

ECONOMIC DEVELOPMENT & HOUSING COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

RECEIVED

2018 MAR 30 AM 8:16

CITY SECRETARY
DALLAS, TEXAS

MONDAY, APRIL 2, 2018
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA STREET
DALLAS, TEXAS 75201
9:00 A.M.-10:30 A.M.

Chair, Councilmember Tennell Atkins
Vice Chair, Councilmember Rickey D. Callahan
Councilmember Lee M. Kleinman
Councilmember Scott Griggs
Councilmember Casey Thomas, II
Councilmember B. Adam McGough
Councilmember Mark Clayton
Councilmember Kevin Felder
Councilmember Omar Narvaez

Call to Order

1. Approval of March 19, 2018 Minutes

BRIEFINGS

2. South Dallas Fair Park Trust Fund Update
Courtney Pogue, Director,
Office of Economic Development
3. Dallas Executive Airport West Side Development
Mark Duebner, Director,
Department of Aviation

Adjourn



Tennell Atkins, Chair
Economic Development & Housing Committee

Public Notice

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POSTED CITY SECRETARY
DALLAS, TX

A quorum of the City Council may attend this Council Committee meeting

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

HANDGUN PROHIBITION NOTICE FOR MEETING OF GOVERNMENTAL ENTITIES

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

Economic Development & Housing Committee

Meeting Record March 19, 2018

The Economic Development & Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Committee Coordinator at 214-670-3906 or 214-670-1686.

Meeting Date: March 19, 2018

Meeting Start time: 9:03 A.M.

<p>Committee Members Present: Tennell Atkins (Chair) Rickey D. Callahan (Vice-Chair) Lee M. Kleinman Scott Griggs B. Adam McGough Mark Clayton Kevin Felder Omar Narvaez</p> <p><u>Other Council Members Present:</u> Dwaine Caraway Philip Kingston</p> <p><u>Committee Members Absent</u> Casey Thomas, II</p>	<p>Staff Present: Raquel Favela, Chief of Economic Development & Neighborhood Services David Noguera, Director-Housing & Neighborhood Revitalization Jaqueline Rodarte, Assistant Director-Housing & Neighborhood Revitalization Avis Chaisson, Assistant Director-Housing & Neighborhood Revitalization Courtney Pogue, Director-Office of Economic Development</p> <p><u>Other Presenters:</u></p>
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AGENDA:

Housing Committee Meeting Called to Order by CM Tennell Atkins

- Approval of February 20, 2018 Economic Development/Housing Committee Minutes**
Presenter(s): CM Tennell Atkins

Action Taken/Committee Recommendation(s): Motion made to approve the minutes.

Motion made by: CM Rickey D. Callahan	Motion seconded by: CM Mark Clayton
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

- Comprehensive Housing Policy**
Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
David Noguera, Director of Housing & Neighborhood Revitalization
Jacqueline Rodarte, Assistant Director of Housing & Neighborhood Revitalization
Avis Chaisson, Assistant Director of Housing & Neighborhood Revitalization

Information Only: X

Action Taken/Committee Recommendation(s): Will be brought back to the committee

Motion made by:	Motion seconded by:
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

3. **Community Housing Development Organizations (CHDO's) Update**

Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
David Noguera, Director of Housing & Neighborhood Revitalization
Jacqueline Rodarte, Assistant Director of Housing & Neighborhood Revitalization
Avis Chaisson, Assistant Director of Housing & Neighborhood Revitalization

Information Only: X

Action Taken/Committee Recommendation(s): Motion made to move forward to full Council

Motion made by:	Motion seconded by:
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

MEMO

4. **Real Property Tax Abatement Proposal First Mountain Creek Distribution Center**

Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
Courtney Pogue, Director of Office of Economic Development

Information Only: __

Action Taken/Committee Recommendation(s): Motion made to move forward to full Council

Motion made by: CM Rickey D. Callahan	Motion seconded by: CM Mark Clayton
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

Meeting Adjourned: 11:03 A.M.

Approved By _____

Memorandum



DATE March 30, 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 Update**

Summary

Since October 2017, staff has recommended a number of changes to the South Dallas Fair Park Trust Fund (Fund) to address previous audit findings, to update the policies and procedures of the Fund, to focus the use of the Fund dollars on economic development, and to cause more of the funds to revolve back to the City for additional investment in the community.

As approved by Council in 2015 (CR 15-1264), the Fund has three remaining \$800,000 general fund awards which can only be used for economic development. After the last general fund payment is made in July 2020, the Fund's sole financial sources will be ticket sales from Fair Park activities plus enough PILOT funding to guarantee a minimum of \$500,000 is allocated to the Fund annually. The ticket sales and PILOT funds can be used for either economic development or social services purposes. The staff recommendations are intended to align the purposes of the Fund with the purposes of the Office of Economic Development, and also to ensure that the Fund is prepared to deal with this reduction in funding.

The Fund advisory board recently considered and rejected the staff recommendations related to the use of funds for economic development and the awarding of funds primarily as loans. This committee will either approve the staff recommendations or move the administration of the Fund to the Department of Human Services.

Background

On October 16 and December 4, 2017 this committee was briefed on the history of the South Dallas Fair Park Trust Fund advisory board, pending 2014 audit issues, and five proposed changes intended to resolve the audit and align the Fund and the Office of Economic Development:

1. Change the name of the Fund to reduce confusion about the existence of a trust entity
2. Rewrite all policies and procedures
3. Expand the service area boundary where neighborhoods are divided

4. Limit the funds to primarily economic development uses with a \$100,000 cap on social service uses
5. Require that at least 75% of funds be loaned and no more than 25% be awarded as grants

Issue

Per Council Resolution No. 15-1264, the purposes of the Fund are to (1) support community programs that assist human service needs, and (2) promote business and economic development activity. Despite this dual purpose, virtually all funding awards in recent years have been social service grants. The staff recommendations are intended to increase the amount of economic development accomplished by the Fund and to ensure that a majority of the funding revolves back to the City to continue business and economic development activity.

In March of 2018, the Fund advisory board voted on each of the five proposed changes. While the proposed name change and the recommendation to rewrite the Fund policies and procedures were approved by the board, the board did not recommend amending the use of the funds to prioritize economic development, or to set a loan/grant ratio.

It appears that there is a disconnect between the recommendations of staff and the desire of the advisory board to maintain flexibility to make grants for human and social services to serve the residents in the neighborhoods surrounding Fair Park. If the Fund is to primarily serve as a human services tool, staff recommends that the Fund move from the Office of Economic Development to the Department of Human Services.

Next Steps

After the briefing, the committee will vote to either adopt the staff recommendations or to move the Fund to the Department of Human Services.

Alternatives

If the committee approves the staff recommendations, staff will complete its rewrite of the policies, procedures, and guidelines of the Fund to reflect the new focus on economic development loans. If the committee votes to move the Fund to the Department of Human Services, the two departments will coordinate budget and staffing changes to quickly transfer the Fund to a staff that can better serve the social service function.

Fiscal Impact

This action has no fiscal impact.

Department/Committee Coordination

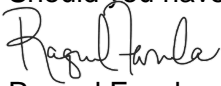
The proposed changes have been briefed to this committee and the Fund advisory committee on several occasions. Additionally, the City Auditor's Office has briefed the Fund advisory committee. If the committee votes to move the Fund to the Department of Human Services,

the Office of Economic Development will coordinate with that department to quickly transfer the function.

Staff Recommendation

Staff recommends the proposed changes, and requests that the committee vote to approve the changes so that the re-write of the policies and procedures may be completed.

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



Raquel Favela

Chief of Economic Development and Neighborhood Services

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

South DallasFair Park Trust Fund Update

**Economic Development and
Housing Committee
April 2, 2018**

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



Presentation Overview

- Background/History
- Proposed Program Changes
- Next Steps
 - Vote to either:
 - Adopt Staff Recommendations to align the purpose of the Fund with the Office of Economic Development, or
 - Move the Fund to the Department of Human Services to accommodate the current Fund purpose.



Background/History

- On October 16 and December 4, 2017, this committee was briefed on the background of the South Dallas Fair Park Trust Fund, the pending audit issues of the Fund, and five staff proposed changes:
 1. Change the name
 2. Rewrite all policies and procedures
 3. Expand the boundary where neighborhoods are divided
 4. Limit the funds to primarily economic development uses with a \$100,000 cap on social service uses
 5. Require that at least 75% of funds be loaned and no more than 25% be granted

Background/History

Per Council Resolution No. 15-1264, the purposes of the Fund are to make loans and grants to:

- Support community programs that assist human service needs, and
- Promote business and economic development activity.

Recent funding awards have mostly been for social service grants. The staff recommendations are intended to refocus the Fund on business and economic development activity.

Additionally, the recommendations will cause more funding to revolve back to the City for future investment in the Fair Park area, which will be of particular importance once the general fund "catch up" payments of \$800,000 end in 2020.

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Audit Issues

- The Fund has been audited many times and procedural and compliance issues have been found each time.
- In 2014, the City Auditor noted that in addition to the procedural and compliance issues, it is not clear what the Fund is trying to accomplish. Furthermore, it does not appear that mechanisms are in place to track progress toward any goal.
- The auditor's office briefed the Fund board on January 10, 2018 regarding the 2014 audit findings

Audit Issues – Board Position

In response to the audit, in March of 2018 the board recommended adoption of the following five following funding goals:

1. Increase workforce participation and readiness in the SDFP community
2. Stimulate small business activity and growth
3. Improve health outcomes
4. Improve public safety
5. Improve education outcomes

In addition, the board voted to reject or table three of the five staff recommendations.

Today we will recommend that this committee either:

1. Vote to endorse the staff recommendations and align the goals of the Fund with the goals of the Office of Economic Development, or
2. Vote to move the Fund to the Department of Human Services and maintain its existing use as a flexible social service fund.

Proposed Program Changes

- The board has considered five proposed changes at each meeting since October 2017.
- In March of 2018, the board voted on each of the five proposals, as detailed on the following pages.



Proposed Program Changes

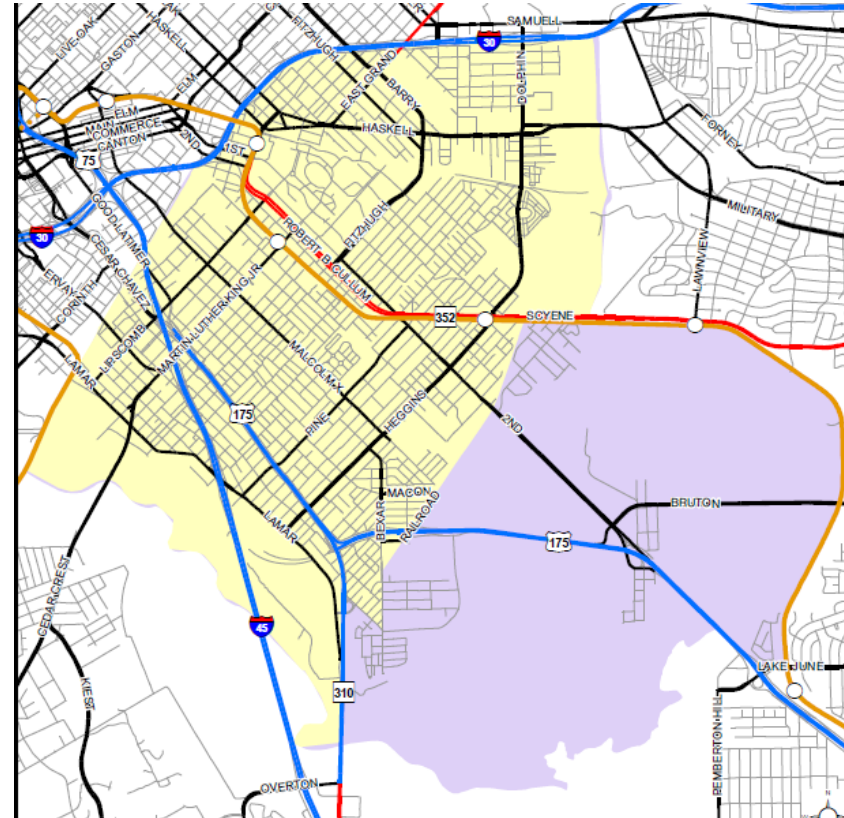
1. Name Change:

- **Current Name:** "South Dallas Fair Park Trust Fund advisory board" per Dallas City Code Sections 2-130 through 2-132.
- **Staff Recommendation:** Amend Dallas City Code to change the name of the advisory board to the "South Dallas Fair Park Opportunity Fund advisory board" to decrease confusion about the existence of a trust entity.
- **Board Vote:** Approved the staff recommendation 9-1.

Proposed Program Changes

2. Geography:

- **Current:** Map in yellow.
- **Staff recommendation:** Expand Fund footprint to include Census Tract 115 (shown in purple) to capture edges of neighborhoods.
- **Board vote:** Table this proposal for now. Revisit once they have a chance to study the map and conduct a site visit.



Proposed Program Changes

3. Process Changes:

- **Current Policy:** The "Policies and Guidelines" document includes some useful policy and procedure concepts. However, per the 2014 audit, staff has not consistently enforced this document and it is out of date.
- **Staff Recommendation:** Work with the advisory board to create a new policy manual with revised application, underwriting, and contract management procedures. This manual will be presented to the committee and council for approval before any further funding applications are accepted.
- **Board Vote:** The board unanimously concurred.

Proposed Program Changes

4. Purpose:

- **Current Policy:** CR 15-1264 allows funding awards for business and economic development activity and for human services activity. There is no floor or cap on the funding for either purpose, and virtually all recent awards have been for human services.
- **Staff Recommendation:** Limit the Fund's purposes primarily to economic development loan and grants. A maximum of \$100,000 may be used for social service awards.
- **Board Vote:** The board rejected this recommendation by an 8-1 vote.

Proposed Program Changes

5. Loan/Grant Ratio:

- **Current Policy:** Most current funding categories are limited to grants. Loans are only allowed under the “special loan/grant” funding category. As a result, very little Fund money revolves back to the Fund for future investment.
- **Staff Recommendation:** At least 75% of each fiscal year's budgeted funds must be in the form of loans. A maximum of 25% of funds may be awarded as grants.
- **Board Vote:** The board rejected this recommendation by an 8-1 vote.

Next Steps

Committee vote to either:

1. Adopt the staff recommendations to align the Fund purpose with the Office of Economic Development:

- **NAME:** Amend Dallas City Code to change the name of the advisory board to the “South Dallas Fair Park Opportunity Fund advisory board.”
- **POLICY:** Create a new policy manual with revised application, underwriting, and contract management procedures.
- **GEOGRAPHY:** Expand boundary to include Census Tract 115 to capture edges of neighborhoods.
- **PURPOSE:** Limit the Fund’s purposes primarily to economic development loan and grants. A maximum of \$100,000 may be used for social service awards.
- **USE:** At least 75% of each fiscal year's budgeted funds must be in the form of loans. A maximum of 25% of funds may be awarded as grants.

OR

2. Move the South Dallas Fair Park Trust Fund advisory board oversight, staffing, and funding to the Human Services Department.

- **BUDGET:** The budgets of the Office of Economic Development (OED) and Department of Human Services (DHS) would be amended to move the \$800,000 general fund payment and up to \$500,000 in PILOT funding from OED to DHS.
- **STAFFING:** One position and its funding would be moved from OED to DHS.
- **PURPOSE:** This decision would allow the Fund to continue to support social and human services initiatives in the neighborhoods surrounding Fair Park.

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South DallasFair Park Trust Fund Update

**Economic Development and
Housing Committee
April 2, 2018**

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



Memorandum



CITY OF DALLAS

DATE March 26, 2018

Members of the Economic Development & Housing Committee:

TO 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 **Dallas Executive Airport West Side Development**

On Monday, April 2, 2018, you will be briefed on Dallas Executive Airport West Side Development. The briefing materials are attached for your review.

Please feel free to contact me if you have any questions or concerns.

A handwritten signature in blue ink, appearing to read 'Jo M. Puckett', written over a large, stylized blue loop.

Jo M. (Jody) Puckett
Assistant City Manager (Interim)

[Attachment]

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Biliera Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Dallas Executive Airport West Side Development

**Economic Development &
Housing Committee**

April 2, 2018

**Mark Duebner, Director
Department of Aviation**



City of Dallas

Overview

- Provide background on development opportunities at Dallas Executive Airport
- Detail purpose of the proposed development
- Discuss operational concerns of the project
- Propose staff recommendation

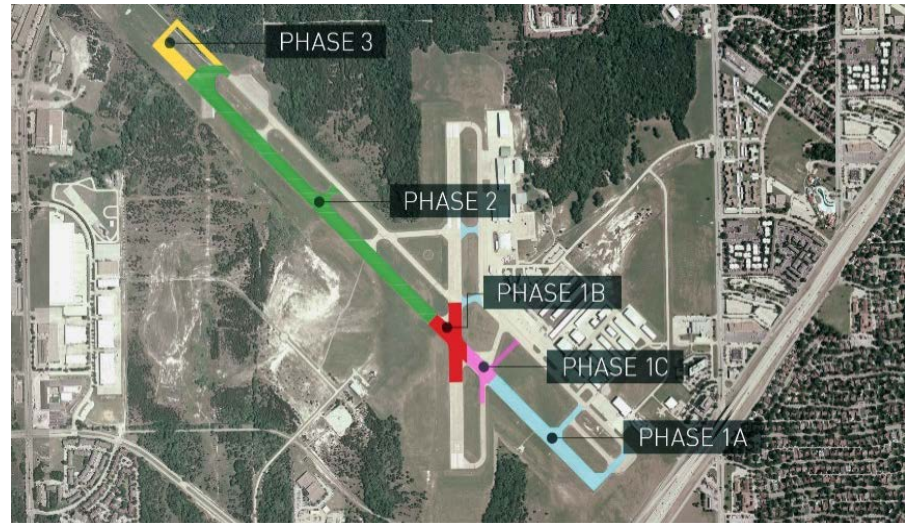
Background

- Dallas Love Field experienced tremendous growth post-Wright Amendment
- The growth has led to:
 - Longer wait times for takeoffs and landings
 - Increased demand for operational hangar space
- Dallas Love Field remains landlocked with little room for expansion
- Dallas Executive Airport has over 400 acres of land available for development



Background (cont.)

- Completing Phase 3 of \$33M runway improvement project (Aug 2018) at DEA
- Preparing RFP for an aviation management company to oversee daily operations and marketing of the airport



Purpose

- Project serves as the catalyst for future development and growth on the west side of the airport
- Results in approx. \$15.9M of capital improvements to the airport
- Creates 25+ new jobs and relocates 40+ jobs to the airport



Operational Concerns

- Allows for the relocation of an existing tenant from DAL to DEA
- Project includes:
 - 90,000 sf Maintenance Repair Operations (MRO) and office facilities
 - Estimated revenue of \$5,653,255.00 during the primary term of the lease (subject to rent escalations)
- Includes off-site taxiway construction (expansion of connectors)



Proposed Action

Seeking City Council approval for a long term lease and development agreement

- Lease terms include:
 - Primary term of thirty-nine (39) years and eleven (11) months with three (3) ten-year (10-yr) option periods
 - Right of First Refusal for future development of adjacent property
- Development Agreement terms include:
 - Capital Investment of approx. \$15.9M
 - Reimbursement of a portion of the cost associated with the construction of lease-hold improvements, not to exceed \$3.5M
 - Completion of all construction no later than December 31, 2021

Staff Recommendation

- Staff recommends the Economic Development & Housing Committee forward the following to City Council for consideration and approval

Next Steps

- April 11, 2018 City Council Voting Agenda
 - Primary term of thirty-nine (39) years and eleven (11) months with three (3) ten-year (10-yr) option periods
 - Ground lease rental shall be fully abated for the first ten (10) years
 - Total estimated revenue over primary term - \$5,653,255
- Lease to be effective upon City Council approval

Dallas Executive Airport West Side Development

Economic Development &
Housing Committee

April 2, 2018

Mark Duebner, Director
Department of Aviation



City of Dallas