

Memorandum



CITY OF DALLAS

DATE April 2, 2021

TO 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 **Economic Development Policy and Economic Development Entity**

In 2019 AngelouEconomics completed the City of Dallas Economic Development Strategic Plan. Staff identified the first two actions in response to that plan as the development of an economic development policy and the creation of an economic development entity. TIP Strategies was engaged by the Office of Economic Development to assist with these two actions.

On April 5, 2021, you will be briefed on the proposed Economic Development Policy (attached as **Exhibit A**) and recommendations related to the formation of a new Economic Development Entity (attached as **Exhibit B**).

Please provide any feedback to the policy or entity recommendations to me by Friday, April 16. We would like to move the policy and entity recommendations forward for consideration on the April 28 City Council agenda.

Should you have any questions, please contact me or Robin Bentley, Interim Director, Office of Economic Development at 214-671-9942.



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 Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor 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
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

**CITY OF DALLAS ECONOMIC DEVELOPMENT POLICY:
ECONOMIC GROWTH AND SOCIAL PROGRESS FOR ALL**



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There is an abundance of opportunities in the City of Dallas to lead North Texas in becoming an equitable, sustainable, and even more prosperous region. As the ninth-largest city in the nation, Dallas is home to more than 1.3 million residents. The region is rapidly growing, with more than 7.5+ million people.¹ A business-friendly environment and competitive location, North Texas is one of the world's busiest transportation hubs. It is also home to headquarters of almost two dozen Fortune 500 companies.² Anchored by strong network of higher education and healthcare institutions, Dallas is a national leader in healthcare, technology, financial services, defense, and transportation industries. Furthermore, the city is made up of richly diverse and growing communities which provides with a significant competitive advantage.

Despite these advantages, Dallas needs to proactively evolve in order to thrive and remain competitive in a global market. Globally, cities vie for residents, investment, and ideas, facing competition from neighbors and from around the world. Economic development in Dallas will be successful only if there is an exhaustive approach that meets the needs of businesses large and small, while simultaneously fostering job creation, attraction, retention, and workforce development at every level of the economy. Dallas could also improve its support to grow small businesses and entrepreneurship, and existing industries, as well as provide equitable economic pathways for all its residents.

Levels of job growth, living wages, and affordable housing must meet increasing need. Traditionally underserved neighborhoods should have direct access to equitable services to improve quality of life and create sustainable community vitality. Communities should have access to job opportunities within their reach. Currently, an unsustainable auto-centric environment, where more than 90% commute to work via car, which hinders access to jobs and housing for residents unable to get to hubs Downtown. Dallas must fervently pursue solutions that aid communities in becoming whole and foster an environment for residents to achieve their full social and economic potential. Without these fundamentals Dallas will not achieve its potential to realize the full strength of a tax base that supports the comprehensive health, quality of life, educational, and social outcomes that make Dallas a truly leading global city.

The City must also face, head on, the inequities that have created a racial wealth chasm. This is most tangibly seen in the underinvestment and outcome disparities in Southern Dallas. A stark divide separates North and Southern Dallas. Southern Dallas encompasses only 15% of the tax base but encompasses 45% of the population, Southern Dallas has just 15% of the tax base. Due to the impacts of discriminatory policies, Redlining and disinvestment have negatively impacted and stifled prosperity and vitality in Southern Dallas. Southern Dallas communities have a lower median household income, worse health outcomes, and in the wake of the COVID-19 pandemic, some of the highest rates of infection. Looking at this divide, the correlation of this disparity is tied to race and place. Black households earn less than half in income than white households.³ Nearly half of Black and Latinx renters are rent burdened, and 35% of Black residents and 28% of Latinx residents have zero net worth, compared to 15% for white

¹ U.S. CENSUS BUREAU (2019). AMERICAN COMMUNITY SURVEY 1-YEAR ESTIMATES.

² CITY OF DALLAS ECONOMIC DEVELOPMENT. CITY OF DALLAS ECONOMIC PROFILE 2019. ACCESSED AT [HTTPS://WWW.DALLASECODEV.ORG/DOCUMENTCENTER/VIEW/2715/2019-DALLAS-SUMMARY](https://www.dallascodev.org/documentcenter/view/2715/2019-DALLAS-SUMMARY).

³ U.S. CENSUS BUREAU (2017). AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES.

residents.⁴⁵ According to a 2016 report by the Urban Institute, Dallas ranked a striking 272 out of 274 cities on inclusion.⁶ Closing the racial equity divide is a moral mandate. It is also an economic mandate: moral and economic according to the National Equity Atlas, Dallas is losing \$115 billion in GDP because of its disparities.⁷

Understanding the inherent challenges and immediate opportunities, the City of Dallas can design an inclusive and prosperous vision for Dallas' future. We can commit to and be held accountable to achieving success in economic development, housing and redevelopment efforts.

- **Mission.** To grow and diversify the Dallas economy in ways to create wealth and job opportunities for all residents. This can be achieved by prioritizing Southern Dallas and communities of color for whom structural disparities have hindered opportunity. The path includes attracting and strengthening businesses, building, and preserving communities, and repairing historic disparities in neighborhood investments, the built environment, and access to housing, employment, and social services.
- **Vision.** Dallas will be an inclusive, equitable, prosperous, and sustainable city that offers direct access and greater quality of life for all residents. Recognizing the interdependence of its economy, social fabric, and environment, the City of Dallas will create a path for high quality jobs through incentives and economic development tools. It will pursue diverse housing for residents, including essential workers. It will pursue advanced multi-modal transportation and resilient infrastructure. It will develop processes to promote a responsive and financially sustainable government agency. Finally, it will foster vibrant cultural, recreational, and historic amenities. Its policies will be designed to right past wrongs and plan for future generations.

In conclusion, the foundation for a strong economy for all, is inclusive of its residents, promoting and putting into action real solutions for communities to thrive. A healthy economy supports the creation of living wage jobs for a growing and increasingly diverse population. It supports a growing tax base for public services, and improves health, quality of life and educational outcomes. People with stable jobs and reliable incomes have the resources to meet their basic needs. This has positive physical and mental health effects on residents and in turn effects the contributions they make to their community.

Realigning the City of Dallas' economic development priorities is crucial to future equitable growth. There are several guiding principles that shape our course. An explicit commitment to correcting the disparities that obstruct the long-term economic potential of the city, with a focus on new land development and investment approaches south of Interstate 30. An understanding that local innovation and neighborhood-level interventions – including small business support –

⁴ NATIONAL EQUITY ATLAS (2015). ADVANCING WORKFORCE EQUITY IN DALLAS AND COLLIN COUNTIES A BLUEPRINT FOR ACTION.

⁵ PROSPERITY NOW (2016). RACIAL WEALTH DIVIDE IN DALLAS.

⁶ CHRISTINA STACY ET AL. URBAN INSTITUTE. MEASURING INCLUSION IN AMERICA'S CITIES. ACCESSED 12/17/2020 AT [HTTPS://APPS.URBAN.ORG/FEATURES/INCLUSION/INDEX.HTML?CITY=DALLAS_TX](https://apps.urban.org/features/inclusion/index.html?city=dallas_tx).

⁷ NATIONAL EQUITY ATLAS (2015). ADVANCING WORKFORCE EQUITY IN DALLAS AND COLLIN COUNTIES A BLUEPRINT FOR ACTION.

will be key to positioning Dallas as a significant part of the global economy. A long-term outlook, reckoning with issues of sustainability and resilience, that protects Dallas for future generations. And finally, a government that is accountable to carry out this work. Thus, this document outlines intentional actions that will:

1. Spur **economic vitality**.
2. Promote **community sustainability**.
3. Create conditions for **smart growth and sustainable development**.
4. Deliver **responsive governance**.

- **OBJECTIVE: THE MOST IMPROVED INCLUSIVE AND EQUITABLE BIG CITY IN AMERICA**
- AN ESTABLISHED ECONOMIC AND REDEVELOPMENT ENTITY CAPABLE OF SUPPORTING ECONOMIC GROWTH AT THE SPEED OF THE MARKET
- INCREASE LABOR FORCE PARTICIPATION TO GROW TOTAL EMPLOYMENT TO AN ADDITIONAL 100,000 JOBS BY 2032
- ONE HUNDRED PERCENT (100%) OF JOBS CREATED AS A RESULT OF CITY INCENTIVE WILL PAY LIVING WAGES, DEFINED AS SUFFICIENT TO MEET MINIMUM LOCAL STANDARD OF LIVING
- TOP FIVE AMONG CITIES WITH POPULATION OVER 1 MILLION FOR CORPORATE RELOCATIONS, BUSINESS STARTUP AND VISITOR ATTRACTION
- ALIGN WORKFORCE TRAINING WITH EMERGING AND STABLE JOB SECTORS TO ATTRACT KEY INDUSTRIES TO DALLAS
- EXPAND STARTUP COMPANIES BY 15% ANNUALLY RELATIVE TO THE PREVIOUS YEAR
- INCREASE MINORITY BUSINESS GROWTH BY 40% ANNUALLY THROUGH NEW BUSINESS CAPACITY BUILDING AND STARTUP
- INCREASE HOMEGROWN BUSINESS GROWTH BY 15% ANNUALLY
- INCREASE ANNUAL CITY SALES AND PROPERTY TAX REVENUE EACH YEAR BY 4%
- INCREASE THE PROPERTY TAX BASE IN SOUTHERN DALLAS BY 50%
- BUILD MINIMUM OF 3,264 WORKFORCE HOUSING UNITS ANNUALLY DEFINED AS HOUSING RANGING FROM 30% AREA MEDIAN INCOME (AMI) TO 80% AMI
- ELIMINATE ALL ZONING AND LAND USE IMPEDIMENTS WHICH RESTRICT ECONOMIC GROWTH AND MOBILITY
- FOSTER WALKABLE COMMUNITIES BY INCREASING TRANSIT ORIENTED DEVELOPMENT AS A PART OF CITY SPONSORED NEIGHBORHOOD REVITALIZATION EFFORTS AND BY GREATER MIXING OF LAND USES AND GEOGRAPHICAL DISPERSION OF ECONOMIC OPPORTUNITIES

- INCREASE EQUITY SCORE ON INCLUSIVITY RANKINGS BY 10% EACH YEAR FOR THE NEXT 10 YEARS
- REDUCE HOUSING BURDEN BY 40% OVER TEN YEARS BY INCREASING DIVERSE HOUSING OPTIONS THAT MATCH WAGES FOR WORKERS IN DALLAS AND DEFINED AS HOUSEHOLDS PAYING NO MORE THAN 30% OF THEIR INCOME TOWARD HOUSING
- 100% OF ALL FAMILIES HAVE ACCESS TO BROADBAND REGARDLESS OF ABILITY TO PAY BY 2032
- CLOSE RACIAL WEALTH GAP BY 10% EACH YEAR AS MEASURED BY INCREASED INCOME, INCREASED HOMEOWNERSHIP RATE AND NEW BUSINESS CREATION

The foundation of this economic development policy was drafted on the basis of developing a shared vision and a set of actionable policies in alignment across economic development, housing, planning and sustainable development in coordination with other city departments and community partners. In this context, the implementation of the policy leans one alignment. More specifically, the policy focuses on several key factors:

1. A comprehensive approach to economic development which fosters inclusive economic growth for both businesses and residents that call Dallas home.
2. The City of Dallas resources are limited. Doing more with less requires alignment designed to achieve unthinkable results in challenging times.
3. The economic growth of the city is not the singular responsibility of the City of Dallas. It requires collective community action.
4. The major goals and metrics are developed as a baseline to provide the framework to align, track and measure performance against the policy goals on an annual basis.
5. The establishment of an economic development corporation (EDC) to support the city in its ability to act quickly, market the city, buy, hold and sell land, foster public private partnerships and create a community-benefits-agreements with business and industry.

The goals and metrics of the policy apply to a 10-year period with annual action plans, annual reporting and a transparent dashboard communicating progress toward policy goals. More importantly, the policy is supported by an evaluation matrix designed to support decision making in alignment with overall policy goals.

In addition to describing progress on the policy's goals, the dashboard and annual report is an opportunity to share new challenges and to make recommendations for adjustments to the policy that address issues as they arise. In this way, the policy can be adapted to align with a changing environment, ensuring long-term efficacy for the city of Dallas.

The overarching theme of the policy is to promote an environment that is conducive to creating, attracting, retaining, and nurturing businesses that support inclusive prosperity and equitable access to employment and housing opportunities for all Dallas residents. This is accomplished by emphasizing the following principles in our efforts:

1. Establish a development entity capable of marketing development opportunities and creating public-private partnerships to support economic growth and development.
2. Apply an equity lens to economic development decision making.
3. Pursue non-traditional sources of funding.

4. Create, attract, expand, and retain businesses or industries that pay a living wage.⁸
5. Stimulate entrepreneurship, small businesses, and startup growth.
6. Promote a range of housing options for the city's workforce.
7. Ensure that zoning and land use supports inclusive growth.
8. Strategically invest in economic growth below I-30, south of the Trinity River, and in historically underserved communities in Dallas.
9. Encourage innovation and commercialization of technologies, products, and services.
10. Maintain and enhancing the physical character of neighborhoods by ensuring that best practices in design and placemaking are incorporated into economic development efforts.
11. Enhance community outreach, engagement and communication.
12. Create walkable communities with varying transportation and employment options.
13. Provide a competitive supply of development-ready sites to meet demand for employment and housing growth.
14. Ensure predictable and efficient building, permitting, and historic preservation processes.

The following outlines proposed commitments to goals, actions, responsibilities, and metrics to hold the City accountable. Meant to be flexible and adaptable, actions can be updated annually and account for the intrinsic linkages between economic development, housing, urban planning, infrastructure, workforce development, and small business support.

In addition, they draw from current and past planning efforts, including the Office of Economic Development's Strategic Plan, forwardDallas! Comprehensive Plan (update forthcoming), Neighborhood Plus: Neighborhood Revitalization Plan for Dallas, Comprehensive Housing Policy (as revised), Comprehensive Environmental and Climate Action Plan, and Connect Dallas (*currently under development*).

Carrying out these actions requires authority and long-term capacity. It will also require proactive public-private partnerships with non-profit organizations, education and healthcare anchor institutions, private corporations, and residents. The city must mandate capacity and create a structure for accountability and external partner collaboration. Coordination and fluid communication across city departments is vital to successfully implement this Economic Development Policy.

Mechanisms could include carving out additional resources and revenue, exploring creative funding and financing tools outside of TIF, abatements, bonds. Initiating, assembling, and

⁸ Currently, the living wage for a single adult without children in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area is \$12.19 an hour. (Living Wage Calculator. Massachusetts Institute of Technology. <https://livingwage.mit.edu/metros/19100>. Accessed January 31, 2021.)

managing development strategies in underserved communities, and a high-capacity, proactive entity can lead the transformative change needed in Dallas's economic development approach.

In the absence of safe neighborhoods and strong resident engagement, economic growth cannot thrive. Thus, creating a deliberate intersection between economic development and public safety is integral to sustainable and progressive economic and social growth. This include addressing factors that contribute to crime (code enforcement, sanitation, blight, public nuisance, property decline, etc.). It is incumbent to target resources and identify measures for intersecting these components.

Implementing the actions described in the policy requires alignment to ensure the city provides the context to increase chances of being successful. As such, the policy is recommending a one-year transition period to allow staff and community stakeholders to put in place processes and refine policy elements. Without this transition, the policy may not be effective.

Recommendations include:

- Review and update the city's incentive programs to align with the action items and achieving the metrics described in the policy.
- Refine equity indicators in alignment with policy actions and metrics.
- Redesign/align of city RFPs for housing and economic development projects to support integration of policy actions and metrics.
- Complete the creation of the economic development entity.
- Align/refine housing tools to expand resources to support housing production.
- Review and refine scope of work for the comprehensive plan update to align with addressing smart growth and development and removing of impediments which restrict economic growth in historically underserved areas.
- Establish a streamlined and fluid process for partner engagement and collaboration, including agency, non-profit, and private sector support.
- Develop coordinated strategy to support public safety efforts that holistically address quality of life issues that tie directly into economic growth and social progress.

Additionally, staff will seek approval from City Council to hire an outside consultant to embed within the city to assist with facilitating structuring and activating the recommended process alignment measures. During this one year's transition period staff will be working on transition strategies and shall bring to the appropriate committees any items that may need to be refined to support the implementation of the policy.

Policies & Actions

Economic Vitality

For the city of Dallas, economic vitality is characterized by an economy that is resilient to disruptions, retains wealth within the community, and provides residents with access to economic opportunities such as living wage jobs, attainable housing, and a high quality of life. Ensuring that economic growth is beneficial to everyone in the city regardless of geography, race, or educational attainment, is central to Dallas's long-term advantage as a desirable place to live, work, and invest.

Actions that will further economic vitality include promoting a strong business environment, providing access to workforce development, strategically investing in the untapped economic opportunity in southern Dallas, ensuring a thriving downtown Dallas, and facilitating access to workforce housing in all areas of the city.

Ensure that economic growth is beneficial to everyone regardless of geography, race, or educational attainment is central to Dallas's long-term advantage as a desirable place to live, work, visit, and invest. While Dallas has a strong, business-friendly reputation and is home to some of the largest companies in the country, economic opportunities must continue to grow and, importantly, be shared among all communities.

Achieving long-term economic prosperity requires intentional efforts to stimulate job growth, especially for high-quality and accessible jobs, support small businesses and entrepreneurs from all backgrounds, meet increasingly pressing housing needs across neighborhoods, and strategically invest in Southern Dallas, where disinvestment has hindered economic opportunity.

Dallas will need to utilize and, in some cases, create new multiple levers and tools to make tangible change in delivering economic opportunity. Where existing incentives or strategies fail, the City must review – and reinvent – policies and organizational structures to keep them accountable to these **economic vitality goals**:

- **Support the long-term growth of Dallas as the economic and cultural heart of North Texas.**
 - Grow Dallas labor for by 100,000 jobs and increase share of regional job growth each year by 10%.
 - Build 90,000 new housing units, including 3,264 units of workforce housing each year.
 - Grow small businesses by 50%, and those MWBE-owned by 1.5x.

- 100% of all jobs created as a result of City of Dallas incentives will pay a living wage by 2032, defined as sufficient to meet minimum local standard of living⁹
- Increase Annual city sales and property tax revenue by 4% each year¹⁰
- Increase the property tax base in southern Dallas by 50%¹¹
- 90% of building permits will be approved within two weeks
- Economic opportunity for all Dallas residents will expand by 60 % by 2032 through enhanced transportation mobility, transit-oriented development and aligned workforce development training as defined as all residents have and live in proximity to job growth and institutions that foster job creation
- **Provide quality employment opportunities for residents of all neighborhoods and backgrounds.**
 - 100% of all jobs created as a result of City of Dallas incentives will pay a living wage
 - At least 85% of workforce development program graduates receiving support from the City of Dallas are placed in emerging and stable job sectors related jobs.
 - Reduce household poverty by 50%.
- **Tackle racial inequities in the distribution of wealth and opportunities**
 - Close the racial wealth gap by half by 2032.
 - Remove legacy land uses which contribute to social and economic segregation
 - Double the tax base in Southern Dallas from 15% of the City's total tax base to 30%.
 - Increase disadvantaged, minority, and women-owned business participation in City of Dallas contracts by 30%.
 - Reduce # of families experiencing housing cost burden by 40%, defining households as housing cost-burdened if they spend more than 30% of income on housing.

⁹ The Dallas Thrives report has a 50% living wage employment goal for young adults. Dallas Thrives, Boston Consulting Group. November 2020. <https://static1.squarespace.com/static/5fa88fb791077544fe422314/t/5fa9dfcd4e5ce030c7ee55f3/1604968423861/DallasThrivesReport112020.pdf>

¹⁰ The city projects sales tax to be negatively impacted by COVID (-4.19%) in 2020-2021 but rebound in 2021-2022 by 4.39%. Property tax revenue (despite the rate being reduced) is projected to grow by 5.14% in 2020-2021. City of Dallas Annual Budget Revenue. <https://dallascityhall.com/departments/budget/financialtransparency/AnnualBudget/2021-03-Revenue.pdf>

¹¹ A Plan for Growth in Southern Dallas. City of Dallas. February 15, 2012. http://www3.dallascityhall.com/council_Briefings/Briefings0212/PlanForGrowth_SouthernDallas_021512.pdf

<u>Policy</u>	<u>Actions</u>	<u>Lead</u>
1. Dallas will proactively correct for the past impacts of public and private sector policies and activities on Southern Dallas communities in how it allocates and deploys resources and measures success.		
A. Invest in infrastructure that improves the attractiveness of Southern Dallas to businesses and increases connectivity between jobs and housing.	Develop equity criteria for next COD bond program	Office of Equity & Inclusion (OEI), Bond Office
	Identify priority infrastructure investments via Comp Plan Update and commit to priorities for inclusion in next bond program	Planning & Urban Dev. (PUD), Public Works
	Adjust incentive policies to include consideration of job access, in addition to job creation	Office of Economic Development (OED)
	Identify creative approaches to fund infrastructure	Office of Economic Development (OED)
B. Use public land in Southern Dallas in ways that create living wage jobs and accessible housing while mitigating negative impacts on local communities.	Create EDC with Southern Dallas charge and equity in mission to acquire land, establish partnerships and develop and market Southern Dallas as a location for job growth and development	City Council
	Inventory existing public land and develop public land use strategy for City-owned developable assets	Sustainable Development & Construction
C. Identify & remove all discriminatory zoning and land use polices which historically limited economic mobility and economic growth in Dallas	Via Comp Plan update and in partnership with community stakeholders identify and recommend polices for adjustment	PUD/Community/ City Council
D. Document the historic - and future - impacts of incentives and infrastructure investments on communities of color in Southern Dallas and across the city	Compile existing reports and data	OEI
	Develop and institutionalize equity goals & metrics for all incentive programs	OED/ OEI
	Develop methodology for measuring impacts by geography, race, etc. and recommendations to close racial wealth gap	OEI
E. Partner with private sources of capital - including philanthropic	Convene existing partners and create shared commitment statement & 10-year business	EDC/OED

organizations and financial institutions - through a shared commitment to Southern Dallas investment.	plan/investment strategy for Sothern Dallas including and equity officer as part of the staff for the EDC	
	Create and empower EDC as owner of key partnerships	City Council
F. Develop comprehensive suite of neighborhood preservation policies to apply to neighborhoods identified for significant public investment & incentives.	Review existing policy options and identify gaps	Office of Historic Preservation (OHP)
	Develop package of policies that apply automatically to neighborhoods that meet certain criteria	OHP
G. Redesign incentive structure to attract private investment to Southern Dallas.	Review incentive policies to tie depth of subsidy with geographic focus on Southern Dallas and job creation and improved career paths for existing residents	OED
	Adjust incentive policies to include consideration of job access, in addition to job creation	OED
2. Dallas will build a robust, equitable economy by prioritizing small business growth and expanding well-paying employment opportunities.		
A. Focus resources and access to capital to grow small businesses and support entrepreneurs in high-opportunity areas.	Review land use, occupational licensing rules, licensing, and incentives policies to remove barriers to innovation and research	EDC/OED
	Develop a system to track data related to the creation of new companies being created and exiting the Dallas economy	SDC/COMMUNITY PARTNERS
	Develop a small business resource guide to route startup companies toward on time information and resources available	OED/EDC/COMMUNITY PARTNERS
	Conduct outreach to businesses in underserved communities to understand what resources are	EDC/OED

	necessary to support small businesses	
	Sponsor annual citywide business plan competition to spur creativity and innovation in startup entrepreneurship	OED/EDC/COMMUNITY PARTNERS
	Investigate lending landscape to identify gaps in access to capital and recommendations to expand venture capital attraction through a fund-to-fund capital source	OED/COMMUNITY PARTNERS
B. Support the creation of five business incubators citywide to support business incubation and small business growth	Develop profile of incubator needs, funding strategy, aging commercial corridor acquisition targets and inclusion as a part of city sponsored redevelopment projects.	OED/EDC/COMMUNITY PARTNERS
C. Target business relocation and expansion efforts based on target growth sectors and stable industries in areas of opportunity and strength for Dallas	Develop business/industry engagement strategy to attract and expand corporate, regional and emerging business locations to Dallas.	OED/EDC
D. Require all projects receiving public funds or subsidy to pay a living wage, prioritizing opportunities that increase economic mobility and well-paying jobs not requiring a 4-year degree.	Develop business assistance loans, grants, or tax abatement programs	OED or EDC
	Adjust incentives metrics to account for equity and economic mobility	OED
	Include business attraction/retention in redevelopment strategies to target aging commercial corridors	OED/EDC
E. Negotiate industry commitments and focus business attraction efforts on employers with living wage guarantees.	Adjust incentive policies to support living wages	OED
	Support in partnership private firms negotiated commitments around living wage as part of their hiring efforts	OED/EDC/COMMUNITY PARTNERS/ANCHOR INSTITUTIONS
F. Leverage a diverse range of commercial and industrial development opportunities in all areas	Compile inventory of available commercial and industrial sites	EDC
	Create development plans, site improvements and infrastructure	PUD/EDC

of the city to meet 10-year demand for business growth.	needs, for large-scale opportunities	
	Analyze and improve development review processes to encourage predictability	Sustainable Development & Construction (SDC)
G. Align incentives and partnerships with workforce development goals to spur apprenticeship and employment opportunities aligned with growing job sectors where there is both need and livable wages.	Conduct outreach and collect data to understand employment trends and needs	EDC/ OED
	Establish pipeline partnerships with high schools, Dallas College, workforce development providers and anchor institutions	OED
	Adjust incentive policies to match public funding with workforce goals (e.g. hiring in certain zip codes)	OED
	Determine possibility of using TIF funding for workforce development and education programming; deploy TIF structure if so	OED
3. Dallas will invest in its downtown and neighborhoods to create attractive and inclusive physical spaces reflective of the city's diversity.		
A. Market downtown as both a national and regional business,	Establish metrics and goals around business attraction to Downtown	DDI/EDC/OED

education, lifestyle and tourism destination, as well as an inclusive place belonging to all Dallas residents.	<p>Study perceptions of Downtown Dallas over time, especially among communities of color</p> <p>Enhance marketing efforts to support Dallas as a destination city for conventions, lifestyle center, tourist, films and cultural activities</p> <p>Work with Dallas College and other higher education institutions to establish significant new facilities in downtown Dallas</p>	<p>DDI/OED</p> <p>EDC/DDI/Convention Center/Visit Dallas/OED</p>
B. Invest in public transportation that improves non-car access to Downtown jobs for residents of Southern Dallas.	<p>Identify transportation gaps preventing job access</p> <p>Study possible 21st century modalities: bus rapid transit; shared ride hailing</p>	DART/Transportation Dept. (TD)/ PW
	Explore funding mechanisms to meet gaps; implement promising mechanisms	DART/OED/EDC
C. Incorporate design and placemaking standards into economic development efforts to foster attractive and inclusive physical spaces.	<p>Review development efforts to account for design and placemaking</p> <p>Aim to create more culturally interesting places with diverse uses, diverse daytime populations, and diverse housing types</p>	SDC/PUD/City Council
D. Fostering a sustainable nighttime Dallas economy	<p>Study the economic impact of Dallas nighttime economy</p> <p>Develop strategies to strengthen the economic sustainability of Dallas nighttime economy</p>	OED/EDC/Community Partners

4. Dallas will incentivize the availability of a diverse and affordable range of housing to meet needs across all neighborhoods.		
A. Deliver on growing diverse housing types and affordability levels throughout the city.	Assess equity impacts of Comprehensive Housing Policy & Market Value Analysis (MVA) to-date and identify gaps in implementation and adjust	Housing (HOU)
	Study possibilities for creating new mixed-income housing adjacent to anchor institutions	
	Update affordable housing requirements and subsidy programs to include focus on NOAH and aging LIHTC developments	HOU
	Work closely with higher ed institutions to create housing in proximity to anchor institutions	HOU
	Develop affordable housing development plan for publicly owned transit-adjacent properties	DART/HOU/EDC
B. Expand funding and explore alternate funding sources to maintain and develop affordable and workforce housing.	Identify and pursue non-traditional sources of funding (for example, private capital focused on building mixed income / mixed-use developments, with incentives to include affordable housing units and/or accept housing choice vouchers	HOU/OED/EDC
C. Reform regulatory requirements to encourage affordable housing development and accessibility between affordable housing and jobs.	Conduct a study to review how zoning capacity can meet city's housing need	SDC/HOU/PUD
	Undergo regulatory review to remove barriers to affordable development	SDC/HOU/PUD
	Establish tools beyond HUD programs	
D. Build capacity for community development corporations, CDFIs, other partners to	Convene CDCs, developers, and neighborhood partners to identify needs	EDC/Philanthropy
	Conduct trainings, workshops, and capacity building initiatives	Dallas Development Fund/ CD Intermediaries

expand private housing production in neighborhoods.	Explore funding options to create funding pool for gap financing	OED/EDC
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Supported/Related City of Dallas Plans and Policies

Administrative Directive 4-05 (Contracting Standards & Procedures) Interim

Business Inclusion and Development Policy

Capital Improvement Program

City of Dallas Local Preference Programs

Comprehensive Housing Policy

Convention Center Master Plan (Underway)

Dallas Historic Preservation Program

Dallas Park & Recreation Master Plan

Dallas Resiliency Plan

Dallas Zoning Map

Downtown Dallas 360 Plan

Economic Development Strategic Plan

Forward Dallas Comprehensive Plan (as updated)

Housing Nexus Study (forthcoming)

HUD Five Year Consolidated Plan

Transportation Mobility Plan

Water & Wastewater Capital Improvement Plan

Community Sustainability

Community sustainability plays a vital role in strengthening the resilience of the local economy. Through interwoven connects consisting of both social and economic conditions, creating a climate for citizens and business alike to reach their full potential is vital for the City of Dallas to flourish socially and economically. Investing in an inclusive, creative, multicultural city of complete communities where all people can thrive and feel safe strengthens the resilience and vibrancy of the local economy.

A complete community provides all people easy access to their daily needs while providing a high quality of life. The City's comprehensive plan calls for this type of community, characterized by a mix of housing choices, more housing near job centers, preserving historic structures, maintaining the physical character and built environment of unique areas, and capitalizing on transit opportunities. Dallas is a city of neighborhoods which are strengthened through housing, recreation, and retail opportunities as well as targeted business and industry development, which can provide jobs near housing.

The city's Comprehensive Environmental and Climate Action Plan warns that by 2050, Dallas may have an additional 30-60 days with high temperatures over 100° Fahrenheit. The effects of climate change will affect everyone, but not everyone will be affected equally. Vulnerable populations are most at risk to the impacts of climate change, and there is a role for the city to play in ensuring that economic development investments are made strategically to focus on creating a more resilient future. Examples of mitigating actions include aligning jobs and housing with transportation infrastructure, protecting and enhancing trees and green space, reducing emissions and waste, and improving access to healthy, local food.

Creating complete communities will help to address disparities in access to food and healthy options. The city's equity indicators report gives public health a score of 39.92 out of 100, with the greatest disparities in access to health care, population health, and maternal and child health.¹² Those living in southern Dallas have the least positive health outcomes, including lower life expectancy, higher rates of chronic disease such as diabetes, and less access to amenities that benefit health such as park space that is within walking or driving distance. While economic development will not solve these disparities, targeted investments in communities can make a difference.

Actions within this policy that will promote healthy, thriving communities include creating an inclusive city for all; encouraging a creative, multicultural city; promoting complete communities and connected neighborhoods; and investing in communities to promote safety and economic growth.

¹² City of Dallas. *Dallas Equity Indicators: Measuring Change Toward Greater Equity in Dallas*. Accessed at <https://dallascityhall.com/departments/office-of-equity/DCH%20Documents/equity-indicators-booklet-2019.pdf>.

Dallas strives to be home to strong neighborhoods where residents have access to services, safe and clean environments, diverse arts and recreation, and an array of employment, housing, and transportation options. Through physical, environmental, and infrastructural interventions, aligning neighborhood-level partnerships and programming, and investing in active commercial corridors and vibrant walkable communities, all neighborhoods in Dallas should offer a high quality of life.

However, due to racist redlining policies and underinvestment, not all communities have such ample opportunities. A focus on closing the racial wealth gap and building community ownership must be a priority to building and preserving sustainable communities.

While there is an explicit focus on Southern Dallas in this document due to the concentration of inequities in these neighborhoods, we acknowledge that many neighborhoods outside of Southern Dallas have equally faced discriminative policies. We committed to using the same lens of restorative interventions to prioritize investments across the city. Our **community sustainability goals** are:

- **Every household will have access to broadband.**
- **Improve community perception of their neighborhood by 50%.**
- **Decrease reliance on single-rider automobile trips by 30% by expanding housing development near job centers and transit stops, increasing public transportation usage, and creating shared ride hailing services**
- **Create more complete neighborhoods, where residents have access to transport, employment, commercial corridors, and social services.**

<u>Policy</u>	<u>Actions</u>	<u>Lead</u>
1. Dallas will invest in physical and programmatic infrastructure of its communities to create inclusive, safe, and dynamic neighborhoods.		
A. Align public and private partners to tackle the holistic causes of poverty, at the individual and neighborhood-level.	Convene private and public partners to identify gaps and neighborhood needs	HOU/Office of Homeless Services (OHS)
	Pursue aligned redevelopment initiatives which include police (data), code/blight removal, sanitation, housing, economic development and community partners	EDC/HOU/OED/PD/Community Partners
	Identify and pursue funding opportunities to support programming	HOU/OHS
B. Invest in initiatives to expand broadband access, particularly in underserved neighborhoods.	Conduct/refine study on areas of need for broadband access & citywide broadband plan	OEI/EDC
	Explore bonding mechanisms to provide broadband infrastructure and plan for future bond program accordingly	CFO/OEI/PW
	Develop partnerships for investment in broadband access, including investment in subsidized digital connections and improved digital literacy	OEI/COMMUNITY PARTNERS
C. Remove and mitigate unsafe conditions through consistent code enforcement.	Consult community stakeholders on needs around public safety and implement code compliance process improvements to ensure consistency and equity	Code Compliance (CC)
D. Invest in arts, cultural assets and events that reflect and celebrates the cultural, historic, and other characteristics of the communities in the city and is accessible to all ages and abilities.	Incorporate funding for art into incentive offerings	OED/ Office of Cultural Affairs (OCA)
	Establish partnerships with private entities to fund arts and culture, including community arts events in locations throughout the city	OED/EDC

E. Protect neighborhoods from pollution through environmental remediation and zoning and permitting reconsideration.	Identify sites for environmental clean-up	OED
	Dedicate resources for environmental remediation for sites in Southern Dallas	EDC
	Reconsider zoning and permitting regulations to limit industrial uses in high-need neighborhoods	PUD/SDC
2. Dallas will align planning and investment to promote strong neighborhoods, with housing, recreation, and retail opportunities as well as employment opportunities.		
A. Invest in affordable neighborhood commercial, retail, and office spaces to support a broad range of small business owners.	Identify needs through Comp Plan update	PUD/OED/EDC
	Develop incentive packages to support commercial space buy down program	OED
B. Apply a community-centered urban and environmental design approach to neighborhood planning.	Identify network of community-based design firms	PUD
	Incorporate approaches into Comprehensive Plan and ongoing planning projects	PUD
C. Incentivize and invest public resources in project with mixed land uses and walkable urban form in both existing and new communities.	Update incentives and TIF guidelines with physical requirements for development form and function	OED
	Ensure that zoning provisions promote mixed uses, density, and walkability	SDC
D. Prioritize public financial support for planning and development in areas reasonably contiguous with existing development to avoid premature	Update incentives, TIF/MMD/LGC guidelines, and bond project guidelines to address proximity to existing infrastructure and communities	OED

investment in infrastructure.		
E. Develop centralized tracking and reporting process for all plans commissioned by the City of Dallas, monitoring progress over time, identifying areas of alignment and/or conflict, and transparently communicating with the public.	Inventory existing plans	PUD
	Create dashboard	PUD/Housing/OED/SDC/Historic Preservation
	Assign responsibility and accountability	PUD
3. Dallas will reduce the racial wealth gap by creating new wealth building opportunities for communities of color.		
A. Pilot community cooperatives leveraging area business associations and neighborhood associations to revitalize commercial areas or public spaces.	Identify opportunities for pilot programs and associated partners	EDC
	Pilot cooperative models for community ownership and revitalization With nonprofits, lenders, and others to launch a community land trust that's built to scale across all underserved areas of the city. Goal of creating 1,000 homeowner families within a decade?	EDC
B. Develop an MWBE policy and program that both creates strong incentives for minority participation and builds capacity	Assess historic performance of MWBE participation	OED
	Study barriers to participation with targeted outreach	OED
	Update MWBE policy and program	OED

among the minority-owned business community.		
C. Increase the capacity of and create opportunities for minority-owned contractors and real estate developers in Dallas.	Convene minority-owned development companies to identify barriers	EDC/Community Partners
	Design and deploy incentives and financial subsidies to increase minority investment participation.	OED/PW/HOU
	Create mentorship and partnership programs for minority-owned companies	OED/PW/HOU
4. Dallas will invest and promote public safety and economic growth		
D. Encourage development projects that identify strategies for increasing public safety	Develop strategies in consultation with community stakeholders	DPD/ Office of Integrated Public Safety Solutions (OIPSS) /OED/HOU/EDC
	Removing and mitigating unsafe conditions through consistent code enforcement	Code Compliance
	Supporting a safe environment through community-centered urban and environmental design standards in housing and redevelopment projects Increasing access to quality employment, education and economic opportunities at the community level	PUD/OED/EDC/HOU

		OED/EDC/Community Partners
E. Pursue integrated redevelopment efforts consisting of housing, economic development, transportation, code enforcement and law enforcement	Design process to pursue integrated development as a means to support safe communities and economic development	EDC/OED/HOU/DART/DPD / OIPSS / CODE/ COMMUNITY PARTNERS/ANCHORS

Supported/Related City of Dallas Plans and Policies

Administrative Directive 4-05 (Contracting Standards & Procedures) Interim
Business Inclusion and Development Policy
Capital Improvement Program
Code Enforcement Plan
City of Dallas Local Preference Programs
Complete Streets Design Manual
Comprehensive Environmental and Climate Action Plan
Comprehensive Housing Policy
Connect Dallas Plan (Underway)
Dallas Aquatic Facilities Master Plan
Dallas Bikeway Plan
Dallas Cultural Plan
Dallas Historic Preservation Program
Dallas Resiliency Plan
Dallas Trails Network Plan
Dallas Zoning Map
Economic Development Strategic Plan
Forward Dallas Comprehensive Plan (As updated)
Lead Based Paint Action Plan
Library Master Plan
Neighborhood Plus Plan
Neighborhood Stabilization Program (NSP)
Thoroughfare Plan
Water & Wastewater Capital Improvement Plan

Smart Growth & Development

Smart growth and development refer to a strategic approach which support the connection between a mixed development of uses at the neighborhood scale with an emphasis on creating walkable communities with an emphasis on place-making and people. Placemaking creates inviting and distinctive spaces where people want to live, work and play.

Placemaking can contribute to the financial bottom line through increased property value, tourism receipts, and firm recruitment and retention. Accessibility helps ensure that residents and visitors can find the housing, goods, services, and jobs they are looking for in ways that conserve energy and commuting costs, strengthen community fabric, and minimize pollution.

According to forecasts, Dallas will continue to have relatively strong demand for employment and household growth land development. However, most of Dallas land supply for employment growth is on land that has constraints or is already at least partially developed. With the northern sector all but built out, most of the buildable land is in the Southern Sector of the city.

By concentrating on building more livable communities, Dallas will be able to reduce its reliance on the already congested highways and take advantage of city living at its best.

Dallas's long-term growth and development must be both sustainable and resilient. Through building walkable neighborhoods, investing in green building, infrastructure, and operations, enhancing transit systems, and making streets safe for pedestrians and cyclists, Dallas can improve mobility, enhance job accessibility, lower emissions, and strengthen the city for future generations. The City and its public-sector partners will leverage publicly owned land assets across the city to implement models for inclusive economic development and demonstrate successful models for private-sector adoption. These actions will contribute towards these **smart growth & development goals**:

- **Decrease greenhouse gas emissions by 15% annually with greater emphasis on creating walkable communities and transit-oriented development**
- **Increase resiliency of neighborhoods to climate change and natural disaster risk.**
- **Increase business growth at the neighborhood level**
- **Foster the creation of homegrown business at the neighborhood level.**
- **Increase transportation mobility aligned with land use direction in support of transit oriented development**
- **Foster walkable communities through zoning, land use, design and the integration of transportation planning with housing and redevelopment activities**

<u>Policy</u>	<u>Actions</u>	<u>Lead</u>
1. Dallas will center environmental sustainability and climate change resilience in its long-term growth.		
A. Track and improve energy efficiency and lower carbon emissions from new development, pursuing innovations in green building and operations.	Design metrics and targets around efficiency and emissions across sectors	TBD
	Review incentives measures to account for sustainability in project delivery and operations	OED
B. Reduce automobile dependence through promoting the conditions for walkable neighborhoods.	Incorporate urban design standards into development planning	PUD
	Develop inventory of infill opportunities to increase density	EDC/PUD
	Require pedestrian and cycling improvements in neighborhood planning efforts	PUD
C. Assess vulnerability to climate change and natural disasters and develop adaptation plans.	Convene public agencies to inventory infrastructural vulnerabilities and explore focusing on surface permeability to decrease flood risk?	PW / DWU
2. Dallas will develop accessible transportation options across a series of modes.		
A. Incentivize transit-oriented development around existing and future nodes to improve access to jobs and housing.	Review land use policies to heighten density around job centers and planned transit nodes	SDC/PUD
B. Integrate public transit & walking/cycling modes to increase sustainable multi-modal transportation.	Map existing walking/cycling modalities and integration with transit	Transportation / Park & Recreation
C. Plan for future public transit investments aligned with land use considerations.	Identify transit infrastructure needs through Comp Plan update	PUD
	Conduct demographic growth analysis to match transportation planning	PUD
3. Dallas will encourage business growth and redevelopment in infill locations at a scale conducive to supporting walkable communities		
A. Encourage small business growth and expansion in infill locations at the neighborhood level	Review land use policies through Comp Plan to heighten job creation at neighborhood level in tandem with redevelopment efforts of aging commercial centers.	PUD/OED/EDC/SDC
B. Promote entrepreneurship through business incubation, foster the creation of homegrown businesses at the neighborhood level.	Identify locations and funding strategy to support the creation of business incubators both as standalone entities and as a part of redevelopment projects.	EDC/OED

Supported/Related City of Dallas Plans and Policies

Complete Streets Design Manual

Capital Improvement Program

Water & Wastewater Capital Improvement Plan

Forward Dallas Comprehensive Plan (As updated)

Comprehensive Housing Policy

Comprehensive Environmental & Climate Action Plan

Economic Development Strategic Plan

Dallas Zoning Map

Connect Dallas

Dallas Resiliency Plan

Thoroughfare Plan

Neighborhood Plus

Dallas Bikeway Plan

Dallas Trails Network Plan

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Responsive Governance

Effective responsive governance is essential to ensuring our sustainable future. Fostering community trust is essential for successful, sustainable economic and community development. Governance or management systems that are fiscally responsible, accountable, and inclusive provides for greater alignment and success. Through its economic development, planning and housing and redevelopment efforts, the City of Dallas supports responsible governance by:

-
- Engagement with community and neighborhood organizations that prioritizes inclusivity and equitable access, especially with historically disadvantaged or marginalized populations
- Transparency through open communication and publicly accessible materials
- Acting as a conduit for resources and information
- Facilitating inter-agency cooperation to leverage resources and coordinate services
- Collaboration with local partners to advance sustainable, equitable growth and leverage resources for community benefit
- Transparent, accountable procurement policies that encourage participation by small, minority, and women-owned local businesses
- Managing financial performance to ensure effective, efficient delivery of economic development programs and services

To effectively deliver on its mission, Dallas economic and redevelopment efforts will need to be open, transparent, and accountable. Policies must be consistent and well-communicated, devised and delivered with extensive public outreach. Transparent and regularly updated performance measures around public incentives, contracting, procurement, and agencies' own financial sustainability will keep Dallas on track, including towards delivering these **responsive governance goals**:

- **Engage residents through outreach and communication on use of economic development tools and projects.**
- **Increase annual city tax revenue by a minimum of 4% each year.**
- **Insuring accountability mechanisms are in place to ensure incentive agreements are fulfilled and investments are supported by and well-suited to the community**

<u>Policy</u>	<u>Actions</u>	<u>Lead</u>
1. Dallas will practice good governance in how it develops and deploys economic development policies, programs, partnerships, and initiatives.		
A. Develop transparent methods for communicating with the public, prioritizing public accessibility of materials.	Inventory plans, policies, and other materials to ensure all are available and updated online.	PUD/OED/EDC/HOU
	Translate critical materials to most-spoken languages in Dallas	PUD/Communications, Outreach & Marketing
B. Create transparent and accessible reporting of procurement and contracting policies and performance.	Transparently advertise and publicize contracting and procurement opportunities	Procurement Services
	Incorporate MWBE performance metrics into reporting dashboard(s)	OED/EDC/HOU/PUD/SDC
	Partner with organizations to reach disadvantaged communities and businesses	OED/EDC
C. Consistently enforce performance requirements for incentives.	Develop robust performance metrics for all incentives, with clear and consistent measurement methodologies.	OED
	Annually review and report all incentive performance metrics.	OED
	Update incentive enforcement mechanisms to align with performance measures.	OED
D. Transparently report financial performance, including the costs and impacts of economic development incentives.	Develop online dashboard for ongoing reporting of performance.	OED/EDC
	Develop robust annual transparent reporting process and materials.	OED/EDC
	Develop business plan, including new sources of funding.	OED/EDC

Supported/Related City of Dallas Plans and Policies

Administrative Directive 4-05 (Contracting Standards & Procedures) Interim

Business Inclusion and Development Policy

City of Dallas Local Preference Programs

Public Improvement District (PID) Policy

Public-Private Partnership Program

Tax Increment Financing (TIF) District Program

Evaluation Matrix

The evaluation matrix provides a flexible way to measure the degree to which an incentive project or decision point aligns with the economic development policy. For example, imagine two projects equal in size and use is requesting incentive support from the City of Dallas. The city has limited resources and must decide what project is best aligned with the policy. One project is simply asking for support with not much connected to the policy and the other is aligned. The evaluation matrix provides a means to align projects in support of reaching policy goals. This matrix provides a framework for beginning a discussion of incentives, programs, and policies and is not considered to be a final directive or guarantee of approval.

		PRIORITY CONSIDERATIONS (110 points)								
MAXIMUM POINTS→	Expands the tax base	Increases living wage job opportunities	Provides or participates in local job training	Creates jobs in targeted industries	Investment below I-30, south of the Trinity River, or in other underserved	Provides affordable or workforce housing	Encourages a more inclusive, multicultural city	Promotes complete communities and connected	Increase entrepreneurship, homegrown businesses	Investment in public safety and environmental quality
	10	10	10	10	20	10	10	10	10	10
	Incentive project, policy, or program									
	Incentive project, policy, or program									
	Incentive project, policy, or program									

CONSIDERATION	DEFINITION
Expands the city of Dallas tax base	Incentive project, policy, or program provides new property, sales, HOT, or other taxes to the city through the development of property or facility or by making improvements to an existing property or facility, through the development of a new business or expansion of an existing business, through the development of a new multi-tenant complex where businesses can locate, or through the addition or increase in jobs available in the city.
Increases living wage job opportunities	Incentive project, policy, or program increases access to jobs with a significant percentage of those jobs earning a living wage, as defined by the MIT Living Wage Calculator.

CONSIDERATION	DEFINITION
Provides or participates in local job training	Incentive project, policy, or program provides job training directly to prospective employees, or partners with a local school district or other educational institution to provide job training or other workforce development services.
Creates jobs in targeted industries	Incentive project, policy, or program provides greater access to jobs in the city's target industries as identified in the Economic Development Strategic Plan: Life Sciences and Healthcare; Telecommunications and IT; Business Services; National and International Corporate Headquarters; Entrepreneurship, Digital Arts, and Innovation; Advanced Logistics; Food Processing; and Advanced Manufacturing.
Investment below I-30, south of the Trinity River, or in other underserved areas	Incentive project, policy, or program is to develop/redevelop a property or facility in a manner that brings new opportunities or amenities, leverages existing investments, or otherwise contributes to closing a gap in access to housing, retail, food access, business, and industry in southern Dallas and in other areas of high poverty or traditional disinvestment
Provides affordable or workforce housing	Incentive project, policy, or program maintains existing or creates new housing that is affordable to incomes at or below 120 percent of the area median income. Special attention given to projects close to transit and anchor institutions
Encourages a more inclusive, multicultural city	Incentive project, policy, or program promotes Dallas as a community for all people and emphasizes equity and inclusion in the city's growth and development patterns. Examples include encouraging investment in, and alignment of, poverty reduction efforts that address disparities in economic and workforce development, land use, transportation, housing, social services, public health, and community development; applying best practices in design and placemaking; and creating public art that reflects the cultural, historic, or other characteristics of a community.
Promotes complete communities and connected neighborhoods	Incentive project, policy, or program promotes a mix of land uses with access to residential and commercial areas, transportation alternatives, broadband internet, parks, green space, and trail systems. Development/redevelopment is connected to existing development and infrastructure networks and either promotes transportation alternatives and connectivity or includes infrastructure investments in broadband, transit, sidewalks, bike lanes, and trails.

CONSIDERATION	DEFINITION
Investment in public safety and environmental quality	Incentive project, policy, or program includes strategies for increasing public safety that are developed in consultation with community stakeholders and organizations, removes or mitigates unsafe conditions, or reduces environmental impacts through improvements in stormwater retention, water quality, energy efficiency, and air quality.
Increase entrepreneurship homegrown businesses, and minority business growth	Incentive project, policy, or program includes strategies for increasing entrepreneurship for home grown businesses, startups and minority business growth and development.

DRAFT

MARCH 2021



BRIEFING PAPER ON ESTABLISHING A NEW ECONOMIC DEVELOPMENT ENTITY CITY OF DALLAS

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TIP STRATEGIES, INC., is a privately held economic development consulting firm with offices in Austin and Seattle. TIP is committed to providing quality solutions for public sector and private sector clients. Established in 1995, the firm's primary focus is economic development strategic planning.

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INTRODUCTION

BACKGROUND

One of the overarching goals of the draft Economic Development Strategic Action Plan (EDSP) completed in 2019 was the creation of a new, independent organization to lead the City of Dallas's business attraction and marketing, business retention and expansion, and entrepreneurial and small business development efforts. The EDSP argued Dallas needs a new structure outside of City government dedicated to more aggressively promoting Dallas's competitive strengths, assets, and advantages and to generating new investment and jobs in the City, especially in underserved and underdeveloped areas.

After the plan's completion, TIP Strategies was hired by the City of Dallas to facilitate a review of the draft plan and to work with specific stakeholder groups to identify priorities that would inform next steps for implementation. This review included gathering input on the draft plan from Dallas City councilmembers, a community review panel, and a policy advisory committee through interviews, listening sessions, and an online survey. Stakeholders were excited about creating a new economic development entity and saw an important role for a new entity in Dallas's economic development landscape. Indeed, creating a new economic development entity was the highest priority item in the online survey and was frequently mentioned during interviews.

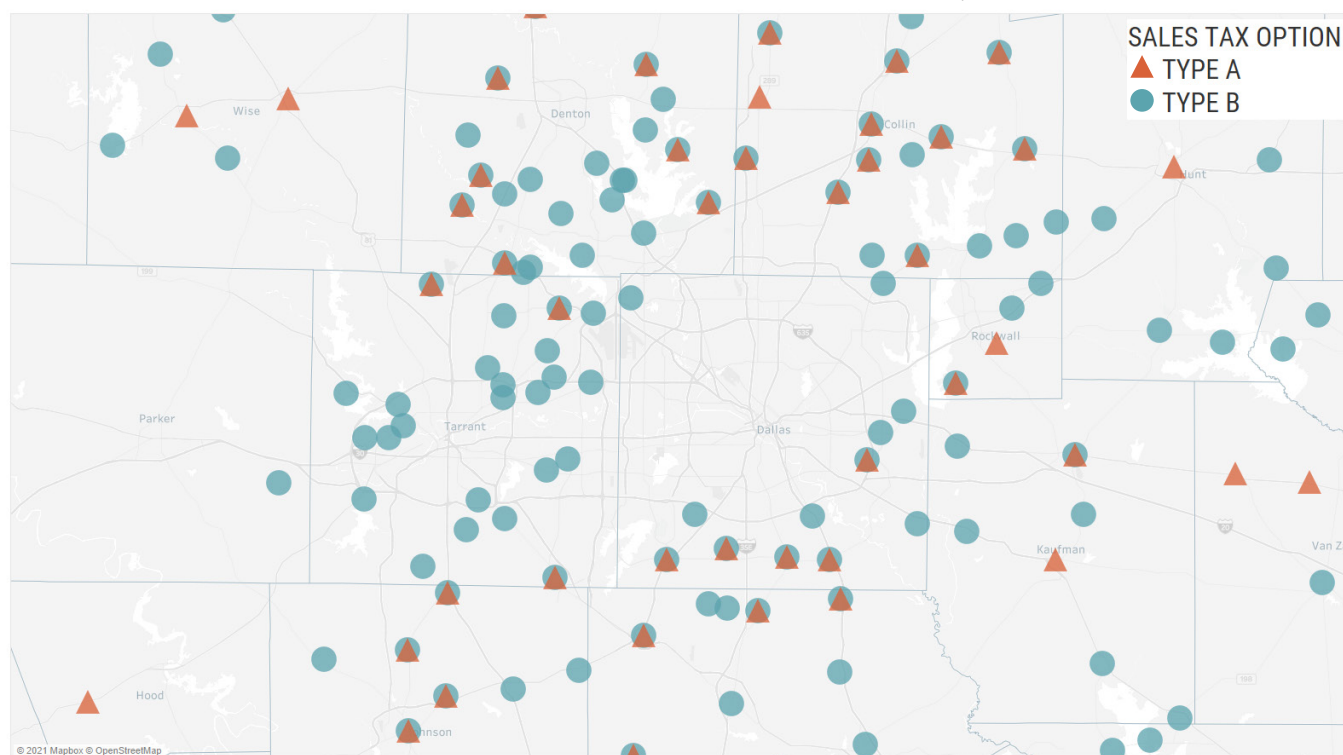
The City of Dallas further engaged TIP Strategies to assist with the implementation of that recommendation. Specifically, the TIP consulting team was charged with benchmarking other regional, state, and national peers to identify potential models that could work in Dallas. These models include legal structure, governance, functions, funding, and staffing. This research informed a formal set of recommendations submitted to the Dallas City Council for consideration, which this briefing document lays out.

WHY A NEW ENTITY IS NEEDED

The competition for investment, jobs, and talent in the DFW Metroplex and the larger North Texas region is fierce. As shown in Figure 1 below, in North Texas there are dozens of communities that have established Type A or Type B (or both) local option sales tax corporations to lead their economic development efforts. Such sales tax corporations enable many of these communities to offer generous financial incentives in the form of land, buildings, and cash grants. In addition, cities in the Metroplex that do not have economic development sales tax corporations (e.g., Fort Worth, Irving, Arlington, Plano, and Richardson) have well-funded economic development organizations that compete at the highest levels.

The City of Dallas's economic development program is capably led by the Office of Economic Development (OED). The department is organized around four key functional areas: area development; business development; business and workforce inclusion; and finance, compliance, and administration. Within the business development area, the OED employs two staff members focused on business recruitment and retention, prospect support, business outreach, and related research and analysis. The City does limited marketing and outreach, generally in partnership with the Dallas Regional Chamber or the Texas Economic Development Corporation. While both are first-rate economic development organizations, the DRC is a regional organization that serves the interests of multiple community members in the Dallas region, and TxEDC supports the entire state. City leaders have expressed a desire for Dallas to have an independent economic development organization focused solely on showcasing Dallas's assets and catalyzing new development, especially in southern Dallas.

FIGURE 1. ECONOMIC DEVELOPMENT SALES AND USE TAX ELECTIVES IN NORTH TEXAS, AS OF MARCH 2021



Source: Texas Comptroller of Accounts; TIP Strategies, Inc.

Among the perceived advantages of an independent entity is the ability to insulate economic development activities from day-to-day politics, including the competing—and sometimes divergent—priorities of the City’s 14 individual Council Districts. Forming a separate entity would also help mitigate the impact of leadership changes and create an environment that allows a nimbler, market-paced response to investment opportunities. The entity would coordinate closely with the City while remaining outside of the constraints of governmental bureaucracy. Additional advantages of an independent economic development entity include:

- More speed and efficiency in responding to business development opportunities.
- The ability to move at the speed of the market for real estate transactions.
- Greater access to private sector networks, industry knowledge, and resources.
- Added potential to engage the development community on such issues as social equity, workforce, and housing.
- More operational flexibility and autonomy on issues of financial planning and budgeting, human resource management, information technology, purchasing, and procurement.

BENCHMARKING

TIP examined cities and organizations at the regional, state, and national levels to identify how Dallas’s peers and competitors are organized and structured to pursue their economic development goals. We looked at 15 cities and categorized each type of entity, geographic focus, governance, staffing levels, funding source, revenue, and primary functions. A matrix containing information for each city/organization is displayed in Appendix A.

Major economic development entities within the DFW Metroplex that TIP benchmarked include a mix of chambers of commerce (Fort Worth, Irving-Las Colinas, and Richardson), Type A and Type B sales tax corporations (Frisco and McKinney), and a city department (Plano). The chamber organizations have contracts with their cities to provide economic development services. At the state level, Houston and San Antonio are served by 501(c)(6) non-profit organizations (Greater Houston Partnership and the San Antonio Economic Development Foundation, respectively) that are funded primarily by memberships. Like Dallas, the City of Austin operates a City economic development department and invests in a regional economic development initiative led by the Austin Chamber. However, in 2020 the City of Austin established a new, independent Austin Economic Development Corporation (AEDC) that will serve as a public real estate developer on behalf of the City. AEDC was formed as a local government corporation (LGC) under Texas law.

At the national level, most large cities structure their economic development programs as a family of entities that serve different purposes and roles. Often there is a large lead agency that operates outside of city government. Such entities include New York City Economic Development Corporation (NYCEDC), the Philadelphia Industrial Development Corporation (PIDC), the Baltimore Development Corporation (BDC), World Business Chicago (WBC), Los Angeles Economic Development Corporation (LAEDC), and Invest Atlanta. All these entities, except for Invest Atlanta, are independent nonprofit organizations with strong governance ties to their city governments, but they also receive private funding. Invest Atlanta is a local government authority that was established by state legislation in Georgia but is currently in the process of seeking non-profit status.

The consulting team conducted a more thorough analysis of Invest Atlanta to identify some of the key reasons for the organization's long track record of success. This included an interview with Invest Atlanta's CEO, Dr. Eloisa Klementich. Below are some key takeaways from the interview with Dr. Klementich. The full case study on Invest Atlanta is provided in Appendix B.

- ▶ Invest Atlanta began with a single focus and steadily added competencies over the decades, which allowed the organization to grow organically and with enough time to fully understand their needs and seamlessly integrate change.
- ▶ The decision to structure Invest Atlanta as an independent government authority has enabled them to recruit top talent, since it is not part of City government.
- ▶ Braiding economic, community, and workforce development under one roof allows funds to be used synergistically and reduces spending on redundant services.
- ▶ Keeping decision making power within Invest Atlanta for development projects ensures follow-through and consistency, independent of changing elected officials.
- ▶ Coordinating efforts like these presents front-loaded challenges, but once they are adopted, it makes the development processes much smoother and quicker in the long run.

RECOMMENDATIONS FOR A NEW ENTITY

STRUCTURE

TIP Strategies recommends the City of Dallas establish a new economic development corporation (EDC) as a local government corporation. As provided for by Chapter 431 Texas Transportation Code, Chapter 394 Texas Local Government Code, and the Texas Nonprofit Corporation Law, Texas cities are allowed to create a LGC to act on behalf of a city to accomplish a governmental purpose. These functions would need to be defined in the documents creating the LGC.

An LGC has the powers granted to a transportation corporation under the Texas Transportation Code and the powers granted to a nonprofit corporation under the Texas Business Organizations Code. Both types of corporations have, among other powers, the power to contract and own property.

TIP also recommends the new entity be established as a non-profit 501(c)(3) primarily due to its capacity to receive charitable donations. This will offer the entity greater flexibility in being able to raise non-public funds.

FUNCTIONS

Much like Invest Atlanta, the EDC's functions should expand over time to allow the organization to grow organically, develop competencies, demonstrate successes, and identify needs. Trying to stand up a new organization while overburdening it with too many missions would be a mistake. Initially, the EDC's primary areas of focus should be on developing a portfolio of competitive properties that could generate new private investment in underserved areas and to aggressively market them to potential investors. Therefore, within the first three years, the EDC's primary functions would be twofold:

- ▶ **BUSINESS DEVELOPMENT:** Lead the City's business retention, expansion, and recruitment efforts and economic development marketing activities.
- ▶ **PUBLIC DEVELOPER:** Serve as a public developer of City-owned properties, as well as conduct land acquisition in support of redevelopment and job growth (especially in historically underdeveloped areas of southern Dallas) to advance real estate projects that the City could not do on its own.

These missions align with two key themes outlined in the Dallas Economic Development Policy:

- ▶ Promote an environment that is conducive to attracting, retaining, and nurturing businesses that support prosperity and equitable access to employment opportunities.
- ▶ Strategically invest in economic growth below I-30, south of the Trinity River, and in historically underserved communities in Dallas.

Over time, the EDC can take on additional responsibilities such as small business development, workforce development, talent attraction, and entrepreneurship and innovation.

BUSINESS DEVELOPMENT

Business development is the core mission of any economic development organization. The City of Dallas needs a more robust business development program that actively markets the City to potential investors and strengthens Dallas's brand as one of the world's great economic centers.

- **BUSINESS MARKETING AND ATTRACTION:** The EDC will spearhead an expanded business recruitment program designed to attract new domestic and foreign direct investment to Dallas through targeted marketing. As is called out in the EDSP, the EDC should engage in branding, outbound marketing through earned media, marketing missions, national advertising, trade shows/industry conferences, inbound marketing (familiarization tours, networking with real estate brokers and developers), and organizing “hot teams” specific to each target industry—to promote the City of Dallas. In addition, one of the EDC’s first tasks should be to engage an economic development marketing firm to develop a vision and branding initiative to guide the business recruitment program, which is a key recommendation in the Community Transformation Action Roadmap.
- **BUSINESS RETENTION AND EXPANSION:** The EDC will proactively engage and support existing businesses in the community through business visitations, networking, and events.

PUBLIC REAL ESTATE DEVELOPMENT

The EDC should serve as a catalyst agent for helping to spur new development and redevelopment in historically underserved areas that would not attract private investment “but for” the participation of the public sector. This new entity will give the City of Dallas an ability to acquire and manage a portfolio of properties and to partner with the private sector to facilitate new investment, development, and job creation. Residing outside of City government will allow the EDC to move at the pace of the market and rapidly respond to new opportunities. Primary activities in this role would include:

- **PUBLIC DEVELOPMENT:** Subject to the approval of the Dallas City Council, the EDC would take title to strategic City-owned properties. The transfer of City-owned property to the EDC would be done with an explicit contractual requirement to achieve a public purpose. In addition, the EDC would engage in private land acquisition to spur new development or redevelopment in strategic areas.
- **EXISTING ASSET SUPPORT:** Because the EDC will become a member of Dallas’s family of economic development entities, it would be able to support major development projects such as the Kay Bailey Hutchison Convention Center, the Streetcar project, and Hensley Field.
- **TRANSACTION SUPPORT:** The EDC would perform real estate transactions (lease, sale, purchase) on direction from the City Council and in conformance with relevant City plans such as the Comprehensive Housing Policy and Forward! Dallas.
- **LEASE ADMINISTRATION:** The EDC would manage properties on behalf of the City. The City will retain title.

OVERSIGHT

The creation of a new entity should not be seen simply as an effort to privatize economic development in Dallas. Privatization is not the objective. The EDC will become an important component within Dallas’s family of economic development entities and programs. Indeed, the OED will remain within the City and have the lead role in negotiating incentives and managing the contractual relationship with the entity.

Dallas City Council will have oversight of the EDC through approving board appointments, providing guidance on contractual priorities, and the authorizing any public financial incentives. Preliminary recommendations for board composition and how accountability to the taxpayer will be ensured are listed here.

- The Dallas City Council will approve board members nominated by the City Manager’s Office. The City Manager’s Office should work closely with local stakeholders to identify local experts representing diverse interests in the city to serve on the board. The slate of board nominees will be presented to City Council for approval.

- The board of directors should consist of 11 to 15 members representing diverse organizations representing the public, nonprofit, and private sectors. The board should be composed of high-level experts representing such areas as real estate, planning, equity, business, economic and community development, finance, workforce, marketing, resource development, architecture and design, and philanthropy. A small working group of stakeholders and City staff should identify the specific constituencies and areas of expertise that will be represented on the board.
- Once the EDC is established, there may be a need to have a transitional board consisting of 5 to 7 members to guide operations until a full board is seated.
- The EDC should operate under a five-year contract with the City. OED would manage and administer the contract. The contract should delineate the specific functions, goals, and measures the EDC will be expected to meet. The City Council will provide guidance as to what its economic development priorities are in the contract.
- The executive director reports to the EDC board and is responsible for day-to-day management of the organization and the staff.
- The authority to approve public financial incentives will remain with the Dallas City Council.
- The EDC board will have the authority to approve real estate transactions the entity is involved in.
- The EDC will support the work of OED. By way of example, the EDC may pay for travel and registration fees for industry events attended by OED staff. Likewise, the EDC may produce marketing collateral for OED programs and events.
- Transparency will be a guiding principle of the EDC. The organization will provide regular reports to the City of Dallas and the public. A detailed annual report will be submitted and presented to the City of Dallas Economic Development Committee. A regular newsletter (quarterly or monthly) should be produced to update the board, councilmembers, and the public. This principle aligns with the key theme in the Dallas Economic Policy for good governance. Specifically, the policy calls for:
 - Increased accountability and transparency to ensure information is readily available.
 - Creating inclusive governmental processes and policies that consider stakeholders at the neighborhood, city, and regional levels.

FUNDING

- The EDC will require public funding to launch and sustain the organization. In the tight fiscal environment the City is currently facing, funding EDC operations out of the general fund will be difficult, but critical to its success. Reallocating funds currently appropriated for OED is untenable since the EDC will support (but not replace) OED functions.
- As a 501(c)(3), the EDC will also be able to receive additional private financial support to leverage/match public funding. Private contributions, however, should only be used to support marketing and business retention, expansion, and recruitment activities and expenses. Moreover, the EDC would not adopt a pay-to-play investor funding model for private sector contributors.
- The city may allocate a portion of the 2017 General Obligation Bond to fund capitalizable expenses of real estate development projects for the first three years of the EDC; however, such bond funds could not be used for administrative and operating expenses of the EDC. Proposition I of the bond proposal authorized the City of Dallas to issue general obligation bonds of the City in the principle amount of "\$55,400,000 for the purpose of providing funds for promoting economic development throughout the city." One potential solution would be to include funding for the EDC in the next bond proposition.

- As a public developer, the EDC would earn revenue through its real estate transactions and lease agreements. Over the long term, this revenue will allow the EDC to become more financially self-sustaining. Real estate revenue can also be used to reimburse the City for public funds used to start up and sustain the EDC over the first three years.
- Funding the EDC using economic development sales tax (Type A and Type B) or hotel occupancy tax (HOT) is not viable. The City's sales tax rate (8.25%) is currently maxed out, with 1% of the City's 2% allocation committed to funding Dallas Area Rapid Transit (DART). As for the HOT, any revenue it generates must be allocated to tourism efforts or for the convention/hotel industry, including 30% for marketing the Kay Bailey Hutchison Convention Center. Economic development efforts which aren't directly linked to those things are ineligible.

STAFFING

- The consulting team recommends that no existing OED business development personnel should be transferred to the new EDC to take up similar positions. Rather, new business development and real estate management positions would be created to fill out the team and bring in the other expertise, and the EDC will support the existing OED staff and functions. However, until a new business development and real estate management team for the EDC is created, the EDC would temporarily be staffed by OED personnel.
- Until a permanent CEO is hired, the Interim Director of OED serves as the interim CEO of the EDC.
- The CEO of the EDC would be responsible for identifying additional business development, real estate, and administrative positions and hiring personnel to fill them.
- For business development functions, new positions will likely include a director of business development, a marketing and communications specialist, an international business development manager, and 4 business development/project managers aligned with the City's 8 target industries identified in the Economic Development Strategic Plan (each specialist would be assigned to developing two target industries). The business development/project managers would be responsible for business attraction, retention, and expansion activities. The EDC should also create at least 2 positions for performing research and data analysis, which is an important function in any first-class economic development organization. Research and data are critical to the EDC's ability to respond to site selection RFPs, inform the target industry program, track real estate product, and educate City leaders and the public on business and industry trends.
- For public development functions, new positions will likely include a chief financial officer, general counsel, chief operating officer, budget analyst, real estate transactions officer, and asset manager.
- The EDC should negotiate its own employment benefits, such as health insurance and retirement plans.

PROJECTED BUDGET

A budget recommendation has been estimated by determining an appropriate budget to carry out the identified functions of the EDC, as well as considering budgets of comparable economic development organizations. Most of the budget will go toward covering operating expenses such as personnel, marketing and outreach, and general and administrative costs. TIP estimates approximately 15 full-time staff will be required for the EDC to fulfill its business development and real estate development functions. It is reasonable to expect these positions will be added to the organization over a three-year period. Therefore, annual budgets should gradually increase over time.

The City should house the organization in one of its facilities in the first few years to minimize overhead costs. Ideally, such a location would be in southern Dallas, a target area for development.

It is not possible at this time to estimate any funds needed for capital costs or transaction expenses related to real estate development.

Based on the budget of comparable organizations in the DFW Metroplex, the EDC's budget range is \$3 million to \$5 million by year 3.

TIMELINE

The City should work to formally launch the EDC by the second quarter of 2022. In the interim, completion of several steps will be required.

Council approval and passage of authorizing ordinance: Q3 2021

Establish legal entity: Q3 2021-Q4 2021

Appoint board of directors: End of Q4 2021

Hire chief executive: Q1 2022

Begin hiring staff and commencing operations: Q2 2022

APPENDIX A: BENCHMARKING TABLES

FIGURE 2. DFW PEERS & COMPETITORS

WHO DALLAS COMPETES WITH FOR INVESTMENT AND JOBS WITHIN THE METROPLEX

CITY	TYPE OF ENTITY	GEOGRAPHIC FOCUS	GOVERNANCE	PERSONNEL	FUNDING SOURCE	REVENUE	PRIMARY FUNCTIONS
Fort Worth Chamber of Commerce	Chamber of Commerce – 501(c)(6)	Fort Worth region	5 Officers 48 Board Members	16 FTE	Private Investments Memberships Events	\$5,297,061 (2018)	<ul style="list-style-type: none"> ▶ Business Attraction ▶ Retention & Expansion ▶ Talent ▶ Entrepreneurship ▶ Advocacy
Plano Economic Development	City Department	City	City Council	5 FTE	2 cents of property taxes dedicated to ED incentive fund	\$8,924,828 (2020)	<ul style="list-style-type: none"> ▶ Business Attraction ▶ Retention & Expansion ▶ Redevelopment
Frisco Economic Development Corporation	Type A sales tax corporation (City also has a Type B corp.)	City	7-member Board of Directors appointed by the City Council	9 FTE	half-cent sales tax and other revenues	\$42,990,488 (2019)	<ul style="list-style-type: none"> ▶ Business Attraction ▶ Retention & Expansion ▶ Product ▶ Entrepreneurship
Richardson Economic Development Partnership	Partnership between the City and Chamber	City (Telecom Corridor)	Board of Directors (24)	7 FTE	City appropriation and member dues	\$2,823,982 (2018)	<ul style="list-style-type: none"> ▶ Business Attraction ▶ Retention & Expansion ▶ Entrepreneurship ▶ International Business Recruitment
McKinney Economic Development Corporation	Type A sales tax corporation (City also has a Type B corp.)	City	7-member Board of Directors appointed by the City Council	7 FTE	quarter-cent sales tax	\$16,725,965 (2019)	<ul style="list-style-type: none"> ▶ Business Attraction ▶ Retention & Expansion ▶ Infrastructure ▶ Marketing
Irving-Las Colinas Chamber of Commerce	Non-Profit 501(c)(6)	City/Regional	Board of Directors (56)	19 FTE	Membership dues Grants Program Services	\$4,655,805 (2019)	<ul style="list-style-type: none"> ▶ Business Attraction ▶ Retention & Expansion ▶ Small Business/ Entrepreneurship ▶ Marketing ▶ International ▶ Workforce Development

FIGURE 3. STATEWIDE PEERS & COMPETITORS

WHO DALLAS COMPETES WITH FOR INVESTMENT & JOBS IN TEXAS

CITY	TYPE OF ENTITY	GEOGRAPHIC FOCUS	GOVERNANCE	PERSONNEL	FUNDING SOURCE	REVENUE	PRIMARY FUNCTIONS
Greater Houston Partnership	Non-Profit 501(c)(6) (formed when the Houston Chamber of Commerce, Houston Economic Development Council, and the Houston World Trade Association merged in 1989)	12-County Greater Houston Region	Board of Directors (142) Executive Committee (42) Advisory Committees (9)	82	Membership Donations Investments	\$17,611,204 (2019 estimated, combined balance with GHP Foundation)	<ul style="list-style-type: none"> ▸ Business Attraction ▸ Retention & Expansion ▸ Incentive assistance ▸ Permitting process assistance ▸ Data collection and analysis ▸ Marketing ▸ Talent Attraction ▸ Advocacy ▸ Resiliency ▸ Global Recruitment ▸ K-12 + Higher Ed ▸ Workforce
San Antonio Economic Development Foundation	Non-Profit 501(c)(6)	San Antonio, TX	Executive Committee (21)	19	Membership Donations Investments Grants Programs Miscellaneous	\$2,947,434	<ul style="list-style-type: none"> ▸ Business Attraction ▸ Retention & Expansion ▸ Workforce ▸ Global Recruitment ▸ Incentive assistance
Austin Economic Development Corporation	Local Government Corporation	Austin	22-member board appointment by City Council	11 (projected staffing by year 3)	City seed funding. Future revenue from real estate transactions, lease management.	\$900,000 (2021 proposed); \$3,941,500 (2024 proposed)	<ul style="list-style-type: none"> ▸ Public real estate development

FIGURE 4. NATIONAL PEERS & COMPETITORS

WHO DALLAS COMPETES WITH FOR INVESTMENT & JOBS WITHIN THE NATION

CITY	TYPE OF ENTITY	GEOGRAPHIC FOCUS	GOVERNANCE	PERSONNEL	FUNDING SOURCE	REVENUE	PRIMARY FUNCTIONS
Invest Atlanta	Local Government Authority	Atlanta, GA	Chair (Mayor) Board of Directors (9)	51	City funds Service/Loan/Admin Fees Developer Fees Rental Income Debt Service Payments	\$44,311,650 (2018)	<ul style="list-style-type: none"> ▸ Site selection ▸ Housing ▸ Entrepreneurship ▸ Incentive assistance ▸ Business Development ▸ Neighborhood redevelopment ▸ Business Attraction ▸ Retention & Expansion ▸ Workforce
World Business Chicago	Non-profit 501(c)(3)	Chicago, IL	Chair (Mayor) Board of Directors (76)	28	Private donations Government grants Programs Galas Sponsorships	\$8.9 million (2019)	<ul style="list-style-type: none"> ▸ Business Attraction ▸ Retention & Expansion ▸ Research & Data ▸ Entrepreneurship ▸ Small Business ▸ DEI
Philadelphia Industrial Development Corporation	Non-Profit 501(c)(4)	Philadelphia, PA	Board of Directors (30)	60	Government grants Programs Investments	\$23.46 million (2018)	<ul style="list-style-type: none"> ▸ Financing ▸ Site Development ▸ Networking ▸ Entrepreneurship ▸ Small Business
New York City Economic Development Corporation	Non-Profit	New York, NY	Board of Directors (27)	438	Contributions, Grants, Gifts Program Services	\$761.12 million (2018)	<ul style="list-style-type: none"> ▸ Site selection ▸ Housing ▸ Entrepreneurship ▸ Incentive assistance ▸ Business Development ▸ Neighborhood redevelopment ▸ Business Attraction ▸ Retention & Expansion ▸ Transportation

CITY	TYPE OF ENTITY	GEOGRAPHIC FOCUS	GOVERNANCE	PERSONNEL	FUNDING SOURCE	REVENUE	PRIMARY FUNCTIONS
Baltimore Development Corporation	Non-profit 501(c)(3)	Baltimore, MD	Board of Directors (15)	52	Federal Funds City Funds State Funds Investments Fees Private Grants	\$14,641,017 (2018)	<ul style="list-style-type: none"> ▸ Business Attraction Retention & Expansion ▸ Marketing ▸ Site Development ▸ Neighborhood Redevelopment ▸ Small Business ▸ Entrepreneurship ▸ Food Policy ▸ FTZ
Los Angeles Economic Development Corporation	Non-profit 501(c)(3)	Los Angeles County	Board of governors which includes the Executive Committee (100+)	29	Contributions, Grants Program Services Membership Dues Program Services	\$7,363,304 (2019)	<ul style="list-style-type: none"> ▸ Site selection ▸ Entrepreneurship ▸ Incentive assistance ▸ Business Development ▸ Neighborhood redevelopment ▸ Business Attraction Retention & Expansion ▸ Industry Cluster Development ▸ Workforce Development

APPENDIX B: INVEST ATLANTA CASE STUDY

WEBSITE

www.investatlanta.com

FUNDERS/SPONSORS

Three primary sources equally fund Invest Atlanta (IA):

- ▶ The City of Atlanta, through economic and community development contracts
- ▶ IA's management of TIFF/TADS charge back to the City
- ▶ Issuing bonds for the City after the Urban Residential Finance Authority (URFA) receives bond allocations and gives IA to manage

PROGRAM AFFILIATION

The City of Atlanta:

- ▶ Urban Residential Finance Authority (URFA)
- ▶ Downtown Development Authority (DDA)
- ▶ WorkSource Atlanta (WSA)
- ▶ Atlanta Emerging Markets, Inc. (AEMI)

TIMELINE

1976	Atlanta EDC (AEDC) is formed
1979	URFA merged with AEDC
1982	DDA joins AEDC and purchases its first property that decade
1985	The State adopts the Redevelopment Powers Law, giving local governments the authority to sell bonds to finance infrastructure costs within a tax allocation district (TAD), which works similarly to tax increment financing
Late 1980s	The AEDC, URFA, and DDA merge and become Atlanta Development Authority (ADA), the City's EDA
2006	IA is created and is an operating owner of AEMI, a community development entity (CDE) for federal New Markets Tax Credits
2012	ADA is rebranded as Invest Atlanta
2015	IEDC designates IA as an Accredited Economic Development Organization, the first in the state
2020	The Board approves IA's integration with WSA, effective July 2021.

BACKGROUND

IA is the economic development authority for the City of Atlanta. Founded in 1976 as AEDC, the initial focus was small business support programming. By the end of the 1980s, through a series of mergers and a key piece of passed legislation, AEDC had expanded to include housing and downtown redevelopment services and became the ADA. Structured as a registered local government authority, IA is not a city department. It is comprised of an 8-member executive team supported by 43 FTE and is governed by a 9-member Board of Directors, chaired by the Mayor. Funding is divided equally between the City (through a contract for economic development services), IA's management of TADS through charge backs to the City, and issuing bonds for the City after URFA receives the bond allocations. While IA can receive donations from private citizens or entities, most private donations go to the Chamber which in turn works closely with IA on business attraction but not retention. Currently, IA is in the process of filing for non-profit status to more easily accept donations for retention efforts.

The decision to maintain independence from the City has provided IA the agility needed to stay competitive as an organization, passing on the economic benefits to the larger Atlanta community through strategic hiring and business recruitment. For instance, IA is the decisionmaker on which bids to accept on any given economic development project. They can go with the bidder that has the best comprehensive package for the community over accepting the highest bid. Further, braiding community development with economic development is beneficial for IA and businesses alike. It streamlines the bureaucratic processes for businesses, as most services are housed under one organization instead of multiple independent authorities, while funneling money back to IA for their end-to-end management of projects. Another benefit of independence is that communication is less likely to get lost in translation as different teams work on the same objective within the organization. While IA is not an official city department, they do follow the spirit of the law. Transparency in reporting is paramount to IA and the CEO provides quarterly reports to city council and monthly newsletters to the board, council members, and the general public in addition to the required annual federal, state, and IGA reporting requirements.

IA's contract with the City for economic and community development services is up for renewal every 5 years. After incorporating workforce development services in July 2021, all three development services will be on the same contract renewal schedule with the City. Internally, the CEO of IA conducts a salary survey of employees every 3 years to keep pace with inflation and other competitors. IA has the freedom to match or exceed municipal salary and benefits packages for their employees, allowing IA to recruit and retain the best talent.

KEY TAKEAWAYS

- IA began with a single focus and steadily added competencies over the decades which allowed the organization to grow organically and with enough time to truly understand their needs and seamlessly integrate change.
- The decision to structure IA as an independent government authority has enabled them to recruit top talent since funding is independent of the City.
- Braiding economic, community, and workforce development under one roof allows funds to be used synergistically and reduces spending on redundant services.
- Keeping decision making power with IA for development projects ensures follow-through and consistency, independent of changing elected officials.
- Coordinating efforts like these presents front-loaded challenges but once they are adopted, make the development processes much smoother and quicker in the long run.