



City of Dallas

Office of Economic Development

**Economic Development
Committee
June 3, 2024**

Kevin Spath, Director(I)
Maria Smith, Assistant Director
Heather Lepaska, Assistant Director
Tamara Leak, Assistant Director (I)

Purpose



- Provide an overview of the Office of Economic Development
- Highlight office's program, services, and activities

- *Briefing reflects FY 2024-25 Planned Budget as developed Summer 2023*
- *The starting point of every Budget Development process (February – September) is the Planned Budget from prior year*
- *Revenue and expenditure assumptions will change prior to CMO recommendation on August 13, 2024*



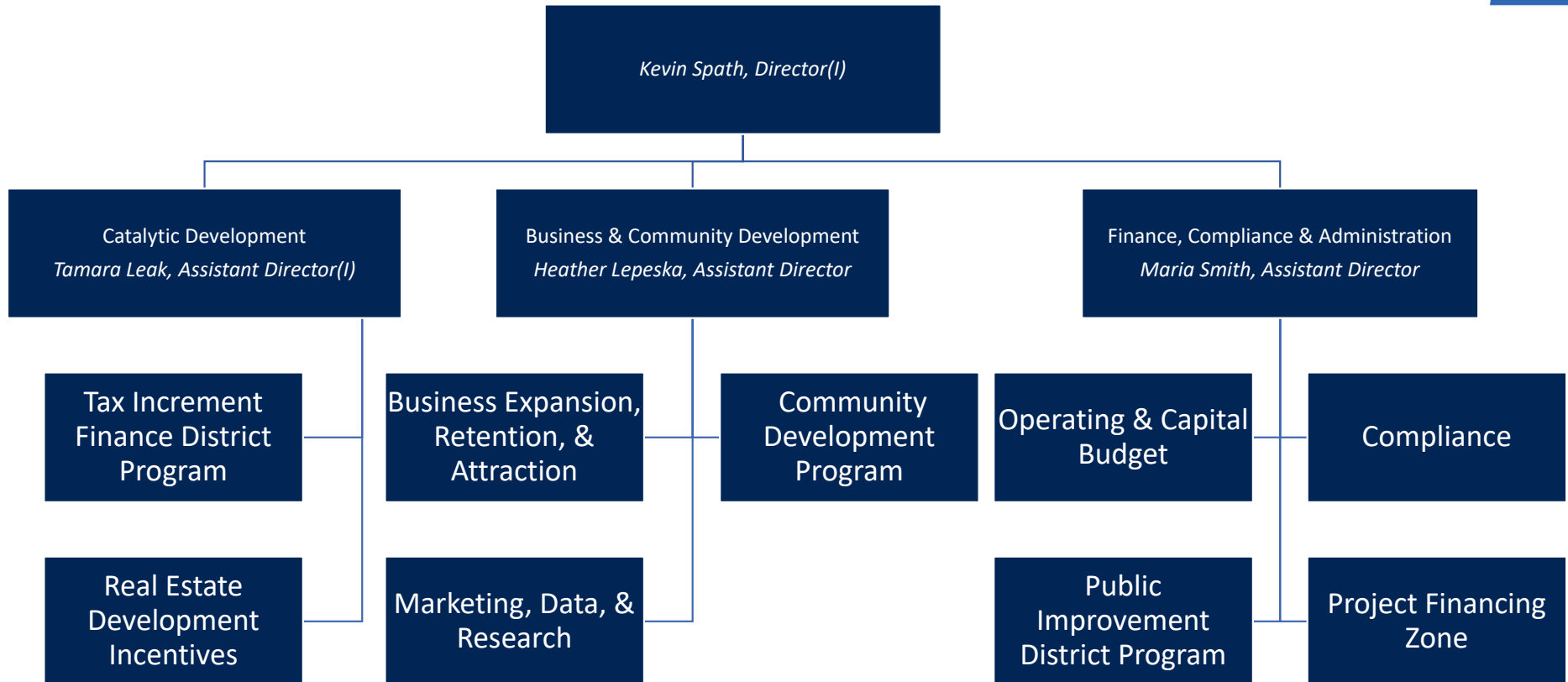
Role of the Office / Fact Sheet



- Mission
 - Promote Dallas as a diverse, equitable, and globally competitive business destination that fosters economic opportunities for all areas of the City.
- Department Goals
 - Continue to advance equitable economic development policy priorities specified in City's Economic Development Policy and Incentive Policy
 - Continue to implement and refine new incentive tools such as Infrastructure Investment Fund, Predevelopment Assistance Fund, and Chapter 373 Community Development Program
 - Continue to support the City's Economic Development Corporation (EDC) as identified in the Economic Development Policy, as it hires staff and begins its work



Organizational Chart



Total Budget – All Funds



Service	FY 2023-24 Budget	FY 2024-25 Planned ⁴
General Fund	\$ 3,679,042	\$ 3,863,502
Grant Funds	0	0
Trust & Other Funds ¹	54,189,780 ²	60,001,235 ³
Total	\$ 57,868,822	\$ 63,864,737

¹ Includes PID funding which is a passthrough account, with funds disbursed to each PID management entity

² Consists of \$47,422,223 in PID funding, \$5,987,810 in Infrastructure Investment Fund, & \$779,747 in Sales Tax Agreement Fund

³ Consists of \$50,333,496 in PID funding, \$5,987,810 in Infrastructure Investment Fund, & \$582,295 in Sales Tax Agreement Fund

⁴ The FY 2024-25 Planned Budget includes a zero-dollar resource reallocation request to purchase OED's first fleet vehicle



Positions Overview



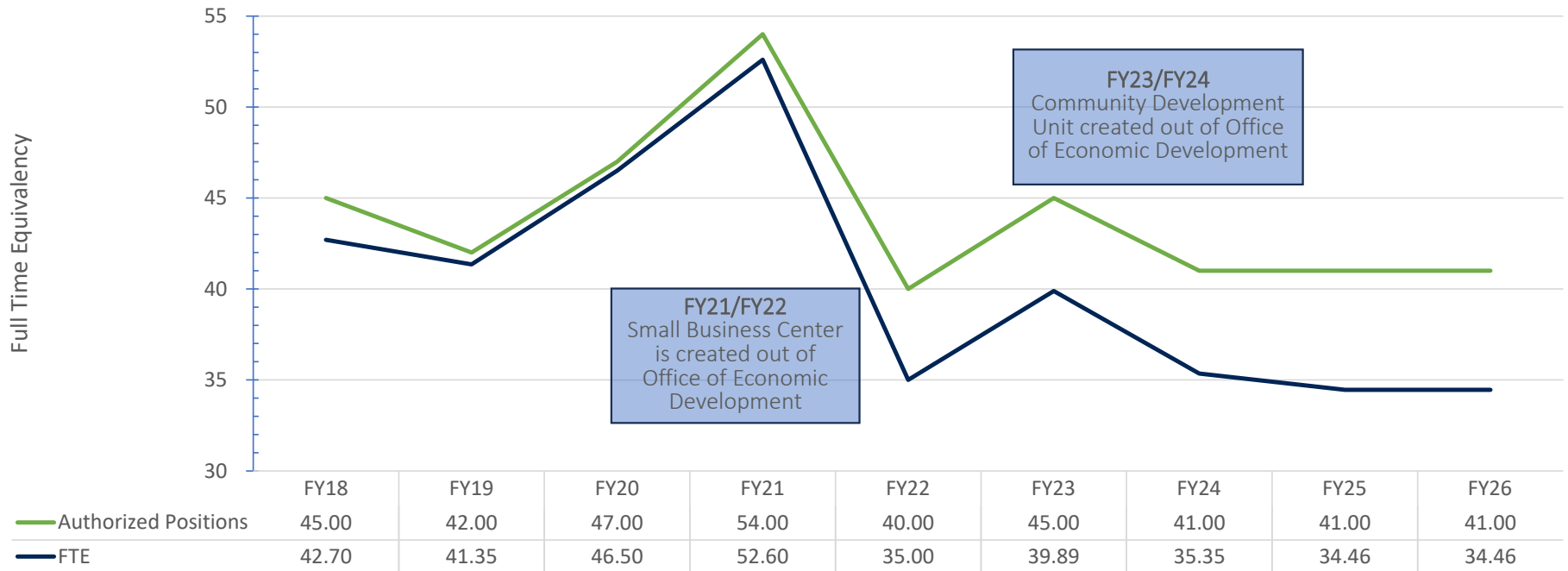
Positions	FY 2023-24 Budget	FY 2024-25 Planned	Change
General Fund	41	40	1
Grant, Trust, and Other Funds	0	0	0
Total	41	40	1



Position Overview



ECO FTEs & Positions (FY 2018-FY 2026)



Budget Summary by Service



Service	FY 2022-23 Actual	FY 2023-24 Adopted Budget*	FY 2023-24 Forecast**	FY 2024-25 Planned Budget
Finance & Administration	\$ 0	\$ 1,337,393	\$1,380,474	\$ 1,381,146
Business & Community Development	1,633,702	1,405,601	1,214,994	1,479,055
Catalytic Development	1,646,491	586,637	739,529	624,611
Performance Monitoring & Compliance	739,008	349,411	269,414	378,690
Expense Total	\$ 4,019,201	\$ 3,679,042	\$3,604,411	\$ 3,863,502

*Reduction of \$340,000 due to the transfer of six Community Development Unit positions

**January 2024 Forecast



Operating Expense and Revenue



Category	FY 2022-23 Actual	FY 2023-24 Adopted Budget	FY 2023-24 Forecast*	FY 2024-25 Planned Budget
Personnel Services	\$ 4,091,100	\$ 4,313,735	\$ 4,239,104	\$ 4,471,957
Supplies - Materials	13,266	31,723	31,723	31,612
Contractual – Other Services	1,566,124	1,161,916	1,161,916	1,188,265
Capital Outlay	0	0	0	0
Reimbursements	(1,651,289)	(1,828,332)	(1,828,332)	(1,828,332)
Department Expense Total	\$ 4,019,201	\$ 3,679,042	\$ 3,604,411	\$ 3,863,502
Department Revenue Total ¹	\$ 55,016	\$ 30,000	\$ 30,000	\$ 30,000

*January 2024 Forecast

¹The Office of Economic Development generates revenue from application fees for PID renewals and new creations, which vary based on the terms of existing PIDs



Performance Measures



Measure	FY 2022-23 Actual ¹	FY 2023-24 Target	FY 2023-24 Forecast*	FY 2024-25 Target
Dollars in capital investment fostered through written commitment	\$215.55 M	\$250.00 M	\$287.00 M	\$250.00 M
Number of business outreach activities/contacts (Business Development and Catalytic Development divisions)	437	240	315	240
Three-year rolling average number of jobs created or retained through written commitment	3,485 ¹	2,500	3,067	2,500
Percentage of attracted private investment documented by contract that occurs in Target Areas (New in FY 23-24)	N/A	40.0%	47.7%	40.0%
Three-year rolling average number of minimum wage required jobs indexed to the MIT Living Wage Calculator (of total commitment for jobs to be created/retained)	1,908 ²	1,500	1,500	1,500

*FY 2023-24 – 1Qtr Report

¹Original incorrectly captured figure is 725, corrected to true figure

²Original incorrectly captured figure is 630, corrected to true figure





Summary of Services, Programs and Activities

Summary of Services, Programs, and Activities



Catalytic Development

- Tax Increment Finance District (TIF) Program
- Real Estate Development Incentives

Business & Community Development

- Business Expansion, Retention, and Attraction
- Community Development Program
- Marketing, Data, and Research

Finance, Compliance & Administration

- Operating & Capital Budget
- Executive Oversight & Administrative Support
- Compliance
- Public Improvement District (PID) Program
- Project Financing Zone (PFZ)



Summary of Services, Programs, and Activities



Last fiscal year, the City approved economic development incentives with a total estimated value of almost **\$200 million**.

This investment leveraged commitments from third parties for **\$1.4 billion in new capital investment** and is anticipated to lead to the **creation or retention of 8,184 jobs**.





Catalytic Development

major activities

- facilitate **real estate development projects** that would not occur without City incentives
- lead implementation of large **catalytic development areas** on behalf of the City (e.g. Hensley Field, International District, University Hills/UNT-Dallas, transit-oriented development at DART light rail stations)
- manage the City's 18 active **Tax Increment Financing (TIF)** Districts



Catalytic Development



Recent Accomplishment Gateway Oak Cliff mixed-income project (400 S. Beckley)

- \$47 million development of 226 total units, of which 184 (80%) affordable at/below 60% AMFI
- 4% LIHTC + bond
- \$4,245,432 gap funding incentive from Oak Cliff Gateway TIF District
- Development agreement authorized by City Council in June 2021
- Construction nearing completion



Carleton Companies

Gateway Oak Cliff

Print #230614019

Date: 06/14/23

Lat/Lon: 32.742692 -96.821827

Order No. 75874

 Aerial Photography, Inc. 954-568-0484



Catalytic Development



Recent Accomplishment Tom Thumb at RedBird

- Approx \$20 million new 50,000 sq ft full-service grocery store in food desert
- Economic development incentive agreement with Randall's Food & Drugs LP authorized by City Council in April 2023 (\$5.2 million grant; \$600,000 sales tax grant; business personal property tax abatement 5 years/75%)
- Minimum required job creation: 90 (95 after Year 1)
- Minimum required local hiring: 40%
- Minimum required investment: \$17 million
- Minimum required gross sales: \$13 million (\$15 million after Year 1)

Tom Thumb



Catalytic Development



Recent Accomplishment

H MART Redevelopment Project (2534 Royal Lane)

- Approx \$28 million redevelopment of existing 143,200 sq ft vacant building on 7.6-acre site, including 74,300 sq ft H MART supermarket ("Store") on the first floor; 47,300 sq ft of retail space on the first floor; and approximately 16,500 sq ft of office space on the second floor
- Economic development incentive agreement authorized by City Council in June 2023 (\$2.5 million grant; \$1 million sales tax grant; real property tax abatement 10 years/90%)
- Required workforce/education partnership with Dallas College
- Local hiring goal: 40%
- M/WBE participation goal in construction: 40%
- Minimum required investment: \$20 million
- Minimum required gross sales: \$17 million (\$20 million after Year 1)



Catalytic Development



Recent Accomplishment

Bridge Labs Project at Pegasus Park

- Approx \$100 million development, including full renovation of an existing building (74,082 sq ft), demolition of an adjacent existing building (22,237 sq ft), and ground-up construction of a new two-story building (61,432 sq ft) to deliver approximately 135,000 sq ft of new life science/biotech laboratories and associated facilities
- Economic development incentive agreement authorized by City Council in June 2023 (\$3.0 million grant; real property tax abatement 10 years/90% in Years 1-7 and 70% in Years 8-10)
- M/WBE participation goal in construction: 40%
- Minimum required investment: \$70 million





Business Development

major activities

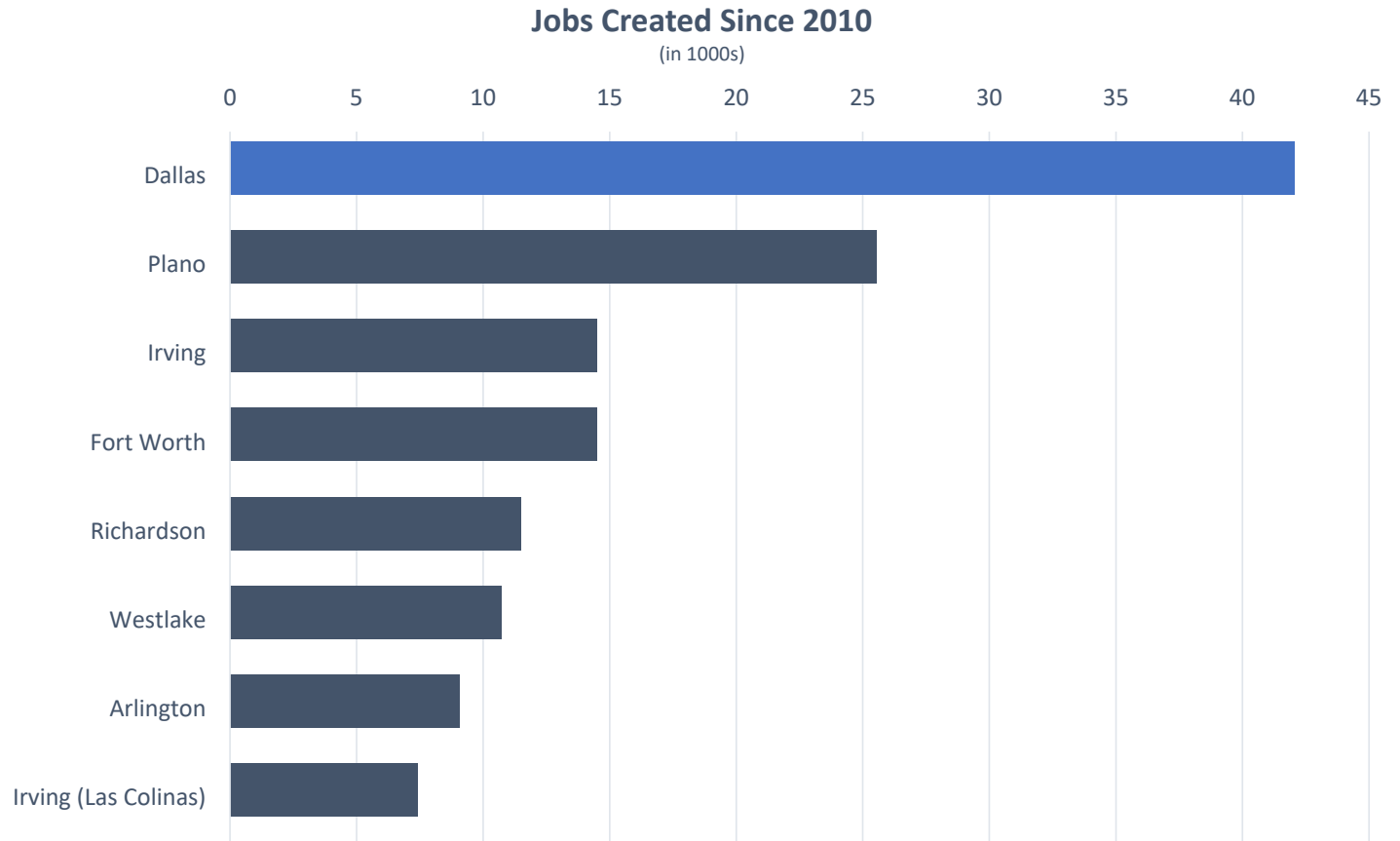
- **business attraction/recruitment and business retention** activities aimed at creating living wage jobs and expanding the tax base
- respond to **350+ annual requests for information** from companies, site selectors, chambers, Office of the Governor, and other inquirers
- **represent the City** at industry events
- negotiate **business development incentives** and oversee projects through City Council action, agreement execution, and compliance
- manage department's **website, press releases, data analysis (including GIS), research, and marketing** collateral
- support and coordination with the Economic Development Corporation



Business Development



With more than **42,000** jobs created, **Dallas leads DFW** in jobs created since 2010 as tracked by the Dallas Regional Chamber.



Business Development



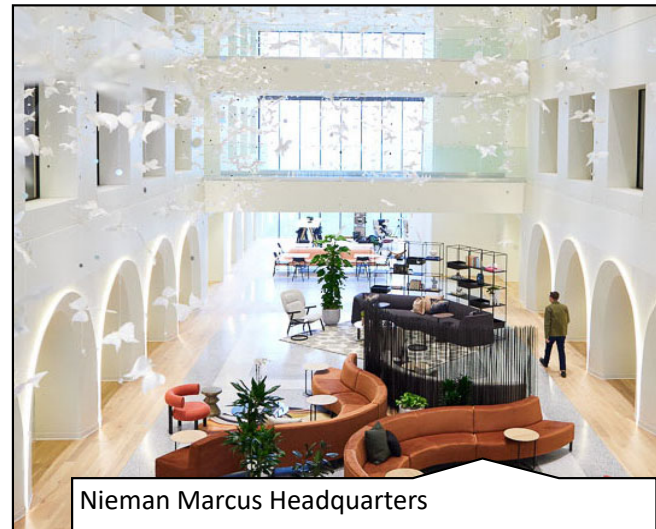
Recent accomplishment

City Council-approved incentive projects include attraction of the Goldman Sachs NorthEnd redevelopment and retention of the Neiman Marcus headquarters



NorthEnd Redevelopment

- 5,000 jobs created or retained
- \$390 M required investment for building by Hunt
- \$90 M required investment by Goldman Sachs



Neiman Marcus Headquarters

- 1100 jobs retained, 300 jobs to be created
- Approximately \$17 million in improvements to Cityplace Office tower



Community Development



major activities

- Incentivize **community development and neighborhood revitalization** projects in accordance with Chapter 373 and Chapter 380 of the Texas Local Government Code and City's Community Development Program
- Oversee the City's **New Markets Tax Credit Program** and the program's oversight entity, the Dallas Development Fund
- Oversee the **Predevelopment Assistance Fund**, a flexible early funding resource for M/WBE and community developers
- Manage implementation of the **Economic Development Policy** approved by City Council in January 2023



Community Development



- **NEW MARKETS TAX CREDITS:** Dallas Development Fund received \$55 million in allocation in most recent funding cycle bringing total allocation amount to \$240 million since program inception in 2009
- **COMMUNITY DEVELOPMENT:** project incentives recently approved/in progress include Bonton Health and Wellness Center and Southfair CDC's Malcolm's Point



Vogel Alcove at RedBird

Buildout of a new 15,000 SF childcare facility serving 134 children and their families



Behind Every Door

Will serve more than 3,000 youth, adults, and seniors annually with a broad array of services



Bonton Health & Wellness Center

11,000 SQFT to provide health and financial services, plus community and office space



Malcolm's Point

12000 sq ft of new office and retail space on Al Lipscomb Way



Finance, Compliance, and Administration



major activities

- **Finance**

- develops **operating and capital budget** development and monitors of all funding sources
- performs **TIF Program accounting** (payback schedules; annual billing; financials for annual reporting)
- **processes assessment disbursements to PID entities**
- manages **project financing zone (PFZ) for KBHCC**

- **Compliance**

- conducts **on-site monitoring** reviews of TIF Program development projects with **mixed-income housing** requirements

- **Public Improvement Districts (PIDs)**

- manages the City's PID Program and administers 14 PID management agreements



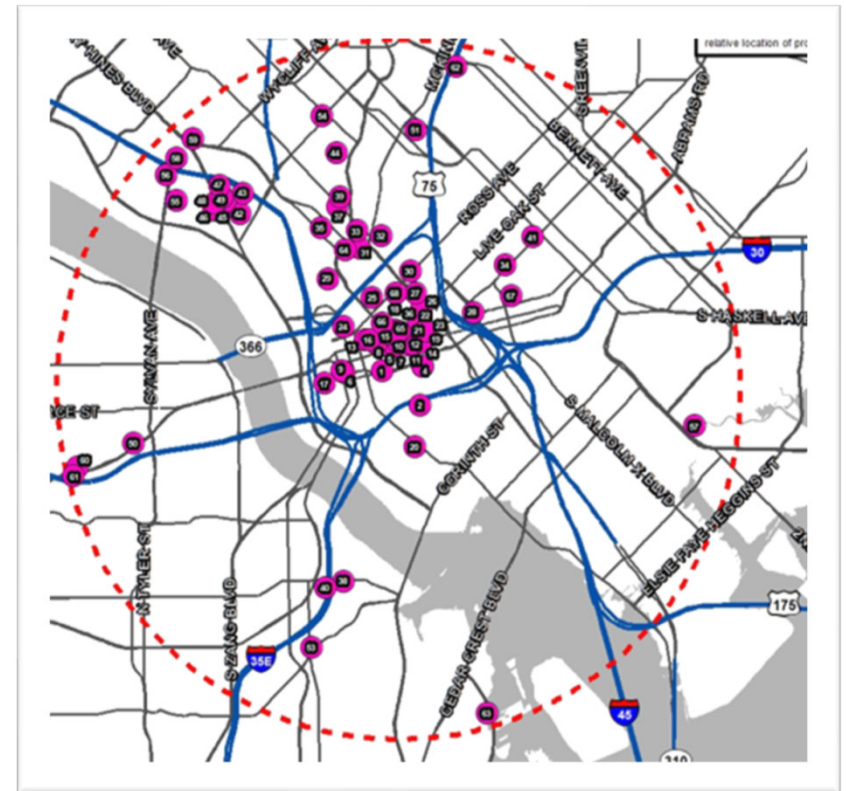
Finance, Compliance, and Administration



Recent Accomplishment

PROJECT FINANCING ZONE (PFZ):

- responsible for establishing policies and procedures to manage the new PFZ, a state funding tool authorized by City Council in October 2021 to support implementation of the Kay Bailey Hutchison Convention Center redevelopment.
- zone covers a 3-mile radius from KBHCC and includes 65 hotels and their respective, on-site businesses
- zone is estimated to collect \$2.2 billion in state increment over the next 30 years



Finance, Compliance, and Administration



Recent Accomplishment

PID “Good Governance” Policy Enhancements

- January 2023: City Council authorized amendments to City’s PID Policy to incorporate “good governance” standards of business conduct for PID management entities, including requirements for disclosure and recusal when conflicts of interest arise. Amendments also included new transparency requirements, including posting of board information and meeting minutes online.



Expansion of Compliance activities

- May 2022: assumed responsibility from Housing Department for monitoring mixed-income requirements in 25 TIF-funded development projects





Update on Budget Initiatives



Update on Budget Initiatives/Major Budget Items

In FY 23-24 budget, Office of Economic Development had 2 “major budget items”

- Transfer 2 economic development Analyst positions and 3 economic development Manager positions (5 FTEs) to City Manager's Office for establishment of the Community Development unit **(Update: completed)**
- Add 1 economic development Manager (International Business Development) to focus on international business outreach activities to promote the City as a global location for new or expanding businesses, the retention of international businesses already located in the City, and the strengthening of the City's relationship with site selectors, developers, and international business development partners **(Update: position was posted twice between January and May 2024; interviews of shortlisted applicants will occur in June)**





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