

## Memorandum



CITY OF DALLAS

**DATE** December 3, 2010

**TO** Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Jerry R. Allen, Dwaine Carraway, Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

**SUBJECT** **Authorization of a Grant Agreement with World Affairs Council of Dallas/Fort Worth for Protocol Services**

At the December 8, 2010 Council meeting, you will consider an agenda item to authorize a nine-month Chapter 380 grant agreement with four one-year renewals with the World Affairs Council of Dallas / Fort Worth (WAC/DFW), the most advantageous proposer of two, to provide protocol services to the City of Dallas.

Under this agreement, WAC/DFW will provide protocol services to the City of Dallas and specifically the Office of Economic Development (OED). Responsibilities include: supporting the International Business Division of the Office of Economic Development to promote foreign investment and attract foreign companies to Dallas, particularly in the southern sector; working with the office of the Mayor, City Council Members and City officials to market Dallas to the international community and provide protocol and logistical support for international delegations visiting Dallas; and managing the Sister Cities International Program. In the last year, WAC/DFW raised over \$32,000 in funds and provided \$107,00 in in-kind contributions for activities supporting the City of Dallas protocol services.

The World Affairs Council of Dallas/Fort Worth had previously been under contract to staff and manage the City of Dallas Protocol office; however, their previous contract expired on September 30, 2010. A three month renewal was approved by Council by Resolution 10-2415 on September 22, 2010 to allow for continued staffing during the proposal and bid process.

The City issued an RFP BPZ1032 to solicit bids for professional assistance related to Protocol Services on August 19, 2010. Business Development and Procurement Services (BDPS) sent out 829 email bid notifications to vendors registered under respective commodities.

A four member evaluation committee was selected from the following departments, and reviewed two proposals:

- Economic Development – 2
- Cultural Affairs - 1
- Intergovernmental Services – 1

The successful proposer was selected by the committee on the basis of the following criteria:

- A. Responsiveness to the Request for Proposal: (25 points)
  - 1. Requested information included and thoroughness of response. (15 points)
  - 2. Clarity and brevity of response. (10 points)
- B. Statement of Qualifications (15 points)
- C. References and previous experience related to protocol services, hosting foreign delegations, and working with municipal and federal governments. (20 points)
- D. Business Inclusion and Development Plan. (15 points)
- E. Cost (25 points)

Upon City Council approval, the City will enter into a \$150,000, nine-month grant agreement with the World Affairs Council of Dallas / Fort Worth, with an option for up to four one-year renewals.

Should you have any questions or concerns, please contact me at (214) 670-3314.



A.C. Gonzalez  
Assistant City Manager

cc: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager

## Memorandum



CITY OF DALLAS

**DATE** December 3, 2010

**TO** Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Jerry R. Allen, Dwaine Carraway, Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

**SUBJECT** **Interlocal Agreement with the DFW Airport Board and Cities of Euless and Fort Worth**

On December 8, 2010, the City Council will be asked to authorize an Interlocal Agreement concerning the sharing of municipal hotel occupancy taxes (HOT) at Dallas/Fort Worth International Airport (DFW Airport). The Agreement relates to a proposed Southgate Plaza commercial development within the City of Euless on DFW Airport property (project information is attached). Pursuant to the proposed Agreement, the City of Euless will share a portion of the HOT revenue collected from potential hotels located within Euless at DFW Airport. The Agreement provides for 2/3rds of the HOT revenue received by Euless to be shared with the cities of Dallas and Fort Worth. The Cities of Dallas and Fort Worth will apportion the increased HOT revenue according to proportional ownership of the Airport (7/11ths to Dallas, 4/11ths to Fort Worth).

The City of Dallas previously entered into an Interlocal Agreement with the Cities of Euless and Fort Worth and the Dallas/Fort Worth International Airport (DFW) Board pursuant to City of Dallas Resolution No. 98-0518, approved on February 11, 1998. Pursuant to the agreement, the City of Euless shares two-thirds of its increased revenues within DFW Airport boundaries with the Cities of Dallas and Fort Worth but does not include HOT revenue. Rather, "increased revenues" represent an amount equal to certain ad valorem taxes, sales and use taxes, utility franchise fees, municipal court revenues, mixed beverages taxes and all other general revenue tax levies (except those dedicated for specific purposes or otherwise excluded) attributable to property within the City of Euless and DFW Airport boundaries in excess of the revenues collected in the base year of 1996.

Should you have any questions or concerns, please contact me at (214) 670-3314.

A handwritten signature in blue ink, appearing to read 'A.C. Gonzalez', written over a circular stamp or seal.

A.C. Gonzalez  
Assistant City Manager

- c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager



# Dallas/Fort Worth International Airport Commercial Development Department

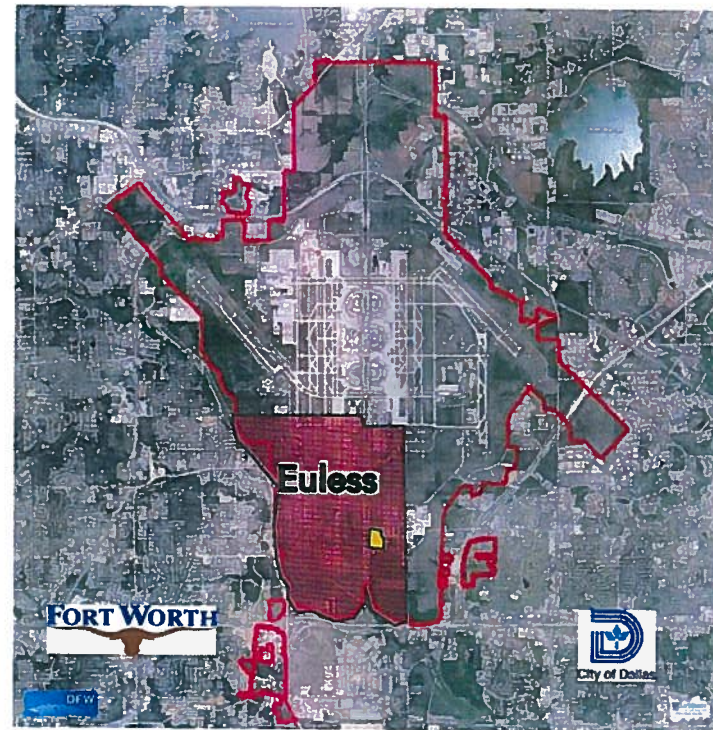
Dallas City Council  
Economic Development Committee Briefing

December 6, 2010



## Interlocal Agreement with the City of Euless Municipal Hotel Occupancy Taxes

- On September 2, 2010, Board Resolution No. 2010-09-236, was approved to enter into an Interlocal Agreement for the sharing of Municipal Hotel Occupancy Taxes between the Cities of Dallas, Fort Worth, and Euless.
- On October 26, 2010, the City of Euless approved the Interlocal Agreement to share in municipal Hotel Occupancy Taxes.
- Dallas City Council approval scheduled for December 8, 2010.
- Fort Worth City Council approval scheduled for December 14, 2010.





## Interlocal Agreement for Municipal Hotel Occupancy Taxes (HOT) Agreement Overview

Distributes revenue equitably, and creates benefit to all parties
Allocates HOT revenue with 1/3 share to the Host City of Euless and a 2/3 share between the Owner Cities of Dallas and Fort Worth
Airport will not build or lease ground for new hotels within Irving, Coppell, or Grapevine unless the municipality agrees to share taxes
No tax abatement agreement created regarding the HOT, unless the parties agree to do so
All parties will use their share of municipal HOT for lawful purposes
Initial ILA approved on February 5, 1998, between the Airport Board, Cities of Dallas, Fort Worth, and Euless will remain in full force and effect
Any future agreements that provide for a larger percentage of municipal HOT than that retained by Euless, shall be amended to provide the same percentage

## Interlocal Agreement for Municipal Hotel Occupancy Taxes Southgate Plaza Progress

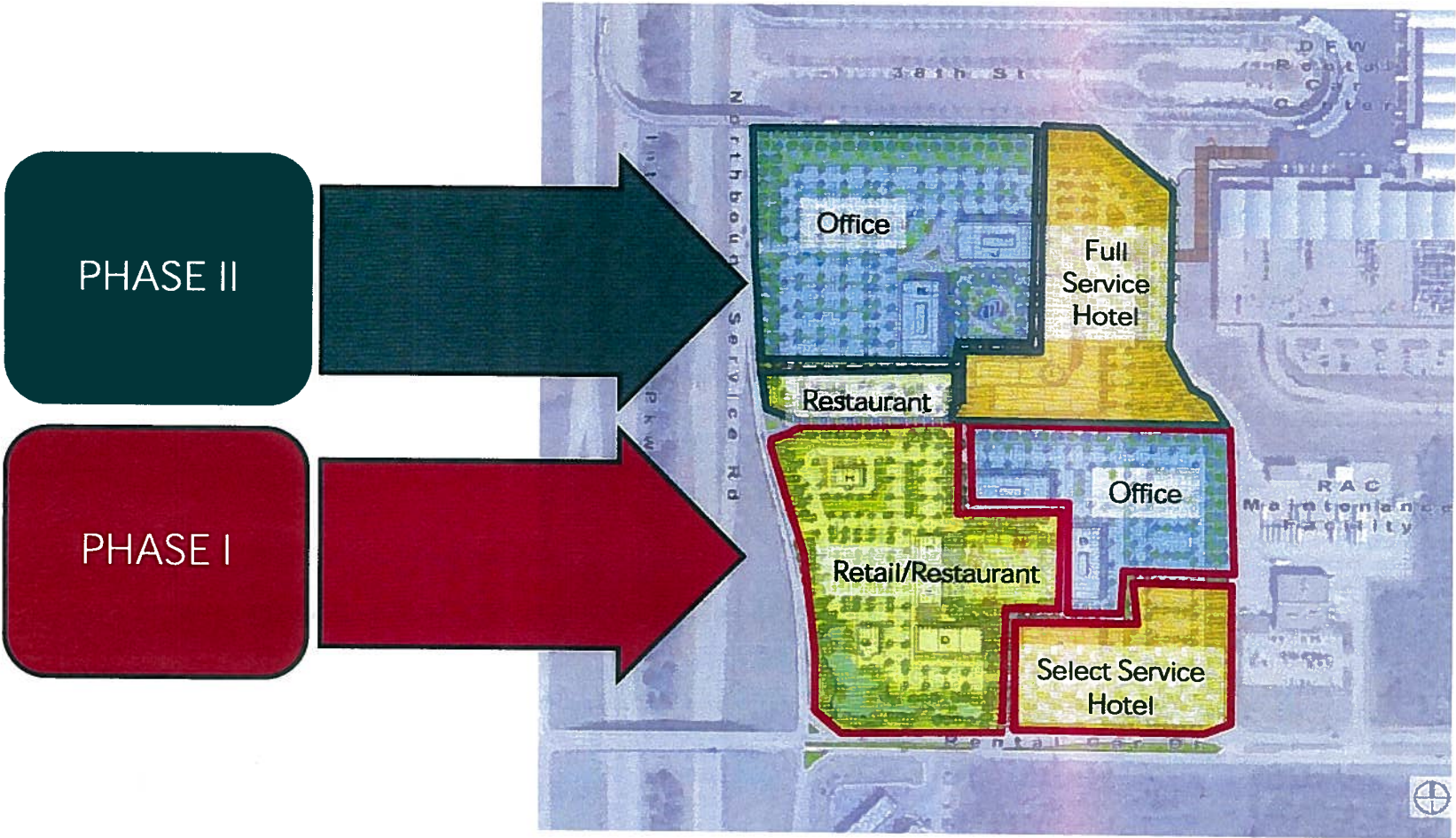
- Conceptual Master Plan
- Market Analysis and Trade Area Research Report
- Design Criteria Manual
- Lease/Development Agreement Draft





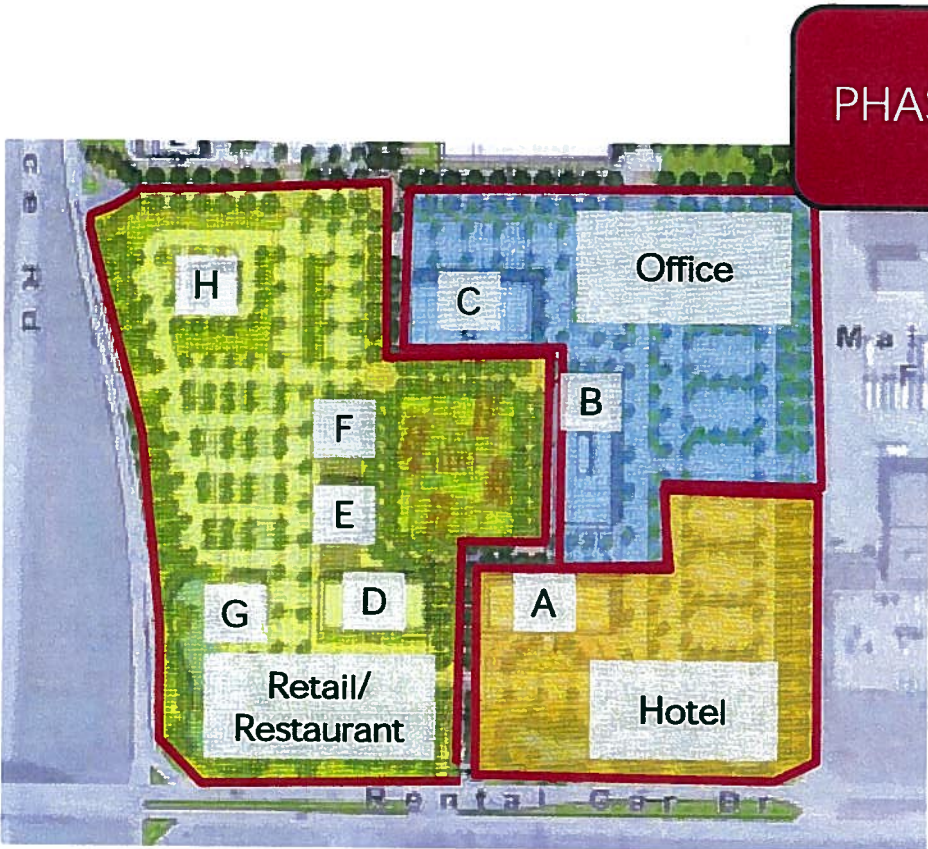
# Interlocal Agreement for Municipal Hotel Occupancy Taxes

## Southgate Plaza Phased Development



# Interlocal Agreement for Municipal Hotel Occupancy Taxes

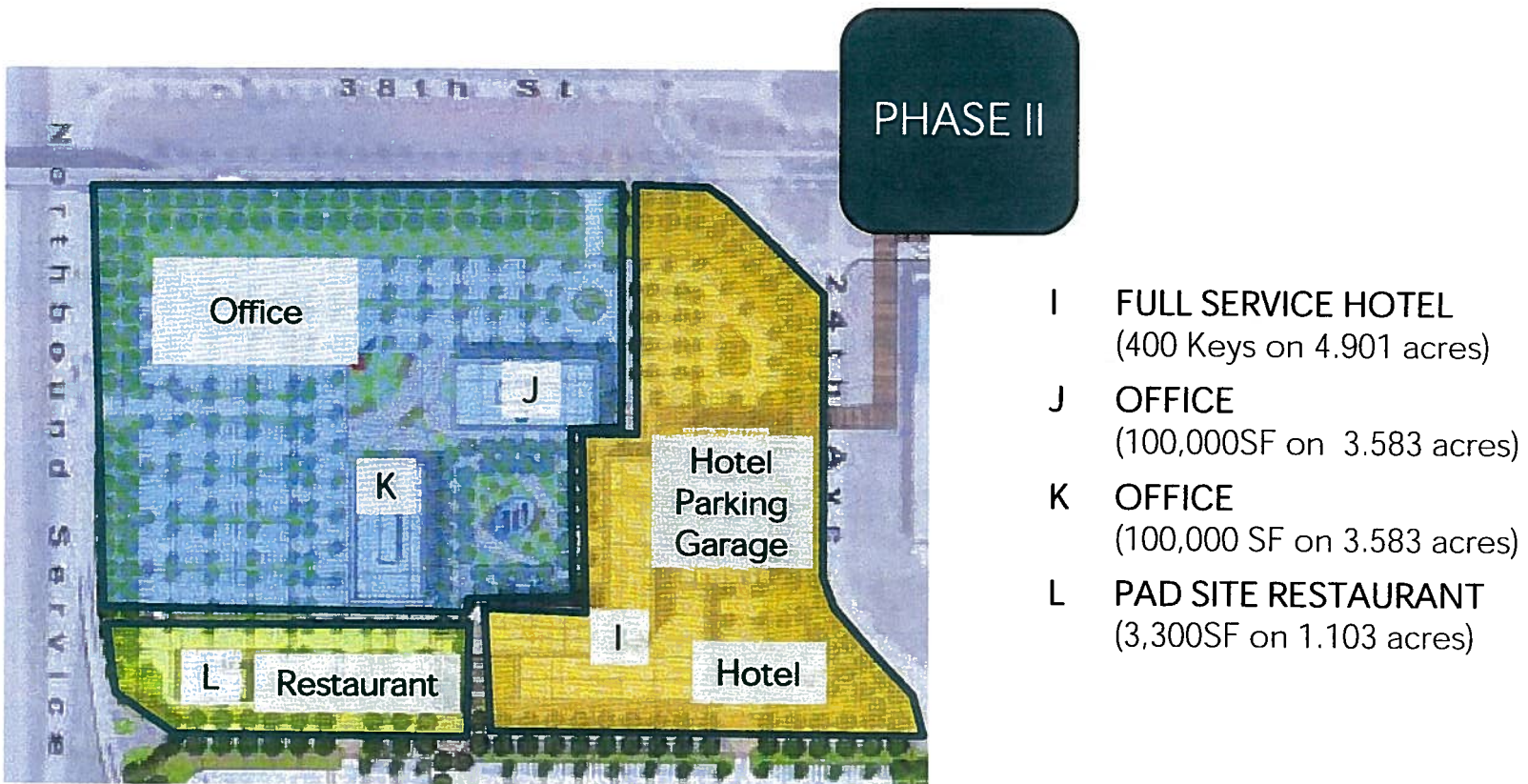
## Southgate Plaza Development Phase I



- A SELECT SERVICE HOTEL  
(130 Keys on 2.152 acres)
- B OFFICE  
(51,500 SF on 2.396 acres)
- C OFFICE  
(51,500 SF on 3.375 acres)
- D CONVENIENCE RETAIL  
(11,360SF on 1.002 acres)
- E RESTAURANT  
(4,500SF on 0.882 acres)
- F RESTAURANT  
(4,500SF on 0.885 acres)
- G RESTAURANT  
(5,000SF on 0.705 acres)
- H PAD SITE RESTAURANT  
(3,300SF on 1.295 acres)

# Interlocal Agreement for Municipal Hotel Occupancy Taxes

## Southgate Plaza Development Phase II



# Interlocal Agreement for Municipal Hotel Occupancy Taxes Revenue Potential at Ultimate Hospitality Buildout

## Annual Revenues to:

Dallas	578,000
Fort Worth	330,000
Eules	455,000
<hr/>	
<b>Total HOT Revenue</b>	<b>\$1,363,000</b>





## Interlocal Agreement for Municipal Hotel Occupancy Taxes Request For Qualifications (RFQ) Phase I Proposed Schedule

RFQ Email notification to Developers	December 11, 2010
Public Advertisement (Fort Worth Star Telegram, Dallas Morning News and Commercial Recorder)	December 12 <sup>th</sup> and 13 <sup>th</sup> December 19 <sup>th</sup> and 20 <sup>th</sup>
Networking Conference	January 7, 2011
RFQ Question Deadline	January 14, 2011
Answers from DFW to RFQ Questions	January 21, 2011
Request for Qualifications Due	February 9, 2011
Evaluation and Short list by DFW Selection Team	February 25, 2011

# Memorandum



DATE December 3, 2010

TO Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen,  
Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

SUBJECT **International Bazaar, Inc. Economic Development Grant, December 8, 2010 Council Agenda**

## **MAIN TOPIC**

Authorize an economic development grant of \$200,000 with International Bazaar, Inc. related to the remodeling of the Big T Plaza shopping center located at 4515 Village Fair Drive in south Dallas.

## **BACKGROUND**

International Bazaar, Inc. seeks City Council approval of an economic development grant of \$200,000 for remodeling the 161,325 square foot shopping center situated on approximately 18 acres located at the northwest quadrant of the intersection of I-35E and W. Ledbetter Drive at 4515 Village Fair Drive.

International Bazaar, Inc. will make a private investment of approximately \$1,000,000 in order to be eligible for the proposed economic development grant. The economic development grant is designed to offset certain development costs including demolition, environmental remediation, and other related improvements for the remodeling of this deteriorating shopping center. The city grant will be payable upon substantial completion of approximately \$1,000,000 in improvements by June 30, 2011. Should the cost of improvements be less than \$1,000,000, the city grant will be for 20% those improvements.

The proposed development meets minimum eligibility requirements of the Public/Private Partnership Program as adopted by the City Council on June 23, 2010.

## **PROJECT DETAILS**

**Project Site:** Northwest corner of I-35E and W. Ledbetter Road at 4515 Village Fair Drive

**Acreage:** 17.8

**Existing Facility:** 161,325 square feet

**Real Property Investment:** Building improvements - \$1 million

**Minimum Required Jobs:** NA

**Average Wage:** NA

## **PROPOSED ESTIMATED SCHEDULE OF THE PROJECT**

Begin Construction  
Complete Construction

December 2010  
June 30, 2011

**CITY INCENTIVES**

**Economic Development Grant**

(Development Fees and other project costs  
such as demolition and environmental remediation) \$200,000

Revenue	<u>Investment</u>	<u>Annual Taxable Retail Sales</u>	<u>Annual Foregone Revenue</u>	<u>Annual City of Dallas Tax Revenue</u>
New Real Property	\$1M		\$0	\$7,970
Sales Tax @1%		NA	<u>\$0</u>	<u>\$0</u>
1-year Total			<u>\$0</u>	<u>\$7,970</u>
10-year Total (2% annual growth)			\$0	\$87,269

**FISCAL INFORMATION**

- Financing: 2006 Bond Funds - \$200,000

**OWNER**

International Bazaar, Inc.  
James P. Lee  
President

**DEVELOPER**

International Bazaar, Inc.  
James P. Lee  
President

**MAP**

Attached

Should you have any questions, please contact me at (214) 670-3314.

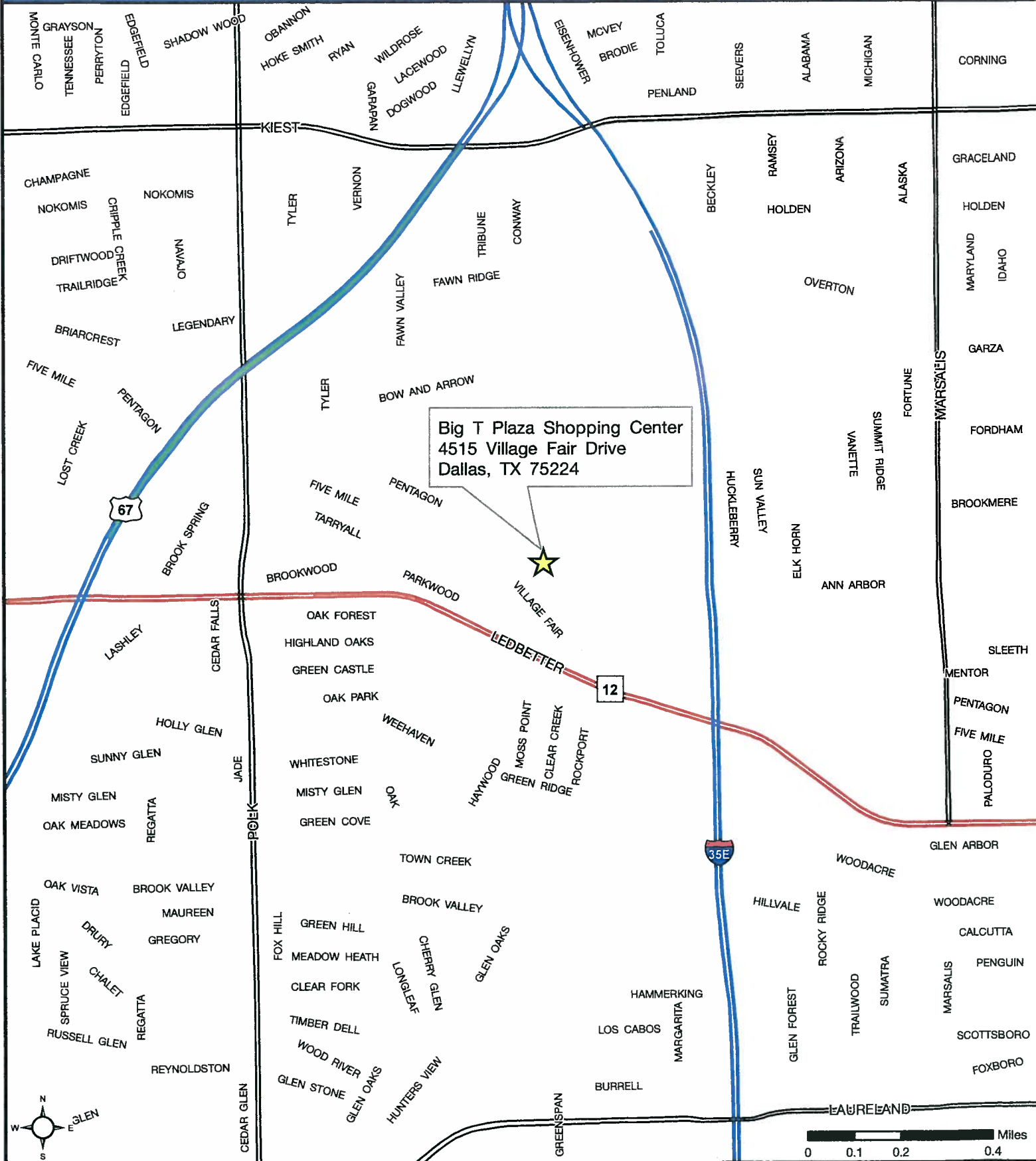


A.C. Gonzalez  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig D. Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager

Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, OED  
Hammond Perot, Asst. Director, OED  
Helena Stevens-Thompson, Asst. to the CMO

# Big T Plaza Shopping Center



**DALLAS  
ECONOMIC  
DEVELOPMENT**

Research & Information Division  
214.670.1685  
dallas-ecodev.org

## Legend

- Freeway
- Highway
- Arterial
- Local Road



## Memorandum



CITY OF DALLAS

DATE December 3, 2010

TO Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Jerry R. Allen, Dwaine Carraway, Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

SUBJECT **Authorization a Contract to Provide a Workforce Training Curriculum for Logistics**

At the December 8, 2010 Council meeting, you will consider an agenda item to authorize a contract to provide a workforce training curriculum for logistics to the Manufacturing Skills Standards Council (MSSC), the most advantageous proposer of three.

This contract will provide two levels of logistics workforce training curriculum: foundational and mid-level to individuals in the International Inland Port of Dallas area who are currently unemployed or underemployed, and have at least a tenth grade education. The logistics curriculum will address the core competencies expected for front-line material handling workers throughout supply chains, with a focus on work occurring specifically in a warehouse environment.

Approximately 130 participants will complete this workforce training. Each class is 40 hours and will be conducted in one week, with five eight-hour days. Classes are expected to begin at the end of January at Cedar Valley College.

Funding for this training comes from funds awarded to the City of Dallas via a Workforce Investment Act earmark in the FY09 Department of Labor, Health and Human Services and Education Appropriations bill for a grant of \$186,000. On June 9, 2010, the City Council approved, by Resolution 10-1473, the application for and acceptance of the Workforce Investment Act Grant from the U.S. Department of Labor Employment and Training Administration for the creation of a workforce training pilot program. Out of this funding, approximately \$58,000 has been budgeted for curriculum procurement. The performance period for this grant is May 1, 2010 through October 31, 2011 under agreement number EA-20245-10-60-A-48. The grant is overseen by the Department of Labor's Employment Training Administration (DOL ETA).

On August 25, 2010, by Resolution No. 10-2117, the City Council approved an interlocal agreement with Dallas Community College District's Cedar Valley College (CVC) for the operation and administration of a workforce training pilot program. Under the agreement, CVC, as a teaching institution, will be providing teachers for the classes, locations for classes, and the necessary computers needed during class-time, and will hire a coordinator to oversee these responsibilities. CVC will be reimbursed for actual expenses, in an amount not to exceed \$128,362.

The City of Dallas issued RFP BJZ1010 on September 23, 2010 seeking bids to obtain workforce training curriculum for a workforce training pilot program. A four member evaluation committee was selected from the following departments and reviewed three proposals:

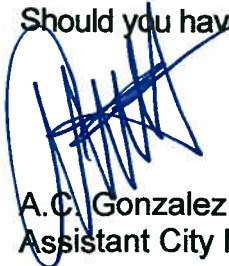
- Economic Development – 2
- Environmental Health Services - 1
- Intergovernmental Services – 1

The successful proposer was selected by the committee on the basis of the following criteria:

- A. Cost (25 points)
- B. References and previous vendor experience (25 points)
- C. Vendor qualifications (20 points)
- D. Overall approach and responsiveness to the Request for Proposal: (30 points total)
  - 1. Requested information included and thoroughness of response. (15 points)
  - 2. Clarity and brevity of response. (15 points)

Upon City Council approval, the City will enter into a one-time contract with the Manufacturing Skills Standards Council (MSSC), with the amount not to exceed \$56,600.

Should you have any questions or concerns, please contact me at (214) 670-3314.



A.C. Gonzalez  
Assistant City Manager

cc: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager

# Memorandum



CITY OF DALLAS

DATE December 3, 2010

TO Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Linda Koop, Ann Margolin, and Steve Salazar

SUBJECT **Authorize an amendment to the Development Agreement with INCAP Master Development, LLC (Davis Garden TIF District); Agenda Item, December 8, 2010**

This action will authorize a second amendment to the Development Agreement with INCAP Master Development, LLC to: (1) extend the completion deadline for the design of the median improvements component from December 31, 2010 to December 31, 2011; (2) extend the completion deadline for the median improvements from December 31, 2011 to December 31, 2012; (3) allow the funds designated for median improvements to be used for streetscape or other public improvements at an alternative location within the Davis Garden TIF District subject to the Davis Garden TIF Board's approval; and (4) approve the assignment of the development agreement from INCAP to Stratford Land Fund III, L.P. or its affiliates or any other party approved by the Director without obligation to own or develop the six apartment complex sites that comprise approximately thirty acres of land located in the Davis Garden TIF District.

Affiliates of INCAP Master Development, LLC previously acquired six structurally and functionally obsolete apartment complexes located on approximately 30 acres of land throughout the Davis Garden TIF District. On May 28, 2008, City Council approved the entity's request for \$4,008,247 in TIF reimbursement for: (a) the apartment complexes' environmental remediation and demolition and (b) median improvements on Davis Street between Hampton Road and Montclair Avenue. This item extends the completion deadlines for the median improvements portion of the project by one year. It will also allow the funds designated for the median improvements to be used for streetscape improvements at an alternative location within the District.

The environmental remediation and demolition component of the entity's project has been completed. However, the median improvements on Davis Street have been delayed due to a variety of constraints. The amendment to development agreement will allow INCAP to complete the design of the median improvements by the end of December 2011 and the construction of the median improvements by the end of December 2012.

Assuming all conditions for payment have been met as defined by the Project's development agreement, the City will administer the payment of the TIF Subsidy for the Project in accordance with the TIF Board's adopted Increment Allocation Policy. Issues related to Davis Street's designation as part of the State highway system have created several unexpected delays. The requested time extension is adequate to resolve these issues.

Annually on or about June 1st of each calendar year, after the Total Increment has been deposited in the District's TIF fund, the fund will pay or set aside Administrative Expenses and Affordable Housing Set-asides. After these obligations are met all funds will be used to reimburse the 1st phase of the INCAP project until the obligations are fully reimbursed. If the INCAP Phase I Project is not complete by June 1st of each calendar year, the allocation procedures described in the District's Increment Allocation Policy will apply until the Project is complete.

The project summary is as follows:

Total square footage required	0
Developer fee	<4%
Required private investment – site acquisition and hard costs of construction	\$30,000,000
Total project cost including site acquisition, hard costs of construction, all soft costs, and TIF expenses/other public.	\$43,246,681
TIF funding	\$4,008,247
% TIF funds to total project cost	9.30%
Rate of return with TIF funds (horizontal develop)	7.00%
Rate of return without TIF funds or other public assistance	0.04%
Deadline to purchase properties	N/A
Deadline to complete environmental remediation and/or demolition	Completed
Deadline to complete the design for the median improvements	December 31, 2011
Deadline to complete the construction of the median improvements	December 31, 2012

**SCHEDULE**

Environmental Remediation and Demolition Activities	Completed
Begin the Design for the Median Improvements	August 2011
Complete the Design for the Median Improvements	December 2011
Begin the Construction of the Median Improvements	January 2012
Complete the Construction of the Median Improvements	December 2012

**FINANCING**

No additional funding will be provided.

**OWNER**

**INCAP Master Development, LLC  
 A Texas Limited Liability Company**

Brady Wood, President

**DEVELOPER**

**INCAP Master Development, LLC  
 A Texas Limited Liability Company**

Brady Wood, President

**STAFF**

Telemachus Evans, Economic Development Analyst  
Karl Stundins, Manager, Area Redevelopment Division

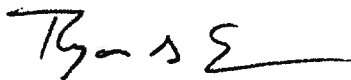
**RECOMMENDATION**

Staff recommends City Council's approval of the second amendment to the development agreement with INCAP Master Development, LLC.


**MAP**

Attached

Should you have any further questions or concerns, please contact me at (214) 670-3314.

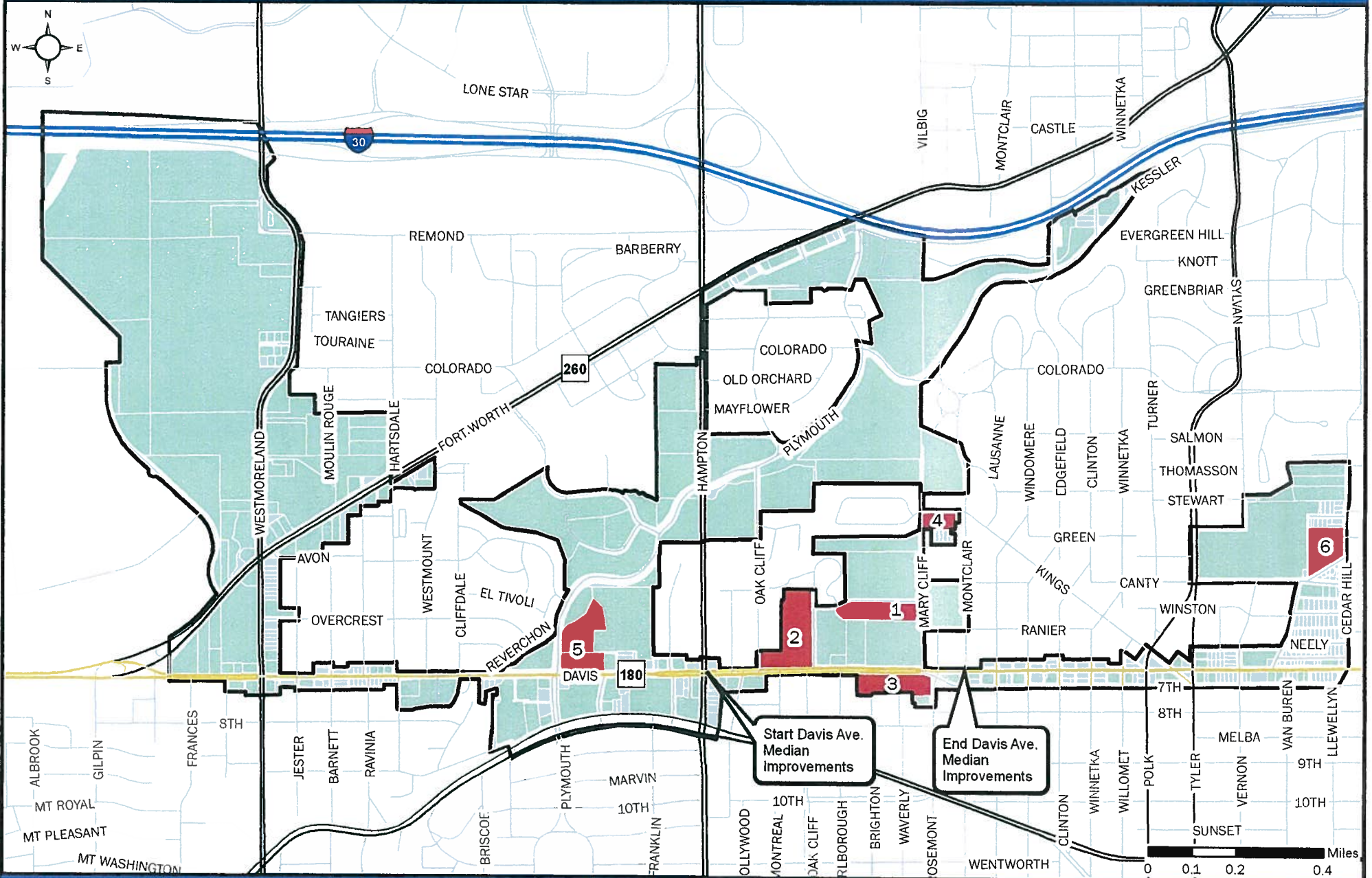


A. C. Gonzalez  
Assistant City Manager



C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig D. Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager

# Davis Garden TIF District - INCAP's Horizontal Development Sites & Median Improvements



City of Dallas - Office of Economic Development



Research & Information Division  
 (214) 670-1685  
<http://www.Dallas-EcoDev.org>

## Legend

- Davis Garden TIF Boundary
- Davis Garden TIF Parcels

- Primary Highway
- Secondary Highway
- Major Arterial
- Local Streets

INCAP Master Development, LLC  
 Horizontal Development Projects

- 1. Chateau Crete Assembly
- 2. Acorn Tree Assembly
- 3. Cliffwood Assembly
- 4. King's Highway Assembly
- 5. Northhills Assembly
- 6. Kidd Springs Assembly

Source: City of Dallas, 2007-08

# Memorandum



DATE December 3, 2010

TO Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Dwaine Caraway, Linda Koop, Jerry R. Allen, Sheffie Kadane, Steve Salazar, Ann Margolin

SUBJECT **Authorize a five-year contract for a Business Revolving Loan Program to Southern Dallas Development Corporation, most advantageous proposer. Not to exceed \$3,000,000 - Financing: CDBG Program Income**

On December 8, 2010, the City Council will consider (1) authorizing a five-year contract with the Southern Dallas Development Corporation to administer the City of Dallas CDBG Revolving Loan Program, for the purpose of servicing and making loans to area businesses and creating and retaining jobs for low-to-moderate income persons; and (2) any unexpended balances of program income and allocations from prior contract years be rolled over to continue the CDBG Revolving Loan Program.

## **BACKGROUND**

On March 8, 1989, the City Council authorized the restructuring and transferring of Community Development Block Grant (CDBG) Funds in the amount of \$1,780,534, from the Housing and Economic Development Corporation of Dallas (HEDCD) to the Southern Dallas Development Corporation (SDDC), for program administration and implementation by Resolution No. 89-0815.

SDDC administers the Business Revolving Loan Program for the City of Dallas. The program provides funding and access to capital for entrepreneurs and small businesses and creates and/or retains jobs for low moderate income persons. The program also fosters community and economic development in low moderate income communities within the Dallas city limits. The program is funded by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant.

The loan program is governed by a board of directors that includes three (3) appointments by Dallas City Council members. The program is managed under HUD approved operating guidelines with rates, terms and cost established by the board of directors in compliance with HUD guidelines. The loans and cost of operation are funded from CDBG Program Income derived from the collection of outstanding accounts receivables. As of 10/1/10, accounts receivables totaled \$3,159,331. Collections are estimated at \$600,000 annually.

Since 1989, Southern Dallas Development Corporation (SDDC) has provided an estimated 174 business loans from Community Development Block Grant (CDBG) funds in the southern Dallas community totaling an estimated \$19.2 million. These loans have leveraged an estimated \$43 million in private investment and created/retained approximately 1,871 jobs.

The Request for Certified Sealed Proposal was posted for bid on June 24, 2010. Only one bid was received and reviewed by a five member committee selected from the following departments:

Southern Dallas Development Corporation (SDDC)  
December 03, 2010

- Economic Development (2)
- Budget Management (1)
- Public Works & Transportation (1)
- Business Development & Procurement Services (1)\*

Two additional providers were contacted but did not submit bids.

\*Business Development and Procurement Services only evaluated the Business Inclusion and Development Plan.

Please see attached "Exhibit A" for loan performance details.

### **OWNER**

**Southern Dallas Development Corporation**  
Loren Montgomery, Board Chair

### **COUNCIL DISTRICT**

All

### **FISCAL INFORMATION**

No cost consideration to the City

### **RECOMMENDATION**

Staff recommends the City Council authorize a five-year contract with the Southern Dallas Development Corporation to administer the City of Dallas CDBG Revolving Loan Program.

Should you have any questions, please contact me at (214) 670-3314.



A.C. Gonzalez  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Lee McKinney, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager



# **Exhibit A**

## **Scope of Services**

### **CDBG Revolving Loan Fund Program**

The CDBG Revolving Loan Fund Program is used to make loans to businesses located in the Dallas city limits. Loans made directly or in partnership with conventional banks and non-traditional lenders to qualified business applicants will provide fixed-interest rate, term loans for permanent working capital, machinery, equipment, commercial real estate acquisition and development that will result in job creation through expansion, relocation or growth or, job retention that would actually be lost without CDBG assistance.

### **CDBG RLF Program Goals**

- Make loans to businesses that will result in job creation or job retention for low to moderate income persons.
- Perpetuate a positive and proactive business climate which encourages the retention and expansion of existing businesses and help to attract desirable new businesses.
- Manage the CDBG RLF Program in behalf of the City of Dallas
  - Screen loan applicants for eligibility
  - Underwrite and process eligible loan requests
  - Process accounts receivables and manage delinquency/collection accounts
  - Submit monthly/quarterly required reporting data
  - Make on-site client visits to monitor business operation and job creation or retention goals
- Every \$35,000 loaned must result in one full-time job created or retained. Of the total jobs created per loan, 51% must be made available to low to moderate income persons

### **Eligible Borrowers**

- The Business must be a for-profit business entity located with the Dallas city limits where CDBG funds will be used to create and/or retain jobs for low to moderate income persons.
- Loans provided under CDBG Revolving Loan Program are generally to businesses where conventional financing isn't available due to risk factors beyond conventional financing risk tolerance.

**Loan Performance 2009/2010**

Loans Closed	5
Total Dollar Amount of Loans Closed:	\$561,981
Total Dollars Leveraged on Loans Closed:	\$501,617
Total Jobs to be created/retained from Closed Loans:	17
Total Program Income (10/1/09-9/30/10	\$524,882
Total portfolio as of 9/30/10	\$3,159,331
Loan Delinquency Rate	5.48%
Loans Charged to Loss (3-loans)	\$146,179
Loan Loss Recovery	\$36,370
Net Loss	\$109,809 (3.48%)

# Memorandum



CITY OF DALLAS

DATE December 3, 2010

TO Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry Allen, Dwaine Caraway,  
Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

SUBJECT Resolution Supporting I-35E from I-635 to U.S. 380  
Agenda Item #37 on December 8, 2010 City Council Agenda

A resolution has been scheduled for Council consideration on December 8, 2010, that would support (1) the proposed TxDOT design for I-35E from I-635 to U.S. 380 which includes managed toll lanes, (2) the use of innovative financing mechanisms, including public private-partnerships, to complete the I-35E improvements in five to seven years, (3) statutory authority for TxDOT to enter into public-private partnerships for the purpose of seeking competitive proposals and awarding the construction of the planned improvements for I-35E, and (4) expedited approval of authorization for TxDOT to enter into public-private partnerships with an effective date in the first quarter of calendar year 2011.

## **BACKGROUND**

The Dallas Regional Mobility Coalition (DRMC) has formed an I-35E Stakeholder Coalition comprised of cities and counties along I-35E between I-635 (LBJ Freeway) and U.S. 380 to advocate for funding to reconstruct this section of interstate freeway.

I-35E currently has six general purpose lanes and two-lane service roads, and carries about 200,000 vehicles per day. The design developed by the Texas Department of Transportation (TxDOT) would provide eight general purpose lanes, four managed toll lanes, and three-lane service roads. It is anticipated that traffic volumes will increase to 330,000 vehicles per day by 2030. The schematic design has been approved and environmental approvals are expected in early 2011. Only a small portion, less than one-half mile of this 28.2 mile, \$4.4 billion project, is located in the City of Dallas. Denton County has already pledged \$590 million towards the I-35E project from S.H. 121 regional toll revenues and a voter-approved bond program.

The City of Dallas has been asked to approve a Council resolution supporting the proposed design of I-35E and advocating for TxDOT to be given statutory authority by the state legislature to enter into a public-private partnership to fund and construct the project in an expedited timeframe.

The proposed resolution was briefed to the Council Transportation and Environment Committee on November 8, 2010. There is no cost consideration to the City of Dallas.

Staff recommends approval.

If you have any questions, please contact me at 214-670-3314.



A.C. Gonzalez  
Assistant City Manager

attachment

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Thomas P. Perkins, Jr. City Attorney  
Deborah Watkins, City Secretary  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Libro, Public Information Office  
Karl Zavitkovsky, Director, Office of Economic Development  
Theresa O'Donnell, Director, Sustainable Development and Construction  
Helena Stevens-Thompson, Assistant to the City Manager

**WHEREAS**, Interstate Highway 35 (I-35) was an original Interstate Highway that was approved by the Texas State Highway Commission in 1962; and,

**WHEREAS**, the Interstate Highway System in Texas has had a positive economic impact and I-35, in particular, has become one of the nation's most important interstate routes due to international trade and commerce; and,

**WHEREAS**, traffic volumes have increased geometrically as cities along I-35 have grown and become economic centers of national importance; and,

**WHEREAS**, I-35 has been designated by the United States Congress as a High Priority Corridor on the National Highway System; and,

**WHEREAS**, I-35 has been designated as an international trade route for commerce, known as the NAFTA Superhighway; and,

**WHEREAS**, the segment of I-35 East (I-35E) from Interstate Highway 635 (I-635) in Dallas to U.S. Highway 380 (U.S. 380) in Denton is approximately 28 miles in length with traffic counts between 175,000 and 200,000 vehicles per day; and,

**WHEREAS**, the 2030 traffic projections show traffic will exceed 330,000 vehicles per day in the most congested areas of I-35E; and,

**WHEREAS**, the use of managed toll lanes on I-35E has already been authorized by the Federal Highway Administration (FHWA) through approval of an Express Lane Demonstration Program entered into between TxDOT and FHWA on September 30, 2009; and,

**WHEREAS**, the design schematics and interstate access justification for I-35E were approved by FHWA on October 28, 2009; and,

**WHEREAS**, the design schematic for I-35E calls for the construction of four general purpose lanes and three service road lanes in each direction, providing a total of fourteen lanes for which no toll will be assessed; and,

**WHEREAS**, the capacity for the I-35E general purpose lanes and service road lanes will be enhanced by the inclusion of two managed toll lanes in each direction, and the managed toll lanes are a critical component to obtain financing necessary to complete development of the project; and,

**WHEREAS**, there has been significant public involvement during the I-35E design process, including multiple public meetings and forums; and,

**WHEREAS**, TxDOT has over the past ten years worked closely with local elected officials, stakeholders, and citizens along I-35E on the planned improvements; and,

**WHEREAS**, the total cost of the project, which is divided into three segments covering 28 miles, is projected to be \$4.4 billion; and,

**WHEREAS**, Denton County has pledged \$535 million in Regional Toll Revenue funds and \$55 million in voter-approved County Road Bond funds to help finance the completion of the entire I-35E project; and,

**WHEREAS**, local officials understand the need for managed toll lanes, and support their inclusion in the congested I-35E corridor; and,

**WHEREAS**, the funding of I-35E utilizing innovative financing mechanisms, such as public-private partnerships, remains the only viable alternative to complete the construction of I-35E within a time horizon of five to seven years; and,

**WHEREAS**, I-35E public hearings are underway and final environmental clearance is expected in the first quarter of 2011.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That the City of Dallas supports the proposed TxDOT design for I-35E from I-635 to U.S. 380, which incorporates managed toll lanes.

**Section 2.** That the City of Dallas supports the use of innovative financing mechanisms, including public private-partnerships, in order to complete the I-35E improvements in five to seven years.

**Section 3.** That the City of Dallas supports giving TxDOT statutory authority to enter into public-private partnerships for the purpose of seeking competitive proposals and awarding the construction of the planned improvements for I-35E.

**Section 4.** That the City of Dallas supports expedited approval of authorization for TxDOT to enter into public-private partnerships with an effective date in the first quarter of calendar year 2011 to facilitate an early issuance of requests for proposals.

**Section 5.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas and it is accordingly so resolved.

# Memorandum



CITY OF DALLAS

Date: December 3, 2010

To: Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

Subject: **Dallas Convention Center Hotel Connector Bridge**

On December 8, 2010, the City Council will be asked to consider authorizing the expenditure for the easement of the construction and use of the planned connector bridge between the Dallas Convention Center and the Dallas Convention Center Omni Hotel.

The Reciprocal Access Agreement provides the terms between the City and the LGC Corporation for construction, use and maintenance of the planned connector bridge by the Corporation. The Agreement grants an easement by the City to the Corporation that permits construction and use of the portion of the planned connector bridge that will be on and/or over City-owned land and grants an easement from the Corporation to the City for access to and use of the planned connector bridge and provides the funds up to but not exceeding \$2,895,276.00 to the Corporation necessary to construct an enhanced connector bridge that will add value to the hotel project and the Dallas Convention Center and enhance the experience of users of the Dallas Convention Center and the Dallas Convention Center Headquarters Hotel.

This financial agreement was anticipated, included in our pro-forma and part of our *Convention Center Hotel Project Parameters Briefing* to Council dated June 15, 2009.

## **FINANCING**

Convention & Event Services Capital Improvement Funds - \$2,895,276

## **MAPS**

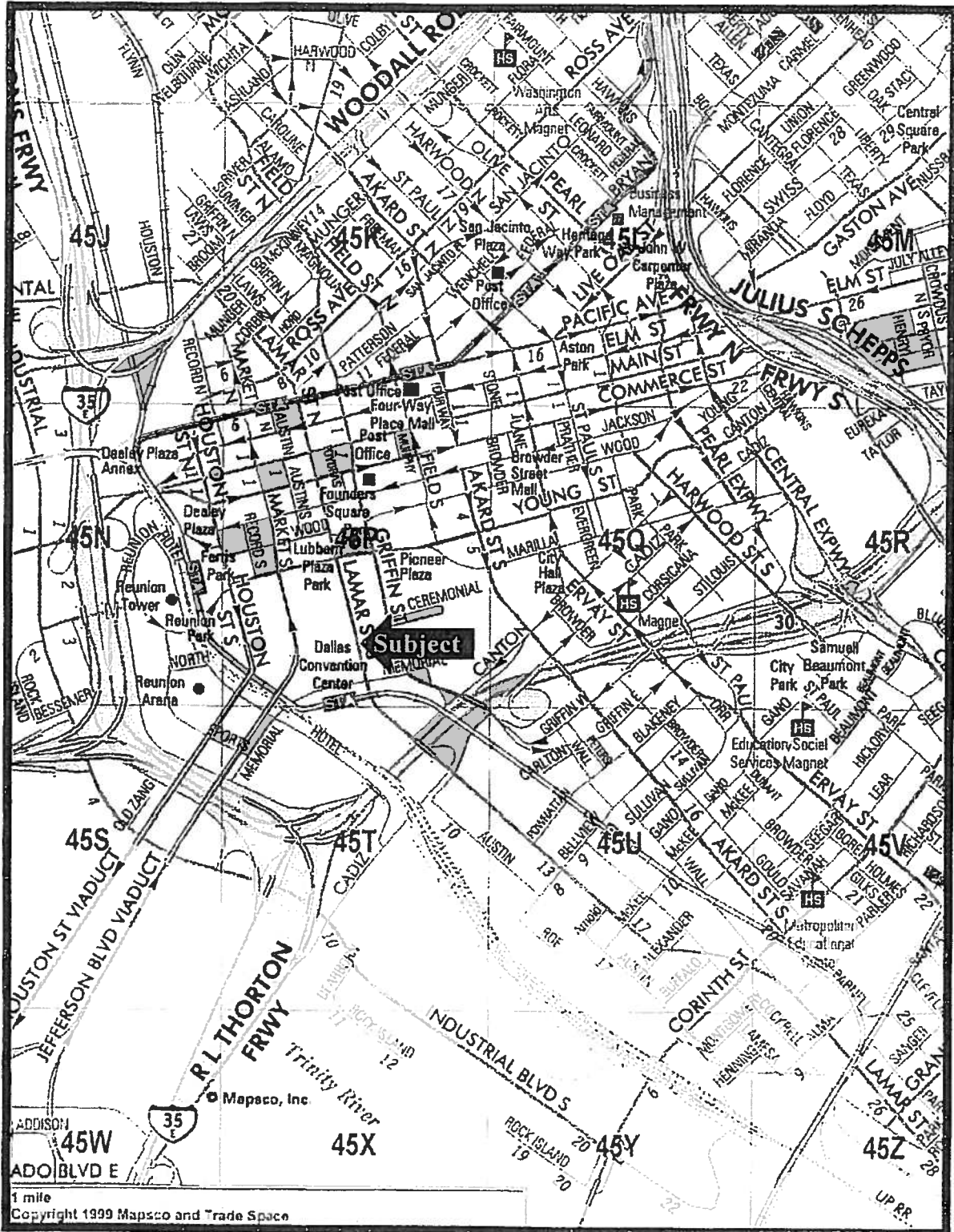
Attached

## **RECOMMENDATION**

Staff recommends approval. Please contact me at 214-670-3314 should you have any questions regarding this matter.

  
A.C. Gonzalez  
Assistant City Manager

C: Honorable Mayor and Members of the City Council  
Deborah Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Mary K. Suhm, City Manager  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Al Rojas, Interim Director, Convention and Event Services  
Helena Stevens-Thompson, Assistant to the City Manager



**MAPSCO 45P**



# Memorandum



CITY OF DALLAS

[www.dallascityhall.com](http://www.dallascityhall.com)  
[www.bids.dallascityhall.org](http://www.bids.dallascityhall.org)

**Date** December 3, 2010

**To** Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry R. Allen, Dwaine R. Caraway, Sheffie Kadane, Linda Koop, Ann Margolin and Steve Salazar

**Subject** FYI – Business Inclusion and Development Performance Report

Attached for your information is the Business Inclusion and Development Plan Performance Report for October 1, 2009 through September 30, 2010. During FY 2009-10 we were \$50,461,623 or 70% above the Minority/Women Business Enterprise (M/WBE) participation goal.

Should you have any questions, please contact me at (214) 670-7804.

A handwritten signature in cursive script that reads "Jeanne Chipperfield".

Jeanne Chipperfield  
Chief Financial Officer

## Attachment

c: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig D. Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
A. C. Gonzalez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Helena Stevens-Thompson, Assistant to the City Manager  
Ade Williams, Director, Business Development and Procurement Services

**Business Development and Procurement Services  
Business Inclusion and Development Performance Report  
Reporting Period : October 2009-September 2010**

**COUNTY**

GOALS	25.00%		25.66%		36.30%		23.80%		18.00%		Total	
	Construction		Architectural & Engineering		Professional Services		Other Services		Goods		Total	
	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total
<b>ALL DEPARTMENTS</b>												
<b>Dallas (Local)</b>												
African American	14,972,595	10.2	2,827,802	4.5	3,643,474	17.9	10,515,027	21.3	900,586	1.4	32,859,484	9.5
Hispanic	17,537,357	11.9	8,564,104	13.6	379,044	1.9	9,038,902	18.3	2,148,570	3.2	37,667,977	10.9
Asian	195,130	0.1	6,331,558	10.1	169,154	0.8	4,476,895	9.1	1,697,358	2.6	12,870,095	3.7
Native American	6,677,738	4.5	184,000	0.3	0	0.0	26,816	0.1	147,688	0.2	7,036,242	2.0
Other	0	0.0	33,822	0.0	0	0.0	0	0.0	0	0.0	33,822	0.0
<b>Total MBE</b>	<b>39,382,820</b>	<b>28.8</b>	<b>17,941,286</b>	<b>28.5</b>	<b>4,191,872</b>	<b>20.6</b>	<b>24,057,640</b>	<b>48.8</b>	<b>4,894,202</b>	<b>7.4</b>	<b>90,467,820</b>	<b>28.2</b>
Caucasian Women	25,322,598	17.2	3,080,947	4.9	330,772	1.6	782,503	1.6	2,476,027	3.7	31,992,847	9.3
<b>Total M/WBE</b>	<b>64,705,418</b>	<b>44.0</b>	<b>21,022,233</b>	<b>33.3</b>	<b>4,522,444</b>	<b>22.2</b>	<b>24,840,143</b>	<b>50.4</b>	<b>7,370,229</b>	<b>11.1</b>	<b>122,460,467</b>	<b>35.4</b>
Total Encumbrance	146,910,118		62,940,141		20,370,876		49,269,942		66,152,252		345,643,329	
<b>Non-Local</b>												
African American	799,498	0.6	467,390	3.5	513,110	9.2	4,932,617	8.5	1,371,431	0.8	8,084,046	2.1
Hispanic	4,229,861	3.0	625,400	4.7	318,637	5.7	1,768,027	3.1	1,695,229	1.0	8,637,154	2.3
Asian	40,000	0.0	66,400	0.5	306,819	5.5	370	0.0	59,894	0.0	473,483	0.1
Native American	115,000	0.1	203,660	1.5	0	0.0	76,236	0.1	0	0.0	394,896	0.1
Other	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total MBE</b>	<b>5,184,359</b>	<b>3.7</b>	<b>1,382,850</b>	<b>10.3</b>	<b>1,138,566</b>	<b>20.3</b>	<b>6,777,250</b>	<b>11.7</b>	<b>3,126,554</b>	<b>1.9</b>	<b>17,589,579</b>	<b>4.6</b>
Caucasian Women	3,925,477	2.8	190,365	1.4	151,930	2.7	8,226,039	14.2	1,929,225	1.2	14,423,036	3.8
<b>Total M/WBE</b>	<b>9,109,836</b>	<b>6.5</b>	<b>1,553,215</b>	<b>11.7</b>	<b>1,290,496</b>	<b>23.1</b>	<b>15,003,289</b>	<b>28.0</b>	<b>5,055,779</b>	<b>3.1</b>	<b>32,012,615</b>	<b>8.4</b>
Total Encumbrance	141,106,664		13,228,146		5,597,749		57,812,065		163,487,836		381,232,460	
<b>Local + Non-Local</b>												
African American	15,772,093	5.5	3,295,192	4.3	4,156,584	16.0	15,447,644	14.4	2,272,017	1.0	40,943,530	5.6
Hispanic	21,767,218	7.8	9,189,504	12.1	697,681	2.7	10,806,929	10.1	3,843,799	1.7	46,305,131	6.4
Asian	235,130	0.1	6,397,958	8.4	475,973	1.8	4,477,265	4.2	1,757,252	0.8	13,343,578	1.8
Native American	6,792,738	2.4	387,660	0.5	0	0.0	103,052	0.1	147,688	0.1	7,431,138	1.0
Other	0	0.0	33,822	0.0	0	0.0	0	0.0	0	0.0	33,822	0.0
<b>Total MBE</b>	<b>44,567,179</b>	<b>15.5</b>	<b>19,304,136</b>	<b>25.3</b>	<b>5,330,238</b>	<b>20.5</b>	<b>30,834,890</b>	<b>28.8</b>	<b>8,020,756</b>	<b>3.5</b>	<b>108,057,199</b>	<b>14.9</b>
Caucasian Women	29,248,075	10.2	3,271,312	4.3	482,702	1.9	9,008,542	8.4	4,405,252	1.9	46,415,883	6.4
<b>Total M/WBE</b>	<b>73,815,254</b>	<b>25.6</b>	<b>22,575,448</b>	<b>29.6</b>	<b>5,812,940</b>	<b>22.4</b>	<b>39,843,432</b>	<b>37.2</b>	<b>12,426,008</b>	<b>5.4</b>	<b>154,473,082</b>	<b>21.3</b>
Total Encumbrance	288,016,782		76,168,287		25,968,625		107,082,007		229,640,088		726,875,789	