

# Memorandum



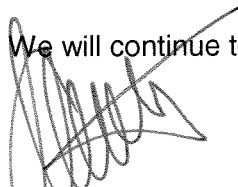
CITY OF DALLAS

DATE April 15, 2016  
TO The Honorable Mayor and Members of the City Council  
SUBJECT Financial Forecast Report

The FY 2015-16 Financial Forecast Report based on information through February 2016 is attached and provided for your information.

For FY 2015-16, General Fund revenues are projected to be \$1,880,000 above budget and expenditures are projected to be \$666,000 below budget. This results in forecast revenues being in excess of forecast expenditures by \$2,546,000. Details related to budget variances may be found at the end of the Financial Forecast Report.

We will continue to closely monitor revenues and expenditures and keep you informed.



A.C. Gonzalez  
City Manager

## Attachment

c: Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Jack Ireland, Director, Office of Financial Services



FY 2015-16

# Financial Forecast Report

Information as of February 29, 2016



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# GENERAL FUND

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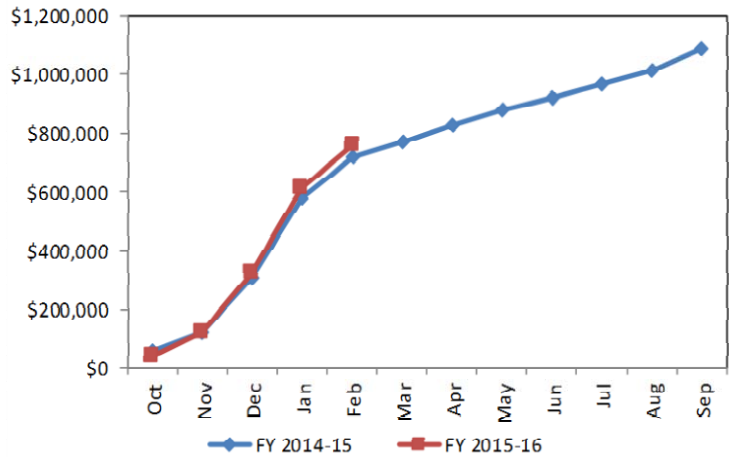
As of February 29, 2016  
(000s)

<b>ITEM</b>	<b>AMENDED BUDGET<sup>1</sup></b>	<b>YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
Revenues	\$1,144,900	\$760,171	\$1,146,780	\$1,880
Expenditures	1,144,900	460,264	1,144,234	(666)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$299,907</u>	<u>\$2,546</u>	<u>\$2,546</u>

# GENERAL FUND REVENUES

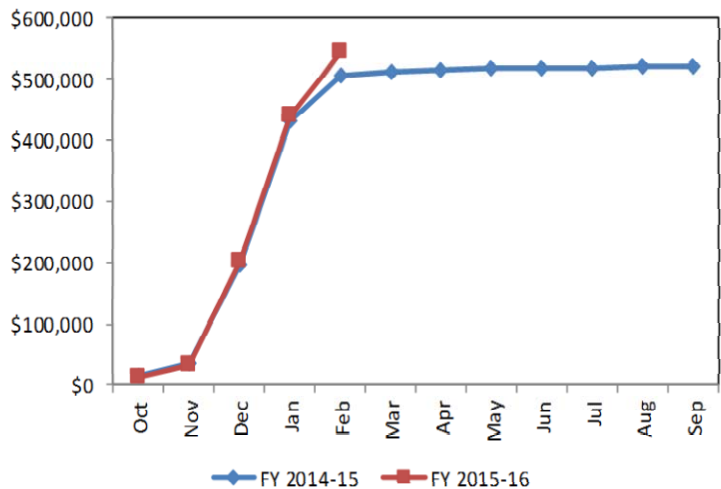
## ALL SOURCES

	FY 2014-15	FY 2015-16	Variance
Oct	\$60,959	\$41,660	(\$19,299)
Nov	58,982	77,665	18,682
Dec	187,753	203,876	16,123
Jan	271,536	288,996	17,460
Feb	138,254	147,975	9,721
Mar	52,292		
Apr	59,984		
May	48,230		
Jun	43,757		
Jul	46,560		
Aug	45,056		
Sep	74,964		
<b>Total</b>	<b>\$1,088,327</b>	<b>\$760,171</b>	<b>\$42,687</b>



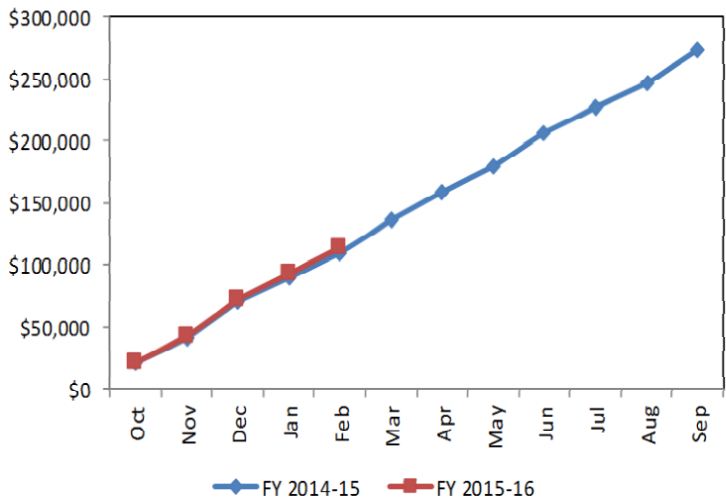
## PROPERTY TAX

	FY 2014-15	FY 2015-16	Variance
Oct	\$16,175	\$11,487	(\$4,688)
Nov	18,472	20,589	2,117
Dec	160,305	169,848	9,543
Jan	235,891	237,272	1,382
Feb	74,439	104,025	29,586
Mar	6,533		
Apr	3,115		
May	1,536		
Jun	1,750		
Jul	821		
Aug	948		
Sep	673		
<b>Total</b>	<b>\$520,658</b>	<b>\$543,221</b>	<b>\$37,939</b>



## SALES TAX

	FY 2014-15	FY 2015-16	Variance
Oct	\$21,933	\$21,769	(\$164)
Nov	19,220	20,524	1,303
Dec	29,690	30,137	447
Jan	20,009	21,258	1,250
Feb	18,928	20,418	1,490
Mar	26,847		
Apr	22,124		
May	20,755		
Jun	26,477		
Jul	20,798		
Aug	20,332		
Sep	26,386		
<b>Total</b>	<b>\$273,499</b>	<b>\$114,107</b>	<b>\$4,326</b>



FY 2014-15 All Sources has been restated to reflect the conversion of Sanitation to an Enterprise Fund in FY 2015-16

# GENERAL FUND REVENUES

As of February 29, 2016

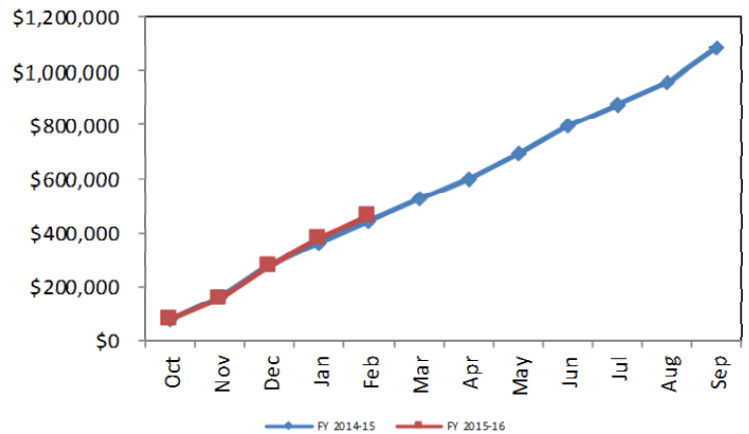
(000s)

	<b>AMENDED BUDGET<sup>1</sup></b>	<b>REVENUES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
<b>TAXES</b>				
Ad Valorem Tax	\$559,636	\$543,221	\$559,239	(\$397)
Sales Tax <sup>2</sup>	281,272	114,107	283,207	1,935
<b>TOTAL TAXES</b>	<b>840,908</b>	<b>657,328</b>	<b>842,446</b>	<b>1,538</b>
<b>FRANCHISE REVENUES</b>				
Oncor Electric <sup>3</sup>	50,612	27,798	51,763	1,150
AT&T	10,950	2,912	10,993	42
Atmos Energy <sup>4</sup>	12,242	2,743	11,062	(1,180)
Time Warner Cable	6,102	1,561	6,122	20
Other <sup>5</sup>	27,291	7,778	27,864	573
<b>TOTAL FRANCHISE REVENUES</b>	<b>107,198</b>	<b>42,792</b>	<b>107,804</b>	<b>606</b>
<b>LICENSES AND PERMITS<sup>6</sup></b>	<b>6,067</b>	<b>3,419</b>	<b>5,485</b>	<b>(582)</b>
<b>INTEREST EARNED</b>	<b>962</b>	<b>0</b>	<b>962</b>	<b>0</b>
<b>INTERGOVERNMENTAL</b>	<b>7,432</b>	<b>365</b>	<b>7,460</b>	<b>29</b>
<b>FINES AND FORFEITURES</b>				
Municipal Court <sup>7</sup>	14,771	7,232	15,400	629
Vehicle Towing & Storage	7,146	3,156	7,146	0
Parking Fines	3,591	632	3,592	1
Red Light Camera Fines	7,460	0	7,460	0
Public Library <sup>8</sup>	494	104	445	(49)
<b>TOTAL FINES</b>	<b>33,462</b>	<b>11,124</b>	<b>34,042</b>	<b>580</b>
<b>CHARGES FOR SERVICE</b>				
Parks	10,283	3,714	10,283	0
Emergency Ambulance	31,569	6,692	31,569	0
Security Alarm	4,450	1,724	4,350	(100)
Street Lighting	648	231	648	0
Vital Statistics <sup>9</sup>	1,484	586	1,617	133
Other <sup>10</sup>	23,147	13,304	22,537	(611)
<b>TOTAL CHARGES</b>	<b>71,581</b>	<b>26,250</b>	<b>71,003</b>	<b>(578)</b>
<b>INTERFUND REVENUE</b>	<b>67,223</b>	<b>14,375</b>	<b>67,223</b>	<b>0</b>
<b>MISCELLANEOUS</b>	<b>10,068</b>	<b>4,518</b>	<b>10,356</b>	<b>288</b>
<b>TOTAL REVENUES</b>	<b>\$1,144,900</b>	<b>\$760,171</b>	<b>\$1,146,780</b>	<b>\$1,880</b>

# GENERAL FUND EXPENDITURES

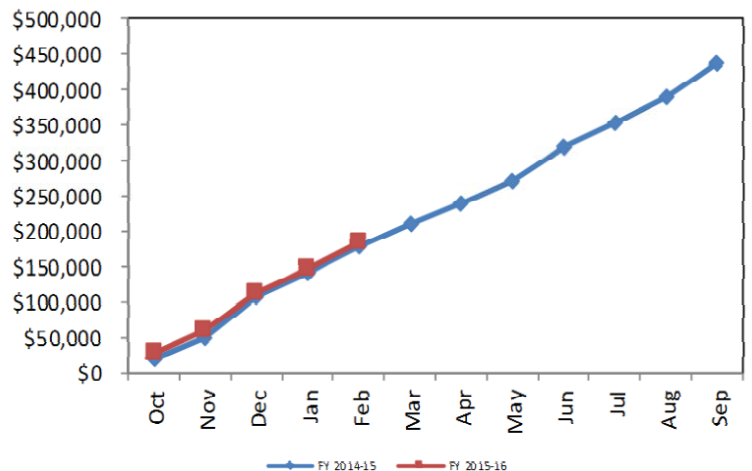
## ALL EXPENSES

	FY 2014-15	FY 2015-16	Variance
Oct	\$77,525	\$75,601	(\$1,924)
Nov	79,013	78,065	(948)
Dec	123,491	124,594	1,103
Jan	76,655	97,321	20,666
Feb	86,673	84,683	(1,990)
Mar	82,668		
Apr	69,958		
May	96,984		
Jun	102,442		
Jul	78,895		
Aug	85,592		
Sep	124,316		
<b>Total</b>	<b>\$1,084,212</b>	<b>\$460,264</b>	<b>\$16,907</b>



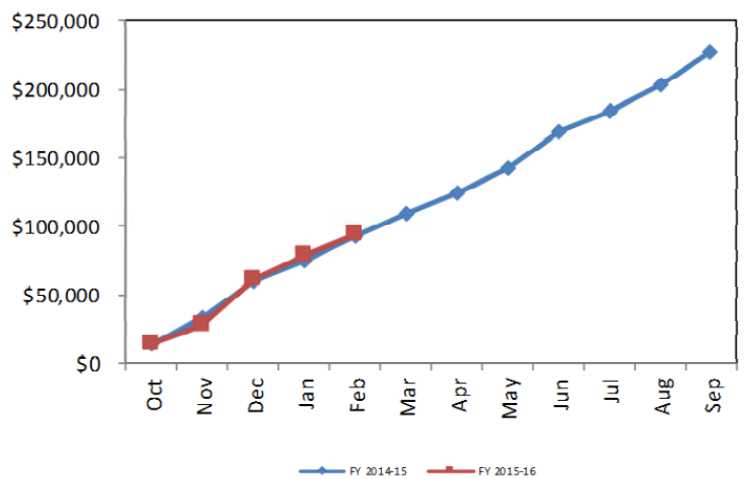
## POLICE

	FY 2014-15	FY 2015-16	Variance
Oct	\$19,262	\$28,488	\$9,226
Nov	31,339	31,370	31
Dec	57,789	52,490	(5,299)
Jan	32,898	35,550	2,652
Feb	36,863	37,126	263
Mar	32,472		
Apr	27,900		
May	33,265		
Jun	47,086		
Jul	34,846		
Aug	35,661		
Sep	46,774		
<b>Total</b>	<b>\$436,155</b>	<b>\$185,024</b>	<b>\$6,872</b>



## FIRE

	FY 2014-15	FY 2015-16	Variance
Oct	\$13,502	\$13,994	\$492
Nov	19,557	14,184	(5,373)
Dec	26,055	32,389	6,334
Jan	16,078	17,547	1,469
Feb	17,117	16,128	(989)
Mar	17,032		
Apr	15,063		
May	17,344		
Jun	26,753		
Jul	16,442		
Aug	18,322		
Sep	24,269		
<b>Total</b>	<b>\$227,535</b>	<b>\$94,242</b>	<b>\$1,933</b>



FY 2014-15 All Expenses has been restated to reflect the conversion of Sanitation to an Enterprise Fund in FY 2015-16

# GENERAL FUND EXPENDITURES

As of February 29, 2016

(000s)

DEPARTMENT	AMENDED BUDGET <sup>1</sup>	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$23,831	\$10,708	\$23,831	\$0
Business Dev/Procurement Svcs	2,884	1,217	2,870	(14)
City Attorney's Office	15,886	5,938	15,817	(69)
City Auditor's Office <sup>11</sup>	3,004	1,082	3,050	46
City Controller's Office	4,541	1,845	4,458	(83)
City Manager's Office	1,972	909	1,972	0
City Secretary's Office <sup>12</sup>	2,005	691	2,034	29
Civil Service <sup>13</sup>	2,599	877	2,634	35
Code Compliance	38,569	14,466	38,569	0
Court Services <sup>14</sup>	11,563	3,977	11,101	(462)
Elections <sup>15</sup>	97	34	109	12
Fire	239,567	94,242	239,474	(93)
Housing <sup>16</sup>	11,936	7,850	12,190	254
Human Resources	4,788	1,940	4,778	(11)
Independent Audit	786	-	786	0
Jail Contract - Lew Sterret	7,557	7,557	7,557	0
Judiciary <sup>17</sup>	3,231	1,229	3,059	(171)
Library	30,509	11,678	30,509	0
Management Services	8,544	5,164	8,404	(141)
Mayor and Council <sup>18</sup>	4,243	1,620	4,392	149
Non-Departmental <sup>19</sup>	58,026	5,349	58,286	260
Office of Cultural Affairs <sup>20</sup>	17,671	9,441	17,726	55
Office of Economic Development	1,818	1,538	1,818	0
Office of Financial Services	2,957	1,007	2,957	(1)
Park and Recreation <sup>21</sup>	85,646	37,389	85,698	51
Planning & Urban Design	4,232	939	4,101	(131)
Police	451,882	185,024	451,882	0
Public Works	5,911	3,950	5,839	(72)
Street Lighting	17,525	5,763	17,525	0
Street Services	71,531	30,806	71,520	(11)
Sustainable Dev/Construction <sup>22</sup>	1,438	981	1,138	(300)
Trinity Watershed Management	1,526	375	1,526	0
<b>RESERVES AND TRANSFERS</b>				
Contingency Reserve	2,628	2,682	2,628	0
Liability/Claim Fund	1,994	1,994	1,994	0
Salary & Benefit Reserve	2,000	0	2,000	0
<b>TOTAL EXPENDITURES</b>	<b>\$1,144,900</b>	<b>\$460,264</b>	<b>\$1,144,234</b>	<b>(\$666)</b>

# PROPRIETARY FUNDS

As of February 29, 2016  
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b>AVIATION</b>				
BEGINNING FUND BALANCE	\$16,775	\$ -	\$16,775	\$ -
REVENUES:				
Parking	27,443	10,122	27,443	0
Terminal Concessions	22,423	9,300	22,423	0
Landing Fees	17,784	6,137	17,784	0
Rental on Airport - Terminal	13,831	5,367	13,831	0
Rental on Airport - Field	9,067	2,870	8,950	(117)
Fuel Flow Fees	1,225	443	1,225	0
All Other	2,102	753	3,756	1,654
<b>TOTAL REVENUES<sup>23</sup></b>	<b>93,876</b>	<b>34,991</b>	<b>95,413</b>	<b>1,537</b>
<b>TOTAL EXPENDITURES<sup>23</sup></b>	<b>93,876</b>	<b>28,879</b>	<b>95,314</b>	<b>1,438</b>
ENDING FUND BALANCE	\$16,775	\$ -	\$16,874	\$98

## CONVENTION AND EVENT SERVICES

BEGINNING FUND BALANCE	\$20,607	\$ -	\$20,607	\$ -
REVENUES:				
Hotel Occupancy Tax	54,002	18,894	52,652	(1,350)
Alcoholic Beverage Tax	10,461	2,969	11,683	1,222
Contract Services	9,119	5,678	10,861	1,742
All Remaining Revenues	10,414	5,412	13,175	2,761
<b>TOTAL REVENUES<sup>24</sup></b>	<b>83,996</b>	<b>32,953</b>	<b>88,372</b>	<b>4,376</b>
<b>TOTAL EXPENDITURES<sup>24</sup></b>	<b>82,939</b>	<b>27,848</b>	<b>84,866</b>	<b>1,927</b>
ENDING FUND BALANCE	\$21,664	\$ -	\$24,113	\$2,449



# PROPRIETARY FUNDS

As of February 29, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b>SUSTAINABLE DEVELOPMENT AND CONSTRUCTION</b>				
BEGINNING FUND BALANCE	\$33,842	\$ -	\$33,842	\$ -
<b>REVENUES:</b>				
Building Permits	18,770	8,394	19,104	334
Certificate of Occupancy	1,412	514	1,412	0
Plan Review	3,736	1,922	3,749	13
Registration/License	1,028	496	1,028	(0)
Special Plats	887	459	887	0
Private Development	1,010	604	1,010	(0)
Zoning	1,184	339	1,184	0
Interest Earnings	117	0	117	0
All Remaining Revenues	1,478	733	1,478	0
<b>TOTAL REVENUES</b>	<b>29,622</b>	<b>13,461</b>	<b>29,969</b>	<b>347</b>
<b>TOTAL EXPENDITURES<sup>25</sup></b>	<b>30,697</b>	<b>9,280</b>	<b>28,768</b>	<b>(1,929)</b>
<b>ENDING FUND BALANCE</b>	<b>\$32,767</b>	<b>\$ -</b>	<b>\$35,042</b>	<b>\$2,275</b>
 <b>MUNICIPAL RADIO</b>				
BEGINNING FUND BALANCE	\$1,183	\$ -	\$1,183	\$ -
<b>REVENUES:</b>				
Local and National Sales	2,058	816	1,974	(84)
All Remaining Revenues	12	0	11	(1)
<b>TOTAL REVENUES<sup>26</sup></b>	<b>2,070</b>	<b>816</b>	<b>1,985</b>	<b>(85)</b>
<b>TOTAL EXPENDITURES<sup>26</sup></b>	<b>2,055</b>	<b>905</b>	<b>1,955</b>	<b>(99)</b>
<b>ENDING FUND BALANCE</b>	<b>\$1,198</b>	<b>\$ -</b>	<b>\$1,212</b>	<b>\$14</b>

# PROPRIETARY FUNDS

As of February 29, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b>WATER UTILITIES</b>				
BEGINNING FUND BALANCE	\$86,191	\$ -	\$86,191	\$ -
REVENUES:				
Treated Water - Retail	286,483	107,217	291,015	4,531
Treated Water - Wholesale	80,082	31,348	77,280	(2,802)
Wastewater - Retail	232,649	87,920	228,290	(4,359)
Wastewater - Wholesale	9,874	4,136	9,872	(2)
All Remaining Revenues	36,040	9,843	29,726	(6,314)
<b>TOTAL REVENUES<sup>27</sup></b>	<b>645,128</b>	<b>240,464</b>	<b>636,182</b>	<b>(8,947)</b>
<b>TOTAL EXPENDITURES<sup>27</sup></b>	<b>645,128</b>	<b>208,021</b>	<b>636,182</b>	<b>(8,947)</b>
<b>ENDING FUND BALANCE</b>	<b>\$86,191</b>	<b>\$ -</b>	<b>\$86,191</b>	<b>\$0</b>

## COMMUNICATION & INFORMATION SERVICES

BEGINNING FUND BALANCE	\$10,910	\$ -	\$10,910	\$ -
REVENUES:				
Interdepartmental Charges	52,799	21,403	52,799	0
Telephones Leased	8,532	1,867	8,532	0
Circuits	1,367	0	1,367	0
Desktop Services	269	47	58	(211)
Interest	137	0	137	0
Equipment Rental	4,546	1,894	4,546	0
Miscellaneous	77	618	677	600
<b>TOTAL REVENUES<sup>28</sup></b>	<b>67,727</b>	<b>25,829</b>	<b>68,116</b>	<b>390</b>
<b>TOTAL EXPENDITURES<sup>28</sup></b>	<b>72,284</b>	<b>33,324</b>	<b>72,461</b>	<b>177</b>
<b>ENDING FUND BALANCE</b>	<b>\$6,352</b>	<b>\$ -</b>	<b>\$6,564</b>	<b>\$213</b>

# PROPRIETARY FUNDS

As of February 29, 2016  
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b>EQUIPMENT SERVICES</b>				
BEGINNING FUND BALANCE	\$4,129	\$ -	\$4,129	\$ -
REVENUES:				
Rental/Wreck	33,640	7,921	36,503	2,863
Fuel	16,180	3,449	13,591	(2,589)
Auto Auction	418	327	488	70
Miscellaneous Revenue	267	250	404	137
Interest and Other	5	0	1	(4)
<b>TOTAL REVENUES</b>	<b>50,509</b>	<b>11,947</b>	<b>50,987</b>	<b>478</b>
<b>TOTAL EXPENDITURES</b>	<b>50,509</b>	<b>21,844</b>	<b>50,987</b>	<b>478</b>
<b>ENDING FUND BALANCE</b>	<b>\$4,129</b>	<b>\$ -</b>	<b>\$4,129</b>	<b>\$0</b>
 <b>EXPRESS BUSINESS CENTER</b>				
BEGINNING FUND BALANCE	\$1,223	\$ -	\$1,223	\$ -
REVENUES:				
Postage Sales	2,703	1,003	2,703	0
All Other Revenues	1,260	130	1,260	0
<b>TOTAL REVENUES</b>	<b>3,963</b>	<b>1,133</b>	<b>3,963</b>	<b>0</b>
<b>TOTAL EXPENDITURES</b>	<b>3,815</b>	<b>1,223</b>	<b>3,740</b>	<b>(74)</b>
<b>ENDING FUND BALANCE</b>	<b>\$1,372</b>	<b>\$ -</b>	<b>\$1,446</b>	<b>\$74</b>

# PROPRIETARY FUNDS

As of February 29, 2016  
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b>SANITATION SERVICES</b>				
BEGINNING FUND BALANCE	\$7,108	\$ -	\$7,108	\$ -
REVENUES:				
Residential Collection	66,537	28,728	67,089	552
Cost Plus Bulk/Brush	114	49	117	2
Sale of Recyclables	2,100	728	1,747	(353)
City Facility Collection	761	249	619	(143)
Landfill Revenue	17,676	12,213	21,975	4,300
<b>TOTAL REVENUES<sup>29</sup></b>	<b>87,188</b>	<b>41,967</b>	<b>91,546</b>	<b>4,358</b>
<b>TOTAL EXPENDITURES<sup>29</sup></b>	<b>86,480</b>	<b>29,350</b>	<b>87,367</b>	<b>887</b>
<b>ENDING FUND BALANCE</b>	<b>\$7,816</b>	<b>\$ -</b>	<b>\$11,288</b>	<b>\$3,471</b>

# OTHER FUNDS

As of February 29, 2016  
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b>9-1-1 SYSTEM OPERATIONS</b>				
BEGINNING FUND BALANCE	\$7,090	\$ -	\$7,090	\$ -
REVENUES:				
9-1-1 Service Receipts - Wireless	6,257	2,442	6,324	68
9-1-1 Service Receipts - Wireline	6,898	2,737	6,700	(198)
Interest and Other	63	2	63	0
<b>TOTAL REVENUES</b>	<b>13,218</b>	<b>5,180</b>	<b>13,087</b>	<b>(131)</b>
<b>TOTAL EXPENDITURES</b>	<b>16,292</b>	<b>2,873</b>	<b>16,227</b>	<b>(65)</b>
<b>ENDING FUND BALANCE</b>	<b>\$4,015</b>	<b>\$ -</b>	<b>\$3,949</b>	<b>(\$66)</b>
 <b>STORM DRAINAGE MANAGEMENT</b>				
BEGINNING FUND BALANCE	\$8,114	\$ -	\$8,114	\$ -
REVENUES:				
Storm Water Fees	50,413	20,941	50,413	-
Interest and Other	40	0	40	0
<b>TOTAL REVENUES</b>	<b>50,452</b>	<b>20,941</b>	<b>50,452</b>	<b>0</b>
<b>TOTAL EXPENDITURES</b>	<b>51,417</b>	<b>11,985</b>	<b>51,356</b>	<b>(61)</b>
<b>ENDING FUND BALANCE</b>	<b>\$7,150</b>	<b>\$ -</b>	<b>\$7,210</b>	<b>\$61</b>

# OTHER FUNDS

As of February 29, 2016  
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b>EMPLOYEE BENEFITS</b>				
<b>BENEFITS ADMINISTRATION</b>				
TOTAL EXPENDITURES	\$1,126	\$209	\$1,111	(\$15)
<b>WELLNESS PROGRAM</b>				
TOTAL EXPENDITURES <sup>30</sup>	\$430	\$149	\$342	(\$87)
<b>RISK MANAGEMENT</b>				
TOTAL EXPENDITURES <sup>31</sup>	\$2,594	\$1,059	\$2,418	(\$176)
<b>LIABILITY/CLAIMS FUND</b>				
<b>Beginning Balance October 1, 2015</b>				<b>\$3,649</b>
Budgeted Revenue			6,297	
<b>FY 2015-16 Available Funds</b>				<b>9,946</b>
Paid October 2015				(168)
Paid November 2015				(328)
Paid December 2015				(379)
Paid January 2016				(744)
Paid February 2016				(436)
<b>Balance as of February 29, 2016</b>			<b>\$7,891</b>	

# DEBT SERVICE FUND

As of February 29, 2016  
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b>DEBT SERVICE FUND</b>				
BEGINNING FUND BALANCE	\$12,109	\$ -	\$12,109	\$ -
<b>REVENUES:</b>				
Ad Valorem	230,475	223,593	230,298	(177)
Interest/Transfers/Other	20,468	771	20,468	0
<b>TOTAL REVENUES</b>	<b>250,943</b>	<b>224,364</b>	<b>250,766</b>	<b>(177)</b>
<b>TOTAL EXPENDITURES<sup>32</sup></b>	<b>255,326</b>	<b>201,628</b>	<b>254,657</b>	<b>(669)</b>
<b>ENDING FUND BALANCE</b>	<b>\$7,726</b>	<b>\$ -</b>	<b>\$8,218</b>	<b>\$491</b>

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# NOTES

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(Dollars in 000s)

1. The General Fund budget was amended/increased based on Council's approved use of contingency reserve funds by \$100 on January 27, 2016 by CR# 16-0214 (executive search contract for the City Attorney).
2. Sales tax revenue is projected to be \$1,935 above budget due to the strength of the local economy.
3. Oncor Electric revenues are projected to be \$1,150 above budget primarily due to higher than expected electric consumption.
4. Atmos Energy revenues are projected to be \$1,180 below budget primarily due to warmer winter weather that resulted in less gas consumption.
5. Other Franchise revenues are projected to be \$573 above budget primarily due to an increase in private hauler usage at the landfill and more growth than expected in Cable TV service.
6. Licenses and Permits revenues are projected to be \$582 below budget primarily due to decreases in permits related to Transportation for Hire background checks done by the City and Motor Vehicle Repair, as a result of the improved economy.
7. Municipal Court revenue is projected to be \$629 above budget primarily due to an increase in the collection per citation rates of the new collection agency.
8. Public Library revenue is projected to be \$49 below budget due to implementation of automatic renewal on materials that have been checked out at library locations and an increase in the usage of e-materials. Fines and late fees are not collected on e-materials as they are electronically recalled on the due date.
9. Vital Statistics revenues are projected to be \$133 above budget due to an increase in the sale of birth certificates.
10. Other Charges for Service revenue is projected to be \$611 below budget primarily as a result of contracting with fewer hospitals than anticipated for the Mobile Community Healthcare Program.
11. City Auditor's Office is projected to be \$46 above budget due to salary expenses.
12. City Secretary's Office is projected to be \$29 above budget due to higher than budgeted salary expenses and the purchase of unbudgeted software to assist with Boards and Commissions administration.
13. Civil Service is projected to be \$35 above budget primarily due to salary expenses.
14. Court Services is projected to be \$462 below budget primarily due to delays in hiring.



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# NOTES

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(Dollars in 000s)

15. Elections is projected to be \$12 above budget due to the purchase of unbudgeted petition verification software.

16. Housing and Community Services is projected to be \$254 above budget due to several unbudgeted expenses including temp help, replacement of fire and alarm system at the MLK Community Center, items related to the master plan for the MLK and WDMP Community Centers, and various special events.

17. Judiciary is projected to be \$171 below budget due to vacancies.

18. Mayor and Council is projected to be \$149 above budget due to double filled positions and the unbudgeted use of temp help.

19. Non-Departmental is projected to be \$260 above budget primarily due to unbudgeted costs such as the actuarial review related to the Police and Fire Pension Fund and efforts related to ADA Compliance.

20. Office of Cultural Affairs is projected to be \$55 above budget primarily due to increased usage of custodial and security services based on events at the Majestic, Meyerson, and City Performance Hall facilities. These expenses are offset by corresponding revenue.

21. Park and Recreation is projected to be \$51 above budget primarily due to repairs related to flooding in 2015.

22. Sustainable Development and Construction is projected to be \$300 below budget due to vacancies.

23. Aviation expenses are projected to be \$1,438 above budget primarily due to the City leasing property for additional offsite parking and for the future site of the consolidated rental car facility. Revenues are projected to be \$1,537 above budget primarily due to revenue received from existing tenants on the newly leased property.

24. Convention and Event Services expenses are projected to be \$1,927 above budget due to increased food and beverage service based on event demand as well as an increased transfer to capital construction resulting from additional revenues. Revenues are projected to be \$4,376 above budget primarily due to higher than expected Alcoholic Beverage Tax and more events than anticipated.

25. Sustainable Development and Construction expenses are projected to be \$1,929 below budget primarily due to vacancies.

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# NOTES

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(Dollars in 000s)

26. Municipal Radio expenses are projected to be \$99 below budget due to vacancies and a reduction in sales commission. Revenues are projected to be \$85 below budget due to the sale of commercials being less than planned.

27. Water Utilities revenues and expenses are both projected to be \$8,947 below budget. Revenues are projected to be below budget primarily due to the loss of a wholesale water customer contract and lower than projected retail wastewater service revenues. Expenses are projected to be under budget due to a reduction in the transfer to fund capital projects.

28. Communication and Information Services expenses are projected to be \$177 above budget primarily due to removal of the Fair Park Tower and the purchase of software maintenance, support, and capacity to be in compliance with audit findings for storage. Revenues are projected to be \$390 above budget due to payment from the State Fair of Texas for removal of the Fair Park Tower.

29. Sanitation expenses are projected to be \$887 above budget and revenues are projected to be \$4,358 above budget due to the volume of solid waste from non-contract customers being above historic levels and solid waste from the Upper Chain of Wetlands projects.

30. Wellness Program expenses are projected to be \$87 below budget due to vacancies.

31. Risk Management expenses are projected to be \$176 below budget due to vacancies.

32. Debt Service expenses are projected to be \$669 below budget due to lower than projected interest rates realized on the 2015 GO Bond sale.

# Memorandum



CITY OF DALLAS

DATE April 15, 2016

TO Honorable Mayor and Members of the City Council

SUBJECT 2016 Drinking Water Week Art Contests

Each year, City of Dallas Water Utilities sponsors art contests to teach school children the importance of conserving water and how they and their families can help. The contests are in celebration of National Drinking Water Week held this year from **May 2-6, 2016**.

The theme this year is **“Water Conservation, Less Means More.”** Entries from first through twelfth grade students were judged for artistic talent and knowledge of water conservation issues. An awards recognition reception will be held at Dallas City Hall (**6<sup>th</sup> floor in the Flag Room**), on **May 20, 2016 from 9:00 AM-10:30 AM**.

We are delighted to honor this year’s contest winners. They were selected from grades 1<sup>st</sup> through 5<sup>th</sup> for the 2016 Poster Contest, grades 6<sup>th</sup> through 8<sup>th</sup> for the T-Shirt Contest and grades 9<sup>th</sup> -12<sup>th</sup> for the Visual Art Contest.

- 2016 Poster Contest winner: Cecilia Chen, 1<sup>st</sup> grader, Dallas Art Studio
- 2016 T-Shirt Contest winner: Andrea Lopez, 6<sup>th</sup> grader, Sam Tasby Middle School
- 2016 Visual Arts Contest winner: Karen Aguilar, 12<sup>th</sup> grader, Irma Lerma Rangel Young Women’s Leadership School

It is always exciting to see how receptive young people are to the conservation message, and the 2016 winners are great examples.

Please let me know if you should need additional information.

A handwritten signature in black ink, appearing to read 'Mark McDaniel'.

Mark McDaniel  
Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager-Mayor & Council  
Jo M.(Jody) Puckett, P.E. Director

# Memorandum



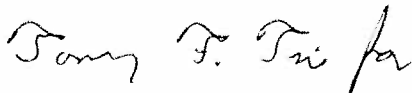
DATE: April 15, 2016

TO: Honorable Mayor and Members of the City Council

SUBJECT: **City License Applications**

There were no Dance Hall and/or Sexual Oriented Business applications received for the week of April 4 - 8, 2016 by the Investigations Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact Sergeant Lisette Rivera, #7947 at (214) 670-4811 and/or by email at [lisette.rivera@dpd.ci.dallas.tx.us](mailto:lisette.rivera@dpd.ci.dallas.tx.us) should you need further information.



Eric D. Campbell  
Assistant City Manager

c: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager

Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council  
Chief David O. Brown, Dallas Police Department

# Memorandum



DATE April 15, 2016  
 TO The Honorable Mayor and Members of the City Council  
 SUBJECT **Cypress Waters Financial Information**

The Cypress Waters Tax Increment Finance (TIF) District was created on December 8, 2010. The district is located north and east of the intersection of LBJ Freeway (I-635) and Belt Line Road and is entirely in the City of Dallas. The district represents the City's effort to provide a model for supporting the development of land near employment centers. Below is a brief synopsis of the benefits of public and private investments in the Cypress Waters TIF District, as well as projected repayment of city taxes forgone during the life of the TIF district.

	2010	2016	Estimated		Totals
			2026	2040	
<b>Tax Base</b>	\$71,437	\$129,945,923	\$517,613,180	\$1,098,647,156	
<b>Taxes to General Fund</b>	\$569	\$155,920	\$4,125,377	\$8,756,218	
<b>Taxes to Other Jurisdictions</b>	\$1,494	\$2,544,573	\$10,827,174	\$22,980,952	
<i>Dallas County</i>	\$174	\$142,328	\$1,258,318	\$2,670,811	
<i>Dallas County Community College District</i>	\$88	\$160,678	\$640,029	\$1,358,477	
<i>Parkland Hospital</i>	\$204	\$371,645	\$1,480,374	\$3,142,131	
<i>Coppel ISD</i>	\$1,028	\$1,869,922	\$7,448,454	\$15,809,533	
<b>Private Investment</b>	-	\$170,566,741	\$771,631,596	\$1,073,427,590	\$2,015,625,927
<b>Public Infrastructure Costs to be Reimbursed</b> (TIF and DWU)	-	\$23,063,792	-	-	\$23,063,792
<b>Public Infrastructure Costs NOT Reimbursed</b> (Cumulative)	-	\$25,500,000	\$58,082,500	\$90,665,000	
<b>PPP Subsidy to Various Office Tents</b> (Relocation)	-	\$1,577,500	TBD	-	\$1,577,500
<b>Ratio of Private to Public Investment</b> (Assumes no additional public subsidies)	-	7 to 1	38 to 1	82 to 1	
<b>Jobs</b> (Cumulative)	-	5,450	9,550	14,700	
<b>Total Housing Units</b> (Cumulative)	-	814	4,500	10,000	
<i>Affordable Units</i>	-	163	163	-	
<b>Population</b> (Cumulative)	-	2,200	7,700	25,000	

*\*It will take approximately 6 years to payback public investment after the district's early expiration in 2025*

## Benefits of Public and Private Investment in Cypress Waters

- A. Public infrastructure was constructed more quickly than such would occur absent the use and availability of TIF funds
  1. Development of the district required significant public expenditures, that were supplemented with the Developer constructing the following public improvements and will eventually be reimbursed from TIF increment for
    - a) infrastructure/utility improvements (including extensive water and wastewater transmission, storage, and distribution improvements)
    - b) construction of primary roadway improvements
    - c) facilities for police, fire, and emergency services
  
- B. Creation of an employment center that can compete with Plano and Frisco for corporate relocations
  1. 2016 estimated number of employees in Cypress Waters – 5,450

- a) Company headquarters relocation (either completed or under construction)
  - i. Corelogic (under construction) – approx. 1,800 employees
  - ii. NationStar (completed) - approx. 750 employees
  - iii. OneSource Virtual (under construction) – approx. 1,300 employees
2. Other companies have also relocated parts of their operations to Cypress Waters
  - a) Toyota Industries
  - b) British Telecom
  - c) AMN Healthcare
  - d) AIG

Should you have any questions, please contact me at (214) 670-3296.



Ryan S. Evans  
First Assistant City Manager

- C:
- A.C. Gonzalez, City Manager
  - Warren M. S. Ernst, City Attorney
  - Craig Kinton, City Auditor
  - Rosa A. Rios, City Secretary
  - Daniel F. Solis, Administrative Judge
  - Eric D. Campbell, Assistant City Manager
  - Jill A. Jordan, P.E., Assistant City Manager
  - Mark McDaniel, Assistant City Manager
  - Joey Zapata, Assistant City Manager
  - Jeanne Chipperfield, Chief Financial Officer
  - Sana Syed, Public Information Officer
  - Karl Zavitkovsky, Director, Office of Economic Development
  - J. Hammond Perot, Assistant Director, Office of Economic Development
  - Elsa Cantu, Assistant to the City Manager-Mayor & Council

# Memorandum



DATE April 15, 2016

TO Members of the Economic Development Committee:  
Rickey D. Callahan (Chair), Casey Thomas, II, (Vice-Chair), Adam Medrano, Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT **Office of Economic Development Programs & Board Appointments**

In response to questions at the Economic Development Committee Meeting on April 4, 2016, please find the attached two exhibits. Exhibit A is a simplified table showing Economic Development subsidy programs, purposes, and requirements. Exhibit B is a table showing boards supporting Office of Economic Development programs, including eligibility, authority, and vacancies.

Should you have any questions, please contact me at (214) 670-3302.



Ryan S. Evans  
First Assistant City Manager

C: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M. S. Ernst, City Attorney  
Craig Kinton, City Auditor  
Rosa A. Rios, City Secretary  
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Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager-Mayor & Council

## Exhibit A: Economic Development Programs - Requirements & Availability

April 13, 2016

Program	Description	Clients	Geographic Area	Minimum Requirements	Funding Source(s)	Annual Budget	Relevant Briefing(s)
<b>Public-Private Partnership (PPP) Program</b>	Tax abatements and grants for corporate attraction / retention / expansion and real estate development, and other Council-approved initiatives	Real estate developers and owners, employers	Citywide; different requirements based on geographic location and project type	North Dallas & CBD: \$5M investment or 100 jobs; Southern Dallas: \$1M or 25 jobs; non-conforming allowed with 3/4ths Council vote; deals are negotiated individually	Payment In Lieu of Taxes (PILOT) from Dallas Water Utilities; Bond Programs; foregone revenues (tax abatements)	Varies annually based on Bond Program and PILOT revenue	"Public-Private Partnership Program Review", ECO Committee April 4, 2016
<b>Tax-Increment Financing (TIF) Program</b>	Grants for infrastructure and other improvements related to real estate development, generally paid as funds are available, from increased property tax revenue in a defined district	Real estate developers, City, other government agencies	Districts defined by City Council; currently 18 districts are active, 2 are retired	Deals are negotiated individually; residential projects generally require affordable housing to be eligible for subsidy	Increased real property tax revenues above a base year, paid as funds are available	Varies based on district and approved projects	"Review of Tax Increment Financing Policy and Applicability for Encouraging Mixed Income Housing", ECO & Housing Committees, February 1, 2016
<b>South Dallas / Fair Park Trust Fund</b>	Grants and loans for local economic development, programs to stimulate business and commercial activity or opportunities, create or retain jobs, or community service programs to provide job-related and human services assistance	Real estate developers and owners, employers, non-profits, service providers	Thirteen census tracts (as defined for the 1990 Decennial Census) in the South Dallas / Fair Park area	Broad discretion under technical assistance program, revolving business loan program, micro grant program, non-profit grants, challenge grants, or public safety grants	Fees collected from activities at Fair Park and Public-Private Partnership	Varies depending on revenue from Fair Park	"South Dallas Fair Park Trust Fund Program Update and Funding Review", ECO Committee, June 1, 2015



## Exhibit A: Economic Development Programs - Requirements & Availability

April 13, 2016

<b>Southern Dallas Development Corporation (SDDC)</b>	Revolving loan fund for job creation for residents of low-to-moderate income (LMI) areas	Small business owners	Southern Dallas LMI Census Tracts	Loans for small businesses up to \$35,000 per job created	Community Development Block Grant	Based on available balance and previous proceeds	N/A
<b>Dallas Development Fund (DDF) New Markets Tax Credits (NMTC)</b>	Debt or equity financing for commercial and non-profit real estate development or operating businesses via federal tax credit program	Real estate developers / investors	Qualified distressed census tracts in the City of Dallas as defined by the U.S. Department of the Treasury	Broadly defined including new investment, job creation, corporate expansion or real estate development. Minimum project size of \$5 million.	Federal New Markets Tax Credit program allocations to DDF.	2014 NMTC to DDF allocation: \$45M (cash value is about 20% of allocation)	"Dallas Development Fund and the New Markets Tax Credit Program Update:", ECO Committee, September 21, 2015
<b>DDF Small Business Lending Fund</b>	Debt or equity financing for operating small businesses via federal tax credit program	Small business owners	Qualified distressed census tracts in the City of Dallas as defined by the U.S. Department of the Treasury	Minimum project size of \$25,000. Loans at 5% to 9% APR and 2-7 year term.	Federal New Markets Tax Credit program allocations to DDF.	\$300,000 from proceeds from 2014 DDF allocation as revolving fund	"Dallas Development Fund and the New Markets Tax Credit Program Update:", ECO Committee, September 21, 2015
<b>Adaptive Reuse Grant Program</b>	Grant program for reuse of vacant and underperforming commercial buildings	Property owners operating for-profit businesses	Southern Dallas	\$150,000 private investment minimum for grant of up to \$30,000	Public-Private Partnership Fund	\$250,000 for pilot program	N/A; pilot program approved on June 17, 2015
<b>Dallas Housing Finance Corporation (DHFC)</b>	Issuance of tax-exempt bonds for the development or redevelopment of multi-family housing, often paired with 4% Low Income Housing Tax Credits equity	Multi-family housing developers and owners	Citywide	4% tax credit allocation equity cannot exceed 50% of DHFC bond debt	Tax exempt revenue bonds	Project dependent	"Dallas Housing Finance Corporation: Status Update", Housing Committee, April 21, 2014

## Exhibit B: Economic Development Programs: Board Requirements

April 13, 2016

Program	Description	General Requirements	Residency Requirements	Age Requirements	Length of Appointment	Approval Process	Number of City-Appointed Seats	Number of Open City-Appointed Seats
<b>Public-Private Partnership (PPP) Program</b>	No board. All projects are reviewed and approved by City Council or by Administrative Action.							
<b>Tax-Increment Financing (TIF) Program (excluding Downtown Connection)</b>	Seventeen active TIF Boards. Review TIF projects requesting subsidies, special studies and adopt the individual TIF plan, recommended to City Council.	Own real property in the district or meet a residency requirement without financial interest in a TIF-funded project	Resident of Dallas County or adjacent county if not owning property in the district	18 years or older	2 years, no more than 8 consecutive years, concurrent with City Council terms	Appointed by any Council Member, subject to Council approval. Mayor appoints TIF Board Chair, subject to Council approval. County and DISD may also appoint seats, depending on the district.	5 to 8, depending on the district	City Center (3), Farmers Market (1), Design District (1), Deep Ellum (1), Grand Park South (6), Cypress Waters (1)
<b>Downtown Connection TIF District</b>	Review TIF projects requesting subsidies, special studies and adopt the individual TIF plan, recommended to City Council.	Own real property in the district or an agent or employee of an owner	None	18 years or older	2 years, no more than 8 consecutive years, concurrent with City Council terms	Appointed by any Council Member, subject to Council approval. Mayor appoints TIF Board Chair, subject to Council approval	6	1
<b>Public Improvement Districts</b>	Ten active PIDs. Each privately managed by non-profit operator who can set by-laws for board. Required to hold one annual public meeting to set a budget, and submit quarterly reports and annual audited financial statements to the City.							

## Exhibit B: Economic Development Programs: Board Requirements

April 13, 2016

<p><b>South Dallas / Fair Park Trust Fund</b></p>	<p>Review applicants and recommend projects to City Council or City Manager, as appropriate</p>	<p>Seven members must have qualifications related to business, housing, non-profits, or community building; two must have loan underwriting experience</p>	<p>Eight members must be directly connected to the eligible area (live, own a business, work, demonstrable community involvement)</p>	<p>None</p>	<p>2 years, unlimited terms</p>	<p>One appointment from each Council Member and the Mayor, subject to Council approval</p>	<p>15</p>	<p>3</p>
<p><b>Southern Dallas Development Corporation (SDDC)</b></p>	<p>Establish goals, budget and policies for SDDC</p>	<p>None</p>	<p>None</p>	<p>None</p>	<p>2 years</p>	<p>Three positions are appointed by any Council Member, subject to Council approval. Remaining 12 members appointed by vote of the Board.</p>	<p>3</p>	<p>0</p>
<p><b>Dallas Development Fund (DDF)</b></p>	<p>Review applicants and recommend projects to City Council</p>	<p>None</p>	<p>City of Dallas</p>	<p>18 years or older</p>	<p>2 years</p>	<p>Four members appointed by any Council Member, subject to Council approval; remaining three appointed by DDF board</p>	<p>4</p>	<p>0</p>
<p><b>Dallas Housing Finance Corporation (DHFC)</b></p>	<p>Review applicants and recommend projects to City Council</p>	<p>Pass criminal background check, not owe any library fines or parking tickets, or other indebtedness to the City of Dallas</p>	<p>City of Dallas</p>	<p>18 years or older</p>	<p>2 years, unlimited terms</p>	<p>Appointed by any Council Member, subject to Council approval</p>	<p>11</p>	<p>0</p>

## Exhibit B: Economic Development Programs: Board Requirements

April 13, 2016

<b>Urban Design Peer Review Panel (UDPRP)</b>	Review TIF projects and make recommendations to ensure projects conforms to forwardDallas!, TIF guidelines, and other area specific guidelines	No fewer than four architects, two landscape architects, one planner, and two engineers, with at least one LEED accredited professional	None	18 years or older	2 years, no more than two consecutive terms	Nominated by Department of Planning & Urban Design staff, subject to City Manager approval	At least 9 members	0
<b>Dallas Entrepreneur Network (DEN)</b>	Set policy and make recommendations for non-profit DEN	None	City of Dallas	18 years or older	3 years, renewable	City Manager appoints board members	7 to 15	0

# Memorandum



CITY OF DALLAS

DATE April 15, 2016

TO Honorable Members of the Quality of Life Environmental Committee: Sandy Greyson (Chair),  
Tiffinni A. Young (Vice Chair), Rickey D. Callahan, Mark Clayton, Philip T. Kingston, B. Adam McGough

SUBJECT Quality of Life & Environment Committee Responses

On Monday, April 11, 2016, the Quality of Life & Environment Committee requested the following information:

- A. How much is the citation for violating the requirements of 17-10.2 Dog Variance?  
Section 17-14.2 states a person violating a provision of chapter 17, upon conviction, is punishable by a fine not to exceed \$500. The current fine amount is \$368 for allowing animals on the premises of a food establishment without a variance and violating the provisions of the variance.
- B. Does the City enforce 17-10.2 Dog Variance at Klyde Warren Park?  
Yes, all fixed food establishments at Klyde Warren Park are required to obtain a City of Dallas health permit and are required to comply with all requirements of Chapter 17 – Food Establishments.
- C. Is it possible to add additional requirements to 17-10.2 Dog Variance to separate the area allowed for dogs on a patio?  
Yes, staff is reviewing language available in TFER §228.186 (n)(2) that may allow separation.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Joey Zapata".

Joey Zapata

Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
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Mark McDaniel, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

# Memorandum



CITY OF DALLAS

DATE April 15, 2016

TO Honorable Mayor and Members of the City Council

SUBJECT **Urban Design Program**

As discussed previously with Council, the Urban Design Program is the City of Dallas' collaborative effort to bring more consistent focus, coordination and a design consciousness to the design, planning and development processes of the City. One element of this program is the creation and use of a Professional Advisory Group. Today, the first meeting of this group was held to orient members on this initiative and their role in it. The Public Advisory Group consists of representatives of a range of professional organizations that play a role in shaping the urban environment. It is intended to serve as a roundtable and review body for the ideas and proposals that come out of the Urban Design Program. Membership in this group is open to all who wish to volunteer their time and expertise, and so if you know of other people who would like to engage in this work, please have them contact me. A list of the current membership is attached.

In addition to this Public Advisory Group, the general citizenry will be engaged and give input in a way that captures the contextual and demographic diversity of Dallas. This engagement will be obtained through a variety of events and tools that will be deployed as this process gets further underway. This engagement will include special workshops dedicated to this program as well as participation in regular citywide or neighborhood events in order to take advantage of the participation that such events already attract. One such upcoming engagement event is Earth Day on April 22nd, 23rd and 24th. The Urban Design Program will be featured at the City of Dallas Planning and Urban Design Department booth at this event.

Please contact Peer Chacko or me if you need additional information.

A handwritten signature in black ink, appearing to read 'Jill Jordan'.

Jill A. Jordan, P.E.

Assistant City Manager

## Attachment

c: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager

Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council  
Peer Chacko, Director, Planning & Urban Design



To the Honorable Mayor and Members of the Dallas City Council:

We are pleased to share with you a report completed by the Dallas Business Journal which highlights DFW Airport's Impact to the North Texas Region. The report also captures all of our positive growth over the last few years. DFW Airport not only supports over 228,000 jobs and inputs over \$37 Billion in the economy, we continue to attract new businesses into the North Texas Region. We look forward to continuing our growth and maintaining one of the region's most important assets.

Regards,

A handwritten signature in blue ink, appearing to read "Sam Coats", is written over a light blue horizontal line.

Sam Coats  
Chairman  
Dallas Fort Worth International Airport Board

# DALLAS BUSINESS JOURNAL



## REAL ESTATE

### High-speed rail lands ULI's Next Big Idea award

The \$12-billion project beat Dallas Midtown and Frisco's \$5B Mile for the honor.

CANDACE CARLISLE, 12

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## COVER STORY

# DFW INTERNATIONAL

## One of North Texas' most powerful economic engines

BY BILL HETHCOCK  
bhethcock@bizjournals.com  
214-706-7125, @DBJHethcock

**D**allas Fort Worth International Airport's annual economic impact on North Texas has risen to \$37 billion – and climbing – as population growth, tourism, relocating and expanding businesses, and additional international routes fuel demand for more flights.

That's according to a November report by The Perryman Group, whose economists found that the airport's operations and related activities generate 228,000 jobs in the region with a payroll of \$12.5 billion.

DFW Airport is among the busiest in the world, ranking third in operations and ninth in passengers served. Its operations provide vital business connections and spur economic activity across the region's industries as well as through private businesses located at the airport.

New and existing businesses locate and expand throughout the region and state because of the nationwide and global accessibility provided by DFW Airport. Tourists generate significant spending. Convention, sports and entertainment venues along with restaurants and hotels rely on the aviation infrastructure to thrive.

Transportation has always been the defining force in economic progress, with the earliest settlements concen-

trated along navigable waterways of the world, said Ray Perryman, founder, president and CEO of the Waco-based economic analysis firm that bears his name. More recently, railroads, highways, and now airports play a critical role in the competitiveness and economic growth and development of a region, he said.

For more than 40 years, DFW Airport has provided air travel and cargo infrastructure essential to businesses and people of North Texas, providing "a dramatic and defining force in the integration of Texas into the global economy," Perryman said.

"(DFW Airport) has been integral to the emergence of the Metroplex area as one of the world's major urban centers, and will be a force in the devel-

opment of Texas for decades to come," Perryman said.

Looking to the future, the airport, with 4,000 acres of available land, has plenty of room to grow, so it will continue to drive the region's economy through construction spending and jobs, Perryman said.

"Major capital improvement programs are underway to keep the terminals and other facilities modern and optimally efficient," he said. "Carefully planned development of available acreage will further enhance DFW's role in the regional economy. These facts, coupled with the increasing globalization of commerce, assure the DFW International Airport will remain a catalyst to activity in the region for decades to come."

### THE IMPACT

**\$37B**

Annual economic impact to DFW (2015)

**\$13.7B**

Eco impact of airline operations

**\$17.8B**

Eco impact of cargo operations

**\$3.7B**

Eco impact of terminal operations

**\$2.6B**

Eco impact of rental cars and concessions

**7.3%**

Percentage airport supports local economy\*

\* Gross Metropolitan Product divided by Economic impact

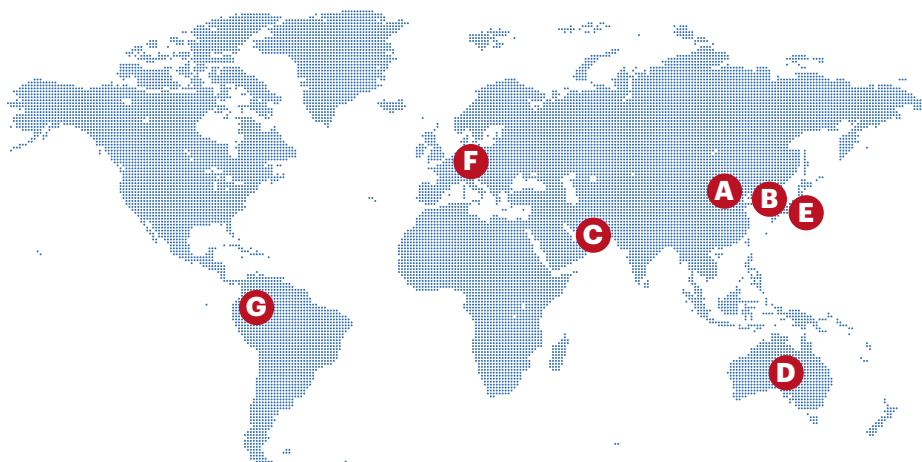
**DFW Airport is projected to grow to 70 million passengers annually over the next decade.**

**THE LIST: See the top airlines serving North Texas, 8**

**INSIDE THE LIST: Brandon Call breaks down the numbers at DFW and Love Field, 10-11**

### GOING GLOBAL

DFW Airport has steadily grown its international air service for the past five years, going from 38 in 2010 to 56 last year. Each international flight adds an estimated \$250 million annually to the DFW economy. Some highlights in the last three years include:



- A CHINA:** American Airlines launched service to Beijing, China, in May 2015; and to Shanghai, China, and Hong Kong in June 2014.
- B KOREA:** American launched service to Seoul, South Korea, in May 2013.
- C MIDDLE EAST:** Emirates Airline began flying to Dubai, United Arab Emirates, in February 2012. Qatar Airways began flying to Doha, Qatar, in July 2014. Etihad Airways launched flights to Abu Dhabi, UAE, in December 2014.
- D AUSTRALIA:** Qantas Airways started service to Sydney, Australia, in September 2014.
- E JAPAN:** Japan Airlines resumed flying from Tokyo's Narita International Airport on Nov. 30, 2015, more than 14 years after it suspended that service.
- F GERMANY:** Airberlin will commence four weekly services to Dusseldorf in May 2016.
- G LATIN AMERICA:** American launched service to Bogota, Colombia, in November 2013, among others. American will add a once a week route between DFW and Managua, Nicaragua, this summer. Interjet added DFW to its U.S. network with the March 2016 launch of 12 times weekly service from its main base at Mexico City.

But the airport has lost international flights, too. For example:

- ▶ KLM Royal Dutch Airlines ended its service between DFW and Amsterdam in October 2015. The Dutch carrier had operated flights between the two cities since 2008.
- ▶ American dropped service to Rio de Janeiro, Brazil, in early 2015.
- ▶ American ended flights between DFW and Edmonton, Canada, in February 2016.



SUBMITTED PHOTO

## THE JOBS

**228,000**

Permanent jobs in the region supported by the airport

**\$12.5B**

Annual payroll supported by DFW Airport

**14,883**

Jobs generated by terminal operations

**48,769**

Jobs generated by airline operations

**12,492**

Jobs generated by concessions and rental cars at the airport

## THE FLIGHTS

**200+**

destinations (56 international)

**4 hours**

Amount of time needed to reach 95% of U.S. or Mexico

**27**

Passenger airlines that operate out of DFW Airport

## THE FACILITY

**7 runways**

that can accommodate four simultaneous takeoffs

**5 terminals**

**165 gates**

more capacity than any airport in the world

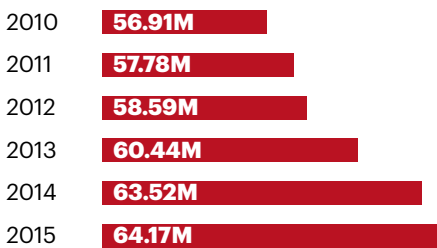
**3rd largest**

Size airport based on operations

Source: J.P. Morgan Public Finance and Utility Conference, April 15, 2015

## THE PASSENGERS

The 64 million yearly passengers makes DFW Airport the ninth largest in the world



Source: J.P. Morgan Public Finance and Utility Conference, April 2015; DFW Airport statistics

## THE FUTURE

- ▶ The airport is projected to grow to 70 million passengers annually in the next ten years from the 64.17 million passengers it served in 2015.
- ▶ A \$2.7 billion initiative to enhance DFW Terminals A, B, C and E and other capital improvements now underway will yield \$11.1 billion in spending, \$5.3 billion in output (gross product), and 62,784 person-years of employment between 2011 and 2020.
- ▶ When all improvements now underway are completed, their annual impact will total \$27.4 billion in spending, \$15.1 billion in gross product, \$4.8 billion in retail sales and 175,590 permanent jobs.

Sources/methods: The source, except where otherwise noted, is The Perryman Group's November 2015 study: The role of Dallas/Fort Worth International Airport in the North Central Texas Regional Economy. The Perryman Group estimated economic activity associated with:

- ▶ Activity within the terminals including terminal operations, air carrier operations and concessions and retail operations at the airport including rental cars
- ▶ Tenants within the airport property including air cargo companies, hotels, the airport golf course and others
- ▶ Spending by visitors to the area arriving through DFW Airport

## IN THEIR WORDS

*"(DFW Airport) is the single biggest economic engine in the North Central Texas region. If you talk to the companies that have come to this area, they will tell you that the reason they're moving their big companies here is because of two factors: Workforce availability and the connectivity that this airport affords them."*

**LILLIE BIGGINS**, former airport board chairwoman

*"Japan Airlines started nonstop flights from Tokyo to Dallas in November. That's huge."*

**SHINSUKE TAKAHASHI**, president and CEO of Irving-based NEC Corp. of America. He makes the 14-hour flight to Japan every three months.

*"We can get direct flights. If you look at a map of where our stores are, they're throughout the heartland. We're pretty decentralized, so to be able to get out to the stores and provide the support that we do is important to us."*

**FRANKLIN MCLARTY**, CEO of Dallas-based RML Automotive, one of the nation's largest dealership group, which consists of 35 automotive franchises and two motorcycle dealerships.

*"There is no better centrally located airline hub in the U.S. than DFW. When you look at the population and where people are moving, the strength of this area and of this global hub will only grow and intensify over the next few decades. We're investing to ensure that we continue to be an asset."*

**SEAN DONOHUE**, CEO of Dallas Fort Worth International Airport

*"The \$37 billion we measured is only part of the enormous benefit of DFW Airport. One way to think about it is to try to imagine what the region would look like without a major international airport to integrate it with the world."*

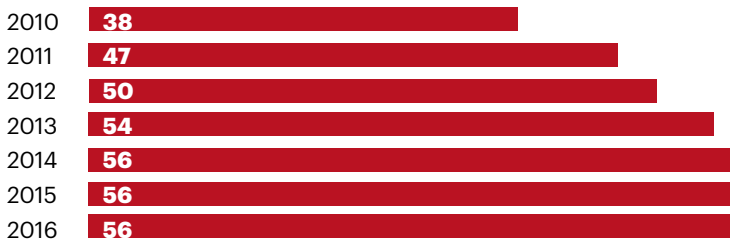
**RAY PERRYMAN**, founder, president and CEO of The Perryman Group

### AND A CONTRARIAN TAKE ...

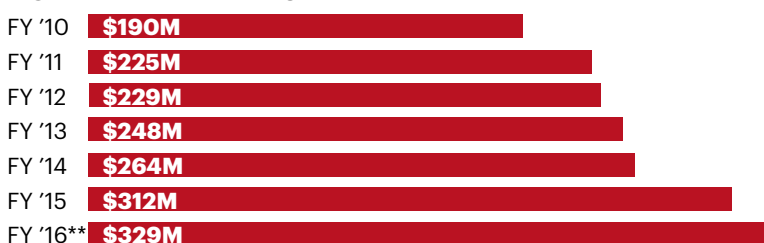
*"We are seeing a softening in international outbound traffic in the Dallas area. We're definitely predicting a slowdown in that (for 2016). It's going to be a headwind for them. You can add capacity, but the travelers may not be there right now."*

**JOSEPH BATES**, vice president of research for the Global Business Travel Association Foundation. Bates says U.S. companies are becoming more selective in authorizing business travel abroad because of global economic uncertainty and risk.

### INTERNATIONAL DESTINATIONS



### NON-AIRLINE REVENUE\*



\*Includes parking, concessions, rental cars \*\*Projected

Sources: J.P. Morgan Public Finance and Utility Conference (2015); DFW Airport statistics

## COVER STORY

## LOVE FIELD

# With no more restrictions, traffic takes off

While the economic impact of Dallas Love Field has not been as closely analyzed as the impact of Dallas Fort Worth International Airport, it too is substantial and growing.

Love Field is constrained to 20 gates under the terms of the Wright Amendment Reform Act. Dallas-based Southwest Airlines controls 18 of the 20 gates.

DFW Airport, with 165 gates, has more than eight times as many as Love.

In terms of traffic, 14.5 million passengers arrived at or departed from Love Field in 2015, compared to 64.2 million at DFW Airport, according to the Bureau of Transportation Statistics.

But the number of passengers moving through city-owned Love Field has soared in the almost 18 months since the initial Wright amendment restrictions were lifted, allowing airlines to fly non-stop to any U.S. city from Love.

Economist Ray Perryman, president and CEO of the Waco-based Perryman Group, said he has not analyzed the broad economic impact of Love Field on North Texas, and said he is not aware of study that has. A spokesman for the airport also said he was unaware of any study.

"The impact of Love Field is substantial despite its smaller size, offering an alternative for travelers and cargo," Per-

Dallas-based Southwest Airlines has 18 of the 20 gates at Love Field.



JAKE DEAN

ryman said. "Even so, the scope of DFW Airport is quite different."

DFW is among the busiest airports in the nation, it has a large surrounding business development area, and it plays a bigger role in global trade integration, Perryman said.

"Although both airports obviously move large numbers of people each day, they really perform different economic functions given the size and complexity of DFW," he said.

In the first full year after many of the federal flying restrictions were lifted at Love Field, the passenger count jumped 59 percent, due to expansions by Southwest Airlines and other carriers there.

Southwest expanded to 180 daily flights to 50 cities at Love once restrictions were dropped. That was up from 118 departures to 16 cities before Oct. 13, 2014, the day the Wright restrictions were lifted.

-Bill Hethcock

## ALASKA AIR TO PURCHASE VIRGIN AMERICA IN \$4B DEAL

Alaska Air Group plans to buy Virgin America in a deal valued at \$4 billion, or \$57 per share, the companies said April 4.

That represents a 47 percent premium to Virgin's Friday's close. The newly combined company will be based in Seattle and the deal has been "unanimously approved" by both companies' boards, they said.

The acquisition will give Alaska Air two highly sought gates at Dallas Love Field, should the airline decide to use them.

Virgin America acquired the rights to the gates in 2014 as a result of the merger between American Airlines and US Airways.

Southwest has made it clear it wants more gates at the city-owned airport.

The new airline will be the nation's fifth largest.

San Francisco Business Times

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**T H E L I S T** WITH DATA EDITOR BRANDON CALL

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@DBJBRANDON

**BRANDON'S TAKE** – One Metroplex. Two airports. Twenty-five ways to differentiate. There's DFW, with its 200 global destinations. Then, there's Love Field, which, since the repeal of the Wright Amendment in October 2014, has grown annual traffic substantially. Below we dive into the transportation hubs.

**OWNER**  
Cities of Dallas & Fort Worth

**OPENED**  
1974

**HUBS**  
American Airlines, Ameriflight, UPS Airlines

**TOP CARRIER SHARE**  
American Airlines

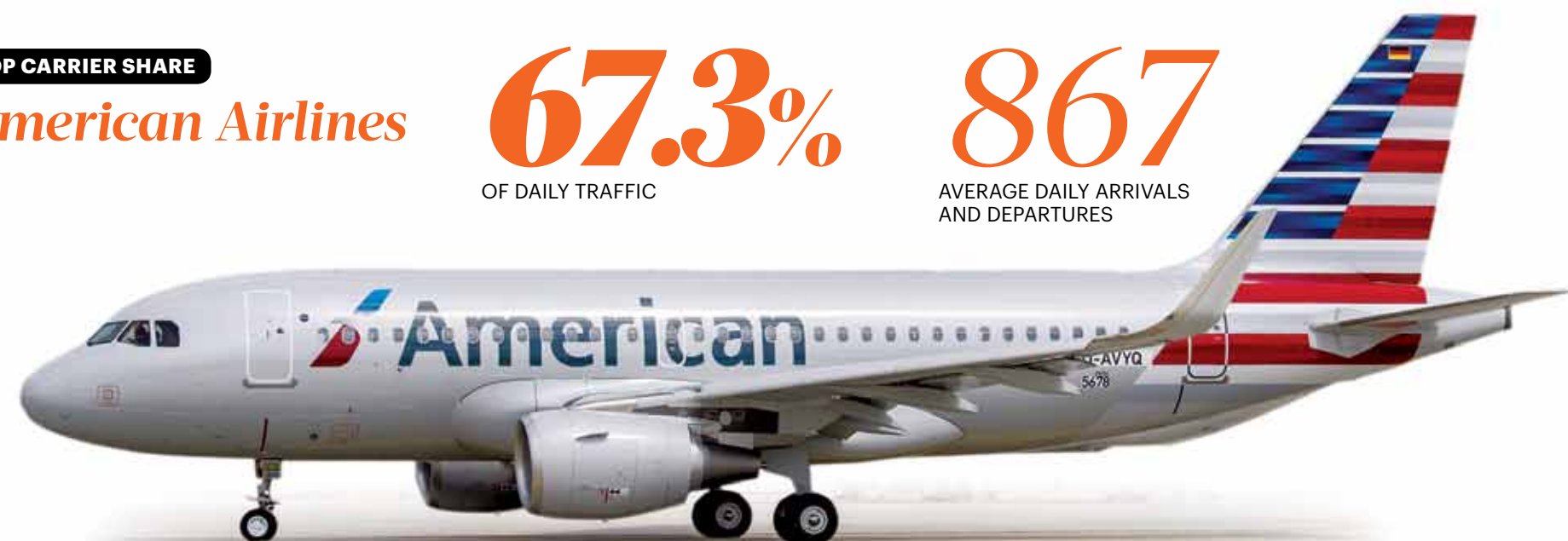


# DFW

DALLAS FORT WORTH INTERNATIONAL AIRPORT

**67.3%**  
OF DAILY TRAFFIC

**867**  
AVERAGE DAILY ARRIVALS AND DEPARTURES



# vs. Love

DALLAS LOVE FIELD



**OWNER**  
City of Dallas

**OPENED**  
1917

**TOP CARRIERS**  
Southwest Airlines, Virgin America

**TOP CARRIER SHARE**  
Southwest Airlines

**90.9%**  
OF DAILY TRAFFIC

**313**  
AVERAGE DAILY ARRIVALS AND DEPARTURES



**ON-TIME DEPARTURE RATE**  
**77%**

AVERAGE DELAY: 58.46 MINUTES

**ON-TIME ARRIVAL RATE**  
**80%**

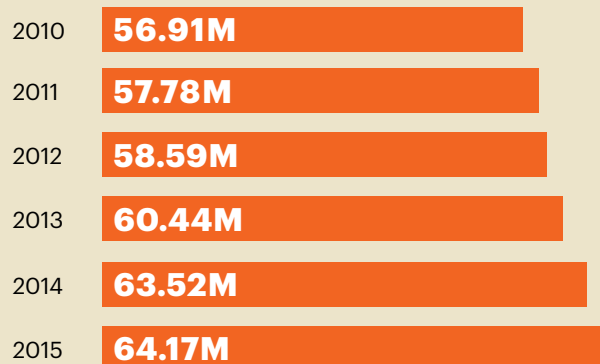
AVERAGE DELAY: 70.39 MINUTES

**CANCELLATION RATE**  
**2.5%**

Feb. 2015-Feb. 2016

**TOTAL ANNUAL PASSENGERS**

ARRIVALS AND DEPARTURES



**TOP DESTINATIONS IN 2015**



**SCHEDULED FLIGHTS PER YEAR**

**296,230**

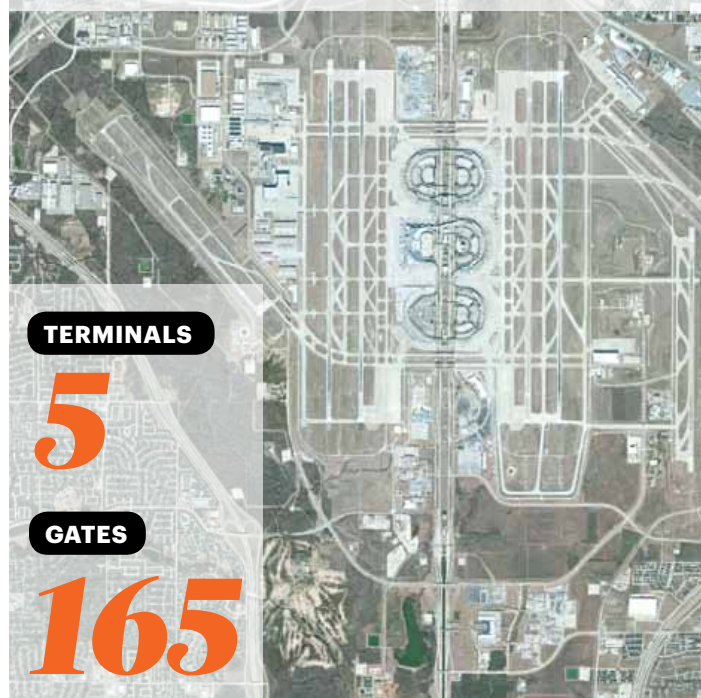
**CARRIERS**

**27**

**RUNWAYS**

**LONGEST RUNWAY**

**7** **13,401** FEET



**TERMINALS**

**5**

**GATES**

**165**

**RUNWAYS**

**LONGEST RUNWAY**

**3** **8,800** FEET



**TERMINALS**

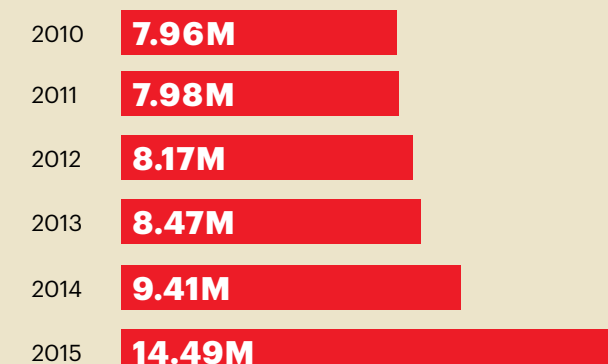
**1**

**GATES**

**20**

**TOTAL ANNUAL PASSENGERS**

ARRIVALS AND DEPARTURES



**TOP DESTINATIONS IN 2015**



**SCHEDULED FLIGHTS PER YEAR**

**65,622**

**CARRIERS**

**6**

**ON-TIME DEPARTURE RATE**

**75%**

AVERAGE DELAY: 50.17 MINUTES

**ON-TIME ARRIVAL RATE**

**81%**

AVERAGE DELAY: 54.13 MINUTES

**CANCELLATION RATE**

**1.4%**

Feb. 2015-Feb. 2016



**TWITTER**

#TravelTransformed

@DFWAirport

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**FACEBOOK**

**137,087** LIKES

**INSTAGRAM**

**8,662** FOLLOWERS



**TWITTER**

#RandomActsofLuv

@DallasLoveField

**11,300** FOLLOWERS

**FACEBOOK**

**4,980** LIKES

**INSTAGRAM**

**1,795** FOLLOWERS