

# Memorandum



DATE August 12, 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 **Small/Microenterprise Business Development Basics Pilot Program**

On Monday, August 15, 2016, the Economic Development Committee will be briefed on the Small/Microenterprise Business Development Basics Pilot 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

# Small/Microenterprise Business Development Basics Pilot Program

Economic Development Committee  
August 15, 2016



# Purpose

---

- To present the proposed Small/Microenterprise Development Basics pilot program to the Economic Development Committee , and
- To seek the Committee's approval to proceed with 3 possible options for FY 2016-17 to existing organizations as we transition the BAC program into the new pilot program

# Background

- Business Assistance Center (BAC) program has been funded with HUD CDBG monies since 1993
- 
- Since inception BAC program contract awards have been for about \$9.9M to 12 organizations to provide technical assistance/support services to low-to-moderate income persons and microenterprises
- 
- HUD CDBG funding is scheduled for different program use in FY 2016-17 and funding for final renewal of existing BAC contracts are included in proposed FY 2016-17 General Fund budget
- 
- Existing BAC's (see Appendix C) will be given option to exercise final contract renewal under existing guidelines or respond to RFCSP for new Pilot Program.

# Proposed Pilot Program

---

- Contractor organizations (selected by RFCSP) collaborate with Dallas County Community College District (DCCCD) to provide Small/Microenterprise development and capacity building training
- 
- Contractor organizations are paid for recruitment and course completion
- Program participant responsible for tuition/seeking tuition assistance

# Proposed Pilot Program (continues)

---

- Program contractors also paid to perform various additional services such as:
  - Participant identification / evaluation / DCCCD registration and tracking of participants' progress
  - Completion of business plan
  - Registration of business (IRS, State, County)
  - Application completion of MWBE, HUB, DBE as appropriate
  - Instruction seminars on “How to do business with City of Dallas”, DART, DISD and others
  - Registration with City as a vendor (at a minimum)
  - Contractors paid for performance of completed deliverables, but may accomplish with assistance of other collaborators

# Proposed Pilot Program (continues)

---

- Program Participants
  - Any Dallas resident  $\geq 18$  yrs. of age w/GED or HS Diploma;
  - Established business owners operating in Dallas
  - No income limitations
- Program Administration
  - 3-positions FY 2015-16
  - 2-positions FY 2016-17, and
  - 1-positon for FY 2017-18 and future procurement cycles

# Comparison Table

Category	Existing Program	Pilot Program
Program Elements	Provide technical assistance to LMI start-ups and existing businesses, incubator space and create microenterprises	Provide a structured and monitored beginning-to-end business development path for a greater sector of the Dallas community to assist (start-ups and existing small/microenterprise) focus on results oriented goals and bringing an awareness of a multitude of support services and organizations already in the Dallas area (DCCC, SBA and its partners: SBDC, SCORE, Traditional and non-traditional financial institutions, bonding/surety providers; other professional organizations with their mentoring opportunities,...)



# Comparison Table (continues)

Category	Existing Program	Pilot Program
Program Participation	Microenterprise development/c capacity building (max 5 employees including owner(s)), LMI Dallas resident or those outside if considering establishing Microenterprise in Dallas	Any Dallas resident ≥18 yrs. of age w/GED or HS Diploma; Established business owners operating in Dallas, and No income limitations
Administrative Requirements	3-Positions through FY 2015-16	2-Positions FY 2016-17 1-Position FY 2017-18
Core Performance Measures	Unduplicated Clients, Individual/Group Technical Assistance provided, Incubators (ave. 2), businesses created	Participants that complete DCCCD Business Development Curriculum, Business Plans Completed, Businesses created and registered, Business applications for MWBE &/or HUB&/or DBE, Businesses learning how to do business with the City and registering as a vendor

# Comparison Table (continues)

Category	Existing Program	Pilot Program
Program Implementation and Administration Cost	\$758K	\$700K FY 2016-17 \$640K FY 2017-18 (Est)
Procurement Process	RFCSP	RFCSP

# Pilot Program Benefits

- Structured program that is more inclusive of the Dallas community
- Results oriented goals
- Pay for performance attainment
- Creating synergy with other existing business development support collaborators like: DCCCD and its collaborators SBA and its partners, as well as, other area professional organizations and their mentoring opportunities
- More streamlined program administration with a cost reduction path for the next two fiscal years

# Contract Service Payment Model

- Maximum total payment per contract for the contract period = \$80K
- \$1,000 maximum per program participant served
- Sample Table-Schedule of Payment Breakdown per Participant for Contractors:

Deliverable	Pay Per Deliverable
Evaluation of Candidate for program participation and registration of the Participant with DCCCD for the business development program curriculum	\$ 200
Successful completion of DCCCD business development program curriculum	\$ 100
Business Plan Development Completion	\$ 400
Registration of Business (IRS, State, County---as applicable)	\$ 100
Application Completion of M/WBE, HUB, DBE as applicable	\$ 100
Instruction/Seminar on at least “How to do Business with the City of Dallas” and registration as a vendor at least with the City of Dallas (if applicable)	\$ 100
<b>Maximum Total Per Program Participant</b>	<b>\$1,000</b>

# BAC Transition and Small/Microenterprise Development Program Pilot

- **Existing organizations with BAC's given three (3) options for FY 2016-17:**
  1. Exercise last renewal option on BAC program under current guidelines, or
  2. Participate in procurement process with new pilot program, or
  3. Exercise last renewal option up to \$40K and participate in the procurement process for up to \$40K if successful
- **City Council approval required for renewal of existing contracts as well as awarding of pilot contracts**

# Next Steps

- ECO Committee approval of proposed pilot program
- Memorandum to City Council regarding intent to issue RFCSP
- Issue RFCSP for pilot program
- City Council consideration of last renewal options of current contracts (for those organizations that select that option for their BACs)
- Evaluate pilot program proposals
- Recommend new pilot contract awards for City Council consideration

# APPENDICES

# Appendix A: DCCC-Richland College Campus

## Example Business Development Curriculum Series



Richland College

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

Coursework	Lecture Hours
Entrepreneurship 101	7
Small Business Financials	7
Small Business Law	7
Develop Your Business Plan	7
Accounting for Small Businesses	7
<b>Total Coursework</b>	<b>35</b>

Other Business Related Series (i.e. Marketing, Web development), ESL, GED and others are also available



# Appendix B: Mountain View College

## Example Business Development Curriculum Certification Series



Mountain View College  
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

### Example Certification Program Series

Exploring Entrepreneurship 12 hrs	Elective Courses (a minimum of 2):
Social Media Marketing for Small Business 12 hrs	Franchising 101 8 hrs
Accounting For Small Business 12hrs	Contracts and Bids 8 hrs
Small Business Management 12 hrs	Business Plan Writing 12 hrs
Human Resource Management for Small Business 12 Hrs	Nonprofit Management 8 hrs
Business Law 12 hrs	QuickBooks Pro for Small Business 24 hrs
	Customer Service Introduction 8 hrs
	Financial Statement and Taxes 16 hrs
	Technology 101 for Small Business 8 hrs

## 2015-16 BUSINESS ASSISTANCE CENTERS (BAC)



**BAC # 1 – Central Dallas**  
 Greater Dallas Hispanic Chamber of Commerce  
 4622 Maple Ave, Dallas, TX 75219  
 (214) 521-6007 office  
 Council District: 2

**BAC # 6 – West Dallas**  
 Regional Hispanic Contractors Association  
 3918 N. Hampton Road, Dallas, TX 75212  
 (972) 786-0909 – office  
 Council District: 6

=====  
**BAC # 2 – MILK / South Dallas/ Fair Park**  
 Dallas Black Chamber of Commerce Corp. - Business Development  
 2838 MILK Jr. Blvd, Dallas, TX 75215  
 (214) 421-5200  
 Council District: 7

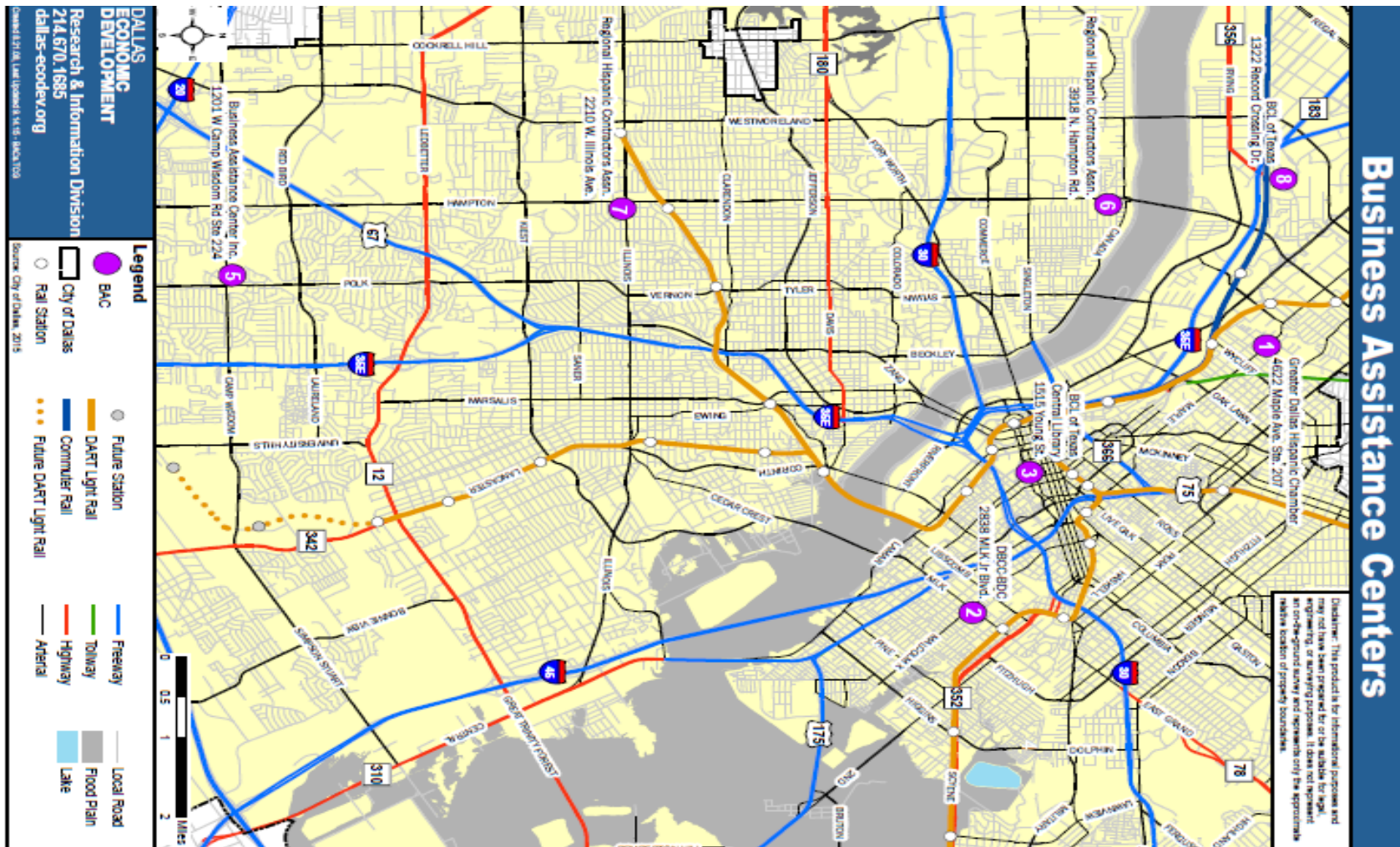
=====  
**BAC # 7 – Oak Cliff**  
 Regional Hispanic Contractors Association  
 2210 W. Illinois Ave, Dallas, TX 75224  
 (972) 786-0909 – office  
 Council District: 6

=====  
**BAC #3 – Downtown - Library**  
 CEN-TEX (Certified Development Corp.)  
 dba BCL (Business & Community Lender)  
 Erik Jonsson Central Library at Sammons Small Business Center – 5<sup>th</sup> Floor  
 1515 Young Street, Dallas, TX 75202  
 (214) 688-7456 – office  
 Council District: 1

=====  
**BAC # 8 – Northwest Dallas**  
 CEN-TEX (Certified Development Corp.)  
 dba BCL (Business & Community Lender)  
 1322 Record Crossing, Dallas, TX 75235  
 (214) 688-7456 – office  
 Contact: Raquel Valdez, Chief Operating Officer  
 Council District: 2

=====  
**BAC # 5 – South Dallas**  
 Business Assistance Center, Inc.  
 1201 W. Camp Wisdom, Dallas, TX 75232  
 (214) 376-6530 – office  
 Council District: 5

# Appendix C: Current BAC Locations (continue)



# Appendix D: Location Reference

## Current BAC Locations and DCCCD Locations

### Business Assistance Centers and DCCCD Community Colleges

