

Memorandum



CITY OF DALLAS

DATE December 6, 2013

TO The Honorable Members of the Quality of Life and Environment Committee: Dwaine Caraway (Chair), Sandy Greyson (Vice Chair), Adam Medrano, Rick Callahan, Carolyn Davis, Lee Kleinman

SUBJECT Item #22: Authorize a "Rescission of Notices" on Dallas/ Fort Worth International Airport Wetlands for U.S. Army Corps of Engineers

The Dallas/ Fort Worth International Airport ("Airport") is requesting that the Cities of Dallas and Fort Worth execute and file in the County Deed Records a "Rescission of Notices of Restriction" over 34.72 acres of wetlands in the Cities of Grapevine and Coppell. In order to construct Airport Runway 17L/35R, it was necessary to remove existing wetlands from Airport property. The U.S. Army Corps of Engineers ("Corps"), the federal agency charged with regulatory oversight of waters of the United States, required establishment of a wetlands mitigation area as mitigation for the loss of the original wetlands.

In order to comply with Corps requirements, in 1996 the Cities of Dallas and Fort Worth executed a Notice of Restriction in the Deed Records of Tarrant County providing public notice of the deed restrictions placed upon this parcel of property. **Exhibit A** of this memo displays the wetlands on Airport property.

Removal of the wetlands mitigation easement is required in order to enable the Airport to accomplish its commercial development goals for this portion of the Airport. Federal law permits owners of property with wetlands mitigation easements to purchase mitigation land bank credits for offset purposes. The Airport has purchased 10.5 credits from the Bunker Sands Mitigation Bank as a replacement for the wetlands mitigation easement. This purchase was approved by the Airport Board on September 5, 2013.

The Dallas City Council approved a deed restriction rescission for the adjoining 70.42 acre wetland mitigation local drainage easement area on May 22, 2013. That adjoining local drainage easement area was the recharge area for these 34.72 acre wetlands. Before the Airport could request the Cities of Dallas and Fort Worth to approve the deed restriction rescission for the 34.72 acres of wetlands, the Airport needed to complete the purchase of 10.5 wetlands credits from the wetlands mitigation bank.

In 2012 the Dallas/Fort Worth International Airport Board and the Cities of Dallas and Fort Worth signed a tax sharing agreement with the City of Coppell, stipulating that the owner cities will share in revenue generated from development in the portion of the City of Coppell that is on Airport property. Rescission of this wetland restriction will help facilitate development on that property.

The proposed development plan for this site, detailed in **Exhibit B**, includes constructing three buildings to be used for industrial purposes. It is estimated that the Cities of Dallas and Fort Worth

could receive \$1.5 Million of revenue annually from the proposed commercial development in the area. The City of Fort Worth will consider this item at their December 17, 2013 City Council meeting.

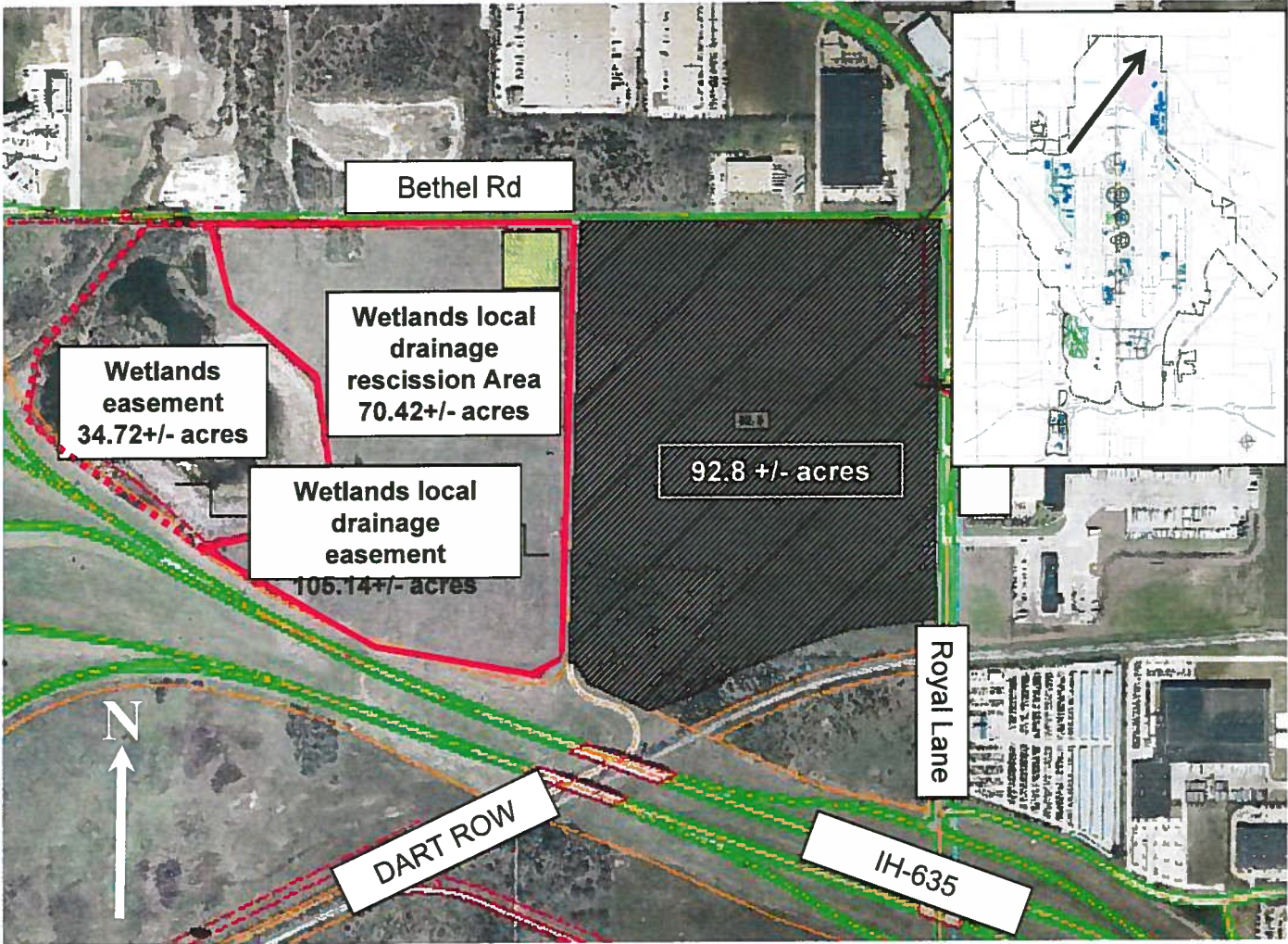
Please let me know if you have any questions or require additional information.



A.C. Gonzalez
Interim City Manager

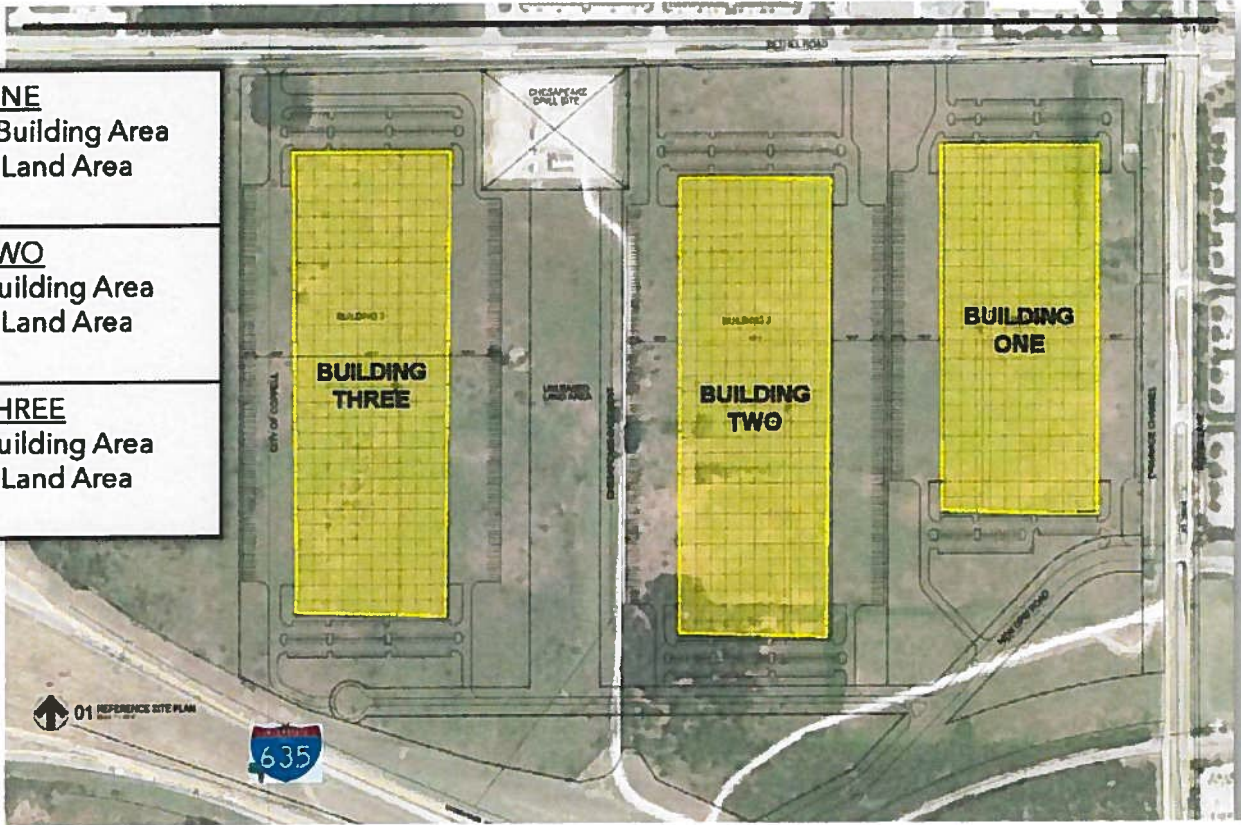
c: Warren M. S. Ernst, City Attorney
Judge Daniel F. Solis, Administrative Judge
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Exhibit A



Industrial Development Opportunity Proposed Site Plan

BUILDING ONE 624,000 SF Building Area 1,538,000 SF Land Area 35.30 Acres
BUILDING TWO 780,000 SF Building Area 1,943,000 SF Land Area 44.61 ACRES
BUILDING THREE 780,000 SF Building Area 1,929,000 SF Land Area 44.28 Acres



Memorandum



CITY OF DALLAS

DATE December 6, 2013

TO Honorable Members of the Quality of Life & Environment Committee:
Dwayne Caraway (Chair), Sandy Greyson (Vice Chair), Rick Callahan, Carolyn Davis,
Lee Kleinman, Adam Medrano

SUBJECT **Item #10: Authorize a six-year service contract for accredited registrar services for International Organization for Standardization 9001:2008, International Organization for Standardization 14001:2004 and the Occupational Health and Safety Standard 18001:2007**

The December 11, 2013 Council Agenda will include an item to award a six-year service contract for auditing City Management Systems (ISO 9001, ISO 14001, and OHSAS 18001) to UL DQS, Inc. in an amount not to exceed \$1,202,364.

This service contract will provide for an accredited registrar to plan, conduct, and report on single or integrated audits associated with the City's three Management Systems: ISO 9001, ISO 14001, and OHSAS 18001. These ISO and OHSAS standards are international standards that ensure customer service, product quality, and efficiency of operations; improved environmental performance of City operations; and improved health and safety performance, respectively. Independent third-party audits of these standards will maintain existing Management System certifications for various City departments plus certify certain new departments for the first time.

Attached is a brief PowerPoint presentation that provides additional information on the City's ISO programs and their benefits. If you have any questions or require additional information, please do not hesitate to contact me.

A handwritten signature in black ink, appearing to read 'Jill Jordan'.

Jill A. Jordan, P.E.
Assistant City Manager

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, Interim City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Daniel F. Solis, Administrative Judge
Craig D. Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager

Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager



Authorization of a Contract for Accredited Registrar Services to Audit City ISO and OHSAS Management Systems



Quality
ISO 9001

**Briefing to the Quality of Life & Environment
Committee
December 9, 2013**



Environmental
ISO 14001

Safety
OHSAS 18001



ISO

- What is ISO?

- International Organization for Standardization (ISO) establishes standards for management in various types of business operations
- ISO is internationally recognized as the most prestigious set of management standards for organizations
- ISO registration must be validated by a third-party registrar which ensures compliance with the ISO standard

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



City of Dallas Management Systems

- The City is currently in the process of implementing and/or maintaining three (3) Management Systems:
 - Environmental (ISO 14001 - EMS) - Focus is on reducing environmental impacts of our operations and on regulatory compliance
 - Quality (ISO 9001 - QMS) - Focus is on operating more efficiently and meeting the needs and expectations of our customers
 - Occupational Health and Safety (OHSAS 18001 - OHSAS or OHS) - Focus is on improving our health and safety performance

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



Implementation Status - Certified Departments

- When departments are ready, an independent third party auditor conducts a certification audit. Current status:
 - Environmental (ISO 14001) - 11 full departments certified
 - Quality (ISO 9001) - 8 full departments certified
 - Occupational Health and Safety (OHSAS 18001) - 6 full departments certified

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



City of Dallas Management System Implementation Status

Department	9001	Registration Date (9001)	14001	Registration Date (14001)	18001	Registration Date (18001)
Aviation	I		✓	Jun-08	P	
Code Compliance Services	✓	Dec-09	✓	Jun-08	✓	Nov-12
Communication & Info Service-Radio Shop	P		✓	Jun-08	P	
Convention & Event Services	✓	Dec-08	✓	Jun-08	✓	Dec-08
Courts & Detention Services-Marshal Services	✓	Dec-08	✓	Jun-08	✓	Dec-08
Business Development & Procurement Services	✓	May-10	NP		NP	
Dallas Fire-Rescue	NP		✓	Jun-08	NP	
Dallas Police Department	NP		✓	Jun-08	NP	
Dallas Water Utility	✓	Apr-12	✓	Jun-08	✓	Apr-12
Equipment & Building Services	✓	Apr-08	✓	Jun-08	✓	Apr-09
Human Resources	✓	Apr-12	NP		NP	
Library Services	✓	Dec-09	NP		✓	Jan-13
Office of Risk Management	I		NP		NP	
Public Works	I		✓	Jun-08	P	
Parks and Recreation	P		✓	Jun-08	P	
Sanitation Services-Landfill	✓	Oct-10	✓	Jun-08	P	
Street Services	✓	Apr-07	✓	Jun-08	I	
Sustainable Development & Construction	P		NP		NP	
Trinity Watershed Management-Engineering	P		P		P	
TWM - Flood Control	✓	Jan-13	✓	Jun-08	P	
I - In process P- Planned NP - Not to be implemented						

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



EMS: Environmental Policy




Environmental Policy

The City of Dallas is committed to a clean, safe, and healthy environment. As such, we will exercise environmental stewardship in our dealings with employees, other governments, citizens, City contractors, business and others in the community for our world today as well as for future generations. Caring for the environment is one of our core values, and this is demonstrated by ensuring our activities are in harmony with the natural world around us.

This commitment is embodied by the following actions:

- ❖ Implementation of programs and procedures with an intent to meet or exceed all applicable environmental laws and regulations.
- ❖ Continual improvement of our environmental performance through proactive environmental management and self-assessments and/or third-party assessments.
- ❖ Prevention of pollution at its source through implementation of best management practices and resource conservation measures to reuse, reclaim, and recycle materials we generate.
- ❖ Utilization of Environmental Management Systems, as appropriate for our operations, to provide a framework for systematically reviewing and reducing our environmental footprint.
- ❖ Employees will abide by all environmental regulations and demonstrate environmental compliance in their daily work practices.
- ❖ Educate City employees on Dallas' environmental policies and motivate and encourage employees to practice environmental stewardship by raising awareness and sensitivity to environmental issues through City policies, regulations, training, and interactive dialogue.
- ❖ Outreach to the citizens and businesses of our community by communication of this Policy and education on the importance of environmental stewardship for clean air and water and sustainable development for the City of Dallas.

Approved by Dallas City Council January 26, 2005.

Signed 
Mary K. Suhm
City Manager

- Minimum ISO 14001 Commitments:
 - Meet or exceed environmental laws and regulations
 - Continual improvement on environmental performance
 - Pollution prevention at its source
- The City of Dallas Environmental Policy was approved by the City Council on January 26, 2005
- Policy applies generally to all City departments and employees
- 11 departments were selected for EMS implementation because their operations result in the greatest potential environmental impacts

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



EMS Implementation Milestones

- 2005-2008 Worked to implement ISO 14001 elements
- June 2008 Achieved ISO 14001 certification for 11 full departments
- 2008-2010 Successfully maintained ISO 14001 certification via 4 surveillance audits
- June 2011 Successfully achieved ISO 14001 recertification for 11 full departments
- 2011-2013 Successfully maintained ISO 14001 certification via 2 surveillance audits
- June 2014 Departments due for recertification

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



Key Benefits of EMS

- Demonstrates to the public our commitment to reducing environmental impacts, setting measurable environmental improvement goals, and meeting legal requirements
- Shows that the City takes responsibility for its environmental footprint
- Improves reporting and performance, saves money, and reduces risks of fines and disastrous incidents
- Instills Environmental Stewardship into employees from Day 1 and empowers all staff to take responsibility for their environmental impacts
- Increases internal oversight of and accountability for environmental performance

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



Examples of EMS Performance

- DWU - Surveyed 3729 miles of water main and marked a total of 641 leaks which saved an estimated 434,658,157 gallons of water during FY12
- EBS - Eliminated the potential of receiving fines of \$32,000 per day by creating and training staff on Work Instructions for the EBS Fuel System. This training eliminated the cost of mitigation due to potential contamination during FY11
- SAN - Between August 2012 and January 2013, the McCommas Bluff landfill saved 35,931 cubic yards of landfill space by recycling asphalt and concrete spoils during FY13

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



QMS: Quality Management Policy

Quality Management Policy

Approved by Dallas City Council 2/11/09

The City of Dallas shall pursue continual improvement in our delivery of customer service with its commitment to comply with requirements by efficiently using all available resources to enhance the vitality and quality of life for all in the Dallas community

Mary K. Suhm, City Manager



REV 2

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



Key Benefits of QMS

- Why is ISO 9001 important to the City of Dallas?
 - Aligns everyday work with the environmental, quality, and safety & health policies
 - Sets and achieves quality goals
 - Provides targets that can be measured
 - Allows easy review of performance (with performance defined as improved product and service quality)
 - Provides accountability
 - Drives continual improvement in customer service
 - Utilizes repeatable and consistent processes
 - Reduces waste/duplicity (i.e., saves money)

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



Examples of QMS Performance

- EBS - Improved management of fuel purchases resulted in savings of \$40K during FY11
- EBS - Automated billing and payment for the City's 2,650 electricity accounts resulted in savings of \$33K during FY11
- CTS - Completed Court Case Management System cleanup of more than 2,500 Work Release cases with a backlog of fines totaling \$398,500 during FY12
- SAN - Improved the Annual Tare Weight Inspection Process. Customers pay based upon actual loads delivered to landfill during FY12

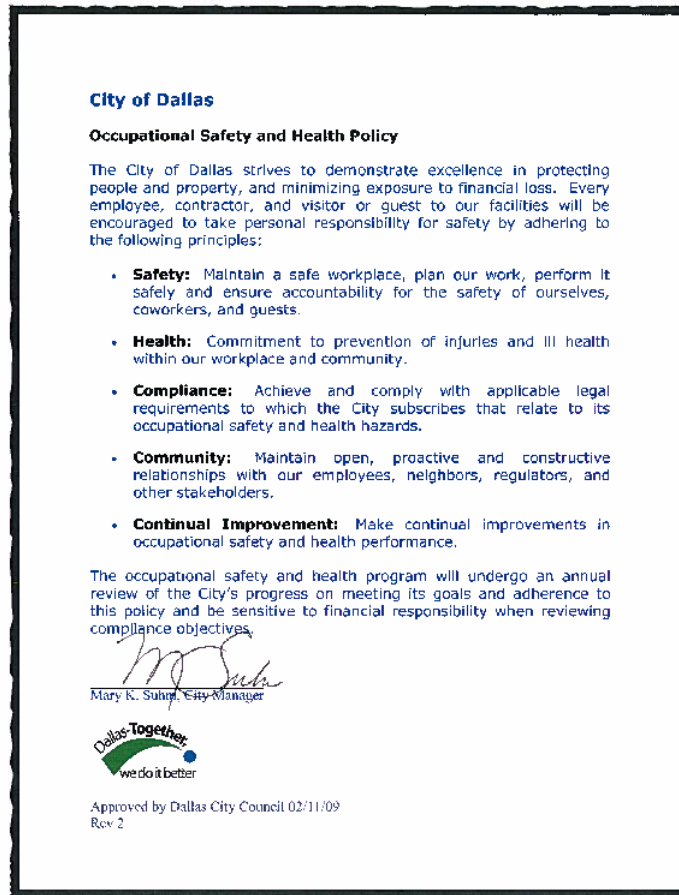
Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



OHSAS Policy



- OHSAS Policy
 - Approved January 24, 2007
 - Employees, visitors, contractors and guests are encouraged to take personal responsibility for safety:
 - Maintain a safe workplace
 - Prevent injuries and ill health
 - Continual improvement in safety
 - Policy updated February 11, 2009:
 - Prevention of injuries and ill health
 - Comply with legal and other requirements to which the City subscribes

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



Key Benefits of OHSAS

- Improves operational efficiency
- Reduces accidents and injuries
- Increases identification, control and reduction of hazards
- Increases safety compliance
- Encourages more effective safety communication

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



Examples of OHSAS Performance - FY12

(values includes all six OHSAS departments)

- Average Incurred Cost per Employee Injury Claim
 - OHSAS departments - \$3,950 - total # of claims = 32
 - Citywide departments - \$4,124 - total # of claims = 74

- Total number of vehicle collisions
 - OHSAS departments - 46
 - Citywide departments - 585

- Average Safety Training Hours per Employee
 - OHSAS departments - 5.46
 - Citywide departments - 4.98

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



New Accredited Registrar

- From 2007 - 2013 the City contracted with Bureau Veritas Certification North America, Inc. to provide accredited registration services by conducting and reporting on single and integrated audits associated with the ISO 9001:2008 standard, the ISO 14001:2004 standard and the OHSAS 18001:2007 standard within City departments
- Through the City procurement process UL DQS, Inc. has been selected as the new accredited registrar to conduct and report on single and integrated audits associated with the ISO 9001:2008 standard, the ISO 14001:2004 standard and the OHSAS 18001:2007 certification within City departments
 - Contract for professional services is for a period of six years and not to exceed \$1,202,364

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



UL DQS, Inc.

Who Are They?

➤ A Global Partner

- UL DQS is part of the international DQS UL Group with more than 60 offices in over 40 countries
- All companies of the DQS UL group strive for one common goal:
 - To improve their customers' management systems by offering value-added assessment services
- More than 2300 UL DQS auditors world-wide present a wide range of experience and proximity to their customers
- UL DQS provides results to be gained from their objective assessments in order to improve customer performance ability and results

Quality
ISO 9001

Environmental
ISO 14001

Safety
OHSAS 18001



Questions?



Quality
ISO 9001



Environmental
ISO 14001



Safety
OHSAS 18001

Memorandum



CITY OF DALLAS

DATE December 6, 2013

Honorable Members of the Quality of Life & Environment Committee:
TO Dwaine R. Caraway (Chair), Sandy Greyson (Vice Chair), Adam Medrano,
Rick Callahan, Carolyn R. Davis, Lee M. Kleinman

SUBJECT Items #54-63: Farmers Market Redevelopment Phase II

At the December 11th, 2013 City Council meeting, you will be asked to take action on a series of items for Phase II of the Farmers Market Redevelopment Project. Each set of items requests: 1) the authorization of a development agreement with DFM Developer, Ltd. or its affiliates to provide funding for the renovation and or development associated with the Farmers Market Redevelopment (Phase II); 2) the authorization of the Farmers Market TIF District Board of Directors to dedicate funding from Farmers Market TIF Revenues in accordance with the development agreement; and 3) authorize a resolution declaring the intent of Tax Increment Financing Reinvestment Zone Number Six to reimburse each entity for certain improvements related to the Farmers Market Redevelopment (Phase II).

This action follows the recommendation of the Farmers Market TIF Board of Directors on November 21, 2013 for the City Council to authorize development agreements with DFM Developer, Ltd./or its affiliates to dedicate future TIF revenues from the Farmers Market TIF District, and was most recently recommended for full Council approval by the Economic Development Committee on December 2, 2013.

The Agenda Information Sheets are attached for your review. Should you have any questions, feel free to reach me at 214-670-3296.

A handwritten signature in blue ink, appearing to read 'R. S. Evans'.

Ryan S. Evans
Interim First Assistant City Manager

cc: Honorable Mayor and Member of the City Council
A.C. Gonzalez, Interim City Manager
Warren M.S. Ernst, City Attorney
Daniel F. Solis, Administrative Judge
Rosa A. Rios, City Secretary
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Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: December 11, 2013
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: 45Q 45R

SUBJECT

Farmers Market Redevelopment, Phase II - Shed 1

- * Authorize **(1)** a development agreement with DF Market 1, LLC, to provide funding for the renovation of the Shed 1 Project (local farmers stalls) as part of the Farmers Market Redevelopment, Phase II located in Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District); and **(2)** the Farmers Market TIF District Board of Directors to dedicate up to \$300,000 from Farmers Market TIF revenues in accordance with the development agreement - Not to exceed \$300,000 - Financing: Farmers Market TIF District Funds
- * A resolution declaring the intent of Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District), to reimburse DF Market 1 LLC, in an amount not to exceed \$300,000 for certain improvements related to the Shed 1 Project of the Farmers Market Redevelopment, Phase II in the Farmers Market TIF District - Financing: No cost consideration to the City

BACKGROUND

On February 27, 2013, City Council authorized a Master Agreement for the redevelopment of the Dallas Farmers Market with DFM Developer, Ltd., (Brian Bergersen, Owner/Developer), which outlined a redevelopment plan for the Dallas Farmers Market. The approved Master Agreement redevelopment plan provides for: (1) the lease of Shed 1 for renovation and operation as a marketplace for local farmers and farm merchants and vendors to sell produce and other farm-related products; (2) the sale of Shed 2 for renovation for use by restaurants, specialty food vendors, other retail vendors, and a beer garden; (3) the sale of Sheds 3 and 4 for the development of retail, residential, and parking uses (including public parking for the market); (4) the sale of the auxiliary/administration building for its renovation for use as a culinary learning center, production studio, market administration office, retail leasing office, and retail; and (5) the sale of the remote parking area for redevelopment for outdoor activities, specifically a community garden and futsal fields.

BACKGROUND (Continued)

The development agreement under consideration is part of the Farmers Market Redevelopment Phase II for the renovation of the Shed 1 Project and additional improvements. Currently, Shed 1 is approximately 20,000 square feet of retail space for local farmers. Shed 1 will be completely renovated to meet the farmer's needs. A minimum of 60 bays/stalls for the local farmers, farm merchants and vendors will be renovated/built to suit the needs of the farmers. The new design will remove vehicular access from the shed and create pedestrian walkways and a display area in the shed. Improvements include public parking along Taylor Street and Pearl Street, pedestrian protection from vehicles and enhanced streetscape. A truck staging area will be located along Pearl Street. The streetscape will be enhanced along the Pearl Street.

The Farmers Market TIF funding request is for the refurbishing of this City-owned facility and installing sixty stall/bays for the local farmers, farm merchants and vendors. The designs for the project are reviewed and approved by the Dallas Design Studio and Peer Review Committee.

Separate Council Items under consideration on this agenda – TIF Agreements:

Total TIF funding allocated for all the Projects in the Farmers Market Redevelopment Phase II is in an amount not to exceed \$13,335,331.

Shed 2 Project:

The existing Shed 2 of approximately 28,000 square feet, will be renovated to showcase a variety of Dallas based restaurants and specialty food vendors. The improvements also include construction of a public "beer garden" located at the Southeast corner of Harwood Street and Marilla Street. The TIF funding request for the Shed 2 is in an amount not to exceed \$355,477.

Mixed-use development/Shed 3 and Shed 4 Project:

Shed 3 & 4 will be demolished and the space will be turned into a mixed-use development. A new building will be constructed with approximately 240 apartments (200,000 square feet for residential use) in 5-6 stories of wood frame and concrete frame construction, plus ground floor retail of approximately 16,000 square feet. This building will include 544 parking spaces (300 city owned public parking spaces and 244 private parking spaces). The TIF funding request for the mixed-use development is in an amount not to exceed \$8,536,486.

2101 and 2111 Taylor Street Project:

The improvements to 2101 and 2111 Taylor Street will include approximately 25,000 square feet of commercial restaurant / retail, plus 60 residential units and 60 parking spaces. The TIF funding request for the public parking on Taylor Street, is in an amount not to exceed \$3,553,480.

BACKGROUND (Continued)

Futsal Project:

The existing site of approximately 1.8 acres of remote parking space will be redeveloped to create futsal fields, a fitness track and a community garden. The improvements include three futsal fields, walking/jogging trail, aluminum bleacher seating, lighting, restrooms and storage. A portion of the area will be converted to a community garden. The TIF funding request for the community garden and futsal fields in an amount not to exceed \$589,888.

ESTIMATED SCHEDULE OF SHED 1 PROJECT

Begin Renovation Work	October 2014
Complete Renovation Work	October 2015

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, Farmers Market TIF District by Ordinance No. 23521, as amended.

On August 25, 1999, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Farmers Market TIF District by Ordinance No. 24001, as amended.

On February 27, 2013, by Resolution No. 13-0447, the City Council authorized a Master Agreement for the Redevelopment of the Dallas Farmers Market with DFM Developer, Ltd.

On March 27, 2013, by Ordinance No. 28951, the City Council authorized amendments to the Farmers Market TIF Project and Financing Plan, including the expansion of the geographic boundaries of the TIF district to include the Dallas Farmers Market property.

On March 27, 2013, by Resolution No. 13-0535, the City Council authorized the City Manager to execute a 30-year lease agreement, with two, five-year renewal options, for the Dallas Farmers Market Shed 1.

On June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)

On November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./or its affiliate, and to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331.

On December 2, 2013, the Economic Development Committee was briefed on the proposed Farmers Market Redevelopment, Phase II.

FISCAL INFORMATION

\$300,000 - Farmers Market TIF District Funds

OWNER

DF Market 1, LLC

Brian Bergersen
Owner/Developer

DEVELOPER

DF Market 1, LLC

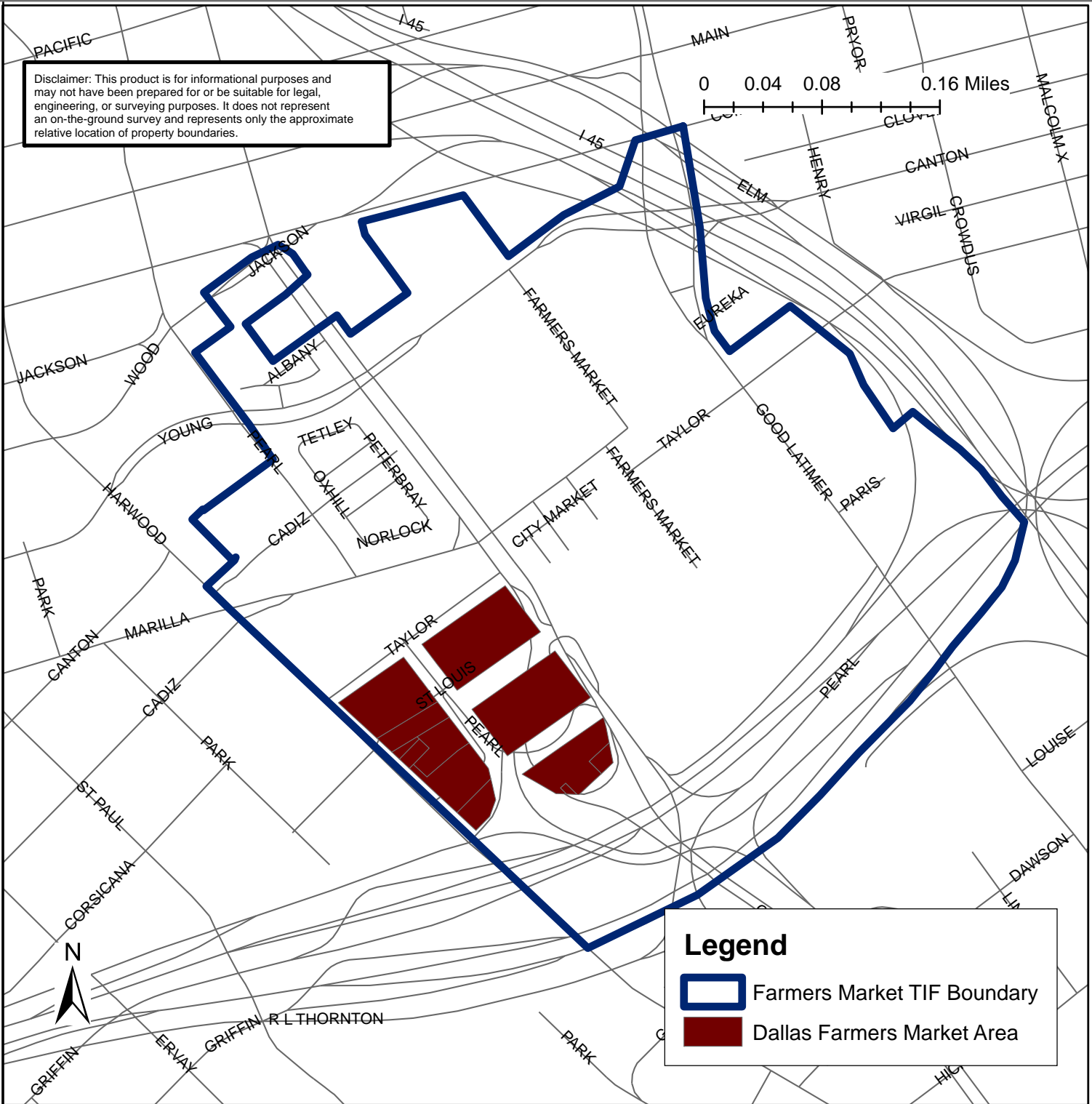
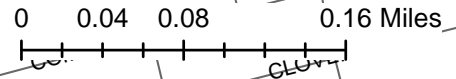
Brian Bergersen
Owner/Developer

MAP

Attached.

Dallas Farmers Market Area

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.



Legend

-  Farmers Market TIF Boundary
-  Dallas Farmers Market Area

City of Dallas

Office of Economic Development

<http://www.Dallas-EcoDev.org>

Created 1/2013

Note: The proposed improvements coincide with the Downtown Dallas 360 Plan and Parks Master Plan for the area. Most of these improvements can be funded by the

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council authorized an amendment to the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./or its affiliates, in the Farmers Market TIF District, and recommended City Council authorize a development agreements with DFM Developer, Ltd./or its affiliates, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331; and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan, the City desires to reimburse DF Market 1 LLC, for the costs of the renovation of the Shed 1 Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW, THEREFORE,

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

December 11, 2013

Section 1. That City Manager, upon approval as to form by the City Attorney's Office is hereby authorized to execute a development agreement with DF Market 1, LLC, and that future Farmers Market TIF revenues in an amount not to exceed \$300,000 are hereby dedicated to TIF-eligible project costs associated with the Shed 1 Project, shown in the TIF funded Shed 1 Project budget, attached hereto as **Exhibit A**, as part of the implementation of the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan.

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 City Controller is hereby authorized to encumber and disburse funds from future tax increments and subject to future appropriations from:

Farmers Market TIF District Fund

Fund 0036, Department ECO, Unit P844, Activity TFFM, Object 4510, Program No. FMTIF0007, CT ECOP844B249, Vendor No. VS0000082184 in an amount not exceed \$300,000; and

Total amount not to exceed \$300,000 for the Shed 1 Project, Farmers Market Redevelopment, Phase II.

Section 4. That DF Market 1, LLC, shall fund the TIF-eligible costs of the Shed 1 Project, Farmers Market Redevelopment, Phase II. DF Market 1, LLC, will be reimbursed (in an amount not to exceed \$300,000) solely from the Farmers Market TIF District Funds in accordance with the terms of the development agreement described in hereof, but only to the extent such Farmers Market TIF District funds are available for such purpose.

Section 5. That nothing in this resolution shall be construed to require the City to approve funding from any source of City funds other than the Farmers Market TIF District funds. Any funds expended by DF Market 1 LLC, under the development agreement, that have not been paid, due to lack of or unavailability of Farmers Market TIF District funds shall no longer be considered project costs of the Farmers Market TIF District, and the obligation of the Farmers Market TIF District or the City to reimburse DF Market 1 LLC, shall automatically expire.

December 11, 2013

Section 6. That in addition to the conditions set out in the Sections above, the Development Agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- a. Pull a building permit for Shed 1 by October 1, 2014;
- b. Invest a minimum of \$800,000 for Shed 1 improvements by October 1, 2015, in accordance with Section 5 of that certain Shed 1 Lease Agreement by and between City and DF Market 1 LLC;
- c. Complete the public improvements associated with Shed 1 and obtain a final certificate of acceptance issued by the City by October 1, 2015;
- d. Build a minimum of 60 bays/stalls for the local farmers, farm merchants and vendors and obtain a certificate of occupancy for the stalls by October 1, 2015;
- e. Execute an operating and maintenance agreement for the “non-standard public improvements” in the public right-of-way associated with the project by June 30, 2015. For purposes of this Agreement, “non-standard public improvements” means improvements which exceed City’s standard design requirements as determined by City’s Department of Public Works as agreed by Owner, but does not include any paved roadways or below grade improvements, such as water, storm water, sanitary sewer or other utility systems.–DF Market 1 LLC will be required to maintain the non-standard improvements under the operating and maintenance agreement from the time of their completion through October 1, 2035;
- f. Comply with all the City’s M/WBE Fair Share policies with a goal of thirty percent (30%) participation for the TIF eligible public improvement project and for the private improvement construction with a participation goal in an amount of 10% of total private construction cost (this amount is based on the total proportion of TIF financial participation in the project) construction and meet all reporting and procedural requirements;
- g. Submit quarterly (once in every three months, starting from the construction start date) project status reports to the Office of Economic Development Staff beginning on January 1, 2015; and
- h. Construct public and private improvements that conform in design and materials shown in renderings approved by Office of Economic Development staff, City of Dallas Design Studio and Peer Review Committee (**Exhibit B, Plan & Conceptual Renderings**), subject to zoning changes, if any. Minor modifications can be approved by the Dallas Design Studio, if needed.

Section 7. That TIF funds, in an amount not to exceed \$300,000, will begin to be reimbursed upon completion of the Shed 1 Project obligations (above required elements) and all TIF funding is subject to the terms of the Farmers Market TIF Increment Allocation Policy attached as **Exhibit C**.

December 11, 2013

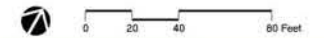
Section 8. That the Director of Office of Economic Development, after approval and recommendation of the Farmers Market TIF District Board of Directors, may authorize an extension of the project completion deadlines of up to 6 months.

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
Farmers Market Redevelopment, Phase II
Shed 1 Project
Cost Estimates

Description		Amount
Improvements to Shed 1: Painting, plumbing, concrete, refurbishment, landscape and streetscape improvements		\$300,000
TIF Request		\$300,000

Note: No interest shall accrue on any portion of the TIF subsidy.
Maximum recommended TIF funding for Shed 1 Project is
\$300,000.



FARMERS MARKET SHED 1

**DALLAS FARMERS MARKET
DALLAS, TX**



Good Fulton & Farrell Architects

2908 Fairmount Street 214-303-0200/Tel
 Suite 300 214-303-0522/Fax
 Dallas, Texas 75201 www.gff.com



Farrish 12



Good Fulton & Farrell Architects



VIEW FROM NORTHWEST

**Shed 1 - Farmer's Market
Dallas, Texas**



Good Fulton & Farrell Architects

3908 Fairmount Street
Suite 300
Dallas, Texas 75201

214-303-0500/Tel
214-303-0527/Fax
www.gff.com

**TIF Increment Allocation Policy
Farmers Market TIF District
November 21, 2013**

It is important for the City of Dallas to encourage as many projects as possible and also allocate Farmers Market TIF District funds to Developers, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District rather than on a first come first serve basis.

Definitions:

Project (TIF-eligible) - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. The Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

Developer – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

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. 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 demolished structures.

Total Increment– the annual amount of increment deposited into the TIF fund from the participating jurisdictions.

Individual Increment – the portion of the increment that a Project or Related Project creates each year.

Net Individual Increment – Individual Increment less the Project's and/or Related Project's portion of Administrative Expenses each year. This portion will be based on the ratio of Individual Increment to Total Increment.

Administrative Expenses – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

District-Wide Improvements – improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

Shared Increment – the Total Increment less (1) the portion of Administrative Expenses not already deducted from Individual Increment, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all eligible Developers.

Available Cash - cash in the Farmers Market TIF District fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

Procedure:

Annually, after the Total Increment has been deposited in the TIF fund, the fund will pay or set aside Administrative Expenses based on a ratio of Individual Increments and any remaining costs from unallocated increment in the TIF fund. After Administrative Expenses and any District-Wide Improvement allocation have been paid or set aside, Developers approved for TIF funding from the Farmers Market TIF District will be eligible to receive their Net Individual Increment.

In addition to their Net Individual Increment, the Developers of the Dallas Farmers Market site will be eligible to receive a portion of any Shared Increment. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's Individual Increment to the sum of the Individual Increments for all Projects eligible for reimbursement for that year.

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. However, no increment allocation will be made unless a total Project or specific phase as defined in a development agreement is completed by May 1st of a given year. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

District-Wide Improvement Set-Aside

Once the pre-existing agreement with Perry Homes has been fully reimbursed, up to 20% of the total Increment may be set-aside for District-Wide improvements as determined by TIF Board on October 28, 2008.

Accumulated District-Wide Improvement Set-Aside funds may be allocated by the Board for improvements that benefit the Farmers Market TIF District. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs.

If there is future revenue from the parking, those funds will be allocated towards the District-Wide Improvement Set-Aside.

Pre-existing Agreements

This Increment Allocation Policy does not affect the development agreement with Perry Homes for the Farmers Market Way Town Homes development. This Project shall be reimbursed according to the development agreement, which states that the Developer will be paid on first come first serve basis after paying administrative expenses. The Project will be reimbursed after meeting all terms of the development agreement. If the Project fails to meet the requirements, the agreement will be terminated and the TIF funds will be reallocated to the District-Wide Improvement Set-Aside.

The Farmers Market Square Project shall be reimbursed according to their development Agreement, which states that the Developer will be paid their own increment and a portion of the Shared Increment after the administrative expenses and District-Wide Improvement Set-Aside.

Currently, there are sufficient Farmers Market TIF funds to fully reimburse the existing commitments (Perry Homes and Farmers Market Square Project) upon meeting all the terms of the development agreement.

Farmers Market Redevelopment Project increment set-aside

After the TIF subsidies due the developers with pre-existing development agreements have been paid, all TIF funds (other than those required to pay administrative expenses) that become available from (1) the Farmers Market Redevelopment Project Individual Increments and (2) those properties located within the boundaries of the Farmers Market TIF District as of March 27, 2013 (the Shared Increment), shall be paid to the Farmers Market Redevelopment Project Developer until said Developer has received the full amount that it is due under the TIF development agreements between said Developer and City and that no other person shall be entitled to receive any of the TIF funds available from such sources unless and until said Developer has received the full amount that it is due under its TIF development agreements with City. Notwithstanding the foregoing, said Developer understands that (1) it will not be entitled to receive any of the TIF funds which may become available from any future development in the Farmers Market TIF District, other than from (a) the Farmers Market Redevelopment Project and (b) those properties located within the boundaries of the Farmers Market TIF District as of the date of March 27, 2013, and (2) any future developments in the Farmers Market TIF District will be eligible to receive only the TIF increment generated by such future developments until such time as the Farmers Market Redevelopment Project Developer has received the full amount that it is due under its TIF development agreements with City.

Notes:

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. Upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the TIF District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses, (2) District-Wide Improvements, and (3) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the Individual Increments for that year. If there is no revenue available after administrative expenses, there will be no increment payments that year.

At its discretion, the Farmers Market TIF District TIF Board may make modifications or corrections to this Policy to increase its effectiveness.

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council authorized an amendment to the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331; and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan, the City desires to reimburse DF Market 1, LLC. for the costs of the renovation of the Shed 1 Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW, THEREFORE,

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

December 11, 2013

Section 1. That the findings, determinations and certifications contained in the recitals above are incorporated herein for all purposes.

Section 2. That the issuer expects to incur debt as one or more series of obligation for the purpose of paying the costs of the Shed 1 Project.

The following is a general functional description of the Project for which the expenditures to be reimbursed or paid and a statement of the maximum principal amount of debt expected to be issued for such reimbursement purposes.

Project Description

Debt To Be Issued

Shed 1 Project

Not to exceed \$300,000

Painting, plumbing, concrete

Refurbishment, landscaping and

Streetscape improvements, as shown in **Exhibit A**

Section 3. That the total Farmers Market TIF District participation in the Shed 1 Project for cost of painting, plumbing, concrete, refurbishing, landscaping, streetscape improvements and other public improvements associated with Shed 1 of the Farmers Market, Phase II shall not exceed the amount of \$300,000 all in accordance with the terms of said development agreement.

Section 4. That nothing in the resolution shall be construed to require the City to approve payment from any source of City funds other than the Farmers Market TIF Fund and/or Tax Increment Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Farmers Market TIF, due to lack or unavailability of Farmers Market TIF Funds shall no longer be considered project costs of the Farmers Market TIF District or the City to pay the DF Market 1, LLC shall automatically expire.

Section 5. 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
Farmers Market Redevelopment, Phase II
Shed 1 Project
Cost Estimates

Description		Amount
Improvements to Shed 1: Painting, plumbing, concrete, refurbishment, landscape and streetscape improvements		\$300,000
TIF Request		\$300,000

Note: No interest shall accrue on any portion of the TIF subsidy.
Maximum recommended TIF funding for Shed 1 Project is
\$300,000.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: December 11, 2013
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: 45 Q 45 R

SUBJECT

Farmers Market Redevelopment, Phase II - Shed 2

- * Authorize **(1)** a development agreement with DF Market 2, LLC, to provide funding for the renovation of the Shed 2 Project as part of the Farmers Market Redevelopment, Phase II located in Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District); and **(2)** the Farmers Market TIF District Board of Directors to dedicate up to \$355,477 from Farmers Market TIF revenues in accordance with the development agreement - Not to exceed \$355,477 - Financing: Farmers Market TIF District Funds
- * A resolution declaring the intent of Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District), to reimburse DF Market 2, LLC, in an amount not to exceed \$355,477 for certain improvements related to the Shed 2 Project of the Farmers Market Redevelopment, Phase II in the Farmers Market TIF District - Financing: No cost consideration to the City

BACKGROUND

On February 27, 2013, City Council authorized a Master Agreement for the redevelopment of the Dallas Farmers Market with DFM Developer, Ltd., (Brian Bergersen, Owner/Developer), which outlined a redevelopment plan for the Dallas Farmers Market. The approved Master Agreement redevelopment plan provides for: (1) the lease of Shed 1 for renovation and operation as a marketplace for local farmers and farm merchants and vendors to sell produce and other farm-related products; (2) the sale of Shed 2 for renovation for use by restaurants, specialty food vendors, other retail vendors, and a beer garden; (3) the sale of Sheds 3 and 4 for the development of retail, residential, and parking uses (including public parking for the market); (4) the sale of the auxiliary/administration building for its renovation for use as a culinary learning center, production studio, market administration office, retail leasing office, and retail; and (5) the sale of the remote parking area for redevelopment for outdoor activities, specifically a community garden and futsal fields.

BACKGROUND (Continued)

The development agreement under consideration is part of the Farmers Market Redevelopment Phase II for the Shed 2 Project. The existing Shed 2 of approximately 28,000 square feet, will be renovated to showcase a variety of Dallas based restaurants and specialty food vendors. The improvements also include construction of a public “beer garden” located at the Southeast corner of Harwood Street and Marilla Street.

The Farmers Market TIF funding in the form of a TIF Grant is requested for the Shed 2 façade and retail space improvements and for the Beer Garden. The designs for the project are reviewed and approved by the Dallas Design Studio and Peer Review Committee.

Separate Council Items under consideration on this agenda – TIF Agreements:

Total TIF funding allocated for all the Projects in the Farmers Market Redevelopment, Phase II is in an amount not to exceed \$13,335,331.

Shed 1 Project:

Existing Shed 1 is approximately 20,000 square feet of local farmer’s stall space. Shed 1 will be completely renovated to meet the farmer’s needs. The new design will remove vehicular access from the shed and create pedestrian walkways and a display area in the shed. Improvements include public parking along Taylor Street and Pearl Street, pedestrian protection from vehicles and enhanced streetscape. A truck staging area will be located along Farmers Way Street. The streetscape will be enhanced along the two streets (Farmers Way and Pearl Street). The TIF funding request for the Shed 1 is in an amount not to exceed \$300,000.

Mixed-use development/Shed 3 and Shed 4:

Sheds 3 & 4 will be demolished and the space will be turned into a mixed-use development. A new building will be constructed with approximately 240 apartments (200,000 square feet for residential use) in 5-6 stories of wood frame and concrete frame construction, plus ground floor retail of approximately 16,000 square feet. This building will include 544 parking spaces (300 city owned public parking spaces and 244 private parking spaces). The TIF funding request for the mixed-use development is in an amount not to exceed \$8,536,486.

2101 and 2111 Taylor Street Project:

The improvements to 2101 and 2111 Taylor Street will include approximately 25,000 square feet of commercial restaurant / retail, plus 60 residential units and 60 parking spaces. The TIF funding request for the public parking on Taylor Street, is in an amount not to exceed \$3,553,480.

BACKGROUND (Continued)

Futsal Project:

The existing site of approximately 1.8 acres of remote parking space will be redeveloped to create futsal fields, a fitness track and a community garden. The improvements include three futsal fields, walking/jogging trail, aluminum bleacher seating, lighting, restrooms and storage. A portion of the area will be converted to a community garden. The TIF funding request for the Futsal Project is in an amount not to exceed \$589,888.

ESTIMATED SCHEDULE OF SHED 2 PROJECT

Begin Renovation Work	October 2014
Complete Renovation Work	December 2015

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, Farmers Market TIF District by Ordinance No. 23521, as amended.

On August 25, 1999, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Farmers Market TIF District by Ordinance No. 24001, as amended.

On February 27, 2013, by Resolution No. 13-0447, the City Council authorized a Master Agreement for the Redevelopment of the Dallas Farmers Market with DFM Developer, Ltd.

On March 27, 2013, by Ordinance No. 28951, the City Council authorized amendments to the Farmers Market TIF Project and Financing Plan, including the expansion of the geographic boundaries of the TIF district to include the Dallas Farmers Market property.

On March 27, 2013, by Resolution No. 13-0535, the City Council authorized the City Manager to execute a 30-year lease agreement, with two, five-year renewal options, for the Dallas Farmers Market Shed 1.

On June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)

On November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./ or its affiliate, and to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331.

On December 2, 2013, the Economic Development Committee was briefed on the proposed Farmers Market Redevelopment, Phase II.

FISCAL INFORMATION

\$355,477 - Farmers Market TIF District Funds

OWNER

DF Market 2, LLC

Brian Bergersen
Owner/Developer

DEVELOPER

DF Market 2, LLC

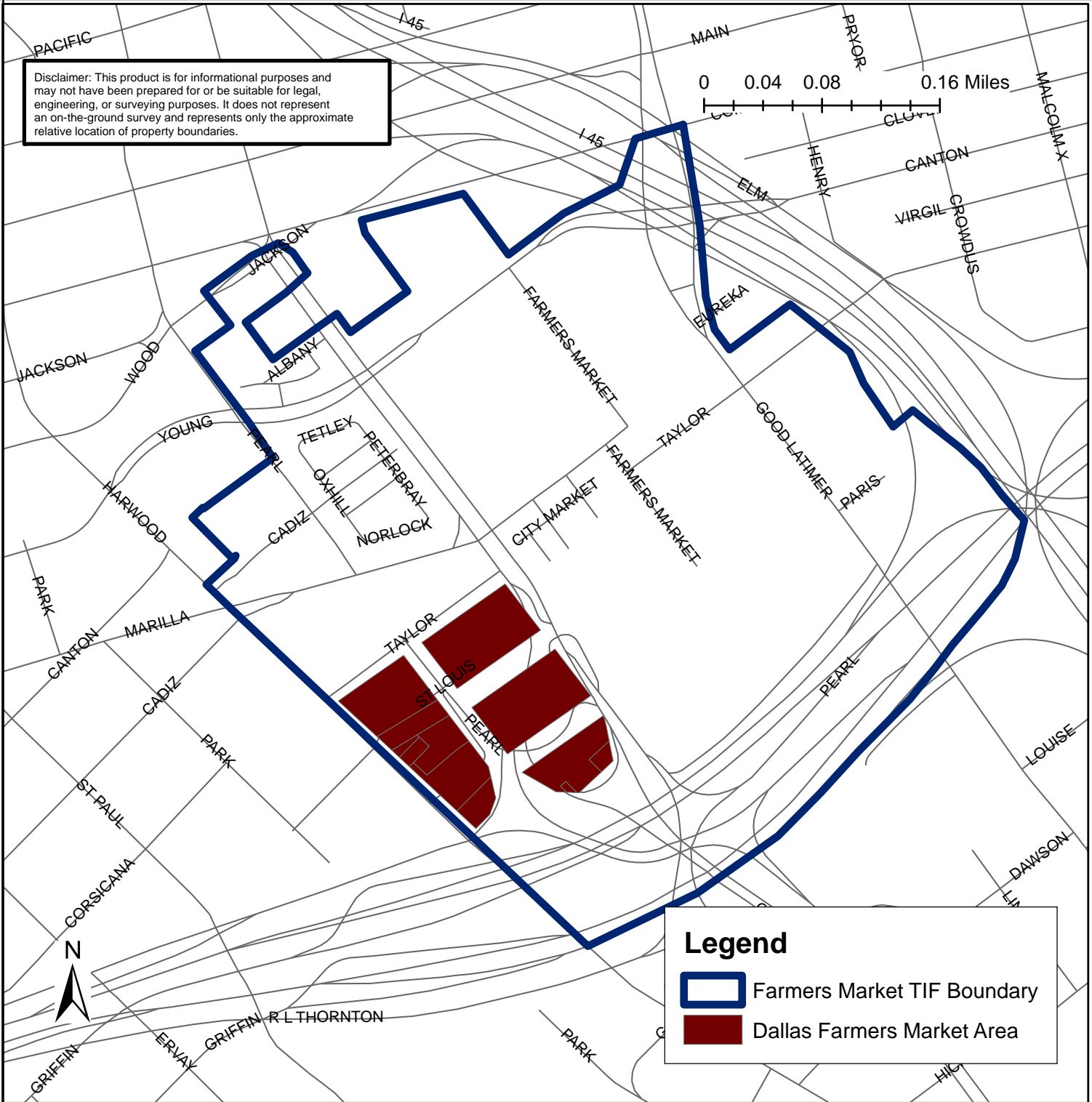
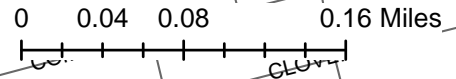
Brian Bergersen
Owner/Developer

MAP

Attached.

Dallas Farmers Market Area

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.



Legend

-  Farmers Market TIF Boundary
-  Dallas Farmers Market Area

City of Dallas

Office of Economic Development
<http://www.Dallas-EcoDev.org>
Created 1/2013

Note: The proposed improvements coincide with the Downtown Dallas 360 Plan and Parks Master Plan for the area. Most of these improvements can be funded by the

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council authorized an amendment to the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project ; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331; and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan, the City desires to reimburse DF Market 2 LLC, for the costs of the Shed 2 Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW THEREFORE,

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

December 11, 2013

Section 1. That City Manager, upon approval as to form by the City Attorney's Office is hereby authorized to execute a development agreement with DF Market, 2 LLC, and that future Farmers Market TIF revenues in an amount not to exceed \$355,477 are hereby dedicated to TIF-eligible project costs associated with the Shed 2 Project, shown in the TIF funded Shed 2 Project budget, attached hereto as **Exhibit A**, as part of the implementation of the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan.

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 City Controller is authorized to encumber and disburse funds from future tax increments and subject to future appropriations from:

Farmers Market TIF District Fund

Fund 0036, Department ECO, Unit P845, Activity TFFM, Object 4510, Program No. FMTIF0008, CT ECOP845B250-01, Vendor No. VS0000082186 in an amount not exceed \$355,477; and

Total amount not to exceed \$355,477 for the Farmers Market Redevelopment, Phase II, Shed 2 Project.

Section 4. That DF Market 2, LLC, shall design, fund the TIF-eligible costs of the Shed 2 Project, Farmers Market Redevelopment, Phase II, DF Market 2, LLC, will be reimbursed (in an amount not to exceed \$355,477) solely from the Farmers Market TIF District Funds in accordance with the terms of the development agreement described in hereof, but only to the extent such Farmers Market TIF District funds are available for such purpose.

Section 5. That nothing in this resolution shall be construed to require the City to approve funding from any source of City funds other than the Farmers Market TIF District funds. Any funds expended by DF Market 2, LLC, under the development agreement, that have not been paid, due to lack of or unavailability of Farmers Market TIF District funds shall no longer be considered project costs of the Farmers Market TIF District, and the obligation of the Farmers Market TIF District or the City to reimburse DF Market 2, LLC, shall automatically expire.

December 11, 2013

Section 6. That in addition to the conditions set out in the Sections above, the Development Agreement is hereby expressly made subject to all of the following contingencies which must be performed by the Developer or occur:

- a. Pull a building permit for Shed 2 Project by October 1, 2014;
- b. Invest a minimum of \$1,784,987 for Shed 2 improvements by December 31, 2015;
- c. Complete the public improvements associated with Shed 2 and obtain a final certificate of acceptance issued by the City by December 31, 2015;
- d. Execute an operating and maintenance agreement for the “non-standard public improvements” in the public right-of-way associated with the project by December 31, 2015. For purposes of this Agreement, “non-standard public improvements” means improvements which exceed City’s standard design requirements as determined by City’s Department of Public Works as agreed by Owner, but does not include any standard paved roadways or below grade improvements, such as water, storm water, sanitary sewer or other standard utility systems. The Owner will be required to maintain the non-standard improvements under the operating and maintenance agreement from the time of their completion through October 1, 2035;
- e. Comply with all the City’s M/WBE Fair Share policies with a goal of 10% of total private construction cost (this amount is based on the total proportion of TIF financial participation in the project) and meet all the reporting and procedural the requirements;
- f. Submit quarterly (once in every three months, starting from the construction start date) project status reports to the Office of Economic Development Staff beginning on December 31, 2014; and
- g. Construct public and private improvements that conform in design and materials shown in renderings approved by Office of Economic Development staff, City of Dallas Design Studio and Peer Review Committee (**Exhibit B, Plan & Conceptual Renderings**), subject to zoning changes, if any. Minor modifications can be approved by the Dallas Design Studio, if needed.

Section 7. That TIF funds, in an amount not to exceed \$355,477, will begin to be reimbursed upon completion of the Shed 2 Project obligations (above required elements) and subject to the terms of the Farmers Market TIF Increment Allocation Policy, attached as **Exhibit C**.

Section 8. That the Director of Office of Economic Development, after approval and recommendation of the Farmers Market TIF District Board of Directors, may authorize an extension of the project completion deadlines up to 6 months.

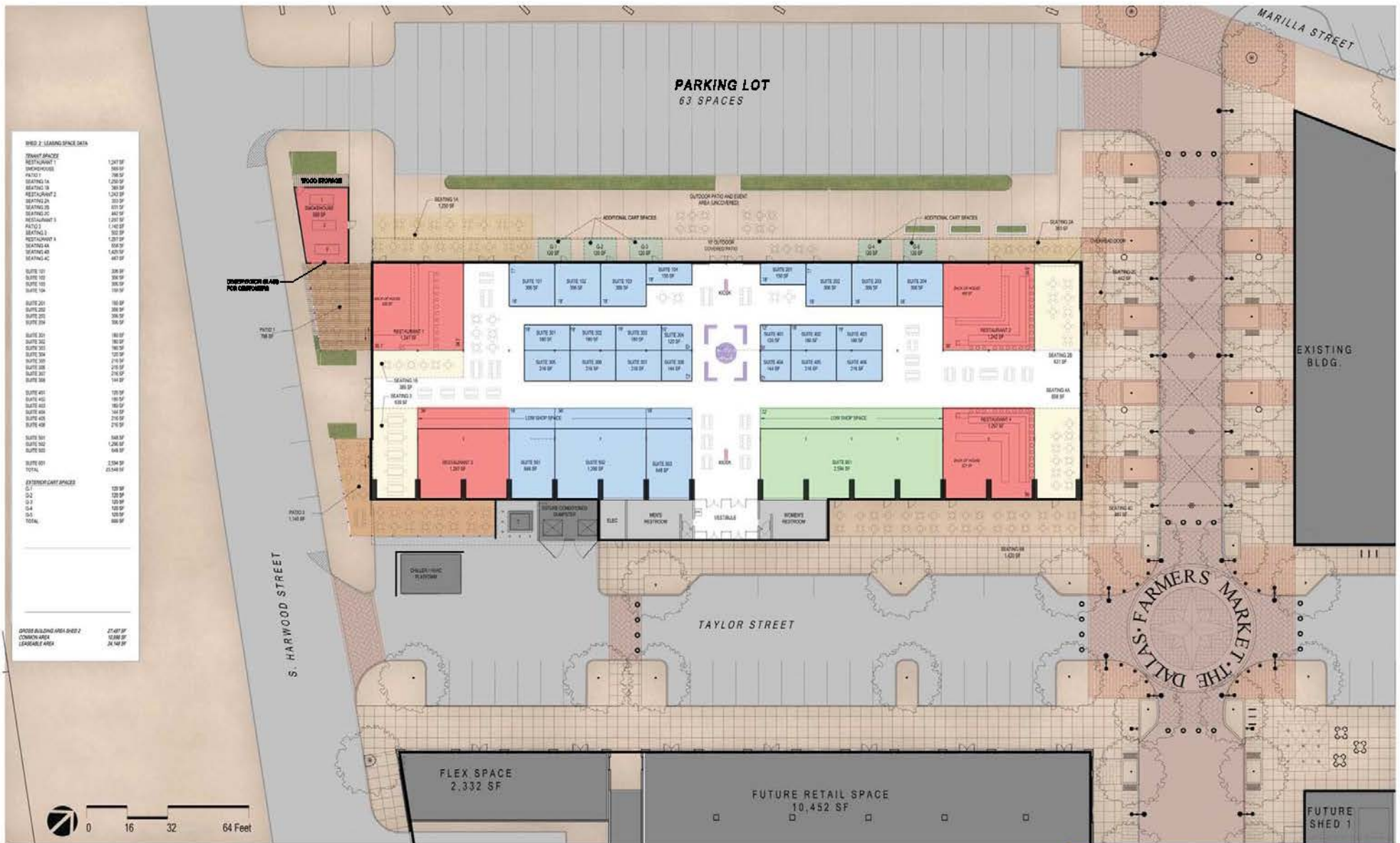
December 11, 2013

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
Farmers Market Redevelopment, Phase II
Shed 2 Project
Cost Estimates

Description		Amount
Improvements to Shed 2: TIF Grant for streetscape and public open space improvements		\$355,477
TIF Request		\$355,477

Note: No interest shall accrue on any portion of the TIF subsidy. Maximum recommended TIF Grant funding for Shed 2 improvements is \$355,477.



SHEED 2 LEASING SPACE DATA

TENANT SPACES	
RESTAURANT 1	1,247 SF
SMOKESHOP	589 SF
PAVILION	788 SF
SEATING 1A	1,226 SF
SEATING 1B	389 SF
RESTAURANT 2	1,242 SF
SEATING 2A	332 SF
SEATING 2B	332 SF
SEATING 2C	482 SF
RESTAURANT 3	1,247 SF
PAVILION	1,162 SF
SEATING 3	332 SF
RESTAURANT 4	1,237 SF
SEATING 4A	332 SF
SEATING 4B	423 SF
SEATING 4C	487 SF
OFFICE	
SUITE 101	336 SF
SUITE 102	336 SF
SUITE 103	336 SF
SUITE 104	139 SF
RETAIL	
SUITE 201	186 SF
SUITE 202	336 SF
SUITE 203	336 SF
SUITE 204	336 SF
SUITE 205	186 SF
SUITE 206	186 SF
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SUITE 296	186 SF
SUITE 297	186 SF
SUITE 298	186 SF
SUITE 299	186 SF
SUITE 300	186 SF
TOTAL	
OFFICE	2,534 SF
RETAIL	25,548 SF
EXTENSION CHART SPACES	
G-1	129 SF
G-2	129 SF
G-3	129 SF
G-4	129 SF
G-5	129 SF
TOTAL	645 SF

OVER BUILDING AREA SHEED 2
COMMON AREA: 27,487 SF
LEASABLE AREA: 26,148 SF

LEASING SITE PLAN
Dallas Farmers Market | SHED 2
Dallas, Texas

Job #: 13142.02
File Name: FP_006C_DFM.dwg
Date: 10.17.13
Drawn by: jg/rls

gff Good Fulton & Farrell Architects
2808 Fairmount Street
Suite 300
Dallas, Texas 75201
214.303.1500/Tel
214.303.1512/Fax
www.gff.com



Shed 2 Proposed Shell Improvements

Dallas Farmers Market | Shed 2
Dallas, Texas



Good Fulton & Farrell Architects

2808 Fairmount Street
Suite 300
Dallas, Texas 75201

214.303.1500/Tel
214.303.1512/Fax
www.gff.com

Job #: 19142.00 File Name: Shed 2 Shell Perspective Date: 10/17/2019 Drawn by: LTA

Exhibit B



Shed 2 Proposed Shell Improvements

Dallas Farmers Market | Shed 2
Dallas, Texas

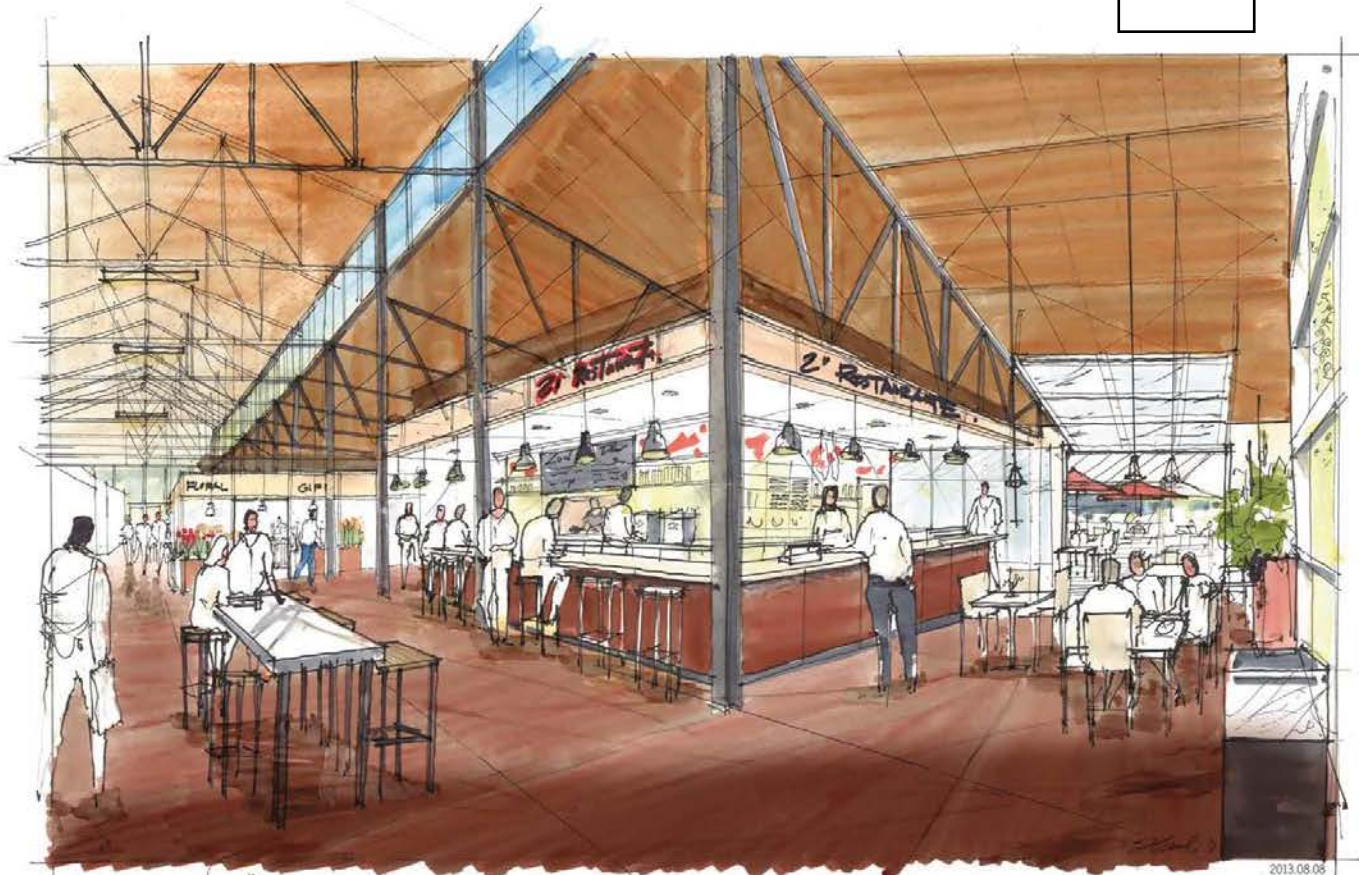


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2013.08.08

FARMER'S MARKET - SHED 2 RESTAURANT CONCEPT



2013.08.08

FARMER'S MARKET - SHED 2 SMALL SHOP CONCEPT

**TIF Increment Allocation Policy
Farmers Market TIF District
November 21, 2013**

It is important for the City of Dallas to encourage as many projects as possible and also allocate Farmers Market TIF District funds to Developers, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District rather than on a first come first serve basis.

Definitions:

Project (TIF-eligible) - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. The Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

Developer – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

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. 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 demolished structures.

Total Increment– the annual amount of increment deposited into the TIF fund from the participating jurisdictions.

Individual Increment – the portion of the increment that a Project or Related Project creates each year.

Net Individual Increment – Individual Increment less the Project's and/or Related Project's portion of Administrative Expenses each year. This portion will be based on the ratio of Individual Increment to Total Increment.

Administrative Expenses – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

District-Wide Improvements – improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

Shared Increment – the Total Increment less (1) the portion of Administrative Expenses not already deducted from Individual Increment, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all eligible Developers.

Available Cash - cash in the Farmers Market TIF District fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

Procedure:

Annually, after the Total Increment has been deposited in the TIF fund, the fund will pay or set aside Administrative Expenses based on a ratio of Individual Increments and any remaining costs from unallocated increment in the TIF fund. After Administrative Expenses and any District-Wide Improvement allocation have been paid or set aside, Developers approved for TIF funding from the Farmers Market TIF District will be eligible to receive their Net Individual Increment.

In addition to their Net Individual Increment, the Developers of the Dallas Farmers Market site will be eligible to receive a portion of any Shared Increment. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's Individual Increment to the sum of the Individual Increments for all Projects eligible for reimbursement for that year.

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. However, no increment allocation will be made unless a total Project or specific phase as defined in a development agreement is completed by May 1st of a given year. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

District-Wide Improvement Set-Aside

Once the pre-existing agreement with Perry Homes has been fully reimbursed, up to 20% of the total Increment may be set-aside for District-Wide improvements as determined by TIF Board on October 28, 2008.

Accumulated District-Wide Improvement Set-Aside funds may be allocated by the Board for improvements that benefit the Farmers Market TIF District. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs.

If there is future revenue from the parking, those funds will be allocated towards the District-Wide Improvement Set-Aside.

Pre-existing Agreements

This Increment Allocation Policy does not affect the development agreement with Perry Homes for the Farmers Market Way Town Homes development. This Project shall be reimbursed according to the development agreement, which states that the Developer will be paid on first come first serve basis after paying administrative expenses. The Project will be reimbursed after meeting all terms of the development agreement. If the Project fails to meet the requirements, the agreement will be terminated and the TIF funds will be reallocated to the District-Wide Improvement Set-Aside.

The Farmers Market Square Project shall be reimbursed according to their development Agreement, which states that the Developer will be paid their own increment and a portion of the Shared Increment after the administrative expenses and District-Wide Improvement Set-Aside.

Currently, there are sufficient Farmers Market TIF funds to fully reimburse the existing commitments (Perry Homes and Farmers Market Square Project) upon meeting all the terms of the development agreement.

Farmers Market Redevelopment Project increment set-aside

After the TIF subsidies due the developers with pre-existing development agreements have been paid, all TIF funds (other than those required to pay administrative expenses) that become available from (1) the Farmers Market Redevelopment Project Individual Increments and (2) those properties located within the boundaries of the Farmers Market TIF District as of March 27, 2013 (the Shared Increment), shall be paid to the Farmers Market Redevelopment Project Developer until said Developer has received the full amount that it is due under the TIF development agreements between said Developer and City and that no other person shall be entitled to receive any of the TIF funds available from such sources unless and until said Developer has received the full amount that it is due under its TIF development agreements with City. Notwithstanding the foregoing, said Developer understands that (1) it will not be entitled to receive any of the TIF funds which may become available from any future development in the Farmers Market TIF District, other than from (a) the Farmers Market Redevelopment Project and (b) those properties located within the boundaries of the Farmers Market TIF District as of the date of March 27, 2013, and (2) any future developments in the Farmers Market TIF District will be eligible to receive only the TIF increment generated by such future developments until such time as the Farmers Market Redevelopment Project Developer has received the full amount that it is due under its TIF development agreements with City.

Notes:

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. Upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the TIF District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses, (2) District-Wide Improvements, and (3) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the Individual Increments for that year. If there is no revenue available after administrative expenses, there will be no increment payments that year.

At its discretion, the Farmers Market TIF District TIF Board may make modifications or corrections to this Policy to increase its effectiveness.

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council authorized an amendment to the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./ or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331;and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan, the City desires to reimburse DF Market 2, LLC, for the costs of the renovation of Shed 2 Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW, THEREFORE,

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

December 11, 2013

Section 1. That the findings, determinations and certifications contained in the recitals above are incorporated herein for all purposes.

Section 2. That the issuer expects to incur debt as one or more series of obligation for the purpose of paying the costs of the Shed 2 Project.

The following is a general functional description of the Project for which the expenditures to be reimbursed or paid and a statement of the maximum principal amount of debt expected to be issued for such reimbursement purposes.

Project Description

Debt To Be Issued

Shed 2 Project TIF Grant for

Not to exceed \$355,477

Façade improvements

Retail space improvement

Beer Garden, as shown in **Exhibit A**

Section 3. That the total Farmers Market TIF District participation in the Shed 2 Project for façade improvements, retail space improvements and other public improvements shall not exceed an amount of \$355,477 all in accordance with the terms of the said development agreement.

Section 4. That nothing in the resolution shall be construed to require the City to approve payment from any source of City funds other than the Farmers Market TIF Fund and/or Tax Increment Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Farmers Market TIF, due to lack or unavailability of Farmers Market TIF Funds shall no longer be considered project costs of the Farmers Market TIF District or the City to pay the DF Market 2, LLC, shall automatically expire.

Section 5. 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
Farmers Market Redevelopment, Phase II
Shed 2 Project
Cost Estimates

Description		Amount
Improvements to Shed 2: TIF Grant for streetscape and public open space improvements		\$355,477
TIF Request		\$355,477

Note: No interest shall accrue on any portion of the TIF subsidy. Maximum recommended TIF Grant funding for Shed 2 improvements is \$355,477.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: December 11, 2013
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: 45Q 45R

SUBJECT

Farmers Market Redevelopment, Phase II

- * Authorize **(1)** a development agreement with DFM Developer, Ltd., to provide funding for the Mixed-use development/Shed 3 and Shed 4 Project as part of the Farmers Market Redevelopment, Phase II located in Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District); and **(2)** the Farmers Market TIF District Board of Directors to dedicate up to \$8,536,486 from Farmers Market TIF revenues in accordance with the development agreement - Not to exceed \$8,536,486 - Financing: Farmers Market TIF District Funds
- * A resolution declaring the intent of Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District), to reimburse DFM Developer, Ltd., in an amount not to exceed \$8,536,486 for certain improvements related to the Shed 3 and Shed 4 Project of the Farmers Market Redevelopment, Phase II in the Farmers Market TIF District - Financing: No cost consideration to the City

BACKGROUND

On February 27, 2013, City Council authorized a Master Agreement for the redevelopment of the Dallas Farmers Market with DFM Developer, Ltd., (Brian Bergersen, Owner/Developer), which outlined a redevelopment plan for the Dallas Farmers Market. The approved Master Agreement redevelopment plan provides for: (1) the lease of Shed 1 for renovation and operation as a marketplace for local farmers and farm merchants and vendors to sell produce and other farm-related products; (2) the sale of Shed 2 for renovation for use by restaurants, specialty food vendors, other retail vendors, and a beer garden; (3) the sale of Sheds 3 and 4 for the development of retail, residential, and parking uses (including public parking for the market); (4) the sale of the auxiliary/administration building for its renovation for use as a culinary learning center, production studio, market administration office, retail leasing office, and retail; and (5) the sale of the remote parking area for redevelopment for outdoor activities, specifically a community garden and futsal fields.

BACKGROUND (Continued)

The development agreement under consideration is part of the Farmers Market Redevelopment Phase II for the Mixed-use development/Shed 3 and Shed 4 Project. The existing Shed 3 & 4 will be demolished and the space will be turned into a mixed-use development. A new building will be constructed with 240 apartments (200,000 square feet for residential use) in 5-6 stories of wood frame and concrete frame construction, plus ground floor retail of approximately 16,000 square feet. This building will include 544 parking spaces (300 city owned public parking spaces and 244 private parking spaces).

The Farmers Market TIF funding in the form of a TIF Grant is requested for high density development and public parking. The designs for the project are reviewed and approved by the Dallas Design Studio and Peer Review Committee.

Separate Council Items under consideration on this agenda – TIF Agreements:

Total TIF funding allocated for all the Projects in the Farmers Market Redevelopment Phase II is in an amount not to exceed \$13,335,331.

Shed 1 Project:

Existing Shed 1 is approximately 20,000 square feet of local farmer's stall space. Shed 1 will be completely renovated to meet the farmer's needs. The new design will remove vehicular access from the shed and create pedestrian walkways and a display area in the shed. Improvements include public parking along Taylor Street and Pearl Street, pedestrian protection from vehicles and enhanced streetscape. A truck staging area will be located along Farmers Way Street. The streetscape will be enhanced along the two streets (Farmers Way and Pearl Street). The TIF funding request for the Shed 1 is in an amount not to exceed \$300,000.

Shed 2 Project:

The existing Shed 2 of approximately 28,000 square feet, will be renovated to showcase a variety of Dallas based restaurants and specialty food vendors. The improvements also include construction of a public "beer garden" located at the Southeast corner of Harwood Street and Marilla Street. The TIF funding request for Shed 1 is in an amount not to exceed \$355,477.

2101 and 2111 Taylor Street Project:

The improvements to 2101 and 2111 Taylor Street will include approximately 25,000 square feet of commercial restaurant / retail, plus 60 residential units and 60 parking spaces. The TIF funding request for the public parking on Taylor Street, is in an amount not to exceed \$3,553,480.

BACKGROUND (Continued)

Futsal Project:

The existing site of approximately 1.8 acres of remote parking space will be redeveloped to create futsal fields, a fitness track and a community garden. The improvements include three futsal fields, walking/jogging trail, aluminum bleacher seating, lighting, restrooms and storage. A portion of the area will be converted to a community garden. The TIF funding request for the community garden and futsal fields is in an amount not to exceed \$589,888.

ESTIMATED SCHEDULE OF SHED 3 AND SHED 4 PROJECT

Begin Demolition Work	July 2015
Complete Construction Work	December 2016

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, Farmers Market TIF District by Ordinance No. 23521, as amended.

On August 25, 1999, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Farmers Market TIF District by Ordinance No. 24001, as amended.

On June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156.

On February 27, 2013, by Resolution No. 13-0447, the City Council authorized a Master Agreement for the Redevelopment of the Dallas Farmers Market with DFM Developer, Ltd.

On March 27, 2013, by Ordinance No. 28951, the City Council authorized amendments to the Farmers Market TIF Project and Financing Plan, including the expansion of the geographic boundaries of the TIF district to include the Dallas Farmers Market property.

On March 27, 2013, by Resolution No. 13-0537, the City Council authorized the City Manager to sell the Dallas Farmers Market Sheds 3 and 4.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)

On November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street development; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./ or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331.

On December 2, 2013, the Economic Development Committee was briefed on the proposed Farmers Market Redevelopment, Phase II.

FISCAL INFORMATION

\$8,536,486 - Farmers Market TIF District Funds

OWNER

DFM Developer, Ltd.

Brian Bergersen
Owner/Developer

DEVELOPER

DFM Developer, Ltd.

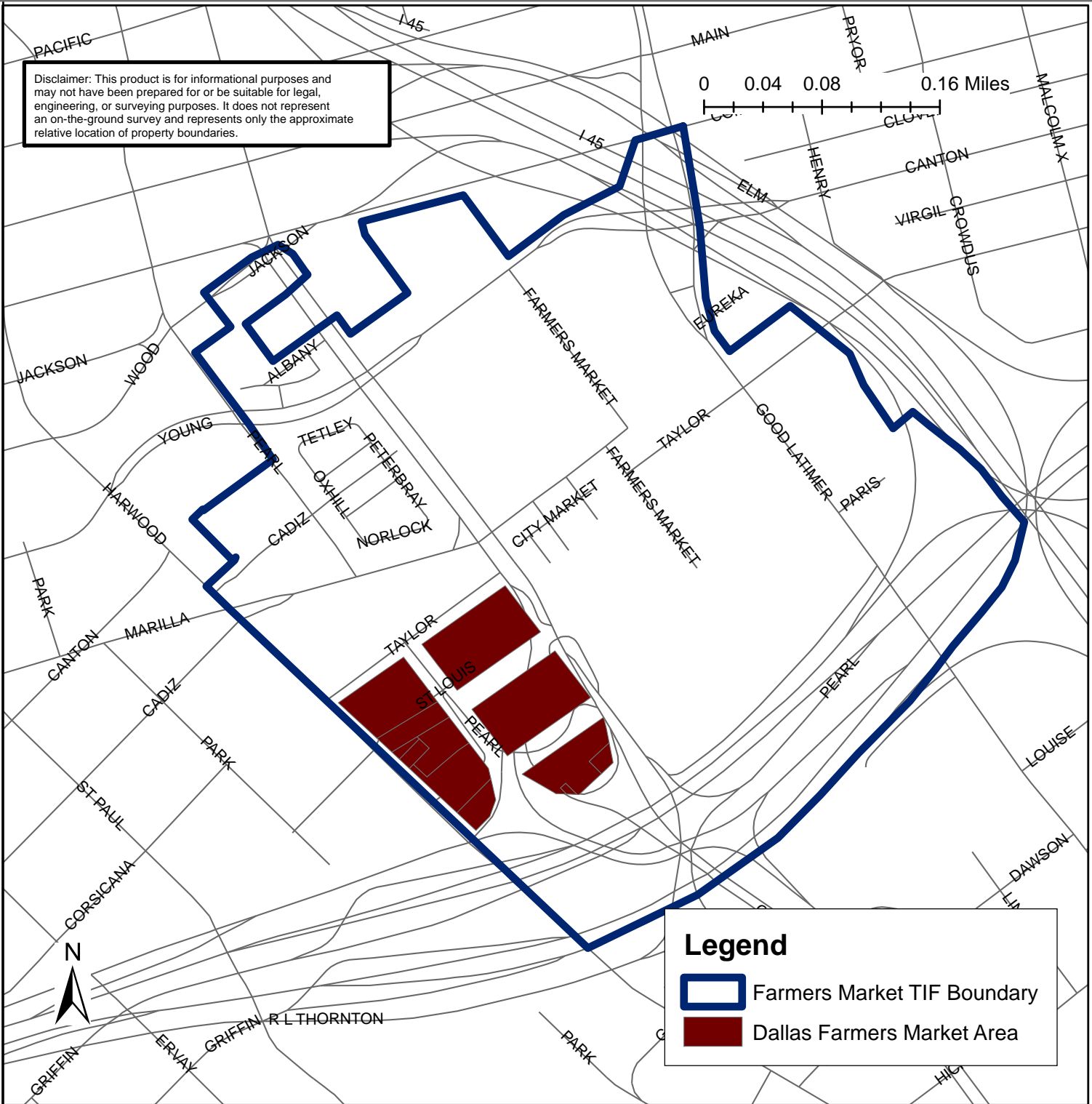
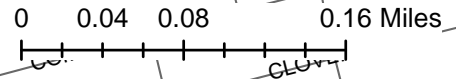
Brian Bergersen
Owner/Developer

MAP

Attached.

Dallas Farmers Market Area

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.



Legend

-  Farmers Market TIF Boundary
-  Dallas Farmers Market Area

City of Dallas

Office of Economic Development

<http://www.Dallas-EcoDev.org>

Created 1/2013

Note: The proposed improvements coincide with the Downtown Dallas 360 Plan and Parks Master Plan for the area. Most of these improvements can be funded by the

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council amended the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./ or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331; and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan, the City desires to reimburse DFM Developer, Ltd., for the costs of the Shed 3 and Shed 4 Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW THEREFORE,

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

December 11, 2013

Section 1. That following approval as to form by the City Attorney, the City Manager is hereby authorized to execute a development agreement with DFM Developer, Ltd., and that future Farmers Market TIF revenues in an amount not to exceed \$8,536,486 are hereby dedicated to TIF-eligible project costs associated with the Shed 3 and 4 Project, shown in the TIF funded Shed 3 and 4 Project budget, attached hereto as **Exhibit A**, as part of the implementation of the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan.

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 City Controller is authorized to encumber and disburse funds from future tax increments and subject to future appropriations from:

Farmers Market TIF District Fund

Fund 0036, Department ECO, Unit P846, Activity TFFM, Object 3016, Program No. FMTIF0009, CT ECOP846B251, Vendor No. VS0000079190 in an amount not exceed \$8,536,486; and

Total amount not to exceed \$8,536,486 for the Farmers Market Redevelopment, Phase II, Mixed-use development/Shed 3 and Shed 4 Project.

Section 4. That DFM Developer, Ltd., shall fund the TIF-eligible costs of the Mixed-use development/Shed 3 and 4 Project. DFM Developer, Ltd. will be reimbursed (in an amount not to exceed \$8,536,486) solely from the Farmers Market TIF District Funds in accordance with the terms of the development agreement described in hereof, but only to the extent such Farmers Market TIF District funds are available for such purpose.

Section 5. That nothing in this resolution shall be construed to require the City to approve funding from any source of City funds other than the Farmers Market TIF District funds. Any funds expended by DFM Developer, Ltd., under the development agreement, that have not been paid, due to lack of or unavailability of Farmers Market TIF District funds shall no longer be considered project costs of the Farmers Market TIF District, and the obligation of the Farmers Market TIF District or the City to reimburse DFM Developer, Ltd., shall automatically expire.

Section 6. That in addition to the conditions set out in the Sections above, the Development Agreement is hereby expressly made subject to all of the following contingencies which must be performed by the Developer or occur:

December 11, 2013**Section 6.** (Continued)

- a. Pull a building permit by July 1, 2015;
- b. Build structure containing a minimum 200,000 square feet for residential use;
- c. Invest a minimum of \$28,000,000 for property acquisition cost and hard costs for construction by December 31, 2016;
- d. Complete 240 residential units and 16,000 square feet of retail space and obtain a final certificate of occupancy by December 31, 2016;
- e. Complete the public infrastructure improvements associated with the Mixed-use development/Shed 3 and Shed 4 Project and obtain a final certificate of acceptance by the City by December 31, 2016;
- f. Execute an operating and maintenance agreement for the “non-standard public improvements” in the public right-of-way associated with the Mixed-use development/Shed 3 and Shed 4 Project by December 31, 2016. For purposes of this Agreement, “non-standard public improvements” means improvements which exceed City’s standard design requirements as determined by City’s Department of Public Works as agreed by DFM Developer, Ltd., but does not include any standard paved roadways or below grade improvements, such as water, storm water, sanitary sewer or other standard utility systems. The Owner will be required to maintain the non-standard improvements under the operating and maintenance agreement from the time of their completion through October 1, 2035;
- g. Comply with all the City’s M/WBE Fair Share policies with a participation goal in an amount of 10% of total private construction cost (this amount is based on the total proportion of TIF financial participation in the project) and meet all reporting and procedural requirements;
- h. Submit quarterly (once in every three months, starting from the construction start date) project status reports to the Office of Economic Development Staff beginning from October 1, 2015;
- i. Market the residential units pursuant to an affirmative fair housing marketing plan approved by the City from the time of their completion through December 31, 2031;
- j. Conform to the Mixed Income Housing Requirements (**Exhibit D**): The funding for the project is based on meeting the affordable housing requirement of 20% of all units meeting the affordability requirements at 80% or less of the median family income for the Dallas area for a period of fifteen years from CO date; and
- k. Construct public and private improvements that conform in design and materials shown in renderings approved by Office of Economic Development staff, City of Dallas Design Studio and Peer Review Committee (**Exhibit B, Plan & Conceptual Renderings**), subject to zoning changes, if any. Minor modifications can be approved by the Dallas Design Studio, if needed.

December 11, 2013

Section 7. That TIF funds will begin to be reimbursed upon completion of the Mixed-used development/Shed 3 and Shed 4 Project obligations (above required elements) and subject to terms of the Farmers Market TIF Increment Allocation Policy, attached hereto as **Exhibit C**.

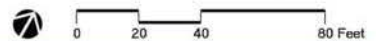
Section 8. That the Director of Office of Economic Development, after approval and recommendation of the Farmers Market TIF District Board of Directors, may authorize an extension of the project completion deadlines up to 6 months.

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
Farmers Market Redevelopment, Phase II
Mixed-use Development/Shed 3 and Shed 4 Project
Cost Estimates

Description		Amount
Farmers Market TIF Grant: High density development and public parking		\$8,536,486
TIF Request		\$8,536,486

Note: No interest shall accrue on any portion of the TIF subsidy. Maximum recommended TIF funding for Mixed-use development is \$8,536,486.



FM HARVEST SITE PLAN

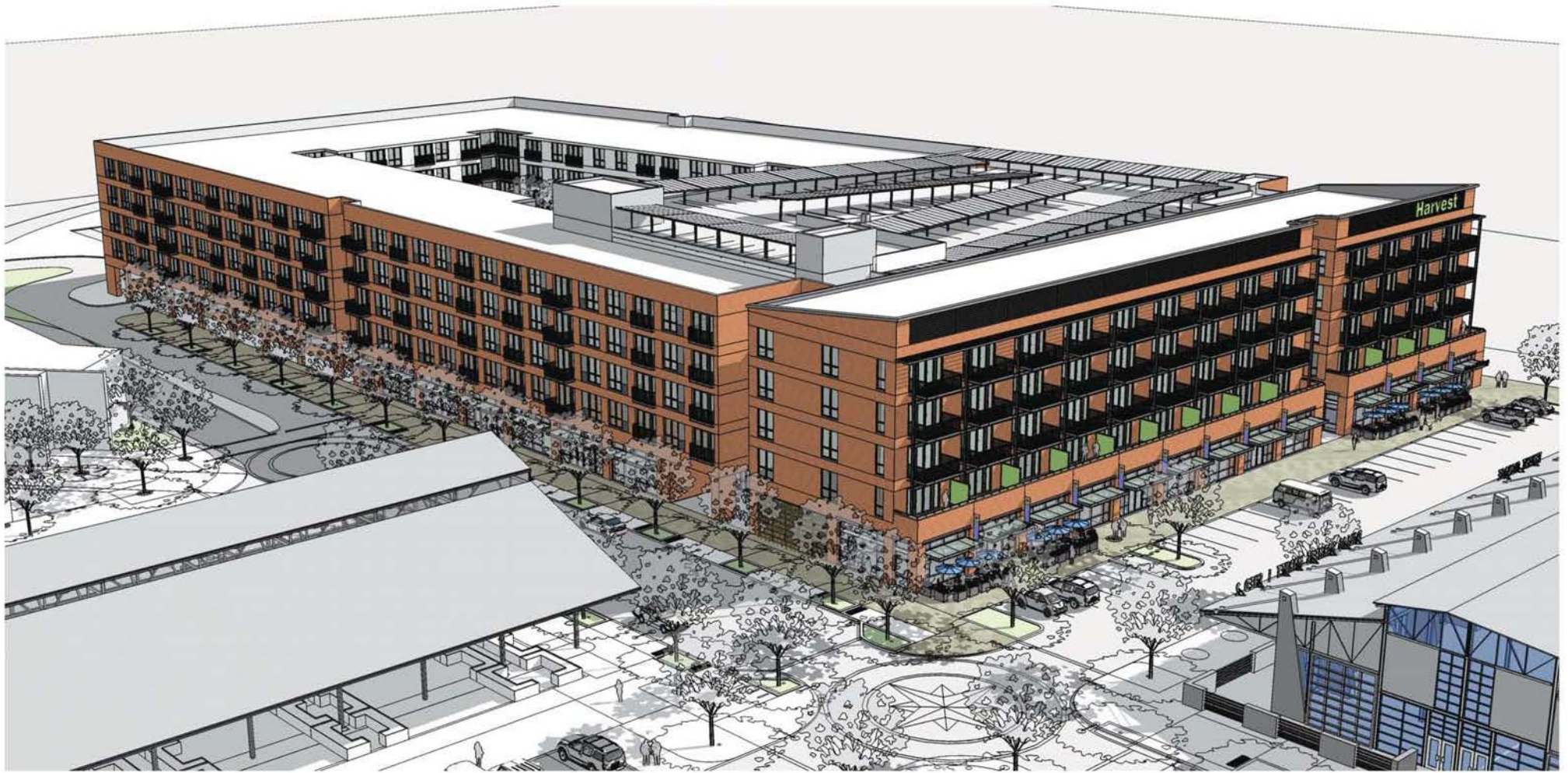
Dallas Farmers Market
Dallas, TX



Good Fulton & Farrell Architects

2808 Fairwood Street
Suite 302
Dallas, Texas 75201

214.303.1500/74
214.303.1512/Fax
www.gff.com



AERIAL VIEW FROM NORTHEAST

Harvest Multifamily
Dallas, Texas



Good Fulton & Farrell Architects

2808 Fairmount Street
Suite 302
Dallas, Texas 75201

214.303.1500/Tel
214.303.1527/Fax
www.gff.com

Job #: 18142.00 File Name: Northeast Aerial View Date: 10/09/2018 Drawn by: TLB



NORTHEAST CORNER (TAYLOR AT PEARL)

**Harvest Multifamily
Dallas, Texas**

 **Good Fulton & Farrell Architects**
2908 Fairmount Street Suite 300 Dallas, Texas 75201 214-303-1200/Tel 214-303-1512/Fax www.gff.com

Job #: 18142.00 File Name: Northeast Corner Date: 10/06/2019 Drawn by: TJS



VIEW FROM NORTHWEST CORNER (HARWOOD AND TAYLOR)

**Harvest Multifamily
Dallas, Texas**



Good Fulton & Farrell Architects

2908 Fairmount Street
Suite 300
Dallas, Texas 75201

214-303-1200/Tel
214-303-1512/Fax
www.gff.com

Job #: 18142.00 File Name: Northwest Corner Date: 10/08/2019 Drawn by: TLB



DETAILED VIEW OF RETAIL FRONTAGE ALONG TAYLOR

**Harvest Multifamily
Dallas, Texas**



Good Fulton & Farrell Architects

2908 Fairmount Street
Suite 300
Dallas, Texas 75201

214-303-1200/Tel
214-303-1512/Fax
www.gff.com

Job #: 18142.00 File Name: North Retail View Date: 10/09/2018 Drawn by: TLD



VIEW OF HARWOOD FACADE

**Harvest Multifamily
Dallas, Texas**



Good Fulton & Farrell Architects

2808 Fairmount Street
Suite 302
Dallas, Texas 75201

214.303.1500/Tel
214.303.1512/Fax
www.gff.com

Job #: 18142.00 File Name: Southeast Corner Date: 10/06/2019 Drawn by: TJS

Exhibit B



02 SOUTH ELEVATION
File Name: Building Elevations.dwg Scale: 1" = 32'0"



01 WEST ELEVATION
File Name: Building Elevations.dwg Scale: 1" = 32'0"

BUILDING ELEVATIONS

Harvest Multifamily
 Dallas, Texas



Good Fulton & Farrell Architects

2908 Fairmount Street
 Suite 300
 Dallas, Texas 75201

214-303-1200/Tel
 214-303-1512/Fax
 www.gff.com

Job #: 18142.00 File Name: elevations Date: 10/18/2018 Drawn by: TLD



BUILDING ELEVATIONS

Harvest Multifamily
Dallas, Texas



Good Fulton & Farrell Architects

2908 Fairmount Street
Suite 300
Dallas, Texas 75201

214-303-1200/Tel
214-303-1512/Fax
www.gff.com

Job #: 18142.00 File Name: elevations Date: 10/18/2018 Drawn by: TJS

**TIF Increment Allocation Policy
Farmers Market TIF District
November 21, 2013**

It is important for the City of Dallas to encourage as many projects as possible and also allocate Farmers Market TIF District funds to Developers, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District rather than on a first come first serve basis.

Definitions:

Project (TIF-eligible) - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. The Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

Developer – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

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. 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 demolished structures.

Total Increment– the annual amount of increment deposited into the TIF fund from the participating jurisdictions.

Individual Increment – the portion of the increment that a Project or Related Project creates each year.

Net Individual Increment – Individual Increment less the Project's and/or Related Project's portion of Administrative Expenses each year. This portion will be based on the ratio of Individual Increment to Total Increment.

Administrative Expenses – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

District-Wide Improvements – improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

Shared Increment – the Total Increment less (1) the portion of Administrative Expenses not already deducted from Individual Increment, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all eligible Developers.

Available Cash - cash in the Farmers Market TIF District fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

Procedure:

Annually, after the Total Increment has been deposited in the TIF fund, the fund will pay or set aside Administrative Expenses based on a ratio of Individual Increments and any remaining costs from unallocated increment in the TIF fund. After Administrative Expenses and any District-Wide Improvement allocation have been paid or set aside, Developers approved for TIF funding from the Farmers Market TIF District will be eligible to receive their Net Individual Increment.

In addition to their Net Individual Increment, the Developers of the Dallas Farmers Market site will be eligible to receive a portion of any Shared Increment. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's Individual Increment to the sum of the Individual Increments for all Projects eligible for reimbursement for that year.

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. However, no increment allocation will be made unless a total Project or specific phase as defined in a development agreement is completed by May 1st of a given year. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

District-Wide Improvement Set-Aside

Once the pre-existing agreement with Perry Homes has been fully reimbursed, up to 20% of the total Increment may be set-aside for District-Wide improvements as determined by TIF Board on October 28, 2008.

Accumulated District-Wide Improvement Set-Aside funds may be allocated by the Board for improvements that benefit the Farmers Market TIF District. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs.

If there is future revenue from the parking, those funds will be allocated towards the District-Wide Improvement Set-Aside.

Pre-existing Agreements

This Increment Allocation Policy does not affect the development agreement with Perry Homes for the Farmers Market Way Town Homes development. This Project shall be reimbursed according to the development agreement, which states that the Developer will be paid on first come first serve basis after paying administrative expenses. The Project will be reimbursed after meeting all terms of the development agreement. If the Project fails to meet the requirements, the agreement will be terminated and the TIF funds will be reallocated to the District-Wide Improvement Set-Aside.

The Farmers Market Square Project shall be reimbursed according to their development Agreement, which states that the Developer will be paid their own increment and a portion of the Shared Increment after the administrative expenses and District-Wide Improvement Set-Aside.

Currently, there are sufficient Farmers Market TIF funds to fully reimburse the existing commitments (Perry Homes and Farmers Market Square Project) upon meeting all the terms of the development agreement.

Farmers Market Redevelopment Project increment set-aside

After the TIF subsidies due the developers with pre-existing development agreements have been paid, all TIF funds (other than those required to pay administrative expenses) that become available from (1) the Farmers Market Redevelopment Project Individual Increments and (2) those properties located within the boundaries of the Farmers Market TIF District as of March 27, 2013 (the Shared Increment), shall be paid to the Farmers Market Redevelopment Project Developer until said Developer has received the full amount that it is due under the TIF development agreements between said Developer and City and that no other person shall be entitled to receive any of the TIF funds available from such sources unless and until said Developer has received the full amount that it is due under its TIF development agreements with City. Notwithstanding the foregoing, said Developer understands that (1) it will not be entitled to receive any of the TIF funds which may become available from any future development in the Farmers Market TIF District, other than from (a) the Farmers Market Redevelopment Project and (b) those properties located within the boundaries of the Farmers Market TIF District as of the date of March 27, 2013, and (2) any future developments in the Farmers Market TIF District will be eligible to receive only the TIF increment generated by such future developments until such time as the Farmers Market Redevelopment Project Developer has received the full amount that it is due under its TIF development agreements with City.

Notes:

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. Upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the TIF District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses, (2) District-Wide Improvements, and (3) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the Individual Increments for that year. If there is no revenue available after administrative expenses, there will be no increment payments that year.

At its discretion, the Farmers Market TIF District TIF Board may make modifications or corrections to this Policy to increase its effectiveness.

City of Dallas Tax Increment Finance Districts Mixed Income Housing Guidelines

Adopted by the Farmers Market TIF Board on November 20, 2013

TIF Program Purpose

The purpose of the City of Dallas' TIF program is to promote development in underutilized and vacant areas through the use of public investment to attract private investment. The goals for the districts include improving the infrastructure within the districts and adding market rate apartments, single family homes, retail and commercial space, and office and professional space. Promoting housing for individuals and families at a variety of income levels is one of many policy considerations for the districts.

General definitions

Mixed income housing requires a minimum of 20% of all units to meet affordable housing standards.

Affordable housing units are those which are affordable to a household earning 80% or less of the median family income for the Dallas Area.

The 20% affordability requirement applies to both rental units and to units that are for sale. Requirements for for-sale units will be handled on a case-by-case basis. These guidelines primarily pertain to rental housing.

Affordability period and rent rates

Rental units must be affordable for a period of at least fifteen years, beginning from the date the project is complete per the development agreement.

Income levels and *maximum* rent will vary each year and are based on HUD's calculations for Area Median Income (AMI), utility expenses, and Market Rent for the Dallas Area. Maximum rents are set each year at 30% of 80% of AMI, including a utility allowance. Information pertaining to the maximum affordable rent and income levels that are currently in effect can be obtained from the Office of Economic Development.

Affordable units

A minimum of 20% of all occupied units shall be rented to qualifying households.

The developer may choose to offer any available unit to qualifying households. The TIF program does not require that specific units or unit types be set aside for qualifying households. The 20% total requirement thus may be satisfied by any combination of units and need not apply to units of all sizes.

Affordable units shall be comparable in size and finish quality to market rate units and shall be dispersed throughout the development. Affordable units shall not be segregated into a particular section of the development and shall be a minimum of 500 square feet.

Qualifying households

A qualifying household is defined as a household making 80% or less of the Area Median Income.

Developers may include wages, salaries, tips, commissions, social security income, etc. to certify a household's income. The method used to determine income should be the same for qualifying and market rate households.

Lease terms

Households that qualify at the beginning of a lease will be assumed to qualify for the entirety of the term of that lease. Recertification is therefore only necessary during lease renewal.

At the end of the lease, the new lease rates will be set based on the household's current income at the time of renewal.

Once a household qualifies as an affordable household, subsequent increases in the household income will not disqualify the household until the household's income exceeds 140% of the allowed maximum qualifying income. If the household no longer qualifies for an affordable unit, the lease may be renewed at market rate and another unit made available for a qualifying household in order to maintain the 20% affordability requirement.

Fees and leasing requirements

In general, all leasing requirements and all fees, utility charges, assessments, fines, etc. charged by the apartment community must be applied uniformly to qualifying households and market rate households, with the exception that the developer may choose to waive or reduce fees for qualifying households and the developer may choose to set specific lease lengths for affordable units.

Reporting Requirements

Adequate reporting by developer, owner, or property manager shall be required to ensure that the City can appropriately monitor compliance with the policy. Projects receiving affordable housing funding under federal or state programs may choose to submit copies of compliance reports specific to the federal or state program in lieu of the TIF program report. Specific reporting requirements will be updated as necessary.

Compliance

The developer assumes all liability for compliance with these requirements and with all applicable laws. By participating in the City's TIF program, the developer agrees to report all information

accurately and on time. At the City's request, the developer agrees to produce necessary documentation for determining full compliance with this program.

The affordability period shall be extended by six months for any number of units by which the affordable housing provided during a semi-annual period falls short of the number of units required to meet the affordable housing requirements. Noncompliance may result in termination of the development agreement, a reduction in TIF reimbursement, or other action as determined by the Office of Economic Development.

Request for waiver or minor modification of these requirements shall be submitted to the Office of Economic Development and will be negotiated on a project by project basis with the City and the County.

The City may consider retainage of a percentage of TIF funding to ensure that in the event that the property is sold prior to the end of the 15 year compliance period, all successors and assigns will be required to provide affordable housing for the remainder of the affordability period.

Alternative Methods

A developer may propose alternative methods of meeting the requirements which provide affordable housing in a comparable location within or adjacent to the TIF district. Examples include a Low Income Housing Tax Credit (LIHTC) project that provides a significant amount of affordable housing in a single time period, a land trust that provides for for-sale affordable units, a partnership with a non-profit provider of affordable housing, or provision of special needs housing. All proposed alternative methods will be considered on a case by case basis and must be approved by both the City and Dallas County.

AFHMP

An affirmative fair housing marketing plan is required for all housing projects supported with TIF funding. This requirement is detailed in each project's development agreement. Each project will be evaluated individually to ensure that it furthers affirmative fair housing goals.

Effective Date

This policy is effective in each district as of the date it is approved by that district's TIF board. The policy applies to developments with first occupancy on October 1, 2011 or later.

Policy Modifications

As needed, the City may make modifications or corrections to this policy to increase its effectiveness. Where these guidelines conflict with a district's Final Plan, the Final Plan shall rule, as determined by the Director of the Office of Economic Development.

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council authorized amendments to the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, the City Council approved the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./ or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331; and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan, the City desires to reimburse DFM Developer, Ltd. for the costs of the Shed 3 and 4 Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW, THEREFORE,

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

December 11, 2013

Section 1. That the findings, determinations and certifications contained in the recitals above are incorporated herein for all purposes.

Section 2. That the issuer expects to incur debt as one or more series of obligation for the purpose of paying the costs of the Shed 3 and Shed 4 Project.

The following is a general functional description of the Project for which the expenditures to be reimbursed or paid and a statement of the maximum principal amount of debt expected to be issued for such reimbursement purposes.

Project Description

TIF Grant
High density development and
public parking, as shown in **Exhibit A**

Debt To Be Issued

Not to exceed \$8,536,486

Section 3. That the total Farmers Market TIF District participation in the Mixed-use development/Shed 3 and Shed 4 Project is in the form of a TIF Grant for high density development and public parking and other public improvements association with the Farmers Market Phase II shall not exceed an amount of \$8,536,486 all in accordance with the terms of the said development agreement.

Section 4. That nothing in the resolution shall be construed to require the City to approve payment from any source of City funds other than the Farmers Market TIF Fund and/or Tax Increment Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Farmers Market TIF, due to lack or unavailability of Farmers Market TIF Funds shall no longer be considered project costs of the Farmers Market TIF District or the City to pay the DFM Developer, Ltd., shall automatically expire.

Section 5. 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
Farmers Market Redevelopment, Phase II
Mixed-use Development/Shed 3 and Shed 4 Project
Cost Estimates

Description		Amount
Farmers Market TIF Grant: High density development and public parking		\$8,536,486
TIF Request		\$8,536,486

Note: No interest shall accrue on any portion of the TIF subsidy. Maximum recommended TIF funding for Mixed-use development is \$8,536,486.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: December 11, 2013
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: 45 Q 45 R

SUBJECT

Farmers Market Redevelopment, Phase II

- * Authorize **(1)** a development agreement with Taylor Street 2111, LP, to provide funding for the 2101 and 2111 Taylor Street Project as part of the Farmers Market Redevelopment, Phase II located in Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District); and **(2)** the Farmers Market TIF District Board of Directors to dedicate up to \$3,553,480 from Farmers Market TIF revenues in accordance with the development agreement - Not to exceed \$3,553,480 - Financing: Farmers Market TIF District Funds
- * A resolution declaring the intent of Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District), to reimburse Taylor Street 2111, LP, in an amount not to exceed \$3,553,480 for certain improvements related to the 2101 and 2111 Taylor Street Project of the Farmers Market Redevelopment, Phase II in the Farmers Market TIF District - Financing: No cost consideration to the City

BACKGROUND

On February 27, 2013, City Council authorized a Master Agreement for the redevelopment of the Dallas Farmers Market with DFM Developer, Ltd., (Brian Bergersen, Owner/Developer), which outlined a redevelopment plan for the Dallas Farmers Market. The approved Master Agreement redevelopment plan provides for: (1) the lease of Shed 1 for renovation and operation as a marketplace for local farmers and farm merchants and vendors to sell produce and other farm-related products; (2) the sale of Shed 2 for renovation for use by restaurants, specialty food vendors, other retail vendors, and a beer garden; (3) the sale of Sheds 3 and 4 for the development of retail, residential, and parking uses (including public parking for the market); (4) the sale of the auxiliary/administration building for its renovation for use as a culinary learning center, production studio, market administration office, retail leasing office, and retail; and (5) the sale of the remote parking area for redevelopment for outdoor activities, specifically a community garden and futsal fields.

BACKGROUND (Continued)

The development agreement under consideration is part of the Farmers Market Redevelopment Phase II for the 2101 and 2111 Taylor Street Project will include approximately 25,000 square feet of commercial restaurant / retail, plus 60 residential units and 60 parking spaces.

The Farmers Market TIF funding in the form of TIF Grant is requested for high density development and public parking. The designs for the project are reviewed and approved by the Dallas Design Studio and Peer Review Committee.

Separate Council Items under consideration on this agenda – TIF Agreements:

Total TIF funding allocated for all the Projects in the Farmers Market Redevelopment Phase II is in an amount not to exceed \$13,335,331.

Shed 1 Project:

Existing Shed 1 is approximately 20,000 square feet of local farmer's stall space. Shed 1 will be completely renovated to meet the farmer's needs. The new design will remove vehicular access from the shed and create pedestrian walkways and a display area in the shed. Improvements include public parking along Taylor Street and Pearl Street, pedestrian protection from vehicles and enhanced streetscape. A truck staging area will be located along Farmers Way Street. The streetscape will be enhanced along the two streets (Farmers Way and Pearl Street). The TIF funding request for the Shed 1 is in an amount not to exceed \$300,000.

Shed 2 Project:

The existing Shed 2 of approximately 28,000 square feet, will be renovated to showcase a variety of Dallas based restaurants and specialty food vendors. The improvements also include construction of a public "beer garden" located at the Southeast corner of Harwood Street and Marilla Street. The TIF funding request for the Shed 1 is in an amount not to exceed \$355,477.

Mixed-use development/Shed 3 and Shed 4 Project:

Shed 3 & 4 will be demolished and the space will be turned into a mixed-use development. A new building will be constructed with approximately 240 apartments (200,000 square feet for residential use) in 5-6 stories of wood frame and concrete frame construction, plus ground floor retail of approximately 16,000 square feet. This building will include 544 parking spaces (300 city owned public parking spaces and 244 private parking spaces). The TIF funding request for the mixed-use development is in an amount not to exceed \$8,536,486.

Futsal Project:

The existing site of approximately 1.8 acres of remote parking space will be redeveloped to create futsal fields, a fitness track and a community garden.

BACKGROUND (Continued)

The improvements include three futsal fields, walking/jogging trail, aluminum bleacher seating, lighting, restrooms and storage. A portion of the area will be converted to a community garden. The TIF funding request for the Futsal Project is in an amount not to exceed \$589,888.

ESTIMATED SCHEDULE OF 2101 AND 2111 TAYLOR STREET PROJECT

Begin Construction Work	April 2015
Complete Construction Work	December 2016

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, Farmers Market TIF District by Ordinance No. 23521, as amended.

On August 25, 1999, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Farmers Market TIF District by Ordinance No. 24001, as amended.

On February 27, 2013, by Resolution No. 13-0447, the City Council authorized a Master Agreement for the Redevelopment of the Dallas Farmers Market with DFM Developer, Ltd.

On March 27, 2013, by Ordinance No. 28951, the City Council authorized amendments to the Farmers Market TIF Project and Financing Plan, including the expansion of the geographic boundaries of the TIF district to include the Dallas Farmers Market property.

On March 27, 2013, by Resolution No. 13-0535, the City Council authorized the City Manager to execute a 30-year lease agreement, with two, five-year renewal options, for the Dallas Farmers Market Shed 1.

On June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156.

On November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize the development agreements with DFM Developer, Ltd./ or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)

On December 2, 2013, the Economic Development Committee was briefed on the proposed Farmers Market Redevelopment, Phase II.

FISCAL INFORMATION

\$3,553,480 - Farmers Market TIF District Funds

OWNER

DEVELOPER

Taylor Street 2111, LP

Taylor Street 2111, LP

Brian Bergersen
Owner/Developer

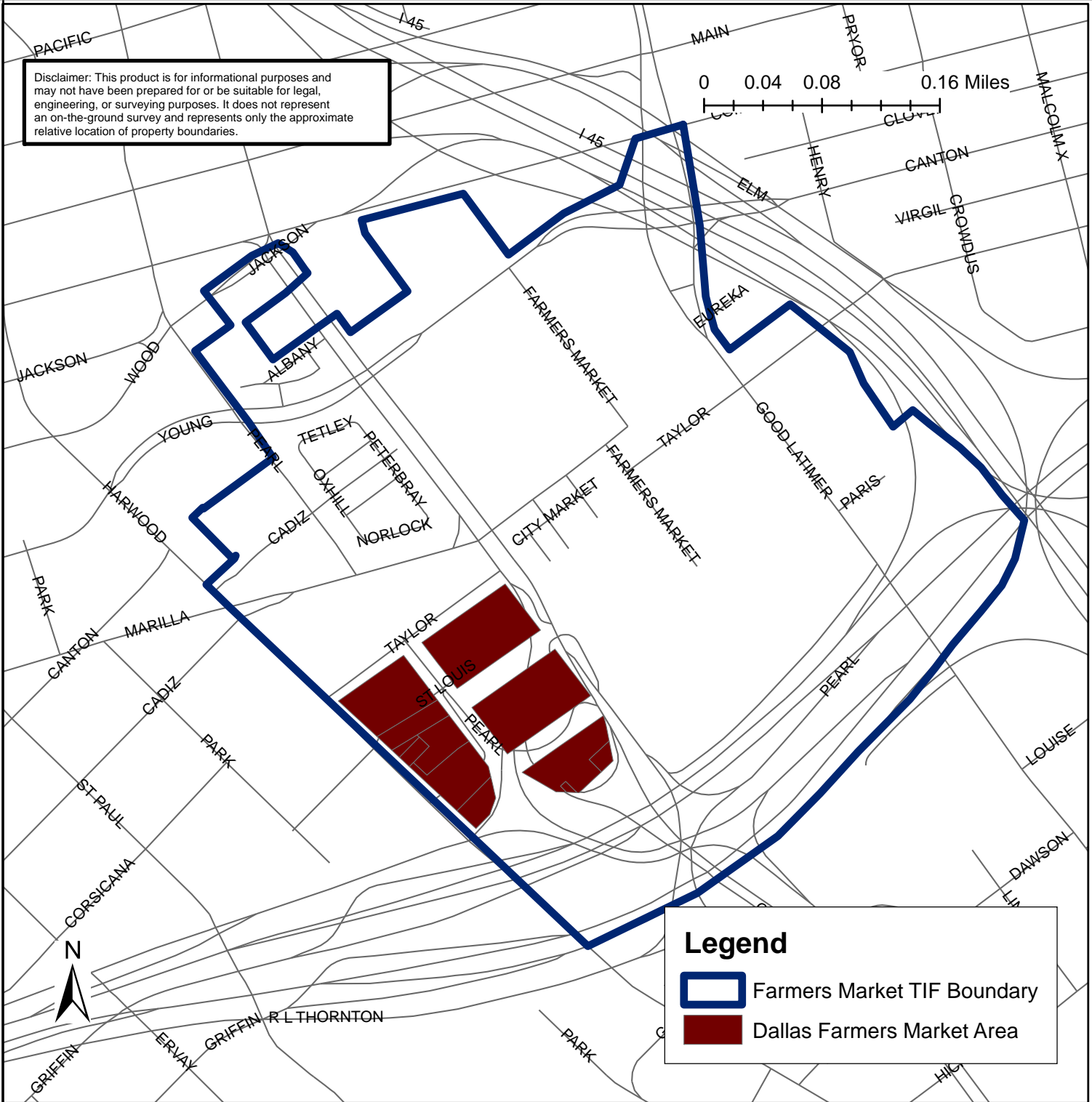
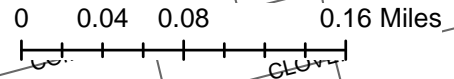
Brian Bergersen
Owner/Developer

MAP

Attached.

Dallas Farmers Market Area

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.



Legend

-  Farmers Market TIF Boundary
-  Dallas Farmers Market Area

City of Dallas

Office of Economic Development

<http://www.Dallas-EcoDev.org>

Created 1/2013

Note: The proposed improvements coincide with the Downtown Dallas 360 Plan and Parks Master Plan for the area. Most of these improvements can be funded by the

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council authorized amendments to the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./ or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331; and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan and Reinvestment Zone Financing Plan, the City desires to reimburse Taylor Street 2111, LP, for the costs of the 2101 and 2111 Taylor Street Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW, THEREFORE,

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

December 11, 2013

Section 1. That the City Manager upon approval as to form by the City Attorney's Office, is hereby authorized to execute a development agreement between Taylor Street 2111, LP, and that future Farmers Market TIF revenues in an amount not to exceed \$3,553,480 are hereby dedicated to TIF-eligible project costs associated with the Futsal Project, shown in the TIF funded 2101 and 2111 Taylor Street Project budget, attached hereto as **Exhibit A**, as part of the implementation of the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan.

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 City Controller is authorized to encumber and disburse funds from future tax increments and subject to future appropriations from:

Farmers Market TIF District Fund

Fund 0036, Department ECO, Unit P847, Activity TFFM, Object 3016, Program No. FMTIF0010, CT ECOP847B252, Vendor No. VS0000082181 in an amount not exceed \$3,553,480; and

Total amount not to exceed \$3,553,480 for the 2101 and 2111 Taylor Street Project.

Section 4. That Taylor Street 2111, LP, shall fund the TIF-eligible costs of the 2101 and 2111 Taylor Street Project and Taylor Street 2111, LP will be reimbursed (in an amount not to exceed \$3,553,480) solely from the Farmers Market TIF District Funds in accordance with the terms of the development agreement described in hereof, but only to the extent such Farmers Market TIF District funds are available for such purpose.

Section 5. That nothing in this resolution shall be construed to require the City to approve funding from any source of City funds other than the Farmers Market TIF District funds. Any funds expended by Taylor Street 2111, LP, under the development agreement, that have not been paid, due to lack of or unavailability of Farmers Market TIF District funds shall no longer be considered project costs of the Farmers Market TIF District, and the obligation of the Farmers Market TIF District or the City to reimburse DFM Developer, Ltd., shall automatically expire.

Section 6. That in addition to the conditions set out in the Sections above, the Development Agreement is hereby expressly made subject to all of the following contingencies which must be performed by the Developer or occur:

December 11, 2013**Section 6.** (Continued)

- a. Pull a building permit by April 1, 2015;
- b. Build structure containing a minimum 60 residential units and 25,000 square feet of commercial space;
- c. Invest a minimum of \$17,800,000 for Taylor Street project by December 31, 2016;
- d. Complete the public improvements associated with the Taylor Street Project and obtain a final certificate of acceptance issued by the City by December 31, 2016; Execute an operating and maintenance agreement for the “non-standard public improvements” in the public right-of-way associated with the Taylor Street Project by December 31, 2016. For purposes of this Agreement, “non-standard public improvements” means improvements which exceed City’s standard design requirements as determined by City’s Department of Public Works as agreed by Owner, but does not include any standard paved roadways or below grade improvements, such as water, storm water, sanitary sewer or other standard utility. The Owner will be required to maintain the non-standard improvements under the operating and maintenance agreement from the time of their completion through October 1, 2035;
- e. Comply with all the City’s M/WBE Fair Share policies with a goal of thirty percent (30%) participation for the TIF eligible public improvement project construction and for the private improvement construction with a participation goal in an amount of 10% of total private construction cost (this amount is based on the total proportion of TIF financial participation in the project) and meet all reporting and procedural requirements;
- f. Submit quarterly (once in every three months, starting from the construction start date) project status reports to the Office of Economic Development Staff beginning from July 31, 2015;
- g. Market the residential units pursuant to an affirmative fair housing marketing plan approved by the City from the time of their completion through December 31, 2031;
- h. Conform to the Mixed Income Housing Requirements (**Exhibit D**): The funding for the project is based on meeting the affordable housing requirement of 20% of all units meeting the affordability requirements at 80% or less of the median family income for the Dallas area for a period of fifteen years from CO date;and
- i. Construct public and private improvements that conform in design and materials shown in renderings approved by Office of Economic Development staff, City of Dallas Design Studio and Peer Review Committee (**Exhibit B, Plan & Conceptual Renderings**), subject to zoning changes, if any. Minor modifications can be approved by the Dallas Design Studio, if needed.

December 11, 2013

Section 7. That TIF funds, in an amount not to exceed \$3,553,480, will begin to be reimbursed upon completion of the 2101 and 2111 Taylor Street Project obligations (above required elements) and subject to terms of the Farmers Market TIF Increment Allocation Policy, attached hereto as **Exhibit C**.

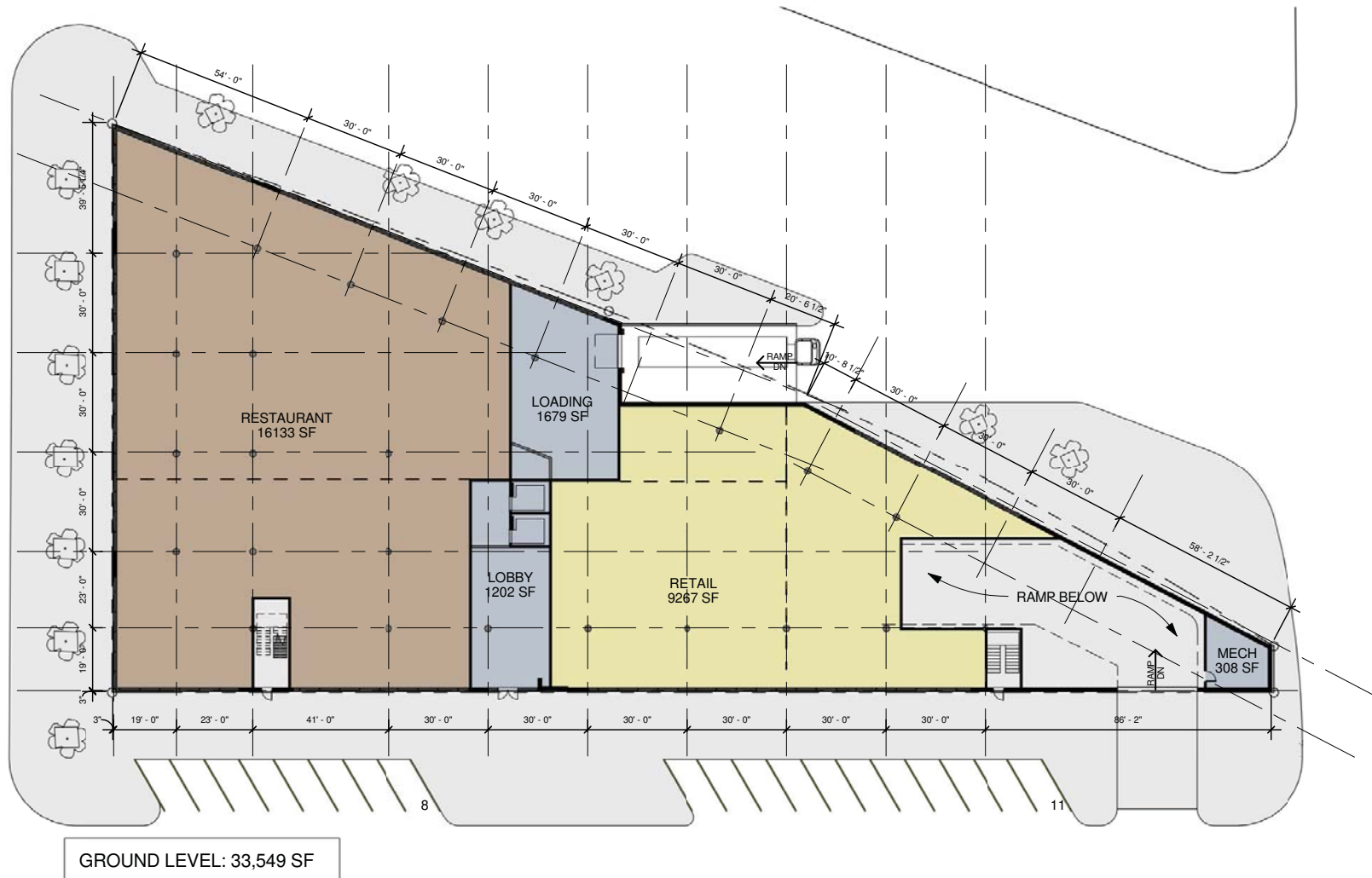
Section 8. That the Director of Office of Economic Development, after approval and recommendation of the Farmers Market TIF District Board of Directors, may authorize an extension of the project completion deadlines up to 6 months.

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
Farmers Market Redevelopment, Phase II
2101 and 2111 Taylor Street Development
Cost Estimates

Description		Amount
TIF Grant for high density development		\$3,553,480
TIF Request		\$3,553,480

Note: No interest shall accrue on any portion of the TIF subsidy.
Maximum recommended TIF funding for the 2101 and 2111 Taylor Street development is \$3,553,480







07.12.2013 2013020

DALLAS FARMERS MARKET • MARILLA TRIANGLE APARTMENTS
SPECTRUM PROPERTIES

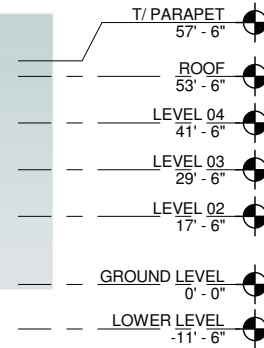
3D VIEW - LOOKING TOWARD DOWNTOWN DALLAS

ARCHIDEAS

Architecture
Interiors
Planning



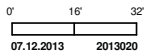
WEST ELEVATION



NORTH ELEVATION



SOUTH ELEVATION



**TIF Increment Allocation Policy
Farmers Market TIF District
November 21, 2013**

It is important for the City of Dallas to encourage as many projects as possible and also allocate Farmers Market TIF District funds to Developers, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District rather than on a first come first serve basis.

Definitions:

Project (TIF-eligible) - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. The Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

Developer – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

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. 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 demolished structures.

Total Increment– the annual amount of increment deposited into the TIF fund from the participating jurisdictions.

Individual Increment – the portion of the increment that a Project or Related Project creates each year.

Net Individual Increment – Individual Increment less the Project's and/or Related Project's portion of Administrative Expenses each year. This portion will be based on the ratio of Individual Increment to Total Increment.

Administrative Expenses – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

District-Wide Improvements – improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

Shared Increment – the Total Increment less (1) the portion of Administrative Expenses not already deducted from Individual Increment, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all eligible Developers.

Available Cash - cash in the Farmers Market TIF District fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

Procedure:

Annually, after the Total Increment has been deposited in the TIF fund, the fund will pay or set aside Administrative Expenses based on a ratio of Individual Increments and any remaining costs from unallocated increment in the TIF fund. After Administrative Expenses and any District-Wide Improvement allocation have been paid or set aside, Developers approved for TIF funding from the Farmers Market TIF District will be eligible to receive their Net Individual Increment.

In addition to their Net Individual Increment, the Developers of the Dallas Farmers Market site will be eligible to receive a portion of any Shared Increment. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's Individual Increment to the sum of the Individual Increments for all Projects eligible for reimbursement for that year.

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. However, no increment allocation will be made unless a total Project or specific phase as defined in a development agreement is completed by May 1st of a given year. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

District-Wide Improvement Set-Aside

Once the pre-existing agreement with Perry Homes has been fully reimbursed, up to 20% of the total Increment may be set-aside for District-Wide improvements as determined by TIF Board on October 28, 2008.

Accumulated District-Wide Improvement Set-Aside funds may be allocated by the Board for improvements that benefit the Farmers Market TIF District. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs.

If there is future revenue from the parking, those funds will be allocated towards the District-Wide Improvement Set-Aside.

Pre-existing Agreements

This Increment Allocation Policy does not affect the development agreement with Perry Homes for the Farmers Market Way Town Homes development. This Project shall be reimbursed according to the development agreement, which states that the Developer will be paid on first come first serve basis after paying administrative expenses. The Project will be reimbursed after meeting all terms of the development agreement. If the Project fails to meet the requirements, the agreement will be terminated and the TIF funds will be reallocated to the District-Wide Improvement Set-Aside.

The Farmers Market Square Project shall be reimbursed according to their development Agreement, which states that the Developer will be paid their own increment and a portion of the Shared Increment after the administrative expenses and District-Wide Improvement Set-Aside.

Currently, there are sufficient Farmers Market TIF funds to fully reimburse the existing commitments (Perry Homes and Farmers Market Square Project) upon meeting all the terms of the development agreement.

Farmers Market Redevelopment Project increment set-aside

After the TIF subsidies due the developers with pre-existing development agreements have been paid, all TIF funds (other than those required to pay administrative expenses) that become available from (1) the Farmers Market Redevelopment Project Individual Increments and (2) those properties located within the boundaries of the Farmers Market TIF District as of March 27, 2013 (the Shared Increment), shall be paid to the Farmers Market Redevelopment Project Developer until said Developer has received the full amount that it is due under the TIF development agreements between said Developer and City and that no other person shall be entitled to receive any of the TIF funds available from such sources unless and until said Developer has received the full amount that it is due under its TIF development agreements with City. Notwithstanding the foregoing, said Developer understands that (1) it will not be entitled to receive any of the TIF funds which may become available from any future development in the Farmers Market TIF District, other than from (a) the Farmers Market Redevelopment Project and (b) those properties located within the boundaries of the Farmers Market TIF District as of the date of March 27, 2013, and (2) any future developments in the Farmers Market TIF District will be eligible to receive only the TIF increment generated by such future developments until such time as the Farmers Market Redevelopment Project Developer has received the full amount that it is due under its TIF development agreements with City.

Notes:

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. Upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the TIF District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses, (2) District-Wide Improvements, and (3) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the Individual Increments for that year. If there is no revenue available after administrative expenses, there will be no increment payments that year.

At its discretion, the Farmers Market TIF District TIF Board may make modifications or corrections to this Policy to increase its effectiveness.

City of Dallas Tax Increment Finance Districts Mixed Income Housing Guidelines

Adopted by the Farmers Market TIF Board on November 20, 2013

TIF Program Purpose

The purpose of the City of Dallas' TIF program is to promote development in underutilized and vacant areas through the use of public investment to attract private investment. The goals for the districts include improving the infrastructure within the districts and adding market rate apartments, single family homes, retail and commercial space, and office and professional space. Promoting housing for individuals and families at a variety of income levels is one of many policy considerations for the districts.

General definitions

Mixed income housing requires a minimum of 20% of all units to meet affordable housing standards.

Affordable housing units are those which are affordable to a household earning 80% or less of the median family income for the Dallas Area.

The 20% affordability requirement applies to both rental units and to units that are for sale. Requirements for for-sale units will be handled on a case-by-case basis. These guidelines primarily pertain to rental housing.

Affordability period and rent rates

Rental units must be affordable for a period of at least fifteen years, beginning from the date the project is complete per the development agreement.

Income levels and *maximum* rent will vary each year and are based on HUD's calculations for Area Median Income (AMI), utility expenses, and Market Rent for the Dallas Area. Maximum rents are set each year at 30% of 80% of AMI, including a utility allowance. Information pertaining to the maximum affordable rent and income levels that are currently in effect can be obtained from the Office of Economic Development.

Affordable units

A minimum of 20% of all occupied units shall be rented to qualifying households.

The developer may choose to offer any available unit to qualifying households. The TIF program does not require that specific units or unit types be set aside for qualifying households. The 20% total requirement thus may be satisfied by any combination of units and need not apply to units of all sizes.

Affordable units shall be comparable in size and finish quality to market rate units and shall be dispersed throughout the development. Affordable units shall not be segregated into a particular section of the development and shall be a minimum of 500 square feet.

Qualifying households

A qualifying household is defined as a household making 80% or less of the Area Median Income.

Developers may include wages, salaries, tips, commissions, social security income, etc. to certify a household's income. The method used to determine income should be the same for qualifying and market rate households.

Lease terms

Households that qualify at the beginning of a lease will be assumed to qualify for the entirety of the term of that lease. Recertification is therefore only necessary during lease renewal.

At the end of the lease, the new lease rates will be set based on the household's current income at the time of renewal.

Once a household qualifies as an affordable household, subsequent increases in the household income will not disqualify the household until the household's income exceeds 140% of the allowed maximum qualifying income. If the household no longer qualifies for an affordable unit, the lease may be renewed at market rate and another unit made available for a qualifying household in order to maintain the 20% affordability requirement.

Fees and leasing requirements

In general, all leasing requirements and all fees, utility charges, assessments, fines, etc. charged by the apartment community must be applied uniformly to qualifying households and market rate households, with the exception that the developer may choose to waive or reduce fees for qualifying households and the developer may choose to set specific lease lengths for affordable units.

Reporting Requirements

Adequate reporting by developer, owner, or property manager shall be required to ensure that the City can appropriately monitor compliance with the policy. Projects receiving affordable housing funding under federal or state programs may choose to submit copies of compliance reports specific to the federal or state program in lieu of the TIF program report. Specific reporting requirements will be updated as necessary.

Compliance

The developer assumes all liability for compliance with these requirements and with all applicable laws. By participating in the City's TIF program, the developer agrees to report all information

accurately and on time. At the City's request, the developer agrees to produce necessary documentation for determining full compliance with this program.

The affordability period shall be extended by six months for any number of units by which the affordable housing provided during a semi-annual period falls short of the number of units required to meet the affordable housing requirements. Noncompliance may result in termination of the development agreement, a reduction in TIF reimbursement, or other action as determined by the Office of Economic Development.

Request for waiver or minor modification of these requirements shall be submitted to the Office of Economic Development and will be negotiated on a project by project basis with the City and the County.

The City may consider retainage of a percentage of TIF funding to ensure that in the event that the property is sold prior to the end of the 15 year compliance period, all successors and assigns will be required to provide affordable housing for the remainder of the affordability period.

Alternative Methods

A developer may propose alternative methods of meeting the requirements which provide affordable housing in a comparable location within or adjacent to the TIF district. Examples include a Low Income Housing Tax Credit (LIHTC) project that provides a significant amount of affordable housing in a single time period, a land trust that provides for for-sale affordable units, a partnership with a non-profit provider of affordable housing, or provision of special needs housing. All proposed alternative methods will be considered on a case by case basis and must be approved by both the City and Dallas County.

AFHMP

An affirmative fair housing marketing plan is required for all housing projects supported with TIF funding. This requirement is detailed in each project's development agreement. Each project will be evaluated individually to ensure that it furthers affirmative fair housing goals.

Effective Date

This policy is effective in each district as of the date it is approved by that district's TIF board. The policy applies to developments with first occupancy on October 1, 2011 or later.

Policy Modifications

As needed, the City may make modifications or corrections to this policy to increase its effectiveness. Where these guidelines conflict with a district's Final Plan, the Final Plan shall rule, as determined by the Director of the Office of Economic Development.

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council authorized amendments to the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./ or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331; and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan and Reinvestment Zone Financing Plan, the City desires to reimburse Taylor Street 2111, LP, for the costs of the 2101 and 2111 Taylor Street Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW, THEREFORE,

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

December 11, 2013

Section 1. That the findings, determinations and certifications contained in the recitals above are incorporated herein for all purposes.

Section 2. That the issuer expects to incur debt as one or more series of obligation for the purpose of paying the costs of the 2101 and 2111 Taylor Street Project.

The following is a general functional description of the 2101 and 2111 Taylor Street Project for which the expenditures to be reimbursed or paid and a statement of the maximum principal amount of debt expected to be issued for such reimbursement purposes.

<u>Project Description</u>	<u>Debt To Be Issued</u>
TIF Grant- High density development and public parking, as shown in Exhibit A	Not to exceed \$3,553,480

Section 3. That the total Farmers Market TIF District participation in the 2101 and 2111 Taylor Street Project development is in the form of a TIF Grant for high density development and other public improvements associated with the Farmers Market Phase II shall not exceed an amount of \$3,553,480 all in accordance with the terms of the said development agreement.

Section 4. That nothing in the resolution shall be construed to require the City to approve payment from any source of City funds other than the Farmers Market TIF Fund and/or Tax Increment Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Farmers Market TIF, due to lack or unavailability of Farmers Market TIF Funds shall no longer be considered project costs of the Farmers Market TIF District or the City to pay the Taylor Street 2111, LP, shall automatically expire.

Section 5. 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
Farmers Market Redevelopment, Phase II
2101 and 2111 Taylor Street Development
Cost Estimates

Description		Amount
TIF Grant for high density development		\$3,553,480
TIF Request		\$3,553,480

Note: No interest shall accrue on any portion of the TIF subsidy.
Maximum recommended TIF funding for the 2101 and 2111
Taylor Street development is \$3,553,480

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: December 11, 2013
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Economic Development
CMO: Ryan S. Evans, 671-9837
MAPSCO: 45 Q 45 R

SUBJECT

Farmers Market Redevelopment, Phase II

- * Authorize **(1)** a development agreement with FM Futsal, Ltd., to provide funding for the Futsal Project as part of the Farmers Market Redevelopment, Phase II located in Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District); and **(2)** the Farmers Market TIF District Board of Directors to dedicate up to \$589,888 from Farmers Market TIF revenues in accordance with the development agreement - Not to exceed \$589,888 - Financing: Farmers Market TIF District Funds
- * A resolution declaring the intent of Tax Increment Financing Reinvestment Zone Number Six (Farmers Market TIF District), to reimburse FM Futsal, Ltd., in an amount not to exceed \$589,888 for certain improvements related to the Futsal Project of the Farmers Market Redevelopment, Phase II in the Farmers Market TIF District - Financing: No cost consideration to the City

BACKGROUND

On February 27, 2013, City Council authorized a Master Agreement for the redevelopment of the Dallas Farmers Market with DFM Developer, Ltd., (Brian Bergersen, Owner/Developer), which outlined a redevelopment plan for the Dallas Farmers Market. The approved Master Agreement redevelopment plan provides for: (1) the lease of Shed 1 for renovation and operation as a marketplace for local farmers and farm merchants and vendors to sell produce and other farm-related products; (2) the sale of Shed 2 for renovation for use by restaurants, specialty food vendors, other retail vendors, and a beer garden; (3) the sale of Sheds 3 and 4 for the development of retail, residential, and parking uses (including public parking for the market); (4) the sale of the auxiliary/administration building for its renovation for use as a culinary learning center, production studio, market administration office, retail leasing office, and retail; and (5) the sale of the remote parking area for redevelopment for outdoor activities, specifically a community garden and futsal fields.

BACKGROUND (Continued)

The development agreement under consideration is part of the Farmers Market Redevelopment Phase II for the Futsal Project. The existing site of approximately 1.8 acres of remote parking space will be redeveloped to create futsal fields, a fitness track and a community garden. The improvements include three futsal fields, walking/jogging trail, aluminum bleacher seating, lighting, restrooms and storage. A portion of the area will be converted to a community garden.

The Farmers Market TIF funding for construction and improvements related to the Futsal Project. The designs for the project are reviewed and approved by the Dallas Design Studio and Peer Review Committee.

Separate Council Items under consideration on this agenda – TIF Agreements:

Shed 1 Project:

Existing Shed 1 is approximately 20,000 square feet of local farmer's stall space. Shed 1 will be completely renovated to meet the farmer's needs. The new design will remove vehicular access from the shed and create pedestrian walkways and a display area in the shed. Improvements include public parking along Taylor Street and Pearl Street, pedestrian protection from vehicles and enhanced streetscape. A truck staging area will be located along Farmers Way. The streetscape will be enhanced along the two streets (Farmers Way and Pearl Street). The TIF funding request for the Shed 1 is in an amount not to exceed \$300,000.

Shed 2 Project:

The existing Shed 2 of approximately 28,000 square feet, will be renovated to showcase a variety of Dallas based restaurants and specialty food vendors. The improvements also include construction of a public "beer garden" located at the Southeast corner of Harwood Street and Marilla Street. The TIF funding request for the Shed 1 is in an amount not to exceed \$355,477.

Mixed-use development/Shed 3 and Shed 4 Project:

Shed 3 & 4 will be demolished and the space will be turned into a mixed-use development. A new building will be constructed with approximately 240 apartments (200,000 square feet for residential use) in 5-6 stories of wood frame and concrete frame construction, plus ground floor retail of approximately 16,000 square feet. This building will include 544 parking spaces (300 city owned public parking spaces and 244 private parking spaces). The TIF funding request for the mixed-use development is in an amount not to exceed \$8,536,486.

BACKGROUND (Continued)

2101 and 2111 Taylor Street Project:

The improvements to 2101 and 2111 Taylor Street will include approximately 25,000 square feet of commercial restaurant / retail, plus 60 residential units and 60 parking spaces. The TIF funding request for the Taylor Street development is in an amount not to exceed \$3,553,480.

ESTIMATED SCHEDULE OF FUTSAL PROJECT

Begin Construction Work	April 2015
Complete Construction	December 2015

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, Farmers Market TIF District by Ordinance No. 23521, as amended.

On August 25, 1999, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Farmers Market TIF District by Ordinance No. 24001, as amended.

On February 27, 2013, by Resolution No. 13-0447, the City Council authorized a Master Agreement for the Redevelopment of the Dallas Farmers Market with DFM Developer, Ltd.

On March 27, 2013, by Ordinance No. 28951, the City Council authorized amendments to the Farmers Market TIF Project and Financing Plan, including the expansion of the geographic boundaries of the TIF district to include the Dallas Farmers Market property.

On March 27, 2013, by Resolution No. 13-0539, the City Council authorized the City Manager to sell the Dallas Farmers Market remote parking area.

On June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156.

On November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./ or its affiliate, and authority to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)

On December 2, 2013, the Economic Development Committee was briefed on the proposed Farmers Market Redevelopment, Phase II.

FISCAL INFORMATION

\$589,888 - Farmers Market TIF District Funds

OWNER

FM Futsal, Ltd.

Brian Bergersen
Owner/Developer

DEVELOPER

FM Futsal, Ltd.

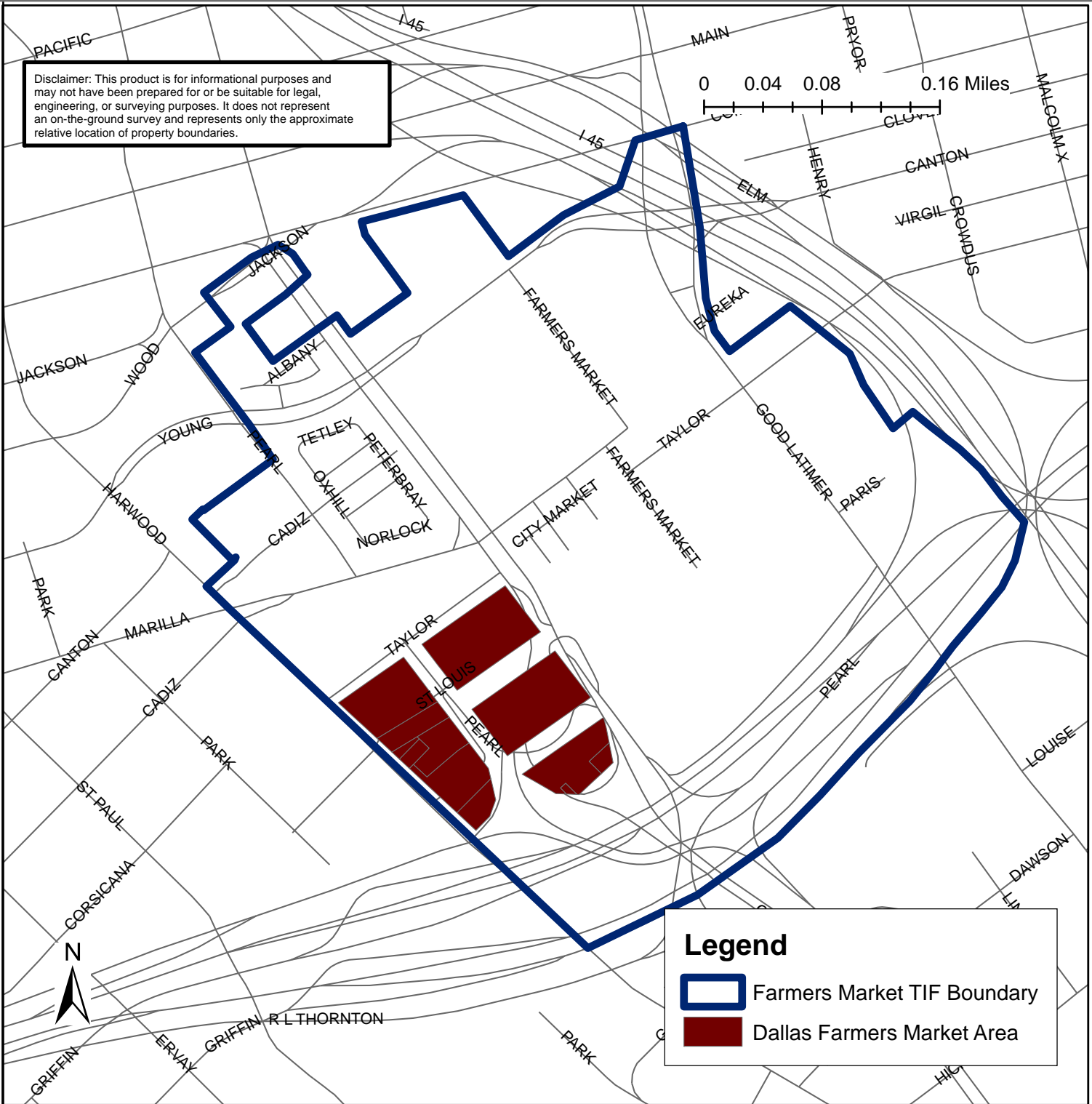
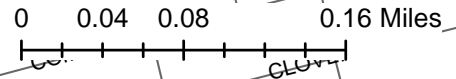
Brian Bergersen
Owner/Developer

MAP

Attached.

Dallas Farmers Market Area

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.



Legend

-  Farmers Market TIF Boundary
-  Dallas Farmers Market Area

City of Dallas

Office of Economic Development

<http://www.Dallas-EcoDev.org>

Created 1/2013

Note: The proposed improvements coincide with the Downtown Dallas 360 Plan and Parks Master Plan for the area. Most of these improvements can be funded by the

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council authorized amendments to the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4 Project; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliate, in the Farmers Market TIF District, and recommended City Council authorized the development agreements with DFM Developer, Ltd./ or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331; and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan and Reinvestment Zone Financing Plan, the City desires to reimburse FM Futsal, Ltd. for the costs of the Futsal Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW THEREFORE,

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

December 11, 2013

Section 1. That the City Manager upon approval as to form by the City Attorney's Office is hereby authorized to execute a development agreement with FM Futsal, Ltd, and that future Farmers Market TIF revenues in an amount not to exceed \$589,888 are hereby dedicated to TIF-eligible project costs associated with the Futsal Project, shown in the TIF funded Futsal Project budget, attached hereto as **Exhibit A**, as part of the implementation of the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan.

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 City Controller is authorized to encumber and disburse funds from future tax increments and subject to future appropriations from:

Farmers Market TIF District Fund

Fund 0036, Department ECO, Unit P848, Activity TFFM, Object 4510, Program No. FMTIF0011, CT ECOP848B253, Vendor No. VS0000082182 in an amount not exceed \$589,888; and

Total amount not to exceed \$589,888 for the Futsal Project.

Section 4. That FM Futsal, Ltd, shall fund the TIF-eligible costs of the Futsal Project and FM Futsal, Ltd., will be reimbursed (in an amount not to exceed \$589,888) solely from the Farmers Market TIF District Funds in accordance with the terms of the development agreement described in hereof, but only to the extent such Farmers Market TIF District funds are available for such purpose.

Section 5. That nothing in this resolution shall be construed to require the City to approve funding from any source of City funds other than the Farmers Market TIF District funds. Any funds expended by FM Futsal, Ltd, under the development agreement, that have not been paid, due to lack of or unavailability of Farmers Market TIF District funds shall no longer be considered project costs of the Farmers Market TIF District, and the obligation of the Farmers Market TIF District or the City to reimburse FM Futsal, Ltd,. shall automatically expire.

December 11, 2013

Section 6. That in addition to the conditions set out in the Sections above, the Development Agreement is hereby expressly made subject to all of the following contingencies which must be performed by Developer or occur:

- a. Pull a building permit by April 1, 2015;
- b. Invest a minimum of \$1,500,000 in the Futsal Project by December 31, 2015;
- c. Complete the public improvements associated with Futsal Project and obtain a final certificate of acceptance issued by the City by December 31, 2015;
- d. Execute an operating and maintenance agreement for the “non-standard public infrastructure improvements” in the public right-of-way associated with the Futsal Project by December 31, 2015. For purposes of this Agreement, “non-standard public improvements” means improvements which exceed City’s standard design requirements as determined by City’s Department of Public Works as agreed by Owner, but does not include any standard paved roadways or below grade improvements, such as water, storm water, sanitary sewer or other standard utility systems. The Owner will be required to maintain the non-standard improvements under the operating and maintenance agreement from the time of their completion through October 1, 2035;
- e. Comply with all the City’s M/WBE Fair Share policies with participation goal in an amount of 10% of total private construction cost (this amount is based on the total proportion of TIF financial participation in the project) and meet all reporting and procedural requirements;
- f. Submit quarterly (once in every three months, starting from the construction start date) project status reports to the Office of Economic Development Staff beginning from July 31, 2015;
- g. Submit the design for the redevelopment of the futsal fields and community garden for review and approval of the Office of Economic Development staff and the City of Dallas Design Studio. These approved designs will be included in the City Council packet; and
- h. Construct public and private improvements that conform in design and materials shown in renderings approved by Office of Economic Development staff, City of Dallas Design Studio and Peer Review Committee (**Exhibit B, Site Plan & Conceptual Renderings**), subject to zoning changes, if any. Minor modifications can be approved by the Dallas Design Studio, if needed.

Section 7. That TIF funds, in an amount not to exceed \$589,888, will begin to be reimbursed upon completion of the Futsal Project obligations (above required elements) and subject to terms of the Farmers Market TIF Increment Allocation Policy, attached hereto as **Exhibit C**.

Section 8. That the Director of Office of Economic Development, after approval and recommendation of the Farmers Market TIF District Board of Directors, may authorize an extension of the project completion deadlines up to 6 months.

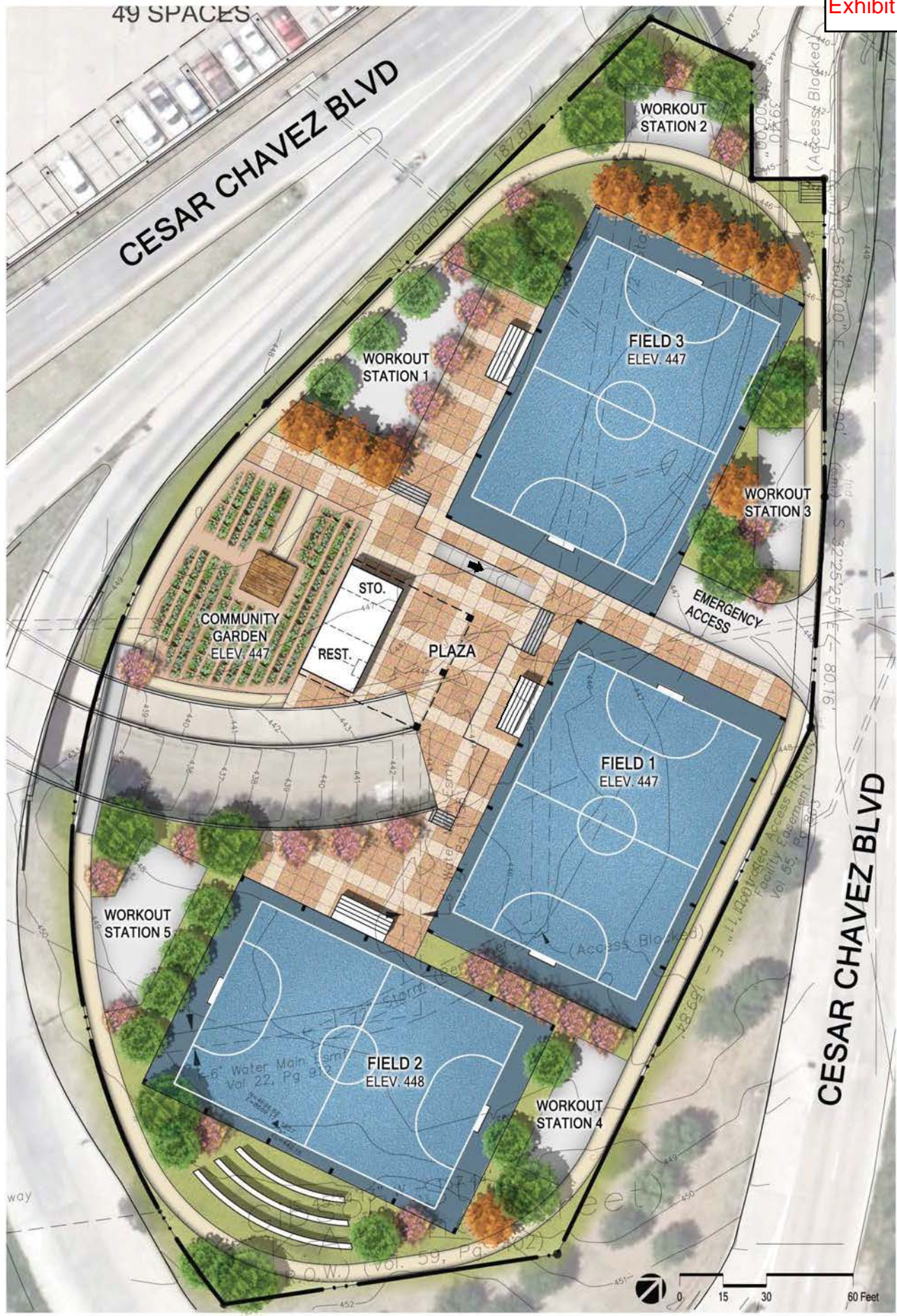
December 11, 2013

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
Farmers Market Redevelopment, Phase II
Futsal Project
Cost Estimates

Description		Amount
Farmers Market TIF Grant: Open space improvements – community garden and futsal fields		\$589,888
TIF Request		\$589,888

Note: No interest shall accrue on any portion of the TIF subsidy.
Maximum recommended TIF funding in the form of a TIF Grant for
the Futsal Project is \$589,888.



CONCEPTUAL SITE PLAN - FUTSAL COMPLEX

Farmers Market Redevelopment
Dallas, Texas



GFF Planning

2808 Farmmount Street
Suite 300
Dallas, Texas 75201

214.303.1500 / Tel
214.303.1512 / Fax
www.gff.com

**TIF Increment Allocation Policy
Farmers Market TIF District
November 21, 2013**

It is important for the City of Dallas to encourage as many projects as possible and also allocate Farmers Market TIF District funds to Developers, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District rather than on a first come first serve basis.

Definitions:

Project (TIF-eligible) - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. The Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

Developer – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

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. 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 demolished structures.

Total Increment– the annual amount of increment deposited into the TIF fund from the participating jurisdictions.

Individual Increment – the portion of the increment that a Project or Related Project creates each year.

Net Individual Increment – Individual Increment less the Project's and/or Related Project's portion of Administrative Expenses each year. This portion will be based on the ratio of Individual Increment to Total Increment.

Administrative Expenses – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

District-Wide Improvements – improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

Shared Increment – the Total Increment less (1) the portion of Administrative Expenses not already deducted from Individual Increment, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all eligible Developers.

Available Cash - cash in the Farmers Market TIF District fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

Procedure:

Annually, after the Total Increment has been deposited in the TIF fund, the fund will pay or set aside Administrative Expenses based on a ratio of Individual Increments and any remaining costs from unallocated increment in the TIF fund. After Administrative Expenses and any District-Wide Improvement allocation have been paid or set aside, Developers approved for TIF funding from the Farmers Market TIF District will be eligible to receive their Net Individual Increment.

In addition to their Net Individual Increment, the Developers of the Dallas Farmers Market site will be eligible to receive a portion of any Shared Increment. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's Individual Increment to the sum of the Individual Increments for all Projects eligible for reimbursement for that year.

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. However, no increment allocation will be made unless a total Project or specific phase as defined in a development agreement is completed by May 1st of a given year. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

District-Wide Improvement Set-Aside

Once the pre-existing agreement with Perry Homes has been fully reimbursed, up to 20% of the total Increment may be set-aside for District-Wide improvements as determined by TIF Board on October 28, 2008.

Accumulated District-Wide Improvement Set-Aside funds may be allocated by the Board for improvements that benefit the Farmers Market TIF District. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs.

If there is future revenue from the parking, those funds will be allocated towards the District-Wide Improvement Set-Aside.

Pre-existing Agreements

This Increment Allocation Policy does not affect the development agreement with Perry Homes for the Farmers Market Way Town Homes development. This Project shall be reimbursed according to the development agreement, which states that the Developer will be paid on first come first serve basis after paying administrative expenses. The Project will be reimbursed after meeting all terms of the development agreement. If the Project fails to meet the requirements, the agreement will be terminated and the TIF funds will be reallocated to the District-Wide Improvement Set-Aside.

The Farmers Market Square Project shall be reimbursed according to their development Agreement, which states that the Developer will be paid their own increment and a portion of the Shared Increment after the administrative expenses and District-Wide Improvement Set-Aside.

Currently, there are sufficient Farmers Market TIF funds to fully reimburse the existing commitments (Perry Homes and Farmers Market Square Project) upon meeting all the terms of the development agreement.

Farmers Market Redevelopment Project increment set-aside

After the TIF subsidies due the developers with pre-existing development agreements have been paid, all TIF funds (other than those required to pay administrative expenses) that become available from (1) the Farmers Market Redevelopment Project Individual Increments and (2) those properties located within the boundaries of the Farmers Market TIF District as of March 27, 2013 (the Shared Increment), shall be paid to the Farmers Market Redevelopment Project Developer until said Developer has received the full amount that it is due under the TIF development agreements between said Developer and City and that no other person shall be entitled to receive any of the TIF funds available from such sources unless and until said Developer has received the full amount that it is due under its TIF development agreements with City. Notwithstanding the foregoing, said Developer understands that (1) it will not be entitled to receive any of the TIF funds which may become available from any future development in the Farmers Market TIF District, other than from (a) the Farmers Market Redevelopment Project and (b) those properties located within the boundaries of the Farmers Market TIF District as of the date of March 27, 2013, and (2) any future developments in the Farmers Market TIF District will be eligible to receive only the TIF increment generated by such future developments until such time as the Farmers Market Redevelopment Project Developer has received the full amount that it is due under its TIF development agreements with City.

Notes:

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. Upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the TIF District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses, (2) District-Wide Improvements, and (3) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the Individual Increments for that year. If there is no revenue available after administrative expenses, there will be no increment payments that year.

At its discretion, the Farmers Market TIF District TIF Board may make modifications or corrections to this Policy to increase its effectiveness.

December 11, 2013

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

WHEREAS, on May 27, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A. Tax Code, Chapter 311, hereafter the "Act") to promote development and redevelopment in the Farmers Market area through the use of tax increment financing by Ordinance No. 23521, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 24001, as amended; and

WHEREAS, on February 27, 2013, City Council authorized the amendment to the Farmers Market TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 28951; and

WHEREAS, on June 26, 2013, City Council authorized the Farmers Market Redevelopment, Phase I, Project by DFM Developer, Ltd., in the Farmers Market TIF District in an amount not to exceed \$1,664,832 by Resolution No. 13-1156; and

WHEREAS, on November 21, 2013, the Farmers Market TIF Board of Directors reviewed the proposed Farmers Market Redevelopment, Phase II: (A) Shed 1 Project; (B) Shed 2 Project; (C) Mixed-use development/Shed 3 and Shed 4; (D) 2101 and 2111 Taylor Street Project; and (E) Futsal Project by DFM Developer, Ltd./ or its affiliates, in the Farmers Market TIF District, and recommended City Council authorize development agreements with DFM Developer, Ltd./ or its affiliate, to dedicate future TIF revenues from the Farmers Market TIF District, in an amount not to exceed \$13,335,331; and

WHEREAS, in furtherance of the Farmer Market TIF District Project Plan and Reinvestment Zone Financing Plan, the City desires to reimburse FM Futsal, Ltd., for the costs of the Futsal Project of the Farmers Market Redevelopment, Phase II, in the Farmers Market TIF.

NOW, THEREFORE,

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

December 11, 2013

Section 1. That the findings, determinations and certifications contained in the recitals above are incorporated herein for all purposes.

Section 2. That the issuer expects to incur debt as one or more series of obligation for the purpose of paying the costs of the Futsal Project.

The following is a general functional description of the Futsal Project for which the expenditures to be reimbursed or paid and a statement of the maximum principal amount of debt expected to be issued for such reimbursement purposes.

Project Description

Debt To Be Issued

TIF Grant
open space improvements
community garden
and Futsal Project,
as shown in **Exhibit A**

Not to exceed \$589,888

Section 3. That the total Farmers Market TIF District participation in the construction and improvements related to the Futsal Project and other public improvements association with the Farmers Market Phase II shall not exceed an amount of \$589,888 all in accordance with the terms of said development agreement.

Section 4. That nothing in the resolution shall be construed to require the City to approve payment from any source of City funds other than the Farmers Market TIF Fund and/or Tax Increment Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Farmers Market TIF, due to lack or unavailability of Farmers Market TIF Funds shall no longer be considered project costs of the Farmers Market TIF District or the City to pay the FM Futsal, Ltd., shall automatically expire.

Section 5. 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
Farmers Market Redevelopment, Phase II
Futsal Project
Cost Estimates

Description		Amount
Farmers Market TIF Grant: Open space improvements – community garden and futsal fields		\$589,888
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Maximum recommended TIF funding in the form of a TIF Grant for
the Futsal Project is \$589,888.