

Memorandum



DATE May 1, 2020

TO The Honorable Members of the Economic Development Committee:
Tennell Atkins, (Chair), David Blewett, (Vice-Chair), Jennifer Staubach Gates,
Adam McGough, Omar Narvaez, Jaime Resendez, Chad West

SUBJECT **Incentive Agreement Extension**

On May 13, 2020 City Council will be asked to consider authorizing (i) extensions of up to six months, subject to approval of the Director of the Office of Economic Development (“Director”), for city-imposed contractual deadlines occurring on or after March 1, 2020 for active incentive agreements approved by the City Council prior to March 1, 2020; (ii) an additional extension of up to six months, subject to approval of the Director, for such active incentive agreements; and (iii) forbearance of loan payments and extension of loan maturity dates for a period of up to six months, subject to approval of the Director, due to the economic impact of COVID-19.

Summary

To support businesses and development projects impacted by COVID-19, and in acknowledgement of the economic impact caused by the virus, staff is requesting that the Director be authorized to approve extensions up to six months for all city-imposed deadlines in any active economic development incentive agreement approved by the City Council on or before March 1, 2020, regardless of whether the agreement has been executed or not by the parties. These agreements include, but are not limited to, tax increment financing development agreements, Chapter 380 loan and grant agreements, tax abatement agreements, small business loans, workforce development agreements, and any other agreement whereby the City of Dallas agreed to provide incentives or financial assistance to an external party through the Office of Economic Development. If the awardee demonstrates need for an additional extension after expiration of the period described above, an additional extension of up to six months may be granted upon approval of the Director, in his or her sole discretion.

The extension of deadlines in any incentive agreement is not automatic. Incentive awardees must request such extensions in accordance with the notice requirements of each incentive agreement, and the approval of and terms of any extension shall be determined by the Director. The extensions discussed above shall be in addition to any extensions already provided for in any active economic development incentive agreement.

Additionally, City Council will be asked to authorize forbearance of loan payments owed to the City of Dallas for up to six months, with an extension of the loan agreement maturity date for the same time period. The intent of such forbearance is to act as a pause of the loan, and not to accrue interest, fees, or penalties during such pause. The paused payments will be

Extension of Deadlines for Incentive Agreements

May 1, 2020

Page 2

added to the end of the extended loan term. The forbearance and extension of any loan is not automatic. Borrowers must request such amendments in accordance with the notice requirements of each loan agreement, and the approval of and terms of any forbearance and extension shall be determined by the Director.

Financing

No Cost Consideration to the City for this request.

Coordination

No coordination consideration required for this request.

Recommendation

Staff recommends approval of an item authorizing extensions of up to six months, subject to approval of the Director, for city-imposed contractual deadlines occurring on or after March 1, 2020 for active incentive agreements approved by the City Council prior to March 1, 2020; and an additional extension of up to six months, subject to approval of the Director for such active incentive agreements; and forbearance of loan payments and extension of loan maturity dates for a period of up to six months, subject to approval of the Director, due to the economic impact of COVID-19.

Should you have any questions, please contact Courtney Pogue at (214) 670- 0170



Dr. Eric Anthony Johnson
Chief of Economic Development & Neighborhood Services

c: Honorable Mayor and City Council
T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark S. Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors