

October 14, 2015

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 August 13, 2015, the City Center TIF District Board of Directors reviewed and recommended approval of a development agreement with WC 717 N Harwood Property, LLC and TIF funding for the redevelopment of the building at 717 North Harwood Street in an amount not to exceed \$1,650,000, to reimburse eligible project costs; and

WHEREAS, on September 21, 2015, the Economic Development Committee reviewed a briefing and recommended approval of TIF funding for the 717 N. Harwood Redevelopment Project in an amount not to exceed \$1,650,000; and

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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 WC 717 N Harwood Property, LLC, for the 717 N. Harwood Redevelopment Project in the City Center Sub-district of the City Center TIF District as depicted in the project's renderings and elevations attached hereto as **Exhibit A1-A11**; and

WHEREAS, the expenditure of TIF funds supporting this redevelopment project 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 WC 717 N Harwood Property, LLC and the City of Dallas for the 717 N. Harwood Redevelopment Project and that future City Center TIF revenues in an amount not to exceed \$1,650,000, of which a portion is in the form of an Economic Development TIF Grant, is hereby dedicated to TIF reimbursable project costs associated with the 717 N. Harwood Redevelopment Project, as shown in **Exhibit B** – TIF Budget. TIF reimbursable project costs include, but are not limited to, environmental remediation and demolition, street and utility improvements, public infrastructure improvements and façade restoration.

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

Fund 0035, Department ECO, Unit W029, Object 4510, Activity TCCN, Program No. CCTIF0013, CT ECOW029L252-01, Vendor No. VC14060, in an amount not to exceed \$713,643

Fund 0035, Department ECO, Unit W029, Object 3072, Activity TCCN, Program No. CCTIF0013, CT ECOW029L252-02, Vendor No. VC14060, in an amount not to exceed \$936,357

Total amount not to exceed \$1,650,000

Section 3. That nothing in this 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 \$25,000,000 for the Project (acquisition, 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 Project and the improvements thereon. Construction related soft costs include the following items: architecture and engineering, interior design, construction management (if services are provided by an independent third party other than the developer). Carrying or other similar costs shall not be considered toward this definition of project investment. The owner must provide verification of all expenditures.

- B. Redevelopment of the Project shall include:
- a. Minimum \$20,000,000 investment in building improvements, including but not limited to building mechanical, electrical, plumbing and life safety systems, environmental remediation, façade improvements, interior and exterior demolition, tenant improvement costs and design and engineering fees
 - b. Minimum 7,000 square feet of newly converted ground floor retail/restaurant space
 - c. Renovation of at least 400,000 square feet of office space, and
 - d. Streetscape improvements
- C. Obtain a building and/or demolition permit from the City and start construction for the Project by December 31, 2015;
- D. Obtain a Certificate of Occupancy (CO) for a minimum of 300,000 square feet of rentable office space by July 31, 2016;

October 14, 2015**Section 4.** (Continued)

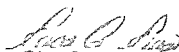
- E. Obtain final acceptance of public infrastructure improvements associated with the Project, as evidenced by the issuance of a Green Tag from the Public Works Department by July 31, 2016, and submit documentation to the Office of Economic Development (the "OED");
- F. Execute an Operating and Maintenance agreement for public infrastructure improvements associated with the Project by June 31, 2016, for a period of 20 years;
- G. A minimum of 50% of the newly converted ground floor retail/restaurant space must be occupied prior to TIF Reimbursement and shall not permanently discontinue or close at any time during the TIF reimbursement payment period;
- H. Owner shall construct public and private improvements (Project) that substantially conform in design and materials to images and site plans approved by the City Center TIF Board of Directors, the Dallas City Design Studio and Dallas City Council as shown in **Exhibit A1-A11** - site plan, preliminary conceptual renderings, and building materials unless modifications are approved by the Director;
- I. 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;
- J. 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; and
- K. If necessary, the project deadline can be extended up to 6 months, subject to the Office of Economic Development Director and City Center TIF District Board of Director's approval.

Section 5. That should WC 717 N Harwood Property, 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 \$1,650,000.

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.

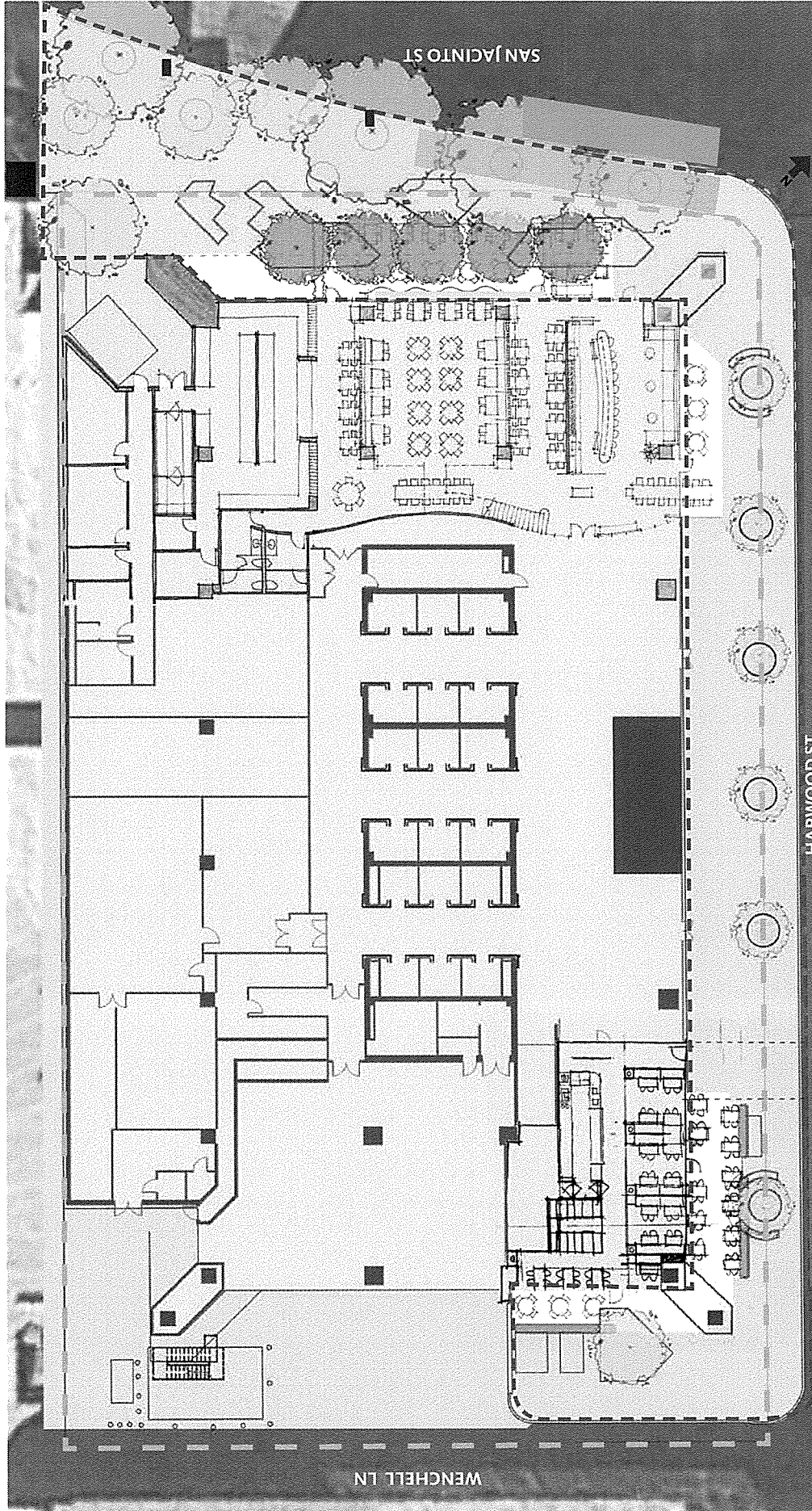
APPROVED BY
CITY COUNCIL

OCT 14 2015

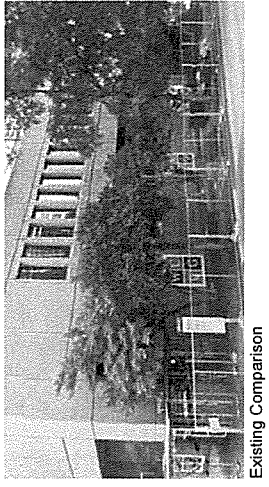

City Secretary

[Exhibit A-1] rendered site plan

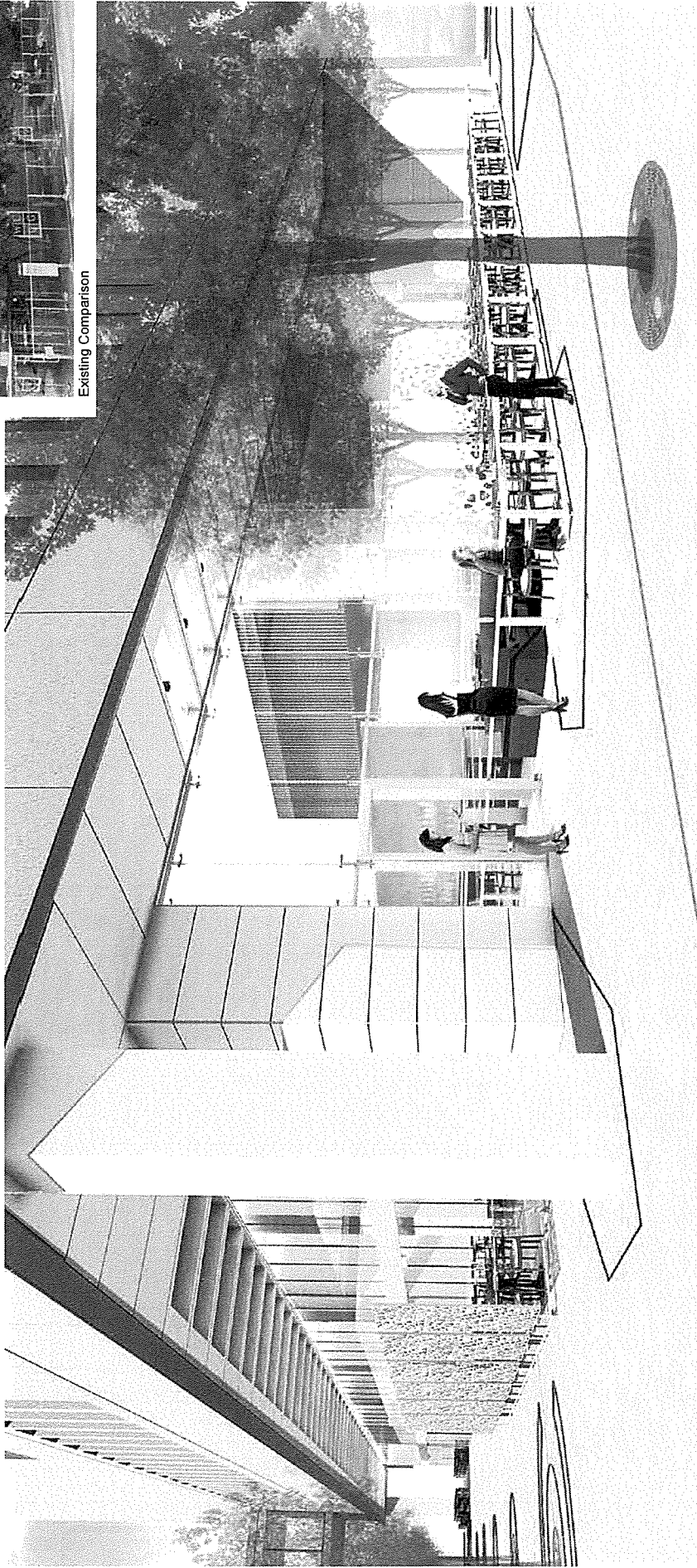
- EXISTING PARKING LANE
- EXISTING BIKE RACKS
- EXTENT OF NEW PAVING
- PREVIOUS BUS STOP
- EXISTING PARKING METERS
- EXISTING VEGETATION
- NEW VEGETATION
- SCREENING ELEMENT
- PROPERTY LINE
- DEMOLITION
- PROPOSED EVENING VALET



[Exhibit A-2] color renderings



PROPERTY LINE
DEMOLITION



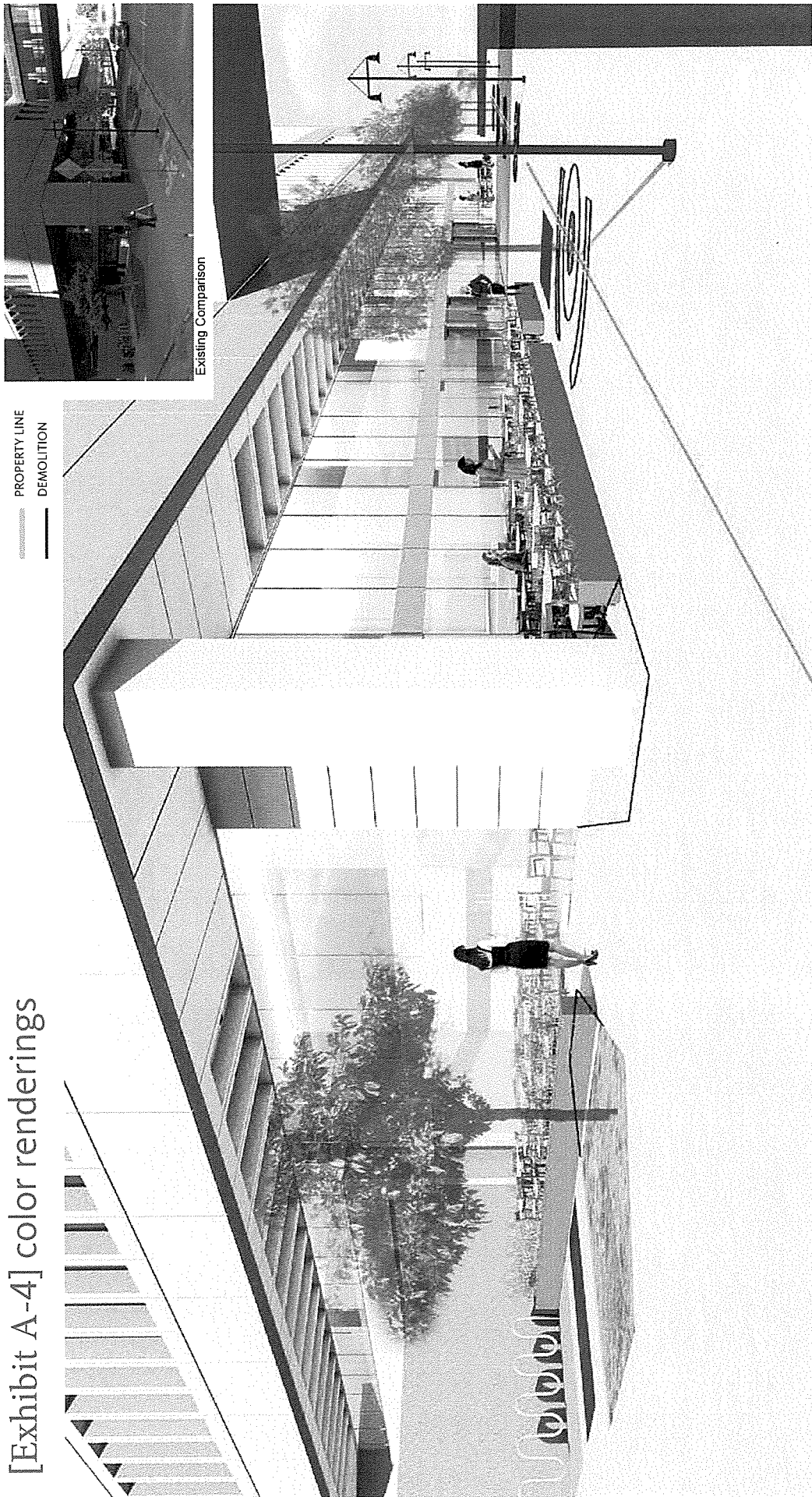
Restaurant: Daytime Rendering

[Exhibit A-3] color renderings



Restaurant: Evening Rendering

[Exhibit A-4] color renderings



Dell from Harwood

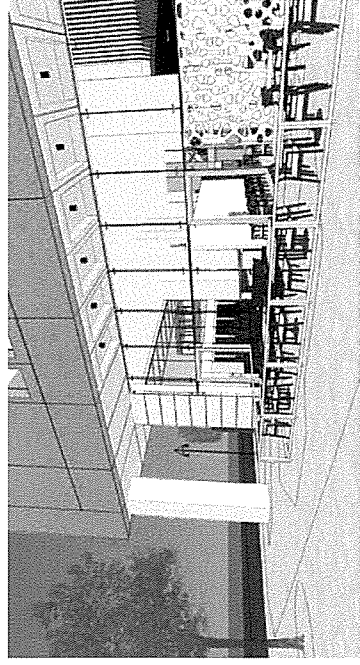
[Exhibit A-5] color renderings_ new portal views



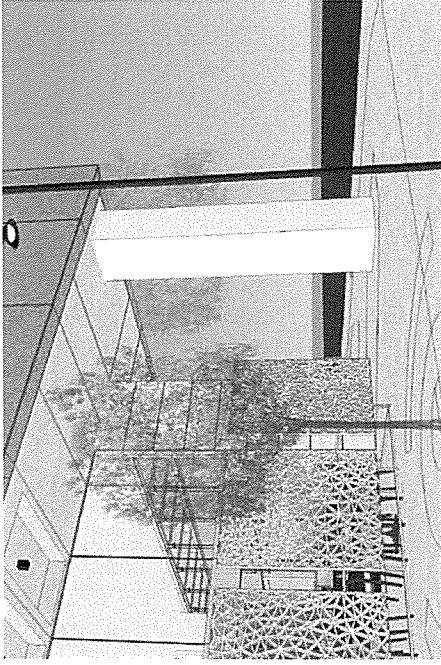
W1 - Wenchell North



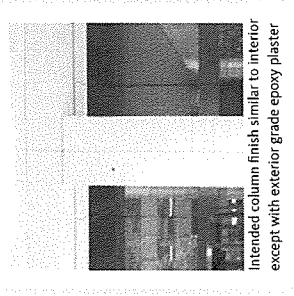
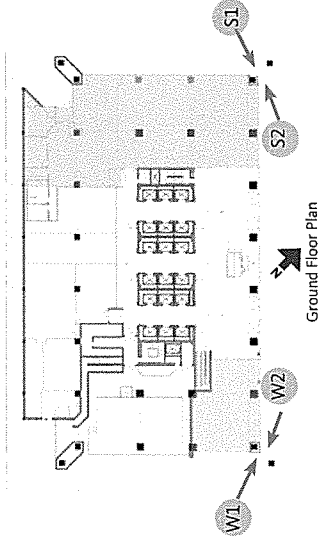
W2 - Wenchell South



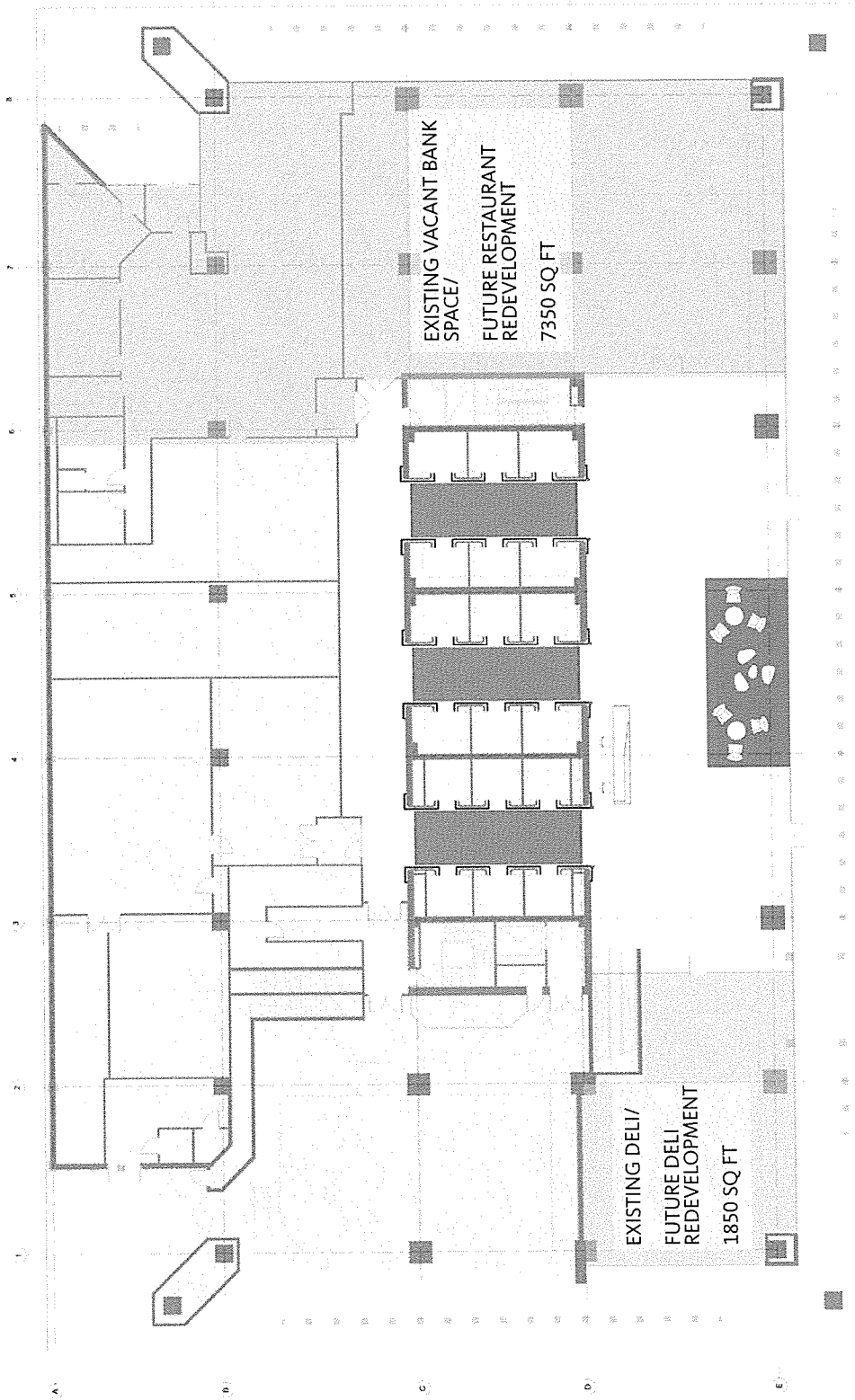
S1 - San Jacinto East



S2 - San Jacinto West






[Exhibit A -6] ground floor plan

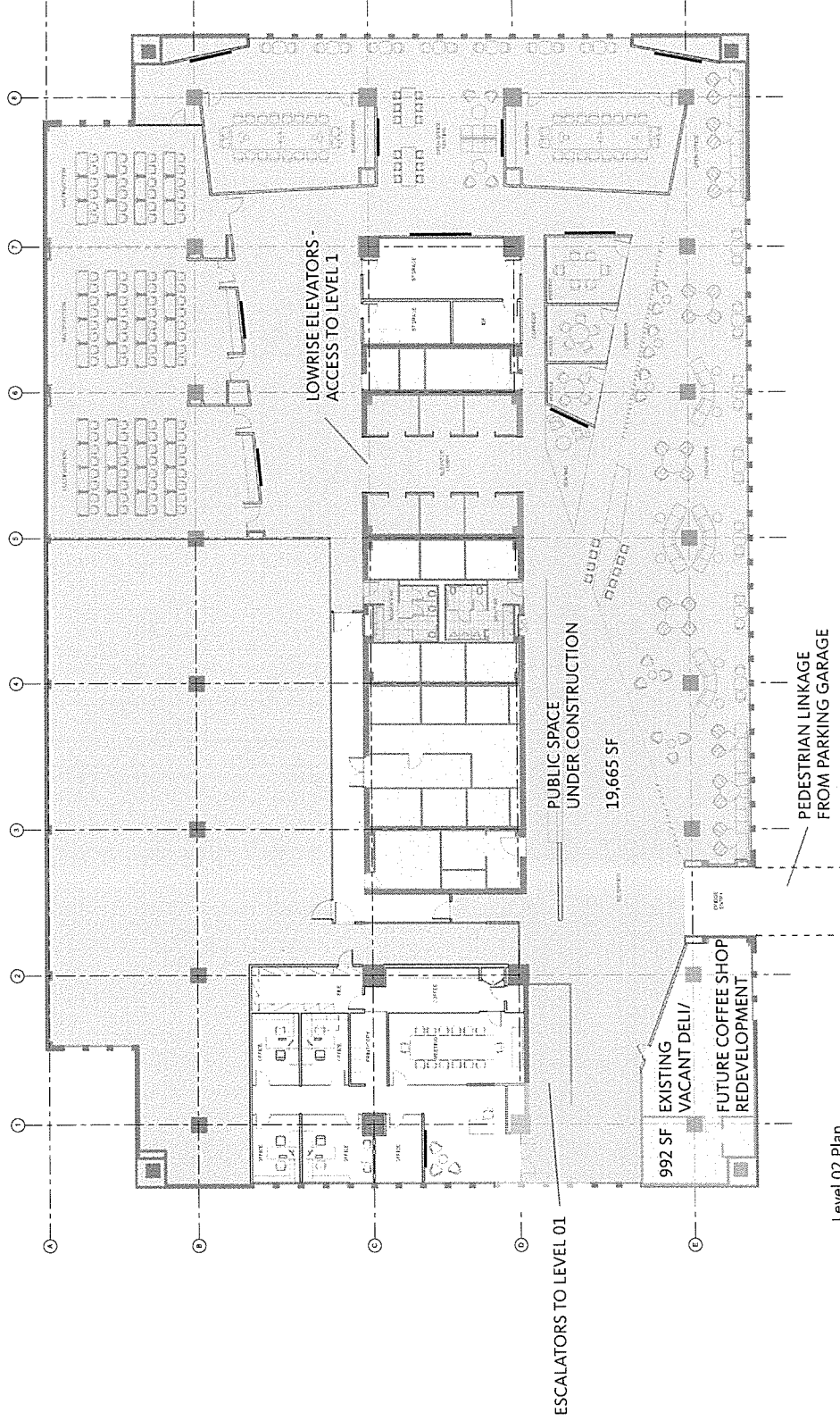


Ground Floor Finish Plan



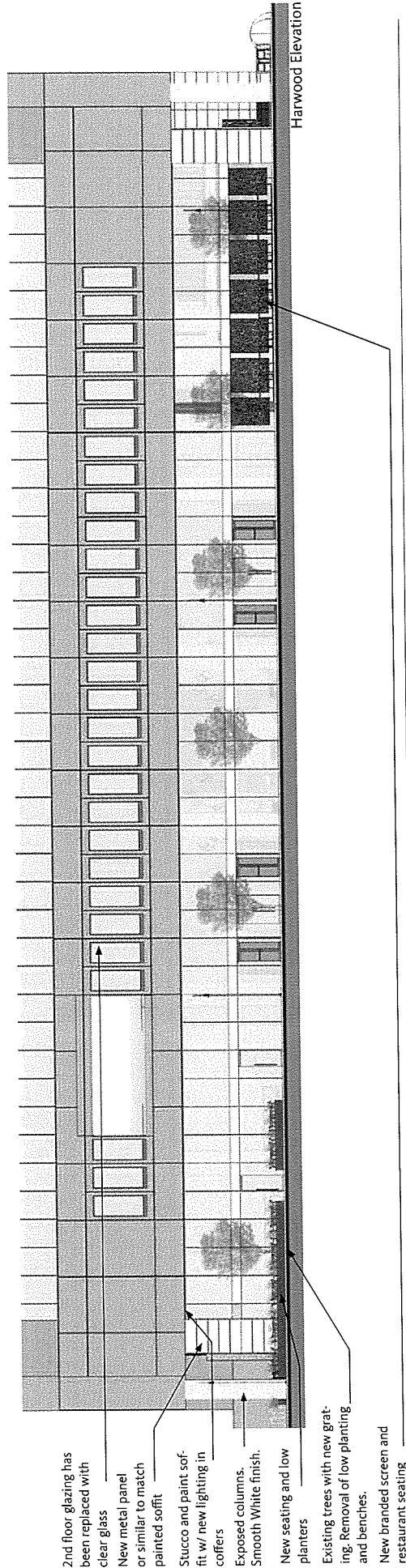
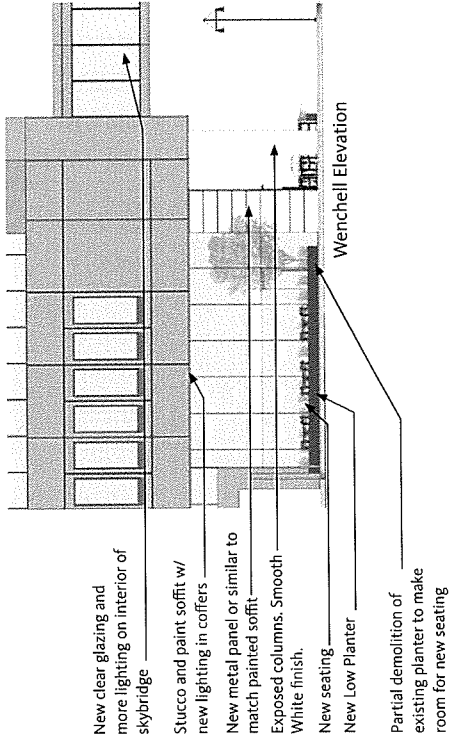
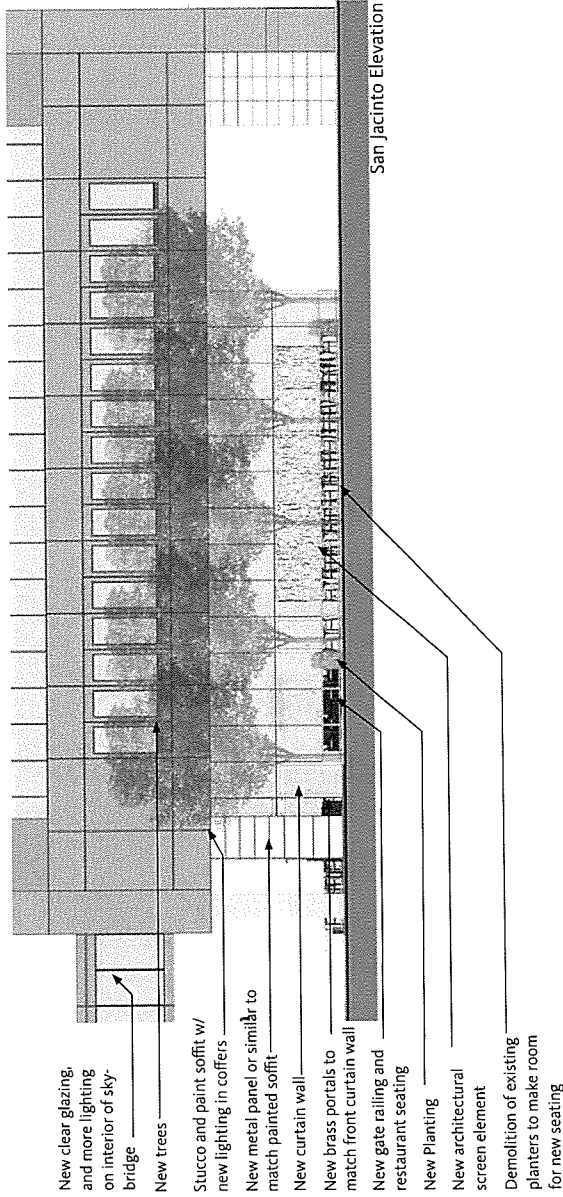
[Exhibit A-7] level 02 plan

 UNDER CONSTRUCTION
 FUTURE DEVELOPMENT
 ROTATING ART INSTALLATIONS



Level 02 Plan

[Exhibit A-8] building elevations



151892

Gensler

717 N Harwood Dallas, TX | August 2015 | 15

[Exhibit A-9] project description

717 North Harwood is a 34 story, 844,326 square foot office tower located in the City Center TIF District of downtown Dallas.

Overview:

After years of poor maintenance and low occupancy levels, the office tower formerly known as KPMG Centre was foreclosed upon in June of 2012 and subsequently acquired by World Class Capital Group in March of 2014. The interior and exterior street-level improvements included herein are part of a broader capital investment aimed at restoring 717 N. Harwood to prominence with a program designed to acquire high-quality tenants, therefore accelerating the revitalization of downtown Dallas. The partially occupied building is immediately adjacent to the Arts District with close proximity to the city's DART rail and bus lines, as well as the recent expansion of the M-Line Trolley.

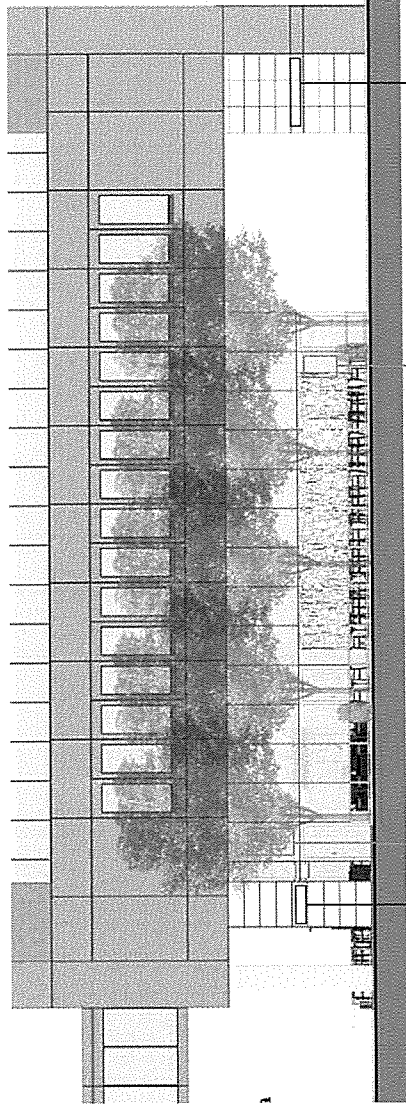
Lobby Upgrades & New Restaurant Space:

The existing ground floor is cosmetically and functionally outdated. Cosmetically, we plan to remove existing furniture and finishes and replace them with modern materials equivalent to those found in newly constructed class AA buildings. Functionally, we intend to redevelop the vacant bank space on the West end of the ground floor into a high-end Restaurant with outdoor seating. Similarly, on the East end of the ground floor, we plan to update and completely rebrand the existing Deli space to cater to a lunch crowd looking for fresh, healthy menu options. Finally, our plans include opening up the second floor to the public by way of the pedestrian skybridge that connects the second floor to the Bryan Tower parking garage located across Harwood Street. The second floor will include extensive public office and meeting space, and several art installations designed to rotate on a schedule coordinated with local vendors from the neighboring Arts District.

Building Exterior and Landscaping:

The exterior of 717 N. Harwood at the street-level requires significant updates to create a vibrant and welcoming presence necessary to maintain a vibrant streetscape. Plans include replacing the existing reflective glass with a clear glazing system to provide retail and common areas with enhanced visibility to pedestrian and street traffic. The clear glazing system will help to illuminate the exterior at night, creating an enhanced sense of activity and safety. The heavy aggregate is being refinished with light plaster on the soffits and metal panel on the angled columns for a modern aesthetic. Additionally, the East and West ends of the ground floor have been redesigned to include outdoor seating and improved pedestrian thoroughfares. The landscaping is being redeveloped to enhance visual and pedestrian connections into and across the site, replacing obstructive bench seating and low planting with pedestrian-friendly tree grates. Berms are being removed to make way for outdoor seating and a greater flow through the site, improving neighborhood connectivity. Another key upgrade includes branding elements and signage designed to attract visitors into the building for the various amenities. Collectively, these capital improvements aim to improve the visitor experience and viability of new tenants.

[Exhibit A-10] additional materials - signage

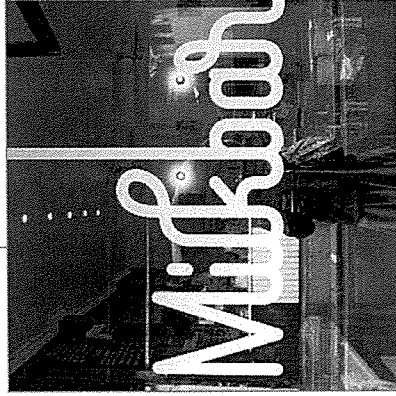


Building Identification

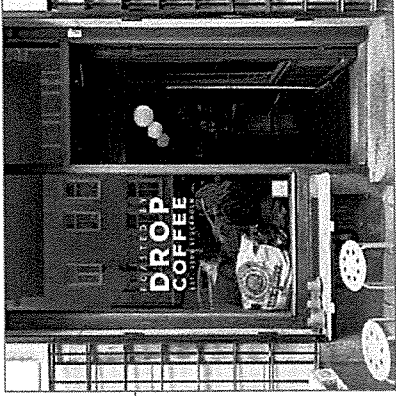
Building Identification



Restaurant Name / Identification



Restaurant Name / Identification



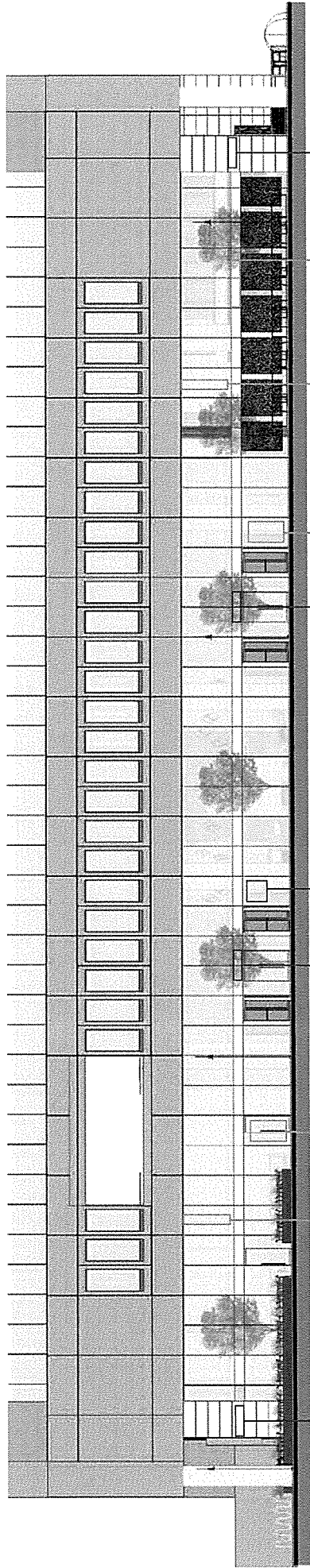
San Jacinto Signage



Gensler

717 N Harwood Dallas, TX | August 2015 | 17

[Exhibit A-11] additional materials - signage



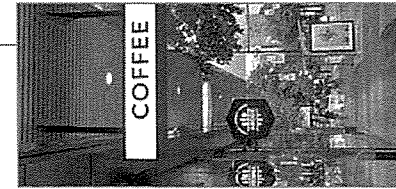
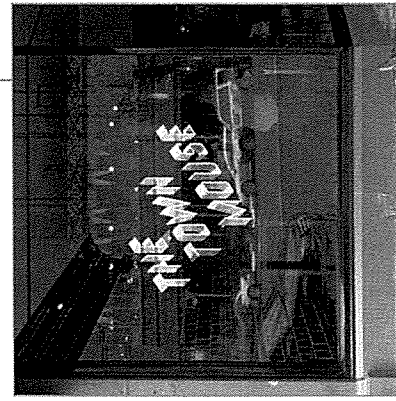
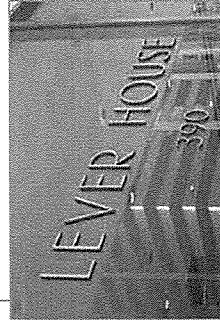
Building Identification

Address

Building Identification

Address

Building Identification



Restaurant Name / Identification

Restaurant Name / Identification

Deli Name / Identification

Harwood Signage

EXHIBIT B – 717 N. HARWOOD TIF BUDGET

The total amount of the TIF reimbursement shall not exceed \$1,650,000 to support renovation of the building's ground floor commercial space and streetscape improvements. Actual TIF, including Economic Development TIF Grant, amount will be based on actual expenditures for each line item in the reimbursement budget below.

Description	Amount
Public Infrastructure Improvements <i>Streetscape improvements, Landscaping, Lighting, Signage, Design and Engineering, Contingency Costs (5%)</i>	\$713,643
Grant for Redevelopment/Development Projects <i>Environmental Remediation, Interior & Exterior Demolition, Façade Improvements, Storefront Improvements, Design and Engineering, Contingency Costs (5%)</i>	\$936,357
Total TIF Funding Recommended	\$1,650,000