

CITY OF DALLAS SOUTH DALLAS/FAIR PARK OPPORTUNITY FUND PROGRAM STATEMENT

Exhibit A

HISTORY

In 1987 the City Council adopted the South Dallas/Fair Park Neighborhood Preservation and Economic Development Plan (CR 87-0632), a land use plan for the neighborhoods surrounding Fair Park. One of the plan recommendations was to “establish a South Dallas/Fair Park Trust Fund that is capitalized with a special assessment on admissions to Fair Park to generate funding for the Trust Fund.” In 1989, the Council established a Fair Park Task Force to develop a strategy to invest funds generated by Fair Park into the surrounding community (CR 89-1159). Among other things, the Task Force recommended creation of an advisory board to oversee administration of the funds, and recommended annual funding from Fair Park activities, amphitheater tickets sales, general fund contributions, and other sources. The Task Force funding recommendations were adopted by CR-89-3605, and the advisory board was codified in Dallas City Code Sections 2-130 through 2-132. The trust fund funding, policies, and purpose have been amended a number of times over the past 20 years. This program statement is intended to provide a clear summation of the current program, and replaces and supersedes all prior Council actions related to the trust fund. Pursuant to Ordinance No. 30905 approved on June 27, 2018, the name of the advisory board was amended to the “South Dallas/Fair Park Opportunity Fund board” and therefore the funds the board directs are referred to herein as the “South Dallas/Fair Park Opportunity Fund.”

PURPOSE

The purpose of the South Dallas/Fair Park Opportunity Fund (the “Opportunity Fund”) is to provide loans and grants to promote economic development and support human development initiatives in the neighborhoods surrounding Fair Park.

SERVICE AREA

The Opportunity Fund will only issue loans or grants to businesses or entities located within, relocating to, or serving a population at least 90% of which are residents of the following census tracts (the “Service Area”): 25, 27.03, 209, 37, 208, 209, 115, and 203. A map of the Service Area is attached as **Exhibit A**.

ADMINISTRATION

The Opportunity Fund is administered by the Small Business Center, in coordination with the South Dallas/Fair Park Opportunity Fund advisory board. The board is appointed by the council in conformance with Dallas City Code 2-130 through 2-132. The Opportunity Fund shall reimburse the Small Business Center for staff time and expenses allocable to oversight and administration of the Opportunity Fund.

FUNDING SOURCES

The funding sources of the Opportunity Fund are:

1. **GENERAL FUNDS:** \$3.2 Million in general funds, to be paid out in four installments beginning in FY16/17. The first such payment was made in July of 2017 and the second payment was made in May of 2018, and two additional payments will be made in 2019 and 2020 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 will be contributed to the Opportunity Fund. Additionally, half of all profits from flea markets and antique shows at Fair Park will be 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 Small Business Center.
3. **PILOT:** If the Fair Park Activities generate less than \$500,000 in any year, the Small Business Center will allocate a portion of its PILOT funding to make up the balance, so that the minimum amount of Fair Park Activities plus PILOT funds paid to the Opportunity Fund in any year is \$500,000.
4. **REVENUE:** This includes operating revenue such as loan repayments and earned interest.

FINANCIAL AWARDS

The following general provisions apply to financial awards by the Opportunity Fund:

1. Funds may be used for human development contracts or economic development projects, as defined below.
2. In each fiscal year:
 - a. a maximum of 25% of budgeted funds may be awarded as grants;
 - b. a minimum of 75% of budgeted funds must be awarded as repayable loans;
 - c. a maximum of \$200,000 may be awarded for human development contracts with all other funds awarded for economic development projects, as both terms are defined below;
 - d. other than as described above there is no minimum or maximum loan or grant size;
 - and
 - e. unawarded or reprogrammable funds from any fiscal year roll into the next fiscal year's budget.
3. **“Human development contracts”** are defined as contracts for services directly benefitting residents of the Service Area which accomplish one of the five goals identified in Section 3(e) below.
 - a. **Eligibility.** Human development applicants, including their affiliates and subsidiaries, shall only be eligible for Opportunity Funds awards twice in any 5-year period. Human development contracts shall only be awarded for new or expanded services to residents of

the Service Area, and shall only be used to pay for costs attributable to that new or expanded service. Loans or grants shall not be awarded to persons or entities who have outstanding city liens or tax liens, who are party to a lawsuit against the City, who have filed for bankruptcy in the previous 5 years, who are currently in default under any other agreement with the City, or who have in the previous 5 years been party to a contract with the City that was terminated due to default.

b. **Payment.** Human development contract awards will be paid on a reimbursement of expense basis. Each request for reimbursement shall include evidence of expense satisfactory to the Director of the Small Business Center in his or her sole discretion, as well as an explanation of how the expense was related to the human development program.

c. **Match.** Each human development contract application must include evidence of a dollar-for-dollar match from a third-party funding source. The match must be specific to the human development and must be received within the contract term. At least 80% of match must be in the form of cash. Up to 20% of match may be in the form of volunteer labor or other in-kind source acceptable to and valued by the director of the Small Business Center in his or her sole discretion. Volunteer labor will be valued at the then-current federal minimum wage. Evidence of the volunteer labor match must be submitted with each reimbursement request in the form of a volunteer hours log on grantee letterhead. Each entry must include the date and hours of service, as well as the legible printed name, address, phone number, and signature of each volunteer.

d. **Persons Served.** Human development services must be targeted to residents of the Service Area. Each awardee must keep records documenting that at least 90% of the persons served under the contract are residents of the Service Area. This documentation must be submitted to the City with each reimbursement request.

e. **Contracts.** Human development contracts must include a provision requiring the grantee to track and report measurable outcomes to demonstrate progress toward one of the following goals in the Service Area:

- i. Increase workforce participation and readiness
- ii. Stimulate small business activity and growth
- iii. Improve health outcomes
- iv. Improve public safety
- v. Improve educational outcomes

4. **“Economic development projects”** are defined as projects or programs that result in the creation of new jobs, the retention of existing jobs, or an increase in the Service Area tax base.

a. **Eligibility.** Loans or grants shall not be awarded to persons or entities who have outstanding city liens or tax liens, who are party to a lawsuit against the City, who have filed for bankruptcy in the previous 5 years, who are currently in default under any other agreement with the City, or who have in the previous 5 years been party to a contract with the City that was terminated due to default.

b. **Contracts.** Economic development project contracts must include a provision requiring the grantee or borrower to track and report measurable outcomes to demonstrate progress toward one of the following goals in the Service Area:

- i. Creation of jobs
- ii. Retention of jobs

- iii. Increase in Service Area tax base
- iv. Stimulate small business activity and growth

PUBLIC PURPOSE

All loans and grants must accomplish a public purpose, as required by the Small Business Center's underwriting criteria. The City Council finds that the human development contracts and economic development projects described herein serve a valid public purpose.

Each proposal will be analyzed to ensure that the incentive serves a public purpose and provides a public benefit in conformance with this program statement and in conformance with state law and controlling caselaw. Financial awards will be documented in written agreements to ensure that the City retains control over the public funds to guarantee that the public purpose is actually accomplished as a return benefit to the City.

APPLICATION

Economic Development Projects:

- Applications for economic development loans and grants will be accepted on a rolling basis. The application form and underwriting criteria will be the current forms and criteria in use by the Small Business Center, and the size of any loan or grant will be determined based on that underwriting criteria.
- Staff will review each application for completeness, to ensure that the proposed project meets the criteria of this program statement, and to ensure that the proposal complies with all underwriting criteria of the Small Business Center.
- Based on the review and underwriting findings, staff will either decline the application, or recommend funding.
- Projects recommended for funding will be briefed to the Opportunity Fund advisory board.

Human Development Contracts:

- Applications for human development awards will be accepted on a bi-annual basis, in response to a Notice of Funding Availability (NOFA) issued by the Small Business Center.
- The application form, procedures, and underwriting criteria will be released as exhibits to each NOFA. The size of any grant will be determined in conformance with that underwriting criteria.
- Staff will review all applications for completeness and for compliance with the NOFA and this program statement.
- Projects recommended for funding will be briefed to the Opportunity Fund advisory board.

Exhibit A
Service Area Map

