

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

WHEREAS, on June 8, 2005, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Eleven, City of Dallas, Texas ("Downtown Connection TIF District") in accordance with the Tax Increment Financing Act, as amended, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act") to promote development and redevelopment in the Uptown and Downtown areas through the use of tax increment financing by Ordinance No. 26020; as amended; and

WHEREAS, on August 29, 2005, City Council authorized the Downtown Connection Tax Increment Financing District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 26096; as amended; and

WHEREAS, on January 14, 2010, the Downtown Connection TIF District Board of Directors reviewed and approved TIF funding for the redevelopment of 1600 Pacific Avenue in an amount not to exceed \$8,830,000 plus interest in an amount not to exceed \$4,040,200, for a total incentive amount not to exceed \$12,870,200, subject to approval of certain design plans by the Downtown Connection TIF Design Review Committee; and

WHEREAS, on September 23, 2010, the Downtown Connection TIF District Design Review Committee approved conceptual design plans for the redevelopment of 1600 Pacific Avenue.

WHEREAS, on September 23, 2010, the Downtown Connection TIF District Board of Directors reviewed and approved a revision of the Certificate of Occupancy date from December 31, 2010 to June 30, 2011, for the 1600 Pacific Avenue redevelopment project; and

WHEREAS, on October 26, 2010, City Council authorized a development agreement with Ricchi Dallas Investments, LLC, for the redevelopment of 1600 Pacific Avenue to provide TIF funding in an amount not to exceed \$12,870,200 by Resolution Nos. 10-2767 and 10-2768; and

WHEREAS, on June 9, 2011, the Downtown Connection TIF District Board of Directors approved an extension of the completion date of Stage 2 from June 30, 2011 to December 30, 2011, and Stage 3 from December 31, 2011 to June 30, 2012, with the provision that these dates could be extended for an additional six months with review and approval by Office of Economic Development Director; and

WHEREAS, on August 22, 2012, City Council authorized an amendment to the development agreement with Ricchi Dallas Investments, LLC for the redevelopment of 1600 Pacific Avenue to extend the completion date of Stage 3 of the project from December 31, 2012 to December 31, 2013 by Resolution No. 12-2119; and

WHEREAS, on March 21, 2013, the Downtown Connection TIF District Board of Directors reviewed and recommended approval of Supplemental Agreement No. 2, an amendment to the development agreement with Ricchi Dallas Investments, LLC for the redevelopment of 1600 Pacific Avenue to: (1) require only the completion of Stage 1 and a portion of Stage 2 work inclusive of renovation of elevator systems, roof, windows, restoration of the exterior of the building and installation of core components of a new heating and air conditioning system); (2) allow project's eligibility for reimbursement to be effective upon acquisition and closing of a construction loan for the LTV Tower Building by 1600 Pacific Landlord, LLC; (3) establish an acquisition and project construction financing closing date; (4) establish that if 1600 Pacific Landlord, LLC, does not acquire and close construction financing for the LTV Tower Building by established acquisition and financing closing date, amendments (1) and (2) shall be void and the Certificate of Occupancy Date defined in the existing development agreement with Ricchi Dallas Investments, LLC, as amended, shall be extended; and

WHEREAS, on March 21, 2013, the Downtown Connection TIF District Board of Directors reviewed and recommended approval of: (1) a Development Agreement with 1600 Pacific Landlord, LLC, for the LTV Tower Redevelopment Project (addressed as 1600 Pacific Avenue) that includes completion of the remaining portions of Stage 2, and Stage 3 work removed from the development agreement with Ricchi Dallas Investments, LLC and finish out of the entire building with hotel and residential uses; (2) an Economic Development Grant Agreement with First National Bank for TIF incentives associated with the LTV Tower Redevelopment Project; and (3) dedication of TIF funding for the LTV Tower Redevelopment Project not to exceed \$17,500,000; and

WHEREAS, on April 15, 2013, the Economic Development Committee was briefed and recommended approval of: (1) a Supplemental Agreement No. 2 amending the development agreement with Ricchi Dallas Investments, LLC; (2) a Development Agreement with 1600 Pacific Landlord, LLC for the LTV Tower Redevelopment Project; and (3) an Economic Development Grant Agreement with First National Bank for TIF incentives in an amount not to exceed \$17,500,000 for the LTV Tower Redevelopment Project.

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 amend Resolution No. 10-2767, as amended, as follows:

Items A through G of Section 7 of Resolution No. 10-2767 shall be amended to read as follows:

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

- A. Ricchi Dallas Investments, LLC ~~construct a project comprising the renovation and construction of 1600 Pacific Avenue ("1600 Pacific"), with the following components:~~
1. Stage I. – Cleaning. This stage involves removal of the obsolete operating systems for the building and demolition of interior walls (32 floors - except for the elevator areas). Interior space will be opened up and cleaned down to the concrete.
 2. Stage II. – Lower Floor Renovation. This stage will involve renovation of the elevator systems, roofs, windows; installation of a new heating and air conditioning system; and renovation of the lower four floors of the building to leasable condition. The exterior of the building will be restored to its original condition. ~~Included in this stage is the renovation of approximately 56,000 square feet of gross commercial space.~~
 3. ~~Stage III. – Finish out an additional 60,000 square feet of space or 6 additional floors.~~
 4. ~~A minimum of 25 percent of the total net leasable square footage of commercial space with a minimum of at least 50 percent of ground floor space must be occupied prior to TIF payment for Stages I, II and III.~~
 53. ~~Parking. 120 rental parking spaces in 1600 Pacific Avenue.~~
 64. Private Investment. Minimum investment of \$26,430,000 including:
 - a. ~~Stage I – \$8,830,000~~
 - b. ~~Stage II – \$12,500,000~~
 - c. ~~Stage III – a minimum of \$5,100,000~~
- B. ~~Ricchi Dallas Investments, LLC shall construct public and private improvements that generally conform to plans approved by the Downtown Connection TIF District Board of Directors and Design Review Committee.~~

Section 1. (Continued)

- ~~C. Ricchi Dallas Investments, LLC shall construct private and public improvements that substantially conform to the attached renderings for 1600 Pacific Avenue. These site plans and renderings include the following elements, and all site plans shall show the location of the parcel boundaries clearly differentiating publicly accessible space from private space.~~
- ~~1. A pedestrian lighting plan for the 1600 Pacific site using lighting acceptable to the City and spaced at approximately 75 feet unless otherwise required by the City's Public Works and Transportation Department. This lighting plan is required for all public and private streets included in the project.~~
 - ~~2. A sidewalk plan for each of the projects. Sidewalks with high anticipated levels of pedestrian traffic shall be designed to accommodate pedestrian traffic. The sidewalks shall have a minimum 7 foot walking zone and a minimum 3 foot landscaping and lighting zone, subject to existing sidewalk widths. Landscaping and pedestrian lights shall be placed in the area closest to the back of curb for the length of the sidewalk. Public access between Pacific Avenue and Elm Streets is required and shall conform to this standard.~~
 - ~~3. A landscape plan for project showing location and type of all landscaping material.~~
 - ~~4. Site construction of project improvements shall be in general conformance with the site plan approved by the Downtown Connection TIF Board of Directors and Design Review Committee.~~
 - ~~5. Building renovations shall be in general conformance with the site plan approved by the Downtown Connection TIF Board of Directors and Design Review Committee.~~
- ~~DB. Ricchi Dallas Investments, LLC shall invest a minimum of \$26,430,00 in land acquisition, construction costs for stages I, II and III.~~
- ~~EC. Ricchi Dallas Investments, LLC to obtain a courtesy review for this project from the Dallas Landmark Commission by March 31, 2010.~~
- ~~FD. Ricchi Dallas Investments, LLC shall provide evidence of debt and equity funding for the Stage I and II of the Project by April 1, 2010. and Stage III by December 31, 2011.~~

Section 1. (Continued)

- E. Ricchi Dallas Investments, LLC shall obtain building and/or demolition permits and start construction and/or demolition for 1600 Pacific Avenue by June 1, 2010.
- F. Require only the completion of Stage 1 and a portion of Stage 2 (renovation of the elevator systems, roof, windows, restoration of the exterior of the property, installation of core components of a new heating and air conditioning system), which the City will acknowledge has been completed upon 1600 Pacific Landlord, LLC's acquisition of the LTV Building; and
- G. Allow reimbursement of previously committed TIF funding up to \$12,870,200 (\$8,830,000 plus interest in an amount not to exceed \$4,040,200) for the Stage I and portion of Stage II under this development agreement to be in full force and effect upon 1600 Pacific Landlord, LLC's acquisition of the LTV Building; and
- H. Remove defaults and other contingencies to payment of the reimbursements, and the City will acknowledge that such reimbursement payments have been fully earned as of 1600 Pacific Landlord, LLC's acquisition of the Project and are not subject to offset or reduction; and
- I. Set a deadline of September 30, 2013, for 1600 Pacific Landlord, LLC's acquisition of the LTV Building, which may be extended by the lesser of 90 days or the number of days Ricchi Dallas Investments, LLC, extends 1600 Pacific Landlord, LLC's right to purchase the LTV Building beyond September 30, 2013, subject to approval of the Director of the OED with such approval not being unreasonably withheld; and
- J. Provide that in the event 1600 Pacific Landlord, LLC fails to acquire the LTV Building and close project construction financing by September 30, 2013, or the extended deadline, ~~(H), (I) and (J) above~~ amendments in this resolution shall be null and void and the "CO Date" as defined under the existing development agreement (December 31, 2013) shall be extended by a period of 6 months, plus the number of days of such deadline extension; and
- K. Require upon 1600 Pacific Landlord, LLC's acquisition of the LTV Building, the City will consent to an amended and restated assignment by Ricchi Dallas Investments, LLC, to First National Bank of these reimbursement payments.
- ~~H. Ricchi Dallas Investments, LLC shall obtain Final Certificate of Occupancy for Stages I and II of the Project by June 30, 2011; and for Stage III of the Project by December 31, 2011.~~

Section 1. (Continued)

- ~~I.~~ In addition to complying with a Business Inclusion and Development ("BID") goal of 25 percent for the TIF reimbursable improvements, Ricchi Dallas Investments, LLC 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 25 percent of total private expenditures, and meet all reporting requirements for each.
- ~~J.~~ ~~Ricchi Dallas Investments, LLC shall have the project managed by a management company acceptable to the Director of the Office of Economic Development, such approval not being unreasonably withheld.~~
- M. Ricchi Dallas Investments, LLC shall submit to the Director of the Office of Economic Development a quarterly status report for ongoing work on the 1600 Pacific project, as well as public improvements. Such status reports will be due once every three months after the Council approval date.

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 Manager is authorized to execute Supplemental Agreement No. 2 to the development agreement with Ricchi Dallas Investments, LLC, for the renovation of the building at 1600 Pacific Avenue.

Section 4. That all other terms and conditions as set forth in Resolution Nos. 10-2767, as amended, shall remain in full force and effect, except as specifically outlined in Sections 1 above.

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

MAY 22 2013


City Secretary