

# **EXHIBIT D**

## **SOUTHERN DALLAS INVESTMENT FUND**

### **PROGRAM STATEMENT**

#### **PURPOSE**

The City hereby establishes and provides for the administration of the Southern Dallas Investment Fund (the "Fund") to promote local economic development and stimulate business and commercial activity in the City, pursuant to Texas Local Government Code, Chapter 380. The purpose of the Fund is to provide grants ("Grant Funds") to support economic development projects as authorized by the City of Dallas Economic Development Incentive Policy located in southern Dallas for Eligible Capital Expenditures (defined herein). For purposes of this program statement, the term "southern Dallas" refers to the geographical boundaries within Dallas city limits on the west, south and east. The northern border is the Trinity River west of downtown and Interstate 30 south and east of downtown. The Fund is administered by the Office of Economic Development.

#### **FUNDING**

The initial funding shall be \$2.5 million in 2017 general obligation bond funds from Proposition I, which authorized bonds for "the purpose of providing funds for promoting economic development throughout the city" and "through the city's programs for economic development and housing including [...] making grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development, neighborhood revitalization projects, and mixed income development." Accordingly, all Grant Funds using 2017 general obligation bond funds must comply with the City's 2017 Capital Bond Program, the Internal Revenue Code, and U.S. Treasury regulations, guidance and rulings.

#### **BUSINESS GROWTH**

An entity located in southern Dallas that receives Grant Funds must use it for eligible capital expenditures to stimulate business growth and commercial activity in southern Dallas, such as by attracting/retaining employees in southern Dallas or increasing taxable personal or real property in southern Dallas.

#### **Eligible Participants:**

To be eligible to receive Grant Funds, an entity must apply and qualify for economic development grant funding under one of the programs authorized by the current City of Dallas Economic Development Incentive Policy as administered by the Office of Economic Development.

Grant Funds shall not be awarded to a business that requires a sexually oriented business license under Chapter 41A of the Dallas City Code, or a liquor store, a pawn shop, a body piercing studio, or a tattoo studio as those terms are defined by the Dallas Development Code.

Grant Funds shall not be awarded to a business that has outstanding city liens or tax liens, that is party to a lawsuit against the City, that has filed for bankruptcy in the previous 5 years, that is currently in default under any other agreement with the City, or that has, in the previous 5 years, been party to a contract with the City that was terminated due to default. All expenditures for services will be subject to state and local procurement laws.

**Eligible Expenses:**

An entity that receives Grant Funds must use the funds for eligible capital expenditures (as defined for tax purposes) that: (1) stimulate business and commercial activity; (2) attracts/retains employees in southern Dallas; and/or (3) increases taxable personal or real property in southern Dallas ("Eligible Capital Expenditures"). Eligible Capital Expenditures include the costs of acquiring or producing any permanent structural alteration or other assets added to tangible real or personal property that improves it substantially, thereby increasing its overall property value to suit new needs and extending its useful life. A proposed expenditure must also be for a permitted use as it pertains to the property under the Dallas Development Code.

Examples of Eligible Capital Expenditures include but are not limited to:

- permanent structural alteration to a building
- exterior and interior construction or renovation of a building

**Post-Award Requirements:**

Grant Funds recipients must document code compliance, maintenance of improvements, and other requirements as specified by an executed grant agreement for the compliance term as defined by the grant agreement.