

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**.

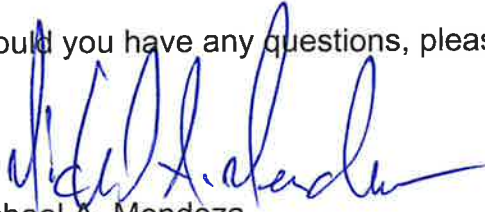
Financing

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

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| c: Chris Caso, City Attorney (Interim) | Jon Fortune, Assistant City Manager |
| Mark Swann, City Auditor | Joey Zapata, Assistant City Manager |
| Biliera Johnson, City Secretary | Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer |
| Preston Robinson, Administrative Judge | M. Elizabeth Reich, Chief Financial Officer |
| Kimberly Bizer Tolbert, Chief of Staff to the City Manager | Laila Aleqresh, Chief Innovation Officer |
| Majed A. Al-Ghafry, Assistant City Manager | 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.

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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**

