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

WHEREAS, pursuant to Resolution No. 16-1984, approved by the City Council on December 14, 2016, the City: (1) elected to continue its participation in economic development incentives and re-adopted its Public/Private Partnership Program - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects, (2) established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code ("Economic Development Act"), and (3) established appropriate guidelines and criteria governing tax abatement agreements to be entered into by City as required by the Property Redevelopment and Tax Abatement Act, as amended, (Texas Tax Code, Chapter 312) ("Tax Abatement Act"); and

WHEREAS, the proposed development complies with the City's Public/Private Partnership Program – Guidelines and Criteria; and

WHEREAS, the proposed development site is located in an existing Texas Enterprise Zone; and

WHEREAS, pursuant to Section 312.2011 of the Texas Tax Code, the Property Redevelopment and Tax Abatement Act provides that the designation of an area as an enterprise zone under the Texas Enterprise Zone Act constitutes designation of an area as a reinvestment zone without further hearing or other procedural requirements; and

WHEREAS, consistent with the authority granted under the Tax Abatement Act and the City's Public/Private Partnership Program - Guidelines and Criteria, staff recommends that the City to enter into a real property and business personal property tax abatement agreement and provide this incentive as a part of the City's ongoing program to promote local economic development and to stimulate business and commercial activity in the city; and

WHEREAS, the City desires to enter into a business personal property tax abatement agreement with HD Supply Facilities Maintenance, Ltd. or an affiliate thereof ("HD Supply") for added value to business personal property located on approximately 82 acres of property south of Interstate Highway 20, north of Camp Wisdom Road, and east of Mountain Creek Parkway in Dallas, Texas as further described by the map attached as **Exhibit A (Map)** and by the metes and bounds legal description attached as **Exhibit B (Metes and Bounds - Legal Description)**; and

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WHEREAS, the City desires to enter into a real property tax abatement agreement with First Industrial, L.P. or an affiliate thereof ("First Industrial") for added value to real property located on approximately 82 acres of property south of Interstate Highway 20, north of Camp Wisdom Road, and east of Mountain Creek Parkway in Dallas, Texas as further described by the map attached as **Exhibit A (Map)** and by the metes and bounds legal description attached as **Exhibit B (Metes and Bounds - Legal Description)**.

Now, Therefore,

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

SECTION 1. The facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the City Manager is hereby authorized to execute the following: **(1)** a business personal property tax abatement agreement with HD Supply for a period of five years in an amount equal to the City's ad valorem taxes assessed on 50 percent of the increased taxable value of HD Supply's business personal property improvements associated with the establishment of a new warehouse and office operation to be located on approximately 82 acres located south of Interstate Highway 20, north of Camp Wisdom Road, and east of Mountain Creek Parkway in Dallas, Texas; and **(2)** a real personal property tax abatement agreement with First Industrial based upon the following yearly schedule; 50 percent for years one through seven, 38 percent for year eight, 25 percent for year nine and 12 percent for year ten of the increased taxable value of the development's real property improvements associated with the establishment of a new warehouse and office operation to be located on approximately 82 acres located south of Interstate Highway 20, north of Camp Wisdom Road, and east of Mountain Creek Parkway in Dallas, Texas, in accordance with the Property Redevelopment and Tax Abatement Act and the City's Public/Private Partnership Program - Guidelines and Criteria, approved as to form by the City Attorney.

SECTION 3. That at least seven days prior to the execution of the tax abatement agreement, notice of the City's intention to enter into the tax abatement agreement shall be delivered to the governing bodies of each other taxing unit that includes in its boundaries the real property that is the subject of this agreement.

SECTION 4. That the approval and execution of the real property tax abatement agreement by the City is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

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SECTION 5. That the approval and execution of the business personal property tax abatement agreement by the City is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

SECTION 6. That the real personal property and business personal property subject to the proposed tax abatement agreements is depicted on the attached site map **Exhibit A (Map)** and is more particularly described by **Exhibit B (Metes and Bounds Legal Description)**.

SECTION 7. That the tax abatement agreement shall provide, among other provisions, the following:

- (a) The property subject to tax abatement shall be located entirely within the City of Dallas, Texas.
- (b) None of the property subject to tax abatement is owned or leased by a member of the City Council of the City of Dallas or by a member of the City Plan Commission.
- (c) The real property tax abatement will only be applicable to the real property owned by First Industrial on approximately 82 acres located south of Interstate Highway 20, north of Camp Wisdom Road, and east of Mountain Creek Parkway in Dallas, Texas as depicted on the attached site map **Exhibit A (Map)** and is more particularly described by **Exhibit B (Metes and Bounds Legal Description)**.
- (d) The business personal property tax abatement will only be applicable to the business personal property owned by HD Supply on approximately 82 acres located south of Interstate Highway 20, north of Camp Wisdom Road, and east of Mountain Creek Parkway in Dallas, Texas as depicted on the attached site map **Exhibit A (Map)** and is more particularly described by **Exhibit B (Metes and Bounds Legal Description)**.
- (e) Development of the property shall conform to all requirements of the City's zoning ordinance and that the use of the Property is consistent with the general purpose of encouraging development or redevelopment in the Enterprise Zone during the period the tax abatement is in effect.
- (f) HD Supply shall execute a lease with a minimum ten-year term for a build to suit facility of at least 825,000 square feet to be completed by First Industrial no later than March 30, 2020. HD Supply must occupy the facility no later than December 31, 2020 and continually occupy the entire facility during the term of the abatements.

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SECTION 7. (continued)

- (g) First Industrial shall invest a minimum of \$28,000,000.00 in real property improvements by December 31, 2020. This amount does not include land costs, attorney's fees, or any party's fees or profit.
- (h) HD Supply shall invest a minimum of \$14,000,000.00 in business personal property (Machinery, Equipment, Furniture and Fixtures) by December 31, 2021.
- (i) On or before March 30, 2020, HD Supply shall relocate and/or create a minimum permanent 200 FTE's at the Facility ("Minimum Employment Requirement"). An FTE job will be defined as an employee working a minimum of 40 hours per week.
- (j) HD Supply shall hire a minimum of 50 new permanent FTE at a minimum hourly wage of \$13.00 per hour on or before January 1, 2023 ("New Hiring Requirement") as part of the Minimum Employment Requirement. The minimum 50 new permanent FTE will be inclusive of replacement employees ("Replacement FTE Employees") hired on or before December 31, 2021. The hiring will be done by HD Supply under the following schedule:
 - a. 20 new permanent FTE employees shall be hired at a minimum hourly wage of \$13.00 per hour on or before December 31, 2020. Replacement FTE employees can be included during this timeframe.
 - b. 20 additional new permanent FTE employees will be hired at a minimum hourly wage of \$13.00 per hour on or before December 31, 2021 (for a total of 40 new permanent FTE employees). Replacement FTE employees can be included during this timeframe.
 - c. 10 additional new permanent FTE employees will be hired at a minimum hourly wage of \$13.00 per hour on or before December 31, 2022 (for a total of 50 new permanent FTE employees).
- (k) 40 of the 50 new permanent HD Supply FTE employees within the New Hiring Requirement will be residents of the City of Dallas ("Local Hire Requirement"). The hiring will be done by the Company under the following schedule:
 - a. 15 new locally-hired permanent FTE employees will be hired at a minimum hourly wage of \$13.00 per hour on or before December 31, 2020.
 - b. 15 additional new locally-hired permanent FTE employees will be hired at a minimum hourly wage of \$13.00 per hour on or before December 31, 2021 (for a total of 30 new locally-hired permanent FTE employees).

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SECTION 7. (continued)

- c. 10 new locally-hired permanent FTE employees will be hired at a minimum hourly wage of \$13.00 per hour on or before December 31, 2022 (for a total of 40 new locally-hired permanent FTE employees).
- (l) HD Supply will provide and maintain an average annual FTE salary equal to or greater than \$35,000.00 (wages only, excluding benefits) over the term of the abatement.
- (m) HD Supply will provide and maintain a starting minimum FTE hourly wage of \$13.00 per hour (excluding benefits) over the term of the abatement.
- (n) HD Supply shall coordinate with the City of Dallas Workforce Development staff to organize one (1) job recruitment fair/event.
- (o) HD Supply shall undertake a good-faith/best effort to execute a participation agreement with the Dallas Independent School District (DISD) by end of 2020 to participate as an Industry Partner in the Pathway to Technology Early College High School ("P-TECH") Program.
- (p) HD Supply and First Industrial shall undertake a good faith/best effort to comply with the City's Business Inclusion and Development ("BID") goal of 25 percent participation by Minority/Women-owned Business Enterprises (M/WBE) for construction and construction-related expenditures associated with the project. Documentation/reporting of a good faith/best effort will be provided to the Office of Economic Development by the Substantial Completion Date.
- (q) If the required space is not occupied by HD Supply during a given year within the ten-year tax abatement period, the abatement shall be lost for that year. Furthermore, if the abatement is lost for two years in a row, then the real property tax abatement agreement shall be terminated.
- (r) A description of the kind, number, location, and costs of all proposed improvements to the Property shall be provided to the Office of Economic Development by HD Supply and First Industrial.
- (s) Access to the Property shall be provided to allow for inspection by City inspectors and officials to ensure that the improvements are made, and occupancy is achieved according to the specification and terms of the tax abatement agreement.
- (t) The owner of the property shall certify annually to the City that the owner is compliant with each applicable term of the tax abatement agreement.

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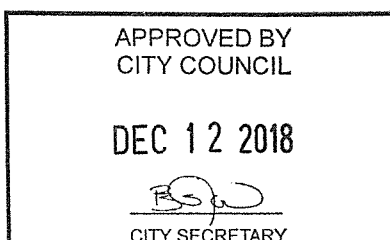
SECTION 7. (continued)

- (u) The Dallas City Council may terminate or modify the real property and/or business personal property tax abatement agreement(s) if the property owner fails to comply with the tax abatement agreements.
- (v) Real Property Tax Abatement: A proportionate percentage of the real property tax revenue foregone by the City as a result of the tax abatement agreement shall be recaptured by the City if improvements to real property are not made and maintained as provided by the tax abatement agreement.
- (w) Business Personal Property Tax Abatement: A proportionate percentage of the business personal property tax revenue foregone by the City as a result of the tax abatement agreement shall be recaptured by the City if improvements to business personal property are not made and maintained as provided by the tax abatement agreement.
- (x) The Director of the Office of Economic Development may, at his or her sole discretion, extend any material date in the real property and/or business personal property tax abatement agreement(s) for a period up to six months for just cause.
- (y) The real property and business personal property tax abatement agreements shall be executed no later than December 31, 2019.
- (z) If either HD Supply or First Industrial fails to perform any condition listed above and/or otherwise breaches the real property or business personal property tax abatement agreements with the City and fails to cure such breach during any year of the term of such agreement, both abatements will be forfeited for that year. If any condition is not performed, either party breaches the real property or business personal property tax abatement agreements, and/or any existing breach remains uncured in the subsequent year, each party shall again forfeit the tax abatement agreements for the subsequent year and the agreement shall terminate.

SECTION 8. That the business personal property tax abatement agreement is identified by the City as Contract No. ECO-2019-00008680.

SECTION 9. That the real property tax abatement agreement is identified by the City as Contract No. ECO-2019-00008679.

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.



**EXHIBIT A
MAP**

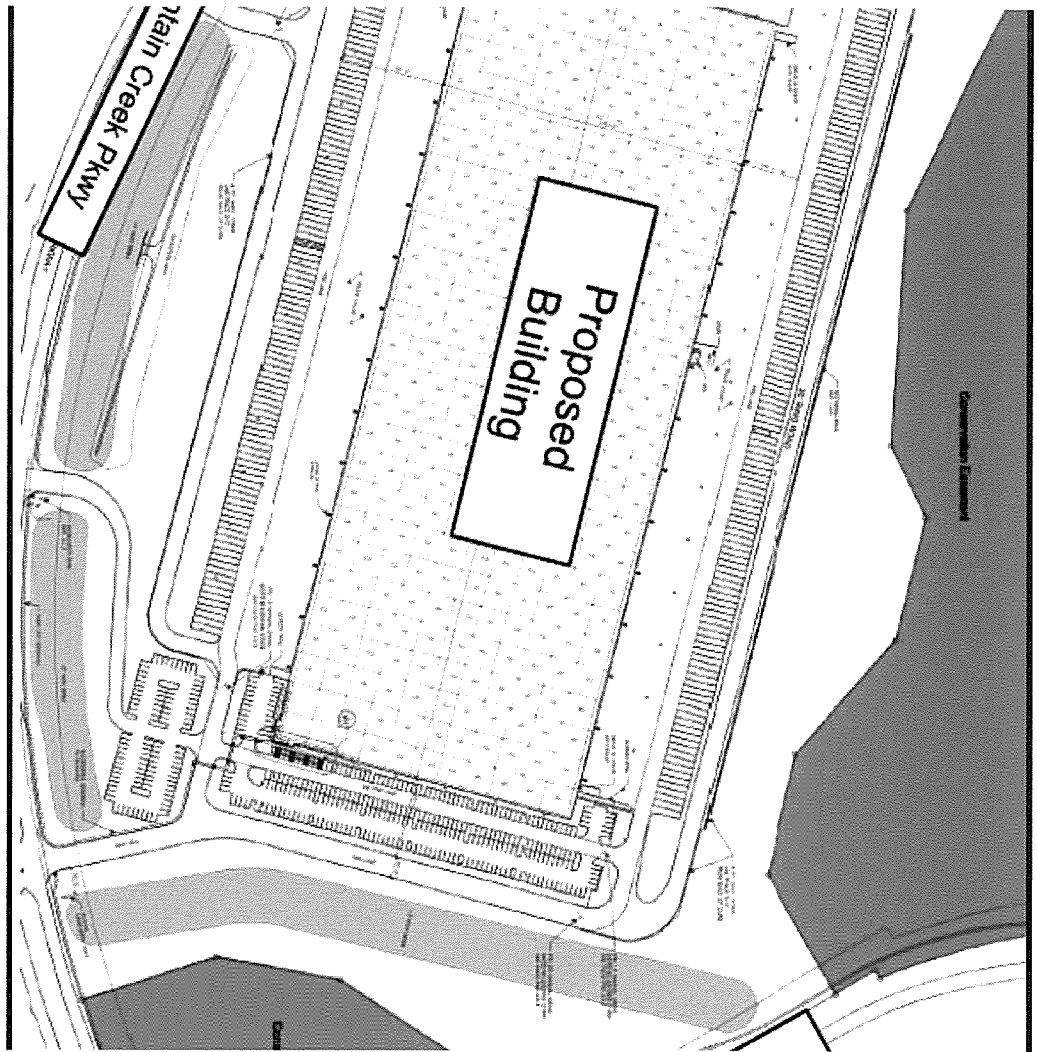


Exhibit B: Legal Description

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DESCRIPTION, of an 82.695 acre tract of land situated in the J.A. Huiser Survey, Abstract No. 642, the John J. Blair Survey, Abstract No. 211 and the E.H. Paxton Survey, Abstract No. 1125, Dallas County, Texas and in Blocks 8722, 8723 and 8683, Official Block Numbers of the City of Dallas, Texas; said tract being part of those certain tracts of land described as Tract 1 and Tract 2 in Special Warranty Deed to FIRST INDUSTRIAL, L.P. recorded in Instrument No. 201500210514 of the Official Public Records of Dallas County, Texas; said 82.695 acre tract being more particularly described as follows:

COMMENCING, at a 5/8-inch iron rod with "PACHECO KOCH" cap set at the north end of a circular right-of-way corner clip at the intersection of the east right-of-way line of Mountain Creek Parkway (a 100-foot wide right-of-way) and northwest right-of-way line of Camp Wisdom Road (a variable width right-of-way); said point being the northernmost southwest corner of said Tract 2;

THENCE, along the said east line of Mountain Creek Parkway, the following four (4) calls:

North 30 degrees, 46 minutes, 51 seconds West, along the west line of said Tract 2, a distance of 135.22 feet to a 1/2-inch iron rod found at the beginning of a tangent curve to the right;

In a northerly direction, continuing along the said west line of Tract 2 and along said curve to the right, having a central angle of 12 degrees, 37 minutes, 09 seconds, a radius of 2,260.76 feet, a chord bearing and distance of North 24 degrees, 28 minutes, 17 seconds West, 496.91 feet, an arc distance of 497.92 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner at the POINT OF BEGINNING;

Continuing along the said west line of Tract 2, in a northerly direction, and along said curve to the right, having a central angle of 46 degrees, 32 minutes, 33 seconds, a radius of 2,260.76 feet, a chord bearing and distance of North 05 degrees, 06 minutes, 34 seconds East, 1,786.39 feet, at an arc distance of 974.84 feet passing the northwest corner of said Tract 2 and the southwest corner of said Tract 1, then continuing along the west and northwest lines of said Tract 1, in all a total arc distance of 1,836.46 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner at the end of said curve;

North 28 degrees, 22 minutes, 51 seconds East, continuing along the said northwest line of Tract 1, a distance of 778.32 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner; said point being the northwest corner of said Tract 1 and the southwest corner of that certain tract of land described in Warranty Deed to Dallas Power & Light Company recorded in Volume 81192, Page 1461 of the Deed Records of Dallas County, Texas;

THENCE, North 89 degrees, 07 minutes, 40 seconds East, along the north line of said Tract 1 and the south line of the said Dallas Power & Light Company tract, a distance of 106.22 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

THENCE, departing the said north line of Tract 1 and the said south line of the Dallas Power & Light Company tract and over and across said Tract 1 and Tract 2, the following eleven (11) calls:

South 45 degrees, 52 minutes, 20 seconds East, a distance of 42.43 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

North 89 degrees, 07 minutes, 40 seconds East, a distance of 277.66 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

Exhibit B: Legal Description

South 79 degrees, 08 minutes, 50 seconds East, a distance of 801.26 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

South 00 degrees, 16 minutes, 38 seconds East, a distance of 368.13 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

South 25 degrees, 14 minutes, 37 seconds West, a distance of 509.86 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

South 03 degrees, 30 minutes, 01 seconds West, a distance of 433.30 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

South 26 degrees, 06 minutes, 47 seconds East, a distance of 145.67 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

South 13 degrees, 22 minutes, 40 seconds West, a distance of 231.83 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

South 41 degrees, 19 minutes, 26 seconds West, a distance of 281.79 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

South 13 degrees, 25 minutes, 16 seconds West, a distance of 228.85 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

South 30 degrees, 48 minutes, 59 seconds East, a distance of 253.24 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner in the said northwest line of Camp Wisdom Road and the southeast line of said Tract 2;

THENCE, South 59 degrees, 11 minutes, 01 seconds West, along the said northwest line of Camp Wisdom Road and the said southeast line of Tract 2, a distance of 402.83 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

THENCE, departing the said northwest line of Camp Wisdom Road and the said southeast line of Tract 2, and into and across said Tract 2, the following four (4) calls:

North 77 degrees, 44 minutes, 47 seconds West, a distance of 341.00 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

North 57 degrees, 17 minutes, 11 seconds West, a distance of 285.27 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

North 79 degrees, 57 minutes, 37 seconds West, a distance of 229.87 feet to a 3.25-inch aluminum disk stamped "PKCE - FIA" set for corner;

South 71 degrees, 50 minutes, 18 seconds West, a distance of 256.40 feet to the POINT OF BEGINNING;

CONTAINING, 3,602,197 square feet or 82.695 acres of land, more or less.