

Memorandum

RECEIVED

2013 JUN 26 PM 1:42

CITY SECRETARY
DALLAS, TEXAS



CITY OF DALLAS

DATE June 26, 2013
TO Rosa Rios
City Secretary
SUBJECT **Oak Cliff Foundation**
June 12, 2013 – Addendum Item # 10

The Office of Economic Development is requesting a correction be made to the official record of Resolution No. 13-1027, which was authorized by the City Council on June 12, 2013. Upon further review of the item, it was discovered that some information had been left out of the resolution.


Section 1 of the Resolution should read as followings:

Section 1. That the City Manager is authorized to amend the Section 108 Term Loan Documents pursuant to Administrative Action No. 10-2683 to authorize the sixth amendment to the Loan Documents between the City of Dallas and the Oak Cliff Foundation (OCF), to amend the Section 108 Term Loan Documents in the original amount of \$400,000 to: (1) defer all payments, interest and principal for thirty six months from May 1, 2013 through April 1, 2016; (2) reduce interest rate from 4% to 0% effective May 1, 2013; and (3) begin \$1,500 monthly payments of principal beginning May 1, 2016 and forgiveness of 25% of the outstanding May 1, 2016 principal balance of the loan annually beginning May 1, 2017 (so long as OCF meets certain benchmark and criteria as established in the Loan Documents) until the principal balance of the loan is paid in full and provide for other matters relating thereto.

For your review, please see the attached amended Resolution.

Accordingly, I request that you add this information into your file as part of the original record and forward a corrected stamped copy to me and all copied.

Should you have any further questions or concerns, please contact me at (214) 671-8958.


Karl Zavitsky, Director
Office of Economic Development

Attachment

C: Lee McKinney, Assistant Director, Office of Economic Development
Tenna Kirk, Agenda Coordinator, Office of Economic Development

Dallas – **Together**, we do it better

RR 7/23
ES 7/25

WHEREAS, with respect to the Neighborhood Renaissance Partnership (NRP) Program Section 108 Contract for Loan Guarantee Assistance (B-94-MC-48-0009), it is necessary to obtain additional authorization from the City Council to extend the expenditure deadline for the disbursement of NRP Section 108 funds; and

WHEREAS, on November 5, 2001, the Housing and Neighborhood Development Committee was briefed on this request to amend the Neighborhood Renaissance Partnership Program Section 108 contract to change the final date for the draw down of funds for expenditure from December 31, 2001 to December 31, 2002; and

WHEREAS, on November 14, 2001, City Council authorized amendments to the Neighborhood Renaissance Partnership (NRP) Program Section 108 contract for loan Guarantee Assistance (B-94-MC-48-0009) to extend the deadline for the draw down of funds for expenditure of all Section 108 Loan Guarantee funds from December 31, 2001 to December 31, 2002 and provide for other matters relating thereto; and

WHEREAS, on December 11, 2002, City Council authorized amendments to the Neighborhood Renaissance Partnership (NRP) Program Section 108 contract for loan Guarantee Assistance (B-94-MC-48-0009) to extend the deadline for the draw down of funds for expenditure of all Section 108 Loan Guarantee funds from December 31, 2002 to October 31, 2003 and provide for other matters relating thereto; and

WHEREAS, the Oak Cliff Foundation (OCF), a Texas non-profit corporation, after a long fund raising campaign, was able to garner the necessary funds for the total renovation cost; and

WHEREAS, the Oak Cliff Foundation has successfully completed the renovation of the Texas Theatre, has met the HUD National Objective and is currently providing the public benefit required under the HUD Loan Agreement; and

WHEREAS, the Texas Theatre is a Historic Landmark that has been renovated to provide benefit to the Oak Cliff community and revitalization to the Jefferson Corridor.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager is authorized to amend the Section 108 Term Loan Documents pursuant to Administrative Action No. 10-2683 to authorize the sixth amendment to the Loan Documents between the City of Dallas and the Oak Cliff Foundation (OCF), to amend the Section 108 Term Loan Documents in the original amount of \$400,000 to: (1) defer all payments, interest and principal for thirty six months from May 1, 2013 through April 1, 2016; (2) reduce interest rate from 4% to 0% effective May 1, 2013; and (3) begin \$1,500 monthly payments of principal beginning May 1, 2016 and forgiveness of 25% of the principal balance of the loan annually beginning May 1, 2017 (so long as OCF meets certain benchmark and criteria as established in the Loan Documents) until the principal balance of the loan is paid in full and provide for other matters relating thereto.

Section 2. That terms of the amendment to the loan documents include:

- a. Oak Cliff Foundation and Aviation Cinema, Inc., (Aviation) will extend the current lease to terminate no sooner than September 1, 2020.
- b. OCF will continue operation of the Texas Theatre through the expiration of the extended lease with Aviation.
- c. That OCF will utilize lease payments from Aviation to meet debt service obligations to the City of Dallas through May 1, 2020.

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

