



Legislation Text

File #: 24-3382, **Version:** 1

STRATEGIC PRIORITY: Economic Development
AGENDA DATE: November 13, 2024
COUNCIL DISTRICT(S): 7
DEPARTMENT: Office of Economic Development
EXECUTIVE: Robin Bentley

SUBJECT

Authorize a Conditional Chapter 373 Community Development Grant Agreement with Forest Forward in an amount not to exceed \$8,000,000 to reimburse construction and infrastructure expenses related to the redevelopment of the historic Forest Theater located at 1918 Martin Luther King Boulevard, Dallas, Texas 75215 in accordance with the City's Economic Development Incentive Policy - Total amount not to exceed \$8,000,000.00 - Financing: Infrastructure Investment Fund (\$7,000,000.00) and Public Private Partnership Fund (\$1,000,000.00)

BACKGROUND

The Forest Theater Redevelopment (Project) is a comprehensive redevelopment of the historic Forest Theater which includes rehabilitation of the National Register of Historic Places-listed Forest Theater and the construction of an addition to provide additional amenities to Forest Theater. The project is led by Forest Forward (Grantee), which was founded in 2020 to restore and expand the Forest Theater, and works with the community to drive equitable development, economic mobility, and improve outcomes for children, residents, and families of the South Dallas community. The project is located within an Economic Development Target Area.

The Project includes three primary components:

- 1) Rehabilitation of the existing Forest Theater complex which includes approximately 35,630 square feet of auditorium, lobby and retail space and renovation of the 500-seat Main State Theater and creation an education center that is expected to include a technology lab, maker space and film and video production space.
- 2) Construction of one addition, approximately 28,000 square feet to create additional lobby space, a smaller 175-seat Black Box/White Box theater and other back-of-house elements.
- 3) Additional items: a café, a roof deck, lawn for special events, and a multi-use "festival street."

Together, the two theater spaces are anticipated to host over 140 curated performances or events per year (approximately 3 per week) providing a balance of local, regional, and national touring artists, and the total project cost for renovation and addition is expected to be \$65,950,000.00 (additional expenses have already been incurred related to asbestos and other remediation).

The Project was reviewed by the City’s Urban Design Peer Review Panel (“Panel”) on September 27, 2024, and efforts to restore and enhance the theater were applauded. The Panel’s recommendations have been received by the Grantee and a response is pending.

The incentive application was submitted with a capital stack consisting of grants (awards and pledges), public funding (from the Regional Transportation Council and a congressional earmark), and tax credit equity (from the state and federal Historic Tax Credit program and the New Markets Tax Credit program) and reflected a project gap of approximately \$17 million. Grow America’s underwriting review verified the existence of funding gap that was significantly lower than the amount initially requested by the Applicant and confirmed that a number of factors can impact this gap in ways that decrease or increase it.

Staff executed an LOI with Forest Forward on October 16, 2024. To support this Project, staff recommends a conditional Chapter 373 Community Development grant of \$8,000,000.00, sourced from the Infrastructure Investment Fund (\$7,000,000.00) and the Public/Private Partnership Fund (\$1,000,000.00). The grant may be payable in two installments and to reimburse actual and eligible expenses, with the final payment will be made upon completion of the Project. The funds shall be used only for construction of Forest Theater/EDU Lab/Studio Theater, and Furniture, Fixtures & Equipment or Public Infrastructure Improvements.

ESTIMATED SCHEDULE OF PROJECT

Begin Construction January 1, 2025
Complete Construction December 31, 2027

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

[The Economic Development Committee was briefed by memorandum regarding this matter on November 4, 2024 <](https://cityofdallas.legistar.com/View.ashx?M=F&ID=13513469&GUID=4ECB3716-72A5-439C-85A4-E1FE4450ECBD)

[https://cityofdallas.legistar.com/View.ashx?M=F&ID=13513469&GUID=4ECB3716-72A5-439C-85A4-E1FE4450ECBD>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=13513469&GUID=4ECB3716-72A5-439C-85A4-E1FE4450ECBD).

[The City Council was briefed by memorandum regarding this matter on November 8, 2024. <](https://dallascityhall.com/government/citymanager/Documents/FY24-25%20Memos/Upcoming%20Agenda%20Item%2037,%20November%2013,%202024%20City%20Council%20Agenda%20.pdf)

[https://dallascityhall.com/government/citymanager/Documents/FY24-25%20Memos/Upcoming%20Agenda%20Item%2037,%20November%2013,%202024%20City%20Council%20Agenda%20.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY24-25%20Memos/Upcoming%20Agenda%20Item%2037,%20November%2013,%202024%20City%20Council%20Agenda%20.pdf)

FISCAL INFORMATION

Fund	FY 2025	FY 2026	Future Years
Infrastructure Investment Fund	\$4,000,000.00	\$3,000,000.00	\$0.00
Public Private Partnership Fund	\$ 0.00	\$1,000,000.00	\$0.00

Total	\$4,000,000.00	\$4,000,000.00	\$0.00
-------	----------------	----------------	--------

OWNER/EXECUTIVE

Elizabeth Wattley, President/Chief Executive Officer

MAP

Attached