

ECONOMIC DEVELOPMENT & HOUSING COMMITTEE

DALLAS CITY COUNCIL COMMITTEE AGENDA **REVISED**

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2019 MAY -3 AM 8:05

CITY SECRETARY
DALLAS, TEXAS

MONDAY, MAY 6, 2019

CITY HALL

COUNCIL BRIEFING ROOM, 6ES

1500 MARILLA STREET

DALLAS, TEXAS 75201

9:00 A.M.–10:30 A.M.

Chair, Councilmember Tennell Atkins

Vice Chair, Councilmember Rickey D. Callahan

Councilmember Lee M. Kleinman

Councilmember Scott Griggs

Councilmember Casey Thomas, II

Councilmember B. Adam McGough

Councilmember Mark Clayton

Councilmember Kevin Felder

Councilmember Omar Narvaez

Call to Order

1. Approval of April 15, 2019 Meeting Minutes

BRIEFINGS

2. Executive Session to discuss the offer of a financial or other incentive to Project RBG under Section 551.087 of the Texas Gov't Code
Courtney Pogue, Director
Office of Economic Development
3. Executive Session to discuss the offer of a financial or other incentive to Project Urban under Section 551.087 of the Texas Gov't Code
Courtney Pogue, Director
Office of Economic Development
4. Executive Session to discuss the offer of a financial or other incentive to Project CS under Section 551.087 of the Texas Gov't Code
Kevin Spath, Assistant Director
Office of Economic Development
5. Proposed Neighborhood Empowerment Zone #9
Courtney Pogue, Director
Office of Economic Development
6. Establishment to Targeted Neighborhood Enhancement Program and Approval of Grant to The Golden S.E.E.D.S. Foundation for Neighborhood Enhancements in The Bottom
Courtney Pogue, Director
Office of Economic Development
7. Establishment of the Southern Dallas Investment Fund
Courtney Pogue, Director
Office of Economic Development

MEMO

- A. History of Low Income Housing Tax Credit (LIHTC) Review Process 2010 – Present

A quorum of the City Council may attend this Council Committee meeting

UPCOMING AGENDA ITEMS

May 22, 2019

- B. Authorize (1) a public hearing to be held on June 12 2019, to receive comments concerning the renewal and expansion of the South Side Public Improvement District (the "District"), in accordance with Chapter 372 of the Texas Local Government Code (the "Act"), for the specified area of the District, for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District, and at the closing of the hearing; (2) approval of a resolution renewing the District for a period of seven years; (3) approval of expansion of the District's boundary; (4) approval of the District's Service Plan for 2020-2026 for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District; and (5) approval of management contract with South Side Quarter Development Corporation, a Texas nonprofit corporation as the management entity for the District - Financing: No cost consideration to the City - See Fiscal Information

- C. Authorize (1) a public hearing to be held on June 12, 2019 to receive comments concerning the renewal of the Uptown Public Improvement District (the "District"), in accordance with Chapter 372 of the Texas Local Government Code (the "Act"), for the specified area of the District, for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District, and at the closing of the hearing, (2) approval of a resolution renewing the District for a period of seven years, (3) approval of a Service Plan for 2020-2026 for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District; and (4) approval of a management contract with Uptown Dallas, Inc., a Texas nonprofit corporation as the management entity for the District - Financing: No cost consideration to the City - See Fiscal Information

Adjourn



Tennell Atkins, Chair
Economic Development & Housing Committee

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex. Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

HANDGUN PROHIBITION NOTICE FOR MEETING OF GOVERNMENTAL ENTITIES

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

x-ray "

Economic Development & Housing Committee

Meeting Record April 15, 2019

The Economic Development & Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Committee Coordinator at 214-670-1686.

Meeting Date: April 15, 2019

Meeting Start time: 9:06 A.M.

<p>Committee Members Present: Councilmember Tennell Atkins (Chair) Councilmember Rickey D. Callahan (Vice-Chair) Councilmember Lee M. Kleinman Councilmember Scott Griggs Councilmember Casey Thomas, II Councilmember B. Adam McGough Councilmember Kevin Felder Councilmember Omar Narvaez</p> <p><u>Other Council Members Present:</u> Councilmember Carolyn King Arnold</p> <p><u>Committee Members Absent:</u> Councilmember Mark Clayton</p>	<p>Staff Present: Michael Mendoza, Chief of Economic Development and Neighborhood Services David Noguera, Director of Housing and Neighborhood Revitalization Maureen Milligan, Assistant Director of Housing and Neighborhood Revitalization David Drury, Land Bank Manager of Housing and Neighborhood Revitalization Courtney Pogue, Director of Office of Economic Development Robin Bentley, Assistant Director of Office of Economic Development Kris Sweckard, Director of Sustainable Development and Construction</p>
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AGENDA:

Housing Committee Meeting Called to Order by CM Tennell Atkins

1. Approval of April 1, 2019 Economic Development & Housing Committee Minutes

Presenter(s): CM Tennell Atkins

Action Taken/Committee Recommendation(s): Motion made to approve the minutes.

Motion made by CM Casey Thomas, II	Motion seconded by CM Lee Kleinman
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

2. Dallas Homebuyer Assistance Program Update

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services
 David Noguera, Director of Housing and Neighborhood Revitalization
 Maureen Milligan, Assistant Director of Housing and Neighborhood Revitalization

Information Only: __

Action Taken/Committee Recommendation(s)

Motion made by CM Rickey D. Callahan	Motion seconded by CM Casey Thomas, II
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

3. Dallas Housing Rehabilitation Program Overview

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services
 David Noguera, Director of Housing and Neighborhood Revitalization
 Maureen Milligan, Assistant Director of Housing and Neighborhood Revitalization

Information Only: __

Action Taken/Committee Recommendation(s)

Motion made by CM Rickey D. Callahan	Motion seconded by CM Omar Narvaez
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

4. Consideration and Approval of Sale of 30 Land Bank Lots from Dallas Housing Acquisition and Development Cooperation to Confia Homes, L.L.C.

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services
 David Noguera, Director of Housing and Neighborhood Revitalization
 Maureen Milligan, Assistant Director of Housing and Neighborhood Revitalization
 David Drury, Land Bank Manager of Housing and Neighborhood Revitalization

Information Only: __

Action Taken/Committee Recommendation(s)

Motion made by CM Rickey D. Callahan	Motion seconded by CM Kevin Felder
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

5. Proposed Amendment to the City of Dallas Comprehensive Housing Policy to Add a Land Transfer Program

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services
 David Noguera, Director of Housing and Neighborhood Revitalization
 Maureen Milligan, Assistant Director of Housing and Neighborhood Revitalization

Information Only: __

Action Taken/Committee Recommendation(s)

Motion made by CM Scott Griggs	Motion seconded by: CM Kevin Felder
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

Executive Session to discuss the offer of a financial or other incentive to Project RBG under Section 551.087 of the Texas Gov't Code

Executive Session to discuss the offer of a financial or other incentive to Project Urban under Section 551.087 of the Texas Gov't Code

Executive Session to discuss the offer of a financial or other incentive to Project CS under Section 551.087 of the Texas Gov't Code

Memorandum



CITY OF DALLAS

DATE **May 3, 2019**

The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins (Chair), Rickey D. Callahan (Vice-Chair), Lee M. Kleinman,
TO **Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,**
Omar Narvaez

SUBJECT **Proposed Neighborhood Empowerment Zone #9**

On Monday, May 6, 2019, the Committee will be briefed on the Proposed Neighborhood Empowerment Zone #9. This briefing was also provided to the Quality of Life, Arts & Culture Committee on April 22, 2019.

The briefing materials are attached for your review.

Please feel free to contact me if you have any questions or concerns.

A handwritten signature in black ink, appearing to read 'Michael A. Mendoza'.

Michael A. Mendoza

Chief of Economic Development and Neighborhood Services

c: Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
Directors and Assistant Directors

Proposed Neighborhood Empowerment Zone #9

**Economic Development & Housing
Committee
May 6, 2019**

**Courtney Pogue, Director
Office of Economic Development
City of Dallas**



Overview

- Definition of Neighborhood Empowerment Zone (NEZ)
- Purpose for Creation of NEZ
- Analysis of Area Under Consideration
- Proposed NEZ #9 and Pilot Program
- Staff Recommendation
- Next Steps



Definition of Neighborhood Empowerment Zones (NEZ)

- Chapter 378 of the Texas Local Government Code provides for the creation of Neighborhood Empowerment Zones (NEZs)
- NEZs must promote any of the following:
 - An increase in economic development in the zone
 - An increase in the quality of social services, education, or public safety for residents of the zone
 - Creation and/or rehabilitation of affordable housing in the zone
- A municipality may create a NEZ by adopting a resolution that:
 - Describes boundaries of the zone
 - Determines that the zone promotes any of the items listed above
 - Finds that the creation of the zone benefits and is for the public purpose of increasing public health, safety and welfare of persons in the municipality
 - Finds that the zone satisfies requirements of Section 312.202 of the Tax Code (Property Redevelopment and Tax Abatement Act)

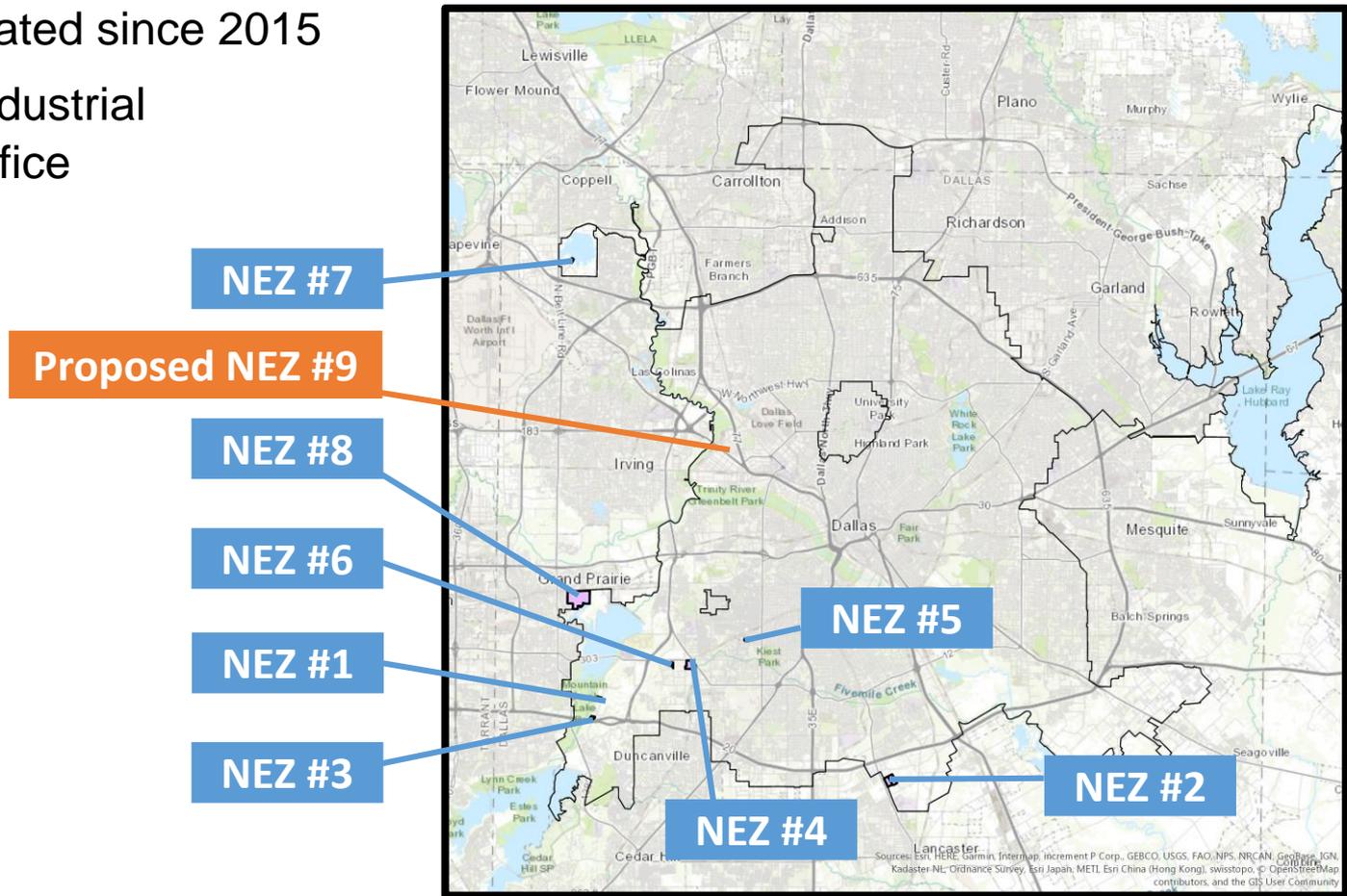
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Neighborhood Empowerment Zones (NEZs)

8 NEZs created since 2015

- 7 industrial
- 1 office



Purpose for Creation of NEZ

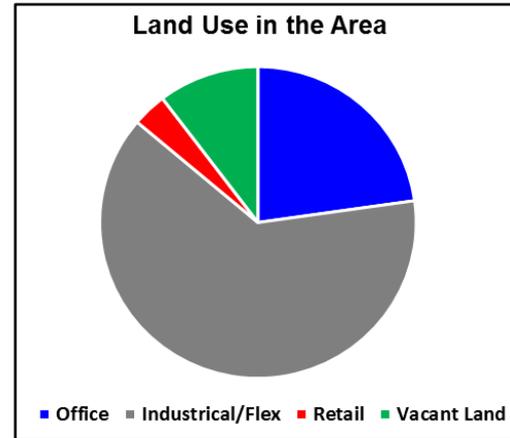
- NEZ is a flexible tool to implement an economic development program for a particular area of the city
- Create pilot program to encourage increased economic development in the NEZ
 - Stimulate business and commercial activity
 - Retain and grow existing smaller businesses (light industrial; office uses)
 - Retain and create jobs
 - Increase occupancy of buildings (office)
 - Encourage reinvestment in existing building stock
 - Incentivize workforce development/job training programs
- Uses excluded from consideration for incentives within the program: retail uses; sexually oriented businesses; bars, liquor stores; pawn shops; truck stops; body piercing studios; tattoo studios

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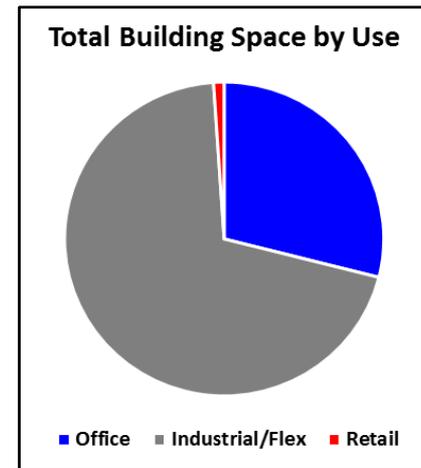


Analysis of Area Under Consideration

- Breakdown of Land Use
 - Office – 89 acres
 - Industrial/Flex – 247 acres
 - Retail – 14 acres
 - Vacant Land – 40 acres
 - No residential uses

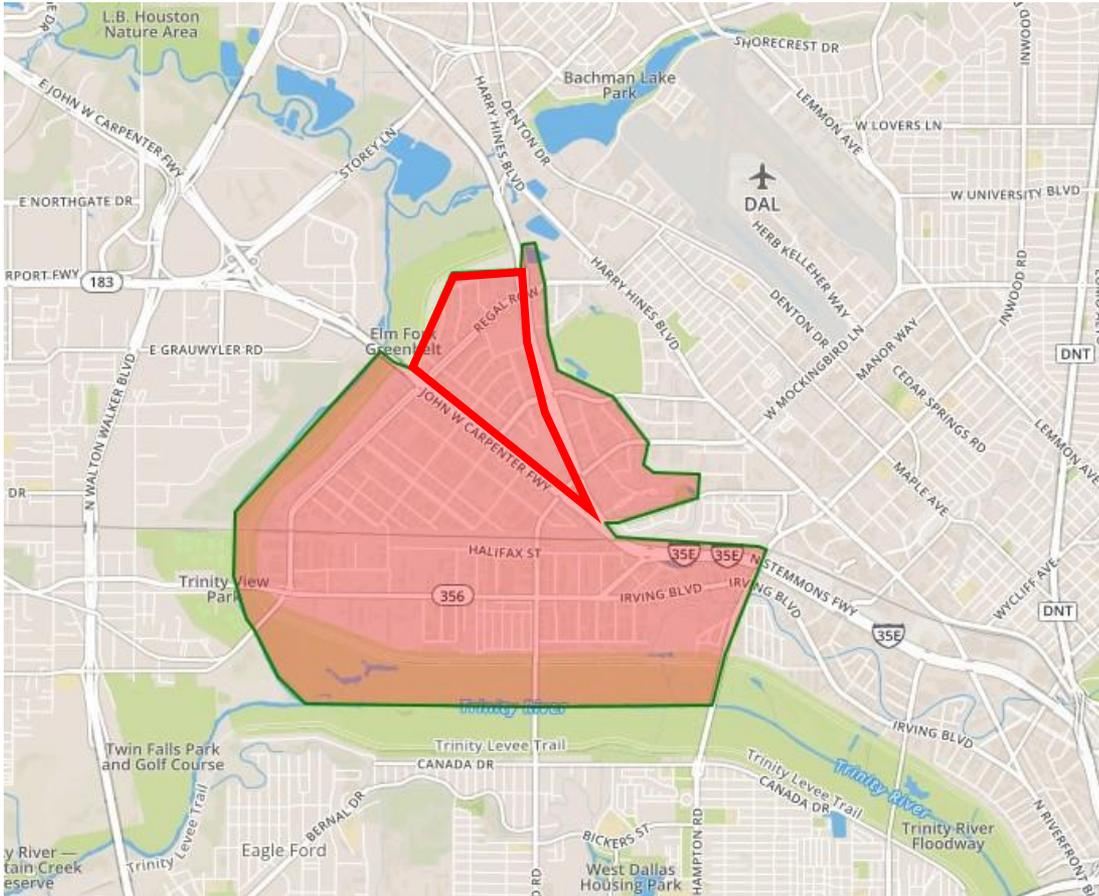


- Breakdown of Building Space
 - Office – total 2,040,821 square feet
 - Industrial/Flex – total 4,937,303 square feet
 - Retail – total 75,449 square feet (fast food)



Source: CoStar

Analysis of Area Under Consideration



- For analysis of data related to population, unemployment rate, and median household income, zip code 75257 (pink colored area) can be used as a proxy for the area under consideration (outlined in red)

Analysis of Area Under Consideration

Population		
Year	Zip Code 75247	City of Dallas
2011	447	1,196,258
2012	509	1,207,202
2013	546	1,222,167
2014	538	1,240,985
2015	629	1,260,688
2016	661	1,278,433
2017	712	1,300,122

Source: JobsEQ, March 2019

Unemployment Rate (%)		
Year	Zip Code 75247	City of Dallas
2011	45.1%	8.5%
2012	60.3%	9.0%
2013	61.1%	9.4%
2014	17.5%	8.9%
2015	41.1%	7.8%
2016	32.4%	6.8%
2017	46.6%	5.9%

Source: JobsEQ, March 2019; BLS

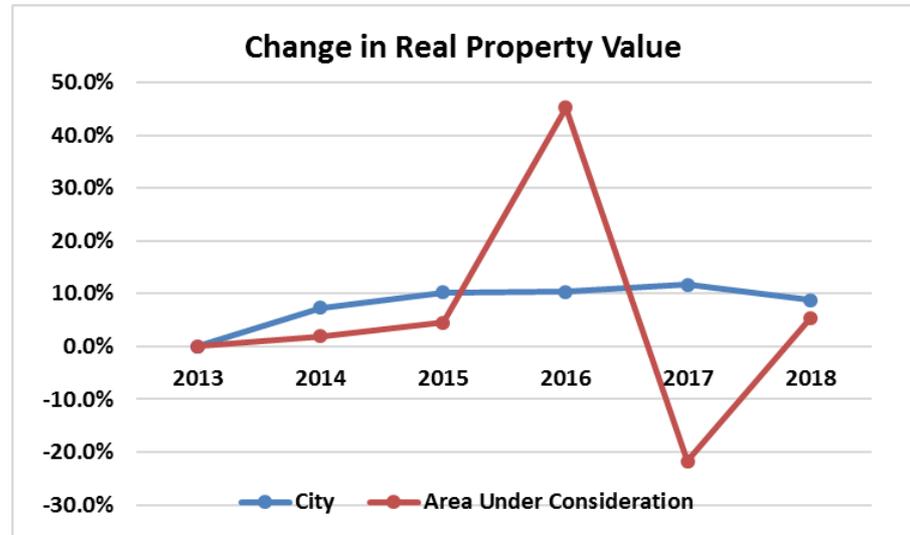
Median Household Income		
Year	Zip Code 75247	City of Dallas
2011	23,026	42,259
2012	22,606	42,436
2013	23,793	42,846
2014	17,426	43,359
2015	15,179	43,781
2016	16,227	45,215
2017	16,886	47,285

Source: JobsEQ, March 2019

Analysis of Area Under Consideration

Real Property Value				
Year	Area Under Consideration		City	
	Property Value	% Change	Property Value	% Change
2013	\$212,289,953	0.0%	\$32,700,000,000	0.0%
2014	\$216,420,141	1.9%	\$35,100,000,000	7.3%
2015	\$226,101,969	4.5%	\$38,700,000,000	10.3%
2016	\$328,426,560	45.3%	\$42,700,000,000	10.3%
2017	\$256,870,835	-21.8%	\$47,700,000,000	11.7%
2018	\$270,348,243	5.2%	\$51,900,000,000	8.8%

Source: DCAD; City of Dallas FY 2018 CAFR



Analysis of Area Under Consideration

Building Permits

Year	Area Under Consideration (Proposed NEZ #9)				Zip Code 75257				City of Dallas			
	Completed Permits* (work finished)	% Change	Total Value (completed during the year)	% Change	Completed Permits (work finished)	% Change	Total Value (completed during the year)	% Change	Completed Permits (work finished)	% Change	Total Value (completed during the year)	% Change
2016	18	-	\$4,844,501	-	143	-	\$22,878,365	-	11,905	-	\$3,059,988,194	-
2017	29	61%	\$10,869,056	124%	128	-10%	\$18,669,069	-18%	12,816	8%	\$3,585,060,079	17%
2018	42	45%	\$3,314,001	-70%	124	-3%	\$10,516,244	-44%	11,685	-9%	\$3,609,323,912	1%

Source: City of Dallas

* Permits represent only remodels, alterations, finish-outs

Over the last 3 years, there were no new construction permits issued in the area under consideration for proposed NEZ #9 (only permits for remodels, alterations, and finish-outs).

Analysis of Area Under Consideration Crime

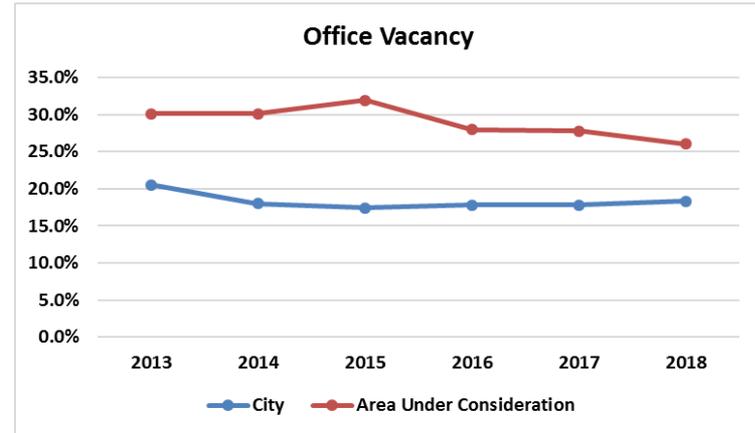
	2013		2014		2015		2016		2017		2018	
	NEZ #9	City	NEZ #9	City	NEZ #9	City	NEZ #9	City	NEZ #9	City	NEZ #9	City
Homicide Offenses	0	139	0	115	0	130	0	169	0	162	0	156
Assault Offenses	2	3,460	2	3,767	2	3,924	0	4,498	4	5,893	2	5,607
Robbery	6	4,174	0	3,814	3	4,155	4	4,563	6	5,882	9	5,521
Sex Offenses (Forcible)	0	464	0	609	0	712	1	613	2	904	0	791
Total Violent Offenses	8	8,237	2	8,305	5	8,921	5	9,843	12	12,841	11	12,075
	2013		2014		2015		2016		2017		2018	
	NEZ #9	City	NEZ #9	City	NEZ #9	City	NEZ #9	City	NEZ #9	City	NEZ #9	City
Burglary/Breaking & Entering	28	14,265	13	11,523	16	10,985	8	10,790	17	9,879	23	9,054
Larceny/Theft Offenses	73	29,950	60	26,263	63	25,686	27	25,918	54	25,340	50	25,762
Motor Vehicle Theft	27	7,336	14	7,204	16	7,323	4	7,446	23	7,934	29	9,735
Total Non-Violent Offenses	128	51,551	87	44,990	95	43,994	39	44,154	94	43,153	102	44,551
Total Index Crimes	136	59,788	89	53,295	100	52,915	44	53,997	106	55,994	113	56,626
% Change Year over Year			-35%	-11%	12%	-1%	-56%	2%	141%	4%	7%	1%

Source: City of Dallas Police Department

Analysis of Area Under Consideration

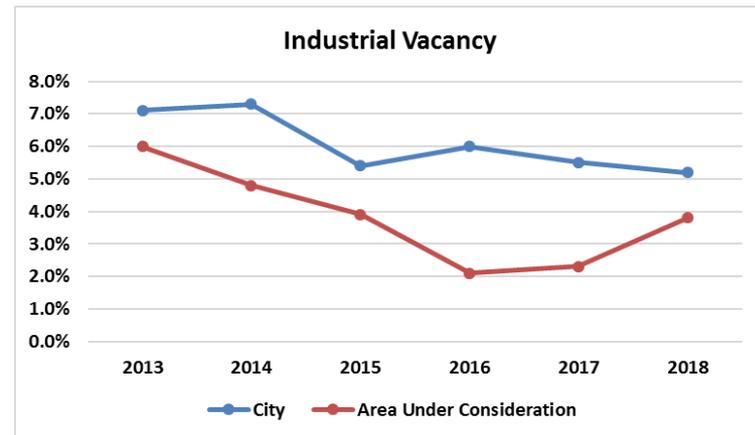
Office Vacancy (%)		
Year	Area Under Consideration	City of Dallas
2013	30.1%	20.5%
2014	30.1%	18.0%
2015	31.9%	17.4%
2016	28.0%	17.8%
2017	27.8%	17.8%
2018	26.0%	18.3%

Source: JobsEQ, March 2019; City of Dallas FY 2018 CAFR



Industrial Vacancy (%)		
Year	Area Under Consideration	City of Dallas
2013	6.0%	7.1%
2014	4.8%	7.3%
2015	3.9%	5.4%
2016	2.1%	6.0%
2017	2.3%	5.5%
2018	3.8%	5.2%

Source: JobsEQ, March 2019; City of Dallas FY 2018 CAFR



Analysis of Area Under Consideration

Total Number of Businesses

	Area Under Consideration (Proposed NEZ #9)	Zip Code 75247	City of Dallas
Total	427	2,560	76,300
Percentage	0.6%	3.4%	100.0%

Source: ReferenceUSA, March 2019; JobsEQ, March 2019; City of Dallas Office of Economic Development

Total Number of Jobs

	Area Under Consideration (Proposed NEZ #9)	Zip Code 75247	City of Dallas
Total	8,412	53,121	970,554
Percentage	0.9%	5.5%	100.0%

Source: ReferenceUSA, March 2019; JobsEQ, March 2019; City of Dallas Office of Economic Development

Analysis of Area Under Consideration

Top Employers in Proposed NEZ #9

Company Name	Address	Product/Service	Jobs
Smith Protective Svc Inc	8918 John W Carpenter Fwy	Security Guards & Patrol Services	300
Allied Marketing	1555 Regal Row	Marketing Consulting Services	200
US Cotton LLC	8500 John W Carpenter Fwy	Fiber Yarn & Thread Mills	200
Safeguard Business Systems Inc	8585 N Stemmons Fwy # 600n	Stationery & Office Supplies Merchant Wholesalers	130
Cott Beverages USA	1100 Empire Central Pl	Other Grocery & Related Products Merchant Whlsrs	120
Reina & Bates Immigration Law	1140 Empire Central Dr # 300	Offices Of Lawyers	110
Prestonwood Landscape SVC LLC	1366 Round Table Dr	Landscaping Services	100
VITAS Hospice Svc	8585 N Stemmons Fwy # 700s	General Medical & Surgical Hospitals	100
Enterprise Truck Rental	8200 John W Carpenter Fwy	Truck, Utility Trailer & Rv Rental & Leasing	80
Hi Tech Electric Inc	1181 Empire Central Dr	Electrical Contr & Other Wiring Installation Contr	80
New Generation Mechanical	1133 Empire Central Dr	Electrical Contr & Other Wiring Installation Contr	80
Immediate Resource	1555 Regal Row	Womens Children/Infnt Clothing/Acces Mrchnt Whlsrs	75
US Census Bureau	8585 N Stemmons Fwy # 800s	Legislative Bodies	75
G & C Direct	1275 Profit Dr	Direct Mail Advertising	67
Atlantis Trading Corp	1555 Regal Row	Women's Clothing Stores	65
B & B Graphic Finishing Svc	8930 Governors Row	Special Die & Tool, Die Set, Jig & Fixture Mfg	65
Double E Inc	1261 Profit Dr	Industrial Machinery & Equipment Merchant Whlsrs	65
Driving Momentum USA Inc	1140 Empire Central Dr	Employment Placement Agencies	65
A C Horn & Co Sheet Metal	1269 Majesty Dr	Conveyor & Conveying Equipment Manufacturing	60
Golden Mattress	1240 Titan Dr	Mattress Manufacturing	60
IMI Hydronic Engineering Inc	8908 Governors Row	Industrial Valve Manufacturing	60
Allscripts LLC	1111 W Mockingbird Ln	Nursing Care Facilities (Skilled Nursing Fclts)	50
Pinnacle Marble & Granite	1151 Empire Central Dr	Wood Kitchen Cabinet & Countertop Manufacturing	50
Salvation Army	8787 N Stemmons Fwy # 800	Other Individual & Family Services	50

Source: ReferenceUSA, March 2019

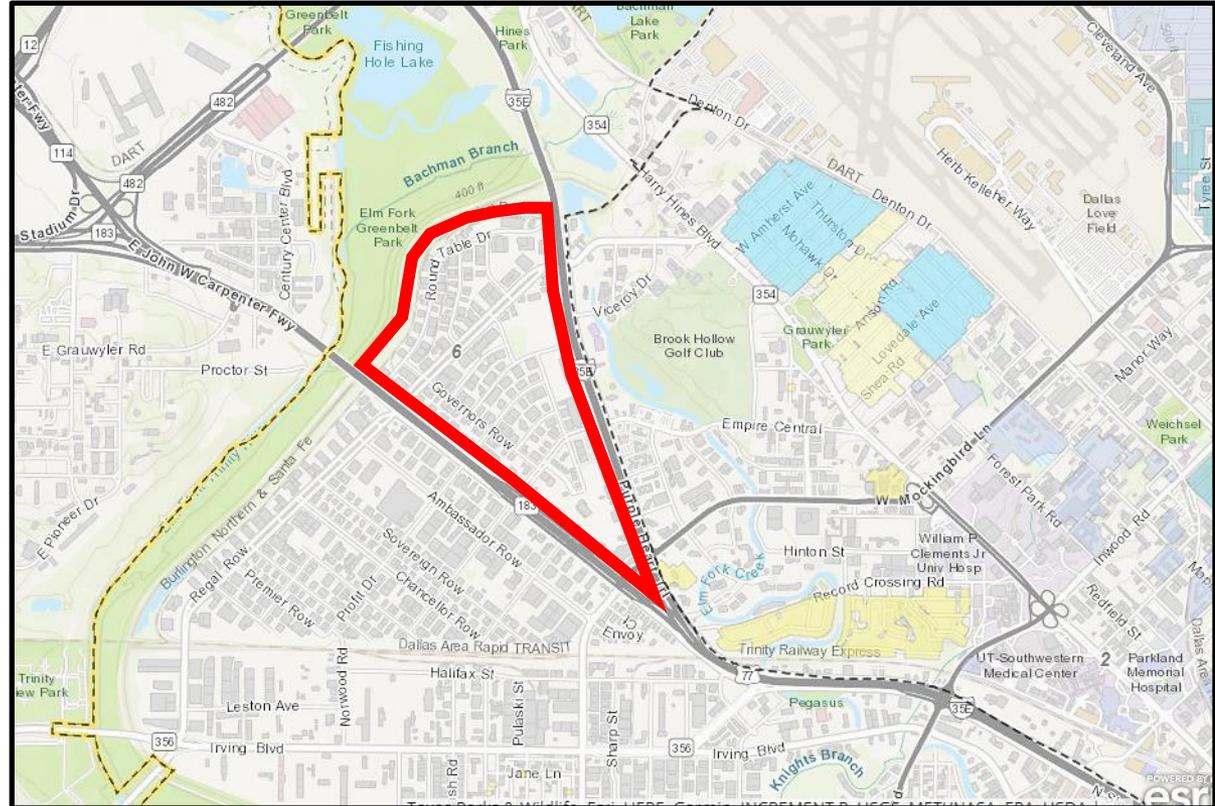
Analysis of Area Under Consideration

Market Value Analysis (MVA)

- Area is comprised entirely of non-residential tracts and is generally surrounded by non-residential tracts
- Some residential market types E, F, G, and H to the east and southeast

MVA Market Types/Categories

	A		F
	B		G
	C		H
	D		I
	E		NA



16

Proposed NEZ #9 and Pilot Program

- Within this proposed zone, minimum project eligibility requirements would be reduced from the standard criteria in the City's Public/Private Partnership Program Guidelines:
 - Create/retain at least 10 jobs; or
 - Provide at least \$250,000 of private investment
- Incentive tools would be proactively marketed to property owners and businesses within the zone (considered on a case-by-case basis based on specifics of each project & incentive application)
 - Real property tax abatement: up to 90% for 10 years
 - Business personal property tax abatement: up to 50% for 5 years
 - Grants and loans
 - Incentives for workforce development/job training (e.g. businesses within the zone that may hire and retain graduates from Salvation Army's workforce training program)
 - Other tools specifically marketed to the zone (public improvement district; New Markets Tax Credits; Property Assessed Clean Energy (PACE); State incentives)
- Staff would review progress of NEZ #9 and present updates to the Economic Development and Housing Committee

17

Staff Recommendation

- Creation of Neighborhood Empowerment Zone #9, pursuant to Chapter 378 of the Texas Local Government Code to promote and increase economic development in the zone
- Creation of a pilot economic development program specifically tailored for the zone (as described on slide 17)



Next Steps

- City Council meeting on May 8, 2019



Proposed Neighborhood Empowerment Zone #9

**Economic Development & Housing
Committee
May 6, 2019**

**Courtney Pogue, Director
Office of Economic Development
City of Dallas**



Memorandum



DATE May 3, 2019

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins (Chair), Rickey D. Callahan (Vice-Chair), Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT **Establishment of the Targeted Neighborhood Enhancement Program and
Award a Grant to The Golden S.E.E.D.S. Foundation for neighborhood
enhancements for The Bottom neighborhood**

Summary

On May 6, 2019, the Committee will be briefed on a new economic development tool, the Targeted Neighborhood Enhancement Program, and will be asked to consider the first grant awarded under the program, a \$500,000 grant to The Golden S.E.E.D.S. Foundation for neighborhood enhancements in The Bottom neighborhood.

Background

The Targeted Neighborhood Enhancement Program allows grants of up to \$500,000 to be made to entities seeking to make neighborhood enhancement improvements in neighborhoods designated by the City Council as redevelopment areas, stabilization areas, or emerging market areas under the Comprehensive Housing Policy approved by Resolution No. 18-0704 on May 9, 2018. The program statement is attached as **Exhibit A**.

The Golden S.E.E.D.S. Foundation, Inc., in partnership with Matthews Southwest, proposes a number of neighborhood enhancements in The Bottom, a 126-acre neighborhood generally bounded by Interstate-35E to the west, Corinth Street to the east, Eighth Street to the south and the Trinity River Floodplain to the north. The Bottom was designated as a Stabilization Area under the Comprehensive Housing Policy.

Proposed enhancements include, but are not limited to, art installations, street sign toppers, neighborhood entry signage and other unifying signage, landscaping enhancements, lighting, and other improvements that enhance the safety, neighborhood identity, or aesthetics of the neighborhood.

The final scope of improvements will be determined after engaging the neighborhood residents and stakeholders, and after plans are reviewed by the Urban Design Peer Review Panel. Improvements must conform to the desires of neighborhood residents and stakeholders, the recommendations of the Urban Design Peer Review Panel, and existing planning efforts.

The Chapter 380 grant will be used to reimburse The Golden S.E.E.D.S. Foundation for actual capital costs incurred in the construction and installation of the neighborhood improvements. None of the grant funds will be used for land acquisition, operating or working capital, or developer fees or profit.

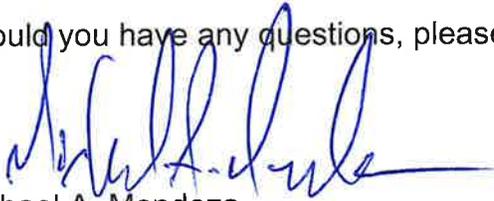
Financing

The program and grant will be funded with \$500,000 in general obligation bond funds from 2017 Proposition I.

Recommendation

Staff recommends approval of the program and the grant. With approval of the committee, this item will be placed on the May 22 council agenda for consideration.

Should you have any questions, please contact me at (214) 671-5257.



Michael A. Mendoza
Chief of Economic Development and Neighborhood Services

- | | |
|---|---|
| cc: Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
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Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
Directors and Assistant Directors |
|---|---|



EXHIBIT A

TARGETED NEIGHBORHOOD ENHANCEMENT PROGRAM STATEMENT

PURPOSE

The purpose of the Targeted Neighborhood Enhancement Program (the “Program”) is to provide grants for neighborhood enhancements in neighborhoods designed as Revitalization Areas, Stabilization Areas, or Emerging Market areas under the Comprehensive Housing Policy adopted by City Council approved on May 9, 2018 by Resolution No. 18-0704.

ADMINISTRATION

The Fund is administered by the Office of Economic Development, subject to review of the Economic Development and Housing Committee of the City Council.

FUNDING

The initial funding shall be \$500,000 in 2017 general obligation bond funds from Proposition I. Additional 2017 general obligation bond funding may be added at the sole discretion of the City Council.

FINANCIAL AWARDS

Grants in an amount not to exceed \$500,000 may be made to entities proposing to make neighborhood enhancement improvements in neighborhoods designated as a Reinvestment Area, a Stabilization Area, or an Emerging Market Area under the Comprehensive Housing Policy.

Grant funds may be used for art installations, street sign toppers, neighborhood entry signage and other unifying signage, landscaping enhancements, lighting, and other improvements that enhance the safety, neighborhood identity, or aesthetics of the neighborhood.

The final scope of improvements will be determined after engaging the neighborhood residents and stakeholders, and after plans are reviewed by the Urban Design Peer Review Panel. Improvements must conform to the desires of neighborhood residents and stakeholders, the recommendations of the Urban Design Peer Review Panel, and existing planning efforts of the City. The final scope of improvements will be subject to the approval of the director of the Office of Economic Development. The grant will be used to reimburse the entity for actual capital costs incurred in the construction and installation of the neighborhood improvements. None of the grant funds will be used for land

acquisition, operating or working capital, or developer fees or profit. The proposed grant will help enhance the existing assets to increase community safety and enhance neighborhood pride.

Grants shall not be awarded to persons or entities who have outstanding city liens or tax liens, who are party to a lawsuit against the City, who have filed for bankruptcy in the previous 5 years, who are currently in default under any other agreement with the City, or who have in the previous 5 years been party to a contract with the City that was terminated due to default.

Financial awards will be documented in written agreements to ensure that the City retains control over the public funds to guarantee that the public purpose is actually accomplished as a return benefit to the City.

APPLICATION

Applications for grants will be accepted on a rolling basis and are subject to available funds. Staff will review each application for completeness and to ensure that the proposed project meets the criteria of this program statement.

Based on the review, staff will either decline the application or recommend funding. Contracts for projects with a recommended award of \$50,000 or less will be processed via administrative action. Contracts for projects with a recommended award greater than \$50,000 will be forwarded to the City Council for approval.

Establishment of Targeted Neighborhood Enhancement Program and Approval of Grant to The Golden S.E.E.D.S. Foundation for Neighborhood Enhancements in The Bottom

**Economic Development
and Housing Committee
May 6, 2019**

**Courtney Pogue, Director
Office of Economic Development
City of Dallas**



Purpose of Briefing

- To establish and fund the Targeted Neighborhood Enhancement Program, a new program to provide neighborhood enhancement grants for residential target areas identified under the Comprehensive Housing Policy.
- To make the initial grant under the program, a \$500,000 grant to The Golden S.E.E.D.S Foundation for neighborhood improvements in The Bottom neighborhood, a designated Stabilization Area.



Targeted Neighborhood Enhancement Program

- This new program is intended to provide grants of up to \$500,000 for neighborhood enhancements in residential areas designated as Reinvestment Areas, Stabilization Areas, or Emerging Market Areas under the Comprehensive Housing Policy.
- Initial program funding is \$500,000 from the citywide allocation of general obligation bond funds from 2017 Proposition I (Economic Development and Housing). Additional funds may be added at city council's sole discretion.



Targeted Neighborhood Enhancement Program

- Grant funds may be used for art installations, street sign toppers, neighborhood entry signage and other unifying signage, landscaping enhancements, lighting, and other improvements that enhance the safety, neighborhood identity, or aesthetics of the neighborhood.
- Neighborhood engagement and review by the Urban Design Peer Review Panel is required before determining the final scope of the improvements.
- The grant will be paid as a reimbursement for actual capital costs, and may not be used for land acquisition or developer profit.

Grant to The Golden S.E.E.D.S Foundation

The Golden S.E.E.D.S Foundation, in partnership with Matthews Southwest, proposes a number of neighborhood enhancements in The Bottom, a 126-acre neighborhood generally bounded by Interstate-35E to the west, Corinth Street to the east, Eighth Street to the south and the Trinity River Floodplain to the north.

The Bottom was designated as a Stabilization Area under the Comprehensive Housing Policy, and is in a federally-designated Opportunity Zone.

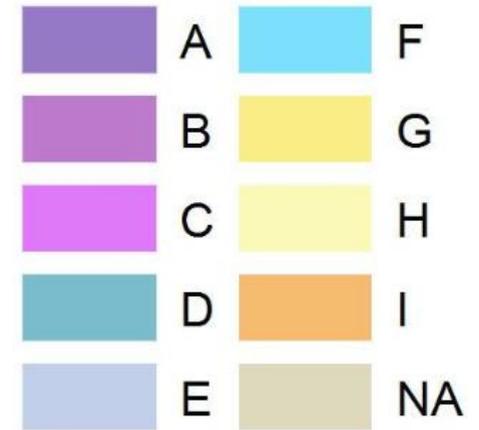
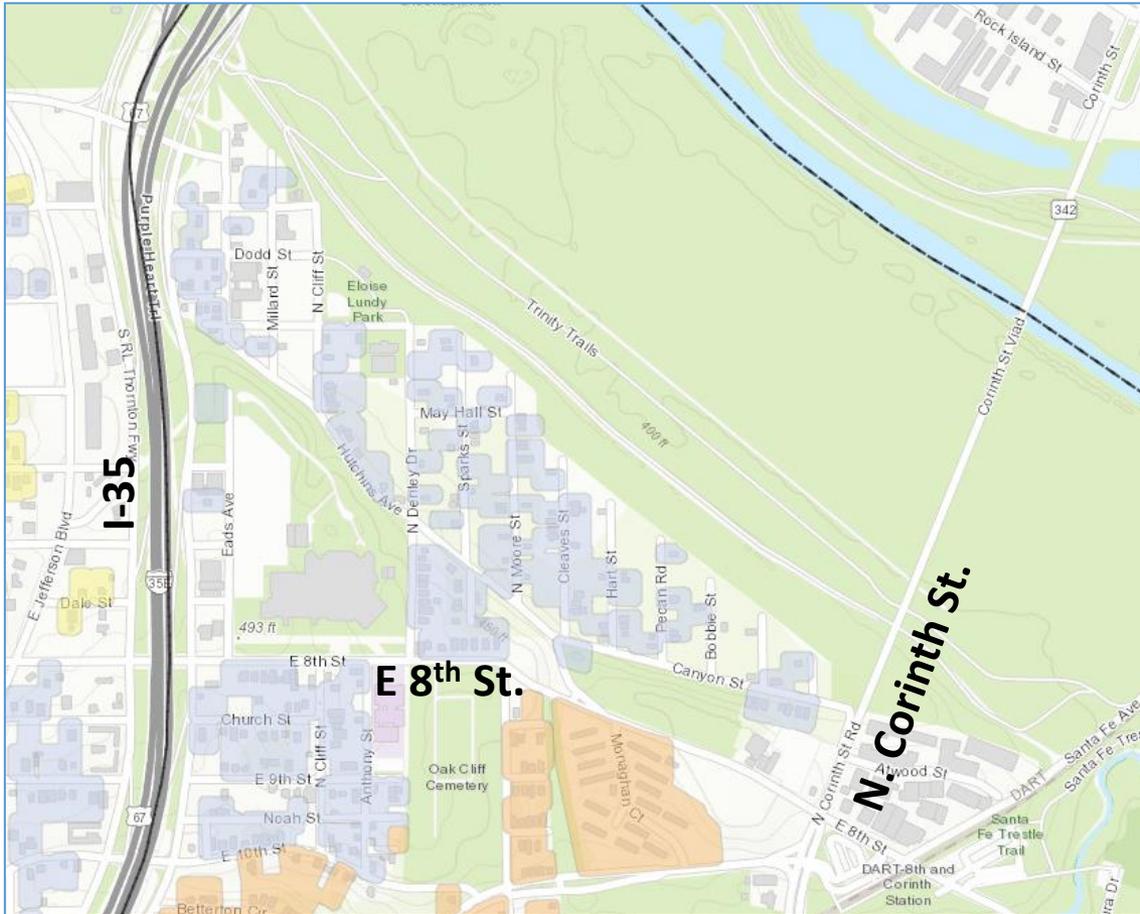
Grant to The Golden S.E.E.D.S Foundation

Proposed enhancements include, but are not limited to, art installations, street sign toppers, neighborhood entry signage and other unifying signage, landscaping enhancements, lighting, and other improvements that enhance the safety, neighborhood identity, or aesthetics of the neighborhood.

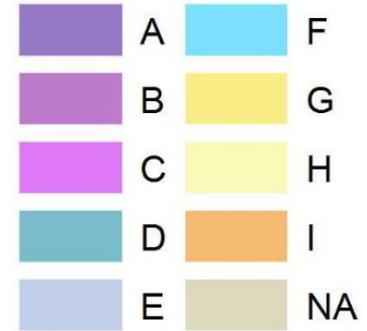
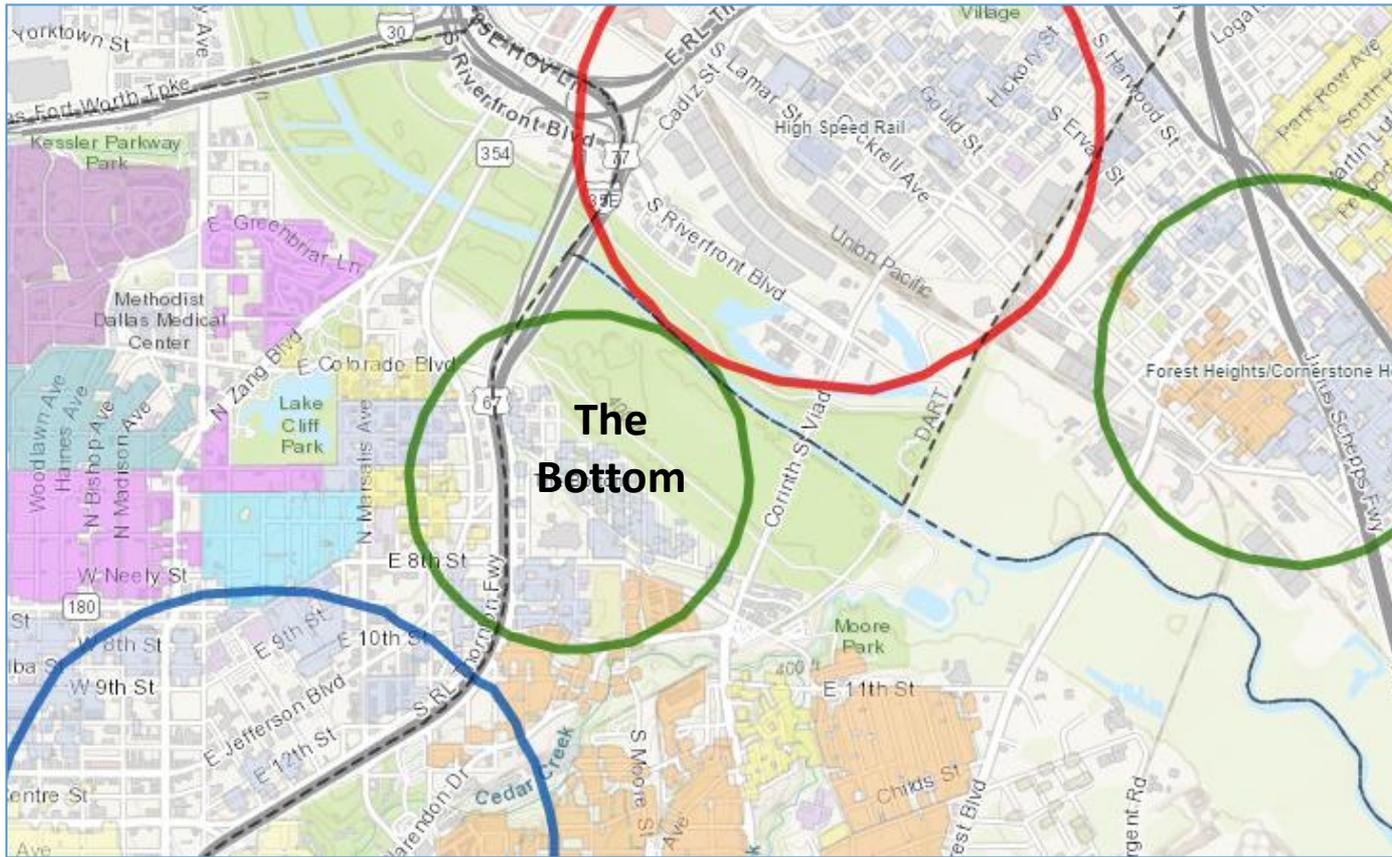
The final scope of improvements will be determined after engaging the neighborhood residents and stakeholders, and after plans are reviewed by the Urban Design Peer Review Panel.

Improvements must conform to the desires of neighborhood residents and stakeholders, the recommendations of the Urban Design Peer Review Panel, and existing planning efforts.

The Bottom – Market Value Analysis



The Bottom – Stabilization Area



Next Steps

With approval of this committee, this item will be placed on the May 22 council agenda for approval.



Establishment of Targeted Neighborhood Enhancement Program and Approval of Grant to The Golden S.E.E.D.S. Foundation for Neighborhood Enhancements in The Bottom

**Economic Development
and Housing Committee
May 6, 2019**

**Courtney Pogue, Director
Office of Economic Development
City of Dallas**



Memorandum



DATE May 3, 2019

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins (Chair), Rickey D. Callahan (Vice-Chair), Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT **Establishment of the Southern Dallas Investment Fund**

Summary

On May 6, 2019, the Committee will be briefed on a new economic development tool, the Southern Dallas Investment Fund.

Background

The purpose of the Southern Dallas Investment Fund is to support small businesses in Southern Dallas.

Funds may be used to stimulate business and commercial activity in southern Dallas by supporting small business growth in southern Dallas and attracting/retaining southern Dallas employers, such as programs for: (i) grants to small businesses in southern Dallas or to financial services providers who make loans and grants to small businesses in southern Dallas; (ii) financial education or other capacity building training for small businesses, startups, and entrepreneurs in southern Dallas; (iii) outreach programs, business engagement and retention, communications, business development events, familiarization tours, and other activities to attract and promote commercial growth in southern Dallas. For purposes of this program, a “small business” will be determined using the U.S. Small Business Administration definitions and standards.

The Southern Dallas Marketing and Investment Fund Program Statement is attached as **Exhibit A**.

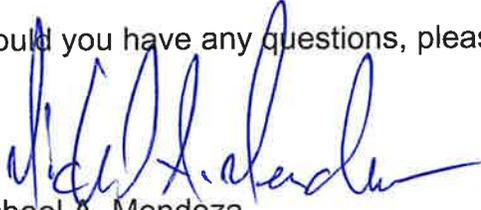
Financing

The program will be funded with \$2,500,000 in general obligation bond funds from 2017 Proposition I.

Recommendation

Staff recommends approval of the program. With approval of the committee, this item will be placed on the May 22 council agenda for consideration.

Should you have any questions, please contact me at (214) 671-5257.



Michael A. Mendoza
Chief of Economic Development and Neighborhood Services

- c: Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
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M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
Directors and Assistant Directors



EXHIBIT A

SOUTHERN DALLAS INVESTMENT FUND PROGRAM STATEMENT

PURPOSE

The City hereby establishes and provides for the administration of the southern Dallas Investment Fund (the “Fund”) to promote local economic development and to stimulate business and commercial activity in the City, in conformance with Chapter 380 of the Texas Local Government Code. The purpose of the Fund is to support small businesses in southern Dallas. For purposes of this program statement, the term “southern Dallas” generally refers to areas south of I-30 and/or the Trinity River. The Fund is administered by the Office of Economic Development, subject to review of the Economic Development and Housing Committee of the City Council.

FUNDING

The initial funding shall be \$2.5 Million in 2017 general obligation bond funds from Proposition I. Additional funds, including general funds, may be added at the sole discretion of the City Council. Council finds that the Fund satisfies the purpose of Proposition I, which authorized bonds for “the purpose of providing funds for promoting economic development throughout the city” and “through the city's programs for economic development and housing including [...] making grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development, neighborhood revitalization projects, and mixed income development.”

BUSINESS GROWTH

Funds may be used to stimulate business and commercial activity in southern Dallas by supporting small business growth in southern Dallas and attracting/retaining southern Dallas employers, such as programs for: (i) grants to small businesses in southern Dallas or to financial services providers who make loans and grants to small businesses in southern Dallas; (ii) financial education or other capacity building training for small businesses, startups, and entrepreneurs in southern Dallas; (iii) outreach programs, business engagement and retention, communications, business development events, familiarization tours, and other activities to attract and promote commercial growth in southern Dallas. For purposes of this program, a “small business” will be determined using the U.S. Small Business Administration definitions and standards.

Grants shall not be awarded to persons or entities who have outstanding city liens or tax liens, who are party to a lawsuit against the City, who have filed for bankruptcy in the previous 5 years, who are currently in default under any other agreement with the City, or who have in the previous 5 years been party to a contract with the City that was terminated due to default.

Grants of \$50,000 or less will be processed via administrative action. Grants greater than \$50,000 will be forwarded to the City Council for approval. All expenditures for services will be subject to state and local procurement laws.

Establishment of the Southern Dallas Investment Fund

**Economic Development
and Housing Committee
May 6, 2019**

**Courtney Pogue, Director
Office of Economic Development
City of Dallas**



Purpose of Briefing

- To establish the Southern Dallas Investment Fund, a new program intended to grow the capacity of small businesses in southern Dallas.



Southern Dallas Marketing and Investment Fund

This new program is intended support southern Dallas small businesses in the form of grants, capacity building, training, or other programs.

Program funding of \$2,500,000 is from the citywide allocation of general obligation bond funds from 2017 Proposition I (Economic Development and Housing).



Small Business Awards

Program funds may be used for:

1. Grants to small businesses in southern Dallas;
2. Grants to financial services providers who make loans and grants to small businesses in southern Dallas;
3. Financial education or other capacity building training for small businesses, startups, and entrepreneurs in southern Dallas; and
4. Outreach programs, business engagement and retention, communications, business development events, familiarization tours, and other activities to attract and promote commercial growth in southern Dallas.

For purposes of this program, a “small business” will be determined using the U.S. Small Business Administration definitions and standards.

4

Next Steps

With approval of this committee, this item will be placed on the May 22 council agenda for approval.



Establishment of the Southern Dallas Investment Fund

**Economic Development
and Housing Committee
May 6, 2019**

**Courtney Pogue, Director
Office of Economic Development
City of Dallas**



Memorandum



DATE May 3, 2019

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT Response to Mayor Rawlings request to the City Manager to initiate a review of
housing projects that are connected to the charges against Councilmember Davis

This memorandum and the attached slides are to provide information on the staff assessment of the history of the low-income housing tax credit (LIHTC) review process for 2010 to present.

Summary

Housing & Neighborhood Revitalization Department was asked to research the history of the review process for LIHTC projects seeking resolutions of support and/or no objection from the City. Staff pulled available records to compile the following information regarding LIHTC projects:

- Procedures for managing City support for LIHTC projects
- City recommendations for support from 2010-2019
- Voting records for the Housing Committee and City Council meetings
- Contracts executed as a result of the support (when applicable)

Background

As a result of several investigations conducted by the U.S. Attorney's Office, City staff performed a historic review of records and processes associated with evaluating LIHTC projects.

The City plays a significant role in supporting LIHTC projects. As described below, the points received for 9% LIHTC projects and resolutions of no objection for 4% projects are significant enough to make or break the project at the State level.

There are 2 types of LIHTC Programs:

1. 9% tax credit program — The 9% LIHTC program is referred to as the

“competitive” housing tax credit program because developments seeking a 9% LIHTC allocation are scored, and thus compete against each other, based on criteria and procedures recommended each year by the TDHCA and approved by the Governor in December. The criteria and procedures are collectively referred to as the Qualified Allocation Plan (QAP). In general, the QAP’s scoring criteria results in the TDHCA favoring developments that are close to the urban core of the City, have a high Opportunity Index (i.e. are located in census tracts with low poverty and crime and are close to public parks, transit and child care, etc.), and are located in places that have the fewest LIHTC units per capita. Because the allocation of 9% LIHTC provides a substantial amount of equity for a development, developments that receive such awards do not typically need to seek out substantial amounts of financing.

2. 4% tax credit —The 4% LIHTC program is referred to as the “non-competitive” housing tax credit program because developments, while subject to some of the policies and procedures outlined in the QAP, are not subject to the scoring criteria or once-per-year timeframe for awards. 4% LIHTC developments only need a Resolution of No Objection, not a Resolution of Support.

In the administration of its 9% LIHTC Program, TDHCA awards application points for a resolution from a Governing Body of a local municipality on the following basis:

Within a municipality, the application will receive:

- 17 points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports (Resolution of Support) the application or development; or
- 14 points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection (Resolution of No Objection) to the application or development.

Under the 4% HTC Program, TDHCA requires a Resolution of No Objection from the Governing Body. TDHCA will not allocate 4% LIHTC unless the development receives a Resolution of No Objection from the applicable city council or other governing body. Once a Resolution of No Objection has been submitted, it cannot be changed or withdrawn.

Following is a summary of the City procedures and changes throughout the past ten years. The attached slides will provide more details for each corresponding year described below.

Response to Mayor Rawlings request to the City Manager to initiate a review of housing projects that are connected to the charges against Councilmember Davis
 May 3, 2019
 Page 3 of 5

Year	Policy and Process	Changes
2010	Project reviews were considered on a case-by-case basis; All projects were presented to the Housing Committee prior to vetting the proposals; Developers paid \$1,000 fee; Requests for funding, zoning, and endorsement were submitted all at once; Waivers presented at the City Council meeting when the item was approved; Briefed Housing Committee on requests and provided recommendations; and Staff required developers to speak with Councilmembers.	N/A
2011	Same process as in 2010.	No Changes
2012	Same process as in 2011 and added more.	Ranked the top 4 applications to "Recommend" the project or "Not Recommend" based on the 25 elements of the selection criteria
2013	Same process as in 2012 and added more.	Approved Community Revitalization Plans (CRP); and City Council adopted criteria with emphasis on focus areas where the City was making major investments to spur development ~Transit Oriented Developments ~Southern Dallas Economic Growth Plan ~Community Revitalization Areas ~Permanent Supportive Housing ~Downtown Area
2014	Same process as in 2013 and added more.	Added an interdepartmental committee review process; and Staff did not make recommendations of support but instead heavily relied on Housing Committee to choose projects to support
2015	Process completely changed.	Added the NOFA process; More priorities; All applications submitted for support; Rehab projects changed; Priorities added; Housing Plus Initiative added
2016	Same process as 2015 and added Housing Policy.	Introduction of the First Housing Policy
2017	Same process as in 2016.	No Changes
2018	Process completely changed.	Applications received by Office of ECO DEV and considered for high opportunity areas.
2019	Process completely changed.	Followed the CHP; Issued RFA; Added scoring criteria, threshold review and underwriting criteria; and Fair housing assessment

Issue

Over the past ten years, the City developed procedures for managing tax credit projects. Given the profit to be made on LIHTC projects that receive funding, the perception is that the value of the projects creates an environment for corruption to permeate. The concern is for opportunity of corruption to occur as the City plays a vital role in the selection of projects seeking LIHTC resolutions of support or no objection. Guarding against opportunities during the review process is needed.

Fiscal Impact

There is no cost consideration to the City for this item. Following is a chart of the proposals that were contracted with the City for funding, TIF, and debt reduction over the past ten years as a result of support from the City. The project costs and associated developer fees are detailed in the chart below.

Council District	Project Name	Project Total Cost	Developer Fee
3	Wynnewood Seniors	\$19,394,858	\$2,520,001
2	Atmos Lofts	\$12,623,595	\$2,100,494
2	1400 Belleview	\$22,998,852	\$2,411,630
3	Wynnewood Family Housing	\$23,158,475	\$2,352,000
1	Wynnewood Seniors Housing II	\$21,219,297	\$2,350,000
4	Serenity Place Apartments	\$7,010,502	\$1,000,000
2	Community Crest Place	\$13,627,281	\$1,640,000
14	Flora Lofts	\$13,751,373	\$940,000
14	2400 Bryan Street	\$63,928,715	\$5,000,000
3	Palladium Redbird	\$45,508,161	\$5,026,130
9	Estates at Shiloh	\$38,435,465	\$2,238,655

Departments/Committee/Council Actions

City Attorney’s Office reviewed this item.

Staff Recommendation

Staff recommends following the guidance as defined in the Comprehensive Housing Policy and carried out for the first round of requests in 2019 that includes an annual application for 9% HTC and quarterly applications for 4% HTC, scoring of the applications, limited discussions with Councilmembers and the public during the vetting process and various levels of review. In June 2019, Housing will present a

Response to Mayor Rawlings request to the City Manager to initiate a review of housing projects that are connected to the charges against Councilmember Davis
May 3, 2019
Page 5 of 5

revised policy and procedure for managing Low Income Housing Tax Credit requests for support and/or no objection.

Should you have any questions, please contact me at (214) 671-5257.



Michael Mendoza
Chief of Economic Development and Neighborhood Services

c: The Honorable Mayor and the Members of City Council
T.C. Broadnax, City Manager
Chris Caso, City Attorney (I)
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
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Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
Directors and Assistant Directors

Memorandum



DATE May 3, 2019

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT **South Side Public Improvement District (PID) Renewal**

Summary

The current seven-year term of the South Side Public Improvement District (“District”) will expire December 31, 2019. The District is seeking renewal for another seven-year term. Per state law, City Council must conduct a public hearing to approve renewal of the District. On May 22, 2019, City Council will be asked to consider a resolution calling a public hearing to be held on June 12, 2019 to receive comments regarding renewal of the District.

Background

On April 12, 2019, South Side Quarter Development Corporation (“SSQDC”) submitted petitions requesting renewal of the District, expansion of the District’s boundary, and approval of a seven-year Service Plan with an effective date of January 1, 2020. City staff reviewed the signed petitions and determined owners of record representing more than 60% of the appraised value of the real property liable for assessment and more than 60% of the land area of the real property liable for assessment within the District signed the petitions (exceeding minimum requirements set in the current City of Dallas PID Policy). Signed petitions also exceed state law’s requirement of 50% of the appraised value of real property liable for assessment and 50% of the land area of all real property liable for assessment.

The South Side PID was initially established in 2005 and was renewed in 2012. Located in Council District 2, the District’s expanded boundary consists of approximately 196 properties and is primarily a combination of business, office, industrial and residential uses (See attached map). The general nature of the proposed services and improvements to be performed by the District includes improving security and providing safety and security related services, promoting the District, enhancing and protecting property values, designing, constructing and maintaining public improvement projects, including park and open space, business recruitment, marketing and other special supplemental services and improvements that are authorized by Chapter 372 of the Texas Local Government Code (the “Act”) and approved by the Dallas City Council.

During the seven-year term of the District, the annual cost of services and improvements provided by the District is estimated to range from approximately

\$304,140 to \$512,000 annually. The total estimated assessments to be collected during the seven-year period is approximately \$2,865,064, which includes a surplus of \$16,279 from the previous year's assessments. The District shall not incur bonded indebtedness. The seven-year budget detailing the estimated cost per year and total estimated costs for the entire term (the "Service Plan") is attached.

The District shall pay the costs of services and improvements by special assessment against real property and real property improvements. The assessment is apportioned each year among the property owners on the basis of special benefits accruing to the property because of District services and improvements. The annual assessment amount is approximately equal to \$0.12 per \$100.00 of appraised value for property in the standard area of the District (as determined by the Dallas Central Appraisal District) and \$0.15 per \$100.00 of appraised value for property in the premium area of the District (as determined by the Dallas Central Appraisal District). Once levied, this assessment rate shall not increase during the 2020 Service Plan year. The real property of jurisdictions and entities that have obtained an exemption from City of Dallas real property taxes pursuant to the Texas Property Code (except under the provisions of Sections 11.24 and 11.28 of the Property Tax Code) will not be subject to an assessment on that portion of the assessed value of the property exempt from City real property taxes. Property owned by tax-exempt religious organizations will be exempt from assessment as will property owned by persons already receiving and qualifying for 65-or-older homestead exemption under Section 11.13 (c) or (d) of the Texas Property Tax Code. Payment of assessments by other exempt jurisdictions and entities must be established by contract. The City of Dallas is not responsible for payment of assessment against exempt City property in the District.

Annually throughout the term of the District, SSQDC shall prepare a service plan that covers a period of at least five years and shall hold an annual meeting to review the service plan for the purpose of determining the annual budget. The annual meeting shall be open to all property owners in a public meeting space (with written notice to all property owners in the District at least two weeks prior to the meeting) to provide an opportunity for property owner questions, comments, and input to be considered during the PID annual budget and service plan approval process.

The District will continue to be managed by SSQDC, a private non-profit corporation created under the laws of the state of Texas and under the provisions of Section 501(c) (3) of the Internal Revenue Code, on behalf of the South Side Public Improvement District. A cooperative relationship between the City and the private sector will be created whereby the City Council will review and approve annually the service plan and assessment plan, determine and levy assessments, conduct other functions as required by the Act, and SSQDC will be responsible for managing and implementing the District's Service Plan.

An advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality. In the interest of providing efficient

District management, the City Council, by accepting the District petition and establishing the expanded District, agrees not to establish a separate advisory body and agrees to assign the responsibility to SSQDC for development and recommendation of annual service and improvement plans and other responsibilities of the advisory body contained in the Act.

The District shall automatically dissolve on December 31, 2026 unless renewed or dissolved through the petition and approval process as provided by the Act.

Alternatives

City Council may choose to deny renewal and expansion of the District, resulting in the cessation of services and improvements provided within the District.

Financing

No Cost Consideration to the City, but there is cost consideration to others. Property owners within the boundaries of the District pay the annual assessment, and those funds are managed by SSQDC, a private, non-profit entity under a management contract with the City.

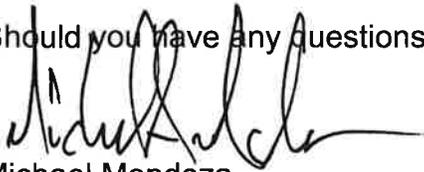
Coordination

Staff coordinated with SSQDC, Dallas County, and the City Attorney's Office.

Recommendation

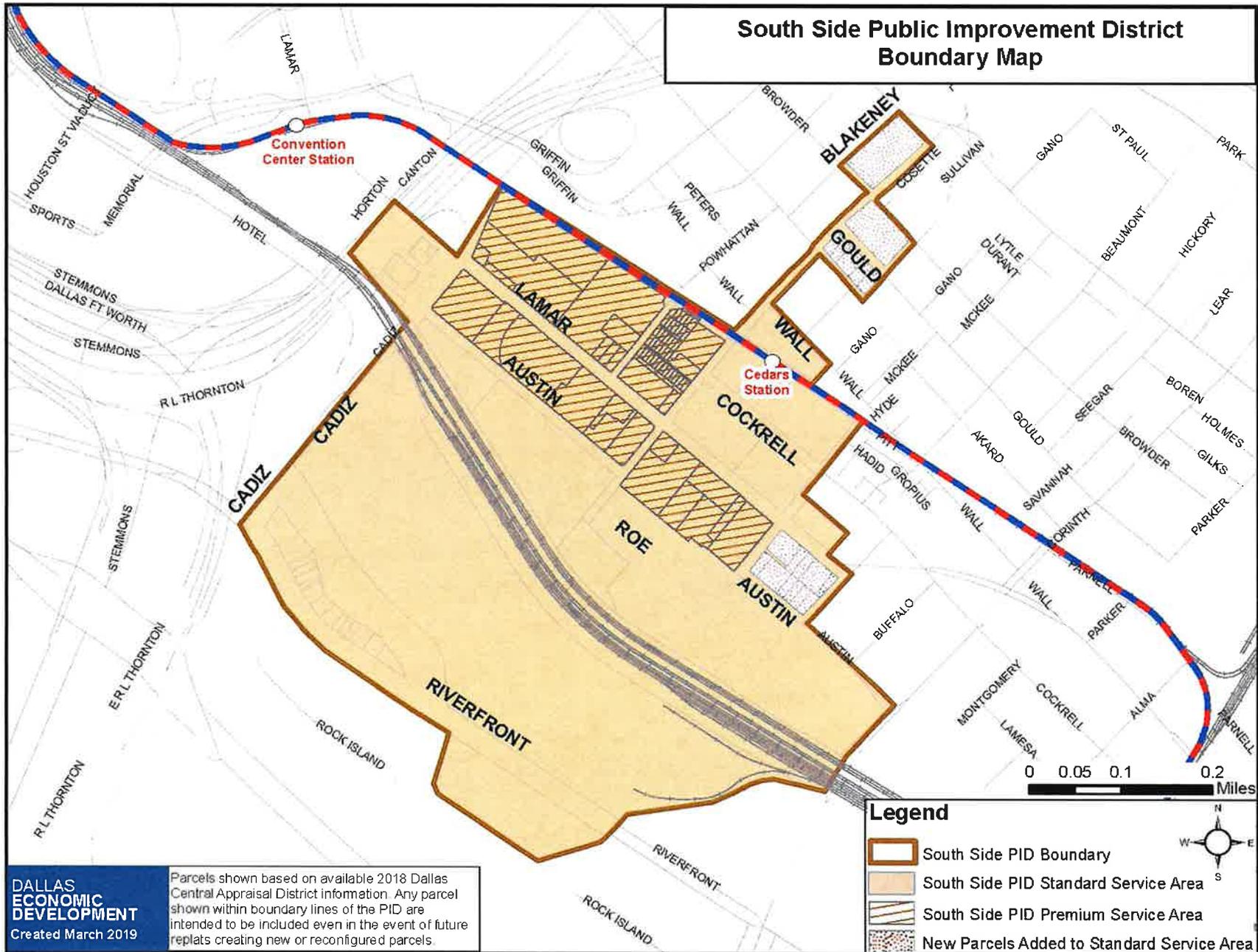
Staff recommends the Economic Development and Housing Committee recommend approval to City Council to authorize: (1) a public hearing to be held on June 12, 2019 to receive comments concerning the renewal of the South Side Public Improvement District; (2) approval of a resolution renewing the District for a period of seven years; (3) approval of expansion of the District's boundary; (4) approval of a Service Plan for 2020-2026 for the purpose of providing supplemental public services in the District; and (5) approval of a management contract with South Side Quarter Development Corporation, a Texas non-profit corporation, as the management entity for the District.

Should you have any questions, please contact me at (214) 671-5257.



Michael Mendoza
Chief of Economic Development & Neighborhood Services

- | | |
|--|---|
| c: Chris Caso, City Attorney (Interim) | Jon Fortune, Assistant City Manager |
| Mark Swann, City Auditor | Joey Zapata, Assistant City Manager |
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South Side Public Improvement District Service Plan 2020-2026							
	2020	2021	2022	2023	2024	2025	2026
INCOME							
Net Assessment*	\$ 304,140.00	\$ 340,645.00	\$ 365,000.00	\$ 392,000.00	\$ 450,000.00	\$ 485,000.00	\$ 512,000.00
Interest on Cash Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/Deficit from previous year	\$ 16,279.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INCOME	\$ 320,419.00	\$ 340,645.00	\$ 365,000.00	\$ 392,000.00	\$ 450,000.00	\$ 485,000.00	\$ 512,000.00
EXPENDITURES							
City Retainage ¹	\$ 30,414.00	\$ 34,065.00	\$ 36,500.00	\$ 39,200.00	\$ 45,000.00	\$ 48,500.00	\$ 51,200.00
Area Improvements ²	\$ 105,000.00	\$ 105,000.00	\$ 110,000.00	\$ 117,500.00	\$ 139,000.00	\$ 148,500.00	\$ 150,500.00
Public Safety/Security ³	\$ 95,000.00	\$ 95,000.00	\$ 100,000.00	\$ 105,000.00	\$ 115,000.00	\$ 123,250.00	\$ 130,000.00
Business Recruitment/Marketing ⁴	\$ 35,000.00	\$ 38,000.00	\$ 42,000.00	\$ 47,000.00	\$ 52,000.00	\$ 56,750.00	\$ 60,000.00
Cultural Events & Arts ⁵	\$ 15,000.00	\$ 24,080.00	\$ 26,500.00	\$ 30,800.00	\$ 38,500.00	\$ 43,000.00	\$ 46,800.00
Administration	\$ 26,005.00	\$ 30,000.00	\$ 34,500.00	\$ 37,000.00	\$ 42,500.00	\$ 45,000.00	\$ 50,000.00
Audit ⁶	\$ 7,000.00	\$ 7,500.00	\$ 8,000.00	\$ 8,000.00	\$ 10,000.00	\$ 12,000.00	\$ 15,000.00
Insurance and Legal	\$ 7,000.00	\$ 7,000.00	\$ 7,500.00	\$ 7,500.00	\$ 8,000.00	\$ 8,000.00	\$ 8,500.00
Renewal Fee							\$ 15,000.00
TOTAL ESTIMATED EXPENDITURE	\$ 320,419.00	\$ 340,645.00	\$ 365,000.00	\$ 392,000.00	\$ 450,000.00	\$ 485,000.00	\$ 512,000.00
Surplus/Deficit**	\$ -						
Notes							
*Net assessment reflects the deduction of City and County admin fees from the gross assessment collected.							
**Any carryover surplus in excess of 25% of the annual net assessment shall be distributed between the Area Improvements and Public Safety/Security categories.							
¹ City Retainage - 10% of gross assessments retained by the City for any repayments required by the County in settlement of tax protests, if any. Any retainage funds returned to PID after City's overall financial year close out may be carried over for use in the following year.							
² Area Improvements includes street and sidewalk improvement projects, landscape/irrigation, trees, other streetscape improvements, open and park space improvements, plaza improvements, pedestrian lighting, wayfinding, signage, district art and murals, design construction and maintenance of above standard improvements and other public improvement projects authorized by Chapter 372 of the Texas Local Government Code							
³ Public Safety/Security includes third party security group's patrol of district; other public safety programs							
⁴ Business Recruitment/Marketing includes special supplemental services such as marketing retail/restaurants in district, promotional ads, job fairs, marketing/recruitment events, district website development and maintenance							
⁵ Cultural Events includes events and programs that highlight the culture and arts of the district							
⁶ Audit line item includes fees for quarterly and annual accounting							

Memorandum



DATE May 3, 2019

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins (Chair), Rickey D. Callahan (Vice-Chair), Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT **Uptown Public Improvement District (PID) Renewal**

Summary

The current seven-year term of the Uptown Public Improvement District (“District”) will expire December 31, 2019. The District is seeking renewal for another seven-year term. Per state law, City Council must conduct a public hearing to approve renewal of the District. On May 22, 2019, City Council will be asked to consider a resolution calling for a public hearing to be held on June 12, 2019 to receive comments regarding renewal of the District.

Background

On February 6, 2019, Uptown Dallas, Inc. (“UDI”) submitted petitions requesting the renewal of the District and approval of a seven-year Service Plan with an effective date of January 1, 2020. City staff reviewed the signed petitions and determined that owners of record representing more than 60% of the appraised value of the real property liable for assessment and more than 60% of the land area of the real property liable for assessment within the District signed the petitions (exceeding minimum requirements set in the current City of Dallas PID Policy). Signed petitions also exceed state law’s requirement of 50% of the appraised value of real property liable for assessment and 50% of the land area of all real property liable for assessment.

The Uptown PID was initially established in 1993 and was renewed in 2000, 2005 and 2012. Located in Council District 14, the District boundary consists of approximately 2,105 properties and is primarily a combination of business, office and residential uses (See attached map). The general nature of the proposed services and improvements to be performed by the District includes enhancing public safety and security, lighting, sidewalk and streetscape improvements, landscaping improvements including plantings, hardscape, trolley operation and capital improvements, District marketing and promotional activities and improvements, as authorized by Chapter 372 of the Texas Local Government Code (the “Act”) and approved by the Dallas City Council.

During the seven-year term of the District, the annual cost of the improvements and services provided by the District is estimated to range from approximately \$3,013,977 to \$5,348,612 annually (including estimated interest and marketing sponsorships).

The total estimated assessments to be collected during the seven-year period is approximately \$28,232,962, and, with the anticipated interest and marketing sponsorship, the total budget is estimated to be \$28,631,962. The District shall incur no bonded indebtedness. The seven-year budget detailing the estimated cost per year and total estimated costs for the entire term (the "Service Plan") is attached.

The District shall pay the costs of the services and improvements by special assessment against real property and real property improvements. The assessment is apportioned each year among the property owners on the basis of special benefits accruing to the property because of District services and improvements. This amount is approximately equal to \$0.0450 per \$100.00 of appraised value (as determined by Dallas Central Appraisal District). Once levied, this assessment rate shall not increase during the 2020 Service Plan year. The real property of jurisdictions and entities that have obtained an exemption from City of Dallas real property taxes pursuant to the Texas Property Code (except under the provisions of Sections 11.24 and 11.28 of the Property Tax Code) will not be subject to an assessment on that portion of the assessed value of the property exempt from City real property taxes. Property owned by tax-exempt religious organizations will be exempt from assessment as will property owned by persons already receiving and qualifying for 65-or-older homestead exemption under Section 11.13 (c) or (d) of the Texas Property Tax Code. Payment of assessments by other exempt jurisdictions and entities must be established by contract. The City of Dallas is not responsible for payment of assessment against exempt City property in the District.

Annually throughout the term of the District, UDI shall prepare an ongoing service plan that covers a period of at least five years and shall hold an annual meeting to review the service plan for the purpose of determining the annual budget. The annual meeting shall be open to all property owners in a public meeting space (with written notice to all property owners in the District at least two weeks prior to the meeting) to provide an opportunity for property owner questions, comments, and input to be considered during the PID annual budget and service plan approval process.

The District will continue to be managed by UDI, a private non-profit corporation created under the laws of the state of Texas and under the provisions of Section 501(c) (3) of the Internal Revenue Code, on behalf of the Uptown Public Improvement District. A cooperative relationship between the City and the private sector will be created whereby the City Council will review and approve annually the service plan and assessment plan, determine and levy assessments, and conduct other functions as required by the Act, and UDI will be responsible for managing and implementing the Service Plan of the District.

An advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality. In the interest of providing efficient District management, the City Council, by accepting the District petition, agrees not to establish a separate advisory body and agrees to assign the responsibility to UDI for development and recommendation of annual service and improvement plans and other responsibilities of the advisory body contained in the Act.

The District shall automatically dissolve on December 31, 2026 unless renewed or dissolved through the petition and approval process as provided by the Act.

Alternatives

City Council may choose to deny the renewal of the District, resulting in the cessation of services and improvements provided within the District.

Financing

No Cost Consideration to the City, but there is cost consideration to others. Property owners within the boundaries of the District pay the annual assessment, and those funds are managed by UDI, a private, non-profit entity under a management contract with the City.

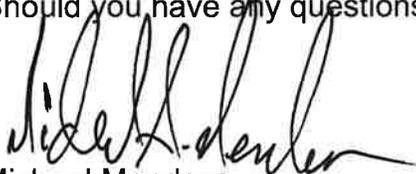
Coordination

Staff coordinated with UDI, Dallas County, and the City Attorney's Office.

Recommendation

Staff recommends the Economic Development and Housing Committee recommend approval to City Council to authorize: (1) a public hearing to be held on June 12, 2019 to receive comments concerning the renewal of the Uptown Public Improvement District; (2) approval of a resolution renewing the District for a period of seven years; (3) approval of a Service Plan for 2020-2026 for the purpose of providing supplemental public services in the District; and (4) approval of a management contract with Uptown Dallas, Inc., a Texas non-profit corporation, as the management entity for the District.

Should you have any questions, please contact me at (214) 671-5257.



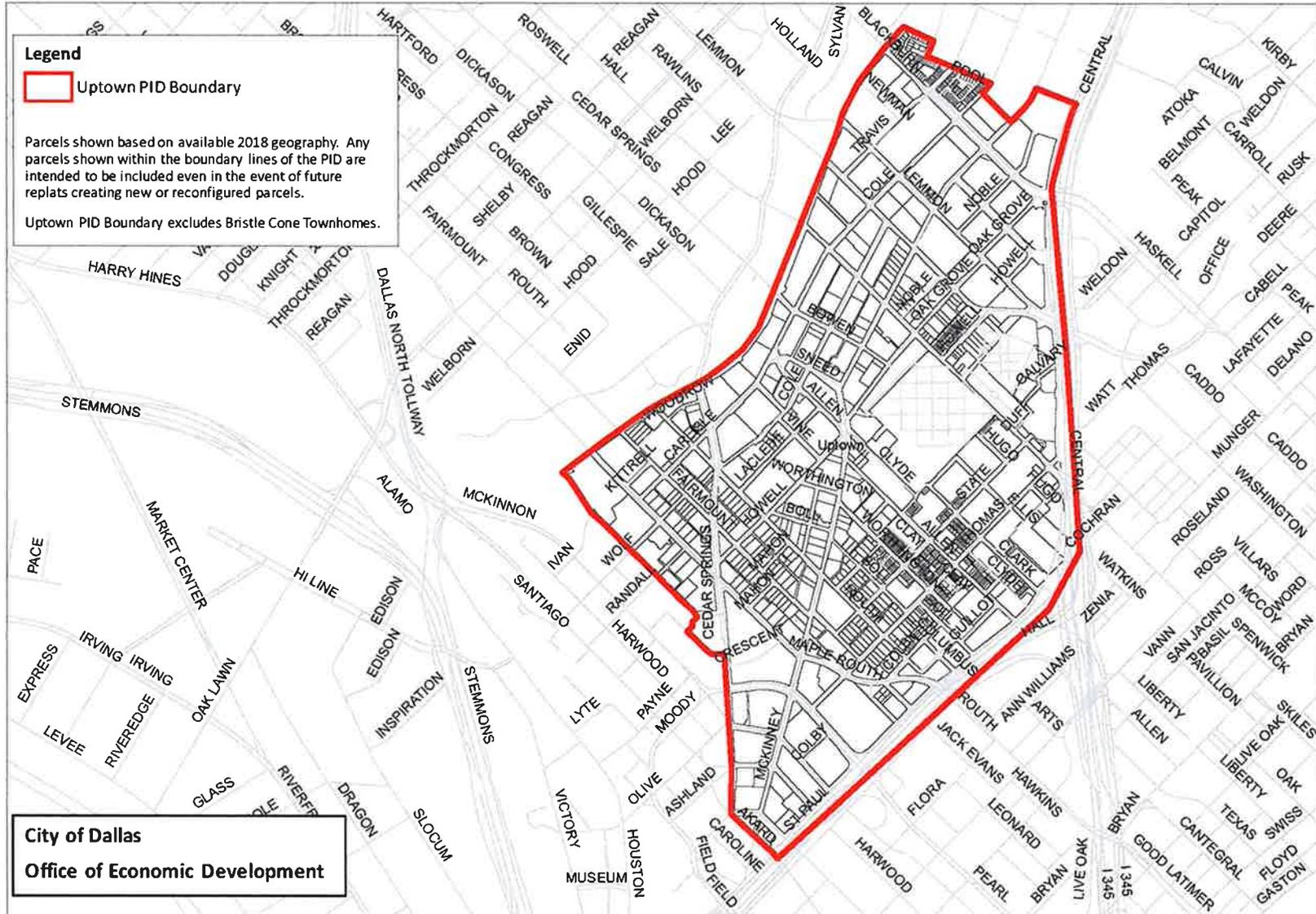
Michael Mendoza

Chief of Economic Development & Neighborhood Services

c: Chris Caso, City Attorney (Interim)
Carol A. Smith, City Auditor (Interim)
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
Directors and Assistant Directors

Uptown Public Improvement District Boundary Map



UPTOWN PUBLIC IMPROVEMENT DISTRICT SERVICE PLAN (2020 - 2026)							
Income	2020	2021	2022	2023	2024	2025	2026
Net Assessments	\$2,971,977	\$3,270,675	\$3,599,242	\$3,960,666	\$4,358,233	\$4,795,556	\$5,276,612
Interest	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Marketing Sponsorships (for events)	\$40,000	\$45,000	\$50,000	\$55,000	\$60,000	\$65,000	\$70,000
Total	\$3,013,977	\$3,317,675	\$3,651,242	\$4,017,666	\$4,420,233	\$4,862,556	\$5,348,612
Expenditures							
Capital Improvements (Median Landscaping, gateway markers, walking trails, parks, streetscape, Katy Trail)	\$904,193	\$995,302	\$1,095,373	\$1,205,300	\$1,326,070	\$1,458,767	\$1,604,584
Services (Safety programs, maintenance & landscaping, trolley operations, traffic & parking, marketing and promotion)	\$1,597,948	\$1,759,008	\$1,935,898	\$2,130,203	\$2,343,664	\$2,578,195	\$2,835,904
Finance & Administration (Staff Salaries & benefits, rent, office expenses, audit, insurance)	\$452,097	\$497,651	\$547,686	\$602,650	\$663,035	\$729,383	\$802,292
Contingency ¹	\$59,740	\$65,713	\$72,285	\$79,513	\$87,465	\$96,211	\$105,832
Total	\$3,013,977	\$3,317,675	\$3,651,242	\$4,017,666	\$4,420,233	\$4,862,556	\$5,348,612
¹ Contingency funds: Allowance made for anticipated tax refunds due to protests by property owners (2% of assessments) Notes: The Service Plan budget is an estimate based on current assessment rolls and assumes a 10% increase in value each year based on the high growth of Uptown. If growth rates exceed the estimated seven-year estimate, additional funds collected will be used for Capital Improvements and Services and shall be distributed pro-rata to those categories. Carryover in excess of 20% annually shall also be distributed between the Capital Improvements and Services categories. In the last year of assessment, if there are unspent carryover funds, City Council reserves the right to adjust the assessment rate.							