

# Memorandum



DATE May 18, 2018

TO 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 **2018 City of Dallas Economic Development Plan Process Overview**

On May 21, 2018, the Economic Development and Housing Committee will be briefed on the 2018 Economic Development Plan Process Overview.

## Summary

On June 13, 2018 the City Council will be asked to approve an agreement to engage AngelouEconomics as the City's consultant to complete a comprehensive economic development strategic plan (Plan) for the City of Dallas. The most recent economic development plan for the City was created in 2006 with a subsequent update in 2013. Both the 2006 plan and the 2013 update were prepared by city staff. The Plan would be the first City economic development plan completed by an external consultant.

The Plan will build upon the Market Value Analysis (MVA) and the recently-adopted Comprehensive Dallas Housing Policy, as well as other relevant planning documents adopted by the Council. The Plan will be developed in four phases:

- **Phase 1** – Project Set-up, Review Past Plans and Studies, Stakeholder Engagement
  - A steering committee will be established during this phase.
  - The consultant will undertake an extensive stakeholder engagement process during this phase including a minimum of four town halls, an on-line survey, focus groups, and dozens of interviews with key stakeholders.
- **Phase 2** – Market Assessment, SWOT Analysis, Competitive Benchmarking
- **Phase 3** – Targeted Industries, Targeted Areas, Industry Clusters, and City and Regional Labor Analysis
- **Phase 4** – Finalize the development of an economic development plan for the next 5 years that will be centered around a three-tiered policy framework. Additionally, an organizational assessment of the Office of Economic Development will determine the office's ability to implement the plan.

Completion of the Plan will take 120 to 150 days from contract execution.

## Background

In 2017, the Office of Economic Development and the Office of Procurement Services drafted a request for proposals for a vendor to prepare an economic development strategic plan for the City of Dallas. The RFP was distributed in March 2018.

There were three respondents to the RFP. Each respondent was vetted by the Office of Procurement Services, then interviewed by a five-person committee. AngelouEconomics

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was considered the most responsive and was recommended for selection as the vendor to draft the City's Strategic Plan.

Issues

The City of Dallas has never engaged a professional firm to prepare an economic development plan. The most recent staff plan has not been updated in five years, and is therefore quickly losing relevance in the face of the rapidly growing economy of 9<sup>th</sup> largest City in the United States.

Alternatives

With the guidance of a strategic plan, the Office of Economic Development can target our limited funds toward the most important industries and effective programs. Without a strategic plan, we may miss opportunities to target key industries, improve our small business and workforce programs, leverage successful programs for our competitor cities, and receive guidance on the effectiveness of our overall efforts.

Fiscal Impact

The total engagement cost is \$195,000.

Departments/Committee Coordination

The plan would require include the coordination of a number of City Departments, including Housing and Neighborhood Revitalization, Planning and Urban Design, Sustainable Development, Transportation, the City Attorney's Office, and others.

Staff Recommendation

Staff recommends that the Committee forward for consideration by the City Council an item approving engagement of AngelouEconomics for the development of the City's Strategic Economic Development Plan at a cost of \$195,000.

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: Honorable Mayor and Members of the City Council<br>T.C. Broadnax, City Manager<br>Larry Casto, City Attorney<br>Craig D. Kinton, City Auditor<br>Billerae Johnson, City Secretary (Interim)<br>Daniel F. Solis, Administrative Judge<br>Kimberly Bizzor Tolbert, Chief of Staff to the City Manager | Majed A. Al-Ghafry, Assistant City Manager<br>Jo M. (Jody) Puckett, Assistant City Manager (Interim)<br>Jon Fortune, Assistant City Manager<br>Joey Zapata, Assistant City Manager<br>M. Elizabeth Reich, Chief Financial Officer<br>Nadia Chandler Hardy, Chief of Community Services<br>Theresa O'Donnell, Chief of Resilience<br>Directors and Assistant Directors |
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# **2018 City of Dallas Economic Development Plan Process Overview**

**Economic Development and  
Housing Committee  
May 21, 2018**

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



# Presentation Overview

- Background
- Project Approach
- Staff Recommendation
- Next Steps



# Background

- In 2017, the Office of Economic Development and the Office of Procurement Services drafted a request for proposals for a vendor to prepare an economic development strategic plan for the City of Dallas. The RFP was distributed in March 2018.
- There were three respondents to the RFP. Each was vetted by the Office of Procurement Services for responsiveness, then interviewed by a five-person review committee.
- AngelouEconomics was considered the most responsive and was recommended for selection as the vendor to draft the City's Comprehensive Economic Development Plan.

# Background

- The most recent economic development plan for the City of Dallas was drafted by internal staff in 2006. The 2006 plan was focused on four broad goals:
  - Grow the economy
  - Increase economic opportunities for city residents
  - Broaden and diversify the tax base
  - Assist in the development of sustainable communities
- In particular, the 2006 plan recommended an economic development focus on Downtown and Southern Dallas.
- A 2013 update to the 2006 plan focused on:
  - Leveraging public sector funding in Southern Dallas
  - Growing corporate interest in Downtown, Uptown, and key office markets
  - Embracing the long-term changes in housing markets that favor urban multi-family options

# Background

- The 2018 plan will be first externally created economic development strategic plan created for the City of Dallas.
- The recommended consultant for the 2018 plan, AngelouEconomics has completed more than 600 strategic plans for towns, cities, counties, regions, states, nations, and private sector companies.
- Representative engagements include Baltimore, Prince William County, VA, Dekalb County, GA, Newark, NJ, and many others.

# Project Approach – Phased approach

- The consultant plans to approach the engagement in four (4) phases:
- Phase 1 shall consist of:
  - Project Set-up
    - Introduce the consultant/local project teams to local support team
    - Discuss the initial goals, objectives, and vision for the plan
    - Establish consultant/local team communication plan protocol
    - Schedule project team update calls on a regular basis
  - Review Past Plans and Studies, including
    - 2006 Economic Development Plan and Update
    - 2011 Grow South Plan
    - Neighborhood Plus Plan
    - Forward! Dallas Plan
    - Downtown 360 Plan
    - 2018 Comprehensive Housing Policy and MVA
  - Stakeholder Engagement
    - K Strategies, a Dallas-based firm, will support the project by organizing and conducting the process of engaging stakeholders and the public.

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# Project Approach – Phase 1

- A steering committee will be organized during the initial project set-up to help guide the progress of the plan and to help ensure its successful implementation.
- The steering committee shall be comprised of the following:
  - Industry leaders
  - Economic development and planning professionals
  - Education and workforce development professionals
  - Regional and local chamber representatives
  - Leaders of relevant community groups
- A initial meeting of the steering committee will be called once the members have been named to the committee.
- As part of the stakeholders engagement the consultant plans to conduct the following activities:
  - Over 40 interviews with government and industry leaders and key stakeholders
  - 6 to 9 roundtable discussions with 10 to 15 representatives from across the city focused on key issues related to economic development
  - Two (2) online questionnaires focused on quality of life and business issues
  - A series (minimum of 4) of town hall meetings to encourage participation by the public at various points during the project.

# Project Approach – Phase 2

- Phase 2 of the engagement shall include a market assessment, identification of local and regional economic drivers, asset mapping, and a SWOT analysis of the economic development potential of the city
- The market assessment will compare the City of Dallas to three (3) comparison cities for benchmarking.
- The consultant will look at the following data points for benchmarking the City:
  - Business Climate
  - Workforce Development and Education
  - Marketing and Economic Development Efforts
  - Sites and Infrastructure
  - Quality of Life
- The market assessment will utilize both qualitative and quantitative data
- Once completed, the market assessment shall provide answers to a series of key questions related to economic development in the City of Dallas
- Also the SWOT analysis will serve as a starting point for the development of goals and strategies key in the economic development plan.

# Project Approach – Phase 3

- Phase 3 shall include target industry analysis and recommendations. The consultant will review:
  - What clusters currently exist in Dallas and how are they performing?
  - How does Dallas's local industry clusters compare to national growth trends?
  - Which local assets give specific industries a competitive edge in Dallas?
  - Do these targets meet the community's goals?
- Based on this analysis, the consultant will identify target industry recommendations.
- A regional labor analysis will be conducted for each target industry.

# Project Approach – Phase 4

- The consultant will develop a plan to guide economic development efforts in the City of Dallas for the next five years.
- The plan will yield a three-tiered policy framework. Each tier of the framework will clearly articulate the strategic recommendations of the plan. The tiers are:
  - Tier 1: Goals
  - Tier 2: Strategies
  - Tier 3: Actions
- The consultant will also conduct an organizational assessment of the Office of Economic Development including the office's ability to implement the plan

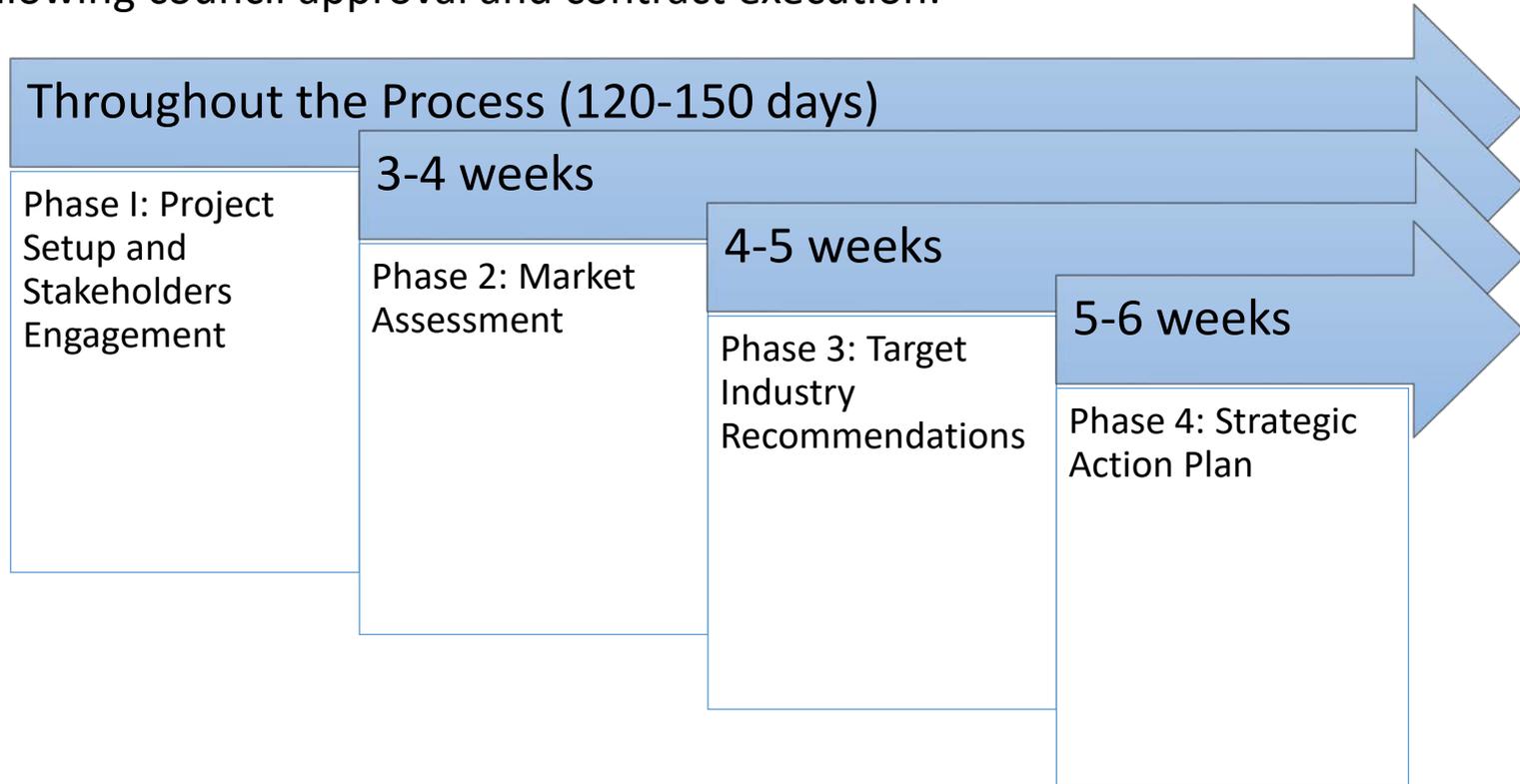
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# Project Approach – Phase 4

- The consultant will provide best practice case studies from communities that have faced similar challenges
- As part of the implementation plan, the consultant will provide the following:
  - An implementation matrix with a timeline for deliverables
  - Performance matrix recommendations
  - Recommended budgets for performing economic development in the City of Dallas

# Project Approach – Timeline

The following describes a proposed timeline for completion of the plan following council approval and contract execution:



# Staff Recommendation

- Staff recommends the Economic Development and Housing Committee forward an item to the full City Council approving the selection of AngelouEconomics for the development of the 2018 Strategic Economic Development Plan at a cost of \$195,000.
- Staff also recommends establishment of a Steering Committee to guide the planning process. As with the MVA Steering Committee, staff recommends that each member of the Economic Development and Housing committee nominate one member of the Steering Committee, and that additional seats be allocated to TREC, DFW Airport, DART, DISD, DCCCD, Dallas County, and Workforce Solutions of Greater Dallas.

# Next Steps

- Upon the approval of the Economic Development and Housing Committee, the item will be placed on the June 13, 2018 City Council Agenda.
- Steering Committee selections should be submitted to Raquel Favela by the end of June.

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