

Memorandum



CITY OF DALLAS

DATE October 14, 2011

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Dwaine Caraway, Linda Koop, and Pauline Medrano

SUBJECT Hall Family Redevelopment

On Monday, October 17, 2011, you will be briefed on Hall Family Redevelopment. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, Acting City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
C. Victor Lander, Administrative Judge, Municipal Court
A.C. Gonzalez, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jerry Killingsworth, Housing/Community Services Director
Helena Stevens-Thompson, Assistant to the City Manager

Hall Family Redevelopment

A Briefing to the Housing Committee
Housing/Community Services Department
October 17, 2011

Purpose

- Present a proposed Hall Family Redevelopment project
- Request approval from the Housing Committee of a commitment of Proposition 8 General Obligation Bond Funds in the amount of \$500,000

Grand Park South TIF and Transit Oriented Development

- The Grand Park South Tax Increment Financing District was established in March 2007
- The TIF development concept for the Trunk/Cullum area is Transit Oriented Development (TOD) with residential and commercial components
- DART opened the MLK and Fair Park light rail stations in September 2009
- The Hall Family owns 6 acres within the Trunk/Cullum area

Hall Family

- Joe & Floydell Hall and sons, Devin and Durand
- Long time Dallas residents for 50+ years
- Current owners of F.Hall Mowing Company, one of the largest demolition companies in the Dallas-Ft.Worth area
- Nearly 30 years ago, the Halls began purchasing the property around Grand Avenue and demolishing substandard structures on the property
 - Their goal was to eventually develop the property as housing and commercial space
- Devin and Durand will develop and manage the property along with Peyman Horri
 - This team has over 30 years of planning and development knowledge

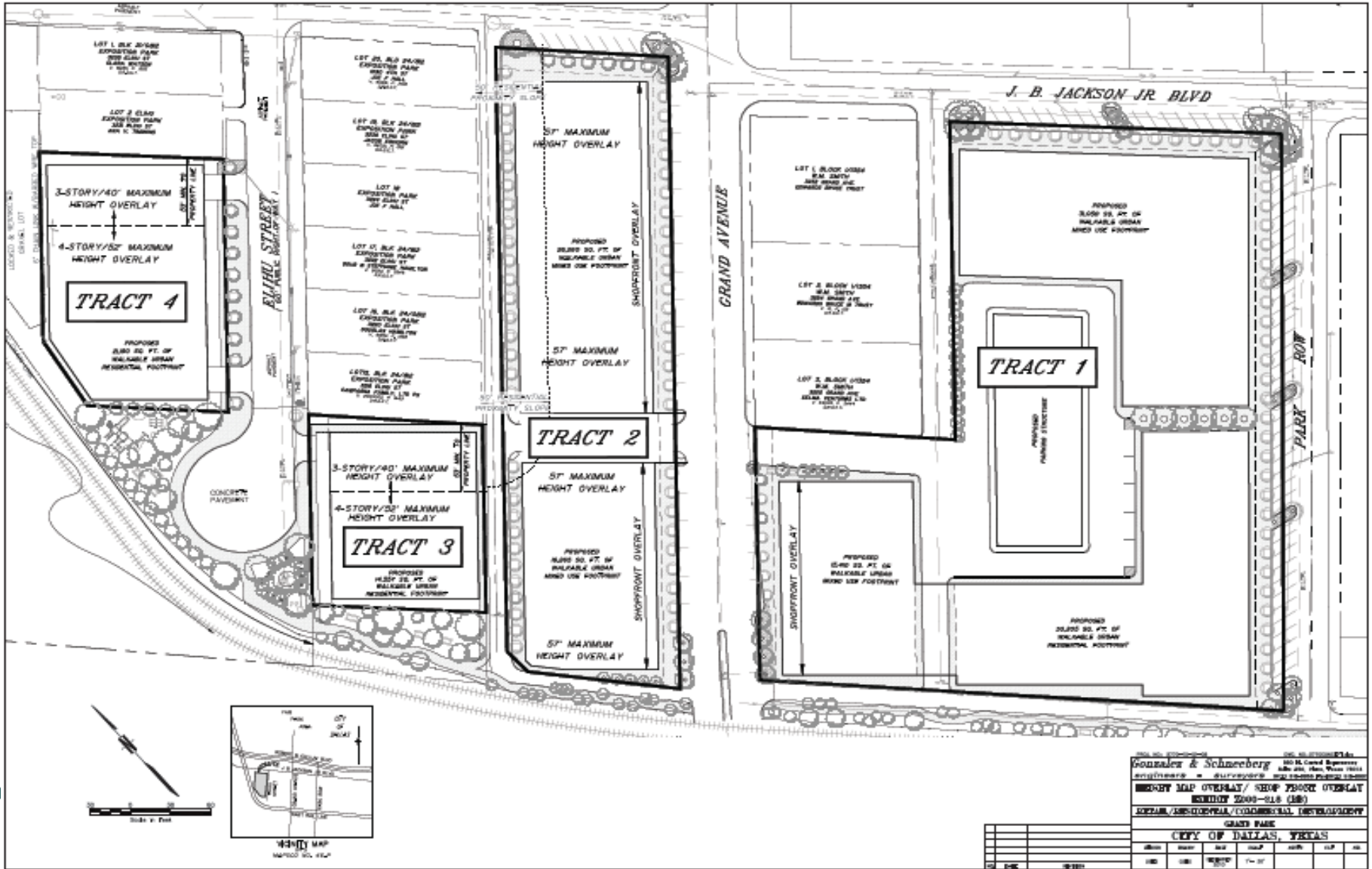
Development Area

- Census Tract 203, Council District 7
- Located in South Dallas; Walking distance from Fair Park
- Bounded by the DART Green Line, Park Row, and JB Jackson Jr. Blvd
- Transit Oriented Development to be completed in four phases

Description of Development

- The Hall Family wishes to develop the property they own in four phases beginning with Phase 4 in 2012
 - Phase 1 - .8 acres; 38 apartments
 - Phase 2 - .6 acres; 30 apartments
 - Phase 3 - 2 acres; 60 apartments and 12,000 sq.ft. of commercial/retail space
 - Phase 4 - 3.5 acres; 110 apartments and 28,000 sq.ft. of commercial/retail space
- The Halls have requested that the City assist the development of Phase 1 with gap financing of \$700,000

Four Phases of Development



Gonzales & Schneberg
 engineers - architects
 10000 Preston Road, Suite 1000, Dallas, Texas 75241
 PROJECT: HIGHWAY MAP OVERLAY / SHOP FRONT OVERLAY
 NORTH 2000-018 (18)
 DATE: 10/20/00
 CITY OF DALLAS, TEXAS
 GRANT PARK
 SHEET NO. 18

Phase 1 -Grand Park Apartments



Grand Park Apartments (Phase 1)



Phase 1 – Grand Park

- 38 apartment units built in a four story building
 - 9 different floor plans
 - 6 one bedroom units; 730 sq.ft; \$830/month
 - 32 two bedroom units; 963 – 1191 sq.ft.; \$1,000 to \$1,250/month
 - Amenities include hardwood floors, granite counter tops, wired high speed internet
 - Rental Office and Parking will be on the first floor

Sources and Uses (Phase 1)

Sources

City of Dallas-Prop.8	\$ 500,000
City of Dallas-Economic Development	\$ 200,000
Hall Family Equity	\$ 466,464
Private Lender	<u>\$2,287,572</u>
Total	\$3,454,036

Uses

Land Costs	\$ 375,000
Preconstruction & Planning	\$ 229,647
Hard Costs	\$2,642,570
Marketing/Taxes/Interest Carry	<u>\$ 206,819</u>
Total	\$3,454,036

Pro Forma (Phase 1)

Hall - Elihu 38 Apartments; Phase I Grand Park Development Rent Proforma

32 Apartments, Two Bed, Two Bath, each 900 s.f
6 Apartments, One Bed, One Bath, each 700 s.f.

\$2,273,572.00 Loan @ 6.5% amortized over 30 years; Rent @ \$0.94/sf

<u>Unit Type</u>	<u>AC s.f.</u>	<u>Build Cost</u>	<u>Hall Equity/Land</u>	<u>Hall Expenses Paid</u>	<u>OOD Participation</u>	<u>OOD/OED Participation</u>	<u>Bank Loan</u>	<u>P&I 6.5 %/30 yr</u>	<u>Maint./Ins.</u>	<u>Tax</u>	<u>Rent</u>	<u>Cash Flow/Mo.</u>
2 Bed (32)	900	\$ 94,200.98	\$ 10,227.27	\$ 2,876.29	\$ 13,636.36	\$ 5,454.55	\$ 62,006.51	\$ 391.91	\$ 105.00	\$ 186.74	\$ 790.50	\$ 106.85
1 Bed (6)	700	\$ 73,267.43	\$ 7,954.55	\$ 2,237.12	\$ 10,606.06	\$ 4,242.42	\$ 48,227.28	\$ 304.82	\$ 95.00	\$ 145.24	\$ 609.15	\$ 64.09
	33000	\$3,454,036.00	\$ 375,000.00	\$ 105,464.00	\$ 500,000.00	\$ 200,000.00	\$2,273,572.00	\$ 14,370.00	\$3,930.00	\$6,847.00	\$28,950.90	\$ 3,803.90

\$2,273,572.00 Loan @ 7.0% amortized over 30 years; Rent @ \$0.94/sf

<u>Unit Type</u>	<u>AC s.f.</u>	<u>AC Build Cost</u>	<u>Hall Equity/Land</u>	<u>Hall Expenses Paid</u>	<u>OOD Participation</u>	<u>OOD/OED Participation</u>	<u>Bank Loan</u>	<u>P&I 7.0 %/30 yr</u>	<u>Maint./Ins.</u>	<u>Tax</u>	<u>Rent</u>	<u>Cash Flow/Mo.</u>
2 Bed (32)	900	\$ 94,200.98	\$ 10,227.27	\$ 2,876.29	\$ 13,636.36	\$ 5,454.55	\$ 62,006.51	\$ 412.53	\$ 105.00	\$ 186.74	\$ 790.50	\$ 86.24
1 Bed (6)	700	\$ 73,267.43	\$ 7,954.55	\$ 2,237.12	\$ 10,606.06	\$ 4,242.42	\$ 48,227.28	\$ 320.83	\$ 95.00	\$ 145.24	\$ 609.15	\$ 48.06
	33000	\$3,454,036.00	\$ 375,000.00	\$ 105,464.00	\$ 500,000.00	\$ 200,000.00	\$2,273,572.00	\$ 15,126.00	\$3,930.00	\$6,847.00	\$28,950.90	\$ 3,047.90

Loan to Cost - \$2,273,572.00/\$3,454,036.00 = 66%

At 6.5%, first year average monthly principal is \$12,253.00 and monthly interest is \$2,117.00

At 7.0%, first year average monthly principal is \$13,310.00 and monthly interest is \$1,816.00

RECOMMENDATION

- City would provide \$500,000 in Proposition 8 General Obligation Bond Housing funds as a grant for the development of the Grand Park Apartments
- City would provide \$200,000 in Economic Development funds (from HUD Planning Grant) as a grant for the Grand Park Apartments

Next Steps

- City Council consideration of \$500,000 grant to Hall Project Phase 1 on November 7, 2011
- Contracts Executed and Funding Available in November 2011