

# Memorandum



DATE June 7, 2019

TO The Honorable Members of the Economic Development & Housing Committee:  
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,  
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,  
Omar Narvaez

SUBJECT **Response to Questions from June 3rd Committee Meeting**

The purpose of this memo is to follow up on questions asked during the June 3 Economic Development and Housing Committee meeting. The responses below are provided to ensure that all Committee members have the same information prior to the June 12, 2019 City Council agenda action date for these items.

### **Proposed Neighborhood Empowerment Zone #10**

On Monday, June 3, 2019, the Committee was briefed on the proposed Neighborhood Empowerment Zone No. 10 (City of Dallas NEZ No. 10) in the Pleasant Grove area.

During the discussion, Councilmember Kleinman requested a summary update of the City's existing neighborhood empowerment zones (NEZs). In response, staff has prepared a summary table and individual maps of the existing NEZs (attached to this memo as **Exhibit A**).

Additionally, Councilmember Callahan requested a slight adjustment of the boundary being proposed by staff. After reviewing the request, staff has made the adjustment to the proposed boundary by including 48 additional parcels. Attached to this memo as **Exhibit B** is a map of the proposed City of Dallas NEZ No. 10. The properties added to NEZ No. 10 after the Committee meeting are shown in the circled areas.

### **Workforce Readiness Initiative Update**

During the informational briefing the following questions were asked:

#### **What is the status of the 4<sup>th</sup> grant for the workforce readiness program?**

The proposed recipient of the 4<sup>th</sup> grant is Citywide CDC. The Office of Economic Development plans is presenting this item on the June 26<sup>th</sup> City Council Agenda.

#### **What is the source of the \$100,000 for the Cedar Valley HVAC Program?**

The source of funding for the Cedar Valley HVAC program comes from the FY2018-19 general fund allocation for the Office of Economic Development. The \$1.5 million set-aside for the Workforce Readiness Program was not used. The Cedar Valley

Program will provide training to 115 Dallas residents at a cost of \$870 per Dallas resident enrollee (\$100,000/115 Dallas residents).

**Who oversees workforce development for the City of Dallas?**

The Office of Economic Development (OED) focus is largely on the demand side (sector-based, company-oriented) of workforce addressing the needs of the businesses via expansion, attraction, and/or retention. The demand side of workforce development mainly addresses the issues of worker availability related to a business or an industry. OED aids these businesses with workforce needs by facilitating engagement with local workforce partners such as Workforce Solutions of Greater Dallas, Dallas County Community College, and others. OED also provides businesses with local workforce assessments from both internal and external data sources. As presented during the committee briefing, the OED, the Office of Homeless Solutions, and the Office of Community Care, are acting on recommendations adopted in the Dallas Resilient Strategy. We are currently conducting an assessment of all city-funded workforce programming. This effort is informing our upcoming economic development strategy. Our objective is to better define roles, consolidate efforts and improve both management and performance.

**What does it cost the city to implement each Workforce Readiness program and what is the cost to train each worker?** The City has three (3) active contracts, each for \$375,000, the fourth contract, which is scheduled to be awarded to City Wide CDC has not been approved by City Council. OED plans to seek Council approval of the City Wide CDC contract on the June 26 Council Agenda.

	CitySquare	Serve West Dallas	Oak Cliff Empowered	City Wide CDC
Minimum Number Served	90	60	70	40
Retention goal	68	45	53	40
Actual Hired (to date)	99	52	TBD	TBD
Projected cost per hired participant (City funding)	\$5,514	\$8,333	\$7,075	\$9,362
Actual cost per hired participant (City funding)	\$3,788	\$7,211	TBD	TBD



The average projected cost per hired participant for the \$1.5MM allocated for the workforce readiness program is \$6,147.54 (\$1,500,000/244 hired and retained participants).

### **South Dallas Fair Park Opportunity Fund Grants**

#### **How much money is in the South Dallas Fair Park Opportunity (Trust) Fund?**

As of June 2019, there is approximately \$3.1MM in the fund. The balance has accrued from three council-approved sources.

1. **GENERAL FUNDS:** \$3.2 Million in general funds, to be paid out in four installments beginning in FY16/17. The first three such payments have been made. The final \$800,000 payment will be made in FY19/20, subject to availability of appropriations.
2. **FAIR PARK ACTIVITIES:** For each ticket sold for an event at the amphitheater located in Fair Park, 20 cents is contributed to the Opportunity Fund. Additionally, half of all profits from flea markets and antique shows at Fair Park are contributed to the Opportunity Fund annually. The Park and Recreation Department is responsible for calculation of the Fair Park Activities payments, and for the annual transfer of the payment to the Office of Economic Development.
3. **OFFICE OF ECONOMIC DEVELOPMENT:** If the Fair Park Activities generate less than \$500,000 in any year, the Office of Economic Development allocates a portion of its Public Private Partnership funding to make up the balance, so that the minimum amount of Fair Park Activities plus PPP funds paid to the Opportunity Fund in any year is \$500,000.

#### **How will the two (2) recipients of the SDFP Opportunity Fund Grants use the funds (\$50,000 for each recipient)?**

**CitySquare** requested assistance for its Community Clinic, which currently serves approximately 2,500 uninsured patients annually. The request addresses the Opportunity Fund goal to "Improve Health Outcomes." The grant would support expansion of services by hiring a community health nurse to promote prevention over treatment and to educate neighbor and clinic patients through community-based intervention programs which identify and correct multiple health issues.

The anticipated program outcomes are as follows:

- 1,300 social needs screenings resulting in 900 community referrals for additional services
- Expansion of Healthy Heart Healthy Hair program, an initiative that trains local barbers to check neighbors' blood pressure during their haircuts to aid in screening and prevention of high blood pressure, with 60 referrals to Community Clinic
- 200 additional flu shots

The total project budget for the Community Clinic is \$517,170. The \$50,000 grant would pay for staffing, transportation, flu shot program expansion, and laptops for the community health worker and medical assistant. A third-party matching grant of \$100,000 from Baylor Scott and White will pay for physicians' salaries. The remaining program expenses are paid from CitySquare general operating funds and BSW.

**St. Philips School and Community Center** requested assistance to support its Our Community Pantry program, which operates as a Client Choice pantry, meaning that clients select their own food, and distributes 700,000 pounds of food annually. The request also addresses the Opportunity Fund goal to "Improve Health Outcomes." In 2014, St. Philips opened Our Community Pantry in partnership with North Texas Food Bank (NTFB), In the City for Good, and the City of Dallas (through a 2013-2014 SDFPOF grant for \$13,585), as the first pantry operated by NTFB. The new facility replaced a small shared space, where clients lined up outside the building to receive pre-bagged canned goods and limited fresh food twice a month with an experience much like shopping at the grocery store.

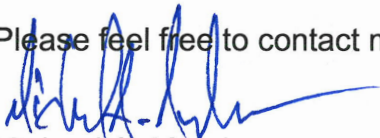
Our Community Pantry is currently operating in partnership with the NTFB; however, that contract support for operations is expiring. The grant will support transitioning Our Community Pantry to the St. Philip's School and Community Center program as the contract with NTFB expires.

The anticipated program outcomes are as follows:

- 90% of clients become food secure in two years
- Increase volunteer base by 20% by 2020
- Increase hours of operations
- Distribute up to 800,000 pounds of food annually
- Serve 700 unduplicated families

The total program budget is \$250,000. The \$50,000 grant would pay: salaries, maintenance and security, personnel, food and supplies, technology, and internet service. A third-party matching grant of \$150,000 has been secured from Hirsch Family Foundation and is paid in \$50,000 installments. The grant was paid in November 2018 and will be paid in 2019 and 2020.

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



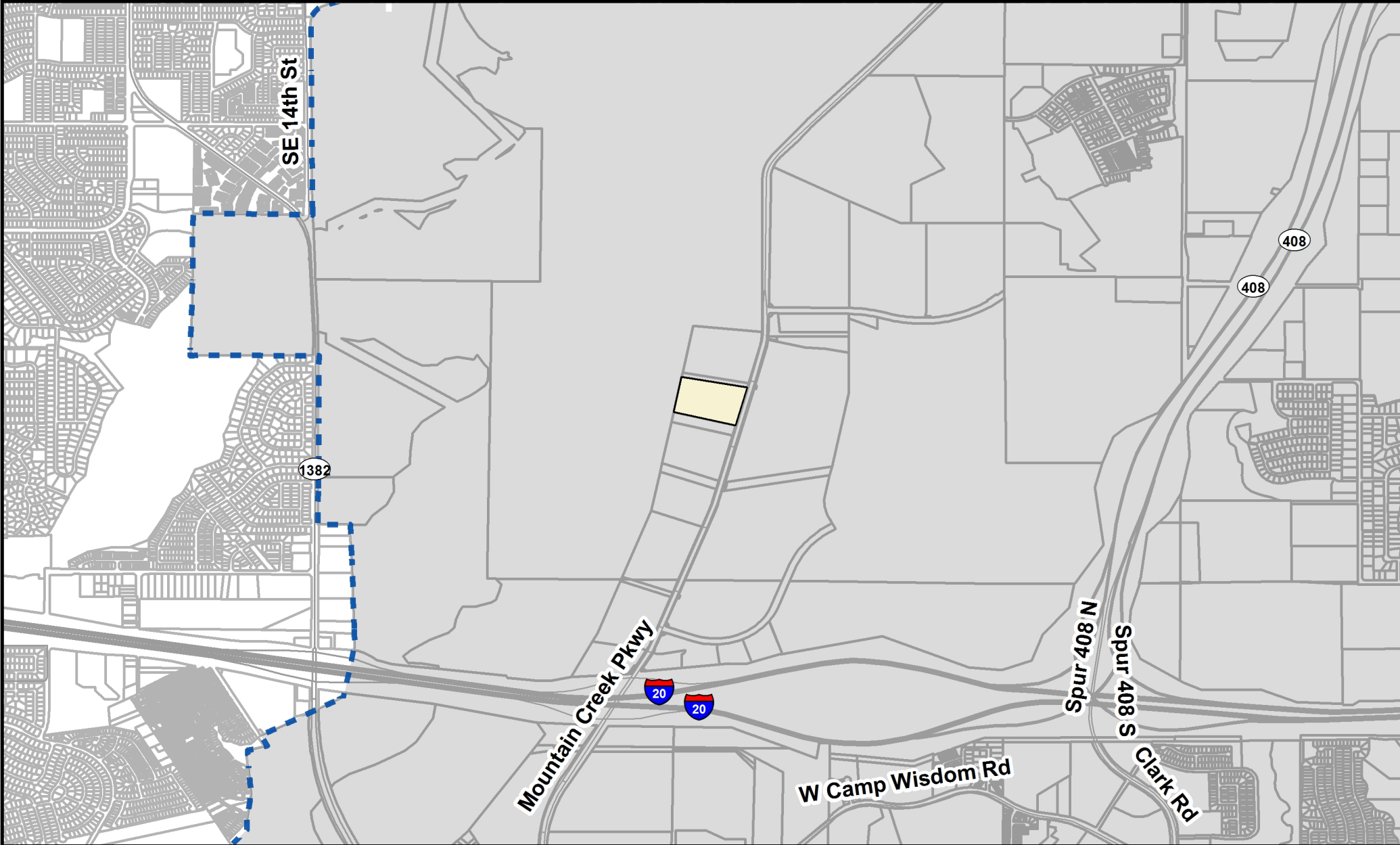
Michael A. Mendoza  
Chief of Economic Development and Neighborhood Services

c: T.C. Broadnax, City Manager	Jon Fortune, Assistant City Manager
Chris Caso, City Attorney (Interim)	Joey Zapata, Assistant City Manager
Mark Swann, City Auditor	Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
Biliera Johnson, City Secretary	M. Elizabeth Reich, Chief Financial Officer
Preston Robinson, Administrative Judge	Laila Aleqresh, Chief Innovation Officer
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager	Directors and Assistant Directors
Majed A. Al-Ghafry, Assistant City Manager	






### City of Dallas Neighborhood Empowerment Zones (Status from Office of Economic Development as of June 4, 2019)

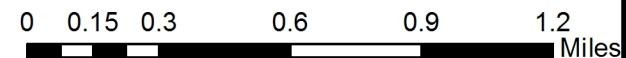
NEZ	City Council District	Size of NEZ (acres)	Project Name/Entity Name	Project Type	Resolution Number	Resolution Date	Real Property Abatement	Business Personal Property Abatement	Minimum Investment Required	Minimum Jobs Required	Minimum Occupancy Required	Status
1	3	15	PIHV Mountain Creek, LLC (CarbonLITE Recycling)	manufacturing	15-0290; 17-0267	2/11/2015; 2/8/2017	n/a	75%, 8 years	\$5,000,000	100 (create)	n/a	NEZ No. 1 was originally created in 2015 in conjunction with a 75%/8-year real property tax abatement to facilitate speculative development of the building by PIHV Mountain Creek; the real property abatement was rescinded in 2017 with City Council's approval of new business personal property tax abatement in NEZ #1 to support tenant's (CarbonLITE) establishment of new manufacturing operation in the building; agreement not yet executed; staff is reviewing company's compliance with requirements to earn abatement
2	8	128	DalParc I-20 Logistics, LLC	distribution/warehousing	15-0858; 15-0859	5/13/2015	90%, 10 years	n/a	\$22,500,000	n/a	75%	Abatement was approved by City Council to facilitate speculative development project; construction is complete (actual investment was \$24.75 million); tenant is currently Amazon (500 jobs); \$0 abated in 2017; \$278,822 abated in 2018
3	3	11	TC Mt. Creek Development, LP	distribution/warehousing	15-1071; 15-1072	6/10/2015	75%, 8 years	n/a	\$7,000,000	n/a	70%	Abatement was approved by City Council to facilitate speculative development project; construction is complete (actual investment was \$8.46 million); tenant is currently the Cummins Regional Distribution Center (58 jobs); \$54,532 abated in 2017; \$50,337 abated in 2018
4	3	71	Frito-Lay Inc. and Rolling Frito-Lay Sales, LP	distribution/warehousing	16-0104; 16-0105	1/13/2016	n/a	75%, 8 years	\$60,000,000	150 (retain); 80 (create)	n/a	Agreement not executed; after City Council's approval of the abatement, the company decided to change the project; the abatement has not been earned
5	3	7	SVC Manufacturing (Gatorade)	manufacturing	16-1222; 16-1223	8/10/2016	n/a	50%, 8 years	\$25,000,000	200 (retain); 18 (create)	n/a	Project is completed; however, agreement was terminated 9/13/18 because company did not comply with all requirements of agreement to earn the abatement
6	3	14	WWF Operating Company (Danone)	manufacturing	18-0999; 18-1000	6/27/2018	n/a	50%, 5 years	\$7,500,000	45 (create)	n/a	Agreement executed; project is underway
7	6	17	Nokia of America Corporation	corporate office/HQ	18-1002	6/27/2018	n/a	50%, 5 years	\$83,000,000	2,300 (retain); 1,000 (create)	n/a	Agreement not yet executed; project is underway
8	3	315	Dallas Global Industrial Center (Northpoint/Home Depot)	distribution/warehousing	18-1863	12/12/2018	90%, 10 years	50%, 5 years	\$110,000,000	500 (create)	51% (both buildings)	Agreement not yet executed; project is underway
9	6	390	no projects yet	n/a	19-0723	5/8/2019	n/a	n/a	n/a	n/a	n/a	NEZ No. 9 was recently designated by City Council for the area generally bounded by SH 183, I-35, and Regal Row to facilitate possible future economic development projects in the area around the future Salvation Army campus



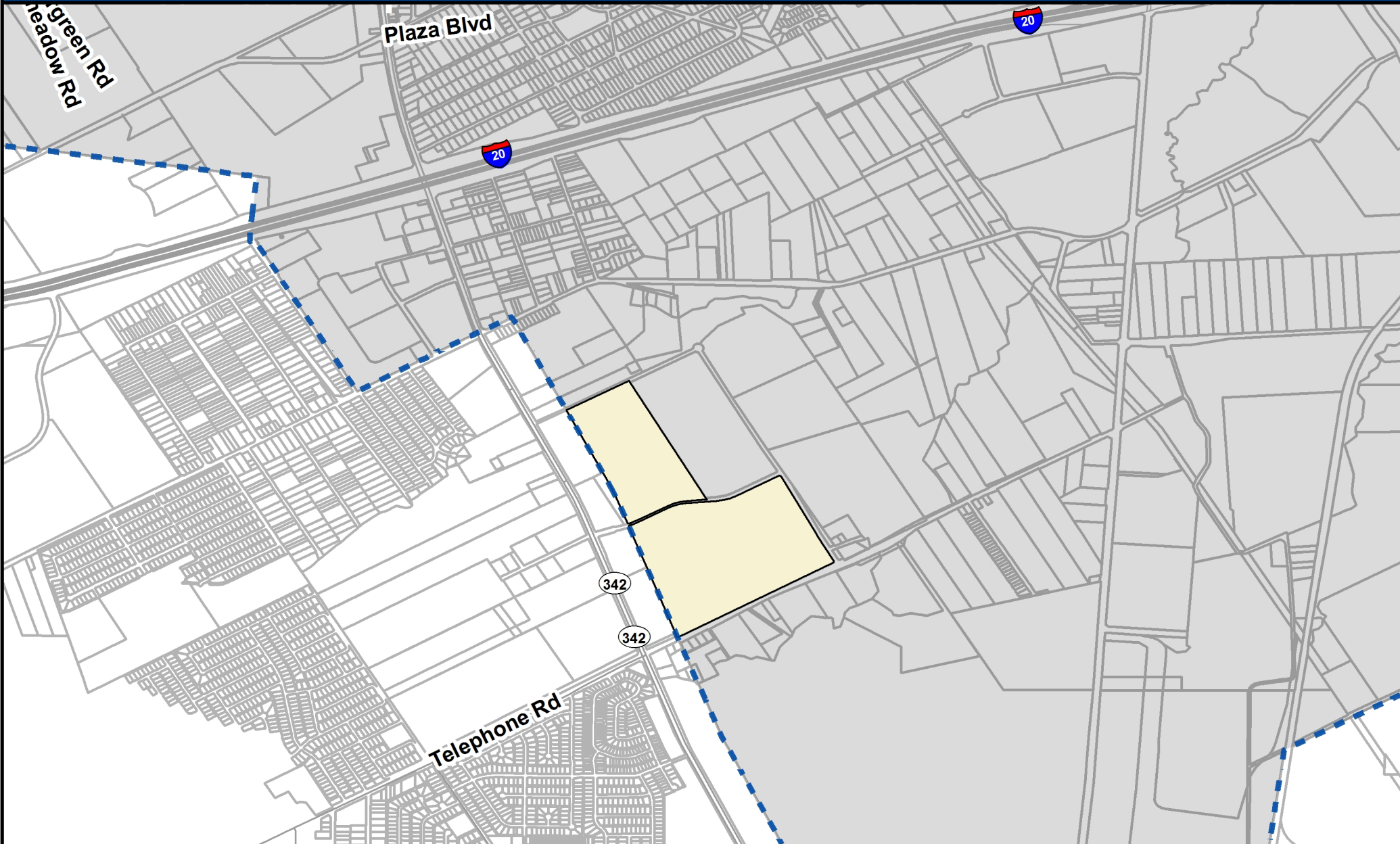
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## Legend

-  City of Dallas
-  Neighborhood Empowerment Zone Number 1
-  Parcels 2018


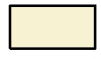



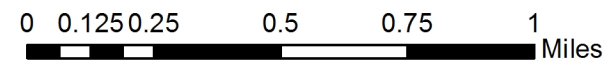
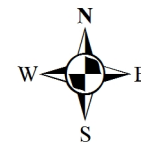


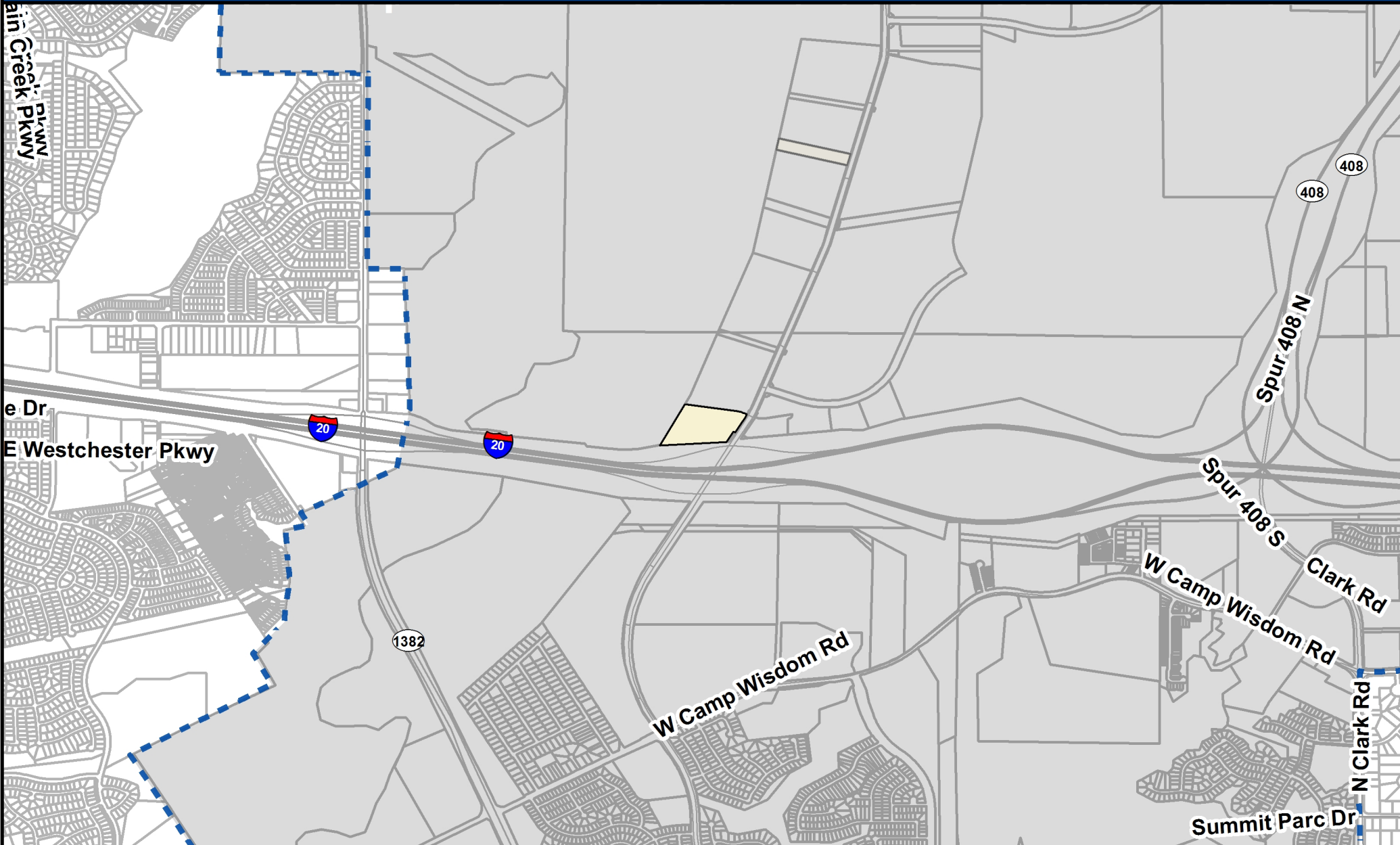


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

-  City of Dallas
-  Neighborhood Empowerment Zone Number 2
-  Parcels 2018

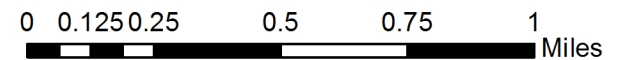




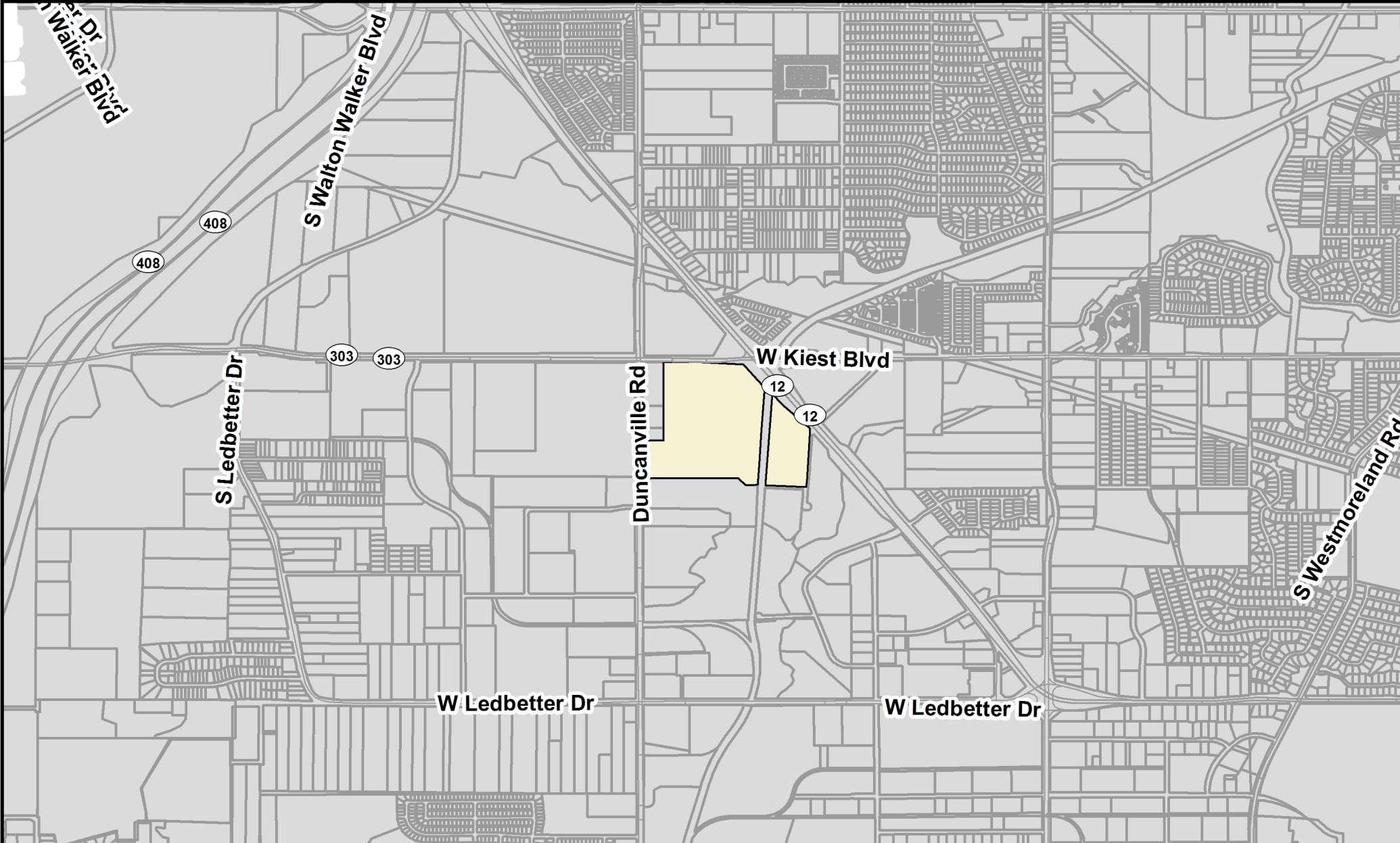
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## Legend

-  City of Dallas
-  Neighborhood Empowerment Zone Number 3
-  Parcels 2018






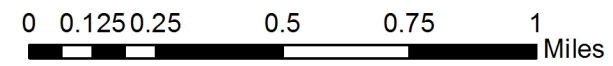
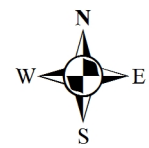


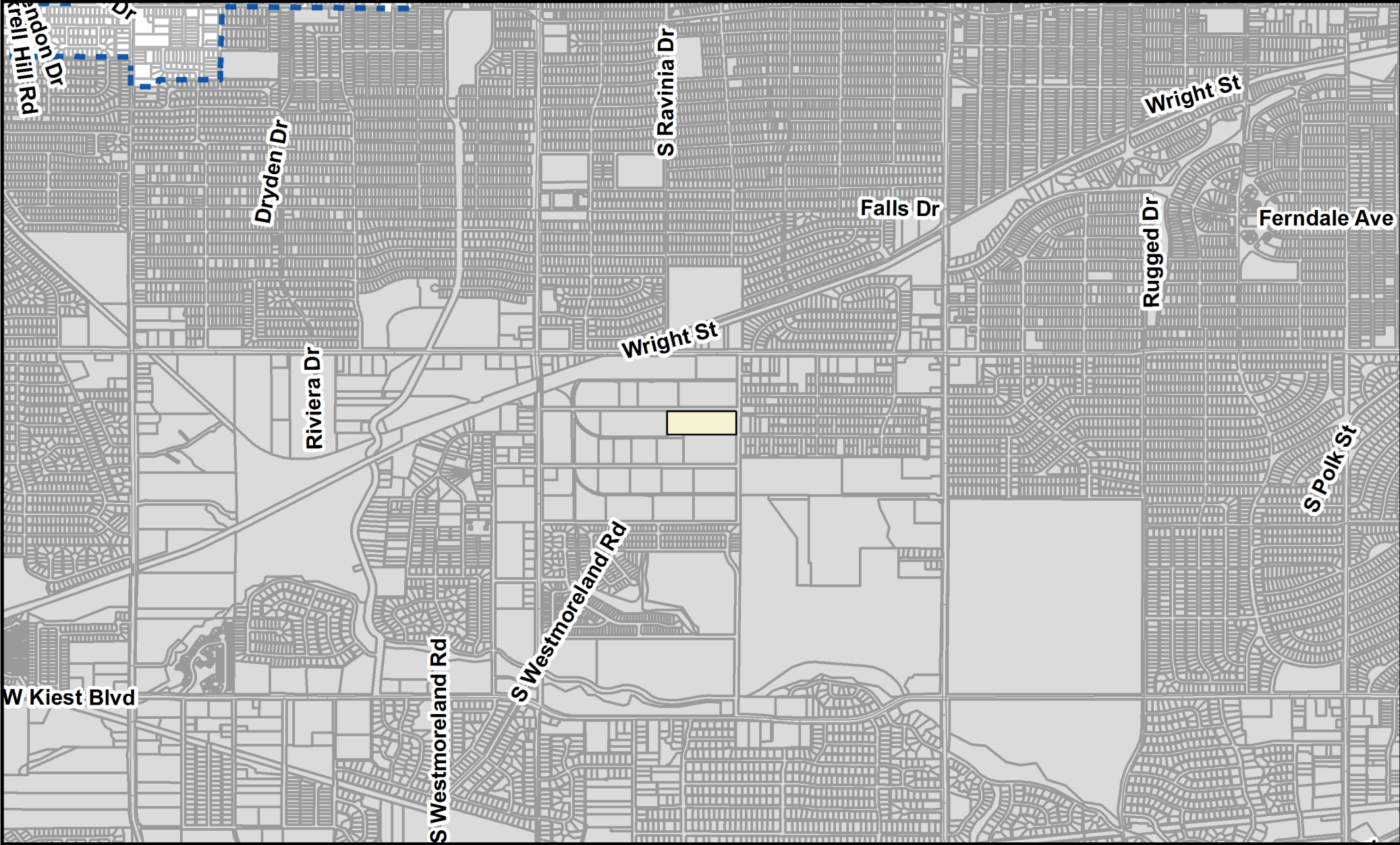


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

-  City of Dallas
-  Neighborhood Empowerment Zone Number 4
-  Parcels 2018

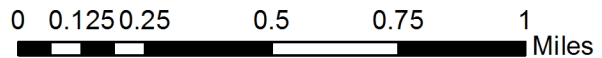
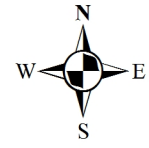




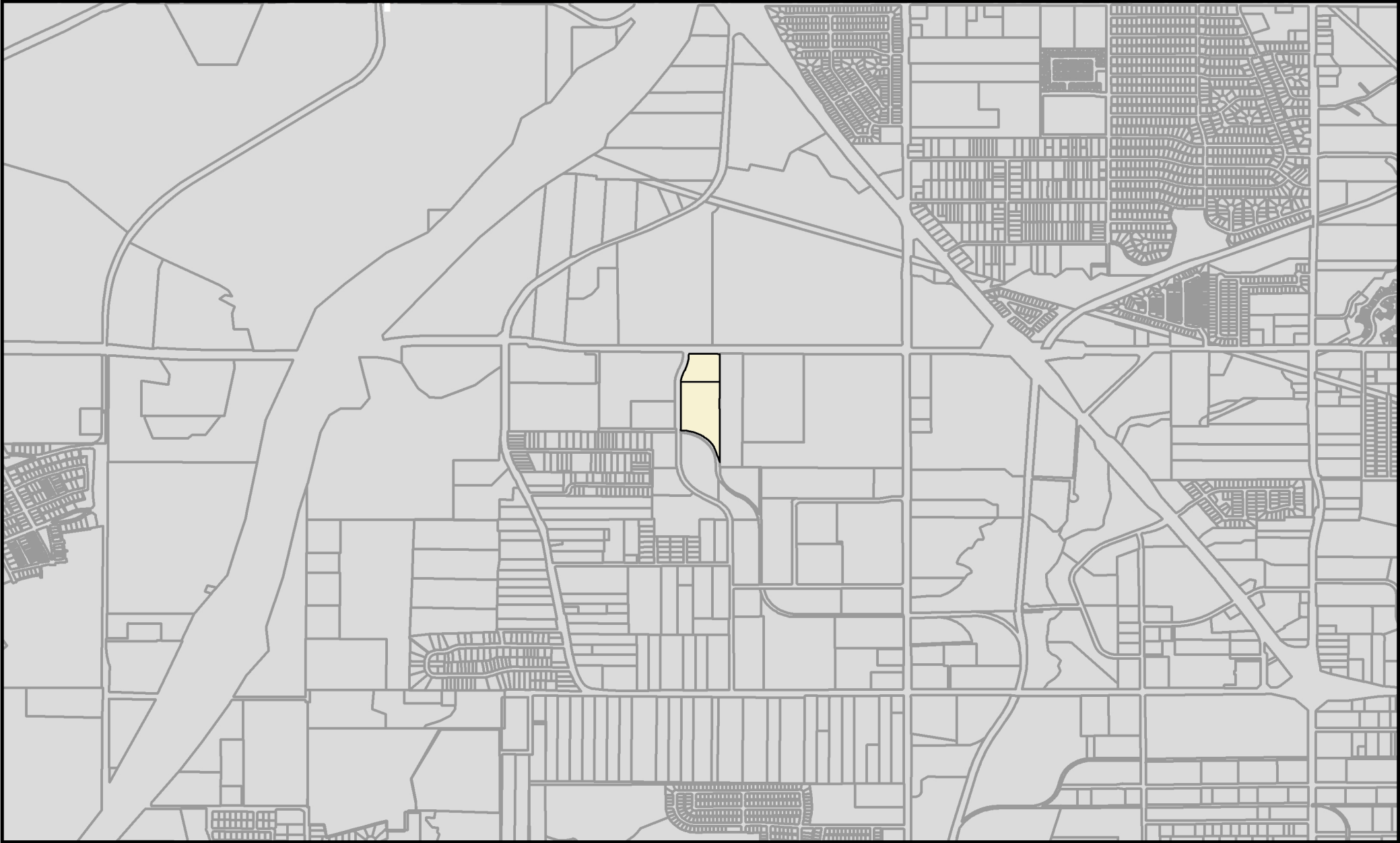
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### Legend

-  City of Dallas
-  Neighborhood Empowerment Zone Number 5
-  Parcels 2018






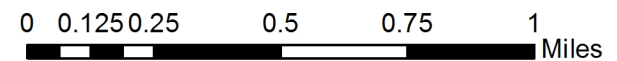
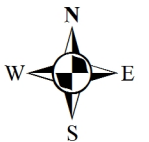


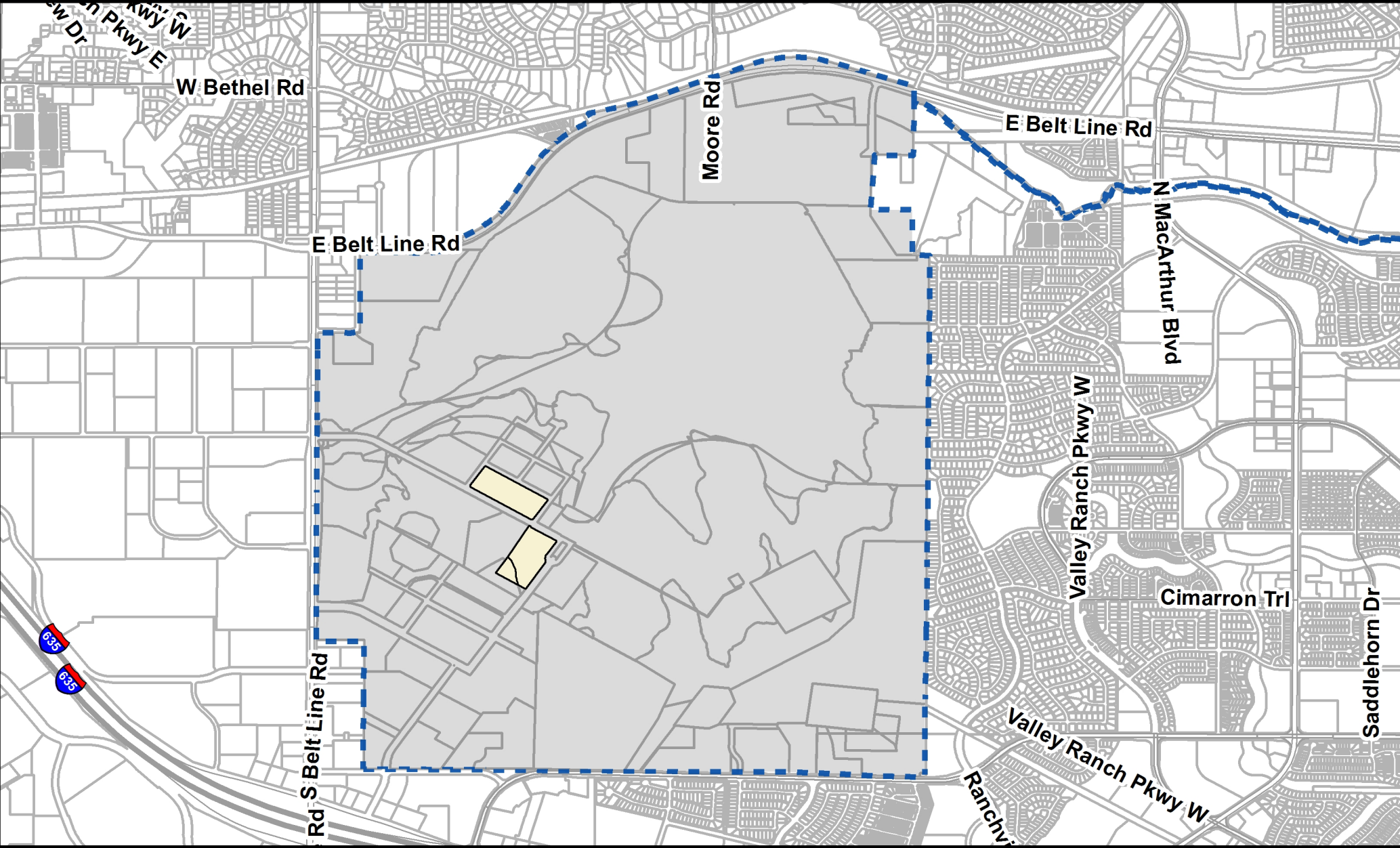


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## Legend




-  City of Dallas
-  Neighborhood Empowerment Zone Number 6
-  Parcels 2018

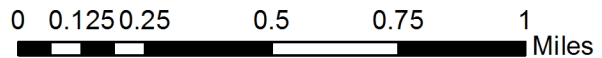
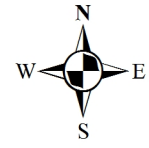


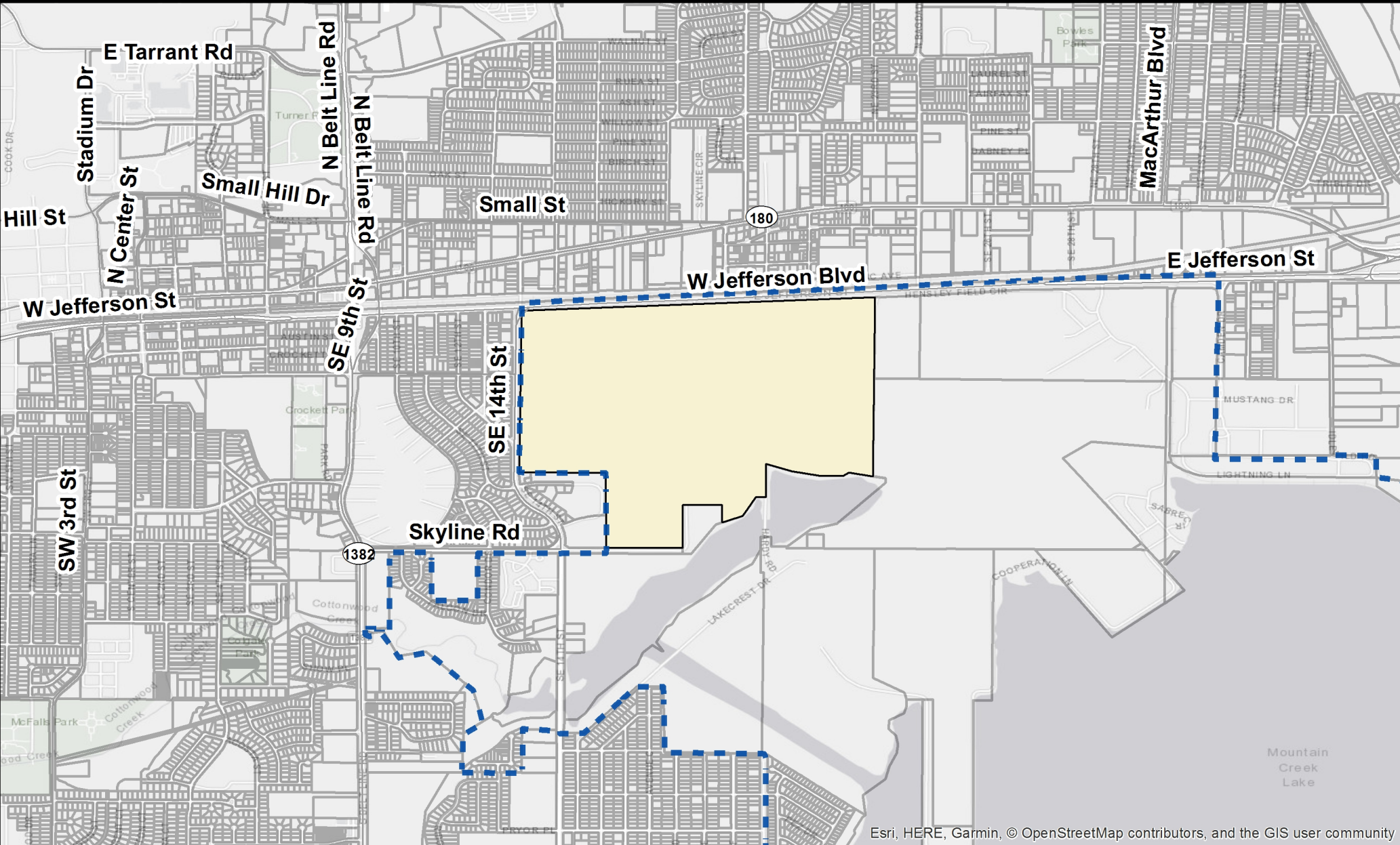


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### Legend

-  City of Dallas
-  Neighborhood Empowerment Zone Number 7
-  Parcels 2018





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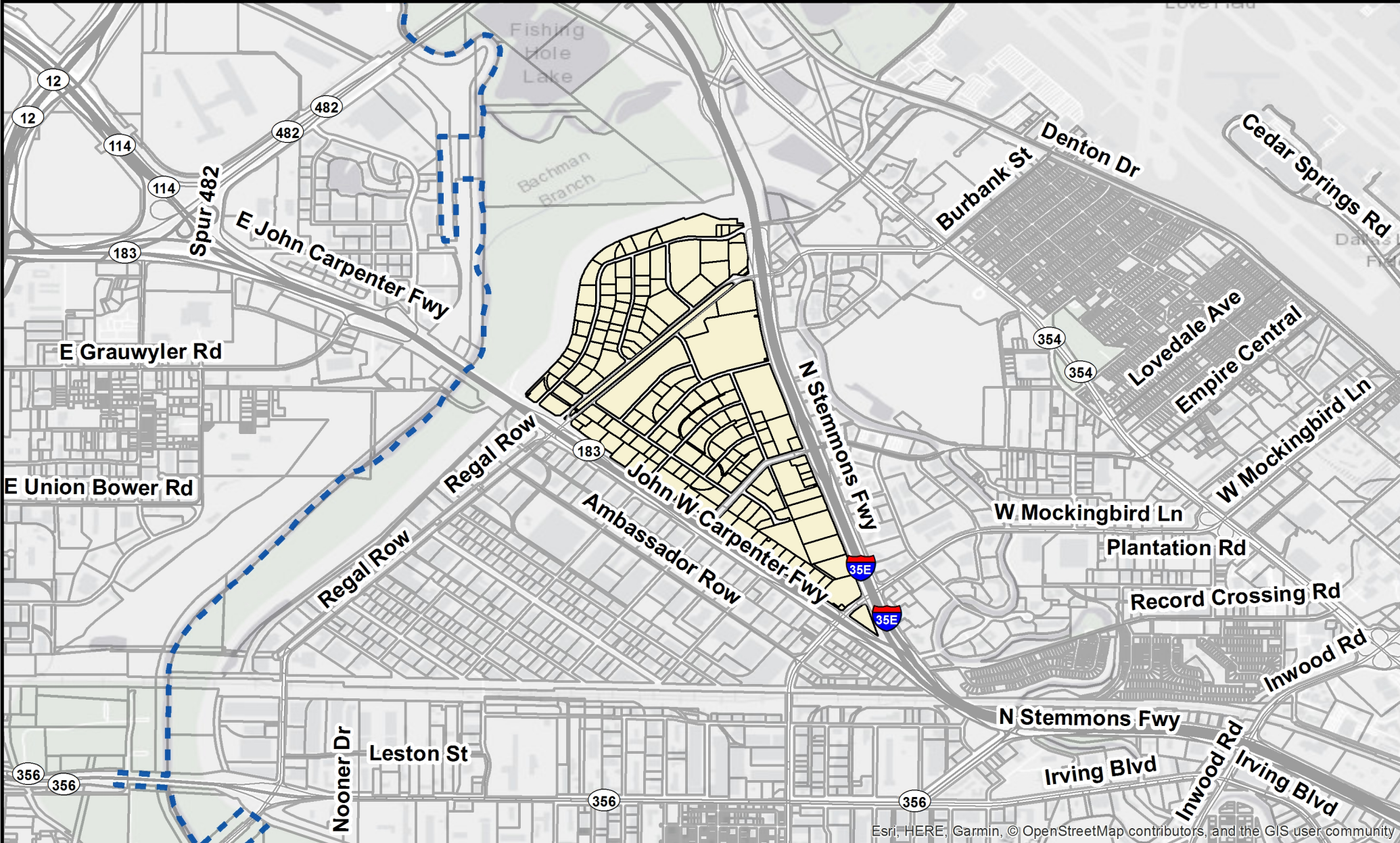
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### Legend

- City of Dallas
- Neighborhood Empowerment Zone Number 8
- Parcels 2018

0 0.125 0.25 0.5 0.75 1 Miles





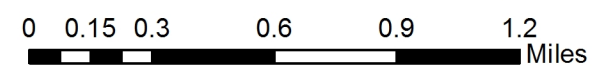
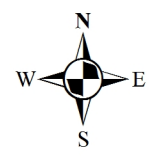
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### Legend

- City of Dallas
- Neighborhood Empowerment Zone Number 9
- Parcels 2018



### Proposed Neighborhood Empowerment Zone (NEZ) No. 10

