

DATE: May 2026
SUBJECT: Pecan Deluxe
FROM: City of Dallas Office of Economic Development

PROJECT OVERVIEW

Project Description

Pecan Deluxe is acquiring a 3-acre site across the street from their existing headquarters on which to construct a new state-of-the-art production facility. The new production facility will include 83,656 SF of production space, 13,400 SF for installed freezer and cold storage space, and sub-level parking for 140 cars. Additionally, Pecan Deluxe recently added a new boba production line at its current facility that will be supported by the NMTC financing.

The Project will expand Pecan Deluxe’s production capacity by 33% and support new product lines. This expansion will support more than 340 permanent full-time equivalent (“FTE”) positions, many of which are anticipated to be quality jobs and accessible to individuals without a four-year degree.

Project Location

The Project site is located at 2575 Lone Star Drive in Dallas, TX. The Project falls within Census Tract 48113020500, which is NMTC-qualified and considered “severely distressed” per the CDFI Fund based on a median family income 51% of the area median income.

Please refer to Exhibit 1 for a map showing the project site.

PROJECT SPONSOR AND RELATED ENTITIES

Project Sponsor/Borrower: Pecan Deluxe

Founded in 1950, Pecan Deluxe is a family-owned business that started as an ice cream shop and evolved to develop innovative ingredients and confectionery products for other food companies. Today, Pecan Deluxe has grown to over 600 employees offering more than 1500 products – including manufacturing baked goods, candies, pralines, nuts, sauces, bases, dough products, and boba – for a broad range of food and beverage applications. Clients include prominent restaurants, food service companies, dairies, and confectionery brands worldwide.

Related/Sponsoring Entities

The NMTC borrower is anticipated to be a portion of business of Pecan Deluxe, and the Leverage Lender is anticipated to be a newly formed special purpose entity of Pecan Deluxe.

FINANCING TERMS

NMTC Allocation

DDF will allocate up to \$15 million in Federal NMTC Allocation to support the Project. Additionally, Texas LIC Development Company (“TxLIC”) is anticipated to provide up to \$15 million of NMTC Allocation, and 19Twenty Community Capital, LLC (“19Twenty”) is anticipated to provide up to \$10 million of NMTC Allocation.

NMTC Investor

Dudley Ventures, LLC, a subsidiary of Valley Bank

Anticipated DDF Closing Costs and Fees

DDF will charge upfront fees totaling 4% of the Qualified Equity Investment (“QEI”) estimated at \$600,000. In addition, DDF will charge an annual Asset Management Fee of \$52,500 per year for seven years and an annual Audit and Tax Fee of \$13,000 per year for eight years.

DDF will separately secure reimbursement for costs associated with closing this transaction as well as audit and tax return preparation costs associated with maintaining the financing structure during the 7-year NMTC compliance period.

Financing Structure

NMTC Investor will provide a total of approximately \$12.5 million in NMTC Equity (\$0.80 pricing) to support the \$15 million in allocation from DDF and \$25 million in allocation from TxLIC and 19Twenty. Project Sponsor will provide approximately \$28 million in the form of a “Leverage Loan” for the transaction. The underlying sources for the Leverage Loan are previously spent Project costs, a line of credit, and cash in hand.

NMTC Investor will form a special purpose investment fund entity and will be responsible for management of this fund. The equity and leverage debt will be combined to capitalize the investment fund (a subsidiary of NMTC Investor) which in turn will make a QEI of up to \$15 million into a subsidiary of Dallas Development Fund (“DDF Sub-CDE”) and pay a 2% CDE Fee to DDF.

DDF, through the aforementioned Sub-CDE, will make a Qualified Low-Income Community Investment (QLICI) loan to the QALICB. DDF’s QLICI loans will be used to support construction and equipment related to Pecan Deluxe’s expansion. As Pursuant to DDF’s Allocation Agreement, DDF will take a fee of 2% of the QEI to finance its activities. The total DDF QLICI loans to the QALICB will be up to approximately \$14.7 million. Please refer to Exhibits 2 and 3 for budget and structure chart, respectively.

Closing Timeline

This project financing is expected to close by August 2026.

COMMUNITY BENEFITS

Job Creation and Retention

At stabilization, the project is expected to retain 265+ and create 75-100+ permanent FTEs. This total includes roles focused on food production, manufacturing, and warehouse operations.

Quality Jobs

Employees are expected to receive strong wages and benefits. Benefits include health insurance (medical/dental/vision), retirement with 3% employer match, paid time off, and a free annual DART pass to reduce transit barriers. All employees receive annual Food and Workplace Safety Trainings, along with specialized safety equipment training. Pecan Deluxe is committed to employee advancement and wellbeing, and as a result more than 30 employees have been with the company for over 25 years.

Accessible Jobs

Many positions will be accessible without a four-year college degree, consistent with the educational profile of the surrounding community where 89% of residents ages 25 and older have less than a four-year degree. Accessible positions include roles in food production, manufacturing, and warehouse operations. Pecan Deluxe's provision of a free annual DART pass reflects a deliberate effort to reduce transportation barriers and broaden access to employment for local residents and Hard-to-Employ Populations.

NMTC DUE DILIGENCE

Project Completion

Sponsor has assembled a high-capacity team to bring the Project to fruition. Key Project team members are described below.

- **Architect – Mayse & Associates:** Mayse & Associates Architects, Inc. is a Dallas-based architecture and design firm specializing in innovative, sustainable building solutions for commercial, residential, and public-sector projects. The team guides projects from concept through construction administration, prioritizing client collaboration, context-aware design, and practical, value-driven outcomes in the Dallas area.
- **General Contractor – Ridgemont Commercial Construction:** Founded in 1976 and based in the Dallas-Fort Worth area, Ridgemont Construction provides services such as construction management, design-build, and general contracting, working across sectors including retail, healthcare, industrial, office, automotive, and senior living projects. Known for handling projects from initial planning through completion, Ridgemont emphasizes collaboration with clients and has built a strong reputation for repeat business and long-term relationships in the North Texas construction market.

Management Team

Jay Brigham – President & CEO

Jay Brigham became President of Pecan Deluxe in 2008, representing the third generation of family leadership, and studied food science at Texas A&M University before joining the company as a teenager. Under his leadership, the company has expanded internationally into the UK and Thailand and launched popping boba production, making Pecan Deluxe the first fully operational manufacturer of popping boba in the United States.

Lucas Melott – Chief Financial Officer

Lucas Melott has served as CFO of Pecan Deluxe since October 2021, bringing over a decade of senior financial and operational leadership from his prior role as CFO/CAO of Texas Meat Packers & Patterson Food Processors, a Dallas-area food manufacturing company. He holds an MBA in Finance from the University of Texas at Arlington and a BBA in Finance from Southern Arkansas University.

Bill Barrier – Chief Strategy Officer

Bill Barrier serves as Chief Strategy Officer at Pecan Deluxe and previously held senior roles at Burger King as Sr. Director of Product Consistency and at Yum Brands as Director of Product Development. His background in large-scale QSR product strategy positions Pecan Deluxe to compete for high-volume national foodservice contracts.

Jane Sowell – VP of Procurement

Jane Sowell serves as Vice President of Procurement at Pecan Deluxe Candy Company. Her role is critical to the company's supply chain strategy, managing ingredient sourcing across a product portfolio of more than 1,500 SKUs serving clients in foodservice, dairy, and confectionery industries worldwide.

Market Demand

Pecan Deluxe has long sought out new opportunities to provide confectionery products for other food companies. The company prides itself on being highly adaptable and responsive to customer needs, especially in the beverage space. The products that Pecan Deluxe produces in Dallas are often served across North America and companies are increasingly selecting domestic suppliers over imported products for supply chain reliability and quality consistency. For example, since commercially launching popping boba in 2021, Pecan Deluxe has driven domestic category growth, becoming the first fully operational U.S producer at scale.

NEED FOR NMTC ASSISTANCE

Pecan Deluxe's current operations are landlocked at its current headquarters facility along Lone Star Drive, constraining the company's ability to grow and sustain its current workforce in the community. Rather than relocating to a new site—likely outside the City of Dallas and away from the long-term employees from West Dallas—the company elected to acquire the site directly across the street from its existing facility. However, the new site was more expensive than a comparable greenfield site and had topographic challenges that increased predevelopment and construction costs, creating a financing gap

for the company. NMTC is a key funding source to offset the added costs of developing in the City of Dallas.

Exhibit 1: Project Location



Exhibit 2: Preliminary Sources and Uses

Sources (Collapsed)		Uses	
NMTC Gross Subsidy - DDF	\$ 4,680,000	Acquisition	\$ 4,500,000
NMTC Gross Subsidy - TxLIC	\$ 4,680,000	General Contractor	\$ 18,366,555
NMTC Gross Subsidy - 19Twenty	\$ 3,120,000	Contingency	\$ 1,397,518
Cash on Hand	\$ 31,805,046	Equipment	\$ 14,791,901
		Soft Costs	\$ 516,072
		Estimated Base Project Costs	\$ 39,572,046
		NMTC Closing and Other Costs	\$ 1,115,000
		CDE Reserves Ongoing Fees	\$ 1,748,000
		DDF At Close Fees	\$ 600,000
		Other CDE At Close Fees	\$ 1,250,000
Total	\$ 44,285,046	Total	\$ 44,285,046

Exhibit 3: Preliminary NMTC Structure (Subject to change)

