

Memorandum



CITY OF DALLAS

DATE March 30, 2012

TO Members of the Economic Development Committee: (Chair), Tennell Atkins, (Vice-Chair), Ann Margolin, Jerry Allen, Monica Alonzo, Sheffie Kadane

SUBJECT

**Authorize a Chapter 380 Economic Development Grant Agreement with Thrash Memorial Funeral Home, LLC to complete funding for cost related to the renovation and reuse of commercial property located at 4830 S. Lancaster Road in an amount not to exceed \$65,000
April 11, 2012 Council Agenda**

Thrash Memorial Funeral Home LLC has operated for over five decades in the Dallas/Ft. Worth Metropolitan Area and leased from a facility at 3726 South Lancaster Road in Dallas Texas over the past 36 years.

In early 2009, the leased facility was sold to City Wide Community Development Corporation for continued redevelopment along the Lancaster Corridor. The facility was purchased with CDBG funds. It was believed that displacement/relocation monies would be available to the owners of Thrash Funeral Home upon vacating the premises. They had planned to use the displacement/relocation monies toward purchase, renovation and other soft costs related to reopening a closed funeral home approximately one mile south at 4830 South Lancaster Road.

After the sale of the facility, Thrash Funeral Home operators learned that displacement /relocation monies are only available to owners operating a facility purchased with CDBG funds and not to tenants. As a result, this caused a financing gap in the capital structure for the project. Acquisition, renovation, furniture, fixtures and equipment and other soft costs total \$640,000.00 for the project at the 4830 South Lancaster Road site.

The proposed grant does not meet minimum public/private partnership participation guidelines of one million dollars in investment or 25 jobs. Therefore, it should be considered a non conforming project. However, this project will help to continue revitalization efforts on Lancaster Road. The Lancaster Corridor is a vital main street for South Central Dallas and is a high City Council priority for development and redevelopment options that will improve communities all along the corridor.

Acquisition, renovation and reuse of the dilapidated structure that has been vacant for more than 15 years will help to eliminate blight in the area that can be an impediment to the plans and vision for the Lancaster Corridor.

Authorize a Chapter 380 Economic Development Grant Agreement with Thrash Memorial Funeral Home, LLC to complete funding for cost related to the renovation and reuse of commercial property located at 4830 S. Lancaster Road in an amount not to exceed 65,000
March 30, 2012
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FISCAL INFORMATION

\$65,000 - South Dallas/Fair Park Trust Funds

STAFF

Lee McKinney, Assistant Director
Leo Barron Hicks, South Dallas/Fair Park Trust Senior Coordinator

MAP

Attached

RECOMMENDATION

Staff recommends approval of an economic development grant agreement to Thrash Funeral Home, LLC in the amount of \$65,000.

Should you have any questions, please contact me at (214) 670-3296.



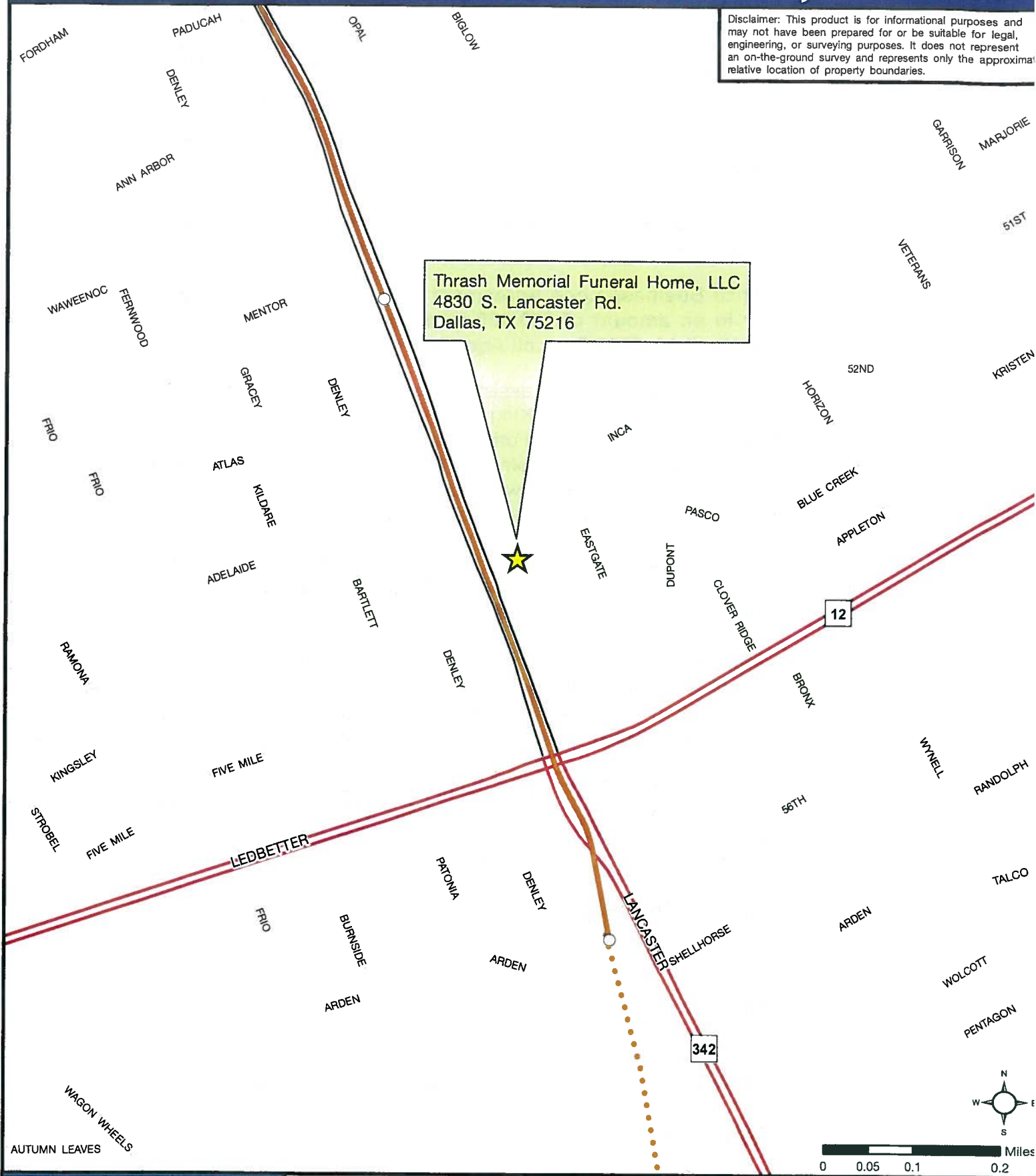
Ryan S. Evans
Assistant City Manager

- C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa Rios, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
A.C. Gonzalez, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Director, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Stephanie Pegues-Cooper, Assistant to the City Manager

Thrash Memorial Funeral Home, LLC

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Thrash Memorial Funeral Home, LLC
 4830 S. Lancaster Rd.
 Dallas, TX 75216



DALLAS ECONOMIC DEVELOPMENT
 Research & Information Division
 214.670.1685
 dallas-ecodev.org

Legend

- Rail Station
- DART Light Rail
- Future DART Light Rail
- Highway
- Arterial
- Local Road

Source: City of Dallas, 2012

Memorandum



CITY OF DALLAS

DATE March 30, 2012

TO Members of the Economic Development Committee: (Chair) Tennell Atkins, (Vice Chair), Ann Margolin, Monica Alonzo, Jerry Allen, Sheffie Kadane

SUBJECT **Authorize Business Loan Agreement with Eric Byrd dba MLK Business Center in an amount of \$50,000 from the South Dallas/Fair Park Trust Funds (April 11, 2012 Council Agenda)**

The purpose of the loan is to assist the Borrower with renovating real property located at 2822 Martin Luther King Jr. Blvd., Dallas, Texas 75215 and converting the facility into a professional office complex which will accommodate six (6) small businesses providing professional services and one (1) tenant providing retail goods. Complex tenants will share a centralized conference room, office supply station and one administrative receptionist.

The Borrower will occupy a space in the complex and will be responsible for the day-to-day management of the facility. The loan will be further used to provide working capital and to meet operating expenses of the office complex.

The loan term is five (5) years at an annual interest rate of 3%. Equal installment payments of \$898.00 are payable monthly and will amortize the loan in full in 60 months. Collateral is rental property located at 2718 Park Row in Dallas, TX 75215, with an appraised value of \$61,810 (1.23 collateral coverage).

The loan will also be supported by the personal guarantee of Eric Byrd. 2010 Tax Returns reflect debt service coverage at 5 times. Mr. Byrd has a strong balance sheet, with cash assets of over \$500K. His merged credit score (Trans Union, Experian and Equifax) is 792.

FISCAL INFORMATION

\$50,000 - South Dallas/Fair Park Trust Funds

STAFF

Lee McKinney, Assistant Director
Leo Barron Hicks, South Dallas/Fair Park Trust Senior Coordinator

RECOMMENDATION

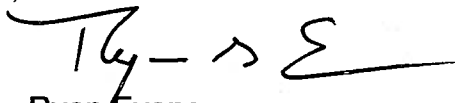
Staff recommends City Council approval of the above referenced Business Loan in an amount not to exceed \$50,000 to Eric Byrd, dba MLK Business Center.

Authorize Commercial Loan with Eric Byrd dba MLK Business Center in the amount of \$50,000 from the South Dallas/Fair Park Trust Funds
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MAP

Attached

Should you have any questions concerning this information, please contact me at (214) 670-3296.



Ryan Evans
Assistant City Manager

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South Dallas/Fair Park Trust Fund Target Area

2000 Census Tracts

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