

Memorandum



DATE April 29, 2011

TO Members of the Economic Development Committee:
Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Jerry R. Allen,
Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

SUBJECT **Proposed Glendale Shopping Center Redevelopment**

On Monday, May 2, 2011 Economic Development Meeting, you will be briefed on the Proposed Glendale Shopping Center Redevelopment. A copy of the briefing is attached.

Should you have any questions, please contact me at (214) 670-3314.


A.C. Gonzalez
Assistant City Manager

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Proposed Glendale Shopping Center Redevelopment

Economic Development Committee
May 2, 2011



**DALLAS
ECONOMIC
DEVELOPMENT**



City of Dallas

Introduction

- Discuss the proposed redevelopment of Glendale Shopping Center by Silver Creek Investments, LLC
- Present proposed City of Dallas economic development grant for the project

Background

- Glendale Shopping Center
 - 4404 S. Marsalis Avenue constructed in 1954 on six acres
 - Current DCAD value of \$1.45M (including land)
 - Rentable building area: approximately 58,700 s.f.
 - Current occupancy rate: 76 percent (44,600 s.f.)
 - 14 Current Tenants include: Family Dollar, Catfish Floyd, JJs Dry Cleaning, Ace Check Cashing, American Legion Club, among others
 - Estimated on site jobs: 60
- Owned by Silver Creek Investments, LLC (Al Herron, Principal) since April 2000. Mr. Herron also serves as President and CEO of Century 21 Galloway-Herron which has been business for over 50 years.

Project Site



Current Glendale Shopping Center



Proposed Glendale Shopping Center



Project Description

- Project Plan
 - Investment Estimates
 - Real Property Improvements- \$1,200,000
 - Expenditures will include the following: environmental remediation, façade improvements, roof repairs, landscaping, lighting, signage, parking lot, etc.
 - Employment Estimates
 - Current site jobs – 60
 - Potential new jobs – 25 to 30
 - Average Annual Wages – \$21,950

Project Benefits

- Promote neighborhood revitalization in a southern Dallas community.
- Modernize a historically prominent shopping center.
- Help promote access to grocery services and enhanced retail activity.
- Stabilizes an anchor development in a neighborhood at risk of decline

Proposed Incentives

- \$3.672M in 2006 Prop. 8 bond funds originally allocated to promote redevelopment of this particular location.
 - Staff proposes a \$600,000 Chapter 380 Economic Development Grant from the allocated 2006 Prop. 8 bond funds.
 - Provides an opportunity to reallocate over \$3 million in 2006 bond funds to other important economic development projects in the area.
- The 10-year estimated fiscal impact is (\$701,798).
 - Fiscal impact estimates are provided as an attachment.

Proposed Terms

- Owner obligations are to:
 - Secure financing for \$600,000 matching funds.
 - Obtain lease commitment for new grocery store.
- City economic development grant will be drawn on pro-rata basis with bank financing to ensure project improvements are completed.

Recommendation

- Staff recommends approval of the proposed \$600,000 Chapter 380 economic development grant.

Next Steps

- On May 25, 2011, City Council will consider authorizing the proposed Chapter 380 economic development grant of \$600,000.

Questions?



ATTACHMENT



Attachment: Fiscal Impact

	10 Year \$	20 Year \$
Total City GF Revenue Generated	539,670	1,252,370
Total City GF Service Costs	641,467	1,303,057
Net Impact Before Incentives	(101,798)	(50,687)
City Incentives	600,000	600,000
Net City Fiscal Impact	(701,798)	(650,687)