



Legislation Text

File #: 23-415, Version: 1

STRATEGIC PRIORITY: Economic Development
AGENDA DATE: March 8, 2023
COUNCIL DISTRICT(S): 7
DEPARTMENT: Small Business Center Department
EXECUTIVE: Kimberly Bizer Tolbert

SUBJECT

Authorize **(1)** a Conditional Chapter 380 Economic Development Loan Agreement with Shekinah Legacy Holdings, LLC (Borrower/Recipient) in an amount not to exceed \$520,000.00 sourced with the South Dallas/Fair Park Opportunity Fund; and **(2)** a Chapter 380 Conditional Grant Agreement with Developer in an amount not to exceed \$200,000.00 sourced with the Southern Dallas Investment Fund, for capital improvements and construction costs related to the renovation/restoration of a vacant unimproved building located at 1708 Martin Luther King Jr. Blvd. Dallas, Texas - Total amount not to exceed \$720,000.00 - Financing: SBC South Dallas Fair Park Opportunity Fund (\$520,000.00) and ECO (I) Fund (2017 General Obligation Bond Fund) (\$200,000.00)

BACKGROUND

The purpose of the South Dallas/Fair Park Opportunity Fund (Opportunity Fund) as authorized by City Council Resolution No. 18-0922 and Ordinance No. 30905 on June 27, 2018, is to provide loans and grants to promote economic development and support human development initiatives in neighborhoods surrounding Fair Park (service area). Loans or grants are available to support businesses or entities located within, relocating to, or serving a population of which at least 90% are residents of specific census tracts (SDFPOF community). Under the Economic Development program, a project is eligible for funding if it demonstrates that project funding will result in new job creation, job retention, or an increase in the service area tax base. Funding for economic development projects may be provided as a loan, or a combination of a loan and grant payment, provided that the grant payment does not exceed 25% of the total award amount.

The purpose of the Southern Dallas Investment Fund (Investment Fund) as authorized by City Council Resolution No. 19-0803 on May 22, 2019, is to promote local economic development of small businesses in southern Dallas including areas south of I-30 and or the Trinity River in conformance with Chapter 380 of the Texas Local Government Code. The Investment Fund may be used to stimulate business and commercial activity in southern Dallas by supporting small business growth in southern Dallas.

Shekinah Legacy Holdings, LLC (SLH) is an established real estate brokerage, development, and construction company with plans to relocate SLH headquarters to the SDFP area.

SLH has entered into a contract to purchase and to make capital improvements to rehab an existing 7,280 square foot vacant blighted 2-story building (formerly known as the Forest Theater) located on the northeast corner of Martin Luther King Jr. Blvd. & Colonial in the Fair Park area.

The new SLH headquarters will allow for the expansion of business by providing private office space for team members, state of the art conference rooms, a coffee shop and a real estate training facility that will help train people from the South Dallas neighborhoods in real estate related jobs.

After reviewing the underwriters analysis of the Project (including the information provided in the incentive application as well as other data gathered by the SBC), the City proposes a funding package that includes a \$520,000.00 loan from the South Dallas Fair Park Opportunity Fund (SDFPOF) and a \$200,000.00 grant from the Southern Dallas Investment Fund (SDIF) for a total funding of \$720,000.00 earmarked for real estate acquisition and capital improvements costs associated with building improvements of 1708 Martin Luther King Jr. Blvd. The loan shall have a fixed rate of 2%, 15-year amortization with monthly P&I payments of \$3,346.25 the grant will be awarded after the project is completed and a Certificate of Occupancy is obtained.

This Project meets the criteria of the Economic Development program for the Opportunity Fund as it will create taxable improvements and will potentially create approximately 23 jobs, as well as provide services to the service area. It meets the criteria of the Investment Fund as it will stimulate economic development, increase business activity, and promote commercial growth in southern Dallas.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 27, 2023, the South Dallas Fair Park Opportunity Fund Advisory Board recommended the approval of \$520,000.00 in SDFPOF funds as a loan for the Project.

The Economic Development Committee will be briefed regarding this matter on March 6, 2023.

FISCAL INFORMATION

Fund	FY 2023	FY 2024	Future Years
SBC South Dallas Fair Park Opportunity Fund	\$520,000.00	\$0.00	\$0.00
ECO (I) Fund (2017 General Obligation Bond Funds)	\$200,000.00	\$0.00	\$0.00
Total	\$720,000.00	\$0.00	\$0.00

OWNER/BORROWER

Shekinah Legacy Holdings, LLC

Scottie Smith, II., Manager
1717 North Akard St. #2510
Dallas, Texas 75201

MAP

Attached