

**DATE:** May 2026  
**SUBJECT:** Forest Theater  
**FROM:** City of Dallas Office of Economic Development

## **PROJECT OVERVIEW**

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### **Project Description**

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, 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.

Forest Forward is renovating and expanding the historic Forest Theater into a vibrant 45,000 SF mixed-use hub to anchor community revitalization efforts in South Dallas. The Project includes a concert hall (1,000 seats) and studio theatre (200 seats) for community events, arts programming, and performances; a 13,500 SF creative laboratory which includes space for movement, visual arts and recording studios, flex space, resource center, sensory immersion room, and classrooms for arts education; and the neighborhood's first Starbucks.

The Project is part of a broader Purpose-Built Community-driven revitalization efforts coordinated by Forest Forward which also includes Dallas Independent School District's new Martin Luther King Jr Arts Academy and mixed-income housing. The Project will foster a vibrant cultural ecosystem that enriches the community's social fabric by drawing more than 100,000 individuals to arts events and performances.

Please refer to Exhibit 1 for project renderings.

### **Project Location**

The Project site is located at 1918 Martin Luther King Jr Boulevard in Dallas, TX. The Project falls within Census Tract 48113020900, which is NMTC-qualified and considered "severely distressed" per the CDFI Fund based on a poverty rate of 22.4% and an unemployment rate 2.24x the national average.

Please refer to Exhibit 2 for a map showing the project site.

## **PROJECT SPONSOR AND RELATED ENTITIES**

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### **Project Sponsor/Borrower: Forest Forward**

Forest Forward is a nonprofit organization that partners with the community to drive equitable development, economic mobility, and improved outcomes for children, residents, and families in South

Dallas. As the community quarterback for revitalization efforts in the area, Forest Forward is utilizing a Purpose-Built Community model to create a cradle-to-college education pathway for children in the community, support the development and construction of mixed-income housing, and preserve the community's cultural identity while providing new opportunities for growth and investment.

### **Related/Sponsoring Entities**

The deal structure includes multiple special purpose entities affiliated with Forest Forward to facilitate the existing Historic Tax Credit Financing that closed in October 2025 and the additional NMTC financing.

## **FINANCING TERMS**

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### **NMTC Allocation**

DDF will allocate up to \$8 million in Federal NMTC allocation to support the Project. Additionally, Enhanced Capital is expected to provide up to \$10 million in Federal NMTC allocation.

### **NMTC Investor**

U.S. Bancorp Community Development Corporation

### **Anticipated DDF Closing Costs and Fees**

DDF will charge upfront fees totaling 4% of the Qualified Equity Investment ("QEI") estimated at \$320,000. In addition, DDF will charge an annual Asset Management Fee of \$24,500 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 \$5.6 million in NMTC Equity (\$0.80 pricing) to support the \$8 million in allocation from DDF and \$10 million in allocation from Enhanced Capital. Project Sponsor will provide approximately \$13 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 \$8 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 a QALICB entity, affiliated with Forest Forward.

### **Closing Timeline**

This project financing is expected to close by August 2026.

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## COMMUNITY BENEFITS

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### Community Services

The Project will reestablish Forest Theater as a mixed-use neighborhood anchor and arts center, providing critical community programming that fosters economic vitality and creates new education and career pathways for residents. Programs include:

- **Out-of-School Programming.** Forest Forward will serve an estimated 150 youth annually with afterschool programming focused on creative learning across the project's studios, digital media labs, and performance spaces. Summer programming will serve an additional 200 youth annually through camps that focus on visual arts, movement, digital storytelling, audio production, and other culturally relevant creative disciplines. These offerings will strengthen pathways to creative expression, skill-building, and future career opportunities.
- **Workforce Development.** The Project will provide workforce training to 200 community residents annually, focusing on both industry-specific and transferable skills. Forest Forward will partner with the South Dallas Cultural Center, the Soul Rep Theatre Company, and other community organizations to deliver training for careers in theater operations, hospitality, and the broader creative sector. Pathways include hands-on apprenticeships in theater operations, annual front-of-house instruction, and a culinary hospitality program. Participants will also receive job-readiness and placement services to help transition into stable employment, with 75% of participants anticipated to be placed into quality positions each year.
- **Community Events.** The Project's concert hall will host over 100 performing arts, cultural, and community events drawing more than 100,000 individuals into the community annually.

### Quality, Accessible Jobs

The Project is anticipated to support 35 full-time equivalent jobs (FTEs), 34 full-time and 2 part-time positions, including roles in theater operations, front-of-house services, event management, technical production, and facilities support. 100% of positions are anticipated to earn a living wage, with an average hourly rate of \$24.91. All full-time employees will receive benefits including health insurance, retirement, and PTO. 93% of positions will be accessible without a four-year degree and Forest Forward plans to work closely with a network of community-based arts, cultural, and education partners to help recruit and train local residents for jobs created by the project.

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## NMTC DUE DILIGENCE

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### Financial Considerations of the Project

The non-NMTC financing for the project includes private pledges, public funding (including from the City of Dallas), Historic Tax Credit equity, and additional financing to bridge the remaining capital campaign, as needed. All non-NMTC financing are already closed, but will require consents and some modifications to support the NMTC financing.

By 2028, the Project is anticipated to have a break-even operating budget of approximately \$3.8 million, supported by theater rental income, single ticket handling fees, and facility fees. The overall project budget includes a \$1.09 million theater operating reserve as well to provide a cushion for the earlier years of operations, in particular. To support ongoing operating stability and affordability for community members, Forest Forward is targeting sustained philanthropic support of approximately \$2.5 million annually to supplement earned revenues and ensure the Project remains accessible to the surrounding community.

## Project Completion

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

- **Architect – HKS Architects:** HKS Architects is a global architectural and design firm founded in 1939 and headquartered in Dallas, Texas. HKS provides a wide range of services—including architecture, interior design, planning, research, and engineering—across sectors such as healthcare, sports, hospitality, and urban development. The firm is known for combining design, technology, and research to create sustainable, high-performing spaces that enhance user experience and community impact, with projects spanning dozens of countries worldwide.
- **General Contractor - Linbeck-ConReal:** The GC contract is a joint venture between Linbeck and Con-Real.
  - Linbeck is a Texas-based construction firm offering construction management, design/build, and integrated project delivery services and specializing in building large and complex projects. Linbeck was established in 1938 and has constructed over 5M+ square feet in the last 5 years alone. Linbeck has extensive historic renovation and performing arts experience including Abilene Heritage Square (Abilene, TX), the YWCA Fort Worth (Ft. Worth, TX) renovation, Tobin Center for the Performing Arts (San Antonio, TX), and Bass Performance Hall (Ft. Worth, TX).
  - Con-Real was founded in 1979 in Arlington, TX now with 6 other offices across the country including San Francisco, LA, Dallas, and Atlanta. Con-Real also has extensive experience with major cultural and entertainment projects including Texas Live! In Arlington, TX and the State Farm Arena in Atlanta, GA as well as historic properties such as the Old Red Courthouse in Dallas, TX.
  - Both of these contractors are major, bondable contractors who do projects many times larger than the Forest Theater renovation.

## Management Team

### **Elizabeth Wattley – CEO**

Elizabeth Wattley has over fifteen years of experience developing social enterprises that drive economic development while preserving the rich history, culture, and pride of the community. Prior to joining Forest Forward, Wattley led transformative initiatives at CitySquare, the largest nonprofit provider of affordable housing in the City of Dallas, and Paul Quinn College, among the oldest historically black colleges west of the Mississippi River.

### **Matrice Ellis-Kirk – Board Chair**

Matrice Ellis-Kirk is the CEO of the Ellis Kirk Group, an executive search firm. Before founding Ellis Kirk Group, Matrice led the board and CEO assignments at two large global search firms and a boutique search

firm. She began her search career in the Consumer Goods and Services and Private Equity Practices, as well as the Financial Officers Practice. Earlier in her career, Matrice served as an officer in commercial banking at MBank and the vice president of the Office of Management and Budget at Dallas Area Rapid Transit. She also led the Dallas office of the investment banking firm Apex Securities. Matrice is the chair emeritus and life board member of the AT&T Performing Arts Center and is a Dallas City Council appointed board member of the DFW Airport Authority. She has also been appointed to the Jefferies Financial Group board.

### **Market Demand**

The Project restores a historic cultural asset and acts as a catalyst to drive reinvestment without displacement to the South Dallas community. Forest Theater’s arts-infused educational and workforce training programming will create much-needed education and career pathways in a community where 91.5% of the population ages 25 and above do not have a four-year degree. Additionally, the census tract is designated “Very Low” on the Child Opportunity Level Index, indicating limited educational, economic, and health resources. Forest Forward’s STEAM programming will complement curriculum at MLK Jr. Arts Academy and expand opportunities for those interested in careers in the visual performing arts.

## **NEED FOR NMTC ASSISTANCE**

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The Project is characteristic of mission-driven historic rehabilitation: high development costs, limited near-term cash flow, and deep dependence on grants and philanthropic support. The project’s high development costs—restoring a historic, long-vacant theater—were significantly higher than originally anticipated due to the high inflationary environment post-COVID. Over the long-term, the mission-focused nature of the overall project—significant commitments to community events and partnership with the MLK Jr Arts Academy—limit the amount of market rate debt the project could support. NMTC is a key funding source to offset the high development costs while ensuring ongoing accessibility for the community.

Exhibit 1: Project Renderings



Exhibit 2: Project Location



### Exhibit 3: Preliminary Sources and Uses

Perm Sources (Collapsed)		Uses	
NMTC Gross Subsidy - DDF	\$ 2,496,000	Acquisition	\$ 2,867,626
NMTC Gross Subsidy - Enhanced	\$ 3,120,000	Hard Costs Contracts	\$ 59,353,761
Acquisition Donation	\$ 4,144,068	Other Hard Cost/Buildout Related/Cont	\$ 6,012,044
Federal Historic Tax Credit Proceeds	\$ 9,342,114	Soft Costs & Financing Costs	\$ 10,871,092
State Historic Tax Credits Proceeds	\$ 11,730,787	Developer Fees	\$ 8,259,000
Private Philanthropic Sources	\$ 40,264,384	<b>Estimated Base Project Costs</b>	<b>\$ 93,103,353</b>
City of Dallas Grant	\$ 7,800,000	NMTC Closing and Other Costs	\$ 790,000
HUD Contract	\$ 4,000,000	CDE Reserves Ongoing Fees	\$ 770,000
Frost Bank LOC	\$ 7,000,000	CDE At Close Fees	\$ 770,000
Deferred Developer Fee	\$ 5,536,000		
<b>Total</b>	<b>\$ 95,433,353</b>	<b>Total</b>	<b>\$ 95,433,353</b>