

220973

June 22, 2022

WHEREAS, the City of Dallas (“City”) recognizes the importance of its role in local economic development; and

WHEREAS, investment decisions made by businesses and developers are often influenced by a municipality’s ability to provide economic development incentives; and,

WHEREAS, on June 8, 2005, the City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Eleven, City of Dallas, Texas (“Downtown Connection TIF District” or the “District”) in accordance with the Tax Increment Financing Act, as amended, Texas Tax Code, Chapter 311 (the “Act”) to promote development and redevelopment in the Uptown and Downtown areas through the use of tax increment financing by Resolution No. 05-1779; Ordinance No. 26020; as amended; and

WHEREAS, on August 29, 2005, City Council authorized the District’s Project Plan and Reinvestment Zone Financing Plan for Tax Increment Financing Reinvestment Zone Number Eleven (the “Project and Financing Plan”) and a participation agreement with Dallas County for the District by Resolution No. 05-2543; Ordinance No. 26096, as amended; and

WHEREAS, on June 9, 2021, pursuant to Resolution No. 21-1052 approved by the City Council, the City: (1) elected to continue its participation in economic development incentives and approved an extension of its Public/Private Partnership Program (“PPP”) - 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

June 22, 2022

WHEREAS, on April 29, 2022, the Downtown Connection TIF District Board of Directors and Downtown Dallas Development Authority recommended approval of the following amendments to the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan ("Plan") to: (1) create two sub-districts within the Zone: (a) Downtown Connection Sub-district (original Zone boundary) and (b) Newpark Sub-district; (2) increase the geographic area of the Zone to add approximately 14.2 acres to create the Newpark Sub-district to facilitate anticipated redevelopment; (3) increase the total budget of the Zone (Downtown Connection Sub-district budget) from \$231,593,554.00 Net Present Value (NPV 2005 dollars) (approximately \$454,707,775.00 total dollars) to \$402,897,888.00 NPV (approximately \$1,059,227,817.00 total dollars, an increase of \$171,304,334.00 NPV (approximately \$604,520,042.00 total dollars); (4) modify the Downtown Connection Sub-district budget to add a line item for a public safety building to replace Fire Station #18; (5) establish a termination date for the Newpark Sub-district of December 31, 2052; (6) establish the percentage of tax increment contributed by the City of Dallas during the term of the Newpark Sub-district at 90%; (7) establish a total budget for the Newpark Sub-district of \$90,329,182.00 NPV 2022 dollars (approximately \$223,786,626.00 total dollars); (8) request Dallas County participation in the Newpark Sub-district at 55% for twenty years beginning in 2027; and (9) make corresponding modifications to the Zone boundary, budget, Plan; and

WHEREAS, on April 29, 2022, the Downtown Connection TIF District Board of Directors reviewed and recommended City Council authorization of a development agreement and all other necessary documents with One Newpark GP, LLC and/or its affiliates for a City subsidy in an amount not to exceed \$95,500,000.00 comprised of (1) an amount not to exceed \$3,500,000.00 in the form of an economic development grant payable from the City's Public/Private Partnership Fund ("PPP Grant") and (2) an amount not to exceed \$92,000,000.00 payable from future Downtown Connection TIF District funds in consideration of the One Newpark Project, a 38-floor, 1,345,845 square foot mixed-use, mixed-income development to be constructed on 1.7 acres at the southeast corner of S. Akard Street and Canton Street (the "Project"); and

WHEREAS, on May 2, 2022, the Economic Development Committee of City Council was briefed regarding this Project; and

WHEREAS, on May 24, 2022, the City received an updated appraisal for the Browder Street right-of-way requested to be abandoned by One Newpark GP, LLC as part of the Project. The abandonment fee, based on the updated appraisal, increased from \$3,038,325.00 to \$3,611,647.00; and

June 22, 2022

WHEREAS, on June 6, 2022, the Economic Development Committee of the City Council was briefed by memo of an increase the PPP Grant portion of the City Subsidy from \$3.5 million to \$4.1 million to reflect the \$600,000.00 increase in the abandonment fee for the Project; and

WHEREAS, pursuant to the City's PPP – Guidelines and Criteria, effective for the period July 1, 2021 through June 30, 2022, this Project is located in a non-target area and exceeds the minimum eligibility criteria requirements of the PPP – Guidelines and Criteria for a non-target area based on the anticipated Project investment totaling almost \$380 million; and

WHEREAS, consistent with the authority granted under the Economic Development Act and the City's PPP – Guidelines and Criteria, staff recommends that the City Council authorize the PPP Grant as part of the City's ongoing program to promote local economic development and to stimulate business and commercial activity in the city of Dallas; and

WHEREAS, in furtherance of the Project and Financing Plan, as amended, and to promote within the 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 One Newpark GP, LLC and/or its affiliates to support the Project; and

WHEREAS, the expenditure of TIF funds supporting this Project is consistent with promoting development and redevelopment of the District in accordance with the purposes for its creation, the ordinance adopted by the City Council approving the Project and Financing Plan, and is for the purpose of making public investment expenditures consistent with and described in the Project and Financing Plan for the District; and

WHEREAS, improvements in the District will significantly enhance the value of all the taxable real property in the District and will be to the City's general benefit.

Now, Therefore,

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

June 22, 2022

SECTION 1. That the City Manager is hereby authorized to execute a development agreement (“development agreement”) and all other necessary documents, each as approved as to form by the City Attorney, with One Newpark GP, LLC and/or its affiliates (“Developer”), in an amount not to exceed \$96,100,000.00, comprised of (1) an amount not to exceed \$4,100,000.00 in the form of an economic development grant payable from the City’s Public/Private Partnership Fund (“PPP Grant”) and (2) an amount not to exceed \$92,000,000.00 payable from future Downtown Connection TIF District funds (“TIF Subsidy”) in consideration of the One Newpark Project, a 38-floor, 1,345,845 square foot mixed-use, mixed-income development to be constructed on 1.7 acres at the southeast corner of S. Akard Street and Canton Street (shown in **Exhibit A** – Location Map), thereby confirming the Downtown Connection TIF District Board of Director’s dedication of current and future tax increment revenues, in an amount not to exceed \$92,000,000.00 as shown in **Exhibit B**.

SECTION 2. That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

SECTION 3. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$4,100,000.00 to One Newpark GP, LLC, and/or its affiliates from the Public/Private Partnership Fund, as follows:

Public/Private Partnership Fund Fund 0352, Department ECO, Unit W829 Activity PPPF, Object 3016, Program NEWPARKPRJ Encumbrance/Contract No.CX ECO-2022-00019507 Vendor VC25105	<u>\$4,100,000.00</u>
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SECTION 4. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$92,000,000.00 to One Newpark GP, LLC, and/or its affiliates from the Downtown Connection TIF District Fund (subject to annual appropriations from tax increments), as follows:

Downtown Connection TIF Fund Fund 0044, Department ECO, Unit W829 Activity DDCT, Object 3072, Program NEWPARKPRJ Encumbrance/Contract No.CX ECO-2022-00019507 Vendor VC25105	\$2,304,931.00
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Downtown Connection TIF Fund Fund 0044, Department ECO, Unit W829 Activity DDCT, Object 4599, Program NEWPARKPRJ Encumbrance/Contract No.CX ECO-2022-00019507 Vendor VC25105	\$2,000,000.00
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June 22, 2022

Downtown Connection TIF Fund
Fund 0044, Department ECO, Unit W829
Activity DDCT, Object 4599, Program NEWPARKPRJ
Encumbrance/Contract No. CX ECO-2022-00019507
Vendor VC25105 \$2,000,000.00

Downtown Connection TIF Fund
Fund 0044, Department ECO, Unit W829
Activity DDCT, Object 3016, Program NEWPARKPRJ
Encumbrance/Contract No. CX ECO-2022-00019507
Vendor VC25105 \$85,695,069.00

Total amount not to exceed \$92,000,000.00

Funds may be shifted among the TIF Subsidy budget categories except the TIF grant, so long as the total TIF Subsidy does not exceed \$92,000,000.00. The total TIF grant shall not exceed \$85,695,069.00 under any circumstances but may be less if actual expenditures for the remaining categories exceed \$6,304,931.00.

SECTION 5. That the Developer shall design, fund and/or construct the Project and related public infrastructure improvements on and adjacent to property currently addressed as 808 S. Akard Street; 801, 807, 809 and 817 Browder Street; 1404 Canton Street; and a portion of 1600 Canton Street in the Newpark Sub-district of the District as described in Section 7 and in substantial conformance with the Project's conceptual plans set forth in **Exhibits C, D, E, F, G and H.**

SECTION 6. That nothing in this resolution shall be construed to require the City to approve payment from any source of City funds other than the funds listed in Section 3 and Section 4. Any TIF Subsidy funds dedicated to the Project under the development agreement that remain unpaid upon termination of the District, due to lack or unavailability of Downtown Connection TIF District Funds, shall no longer be considered project costs of the District or the City, and the District's obligation to pay the Developer shall automatically expire.

SECTION 7. That the development agreement, including payment of any portion of the City Subsidy thereto, is hereby expressly made subject to all of the following terms, conditions and obligations, which Developer must timely and satisfactorily perform or cause to be performed as follows:

- A. **PPP Grant.** A single subsidy payment in the form of a grant reimbursement in an amount equal to the total City Expenses described in subsection iv. but not to exceed \$4,100,000.00 from the City's PPP Fund shall be paid to the Developer upon Developer's submission of documentation and verification by the Office of Economic Development ("OED") staff that the following have occurred:

June 22, 2022**SECTION 7.** (continued)

- i. Project Financing. Developer shall close construction financing for the Project prior to or contemporaneously with the City's execution of a development agreement with the Developer. Developer shall submit financing documentation to the City.
- ii. Hotel Flag. Prior to City's execution of a development agreement, Developer shall execute a hotel franchise agreement with a national hotel brand acceptable to the Director of the OED ("Director") in his or her sole discretion.
- iii. Downtown Connection TIF District Expansion. City Council approval of an expansion of the boundaries of the Downtown Connection TIF District to create the Newpark Sub-district that will encompass all Newpark Dallas properties and two parcels located on the northwest corner of South Harwood Street and Interstate 30 addressed as 1103 S. Harwood Street and 1900 St. Louis Street. See **Exhibit I**.
- iv. City Expenses. Developer shall provide documentation evidencing Developer's payment to the City of (i) any funds required by the Real Estate Division of the City's Public Works Department for the abandonment fee associated with the Developer's request of the City to abandon the portion of Browder Street located between Canton Street to the north and Cadiz Street to the south (See **Exhibit J**), and (ii) any development-related fees imposed by the City on Developer for planning and constructing the Project, including but not limited to development permit fees, plan review fees, building permit fees, parkland fees, and inspection fees.
- v. Browder Street Abandonment Request. City Council approval of the Developer's abandonment request.
- vi. Browder Street Abandonment Condition. As a condition of the City's abandonment of the portion of Browder Street between Canton Street to the north and Cadiz Street to the south, Developer shall dedicate a public access easement with a minimum average width of 18', where at no point along the easement the width is less than 12' wide along the abandoned right-of-way prior to the Completion Deadline. The easement shall include a minimum 8' wide continuous, unobstructed accessible path connecting Cadiz Street to Canton Street. See **Exhibit K**
- vii. Building Permit Deadline. Developer shall obtain a building permit no later than December 31, 2024. A grading permit does not constitute meeting this requirement.

June 22, 2022**SECTION 7. (continued)**

B. TIF Subsidy. Annual TIF payments from the Newpark Sub-district totaling an amount not to exceed \$92,000,000.00 inclusive of (1) repayment of the PPP Grant upon completion of the Project and (2) remaining TIF Subsidy, after repayment of PPP Grant, to be paid to the Developer upon Developer's submission of documentation and OED's verification that the following have occurred:

- i. Minimum Private Investment. Developer shall incur (or cause to be incurred) and provide documentation evidencing a minimum of \$310,000,000.00 in Private Investment Expenditures (See **Exhibit L**) for construction of the Project, including, on and off-site infrastructure improvements, site amenities, building finish-out/furnishings, and professional fees (e.g., architecture, engineering, landscape architecture, interior design). Construction management costs may be considered a Private Investment Expenditure if services are directly related to ensuring the quality of the construction of the Project and are performed by an independent and unaffiliated third-party. Construction management costs must be evidenced by invoices with detailed descriptions of services performed. Developer fees, legal fees, marketing fees, financing fees, leasing commissions, carrying costs, reserves, operating deficits through stabilization and other similar costs shall not be considered a Private Investment Expenditure. With the exception of site acquisition, professional fees, environmental assessments and other eligible due diligence costs required to complete a City of Dallas Development Incentive Application, no expenditures made prior to City Council approval of this proposed TIF Subsidy may count towards minimum private investment.
- ii. Completion Deadline. Developer shall complete construction of a minimum of 800,000 square feet of residential, office, retail and hotel space associated with the Project by December 31, 2027, as evidenced by a certificate of occupancy for the residential component and commercial components as described in Section 7.B.iii.

Certificates of completion, and/or similar documentation issued by the City indicating all construction work is complete and the space is occupiable and/or ready for tenant finish out is required for all remaining portions of the building not required to provide a certificate of occupancy. All portions of the building shall be occupied or occupiable and/or ready for tenant finish-out by the Completion Deadline date.

- iii. Minimum Occupancy Requirement for Commercial Uses. Prior to the initial payment of the TIF Subsidy, Developer shall provide evidence of the following:
 - a) Fifty percent (50%) of the street level retail space is leased and occupied;

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SECTION 7.)continued)

- b) Fifty percent (50%) of the office space is leased to one or more unaffiliated third-parties and copies of the executed lease(s) have been provided to the Director; and
 - c) the hotel is open and operational.
- iv. Tenant Finish-Out Construction Commencement. Within 12 months of the initial payment of the TIF Subsidy, Developer must commence tenant finish-out construction for at least fifty percent (50%) of the office space.
- v. Ongoing Minimum Occupancy Requirement for Commercial Uses. After initial payment of the TIF Subsidy, Developer, for a period of fifteen (15) years thereafter, shall immediately notify City in writing if any occupancy falls below the minimum occupancy requirements described in Section 7.B.v. (the "Occupancy Default"). Such notice shall specify the nature of the default, the period of existence thereof, and the action Developer is taking or proposes to take with respect to curing the Occupancy Default. Failure of Developer to cure the Occupancy Default within 180 calendar days following written notice by City shall constitute an uncured occupancy default ("Uncured Occupancy Default"). In the event of Uncured Occupancy Default, then City shall reduce the TIF Subsidy in the following manner for each use that has an uncured occupancy default: the required minimum percentage of total net leasable square feet minus the actual percentage of total net leasable square feet times the TIF Subsidy. (Example: 50% - 40% = 10% x \$X = \$X immediately remitted back to City or withheld by City if the entire TIF Subsidy has not yet been disbursed). Failure to meet the requirements detailed in this section constitutes a default under this Agreement
- vi. Mixed-Income Housing. A minimum of twenty percent (20%) of the residential units constructed as part of the Project shall meet the affordability requirements of the Downtown Connection TIF District. Developer shall also ensure the following:
 - a) Affordable units are required to meet the affordability requirements for a fifteen (15) year period (from the date of a final certificate of occupancy for the residential portion of the Project);
 - b) The Developer must submit semi-annual reports to the OED (from the date of certificate of occupancy) with sufficient information that shows compliance with the affordable housing requirements;
 - c) Affordable units shall be dispersed substantially pro-rata among units by

the number of bedrooms in each unit so that not all the affordable units are one-bedroom units;

All affordable units shall be of substantially identical finish-out and materials as market rate units, shall float within each unit type, shall not be fixed to specific unit numbers and shall not be segregated or concentrated in any one floor or area of any area of the Project site. Tenants occupying the affordable units shall not be restricted in any way from common areas or amenities within the project site, unless such restrictions apply to all tenants. Additionally, the affordable units shall be dispersed substantially pro-rata among units by the number of bedrooms that are in each unit so that not all the affordable units are any single bedroom type.

- vii. Housing Vouchers. Developer shall abide by Ordinance 30246, approved by Resolution 16-1760, which requires “multifamily housing accommodations that benefit from a financial award approved by the city council on or after the effective date of this ordinance [October 26, 2016] shall set aside at least ten percent (10%) of the dwelling units and solely lease those dwelling units to holders of housing vouchers, including vouchers directly or indirectly funded by the federal government, for a minimum of 15 years from the date of the initial issuance of the housing accommodation’s certificate of occupancy”. Should Ordinance 30246 and Chapter 20A of the Dallas City Code be amended prior to the Project’s certificate of occupancy date, Developer shall abide by such amended requirements. Additionally, Developer agrees that it will not discriminate against potential renters on the basis of source of income, including federal housing vouchers.

Dwelling units leased to voucher holders to satisfy the ten percent (10%) requirement in this section shall count towards the twenty percent (20%) Mixed-Income Housing requirement contained in Section 7.B.vi above.

- viii. Deed Restrictions. Developer shall execute deed restrictions, by the date of the certificate of occupancy for the residential portion of the Project, in a form to be mutually agreed upon by Developer and the City and record such executed deed restrictions in the Official Real Property Records of Dallas County to ensure that the property will comply with the mixed-income housing and voucher requirements, as well as the source of income non-discrimination requirement, described herein.
- ix. Affirmative Fair Housing Marketing Plan. Developer shall complete an Affirmative Fair Housing Marketing Plan (form of document attached as **Exhibit M**) and submit to the Fair Housing division of the City’s Office of Equity and Inclusion for review and approval and market the residential component of the Project pursuant to the City approved marketing plan.
- x. Acceptance of Public Infrastructure Improvements. Developer shall complete

and obtain a letter of acceptance or similar documentation issued by the City, which may include a green tag issued from the Public Works Department for any public infrastructure improvements associated with the Project by June 30, 2028.

- xi. Operating and Maintenance Agreement. Prior to Project completion, Developer shall execute an Operating and Maintenance Agreement (defined below) for any Non-Standard Public Improvements (defined below) associated with the Project (the "Operating and Maintenance Agreement"), and if necessary, obtain a license from City for the purpose of maintaining any improvements in the public right-of-way. "Non-Standard Public Improvements" shall be defined as those public infrastructure improvements which exceed the City's standard design requirements, as determined by the City, and shall include specially designed street/pedestrian lighting, brick pavers, bollards, sidewalks, public art, fountains, landscaping and irrigation. With the exception of specially designed street/pedestrian lighting, public artwork, brick pavers, enhanced concrete pavers, fountains and other structures, City shall retain ownership of such public improvements and may at its sole option, if Developer fails to maintain such public improvements after notice from City, perform such maintenance and invoice Developer for the costs, which costs Developer shall pay within thirty (30) days of notice. Developer shall submit documentation evidencing that an executed Notice of Operating and Maintenance Agreement specifying the existence of an executed Operating and Maintenance Agreement for the Non-Standard Public Improvements was recorded with the Dallas County Clerk's Office.

The term for the Operating and Maintenance Agreement shall be twenty (20) years. The terms and conditions of the Operating and Maintenance Agreement are binding upon the successors and assigns of all parties hereto and may be assignable, subject to the Director's approval, in whole or in part, to a new owner of all or a portion of the Project. Developer shall remain responsible for the maintenance of the Non-Standard Public Improvements for a term of twenty (20) years even if Developer chooses to forgo the City Subsidy or is not paid the City Subsidy as a result of default.

- xii. Business Inclusion. Developer shall make a good faith effort to comply with the City's Business and Workforce Inclusion's goal of thirty-two percent (32%) participation by certified Minority/Women-owned Business Enterprises ("M/WBE") for all hard construction expenditures on the Project and meet all reporting requirements. See **Exhibit N**.
- xiii. Quarterly Reporting. Until the Project has passed final building inspection and all required paperwork documenting Project completion has been submitted to the OED, Developer shall submit to the OED quarterly status reports for ongoing work on the Project (including any public improvements). Such status reports shall be due within thirty (30) calendar days following the end of each

calendar quarter.

- xiv. Design. The Urban Design Peer Review Panel (“UDPRP”) is an independent group of professional designers selected by the City Manager with expertise in architecture, landscape architecture, engineering, and urban planning. Review by the UDPRP is required for all projects requesting TIF subsidies. Following a formal review of the entire Newpark Dallas redevelopment plan and the Project’s preliminary conceptual drawings and renderings on October 23, 2020, the UDPRP provided urban design advice for the Developer. On March 8, 2021, and August 31, 2021, Developer submitted to the City’s Planning and Urban Design (“PUD”) Department staff written responses and revised conceptual plans addressing the UDPRP’s design advice. See **Exhibit O** for UDPRP comments and Developer and PUD responses.

Prior to submitting construction plans to the City’s Development Services Department as part of a building permit application, Developer shall submit a set of the construction drawings to the PUD Department for a final staff review to ensure that the Project (i.e., public and private improvements) will be constructed in substantial conformance with the conceptual drawings presented to the TIF District Board and City Council. PUD Department staff shall complete the final staff review of permit drawings within 10 business days of submission by Developer.

Allowable minor modifications to the Project’s design may include those required to comply with development regulations administered by the City’s Development Services Department or other City departments, federal, state and local laws, codes and regulations. Prior to making any Project design changes that would be considered minor in nature, Developer shall notify the Director and submit proposed changes to the Director and PUD Department for review and approval.

- xv. Local Hiring. For all permanent employment opportunities created by operation of the Project, and prior to commencing any hiring activities and the initial payment of the TIF Subsidy, Developer shall submit to the City a written plan describing: (i) how Developer or property management group shall use and document best efforts to recruit and hire residents of the city of Dallas; and (ii) how Developer shall cause all tenants to use and document best efforts to recruit and hire residents of the city of Dallas. At a minimum, the written plan shall describe how Developer, property management group and/or tenant will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources. The plan shall be subject to approval by the Director to ensure that employment opportunities are targeted to Dallas residents and that reasonable efforts are made to promote the hiring of neighborhood residents for any new jobs created. No TIF Subsidy shall be paid to Developer until Director approves the written plan. Within thirty (30) calendar days of the City’s receipt of the Local

Hiring Plan, the Director shall either approve the Local Hiring Plan or (ii) in the event the Director disapproves the Local Hiring Plan, give written notification to the Owner of the Director's disapproval, specifying the reasons for such disapproval.

- xvi. Minor Modifications. The Director may authorize minor modifications to the Project, including, but not limited to, adjustment of the square footage of each component of the building, and may, after approval and recommendation of the TIF District Board, authorize an extension of the Project deadlines up to twelve (12) months.
- xvii. PPP Grant Repayment. The City's Public/Private Partnership Fund will receive fifty percent (50%) of increment generated within the Newpark Sub-district until the PPP Grant is repaid in full, after which one hundred percent (100%) of increment generated in the Newpark Sub-district would flow to the Developer as TIF Subsidy portion of the City Subsidy.

SECTION 8. That, pursuant to Section 3 and Section 7.B.xvii of this resolution and upon approval of annual appropriations, the Chief Financial Officer is hereby authorized to set up Due to Other Funds in the Downtown Connection TIF District Fund, Fund 0044, Department ECO, Unit: W829, Balance Sheet Account 0429, debit object code 3099 in an amount not to exceed \$4,100,000.00. Also, the Chief Financial Officer is hereby authorized to set up Due from Other Funds in the Public/Private Partnership Fund, Fund 0352, Department ECO, Balance Sheet Account 0271 and Deferred Revenue Balance Sheet Account 088G in the amount of \$4,100,000.00.

SECTION 9. That, pursuant to Section 7.B.xvii of this resolution and upon approval of annual appropriations, the Chief Financial Officer is hereby authorized to transfer fifty percent (50%) of increment generated annually within the Newpark Sub-district of the Downtown Connection TIF Fund, Fund 0044, Department ECO, Unit W829, Balance Sheet Account 0429, credit Balance Sheet Cash Account 0001 to Public/Private Partnership Fund, Fund 0352, Department ECO, Unit W829, Various Revenue Sources until up to \$4,100,000.00, the PPP Grant, is repaid in full.

SECTION 10. That, pursuant to Section 9 of this resolution, the Chief Financial Officer is authorized to reverse Due from Other Funds, in the Public/Private Partnership Fund, Fund 0352, Department ECO Balance Sheet Account 0271 and Deferred Revenue Balance Sheet Account 088G until up to \$4,100,000.00, the PPP Grant, is repaid and transferred in full.

SECTION 11. That all payments of the TIF Subsidy portion of the City Subsidy are subject to the availability of tax increment. If the appraised value of the property in the Newpark Sub-district of the Downtown Connection TIF District remains constant or decreases in value from the base year value, annual payments may be reduced or unpaid due to lack of available increment. The TIF Subsidy shall be paid solely from the Tax Increment Fund, if and when tax increments are received and available for such purpose, during the

remaining life of the Newpark Sub-district of the Downtown Connection TIF District (including collection of the 2052 tax year increment in calendar year 2053), subject to the limitations on payment provided in the final Development Agreement authorized by City Council.

SECTION 12. That assuming all other conditions for payment have been met, the City of Dallas will administer the payment of the TIF Subsidy for the Project annually, pursuant to the Downtown Connection TIF District Increment Allocation Policy attached hereto as **Exhibit P**.

SECTION 13. That in the event of an Uncured Default, City shall have the right to elect any or all of the following actions in its sole discretion: (i) terminate the development agreement effective immediately upon written notice of such intent to Developer and demand immediate repayment by Developer of the City Subsidy and said City Subsidy shall be immediately due and payable by Developer without further or additional notice; and/or (ii) pursue any other legal remedies available at law or equity, including but not limited to specific performance. In the event of termination of the development agreement under (i), any City Subsidy funds available but unpaid to Developer shall be immediately rescinded and Developer shall have no further right to such City Subsidy and any amount due and owing after the demand date shall accrue interest at the maximum rate of interest allowed by law.

SECTION 14. That until completion of the Project, an assignment of the rights and/or the obligations of the development agreement, in whole or in part, will only be allowed to a direct affiliate of Developer with the prior written approval of the Director.

After completion of the Project and all conditions for the City Subsidy have been met, Developer may assign its rights or obligations under the development agreement to any entity with the prior written approval of the Director. Developer and assignee have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under the development agreement for the benefit of their respective lenders without the consent of, but with prior written notice and approval of the Director. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate the lender to perform any obligations or incur any liability under the development agreement unless the lender agrees in writing to perform such obligations or incur such liability.

SECTION 15. That in the event the Director determines the Project has been delayed as a result of force majeure, after being provided written notice by Developer, Developer shall have additional time to complete the Project, as may be required in the event of force majeure, defined herein, so long as Developer is diligently and faithfully pursuing completion of the Project, as determined by the Director. "Force majeure" shall mean any contingency or cause beyond the reasonable control of Developer, as determined by the Director including, without limitation, acts of nature or the public enemy, war, riot, civil commotion, insurrection, state, federal or municipal government, or de facto

governmental action (unless caused by acts or omissions of Developer), fires, explosions, floods, and strikes. In the event of force majeure, Developer, after providing Director with written notice of the event of force majeure, shall be excused from doing or performing the same during such period of delay, so that the completion dates applicable to such performance, or to the construction requirement shall be extended for a period equal to the period of time Developer was delayed, subject to Director's approval.

SECTION 16. 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
One Newpark Location Map

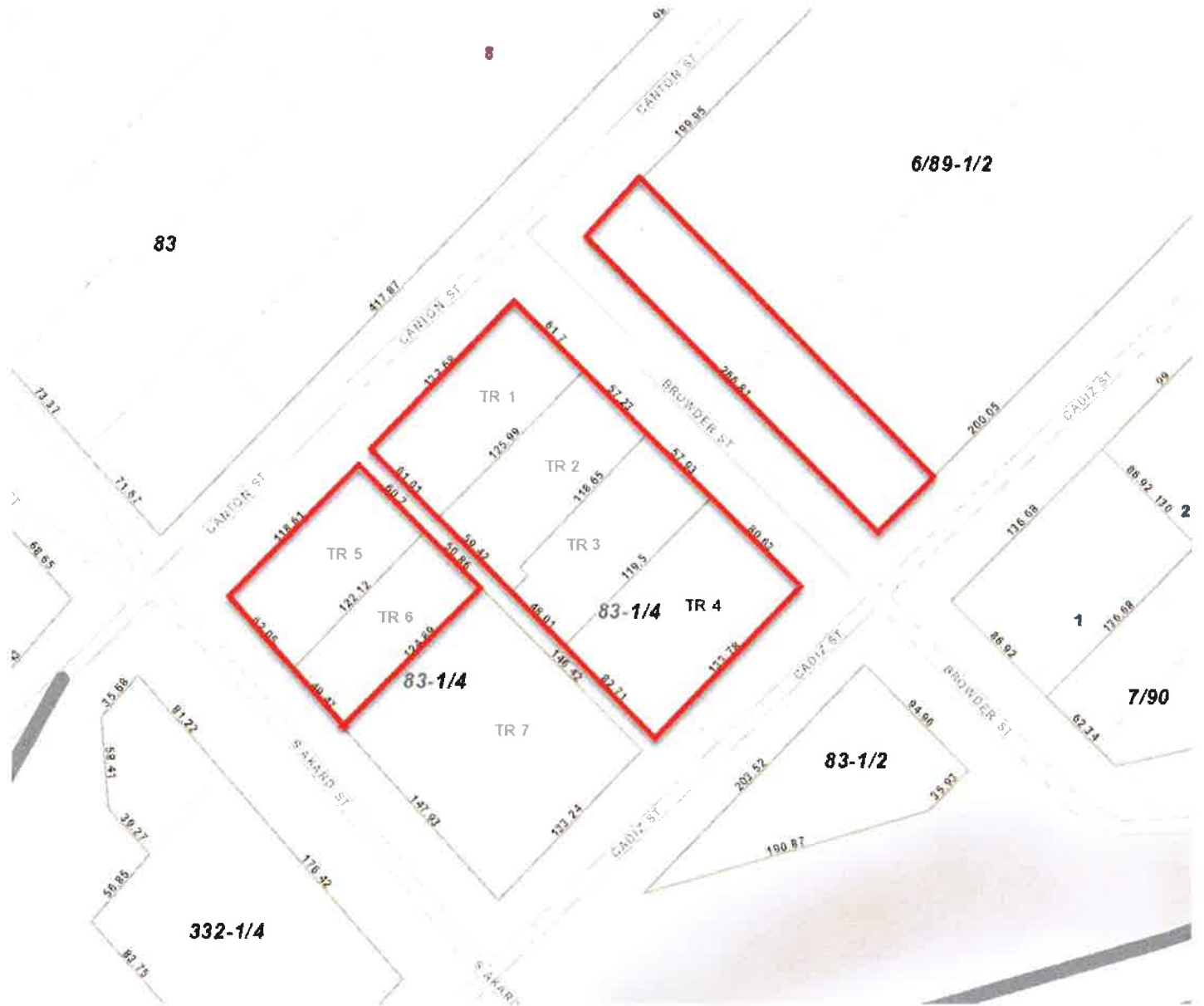


Exhibit B
City Subsidy Budget

PPP Grant	Amount
Grant to offset expenditures made by the Developer for City development fees such as right-of-way abandonment, permitting, plan review, and inspection fees	\$4,100,000
TIF Subsidy Category	Amount
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots	
Environmental Remediation/Demolition	\$2,304,931
Street/Utility Improvements	\$2,000,000
Streetscape Improvements	\$2,000,000
Economic Development TIF Grant (includes PPP Grant Repayment)	\$85,695,069
TIF SUBSIDY	\$92,000,000
TOTAL CITY SUBSIDY	\$96,100,000

Funds may be shifted among the TIF Subsidy budget categories except the TIF grant, so long as the total TIF Subsidy does not exceed \$92,000,000.00. The total TIF grant shall not exceed \$85,695,069.00 under any circumstances but may be less if actual expenditures for the remaining categories exceed \$6,304,931.00.

Exhibit C Site Plan



Exhibit D-1
One Newpark Rendering



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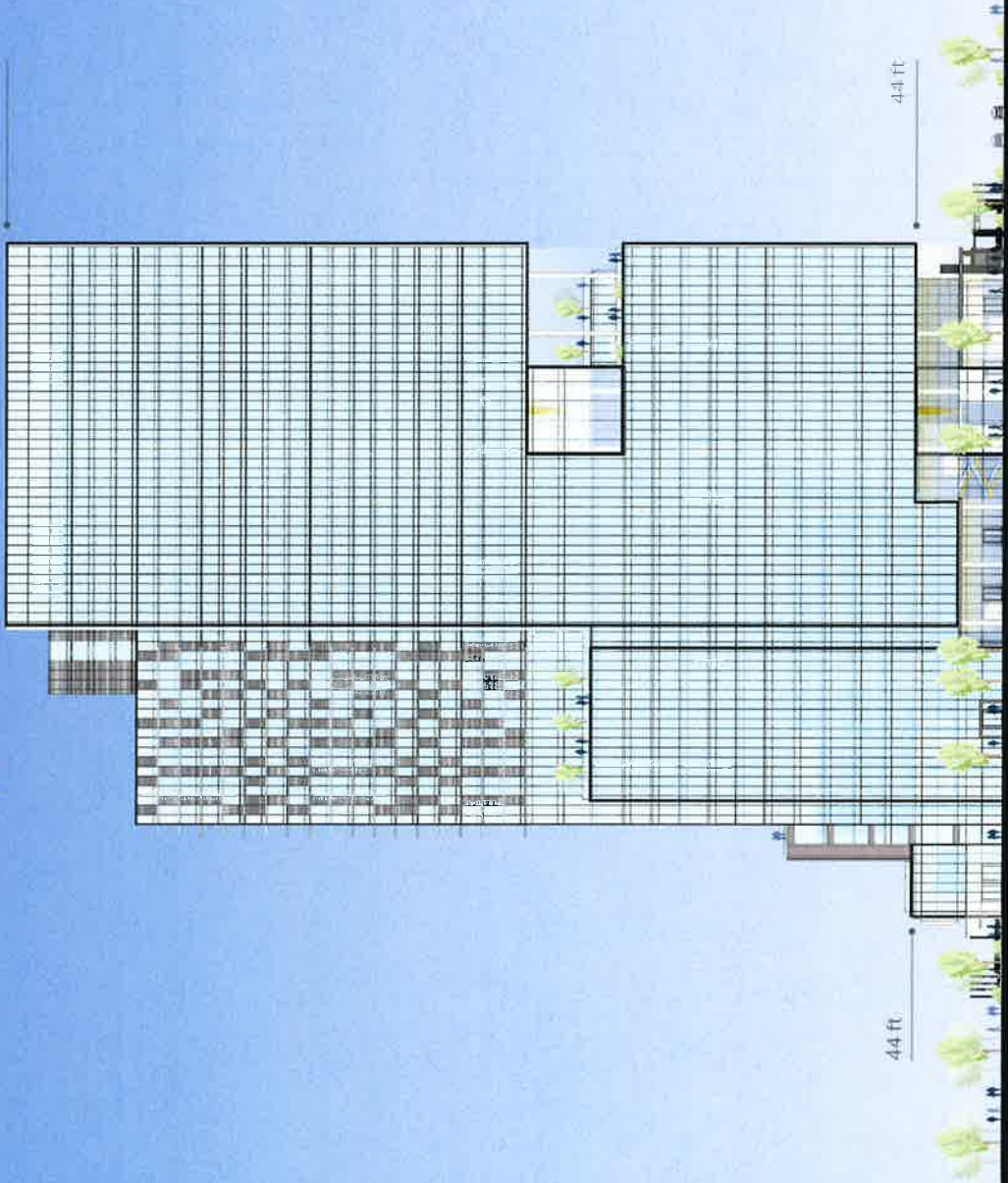
Exhibit D-2 One Newpark Rendering



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Exhibit E One Newpark - Canton Street Elevation

488 ft



44 ft

44 ft

CANTON STREET VIEW

Exhibit F Browder Street Elevation

488 ft

104 ft

220 973

BROWDER STREET VIEW



220 97 3

Exhibit G Cadiz Street Elevation

488 ft



CADIZ STREET VIEW

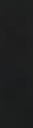
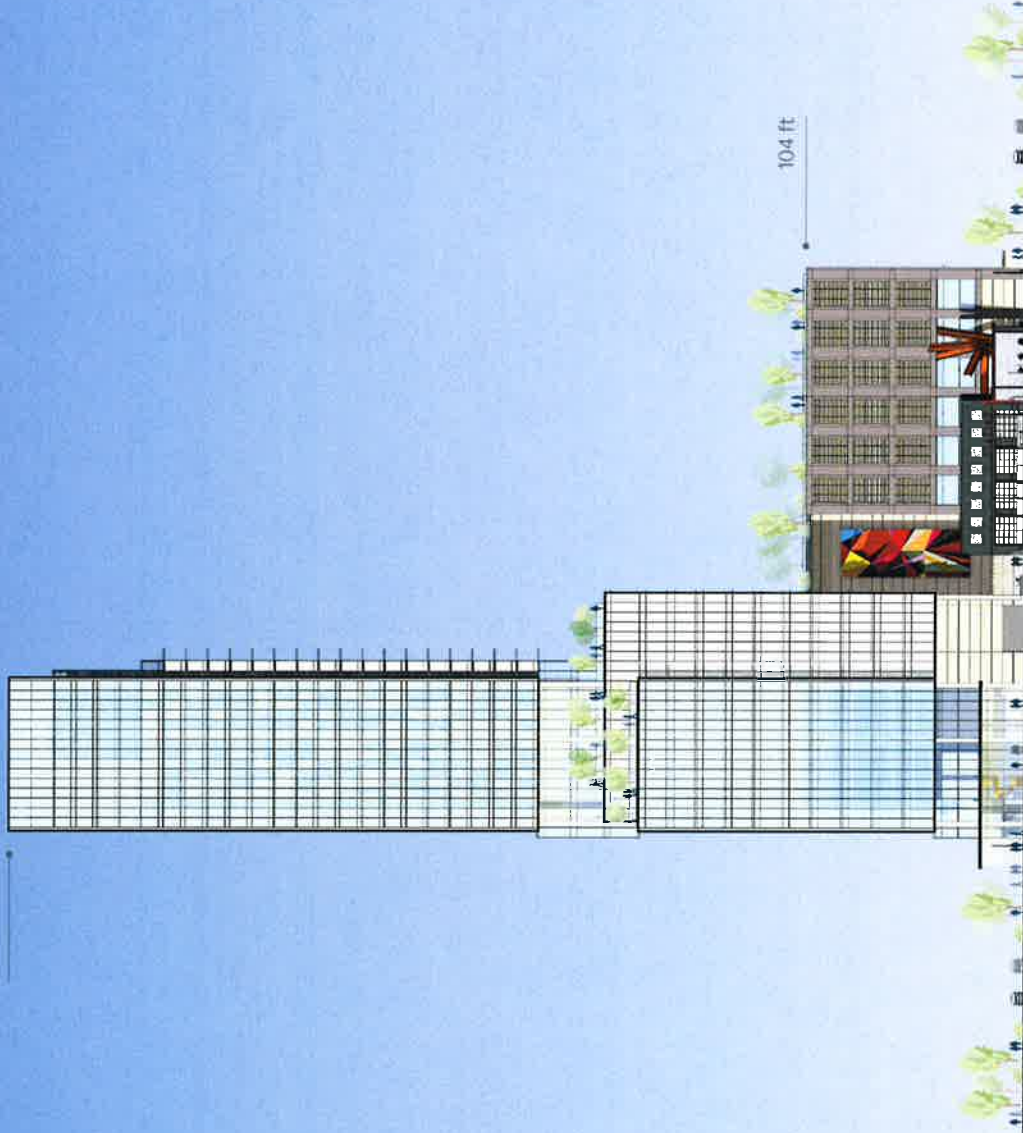


Exhibit H S. Akard Street Elevation

488 ft



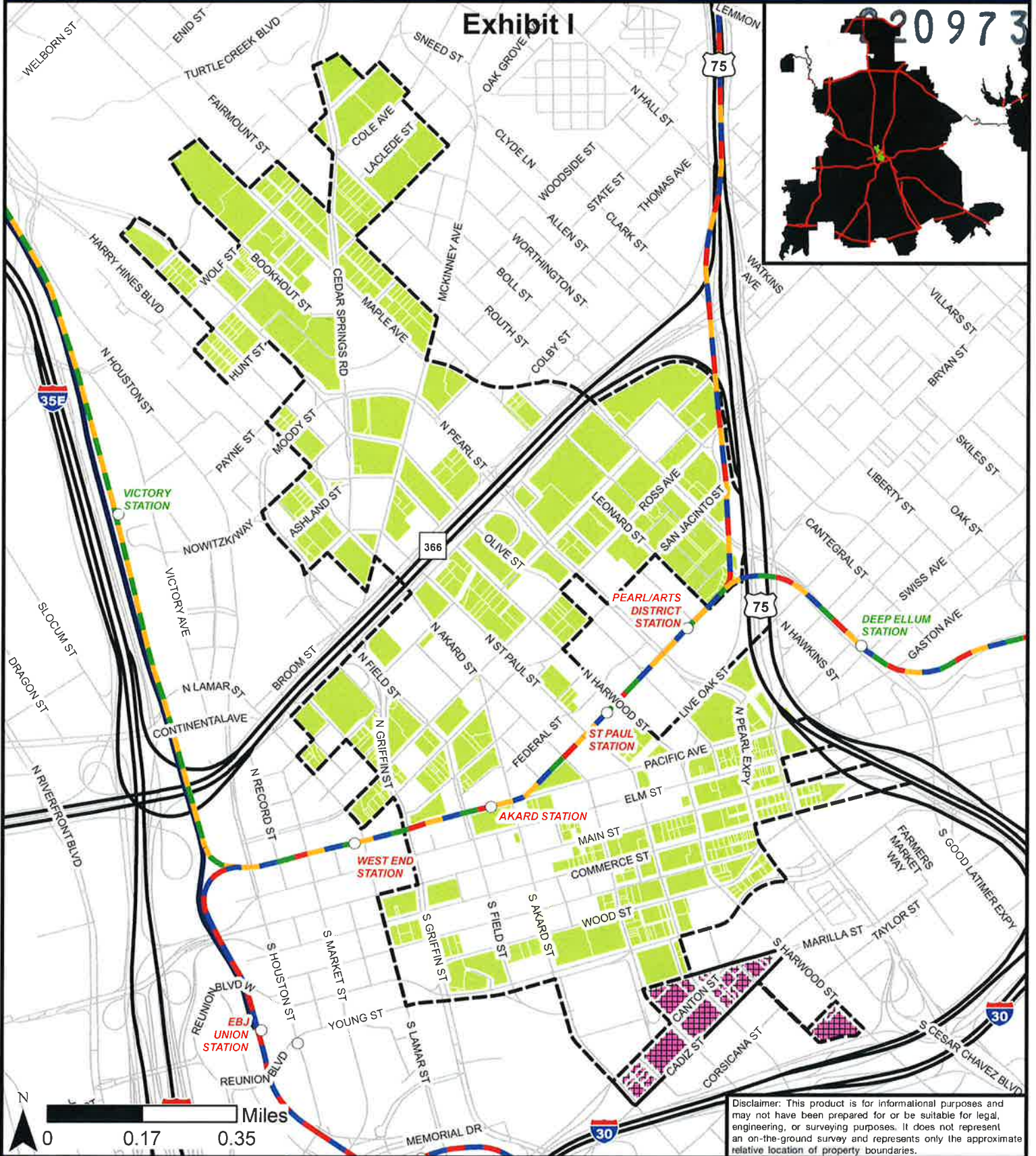
220973

S. AKARD STREET VIEW



Downtown Connection TIF District (Proposed)

Exhibit I



Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

City of Dallas
 Office of Economic Development
 (214) 670-1685
www.dallascodev.org
 Created 8.13.21. Updated 1.20.22 DTConnection_2021_RK

Legend

Downtown Connection Sub-district Parcels	Highways	Rail Station
Newpark Sub-district Parcels	Arterial Roads	DART Red Line
Downtown Connection TIF District Boundary	TRINITY RAILWAY	DART Blue Line
		DART Green Line
		DART Orange Line

Source: Dallas Area Rapid Transit, 2021; Dallas Central Appraisal District, 2021; and City of Dallas, 2022.

17 December 2020

Ms. Ashley Eubanks
Assistant Director, Real Estate
City of Dallas
320 East Jefferson Boulevard
Room 203
Dallas, TX 75203

RE: REQUEST FOR REAL ESTATE ABANDONMENT

Dear Ms. Eubanks,

In support of the initial development phases of the development commonly referred to as Newpark, and on behalf of the General Partner, One Newpark GP, LLC, this letter, along with enclosures, shall serve as the formal abandonment request for the real estate generally described as *Browder Street between Canton and Cadiz Streets* and the *alley between South Akard and Browder Streets and Canton and Cadiz Streets*, and more specifically described in the enclosures.

Said abandonments are required to develop One Newark, which is a thirty-nine (39) story hyper mixed-use tower consisting of hotel, office, residential and retail products, along with an appropriately sized parking structure. One Newark is the development team's initial phase of multiple towers of what will prove to be a world class development leading the southern expansion of Downtown Dallas.

Enclosed are the associated fees and the requisite documentation prepared by Pacheco Koch.

Sincerely,



Jason P. Lanoha

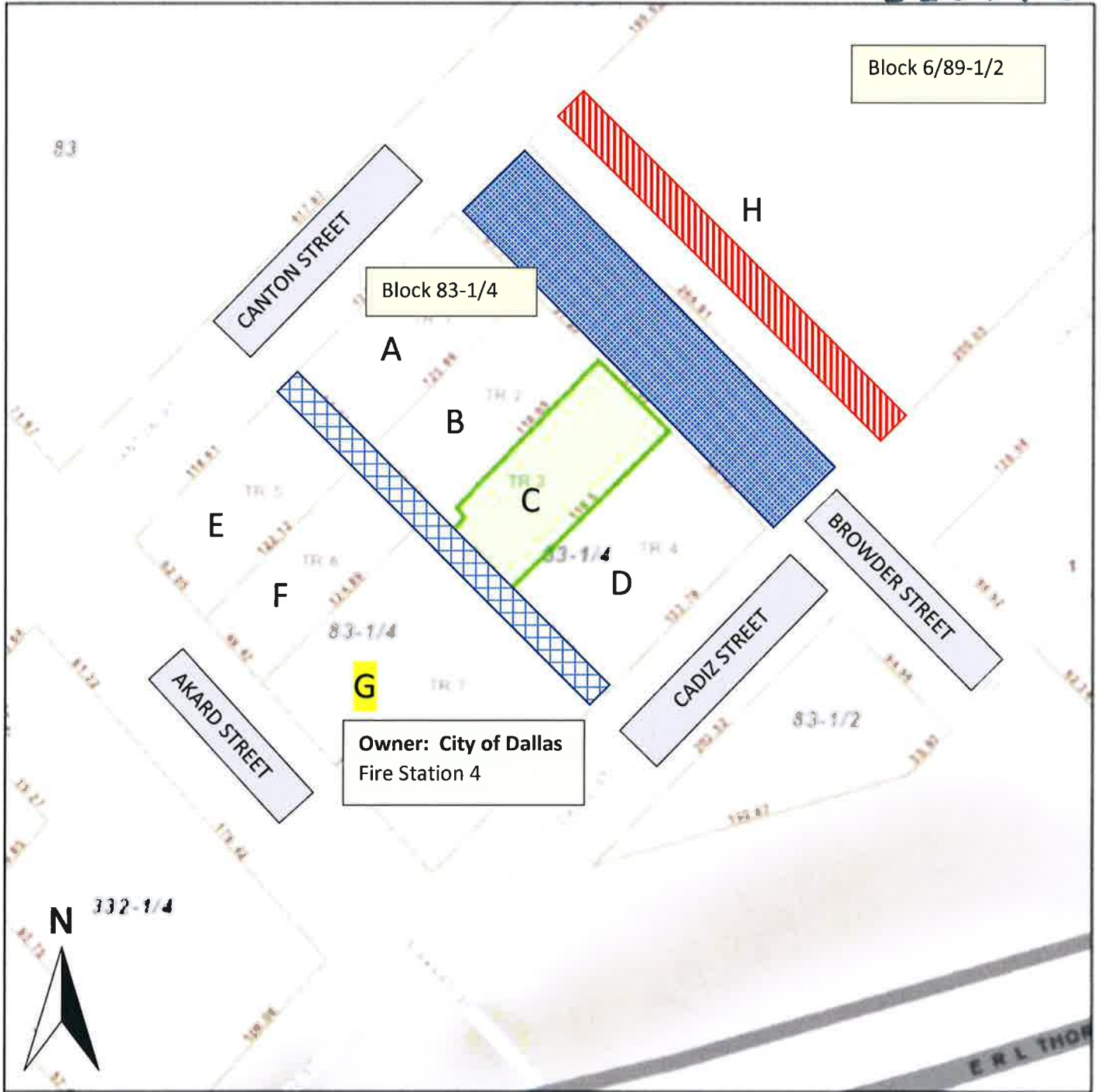
jlanoha@lanoha.com

On behalf of One Newpark GP, LLC

Enclosures

Exhibit J
 Browder Street Abandonment Request

220973



Log No. 50021

Applicant: Canton Cadiz Phase 1, LLC

Abandonment Areas:

Street



Alley



Dedication Area:



Owner: Canton Cadiz Phase 1, LLC

A – 801 BROWDER STREET - Inst. No. 201600336050

B – 807 BROWDER STREET – Inst. No. 201600336050

C – 809 BROWDER STREET – Inst. No. 201600336054

D – 817 BROWDER STREET – Inst. No. 201600336051

E – 1404 CANTON STREET – Inst. No. 201600336051

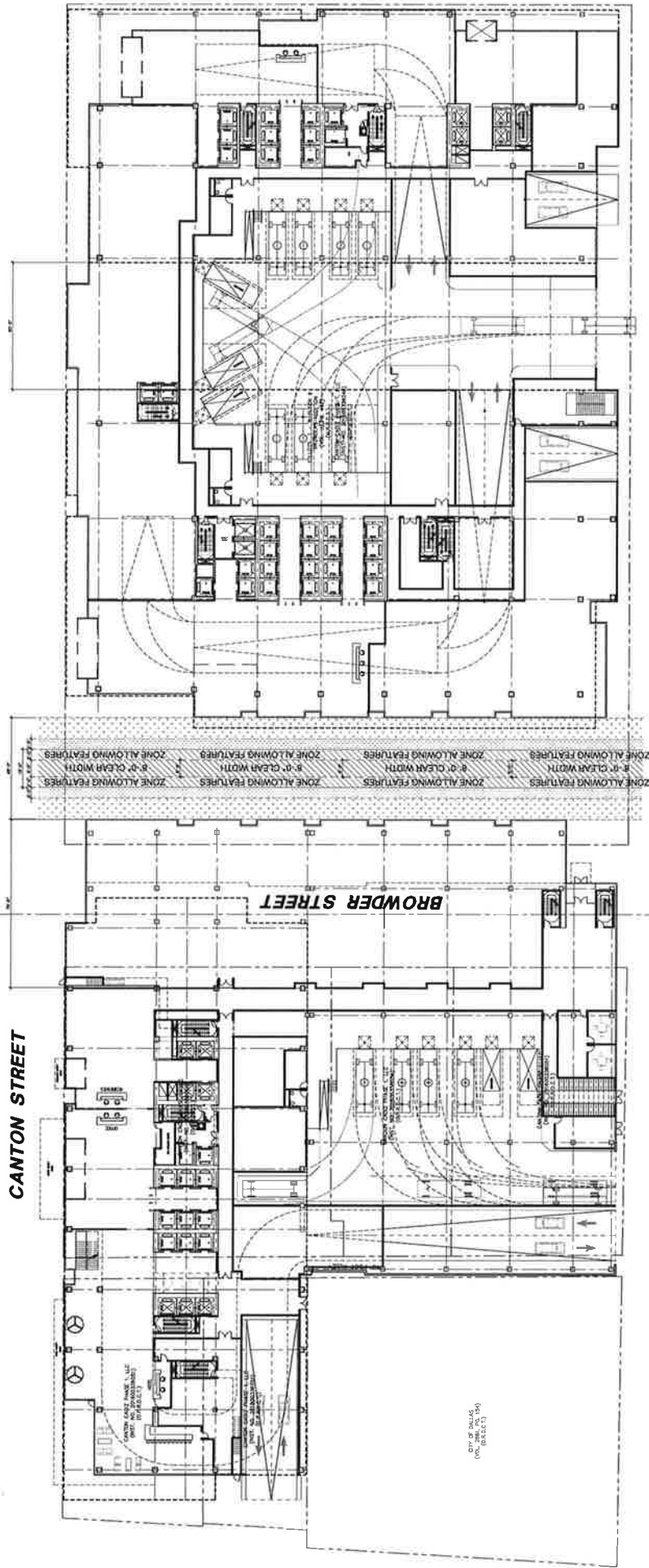
F – 808 S AKARD STREET – Inst. No. 201600336051

G – 816 S AKARD STREET – CITY OF DALLAS

H – 1600 CANTON STREET – Inst. No. 201600336048 (Abutting property)

Exhibit K
Browder Street Abandonment Condition

UNIVERSITY'S ACTION
CENTER
CITY OF DALLAS
(REVISED 10/06)



ZONE ALLOWING FEATURES
8'-0" CLEAR WIDTH
ZONE ALLOWING FEATURES

ZONE ALLOWING FEATURES
8'-0" CLEAR WIDTH
ZONE ALLOWING FEATURES

ZONE ALLOWING FEATURES
8'-0" CLEAR WIDTH
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8'-0" CLEAR WIDTH
ZONE ALLOWING FEATURES

ZONE ALLOWING FEATURES
8'-0" CLEAR WIDTH
ZONE ALLOWING FEATURES

SEE 1 AND 2 FOR

SEE 1 AND 2 FOR

CITY OF DALLAS
(REVISED 10/06)

CANTON STREET

BROWDER STREET

CADIZ STREET

Exhibit L
Private Investment Expenditures

Uses		
Land/Building:	Amount	Percent
Land Cost (Acquisition) - <i>per As-Is Appraisal</i>	\$ 6,270,000	
ROW Abandonment Fee	\$ 3,611,647	
Total Land Acquisition	\$ 9,881,647	2.6%
Hard Costs:		
Sitework	\$ 2,304,931	
Building construction costs	\$ 213,170,839	
Garage construction costs	\$ 48,541,872	
Tenant Improvements	\$ 21,261,310	
Hard cost contingency	\$ 11,972,758	
Off-Site Improvements:	\$ 4,000,000	
Other hard costs (FF&E/Hotel OS&E)	\$ 10,040,000	
Total Hard Costs (total construction)	\$ 311,291,710	82.1%
Soft Costs:		
Marketing expenses, advertising, etc.	\$ 500,000	
Architects/Engineers/Consultants	\$ 8,010,500	
Legal & Accounting	\$ 1,873,763	
Loan expenses(origination fee and debt ininterest to BE)	\$ 21,494,534	
Other soft costs (Permits/testing/inspections/broker commissions/loss to break even)	\$ 17,044,217	
Soft cost contingency	\$ 642,440	
Total Soft Costs	\$ 49,565,454	13.1%
Developer Fee:		
Developer Fee	\$ 8,550,617	2.3%
Total Development Costs	\$ 379,289,428	100.0%

CITY OF DALLAS

AFFIRMATIVE FAIR HOUSING MARKETING PLAN



COMPLETE FORM AND SUBMIT TO:

FAIR HOUSING OFFICE

CITY HALL • 1500 MARILLA ST., RM 1BN • DALLAS, TEXAS 75201

Ph. (214) 670-3247 • Fax (214) 670-0665

1. INTRODUCTION

The Affirmative Fair Housing Marketing Program requires that each City Assisted Housing Provider carry out an affirmative program to attract prospective buyers or tenants of all minority and non-minority groups to the housing that the applicant is providing. These groups include Whites (Non-Hispanic) and members of minority groups: African-American, Hispanics and others in the Dallas, Texas area who may be subject to housing discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status.

2. APPLICATION AND PROJECT IDENTIFICATION

A. APPLICANTS:	B. PROJECT OR APPLICATION NUMBER
NAME:	NUMBER OF UNITS AVAILABLE:
ADDRESS (include city, state and zip code): TELEPHONE NUMBER:	NUMBER OF UNITS LEASED OR SOLD: PRICE OR RENTAL RANGE OF UNITS: FROM \$_____ TO: \$_____
C. PROJECT NAME:	D. FOR MULTIFAMILY HOUSING ONLY: <input type="checkbox"/> ELDERLY <input type="checkbox"/> NON-ELDERLY
PROJECT ADDRESS:	E. APPROXIMATE STARTING DATE: ADVERTISING: _____ OCCUPANCY: _____
	F. NAME OF MANAGING AGENT:

CENSUS TRACT: _____	ADDRESS (include city, state and zip code):
---------------------	---

3. TYPE OF AFFIRMATIVE MARKETING PLAN

- Project Plan
 Annual Plan (For single family scattered site units)

NOTE: a separate Annual Plan must be developed for each type of census tract in which the house is to be built.

- Minority Area
 White (non-minority area)
 Mixed Area (with _____% minority residents)

4. DIRECTION OF MARKETING ACTIVITY

Indicate below which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts.

- White
 African-American
 Hispanic
 Other

5. MARKETING PROGRAM

A. COMMERCIAL MEDIA

Check the media to be used to advertise the availability of the housing.

- Newspaper(s)/Publication(s)
 Radio
 TV
 Billboard(s)
 Other (Specify) _____

NAME OF NEWSPAPER RADIO OR TV STATION (1)	RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE (2)	SIZE/DURATION OF ADVERTISING (3)

B. BROCHURES, SIGNS AND HUD'S FAIR HOUSING POSTER

(1) Will brochures, leaflets or handouts be used to advertise? Yes No If yes, attach a copy or submit when available. (2) For project site sign; indicate sign size _____ x _____; Logotype size _____ x _____. Attach a photograph or project sign or submit when available. (3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the Sales/Rental Office(s); Real Estate Office(s); Model Units; Other _____

Exhibit N**Excerpts from the Business Inclusion and Development Policy****Business Inclusion and Development (BID) Policy Statement**

It is the policy of the City of Dallas to involve certified Minority and Women-Owned Business Enterprises (M/WBEs) to the greatest extent feasible on the City's construction, general services, and professional services contracts. It is the policy of the City of Dallas to encourage the growth and development of M/WBEs that can successfully compete for contracting opportunities. The City and its contractors shall not discriminate on the basis of race, age, color, ancestry, national origin, place of birth, religion, sex, sexual orientation, gender identity and expression, military or veteran status, genetic characteristics, or disability unrelated to job performance in the award and performance of contracts. In consideration of this policy, the City of Dallas has adopted the Business Inclusion and Development (BID) Policy for all City of Dallas contracts.

BID Policy Certification of M/WBEs

The City of Dallas is a member of the North Central Texas Regional Certification Agency (NCTRCA), Dallas Fort Worth Minority Supplier Diversity Council (DFWMSDC), and Women Business Council Southwest (WBC). These agencies certify M/WBE ownership and control and provide M/WBE certification services for the City of Dallas. The City reserves the right to accept M/WBE certifications issued by other certifying organizations or agencies that use the same or similar certification criteria as the certification agencies listed above. Self-certification does not meet the City's M/WBE certification requirements. Dallas also recognizes Native American-owned businesses with tribal cards associated with that business as M/WBE.

BID Policy Goals

Construction	32.00%
Architectural & Engineering	34.00%
Professional Services	38.00%
Other Services	N/A
Goods	32.00%

NEWPARK

DALLAS A SMART DISTRICT

March 08, 2021

Urban Design Peer Review Panel
City of Dallas
1500 Marilla Street
Dallas, TX 75201

RE: UDPRP Advice for One Newpark, Presented to the Panel on October 23, 2020

Dear Panelists,

Thank you for the consideration and thoughtful feedback, comments, and questions regarding our presentation for One Newpark at the Panel's meeting on October 23, 2020. We look forward to continue working with you and the City to make Newpark Dallas a catalyst for the southern area of Downtown Dallas.

Please see comments below in response to the Panel's advice provided following the presentation:

- [1]** The Panel expresses excitement for the opportunities this mixed-use development brings to this side of downtown.

Response: Thank you for the show of support, we are excited to be doing something significant for the City of Dallas to help move investment south.

- [2]** The Panel advises the development team continue to collaborate and work with all surrounding partners, including the City, Downtown Dallas Inc., the Cedars Neighborhood Association, the Convention Center, and TXDOT.

Response: We have met with all of these groups, and others, and will continue to do so to ensure the development is cohesive and mindful of other significant infrastructure and public improvements planned nearby.

- [3]** The Panel recommends that the design team work hand-in-hand with the City on proposed street changes and bike infrastructure improvements to ensure safety, operability, traffic functionality, and connectivity to surrounding districts.

Response: We have met with City departments regarding proposed street changes and bike infrastructure improvements, and we will continue to work hand-in-hand with them.

City Response (3.10.21): Per the abandonment request of Browder, please provide a plan diagram of the proposed pedestrian mews replacing Browder Street, indicating dimensions of the space and the sidewalk.

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Newpark Response: Please see Exhibit D attached.

- [4] The Panel advises that this project pay attention to adjacent historic structures and also consider historically listed buildings located in the overall NewPark master plan that reside inside the Downtown Dallas Historic District.

Response: We will be mindful of adjacent historic structures and historically listed buildings in the overall Newpark master plan.

City Response (3.10.21): Please provide a plan diagram of the NewPark master plan, highlighting all of the historically significant buildings that are indicated in the Downtown Dallas National Register District report (previously shared, and included in this response). Please indicate any impacts that might exist with any of the listed buildings.

Newpark Response: Please see Exhibit E attached. The diagram shows the Newpark master plan and surrounding historic structures. The Newpark team has been very intentional about designing a project that is respectful and responsive to historic structures around the site. The Eagles Nest (referred to today as The Universal Church), for example, contributes greatly to the context of the streets around Newpark and the 1 Newpark residential front door and pedestrian mews between 1 Newpark and 2 Newpark are designed to open up to this historic building. 1701 Canton was reviewed by the City of Dallas Office of Historic Preservation and granted a demolition permit following a public hearing and process due to an inability to repurpose the building for the intended future use, which we can now share is a flagship downtown school for the local public school district.

- [5] The Panel recommends the design team consider softening the façade along Canton Street to help balance the monumentalism that exists at and around Dallas City Hall.

Response: Due to the cores of the multiple mix of uses and structural grids necessary to support all the uses stacked vertically in the building, it will be financially unfeasible to make significant changes to the façade along Canton Street. Please see Exhibit A that illustrates how the façade along Canton Street has been designed further to develop the building in a manner that is appropriate for a downtown high-rise in the setting which is appropriate for significant density and urban form.

City Response (3.10.21): Please provide a rendered site plan that shows how the articulation of the ground plane, hard and softscape provides interest and a balance to City Hall.

Newpark Response: Please see Exhibit F attached.

- [6] The Panel advises that the overall master plan work with this phase and future phases and their massing to mitigate the feeling of a wall, including thought being given to the design of future pedestrian mews between Canton and Cadiz to break down this barrier.

Response: Please see Exhibit B illustrating refinements to the overall master plan in order to address concerns of the massing feeling like a wall.

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DALLAS A SMART DISTRICT

- [7] The Panel recommends that the design maximize the use of green infrastructure on site to mitigate urban heat island, utilizing integrated stormwater management when possible.

Response: We will continue design efforts with mindfulness of how to maximize the use of green infrastructure to mitigate urban heat island effects and how integrated stormwater management may work. The site is currently 100% impervious, but through our design we look to incorporate landscaping that will reduce the fully impervious current condition.

City Response (3.10.21): Please continue to work with the City/PUD to explore iSWM opportunities as the site design is refined and finalized

Newpark Response: We will continue working with the City/PUD on this item.

- [8] The Panel expresses concern about the design of the facades of the parking structure, especially on the rear-side of the building facing the fire station property.

Response: Please see Exhibit C illustrating the design intent for the building materials on the garage and how the facades of the parking structure are activated on all sides. All sides of the parking garage will be skinned with building materials to ensure all sides of the building are activated.

- [9] The Panel advises that design detail be given to the site master plan and the closure of Browder Street, ensuring Browder remains as a wide pedestrian right-of-way to align with improvements being proposed for I-30. One consideration is to change the location of Phase I to the proposed location of Phase II and III near Ervay Street. If such a change cannot occur, it is recommended that work be made to acquire the fire station to create a hard corner at Akard/Cadiz to anchor this development to the proposed deck park.

Response: The location of the first phase block and abandonment of Browder Street are critical for the success of this project. The pedestrian connection coming from Browder to the south of One Newpark will be maintained, however, through the mews that runs directly east of the building. This connection will be important to bring pedestrians from the Cedars through the site, to Dallas City Hall, and beyond. Currently, Browder dead ends on Canton Street, therefore the change to have Browder stop one block down at Cadiz does not represent a dramatic change, particularly since the two-waying of Canton and Cadiz will facilitate better circulation around the site. One Newpark will also serve as a beautiful terminus with an activated street presence and residential lobby facing out to the predominantly pedestrian Browder Street as it comes up from the Cedars and into downtown.

Starting the multi-phase mixed-use development with an anchor on the western side of the district helps make a connection and establish continuity from the adjacent hubs of activity, particularly the Convention Center. The proximity to the Convention Center directly across the street further supports the intended hotel use in One Newpark, which depends on this

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connectivity. Furthermore, the lead office tenant discussions we have been having for the district are lined up and drastically changing the development plan at this stage would risk losing the opportunity.

We will explore acquisition of the fire station, but as this is a lengthy process, we are unable to commit to successful execution of this acquisition. While the building footprint shape is not a perfect square or rectangle, this actually helps give some architectural diversity to the shape of the building, rather than have a "Kleenex box on its side" look of a building that would incorporate the full block. The fire station property represents an opportunity to create something unique and special facing out to the future deck park, and we have been thoughtful in how we design our building around it.

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[EXHIBIT A]



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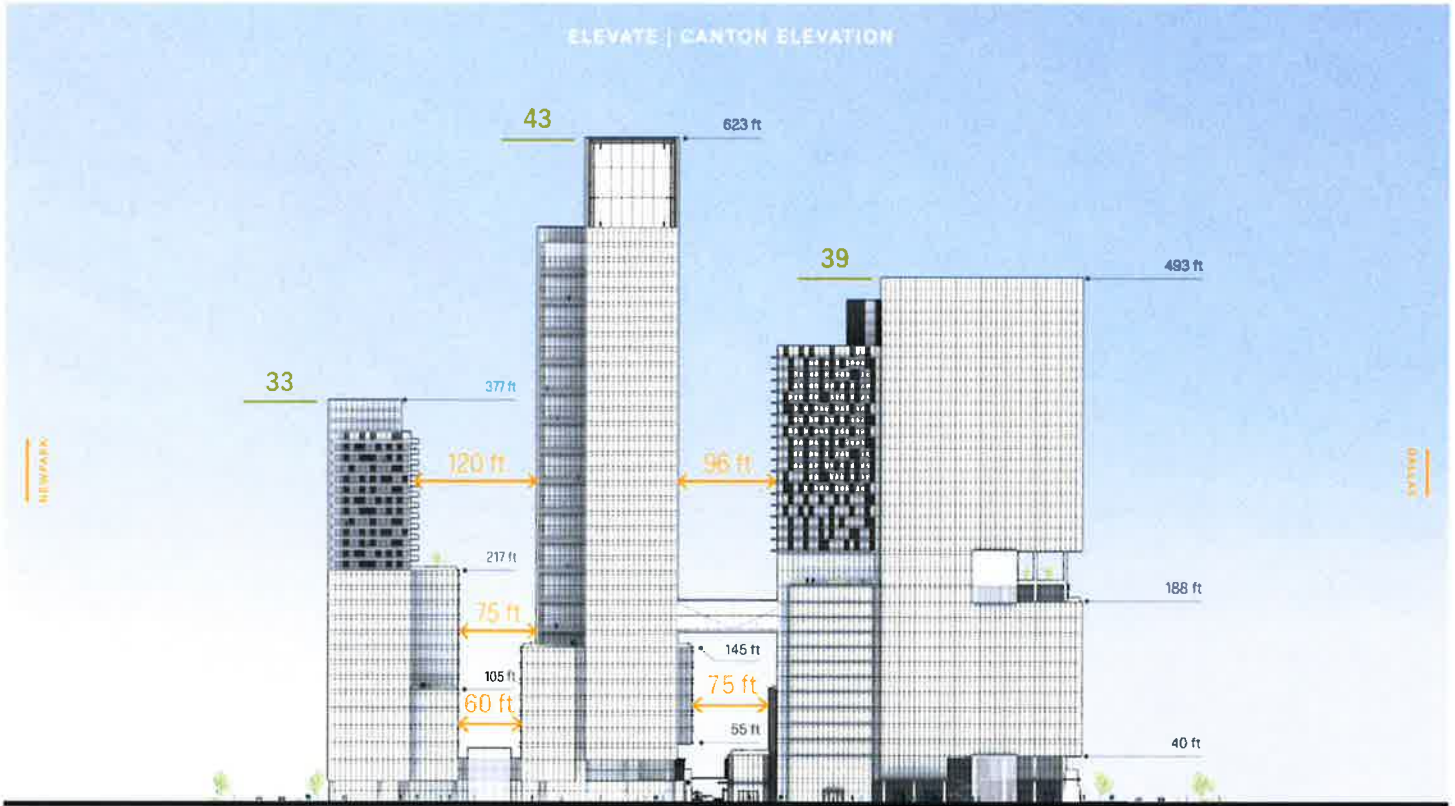
DALLAS A SMART DISTRICT

[EXHIBIT B]



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DALLAS A SMART DISTRICT



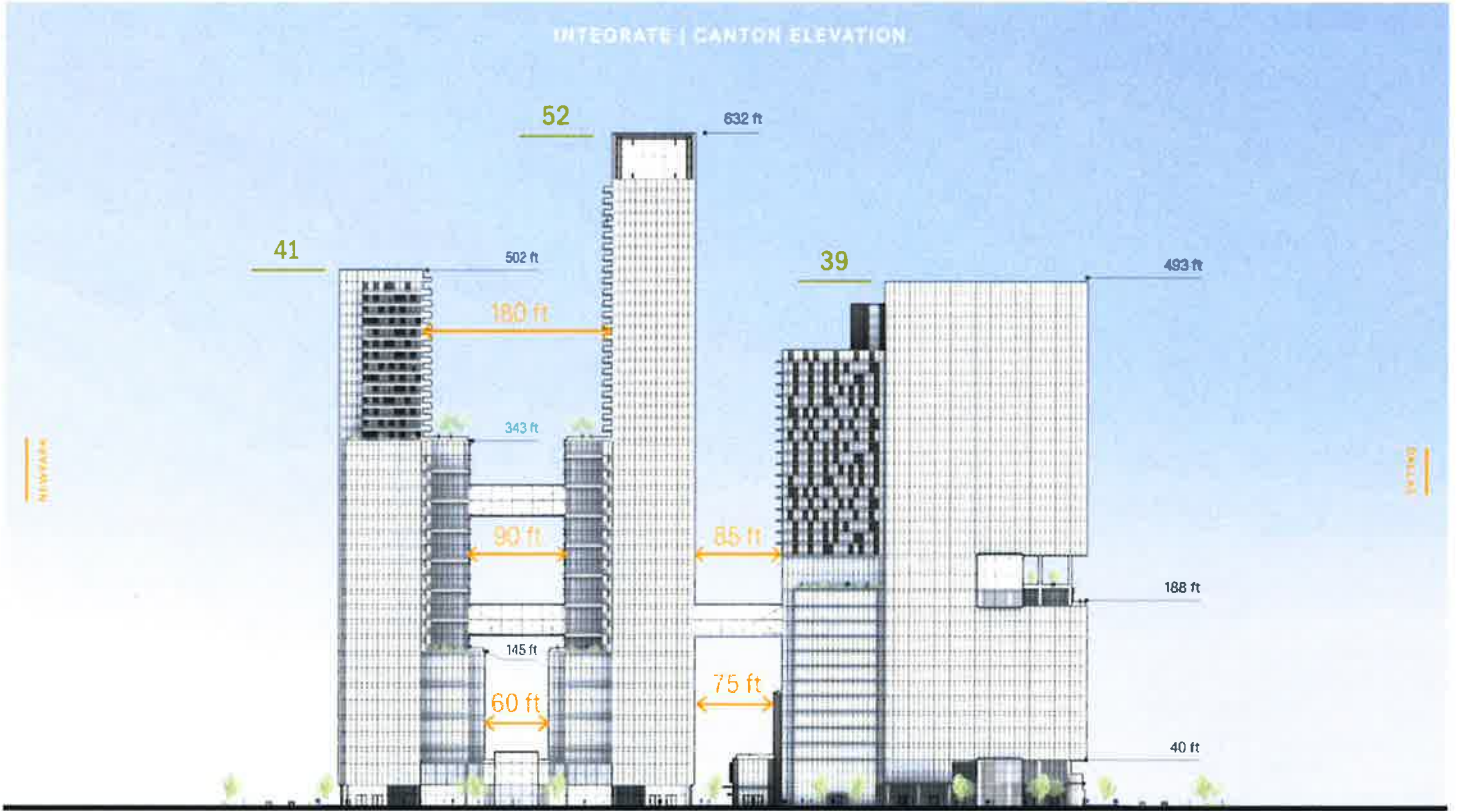
NEWPARK

DALLAS A SMART DISTRICT



NEWPARK

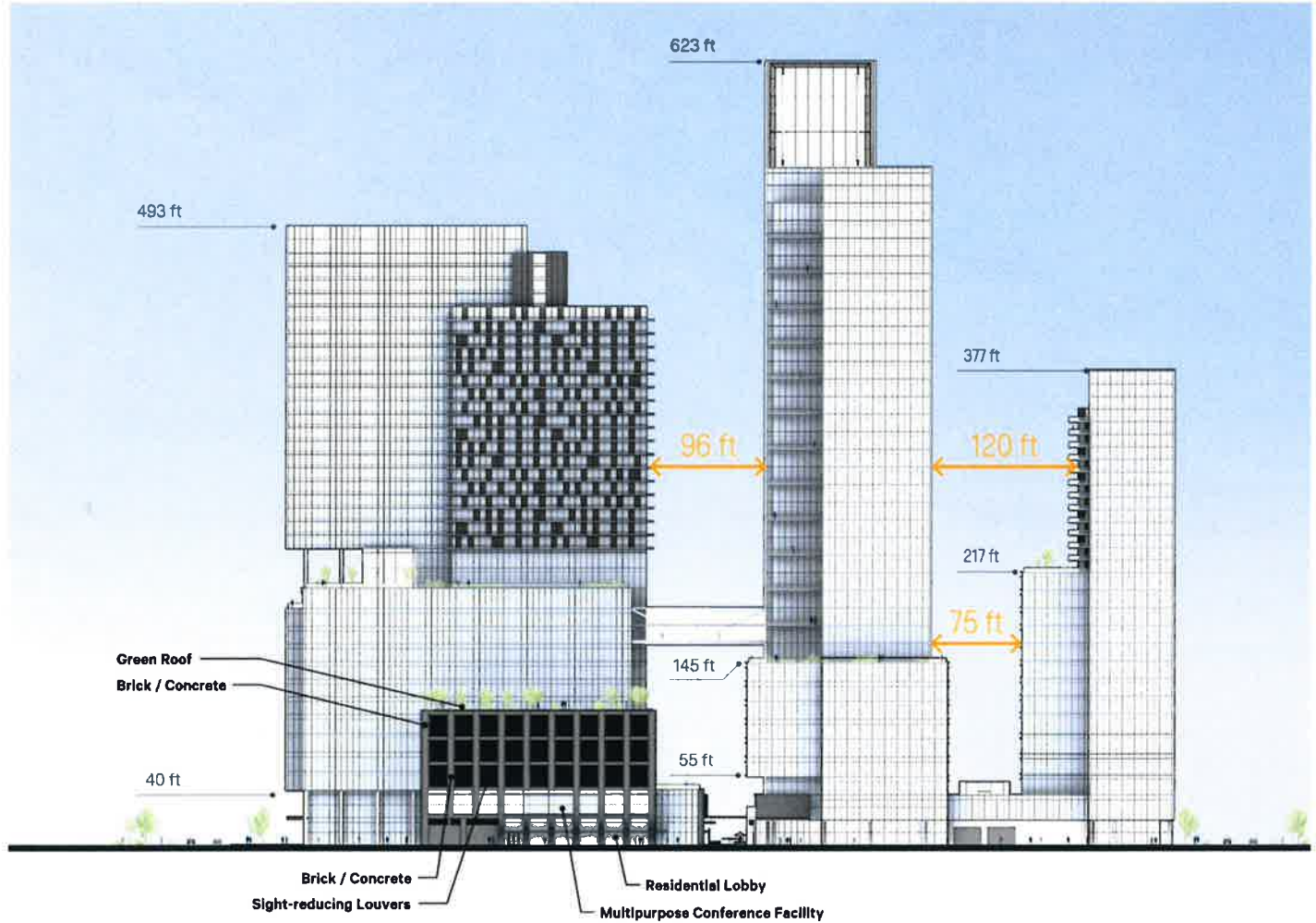
DALLAS A SMART DISTRICT



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[EXHIBIT C]



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DALLAS A SMART DISTRICT



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[EXHIBIT D]
Please View the Full Page Below

CADIZ STREET

CANTON STREET

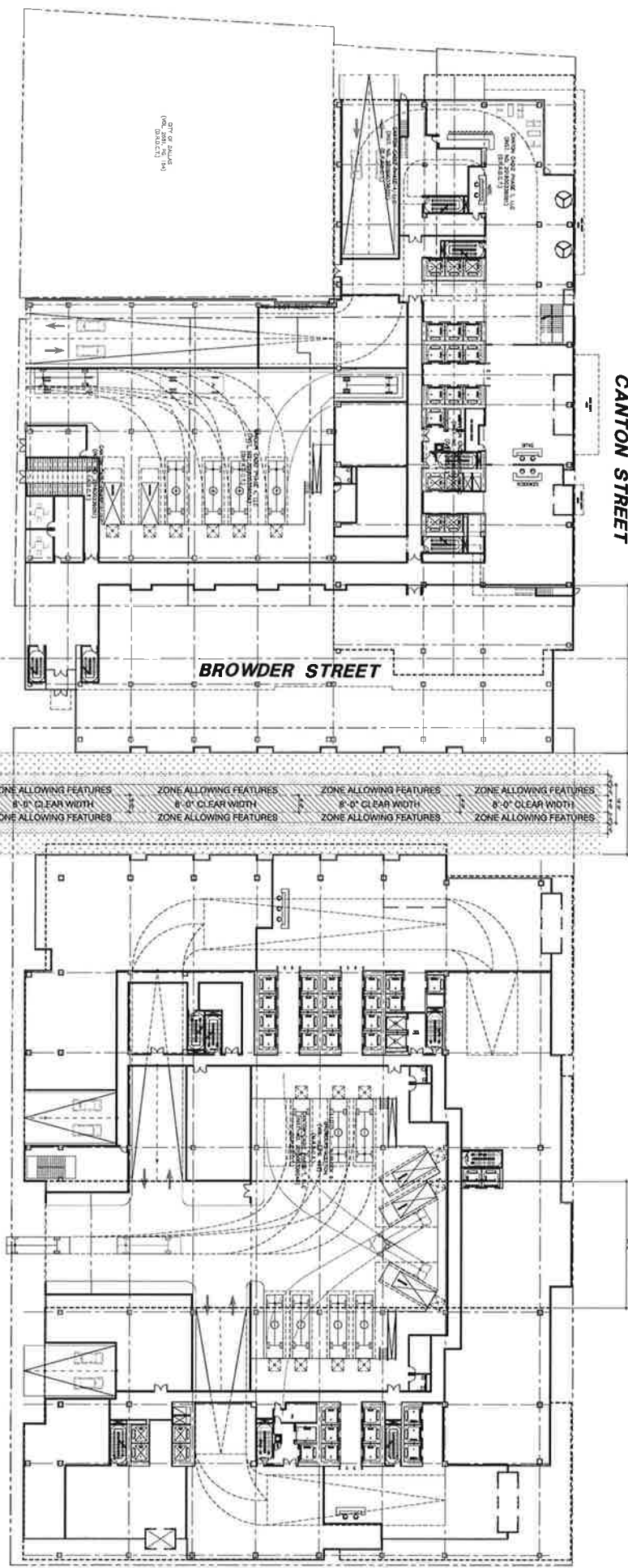
BROWDER STREET

THE ARCHITECTS GROUP, INC.
1001 10TH AVENUE, SUITE 100
DENVER, CO 80202

DATE: 10/15/10

FURNITURE, FIXTURES & EQUIPMENT
NOT TO SCALE
SEE EXHIBIT A

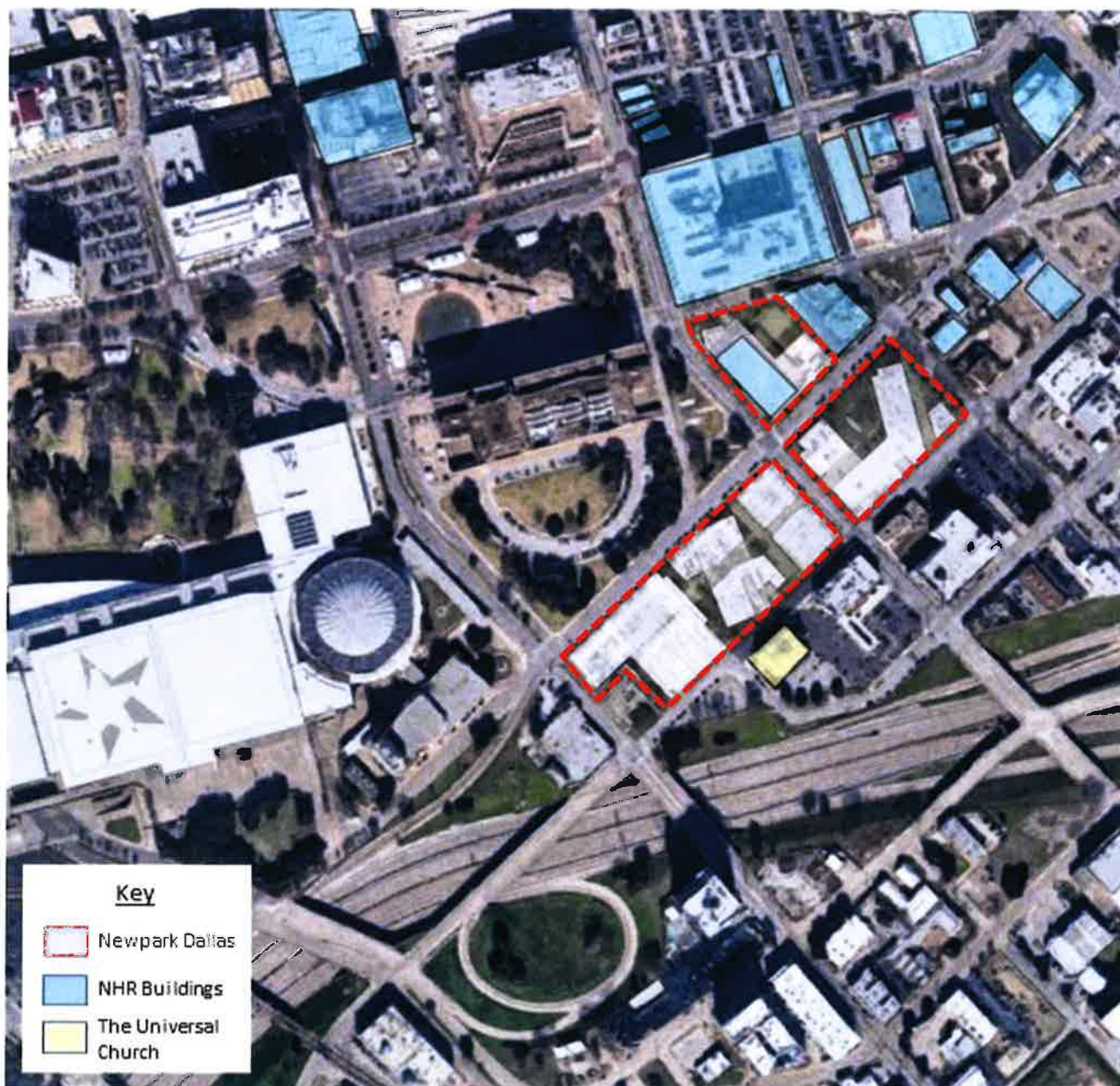
ZONE ALLOWING FEATURES	ZONE ALLOWING FEATURES	ZONE ALLOWING FEATURES	ZONE ALLOWING FEATURES
8'-0" CLEAR WIDTH	8'-0" CLEAR WIDTH	8'-0" CLEAR WIDTH	8'-0" CLEAR WIDTH
ZONE ALLOWING FEATURES	ZONE ALLOWING FEATURES	ZONE ALLOWING FEATURES	ZONE ALLOWING FEATURES



NEWPARK

DALLAS A SMART DISTRICT

[EXHIBIT E]



NEWPARK

DALLAS A SMART DISTRICT

[EXHIBIT F]



Exhibit P**TIF Increment Allocation Policy
Downtown Connection TIF District
Downtown Connection and Newpark Sub-districts
Adopted September 30, 2009
Amended April 29, 2022**

It is important for the City of Dallas to encourage as many projects as possible in the Downtown Connection TIF District (the "Downtown Connection TIF" or "District") to achieve the goals outlined in the Project Plan and Reinvestment Zone Financing Plan ("Plan"). In that spirit, Downtown Connection TIF District funds will be allocated to Developers in accordance with the process and procedures described below.

Definitions

Accrued Priority Increment - The unpaid balance of the *Individual Increment* owed to a project.

Administrative Expenses – the City will take a share of the District's annual TIF revenue to compensate for the amount billed to the District for costs related to the administration of its TIF program. This may include charges from the Office of Economic Development as well as other departments.

Available Funds – (a) Downtown Connection Sub-district Increment less: (1) debt service on DDDA Bonds excluding Bonds issued pursuant to the Continental Building Improvements, (2) Bond trustee fees and expenses, (3) Administrative Expenses, (4) payment of any other DDDA obligations related to Bonds issuance and (5) reimbursement to the City of Dallas for any grant of loan payments made to the DDDA.

(b) One Newpark Sub-district Increment less Administrative Expenses.

Completed Projects – Projects which received City approval for satisfying all of its project obligations and approval on all supporting documentation required by their executed development agreements.

Cumulative Individual Increment – sum of all *Individual Increment* that a Project or Related Project produces in all years since its completion.

Developer/Owner – a person or entity that has completed all the requirements for a TIF-eligible Project as prescribed by the Project's fully executed development agreement.

District-Wide Improvements – improvements that benefit multiple properties or blocks but are not specific to a single development site such as public parks,

gateways, trails, public open space, public facilities, or utility/streetscape improvements within a Sub-district.

Downtown Connection Sub-district Increment – The annual amount of increment generated within the Downtown Connection Sub-district and deposited into the District's TIF fund by its participating jurisdictions.

Individual Increment – the annual amount of increment deposited into the District's TIF fund by its participating jurisdictions that is generated by a Project eligible for TIF reimbursement. Dallas Central Appraisal District (DCAD) certified values for each tax year will be the data source used to determine values for the increment allocation procedure.

Newpark Sub-district Increment – The annual amount of increment generated within the Newpark Sub-district and deposited into the District's TIF fund by its participating jurisdictions.

Performance Percentage – percentage of Individual Increments divided by the total Shared Increment.

Project (TIF-eligible) – development or redevelopment that increases the real property taxable value of a particular site or space or facility of public benefit such as improvements to City parks, open space, trails or cultural facilities that has been approved for TIF funds by City Council and all requirements set forth in the project's development agreement have been completed.

Public Safety Building Set-Aside – funds the Public Safety Building line item in the Downtown Connection Sub-district budget. Ten percent (10%) of annual Available Funds in the Downtown Connection Sub-district shall be set-aside to fund the Public Safety Building budget line item. The set-aside of funds will not begin until one year after all pre-existing agreements approved by City Council prior to the adoption of this amended Increment Allocation Policy have been fully paid.

Related Project/Developer – if a Developer or a Developer's affiliates (as defined in a development agreement) has other development or redevelopment projects in addition to a TIF-eligible Project, increment from those Related Project(s) may be included in Individual Increment for reimbursement of the TIF-eligible Project expenses. A Developer of a TIF-eligible Project must have at least 50% ownership in any Related Project. These requirements will be further specified in a development agreement where applicable.

Related Projects must create new taxable real property value for the District based on the following criteria:

- New development on previously vacant land or site of demolished structures.

- Redevelopment or major modification of an existing building that exceeds the building's original taxable value by 50% or more, or any increase in a building's original floor area if the expansion exceeds 50% for residential projects, 65% for mixed-use projects, and 75% for office/showroom projects

Remaining Funds – Funds leftover after distribution of all *Accrued Priority Increment* payments and all Individual Increment payments to *Completed Projects*.

Shared Sub-district Increment – the sum of all Individual Increments generated by all Completed Projects in a given year in each sub-district.

Total Increment – The annual amount of increment generated by all sub-districts and deposited into the TIF fund from the participating jurisdictions.

Increment Allocation Procedures for Downtown Connection Sub-district

Annually, after the Downtown Connection Sub-district Increment has been deposited in the TIF fund, the sub-district's funds shall be used to meet the bond financial obligations of the sub-district in the following order:

1. Payment of all principal, interest, premium (if any) and fund any reserves necessary or desirable in connection with outstanding District Bonds (excluding Bonds issued pursuant to Section 2.07 of the Mercantile Development Agreement for the Continental Building Improvements) pursuant to Bonds issued by the DDDA and to pay any DDDA obligations which are on a parity with such Bonds;
2. Payment of any fees and expenses of the trustee and paying agent/registrar due and owing;
3. Administrative Expenses of the sub-district;
4. Payment of any other DDDA obligations which are subordinate to the Bonds, but are related to the DDDA's role in issuing the Bonds and administering contracts to be funded with Bond proceeds;
5. Reimbursement to the City for any grant or loan payments made to the DDDA to cover debt service on the Bonds or other DDDA obligations pursuant to the Chapter 380 Program as a result of any shortfalls in tax increment of the Downtown Connection TIF District; and
6. Payment of Public Safety Building Set-Aside, when applicable.

Should for any reason the Downtown Connection Sub-district fail to meet all of the above financial obligations and satisfying all DDDA bond obligations related

to reserves and debt service coverage requirements, no funds shall be distributed to the Public Safety Building Set-Aside or any Completed Projects.

Only after meeting the above financial obligations and satisfying all DDDA bond obligations related to reserves and debt service coverage requirements, funds may be set-aside for the Public Safety Building budget line item, when conditions for funding the set-aside have been satisfied. Any remaining funds are *Available Funds* and shall be allocated to Completed Projects in this sub-district in accordance with the Standard Procedure and Reimbursement Queue described below.

Increment Allocation Procedures for Newpark Sub-district

Annually, after the Newpark Sub-district Increment has been deposited in the TIF fund, the sub-district's funds shall be used to meet the financial obligations of the sub-district in the following order:

1. Administrative Expenses of the sub-district; and
2. Any *Available Funds* shall be allocated to Completed Projects in this sub-district in accordance with the Standard Procedure and Reimbursement Queue described above.

Standard Procedure for Completed Projects *(applies to both Sub-districts):*

A *Completed Project* shall be entitled to receive its *Individual Increment* each year if the total amount of *Available Funds* is greater than the total *Shared Increment* for all *Eligible Projects*. Should the amount of *Available Funds* be less than the total *Shared Increment* in a given year, a *Completed Project* shall be reimbursed based on their *Performance Percentage*. The unpaid balance of the *Individual Increment* owed to a project shall be deemed as "*Accrued Priority Increment*" and shall be paid in the following year(s) prior to the distribution of any *Individual Increment* payments.

Should any *Available Funds* remain after distribution of all *Accrued Priority Increment payments* and all *Individual Increment payments to Eligible projects*, the *Remaining Funds* shall be distributed in accordance to the Downtown Connection TIF District Queue Reimbursement Policy approved by the Downtown Connection TIF District Board of Directors on September 30, 2009.

The Reimbursement Queue

The *Reimbursement Queue* for each sub-district lists all approved TIF projects in each sub-district in order of priority based upon the earlier date in which the developer submits evidence of an executed construction loan and receipt of a

building permit. Projects, such as Stoneleigh Hotel and Santa Fe IV, which were completed prior to the original adoption of this policy, shall be placed in the queue for the Downtown Connection Sub-district based on their date of completion.

Each year, City staff is required to verify the status of all approved Downtown Connection TIF District projects as of June 1st. Those projects which have been completed shall be eligible to receive their Individual Increment; and shall be eligible to receive all or a portion of those funds which remain after the distribution of all Individual Increment payments. Payments from the *Remaining Funds* shall be made to completed projects in order of their priority ranking.

The amount of *Remaining Funds* distributed to a project shall not exceed the project's total TIF award (including interest when applicable) less the amount of *Cumulative Individual Increment* paid to date for a project. After such payment(s) are made, any leftover funds shall be distributed to the next completed project in order of their priority ranking.

Should a project which has not been completed as of June 1st of a given year have priority ranking over a project which has been completed, the uncompleted project shall be deemed "bumped" and shall not receive any payments for that year. A project may be "bumped" by more than one project in a given year. However, a "bumped" project shall retain its priority ranking for subsequent years.

As projects are approved by City Council for funding from the Downtown Connection TIF fund, they shall be given the lowest priority ranking in their respective sub-district's Reimbursement Queue until such time the developer submits evidence of: **(1) an executed construction loan and receipt of a building permit or (2) final certificate of occupancy.** At which time, the reimbursement queue shall be updated. Once a project has been completed, its priority ranking shall not be subject to change. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF fund among Projects.

Exhibit P
 Downtown Connection Sub-district
 Reimbursement Queue
 As of April 2022

Reimbursement Priority ¹	Project Name	Priority Date	Construction Status	Primary TIF Reimbursement	Maximum Interest	Total Eligible TIF Reimbursement	Project Generated Increment Only ⁴	Reimbursement Status
1	Stoneleigh Hotel	5/30/2010	Completed	\$2,500,000	\$0	\$2,500,000	Yes	In Progress
2	Hall Lone Star ²	5/30/2010	Completed	\$852,764	\$225,871	\$1,078,635	No	Paid In Full
3	Santa Fe IV - Aloft Hotel	5/30/2010	Completed	\$3,734,419	\$0	\$3,734,419	No	Paid In Full
4	Grand Ricchi Dallas - 1600 Pacific	10/26/2010	Completed	\$8,830,000	\$400,391	\$9,230,391	No	Paid In Full
5	Joule Hotel Expansion	1/19/2011	Completed	\$20,658,500	\$0	\$20,658,500	No	Paid In Full
6	Atmos Complex Phase I	6/20/2011	Completed	\$3,250,000	\$1,006,965	\$4,256,965	No	Paid In Full
7	Joule Hotel Expansion Amendment	8/10/2011	Completed	\$3,194,409	\$0	\$3,194,409	No	Paid In Full
8	Continental Building ³	9/16/2011	Completed	\$13,305,700	\$4,222,588	\$17,528,288	No	Paid In Full
	Continental Building Bonds	-	-	\$3,700,000	\$0	\$3,700,000	Yes	In Progress
9	Atmos Complex Phase II	5/21/2013	Completed	\$11,750,000	\$5,000,000	\$16,750,000	No	Paid In Full
10	Hall Lone Star Project - Phase II ²	8/22/2013	Completed	\$5,000,000	\$1,774,129	\$6,774,129	No	Paid In Full
11	PetroCorrigan Project - Phase I (Saint Elm Hotel)	2/13/2014	Completed	\$10,300,000	\$0	\$10,300,000	No	Paid In Full
12	LTV Tower Project	5/5/2014	Completed	\$17,500,000	\$0	\$17,500,000	No	Paid In Full
13	The National	10/24/2014	Completed	\$45,000,000	\$5,000,000	\$50,000,000	No	In Progress
14	Statler/Library/Jackson Street	7/1/2015	Completed	\$46,500,000	\$0	\$46,500,000	No	In Progress
15	Mayflower Building (411 N. Akard St.)	2/4/2016	Completed	\$10,000,000	\$0	\$9,000,000	No	In Progress
16	1712 Commerce	4/6/2016	Completed	\$10,500,000	\$0	\$10,500,000	No	In Progress
17	PetroCorrigan Project - Phase II (Corrigan Tower)	10/10/2016	Completed	\$9,700,000	\$0	\$9,700,000	No	In Progress
						\$242,905,736		

Notes:
¹The priority ranking of an approved project is established by the submittal of evidence to the City of an executed construction loan and building permit for the project.
²Hall Lone Star Project, Phases I and II, is eligible to receive up to \$2M in interest.
³The Total TIF Reimbursement for the Continental Building project is \$22,028,288 (includes \$3.7M as required by development agreement and \$2M in affordable housing funds).
⁴Based on the development agreement for the project, reimbursement may take the form of project generated increment only or project generated increment plus shared increment.

New Park Sub-district
 Reimbursement Queue
 As of April 2022

Reimbursement Priority ¹	Project Name	Priority Date ¹	Construction Status	Total Eligible TIF Reimbursement	Project Generated Increment Only ²	Reimbursement Status

\$0

Notes:
¹The priority ranking of an approved project is established by the submittal of evidence to the City of an executed construction loan and building permit for the project.
²Based on the development agreement for the project, reimbursement may take the form of project generated increment only or project generated increment plus shared increment.