

December 12, 2018

WHEREAS, on October 22, 2003, City Council authorized amending the City Center TIF District Project Plan and Reinvestment Zone Financing Plan to release \$12,500,000.00 in City Center TIF District funds to create a loan and grant program to encourage the provision of public, short-term parking in the downtown core area and to provide financial incentives for new retail endeavors in the downtown core by Resolution No. 03-2883; Ordinance No. 25426; and

WHEREAS, on October 22, 2003, City Council authorized the establishment of the City of Dallas Main Street District Initiative Loan and Grant Program pursuant to Chapter 380 of the Texas Local Government Code by Resolution No. 03-2884; and

WHEREAS, on October 13, 2004, City Council authorized a loan agreement with DLD Properties, LTD (Brian Bergersen) in compliance with the City of Dallas Main Street District Initiative Loan and Grant Program (deployed pursuant to Chapter 380 of the Texas Local Government Code), in an amount not to exceed \$8,500,000.00, for the construction of a \$23 million mixed-use development (the "Project") with 370 short-term, low-cost public parking spaces located at 1407 Main Street by Resolution No. 04-2967; and

WHEREAS, \$8,500,000.00 was provided in the form of a no-interest loan in which the City would be repaid \$6,375,000.00 and Dallas County would be repaid \$2,125,000.00 ten years from the Project's Certificate of Occupancy (CO) date; and

WHEREAS, on October 12, 2005, City Council authorized an amendment to the construction loan documents with DCAR Properties, Ltd. (an affiliated entity created by Brian Bergersen for the Project) to accept pre-payment and reduce the City's portion of the loan in the amount of \$1,800,000.00, from \$6,700,000.00 to \$4,575,000.00, along with other minor modifications to the project terms by Resolution No. 05-2957; and

WHEREAS, on October 12, 2005, City Council authorized the pre-payment to be used as a \$1,800,000.00 grant for the redevelopment of the adjacent 1414 Elm Street building, by Resolution No. 05-2958; and

WHEREAS, City Council acknowledges that \$1,800,000.00 of the loan was used as a grant for 1414 Elm Street, and, therefore, the City did not receive or deposit the \$1,800,000.00 loan pre-payment; and

WHEREAS, Resolution Nos. 05-2957 and 05-2958 specified that the City's portion of the loan would be repaid to the City and provided that Dallas County's loan repayment would be paid to the City and subsequently disbursed to the County on a pro-rata basis; and

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WHEREAS, pursuant to Resolution No. 05-2959, authorized on October 12, 2005, the City of Dallas executed an amendment to the Interlocal Agreement (ILA) with Dallas County to document the County's portion of the loan repayment from the developer in the amount of \$2,125,000.00 (the initial ILA described the repayment to the two jurisdictions as percentages and therefore an amended ILA was executed to establish new percentages based on the City's loan repayment reduction); and

WHEREAS, the 1407 Main Street CO date was August 8, 2008 and the terms of the construction loan and all conditions of the ten-year low-cost, public parking spaces have been met; and

WHEREAS, on May 9, 2018, City Council adopted the Dallas Comprehensive Housing Policy (the "Policy") to create and maintain affordable housing throughout Dallas; promote greater fair housing choices; and overcome patterns of segregation and concentrations of poverty through incentives and requirements by Resolution No. 18-0704; and

WHEREAS, the Policy calls for the establishment of a Dallas Housing Trust Fund (the "DHTF") to support the production goals of the Policy; and

WHEREAS, the Policy states that a portion of the DHTF should be sought from a one-time transfer of a minimum of \$7 million in unencumbered fund balances from high-performing Tax Increment Financing Districts; and

WHEREAS, the City's portion of the loan repayment, in the amount of \$4,575,000.00, has been recommended to help capitalize the DHTF.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the Chief Financial Officer is hereby authorized to receive and deposit the loan repayment of \$6,700,000.00 from DCAR Properties, Ltd. into the Public/Private Partnership Fund, Fund 0352, Department ECO, Unit P151, Revenue Code 847G.

SECTION 2. That the City Manager is hereby authorized to release the associated lien on 1407 Main Street upon receipt and deposit of the \$6,700,000.00 loan repayment.

SECTION 3. That the City Manager is hereby authorized to increase appropriations by \$6,700,000.00 in the Public/Private Partnership Fund, Fund 0352, Department ECO, Unit P151, Object 3690.

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SECTION 4. That the Chief Financial Officer is hereby authorized to reduce the receivable balance in Fund 0352, Balance Sheet Account 023D by \$6,700,000.00 upon confirmation the loan repayment funds have been received from DCAR Properties, Ltd. and that said funds are in the City's possession in accordance with all terms of the loan documents and as set forth in Resolution Nos. 04-2967, 05-2957, 05-2958 and 05-2959.

SECTION 5. That the Chief Financial Officer is hereby authorized to transfer an amount not to exceed \$4,575,000.00 to the Dallas Housing Trust Fund from the Public/Private Partnership Fund, Fund 0352, Department ECO, Unit P151, Object 3690.

SECTION 6. That the City Manager is hereby authorized to increase appropriations by \$4,575,000.00 in the Dallas Housing Trust Fund, Fund 9P16, Department ECO, Unit 1870, various Object Codes.

SECTION 7. That the Chief Financial Officer is hereby authorized to receive and deposit funds transferred from the Pubic Private Partnership fund in SECTION 5 to the Dallas Housing Trust Fund, Fund 9P16, Department ECO, Unit 1870, Revenue Code 9201.

SECTION 8. That the Chief Financial Officer is hereby authorized to disburse funds from the Dallas Housing Trust Fund, Fund 9P16, Department ECO, Unit 1870, various Object Codes.

SECTION 9. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$2,125,000.00 to Dallas County from the Public/Private Partnership Fund, Fund 0352, Department ECO, Balance Sheet Liability Account 0760, Vendor 014003.

SECTION 10. 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

DEC 12 2018


CITY SECRETARY