Memorandum

CITY OF DALLAS

DATE December 9, 2016

TO Honorable Mayor and Members of the City Council

SUBJECT Rating Agency Actions

Once again, concerns about the Dallas Police and Fire Pension System (DPFP) have prompted rating agencies, specifically Moody's Investors Service and S&P Global Ratings, to take action on the City's bond ratings. This memorandum summarizes each rating agency's actions. The complete rating report is attached for each agency.

Moody's Investors Service

Moody's has downgraded the City of Dallas' Aa3-rated general obligation bonds to A1 and placed these bonds under review for another possible downgrade. In addition, obligations of Dallas Water Utilities, the Downtown Dallas Development Corp., the Dallas Convention Center Hotel Corp., and the Convention Center have been placed under review for possible downgrade.

Moody's took this action in response to the City's "ongoing challenges surrounding its poorly funded public safety pension plan and a sizable potential liability associated with a back-pay referendum lawsuit." Moody's also expressed concern about "considerable draws" on the fund that have reduced liquid assets, and the significant implementation risk of a reform plan that will rely on State legislative actions to succeed. The report recognizes the economic strengths in the large, growing and diverse tax base of the area and the growth in population and employment that surpasses national averages. Moody's will conclude its review within 60 to 90 days.

S&P Global Ratings (Standard and Poor's)

S&P has placed the City of Dallas' AA-rated general obligation bonds and A-rated moral obligation bonds related to the Dallas Convention Center Hotel Development Corp. and the Downtown Dallas Development Corp. under special surveillance referred to by the rating agency as CreditWatch. A CreditWatch listing indicates the potential direction of the City's rating, although it does not indicate that a rating action actually will occur.

S&P took this action in response to "challenges the city faces related to its rising pension liabilities and the lack of a plan with a clear path to resolution which will require approval from several levels of government to address them in the immediate term." Specific concerns are DROP withdrawals from DPFP and governance by State law over the pension system rather than City ordinance, which complicates the ability to make necessary plan changes. The rating agency expects to resolve the CreditWatch status within 90 days.

The rating agencies will continue to monitor the implementation progress of the City's plan to save the Pension. We stand ready to work with the State legislature to implement our plan, which will immediately increase the Pension's funded ratio from 36 percent to 50 percent, and will fully fund the Pension in 30 years.

If you have any questions or need further information, please do not hesitate to contact me.

M. Elizabeth Reich

M. Elizabeth Reich
Chief Financial Officer

Attachments

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Larry Casto, City Attorney
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MOODY'S
INVESTORS SERVICE

CREDIT OPINION
9 December 2016

Update

Rate this Research

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City of Dallas, TX

Rating Update: Moody's Downgrades Dallas, TX GOLT to A1; GOLT and Other Securities Under Review for Possible Downgrade

Summary Rating Rationale

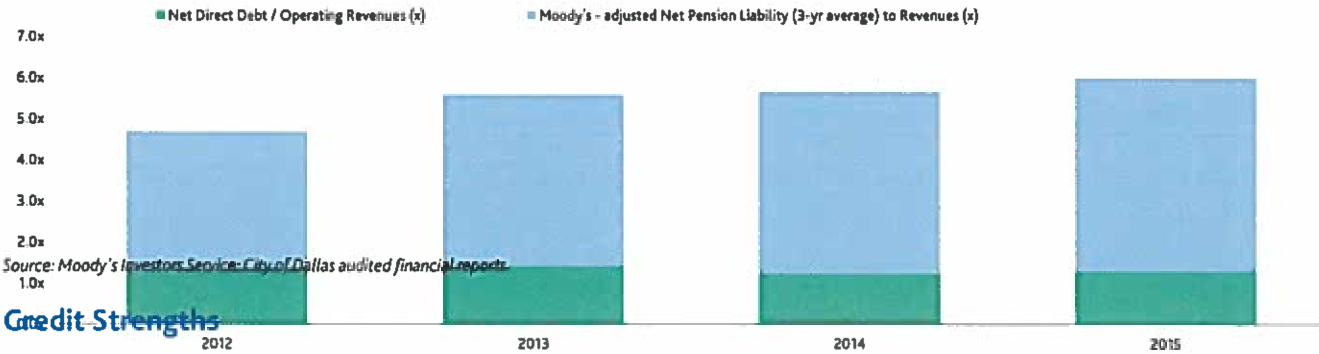
Moody's Investors Service has downgraded to A1 the City of Dallas, TX's outstanding general obligation limited tax (GOLT) debt. The rating action affects $1.6 billion of Moody's rated debt. At the same time, we have put the city's GOLT, Waterworks and Sewer Enterprise, Downtown Dallas Development Authority, Convention Center Hotel Development Corporation and Civic Center Convention Complex bonds under review for possible downgrade. The review of the above referenced ratings will be concluded within 60-90 days.

The downgrade to A1 from Aa3 on the GOLT debt is based on the city's ongoing challenges surrounding its poorly funded public safety pension plan and a sizable potential liability associated with a back-pay referendum lawsuit. These challenges have been exacerbated by considerable draws on the public safety pension fund which have reduced liquid assets. The city's recently announced reform plan includes actuarial projections that the unfunded liability will be amortized in 30 years. However, it has significant implementation risk because it relies heavily on actions of the state legislature and includes only modest increases in cash contributions to improve funding levels. Absent enactment at the state level of material reforms, and/or a large cash-infusion to the fund, the public safety pension fund is likely to become insolvent within ten years. Also, senior leaders have repeatedly stated that a failure to achieve relief to its financial challenges, or an adverse court ruling in the pending back-pay case, could lead to consideration of bankruptcy.

The rating also reflects the city's large tax base, regional importance, and ongoing strong economic growth and healthy revenue trends continues be a consideration in the rating assignment.

Exhibit 1

City's ANPL for Combined Pension Plans Continues to Increase with Poor Asset Performance and Caps to Annual Contributions



Source: Moody's Investors Service; City of Dallas audited financial reports

Credit Strengths

» Large, growing and diverse tax base that anchors the Dallas/Fort Worth metroplex

» Population and employment growth that surpass national averages

» Five consecutive years of operating surpluses on a reported basis; growth in operating reserves

» Ample legal flexibility to raise revenues or cut expenditures

Credit Challenges

» Outsized unfunded pension liability expected to translate to budgetary pressure in the near to medium term

» Short term liquidity concerns in the police and fire pension fund

» Additional debt burden pressure stemming from significant infrastructure needs

» Ongoing legal battle related to back-pay referendum that may result in an outsized city liability

Rating Outlook

Moody's has placed all of the city's ratings under review, including the GOLT. The ongoing review will focus on the city's plans to address the unfunded public safety pension liabilities, public safety fund liquidity and medium-term solvency prospects. Additionally we will consider ongoing developments related to the city's meet and confer proposal, the pension fund reform proposal, and the state's response to reversing 2005 sovereign immunity legislation. The review will also focus on the city related securities to continue to assess the legal and/or financial linkages between the securities and the city's operating funds. [1]

Factors that Could Lead to an Upgrade

» Material improvement to annual pension funding, through meaningful reform and contribution commitments, reducing the Moody's Adjusted Net Pension Liability (ANPL)

» Significant increase to operating reserves and liquidity

» Demonstrated balanced operations inclusive of pension funding at actuarially determined levels

Factors that Could Lead to a Downgrade

» Additional pension developments that demonstrate an additionally shortened timeline regarding police and fire plan insolvency

» Lack of swift and meaning progress with respect to legislative action surrounding pension reforms and sovereign immunity

» A considerable judgement regarding pending litigation

» Reduction in operating reserves to a level inconsistent with the rating category

» Protracted trend of significant tax base contraction without offsetting rate adjustment

Key Indicators

Exhibit 2

Dallas (City of) TX	2011	2012	2013	2014	2015
Economy/Tax Base					
Total Full Value ($000)	$ 83,425,479	$ 81,993,746	$ 83,681,722	$ 87,251,522	$ 93,138,211
Full Value Per Capita	$ 69,739	$ 67,920	$ 68,470	$ 70,308	$ 74,854
Median Family Income (% of US Median)	71.2%	70.2%	70.8%	71.0%	71.0%
Finances					
Operating Revenue ($000)	$ 1,235,180	$ 1,237,309	$ 1,250,319	$ 1,327,996	$ 1,377,442
Fund Balance as a % of Revenues	9.0%	10.9%	11.6%	12.3%	14.2%
Cash Balance as a % of Revenues	7.5%	10.5%	11.3%	11.7%	14.4%
Debt/Pensions					
Net Direct Debt ($000)	$ 1,801,999	$ 1,666,932	$ 1,738,519	$ 1,617,834	$ 1,755,435
Net Direct Debt / Operating Revenues (x)	1.5x	1.3x	1.4x	1.2x	1.3x
Net Direct Debt / Full Value (%)	2.2%	2.0%	2.1%	1.9%	1.9%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	N/A	3.3x	4.2x	4.4x	4.7x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	N/A	5.0%	6.2%	6.7%	7.0%

Source: Moody's Investors Service; City of Dallas audited financial reports

Recent Developments

A number of credit related events have occurred since our last review in October 2016. Factors include: a material increase to the previously stated potential liability related to a back-pay referendum lawsuit, considerable withdrawals from DROP accounts through November; putting a short-term strain on the fund's liquid assets, and the unveiling of the city's proposal to bring the pension fund back to long term solvency. Finally, city officials have made multiple statements suggesting it may consider bankruptcy should a significant adverse judgement regarding the back-pay lawsuit and a substantial cash infusion for the unfunded pension liabilities be required over a short period of time. Positively, on December 8, 2016, the police and fire pension board voted to halt further DROP withdrawals, including those requested as of December 5. The length of the decision's effectiveness and potential for member legal challenge remain an ongoing credit concern.

While Moody's does not see the city's employees' retirement fund (ERF) as a major credit driver at this time, positively, city voters approved ERF pension benefit changes for new employees starting January 2017. The new tier of benefits will reduce the pace at which future pension liabilities are accrued. Please see Pension Reform Measures in Dallas, TX for further information on ERF reforms.

Detailed Rating Considerations

Economy and Tax Base: Strong Economic Indicators and Tax Base Growth to Continue Over Near to Medium Term

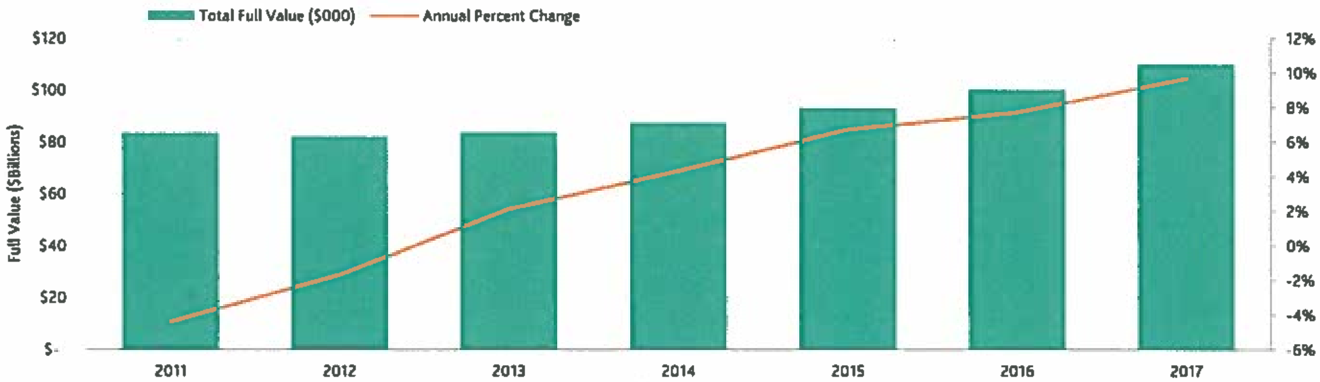
Dallas, and the broader metro area, have been characterized by positive employment, demographic, and other economic trends over the past several years which will continue through the near to medium term due to continued job and population growth, and points to a stable to growing tax base for the city. Located in north Texas, Dallas is the ninth largest city in the United States, and third largest in Texas after Houston (Aa3 negative) and San Antonio (Aaa stable). Residents in the metropolitan area enjoy a diverse economic base with employment opportunities in the information technology (IT), banking, commerce, medical, transportation, government and logistics sectors, among many others.

The city's population is large, and stood at 1.3 million as of 2015. Population growth is among the highest relative to other large cities nationally, and has increased by approximately 8.5% since the 2010 census. Dallas retains its position as having the largest job base in the metropolitan area, serving as home to several fortune 500 companies. As such, Dallas is a regional economic center for the metro area with thousands of people commuting to the city for work. With strong job growth in the city that continues to outpace the nation, the labor force has continued to increase while unemployment remains low. As of July 2016, unemployment in the city was 4.2%, below the state and national rates of 5.1% at the same period.

A strong regional economy in the DFW metroplex has resulted in positive taxable value growth for the city, driven by property value appreciation and construction. Taxable values have shown four years of growth through fiscal 2016, with an increase of approximately 10% for fiscal 2017, bringing the city's tax base to over $110 billion. Major taxpayer concentration is minimal with the top ten accounting for 5.3% of AV as of fiscal 2016.

Exhibit 3

Dallas' Tax Base Demonstrates Accelerating Growth Coming Out of Recession



Source: Moody's Investors Service; City of Dallas audited financial reports

Given the urban nature of the city, Dallas demonstrates wealth levels that are below national medians. Per the 2014 American Communities Survey, the median and per capita family incomes were 71.0% and 97.8%, respectively. Poverty in the city is also elevated and similar to other large cities in the state. As of the 2014 ACS, the percent of the population below the poverty level was 24% and has increased steadily over the past few decades. Other economic indicators in the city are strong. Moody's Analytics reported in July that the metropolitan area continues its above-average expansion which will continue over the coming year supported by corporate relocation underway, as well as retail, healthcare and construction. The metro area's favorable demographic trends and employment mix points to a continuation of above-average performance over the medium term horizon.

Financial Operations and Reserves: Operating Funds' Trend Marked by Reported Positive Operating Performance; Tempered by Pension Funding Shortfalls Driven by Statutory Limitations

The city's financial profile will be challenged to maintain structural balance over the near to medium term largely due to the necessitated increases to pension funding which exceed the growth in projected revenues. Positively the city has posted five consecutive years of General Fund surpluses, though these results are on the back of severe pension underfunding, which has been constrained by statutory caps to contributions and exacerbated by asset losses. Pension funding aside, past General Fund surpluses were generated through management's willingness and ability to make expenditure cuts and increase the property tax levy post-recession. Prudent financial management over the last five years has annually added to General Fund reserves over this period, growing the available balance from a relatively low $64.7 million (6.5% of General Fund revenues) in fiscal 2010 to $181.7 million in fiscal 2015, representing a more healthy 15.6% of General Fund revenues. Inclusive of the Debt Service Fund, available operating funds balance totaled $195.5 million as of fiscal 2015, or 14.2% of operating revenues.

Similar to past years, fiscal 2016 General Fund unaudited actual at year-end indicate a surplus of just under $5 million. The fiscal 2017 budget was passed in September and contemplates the use of a modest $2.6 million of reserves for mosquito abatement and election expenses. Positively, the 2017 budget includes a preemptive increase to the city's contribution to the police and fire fund (from 27.5% of payroll to 28.5%) in the hopes that the legislature will adopt proposed reforms to employee pension plans and allow the city to contribute at a higher rate than has statutorily been allowed in the past. If adopted, the city's recently released pension reform proposal includes increasing city's contributions to the police and fire pension fund to 34.5% of computational pay; an estimated $135 million.

While reported results have been positive, the results are tempered by annual pension underfunding. The maximum allowable pension contribution (aggregate to all three pension plans) in fiscal 2015 was $147 million net of contributions from the utility system, which was $12.4 million below the actuarially determined contribution (net of utility support) and nearly $78 million shy of covering a tread water amount on the combined unfunded pension liability. The "tread water" cost is a calculation of the amount an employer must contribute that, when combined with employee contributions, is equal to current year service cost plus interest on the unfunded pension liability as of the beginning of the year, using each plan's assumed discount rate as the interest rate. The currently proposed contribution amount of $135 million annual does not meet the tread water calculations. Additionally, the current meet and confer proposal calls for a 4 year phase in to increase first responder salaries by $89 million annually; this proposed pay increase is explicitly excluded from the current back-pay lawsuit.

The city's fixed costs for debt, pensions and retiree health care benefits relative to operating revenues were elevated at 30% in fiscal 2015. Due to statutory caps on the city's pension contribution, however, its contributions fall well below the "tread water" benchmark of covering current year benefit accruals plus interest on reported unfunded liabilities. If the city had contributed at "tread water" (based on the 2015 funding assumptions rather than the city's more lagged GASB reporting), its fixed costs would have been 42% of its operating revenues. The city funds its retiree medical benefits on a pay as you go basis. In fiscal 2015, the city's OPEB contribution was $14.4 million.

The majority of 2015 operating revenues (General and Debt Service Funds) were derived from property taxes at 51.2%, followed by sales taxes at 20% and service to others at 14%. The city remains well under the statutory maximum for property taxes ($25/$1000 of AV) and has levied a combined rate of $7.97/$1000 since 2011, when it increased the rate from $7.48/$1000 amid declining assessed values. In fiscal 2017, the city is decreasing the levy to $7.81/$1000, primarily due to the fact that taxable value growth has been so strong that maintenance of the $7.97/$1000 tax rate would have exceeded the effective 8% yield control and trigger rollback tax rate elections. The city does not have the ability currently to seek voter approval for additional sales taxes, though it does maintain the ability to adjust various fees for services.

LIQUIDITY

As of fiscal 2015, the city's General Fund maintained a healthy cash position of $185.4 million, 15.9% of General Fund revenues. Inclusive of the Debt Service Fund, total operating funds cash was $198.8 million, or 14.4% of operating revenues.

Debt and Pensions: Slightly Elevated Debt Burden Relative to Peers Typical for High Growth City; Outsized Pension Liability

With considerable infrastructure needs, we expect the city's debt burden to increase in the near term. The city maintains a debt policy which stipulates a maximum debt burden of 4% of the estimated market value of taxable property in the city. The city has typically had a debt burden consistent with the nation and around 2% of the full assessed valuation. Based on the needs of the pension systems as well as other general capital plans, the debt burden may increase the next few years, though no debt plans have been disclosed. Presently, the city's outstanding general obligation debt totals $1.77 billion, approximately $1.6 billion of which is rated by Moody's. This includes $198 million in pension obligation bonds which are invested in the Employee Retirement Fund (ERF) assets. The city has $437.3 million of authorized but unissued debt, and may seek voter approval for another bond package in the $600-$700 million range within the next 12 months.

In addition to the general obligation debt, the city has moral obligations related to debt issued by the Dallas Convention Center Hotel Development Corporation and the Downtown Dallas Development Authority. The total par amount of debt outstanding related to moral obligation is approximately $543 million. The 2009 convention center bonds are largely supported by operating revenues, and city and state hotel occupancy tax revenues, among others. Debt service coverage is nearly 1.4 times based on MADS. The 2006 and 2007 tax increment contract revenue bonds issued by the Development Authority are completely supported by incremental property tax revenues generated from the Downtown Connection TIF. The TIF currently carries out further economic development activity via a grant structure for developers with approved projects within the TIF district. TIF revenues provide healthy revenue coverage to bondholders at 2.0 times MADS. Excess revenues then cascade to approved grant projects for developers with ongoing projects (and developer agreements with the city) in the TIF. The city has not forwarded funds to support corporation or authority debt as both are self-supporting, is not required to do so, but legally may in the future in the form of loans or grants, and has in the past stated their support for the projects in the respective official statements.

DEBT STRUCTURE

All of the city's debt is fixed rate. Principal repayment is comparable to national medians with approximately 75% retired within ten years. The city is not a party to any derivative agreements. Debt service costs as of fiscal 2015 were $250 million, representing a hefty 18.2% of 2015 operating revenues. Debt service as a percent of revenues has been decreasing slightly over the past five years from 22.4% in fiscal 2010, but could increase again depending on future debt plans as discussed. With the growth in the tax base and the strong likelihood of the city to issue additional debt for ongoing capital needs, we believe the annual debt service costs as a percent of operating revenues would remain in line with historic levels.

DEBT-RELATED DERIVATIVES

The city is not a party to any derivative agreements.

PENSIONS AND OPEB

The city's growing unfunded pension liabilities and potential plan insolvency over the medium term, particularly associated with the Police and Fire Pension Plan, represent the primary driver behind the downgrade of the city's GOLT rating. In addition to multiple years of underfunding the actuarially determined contribution due to statutory maximums, poor investment returns and asset write-downs in the city's public safety pension system, and additional pension system liquidity challenges rooted in the Deferred Retirement Option Plan ("DROP") have exacerbated the city's pension challenge.

The city participates in three single-employer systems: the Employees' Retirement Fund (ERF), the Police and Fire Pension Fund (P&FF) and the Supplemental Police and Fire Pension Plan. Contribution rates for the systems are set by ordinances or statutes. The ERF and the P&FF are managed by separate boards, both of which have minority representation from the city. Absent major reforms, cash, or both, the P&FF's actuaries project the plan will be insolvent by 2030; sooner if investment returns are not improved. Moody's projects that based on DROP withdrawals as reported through October 2016, insolvency is brought in to approximately ten years, even sooner assuming additional withdrawals that have reportedly occurred since October. If the P&FF were to become insolvent, the impact to the budget would be significant. The ERF maintains a better funded position, but contribution caps and poor returns mean the unfunded liability is not being amortized. As discussed in Recent Developments, city voters approved ERF pension benefit changes for new employees starting January 2017. The new tier of benefits will reduce the pace at which future pension liabilities are accrued.

Moody's Adjusted Net Pension Liability ("ANPL") for the city's combined plans, net of support from the water utility, is $7.6 billion, or 5.5 times 2015 operating revenues, and 6.8% of the most recent fiscal 2017 assessed value. Nearly 75% of the ANPL is associated with the public safety plan. The ANPL of the city is significantly elevated relative to peers. Moody's ANPL reflects certain adjustments we make to improve the comparability of reported pension liabilities. The adjustments are not intended to replace the city's reported contribution information, or the reported liability information of the plans, but to improve comparability with other rated entities.

The unfunded liability of the P&FF has increased dramatically in the past several years due to the write down of illiquid real estate investments that represented a significant portion of the plan's overall investment portfolio. The P&FF board has adjusted the target asset mix to include more liquid investments and less exposure to real estate and natural resources, which represent over 42% of the assets as of the 2015 valuation report. The board-approved goal, as of March 2016, is to reduce this exposure to 25% by the end of 2018, however, they estimate it will take more than three years to fully adjust the asset mix.

As of the P&FF's most recent actuarial valuation, the fund's assets fell to $2.7 billion versus reported liabilities of $5.9 billion, using a 7.25% discount rate. Liabilities under new public pension accounting standards, based on a 3.95% discount rate, were $9.5 billion. Additionally, the fund currently exhibits negative cash flows, with benefit payments and expenses exceeding contributions by $159 million in 2015, roughly 5% of assets at the beginning of the year. In the current year, approximately $350 million, roughly 15% of the assets as of the October quarterly investment report, is estimated to have been withdrawn by retired officers from DROP accounts. Current estimates are that $500 million has been withdrawn through Novmeber. While withdrawals also reduce long term liabilities by a commensurate amount, well over a third of the plan's assets are currently illiquid. DROP accounts represent a little over half of assets, and until December 8, 2016, could be legally be withdrawn on demand by DROP members. DROP allows employees to stop accruing additional pension benefits while deferring retirement and continuing to work. Employees in the program receive their normal salary while also receiving pension checks, which are placed into a DROP account. Employees are guaranteed a specific rate of return on their DROP balance, regardless of the fund's investment performance.

The Supplemental P&FF is not subject to statutory caps and is much more narrow in scope, covering a small 124 retired members/ beneficiaries and 45 active members. For both the P&FF and the ERF, the city is contributing up to the maximums allowed under state law or city ordinance, respectively. However, P&FF is subject to a rolling cap on the city's contribution (currently at 27.5% of payroll, pending an increase to 28.5% depending upon the vote of the members) which is correlated to the rate for employee contributions, currently at 8.5%, or 4% for those participating in the DROP program. Based on the most recent valuation report, the actuary recommends an increase to combined employee and employer contributions to 72.7% of computational pay just to meet a 40 year amortization of the unfunded liability. Amortizing unfunded liabilities over such a long-term period as a level percentage of payroll far exceeds average expected working lifetimes of active employees and produces years of negative amortization, growing the unfunded liability even if all assumptions are met, for the foreseeable future.

The ERF contribution is shared between the city and its employees, which contribute 37% and 63%, respectively, of the total annual contribution amount. The total shared contribution to ERF is capped at 36% of payroll and includes the contribution rate associated with the debt service payments on the outstanding pension obligation bonds. The actuary recommends an increase to contributions to 42.54% just to meet a 30 year amortization of this unfunded liability.

While the ERF is aided by the new tier of benefits passed by voters in November, significant benefit reforms and adjustments to caps on contributions for the city's police and fire plan, are required to avoid insolvency of the fund. Favorably, judicial precedent in Texas suggests that issuers have legal flexibility to implement reforms, specifically with respect to future benefits of current employees and cost-of-living adjustments. The P&FF board has already made some changes, and the most impactful include reductions to the guaranteed DROP interest rate. The P&FF plan as of September 8, 2016 includes a reduction in the guaranteed earnings rate on DROP accounts to 6% effective October 2016, then 5% beginning October 2017, and after October 2018 earnings will be tied to the reported funded ratio of the plan, with a rate of 0% if the funded ratio is less than 55%. A pending case with the Texas court of appeals is considering a lower court ruling that certain DROP benefits are not constitutionally protected, which if upheld, would support this change.

Presently, a number of benefit changes are being voted on by the membership which would reduce long term liabilities. Based on the city's December 7, 2016 reform plan, additional proposed reforms would overhaul the current governing statute and would increase contributions beyond the current caps for the city and members, bring COLAs in line with CPI or capped at 2%, eliminate the medical benefit supplement, and make significant adjustments to the DROP program, including already accrued interest in DROP accounts, and adjust the accrual rates and final salary multipliers. With actuarial assumptions and the proposed reforms, the city projects the unfunded liability will be amortized in thirty years. Moody's will be continuing to assess the city's proposal over the rating review period, most notably as it relates to current legal precedence set in other states and cases related to pension reforms.

Management and Governance

Texas cities have an institutional framework score of "Aa," or strong. Cities rely on stable property taxes for 30% -40% of their operating revenues, while 25%-35% comes from economically sensitive sales taxes, resulting in moderate predictability overall. Cities maintain moderate flexibility under the state-mandated cap ($25 per $1,000 of AV, with no more than $15 for debt) to raise property taxes as most cities are well below the cap. Expenditures primarily consist of personnel costs, which are highly predictable. Cities have high flexibility to reduce expenditures given no union presence.

The city of Dallas is managed by a sophisticated team that has produced strong operating results for the city within legal limitations, most notably as it relates to caps to contributions to the city's pension plans. The city has been, and continues to, experience senior level management changes, including a new Chief Financial Officer, retirement of the Police Chief, and the City Manager in early 2017. Dallas is among few large cities operated under a council-manager form of government, as opposed to a strong mayor form of government that is seen in many large cities nationally.

Legal Security

The general obligation limited tax bonds constitute direct and general obligations of the city, payable from the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property located within the city.

Use of Proceeds

Not applicable.

Obligor Profile

The city of Dallas is the ninth largest city in the US and third largest in Texas behind Houston and San Antonio. The city serves as the anchor city to the DFW metroplex. The current population in Dallas is approximately 1.3 million.

Methodology

The principal methodology used in the general obligation rating was US Local Government General Obligation Debt published in January 2014. The methodologies used in the hotel revenue bonds were Lease, Appropriation, Moral Obligation and Comparable Debt of US State and Local Governments published in July 2016 and US Public Finance Special Tax Methodology published in January 2014. The methodologies used in the tax increment debt were Lease, Appropriation, Moral Obligation and Comparable Debt of US State and Local Governments published in July 2016 and Tax Increment Debt published in June 2015. The principal methodology used in the Civic Center Convention Complex Bonds was US Public Finance Special Tax Methodology published in January 2014. The principal methodology used in the Waterworks and Sewer debt was US Municipal Utility Revenue Debt published in December 2014. Please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

Endnotes

1 For a detailed credit analysis of the non GOLT securities please see the reports dated October 14 and October 18, 2016.

REPORT NUMBER 1052752

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S&P Global
Ratings

RatingsDirect®

Dallas 'AA' GO Debt Ratings Placed On Watch Neg On Concern Over Pension Liabilities

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DALLAS (S&P Global Ratings) Dec. 9, 2016--S&P Global Ratings has placed its 'AA' long-term rating and underlying rating (SPUR) rating on Dallas on CreditWatch with negative implications.

"The action reflects the challenges the city faces with regard to its rising pension liabilities and the lack of a plan with a clear path to resolution which will require approval from several levels of government to address them in the immediate term," said S&P Global Ratings credit analyst Andy Hobbs.

In addition, S&P Global Ratings has placed its 'A' moral obligation rating on Dallas on CreditWatch with negative implications. The moral obligation ratings are associated with debt related to the Dallas Convention Center Hotel Development Corp. and the Downtown Dallas Development Corp. The CreditWatch placement indicates that there is a one-in-two likelihood that we could lower the rating and/or revise the outlook on the bonds within the next 90 days.

Recent weakness in plan funding is exacerbated by over $500 million in deferred retirement funds that have been withdrawn from the plan since August 2016; these withdrawals were made by members through a deferred retirement option plan program. Adding complexity to the challenge facing the city, the pension system is governed by state law and not city ordinance, which makes plan changes more difficult as it includes stipulations such as a state-defined maximum cap on contributions.

The city recently presented a briefing on challenges and potential remedies associated with the Police and Fire Pension System through as well as pay and staffing adjustments. To date, a clear strategy to address the pension plan's growing liability has not yet been determined nor agreed upon. In our view, the liability will create near-term budgetary challenges. As such, to resolve the CreditWatch placement, S&P Global Ratings will examine the city's near-term and longer-term strategy to improve the funding status of the pension plan, as well as how future pension funding plans will affect financial operations and capital spending. A lack of a clear plan to address the growing pension liability or near-term budgetary challenges as a result of negative impacts from the city's pension liability could have negative implications on the general obligation (GO) and moral obligation ratings or outlook. We expect to resolve the CreditWatch status within 90 days.

For more information on Dallas, please see the summary analysis published Nov. 4, 2015, on RatingsDirect.

Memorandum

CITY OF DALLAS

DATE December 9, 2016

TO The Honorable Mayor and Members of the City Council

SUBJECT Love Field Airport Modernization Corporation, General Airport Revenue Bonds, Series 2017 – Sale Results

On November 9, 2016, the City Council approved a bond resolution authorizing Love Field Airport Modernization Corporation (LFAMC) the authority to issue up to $131,000,000 of General Airport Revenue Bonds, Series 2017, to complete construction of a 5,000 space parking garage and related improvements to increase public parking capacity at Love Field.

We included preliminary estimates for the sale in a briefing to the Budget, Finance, & Audit Committee on October 17. Prior to the issuance of the bonds, the City was assigned ratings of A1 from Moody's, A from Standard & Poor's, and A from Fitch.

This memo provides the results of the December 8 sale. Municipal bond market conditions improved from previous weeks, and demand for the bonds was high. The true interest cost for the bond sale is 3.84%, a slight increase from the 3.79% received at the initial sale of the bonds for construction of the parking garage in July, 2015.

Please contact me if you require additional information.

M. Elizabeth Reich

M. Elizabeth Reich
Chief Financial Officer

C: A.C. Gonzalez, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Memorandum

CITY OF DALLAS

DATE December 9, 2016

TO Honorable Mayor and Members of the City Council

SUBJECT **December 14, 2016 Council Agenda – a public hearing and final adoption of proposed changes to the City of Dallas Citizen Participation Plan for HUD grants**

There is an upcoming public hearing on your December 14 Council agenda, intended to allow members of the public to provide feedback on changes to the City of Dallas' Citizen Participation Plan for the U.S. Department of Housing and Urban Development (HUD) Grants. At the close of the public hearing we are requesting your consideration of approval of the changes.

As background, on Monday, October 17, City staff briefed the Housing Committee on the Regional Assessment of Fair Housing. During that meeting, staff discussed proposed amendments to the City's Citizen Participation Plan (CPP) to incorporate HUD rules relating to the new Assessment of Fair Housing. HUD requires the CPP for communities that receive Consolidated Plan grant funds (CDBG, ESG, HOME, and HOPWA). The CPP details the City's communication plan to provide for and encourage citizen involvement. As requested, we distributed a copy of the current Citizen Participation Plan, and followed up by distributing the proposed CPP on October 28. On November 9, Council authorized a public hearing and final adoption to be held on December 14.

If you have any questions or need further information, please do not hesitate to contact me.

M. Elizabeth Reich

M. Elizabeth Reich
Chief Financial Officer

c: A.C. Gonzalez, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager - Mayor & Council

Memorandum

CITY OF DALLAS

DATE: December 9, 2016

TO: Honorable Mayor and Members of the City Council

SUBJECT: **Graduation Ceremony for Dallas Police Recruit Class #351**

You are cordially invited to attend the graduation of Recruit Class #351 on Friday, December 16, 2016, at 2:00 p.m. The ceremony will be held at the Hall of State at Fair Park at 3939 Grand Avenue, Dallas, Texas 75210.

At 2:00 p.m., you and stage participants will walk onto the stage to begin the ceremony. All attending City Council Members will be recognized at this time.

Please have your staff contact Sergeant Lisette Rivera, #7947 at (214) 670-4811 and/or by email at lisette.rivera@dpd.ci.dallas.tx.us to RSVP by Monday, December 12, 2016.

Thank you for your participation. Please advise if you need further information.

Eric D. Campbell

Eric D. Campbell
Assistant City Manager

cc: A.C. Gonzalez, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council
Interim Police Chief David Pughes, Dallas Police Department

Memorandum

CITY OF DALLAS

DATE December 9, 2016

TO Honorable Mayor and Members of the City Council

SUBJECT Upcoming Agenda Item: Smart City Technology Donation

The December 14, 2016 Council Agenda will include an item to authorize the acceptance of a Smart City technology donation from DallasEC, dba Dallas Innovation Alliance (DIA) for a period of twelve months, at no cost consideration to the City.

This donation will allow DIA to install Smart City technology throughout the City, primarily in the West End. The Smart City technology includes, but is not limited to, street lights, waste receptacles with Wi-Fi hotspots, electric vehicle charging stations, digital kiosks, among other technology centered elements. Adoption of smart technology will improve public safety, grow business, drive sustainability and make Dallas a better place to live, work and play.

Through this donation agreement, technology hardware, software and technical support will be made available. These donated items and their services will be provided at no charge to the City; additionally, the City will not receive funds in connection to this initiative.

Please contact Bill Finch at 670-1890 if you have any questions.

Mark McDaniel
Assistant City Manager

c: A.C. Gonzalez, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Memorandum

CITY OF DALLAS

DATE December 9, 2016

TO Honorable Mayor and Members of the City Council

SUBJECT Addendum Item #5 - Regional Assessment of Fair Housing

On December 14th you will be asked to approve Addendum Item 5 – Regional Assessment of Fair Housing. Your authorization is being requested for the City of Dallas to join with 21 other jurisdictions in the region to develop a Regional Assessment of Fair Housing (AFH) with the City of Dallas serving as the lead agency. The AFH is a HUD requirement for all jurisdictions that receive federal entitlement funds. This assessment is required to be done prior to the development of the next five (5) year consolidated plan. HUD encourages jurisdictions in the same region to collaborate in developing the AFH. The total cost of the AFH is $734,430.

The City of Dallas is also required under the Voluntary Compliance Agreement (VCA) to work with neighboring jurisdictions with the goal of developing a regional housing plan. Your approval is also requested to approve an inter-local agreement with the University of Texas at Arlington to conduct the study.

A portion of the cost of the AFH will be paid by each jurisdiction. The FY 16-17 approved budget contained $200,000 for the AFH and an additional $44,203 in grant funds will be utilized to pay the City of Dallas portion. Participants and terms could not be confirmed in time to make the posting deadline for the regular agenda. However, firm timelines to comply with HUD regulations require that this item move forward.

Please let me know if additional information is needed.

Alan E. Sims
Chief of Neighborhood Plus

c: A.C. Gonzalez, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Memorandum

CITY OF DALLAS

DATE December 9, 2016

TO Honorable Mayor and Members of the City Council

SUBJECT **Correction to the Chalk Hill Trail Amendment No. 1 – 12/14/16 Council Agenda**

For clarity, the City Attorney's Office made revisions to the wording in the Council Resolution for Agenda Item #34 Amendment No. 1 to the Interlocal Agreement with Dallas County for the Chalk Hill Trail.

Willis C. Winters, FAIA, Director
Park and Recreation Department

c: A.C. Gonzalez, City Manager
Larry E. Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Elizabeth Reich, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

REVISED AGENDA ITEM # 34

KEY FOCUS AREA:	Culture, Arts and Recreation and Educational Enhancements
AGENDA DATE:	December 14, 2016
COUNCIL DISTRICT(S):	1, 3, 6
DEPARTMENT:	Park & Recreation
CMO:	Willis Winters, 670-4071
MAPSCO:	52C G H L M Q R V 53S T

SUBJECT

Authorize Amendment No. 1 to the Interlocal Agreement with Dallas County for the purpose of environmental testing, design, and remediation of the Chalk Hill Trail located at Chalk Hill Road to South Westmoreland Road – Not to exceed $320,000, from $100,000 to $420,000 - Financing: 2006 Bond Funds

BACKGROUND

The City of Dallas and Dallas County are partnering to develop the 3.7-mile Chalk Hill Trail from Chalk Hill Road to South Westmoreland Road. The Interlocal Agreement consists of design and construction of a hike and bike trail. The City's financial commitment to the project includes land acquisition and environmental costs.

After performing Level II Site Investigation activities of the trail corridor, the consultant Halff Associates, Inc., identified soils with elevated constituents of concern. As a result, the site was entered into the Voluntary Cleanup Program (VCP) with the Texas Commission on Environmental Quality and was assigned VCP ID Number 2743. Additional costs are required for testing, design, and remediation per the VCP for closure before construction can begin. After closure, the site will meet residential levels for constituents of concern as required for parkland use.

This action authorizes an amendment to the Interlocal Agreement to increase the City's financial commitment to environmental work and remediation from $100,000 to a total of $420,000, for an increase of $320,000.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 19, 2014, the Park and Recreation Board authorized an Interlocal Agreement with Dallas County for design and construction of the Chalk Hill Trail.

City Council authorized an Interlocal Agreement with Dallas County for design and construction of the Chalk Hill Trail on June 25, 2014, by Resolution No. 14-1004.

On November 3, 2016, the Park and Recreation Board authorized Amendment No. 1 to the Interlocal Agreement.

Information about this item will be provided to the Quality of Life & Environment Committee on December 12, 2016.

FISCAL INFORMATION

2006 Bond Funds - $320,000

Interlocal Agreement	$100,000
Amendment No. 1	$320,000
Total	$420,000

Council District	Amount
1	$32,000
3	$32,000
6	$256,000
Total	$320,000

MAP

Attached.

December 14, 2016

WHEREAS, the Chapter 791 of the Texas Government Code and Texas Transportation Code Article 251 provides authorization for local governments to contract with each other for the performance of governmental functions and services, and joint funding of transportation projects; and

WHEREAS, on June 25, 2014, Resolution No. 14-1004 authorized an Interlocal Agreement between the City of Dallas ("City") and ~~with~~ Dallas County ("County") for the development of Chalk Hill Trail from Chalk Hill Road to South Westmoreland Road in an amount not to exceed $100,000 (Dallas County Commissioners Court Order 2014-0354); and

WHEREAS, upon completion of construction and acceptance of the project by the ~~Director of Park and Recreation~~ City, through its Park and Recreation Department, the City ~~of Dallas~~ shall take ownership and be responsible for operating and maintaining the ~~project~~Project as a public recreational facility for no less than twenty-five years after consummation of the Agreement by both parties; and

WHEREAS, it is now necessary to amend the Interlocal Agreement for the development of Chalk Hill Trail to increase the City's financial commitment to environmental work and remediation, as required by the Voluntary Cleanup Program (VCP) with the Texas Commission on Environmental Quality for closure before construction can begin, in an amount not to exceed $320,000.00; and~~.~~

WHEREAS, as a result of the increase in the City's financial commitment to environmental work and remediation, it is also necessary to amend the ILA to decrease the City's contribution toward land acquisition to support this Project, through its 2006 Bond Program, from approximately 2.5 million dollars to approximately two million one hundred and eighty thousand dollars $2,180,000.00.

Now, Therefore,

BE IT RESOLVED BY THE PARK AND RECREATION BOARD AND THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the President of the Park and Recreation Board and the City Manager are hereby authorized to enter into Amendment No. 1 to the Interlocal Agreement with Dallas County for payment to Dallas County for the City's commitment to additional environmental costs not to exceed $320,000.00 as required by the VCP for closure before construction can begin, after it has been approved as to form by the City Attorney.

SECTION 2. That the Chief Financial Officer is hereby authorized to disburse funds in accordance with the terms and conditions of the agreement as follows:

(2006) Park and Recreation Facilities Improvement Fund Fund 7T00, Department PKR, Unit T038, Activity PKLA Object 3070, Program PK06T038, Commodity 92500 CT-PKR14019457, Vendor 014003	$120,000
(2006) Park and Recreation Facilities Improvement Fund Fund 2T00, Department PKR, Unit T038, Activity PKLA Object 3070, Program PK06T038, Commodity 92500 CT-PKR14019457, Vendor 014003	$200,000
Total not to exceed	$320,000

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.

Memorandum

City of Dallas

DATE December 9, 2016

TO Honorable Members of the Arts, Culture & Libraries Committee:
Monica R. Alonzo (Chair), Mark Clayton (Vice-Chair), Carolyn King Arnold, Jennifer Staubach Gates, Scott Griggs, Deputy Mayor Pro Tem Erik Wilson

SUBJECT Addendum Item 16 on December 14, 2016 Council Agenda: Resolution Authorizing Continued Provision of Cultural Services by Fair Park-Based Organizations Pending Results of RFP Process

On December 14, 2016, an item will be presented for City Council consideration to authorize amendments to the Office of Cultural Affairs' annual Cultural Services Contracts with the Dallas Historical Society, DSM Management Group, Inc., Perot Museum of Nature & Science, and the Museum of African American Life and Culture. The contract amendments will extend the term of the agreements through September 30, 2017, increase the amount of the contracts to provide the full year's cultural funding, and add assignment provisions in order to transfer the obligations of the agreements upon execution of a management agreement for Fair Park. The original agreements, approved by Council on October 26, 2016, by Resolution No. 16-1749, provided contract terms and funding only through December 31, 2016, due to previous anticipation of a management agreement for Fair Park becoming effective on January 1, 2017.

The Cultural Services Contracts program guidelines, eligibility and peer review processes were established by the City's Cultural Policy, as amended, which was adopted by City Council on November 13, 2002. Applications are evaluated and scored by public peer review panels, and reviewed by the Allocations Committee of the Cultural Affairs Commission, which culminates in funding level recommendations by the Cultural Affairs Commission for consideration and approval by City Council annually. The program provides operating support to established non-profit cultural organizations to support an array of programs that include concerts, plays, exhibitions, performances, workshops, and other cultural services over a twelve-month period.

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

Joey Zapata
Assistant City Manager

cc: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Elizabeth Reich, Chief Financial Officer
Elsa Cantu, Assistant to the City Manager
Sana Syed, Public Information Officer
Willis Winters, Park and Recreation Director
John Jenkins, Assistant Director, Park and Recreation
Jack Ireland, Director of Financial Services

ADDENDUM ITEM # 16

KEY FOCUS AREA: Culture, Arts and Recreation and Educational Enhancements

AGENDA DATE: December 14, 2016

COUNCIL DISTRICT(S): 7

DEPARTMENT: Office of Cultural Affairs
Park & Recreation

CMO: Joey Zapata, 670-1204
Willis Winters, 670-4071

MAPSCO: 46-P

SUBJECT

Authorize the continued provision of cultural services to the City by Fair Park-based organizations pending the results of a procurement process for management of Fair Park for Fiscal Year 2016-17 **(1)** an increase in the contract with the Dallas Historical Society for continued cultural programming in an amount not to exceed $50,586, from $16,886 to $67,472, and to extend the term of the contract through September 30, 2017; **(2)** an increase in the contract with DSM Management Group, Inc for continued cultural programming in an amount not to exceed $217,500, from $72,500 to $290,000, and to extend the term of the contract through September 30, 2017; **(3)** an increase in the contract with the Perot Museum of Nature & Science for continued cultural programming in an amount not to exceed $14,852, from $770,926 to $785,778, and to extend the term of the contract through September 30, 2017; and **(4)** an increase in the contract with the Museum of African American Life and Culture for continued cultural programming in an amount not to exceed $58,050, from $19,350 to $77,400, and to extend the term of the contract through September 30, 2017 - Total not to exceed $340,988, from $879,662 to $1,220,650 - Financing: Current Funds

BACKGROUND

On October 26, 2016, by Resolution No. 16-1749, the City Council authorized the City Manager to execute contracts for cultural services through the Cultural Services Contracts Program for FY 2016-17. The contract term for cultural organizations operating facilities at Fair Park was October 1, 2016 through December 31, 2016, due to the previously anticipated management agreement for Fair Park beginning on January 1, 2017. This action extends the terms of those agreements through September 30, 2017, and adds funding for the duration of the fiscal year. In the event a management agreement becomes effective prior to September 30, 2017, assignment clauses will also be included in the contract amendments.

This item is on the addendum because additional review time was required to determine revised cultural funding levels.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 26, 2016, the City Council approved Resolution No. 16-1749, authorizing contracts with cultural organizations for the provision of services to the City through the Cultural Services Contracts Program for FY 2016-17.

FISCAL INFORMATION

$340,988 - Current Funds

ETHNIC COMPOSITION

Staff

Dallas Historical Society

African American Male	0	African American Female	1
White Male	1	White Female	5
Hispanic Female	2		

DSM Management Group, Inc.

African American Male	0	African American Female	2
White Male	24	White Female	16

Perot Museum of Nature & Science

African American Male	5	African American Female	19
Asian American Male	1	Asian American Female	6
Hispanic Male	23	Hispanic Female	46
White Male	62	White Female	138
Pacific Islander Male	2	Pacific Islander Female	6

Museum of African American Life and Culture

African American Male	4	African American Female	6
Hispanic Male	0	Hispanic Female	0
White Male	0	White Female	0

ETHNIC COMPOSITION (Continued)

Board

Dallas Historical Society

African American Male	2	African American Female	2
Hispanic Male	0	Hispanic Female	2
White Male	19	White Female	19
Asian American Male	1		

DSM Management Group, Inc.

African American Male	6	African American Female	6
Hispanic Male	3	Hispanic Female	7
White Male	52	White Female	66

Perot Museum of Nature & Science

African American Male	1	African American Female	1
White Male	16	White Female	10
Hispanic Male	1		

Museum of African American Life and Culture

African American Male	22	African American Female	25
Native Hawaiian Male	1		
White Male	1		

OWNERS

Dallas Historical Society

Margaret Keliher, Chair

DSM Management Group, Inc.

Laura Estrada, Co-Chair
Jane Schone, Co-Chair

Perot Museum of Nature & Science

John Jaggers, Chair

OWNERS (Continued)

Museum of African American Life and Culture

Wright L. Lassiter, Jr., President

December 14, 2016

WHEREAS, on October 26, 2016, by Resolution 16-1749, the City Council authorized the City Manager to execute contracts for cultural services through the Cultural Services Contract Program for FY 2016-17; and

WHEREAS, the effective period for contracts with cultural organizations operating City-owned facilities at Fair Park was for October 1, 2016 through December 31, 2016 due to anticipation of a management agreement for Fair Park becoming effective on January 1, 2017; and

WHEREAS, operation of Fair Park will now remain under City management beyond January 1, 2017 for an undetermined period of time; and

WHEREAS, it is necessary to extend the term of the agreements and allocate additional funding to cultural organizations at Fair Park for services through September 30, 2017.

Now, Therefore,

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

Section 1. That, following approval as to form by the City Attorney, the City Manager is hereby authorized to execute amendments to the contracts with the Dallas Historical Society, DSM Management Group, Inc, the Perot Museum of Nature & Science, and the Museum of African American Life and Culture to extend the term of the agreements through September 30, 2017, increase the amount of the contracts, and add assignment clauses.

Section 2. That the Chief Financial Officer is authorized to disburse, in periodic payments, an amount not to exceed $340,988 from Fund 0001, Dept PKR, as invoices are processed by the Office of Cultural Affairs, in the amounts indicated below:

Organization	Amount	Encumbrance	Vendor	Unit	Object
Dallas Historical Society	$50,586	PKR17B020	126319	5206	3089
DSM Management Group, Inc.	$217,500	PKR17B021	VS0000049924	5206	3099
Perot Museum of Nature & Science	$14,852	PKR17B022	263880	5206	3089
Museum of African American Life and Culture	$58,050	PKR17B023	219251	5206	3089
TOTAL	**$340,988**				

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.

Memorandum

CITY OF DALLAS

DATE: December 9, 2016

TO: Honorable Mayor and Members of the City Council

SUBJECT: **City License Applications**

Attached is a list of the most recent Dance Hall and/or Sexual Oriented Business applications received for the week of November 28 – December 2, 2016 by the Narcotics Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact Sergeant Lisette Rivera, #7947 at (214) 670-4811 and/or by email at lisette.rivera@dpd.ci.dallas.tx.us should you need further information.

Eric D. Campbell

Eric D. Campbell
Assistant City Manager

[Attachment]

cc: A.C. Gonzalez, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council
Interim Police Chief David Pughes, Dallas Police Department

Weekly License Application Report

November 28, 2016 - December 02, 2016

BEAT	DIST.	NAME OF BUSINESS	ADDRESS		LICENSE	STATUS	LATE HOUR	DATE	APPLICANT
552	6	TO BE DETERMINED	1880	RYAN ROAD	SOB-CABARET	RENEWAL	NO	12/2/2016	BRIGGS, TYLER
534	6	EL CRISTAL BAR	10523	HARRY HINES BOULEVARD	DH-CLASS A	RENEWAL	NO	12/2/2016	VILLALPANDO, ANDRES

License Definitions:

DH - Class "A" -Dance Hall - Dancing Permitted 3 Days Or More A Week
DH - Class "B" Dance Hall - Dancing Permitted Less Than Three Days a Week
DH - Class "C"Dance Hall - Dancing Scheduled One Day At A Time
DH - Class "E" Dance Hall - Dancing Permitted Seven Days A Week for Persons Age 14 through Age 18 Only
LH - Late Hours Permit - Can Operate A Dance Hall Until 4:00
BH - Billiard Hall - Billiards Are Played
SOB - Sexually Oriented Business - Adult Arcade / Adult Book/Video Store / Adult Cabaret / Adult Adult Theater / Escort Agency / Nude Model Studio