

Memorandum



DATE December 4, 2015

TO Members of the Economic Development Committee:
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **City Wide Community Development Corp Lancaster Kiest Village Retail/Office
Development**

On Monday, December 7, 2015, you will be briefed on the City Wide Community Development Corp Lancaster Kiest Village Retail/Office Development. The briefing materials are attached for your review.

Please let me know if you have any questions.

Ryan S. Evans
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

City Wide Community Development Corp Lancaster Kiest Village Retail/Office Development

Economic Development Committee
December 7, 2015

DALLAS
ECONOMIC
DEVELOPMENT



Purpose

Provide Chapter 380 Economic Development Grant to City Wide Community Development Corporation(City Wide) in the amount of \$825,000 for gap financing to develop office and retail space in Lancaster/Kiest Village Project.

Background

In December 2012 Council authorized acquisition, demolition and development of a four phase project in the Northeast quadrant of Lancaster and Kiest Blvd. for the Lancaster/Kiest Village Project in the Lancaster Corridor.

The assemblage of land included space formerly occupied by the Lancaster/Kiest Library which was relocated.

A development agreement was executed with City Wide Community Development Corporation to develop the four phases of the Project

Lancaster Kiest Village

A planned community in the Lancaster Corridor to be developed in four (4) phases by City Wide Community Development Corporation

- Relocation of Rudy's Chicken (Completed) Opened August - 2014
- Retail Office (Project under consideration)
- High Density Multi Family/Women and Children Housing (Completed)*
- High Density Live/Work Townhouses (Future development)

*Serenity Place, 45 units of permanent supportive housing targeting homeless women and children with supportive services opened October 30, 2015.



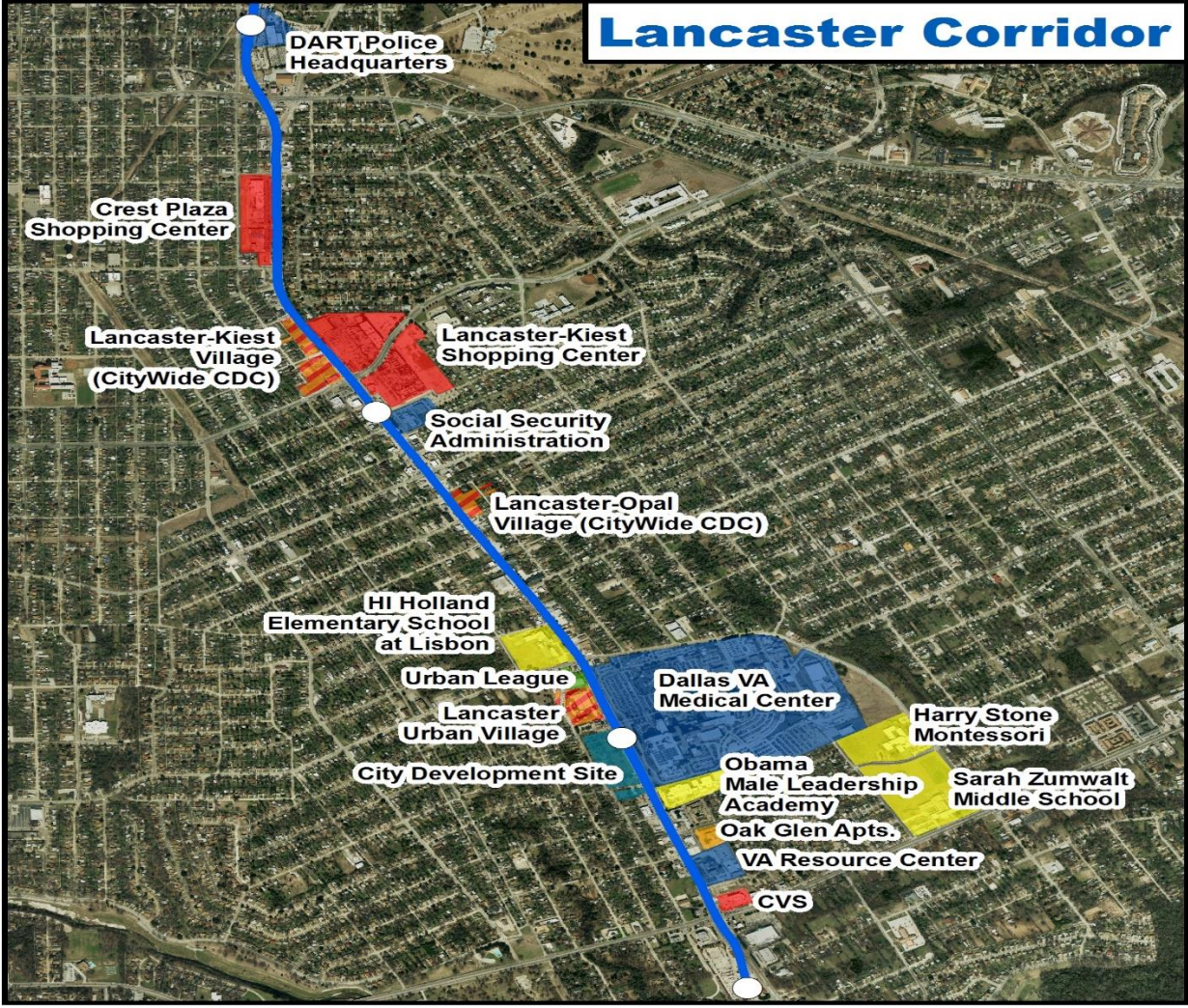
Lancaster Corridor

The Lancaster Corridor is a vital main street for South Central Dallas and is a high priority for redevelopment.

The Lancaster Corridor extends along Lancaster Road from just south of Illinois on the North to East Ledbetter Drive on the South.

- Includes four (4) DART Blue Line Rail stops
- Part of Lancaster Neighborhood Improvement Program (NIP) Area
- GrowSouth Focus Area
- Neighborhood Plus Initiative

Lancaster Corridor



Project Description

- Approximately ten thousand (10,000) square foot two story building that will include office and retail space in Lancaster Kiest Village.
- Project will continue TOD development in the Lancaster Corridor, a key focus area for the Grow South and Neighborhood Plus initiatives.
- Construction period of 6-8 months will employ 35-45 construction workers.
- Eight Tenant spaces will create 15 full time jobs.

(Funding contingent on 78% pre leasing of tenant space).



Other Area City Wide Projects

- Lancaster Urban Village-across from VA Hospital – mixed use development with 193 residential units, 432 space parking garage and 14,000 sq. ft. of retail space opened June 2014 (currently at 91% occupancy of residential units and 100% of retail space leased). (Exhibit A)
- Rudy's Chicken relocated – 1,800 sq. ft. locally owned popular fast food establishment opened August 2014. (Exhibit B)
- Serenity Place Apartments – 45 unit complex providing housing and supportive services for homeless women with children. Completed October 2015. (Exhibit C)
- Relocation of City Wide offices to 3700 S. Lancaster Road where the planned Lancaster/Opal project will be developed (proposed 63 living units and 1,500 feet of retail and 10 townhomes.

Grantee/Developer

City Wide Community Development Corporation, founded in 2001 is a 501(C)3 Non profit entity with corporate offices at 3730 S. Lancaster Road since 2010. Sherman Roberts, President and CEO since 2006 and has been in the non profit community development since 1989.

City Wide is a City of Dallas CDBG funded Community Housing Development Organization (CHDO)

The Mission:

Revitalizing neighborhoods through the development of affordable housing, economic development, education, literacy and social program that empower individuals and families to improve their quality of life.

Project Budget

Total Project Cost \$2,233,000

Sources

City of Dallas (Land)	\$598,000
Legacy Bank	\$810,000
City of Dallas	<u>\$825,000</u>
	\$2,233,000

Uses

Land	\$598,000
Hard Cost	\$1,212,000
Soft Cost	\$177,000
Developer Fee	\$108,000*
Contingency	<u>\$128,000</u>
	\$2,233,000

*50% disbursed during construction and 50% upon completion

Terms and Conditions

- Existing First Lien Deed of Trust subordinated to Legacy Texas (Conventional Bank Financing).
- LegacyTexas will manage all disbursements, including Grant from the City of Dallas.
- City of Dallas Grant funds to be disbursed for project prior to LegacyTexas funding.
- No funding disbursed until 78% of eligible square footage has been leased.
- All disbursements by LegacyTexas from City of Dallas Grant will be evidenced by invoice and proof of payment.
- City Grant terms to mirror LegacyTexas terms and conditions of funding under Loan Commitment.
- Project to be completed by March 31, 2017.

Terms and Conditions Continued

- 50% of Developer Fee disbursed during construction
- Balance (\$54K) of Developer Fee disbursed when CO is obtained

Next Steps

- Request Economic Development Committee approval for \$825K Grant for Council consideration on January 13, 2016
- Execute Grant Agreement with City Wide Community Development Corporation

Exhibit A



Exhibit B



Exhibit C

