



Legislation Text

File #: 21-2291, Version: 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: December 8, 2021
COUNCIL DISTRICT(S): All
DEPARTMENT: Office of Economic Development
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize **(1)** establishment of the City of Dallas Economic Development Corporation (the EDC), a non-profit local government corporation to be formed for the purpose of aiding and acting on behalf of the City of Dallas (City); **(2)** approval of the EDC's Certificate of Formation and Bylaws; **(3)** approval of the appointment of the EDC's interim Directors, as set out in the Certificate of Formation; **(4)** approval to file the EDC's Certificate of Formation with the Texas Secretary of State; **(5)** approval of an interlocal agreement between the City and EDC; **(6)** any expenditures incurred by the City before or after this action shall be reimbursed by the American Rescue Plan Act of 2021 (ARPA 2021) funds from the U.S. Treasury Department allocated for the EDC; and **(7)** funding allocation will be from ARPA U.S. Treasury Department in an amount not to exceed \$7,000,000.00 over three years - Financing: U.S. Department of Treasury Grant Funds, ARPA 2021

BACKGROUND

In 2018, the City engaged Angelou Economic Advisors, Inc. to develop a comprehensive Economic Development Strategic Plan which was completed in 2019. The paramount goal of the plan was the creation of a new, independent entity to spearhead business attraction and marketing, business retention and expansion, and entrepreneurial and small business development efforts on behalf of the City, with a focus on underserved areas of the City. The Office of Economic Development (OED) engaged TIP Strategies to assist with the making recommendations regarding the creation of a new economic development entity. On May 26, 2021, City Council adopted recommendations set forth in Briefing Paper on Establishing a New Economic Development Entity - City of Dallas (attached hereto as **Exhibit A**), and directed staff to implement those recommendations subject to future City Council approval of any formation documents and any contract between the City and the new entity.

The EDC will support and enhance the work of OED by assisting with business development and serving as a public developer. The EDC is proposed to operate under a ten-year interlocal agreement with the City, with a fifteen-year renewal, which will be administered and managed by OED. The interlocal agreement will delineate the specific functions, goals, and measures the EDC will be expected to meet.

The authority to approve public financial incentives will remain with the Dallas City Council.

Pursuant to the direction of Council on May 26, 2021, this item will formally establish the EDC and approve the Certificate of Formation, which includes appointment of the three interim Directors to the EDC's Board of Directors (attached as **Exhibit B**), and the Bylaws (attached as **Exhibit C**). By the end of the first quarter of 2022, the plan is to replace the initial directors with 15 board members nominated by the City Manager and approved by City Council. Once the full board is in place, hiring will begin for an executive director to oversee the work of the EDC.

On June 23, 2021 the City Council approved (CR No. 21-1149) to accept and deposit \$355,426,891.00 from the U.S. Department of the Treasury for the Coronavirus Local Fiscal Recovery Fund in Fund FC18. The payments from the Treasury was to be made in two tranches, of which the first tranche was received in the amount of \$177,713,445.50 and the second half will be received one year later.

The City Ordinance Number 32000 by City Council Resolution Number 21-1590 dated September 22, 2021 approved \$2,000,000.00 for the Fiscal Year 2022 to utilize the American Rescue Plan Act (ARPA) of 2021.

This item will also authorize the City Manager to enter into an interlocal agreement with the EDC for a term of ten years, with one fifteen-year renewal and any other documents necessary to effectuate the interlocal agreement or to comply with the rules and regulations of the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act of 2021, including a subrecipient agreement. The interlocal agreement will outline the relationship between the two entities, and define the scope of work for the EDC.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Economic Development Committee was briefed regarding this matter on November 1, 2021.

FISCAL INFORMATION

Fund	FY 2022	FY 2023	FY 2024
U.S. Department of Treasury Grant Funds - American Rescue Plan Act of 2021 (ARPA 2021)	\$2,000,000.00	\$3,000,000.00	\$2,000,000.00