

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

WHEREAS, on June 26, 1996, City Council pursuant to Ordinance No. 22802, established Tax Increment Financing Reinvestment Zone Five (City Center TIF District) in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the City Center area through the use of tax increment financing as amended; and

WHEREAS, on February 12, 1997, City Council, pursuant to Ordinance No. 23034, authorized the City Center TIF District Project Plan and Reinvestment Zone Financing Plan for the City Center TIF District as amended; and

WHEREAS, on December 12, 2012, City Council, conducted a public hearing, received comments and approved amendments to the City Center TIF District Project and Reinvestment Zone Financing Plans and authorized Ordinance No. 12-3040 amending Ordinance No. 22802, previously approved on June 26, 1996, and an Ordinance No. 23034, previously approved February 12, 1997, to: (1) create two sub-districts within the City Center TIF District: (a) City Center Sub-district (original district boundary) and (b) Lamar Corridor/West End Sub-district; (2) increase the geographic area of the City Center TIF District to add approximately 27.14 acres to create the Lamar Corridor/West End Sub-district; (3) extend the current termination date of the City Center TIF District from December 31, 2012, to December 31, 2022, for the City Center Sub-district and establish a termination date for the Lamar Corridor/West End Sub-district of December 31, 2037; (4) decrease the percentage of tax increment contributed by the City of Dallas during the extended term of the TIF District and establish other taxing jurisdictions participation percentages; (5) increase the City Center TIF District's budget from \$87,567,717 total dollars to \$151,968,546 total dollars; and (6) make corresponding modifications to the City Center TIF District boundary, budget and Project and Reinvestment Zone Financing Plans; and

WHEREAS, on March 21, 2013, the City Center TIF District Board of Directors reviewed and recommended approval of a TIF Reimbursement for Alterra 211 N. Ervay, LLC in an amount not to exceed \$2,000,000, of which \$150,000 is in the form of an Economic Development TIF Grant, for eligible project costs associated with the 211 North Ervay redevelopment project; and

WHEREAS, on May 20, 2013, the Economic Development Committee was briefed and recommended approval of TIF funding for the 211 North Ervay redevelopment project in an amount not to exceed \$2,000,000; and

WHEREAS, in furtherance of the City Center TIF District Project Plan and Reinvestment Zone Financing Plan and to promote within the City Center TIF District: (1) development and diversification of the economy, (2) elimination of unemployment and underemployment, and (3) development and expansion of commerce, the City desires to provide economic incentives to the Alterra 211 N. Ervay, LLC, for the 211 North Ervay redevelopment project in the City Center Sub-district of the City Center TIF District as depicted in the project's Site Plan, Elevations Plan attached hereto as **Exhibits A, and B** respectively; and

WHEREAS, the expenditure of TIF funds supporting this development is consistent with promoting development and redevelopment of the City Center TIF District in accordance with the purposes for its creation, the City's revised Public/Private Partnership Guidelines and Criteria, the ordinance adopted by the City Council approving the Project and Financing Plan, as amended, and is for the purpose of making public improvements consistent with and described in the Project and Financing Plan, as amended, for the City Center TIF District.

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 with Alterra 211 N. Ervay, LLC and the City of Dallas for the 211 North Ervay redevelopment project and that future City Center TIF revenues in an amount not to exceed \$2,000,000 are hereby dedicated to TIF-eligible project costs associated with the 211 North Ervay redevelopment project, as shown in **Exhibit C** – TIF Budget – Eligible Project Costs. These costs include, but are not limited to design, engineering, professional services, environmental remediation and demolition, utilities, public infrastructure improvements and historic façade restoration for the 211 North Ervay redevelopment.

Section 2. That the City Controller is hereby authorized to encumber and disburse funds from future tax increments and subject to future appropriations from:

Fund 0035, Department ECO, Unit P799, Object 4599, Activity TCCN, Program No. CCTIF0007, CT ECOP799H226-01, Vendor No. VS0000078777, in an amount not to exceed \$50,000;

Fund 0035, Department ECO, Unit P799, Object 3072, Activity TCCN, Program No. CCTIF0007, CT ECOP799H226-02, Vendor No. VS0000078777, in an amount not to exceed \$1,150,000;

Section 2. (Continued)

Fund 0035, Department ECO, Unit P799, Object 3072, Activity TCCN, Program No. CCTIF0007, CT ECOP799H226-03, Vendor No. VS0000078777, in an amount not to exceed \$600,000;

Fund 0035, Department ECO, Unit P799, Object 3070, Activity TCCN, Program No. CCTIF0007, CT ECOP799H226-04, Vendor No. VS0000078777, in an amount not to exceed \$50,000;

Fund 0035, Department ECO, Unit P799, Object 3016, Activity TCCN, Program No. CCTIF0007, CT ECOP799H226-05, Vendor No. VS0000078777, in an amount not to exceed \$150,000; and

For a total not to exceed \$2,000,000.

Funds may be shifted among categories, except the TIF Grant line item, as long as the total TIF funding does not exceed \$2,000,000.

Section 3. That nothing in the resolution shall be construed to require the City to approve future dedications of City Center TIF revenues (the "TIF Subsidy") from any source of the City funds other than the City Center TIF District Fund. Any portion of the TIF Subsidy that remains unpaid due to lack or unavailability of City Center TIF District Funds shall no longer be considered project costs of the City Center TIF District or the City and the obligation of the City Center TIF District to pay the Owner shall automatically expire.

Section 4. 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. Minimum private investment of \$9,665,000 for the Project, including acquisition and construction and construction related soft costs.

The term "Invest" or "Investment" means the sum of all acquisition costs, construction costs (hard and soft) paid, payable or actually incurred by or on behalf of the Owner, with respect to the Property and the improvements thereon. Construction related soft costs include the following items: architecture and engineering, interior design, remediation and demolition. Carrying or other similar costs shall not be considered toward this definition of project investment. The owner must provide verification of all expenditures.

Section 4. (Continued)

- B. Redevelopment of the Project shall include:
1. Redevelopment of 197,000 square feet of space in the building:
 - i. Minimum 15,000 square feet of retail/commercial;
 - ii. Minimum 144,000 square feet of office/commercial space; and
 - iii. Adjustments to the square footage of development categories require approval of the Director and City Center TIF District Board of Directors ("TIF Board").
- C. Obtain a building and/or demolition permit and start construction and/or demolition for the Project by July 31, 2013.
- D. Complete environmental, interior demolition and façade restoration by December 31, 2013.
- E. Obtain a Certificate of Occupancy (CO) for the Project by July 31, 2014.
- F. Obtain final acceptance of public infrastructure improvements associated with the Project, as evidenced by the issuance of a Green Tag from the Public Works and Transportation Department by July 31, 2014 and submit documentation to the Office of Economic Development (the "OED").
- G. The Project shall not be eligible for subsequent TIF funding from the District.
- H. Execute an Operating and Maintenance agreement for public infrastructure improvements associated with the Project by July 31, 2014, for a period of 20 years.
- I. Prior to the TIF Board's consideration, review of the Project's design by the Urban Design Peer Review Panel (UDPRP), an independent group of design, engineering, and/or planning professionals selected by the Dallas City Manager, is required for all City Center TIF District projects. The UDPRP shall review and provide recommendations on the Project's design to the TIF Board for their consideration. The Project's design plans shall include:
1. A site plan showing the location of parcel boundaries clearly differentiating publically accessible space form private space;

Section 4. (Continued)

2. A pedestrian lighting plan for the 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;
 3. A sidewalk plan for the project. Sidewalks with high anticipated levels of pedestrian traffic shall be designed to accommodate the traffic. The sidewalks shall have a minimum 7 foot walking zone and a minimum 3 foot landscaping and lighting zone, where possible. Landscaping and pedestrian lights shall be placed in the area closest to the back of curb for the length of the sidewalk. The plan shall show the location and type of all landscaping materials;
 4. Elevations for all sides of the building visible from the public right of way, focusing on the ground floor;
 5. Valet plan indicating where the vehicular drop off will be located; and
 6. Signage plan for the building.
- J. Construction of Project improvements and building renovations shall be in general conformance with design plans approved by the City Center TIF Board of Directors and Dallas City Council.
- K. A minimum of 25% of the total net leasable square footage of non-residential space, with a minimum of at least 50% of ground floor space must be occupied prior to TIF Reimbursement.
- L. The Project shall be managed by a management company acceptable to the Director of the OED, such approval not being unreasonably withheld.
- M. Owner shall submit to the Director of the OED a quarterly status report for ongoing work on the project, as well as public improvements. Status reports will be due once every three months after the Council approval date.
- N. Owner shall make a good faith effort to (i) comply with the Business Inclusion and Development ("BID") goal of twenty-five percent (25%) Minority/Women-owned Business Enterprise (M/WBE) participation for TIF reimbursable improvements and (ii) achieve a goal of 25% certified M/WBE participation for total private improvement construction expenditures for the Project, and meet all reporting requirements for each.

- O. If necessary, the project deadline can be extended up to 6 months, subject to the Office of Economic Development Director's and City Center TIF District Board of Director's approval.

Section 5. That should Alterra 211 N. Ervay, LLC, not perform one or more of the contingencies listed above, the City Manager is authorized to terminate the development agreement and disallow the total TIF Subsidy up to an amount not to exceed \$2,000,000.

Section 6. 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.

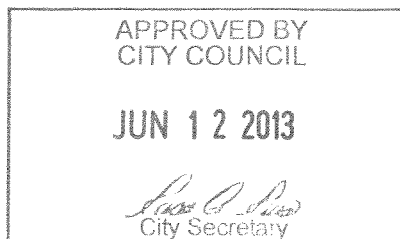
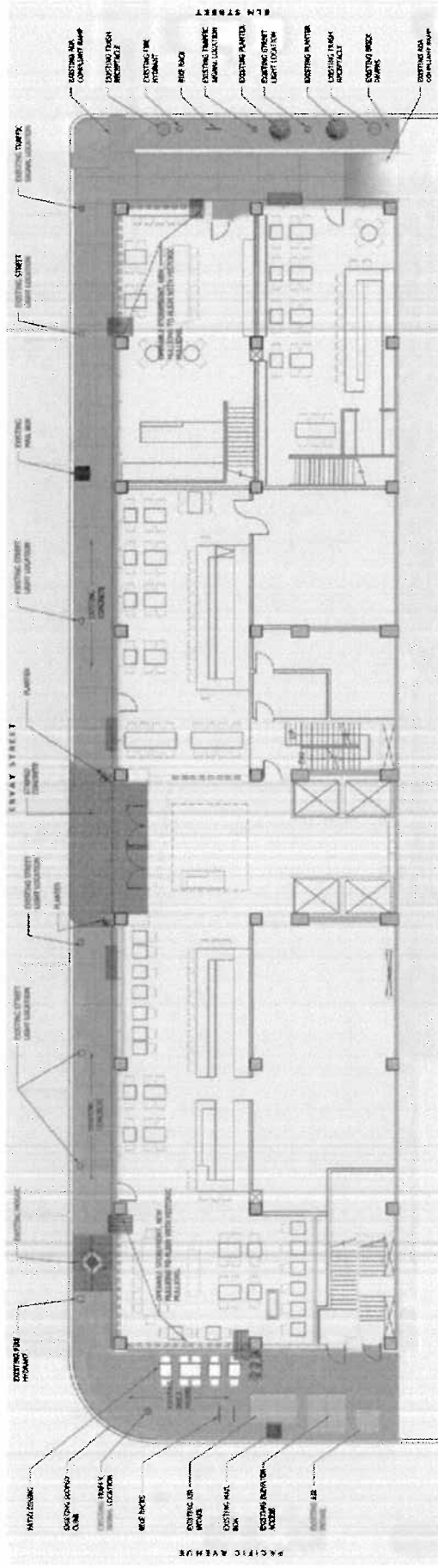
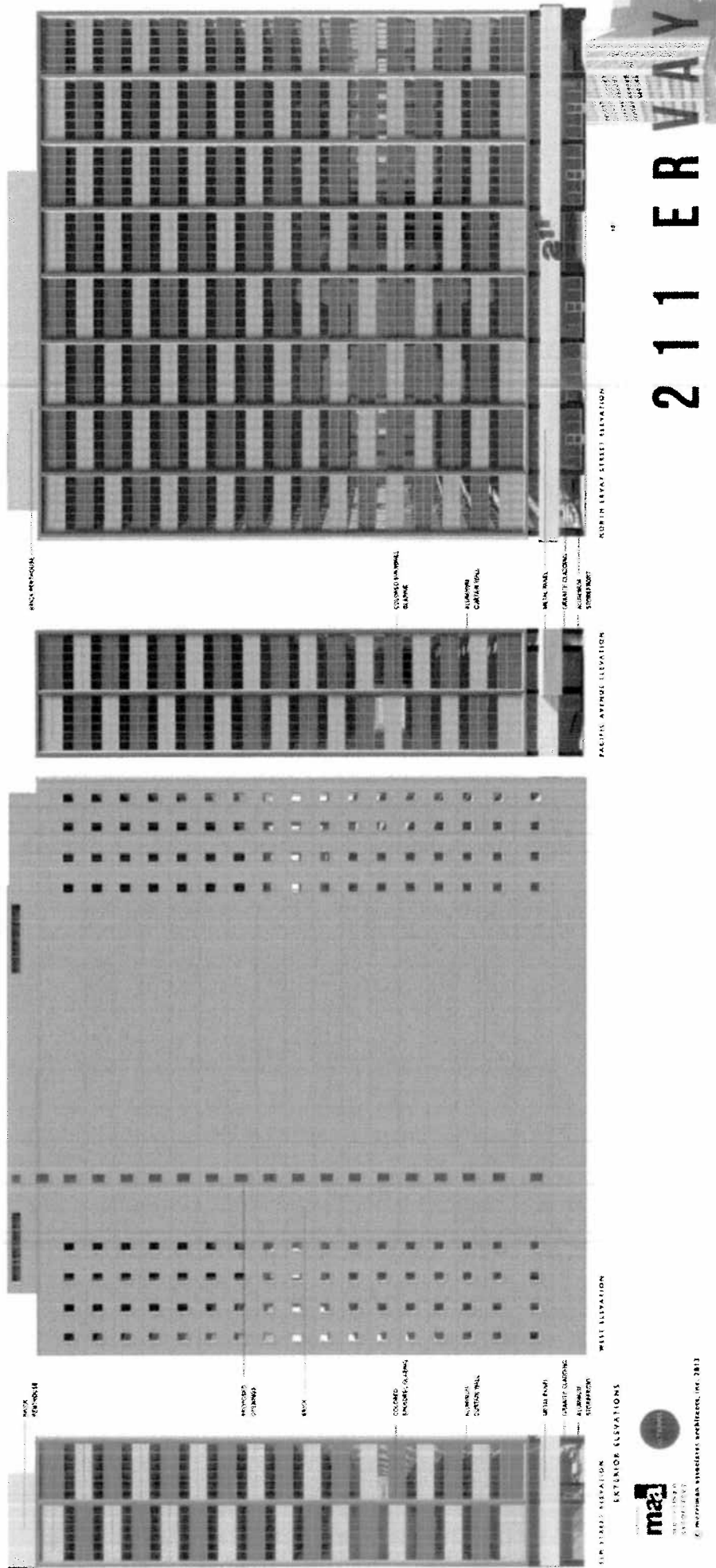


Exhibit A 211 North Ervay Redevelopment Project – Site/Landscape Plan



211 ERVAY

Exhibit B 211 North Ervay Redevelopment Project - Elevations



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Exhibit C
211 North Ervay Redevelopment Project – TIF Budget

TIF Budget - 211 N. Ervay Redevelopment Project	
Public Infrastructure Improvements	
<i>Streetscape Improvements</i>	\$50,000
Redevelopment/Development Projects	
<i>Environmental Abatement/Demolition</i>	\$1,150,000
<i>Façade Restoration</i>	\$600,000
<i>Engineering</i>	\$50,000
<i>TIF Grant</i>	\$150,000
Total Proposed TIF Funding	\$2,000,000

The budget shown above outlines anticipated TIF reimbursements for the 211 North Ervay redevelopment project. These reimbursements will be based on actual expenditures and may be shifted amongst the Redevelopment/Development Projects and Public Infrastructure Improvements budget line items as long as the TIF Grant portion of the reimbursement does not exceed \$150,000 and the total principal TIF funding does not exceed \$2,000,000. No interest shall accrue on any portion of the TIF reimbursement.

The amended City Center TIF District Project Plan allows for Economic Development TIF grants to offset development costs of projects that promote economic development objectives in the District.

Note: The amounts listed above may include engineering, construction, design, construction management, and contingency estimates. Construction management is solely intended to cover fees paid to an outside consultant or third party who confirms the quality of the work. Construction management fees must be invoiced with a detailed description of work performed.