

February 12, 2025

**WHEREAS**, the City of Dallas ("City") recognizes the importance of its role in local economic development and supporting small business enterprises; and

**WHEREAS**, the South Dallas/Fair Park Opportunity Fund was established by City Council in 1989 to support projects its service area, including providing loans and grants to promote economic development projects that create new jobs, retain existing jobs, or increase the service area tax base as well as grants that support human development initiatives in the neighborhoods surrounding Fair Park; and

**WHEREAS**, on April 12, 2023, by Resolution No. 23-0499, in consideration of the 1708 MLK Redevelopment Project ("Project") proposed for the property addressed as 1708 Martin Luther King, Jr. Boulevard, City Council authorized a Chapter 380 economic development loan agreement and a Chapter 380 economic development grant agreement (collectively, the "Agreement") with Shekinah Legacy Holdings, LLC ("Borrower/Grantee") specifically including (1) a Chapter 380 economic development grant in an amount not to exceed \$200,000.00 and (2) a Chapter 380 economic development loan in an amount not to exceed \$450,000.00; and

**WHEREAS**, the Agreement was conditioned upon Borrower/Grantee's redevelopment and improvement of a vacant and dilapidated 1,085 square foot one-story building (circa 1970) into an approximately 5,000 square foot two-story building that will include business offices and a coffee shop; and

**WHEREAS**, the loan agreement was subsequently executed by all parties on August 2, 2023, and the grant agreement was executed by all parties on August 4, 2023; and

**WHEREAS**, with the Project having suffered from construction delays, third-party funding delays, and other changes, Borrower/Grantee is behind on monthly loan payments (totaling approximately \$28,958); however, Borrower/Grantee has made the last three monthly payments on time; and

**WHEREAS**, due to construction delays, third-party funding delays, and other changes, the Borrower/Grantee submitted a request to City staff to amend the Agreement; and

**WHEREAS**, the additional consideration to the City for the amendments requested by the Borrower/Grantee is a reduction in the loan term from a 15-year period to a 2-year period which commences upon execution of the amended and restated Agreement; and

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**WHEREAS**, the Board of Directors of the South Dallas/Fair Park Opportunity Fund was briefed on January 27, 2025, regarding the proposed amendment and restatement of the Agreement and unanimously recommended City Council approval.

**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 amend the Chapter 380 economic development loan agreement and the Chapter 380 economic development grant agreement with Shekinah Legacy Holdings, LLC ("Borrower/Grantee") previously authorized by City Council on April 12, 2023 by Resolution No. 23-0499 related to the 1708 MLK Redevelopment Project ("Project") proposed for the property addressed as 1708 Martin Luther King, Jr. Boulevard, is amended and restated to specifically include the following: **(1)** amend the Project completion deadlines; **(2)** clarify the minimum investment requirement; **(3)** clarify the Project scope; **(4)** clarify the requirements for grant payment; **(5)** amend the date by which the facility is opened to the public; **(6)** remove the job creation requirement from the loan agreement and add a job creation requirement of 10 jobs to the grant agreement; **(7)** amend the loan payment schedule to reflect forbearance of certain loan payments as attached in **Exhibit A**; **(8)** replace all references to "Small Business Center" with "Office of Economic Development", with these changes more fully described in **Exhibit B**; and in consideration, **(9)** reduce the term of the loan from 15 years to 2 years, approved as to form by the City Attorney.

**SECTION 3.** That the loan payment schedule shall be amended to reflect forbearance for the missed loan payments but with those loan payments being due at loan maturity.

**SECTION 4.** That the City will not subordinate its loan until completion of the Project improvements and occupancy of the building has been met to the satisfaction of the City.

**SECTION 5.** That this Resolution 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.