

Memorandum



CITY OF DALLAS

DATE December 29, 2025

Honorable Members of the City Council Economic Development Committee: Jesse
TO Moreno (Chair), Paul Ridley (Vice Chair), Lorie Blair, Laura Cadena, Zarin Gracey, Bill
Roth, Chad West

SUBJECT

Upcoming Agenda Item: Authorize the establishment of a City Council District 1 and City Council District 3 Food Truck Incubator Program in accordance with the Program Statement (Exhibit A) to provide grant funding from discretionary allocation from the ARPA Redevelopment Fund to vendors selected pursuant to solicitation BAZ25-00027745 for food truck incubator programs for City Council District 1 and City Council District 3 to support the preparation of local small businesses to own and operate a food truck, in accordance with the Economic Development Incentive Policy

On January 14, 2026, the City Council will consider an agenda item to authorize the establishment of a City Council District 1 and City Council District 3 Food Truck Incubator Program in accordance with the Program Statement (**Exhibit A**) to provide grant funding from discretionary allocation from the ARPA Redevelopment Fund to vendors selected pursuant to solicitation BAZ25-00027745 for food truck incubator programs for City Council District 1 and City Council District 3 to support the preparation of local small businesses to own and operate a food truck.

The City of Dallas Economic Development Incentive Policy adopted by City Council on January 25, 2023, by Resolution No. 23-0220, and amended by Resolution No. 25-0162 on January 22, 2025, authorizes the establishment of City Council District-specific Small Business Programs (Section 3.2). This section of the Incentive Policy enables City Council members to create targeted small business programs to enhance small business opportunities in a specific part or the entirety of one or more City Council Districts, provided they have identified discretionary funds to support such a program. Upon City Council approval of a program statement, the program becomes part of the City's Economic Development Incentive Policy.

City Council member Zarin Gracey (District 3) has identified \$250,000.00 in discretionary funds from the City Council District 3 allocation of the ARPA Redevelopment Fund to be used to support the creation and implementation of a Food Truck Incubator Program ("Food Truck Program") specifically for City Council District 1 and City Council District 3. The intent of the Food Truck Program is to provide City grant funds to qualified vendors to operate food truck incubator programs within City Council Districts 1 and 3 to support the preparation of local small businesses to own and operate a food truck business.

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To facilitate the implementation of a Food Truck Program, the City of Dallas Office of Procurement Services issued a Request for Proposals (RFP) on June 5, 2025 to identify qualified vendors to operate a food truck program. After review and scoring, two separate entities have been identified as a vendor ("Vendor") with one selected specifically for District 1 and one selected specifically for District 3. On January 14, 2026, the City Council will also consider a separate agenda item to approve the recommended Vendors pursuant to solicitation BAZ25-00027745.

The Food Truck Program will substantially operate in District 1 or District 3 by offering classroom sessions within the identified geography. Additionally, preference will be given to applicants that demonstrate business activity or reside in District 1 or District 3.

The Food Truck Program will be a 14-week cohort-based initiative, with cohorts occurring multiple times throughout the year. The Food Truck Program will provide training, mentorship, and hands-on experience preparing and serving food from licensed food trucks to qualified program participants.

The Food Truck Program will provide participants (i.e. small businesses) the following support:

- Business planning, financial literacy, and marketing instruction
- Regulatory training and certification support in compliance with Dallas City Code Chapter 17 and Senate Bill 1008
- Access to a licensed food truck (via a Memorandum of Understanding or other method).
- Access to a commissary kitchen within Dallas County
- Mentorship from existing food truck operators

For each cohort, at least one in-person workshop will be held on a food truck, and at least one workshop will be held at a commissary kitchen.

For District 1, a minimum of five program participants will be enrolled in each cohort, and there will be a total of six total cohorts (supporting an estimated total of 30 participants).

For District 3, a minimum of ten program participants will be enrolled in each cohort, and there will be a total of two cohorts (supporting an estimated total of 20 participants).

Vendors shall select program participants that meet the following requirements:

- Be an early-stage or home-based food entrepreneur

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- Commit to attending all sessions and completing permitting steps
- Not a current licensed food truck owner or operator
- Preference given to those who either reside in District 1 or District 3 or are a District 1 or District 3-based business

Vendor success will be evaluated using the following indicators:

- 75% minimum participant retention
- Of the retained participants, 80% program completion rate
- A minimum of 50% of enrolled participants must obtain at least one of the eligible certifications listed in the Program Statement.

Vendor operation must comply with the Program Statement (attached as **Exhibit A**), and the Office of Economic Development will administer this Food Truck Program.

Should you have any questions or require any additional information, please contact Heather Lepeska, Deputy Director, Office of Economic Development, at heather.lepeska@dallas.gov or (214) 670-1222.

Service First, Now!



Robin Bentley,
Assistant City Manager

c: Kimberly Bizer Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billieae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors

City Council District-specific Small Business Program: District 1 and District 3 Food Truck Incubator Program

Purpose

The City of Dallas hereby establishes and provides for the administration of the City Council District Food Truck Incubator Program ("Food Truck Program") 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 Food Truck Program is to provide funding to qualified vendors to operate food truck incubator programs for City Council Districts 1 and 3 to prepare local small businesses to own and operate a food truck business. The City Council expressly finds that this Program directly promotes economic development and serves a valid public purpose consistent with the City of Dallas Economic Development Incentive Policy Section 3.2 (City Council District-specific Small Business Programs). The funding for the awarded vendors to manage the Program is administered by the Office of Economic Development.

Funding

The funding shall be \$250,000.00 in discretionary allocation of City Council District 3 ARPA Redevelopment Fund dollars. \$200,000 is available for the Food Truck Program in City Council District 3 ("District 3"), and \$50,000 is available for the Food Truck Program in City Council District 1 ("District 1").

Background

To facilitate the implementation of a Food Truck Program, the City of Dallas issued a Request for Proposals (RFP) on June 5, 2025 to identify qualified vendors to operate a food truck incubator program. After review and scoring, two separate entities have been identified as vendors ("Vendor") with one selected for District 1 and one selected for District 3. City Council will consider approval of the selected Vendors for the Food Truck Program on January 14, 2026.

PROGRAM DESIGN

Program Geography

The program will substantially operate in District 1 or District 3 by offering the classroom sessions within the identified geography. Additionally, preference will be given to applicants that demonstrate business activity or reside in District 1 or 3. This may include:

- A registered business entity (e.g., LLC, sole proprietorship, or nonprofit) with a Certificate of Formation or Assumed Name Certificate showing a District 3 or District 1 address; or

EXHIBIT A

- A home-based or informal business operating within District 3, supported by documentation such as a sales platform profile (e.g., Square, Instagram Shop, website), event participation records, or a signed self-certification statement detailing business activity and location.

The selected vendor will be responsible for verifying participant information during applicant intake and maintaining records for audit purposes.

Food Truck Program

The Food Truck Program will be a 14-week cohort-based initiative with cohorts occurring multiple times throughout the year. The Food Truck Program will provide training, mentorship, and hands-on experience preparing and serving food from licensed food trucks to qualified program participants.

The program will provide participants (i.e. small businesses) the following support:

- Business planning, financial literacy, and marketing instruction
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For each cohort, at least one in-person workshop will be held on a food truck, and at least one in-person workshop will be held at a commissary kitchen.

For District 1, a minimum of five program participants will be enrolled in each cohort, and six total cohorts will take place, supporting an estimated 30 participants.

For District 3, a minimum of ten program participants will be enrolled in each cohort, and two total cohorts will take place, supporting an estimated 20 participants.

Funds for the program shall be used for the following activities:

- 75% available for reimbursement of expenses related to curriculum delivery, instructor costs, and direct programming
- 15% awarded upon approval of a final program report and documentation of successful achievement of performance metrics
- 10% for reimbursement of participant business fees, certifications, and permitting costs

Vendors will be reimbursed monthly, and final payment is contingent upon approved completion of program deliverables.

EXHIBIT A

Food Truck Program Participant Criteria

Vendors shall select participants that meet the following requirements:

- Be an early-stage or home-based food entrepreneur
- Commit to attending all sessions and completing permitting steps
- Not a current licensed food truck owner or operator
- Preference given to residents of District 1 or 3 or business owners with locations in District 1 or 3

Vendor Food Truck Program Success and Reporting Metrics

Vendor success will be evaluated using the following indicators:

- 75% minimum participant retention
- Of the retained students, 80% program completion rate
- A minimum of 50% of enrolled participants must obtain at least one of the eligible certifications listed below prior to program completion.
- Certifications must qualify under the program's allowable participant business expense allocation (10%) as defined in the Statement of Work.
- Vendors must submit copies of participant certificates or official verification documents for compliance purposes.
 - Texas State Mobile Food Vendor License
 - (Effective July 1, 2026 – includes inspection fee)
 - Food Handler Certification (ANSI-accredited or ServSafe equivalent)
 - Certified Food Manager (CFM) Certification (ANSI-accredited exam + training)
 - Notarized Commissary Agreement Form (Required for Mobile Food Unit (MFU) permitting)
 - Assumed Name Certificate (DBA – Dallas County) (For sole proprietors or unregistered businesses)
 - Texas LLC Formation (Certificate of Formation – Form 205) (Required for formal business entity registration)

The Vendor will submit:

- Quarterly program reports
- A final report with outcome metrics
- Documentation of expenses and participant certifications

AUDIT, COMPLIANCE, AND CLAWBACK REQUIREMENTS

Documentation and Recordkeeping

Each recipient of Grant Funds ("Vendor") shall maintain complete and accurate records demonstrating that all expenditures are used solely for eligible capital improvements consistent with the Food Truck Program and Chapter 380 of the Texas Local Government

EXHIBIT A

Code. Such records must include invoices, contracts, construction documentation, payment evidence, permits, photographs, and any other supporting materials sufficient to verify the capital nature, scope, and location of the improvements.

Transparency and Audit Access

Vendors shall make all project and expenditure records available to the City, its auditors, and any state or federal agency upon request for verification of compliance with applicable laws, tax regulations, and bond requirements. The City may conduct random or targeted audits of any Vendor to ensure compliance.

Certification of Use of Funds

Upon project completion, each Vendor must submit a Project Completion Report certifying that all Grant Funds were expended for eligible expenses as defined by this Food Truck Program and attaching supporting documentation. The Office of Economic Development shall review and approve the report prior to final reimbursement or project closeout.

Default and Repayment

A Vendor shall be deemed in default if it:

- Uses funds for ineligible purposes;
- Fails to complete the approved program guidelines;
- Fails to maintain the program for the agreed upon contract term;
- Misrepresents information in its application or reports; or
- Otherwise violates any term of its executed award/service agreement.

In the event of default, the City may terminate the grant, require repayment of all or a portion of funds disbursed, and/or pursue any other remedy available under law or contract.

Clawback Provision

If, at any time during the compliance term, the City determines that the Vendor has violated program terms or that the project no longer serves the public purpose or economic development objectives, the City may recapture and recover all funds previously awarded ("Clawback"), together with any applicable interest or penalties as provided by the grant agreement.

Retention and Audit Period

EXHIBIT A

All records and documentation must be retained by the Vendor for at least five (5) years after the expiration of the grant agreement or final audit, whichever is later. The City reserves the right to conduct compliance reviews or audits during this period.

Sunset

This program shall sunset upon completion of the contracts awarded to implement this program.

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