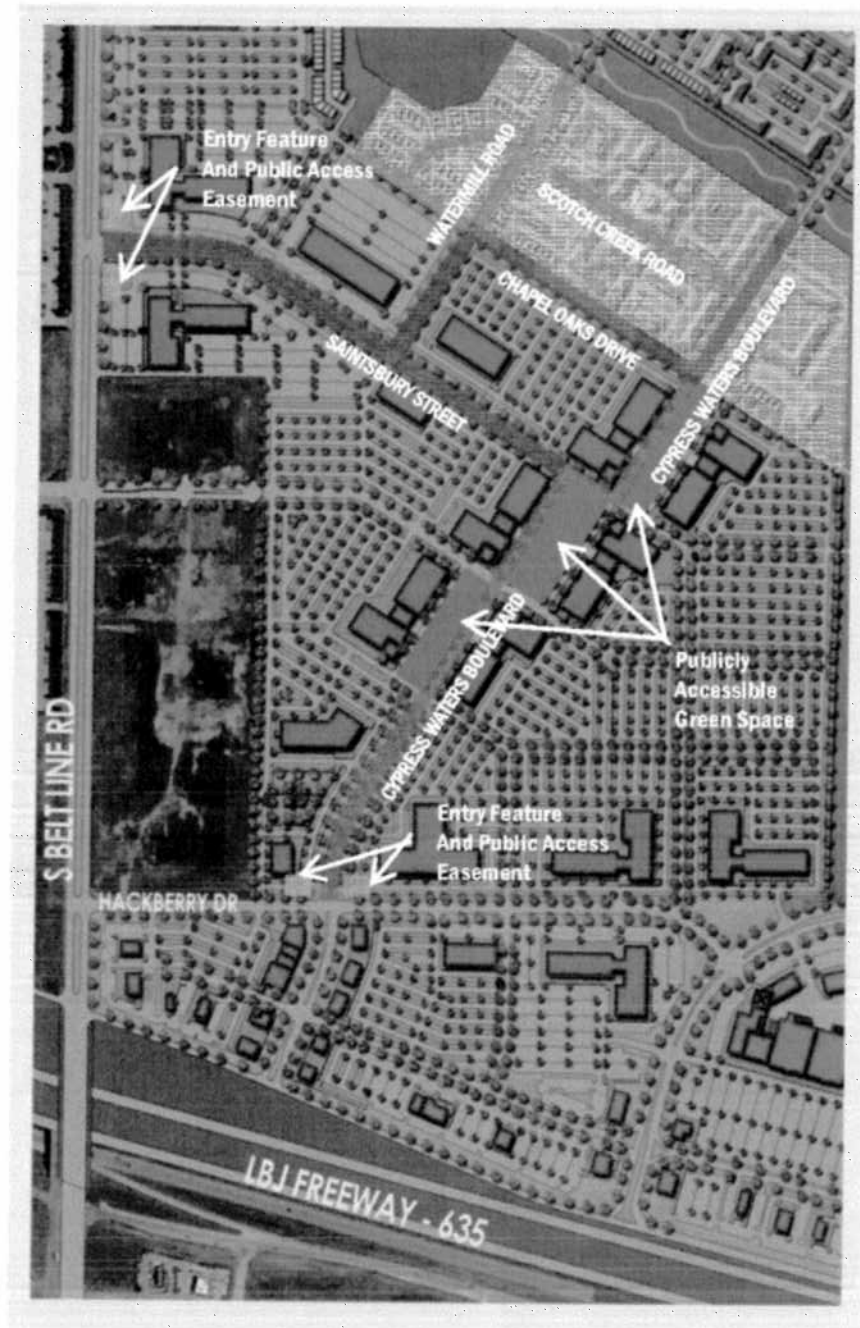


Exhibit B

Phase 2 Infrastructure Plan










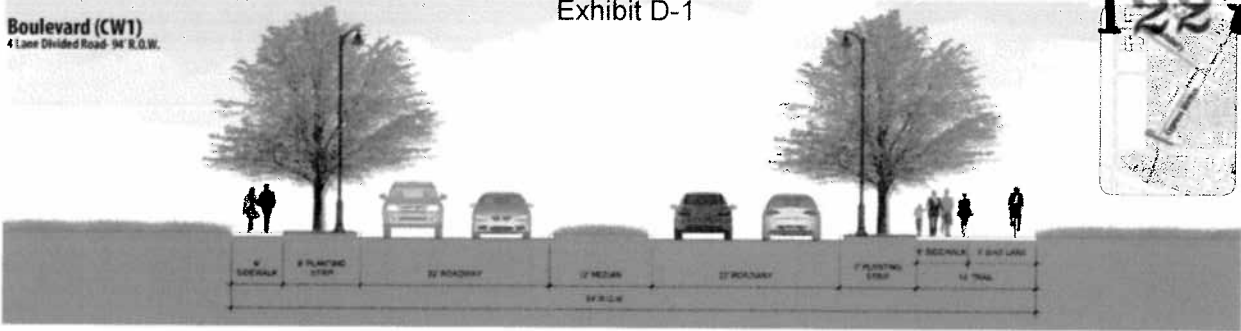
-  PHASE 1 MULTI-FAMILY
-  PHASE 1 NON-TIF ROADWAYS
-  PHASE 1 TIF ROADWAYS
-  PROPOSED PHASE 2 TIF ROADWAYS - SEGMENT 1
-  PROPOSED PHASE 2 TIF ROADWAYS - SEGMENT 2
-  PROPOSED PARK IMPROVEMENTS
-  ENTRY FEATURES

Exhibit C

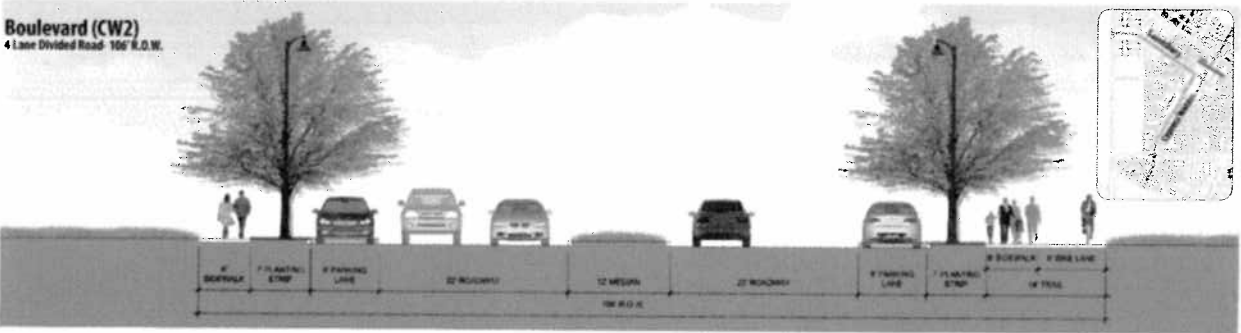
TIF-Eligible Project Costs

Estimated Public Improvement Expenditure (in 2012 Dollars)	
Category	Amount
Phase 2A and 2B	
Cypress Waters Blvd Extension (~2,500 lf)	\$3,531,970
Saintsbury Street Extension at Park (~150 lf)	\$214,305
Hackberry Drive Intersection Improvements	\$498,810
Green Space Landscaping	\$574,552
Belt Line Rd/ Saintsbury St Entry Signage & Landscaping	\$353,088
Hackberry Drive/Cypress Waters Blvd Signage & Landscaping	\$147,335
Phase 2C	
Saintsbury Street Extension (~875 lf)	\$1,202,338
Total Project Costs	\$6,522,398
Note: reimbursements may be moved between categories as long as the total TIF expenditure does not exceed \$6,522,398, plus an additional grant pursuant to the development agreement.	
Note: All amounts are based on 2012 cost estimates and do not reflect the additional grant pursuant to the development agreement.	

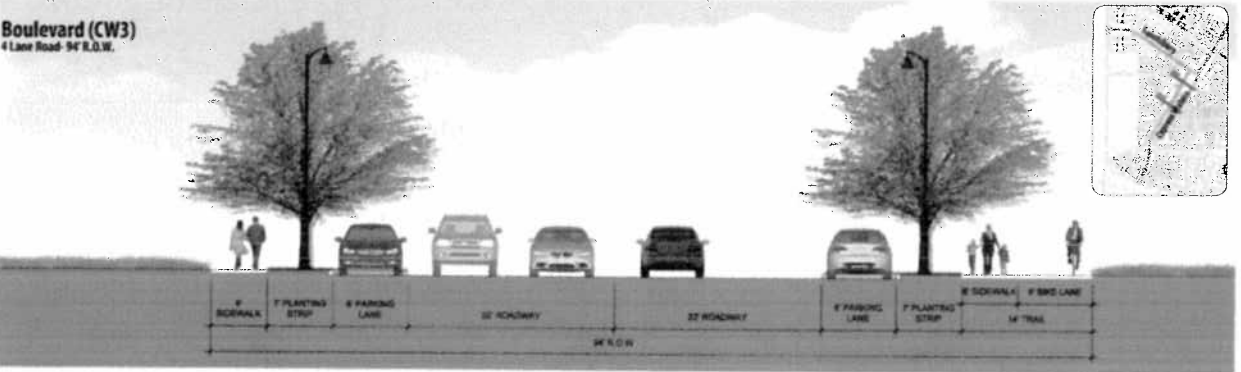
Boulevard (CW1)
4 Lane Divided Road- 94' R.O.W.



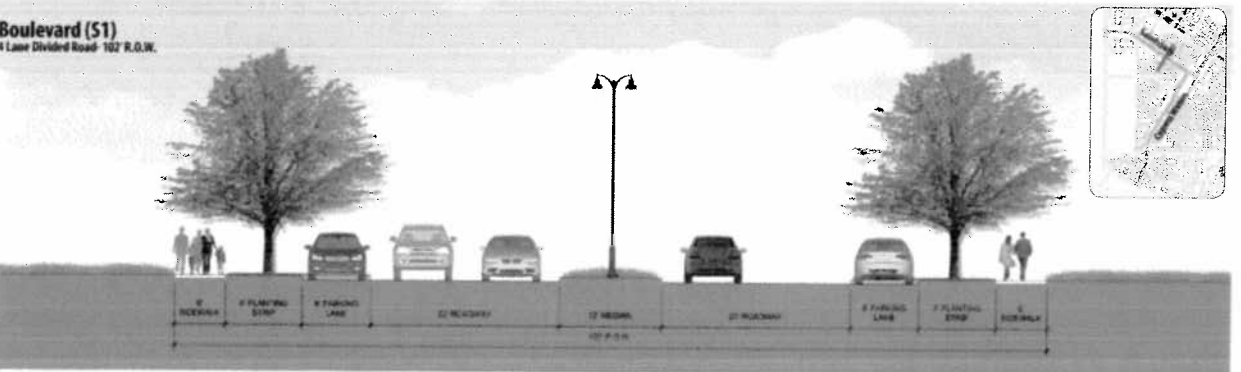
Boulevard (CW2)
4 Lane Divided Road- 106' R.O.W.



Boulevard (CW3)
4 Lane Road- 94' R.O.W.



Boulevard (S1)
4 Lane Divided Road- 102' R.O.W.



Boulevard (S2)
4 Lane Divided Road- 110' R.O.W.

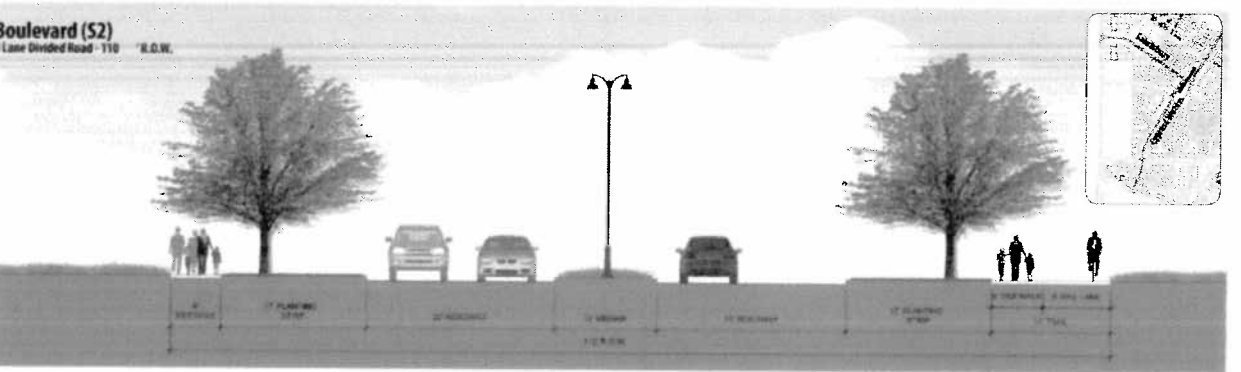
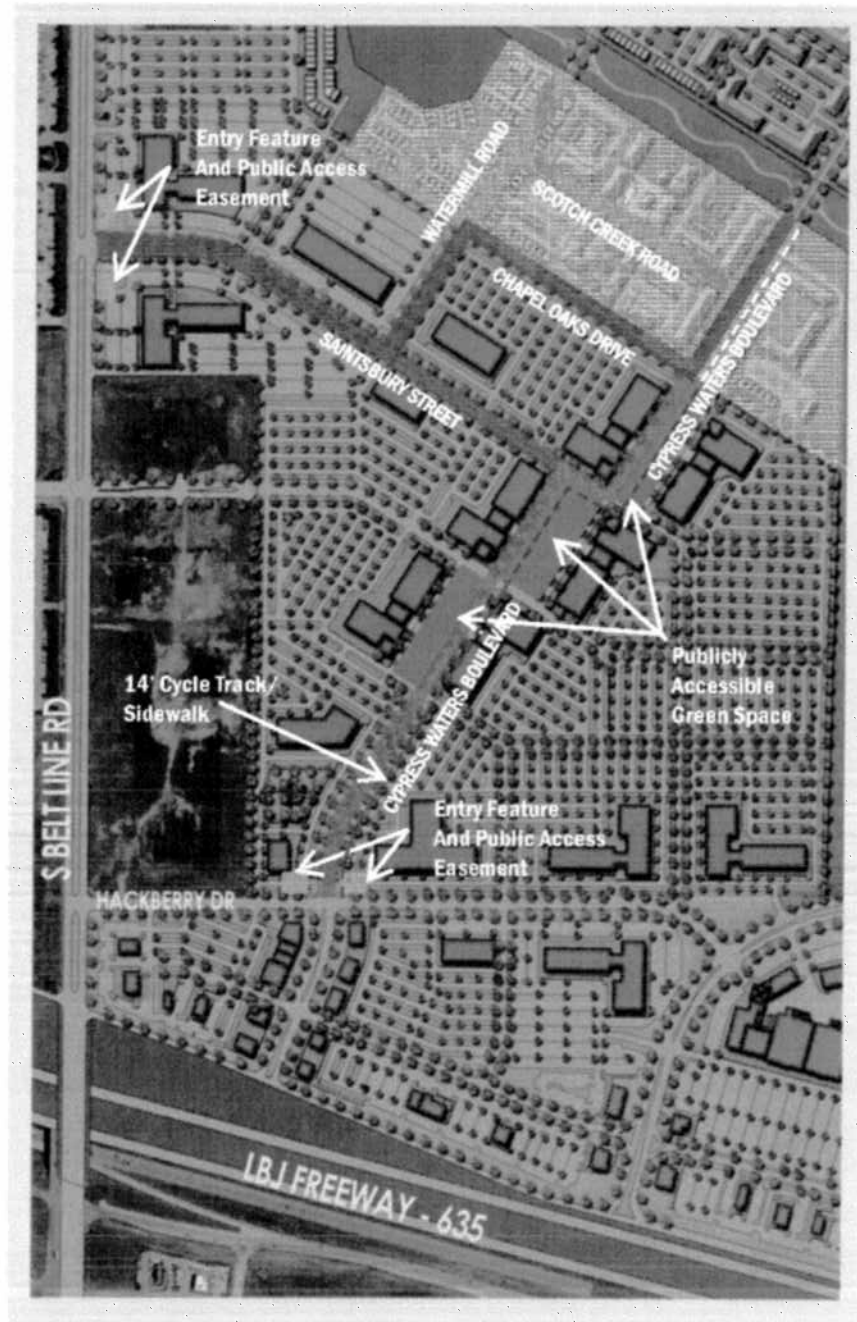


Exhibit D-2

Phase 2 Map with Cycle Track









-  PHASE 1 MULTI-FAMILY
-  PHASE 1 NON-TIF ROADWAYS
-  PHASE 1 TIF ROADWAYS
-  PROPOSED PHASE 2 TIF ROADWAYS - SEGMENT 1
-  PROPOSED PHASE 2 TIF ROADWAYS - SEGMENT 2
-  PROPOSED PARK IMPROVEMENTS
-  ENTRY FEATURES

Exhibit E
City of Dallas Tax Increment Finance Districts
Mixed Income Housing Guidelines
Cypress Waters TIF District
Approved January 9, 2012

TIF Program Purpose

The purpose of the City of Dallas' TIF program is to promote development in underutilized and vacant areas through the use of public investment to attract private investment. The goals for the districts include improving the infrastructure within the districts and adding market rate apartments, single family homes, retail and commercial space, and office and professional space. Promoting housing for individuals and families at a variety of income levels is one of many policy considerations for the districts.

General definitions

Mixed income housing requires a minimum of 20% of all units to meet affordable housing standards.

Affordable housing units are those which are affordable to a household earning 80% or less of the median family income for the Dallas Area.

The 20% affordability requirement applies to both rental units and to units that are for sale. Requirements for for-sale units will be handled on a case-by-case basis. These guidelines primarily pertain to rental housing.

Affordability period and rent rates

Rental units must be affordable for a period of at least fifteen years, beginning from the date the project is complete per the development agreement.

Income levels and *maximum* rent will vary each year and are based on HUD's calculations for Area Median Family Income (AMFI), utility expenses, and Market Rent for the Dallas Area. Maximum rents are set each year at 30% of 80% of AMFI, including a utility allowance. Information pertaining to the maximum affordable rent and income levels that are currently in effect can be obtained from the Office of Economic Development.

Affordable units

A minimum of 20% of all occupied units shall be rented to qualifying households.

The developer may choose to offer any available unit to qualifying households. The 20% total requirement thus may be satisfied by any combination of units and need not apply to units of all sizes.

Affordable units shall be comparable in size and finish quality to market rate units and shall be dispersed throughout the development. Affordable units shall not be segregated into a particular section of the development and shall be a minimum of 500 square feet.

Qualifying households

A qualifying household is defined as a household making 80% or less of the AMFI.

Developers may include wages, salaries, tips, commissions, social security income, etc. to certify a household's income. The method used to determine income should be the same for qualifying and market rate households.

Lease terms

Households that qualify at the beginning of a lease will be assumed to qualify for the entirety of the term of that lease. Recertification is therefore only necessary during lease renewal.

At the end of the lease, the new lease rates will be set based on the household's current income at the time of renewal.

If the household no longer qualifies for an affordable unit, the lease may be renewed at market rate and another unit made available for a qualifying household in order to maintain the 20% affordability requirement.

Fees and leasing requirements

In general, all leasing requirements and all fees, utility charges, assessments, fines, etc. charged by the apartment community must be applied uniformly to qualifying households and market rate households, with the exception that the developer may choose to waive or reduce fees for qualifying households and the developer may choose to set specific lease lengths for affordable units.

Reporting Requirements

Adequate reporting by developer, owner, or property manager shall be required to ensure that the City can appropriately monitor compliance with the guidelines. Projects receiving affordable housing funding under federal or state programs may choose to submit copies of compliance reports specific to the federal or state program in lieu of the TIF program report. Specific reporting requirements will be updated as necessary.

Compliance

The developer assumes all liability for compliance with these requirements and with all applicable laws. By participating in the City's TIF program, the developer agrees to report all information accurately and on time. At the City's request, the developer agrees to produce necessary documentation for determining full compliance with this program.

The affordability period shall be extended by six months for any number of units by which the affordable housing provided during a semi-annual period falls short of the number of units required to meet the affordable housing requirements. Noncompliance may result in termination of the development agreement, a reduction in TIF reimbursement, or other action as determined by the Office of Economic Development.

Request for waiver or minor modification of these requirements shall be submitted to the Office of Economic Development and will be negotiated on a project-by-project basis with the City and the County.

The TIF program does not alter, modify, or reduce any affordable housing requirements, duties, or obligations imposed on the developer because of receipt of funds or other assistance from other programs or persons.

Alternative Methods

A developer may propose alternative methods of meeting the requirements such as providing equivalent affordable housing units in a comparable location within or near to the TIF district. All proposed alternative methods will be considered on a case-by-case basis and must be approved by both the City and Dallas County.

Affirmative Fair Housing Marketing Plan

An affirmative fair housing marketing plan is required for all projects with a residential component that are supported with TIF funding. This requirement is detailed in each project's development agreement. Each project will be evaluated individually to ensure that it furthers affirmative fair housing goals.

Effective Date

These guidelines are effective in each district as of the date they are approved by that district's TIF board. The guidelines apply to developments with first occupancy on October 1, 2011 or later. These guidelines will not alter the terms of development agreements authorized prior to the approval of this document.

Guideline Modifications

As needed, the City may make modifications or corrections to these guidelines to increase their effectiveness. Where these guidelines may conflict with a district's Final Plan language concerning housing provisions, the Director of the Office of Economic Development will make a final determination of project requirements.

Exhibit F
Quarterly Project Status Report

Prepared by:

Project name:

Report period:

Required project start date:

Actual project start date:
(attach permits as applicable)

Required completion date:

Current expected completion date:
(attach Certificate of Occupancy and/or Certificates of Acceptance as applicable)

Number of units completed:

Briefly describe project progress during this period:

Which documents did you submit to the City of Dallas Business Development & Procurement Services? When? (attach copies as applicable)

Which documents did you submit to the City of Dallas Fair Housing Department? When? (attach copies as applicable)

Describe any issues of concern with the City of Dallas (Office of Economic

Exhibit F: Quarterly Status Report

Development/Business Development & Procurement Services/ Fair Housing
Department/Public Work and Transportation etc.)

Additional required attachments:

- 4-8 current construction progress pictures from four sides of the project.
- Updated private and public improvement cost schedules
- Updated pro forma

Submitted by:

Signature:_____

Printed name:_____

Date:_____

Exhibit F
Quarterly Project Status Report

Prepared by:

Project name:

Report period:

Required project start date:

Actual project start date:
(attach permits as applicable)

Required completion date:

Current expected completion date:
(attach Certificate of Occupancy and/or Certificates of Acceptance as applicable)

Number of units completed:

Briefly describe project progress during this period:

Which documents did you submit to the City of Dallas Business Development & Procurement Services? When? (attach copies as applicable)

Which documents did you submit to the City of Dallas Fair Housing Department? When? (attach copies as applicable)

Describe any issues of concern with the City of Dallas (Office of Economic

Exhibit F: Quarterly Status Report

**Development/Business Development & Procurement Services/ Fair Housing
Department/Public Work and Transportation etc.)**

Additional required attachments:

- 4-8 current construction progress pictures from four sides of the project.
- Updated private and public improvement cost schedules
- Updated pro forma

Submitted by:**Signature:**_____**Printed name:**_____**Date:**_____

Exhibit G
TIF Increment Allocation Policy
Cypress Waters TIF District
Approved by the TIF Board October 3, 2012

It is important for the City of Dallas to encourage as many projects as possible in the Cypress Waters TIF District (the "Cypress Waters TIF" or "District"). In that spirit, Cypress Waters TIF funds will be allocated to Developers proportionately, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District, after payment of the Cypress Waters Phase I agreement.

Definitions:

Project (TIF-eligible) - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. The Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

Developer – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

Related Project/Developer – if a Developer or a Developer's affiliates (as defined in a development agreement) has other development or redevelopment projects in addition to a TIF-eligible Project, increment from those Related Project(s) may be included in Individual Increment for reimbursement of the TIF-eligible Project expenses. A Developer of a TIF-eligible Project must have at least 50% ownership in any Related Project by direct or indirect means. These requirements will be further specified in a development agreement where applicable.

Related Projects must create new taxable real property value for the District based on the following criteria:

- New development on previously vacant land or demolished structures.
- Redevelopment or major modification of an existing building if this results in an increased taxable value of 50% or more of the original building or any increase in the floor area of an original building if the expansion is over 50% for residential projects, over 65% for mixed-use projects, and over 75% for office/showroom projects.

Total Increment – the annual amount of increment deposited into the TIF fund from the participating jurisdictions.

Individual Increment – the portion of the increment that a Project or Related Project creates each year.

Administrative Expenses – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

Shared Increment – the Total Increment less (1) Administrative Expenses, (2) the sum of the Individual Increments of all eligible Developers.

Available Cash - cash in the Cypress Waters TIF fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

Procedure:

Annually, after the Total Increment has been deposited in the TIF fund, the fund will pay or set aside Administrative Expenses and then debt service, if any. After Administrative Expenses and debt service, if any, have been paid or set aside, Developers approved for TIF funding from the Cypress Waters TIF will be eligible to receive their Individual Increment.

In addition to their Individual Increment, Developers will be eligible to receive a portion of any Shared Increment. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's unreimbursed balance under then existing development agreements to the sum of the aggregate unreimbursed balances under development agreements for all Projects eligible for reimbursement for that year.

The District's certified financial records for each Developer's unreimbursed development expenditures, will be the data source used to determine values for the increment allocation procedure. Shared Increment will be allocated only to Projects that have been completed by May 1st of a given year, as evidenced by City approval of all supporting documents required in the development agreement. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

Projects completed after May 1 will be eligible for TIF funding upon completion of all supporting documents provided that 1) unallocated increment revenue (Cash Available) is available in the District fund and 2) no other projects are complete.

Pre-existing Agreements

The Cypress Waters TIF District has one pre-existing development agreement, and this Increment Allocation Policy does not affect the following Development Agreement:

- Development Agreement for Cypress Waters Phase I, approved by City Council on June 8, 2011, by Resolutions Nos. 11-1547 and 11-1548. This Project shall be reimbursed according to its Development Agreement, which states the Developer is first in priority after administrative expenses and prior Cypress Waters TIF District approved tax increment bond interest payments only. Reimbursement for this project will commence when the development agreement has been satisfied.

Each Development Agreement approved after the adoption of this increment policy will be eligible for its own Project's Individual Increment. Developers will be eligible to receive a portion of any Shared Increment after all pre-existing agreements are satisfied.

Please see Attachment A for examples of the increment allocation process for these pre-existing development agreements and future development projects receiving TIF funding in the future.

Notes:

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. However, upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the TIF District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses and (2) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the Individual Increments for that year. If there is no revenue available after Administrative Expenses and the District Wide Set Aside, there will be no increment payments that year.

At its discretion, the Cypress Waters TIF Board may make modifications or corrections to this Policy to increase its effectiveness.

Exhibit A**Example 1 – Cypress Waters Phase 1**

Only Cypress Waters Phase 1 is complete, and it is responsible for most of the increment generated.

Total Increment	\$1,000,000
Administrative Expenses	\$75,000
Cypress Waters Phase 1	\$925,000

Example 2 – CW Ph 1 and Phase 2

CW Ph 1 is complete but not paid off, and Phase 2 generates a \$100M office project. The district has additional value from Phase 1, plus Phase 2's office, plus some additional overall growth.

Total Increment	\$3,000,000
Administrative Expenses	\$75,000
Phase 2 Individual Increment	\$820,000
Cypress Waters Phase 1	\$2,105,000

Example 3 - Only Phase 2

CW Ph 1 is complete and paid. No other development has finished. Only Phase 2 is getting paid.

Total Increment	\$3,000,000
Administrative Expenses	\$75,000
Phase 2's Individual Increment	\$820,000
Phase 2's portion of shared	\$2,105,000

Example 4 - Phase 2 and Project C

CW Ph 1 is complete and paid. Phase 2 is getting paid. Project C is a \$20M project developed by a non-Billingsley group, completes, and begins getting paid.

Total Increment	\$5,000,000
Administrative Expenses	\$75,000
Phase 2's Individual Increment	\$820,000
Project C's Individual Increment	\$164,000
Phase 2's portion of shared*	\$3,271,030
Project C's portion of shared*	\$669,970