

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

WHEREAS, on June 13, 2012, the City Council elected to continue its participation in tax abatement and the Public/Private Partnership Program Guidelines and Criteria governing tax abatement agreements to be entered by the City as required by the Property Redevelopment and Tax Abatement Act, as amended, V.T.C.A. Tax Code, Chapter 312 (the "Act") by Resolution No. 12-1520 and as amended by Resolution No. 13-0728; and

WHEREAS, on April 23, 2014, City Council authorized Resolution No. 14-0688 to authorize a Chapter 380 economic development grant agreement pursuant to the Public/Private Partnership Program with Frazier Revitalization, Inc., or Hatcher at Scyene Title Holding Company (collectively, "FRI"), in an amount up to \$2,000,000 associated with the development of a medical facility to be constructed at 4600 Scyene Road ("Project"); and

WHEREAS, the City now desires to authorize an amendment to Resolution No. 14-0688, to establish additional flexibility as to how the previously authorized \$2 million may be advanced, structured, and disbursed to ensure compatibility with the other components of project financing.

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 make further amendments to Resolution No. 14-0688, authorizing the Chapter 380 Grant Agreement with Frazier Revitalization, Inc. and/or Hatcher at Scyene Title Holding Company (collectively "FRI") to allow for flexible structuring of the city's \$2 million grant payment and to incorporate the following:

Strike section 1 (a) which currently reads:

That the actual amount and payment of the grant shall not exceed \$2,000,000 and shall serve as gap financing for the Parkland Medical Clinic. Funds will be used for development of a medical clinic. Funds will be payable at financial closing, but will be disbursed pari passu through the construction disbursement process. Of this \$2,000,000, up to \$1.2 million shall be available on a reimbursement basis to offset development costs provided that the following conditions are met: (1) an executed term sheet is in place for the senior debt; (2) an executed term sheet is in place for the NMTC funding; and (3) an executed lease is in place between FRI and Parkland.

Section 1. (Continued)

And replace it with a new Section 1 (a) to read:

That the actual combined amount of the grant and loan shall not exceed \$2,000,000 and shall serve as gap financing for the Parkland Medical Clinic. Funds will be used for expenses related to development of a medical clinic including, but not limited to, acquisition of land for future project phases, payment of developer fees, and establishment of reserve accounts as required by the Senior Lender to secure FRI's various obligations under the Senior Loan and NMTC transaction documents.

The funds will be used as follows: (1) granted or loaned to FRI or Hatcher at Scyene Title Holding Company; (2) \$1 million of Public/Private Partnership funds will be paid at financial close to either FRI or Hatcher at Scyene Title Holding Company to be deposited into a NMTC Lender controlled account to be used to secure FRI and Hatcher at Scyene Title Holding Company's collective construction completion guaranty through construction completion at which point any remaining funds will be used to secure other obligations of FRI and Hatcher at Scyene Title Holding Company to the NMTC Lender and NMTC Investor (through the payment of \$1 million of developer fee to FRI if the funds were originally paid to Hatcher at Scyene Title Holding Company at financial close and not paid directly to FRI) (3) up to \$430,000 will be payable to FRI at NMTC closing as a developer fee; (4) An additional \$170k of Public/Private Partnership funds can be used for developer fee payable to FRI at project completion; (5) The remaining portion of the Public/Private Partnership funds (approximately \$400,000) will be advanced at closing into an account subject to NMTC lender control and funded pari-passu with NMTC loan proceeds to cover standard project costs other than developer fee.

The City will advance all Public/Private Partnership funds at closing into one or more designated accounts that are subject to lender control to be used for the purposes described above.

Subject to reasonable approval by the project's senior lender, FRI and/or Hatcher at Scyene Title Holding Company may be obligated to repay the \$1 million in Public/Private Partnership funds used to secure the senior loan. Such repayment obligation, if any, will be an unsecured obligation deeply subordinated to the senior lender's loan. If portions of the \$1 million have been used to support FRI obligations to lenders (e.g. completion, compliance, ensuring successful senior loan refinance and repayment of senior loan), these portions would not be due and payable; the repayment requirement would only apply to the portions not used.

Section 1. (Continued)

Prior to financial closing, up to \$1.2 million shall be available on a reimbursement basis to offset development costs other than developer fees provided that the following conditions are met: (1) an executed term sheet is in place for the senior debt; (2) an executed term sheet is in place for the NMTC funding; and (3) an executed lease is in place between FRI and Parkland. These funds will be eligible for reimbursement at NMTC closing from NMTC loan proceeds; the proceeds of such reimbursement will be usable as a Public/Private Partnership funding source so that up to \$2 million in aggregate, including reimbursement proceeds and any additional Public/Private Partnership funding newly advanced at NMTC closing can be made available for grant and loan purposes as outlined above.

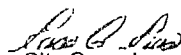
Section 2. That the remaining terms of the loan agreement and the original authorizing agreement shall remain in full force and effect except as amended herein.

Section 3. That after the seven year NMTC compliance period, the City Controller is authorized to accept and deposit loan or grant funds used as a reserve for the project in an amount of up to \$1,000,000 in Fund 0352, Department ECO, Unit 9992, Revenue Source 8488.

Section 4. 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

JUN 25 2014


City Secretary