

Memorandum



DATE June 15, 2018

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 Dallas/Fair Park Trust Fund**

***An ordinance amending Chapter 2, "Administration," of the Dallas City Code Sections 2-130 through 2-132 changing the name of the "South Dallas/Fair Park trust fund board" to the "South Dallas/Fair Park Opportunity Fund board" - Financing: No cost consideration to the City**

***Authorize approval of the City of Dallas South Dallas Fair Park Opportunity Fund Program Statement - Financing: No cost consideration to the City**

Summary

On June 27, 2018 the Council will be asked to consider approval of an item authorizing (i) an ordinance renaming the "South Dallas/Fair Park trust fund board" as the "South Dallas/Fair Park Opportunity Fund board" and (ii) approval of the South Dallas/Fair Park Opportunity Fund Program Statement.

Background

In 1987 the City Council adopted the South Dallas/Fair Park Neighborhood Preservation and Economic Development Plan (Resolution No. 87-0632), a land use plan for the neighborhoods surrounding Fair Park. One of the plan recommendations was to "establish a South Dallas/Fair Park Trust Fund that is capitalized with a special assessment on admissions to Fair Park to generate funding for the Trust Fund."

In 1989, the Council established a Fair Park Task Force to develop a strategy to invest funds generated by Fair Park into the surrounding community (Resolution No. 89-1159). Among other things, the Task Force recommended creation of an advisory board to oversee administration of the funds, and recommended annual funding from Fair Park activities, amphitheater tickets sales, general fund contributions, and other sources. The Task Force funding recommendations were adopted by Resolution No. 89-3605, and the advisory board was codified in Dallas City Code Sections 2-130 through 2-132.

The funding, policies, and purpose of the advisory board have been amended a number of times over the past 20 years. Additionally, the administration and purpose of the fund have been audited numerous times, most recently in 2014, resulting in unresolved audit findings.

Over the past year staff has worked with the City Auditor's Office, the City Attorney's Office, and the South Dallas/Fair Park trust fund board to determine how to address the auditor's findings and to make the fund a more effective tool for the Fair Park community.

As a result of those conversations, staff developed a number of recommendations which were reviewed and endorsed by the Economic Development and Housing Committee on April 2, 2018. The recommendations have been incorporated into an ordinance revision and a program statement which were reviewed by the advisory board on June 13, 2018, and are now brought for Council approval.

Issue

The South Dallas/Fair Park trust fund has been used primarily a social service funding program, not as an economic development tool, and the City Auditor has noted several issues with the program management and goals. Staff has recommended program changes to address open audit issues and redirect the funds to primarily economic development uses.

Alternatives

If Council does not approve the item, staff will recommend that the trust fund be moved from the Office of Economic Development to the Department of Human Services since the funds have historically been used primarily to fund social service programs.

Financing

No Cost Consideration to the City.

Coordination

Staff has worked with the City Auditor's Office, the City Attorney's Office, and the South Dallas/Fair Park trust fund board to determine how to address the auditor's findings and to make the fund a more effective tool for the Fair Park community.

Recommendation

Staff recommends that the Economic Development and Housing Committee recommend approval of the amended ordinance and new program statement.

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



Raquel Favela

Chief of Economic Development & Neighborhood Services

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| c: | The Honorable Mayor and the Members of City Council | Jon Fortune, Assistant City Manager |
| | T.C. Broadnax, City Manager | Jo M. (Jody) Puckett, Assistant City Manager (Interim) |
| | Larry Casto, City Attorney | Joey Zapata, Assistant City Manager |
| | Craig D. Kinton, City Auditor | M. Elizabeth Reich, Chief Financial Officer |
| | Billerae Johnson, City Secretary | Nadia Chandler Hardy, Chief of Community Services |
| | Daniel F. Solis, Administrative Judge | Theresa O'Donnell, Chief of Resilience |
| | Kimberly Bizzor Tolbert, Chief of Staff to the City Manager | Directors and Assistant Directors |
| | Majed A. Al-Ghafry, Assistant City Manager | |