

**AUGUST 28, 2019 CITY COUNCIL ADDENDUM
CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Addendum dated August 28, 2019. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.



T.C. Broadnax
City Manager



Date



Elizabeth Reich
Chief Financial Officer



Date

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CITY SECRETARY
DALLAS, TEXAS

**ADDENDUM
CITY COUNCIL MEETING
WEDNESDAY, AUGUST 28, 2019
CITY OF DALLAS
1500 MARILLA STREET
COUNCIL CHAMBERS, CITY HALL
DALLAS, TX 75201
9:00 A.M.**

REVISED ORDER OF BUSINESS

Agenda items for which individuals have registered to speak will be considered no earlier than the time indicated below:

9:00 a.m. **INVOCATION AND PLEDGE OF ALLEGIANCE**

OPEN MICROPHONE

CLOSED SESSION

MINUTES Item 1

CONSENT AGENDA Items 2 - 67

ITEMS FOR INDIVIDUAL CONSIDERATION

No earlier Items 68 - 71
than 9:15 a.m. Addendum Items 1 - 2

PUBLIC HEARINGS AND RELATED ACTIONS

1:00 p.m. Items 72 - 90

Handgun Prohibition Notice for Meetings of Governmental Entities

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistol oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

ADDITIONS:

Closed Session

Personnel (Sec. 551.074 T.O.M.A.)

Consideration of appointments of board and commission members:

- Michael J. Barrett, Reinvestment Zone Seventeen Board (T.O.D.)
- Linda A. Garner, Citizen Homelessness Commission
- Cannon Flowers, Senior Affairs Commission

ITEMS FOR INDIVIDUAL CONSIDERATION**Fire-Rescue Department**

1. 19-1265 Authorize **(1)** the application for and acceptance of two grants from the U.S. Department of Justice passed through the Texas Office of the Governor - Criminal Justice Division for the First Responder Mental Health Resiliency Program under the Victims of Crime Act Formula Grant Program in a total amount of \$182,889.80 which includes award to the City of Dallas, Dallas Fire-Rescue Department (Grant No. 3703801/Federal ID No. 2018-V2-GX-0040, CFDA No. 16.575) in the amount of \$136,361.00 and award to the Dallas Area Rapid Transit (DART) through the City of Dallas, Office of Strategic Partnerships and Governments Affairs (Grant No. 3698001/Federal ID No. 2018-V2-GX-0040, CFDA No. 16.575) in the amount of \$46,528.80, to improve the mental health resiliency of first responders for the period January 1, 2019 through December 31, 2020; **(2)** the establishment of appropriations in an amount not to exceed \$136,361.00 in the DOJ-First Responder Mental Health Resiliency Program-DFR 19-21 Fund and in an amount not to exceed \$46,528.80 in the DOJ-First Responder Mental Health Resiliency Program-MGT 19-21 Fund; **(3)** the receipt and deposit of grant funds in an amount not to exceed \$136,361.00 in the DOJ-First Responder Mental Health Resiliency Program-DFR 19-21 Fund and in an amount not to exceed \$46,528.80 in the DOJ-First Responder Mental Health Resiliency Program-MGT 19-21 Fund; **(4)** a local match in the amount of \$34,090.25 from the General Fund; **(5)** a Memorandum of Understanding (MOU) between the City of Dallas and DART to provide cash match in an amount of \$11,632.20; **(6)** creation of a Project Coordinator position, to oversee the Dallas Public Safety Resiliency Program; and **(7)** execution of the grant agreements and MOU and all terms, conditions, and documents required by the grant agreements and MOU - Total not to exceed \$228,612.25 - Financing: U.S. Department of Justice Grant Funds (\$182,889.80), Dallas Area Rapid Transit (\$11,632.20) and General Fund (\$34,090.25) (subject to annual appropriations)

Office of Economic Development

2. 19-1221 Authorize the following: **(1)** a business personal property tax abatement agreement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of The Kroger Co. or an affiliate thereof; **(2)** a business personal property tax abatement agreement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of Ocado Solutions USA Inc. or an affiliate thereof; **(3)** a real property tax abatement agreement for a period of ten-years in an amount equal to the City taxes assessed up to 90% of the increased value of The Kroger Co. or an affiliate thereof; **(4)** a Chapter 380 economic development grant agreement in an amount not to exceed \$2,000,000.00 for necessary assistance with project related public infrastructure with The Kroger Co. or an affiliate thereof; and **(5)** nomination of The Kroger Co. or an affiliate thereof to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Texas Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism division, through the Economic Development Bank; all in connection with the proposed development of a new grocery fulfillment center located on approximately 55 acres at the northwest corner of Telephone Road and Bonnie View Road in accordance with the City's Public/Private Partnership Program - Total not to exceed \$2,000,000.00- Financing: 2012 Bond Funds (Proposition 3) (\$2,000,000.00) and Estimated Total Revenue Foregone: (\$3,706,482.00) (\$2,732,543.00 over a ten-year period for real property abatement and \$973,939.00 over a five-year period for business personal property abatement)

CORRECTION:**Housing & Neighborhood Revitalization**

70. 19-1200 Authorize **(1)** preliminary adoption of Substantial Amendment No. 4 to the FY 2018-19 Action Plan for the HOME Investment Partnerships Program to **(a)** receive and deposit unanticipated program income in an amount of \$3,600,000.00; and **(b)** increase appropriations from \$1,000,000.00 to \$4,600,000.00 to be used for housing, associated administrative and soft costs; and **(2)** a public hearing to be held on October 9~~8~~, 2019 to receive comments on Substantial Amendment No. 4 to the FY 2018-19 Consolidated Plan - Estimated Revenue: \$3,600,000.00

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex Govt. Code §551.089]

Addendum Date: August 28, 2019

| ITEM # | DISTRICT | TYPE | DEPT | DOLLARS | DESCRIPTION |
|--------|----------|------|------|---|---|
| 1. | All | I | DFD | \$34,090.25 | <p>Authorize (1) the application for and acceptance of two grants from the U.S. Department of Justice passed through the Texas Office of the Governor - Criminal Justice Division for the First Responder Mental Health Resiliency Program under the Victims of Crime Act Formula Grant Program in a total amount of \$182,889.80 which includes award to the City of Dallas, Dallas Fire-Rescue Department (Grant No. 3703801/Federal ID No. 2018-V2-GX-0040, CFDA No. 16.575) in the amount of \$136,361.00 and award to the Dallas Area Rapid Transit (DART) through the City of Dallas, Office of Strategic Partnerships and Governments Affairs (Grant No. 3698001/Federal ID No. 2018-V2-GX-0040, CFDA No. 16.575) in the amount of \$46,528.80, to improve the mental health resiliency of first responders for the period January 1, 2019 through December 31, 2020; (2) the establishment of appropriations in an amount not to exceed \$136,361.00 in the DOJ-First Responder Mental Health Resiliency Program-DFR 19-21 Fund and in an amount not to exceed \$46,528.80 in the DOJ-First Responder Mental Health Resiliency Program-MGT 19-21 Fund; (3) the receipt and deposit of grant funds in an amount not to exceed \$136,361.00 in the DOJ-First Responder Mental Health Resiliency Program-DFR 19-21 Fund and in an amount not to exceed \$46,528.80 in the DOJ-First Responder Mental Health Resiliency Program-MGT 19-21 Fund; (4) a local match in the amount of \$34,090.25 from the General Fund; (5) a Memorandum of Understanding (MOU) between the City of Dallas and DART to provide cash match in an amount of \$11,632.20; (6) creation of a Project Coordinator position, to oversee the Dallas Public Safety Resiliency Program; and (7) execution of the grant agreements and MOU and all terms, conditions, and documents required by the grant agreements and MOU - Total not to exceed \$228,612.25 - Financing: U.S. Department of Justice Grant Funds (\$182,889.80), Dallas Area Rapid Transit (\$11,632.20) and General Fund (\$34,090.25) (subject to annual appropriations)</p> |
| 2. | 8 | I | ECO | \$2,000,000.00 REV \$3,706,482.00 | <p>Authorize the following: (1) a business personal property tax abatement agreement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of The Kroger Co. or an affiliate thereof; (2) a business personal property tax abatement agreement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of Ocado Solutions USA Inc. or an affiliate thereof; (3) a real property tax abatement agreement for a period of ten-years in an amount equal to the City taxes assessed up to 90% of the increased value of</p> |

| ITEM # | DISTRICT | TYPE | DEPT | DOLLARS | DESCRIPTION |
|--------|----------|------|------|---------|---|
| | | | | | <p>The Kroger Co. or an affiliate thereof; (4) a Chapter 380 economic development grant agreement in an amount not to exceed \$2,000,000.00 for necessary assistance with project related public infrastructure with The Kroger Co. or an affiliate thereof; and (5) nomination of The Kroger Co. or an affiliate thereof to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Texas Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism division, through the Economic Development Bank; all in connection with the proposed development of a new grocery fulfillment center located on approximately 55 acres at the northwest corner of Telephone Road and Bonnie View Road in accordance with the City's Public/Private Partnership Program - Total not to exceed \$2,000,000.00- Financing: 2012 Bond Funds (Proposition 3) (\$2,000,000.00) and Estimated Total Revenue Foregone: (\$3,706,482.00) (\$2,732,543.00 over a ten-year period for real property abatement and \$973,939.00 over a five-year period for business personal property abatement)</p> |

TOTAL \$2,034,090.25



Agenda Information Sheet

File #: 19-1265

Item #: 1.

STRATEGIC PRIORITY: Public Safety
AGENDA DATE: August 28, 2019
COUNCIL DISTRICT(S): All
DEPARTMENT: Fire-Rescue Department
EXECUTIVE: Jon Fortune

SUBJECT

Authorize **(1)** the application for and acceptance of two grants from the U.S. Department of Justice passed through the Texas Office of the Governor - Criminal Justice Division for the First Responder Mental Health Resiliency Program under the Victims of Crime Act Formula Grant Program in a total amount of \$182,889.80 which includes award to the City of Dallas, Dallas Fire-Rescue Department (Grant No. 3703801/Federal ID No. 2018-V2-GX-0040, CFDA No. 16.575) in the amount of \$136,361.00 and award to the Dallas Area Rapid Transit (DART) through the City of Dallas, Office of Strategic Partnerships and Governments Affairs (Grant No. 3698001/Federal ID No. 2018-V2-GX-0040, CFDA No. 16.575) in the amount of \$46,528.80, to improve the mental health resiliency of first responders for the period January 1, 2019 through December 31, 2020; **(2)** the establishment of appropriations in an amount not to exceed \$136,361.00 in the DOJ-First Responder Mental Health Resiliency Program-DFR 19-21 Fund and in an amount not to exceed \$46,528.80 in the DOJ-First Responder Mental Health Resiliency Program-MGT 19-21 Fund; **(3)** the receipt and deposit of grant funds in an amount not to exceed \$136,361.00 in the DOJ-First Responder Mental Health Resiliency Program-DFR 19-21 Fund and in an amount not to exceed \$46,528.80 in the DOJ-First Responder Mental Health Resiliency Program-MGT 19-21 Fund; **(4)** a local match in the amount of \$34,090.25 from the General Fund; **(5)** a Memorandum of Understanding (MOU) between the City of Dallas and DART to provide cash match in an amount of \$11,632.20; **(6)** creation of a Project Coordinator position, to oversee the Dallas Public Safety Resiliency Program; and **(7)** execution of the grant agreements and MOU and all terms, conditions, and documents required by the grant agreements and MOU - Total not to exceed \$228,612.25 - Financing: U.S. Department of Justice Grant Funds (\$182,889.80), Dallas Area Rapid Transit (\$11,632.20) and General Fund (\$34,090.25) (subject to annual appropriations)

BACKGROUND

The State of Texas Office of the Governor - Criminal Justice Division distributes multiple sources of funding aimed at providing services and assisting victims of crime. While this has traditionally referred to civilian victims of crime, there is increasing awareness that the repeated exposure to stress and trauma faced by first responders as part of their job duties make them secondary victims

of violent crime and other traumatic incidents. To that end, the Criminal Justice Division has made both federal and state funds available to improve the Mental Health Resiliency of First Responders. The Office of the Governor has awarded the City of Dallas two grants under the Victims of Crime Act - Victim's Assistance General Direct Services program, one of which is intended to be passed through to Dallas Area Rapid Transit (DART).

To respond to the needs of City of Dallas first responders, Grant No. 3703801 will be used by Dallas Fire-Rescue (DFR) and the Dallas Police Department (DPD) to build a unified mental health resiliency program. This will consist of hiring a civilian coordinator, who will be equipped to provide train-the-trainer mental health programming to front-line supervisors in both departments, who will then deliver resiliency training to their personnel. This unified approach by DFR and DPD will utilize existing academic partnerships to guide the selection of resilience techniques and training, and to evaluate the program. The coordinator will sit in DFR and will work closely with command staff in both departments. DFR will manage this grant award.

Grant No. 3698001 will be passed through the City to DART for the purpose of mitigating the impact of job-related stress and trauma for DART police. As outlined by the MOU to be executed along with this grant, DART will provide the required matching funds of \$11,632.20. The Office of Strategic Partnerships and Governments Affairs will manage this grant award to ensure oversight of the subaward, and that all funds are spent in accordance with requirements, including matching funds.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

U.S. Department of Justice Grant Funds - \$182,889.80
General Fund - \$34,090.25 (subject to annual appropriations)
Dallas Area Rapid Transit - \$11,632.20

August 28, 2019

WHEREAS, the Office of the Governor - Criminal Justice Division has awarded the City of Dallas U.S. Department of Justice grant funds to improve the mental health resiliency of first responders; and

WHEREAS, the funding would benefit the City of Dallas in its endeavor to ensure the health and wellness of first responders; and

WHEREAS, the City of Dallas agrees to provide the cash match for said project in the amount of \$34,090.25 as a requirement by the Office of the Governor - Criminal Justice Division for the award implemented by the City of Dallas; and

WHEREAS, the award for the Dallas Area Rapid Transit (DART) has been passed through the City of Dallas for the purpose of mitigating the impact of job-related stress and trauma for DART police; and

WHEREAS, as outlined by the Memorandum of Understanding (MOU) with DART to be executed along with the City of Dallas grant, DART will provide the required matching funds of \$11,632.20; and

WHEREAS, the City of Dallas, Office of Strategic Partnerships and Governments Affairs will manage this grant award for DART to ensure oversight of the subaward, and that all funds are spent in accordance with requirements, including matching funds; and

WHEREAS, the City of Dallas agrees that in the event of loss or misuse of the Criminal Justice Division funds, the City of Dallas assures that the funds identified as ineligible will be returned to the Criminal Justice Division; and

WHEREAS, the City of Dallas designated the City Manager as the grantee's authorized official, given the power to apply for, accept, reject, alter or terminate the grant on behalf of the application agency; and

WHEREAS, it is in the best interest of the City of Dallas to accept such funding.

Now, Therefore,

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

August 28, 2019

SECTION 1. That the City Manager is hereby authorized to apply for and accept two grants from the U.S. Department of Justice passed through the Texas Office of the Governor - Criminal Justice Division for the First Responder Mental Health Resiliency Program under the Victims of Crime Act Formula Grant Program in the total amount of \$182,889.80 which includes award to the City of Dallas, Dallas Fire-Rescue Department (Grant No. 3703801/Federal ID No. 2018-V2-GX-0040, CFDA No. 16.575) in the amount of \$136,361.00 and award to DART through the City of Dallas, Office of Strategic Partnerships and Governments Affairs (Grant No. 3698001/Federal ID No. 2018-V2-GX-0040, CFDA No. 16.575) in the amount of \$46,528.80, to improve the mental health resiliency of first responders for the period January 1, 2019 through December 31, 2020; provide a local match in the amount of \$34,090.25 from the General Fund; a Memorandum of Understanding between the City of Dallas and DART to provide a private cash match in the amount of \$11,632.20; and execute the grant agreements and MOU and all terms, conditions, and documents required by the agreements and MOU, approved as to form by the City Attorney.

SECTION 2. That the Chief Financial Officer is hereby authorized to disburse the U.S. Department of Justice grant funds passed through the Office of the Governor - Criminal Justice Division in an amount not to exceed \$46,528.80 to DART.

SECTION 3. That the City Manager is hereby authorized to establish appropriations in an amount not to exceed \$136,361.00 in the DOJ-First Responder Mental Health Resiliency Program-DFR 19-21 Fund, Fund F595, Department DFD, Unit 4216, various Object Codes, per the attached Schedule.

SECTION 4. That the City Manager is hereby authorized to establish appropriations in an amount not to exceed \$46,528.80 in the DOJ-First Responder Mental Health Resiliency Program-MGT 19-21 Fund, Fund F596, Department MGT, Unit 4217, Object 3099.

SECTION 5. That the Chief Financial Officer is hereby authorized to receive and deposit grant funds in an amount not to exceed \$136,361.00 in the DOJ-First Responder Mental Health Resiliency Program-DFR 19-21, Fund F595, Department DFD, Unit 4216, Revenue Code 6506.

SECTION 6. That the Chief Financial Officer is hereby authorized to receive and deposit grant funds in an amount not to exceed \$46,528.80 in the DOJ-First Responder Mental Health Resiliency Program-MGT 19-21 Fund, Fund F596, Department MGT, Unit 4217, Revenue Code 6506.

SECTION 7. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$136,361.00 from the DOJ-First Responder Mental Health Resiliency Program-DFR 19-21 Fund, Fund F595 Department DFD, Unit 4216, various Object Codes, per the attached Schedule.

August 28, 2019

SECTION 8. That the Chief Financial Officer is hereby authorized to disburse funds to DART in an amount not to exceed \$46,528.80 from the DOJ-First Responder Mental Health Resiliency Program-MGT 19-21 Fund, Fund F596, Department MGT, Unit 4217, Object 3099.

SECTION 9. That the Chief Financial Officer is hereby authorized to disburse local match funds in a total amount not to exceed \$34,090.25 from the General Fund, Fund 0001, Department DFD, Unit AD02, various Object Codes, in the amount of \$17,054.23 and General Fund, Fund 0001, Department DPD, Unit 2115, various Object Codes, in the amount of \$17,036.02, per the attached Schedule (subject to annual appropriations).

SECTION 10. That the City Manager is hereby authorized to create a new Project Coordinator position that will oversee the Dallas Public Safety Resiliency Program.

SECTION 11. That the City Manager is hereby authorized to reimburse to the granting agency any expenditure identified as ineligible. The City Manager shall notify the appropriate City Council Committee of expenditures identified as ineligible not later than 30 days after the reimbursement.

SECTION 12. That the City Manager shall keep the appropriate City Council Committee informed of all final granting agency monitoring reports not later than 30 days after the receipt of the report.

SECTION 13. That the MOU is designated as Contract No. MGT-2019-00011309.

SECTION 14. That the grant agreement for Grant No. 3703801 is designated as Contract No. MGT-2019-00011310.

SECTION 15. That the grant agreement for Grant No. 3698001 is designated as Contract No. MGT-2019-00011311.

SECTION 16. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

Schedule

| City of Dallas - Mental Health Resiliency Grant | | | | |
|---|---|---------------------|--------------------|-------------|
| Expense Description | Grant No. 3703801/Federal ID No. 2018-V2-GX-0040 Grant Period: 1/1/2019 to 12/31/2020 Fund: F595/Dept: DFD/Unit:4216 | | CFDA No. 16.575 | |
| CITY OF DALLAS | Object Code | Funding Source | | |
| | | Grant | Local Cash Match | |
| | | | DFD | DPD |
| Salary (Resilience Project Coordinator) | 1101 | \$109,080.00 | \$13,635.00 | \$13,635.00 |
| Pension | 1301 | \$15,707.34 | \$1,963.42 | \$1,963.44 |
| Life Insurance | 1303 | \$36.00 | \$9.00 | \$0.00 |
| Health Insurance | 1304 | \$9,919.00 | \$1,239.85 | \$1,239.87 |
| FICA | 1306 | \$1,581.66 | \$197.71 | \$197.71 |
| Wellness | 1309 | \$37.00 | \$9.25 | \$0.00 |
| SubTotal | | \$136,361 | \$17,054.23 | \$17,036.02 |
| | | | \$34,090.25 | |
| Dallas Area Rapid Transit (DART) | Grant No. 3698001/ Federal ID No. 2018-V2-GX-0040 Grant Period: 1/1/2019 to 12/31/2020 Fund: F596/ Dept: MGT/ Unit:4217 | | | |
| | Object Code | Grant | Private Cash Match | |
| | 3099 | \$46,528.80 | \$11,632.20 | |
| SumTotal | | \$182,889.80 | \$45,722.45 | |
| GrandTotal | | \$228,612.25 | | |



Agenda Information Sheet

File #: 19-1221

Item #: 2.

STRATEGIC PRIORITY: Economic and Neighborhood Vitality

AGENDA DATE: August 28, 2019

COUNCIL DISTRICT(S): 8

DEPARTMENT: Office of Economic Development

EXECUTIVE: Michael Mendoza

SUBJECT

Authorize the following: **(1)** a business personal property tax abatement agreement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of The Kroger Co. or an affiliate thereof; **(2)** a business personal property tax abatement agreement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of Ocado Solutions USA Inc. or an affiliate thereof; **(3)** a real property tax abatement agreement for a period of ten-years in an amount equal to the City taxes assessed up to 90% of the increased value of The Kroger Co. or an affiliate thereof; **(4)** a Chapter 380 economic development grant agreement in an amount not to exceed \$2,000,000.00 for necessary assistance with project related public infrastructure with The Kroger Co. or an affiliate thereof; and **(5)** nomination of The Kroger Co. or an affiliate thereof to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Texas Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism division, through the Economic Development Bank; all in connection with the proposed development of a new grocery fulfillment center located on approximately 55 acres at the northwest corner of Telephone Road and Bonnie View Road in accordance with the City's Public/Private Partnership Program - Total not to exceed \$2,000,000.00- Financing: 2012 Bond Funds (Proposition 3) (\$2,000,000.00) and Estimated Total Revenue Foregone: (\$3,706,482.00) (\$2,732,543.00 over a ten-year period for real property abatement and \$973,939.00 over a five-year period for business personal property abatement)

BACKGROUND

This item is being placed on the addendum per the City Manager's Office.

The Kroger Co. or an affiliate thereof ("Kroger") has been evaluating sites within the Dallas/Fort Worth region for a new fulfillment center that will expand its service area and warehousing operations. The Dallas location under final consideration is located at the northwest corner of Telephone Road and Bonnie View Road ("Project Site").

Founded in 1883 in Cincinnati, Ohio, Kroger is a grocery retailer with over 2,000 stores in 35 states. For this new fulfillment center, Kroger has developed a strategic partnership with Ocado Solutions USA Inc. or an affiliate thereof ("Ocado"). Applying Ocado's proprietary software and hardware, Kroger will utilize robotics and e-commerce-oriented technology to help automate customer grocery fulfillment.

As proposed, the Dallas-based automated fulfillment center will source, package and prepare grocery products for direct delivery to consumers throughout Dallas and neighboring communities.

Kroger will purchase the site by the end of Quarter 1 2020. Construction by Kroger of a minimum 300,000 square foot robotics fulfillment center on the project site shall be completed no later than December 31, 2022. Operation of the constructed fulfillment center shall commence no later than December 31, 2023, and Kroger and Ocado shall continuously occupy and operate the entire facility during the terms of all tax abatements.

Kroger will create a minimum of 350 permanent, full-time positions at the site by December 31, 2024. Ocado will create a minimum of 60 permanent, full-time positions at the project site by December 31, 2024. These minimum employee counts must be continuously maintained throughout the term of all tax abatement agreements with either party.

All employees of Kroger and Ocado shall be paid a minimum wage of \$15.00/hour. This amount does not include overtime, bonuses, benefits, or other non-salary items. Kroger employees shall be paid an annual average wage not less than \$41,715.00, and Ocado's employees shall be paid an annual average wage not less than \$66,000.00. These minimum salary and wage requirements will be applicable throughout the term of all tax abatements.

Kroger and Ocado will invest a total minimum capital investment of \$100 million, of which a minimum of \$35 million shall be real estate development capital investments.

Throughout the term of the incentive agreements, Kroger shall provide grocery delivery services to all residents of the City of Dallas and shall not redline, exclude, or otherwise limit delivery availability in any area of the city. Additionally, Kroger is required to create and maintain a local hiring requirement of which a minimum 25% of employees who are hired will be residents of the City of Dallas. This local hiring requirement will be effective throughout the term of the incentive agreements. The City of Dallas incentive agreements will be cross-defaulted.

Kroger and Ocado are requesting City Council consideration of economic development incentives to secure Kroger's selection of Dallas for the new food fulfillment facility. Proposed incentives include;

- (1) A business personal property tax abatement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of the Kroger's business personal property.
- (2) A business personal property tax abatement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of the Ocado's business personal property.

- (3) A real property tax abatement for a period of ten-years in an amount equal to the City taxes assessed up to 90% of the increased value of the Kroger's real property.
- (4) An economic development infrastructure grant of \$2,000,000.00 to offset the public improvements associated with the project site.
- (5) The City of Dallas will nominate this project for designation as a Texas Enterprise Zone Project, a state sales and use tax refund program.

In the context of the City's Market Value Analysis ("MVA"), the proposed project site is surrounded by residential clusters identified as MVA Market Categories F, G, H and I and is proximate to several Racially/Ethnically Concentrated Area of Poverty areas.

Access to healthy food in southern Dallas is a priority for the City of Dallas. In that spirit, Kroger agrees to the following:

- (1) Kroger shall conduct a review of the southern Dallas market for potential new store sites and will meet with the Director of the Office of Economic Development ("Director") by December 31, 2020 to present the findings of that review. Kroger shall specifically review sites suggested by the Director in which the City has made or plans to make substantial investments.
- (2) Kroger has only one existing store in southern Dallas and has identified this store as a significant priority. Kroger is committed to investing in the store in the future but can make no specific representation at this time as to a timeline or budget. As to this particular store, Kroger shall:
 - i. Within 24 months, determine the scope, specifications, and budget of any remodel, or determine that no remodel will be completed. Kroger will meet with the Director on or before December 31, 2021 to discuss its determinations and plans.
 - ii. During the time period between the execution of the incentive agreement and the meeting with the Director described above, Kroger shall make best efforts to evaluate store performance and possible existing store operational or capital improvements.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

City Council was briefed in Executive Session to discuss the offer of a financial or other incentive for Kroger and Ocado under Section 551.087 of the Texas Government Code on August 21, 2019.

FISCAL INFORMATION

Estimated Total Revenue Foregone: \$3,706,482.00; estimated up to \$2,732,543.00 over a ten-year period (real property abatement); and estimated up to \$973,939.00 over a five-year period (business personal property abatement)

2012 Bond Funds (Proposition 3) - \$2,000,000.00 (Chapter 380 infrastructure grant)

Total incentive valuation is estimated to be up to \$5,706,482.00. The estimated net present value of City revenues is \$13,127,151.00 over the ten-year period.

TENANT/LEASEE

The Kroger Co. or an affiliate thereof

Joe Bradley, Vice President, Tax

Ocado Group USA Inc. or an affiliate thereof

Vineta Bajaj, Head of Tax

MAP

Attached

MAP
The Kroger Co./ Ocado Solutions USA Inc.



August 28, 2019

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

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

WHEREAS, the proposed project will not occur within the city of Dallas without an offer of economic development incentives from the City; and

WHEREAS, on November 6, 2012, Dallas voters approved a \$642 million General Obligation Bond Programs of which \$55 million in bond funding to promote economic development activities in southern Dallas and promoting economic development in other areas of the City in conjunction with transit-oriented development by providing public infrastructure and funding the City’s economic development programs for such areas; and

WHEREAS, on June 12, 2019, City Council authorized the re-adoption of the City of Dallas’ Public/Private Partnership Program Guidelines and Criteria through December 31, 2019, which established certain guidelines and criteria for the use of City incentive programs for private development projects; established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code; and established appropriate guidelines and criteria governing tax abatement agreements to be entered into by City as required by the Property Redevelopment and Tax Abatement Act, as amended, (Texas Tax Code, Chapter 312) (“Tax Abatement Act”) by Resolution No. 19-0891; and

WHEREAS, the City desires to support the development of a new grocery fulfillment center by The Kroger Co. or an affiliate thereof (“Kroger”) and Ocado Solutions USA Inc. or an affiliate thereof (“Ocado”) located on approximately 55 acres at the northwest corner of Telephone Road and Bonnie View Road (“Project Site”) as further described on the attached site map **Exhibit A (Map)** and as legally described by **Exhibit B (Metes and Bounds Legal Description)** and in accordance with the City’s Public/Private Partnership Program; and

WHEREAS, the proposed Project Site is located in an existing Texas Enterprise Zone; and

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

August 28, 2019

WHEREAS, the City desires to enter into a business personal property tax abatement agreement with Kroger for added value to business personal property located at the Project Site within City of Dallas; and

WHEREAS, the City desires to enter into a business personal property tax abatement agreement with Ocado for added value to business personal property located at the Project Site within City of Dallas; and

WHEREAS, the City desires to enter into a real property tax abatement agreement with Kroger for added value to real property located at the Project Site within City of Dallas; and

WHEREAS, the City desires to enter into a Chapter 380 economic development grant agreement with Kroger to promote economic development through the investment of related public improvements required for the development of the grocery fulfillment center at the Project Site; and

WHEREAS, the Dallas City Council previously passed Ordinance No. 30376 on February 22, 2017 electing to participate in the Texas Enterprise Zone Program; and

WHEREAS, the local incentives offered under this resolution are the same on this date as were outlined in Ordinance No. 30376; and

WHEREAS, the Office of the Governor, Economic Development and Tourism division, through the Economic Development Bank, will consider Kroger as an Enterprise Zone Project pursuant to a nomination and an application made by the City; and

WHEREAS, the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the City and to provide employment to residents of enterprise zones, economically disadvantaged individuals and veterans; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code ("Act"), Kroger has applied to the City for designation as an Enterprise Zone Project; and

WHEREAS, the City finds that Kroger meets the criteria for designation as an Enterprise Zone project under the Act; and

WHEREAS, the City finds that it is in the best interest of the City to nominate Kroger as an Enterprise Zone Project pursuant to the Act; and

WHEREAS, the City finds that both Kroger and Ocado meets the criteria for tax relief and other incentives adopted by the City.

August 28, 2019

Now, Therefore,

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

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

SECTION 2. That the City Manager is hereby authorized to execute the following: (1) a business personal property tax abatement agreement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of The Kroger Co. or an affiliate thereof (“Kroger”) business personal property; (2) a business personal property tax abatement agreement for a period of five-years in an amount equal to the City taxes assessed up to 50% of the increased value of Ocado Solutions USA Inc.’s or an affiliate thereof (“Ocado”) business personal property; (3) a real property tax abatement agreement for a period of ten-years in an amount equal to the City taxes assessed up to 90% of the increased value of the Kroger’s real property; (4) a Chapter 380 economic grant agreement in an amount not to exceed \$2,000,000.00 associated with project related public infrastructure with Kroger; and (5) the nomination of Kroger to receive designation as an Enterprise Zone Project under the Texas Enterprise Zone Act, as amended (Texas Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism division, through the Economic Development Bank; in connection with the proposed development of a new grocery fulfillment center located on approximately 55 acres at the northwest corner, as further described on the attached site map **Exhibit A (Map)** and as legally described by **Exhibit B (Metes and Bounds Legal Description)**, approved as to form by the City Attorney’s Office.

SECTION 3. That the approval and execution of the real property and business personal property tax abatement agreements by the City is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

SECTION 4. That at least seven days prior to the execution of the tax abatement agreements, notice of the City’s intention to enter into the tax abatement agreements shall be delivered to the governing bodies of each other taxing unit that includes in its boundaries the real property that is the subject of this agreement.

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

SECTION 6. That the business personal property and real property tax abatement agreements shall include the following terms, as applicable:

- (a) None of the property subject to the business personal property tax abatements is owned or leased by a member of the City Council of the City of Dallas or by a member of the City Plan Commission.
- (b) The Kroger business personal property tax abatement will only be applicable to the business personal property owned by Kroger located on the Project Site.
- (c) The Ocado business personal property tax abatement will only be applicable to the business personal property owned by Ocado located on the Project Site.
- (d) Each abatement will begin on January 1 of the year after Kroger or Ocado, as appropriate, confirms that it has hired the minimum required number of employees as described in Section 12 (d) below. The amount of the abatement(s) in any year will be determined by the percentage of employees of the abatement recipient who are residents of the City of Dallas, as outlined below:

| Percentage of minimum employees who are residents of the City of Dallas | Kroger Real Property Tax Abatement Percentage | Kroger and Ocado BPP Tax Abatement Percentage |
|--|--|--|
| 35% or greater | 90% | 50% |
| 25-34% | 75% | 40% |
| 0% to 24% | 0% | 0% |

¹ This includes new workers who choose to live in Dallas once they are hired. Local residence compliance will not be conducted until the minimum 350 jobs are relocated/created.

- (e) A description of the kind, number, location and costs of all proposed improvements to the property shall be provided for each abatement.
- (f) That access to the subject property will be provided to allow for inspection by City inspectors and officials to ensure that the improvements or repairs are made according to the specifications and terms of the tax abatement agreements.
- (g) That the property tax revenue lost as a result of the tax abatement agreements will be recaptured by the City if improvements to real and business personal property are not made as provided by the tax abatement agreements.
- (h) A requirement that the owner of the property certify annually that the owner is in compliance with each applicable term of the tax abatement agreements.

SECTION 6. (continued)

- (i) That the Dallas City Council may terminate or modify the agreement if either Kroger or Ocado fails to comply with the agreement requirements.

SECTION 7. That the Chapter 380 economic grant agreement shall be payable in two equal installments of \$1 million. The first installment will be paid upon completion of a minimum 300,000 square foot robotics fulfillment center on the Project Site no later than December 31, 2022, as evidenced by a certificate of occupancy. The second installment will be paid on the later of (i) one year from the date of the first payment, or (ii) the date that Kroger and Ocado successfully document to the satisfaction of the Director of the Office of Economic Development (“Director”) a total minimum capital investment of \$100 million, of which a minimum of \$35 million shall be real estate development capital investments. This investment shall not include any amounts spent on developer fees or other profit line items, attorney fees, or the purchase price of the Project Site. The Chapter 380 economic grant agreement shall be cross-defaulted with the City of Dallas business personal property and real property tax abatement agreement terms/requirements as noted in Section 6 a - i. Furthermore, Kroger shall create and maintain a local hiring requirement of which a minimum 25% of employees who are hired will be residents of the City of Dallas. This local hiring requirement will be effective throughout the term of the Chapter 380 economic grant agreement as outlined in the table in Section 6 d.

SECTION 8. That the City finds that Kroger meets the criteria for incentives adopted by the City and nominates Kroger for Enterprise Zone project status on the grounds that it will create or retain a higher level of employment and create economic activity and stability.

SECTION 9. That the designation of Kroger will contribute significantly to the achievement of the plans of the City of Dallas for development.

SECTION 10. That the City finds that it is in the best interest of the City to nominate Kroger as an Enterprise Zone project pursuant to the Enterprise Zone Act and hereby authorizes the Director to prepare and submit an application to the Office of the Governor, Economic Development and Tourism division, through the Economic Development Bank for designation of Kroger as an Enterprise Zone project.

SECTION 11. That the Enterprise Zone project shall take effect on the date of designation of the Enterprise Zone project by the Office of the Governor, Economic Development and Tourism division, through the Economic Development Bank and terminate five years after date of designation.

August 28, 2019

SECTION 12. That in addition to the terms highlighted elsewhere in this resolution, the Enterprise Zone nomination, business personal property tax abatements, real property tax abatement and Chapter 380 economic development grant (collectively the “incentive agreements”), Kroger and Ocado shall also satisfy and agree to the following terms:

- (a) Kroger’s purchase of the approximately 55 acre Project Site, by the end of Quarter 1 2020.
- (b) Construction by Kroger of a minimum 300,000 square foot robotics fulfillment center on the Project Site no later than December 31, 2022, as evidenced by a certificate of occupancy.
- (c) Operation of the constructed fulfillment center shall commence no later than December 31, 2023, and Kroger and Ocado shall continuously occupy and operate the entire facility during the terms of all tax abatements.
- (d) Kroger shall create a minimum of 350 permanent, full-time positions at the Project Site by December 31, 2024. Ocado shall create a minimum of 60 permanent, full-time positions at the project site by December 31, 2024. These minimum employee counts must be continuously maintained throughout the term of all tax abatement agreements with either party.
- (e) All employees of Kroger and Ocado shall be paid a minimum wage of \$15.00/hour. This amount does not include overtime, bonuses, benefits, or other non-salary items. This minimum salary requirement is applicable throughout the term of all tax abatements.
- (f) Kroger’s employees shall be paid an annual average wage not less than \$41,715.00, and Ocado’s employees shall be paid an annual average wage not less than \$66,000.00. These minimum annual average wage requirements are applicable throughout the term of the incentive agreements.
- (g) Kroger and Ocado shall document, to the satisfaction of the Director, a total minimum capital investment of \$100 million, of which a minimum of \$35 million shall be real estate development capital investments. This investment shall not include any amounts spent on developer fees or other profit line items, attorney fees, or the purchase price of the project site’s land.
- (h) Kroger and Ocado shall conduct or participate in two job fairs by December 31, 2022, at locations in the City of Dallas approved by the Director to facilitate the recruitment and hiring of residents of the City of Dallas.

August 28, 2019

SECTION 12. (continued)

- (i) Kroger and Ocado shall execute formal agreements with the Dallas Independent School District and Richardson Independent School District by June 30, 2022 to participate as an Industry Partner in the Pathway to Technology Early College High School programs of each school district. Office of Economic Development staff are available to make introductions to relevant school district staff.
- (j) Kroger shall undertake a good faith/best effort to comply with the City's Business Inclusion and Development goal of 25% participation by Minority/Women-owned Business Enterprises for construction and construction-related expenditures incurred by the proposed grocery fulfillment center in Dallas. Compliance will be coordinated with the City's Office of Business Diversity, and Kroger shall meet with the Office of Business Diversity prior to executing any incentive agreement.
- (k) Throughout the term of the incentive agreements, Kroger shall provide grocery delivery services to all residents of the City of Dallas and shall not redline, exclude, or otherwise limit delivery availability in any area of the city.
- (l) Access to healthy food in southern Dallas is a priority for the City of Dallas. In that spirit, Kroger agrees to the following:
 - a. Kroger shall conduct a review of the southern Dallas market for potential new store sites and will meet with the Director by December 31, 2020 the findings of that review. Kroger shall specifically review sites suggested by the Director in which the City has made or plans to make substantial investments.
 - i. If a location in southern Dallas is selected for a new full-service retail grocery store, additional incentives may be available to assist with the construction of the new store. Additional incentives are subject to negotiation and would require separate consent of the City Council.
 - b. Kroger has only one existing store in southern Dallas. Kroger has identified this store as a significant priority, and Kroger division management currently visits the store at least weekly to evaluate store performance. Kroger is committed to investing in the store in the future but makes no representation at this time as to timeline or budget. As to this particular store, Kroger shall:

SECTION 12. (continued)

- i. Within 24 months, determine the scope, specifications, and budget of any remodel, or determine that no remodel will be completed. Kroger will meet with the Director on or before December 31, 2021 to discuss its determinations and plans. If a remodel is planned, additional incentives may be available to assist with the project. Additional incentives are subject to negotiation and would require separate consent of the City Council.
 - ii. During the time period between the execution of the incentive agreement and the meeting with the Director described above, Kroger shall make best efforts to continue weekly visits by division management in order to evaluate store performance and possible store operational or capital improvements.
- (m) On or before May 31, 2021, Kroger shall meet with leadership at Paul Quinn College, University of North Texas at Dallas, and Cedar Valley College to discuss potential workforce development programs with these nearby educational institutions, including possible grant funding from the Recruit Texas program. Kroger shall report back to the Director by August 31, 2021 as to the result of those meetings. Office of Economic Development staff are available to attend those meetings, make introductions, or otherwise facilitate as needed.
- (n) Kroger and Ocado shall, upon request, permit staff from the Office of Economic Development access to the facility to review all records and documents related to the obligations contained herein to monitor compliance with the City incentive agreement.
- (o) Kroger and Ocado shall provide written annual reports to the Office of Economic Development regarding compliance with the City incentive agreement.
- (p) Failure to comply with the terms of the incentive agreement may result in recapture and/or repayment of all or part of the incentives.
- (q) If incentive agreements are not executed within one year of the date of the council resolution approving the incentives, the incentives are revoked.

SECTION 13. That the Chapter 380 economic development grant as noted within Section 2 within this Resolution is subject to annual verification, audit, or other necessary procedures deemed appropriate by the City. The Director is authorized to make appropriate arrangements with Kroger to meet the verification, audit, or other necessary requirements to fulfill the purposes described herein.

August 28, 2019

SECTION 14. That development and operation of the Project Site shall conform to all requirements of the City's zoning ordinance and that the use of the Project Site is consistent with the general purpose of encouraging development or redevelopment in the City of Dallas during the period the Chapter 380 economic development grant, real property and business personal property tax abatements are in effect.

SECTION 15. That the Chapter 380 economic development grant, real and business personal property abatements applicable to Kroger as noted within this Resolution are personal to Kroger and cannot be sold or assigned to non-affiliated companies without written approval by the Director.

SECTION 16. That the business personal property abatement applicable to Ocado as noted within this Resolution is personal to Ocado and cannot be sold or assigned to non-affiliated companies without written approval by the Director.

SECTION 17. That pursuant to Section 2 and related terms within this Resolution, the business personal property tax abatement agreement with Kroger is identified by the City as Contract No. ECO-2019-00011251.

SECTION 18. That pursuant to Section 2 and related terms within this Resolution, the business personal property tax abatement agreement with Ocado is identified by the City as Contract No. ECO-2019-00011252.

SECTION 19. That pursuant to Section 2 and related terms within this Resolution, the real property tax abatement agreement with Kroger is identified by the City as Contract No. ECO-2019-00011253.

SECTION 20. That pursuant to the Chapter 380 economic grant agreement, its related terms within this agreement, and upon City approval of annual appropriation, the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$2,000,000.00 from Economic & S. Area of City Transit-Oriented Development Fund, Fund 2U52, Department ECO, Unit W476, Object 3016, Activity ECNR, Contract No. ECO-2019-00011254, Vendor 256691.

SECTION 21. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**EXHIBIT A
MAP
The Kroger Co./Ocado Solutions USA Inc.**



EXHIBIT B
METES AND BOUNDS – LEGAL DESCRIPTION
The Kroger Co./ Ocado Solutions USA Inc.

Tract 1:

DESCRIPTION, of a 56.116 acre (2,444,405 square foot) tract of land situated in the George Floyd Survey, Abstract No. 463, City of Dallas Block 8309, Dallas County, Texas; said tract being a portion of Lot 1, Block, A/8309 Skief Addition, an addition to the City of Dallas according to the plat recorded in Volume 97168, Page 95 of the Plat Records of Dallas County, Texas; said tract also being a part of that tract of land described in Special Warranty Deed with Vendor's Lien to Clemmie Skief recorded in Volume 93051, Page 4775 of the Deed Records of Dallas County, Texas, and being a part of that tract of land described in Warranty Deed with Vendor's Lien to Clemmie Skief recorded in Volume 2001062, Page 8483 of the Deed Records of Dallas County, Texas, said tract also being a part of "Tract 1" and "Tract 2" described in Warranty Deed to Clemmie Skief recorded in Volume 2001131, Page 6282 of the Deed Records of Dallas County, Texas; said 56.116 acre (2,444,405 square foot) tract being more particularly described by metes and bounds as follows (bearing system for this survey is based on the Texas Coordinate System of 1983 (2011 adjustment), North Central Zone 4202, based on observations made on April 3, 2019):

BEGINNING, at a 1/2-inch iron rod with "PACHECO KOCH" cap set in the west line of said "Tract 1" described in Volume 2001131, Page 6282 and the east line of that tract of land described in Warranty Deed with Vendor's Lien to John H. Adams and wife, Dolly D. Adams recorded in Volume 74107, Page 144 of the Deed Records of Dallas County, Texas, said iron rod being the northwest corner of "Tract 1" described in Warranty Deed to City of Dallas recorded in Instrument Number 201100266364 of the Official Public Records of Dallas County, Texas, and the northeast corner of that tract of land described in Warranty Deed to City of Dallas recorded in Instrument Number 201100271632 of the Official Public Records of Dallas County, Texas, said iron rod also being in the north right-of-way line of Telephone Road (a 100-foot right-of-way);

THENCE, North 30 degrees 10 minutes 36 seconds West along the west line of said "Tract 1" the west line of said "Tract 2" both described in Volume 2001131, Page 6282 and joining the west line of said tract described in Volume 93051, Page 4775 and the east line of said Adams tract, at a distance of 1,500.00 feet passing a 1/2-inch iron rod with "PACHECO KOCH" cap set for reference and continuing in all a total distance of 1583.34 feet to a point in the approximate centerline of Overton's Branch Creek, said point also being in the southeast line of that tract of land described in Special Warranty Deed to Cedardale Phase I, LLC recorded in Instrument Number 201700026404;

THENCE, with the approximate centerline of said Overton's Branch Creek the following fifteen (15) calls:

1) North 62 degrees 24 minutes 28 seconds East, a distance of 13.82 feet; 2) North 56 degrees 16 minutes 33 seconds East, a distance of 128.57 feet; 3) North 47 degrees 50 minutes 00 seconds East, a distance of 52.59 feet; 4) North 15 degrees 35 minutes 07 seconds East, a distance of 59.60 feet; 5) North 10 degrees 29 minutes 29 seconds West, a distance of 118.91 feet 6) North 09 degrees 47 minutes 43 seconds East, a distance of 6.22 feet 7) North 51 degrees 20 minutes 20 seconds East, a distance of 158.00 feet 8) North 45 degrees 29 minutes 32 seconds East, a distance of 22.38 feet 9) North 15 degrees 56 minutes 06 seconds West, a distance of 95.38 feet 10) North 01 degrees 59 minutes 42 seconds West, a distance of 12.62 feet 11) North 24 degrees 42 minutes 13 seconds West, a distance of 33.59 feet 12) North 09 degrees 25 minutes 37 seconds East, a distance of 204.93 feet 13) North 06 degrees 48 minutes 33 seconds West, a distance of 223.51 feet 14) North 64 degrees 50 minutes 42 seconds East, a distance of 160.41 feet 15) North 40 degrees 52 minutes 17 seconds East, a distance of 234.86 feet to the northeast corner of said tract described in Volume 93051, Page 4775, the northwest corner of said tract described in Volume 2001062, Page 8483, and the northwest corner of that 100-foot wide tract of land described in Warranty Deed to Dallas Power & Light Company in Volume 70042, Page 258 of the Deed Records of Dallas County, Texas;

EXHIBIT B
METES AND BOUNDS – LEGAL DESCRIPTION
The Kroger Co./ Ocado Solutions USA Inc.

THENCE, South 38 degrees 23 minutes 32 seconds East, departing said approximate centerline of Overton's Branch Creek and along the southwest line of said Dallas Power & Light Company tract, at a distance of 100.00 feet passing a 1/2-inch iron rod with "PACHECO KOCH" cap set for reference and continuing in all a total distance of 1832.99 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set in the east line of said tract described in Volume 2001062, Page 8483, said iron rod also being in the west right-of-way line of Bonnie View Road (a 100-foot right-of-way);

THENCE, South 02 degrees 46 minutes 47 seconds West, departing said southwest line of the Dallas Power & Light Company tract and along the east line of said tracts recorded in Volume 2001062, Page 8483 and Volume 93051, Page 4775 and along said west right-of-way line of Bonnie View Road, a distance of 609.85 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set at the northeast corner of "Tract 2" described to the City of Dallas by aforementioned Instrument Number 201100266364, said iron rod also being at the north end of a corner clip at the intersection of said west right-of-way line of Bonnie View Road with the aforementioned north right-of-way line of Telephone Road;

THENCE, South 30 degrees 39 minutes 24 seconds West, departing said east line of said tract described in Volume 93051, Page 4775 and along the north line of said "Tract 2" described in Instrument Number 201100266364, a distance of 43.14 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set at an angle point in the north line of said "Tract 2" described by said Instrument Number 201100266364 and also being the southwest end of said corner clip;

THENCE, South 59 degrees 34 minutes 54 seconds West, continuing along the north line of said "Tract 2" described in Instrument Number 201100266364, the north line of said tract described in Warranty Deed to City of Dallas recorded in Instrument Number 201400197739 of the Official Public Records of Dallas County, Texas, the north line of said "Tract 1" described in Instrument Number 201100266364 and along the said north right-of-way line of Telephone Road, a distance of 984.63 feet to the POINT OF BEGINNING and CONTAINING 56.116 acre (2,444,405 square foot) of land area.

Note: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule A as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.



Agenda Information Sheet

File #: 19-1200

Item #: 70.

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: August 28, 2019
COUNCIL DISTRICT(S): All
DEPARTMENT: Housing & Neighborhood Revitalization
EXECUTIVE: Michael Mendoza

SUBJECT

Authorize **(1)** preliminary adoption of Substantial Amendment No. 4 to the FY 2018-19 Action Plan for the HOME Investment Partnerships Program to **(a)** receive and deposit unanticipated program income in an amount of \$3,600,000.00; and **(b)** increase appropriations from \$1,000,000.00 to \$4,600,000.00 to be used for housing, associated administrative and soft costs; and **(2)** a public hearing to be held on October 9~~8~~, 2019 to receive comments on Substantial Amendment No. 4 to the FY 2018-19 Consolidated Plan - Estimated Revenue: \$3,600,000.00

BACKGROUND

On August 15, 2018, the City submitted the FY 2018-19 Action Plan to U.S. Department of Housing and Urban Development (HUD). HUD grant programs covered by the Action Plan include the Community Development Block Grant, HOME Investment Partnerships Program Grant (HOME), Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS Grant. The Action Plan provides a detailed description of programs and services to be undertaken with the grant funds over the twelve-month period of October 1, 2018 through September 30, 2019, to address priority needs in the community designed to improve Dallas residents' quality of life for low- and moderate-income persons.

Federal regulations and the City's Citizen Participation Plan require a public hearing to authorize a substantial amendment and require that a public hearing be held with not less than a 30-day public review and comment period to allow for public comments and input with respect to any substantial amendment.

This action authorizes **(1)** preliminary adoption of Substantial Amendment No.4 to the FY 2018-19 Action Plan for the HOME for housing, associated administrative and soft costs to **(a)** receive and deposit unanticipated program income in an amount of \$3,600,000.00; and **(b)** increase appropriations from \$1,000,000.00 to \$4,600,000.00 to be used for similar eligible activities; and **(2)** a public hearing to be held on October 9~~8~~, 2019 to receive comments on Substantial Amendment No. 4 to the FY 2018-19.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 27, 2018, City Council authorized the adoption of the FY 2018-19 Consolidated Plan Budget and the FY 2017-18 Reprogramming Budget, an amendment to the Five-Year Consolidated Plan to extend the covered period by one year, from September 30, 2018 to September 30, 2019, by Resolution No. 18-0987.

On April 10, 2019, City Council authorized the final adoption of Reprogramming Budget No. 1 (Substantial Amendment No. 1) to the FY 2018-19 Action Plan by Resolution No. 19-0556.

On June 26, 2019, City Council authorized the adoption of Substantial Amendment No. 2 to the FY 2018-19 Action Plan by Resolution No. 19-1061.

On August 14, 2019, City Council held a public hearing to receive comments on Substantial Amendment No. 3 to the FY 2018-19 Action Plan for the Emergency Solutions Grant Program to reallocate funds from Emergency Shelter, Rapid Re-Housing, and Homeless Management Information System eligible activities to Street Outreach and Homelessness Prevention eligible activities; and approved the final adoption of Substantial Amendment No. 3 to FY 2018-19 Action Plan by Resolution 19-1162.

The Economic Development and Housing Committee will be briefed by memorandum regarding this matter on August 23, 2019.

FISCAL INFORMATION

Estimated Revenue: \$3,600,000.00

August 28, 2019

WHEREAS, on June 27, 2018, City Council adopted the FY 2018-19 HUD Consolidated Plan Budget and the Proposed FY 2017-18 Reprogramming Budget, and the amendment to the five-year Consolidated Plan- by Resolution No. 18-0987; and

WHEREAS, on April 10, 2019, City Council authorized the final adoption of Reprogramming Budget No. 1 (Substantial Amendment No. 1) to the FY 2018-19 Action Plan by Resolution No. 19-0556; and

WHEREAS, on April 24, 2019, City Council authorized the preliminary adoption of Substantial Amendment No. 2 to the FY 2018-19 Action Plan for the HOME Investment Partnerships Program (HOME) and Community Development Block Grant Program (CDBG) by Resolution No. 19-0639; and

WHEREAS, on June 26, 2019, City Council held a public hearing to receive comments on Substantial Amendment No. 2 to the FY 2018-19 Action plan for the HOME Investment Partnerships Program and Community Development Block Grant Program and authorized the final adoption of Substantial Amendment No. 2 to the FY 2018-19 Action Plan by Resolution No. 19-1061; and

WHEREAS, on June 26, 2019, City Council authorized the preliminary adoption of Substantial Amendment No. 3 to the FY 2018-19 Action Plan for the Emergency Solutions Grant Program to reallocate FY17 ESG funds by Resolution No. 19-1063; and

WHEREAS, on August 14, 2019, City Council held a public hearing to receive comments on Substantial Amendment No. 3 to the FY 2018-19 Action Plan for the Emergency Solutions Grant Program to reallocate FY17 ESG funds and approved the final adoption of Substantial Amendment No. 3 to the FY 2018-19 Action Plan by Resolution No. 19-1162; and

WHEREAS, the City desires to provide housing opportunities for persons of low- and moderate-income.

Now, Therefore,

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

SECTION 1. That the City Council hereby authorizes preliminary adoption of Substantial Amendment No. 4 to the FY 2018-19 Action Plan for the HOME Investment Partnerships Program for housing, associated administrative and soft costs to **(a)** receive and deposit unanticipated program income in an amount of \$3,600,000.00; **(b)** increase appropriations from \$1,000,000.00 to \$4,600,000.00 to be used for similar eligible activities; and **(c)** hold a public hearing on October 9~~8~~, 2019 to receive comments on Substantial Amendment No. 4 to the FY 2018-19.

August 28, 2019

SECTION 2. That a public hearing will be held on October 9, 2019 before the Dallas City Council to receive comments on Substantial Amendment No. 4 to the FY 2018-19 for the HOME Program, to receive and deposit unanticipated program income and increase appropriations for housing, associated administrative and soft costs.

SECTION 3. 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.