

# Memorandum



DATE May 13, 2016

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II, (Vice Chair), Adam Medrano,  
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Southern Sector Food Desert Grocery Recruitment Program**

On Monday, May 16, 2016, the Economic Development Committee will be briefed on the Southern Sector Food Desert Grocery Recruitment Program.

Briefing material is attached.

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

Ryan S. Evans  
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Christopher D. Bowers, Interim City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager

Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

# Southern Sector Food Desert Grocery Recruitment Program

May 16, 2016



# Purpose

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1. Respond to City Council request to develop a program to actively pursue a major grocer to locate in a southern sector food desert
2. Propose a call for projects via “Notice of Funding Availability” (NOFA) to promote a major grocery store and redevelopment of aging retail centers with vacant or underutilized grocery space
3. Receive Committee comments and recommendations in preparation of City Council consideration within a 90-day period

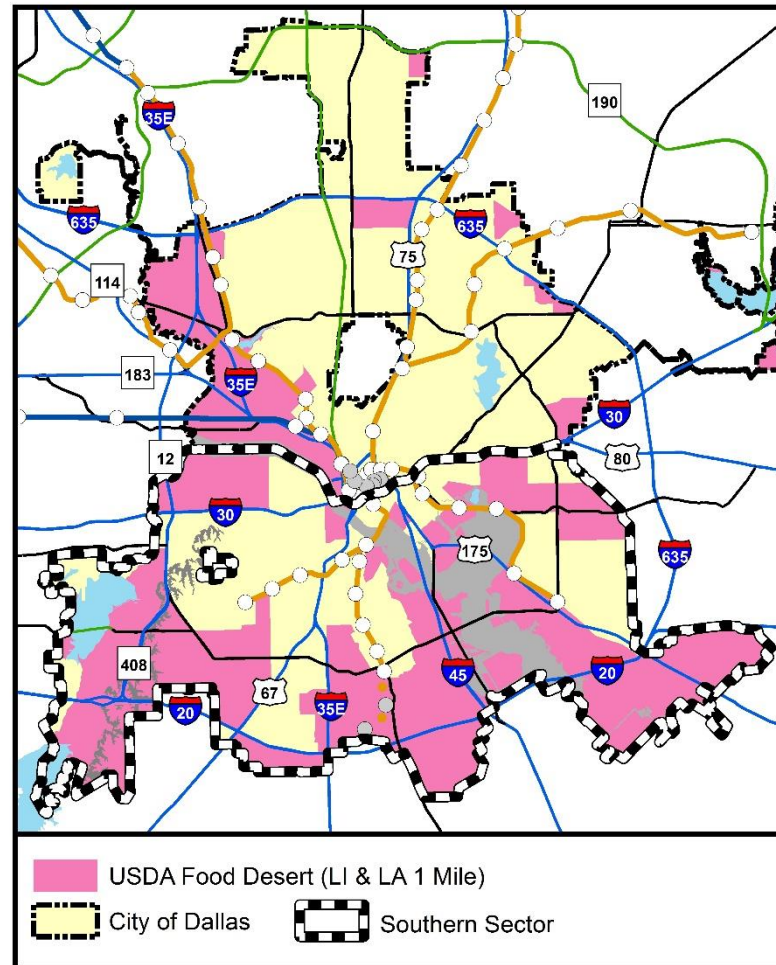
# Project Initiation

- At its May 11, 2016 meeting, City Council requested staff develop a program to recruit a major grocer to a southern sector food desert.
- To identify potential projects, staff proposes to provide a “NOFA” (in an amount up to \$3 million) directly to developers and major grocers in an effort to drive new opportunities in the desired underserved markets.
  - Outreach to include: direct mailings; email; on-line and print advertising; face-to-face meetings; and, phone calls to brokers, real estate professionals, developers and grocery store operators

# Targeted Areas

- The map depicts food deserts in the city of Dallas\*
- Targeted food deserts will include locations in the Southern Sector

\*USDA definition: Low-income areas where a significant number or share of residents is far from a supermarket, where "far" is more than 1 mile in urban areas



# Suggested Criteria

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## 1. Proposers required to:

- Exhibit the ability to control proposed site
- Initiate project within desired time line
- Have funding or be capable of raising equity and/or debt
- Have requisite experience
- Be an operator of a grocery or, if developer driven, show ability to pre-lease
- Deliver an established brand
- Develop a minimum 50,000 s.f. grocer
- Provide high quality and responsive proposals

# Suggested Criteria – cont.

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## 2. Stipulations

- City Council approval and executed contract prior to initiation of project
- City payments after Certificate of Occupancy
- Recipient current on taxes
- Not in litigation with City
- Agree to the City’s “Good Faith Effort Plan” to include minority/women owned businesses for construction contracts
- Design Review to ensure high quality

# Proposed City Participation

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- Set aside at least \$3 million in funding to support the project
- Also consider utilization of tax abatement or other existing programs as appropriate



# Outstanding Issue

- At its April 4, 2016 meeting, the Committee was briefed on the existing Public/Private Partnership Program
- Briefing acknowledged a need to incorporate emerging Council priorities to ensure consistency with affordable/mixed income policy guidelines and a coordinated census tract focus
- The current program expires after June 25, 2016 and will need to request Council consideration for a 6 month renewal to strategically align the program with newly developing housing policy initiatives
  - Explore additional programs to address food access, retail, and healthy corner stores

# Next Steps

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- Integrate Committee input into the development of the proposed NOFA
- Prepare for City Council consideration of the NOFA
- Extend “Guidelines & Criteria” for the Public/Private Partnership Program for 6 months