

Memorandum



CITY OF DALLAS

DATE May 14, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Proposed Economic Development Policy and Economic Development Entity**

On Wednesday, May 19, 2021, the Dallas City Council will hear a briefing on the proposed economic development policy and economic development entity and will hold a public hearing to receive public feedback on these topics.

Below you will find a summary of the proposed economic development policy and the recommendations for creation of an economic development entity. These are provided to assist in public review of the documents.

ECONOMIC DEVELOPMENT POLICY

The proposed economic development policy is a ten-year document to be updated regularly. The document consists of four distinct policy areas with specific actions, lead coordination, and ten-year aspirational goals for each area. The proposed policy is designed as an alignment document realizing we can achieve more together working in collaboration with our internal and external stakeholders.. The four policy areas are as follows:

1. Economic Vitality

- a. Dallas will proactively correct for the past impacts of public and private sector policies and activities on Southern Dallas communities in how it allocates and deploys resources and measures success.
- b. Dallas will build a robust, equitable economy by prioritizing small business growth and expanding well-paying employment opportunities.
- c. Dallas will invest in its downtown and neighborhoods to create attractive and inclusive physical spaces reflective of the city's diversity.
- d. Dallas will incentivize the availability of a diverse and affordable range of housing to meet needs across all neighborhoods.

2. Community Sustainability

- a. Dallas will invest in physical and programmatic infrastructure of its communities to create inclusive, safe, and dynamic neighborhoods.
- b. Dallas will align planning and investment to promote strong neighborhoods, with housing, recreation, and retail opportunities as well as employment opportunities.
- c. Dallas will reduce the racial wealth gap by creating new wealth building opportunities for communities of color.
- d. Dallas will invest and promote public safety and economic growth.

3. Smart Growth and Development

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- a. Dallas will center environmental sustainability and climate change resilience in its long-term growth plans.
- b. Dallas will develop accessible transportation options across a series of mobility modes.
- c. Dallas will encourage business growth and redevelopment in infill locations at a scale conducive to supporting walkable communities

4. Responsive Governance

- a. Dallas will practice good governance in how it develops and deploys economic development policies, programs, partnerships, and initiatives.

The recommendation for the City Council to consider is adoption of the policy with a one year delayed effective date of May 2022. The one year transition period will help staff ensure policy success by using this time to support policy alignment and ensuring that any needed additions and/or policy/operating guidelines are adjusted prior to the effective date.

It is also recommended that the City Council adopt the creation of an 11-member advisory committee to be appointed by the City Manager to support the alignment and policy refinement process during the 12 months before the policy's effective date.

ECONOMIC DEVELOPMENT ENTITY

TIP Strategies was engaged to make recommendations for the formation of a new economic development entity to support the economic development efforts of the City of Dallas. After benchmarking the models of regional, state, and national peer cities, TIP made the following recommendations:

1. **Structure:** The entity should be created as a local government corporation and should seek 501(c)(3) nonprofit status. This would allow the entity to accomplish the governmental purposes assigned by the city and permit the entity to receive charitable donations that support the ten-year aspirational goals.
2. **Functions:** The new entity would support the work of the City's Office of Economic Development. The scope of work for the new entity would include two functions:
 - a. **Business Development:** The entity will lead business recruitment, expansion, and retention efforts and economic development marketing activities.
 - b. **Public Developer:** The entity would also serve as a public developer of City-owned properties, as well as conduct land acquisition in support of redevelopment and job growth (especially in historically underdeveloped areas of southern Dallas) to advance real estate projects that the City could not do on its own.
3. **Board:** The entity will be governed by a board of 11 to 15 members representing the public, nonprofit, and private sectors. The board should be composed of high-level experts

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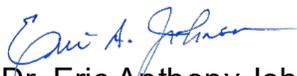
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representing such areas as real estate, planning, equity, business, economic and community development, finance, workforce development, marketing, resource development, architecture and design, and philanthropy. A small working group of stakeholders and City staff should identify the specific constituencies and areas of expertise that will be represented on the board.

4. **Staffing and Management:** Once a board is in place the entity will hire an executive director and other staff. The entity will operate under an agreement with the City of Dallas, overseen by the Office of Economic Development.
5. **Funding and Budget:** TIP estimates that the budget for the new entity will be \$3-5 Million by year three. The entity will need funding from the City of Dallas during the start-up phase. Future operating expenses may come from donations and revenue derived from real estate transactions. Over time, the entity would become financially self-sufficient.

Staff will work with the City Attorney's Office to draft formation documents for the new legal entity after council's adoption of the entity recommendation, and those documents will be subject to future council approval. Once formation is approved by the City Council and directors are in place, the entity can begin hiring staff and commencing operation. TIP Strategies recommends that all this work be complete, and the entity formally launched, by the second quarter of 2022.

Should you have any questions, please contact me or Robin Bentley, Director, Office of Economic Development at 214-671-9942.



Dr. Eric Anthony Johnson

Chief of Economic Development & Neighborhood Services

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