

NFL Hall of Famer Emmitt Smith Teams With Fund to Back Under-Served Communities Nationwide

E Smith Communities Starts First Mixed-Use Project in South Dallas



The former office building is being transformed into retail amenities. Illustration: E Smith Communities

In a deal two years in the making, a partnership involving NFL Hall of Famer Emmitt Smith's E Smith Communities purchased a community-oriented office property in South Dallas with plans to transform it into a neighborhood destination. They plan to take the ultra-local focus national.

The deal marks the first purchase of the partnership between E Smith Communities and American South Real Estate Fund with many more to come throughout the United States, said Tamara Thornton, chief executive officer of E Smith Communities, an affiliate of Dallas-based E Smith Legacy Holdings, which was founded by Smith.

"We really wanted to start our real first project at home," Thornton said in an interview. "A year ago, we founded E Smith Communities to address opportunities and challenges we saw in our communities. We wanted our development to focus on how we can drive health, education and wellness in often overlooked and under-invested communities throughout the nation."

Thornton recently scouted a property in Atlanta that "fits the mold" of what E Smith Communities desires in a deal, she said. The investment group is seeking either existing properties or land to build ground-up projects to wrap around an anchor institution, such as a medical center or community college, which has similar community-building goals.

"Given our traditional uses, we look at areas with the potential to transition," Thornton said. "In South Dallas, we have two anchors with the regional VA Medical Center and immediate access through a nearby DART rail station to the University of North Texas at Dallas and Paul Quinn College."

The location of the DART rail station adjacent property gives the nearly 30,000-square-foot office building at [4315 S. Lancaster Road](#) in South Dallas a transit-oriented quality with access to an even greater daytime population, Thornton said. Terms of the acquisition were undisclosed.

The building, once owned and occupied by the Urban League of Dallas and North Central Texas, has been vacant since October 2017, when the nonprofit group, "blew up," and the property landed in receivership, said Candace Rubin, who was the receiver on the property and represented the Urban League of Dallas.

E Smith Communities was selected after Rubin conducted a sealed bid process of seven bidders after about 150 inquiries into the property. The original close date was scheduled for May 2018, she said, but Internal Revenue Service liens and litigation lengthened the process. Then the government was shut down for 35 days from Dec. 22 through Jan. 25.

"They were very patient buyers," Rubin, founder of Candace Rubin Real Estate, told CoStar News. "I had to call a friend in Washington, D.C., at the IRS to call the title company and let them know the tax liens had cleared. Everything that could possibly delay it happened. They were really good buyers."

Thornton represented E Smith Communities in the deal, which closed in January 2019. Rubin is also marketing another adjacent parcel in receivership.

E Smith Communities plans to spend more than \$6 million to upgrade the office building and transform it into an office and retail building with about 10,000 square feet of retail space. The ownership group expects to put three to four neighborhood retailers in the building ranging from yoga and wellness to restaurants to other community demands, Thornton said.

"We looked at this corridor for a number of years," she added. "It has some hard assets, such as a daytime and resident population, you can build on, which makes it attractive and it's easier to have conversations with mainstream retailers."

With the renovations, E Smith Communities will reconnect the building aesthetically to the surrounding community. The development group has already begun one-on-one meetings with residents with plans to open more formal interactions with the community in the future, Thornton said.

Thornton plans to expand E Smith Communities throughout the country, with some financial help potentially coming from American South Real Estate Fund, which invests in low to moderate income communities in the southern United States.

"There are so many opportunities around the country from urban to rural opportunities," Thornton said, adding the group doesn't have a specific investment goal to reach. "Opportunities are everywhere and we will look at the best opportunities."

The group is already getting interest from hospital systems, mid-size universities, historically black colleges and universities and overlooked communities, according to Thornton.

"The fund we are working with will be a partner going forward, but a lot depends on the project," she said. "We have additional resources and other partners we can pull in to reflect a project. A lot is still taking shape."

But, having Emmitt Smith as a leader helps E Smith Communities gain access to opportunities, Thornton said.

"You can't beat it in terms of access, but our doors are always open," she said. "There is so much potential in the southern Dallas community, we hope this becomes a catalyst and inspires other developers."

In a written statement, Smith, who was unavailable to immediately speak to CoStar News, said the South Dallas project aligns perfectly with the company's focus and partnership with American South Real Estate Fund because it will bring "lasting change," to an area in need of economic development.



Emmitt

Smith, a former star running back for the Dallas Cowboys, is founder and chairman of Dallas-based E Smith Legacy Holdings, parent company of E Smith Communities. Photo: E Smith Legacy.

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