



Legislation Text

File #: 22-2727, Version: 1

STRATEGIC PRIORITY: Economic Development
AGENDA DATE: December 14, 2022
COUNCIL DISTRICT(S): All
DEPARTMENT: Office of Economic Development
EXECUTIVE: Majed Al-Ghafry

SUBJECT

A public hearing to receive comments regarding adoption of the new Economic Development Incentive Policy for the period January 1, 2023, through December 31, 2024, and at the close of the public hearing, authorize the following: **(1)** adoption of the City of Dallas Economic Development Policy; **(2)** adoption of the Economic Development Incentive Policy ("Incentive Policy") for the public purpose of promoting economic and community development and stimulating business and commercial activity in the City of Dallas (the "City"), effective from January 1, 2023 to December 31, 2024; **(3)** creation of Neighborhood Empowerment Zone No. 21 to align with the state-designated Enterprise Zones within the City of Dallas as indicated on Target Area map (Exhibit C); **(4)** transfer administration of Neighborhood Empowerment Zones Nos. 9 and 10 from the Office of Economic Development to the Small Business Center ("SBC"), including the programmatic elements and related funding, and authorizing the Director of the Small Business Center to take actions necessary to administer those programs effective January 1, 2023; **(5)** creation of the Infrastructure Investment Fund whereby the amount to be transferred from the General Fund to the Infrastructure Investment Fund over a period of ten years will be equal to the amount of increment contributed by the City in the last year of an expired Tax Increment Financing District ("TIF") district, with an option to extend, by resolution upon recommendation by the OED Director, transfers for an additional five year period, subject to availability and appropriation of such funds from an expired TIF district; and **(6)** allocation of an appropriation of \$100,000.00 per year for two consecutive years corresponding to (FY 2022-23 and FY 2023-24) for a total amount not to exceed \$200,000.00 from the Public/Private Partnership Fund (Fund 0352, Department ECO, Unit P151) to the Public/Private Partnership Fund (Fund 0352, Department ECO, Unit W953) to be earmarked for the Predevelopment Assistance Program and disbursed via resolution or administrative action pursuant to the Incentive Policy - Not to exceed \$200,000.00 - Financing: Public/Private Partnership Fund

BACKGROUND

The City of Dallas (the "City") serves as the hub of economic activity for the fastest growing region in the country, yet past disinvestment in historically disadvantaged communities has created disparities in economic opportunities and outcomes for persons within these communities, particularly in

southern Dallas. Accordingly, City Council unanimously adopted the Economic Development Policy in May 2021, to foster continued economic growth through an equitable lens to increase inclusive prosperity in the City. Over the past 18 months, City staff has revised the Economic Development Policy to clarify policy, align the action items with ongoing plans, programs, policies, and other City initiatives, designate lead departments to implement the action items, and consolidate and prioritize action items. The revised Economic Development Policy (the “Policy”) is attached hereto as **Exhibit A**.

In furtherance of the Policy, the City proposes a robust, equity-centric approach to economic development, and at the forefront of that approach, has drafted a new Economic Development Incentive Policy (attached as **Exhibit B**) (“Incentive Policy”). As the City’s current incentive policies were developed prior to adoption of the Policy, the Incentive Policy aligns the City’s economic development incentive toolbox with Policy goals to incentivize and support development throughout the City with a focus on southern Dallas and other underinvested areas.

To facilitate tax abatements under the Incentive Policy, this item will authorize the creation of Neighborhood Empowerment Zone (“NEZ”) No. 21 to align with the state designated Enterprise Zones in the city as depicted on the Target Area map attached as **Exhibit C** in accordance with Texas Local Government Code, Chapter 378 (the “Act”).

Further, this item authorizes the transfer of the administration and management of the programmatic elements, and the related funding, of NEZ Nos. 9 and 10 from the Office of Economic Development (“OED”) to the Small Business Center (“SBC”). NEZ Nos. 9 and 10 were created in 2019 by Resolution Nos. 19-0723 and 19-0948, respectively. These programs allow more flexibility to the incentive requirements for projects located within these zones, to spur economic development where additional economic development tools could prove beneficial to commercial properties and small businesses. With the creation of the Small Business Center, these activities align with the SBC’s core mission and transfer program administration and funding to allow SBC to assist small businesses located within or relocating to the zones.

Finally, to facilitate the implementation of the Infrastructure Investment Fund and Predevelopment Assistance Program, this item establishes the Infrastructure Investment Fund and transfers \$100,000.00 per year for two years (FY 2022-23 and FY 2023-24) from the City’s existing Public/Private Partnership Fund to the newly created Predevelopment Assistance Program.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 12, 2022, City Council authorized a public hearing to be held no earlier than 9:00 am on December 14, 2022, at which time any interested person may appear and speak for or against the adoption of the Economic Development Incentive Policy for the period January 1, 2023, through January 1, 2025.

Information about this item was provided to the Economic Development Committee on November 7, 2022.

Information about the Historic Preservation Policy was provided to the Housing and Homelessness

Solutions Committee on November 15, 2022. The Committee requested the item be placed back on the Housing and Homeless Solutions Committee agenda after additional community engagement for further consideration in December 2022 or January 2023.

Information about this item was provided to the City Council on December 7, 2022.

FISCAL INFORMATION

Fund	FY 2022-23	FY 2023-24	Future Years
Infrastructure Investment Fund, Fund 5117	Amount TBD	Amount TBD	Amount TBD
Public/Private Partnership Fund, Fund 0352	\$100,000.00	\$100,000.00	\$0.00