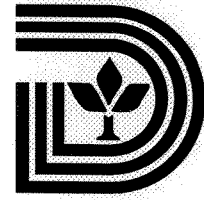


# Memorandum



CITY OF DALLAS

DATE June 12, 2009

TO Housing Committee Members: Steve Salazar, Chair, Carolyn R. Davis, Vice-Chair, Tennell Atkins, Dr. Elba Garcia, Vonciel Jones Hill, Angela Hunt, Linda Koop, Pauline Medrano

SUBJECT La Reunion Town Center Redevelopment Loan

On Monday, June 15, 2009, you will be briefed on La Reunion Town Center Redevelopment Loan. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to be 'A.C. Gonzalez', written over a circular stamp or mark.

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 P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
C. Victor Lander, Judiciary  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Interim Assistant City Manager  
Ramon Miguez, P.E., Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Dave Cook, Chief Financial Officer  
Jerry Killingsworth, Housing Director  
Jeanne Chipperfield, Director, Budget and Management Services  
Helena Stevens-Thompson, Assistant to the City Manager

# La Reunion Town Center Redevelopment Loan

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A Briefing to the Housing Committee

June 15, 2009

Housing Department

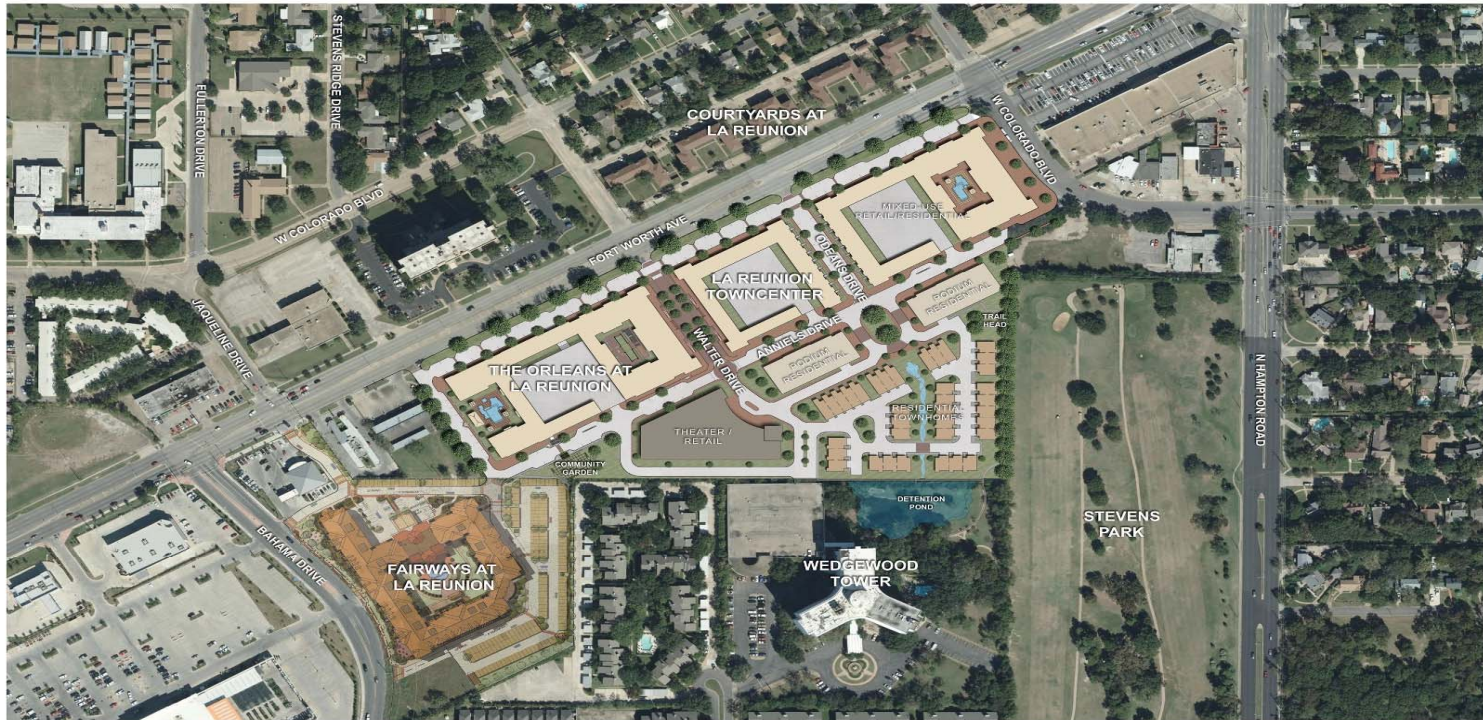


# Purpose

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Consideration of Proposition 8 Loan application for \$1M to The Orleans at La Reunion LLC for the demolition of property located at 2300 Ft. Worth Avenue (the Colorado Apartments) within the La Reunion Master Plan Development in City Council District 3

# La Reunion Master Site Plan



# La Reunion Master Development Plan

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- ❑ Multi-phase mixed-use town center with 900 residences, 150,000 square feet of upscale retail, entertainment venues, running trails, walking paths, community gardens, and a pond
- ❑ Phase I –Fairways at La Reunion - new construction of 198 market rate seniors apartment units
- ❑ Phase II–Courtyards at La Reunion - rehabilitation of Colorado Place Apartments on north side of Fort Worth Avenue to provide 64 affordable apartment units
- ❑ Phase III –Town Center at La Reunion - new construction of 30 acre mixed use development
  - 220 one and two bedroom apartment units (44 affordable units)
  - 37,000 square feet of commercial space
- ❑ Phases IV, V, and VI will add an additional 400 plus residential units and 100,000 + square feet of retail space

# The Applicant

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- Applicant – The Orleans at La Reunion, LLC
  - Avalon Residential Care Homes, Inc., a Seib family enterprise
    - Formed in 1995
    - Full-service development/management firm
    - One of the largest assisted-living providers in North Texas
    - Managing 13 assisted living facilities in the DFW Metroplex
    - Constructing two new elder care facilities in Garland
  - Todd Aaron Seib, Manager and members Jonathan Seib, Jeffrey Seib and Timothy Seib



# Existing Units

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# Existing Units

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# Use of Funds

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- Loan of \$1M
- Demolition of 277 apartment units for Phases III, IV, V, VI for Redevelopment
- Clearance of site to prepare for redevelopment and reduce vandalism, crime, and code issues

# Collateral for Loan

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- ❑ Second Lien Deed of Trust from the City of Dallas
- ❑ Appraisal dated March 21, 2008 shows market value of the property at \$26,250,000
- ❑ 1<sup>st</sup> National Bank of Edinburg has a first lien in the amount of \$13,500,000
- ❑ Total Loan to Value including first and second lien is 55%.

# Loan Terms

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- ❑ 0%, 24 month repayable loan
- ❑ Three payments
  - \$300,000 at funding of Phase II development of Courtyards from land release
  - \$350,000 at funding of Phase III development of Orleans from land release
  - \$300,000 at funding of Phases IV, V, VI development from land release
- ❑ If Phases IV, V, VI are delayed:
  - \$300,000 would be paid from sale of building sites at \$28.15/sq.ft.

# RECOMMENDATION

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- City loan \$1M to The Orleans at La Reunion LLC to demolish 277 units on Fort Worth Avenue west of Hampton to provide for Economic Development in accordance with the Master Plan and reduce vandalism, crime, and code issues

# Next Steps

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- June 24, 2009 City Council Item to authorize a \$1M Proposition 8 Redevelopment Loan to The Orleans at La Reunion LLC