

October 23, 2013

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

WHEREAS, on June 23, 2010, the City Council elected to continue its participation in economic development grants pursuant to Chapter 380 of the Texas Local Government Code by Resolution No. 10-1721, as amended; and

WHEREAS, KRR Construction, LTD., wishes to partner with the City of Dallas to develop the property located at 3540 and 3546 Simpson Stuart Road in Dallas to commercial and retail uses to include a full service grocery store; and

WHEREAS, the acquisition and redevelopment of the Properties will further the City's goals for development in the southern Dallas.

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 authorized to execute a Chapter 380 Economic Development Grant pursuant to the Texas Local Government Code in the amount of \$1,500,000 to KRR Construction, LTD., for the acquisition and redevelopment of improved property located at 3540 Simpson Stuart Road and unimproved property located at 3546 Simpson Stuart Road in Dallas, including associated closing costs, pre development, relocation, environmental, and demolition costs.

Section 2. That the other terms of the grant shall include:

- (a) A commitment to operate a grocery store from an operator acceptable to the City of Dallas.
- (b) Three (3) years from the date of the first advance under the Grant Agreement, the Grantee must complete redevelopment of the acquired properties. Demolition must be completed within one year from the date of the first advance under the Grant Agreement.
- (c) If the Grantee fails to complete redevelopment within the three year period, the City of Dallas has the option to require the Grantee to convey to the City of Dallas Fee simple title to the properties acquired with funds under the loan, free of any liens or encumbrances not acceptable to the City or the cash equivalent.

Section 2. (Continued)

- (d) Grantee shall obtain approval from the City for permitted uses of the property. "Permitted uses" includes those uses that are permitted under the Dallas Development Code on the property, but in no event may they include any use that requires a sexually oriented business license under Chapter 41A of the Dallas City Code, or a liquor store, a pawn shop, a body piercing studio, or a tattoo studio as those terms are defined by the Dallas Development Code.
- (e) As a certificate of occupancy has been obtained for a constructed structure or project on the property and a grocer acceptable to the city has committed to operate a full service grocery, Grantee will be released from any obligation corresponding with grant proceeds advanced.
- (f) Deed Restrictions to prevent property sale or transfer of ownership without consent and the approval of the City.
- (g) Development grant is subject to final execution of purchase agreement between buyer and sellers, also approved by the City, no later than November 15, 2013.

Section 3. That the grant will be forgiven if development of sites purchased is completed within three years from the date of the first advance under the Grant Agreement and certificate of occupancy is issued Time may be extended by the Director of City of Dallas Office of Economic Development.

Section 4. That the Controller is hereby authorized to encumber and disburse funds in accordance with the terms and conditions of the contracts as follows:

Fund: 2T52, Unit: T808, Department: ECO, Object Code: 3016, Activity INFS, Encumbrance No. ECOT808A241, Vendor No. VC0000011993, in an amount not to exceed \$1,500,000.

Section 5. That nothing in this resolution shall be construed as a binding contract or agreement upon the City, that it is subject to available funding, and there will be no liability or obligation on the City until final contract documents are approved, executed and final closing completed.

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.

