

Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Proposed 2022 City Council Calendar**

On Thursday, September 23, the Government Performance and Financial Management Committee will be briefed on the proposed 2022 City Council calendar for comment and feedback. Chairwoman Mendelsohn was briefed and provided feedback on July 28, 2021 and since that time.

The City Calendar includes all City Council briefing and agenda meetings, budget briefings and workshops, Council Committee meetings, and City holidays. The City Calendar is available on the City's website at www.dallascityhall.com and is made available in the Mayor and City Council Office to all residents who request copies. The City Calendar is also available for download and synching into calendar software on computers or mobile devices via a link on the City's website.

Following consideration by the Government Performance and Financial Management Committee on September 23, the item is expected to go to the full City Council for briefing on Tuesday, October 5, and final action on Wednesday, October 27. Following the anticipated approval of the 2022 City Council Calendar on October 27, the item will be uploaded to the City of Dallas city events calendar and the City Secretary's web page. Instructions will be provided to staff to import the approved calendar dates into your Outlook calendar.

The proposed calendar includes the addition of three federal holidays: Juneteenth, commemorated on Monday, June 20; Indigenous Peoples' Day on Monday, October 10; and Veterans Day on Friday, November 11. Further, on March 25, 2020, the City Council voted to begin all regular City Council meetings at 9:00 am during the state of disaster issued by Mayor Johnson. Those emergency regulations remain in place.

Should you have any questions or concerns, please contact me at 214.670.5682 or carrie.rogers@dallascityhall.com.

With kindness,

A handwritten signature in black ink that reads "Carrie Rogers".

Carrie Rogers

Director

Mayor and City Council Office

DATE August 13, 2021

SUBJECT **Proposed 2022 City Council Calendar**

C: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **2020 Census and Redistricting Update**

Yesterday the U.S. Census Bureau released the 2020 Census Redistricting Data (Public Law 94-171) Summary File, which will allow the City to begin the redistricting process. As communicated to you previously, the data was originally expected to be delivered in April but was delayed due to the ongoing pandemic. The initial data has been released in a format that requires additional handling and software. The Census Bureau will deliver the final redistricting data toolkit by September 30, 2021, which will include further digital tools and access to integrated software browsing.

Initial data shows an increase in the population of U.S. metro areas compared to a decade ago. The city of Dallas population increased by 8.9 percent from 1,197,816 in 2010 to 1,304,379 in 2020. The Office of Data Analytics and Business Intelligence (DBI) is disseminating the information and will provide a link to a user-friendly tool for the City Council and the public to explore by August 27, 2021.

The Office of Government Affairs will work with the City's redistricting consultant, ARCBridge Consulting, Inc. to assess the data as required for redistricting purposes. We will provide a full briefing to the City Council on the official US Census data, along with the latest plans on the City's redistricting efforts, on September 14, 2021.

If you have any questions or concerns please contact Brett Wilkinson, Director of the Office of Government Affairs, at (469) 271-0399 or brett.wilkinson@dallascityhall.com.

A handwritten signature in black ink, appearing to read 'Kimberly Bizer Tolbert'.

Kimberly Bizer Tolbert
Chief of Staff to the City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **City License Applications**

Attached is a list of the most recent Dance Hall, Sexual Oriented Business, Billiard Hall, and/or Amusement Center license applications received for the week of August 2, 2021 – August 6, 2021 by the Tactical and Special Operations Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact Sergeant John Page, at 214. 670.4413 and/or by email at john.page@dallascityhall.com should you need further information.

A handwritten signature in cursive script that reads "Jon Fortune".

Jon Fortune
Assistant City Manager
[Attachment]

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager
Joey Zapata, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity, and Inclusion
Directors and Assistant Directors

WEEKLY APPLICATION LOG REPORT

DISTRICT	NAME OF BUSINESS	STREET ADDRESS	TYPE OF LICENSE	DATE OF APPLICATION	STATUS (RENEWAL/NEW)	APPLICANT NAME
D6	STREET DALLAS NIGHTLIFE CONCEPTS LLC AREA 111	111 OAK LAWN AVE	DH	8/5/2021	NEW	SHONCY RASPBERRY
D2	2911 MAIN LTD AKA NINES BAR	2911 MAIN ST	DH	8/5/2021	RENEWAL	COURTNEY GRAVES
D2	HARRIS HAL DBA BLUE PALACE II	3100 AL LIPSCOMB WAY	DH	8/3/2021	RENEWAL	HAL HARRIS

0

License Definitions

- DH - Class "B" Dance Hall - Dancing Permitted Less Than Three Days a Week*
- DH - Class "C" Dance Hall - Dancing Scheduled One Day At A Time*
- DH - Class "E" Dance Hall - Dancing Permitted Seven Days A Week for Persons Age 14 through Age 18 Only*
- LH - Late Hours Permit - Can Operate A Dance Hall Until 4:00*
- BH - Billiard Hall - Billiards Are Played*
- SOB - Sexually Oriented Business - Adult Arcade / Adult Book/Video Store / Adult Cabaret / Adult Adult Theater / Escort Agency / Nude Model Studio*
- AC - Amusement Center*

Memorandum



CITY OF DALLAS

DATE August 10, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Financial Management Performance Criteria (FMPC) #24**

FMPC #24 directs staff to develop a budget scenario that is based on the No-New-Revenue Tax Rate as calculated by Dallas County Tax Office. On Friday August 6, we received the final tax rate calculation worksheet from the Tax Office, so we are now submitting this memo in compliance with FMPC #24.

The No-New-Revenue tax rate applies to the General Fund portion of the tax rate. The City Manager's recommended budget is based on a General Fund tax rate of 56.58¢ which is less than the current year's General Fund tax rate of 56.88¢. The No-New-Revenue tax rate for the General Fund is calculated to be 52.632¢. This is 3.948¢ less than the recommended tax rate. To lower the tax rate to this level, we would need to reduce General Fund revenue by \$60.6 million. In order to maintain a balanced budget, we would also need to reduce General Fund expense by the same amount.

The attached document further describes FMPC #24, the No-New-Revenue tax rate, and the expense reductions that would be necessary to lower the tax rate by this amount.

The City Manager **does not** recommend this tax rate or these reductions. This is only provided to comply with the City Council's FMPC #24.

Thank you for your continued support of the budget process. If you have immediate questions, please contact me.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor 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
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

No-New-Revenue Tax Rate

COMPLYING WITH THE CITY'S FMPC IS A PRIORITY FOR CITY MANAGEMENT

On December 13, 2017, the City Council adopted a new criterion for the City's Financial Management Performance Criteria (FMPC) related to the effective tax rate, which was amended on June 9, 2021 to change the name to be consistent with State Law. Refer to the box to the right for FMPC #24. The no-new-revenue tax rate scenario is provided to comply with the FMPC.

What is the no-new-revenue tax rate?

The no-new-revenue tax rate is the rate that generates the same amount of revenue in the next fiscal year on property that was taxed in the previous fiscal year. The calculation excludes the value of new construction and other adjustments. The Dallas County Tax Office calculates this rate.

What is Dallas' no-new-revenue tax rate for FY 2021-22?

The no-new-revenue tax scenario applies to the General Fund portion of the property tax rate. The calculated no-new-revenue tax rate is 52.632¢ per \$100 valuation while the proposed tax rate is 56.58¢ per \$100 valuation for the General Fund. The total proposed tax rate is 77.33¢ when both General Fund and Debt Service Fund are included.

To lower the tax rate to 52.632¢ (or 3.9480¢ less than the proposed tax rate), General Fund revenue would be decreased. In order to maintain a balanced budget, General Fund expenses would also need to be reduced. To have a no-new-revenue tax rate, we would need to decrease both revenue and expenses by \$60,647,089 in FY 2021-22 and \$62,769,737 in FY 2022-23. A larger reduction would be required in the FY 2022-23 planned budget since the tax base is assumed to continue to grow in the planned year of the biennial.

The table below shows the reductions necessary to achieve a no-new-revenue tax rate budget.

Rank	Department	Description	FY 2021-22 Expense	FY 2022-23 Expense
1	Environmental Quality	Eliminate cost associated with Agricultural Pilot Plan	200,000	-

FMPC #24

"The City Manager will develop an estimated No-New-Revenue Tax Rate budget scenario and, if different from the City Manager's recommended budget required by Chapter 11, Section 1 of the City Charter, will provide it to the City Council at the same time. The estimated No-New-Revenue Tax Rate budget scenario will include a prioritized list of services/expenses that could be funded and a prioritized list of services/expenses that could not be funded with the estimated No-New-Revenue tax rate."

No-New-Revenue Tax Rate

Rank	Department	Description	FY 2021-22 Expense	FY 2022-23 Expense
2	Park and Recreation	Delay from FY22 to FY23 the planned enhancement for O&M cost associated with capital projects	802,885	-
3	Park and Recreation	Eliminate Park and Recreation planned enhancement for organic chemical usage for park land	509,847	509,847
4	Communication and Marketing	Delay from FY22 to FY23 the contract funds for language skills access	150,000	-
5	Park and Recreation	Eliminate Park and Recreation planned Marketing and Communications enhancement	356,166	356,166
6	Human Resources	Eliminate one-time funds in HR for professional and leadership development	110,000	-
7	Human Resources	Eliminate the FY22 planned enhancement to hire four positions for Workday implementation	358,758	358,758
8	Data Analytics	Eliminate FY22 planned enhancement and the addition of three data access and inventory positions	286,604	372,806
9	Building Services	Eliminate funds for major maintenance of City facilities in FY22, and fund in FY23 but at a reduced level	1,000,000	613,243
10	Building Services	Delay from FY22 to FY23, the planned enhancement to improve preventive maintenance at City facilities	276,787	-
11	Non-Departmental	Eliminate funds set aside for IT Governance to review, approve, and implement technology improvements. Implementation of additional Workday modules planned for FY22 includes recruiting/onboarding, learning, performance, benefits, and compensation	1,350,000	-
12	Economic Development	Eliminate three positions being added to implement the Economic Development policy	277,621	367,982
13	Community Care	Eliminate funds being added to expand the Financial Empowerment program	600,000	600,000
14	Fire-Rescue	Delay from FY22 to FY23 the planned Advanced Life Support (ambulance) and six positions for Fire Station #27	889,598	-
15	Public Works	Eliminate funds that are transferred from PBW to the Street and Alley fund in FY22 for the cash payment of infrastructure improvements	8,500,000	-
16	Library	Reduce funds used for purchase of Library materials	1,085,000	1,085,000
17	Transportation	Eliminate bike lane funding	2,000,000	2,000,000
18	Police	Reduce DPD overtime	4,000,000	2,000,000

No-New-Revenue Tax Rate

Rank	Department	Description	FY 2021-22 Expense	FY 2022-23 Expense
19	Non-Departmental	Eliminate funding to implement recommendations from the non-uniform Total Compensation Study	3,500,000	3,500,000
20	Multiple Depts	Eliminate non-uniform employee merit that was scheduled for implementation in October 2021 (FY22)	7,100,000	7,100,000
21	Police	Eliminate FY22 pay adjustments planned for DPD in accordance with the Meet and Confer Agreement (includes Step Pay and Market adjustments)	8,264,983	17,777,705
22	Fire-Rescue	Eliminate FY22 pay adjustments planned for DFR in accordance with the Meet and Confer Agreement (includes Step Pay and Market adjustments)	7,162,738	11,972,848
23	Integrated Public Safety	Eliminate funds being added to expand Mobile Crisis Response program	1,045,000	1,045,000
24	Transportation	Eliminate pilot program to address street racing and eliminate funding for Neighborhood Management and Traffic Calming Program	700,000	700,000
25	Transportation	Eliminate the planned transfer of non-emergency calls from DPD to Transportation (Calls will continue to be handled by DPD)	1,284,835	2,686,561
26	311 Operations	Eliminate 311 call taker planned as TRN assumed non-emergency calls from DPD	76,407	76,407
27	Police	Delay by one year the planned FY22 and FY23 increase in police officer hiring	4,823,707	9,647,414
28	Police	Delay from FY22 to FY23 the planned increase in staffing at 911: 44 call takers, 12 dispatchers, 1 manager, 3 supervisors, and 1 administrative specialist	3,936,153	-
		Total	\$60,647,089	\$62,769,737

Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **2021 Justice Assistance Grant Program Application**

The Justice Assistance Grant (JAG) Program is the primary provider of federal criminal justice funding to state and local jurisdictions. JAG funds can support all components of the criminal justice system, from multijurisdictional drug and gang task forces to crime prevention and domestic violence programs, courts, corrections, treatment, and justice information sharing initiatives. JAG funded projects may address crime by providing services directly to individuals and/or communities, and by improving the effectiveness and efficiency of criminal justice systems, processes, and procedures.

The City of Dallas, Dallas County, and other units of local government designated by the Bureau of Justice Assistance (BJA) are eligible for 2021 JAG funding and have been certified by the BJA as a disparate jurisdiction. The application guidelines ask for one fiscal agent to apply, accept, and disburse funds throughout the disparate jurisdiction. Dallas County and all eligible units of local government in the disparate jurisdiction have agreed to designate the City of Dallas as the applicant and fiscal agent for the JAG Program.

The following amounts reflect the JAG funds each jurisdiction shall receive upon acceptance of and disbursements of funds from the BJA in accordance with the Fiscal Agency Agreement.

Dallas County	\$ 319,830.07
Balch Springs	\$ 8,610.13
Carrollton	\$ 8,121.88
Dallas	\$ 629,314.87
DeSoto	\$ 9,688.83
Duncanville	\$ 9,671.91
Garland	\$ 36,142.87
Grand Prairie	\$ 24,987.98
Irving	\$ 28,240.38
Lancaster	\$ 9,419.32
Mesquite	\$ 31,576.76
Richardson	\$ 0.00
Total	\$ 1,115,605.00

In recent years, the City of Dallas has used the JAG grant to fund salaries, benefits, and other associated costs for the Community Prosecution program. Other past projects

DATE August 13, 2021
SUBJECT **2021 Justice Assistance Grant Program Application**

include Fair and Impartial Policing Training and SharePoint implementation for the Dallas Police Department, as well as the upgrades of several DPD Interview Rooms. For the 2021 award, Dallas will fund salaries and benefits for three Community Prosecutors, as well as support the purchase of cameras for the Nuisance Abatement Unit, and investigative analytical software for the Real Time Crime Center. The use of this funding will aid DPD in gathering evidence and improving prosecution efforts. Ten (10) percent of the total award is also used to reimburse administrative expenses associated with managing the grant.

The JAG grant application requires that the application be made available to an eligible jurisdiction's governing body for review for 30 days before an award can be executed. To ensure that the City is in compliance, this memo will serve as formal notification to the City Council. **The application as submitted to BJA is available for review in the Office of Government Affairs.**

This item is scheduled for full Council approval on September 9th. Please contact Brett Wilkinson, Managing Director, Office of Government Affairs to review the application, or with any questions or concerns.



Kimberly Bizer Tolbert
Chief of Staff

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

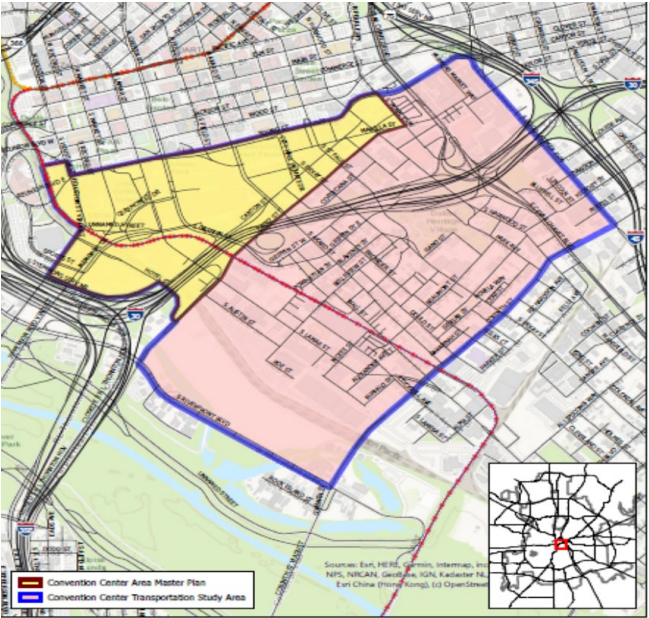
DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Contract - Update

Background

The Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan is in the fifth month of an estimated nine-month development process. The planning contract with WSP USA, Inc. (WSP) was approved by City Council (Council Resolution (CR) 20-0245) on January 27, 2021, based on a recommendation by Convention and Event Services (CES). The master planning process has been underway since the third week of February, with a multi-layered scope that includes providing recommendations for the repair or substantial reconstruction of the convention center, an analysis and land use recommendations for major abutting transportation initiatives, overall project value capture and governance, and land use interaction with current public-private partnership developments for the study area outlined below:



WSP was selected through a dual Request for Qualifications / Request for Proposals process conducted in coordination with multiple stakeholders and fourteen (14) city departments, with the overall goal of procuring a firm that could develop an implementable plan to create a walkable convention center district that incorporates transportation and private development in a way that

DATE August 13, 2021

SUBJECT **Key Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Contract - Update**

ensures that Dallas remains competitive in the tourism industry. The contract awarded under CR 20-0245 totaled \$4.89M. A recent supplemental agreement increased that amount to \$4.95M.

Planning Process To-Date

WSP and City staff have been developing and evaluating a wide range of alternatives at different investment levels for the KBHCCD and surrounding area. The evaluation process has incorporated a robust stakeholder and engagement process, which has included integrated reviews of goals, objectives, and alternative evaluations. The current scope calls for the delivery of three (3) concepts from which a preferred alternative can be selected by City leadership and the City Council to move into the next phase of design.

The following steps have been completed and are discussed below:

- ✓ Development of the overall Vision, Goals and Objectives
- ✓ Preparation of a list of alternatives for review
- ✓ Phase 1 evaluation of the list of alternatives and the identification of a short list for further review
- ✓ Phase 2 evaluation of selected alternatives

Vision, Goals and Objectives

The Vision Statement summarized the need to invest in the KBHCCD and surrounding district, to ensure the facility remains competitive with other top tier convention centers across the country. The vision statement also addresses the need to provide an exciting and attractive environment around the convention center, that enhances the connectivity between surrounding neighborhoods and downtown, is appropriately served by transportation, and creates the opportunity to leverage and monetize new development to generate funding to offset capital and long-term maintenance costs. From the vision statement, a set of goals and objectives were developed that address each of the important characteristics of the project. Six (6) goals with associated objectives were developed and include:

1. Create a premier Convention Center and District
2. Enhance and leverage transportation assets
3. Create an inviting and exciting district and new connectivity
4. Create and leverage value for funding and financing
5. Develop a strategic phasing plan
6. Prepare a plan that was inclusive, equitable and sustainable

Preparation of the Long List of Alternatives for review

Utilizing the goals and objectives, a list of 16 potential alternatives was developed based on the expected market demand, surveys, research, and discussions with industry experts. Alternatives were developed reflecting a range of investment levels and ability to meet the market demand.

DATE August 13, 2021

SUBJECT **Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Contract - Update**

This range of investments varied from patching and repairing with minor upgrades, to a complete rebuild of the convention center and surrounding district.

Alternatives Under Study

Investment Level	Alternatives				
Big D	1 - Baseline (Patch and Repair)				
Bigger D	2A - Campus		2B - Hybrid/Revised Campus		
Biggest D	3A - Flat East of Lamar	3B - Stacked	3C - Flat West of Lamar	3D - Flat Underground	3E - Flat East of Griffin
Not Developed Further Due To A Fatal Flaw					
Biggest D	3F.1 - Lot E + Hall F reuse	3F.2 - Lot E	3F.3 - Lot E Future Expansion - Exhibit Halls on Level 2	3F.4 - Lot E Future Expansion - Exhibit Halls on Level 0	3G - Former Reunion Arena Site (no graphic developed)

Phase 1 Evaluation of the Long List of alternatives and the identification of a short list for further review

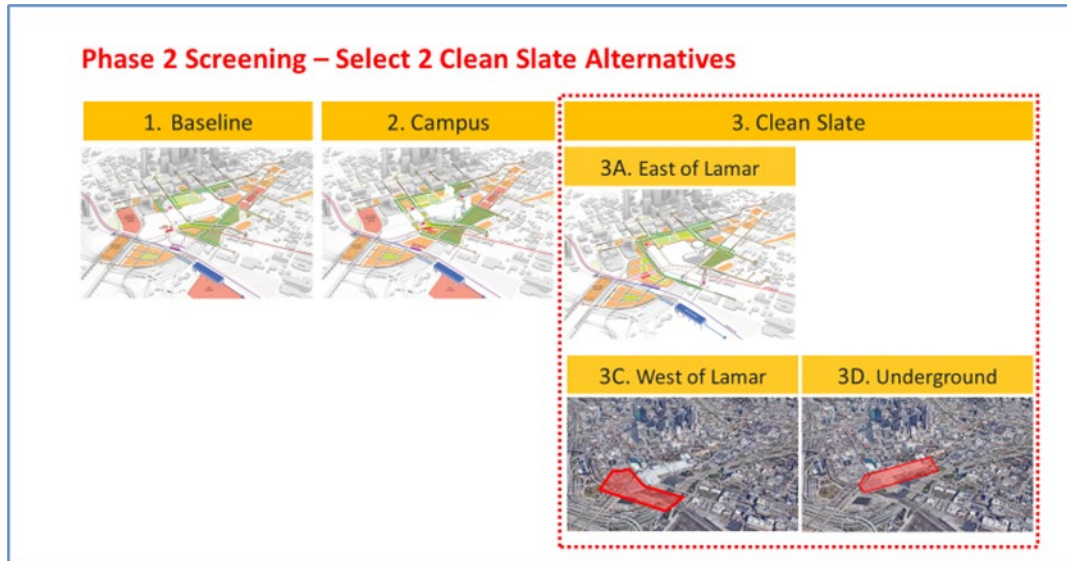
Each of the 16 alternatives was assessed in terms of its ability to meet the market demand, and provide the appropriate size, type and configuration of space to accommodate larger and multiple shows in an efficient manner. From this evaluation, eleven (11) concepts were eliminated. The five (5) remaining alternatives include:

- Baseline – Patch and Repair to meet today’s market demands
- Campus/Hybrid – Which retains portions of the existing facility and provides new construction and space which allows the facility to serve larger shows
- Clean slate/East of Lamar Street – Resulting in a new convention center along the east side of Lamar Street, overbuilding I-30.
- Clean slate/West of Lamar Street - Resulting in a new convention center along the west side of Lamar Street, overbuilding I-30.
- Clean slate/Underground – Resulting in the construction of a new convention center where the entire exhibit floor space is constructed underground.

DATE August 13, 2021

SUBJECT **Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Contract - Update**

Phase 2 Evaluation of selected alternatives



A total of three (3) alternatives that require some level of new construction will be advanced along with the Baseline/Patch and Repair alternative. An analysis of the East and West of Lamar Street alternatives was prepared to determine which option should advance to the next level of evaluation. Both options provide similar levels of benefit in terms of space allocation and opportunities for new development. Additionally, each alternative provides new levels of connectivity to the Cedars neighborhood as they both proposed to extend over I-30. The results of the Phase 2 analysis clearly identified and distinguished that the West of Lamar alternative was superior to the East of Lamar alternative. Therefore the West of Lamar alternative along with the Underground and Campus/Hybrid alternatives are being advanced to a more rigorous evaluation of the facility and associated assets and attributes.

Next Steps

The full draft master plan report will be completed in November 2021. The current timeline anticipates that CES staff will brief the Economic Development Committee in December and full Council in January or February 2022. In the interim, CES staff, in partnership with the City Controller's Office, the City Attorney's Office and the Office of Economic Development are working on funding scenarios that include City Council briefings and recommendations related to the Brimer Bill and the development of a Public Financing Zone that will fund the convention center and some land use components of the KBHCCD Master Plan.

If you have any questions or require additional information, please contact me or Rosa Fleming, Director of CES.

DATE August 13, 2021

SUBJECT **Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Contract - Update**



Joey Zapata
Assistant City Manager

- c:
- | | |
|---|--|
| T.C Broadnax, City Manager | Majed A. Al-Ghafry, Assistant City Manager |
| Chris Caso, City Attorney | Jon Fortune, Assistant City Manager |
| Mark Swann, City Auditor | Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services |
| Biliera Johnson, City Secretary | M. Elizabeth Reich, Chief Financial Officer |
| Preston Robinson, Administrative Judge | M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion |
| Kimberly Bizzor Tolbert, Chief of Staff to the City Manager | Directors and Assistant Directors |

Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Office of Homeless Solutions – Dallas R.E.A.L. Time Rapid Rehousing Initiative**

The purpose of this memorandum is to provide the City Council with an update concerning the \$72 million Dallas R.E.A.L. Time Rapid Rehousing (DRTRR) joint Initiative to rehouse approximately 2,762 people experiencing homelessness by October 2023 following the Council briefing on August 4th, 2021.

OHS Presentation of the DRTRR Initiative and Follow Up

On August 4th, 2021, the Office of Homeless Solutions (OHS), presented an operational overview of the DRTRR initiative to the City Council. The presentation highlighted the key aspects of DRTRR, including:

- DRTRR would create a pathway for thousands of Dallas residents experiencing homelessness to attain and retain housing on a sustainable basis. Like similar Rapid Rehousing programs across the US, approximately 95% of clients served are expected to **stay housed long-term after the cessation of rental subsidies.**
- DRTRR represents unprecedented collaboration between the City of Dallas and other local governments, agencies, and non-profit homeless services organizations across the local Continuum of Care (CoC).
- DRTRR leverages a \$25 million investment by the City of Dallas into a \$72 million program, the primary beneficiaries of which will be Dallas residents, allowing the City of Dallas to receive \$3 of benefit for every \$1 invested.
- Every provider will have an opportunity to compete for contracts and participate in the process. We are working with MDHA to host provider sessions to ensure that everyone has the necessary information to access all opportunities through the CoC
- At the end of DRTRR, the City of Dallas can expect the following results:
 - The vast majority of people housed will stay housed and not return to homelessness.
 - The Continuum of Care will have permanently increased its capacity to perform at scale, making the experience for future people experiencing homelessness shorter.
 - Because of improved performance and reduction of the unsheltered population caused by DRTRR, the Continuum of Care will receive higher ratings from HUD, leading to increased Federal funding of homeless services in the future.

DATE
SUBJECT

August 13, 2021

Office of Homeless Solutions – Dallas R.E.A.L. Time Rapid Rehousing Initiative

- The DRTRR was then briefed to the Citizens Homeless Commission and the Dallas Area Partnership, with positive feedback and support from both bodies.
- Number of individuals who return to homelessness 6- and 12-months post-program

Following this briefing, City Council members asked several important questions, which are listed in the attached document.

Per the discussions surrounding DRTRR and following Mayor Pro Tem West's observation of DRTRR as the first step of a two-step plan, OHS agrees that DRTRR allows us to accomplish the first phase of providing immediate relief to unsheltered individuals and families. Long-term housing affordability is the critical second phase of this process that is being addressed in the Housing and Neighborhood Revitalization Department, through the existing 1,000-unit challenge for Transit Oriented Developments and \$10 million in ARPA funding for infrastructure proposed in the FY 21-22 budget. These actions are expected to produce 250 units of mixed income single family housing or 1,000 units of multi-family housing or some combination of the two.

While the creation of affordable housing is a long-term and ongoing process, DRTRR will accomplish the clearing of the back log of people experiencing homelessness who are situationally homeless (i.e., housing ready now). In addition, DRTRR would finally provide the City with an effective and humane tool to house people living in encampments, who need permanent housing solutions and are often emergency shelter-hesitant for a variety of reasons. DRTRR will utilize:

- 758 EHV vouchers from across the CoC = \$12M value
- \$32M in rental subsidies through the Dallas Housing Authority
- \$18M in comprehensive case management and the wraparound services they connect unsheltered residents to
- \$10M in private fundraising for
 - Move in kits (kitchen utensils, basic supplies and furniture)
 - Landlord incentives (e.g., additional deposits)

The Initiative will address homelessness in the City of Dallas and give participants the option to choose housing anywhere across the CoC. This allows for a wider range of affordable housing options and potential relocation to existing support systems outside of the City of Dallas. Progress will be tracked through a City collaboration with MDHA to develop a DRTRR dashboard to track and monitor various metrics, ensuring transparency throughout the entire Initiative.

DATE August 13, 2021
SUBJECT **Office of Homeless Solutions – Dallas R.E.A.L. Time Rapid Rehousing Initiative**

The dashboard will be built by MDHA with input from key stakeholders like the Citizen Homelessness Commission (CHC), Dallas Area Partnership (DAP), and CoC ecosystem and brought to the Housing and Homeless Solutions Committee (HHS) as a mockup prior to activation. Metrics tracked will include:

- Funding spent
- Demographic data of all program participants
- Status at program entry
- Number of housing placements
- Time from identification to program entry
- Time from program entry to lease up

The dashboard will also include analysis of each of these metrics by race and ethnicity to inform practices that advance racial equity.

MDHA will be paid for all operations solely by reimbursement, based on approved expenditures. Encampment data will continue to be updated through the City's 311 database and GIS Heatmap. We will continue to learn from that data as it is gathered and tweak our best practices.

We realize that we must work now to ensure that we have a retention strategy beyond the two-year period and believe that the DRTRR Partners are the right stakeholders to have at the table. Data shows that going through a program like this with the full wrap around case management support strongly increases the stability of the clients served and their ability to maintain their livelihood. The national data shows that those individuals going through the program, **95% will remain sustainably housed.**


DRTRR does not create new affordable housing units, but it creates the opportunity for people to regain the ability to sustain housing. ***There is no other proven program that can resolve homelessness for so many people so quickly.*** In addition, DRTRR is a bridge to the next steps of the plan that connect unsheltered residents to the affordable housing policies the City Council has already put in place.

Next Wednesday as part of the ARPA funding budget discussion, we will update the City Council on the DRTRR and provide the analysis of the proposed options as requested via memorandum by Councilmember Mendelsohn. The three associated contracts are planned for City Council action on August 25th, 2021.

We will also provide the feedback from the listening sessions and briefings with stakeholders to the City Council prior to this date.

DATE August 13, 2021
SUBJECT **Office of Homeless Solutions – Dallas R.E.A.L. Time Rapid Rehousing Initiative**

Should you have any questions or concerns, please contact me or Christine Crossley,
Director of Office of Homeless Solutions.



Kimberly Bizer Tolbert
Chief of Staff

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

Councilmember Thomas

Question: Are we committed to making racial equity a priority and how will we ensure people will benefit from program?

Answer: We will ensure a focus on racial equity.

- Regina Cannon, Chief Equity and Impact Officer, *C4 Innovations* has worked closely with us throughout the process and her input is also reflected in the Continuum of Care's (CoC) Coordinated Access Working Group equity indicators. Regina provided the workgroups will multiple tools to analyze data through an equity framework.
- Demographic data will be de-segregated by MDHA and provided to the City of Dallas
- In partnership with Regina Cannon and MDHA, the CoC leaders have engaged in capacity building sessions where all levels of staff are trained on the importance of race, racism, and systemic racism in homelessness
- Having a wide stock of available units across the Continuum of Care with the understanding that housing choice is also key. This allows participants to access housing close to existing support systems.

Question: Page 21 of the briefing. You lay out a time frame for briefings and listening sessions. Will we be provided a summary of the listening sessions and/or a report?

Answer: Listening session feedback/report will be provided to the City Council prior to the August 25, 2021 City Council voting agenda.

Councilmember West

Question: When the COC in Houston reduced homelessness, competitive grants from HUD doubled. Is it a possibility here?

Answer: Yes, that is something that we see in other CoC areas and we have discussed this with MDHA.. We believe it is a strong possibility to see an increase in federal funding as a result of bold initiatives like DRTRR that can showcase rapidly improved system performance, the key factor in the CoC funding competition.

Question: What challenges do you anticipate over the next two years?

Answer:

- Starting and ramping up. That's why pushing out the vouchers and being ready to go is critical. By the time we get to Oct. 1, we will have an encampment strategy that is refined and being further tweaked as we solidify the infrastructure the DRTRR will create. We have worked over the last few weeks to revamp the encampment strategy to ensure alignment with the DRTRR. We will continue to work with the City Council to ensure that encampments are being reported through 311 so we have a robust database that identifies the locations of our unsheltered residents.

- We believe there are over 400 encampments across the city today so we will work with the City Council to prioritize the resolutions as we move through the DRTRR.
- The key ace in the hole here is our internal and external partnerships that allow us to troubleshoot encampment issues quickly and efficiently as we take the services to our homeless neighbors
- Securing 1-Bedroom Units is something we intend to navigate through private funding, new partnerships, and all the tools those provide to incentivize the rental market to participate in this program. Securing the number of 1-bedroom units needed for this project is a new challenge for the homeless ecosystem and we anticipate the need to be nimble and creative with our new tools to get this job done. We also acknowledge the importance of pushing the rental market to house our most vulnerable residents and appreciate the opportunity of the DRTRR Initiative to leverage private resources to aid us in creating a more efficient pathway to housing.

Question: For Mr. Broadnax or Dr. Johnson. Assuming this program is successful, we need to think about what to do about the clients coming out of this program. We need to see from community partners something that is this bold and dynamic. Clients need housing for the future. We need to start working on that now.

Answer: You are right. That is important. When housing and economic policies begin working together – workforce and affordable housing – we will do this over the next couple of years. As you know, the challenge becomes the acceptability of caring for persons of lower income.

Question: How can we help you reduce the stigma of LITC and lower income housing?

Answer: Just the acceptance of looking at affordable housing in all areas of the city. Changing the narrative and requiring more information from the affordable housing providers. Changing perspective through sustained projects and supporting efforts to make the community what people expect it to be – quality of life in all neighborhoods is critical. Concerns are based on the past history of projects.

Councilmember Bazaldua

Question: If you look at successful implementation of the program, it leaves 376 people without homes. Do we have a forecast of homelessness?

Answer:

- The national data shows that those individuals going through the program, **95% will remain sustainably housed**. There will still be some people who chose to stay on streets. As we move people from shelter to housing, there will still be opportunities to help people through the clearing of an existing backlog of housing-ready people in the shelters.
- We realize that we must work now to ensure that we have a retention strategy beyond the two-year period. We are already thinking through it now and will have the right folks at the table through the DRTRR partnership. Data shows that going through a program like this with the full wrap around case management support strongly increases the stability of the clients served and their ability to maintain their livelihood.
- Some people are going to need more than 12 months. There is funding for those individuals but it will not be the majority of participants.

- There are also great programs going on through the City's Office of Community Care (OCC) that further support the various social needs for the sheltered population.

Question: Long term metrics. I would like to see some feedback on the success rates of those we house through the RRH programs.

Answer: The number of individuals who return to homelessness, 6 and 12 months post-program will be required in the Interlocal Agreement with the Dallas Housing Authority (DHA) and the sole source agreement with Metro Dallas Homeless Alliance (MDHA).

A [national study of rapid rehousing](#) by the Urban Institute on homeless families and veterans has demonstrated truly inspiring results. In addition, rapid rehousing is such a promising intervention, [the Urban Institute](#), in a rare endorsement, called upon communities across the country to invest its COVID relief and recovery dollars in rapid rehousing as "Rapid rehousing [has been shown](#) to decrease the amount of time people experience homelessness and to help people reenter the private rental market without ongoing assistance. People who receive rapid re-housing generally [do not return to homelessness](#) (PDF) within two years and [have better employment and income outcomes](#) than people who remain without a home."

Question: I want to point out to the public and colleagues that the encampment investment has not been mitigating homelessness.

Answer: OHS Street Outreach goes out to meet with unsheltered residents daily. Most of the individuals know our team by site. The residents know the staff and are aware of the resources offered but are resistant because the path to housing through shelter has been historically slow. The influx of housing stock made available through this initiative will move that needle and re-focus City staff's efforts on housing instead of spending time and funds on resolving encampments that simply move to a nearby area.

Councilmember Willis

Question: I am curious as we look at success, how many people do we think are housing ready?

Answer: On the Housing Priority List under the Coordinated Access System, we have over 1,200 people ready for housing and estimate that 40% of our actively unsheltered residents are housing ready today.

Question: Are housing ready folks teed up to go into housing first?

Answer: We estimate looking at the number of people who are ready, plus the 200 vouchers that will be available this month to support families and domestic violence victims, we estimate that 500 clients will be ready for housing placement between October and November, 2021.

Question: How will the housing navigators and case managers be allocated?

Answer: It is going to be on a case-by-case basis based on what each, unique encampment needs. There are a lot of pieces going into what we are doing in the field. There are additional resources in the proposed budget to strengthen the outreach team who will be working with the case managers. We won't manage them directly – MDHA will do a competitive bid process for

case management and will have a ratio of 1 case manager to 25 individuals and 1 housing navigator to 8 case workers.

Question: Is the 1:25 case management ratio standard?

Answer: Yes. We have built additional capacity for a lower ratio of 1:10 into the model for those who need more intensive case management.

Councilmember Blackmon

Question: Thank you for thinking out of the box. What is going to be different now that will make this successful?

Answer: An important part of what will make this successful is that MDHA has not fulfilled their role as lead agency in past and are now under different leadership, with a different team and more than prepared today to fulfill the role of Project Lead for the DRTRR Initiative.

Question: How will we measure successes and communicate them?

Answer: Communication of our data through a DRTRR Dashboard is going to be key. We are requiring demographics and service data be reported back to us monthly by MDHA and DHA through a DRTRR-specific dashboard. It is vital that information be readily available to the City Council and citizens. The data should provide real-time updates on the status of not only meeting but exceeding our goal. We will provide reports to the City Council Housing and Homeless Solutions Committee, key stakeholders, and advisory boards and commissions. We hope to continue holding listening sessions with the public and unsheltered residents to ensure transparency and that our communication channels are effective.

Question: How will you move around the City to address encampments? How will prioritization be tackled?

Answer: We utilize 311 reports of where encampments are and have an estimated 400+ encampments. Those with immediate safety issues/criminal activities are addressed within 24 hours. Those posing a safety issue via being on Parks land or in an similarly unsafe location can be removed within the more traditional 72 hour window. This Initiative will add a 3rd track to tackle encampments through providing a direct pathway to housing on site. Utilizing heatmaps based on 311 data, we know where these encampments are and have been building to a more sustainable engagement model that will be ready come October 1st. That said, we ask for your patience as we cannot tackle all 400+ at one time. The infrastructure will be built starting with the activation of the contracts that would begin on October 1st. From there, the Initiative will start with smaller encampments (5 -10 people) as the program ramps up and the infrastructure solidifies. The goal is to keep them from coming back out of housing, into encampments.

Question: I appreciate bringing all private sector partners on this. Can you outline the landlord incentives? Explain landlord incentives.

Answer: This will include monetary incentives of 1st month's rent and deposits, along with move in kits (kitchen utensils, basic furniture) so that new residents are not moving into empty units. The monetary incentive will be key in securing units that might otherwise discriminate against

the source of income being through a homeless service provider or Emergency Housing Voucher (EHV).

Councilmember Schultz

Question: I echo my colleague's support for this project. I want to continue with Councilmember Blackmon's questions. Can you provide more information about landlords and housing providers?

Answer: We anticipate securing 1,300-1,400 apartments over the next year.

Question: Are all of these units in the private sector?

Answer: It is difficult to say. Efforts to secure housing for clients will not end. Housing guests currently in shelter will continue.

Question: Do we know how the housing will be distributed around the city?

Answer: As stated in the briefing, participant choice is key. Our goal is to secure housing in bulk across the CoC to provide the widest range of locations possible so individuals can locate close to their existing support structures.

Question: I have another question about landlords. Will the lease be with MDHA or the tenant?

Answer: It will be between the tenant and landlord.

Question: Is there any CARES money left at all?

Answer: The remaining \$4.3 ESG Cares money is being put into this program

Councilmember Atkins

Question: How will this process of connecting people in encampments work?

Answer: The case management piece is so critical. This is a trust building process. We have a robust understanding of those unique needs and will connect those in encampments with case management through this Initiative. It is key that information is getting to us through 311 so we can continue to build on our current data.

Question: Walk through the process and procedure when you find a location under a bridge, a park. How does the case worker work when they are approached? Does the case manager come right away? You identify the person and service doesn't come.

Answer: Keeping up with persons experiencing homelessness daily will be a challenge. These residents move around. The answer to your question will depend on the specific encampment. The assessment piece is what the team does now. Once assessment is done, case management comes into this process. It is no longer about just closing an encampment.

Question: Will apartments be available?

Answer: We believe so and are working with MDHA through the Apartment Association of Greater Dallas on a more detailed snapshot of available units to bring back to you.

Question: Have you met with DHA and the apartment association?

Answer: Those meetings have started and are in the planning stage. Once the housing navigators and coordinators are hired through the approval of the upcoming contracts on August 25th, we will be able to start securing units. We will be getting together with large landlords, utilizing existing relationships through DHA and the Apartment Association of Greater Dallas.

Question: Since you have taken a new challenge, when do you think you will have your arm around this with the structure and how you will handle this vast problem?

Answer: We are utilizing the full lead up time to October 1st to continue building out the operational side of this infrastructure. We will of course continue to tweak the process as we move forwards and further solidify our process. This will be a two-year process so it will not solve every issue right away – we ask for patience as we move through this and make the necessary adjustments, as needed.

Question: Have you all been in the room with the partners?

Answer: Yes. We have had everyone in the room and informally briefed the advisory groups, whose Chairs have been integral to the planning phase. That schedule at end of presentation shows briefings to other boards. We wanted to start with the policy body. Partners have been at the table and stakeholders have been engaged throughout this planning process.

Question: Speaking of service providers. Do all service providers have all access to funding?

Answer: Yes. The procurement process for providers will be the responsibility of MDHA. They will manage the process and adhere to the City's procurement guidelines and standards. Every provider will have an opportunity to compete for contracts and participate in the process. We are working with MDHA to host providers sessions to ensure that providers have necessary information and can access all opportunities through the CoC. The only requirement is that participating providers take sheltered and unsheltered residents from the Coordinate Access System (CAS) from which all eligible participants of this Initiative will derive.

Question: Provide me with contact name at MDHA for the procurement process.

Answer: Contact information provided to Councilmember Atkins via e-mail on August 4th, 2021.

Councilmember Mendelsohn

Question: Has this been briefed to the CHC?

Answer: We briefed the CHC Chair and he and the Vice Chair attended the June 2021 press conference on the DRTRR Initiative. The DRTRR was briefed to the CHC at their August 12, 2021 meeting, with positive support and feedback on the Initiative received.

Question: I don't think we have ever had this much money. They (CHC) should've been briefed before this meeting. Has this been briefed to the DAP? They should've been briefed first.

Answer: The County is one of the partners involved in the discussions of this initiative. County Commissioner Daniels, the Co-Chair of the DAP was briefed and was consulted heavily throughout the formation of this process. The DAP board was briefed at their August 5, 2021 meeting with positive feedback and support given by all members.

Councilmember Ridley

Question: Do we have confidence that the vouchers will be accepted?

Answer: The vouchers are tenant based so they remain with the client. They are not tied to a specific property.

Question: Then you will be able to place people in 1,300 units?

Answer: Yes. With the aid of the landlord incentives and the move in kits, we have confidence that these will be accepted by private market landlords.

Question: What criteria are being established to ensure the vouchers are in high opportunity areas?

Answer: We need to acknowledge choice. We will ensure these are acceptable places for you and I to live. We have access to over 4k landlords who work with DHA. I cannot promise they will all be in high opportunity areas. Folks have to be able to choose. We are dealing in scale and because we can cut larger deals with larger landlords and utilize incentives, we have more opportunities.

Ridely: Will someone be preparing a list of criteria? Access to other services.

Answer: Clients will make their housing selection based on DHA standards. We are working hard to target landlords all over the city.

Ridley: What is the return to homeless rate?

Answer: The national data shows that 95% of the clients placed into a rapid rehousing program remain stably housed. About 5% may need additional support. We expect that there will also be new folks entering into homelessness during the time period.

Ridley: Given the scope of the initiative, has OHS abandoned the strategy of periodic encampment clean ups and moving homeless?

Answer: No. We are ramping up to a more sustainable strategy across the board. The challenge is that because of the number of shelters we have, when they reach capacity there is no place for them to go. This will allow us to clear the backlog of housing-ready people in shelter and open the pathway to shelter for more people.

We have talked about encampment closures and inability to close encampments. We need something more than humane. The DRTRR slows down the engagement follow up a little bit but directs dollars to housing. On average, it's about \$1M a year to do encampment clean up and that is not getting to a sustainable result of fewer unsheltered residents. Just cleaning up encampments is not making a dent in the problem.

Ridley: Are we going to stop pushing people out of encampments during inclement weather?

Answer: That has not been our policy, especially under the CDC guidelines per COVID. We did focus on getting people into inclement weather shelters to keep them safe/alive but outside of that, an encampment not posing a safety or health hazard is cleaned and outreach done but it is not removed at this time.

Councilmember McGough

McGough: What are the qualifications for RRH piece to be used in this regard?

Answer: The qualifications for a rapid rehousing client are that there is a viable way for them to be financially self-sufficient given 12 months of rental assistance.

McGough: We are also talking about using this for encampment reduction. Can you please explain?

Answer: Unsheltered residents face a range of issues per barriers to housing whether it's the need to do a credit check, get help navigating an old eviction, expunge a Class C misdemeanor ticket through Community Court, or pay for a deposit. This is also a largely shelter-resistant population so the services that would address those issues through shelter are not at play here. To solve for that issue, we will take case management to them, in the encampments and provide access to those services, which then lead to housing.

McGough: I see a couple of issues – long term sustainability. What are we doing to build long term infrastructure? What steps are we taking to address sustainability?

Answer: The partnerships that have been established are a key element of this Initiative which is why we are identifying additional funding. The achievements of the DRTRR program will improve the CoC's performance, resulting in additional funding from HUD. We will not address the homelessness problem without building more affordable housing. As a reminder, \$7.7 million in Bond (Proposition J) funds remains available. City staff are still working on the expending the bond funds per an additional 128-unit hotel and option with: 140 units, 2 – 3 other buildings, and space for a new, affordable housing build and will provide an update to City Council in the near future.

Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions on Proposed FY 2021-22 Budget (First Set)**

1. Provide a comparison of the FY21 and FY22 proposed budgets for Office of Environmental Quality showing total expense as well as net of reimbursements.

The Office of Environmental Quality and Sustainability's (OEQS) total operating expenses are increasing by approximately \$200,000 from FY 2020-21 to FY 2021-22, not decreasing. OEQS is a General Fund department and as such the budget reflects the amount of General Fund dollars being allocated. This amount is net of, or has been reduced by, any reimbursements from non-General Fund sources. In the case of OEQS, the Office receives reimbursements from Dallas Water Utilities, Storm Drainage Management, Sanitation Services, and the Texas Commission on Environmental Quality. Since these reimbursements increased year-over-year, the amount of the budget being paid by the General Fund is less.

	FY21 Budget	FY22 Proposed
Total Operating Expenses for OEQS	\$14,711,218	\$14,938,679
Reimbursements paid by DWU, SDM, SAN, and TCEQ	\$(10,463,785)	\$(11,082,917)
Net Expenses paid by General Fund	\$4,247,433	\$3,855,762

OEQS' operating budget includes an additional \$200,000 for the implementation of the Comprehensive Food & Urban Agriculture Plan. In FY 2021-22, apart from OEQS' operating budget, the budget includes \$1 million in American Rescue Plan Act (ARPA) funds for air monitors and \$500,000 each year of the biennial for solar installation at City facilities.

2. Provide additional information on the American Rescue Plan Act (ARPA) allocation plan.

We will provide a briefing on Wednesday, August 18.

DATE August 13, 2021
SUBJECT **Responses to Questions on Proposed FY 2020-21 Budget**

3. Why does the expense to repay the Master Lease debt increase in each year of the biennial?

The Master Lease program is a short-term just-in-time financing instrument used to purchase equipment and technology enhancements. Typically, we have used Master Lease to purchase fire apparatus, ambulances, heavy equipment, and general-purpose fleet. Additionally, the program has been used to purchase technology equipment and systems. The term of the repayment is matched to the useful life of the asset – either three, five, or 10 years. Each year, we budget funds in the Non-Departmental appropriation to repay this debt and evaluate the debt payments that are coming due as well as make projections on additional debt payments that will be required as additional equipment is purchased. For FY 2020-21, the budget was \$16.8 million. We have projected this cost to increase to \$17.7 million in FY 2021-22 and to \$19.6 million in FY 2022-23. Next summer, prior to recommending the FY 2022-23 budget, we will review the Master Lease debt payment expense and adjustment if necessary.

4. Of the citywide memberships cut from the FY21 budget, which ones have been restored in the FY22 proposed budget?

During the FY 2020-21 budget amendment process, the City Council defunded various citywide memberships. The City Manager’s budget recommendation for FY 2021-22 includes funding for the three memberships that the City Council has taken action to reinstate in FY 2020-21 through current year adjustments. These three memberships are: U.S. Conference of Mayors, Texas Municipal League, and National League of Cities. The memberships not included in the recommended budget are: Dallas Regional Mobility Coalition (\$37,500), North Texas Commission (\$60,000), and TEX-21 (\$25,000).

5. What is the impact of increase the over-65 and disabled property tax exemption from \$107,000 to \$120,000?

The City Council amended the City’s Financial Management Performance Criteria (FMPC) #23 on June 9, 2021 to require staff to provide an analysis of the over-65 or disabled property tax exemption and present it to the City Council for approval no later than June 30 of each year. The June 30 deadline is due to that being the last day that changes to exemptions may be submitted to the appraisal districts for the upcoming tax year.

Also on June 9, 2021, the City Council approved an increase in over-65 or disabled exemption from \$100,000 to \$107,000. It is projected this increase will reduce property tax revenue by \$2.4 million. At the median residential property value, the change in the exemption will save the homeowner \$54.34 on their tax bill.

Based on current information, increasing the over-65 or disabled exemption from \$107,000 to \$120,000 would reduce property tax revenue by \$4.4 million. At the median

DATE August 13, 2021
SUBJECT **Responses to Questions on Proposed FY 2020-21 Budget**

value residential property, the change would decrease the homeowners tax bill by \$100.53. However, as noted above, it is too late to increase the exemption further this year.

Staff will complete the required analysis in compliance with FMPC #23 and present it to the City Council in May 2022 in advance of the June 30, 2022 deadline to make additional changes.

6. How will \$300 million over the biennial affect the condition of streets?

By maintaining an annual budget of \$150 million for street improvements for the next nine years, the Department of Public Works anticipates an overall Pavement Condition Index Rating of the City's street network to increase from a 59 to a 70 (100 max point scale) by FY 2030.

7. What is the amount in the budget for traffic signals, both City funds and leveraged funds, and what is the per unit cost?

The Department of Transportation has approximately \$3 million in the General Fund identified for personnel, materials, and equipment related to ongoing signal maintenance. Additionally, the budget recommends allocating \$14 million in ARPA funds over the next three years to leverage approximately \$53 million in grants through partner agencies to replace 100 signals across the city. The general average cost of a full signal rebuild is approximately \$425,000 (\$350,000 for construction, \$45,000 for engineering, and \$30,000 for construction management and contingencies) if the project requires only replacing the signal and minor ADA ramp work. However, for the leveraged funds, these are for specific projects that include some locations with significant modifications. An example project is Zang and Sanner, where we plan to realign the intersection and add left turn lanes; this project construction cost is approximately \$800,000 and excludes engineering and other costs. We have several projects that fall under this category, where some of the funds allocated will be used not only for signal work but road modifications as necessary, thus the higher average.

8. Where do residents go to look at information related to the sidewalk and infrastructure plans online?

The Five-Year Infrastructure Management Program (IMP) and the Sidewalk Master Plan can be found in the righthand sidebar of [Public Works' website](#) or directly linked below:

- [Five-Year Infrastructure Management Program \(IMP\)](#)
- [Sidewalk Master Plan \(SMP\)](#)
- [Bike Plan](#)
- [Vision Zero](#)

DATE August 13, 2021
SUBJECT Responses to Questions on Proposed FY 2020-21 Budget

9. What is the ongoing maintenance and operation associated with the Alley Conversion Program and who will be responsible for the cost?

There will not be any ongoing City cost for maintenance and operations for the cleanup component of the Alley Conversion Program as the adjacent property owners are responsible for maintenance of the alleys. We will work with Code Compliance to properly message this as part of the notification of work. For the 40 alleys that will be converted to the trails with lighting, we plan to work with the adjacent residents, Home Owners' Associations (HOAs), and Neighborhood Associations (NAs) to enter into maintenance agreements before installing the trails/sidewalks. Going forward, the HOAs and NAs would be responsible for maintaining the converted alleys.

9. Provide a map of the 129 miles of alley that are part of the Alley Conversion Program.

The alley clean-up and trail conversion initiative consists of a one-time clean-up of 1,362 unimproved, non-Sanitation alleys that span 129 miles, and converting 40 of the alley segments into trails. Of the 40 conversions, 27 will have decomposed granite trails and 13 will have paved sidewalk trails. Lighting will also be included for the 40 alley segments. A map of the 40 alleys to be converted is attached. Public Works will provide an additional map next week that identifies the 1,362 alleys to receive the one-time clean-up.

We will continue to answer questions we receive on a rolling basis. If you need additional information, please contact me or Jack Ireland, Director of the Office of Budget.



M. Elizabeth Reich
Chief Financial Officer

[Attachment]

c:	T.C. Broadnax, City Manager	Majed A. Al-Ghafry, Assistant City Manager
	Chris Caso, City Attorney	Jon Fortune, Assistant City Manager
	Mark Swann, City Auditor	Joey Zapata, Assistant City Manager
	Biliera Johnson, City Secretary	Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
	Preston Robinson, Administrative Judge	M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
	Kimberly Bizzor Tolbert, Chief of Staff	Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Sales Tax Receipts**

The June 2021 sales tax receipts from the State Comptroller's Office are \$34.3 million, a 22.8 percent increase in total collections compared to those in the same reporting period last year when the economic impacts of COVID-19 pandemic still negatively impacted sales tax collections. Over the most recent 12 months, sales tax receipts have increased by 7.1 percent.

• June 2020 actual	\$27,891,265
• June 2021 budget	\$28,760,630
• June 2021 actual	\$34,254,068

For FY 2020-21, we originally budgeted \$296.3 million for sales tax revenue anticipating the COVID-19 related recession would suppress sales tax collections this fiscal year. However, the economy is rebounding more quickly and strongly than we projected. We have since amended the budget to \$305.1 million during the mid-year appropriation process. Our current projection is to exceed the amended budget for the fiscal year by \$30.9 million. We will continue to work with our economist, Dearmon Analytics, LLC, to update our forecast as additional information becomes available and will continue to keep you updated.

Thank you for your support. Please contact me with any questions.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

[Attachment]

cc:	T.C. Broadnax, City Manager	Majed A. Al-Ghafry, Assistant City Manager
	Chris Caso, City Attorney	Jon Fortune, Assistant City Manager
	Mark Swann, City Auditor	Joey Zapata, Assistant City Manager
	Billierae Johnson, City Secretary	Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
	Preston Robinson, Administrative Judge	M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
	Kimberly Bizzor Tolbert, Chief of Staff to the City Manager	Directors and Assistant Directors

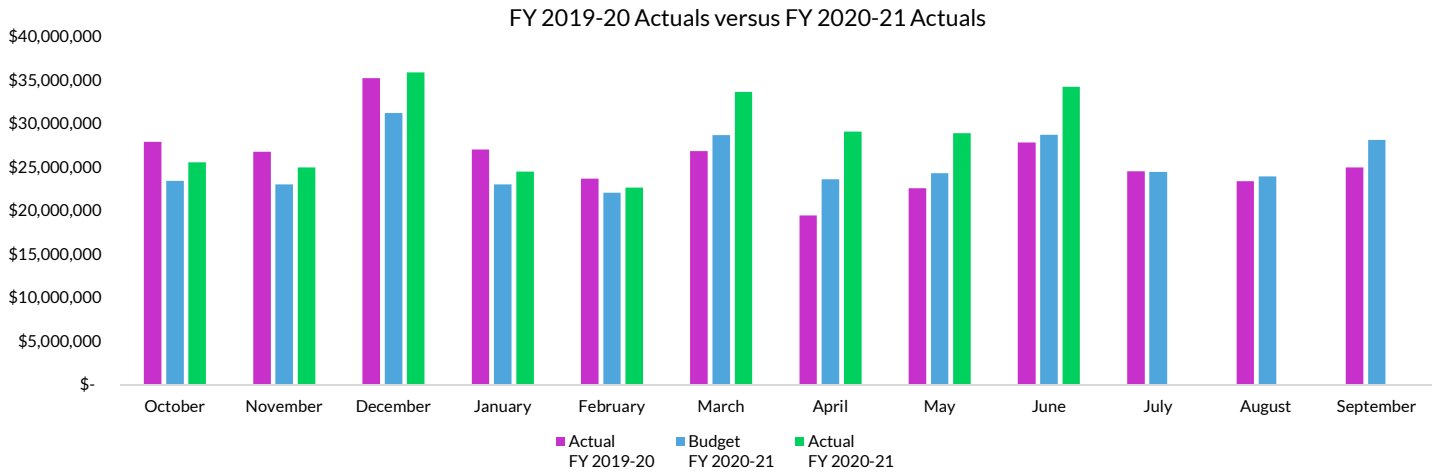
Sales Tax

as of June 2021

Month	Actual FY 2019-20	Budget FY 2020-21 ²	Actual FY 2020-21	YTD Variance FY 2020- 21 Actuals versus FY 2019-20 Actuals (\$)	YTD Variance FY 2020- 21 Actuals versus FY 2019-20 Actuals (%)	FY 2020-21 Actuals versus Budget (\$)	FY 2020-21 Actuals versus Budget (%)
October	\$ 27,942,608	\$ 23,486,791	\$ 25,607,902	\$ (2,334,706)	-8.4%	\$ 2,121,111	9.0%
November	\$ 26,805,867	\$ 23,068,620	\$ 25,010,956	\$ (1,794,911)	-6.7%	\$ 1,942,336	8.4%
December	\$ 35,274,527	\$ 31,275,237	\$ 35,927,004	\$ 652,477	1.8%	\$ 4,651,767	14.9%
January	\$ 27,074,542	\$ 23,063,996	\$ 24,532,918	\$ (2,541,624)	-9.4%	\$ 1,468,922	6.4%
February	\$ 23,738,211	\$ 22,097,058	\$ 22,686,079	\$ (1,052,132)	-4.4%	\$ 589,021	2.7%
March	\$ 26,900,241	\$ 28,721,117	\$ 33,669,367	\$ 6,769,126	25.2%	\$ 4,948,250	17.2%
April	\$ 19,483,347	\$ 23,631,488	\$ 29,131,009	\$ 9,647,662	49.5%	\$ 5,499,521	23.3%
May	\$ 22,615,759	\$ 24,350,307	\$ 28,918,168	\$ 6,302,409	27.9%	\$ 4,567,861	18.8%
June	\$ 27,891,265	\$ 28,760,630	\$ 34,254,068	\$ 6,362,803	22.8%	\$ 5,493,438	19.1%
July	\$ 24,568,195	\$ 24,482,105					
August	\$ 23,433,307	\$ 23,991,663					
September	\$ 25,009,630 ¹	\$ 28,144,025					
Total	\$ 310,737,499	\$ 305,073,041	\$ 259,737,471	\$ 22,011,104	9.3%	\$ 31,282,224	13.7%

¹ FY 2019-20 revenue reduced due to a one-time repayment to the State of \$3,393,027.

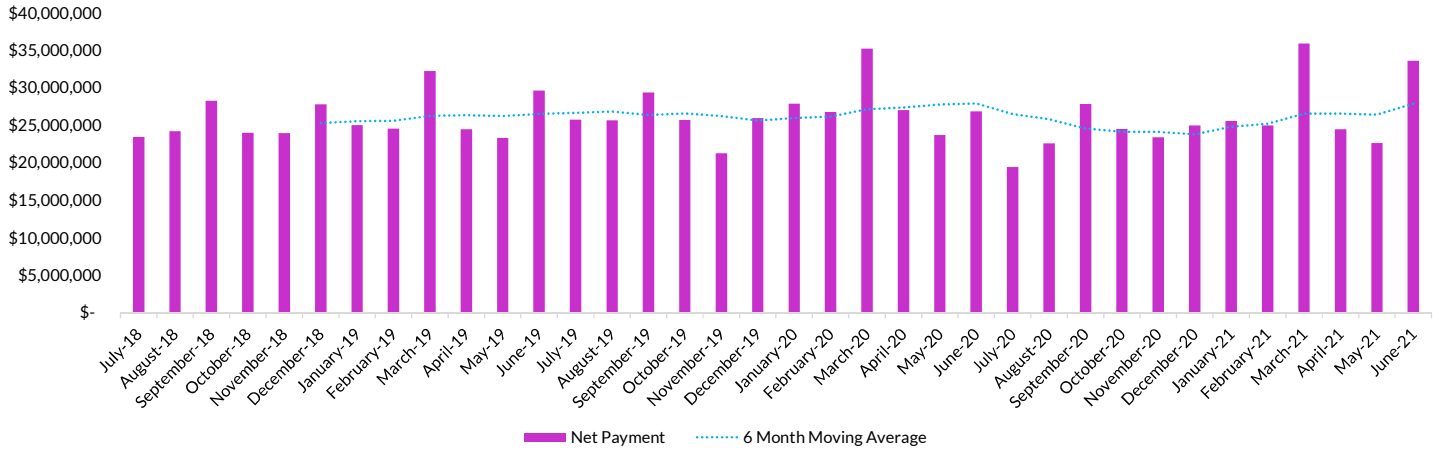
² FY 2020-21 budget increased on June 9 as part of the mid-year appropriation adjustment process.



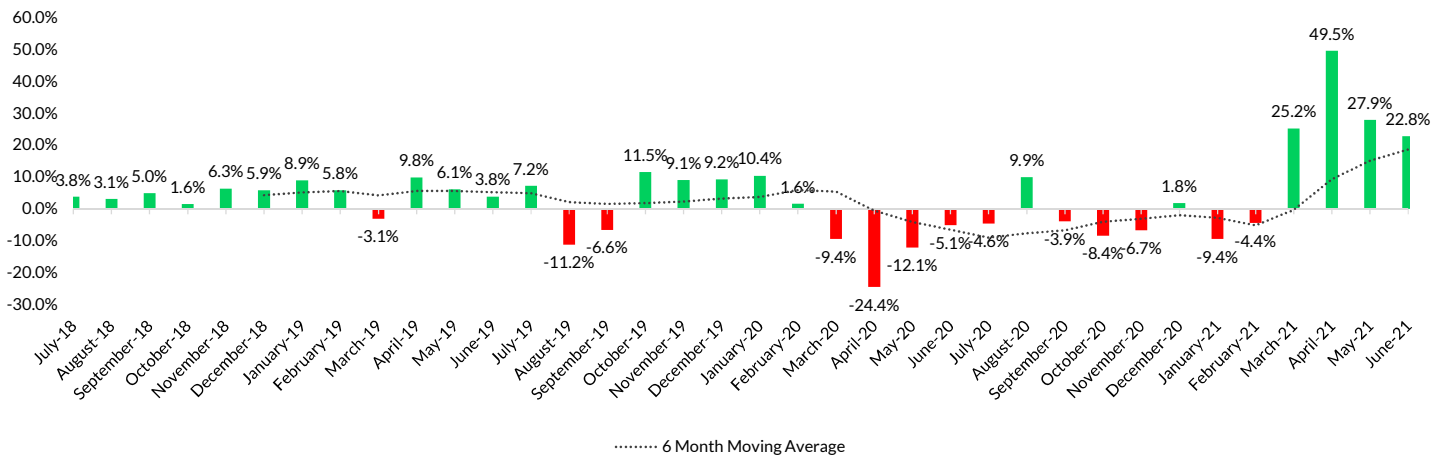
Sales Tax

as of June 2021

Sales Tax Net Payments (36 Months)



Sales Tax Net Payments - Year over Year Change (%)



Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **S&P Global Ratings Revises Outlook to 'Positive' on Love Field Airport Modernization Corp. General Airport Revenue Bonds – RATING ACTION**

On August 13, 2021, S&P Global Ratings (S&P) revised the outlook to positive from stable and affirmed its 'A-' long-term rating on the Love Field Airport Modernization Corp. General Airport Revenue Bonds (GARBs) issued for Dallas Love Field Airport (DAL). S&P's rating also applies to the upcoming General Airport Revenue Bonds, Series 2021 (AMT). DAL is the first airport in the United States for which S&P has revised the rating for the better, since the beginning of the pandemic.


S&P previously downgraded the long-term rating on the GARBs and deemed the outlook negative, following the initial impacts of COVID-19. The outlook was later revised to stable in April 2021. According to S&P, the revised positive outlook, "reflects our view that we could raise the rating within the next two years if we believe DAL's enplanement recovery is sustainable, supporting an improved market position assessment."

In the report, S&P states, "we believe the favorable enplanement levels, supplemented by the use of federal stimulus aid during the recovery, demonstrates the potential for DAL to achieve sustainable and balanced financial operations to support credit quality. Nevertheless, risks remain, including the threat of coronavirus variants or weakening consumer confidence that could slow, stall, or reverse the recovery for air travel." According to the report, DAL's key credit strengths remain in its "role as an important provider of air service in the expanding Dallas-Fort Worth-Arlington MSA," "large and economically vibrant service area, which encompasses the Dallas-Fort Worth-Arlington MSA," and "very strong management and governance, reflecting an effective and experienced management team that has sufficiently managed risks and operations, as demonstrated by steady financial and operational performance during periods of significant growth." The report also notes potential credit weaknesses, including "exposure to potentially unpredictable enplanement levels as a result of COVID-19 and additional coronavirus variants along with lingering associated effects," "potential for continued hampered cash-flow-generation ability," and competition from nearby airports.

DATE August 13, 2021

SUBJECT **S&P Global Ratings Revises Outlook to 'Positive' on Love Field Airport Modernization Corp. General Airport Revenue Bonds – RATING ACTION**

Please find attached the report provided by S&P. This action is a direct reflection of the financial strength of the airport and an optimistic indicator of what is to come. I look forward to continuing to share positive news. If you have any questions or need further information, please do not hesitate to contact me.



M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bazor 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
Dr. Eric A. Johnson, Chief of Economic Development & Neighborhood Services
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

RatingsDirect®

Summary:

Love Field Airport Modernization Corp., Texas; Airport

Primary Credit Analyst:

Scott Shad, Centennial (1) 303-721-4941; scott.shad@spglobal.com

Secondary Contact:

Todd R Spence, Farmers Branch + 1 (214) 871 1424; todd.spence@spglobal.com

Table Of Contents

Rating Action

Positive Outlook

Credit Opinion

Related Research

Summary:

Love Field Airport Modernization Corp., Texas; Airport

Credit Profile

US\$246.7 mil gen arprt rev rfdg bnds ser 2021 (AMT) due 11/01/2040

Long Term Rating

A-/Positive

New

Love Field Airport Modernization Corp AIRPORTS

Long Term Rating

A-/Positive

Affirmed

Rating Action

S&P Global Ratings revised the outlook to positive from stable and affirmed its 'A-' long-term rating on Love Field Airport Modernization Corp. (LFAMC), Texas' general airport revenue bonds (GARBs) issued for Dallas Love Field Airport (DAL or the airport). At the same time, S&P Global Ratings assigned its 'A-' long-term rating, with a positive outlook, to the airport's estimated \$246.7 million series 2021 general airport revenue refunding bonds, issued for DAL.

The outlook revision reflects our view that we could raise the rating within the next two years if we believe DAL's enplanement recovery is sustainable, supporting an improved market position assessment. In addition, we will evaluate if the airport's ability to maintain financial metrics is achievable and consistent with its strong financial risk profile. The positive outlook further reflects our expectation that the recovery in enplanement levels combined with the deployment of federal stimulus aid will support the airport's credit quality over the outlook period.

Net airport system revenues, as made available by the city under a project financing agreement with the LFAMC, secure the bonds. A debt service reserve fund (DSRF) provides additional liquidity to bondholders. A rate covenant (1.25x debt service coverage [DSC] based on average annual debt service) is in effect, as is an additional bonds test requiring that historical net revenues, including passenger facility charges (PFC) applied as a debt service offset, provide at least 1.1x DSC or projected net revenues provide at least 1.25x DSC, respectively. We consider the bond provisions credit neutral.

The series 2021 bond proceeds will be used to refund the series 2010 special facilities revenue bonds for interest rate savings; and pay costs of issuance. A DSRF or surety policy will be funded by DAL, instead of bond proceeds. The refunding will front-load debt service, increasing annual debt service requirements upfront from fiscal years 2022-2028, providing material annual savings from fiscal years 2029-2040, which coupled with an anticipated series 2022 bond refinancing, will provide more level overall debt service requirements.

Post issuance, DAL will have approximately \$614.2 million in total debt outstanding, which includes \$540.7 million in GARBs and special facilities revenue bonds, \$69.4 million in capital leases that we view as debt-like, and \$4.1 million in pension obligation bonds. All debt is fixed rate with no swaps, variable-rate debt, or direct-purchase debt outstanding.

Credit overview

The 'A-' long-term rating reflects our opinion of DAL's adequate enterprise risk profile and strong financial risk profile, and the outlook revision reflects our view that the airport's enplanement recovery from the pandemic, if sustained on its current trajectory near pre-pandemic enplanement levels, could result in an improved market position assessment, supporting a strong enterprise risk profile. Enplanement levels have generally recovered to near 2019 monthly pre-pandemic levels this summer. Overall, we believe the favorable enplanement levels, supplemented by the use of federal stimulus aid during the recovery, demonstrates the potential for DAL to achieve sustainable and balanced financial operations to support credit quality. Nevertheless, risks remain, including the threat of coronavirus variants or weakening consumer confidence that could slow, stall, or reverse the recovery for air travel.

DAL entered the pandemic operationally and financially strong, with enplanements at their highest level ever (8.31 million enplaned passengers for the fiscal year ending Sept. 30, 2019), historically strong DSC levels, and adequate overall liquidity position. However, enplaned passenger levels declined 39.1% to 5.06 million in fiscal 2020 (ended Sept. 30), following a sharp and rapid decline in enplanements at the onset of the pandemic. We view DAL's enplanement recovery in recent months as robust, outperforming national trends, with May, June, and July (estimated) 2021 monthly enplanements at 84%, 90%, and 95% (estimated), respectively compared with pre-pandemic levels, and up materially from peak declines experienced in April and May 2020. Furthermore, we view the combination of vaccine progress, easing mobility restrictions, strong economic growth, and pent-up demand as bolstering air travel demand and promoting a continued recovery in air travel demand, although ongoing threats from coronavirus variants expose DAL to risks that could slow or stall the recovery. For additional information, see "Updated Activity Estimates For U.S. Transportation Infrastructure Show Recovery For Air Travel Demand Accelerating And Public Transit Lagging," published July 29, 2021, on RatingsDirect.

The city of Dallas owns and operates DAL, Dallas Executive Airport (a general aviation airport), and a heliport, managing them through its department of aviation. DAL is four miles northwest of Dallas' central business district on 1,300 acres. It provides air transportation services for the Dallas-Fort Worth-Arlington metropolitan statistical area (MSA), which is the fourth-largest MSA in the U.S. DAL competes against Dallas Fort Worth International Airport (DFW), which serves the same MSA. While DAL handled 8.3 million enplanements in fiscal 2019, DFW handled 36.6 million enplanements. Nevertheless, DAL historically retained a good level of demand prior to the pandemic given its proximity to downtown Dallas and its important role in the Southwest Airlines route network.

As a result of weakened activity levels and continued exposure to unpredictable activity levels due to the pandemic and its lingering effects that are outside of management control, we continue to view DAL's market position as weakened, resulting in an overall adequate enterprise risk profile assessment. However, we view the airport's favorable enplanement recovery as promising, and believe if sustained on its current trajectory near pre-pandemic enplanement levels, we could improve DAL's market position assessment within our two-year outlook period, revising the airport's enterprise risk profile to strong. Furthermore, our market position assessment also considered DAL's relative importance to Southwest as the airline's headquarters, focus city, and one of the airlines busiest U.S. hubs based on enplanements. In particular, DAL serves as an important provider of air service in the expanding Dallas-Fort Worth-Arlington MSA, along with its position as a key component of Southwest's route system with strong historical enplanement growth prior to the COVID-19 pandemic. Tempering our assessment is significant air carrier

concentration (95% in fiscal 2020), competition from DFW, and moderate exposure to connecting traffic (33% in fiscal 2020).

Our opinion of DAL's overall financial risk profile is unchanged at strong, despite our expectation for improved debt and liabilities capacity following the series 2021 bond refinancing and the airport's limited additional debt needs, as we evaluate management's strategy and the shape of the traffic recovery along with the anticipated effect on metrics during this transitory period. Within our overall financial risk profile, we consider such factors as financial performance or DSC (55% weight), debt and liabilities capacity (35%), and liquidity and financial flexibility (10%). This overall financial risk profile assessment incorporates DAL's:

- Strong financial performance, reflecting our expectation that DSC (S&P Global Ratings-calculated) will decline but remain at levels we consider strong (near 1.25x) following the issuance of the proposed series 2021 bonds and an additional expected bond refinancing in fiscal 2022, given a step-up in debt service from fiscal years 2022-2027, although we note to the extent DSC is sustained at weaker levels below 1.25x, we would worsen our assessment;
- Very strong debt-to-net revenues, based on our expectation that debt-to-net revenues will generally be sustained below 10x following the series 2021 bond refinancing, expected bond refinancing in fiscal 2022, and continued enplanement recovery. DAL's expected bond refinancings will generate significant premium, moderately reducing debt outstanding, which combined with additional debt amortization, limited additional debt needs, and a manageable capital improvement plan totaling \$480.8 million from fiscal years 2021-2026 support our improved assessment; and
- Adequate liquidity position, with \$58.5 million in unrestricted reserves as of July 2021 (unaudited), providing 225 days' cash on hand based on estimated fiscal 2021 figures, bolstered by an infusion of federal stimulus relief with \$73.1 million unspent that DAL expects to generally deplete by fiscal 2025.

Two financial forecasts were prepared in connection with this bond issue. One was based on a base-case enplanement scenario and the other was based on a low-enplanement scenario through 2030. The base-case scenario assumes enplanements of 5.7 million in fiscal 2021 (68% of fiscal 2019), a recovery in passenger levels above pre-pandemic levels to 8.3 million by fiscal 2022, 8.7 million in enplanements in fiscal 2023, followed by enplanement growth of about 1% from fiscal years 2024-2030. The low-enplanement scenario assumes the same level of enplanements in fiscal 2021 as the base-case forecast, followed by a slower recovery at which point enplanements recover to fiscal 2019 levels by fiscal 2023.

We view DAL's base-case forecast as reasonable given the recovery thus far in fiscal 2021--notably given enplanements recovered to 84% and 90% for the months of May and June, respectively, and an estimated 95% for July 2021 compared with 2019 monthly enplanements. Year-to-date enplanement levels are about 47% below pre-pandemic 2019 levels through July 2021 with two months remaining in the fiscal year. Furthermore, we consider the continued enplanement recovery as promising given the potential for increased air travel demand due to vaccine progress, less onerous mobility and COVID-19 restrictions within Texas, strong economic growth, a resumption of business travel as more employees return to work, and pent-up demand.

Per the base-case forecast, we expect DSC (S&P Global Ratings-calculated) to be insufficient in fiscal 2021 (although DSC of 2.2x as per the indenture), then gradually recover to levels we consider strong near 1.25x by fiscal 2024. Our

DSC calculation includes net revenues of the airport system, PFC applied to debt service, letter of intent grant payments, and interest income in the numerator divided debt service including GARBS, capital lease obligations, pension obligation bonds, and the airport's debt-like annual reimbursements to Southwest for debt service payments. We exclude the application of federal stimulus aid, which DAL expects to utilize in the near term to offset revenue losses related to the pandemic, because of its nonrecurring nature.

Overall, we view near-term financial results as transitory, and not indicative of where we generally expect longer-term financial results will be sustained, particularly given federal stimulus aid to bridge the gap for near-term expected revenue losses as enplanement levels recover. However, to the extent financial metrics, including DSC and debt-to-net revenues, are pressured due to weaker revenue performance without a commensurate reduction in fixed costs, we could weaken our assessment of the financial risk profile.

As of August 2021, the airport has received \$124.6 million in federal stimulus aid in response to the COVID-19 pandemic, including \$53.9 million from the CARES Act, \$13.7 million from Coronavirus Response & Relief Supplemental Appropriations Act (CRRSA), and \$57 million from American Rescue Plan Act of 2021 (ARP). The airport has deployed \$51.5 million thus far, and expects to deploy the remaining unspent balance of \$73.1 million through fiscal 2025. An estimated \$10.1 million is expected to be applied in fiscal 2021, and \$3.6 million in fiscal 2022 with the amounts expected to be applied in fiscal years 2023-2025 indeterminate.

Key credit strengths, in our opinion, are DAL's:

- Role as an important provider of air service in the expanding Dallas-Fort Worth-Arlington MSA, along with its position as a key component of Southwest's route system with strong historical enplanement growth prior to the COVID-19 pandemic;
- Large and economically vibrant service area, which encompasses the Dallas-Fort Worth-Arlington MSA (the fourth-largest MSA in the U.S.), supported by a large and growing population base, good economic activity as measured by GDP per capita, and ample employment opportunities; and
- Very strong management and governance, reflecting an effective and experienced management team that has sufficiently managed risks and operations, as demonstrated by steady financial and operational performance during periods of significant growth.

Key credit weaknesses, in our opinion, are DAL's:

- Exposure to potentially unpredictable enplanement levels as a result of COVID-19 and additional coronavirus variants along with lingering associated effects (shifting travel restrictions or behavioral changes with respect to air travel, particularly business travel);
- Potential for continued hampered cash-flow-generation ability, particularly cash flow derived from activity-based revenue sources, and a weakened rate-setting environment; and
- Competition from DFW and moderate exposure to connecting traffic along with significant airline concentration, with Southwest, its largest carrier, accounting for approximately 95% of total enplanements in fiscal 2020.

Environmental, social, and governance (ESG) factors

We analyzed DAL's risks and opportunities related to ESG credit factors relative to its market position, management and governance, and financial performance. While conditions are improving, the airport has been, and remains, exposed to health and safety social risks associated with the pandemic and weaker traffic levels that resulted in significant operating and financial pressures. We analyzed the airport's risks related to environmental and governance factors and consider them to be in line with our view of the standard for the airport sector. We will continue to evaluate these risks as the situation evolves.

Positive Outlook

Upside scenario

We could raise the rating within the next 12 months if we believe DAL's enplanement recovery is sustainable, supporting an improved market position assessment and strong overall enterprise risk profile. When making this assessment, we will also evaluate if the airport's ability to maintain financial metrics is achievable, sustainable, and consistent with its current strong financial risk profile.

Return to stable scenario

We could revise the outlook to stable if DAL's enplanement trends weaken materially or remain unpredictable due to lingering effects of the pandemic, or if financial metrics, particularly DSC and debt-to-net revenues, are expected to be sustained at weaker levels inconsistent with the current rating.

Credit Opinion

S&P Global Ratings expects U.S. economic activity and growth will accelerate in 2021 as public health conditions continue to improve. The steady pace of vaccination in the U.S. has allowed for the easing of capacity restrictions, with most state and local governments fully or partially lifting mask mandates. Vaccination progress is part of our assessment of U.S. economic and credit implications across public finance (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

A better vaccination outlook this summer, a faster reopening schedule, and \$2.8 trillion from two stimulus packages have turbocharged the U.S. economic recovery this year and the next, following the pandemic-induced slump. S&P Global Economics' current forecasts anticipate ending 2021 at a 6.7% real GDP growth rate in 2021 and rebounding to a slower growth phase heading into 2022, with 3.7% estimated for next year. Our risk for recession over the next 12 months is now 10%-15%, down sharply from the 20%-25% range in January and around the U.S. economy's long-term unconditional recession risk average of 13%. The U.S. unemployment rate in May fell to 5.8%, and we expect the national unemployment rate will likely reach its pre-pandemic level of less than 4% by first-quarter 2023. For more information, see "Economic Outlook U.S. Q3 2021: Sun, Sun, Sun, Here It Comes," June 24, 2021.

Related Research

- [Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020](#)

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Taking Care of Business – August 12, 2021**

New Updates

[Encampment Resolution \(Cleaning\) Schedule August 12th, 2021](#)

OHS Street Outreach team continues to engage with the unsheltered residents at designated encampment sites as part of an ongoing outreach effort in partnership with area providers. This partnership addresses a range of issues including: getting IDs, getting on the Housing Priority List (HPL) if they qualify, working with Community Courts on expunging eligible tickets and offenses from their records, identifying medical needs, and breaking down the stigma around shelter through open conversations.

Our Street Outreach team is working tirelessly to engage with unsheltered residents and connect to area resources, while abiding by the current CDC guidelines and City interpretation of only removing encampments when they present a clear health and/or safety risk. This includes any encampments on Parks grounds. All others are routinely schedule for debris around the sites to be removed but are not themselves removed at this time.

Please see the attached schedule for homeless encampment cleaning the weeks of August 9th – 13th and August 16th – 20th. Please note that these will be for debris removal and outreach only.

The OHS Service Request dashboard can be utilized to track the progress of encampment resolution efforts. Please visit the dashboard using the link below and feel free sharing this tool with residents:

<https://dallasgis.maps.arcgis.com/apps/opsdashboard/index.html#/ccd41f0d795f407a94ae17e2c27bf073>

Should you have questions or concerns, please contact Christine Crossley Director of the Office of Homeless Solutions.

DATE August 13, 2021
SUBJECT **Taking Care of Business – August 12, 2021**

City Manager's Corner

With the release of the City Manager's Recommended Budget for FY 2021-22 and FY 2022-23 this past Saturday and the City Council beginning their budget deliberation process earlier this week, I would like to take a moment to recognize the Operating and Capital Budget Division within Budget and Management Services (BMS). This division is led by Janette Weedon, Assistant Director and includes Ivan Guel, Marlisa Griffin, Suzanne Ziemann, Matthew Amend, Kaitlin Easum, Orkhan Ismayilov, Thomas Scott, Claudia Morey, and Ronald Jackson. Although August and September are considered "budget season" by many, this team has been hard at work since January when the budget development process began. This team is responsible for the City's operating, capital, and debt service budget development. The City's annual budget serves as a policy document, financial plan, operations guide, and communication device. In addition to this team, there are others within BMS and across all 36 City departments that are involved in the budget process. Join me in saying thank you to the BMS Operating and Capital Budget Division for the work they do, as well as saying thank you to other BMS staff such as Brittany Burrell, Angelica Rodriguez, and Anne Lockyer who are part of the overall process.



Office of Community Police Oversight hosting Budget Public meetings

OCPO will be launching a series of events to compliment the town halls & listening sessions that each CPOB member is conducting. The first two events will happen on August 18th at 7:00p.m. and August 24th at 7:00p.m. These listening sessions will focus on the City of Dallas FY22 budget. OCPO is interested in learning what the Dallas community thinks about the public safety budget, specifically regarding policing. The listening sessions will be co-facilitated by CPOB Chairman Jesurobo Enobakhare, Jr. and OCPO Director Tonya McClary. Together Director McClary and Chairman Enobakhare, Jr. will bring back what they learn from the Dallas community to City leaders and the CPOB. Should you have questions or concerns, please contact Tonya McClary, Police Monitor and Director for the Office of Community Police Oversight.

DATE August 13, 2021
SUBJECT **Taking Care of Business – August 12, 2021**

[Department of Aviation Hosts Third Catholic Charities Mega Food Distribution Event](#)

The Department of Aviation and Catholic Charities Dallas hosted a Mega Food Distribution event at Dallas Executive Airport on Friday, July 30. It was the third event DOA and CCD have hosted together and the second at Dallas Executive Airport.

In the scorching heat, volunteers from Aviation and Catholic Charities Dallas served more than 56,000 pounds of food to 321 families. The event was hosted outside the new Commemorative Air Force facility, which will host its grand opening in November.

DOA's community engagement team has a number of partnerships with community organizations to exhibit Aviation's commitment to being a good neighbor! If you have any questions, please contact Mark Duebner at mark.duebner@dallascityhall.com.

[Vote for Bahama Beach Waterpark for Best Aquatic Facility in DFW!](#)

Bahama Beach Waterpark has been nominated for Best in DFW, a people's choice awards program from *The Dallas Morning News*. From now until Sept. 2, cast your vote at <https://www.votebestindfw.com/BahamaBeach> for Bahama Beach as the best aquatic facility. Winners will be announced on Nov. 14. Should you have questions or concerns, please contact Crystal Ross, Deputy Director, Dallas Park and Recreation.



[City's COVID-19 Dashboard Show Emerging Trend of Increased COVID-19 Cases](#)

Dallas is experiencing an uptick in the number COVID-19 cases, fatalities, and hospitalizations. A new page on [COVID-19 variants](#) was added a few weeks ago to show the prevalence of various kinds of COVID-19 variants in Texas since January 2021.

The Office of Data Analytics and Business Intelligence developed the [COVID-19 dashboard](#) in February 2021. This dashboard is updated every business day and is connected to the State of Texas Health Department data, Johns Hopkins University COVID-19 data, and Dallas Fort-Worth area hospitalization data. This dashboard is a good resource for viewing the latest [COVID-19 cases](#), [hospitalizations](#) and [vaccinations](#) trends.

For more information, please contact Dr. Brita Andercheck, Director of the Office of Data Analytics and Business Intelligence, at data@dallascityhall.com.

DATE August 13, 2021
SUBJECT **Taking Care of Business – August 12, 2021**

[Property Appraisal Data Hub for Residential and Commercial Property](#)

The [City of Dallas Property Appraisal Data Destination](#) provides the public with a yearly comparison of appraisal data aggregated from 5 Dallas counties within the City (Dallas, Collin, Denton, Kaufman, and Rockwall). The Data Destination includes visualizations of 68 maps, charts, dashboards, and infographics and is driven by property appraisal data from 2015 to 2021.

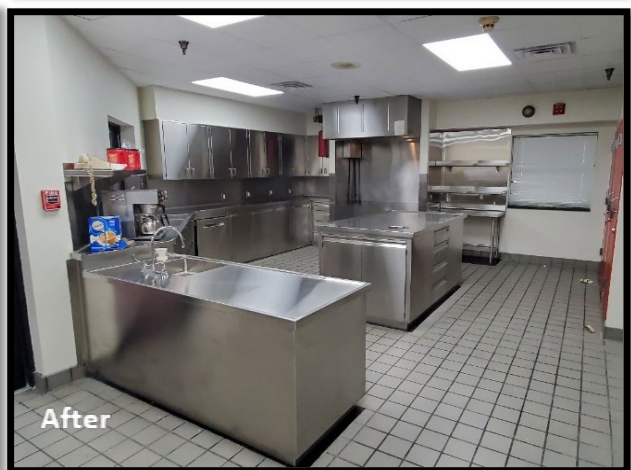
The EGIS unit of the Office of Data Analytics and Business Intelligence collects annual appraisal information from appraisal district certified tax rolls. The appraisal data will continue to improve over time. The site is open for public use and those looking for answers to appraisal questions.

For more information, please contact Dr. Brita Andercheck, Director of the Office of Data Analytics and Business Intelligence, at data@dallascityhall.com.

DATE August 13, 2021
SUBJECT Taking Care of Business – August 12, 2021

Fire Station 23 Improvements

The Building Services Department (BSD) completed kitchen renovation and electrical and plumbing upgrades in July at this 55-year-old station located at 6238 Bonnieview Road. The station now has new stainless-steel cabinets, shelving, and center island, commercial grade appliances, vinyl-faced ceiling tiles for ease of cleaning, and energy-efficient LED lighting. Stained and damaged ceramic floor tiles were replaced, and walls and pantries were painted. The updated kitchen is now ADA-compliant. This is one of several improvement projects BSD is implementing at Dallas Fire-Rescue facilities to be highlighted over the next few months that were funded by \$1.5m dedicated in the current year's budget. For more information, please contact Errick Thompson, Director, Building Services Department.



DATE August 13, 2021
SUBJECT **Taking Care of Business – August 12, 2021**

[Kay Bailey Hutchison Convention Center Dallas \(KBHCCD\) Master Plan Public Input Meeting](#)

City of Dallas City Council Members, stakeholders and the public are invited to participate in the third virtual public meeting for the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan on August 25 at 6 PM. English and Spanish meeting invitations are attached for email or social media distribution. Persons interested in attending the meeting may register at <http://bit.ly/public-meeting-0825>.

City Council approved a Convention and Event Services recommendation on January 27, 2021 to enter into a contractual agreement with WSP USA, Inc. (WSP) to develop the KBHCCD Master Plan. The kick-off for the planning process began in mid-February 2021, with committee participation by fourteen (14) city departments and stakeholders from within the transportation, hospitality and tourism, and development communities. An anticipated nine-month process, the scope of work for the plan is multi-layered and includes providing recommendations for the repair or substantial reconstruction of the convention center, an analysis and land use recommendations for major abutting transportation initiatives, overall project value capture, financing and governance, and land use interaction with current public-private partnership developments for a study area that extends into the Cedars and encapsulates the area defined by Downtown Dallas Inc. as the Convention Center or Government District.

For questions related to the planning process or the upcoming public meeting, please contact Rosa Fleming, Director of Convention and Event Services.

[New Procurement Opportunities](#)

The Office of Procurement Services (OPS) is excited to announce the following new contract opportunities. More information can be found on the City's [electronic bid portal](#):

Opportunity No.	Opportunity Name
BD21-00017215	HVAC Trailer Kit

We are also pleased to share the latest, [Procurement Quarterly](#) listing citywide opportunities for the current quarter (of the fiscal year) and published on the OPS [website](#).

Please be advised that once an opportunity is advertised, it is considered an open procurement until the City Council awards the contract. The Code of Ethics prohibits communication between councilmembers and vendors/ suppliers on open procurements. Should you have any questions, please contact Chhunny Chhean, Director of Procurement Services.

DATE August 13, 2021
 SUBJECT Taking Care of Business – August 12, 2021

Upcoming Events

Saturday 8/14/2021	Saturday 8/28/2021	September 18-25, 2021
Back to School Bash 10:00AM - 2:00PM <a href="https://dallaspolicedepartmentba
 cktoschoolbash.eventbrite.com">https://dallaspolicedepartmentba cktoschoolbash.eventbrite.com	Neighborhood Summit 9:30AM – 11:30AM Registration Required <a href="https://fdsummit2021.eventbrite
 .com">https://fdsummit2021.eventbrite .com	Dallas Park and Recreation hosts 2021 Golden Games Registration 8/2-9/2 <a href="https://www.dallasparcs.or
 g/483/Golden-Games">https://www.dallasparcs.or g/483/Golden-Games
Mounting Up for the Community 10:00AM – 2:00PM <a href="https://dallaspdmountedcommun
 itytrailride.eventbrite.com">https://dallaspdmountedcommun itytrailride.eventbrite.com		
Unidos Safety and Health Fair 10:00AM-2:00PM Fliers Attached		

Look Ahead

City Council Briefings

August 18, 2021

- Update on Redistricting Process
- Relaunch of Open Data Portal
- Update on the P25 Regional Public Safety Radio Communications
- DFW Annual Budget
- Executive Session
 - Deliberation regarding the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices

DATE August 13, 2021
SUBJECT **Taking Care of Business – August 12, 2021**

Media Inquiries

As of August 10, 2021, the City has received media requests from various news outlets regarding the following topics:

- Increased Positive COVID-19 Tests and DFR Staffing Impact
- Continued Coverage on Firefighter Arrested for Faking Positive COVID-19 Test
- 60 Evacuated from Businesses Following South Dallas Gas Leak
- Woman Hospitalized Following South Dallas House Fire
- Multiple water main breaks
- OCC's community gardens

The City has received other media requests from various news outlets at the following links: [Communications, Outreach and Marketing](#) or [Dallas Fire Rescue](#)

Should you have any questions or concerns, please contact Kimberly Bizer Tolbert, Chief of Staff.



T. C. Broadnax
City Manager

c: Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

Encampment Resolution (Cleaning) Schedule August 12th, 2021

LOCATION	
August 9 th – August 13 th	August 16 th – August 20 th
13333 North Central Expressway	2600 Hickory Street
LBJ and Josey Lane	1700 Chestnut Street
LBJ and Webb Chapel Lane	2600 Louise Ave
John West Carpenter at Regal Row	2600 Dawson Ave
11372 N Stemmons TEXpress NB (Stemmons at Royal Lane)	2300 Coombs St
11031 N Stemmons TEXpress SB (Stemmons at Walnut Hill Lane)	13333 North Central Expressway
500 South Peak Street	11303 N Central Serv SB
5000 ERL Thornton Freeway	7900 Forest Ln Dallas, TX
2500 Ferris Street	
1351 North Plymouth Street	
1684 North Cockrell Hill	
N Field Street @ Woodall Rodgers Fwy	
Park Ave & Marilla Street.	



The Dallas Police Department Presents:

UNIDOS

LA POLICIA TRABAJANDO JUNTO CON LA COMUNIDAD HISPANA

Safety and Health Fair

FREE BACK TO SCHOOL VACCINATIONS

FREE BACK TO SCHOOL SPORTS PHYSICALS

Saturday, Aug. 14, 2021

10:00A.M. to 2:00 P.M.

Skyline High School

7777 Forney Rd. Dallas, TX 75227

FREE COVID-19 VACCINATIONS

FREE:

- Food
- City Services
- Entertainment
- School Supplies
- Medical Services



For more information contact the UNIDOS Unit at : (214) 671-4668

@DallasPD

@DPDUNIDOS



El Departamento de Policía de Dallas Presenta

UNIDOS

LA POLICIA TRABAJANDO JUNTO CON LA COMUNIDAD HISPANA

Feria de Salud y Seguridad

VACUNAS DE REGRESO
A LA ESCUELA
GRATUITOS!

EXÁMENES FÍSICOS
GRATUITOS PARA EL
REGRESO A ESCUELA

Sábado, 14 de Agosto, 2021
10:00A.M. - 2:00 P.M.
Skyline High School

7777 Forney Rd. Dallas, TX 75227

VACUNAS CONTRA EL COVID-19 GRATUITOS

Gratis:

- Comida
- Útiles Escolares
- Entretenimiento
- Servicios Médicos
- Servicios de la ciudad



Para obtener más información, comuníquese con la Unidad de UNIDOS al: (214) 671-4668





KAY BAILEY HUTCHISON
CONVENTION CENTER DALLAS
MASTER PLAN

JOIN US FOR A VIRTUAL PUBLIC MEETING

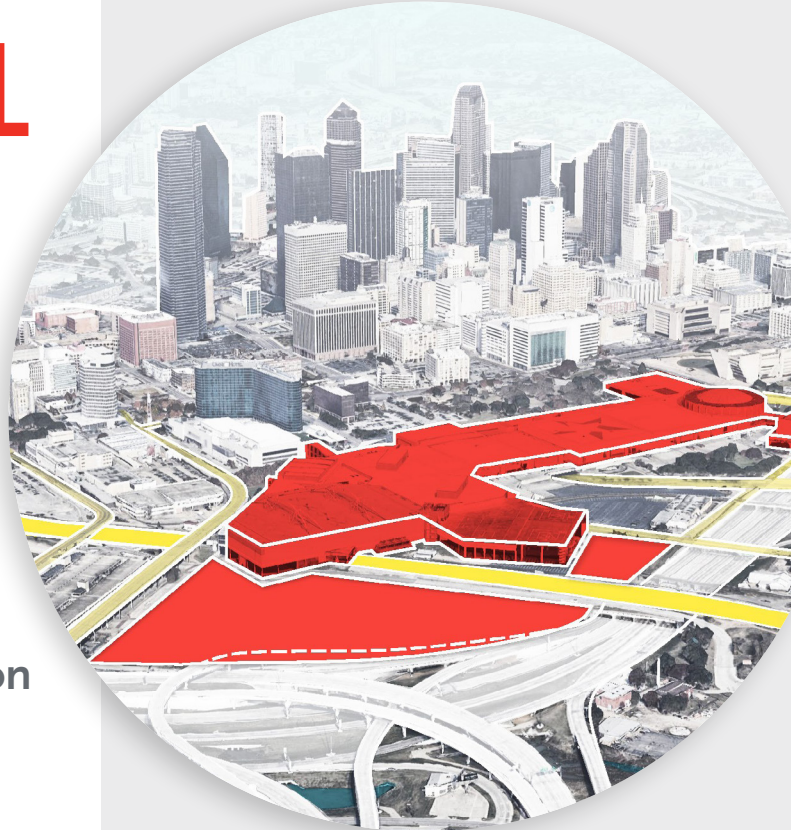
You're invited to participate in the
third virtual public meeting on

WEDNESDAY, AUGUST 25
AT 6:00 PM

for the Kay Bailey Hutchison Convention
Center Dallas (KBHCCD) Master Plan.
Join us to review project progress,
provide feedback on planning options
being studied, and to share your ideas.

Be part of the planning process,
register to attend today at
bit.ly/public-meeting-0825

*For more information about the KBHCCD Master
Plan, please contact Rosa Fleming, City of Dallas -
Director of Convention and Event Services, at
rosa.fleming@dallascityhall.com or (214) 939-2755.*



ABOUT THE KBHCCD MASTER PLAN

The KBHCCD Master Plan will transform
the convention center district into a
catalyst for growth in the region and
address a variety of issues, including but
not limited to:

- Convention center advanced
improvements
- Multi-modal transportation and
integration with current systems
- Mixed-use development for
the district and surrounding
neighborhoods

dallascmasterplan.com

 @kbhcc.dallas

 @KBHCCDallas



City of Dallas
Convention and Event
Services



KAY BAILEY HUTCHISON
CONVENTION CENTER DALLAS





KAY BAILEY HUTCHISON
CONVENTION CENTER DALLAS
MASTER PLAN

ÚNASE A NOSOTROS PARA UNA REUNIÓN PÚBLICA VIRTUAL

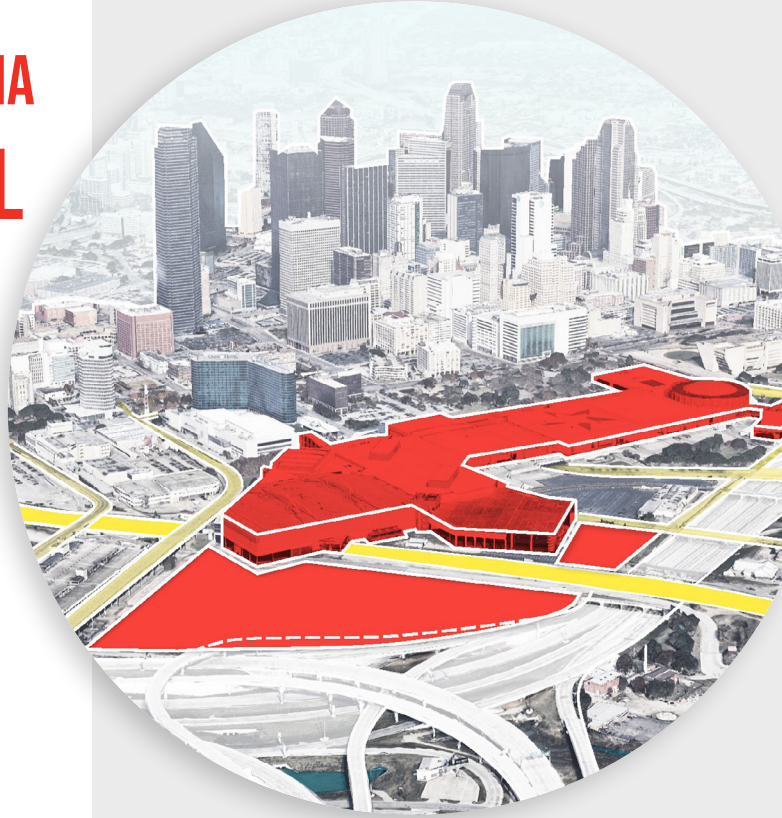
Está invitado a participar en la tercera
reunión pública virtual el

**MIÉRCOLES 25 DE
AGOSTO A LAS 6:00 PM**

para el Plan Maestro del Centro de
Convenciones Kay Bailey Hutchison
de Dallas (KBHCCD). Únase para revisar
el progreso del proyecto, proporcionar
comentarios sobre las opciones de
planificación que se están estudiando
y compartir sus ideas.

Sé parte del proceso de planificación,
regístrese para asistir hoy en
bit.ly/public-meeting-0825

*Para más información sobre el Plan Maestro KBHCCD,
comuníquese con Rosa Fleming, City of Dallas -
Directora de Servicios de Convenciones y Eventos,
rosa.fleming@dallascityhall.com o (214) 939-2755.*



ACERCA DEL PLAN MAESTRO KBHCCD

El Plan Maestro KBHCCD transformará
el distrito del centro de convenciones
en un catalizador para el crecimiento
en la región y abordará una variedad
de problemas, incluyendo, entre otras
cosas:

- Mejoras a las facilidades del Centro de Convenciones
- Transporte e integración multimodal con los sistemas actuales
- Desarrollo de proyectos de uso mixto para el distrito y vecindarios circundantes

dallascmasterplan.com

 @kbhcc.dallas

 @KBHCCDallas



City of Dallas
Convention and Event
Services



KAY BAILEY HUTCHISON
CONVENTION CENTER DALLAS

