

Memorandum



DATE May 17, 2013

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

SUBJECT **Authorize an Amendment to the Program Statement for the South Dallas/Fair Park Area Business Façade/Revitalization; May 22, 2013 Council Agenda**

On May 22, 2013, City Council will consider authorizing an amendment to Resolution No. 13-0176, previously approved on January 23, 2013, to amend the Program Statement for the South Dallas/Fair Park Area Business Façade/Revitalization Program requiring business owners to provide verification of current insurance coverage.

BACKGROUND

On January 23, 2013, City Council authorized the Program Statement for the South Dallas/Fair Park Area Business Façade/Revitalization Program by Resolution No. 13-0176.

The South Dallas/Fair Park Area Business Façade/Revitalization Program (SDFPAB Façade Revitalization Program), formerly known as the MLK Business Façade Program, provides façade improvement grants up to \$20,000 to building, serving at least 51% of low to moderate income residents, within the South Dallas/Fair Park area bounded by Grand, Robert Cullum/Scyene, Hatcher, and Lamar. Businesses must be located in primarily residential areas and are not located in central business districts.

The SDFPAB Façade Revitalization Program will address deteriorating property conditions and provide façade enhancements, as viewed from the public right-of-way, in order to spur further business growth by increasing retail sales and to promote economic development in the South Dallas/Fair Park area.

The Program is authorized by Resolution No. 12-0985 with maximum funding of \$92,522.

SDFPAB Façade/Revitalization Program

- Award façade improvement grants to building which will enhance aesthetic appeal and promote economic viability of businesses within the South Dallas/Fair Park targeted area
- The program will promote a positive/proactive business climate which encourages business retention/expansion attracting desirable new businesses
- The building tenants and/or eligible business owners must provide goods and services to primarily low to moderate income residents (restaurants, barber/beauty shops, etc.)
- Building Owners applying for a façade improvement grant must ensure to maintain a 3 year lease with business tenants located at property receiving façade improvements
- The Office of Economic Development Department (ECO) will manage the SDFPAB Façade/Revitalization Program on behalf of the City of Dallas. ECO will:
 - Screen grant applicants for eligibility
 - Award façade improvement grants on a first come, first served basis, of up to \$20,000 per business, and establish grant agreements with approved grant applicant

- Conduct applicable environmental reviews for each approved property/business assisted
- Conduct façade improvement site visits and coordinate code inspections
- Monitor compliance of Davis-Bacon Labor standards for all activities over \$2,000
- Process contractor payments upon completion of work and verification of code compliance
- Set up and update activity information per business project in IDIS for duration of the grant period which would be equivalent to 3 years from the completion date of façade improvement
- Maintain all required CDBG documentation per grant award/business project and overall City of Dallas, CDBG funded, façade improvement program

FISCAL INFORMATION

No cost consideration to the City

STAFF

Lee McKinney, Assistant Director, Office of Economic Development
Venus Cobb, Senior Coordinator, Office of Economic Development

MAP

Attached

Exhibit A

Program Statement

RECOMMENDATION

Staff recommends City Council approval of amendment to the Program Statement for the South Dallas/Fair Park Area Business Façade/Revitalization.

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

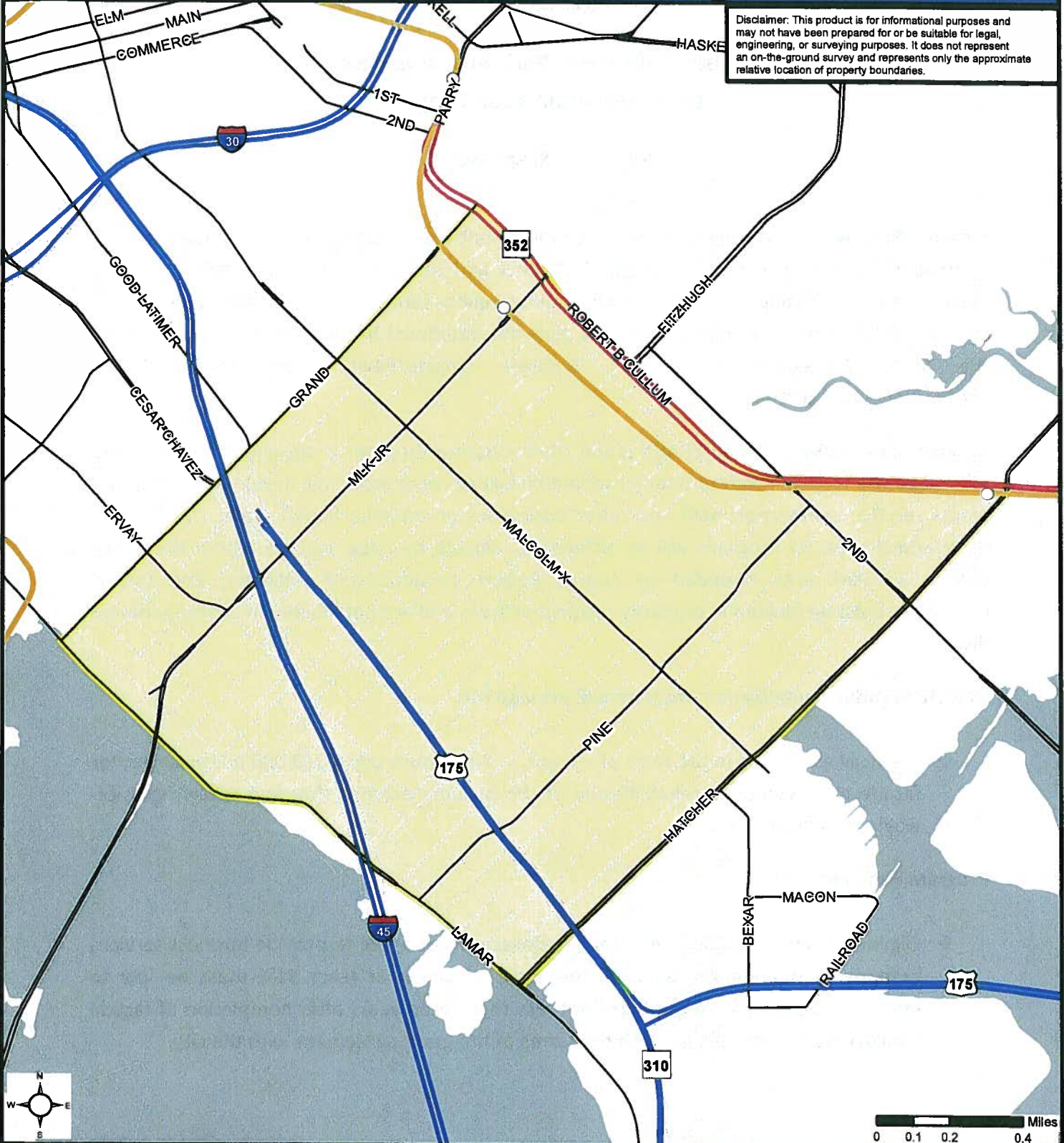


Ryan S. Evans
Assistant City Manager

- C: The Honorable Mayor and Members of the City Council
- | | |
|--|---|
| Mary K. Suhm, City Manager | J. Hammond Perot, Assistant Director, OED |
| Rosa Rios, City Secretary | Lee McKinney, Assistant Director, OED |
| Thomas Perkins Jr., City Attorney | Stephanie Pegues-Cooper, Assistant to the City Mgr. |
| Craig Kinton, City Auditor | |
| Judge Daniel Solis, 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, Chief Financial Officer | |
| Karl Zavitkovsky, Director, Office of Economic Development | |

South Dallas/Fair Park Area Business Facade/Revitalization Program

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.



DALLAS
ECONOMIC
DEVELOPMENT

Research & Information Division
214.670.1685
dallas-ecodev.org

Created: 10/17/2012 12:10:10 Veritas, Gbpo, LCG

Legend

- Program Boundary
- Rail Station
- DART Light Rail
- Freeway
- Highway
- Arterial
- Local Road
- Flood Plain

Source: City of Dallas, 2012

Exhibit A

South Dallas/Fair Park Area Business Façade/Revitalization Program

Program Statement

Program Purpose: To provide Community Development Block Grant (CDBG) funding for façade improvements that will enhance aesthetic appeal and promote economic viability of area businesses by increasing retail sales and encourage enhancements to the property as viewed from the public right of way as a means to generate additional business for businesses within the South Dallas/Fair Park Area Business Façade/Revitalization Area (SDFPAB Façade/Revitalization Program).

Program Description: The SDFPAB Façade /Revitalization Program is designed to benefit the low/moderate income neighborhood(s) served by incentivizing economic development through grants serving commercial/retail and other businesses on an Area Benefit basis. The SDFAB Façade/Revitalization Program will be offered to eligible business owners within the South Dallas Fair Park area bounded by Grand, Robert Cullum/Scyene, Hatcher, and Lamar. Businesses must be located in primarily residential areas and are not located in central business districts.

SDFPAB Façade/Revitalization Program will provide for:

- ❖ Financial assistance in the form of a grant, in an amount up to \$20,000 per business, for façade improvements, rehabilitation of the building exterior (fronting public rights-of-way), and code violations.

Program Requirements:

- ❖ Eligible Commercial/retail and other businesses must agree to provide business services primarily benefiting residents of the area, of which at least 51% must be low to moderate income, for a period of not less than three years after completion of façade improvements, and comply with the terms of the grant agreement with the city.

Exhibit A

South Dallas/Fair Park Area Business Façade/Revitalization Program

Program Statement (continued)

Applicants must fill out a formal application with the City of Dallas and assemble/submit a packet of information and supporting documentation. The following is a list of application and eligibility requirements, required documentation, and program procedures.

Application/Eligibility Requirements:

- Building Owners, applying for a façade improvement grant, must provide Proof/evidence of property ownership and a current 3 year lease with business owners located at property receiving façade improvements.
- Business Owners, applying for a façade improvement grant, must provide a 3 year lease agreement and written approval of façade improvements with building owner of property receiving façade improvements.
- Building and/or eligible business owners must provide verification of business existence/operation for a minimum of three (3) years while providing goods and services primarily to a low/moderate income clientele.
- ~~Building and/or eligible business owners must provide verification of current \$1 million liability insurance coverage on the property.~~
- Applicants shall provide a certificate of insurance naming the City of Dallas as an additional insured in accordance with the requirements and policy limits as determined by the City's Risk Management Department.
- Building and/or eligible business owners must provide verification of current property taxes and other taxes and liabilities owed to the city.
- Provide verification of correct zoning for the business including historic preservation, street cafes, signage, and ordinances and current building code inspection. Businesses cannot be located in areas primarily zoned commercial.

Exhibit A

South Dallas/Fair Park Area Business Façade/Revitalization Program

Program Statement (continued)

- A detailed description of the proposed scope of work to include professional design sketch/rendering of proposed improvements, site map of building location, photograph of building façade in its current state, and three (3) cost estimates of proposed façade improvements. Proposed façade improvements must be approved by Code Compliance.

Program Procedures:

- Once approved by the Office of Economic Development and Code Compliance, applicants will be required to execute a grant agreement with the City of Dallas.
- The Office of Economic Development is responsible for implementation, monitoring, and evaluation under this program. The City Council delegates authority to the Director of the Office of Economic Development (or designee) to provide approval of individual applications, based upon the above referenced criteria, and execute all documentation required under this program to include:
 - Date/monitor application submittals, review supporting documentation to verify accuracy, determine eligibility, and approve grants on a first come first serve basis until funds are depleted.
 - Monitor building/business activities for three years following completion of façade improvements to ensure grant compliance.

Memorandum



DATE May 17, 2013

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

SUBJECT **Lakewest ALF Realty, LLC Senior Assisted Living Center June 12, 2013 Council Agenda**

BACKGROUND

Lakewest ALF Realty, LLC (Lakewest) seeks City Council approval to extend by twelve (12) months the term of a \$1,500,000 bridge loan to build a 71,000 s.f. senior assisted living facility on property located at 2696 Bickers, Dallas, Texas 75212. The proposed facility will have 65 apartment units, average 700 s.f. in size, each with two bedrooms and one bath with a living/dining room and kitchen. The total private investment by Lakewest on the project will be approximately \$9,400,000, excluding land and will have 75 jobs.

Lakewest has secured financing for the project from the City of Dallas Regional Center (CDRC) in the amount of \$10 million through the EB-5 visa program. The City's loan was to "bridge" the estimated time frame for US Citizenship and Immigration Service (USCIS) approval of the EB-5 investor applications. Civitas, fund manager for the CDRC, has raised the funding necessary to repay the bridge loan and finance the project as intended. The bridge financing closed on November 30, 2011, and the maturity was previously extended to May 30, 2013 in accordance with the agreement due to delays in the USCIS approval process. At the closing of the bridge loan, the average EB-5 investor application processing time was approximately 5.5 months. Since that time, their stated processing time has increased to over 12 months. The USCIS attributes this increase in processing time to an increase in EB-5 investor applications. To date, Civitas has a 100 percent approval rate on its investors with the USCIS.

Lakewest ALF Realty, LLC has complied with the terms and conditions of the bridge loan including making all required interest payments. The company will continue to pay interest at a 6.5 percent interest rate during the extension period. If the bridge loan goes into default, the City has a Corporate Guaranty, CEO Guaranty and Assignment of the Developer's equity interest in the project. The primary source of repayment for the bridge loan will be the first \$1,500,000 of CDRC financing that is raised for the overall \$10,000,000 loan.

The proposed senior assisted living facility will complete an existing senior healthcare campus in West Dallas. The campus currently includes 360 units of independent senior apartments and a 118 bed skilled nursing facility. In addition, Lakewest plans to build three additional senior living facilities throughout the city bringing the total investment to \$37,600,000 and 300 jobs.

FISCAL INFORMATION

No cost consideration to the City

STAFF

Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development

MAP

Attached

RECOMMENDATION

Staff recommends City Council approval of subject item.

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

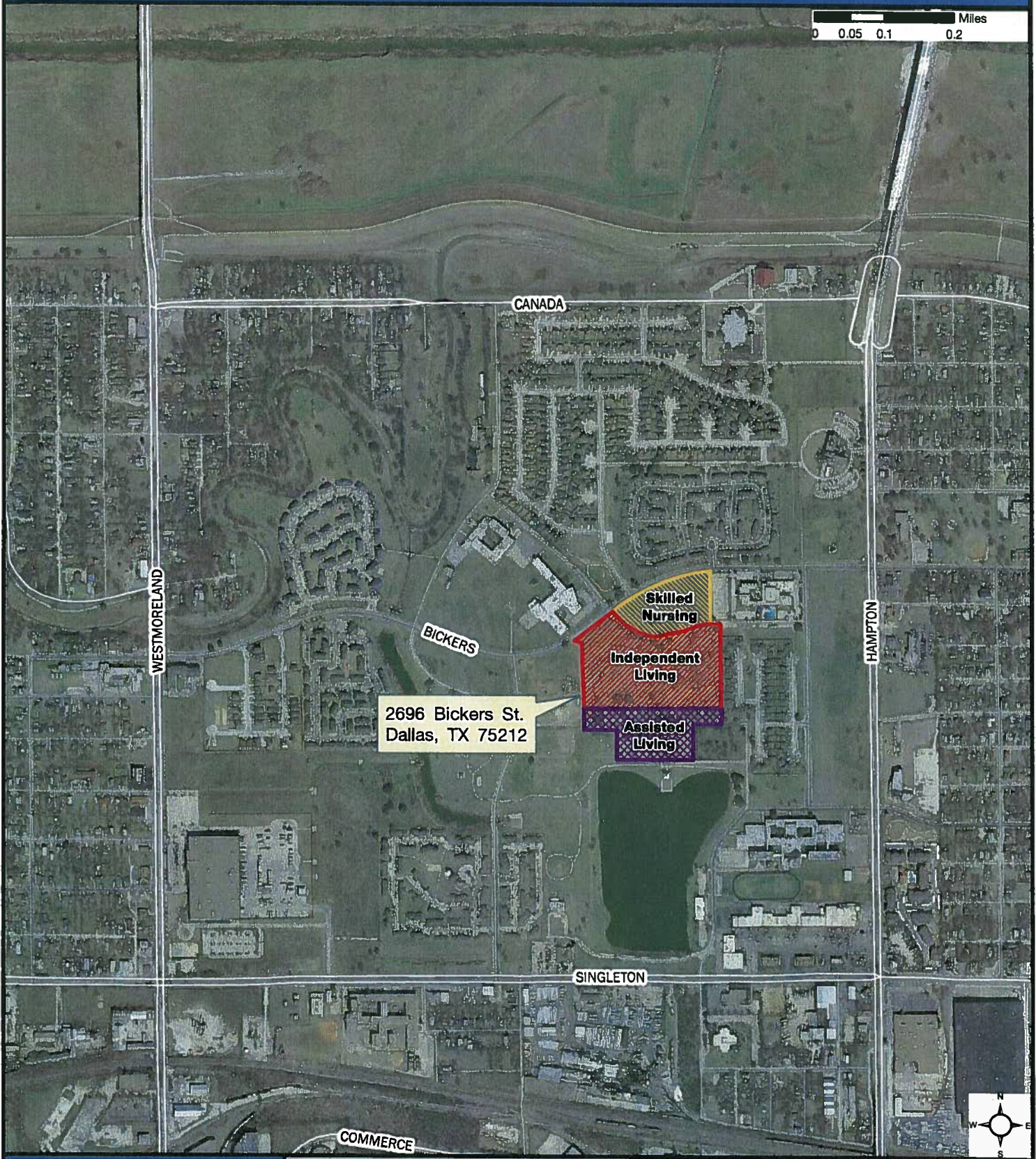


Ryan S. Evans
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Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Lee McKinney, Assistant Director, Office of Economic Development
Stephanie Pegues-Cooper, Assistant to the City Manager

2696 Bickers Street

Miles
0 0.05 0.1 0.2



2696 Bickers St.
Dallas, TX 75212

Skilled
Nursing

Independent
Living

Assisted
Living

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Research & Information Division
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Legend

— Arterial

Local Road

Source: Aerial Photography - NCTCOG, 2008; All Other Data - City of Dallas, 2011

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