

# Memorandum



DATE April 27, 2012

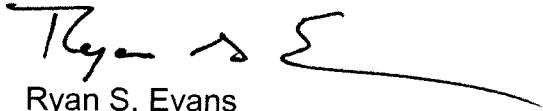
TO Members of the Economic Development Committee: Tennell Atkins (Chair), Ann Margolin (Vice Chair) Jerry R. Allen, Sheffie Kadane, Monica Alonzo

SUBJECT **2012 Bond Program: Economic Development Priorities**

On Monday, April 30, 2012 the Economic Development Committee will be briefed on the 2012 Bond Program: Economic Development Priorities

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3296.



Ryan S. Evans  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa Rios, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Director, Chief Financial Services  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Stephanie Pegues-Cooper, Assistant to the City Manager

# 2012 Bond Program: Economic Development Priorities

Economic Development Committee  
April 30, 2012



# Purpose

---

- Reaffirm a strategic approach for allocating certain 2012 Bond Program dollars to enhance economic development in the city
- Review results from past bond programs on economic development activities
- Propose targeted investments of certain bond proceeds that will promote diversified growth of our tax base and development of priority areas

# Background

- Recognizing economic development in southern Dallas as a major priority, the City began earmarking certain funding from its general obligation bond program funding directly to economic development initiatives with the 1998 and 2003 Bond Programs.
- In light of significant suburban growth impacting Dallas' competitive position regionally, in 2005-06, the City articulated its commitment to a thoughtful and coordinated long-term development strategy by adopting the *forwardDallas!* land use plan and a new economic development plan, *Strategic Engagement*.

# Background (continued)

- With the 2006 bond program (Prop. 8), the City allocated \$33 million to economic development and housing programs in southern Dallas and transit-oriented-development opportunities throughout the city.
- In addition to specific economic development funding, the city allocated over \$100 million to *Needs Inventory* projects within several targeted geographies throughout the city to enhance and maintain certain high value commercial and residential neighborhoods such as Downtown, IIPOD, Oak Cliff, the Asian Trade District, Lake Highlands and others.

# Maintaining a Strategic Approach

- The City's estimated 2012 bond program capacity is approximately \$600 million.
- Its essential that economic development projects continue to be focused.
- Prioritizing economic development and housing projects for the program include the following considerations:
  - Synchronization with *Needs Inventory*
  - Geographic areas of priority
  - Development opportunities
  - Potential of private sector leverage
  - Return on costs

# Results From Prior Investments: 1998 Bond Program



| Program                     | Bond Funds | Private Investments |
|-----------------------------|------------|---------------------|
| South Dallas Business Parks | \$ 16.6M   | \$500M+             |

## Southern Dallas Business Park Private Leverage:

- Mountain Creek Business Park: \$200M+
- International Inland Port of Dallas (IIPOD): \$61M+
- Pinnacle Park: \$300M+

# Economic Development: 2003 Bond Program



| Program                        | Bond Funds | Private Investment |
|--------------------------------|------------|--------------------|
| Southern Dallas Infrastructure | \$6.0M     | \$110 M+           |

- Southern Dallas Private Project Leverage:
  - Beckleymeade (Home Depot Phase I): \$12M+
  - Dilbeck Court: \$6M+
  - Sierra Vista Shopping Center: \$13M+
  - Cockrell Hill @ La Reunion Retail: \$63M+
  - Pinnacle Park: \$16M+



# Housing: 2003 Bond Program



| Program                        | Bond Funds | Private Investment |
|--------------------------------|------------|--------------------|
| Southern Dallas Infrastructure | \$6.63M    | \$150M             |

## Southern Dallas Infrastructure results from this spending:

- Bexar Street Corridor: Bond monies of \$3.6M are helping to catalyze and support new mixed-use development
- Concentration in Neighborhood Investment Program (NIP) target areas
  - 1,985 lots referred for lawsuits
  - 1,248 lawsuits filed to date
  - 898 lots acquired to date
  - 59 lots pending sale to developers
  - 312 lots sold to developers
  - 115 homes built and sold affordable

# Economic Development: 2006 Bond Program



| Program                      | Bond Funds | Private Investment                |
|------------------------------|------------|-----------------------------------|
| Commercial, Industrial & TOD | \$16.5M    | \$40M+ to date<br>\$250M+ planned |

- Potential Project Leverage :
  - Home Depot Daniieldale Distribution Center: \$20M+
  - Wal-Mart Anchored Shopping Center (Loop 12/I-35): \$20M+
  - Bishop Arts District land acquisition and design (\$100M+ projects anticipated)
  - Telephone Road Construction accessing 300 industrial acres (\$150M+ projects anticipated)

# Housing: 2006 Bond Program



| Program  | Bond Funds | Estimated Private Investment |
|--|------------|------------------------------|
| Prop 8 & Neighborhood Investment Program (NIP) | \$18.8 M   | \$94 M                       |

- Bexar Street Corridor: \$5.4M for new mixed-use development
- Spring Avenue, Lancaster Road and Bexar Street Corridors: \$13.4M for new housing and commercial redevelopment in areas facing extreme disinvestment
- Prop. 8 funding has provided opportunities for community building, new housing and mixed use development in strategically targeted areas. Project highlights include over 600 multifamily, single family, townhome and senior units at: Veteran's Place, Townhomes at Bexar Street Village, The Bottoms neighborhood, Jubilee Park, DHA's Turner Courts, Spring Avenue Corridor, Fiji Compton and Frazier/Scyene TODs.

# Summary Impact of 1998 to 2006 Eco Dev and Housing Programs

- 20-year estimates from completed and ongoing projects from 2000 to 2019
  - Total economic impact \$18.8 billion (\$940 million average annually)
  - Fiscal Impact \$403.7 million (\$200 million after city service costs)
  - Total citywide job impact of 13,787 (8,110 direct jobs and 5,677 induced/indirect jobs)
  - \$668 million in annual payroll
  - 6,700 new residents
  - Private direct investment of \$1.68 billion (real and business personal property)
  - On average, the City's bond program investments for economic development and housing leverage an estimated \$28 of private investment for each \$1 of bond funding

# Priorities

- Suggested approach:
  - *Priority Areas* that best promote long-term economic development
  - Special emphasis on projects that capitalize on partnership opportunities sustaining and enhancing the city's economic health and future
- Focusing public investments in common geographic areas of opportunity and on true catalyst projects will:
  - Leverage private investments both in and around the strategic areas
  - Have a greater ripple effect than spreading public investment thinly over a larger area

# Priority #1: Economic Development and Housing Program Needs

- Southern Dallas/TOD Initiative:
  - Deal Funding: \$30-50 Million
  - Funding to secure commercial, industrial, retail, mixed-use, and residential development in Southern Dallas and Transit-Oriented-Development including infrastructure, land acquisition and other financing support

# Priority #2: Strategic Investment

- Target bond program investments to critical street and flood *Needs Inventory* projects within priority focus areas and opportunities that stimulate private investment
- Priority geographies within the city include:

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>• Transit-Oriented Development (DART Light Rail Stations)</li><li>• Asian Trade District</li><li>• LBJ Corridor</li><li>• North Oak Cliff (Pinnacle, Bishop, Jefferson)</li><li>• Stemmons Frwy &amp; Medical District</li><li>• Vickery Meadows</li></ul> | <ul style="list-style-type: none"><li>• Downtown &amp; Cedars</li><li>• Fair Park &amp; Green Line</li><li>• Education Corridor (UNTD/Paul Quinn)</li><li>• International Inland Port of Dallas</li><li>• Lancaster Corridor</li><li>• West Dallas</li><li>• Redbird &amp; Dallas Executive</li></ul> |
|--|---|

# Summary

---

- Maintain a consistent investment strategy in our targeted areas to address Dallas' economic development needs given the competitive nature of regional and global marketplaces.
- OED and Housing propose \$30-50 million in funding for programs leveraging private investment and supporting commercial, mixed-use, residential development in Southern Dallas and TOD areas.