

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

WHEREAS, on October 26, 2005, City Council authorized the creation of 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, City Council authorized the Skillman Corridor TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 26534, as amended; and

WHEREAS, on February 15, 2013, the Skillman Corridor TIF District Board of Directors reviewed the proposed White Rock Trail Apartments project and recommended City Council authorize a development agreement with WRT/DK Residential, L.P. and dedicate an amount not to exceed \$4,000,000 for eligible project costs associated with the development; and

WHEREAS, on April 1, 2013, a briefing was submitted to the Economic Development Committee to consider a development agreement for the White Trail Apartments project; and

WHEREAS, in furtherance of the Skillman Corridor TIF District Project Plan and Reinvestment Zone Financing Plan, the City desires to reimburse WRT/DK Residential, L.P. (the "Owner") for the costs of demolition, environmental remediation, infrastructure improvements and other eligible costs, related to the construction of the White Rock Trail Apartments at a site currently addressed at 6802 and 6854 Skillman Street in the Skillman Corridor TIF District as described in the Conceptual Site Plan and design style concepts attached hereto as **Exhibits A1-A4**.

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 development agreement between WRT/DK Residential, L.P. (the "Owner") and the City of Dallas, on behalf of the Skillman Corridor TIF District confirming the Skillman Corridor TIF District Board of Director's dedication of future tax increment revenues in an amount not to exceed \$4,000,000 to provide funding for TIF-eligible project costs as shown in the TIF Funded Project Budget attached hereto as **Exhibit B**.

Section 1. (Continued)

This project includes demolition, environmental remediation, and infrastructure improvements as part of the implementation of the Skillman Corridor 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:

Skillman Corridor TIF District Fund - Fund 0052, Department ECO, Unit P785, Activity SCTI, Object 3072, Program No. SCTIF0004, CT ECOP785E213-01 Vendor No. VS0000074789, in an amount not to exceed \$2,250,000;

Skillman Corridor TIF District Fund - Fund 0052, Department ECO, Unit P785, Activity SCTI, Object 4510, Program No. SCTIF0004, CT ECOP785E213-02, Vendor No. VS0000074789, in an amount not to exceed \$362,500;

Skillman Corridor TIF District Fund - Fund 0052, Department ECO, Unit P785, Activity SCTI, Object 4510, Program No. SCTIF0004, CT ECOP785E213-03, Vendor No. VS0000074789, in an amount not to exceed \$587,500;

Skillman Corridor TIF District Fund - Fund 0052, Department ECO, Unit P785, Activity SCTI, Object 4599, Program No. SCTIF0004, CT ECOP785E213-04, Vendor No. VS0000074789, in an amount not to exceed \$800,000; and

for a total amount not to exceed \$4,000,000.

Section 4. That the Owner shall fund demolition, environmental remediation, infrastructure improvements and other eligible costs to support the development of White Rock Trail Apartments at 6802 and 6854 Skillman Street in the Skillman Corridor TIF District, in an amount not to exceed \$4,000,000 for the costs of TIF-eligible public improvements in the Skillman Corridor TIF District. Owner will be paid solely from the Skillman Corridor TIF District Funds in accordance with the terms of the development agreement described in hereof, but only to the extent such Skillman Corridor TIF District funds are available for such purpose

Section 5. 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 and the obligation of the Skillman Corridor TIF District to pay the Owner shall automatically expire.

Section 6. 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. The Owner shall invest and document a minimum of \$25 million in private improvements in the Project, including all land and building acquisition, site preparation, and construction hard costs.
- B. Redevelopment of the project site for a minimum of 280,000 square feet of residential space.
- C. For a period of fifteen (15) years from the date Owner receives the final CO for the residential portion of the Project a minimum of 20% of the units in the Project shall meet the affordability requirements of the Skillman Corridor TIF District Project Plan and Reinvestment Zone Financing Plan and the City of Dallas Tax Increment Finance Districts Mixed Income Housing Guidelines. If the Project is sold to another entity, the affordability requirement shall be impressed upon the property by deed restriction and conveyed in the sale contract. This requirement shall be carried through to additional sales, if any.
- D. The Owner will obtain a building permit for the construction of the Project by June 30, 2014.
- E. The Owner will obtain a letter of acceptance or similar documentation issued by the City and signifying acceptance of the TIF eligible public improvements by December 31, 2015.
- F. The Owner shall complete construction and obtain a final certificate of occupancy for the Project by December 31, 2015.
- G. The Owner will execute and fund an Operating and Maintenance Agreement for all non-standard public improvements by December 31, 2015.

Section 6. (Continued)

- H. Owner shall comply with the City's Business Inclusion and Development ("BID") goal of 25% for the TIF reimbursable improvements (hard construction costs) and shall make a good faith effort to achieve a goal of certified minority/women-owned business enterprise (M/WBE) participation for the private improvement construction of 10% of total private expenditures and meet all reporting requirements for each.
- I. The Project shall be marketed pursuant to an Affirmative Fair Housing Marketing Plan approved by the City.
- J. Until the Project has received a final certificate of occupancy and all required paperwork for TIF reimbursement has been submitted, Owner shall submit to the Office of Economic Development a quarterly status report for ongoing work on the Project, as well as public improvements. (**Exhibit C - Quarterly Status Report form**).
- K. Owner shall construct public and private improvements that conform in design and materials to images and site plans approved by the Skillman Corridor TIF Board of Directors and the Dallas City Design Studio as shown in **Exhibit A1-A4** – conceptual site plan (which may have minor modifications due to re-platting and/or access easement changes) and design style concepts. Additionally, unless modifications are approved in concurrence with the Studio:
 - (1) Pedestrian sidewalks should be generous with complete and enhanced streetscape elements along Skillman Street to reinforce pedestrian and economic activity as well as set the form for future development in the corridor.
 - (2) Pedestrian crossings should be enhanced at drive entries including minimizing drive widths for pedestrian crossings so that public sidewalks read as a continued condition.
 - (3) Sidewalks should be walkable with access and linkage to public streetscape.
 - (4) Site security should be address in a way that promotes engagement with the street, making the development appear less internalized and helping set a positive pattern for future development in the corridor.

Section 6. (Continued)

- (5) Building fronts adjacent to streets and trails should promote pedestrian walkability and “eyes on the street” through building details and direct access from units to the street.
 - (6) Parking fields should be visually condensed through the use of materials, patterns, and landscaping (such as using colored pavers and adding trees where they can be accommodated) to blur the transition from pedestrian to auto zone and drive aisle to parking area. Portions of the parking area visible from the street would be the highest priority for treatment.
 - (7) Direct unit access should be provided for any unit adjacent to village green areas.
- L. The Owner shall provide evidence that reasonable efforts were made to promote the hiring of neighborhood residents for any new jobs created.
- M. The Owner will not be required to take any action under the TIF District Student Retention/Relocation policies as the property was unoccupied prior to and upon acquisition.

Section 7. That upon completion of the project and satisfaction of all project requirements, and subject to the availability of Skillman Corridor TIF funds, the Project shall be eligible for total TIF reimbursements in an amount not to exceed \$4,000,000 in accordance with the adopted **Exhibit D – Skillman Corridor TIF District Increment Allocation Policy**.

Section 8. That the Director of the Office of Economic Development, after approval and recommendation of the TIF Board, may authorize minor modifications to the project including development mix and/or an extension of the project deadlines up to 6 months.

Section 9. 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.

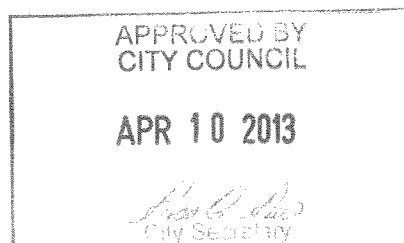
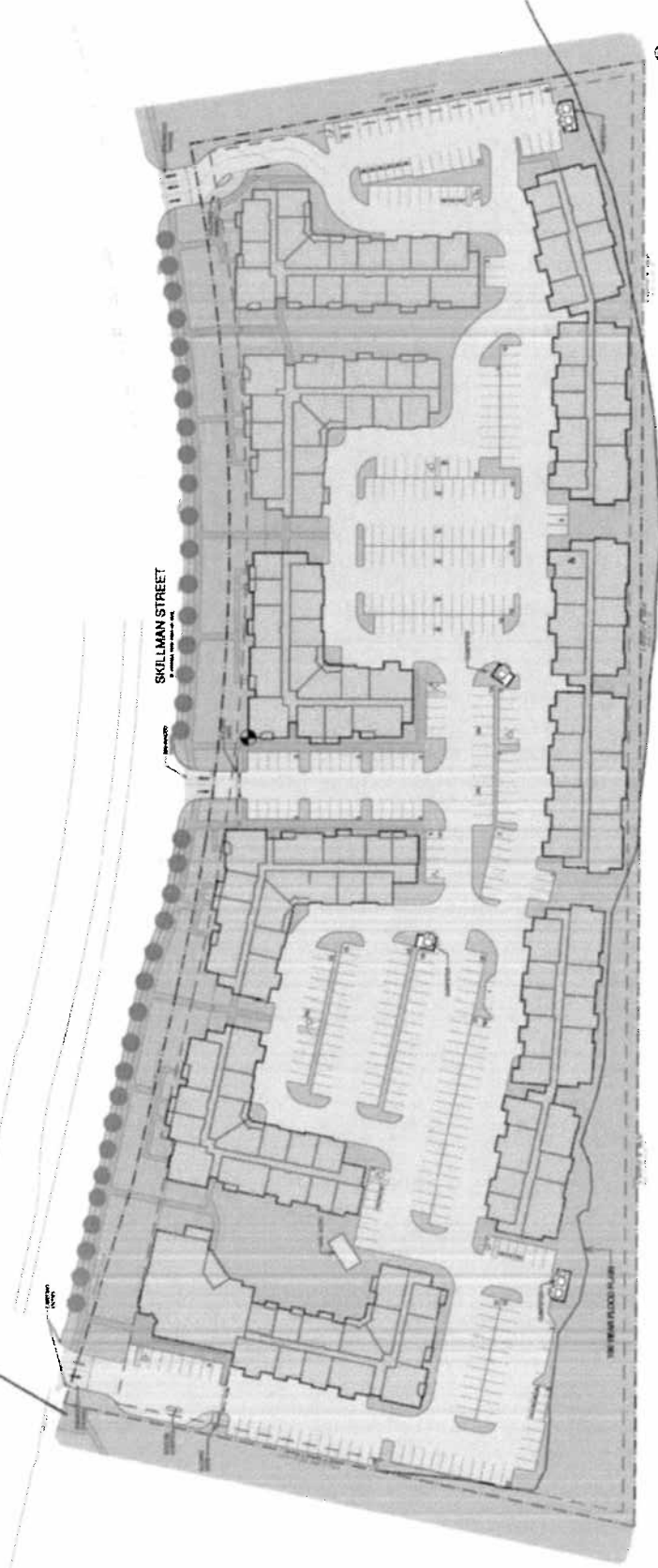


Exhibit A1 Conceptual Site Plan

The final site plan may have minor modifications due to re-plating and/or access easement changes.

TRAIL ACCESS POINT
AND LAKE HIGHLANDS
PORTAL CONTEMPLATED
AT THIS LOCATION



1 SITE PLAN
SCALE

 BGO	 WHITE ROCK TRAIL	 Dallas, Texas	SHEET NUMBER 1.1
			PROJECT 11162

Exhibit A2 – Design Style Concepts

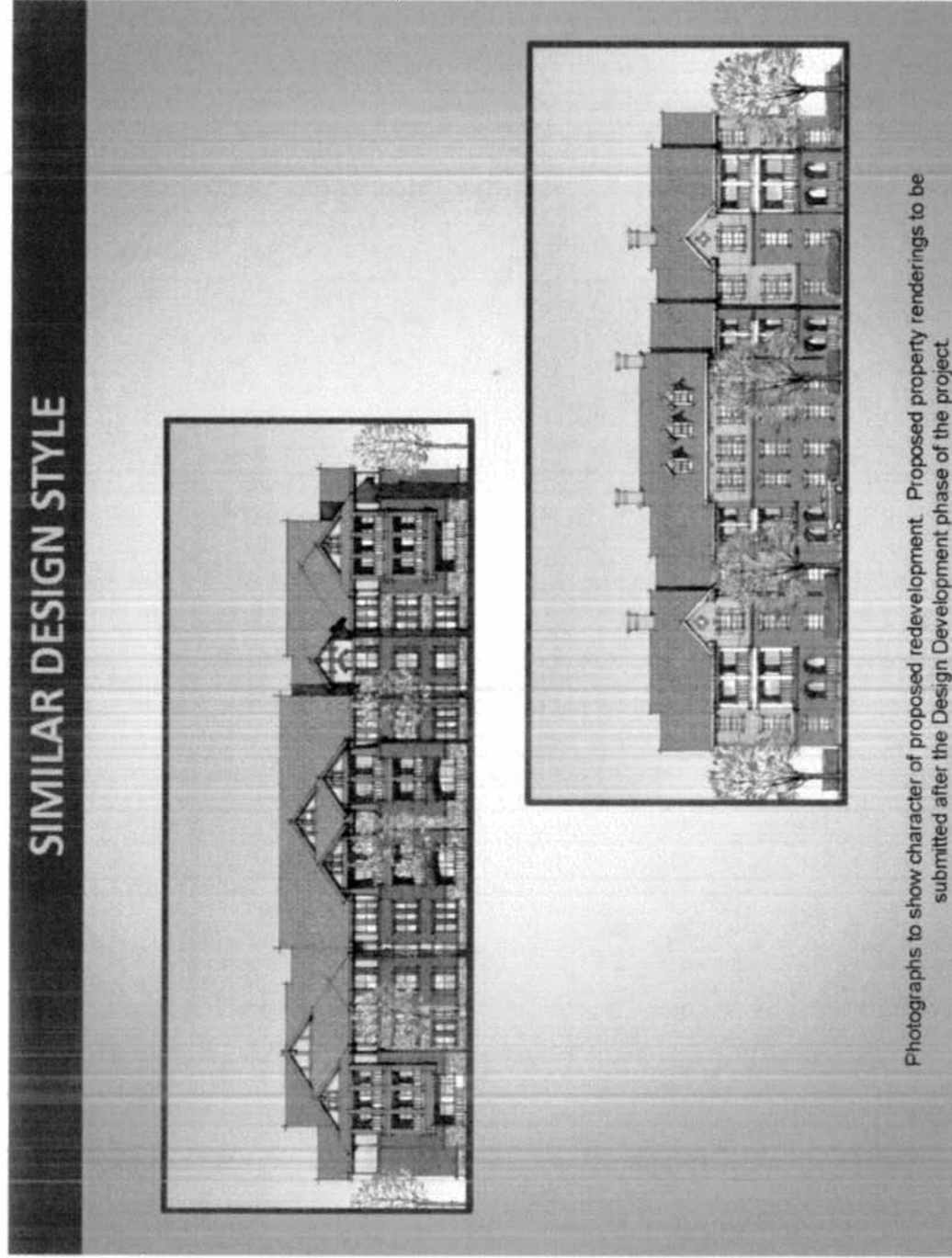


Exhibit A3 – Design Style Concepts

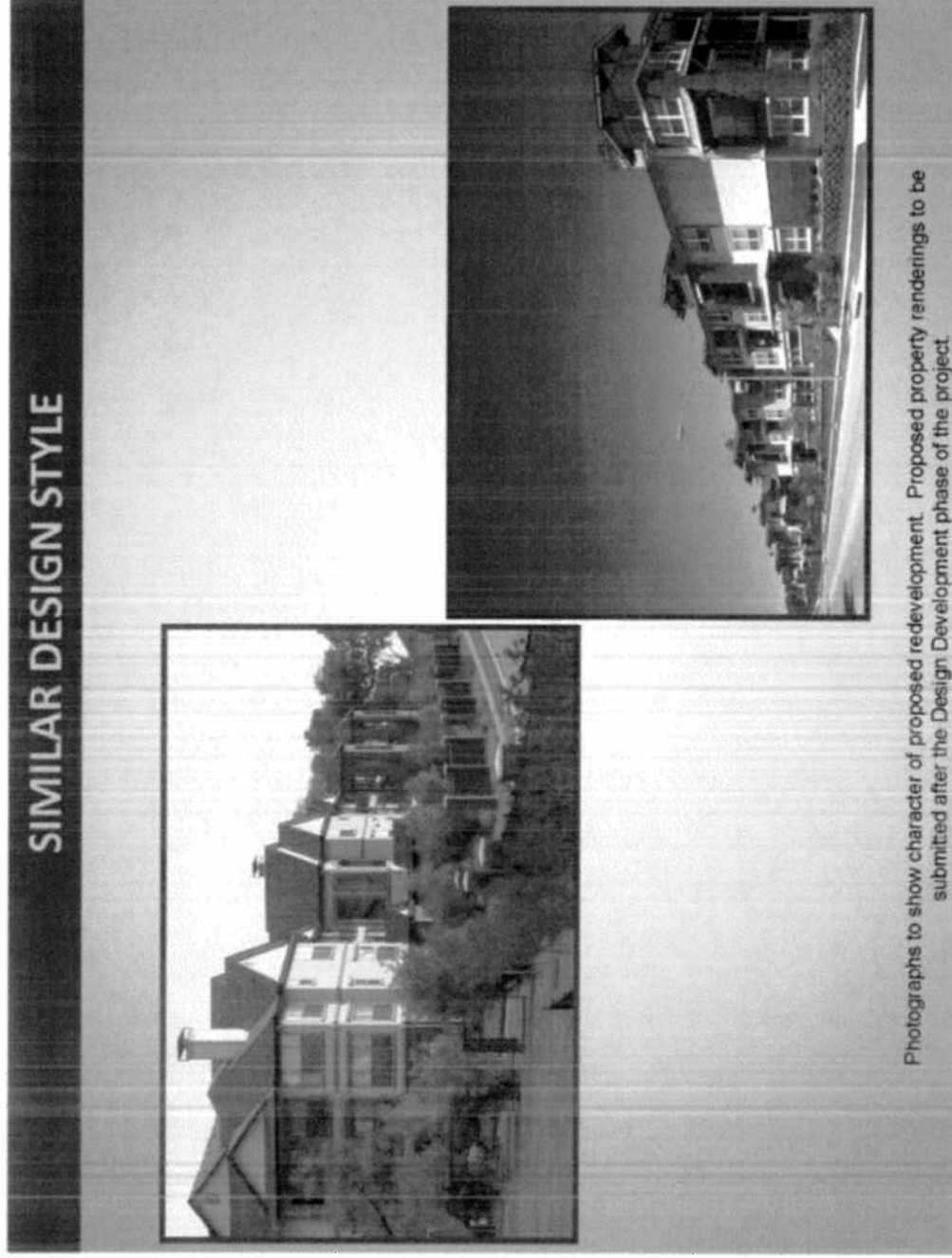


Exhibit A4 – Design Style Concepts

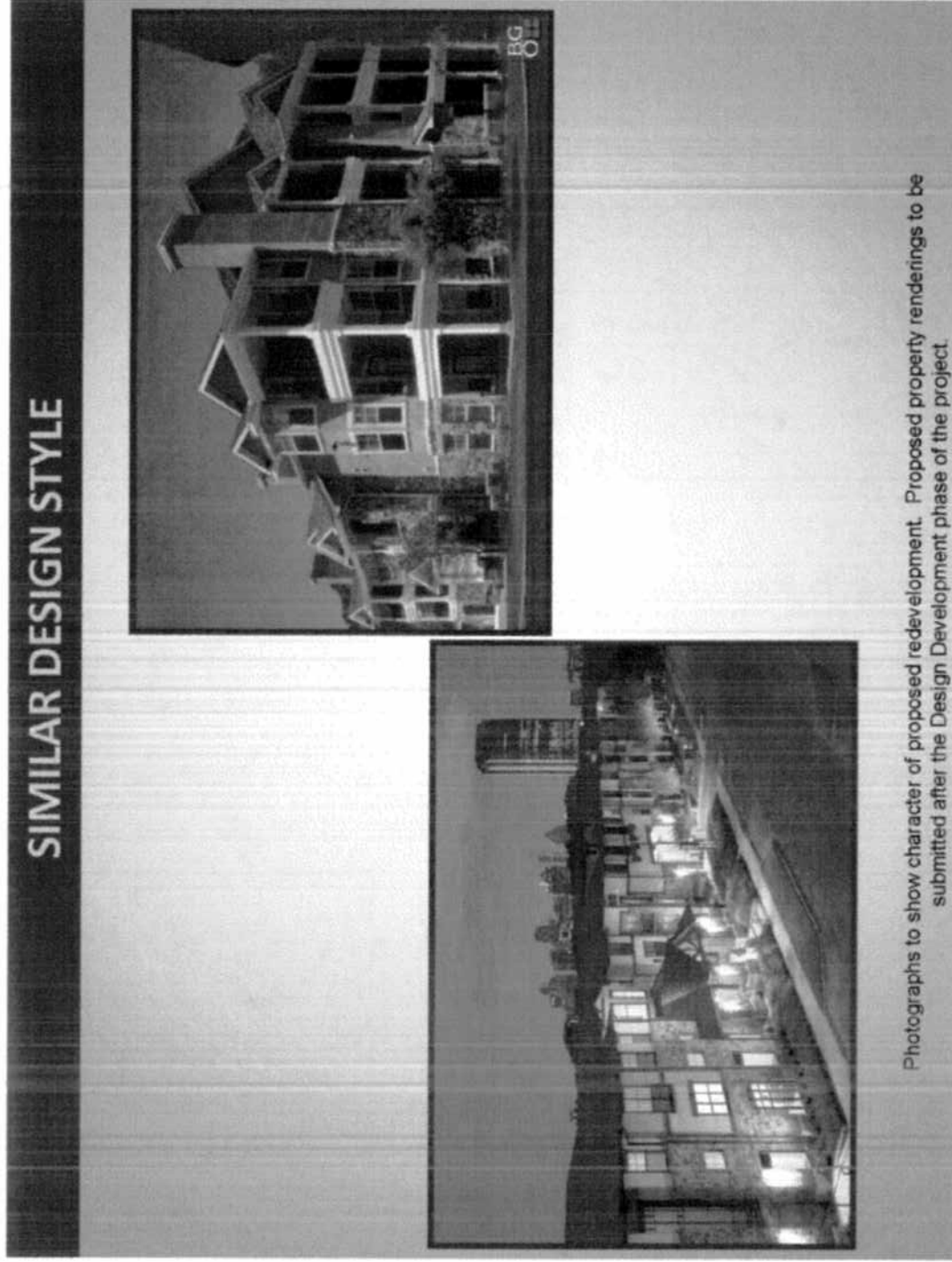


Exhibit B
White Trail Apartments – TIF Project Budget

TIF Improvement Category	Amount
Other Skillman Corridor Improvements:	
<i>Environmental remediation & demolition</i>	\$2,250,000
<i>Street & utility improvements</i>	\$362,500
<i>Streetscape improvements</i>	\$587,500
<i>Hike/bike (park) trail improvements*</i>	\$800,000
TOTAL TIF REQUEST	\$4,000,000

Expenditures may be shifted from one TIF-eligible category to another as long as the total amount of TIF funding does not exceed \$4,000,000. Design/engineering costs may be included in the above categories. The TIF financial contribution to the project could be less if actual costs are less and/or adequate increment does not accrue to the TIF fund.

*The total TIF funding may be reduced by \$800,000 to a maximum of \$3,200,000 if the hike/bike trail improvements can be adequately funded and constructed in a timely fashion as part of an awarded North Central Texas Council of Governments (NCTCOG) Sustainable Development Grant for the Lake Highland TOD Multimodal Connectivity Project (SD Project).

Exhibit C
Quarterly Project Status Report Form

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)

Square Footage and/or number of rooms 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)

Exhibit D: Quarterly Status Report

Describe any issues of concern with City of Dallas departments (such as Office of Economic Development, Business Development & Procurement Services, Fair Housing, Development Services, Public Works 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 if there are significant changes from original submittal.

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

Exhibit D
TIF Funding Increment Allocation Policy
Skillman Corridor TIF District
First Approved by TIF Board on May 30, 2007 and Amended June 1, 2011

It is important for the City of Dallas to encourage as many projects as possible in the Skillman Corridor TIF District. In that spirit, Skillman Corridor TIF District funds will be allocated to projects proportionately, dependent on the portion of the increment created by the project and other projects by that developer in the District.

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 direct or indirect control of the ownership interest in any Related Project. 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/commercial 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 less (1) expected legal and administrative fees, (2) 30% of the RISD tax increment reserved for RISD facility improvements in the TIF Budget until a \$5 million total dollar amount has been allocated, and (3) the portion set aside for District-Wide improvements if applicable.

Net Individual Increment – Individual Increment less the Project's and/or Related Project's portion of Administrative Expenses each year. This portion will be based on the ratio of Individual Increment to Total Increment.

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.

District-Wide Improvements – improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

Shared Increment – the Total Increment less (1) expected legal and administrative fees, (2) 30% of the RISD tax increment reserved for RISD facility improvements in the TIF Budget until a \$5 million total dollar amount has been allocated, (3) the portion set aside for District-Wide Improvements if applicable, and (4) the sum of the Individual Increments of all eligible projects.

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

Developers that are approved for TIF funding from the Skillman Corridor TIF District will be eligible, after completion of all requirements, to receive their Individual Increment. Annual allocations for each project will then be based on the Individual Increment from that project. For example, the Individual Increment for a project worth \$20 million is estimated to be approximately \$300,000 annually, but may be less depending on the actual taxable value as determined by the Dallas County Appraisal District (DCAD).

In addition to the Individual Increment, projects will be eligible to receive a portion of the Available Cash and Shared Increment, if any, from Skillman Corridor TIF District funds. The portion of the Available Cash and Shared Increment allotted to an eligible Project shall be the proportion of each eligible Project's Individual Increment to the sum of the Individual Increments for all eligible Projects for that year *with the exception of the Lake Highlands Town Center (LHTC) which may receive Shared Increment, based on provisions made in a pre-existing agreement, as amended below.*

Lake Highlands Town Center – Amended Agreement Specific Provisions

- a. Annually, after 1) administrative fees have been paid, 2) 30% of the RISD tax increment is reserved for RISD facility improvements in the TIF Budget until a \$5 million total dollar amount has been allocated, and 3) a portion of the increment, as determined by the TIF Board, has been set aside for District-wide improvements, Owner will be eligible to receive the balance of the portion of the increment that the Project or Related Projects creates (the Individual Increment).
- b. An initial lump sum one-time payment in June 2011 or thereafter from up to 75% of Available Cash will be made available once conditions specified in an amended agreement are met.
- c. In addition to this increment, the project is eligible to receive a portion of the Shared Increment under a two tier system with 75% of Shared Increment towards the first \$23 million of TIF subsidy and an additional subsidy up to \$17 million receiving Shared Increment on a proportional basis (as described in the above general policy).

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, in most cases this method requires a developer with a completed project to wait months before receiving any TIF funding. Therefore, in addition to the annual allocations, upon completion of a project, and on a first-in-first-out basis, developers may apply for funding from Available Cash currently in the TIF fund, if any. This funding would be applied toward the outstanding TIF obligation.

If the appraised value of the remaining property in the TIF District decreases in value despite new development, the TIF subsidy for projects that year may be reduced or unpaid. Likewise, if the sum of 1) administrative fees, 2) RISD increment, 30% set aside for facilities, 3) District-wide improvements, and 4) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a *pari passu* basis dependent on the proportion of each eligible project's Individual Increment to the sum of the Individual Increments for that year.

The arrangement described herein shall not require the City to modify any prior agreement that may be inconsistent with the foregoing formula. For example, any projects approved under earlier arrangements, particularly under the first-in-first-out arrangement, shall be fully funded from the district's Available Cash and Shared Increment before newer projects are assigned additional increment.

The Skillman Corridor TIF Board may make adjustments to this funding formula at its discretion.