

December 12, 2018

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

**WHEREAS**, it is in the interest of the City of Dallas to support and secure the expansions and relocations of business operations within the city of Dallas and the economic vitality and employment opportunities that these business operations bring for Dallas residents; and

**WHEREAS**, pursuant to Resolution No. 16-1984, authorized 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; 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); and

**WHEREAS**, the City desires to support DGIC Project 1, LLC or an affiliate thereof ("DGIC") with development of a new distribution warehouse facility for Home Depot U.S.A., Inc. or an affiliate thereof ("Home Depot") which will be comprised of two buildings located at 9314 West Jefferson Boulevard in accordance with the City's Public/Private Partnership Program; and

**WHEREAS**, Texas Local Government Code, Chapter 378, requires that City of Dallas Neighborhood Empowerment Zone No. 8 ("City of Dallas NEZ No. 8") promote: (1) the creation or rehabilitation of affordable housing in the zone, or (2) an increase in economic development in the zone, or (3) an increase in the quality of social services, education, or public safety provided to the residents of the zone; and

**WHEREAS**, the City finds that the creation of City of Dallas NEZ No. 8 will promote an increase in economic development in the zone by promoting job creation and additional business activity on approximately 315 acres of property located at 9314 West Jefferson Boulevard in Dallas, Texas as further described by the map attached as **Exhibit A (Map)** and the metes and bounds legal description attached as **Exhibit B (Metes and Bounds - Legal Description)**; and

**WHEREAS**, the City Council finds that the creation of the City of Dallas NEZ No. 8 benefits the public and is for the public purpose of increasing the public health, safety, and welfare of the persons in the municipality; and

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**WHEREAS**, Texas Local Government Code, Chapter 378, empowers municipalities to enter into agreements abating municipal property taxes on property in the zone subject to the duration limits of Section 312.2004, Texas Tax Code; and

**WHEREAS**, the City desires to enter into a business personal property tax abatement agreement with Home Depot for added value to business personal property located within an approximately 152 acres area within City of Dallas NEZ No. 8 as further described by the map attached as **Exhibit C (Map)** and by the metes and bounds legal description attached as **Exhibit D (Metes and Bounds - Legal Description)**; and

**WHEREAS**, the City desires to enter into a real property tax abatement agreement with DGIC for added value to real property located within an approximately 152 acres area within the proposed City of Dallas NEZ No. 8 as further described by the map attached as **Exhibit C (Map)** and by the metes and bounds legal description attached as **Exhibit D (Metes and Bounds - Legal Description)**.

**Now, Therefore,**

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

**SECTION 1.** That 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 Home Depot U.S.A., Inc. or an affiliate thereof ("Home Depot") for the purpose of granting a five-year abatement of 50 percent of the taxes on the added value to the business personal property for the proposed development of a new build-to-suit development office and distribution facility situated on approximately 152 acres of property located at 9314 West Jefferson Boulevard in Dallas, Texas; and **(2)** a real personal property tax abatement agreement with DGIC Project 1, LLC or an affiliate thereof ("DGIC, LLC") for the purpose of granting a ten-year abatement of 90 percent of the taxes on added value to the real property for the proposed development of with a new build-to-suit development office and distribution facility situated on approximately 152 acres of property located at 9314 West Jefferson Boulevard in Dallas, Texas, approved as to form by the City Attorney, in accordance with the Property Redevelopment and Tax Abatement Act and the City's Public/Private Partnership Program Guidelines and Criteria.

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**SECTION 3.** That the City designates the approximately 315 total acres of property located at 9314 West Jefferson Boulevard in Dallas, Texas described in the legal description and map attached herein as **Exhibit A (Map)** and **Exhibit B (Metes and Bounds - Legal Description)** as a neighborhood empowerment zone pursuant to Chapter 378 of the Local Government Code to be known as City of Dallas Neighborhood Empowerment Zone No. 8 ("City of Dallas NEZ No. 8") to promote an increase in economic development in the zone.

**SECTION 4.** That the approval and execution of the real property and business personal property tax abatement agreements by the City are not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

**SECTION 5.** That the real personal property and business personal property subject to the proposed tax abatement agreements shall be located entirely within City of Dallas NEZ No. 8 as depicted on the attached site map **Exhibit C (Map)** and as legally described in **Exhibit D (Metes and Bounds - Legal Description)**.

**SECTION 6.** That the tax abatement agreements shall include the following terms:

- (a) None of the property subject to either the real property agreement or business personal property 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.
- (b) The real property tax abatement will only be applicable to the real property owned by DGIC located entirely within City of Dallas NEZ No. 8.
- (c) The business personal property tax abatement will only be applicable to the business personal property owned by Home Depot located entirely within City of Dallas NEZ No. 8.
- (d) 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 City of Dallas NEZ No. 8 during the period when the real property tax abatement and/or the business personal property tax abatement are in effect.
- (e) Home Depot shall execute a minimum ten-year lease with DGIC on or before December 31, 2019 on the approximately 152 acres project site at 9314 West Jefferson Boulevard.
- (f) DGIC and/or Home Depot shall invest a minimum \$80,000,000.00 in real property improvements on or before December 31, 2021. This amount does not include land costs, attorney's fees, or any party's fees or profit.

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**SECTION 6.** (continued)

- (g) DGIC and/or Home Depot shall invest a minimum \$30,000,000.00 in business personal property on or before December 31, 2021. This amount does not include land costs, attorney's fees, or any party's fees or profit.
- (h) Any expenditures incurred or expended by DGIC and/or Home Depot before City Council approval will not count toward the minimum capital investment.
- (i) Occupancy Requirement:
  - a. Real Property Tax Abatement: Home Depot must occupy the two completed buildings of approximately 2,300,000 square feet before the proposed real property tax abatement begins.
  - b. Business Personal Property Tax Abatement: Home Depot must occupy 51% of Building A (765,000 square feet) and 51% of Building B (406,980 square feet) before the proposed business personal property tax abatement begins.
  - c. If Home Depot terminates the lease agreement with DGIC, closes its operations at either Buildings A or B, or fails to occupy Buildings A or B at any time during the applicable term of either tax abatement, both the real property and business personal property tax abatements will be terminated.
- (j) Employment Requirement:
  - a. By December 31, 2021, Home Depot will hire and maintain a minimum of 300 new full-time equivalent (FTE) jobs.
  - b. By December 31, 2022, Home Depot will hire and maintain over the term of both the real property and business personal property abatements a minimum total of 500 new FTE jobs.
  - c. Local Hiring Requirement: A minimum 25% of the new FTE's hired by Home Depot shall be residents of the City of Dallas ("Local Hire Requirement"). Home Depot will have until December 31, 2022 to meet the minimum 25% Local Hire Requirement.
  - d. The Local Hire Requirement must be maintained over the term of both the real property and business personal property abatements.
- (k) Over the term of both the real property and business personal property abatements, Home Depot will provide and maintain an average salary for hourly FTE workers equal to or greater than \$15.00/hour, and an annual salary for salaried FTE workers of \$65,000.00. Average salaries noted do not include overtime, bonuses, or benefits.

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**SECTION 6.** (continued)

- (l) Home Depot will provide and maintain a starting minimum FTE hourly wage of \$13.00 per hour (excluding benefits) over the term of both the real property and business personal property abatements.
- (m) Home Depot shall use best efforts to execute a formal participation agreement with the Dallas Independent School District (DISD) by the end of 2020 to participate as an Industry Partner in the Pathway to Technology Early College High School ("P-Tech") Program.
- (n) DGIC and Home Depot shall use best efforts to comply with the City's Business Inclusion and Development ("BID") goal of 25% participation by Minority/Women-owned Business Enterprises (M/WBE) for construction and construction-related expenditures.
- (o) 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 Home Depot and DGIC and shall be attached as exhibits to the tax abatement agreements.
- (p) 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 agreements.
- (q) DGIC and Home Depot shall certify annually to the City that each is compliant with each applicable term of the real property and business personal property tax abatement agreements.
- (r) The Dallas City Council may terminate or modify either or both tax abatement agreement(s) if DGIC and/or Home Depot fails to comply with the terms therein.
- (s) 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 real property tax abatement agreement.
- (t) 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 or investments in business personal property are not made and maintained as provided by the business personal property tax abatement agreement.

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**SECTION 6.** (continued)

- (u) 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.
- (v) The real property and business personal property tax abatement agreements shall be executed no later than December 31, 2019.
- (w) If Home Depot or DGIC fails to perform any condition listed above and/or otherwise breaches the real property or business personal property tax abatement agreements and fails to cure such breach during any year of the term of the 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 agreements shall terminate.

**SECTION 7.** That the business personal property tax abatement agreement is identified by the City as Contract No. ECO-2019-00008755.

**SECTION 8.** That the real property tax abatement agreement is identified by the City as Contract No. ECO-2019-00008757.

**SECTION 9.** 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  
NEIGHBORHOOD EMPOWERMENT ZONE No. 8**



**EXHIBIT B**  
**METES AND BOUNDS – LEGAL DESCRIPTION**  
**NEIGHBORHOOD EMPOWERMENT ZONE No. 8**

181863

BEING a 314.880 acre tract of land situated in the Perry Linney Survey, Abstract No. 777, the Rowland Huitt Survey, Abstract No. 616, the Elizabeth Crockett Survey, Abstract No. 222 and the John W. Kirk Survey, Abstract No. 726, the City of Dallas, Dallas County, Texas and being all of those certain tracts of land described as FIRST TRACT, THIRD TRACT, FOURTH TRACT, FIFTH TRACT, SIXTH TRACT and the remainder of called SECOND TRACT as described to the United States of America (USA) by deed recorded in Volume 2918, Page 515 of the Deed Records of Dallas County, Texas (DRDCT) and all of that called 43.94 acre tract of land described to USA by deed recorded in Volume 3879, Page 552, DRDCT, said 314.880 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a brass monument (controlling monument) found for the northeast corner of said FIFTH TRACT and northwest corner of the remainder of a called 75.3 acre tract of land described to the City of Dallas by deed recorded in Volume 2274, Page 632, DRDCT and also being in the southerly right-of-way line of Jefferson Avenue (a variable width right-of-way);

THENCE, South 00°26'56" East, along the easterly line of said FIFTH TRACT and the westerly line of the remainder of said 75.3 acre tract of land and along the easterly line of said 43.94 acre tract of land, the westerly line of that certain tract of land described as TRACT NO. 1 to the City of Dallas by deed recorded in Volume 2274, Page 629, DRDCT and the westerly line of a called 347 acre tract of land described to the City of Dallas by deed recorded in Volume 2691, Page 315, DRDCT, a distance of 2795.44 feet to a brass monument (controlling monument) found for the southeast corner of said 43.94 acre tract of land and a southwest corner of said 347 acre tract of land and being in the northerly line of the remainder of that certain tract of land described as FIFTH TRACT to Dallas Power and Light Company by deed recorded in Volume 1992, Page 1, DRDCT;

THENCE, along the southerly line of said 43.94 acre tract of land and the northerly line of said remainder of FIFTH TRACT, the following five courses and distances:

North 80°18'20" West, a distance of 329.36 feet to a point for corner;

South 56°20'40" West, a distance of 91.97 feet to a point for corner;

South 89°54'40" West, a distance of 308.50 feet to a point for corner;



**EXHIBIT B**  
**METES AND BOUNDS – LEGAL DESCRIPTION**  
**NEIGHBORHOOD EMPOWERMENT ZONE No. 8**

181863

North 79°48'20" West, a distance of 359.50 feet to a point for corner;

North 71°22'10" West, a distance of 315.98 feet to a point for corner in the approximate shore line of Mountain Creek Lake;

THENCE, along the approximate shore line of Mountain Creek Lake, the following six courses and distances:

South 00°32'20" East, a distance of 519.36 feet to a point for corner;

South 83°55'36" West, a distance of 156.86 feet to a point for corner;

South 26°57'10" West, a distance of 213.22 feet to a point for corner;

South 41°04'15" West, a distance of 128.12 feet to a point for corner;

South 67°43'33" West, a distance of 205.50 feet to a point for corner;

North 81°04'56" West, a distance of 59.37 feet to the southernmost southwest corner of said FIRST TRACT and easternmost southeast corner of that certain tract of land described as TRACT III to Vought Aircraft Industries, Inc. by deed recorded in Volume 2000146, Page 3042, DRDCT;

THENCE, North 01°17'28" West, along a westerly line of said FIRST TRACT and the easterly line of said TRACT III, a distance of 266.00 feet to an interior ell corner of said FIRST TRACT and the northeast corner of said TRACT III;

THENCE, South 88°42'32" West, along a southerly line of said FIRST TRACT and the northerly line of said TRACT III, a distance of 511.20 feet to the southwest corner of said FIRST TRACT and the northwest corner of said TRACT III and being in the easterly line of said FOURTH TRACT;

THENCE, South 01°11'28" East, along the easterly line of said FOURTH TRACT and the westerly line of said TRACT III, a distance of 648.13 feet to the southeast corner of said FOURTH TRACT and being in the northerly right-of-way line of Skyline Road (a 100 foot right-of-way);

THENCE, North 89°51'01" West, along the southerly line of said FOURTH TRACT and the northerly right-of-way line of said Skyline Drive and along the southerly line of said remainder of SECOND TRACT, a distance of 1001.31 feet to the southwest corner of said remainder of SECOND TRACT and the southeast corner of a called 21.0251 acre tract of land described to the City of Grand Prairie by deed recorded in Volume 792, Page 252, DRDCT;

**EXHIBIT B**  
**METES AND BOUNDS – LEGAL DESCRIPTION**  
**NEIGHBORHOOD EMPOWERMENT ZONE No. 8**

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THENCE, North 01°26'12" West, along the westerly line of said remainder of SECOND TRACT and the easterly line of said 21.0251 acre tract of land and along the easterly line of a called 9.96 acre tract of land described to Sid Sharbaf by deed recorded in Volume 2004043, Page 14865, DRDCT, a distance of 1126.25 feet to the northwest corner of said remainder of SECOND TRACT and the northeast corner of said 9.96 acre tract of land and being in the southerly line of said THIRD TRACT;

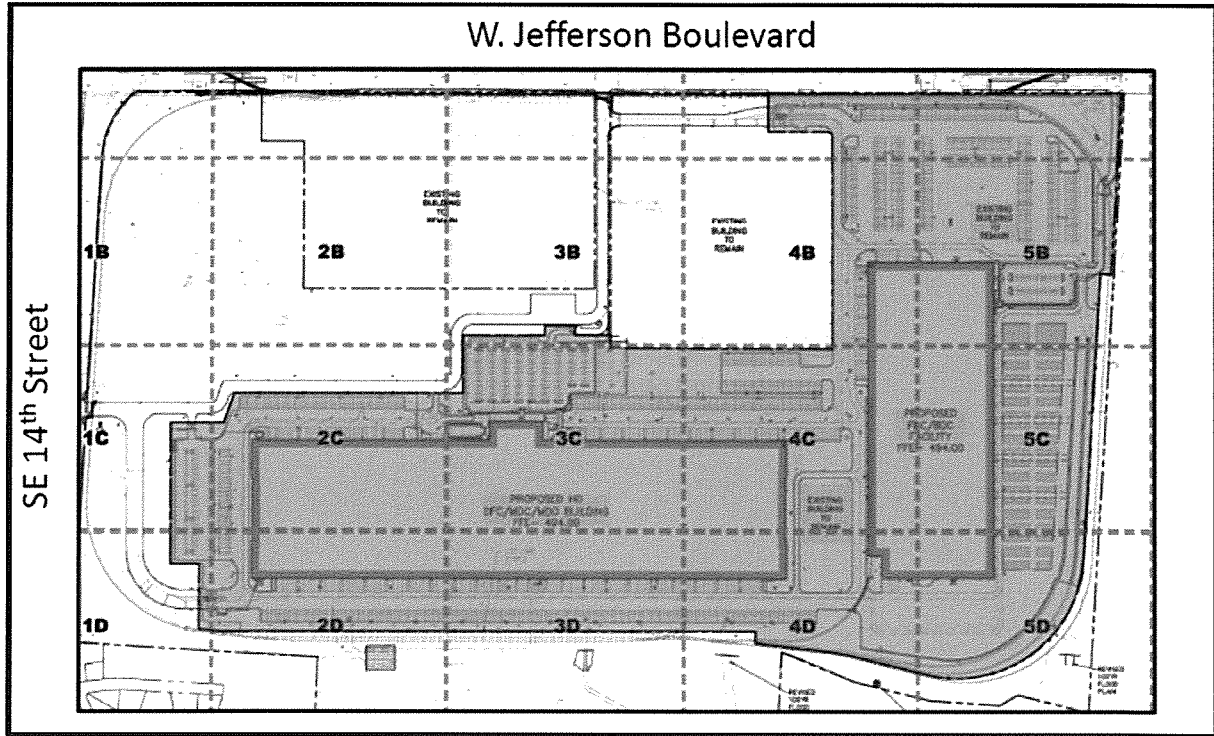
THENCE, South 89°34'27" West, along the southerly line of said THIRD TRACT and the northerly line of said 9.96 acre tract of land and along the northerly line of that certain tract of land described as 1R by final plat of LOTS 1R AND 2R, BLOCK 2, SOL SPIGEL VILLAGE, FIRST INCREMENT, an addition to the City of Grand Prairie recorded in Volume 80247, Page 770, ORDCT, a distance of 1114.57 feet to the southwest corner of said THIRD TRACT and the northwest corner of said 1R and being in the easterly right-of-way line of SE 14th Street (a variable width right-of-way);

THENCE, North 00°28'33" West, along the westerly line of said THIRD TRACT and the easterly right-of-way line of said SE 14th Street and along the westerly line of said FIRST TRACT, a distance of 2470.42 feet to the northwest corner of said FIRST TRACT and being in the southerly right-of-way line of aforementioned Jefferson Avenue;

THENCE, North 85°59'56" East, along the northerly line of said FIRST TRACT and the southerly right-of-way line of said Jefferson Avenue, a distance of 4601.18 feet to the POINT OF BEGINNING;

CONTAINING a calculated area of 13,716,154 square feet or 314.880 acres of land.

EXHIBIT C  
MAP  
DGIC Project 1, LLC



**EXHIBIT D**  
**METES AND BOUNDS – LEGAL DESCRIPTION**  
**DGIC Project 1, LLC**

DESCRIPTION of a 152.423 acre tract of land situated in the Elizabeth Crockett Survey, Abstract No. 222, the Rowland Huitt Survey, Abstract No. 616, the John W. Kirk Survey, Abstract No. 726, and the Perry Linney Survey, Abstract No. 777, Dallas County, Texas; said tract being part of that tract of land described as Tract 1 in Deed Without Warranty to American Brownfield MGIC, LLC, recorded in Instrument No. 201200297936 of the Official Public Records of Dallas County, Texas; said 152.423 acre tract being more particularly described as follows:

COMMENCING at a 2-inch brass disk in concrete found in the south right-of-way line of Jefferson Avenue (a variable width right-of-way); said point being the northeast corner of said Tract 1 and the northwest corner of the remainder of those certain tracts of land described in Warranty Deed to the City of Dallas, recorded in Volume 2274, Page 632, Volume 2274, Page 629, and Volume 2691, Page 315 all of the Deed Records of Dallas County, Texas;

THENCE South 86 degrees, 04 minutes, 05 seconds West, along the said south line of Jefferson Avenue and the north line of said Tract 1, a distance of 12.02 feet to the POINT OF BEGINNING;

THENCE departing the said south line of Jefferson Avenue and the said north line of Tract 1 and over and across said Tract 1, the following thirty (30) calls:

South 00 degrees, 26 minutes, 55 seconds East, a distance of 806.13 feet to a point for corner;

South 89 degrees, 33 minutes, 05 seconds West, a distance of 48.79 feet to a point for corner;

South 00 degrees, 26 minutes, 55 seconds East, a distance of 1,291.79 feet to a point for corner; said point being the beginning of a tangent curve to the right;

In a southwesterly direction, along said curve to the right, having a central angle of 100 degrees, 18 minutes, 28 seconds, a radius of 574.69 feet, a chord bearing and distance of South 49 degrees, 42 minutes, 19 seconds West, 882.46 feet, an arc distance of 1,006.11 feet to a point at the end of said curve;

North 80 degrees, 08 minutes, 27 seconds West, a distance of 354.42 feet to a point for corner; said point being the beginning of a tangent curve to the left

In a northwesterly direction, along said curve to the left, having a central angle of 07 degrees, 25 minutes, 53 seconds, a radius of 799.81 feet, a chord bearing and distance of North 83 degrees, 51 minutes, 24 seconds West, 103.67 feet, an arc distance of 103.74 feet to a point at the end of said curve;

North 87 degrees, 34 minutes, 20 seconds West, a distance of 331.63 feet to a point

for corner; North 03 degrees, 55 minutes, 55 seconds West, a distance of 53.42 feet

to a point for corner; South 86 degrees, 04 minutes, 05 seconds West, a distance of

2,408.23 feet to a point for corner; North 87 degrees, 34 minutes, 20 seconds West,

a distance of 94.58 feet to a point for corner; North 03 degrees, 55 minutes, 55

seconds West, a distance of 290.46 feet to a point for corner; South 86 degrees, 04

**EXHIBIT D**  
**METES AND BOUNDS – LEGAL DESCRIPTION**  
**DGIC Project 1, LLC**

minutes, 05 seconds West, a distance of 127.42 feet to a point for corner;

North 03 degrees, 55 minutes, 55 seconds West, a distance of 633.78 feet to a point for corner;  
North 86 degrees, 04 minutes, 05 seconds East, a distance of 239.50 feet to a point for corner;  
North 16 degrees, 03 minutes, 27 seconds East, a distance of 141.29 feet to a point for corner;  
North 86 degrees, 04 minutes, 05 seconds East, a distance of 1,025.76 feet to a point for corner;  
North 03 degrees, 55 minutes, 55 seconds West, a distance of 262.00 feet to a point for corner;  
North 86 degrees, 04 minutes, 05 seconds East, a distance of 368.50 feet to a point for corner;  
North 03 degrees, 55 minutes, 55 seconds West, a distance of 100.02 feet to a point for corner;  
North 86 degrees, 04 minutes, 05 seconds East, a distance of 136.92 feet to a point for corner;  
South 03 degrees, 55 minutes, 55 seconds East, a distance of 100.02 feet to a point for corner;  
North 86 degrees, 04 minutes, 05 seconds East, a distance of 160.24 feet to a point for corner;  
South 03 degrees, 55 minutes, 55 seconds East, a distance of 27.50 feet to a point for corner;  
North 86 degrees, 04 minutes, 05 seconds East, a distance of 74.34 feet to a point for corner;  
South 03 degrees, 55 minutes, 55 seconds East, a distance of 29.00 feet to a point for corner;  
North 86 degrees, 04 minutes, 05 seconds East, a distance of 927.38 feet to a point for corner;  
North 03 degrees, 55 minutes, 55 seconds West, a distance of 958.82 feet to a point for corner;  
North 48 degrees, 55 minutes, 55 seconds West, a distance of 21.21 feet to a point for corner;  
South 86 degrees, 04 minutes, 05 seconds West, a distance of 274.48 feet to a point for corner;  
North 03 degrees, 55 minutes, 55 seconds West, a distance of 174.69 feet to a point in the said south line of Jefferson Avenue and the north line of said Tract 1;

**THENCE** North 86 degrees, 04 minutes, 05 seconds East, along the said south line of Jefferson Avenue and the said north line of Tract 1, a distance of 1,600.84 feet to the **POINT OF BEGINNING**;

**CONTAINING** : 6,639,526 square feet or 152.423 acres of land, more or less.