

# Memorandum



DATE August 2, 2024

CITY OF DALLAS

TO

Honorable Members of the City Council Economic Development Committee: Tennell Atkins (Chair), Omar Narvaez (Vice Chair), Carolyn King Arnold, Chad West, Adam Bazaldua, Paul Ridley, and Kathy Stewart

SUBJECT **Quarterly Update on Incentives Awarded via Administrative Action**

On January 25, 2023, the City Council approved an amended City of Dallas Economic Development Policy and approved a new Economic Development Incentive Policy (which was subsequently amended March 27, 2024). The Incentive Policy allows for certain incentives to be awarded by Administrative Action rather than by City Council Resolution. These include:

1. As-of-right tax abatements for certain projects in Target Areas
2. Incentive offers valued at or below \$1 million for projects in Target Areas
3. Incentive offers valued at or below \$1 million that are made to M/WBE developers or community developers in Target Areas and in non-Target Areas

The Incentive Policy specifies that the Office of Economic Development (OED) will update the Economic Development Committee via a quarterly memo summarizing incentives awarded by Administrative Action under these three criteria.

For the period between April and June 2024, two (2) Administrative Actions were executed for the following projects: (1) Koya Medical, Inc. and (2) Presidential Concepts, LLC. Details about these projects and incentives are provided in the following pages. Should you have any questions, please contact Kevin Spath, Interim Director, Office of Economic Development, at [kevin.spath@dallas.gov](mailto:kevin.spath@dallas.gov) or (214) 670-1691.

Service First, Now!

Robin Bentley,  
Assistant City Manager (I)

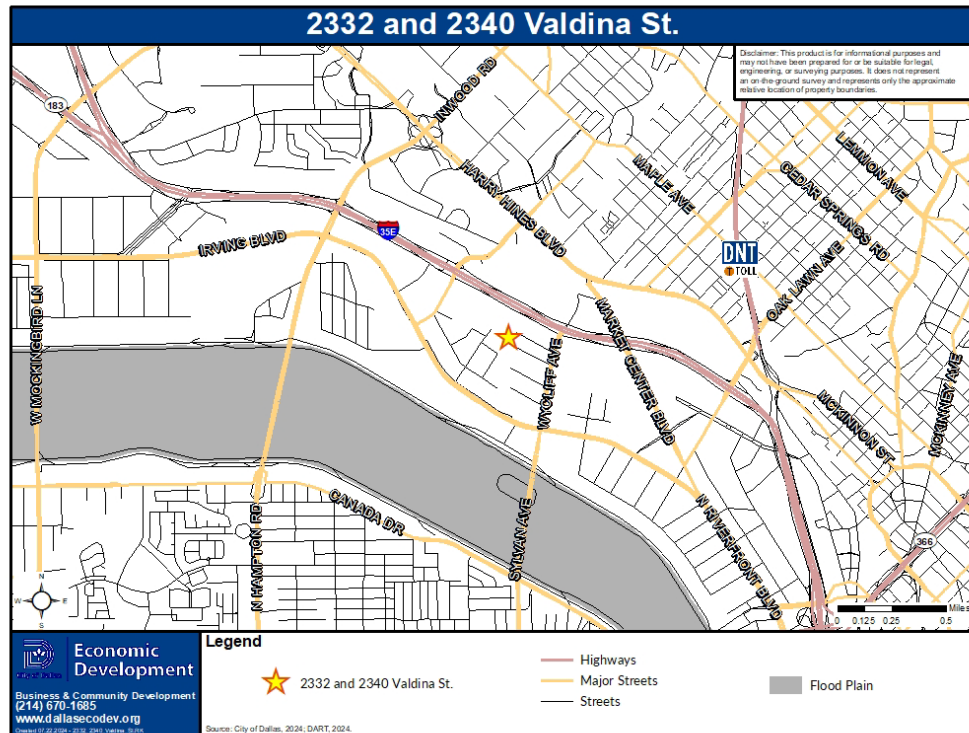
c: Kimberly Bizzor Tolbert  
City Manager (I)  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety (I)

Dev Rastogi, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Jack Ireland, Chief Financial Officer  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Directors and Assistant Directors

**Koya Medical, Inc.**  
**(Target Area project with incentive below \$1 million)**

**Applicant:** Koya Medical Inc.  
Damian Rippole, Authorized Representative

**Property:** 2332 and 2340 Valdina St. (City Council District 6), an existing 35,000 square foot flex space.



**Project Scope:** Koya is a medical supply company specializing in compression therapy. Koya is expanding and relocating its headquarters to Dallas from California. Project will include retaining 7 existing full-time jobs in Dallas, relocating 10 additional full-time jobs from out-of-state, and creating 220 new full-time jobs at the Dallas HQ by December 31, 2029 (earning a minimum average wage of \$62,400 annually excluding overtime, benefits, and bonuses). Koya's activities at the project site include light assembly operations, fulfillment/distribution, research and development, and corporate offices. In addition, Koya plans to invest approximately \$1.725 million in the leased space by the end of 2028 as follows:

1. \$725,000 in tenant improvements estimated in 2024;
2. \$600,000 in business personal property investment estimated by the end of

- 2026;  
3. \$400,000 in business personal property investment estimated by the end of 2028

**Minimum Investment Requirement:** Tenant improvement investment of \$500,000 by August 31, 2024.

**Job Creation Requirement:** Retention, relocation, and/or creation of a minimum of 100 full-time jobs at the Dallas HQ by June 30, 2028; retention and creation of a total of 160 full-time jobs by December 31, 2029; and retention and creation of a total of 220 full-time jobs by December 31, 2034.

**Incentive:** Economic development grant up to \$350,000 will be paid in two installments: Installment #1 \$175,000 paid upon documentation of tenant improvements and Installment #2 \$175,000 paid upon verification of the creation of 100 jobs on or before June 30, 2028. Grant is subject to 30% local hiring requirement (Dallas residents). If Koya does not meet local hiring requirement, the grant will be reduced to \$175,000. Compliance required through December 31, 2034.

**Other Requirements:** Living wage requirement for all Dallas HQ jobs (equal to MIT Living wage calculator indexed and adjusted annually, currently \$22.06); participation in two local hiring events approved by OED Director; partner with Dallas College for its Workforce Scholars program and/or its adult apprenticeship program.

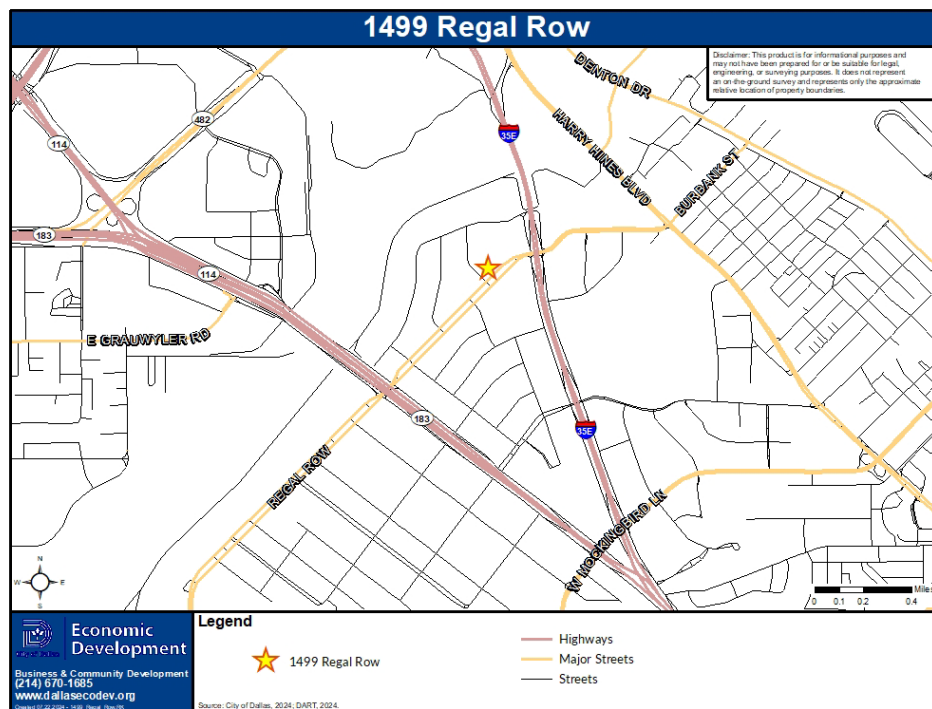
**Grant Agreement:** Authorized May 17, 2024 (AA 24-5793)



## Presidential Concepts, LLC As-of-Right Real Property Tax Abatement

**Applicant:** Presidential Concepts, LLC  
Jorge Barrett, Authorized Representative

**Property:** 1499 Regal Row (City Council District 6), an existing 59,742 square foot building to be rehabilitated to create a new state-of-the-art, commercial kitchen facility.



**Project Scope:** The newly rehabilitated facility will be used by wholesale and retail food manufacturers, prepared meals manufacturers, private chefs, bakers, mobile food service vendors, caterers, and other types of local food & beverage. Presidential Concepts estimates a total capital investment of \$9.0 million including real property improvements costs of approximately \$7.8 million and approximately \$1.2 million in soft costs.

**Minimum Investment Requirement:** \$7,857,408

**M/WBE Participation:** 32%

**Real Property Tax Abatement:** Real property tax abatement for a period of ten (10) years in an amount equal to the City taxes assessed on ninety percent (90%) of the value of net new City of Dallas real property taxes.

**Other Requirements:** Any jobs directly created by Presidential Concepts related to the project shall provide a living wage (equal to MIT Living wage calculator indexed and adjusted annually, currently \$22.06).

**Construction Completion:** December 31, 2025

**Real Property Tax Abatement Agreement:** Authorized May 9, 2024 (AA 24-5874)

