

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 City Council authorize a development agreement with Billingsley LD, Ltd. and dedicate a principal amount not to exceed \$6,522,398 plus interest 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 infrastructure plan attached hereto as **Exhibit B**.

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.

Project Description

Design, engineering, professional services and construction of public infrastructure improvements to be located within Reinvestment Zone Nineteen, (Cypress Waters TIF District), as shown on **Exhibit C**, attached hereto

Debt To Be Issued

Not to exceed \$6,522,398
plus a 5% grant as provided
by the Project Plan and
Reinvestment Zone
Financing Plan

Section 3. That the total Cypress Waters TIF District participation in the cost of engineering and construction of the public improvements and other TIF eligible costs for the Cypress Waters Phase 2 project (north east quadrant of South Belt Line Road and Hackberry Road) shall not exceed a principal amount of \$6,522,398 plus an additional grant in an amount not to exceed five percent (5%) of such dedication all 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 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 any obligation to pay Billingsley LD, Ltd., (the "Owner") shall automatically expire.

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.

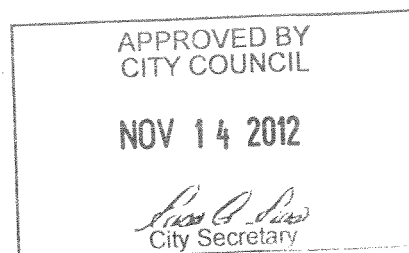


Exhibit A
City of Dallas
Cypress Waters TIF District Grant Program

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)

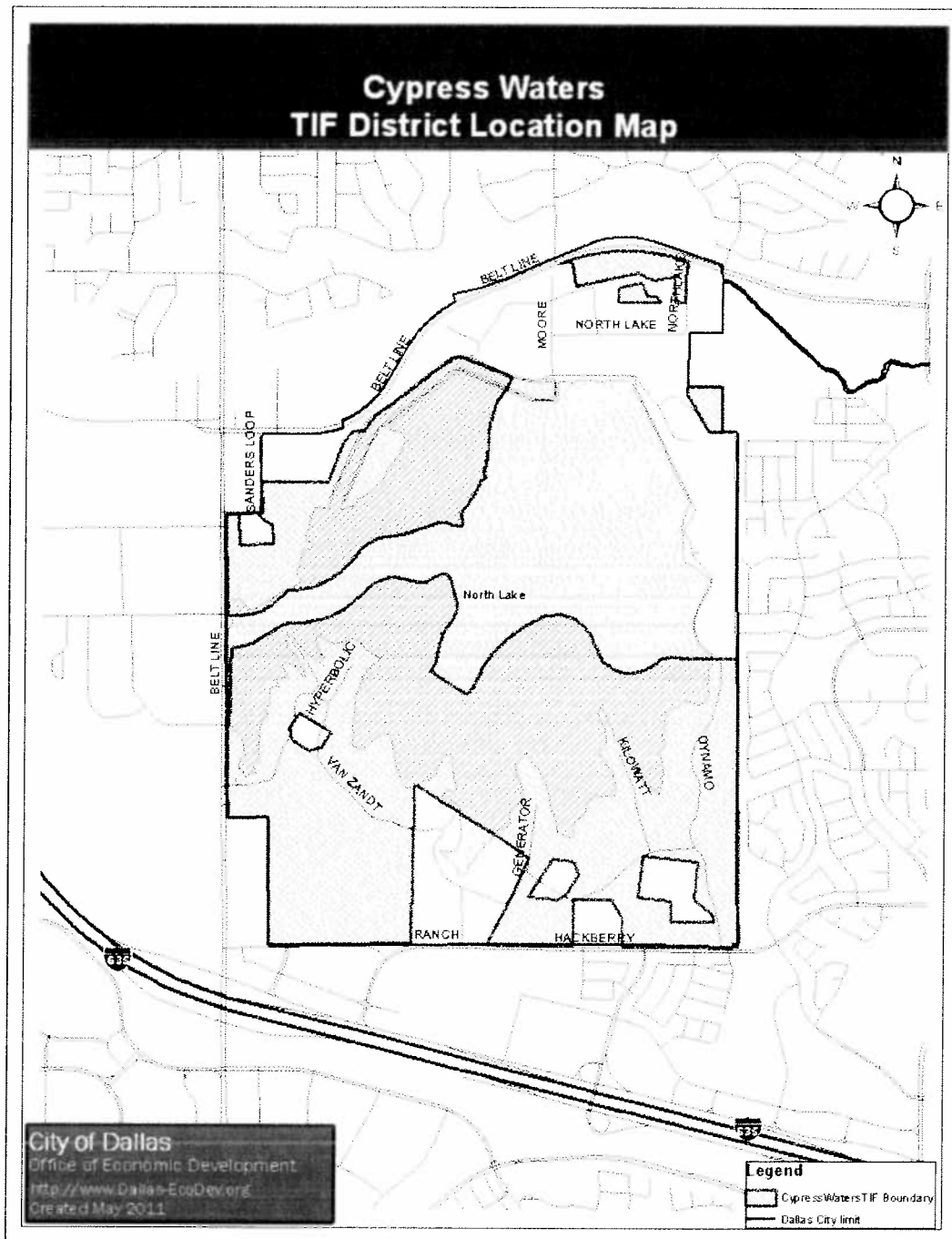
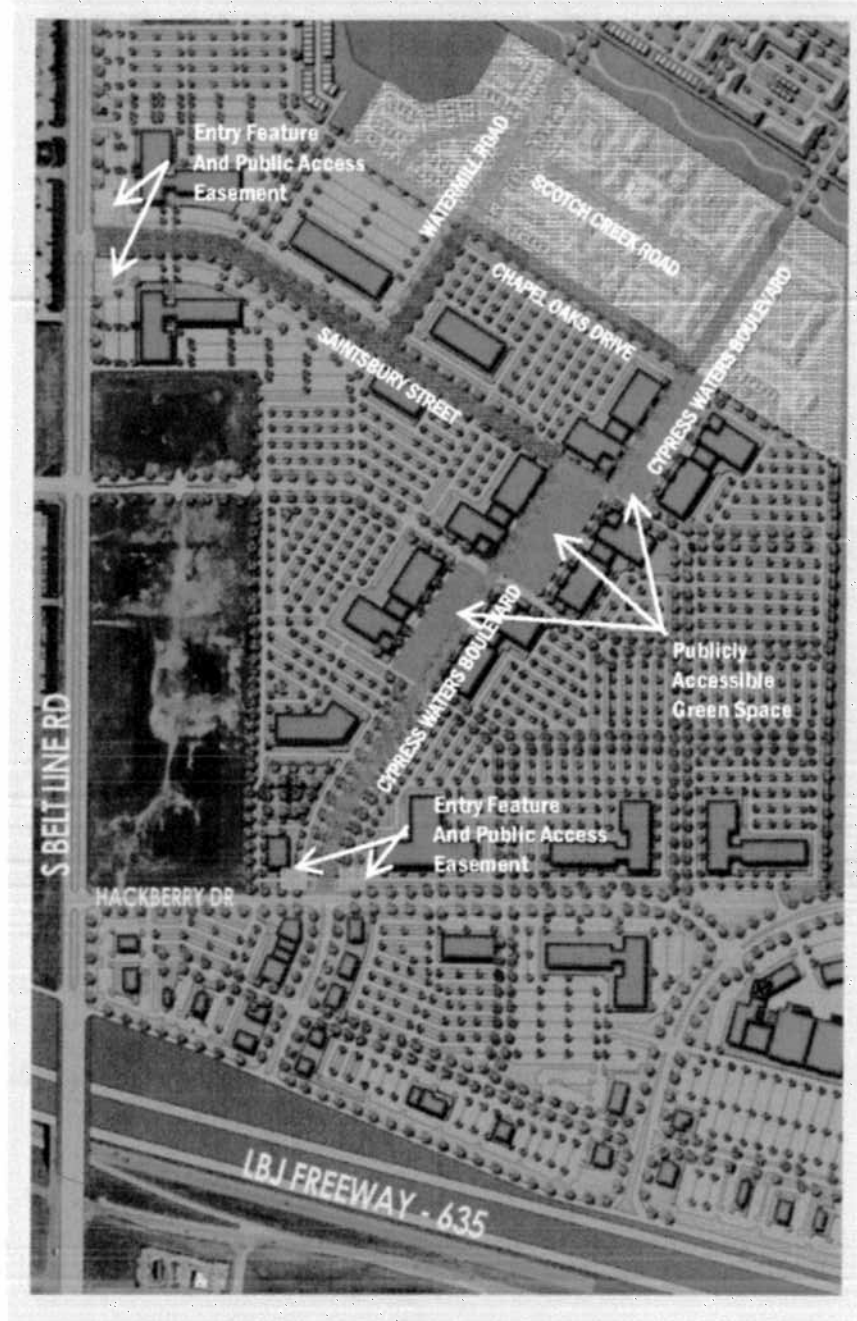


Exhibit B

Phase 2 Infrastructure Plan




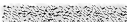





-  PHASE 1 MULTI-FAMILY
-  PHASE 1 NON-TIF ROADWAYS
-  PHASE 1 TIF ROADWAYS
-  PROPOSED PHASE 2 TIF ROADWAYS - SEGMENT 1
-  PROPOSED PHASE 2 TIF ROADWAYS - SEGMENT 2
-  PROPOSED PARK IMPROVEMENTS
-  ENTRY FEATURES

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.	