

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 **Authorize (1) the rejection of the proposals received for a six-year management contract to manage the existing South Dallas/Fair Park Public Improvement District ; and (2) the re-advertisement for a new solicitation - Financing: No cost consideration to the City**

Summary

On June 27, 2018 the Council will consider the approval of an item authorizing (1) the rejection of the proposals received for a six-year management contract to manage the existing South Dallas/Fair Park Public Improvement District (District); and (2) the re-advertisement for a new solicitation in the future.

Background

On August 10, 2016, City Council passed Resolution No. 16-1249 which authorized and established the District as a public improvement district under Chapter 372 of the Texas Local Government Code, designated the Alliance for Greater Works (“AGW”), a Texas nonprofit corporation, as the entity responsible for the management of and provision of services and improvements to the District, and authorized the City Manager to enter into a contract with AGW for the management of the District.

AGW assigned the management contract to Hip Hop Government, Inc., a Texas corporation (“HHG”). On September 22, 2017, the Office of Economic Development sent HHG a default letter citing an insurance deficiency and on November 6, 2017, a termination letter was sent to HHG stating that the management contract terminated as of October 25, 2017.

The Office of Economic Development worked with the Office of Procurement Services to solicit a new manager for the South Dallas/Fair Park PID. Two responses were submitted in response to the procurement. However, staff has recommended that the proposals be rejected and the solicitation be re-advertised to incorporate new terms related to a change in the flow of PID funds. In the past, funds have been collected by Dallas County and distributed directly to the PID managers. Beginning in FY 2018-19, Dallas County will distribute the funds to the City of Dallas, and the City will distribute to the PID managers. The new solicitations will outline contract terms related to that procedural modification.

Issue

Any contract approved under the current RFP would require almost immediate amendment to incorporate procedural changes due to the changing flow of PID funding from Dallas County to the City. Rather than go through this two-step process, staff recommends rejecting the current proposals and re-advertising a new solicitation incorporating these new contract terms.

Alternatives

The City may terminate the District which would require reimbursing the 2017 assessment to each of the 636 property owners in the District.

Financing

No Cost Consideration to the City. District funds have been collected by the City in absence of a PID manager and will be released to the new management entity upon City Council approval and execution of the management contract.

Coordination

Staff coordinated with the City Attorney's Office and the Office of Procurement Services on the solicitation of a new manager.

Recommendation

Staff recommends (1) the rejection of the proposals received for a six-year management contract to manage the existing South Dallas/Fair Park Public Improvement District (District); and (2) the re-advertisement for a new solicitation in the future.

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, P.E., 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 | |