

Downtown Dallas: Achieving Critical Mass

City Council Briefing
April 6, 2005

Purpose of Briefing

- To define the goal of critical mass
- To summarize current development status
- To identify current challenges
- To recommend future course of action to achieve critical mass

What is Critical Mass?

“the minimum amount (of something) required to start or maintain a venture”

“an amount or level needed for a specific result or new action to occur”

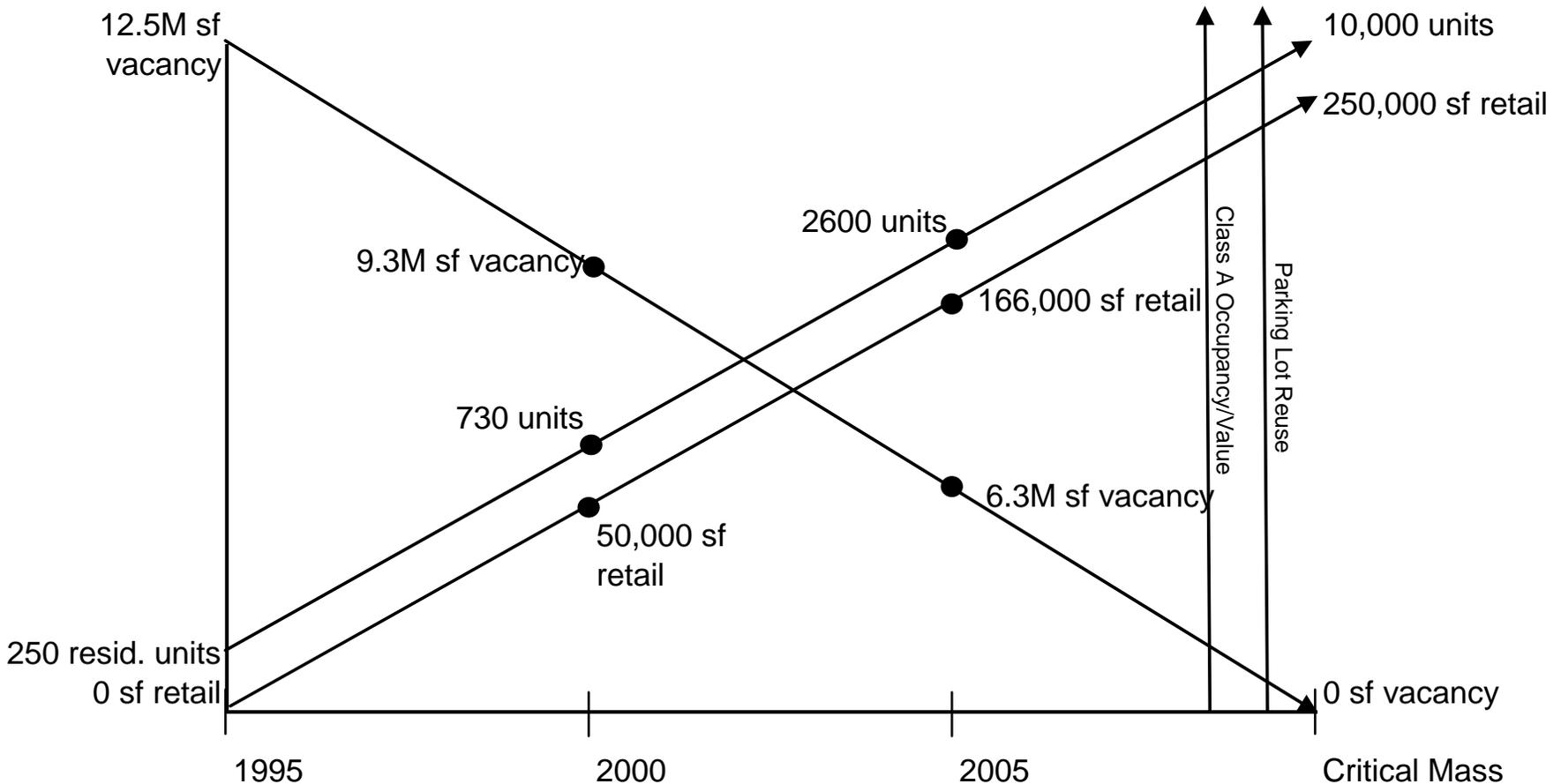
Source: The American Heritage Dictionary of the English Language

- Downtown renewal is the venture we are trying to maintain
- A vibrant, sustainable neighborhood is the result we are trying to achieve

If Critical Mass is the goal, where do we have to be to reach it?

- We commissioned a privately funded study to establish critical mass thresholds.
- H. Blount Hunter Retail and Real Estate Research (HB Research) based in Norfolk, Virginia determined the following:
 - **Approximately 10,000 residential units are needed**
 - **Approximately 250,000 square feet of mixed, unique retail and basic services is needed to accommodate existing residential population and anticipated residential growth, daytime employees, visitors, and the regional market**
 - **Strong physical connections to surrounding neighborhoods are needed**
- By accomplishing the above, downtown Dallas can increase its Class A occupancy as well as begin to reuse the over-abundance of surface lots

Reaching Critical Mass in Downtown Dallas



Note: Primarily for conceptual use. Note 2: Retail square footage does not include Neiman Marcus

The Path Towards Critical Mass: Current Development Status

Current Development Status

- Over \$647 million in private investment since 1996 in the CBD TIF Districts
- 2,610 housing units complete or under construction, and 1,249 announced but not yet under construction (total 3,859)
- 116,050 square feet of retail created with an anticipated additional 49,805 square feet as part of the Retail Recruitment Initiative (294,955 square feet including Neiman Marcus)
- Retail Initiative Phase I funded and approved by City Council

Current Development Status

- Grocery store under construction (opening June 2005)
- 444 public parking spaces leased and 370 spaces announced (“Davis Lot”). Also initiated Central Dallas Association’s CityPark program bringing up to 5,000 spaces into public use (exceeds goal of 800-1000 spaces)
- 2,174 hotel rooms completed and 112 under construction

Current Development Status

- Fire Corridor designed, and when constructed, will make the upper floors of small, historic buildings usable.
- 4.0 million square feet of Class B and C renovated and taken off of office market inventory, with an additional 1.6 million square feet of obsolete buildings funded for conversion
- Traffic/Thoroughfare Plan nearing completion

Current Development Status

- Phase I of the Wayfinding system will be installed by May 15, 2005 (200 signs)
- Parks Master Plan completed and adopted by City Council
- Portion of land needed for Main Street Gardens secured through tax settlement
- Arts District expanded
- Nasher Sculpture Center complete
- Private kiosk program completed and supergraphics up for renewal this fall

Current Development Status

- Woodall Rodgers Calatrava bridge breaks ground late 2005
- Funding for the I-30 Calatrava bridge is expected to be fully funded through TEA-21 reauthorization that was passed by the House (still needs full Senate approval). The I-35 bridge will be partially funded through same process and will require annual federal appropriations for remaining needs.
- Convention Center Hotel and entertainment district under negotiation
- Law School announced at Old City Hall
- Atmos Buildings donated
- Areas around the CBD rapidly redeveloping

Current Retail Development Status

Restaurant/Bar

Jeroboam	8,000 sf
Iron Cactus	16,000 sf
Stone Street	29,000 sf
Other	31,050 sf
SUBTOTAL	84,050 sf

Non-Restaurant

Starbucks	2,000 sf
Florist	2,000 sf
Citi Cleaners	2,500 sf
Salon Nails	2,500 sf
Curves	2,000 sf
Optical (on Akard)	1,000 sf
SUBTOTAL	12,000 sf

GROCERY

20,000 sf

NEW Non-Restaurant

Kul Design Studio	9,706 sf
Crimson in the City	2,500 sf
Swirl	5,193 sf
Davis Lot	20,000 sf
Footgear	3,000 sf
Benji's	2,006 sf
To be determined	2,100 sf
To be determined	5,300 sf
SUBTOTAL	49,805 sf

TOTAL HAVE/PLANNED 165,855 sf

TOTAL DESIRED 250,000 sf

NEIMAN MARCUS 129,100 sf

TOTAL WITH NM 294,955 sf



Current Retail Development Status



Existing Conditions



Historic Rendering



Photo Montage

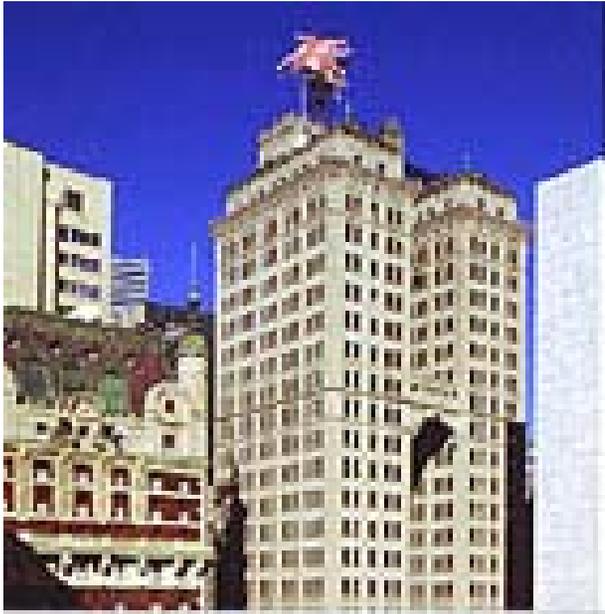


Proposed Elevation

Current Residential Development Status



Current Hotel Development Status



Challenges to Achieving Critical Mass

Current Challenges

1. City Center TIF District funding nearly exhausted
2. Several large buildings including the entire Mercantile block not completed
3. Poor connection to Uptown development
4. Have not constructed parks associated with the Park Master Plan

Current Challenges

5. Development process through TIF is time consuming and expensive; current organizational structure does not allow staff to fully focus on downtown (McKinsey recommendation)
6. Poor coordination between City and private groups, including the Central Dallas Association (CDA)
7. Office vacancy rate still too high
8. Oversupply of surface parking lots
9. **Have not achieved Critical Mass**

Recommended Course of Action

Recommended Course of Action

1. What should be done about the fact that the City Center TIF District funds are nearly exhausted?
 - Recognize that additional funds are needed to avoid negative impact on private investment
 - Funds are not available under the current financing methods to achieve critical mass of residential and retail space in downtown
 - The City Center TIF District expires in 2011 and cannot be extended under state law

Recommended Course of Action

- The City Center TIF District has spent or is committed to spend approximately \$77.6 million (\$52.8 million collected through 2004).
- Because it is doubtful that more than \$87.6 million in TIF increment can be collected by 2011, we recommend that the City Center TIF District budget be decreased from \$96.4M to \$87.6M.
- In 2007, an effort will be made to increase the City's contribution in the City Center TIF District from 61% to 90% to assist with paying the District's obligations.

* This avoids impact on the upcoming FY '05-'06 budget

Recommended Course of Action

2. What should be done about the fact that several large buildings including the entire Mercantile block are not completed?
 - Since we cannot raise sufficient funds from the City Center TIF District, it is necessary to create a new TIF District.
 - The first step in this process is to identify vacant and underutilized buildings within the existing City Center TIF District boundaries that are not likely to be redeveloped without public investment.
 - Key buildings in the City Center TIF District that cannot be funded given our funding circumstances should be placed in the new TIF District
 - Additionally, the new TIF District should extend into a portion of uptown

Recommended Course of Action



Recommended Course of Action

- The existing City Center TIF District boundary will be adjusted to omit several properties that have, on an overall basis, declined in value since 1996 and have a negative impact on the level of incremental revenue.
- Placing these properties in the new TIF District can create a revenue stream for the proposed new TIF District once rehabilitated.

Recommended Course of Action

- Structures to be moved from the City Center TIF District to the new TIF District include:



Mercantile Buildings
Continental Building
Atmos Buildings
Dallas Grand



Mercantile Commerce Building
Tower Petroleum/1900 Pacific
Praetorian Building



1414 Elm
1600 Pacific
Dallas Public Library



Elm Place
511 Akard
Jackson Building (1810 Jackson)
1604 Main
1600 Elm



Fire Corridor (1600 Block of Elm)
Commerce Street (b/w Magnolia and Neiman Marcus)
Master Plan Park Sites (3)
Surface Parking Lots



Recommended Course of Action

- Downtown and Uptown property owners hired a consultant to assess the feasibility of a new TIF District, to be known as the Downtown Connection TIF District
- Anticipated to be designated by property owner petition
- Creation process same as City-initiated TIF District with minor exceptions as described below.
- Board of Directors for Petition-initiated TIF District comprised of nine members:
 - 1 County (participating taxing jurisdiction)
 - Senator Royce West appointee
 - Representative Dan Branch appointee
 - 6 appointed by the City Council

Recommended Course of Action

- The new TIF District would allow for adequate revenue to fund:
 - Redevelopment of approximately 25 remaining vacant or underdeveloped downtown buildings
 - The Woodall Rodgers deck (partially) and McKinney Avenue Trolley extension (partially)
 - Improvements to the Cedar Springs Boulevard median for beautification and to encourage development
 - Green space, in accordance with the CBD Parks Master Plan, in the downtown core (partially)

Recommended Course of Action

- Total Downtown Connection TIF District Budget (2006 Dollars): \$124,143,190

Catalyst Project	\$60,000,000
Other Buildings	\$37,641,088
Uptown/Downtown Connection Improvements	\$20,500,000
Parks/Plazas	\$4,000,000
Administration/Plan Implementation	<u>\$2,002,102</u>
Total Budget	\$124,143,190

Recommended Course of Action

- The requested term of the new TIF District is 30 years, with a 20-year term for any debt issuance and collections expected within 20 years.
- The requested participation includes 90% of the City's increment and 55% of the County's.
- The TIF District is subject to the recently adopted TIF District criteria (scored 170 out of 200, minimum required score is 140).
- A developer choosing not to include an affordable housing component may “buy out” of the requirement by depositing the pre-determined amount into the TIF District fund or alternative City account.
- Developers will be subject to Fair Share on all projects

Recommended Course of Action

- The first catalyst project in the Downtown Connection TIF District:
 - The Mercantile Complex has been a known stumbling block in the revitalization efforts of downtown so it should be one of the first catalyst projects.
 - Forest City has proposed redeveloping the Mercantile Block, the Continental Building and the Atmos Buildings (total of approximately 1.65 million sq ft).

Recommended Course of Action

- Forest City, based in Cleveland, Ohio, is engaged in the ownership, development, acquisition and management of commercial and residential real estate in the United States.
- Forest City is a \$7.2 billion publicly traded real estate company.
- They have been instrumental in the redevelopment of several mixed-use projects including Stapleton in Denver, University Park at MIT, and MetroTech in Brooklyn.
- Forest City has won several national awards including the 2004 Outstanding Project Award for Stapleton in Denver.

Recommended Course of Action

- Negotiations underway with Forest City for:

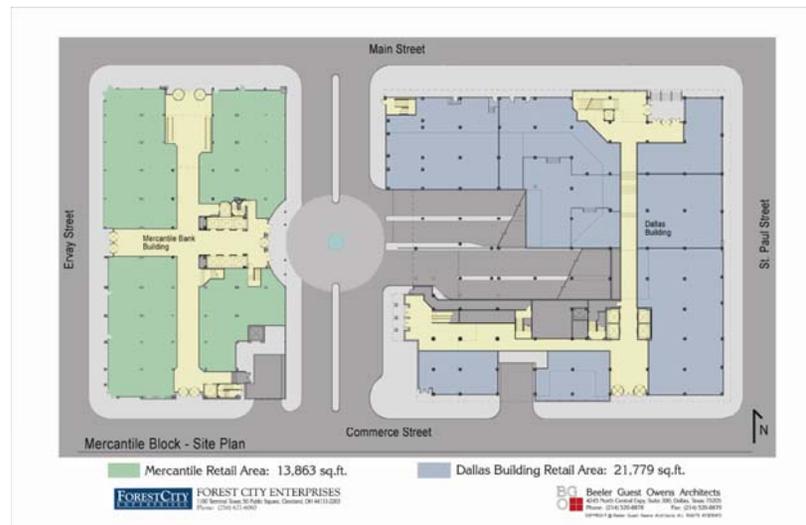
- Mercantile complex, retaining all buildings except for Securities and providing parking in Annex Building
- Continental Building
- Atmos Energy complex



- Total project costs is estimated in excess of \$153 million (\$60 million public investment in return for approximately \$93 in private investment)

Recommended Course of Action

- An estimated 532 residential units will be developed
- Retail space planned (approximately 50,000 sq. ft. of retail)
 - Mercantile complex – 35,000 square feet
 - Continental Building – 9,500 square feet
 - Atmos Energy complex – 5,000 square feet



Recommended Course of Action

- The allocation of TIF funds is currently as follows:
 - Mercantile Tower and block - \$50 million
 - Continental Building - \$10 million
 - Atmos Energy complex - \$0



Mercantile Block

- The allocations among buildings may change as negotiations proceed. Allocations for TIF eligible costs include environmental remediation, demolition, historic façade restoration, and public spaces/mews.



Continental Building 34

Recommended Course of Action

- The \$50 million for the Mercantile Tower and block would come from the line-of-credit obtained by the LGC from a private lending institution
- \$10 million will be advanced by Forest City and will be reimbursed by the TIF District, with interest, as funds become available
- Forest City will advance \$5 million to secure the line-of-credit

Recommended Course of Action

- Forest City will be reimbursed for development expenditures as construction benchmarks are met
- It is planned that redevelopment of the Mercantile block will begin within 18 months of execution of the development agreement
- Completion dates still under negotiation

Recommended Course of Action

- What happens if historic tax credits are not granted by the federal Park Service?

We have yet to receive positive indication of the Mercantile historic tax credit from the NPS. These credits are estimated to be valued between \$6 million and \$8 million. If not granted, the funding gap would have to be filled.

Recommended Course of Action

- Other upcoming projects:
 - Law school/Historic exhibit
 - Praetorian
 - 1414 Elm
(14 residential units)
 - 1600 Pacific



Recommended Course of Action

- The Downtown Connection TIF District would create an estimated 4,000 additional residential units within the freeway loop through the conversion of existing underutilized and vacant structures, making the total number of downtown units approximately 7,859.
- It is further anticipated that with the successful conversion of these buildings, another 1,900 units are estimated to be built on the existing 63 acres of vacant surface parking lots within the TIFs in the longer term.

Recommended Course of Action

3. How can we connect downtown and uptown?

- Assist with the funding of the Woodall Rodgers Park
- Spanning Woodall Rodgers between Akard and Pearl with a green space would provide a natural pedestrian linkage between uptown, downtown and the arts district
- Estimated TIF District share of the cost - \$15M (total cost \$45M - \$60M)
- The park will expand retail opportunities and perception of access in and out of downtown



Recommended Course of Action



© 2004, McKinney Avenue Transit Authority

- Extend McKinney Avenue trolley to transit mall, strengthening linkages to and from uptown and downtown
- \$3 million in Downtown Connection TIF District budget for this improvement

Recommended Course of Action

4. How can we assist with the implementation of the Park Master Plan?

- Use \$5 million bond funds for acquisition and demolition for Main Street Gardens
- Continue fund raising effort for construction
- This park is needed to assist with downtown quality of life issues and will greatly assist with the Mercantile and other adjacent projects



Recommended Course of Action

5 and 6. How can we effectively merge the public and private sectors to seamlessly promote economic development, ease the development process, and increase the focus on downtown?

- Central Dallas Association (CDA)/Dallas Improvement District (DID) has re-organized to streamline board structure and galvanize the focus on downtown redevelopment.
- CDA and City staff have worked together to develop this organizational strategy for downtown success.

Recommended Course of Action

- Public/Private Partnership Improvements -
 - A contract has been negotiated and fundraising is underway by a group of private interests led by the Central Dallas Association to purchase and demolish 211 N. Ervay so that the City can convert the land into open space (Parks Master Plan).
 - Atmos Energy has announced the donation of the Atmos Buildings.
 - Fundraising is also underway for the three priority park sites identified in the downtown Parks Master Plan.
 - The private sector has pledged to fund approximately one-third of the cost of the deck over Woodall Rodgers.
 - First Baptist Dallas plans to construct a new 7 story center with multiple uses comprising 210,000 sq ft with an estimated value of \$39 million.

Recommended Course of Action

- Staff and the CDA are proposing streamlining policies and procedures to facilitate development:
 - Consolidate the City Center TIF District Board, Downtown Connection TIF District Board, and Central Dallas Association's Executive Committee to have one group of overlapping individuals focused on carrying out the goals and visions for downtown
 - City Manager approval for project extensions up to 6 months
 - City Manager approval of project changes up to 10% excluding the amount of TIF funding which will be "capped" by City Council (ex. required number of units, retail space, private investment)

Recommended Course of Action

- Streamlining policies and procedures, cont:
 - City Manager approval of developer entity name changes and/or affiliate assignments
 - Formation of Downtown Dallas Development Authority, a modified Local Government Corporation, to expedite and manage projects assigned by the City Council
 - City staff would negotiate all deals
 - City retains all TIF District funds
 - City Council retains approval of all development agreements/ City Council would continue to approve each project

Recommended Course of Action

- The proposed Downtown Dallas Development Authority:
 - Unlike other TIF Districts, the downtown Districts fund private building improvements (scope is beyond typical public works type projects)
 - One General Contractor could assure oversight of public and private improvements – quality control
 - Private competitive bidding would be required – move towards construction quickly

Recommended Course of Action

- Downtown Dallas Development Authority (cont)
 - Contract with Downtown Dallas Development Authority would require that they meet the Code of Ethics requirements (must either live in the City of Dallas or own property within both Districts)
 - The Downtown Dallas Development Authority would also be viable option for City Center TIF District due to its similar nature and obstacles

Recommended Course of Action

– Downtown Dallas Development Authority (cont)

- A line of credit is being sought for TIF District project funding using the Downtown Dallas Development Authority
 - o The Downtown Connection TIF District will not produce significant tax increment for several years
 - o A way to leverage future tax increment to immediately fund some catalyst projects
 - o To achieve this, the Downtown Dallas Development Authority will seek a line of credit from a local bank with the principal and interest to be paid out of future TIF District revenues

Recommended Course of Action

- As a way to increase the focus on downtown, restructure the City's organization to implement the McKinsey Report recommendations to "GO BIG" downtown
 - Create the **Office of Downtown Initiatives** within the City Managers Office
 - Transparency of government action
 - Ability to effectively communicate with other City departments
 - Use ability to acquire property, by condemnation if necessary, to implement Project Plan
 - Highly responsive to Mayor/Council policy and direction

Recommended Course of Action

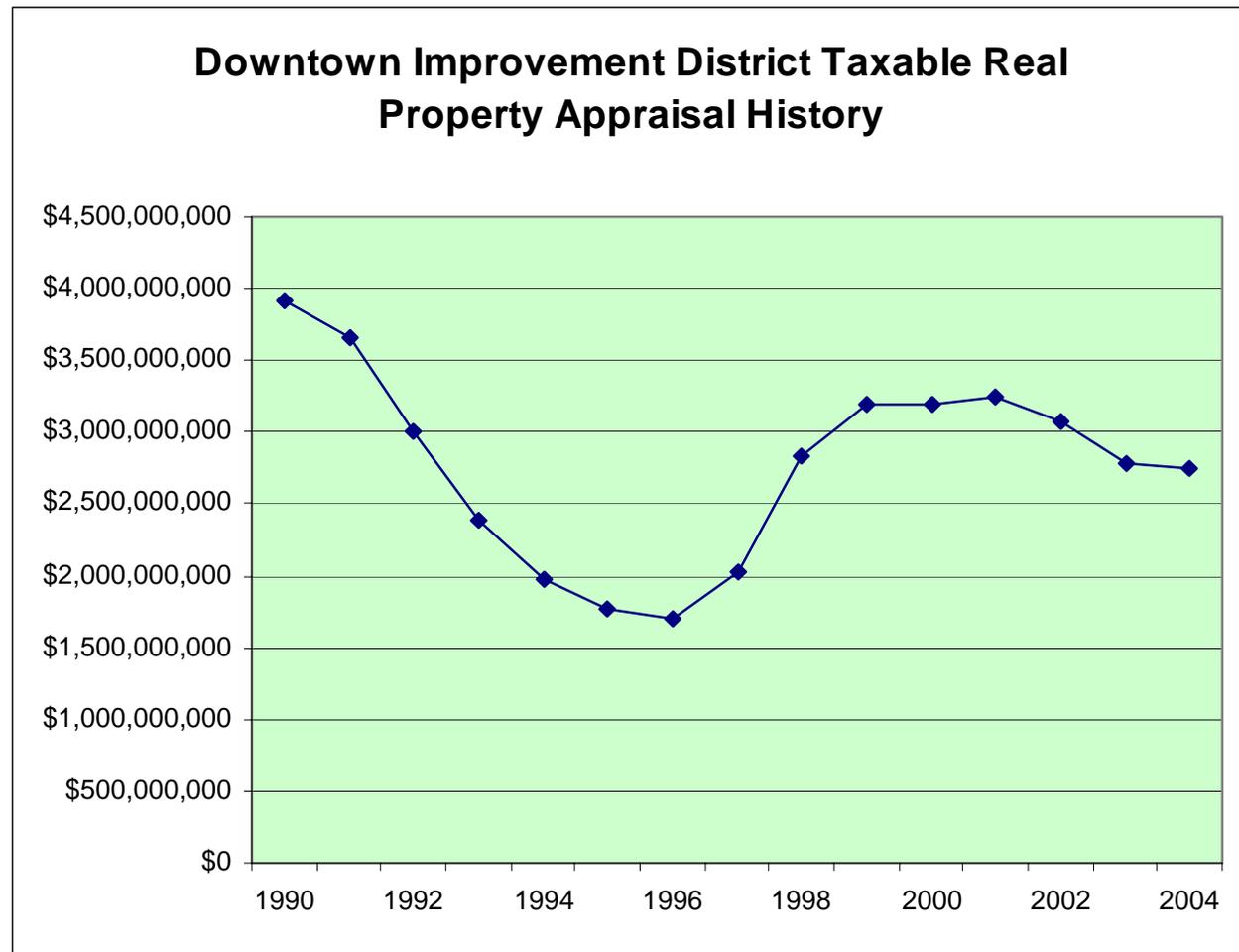
- Nine positions including a director, senior coordinators/project managers, architect, attorney, support staff
- Net effect of the new office's budget will be zero as several positions are existing and reimbursements will be made from the Downtown Connection TIF District/City Center TIF District
- The mission of the new office will be to "GO BIG DOWNTOWN"

Why are implementing the recommendations so critical?

THE NEED FOR CRITICAL MASS

The Need For Critical Mass

Since the creation of the City Center TIF District, there has been an increase of \$336.4 million in value, 37.29%. The total value decreased in 2004 by \$18.7 million (-1.52%) from the previous year.



The Need For Critical Mass

- The public has invested over \$100 million over the last nine years in downtown (excludes convention center). This expenditure stopped the free-fall decline in downtown property values.
- In order to succeed in increasing downtown property values and to protect the millions of dollars that the City has spent, an additional investment is needed to create a critical mass of both residential and retail activity that will make downtown a vibrant and sustainable downtown.
- The Retail Recruitment Initiative has successfully brought unique retailers to the area. A second round of funds will be necessary to draw the remaining needed non-restaurant retailers to the district.
- We are examining funding sources for this program.

The Need For Critical Mass

- Why a Self-Sustaining Neighborhood?
 1. Recruitment of national retailers will not work downtown (there have been several attempts and the competition outside the core is too strong).
 - The typical quick fixes used in other downtowns have been accomplished in Dallas but outside of downtown...
 - Art House Movie Theaters (West Village, Mockingbird Station)
 - Furniture/Garden District (Knox/Henderson)
 - Restaurants and Bars (Lower Greenville, Deep Ellum)
 - Downtown needs to focus on creating a unique, “indigenous” retail mix to become vibrant and sustainable
 2. Dallas has been more successful than other cities in gaining residents – we need to continue to grow the downtown residential base to create a sense of community and have the support for additional retail.

The Need For Critical Mass

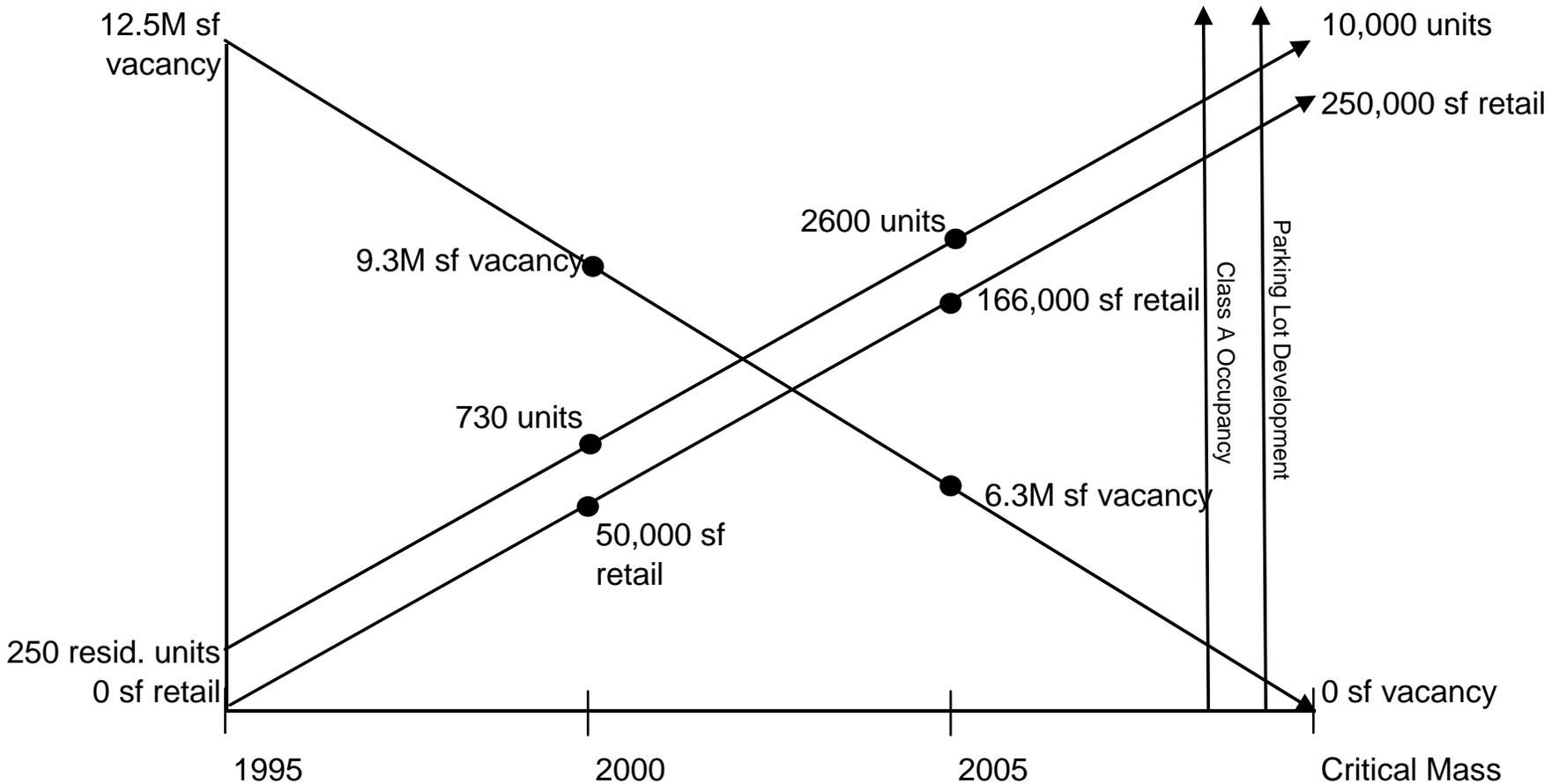
- Retail Follows Rooftops
 - Converting the underutilized and vacant downtown structures to residential is crucial to obtaining critical mass of people needed to support downtown stores and create a strong urban core
- Retail Needs Accessibility
 - Strong linkages to successful adjacent neighborhoods like Uptown, Deep Ellum, Farmers Market, Cedars, Fair Park, North Oak Cliff and West Dallas broaden the range of residents that will find it convenient to shop downtown.
 - In the long-term, surface lots will be converted, adding to the number of downtown residents.
- Office Market Follows Amenities
 - A sustainable housing market and thriving retail district combined with other downtown assets – DART, proximity to other businesses and support services, Arts District, West End, Government Center, Farmers Market, the Arena, Deep Ellum, Fair Park, Convention Center and other areas – will drive the desirability of office space and eventually rents/values.

The Need For Critical Mass

- With the implementation of the strategies found in this briefing, we can continue to convert vacant and underutilized buildings to move towards having critical mass and reaching the goal of having a healthy and sustainable downtown neighborhood.
- Once critical mass is reached, we will begin to increase the occupancy, and therefore property values, in our Class A office buildings
- Further, surface lots should begin to be developed to “better and higher use”

The Need For Critical Mass

REACHING GOALS IN DOWNTOWN DALLAS



Conclusions

- Implementing the course of action laid out in this briefing will...
 - Protect and grow the public investment in downtown
 - Strengthen the City's core, both in perception and value
 - Drastically decrease the office vacancy rates and rid the City of its negative reputation in this measure
 - Create a powerful, vital downtown

Next Steps

- Create new TIF District to infuse more resources to accelerate redevelopment
- Create new downtown group to live and breath downtown
- Create one Board for City Center TIF District, Downtown Connection TIF District, and Development Authority
- Rehabilitate the Mercantile Block and adjacent properties
- Remove key properties from City Center TIF District and place in Downtown Connection TIF District
- Implement more flexible approvals
- **MOVE RAPIDLY TOWARDS CRITICAL MASS**

Next Steps

City Council Action Items Needed for Downtown

- 4/13/05 Call Public Hearing to amend City Center TIF District Plan
- 4/13/05 Call Public Hearing to create Downtown Connection TIF District

- 5/11/05 Resolution of Intent for Forest City projects

- 6/8/05 Hold Public Hearing and approved ordinance to amend City Center TIF District Plan
- 6/8/05 Hold Public Hearing and approve ordinance to create Downtown Connection TIF District
- 6/8/05 Establish Creation of Downtown Connection TIF District Board of Directors
- 6/8/05 Amend City Center TIF District By-Laws (change Board composition)
- 6/8/05 Establish Downtown Dallas Development Authority (Authority)
- 6/8/05 Approve Authority Articles of Incorporation
- 6/8/05 Approve Authority By-Laws
- 6/8/05 Code Amendment allowing Board members to serve on two Boards
- 6/8/05 Resolution authorizing streamlining procedures
- 6/8/05 Call Public Hearing to approve Final Downtown Connection TIF District Plan

Next Steps

City Council Action Items Needed for Downtown, cont

6/15/05 Unless done on 6/8, City Council to appoint City Center TIF District Board Members (8)

6/15/05 Unless done on 6/8, City Council to appoint Downtown Connection TIF District Board Members (6)

6/15/05 Unless done on 6/8, City Council to appoint LGC (Authority) Board of Directors

(6/17/05) Meeting: City Center, Downtown Connection, and Authority Board

6/22/05 Hold Public Hearing and approve Final Downtown Connection TIF District Plan

6/22/05 Approve Downtown Connection TIF District By-Laws

6/22/05 Authorize development agreements for all projects ready for Downtown Connection TIF District funding

Forest City contract with Spire for Mercantile Block purchase expires July 7, 2005

APPENDIX A - Seed Projects

Completed City Center TIF District Projects

- The Kirby Building
- The Wilson Building
- Magnolia Hotel
- Merriman Architects
- Universities Center of Dallas
- Stone Street Gardens
- Hart Furniture Building
- Davis Building
- Thompson Building (Iron Cactus)



Thompson Building



Stone Street Gardens

Seed Projects

Completed Downtown Projects



The Davis Building – 183 units



- In addition to the completed City Center TIF District projects, intown housing developments such as 1900 Elm Street, Santa Fe II and 1505 Elm Street Condominiums have added to the rise in downtown residential units.
- Public/private partnerships in downtown have added over 6,000 jobs – examples are Dallas World Aquarium, Adams Mark Hotel, Ernst & Young and Blockbuster.
- The following pages describe under construction and approved City Center TIF District developments that will continue to increase the level of energy downtown.



Universities Center of
Dallas and 1900 Elm Street

Seed Projects Under Construction

Dallas Power and Light Buildings

- 1506 & 1512 Commerce St.
- 158 apartments; 23,000 sq. ft retail space
- \$6.5 million TIF funds
- \$1.0 million historic tax abatement
- \$24 million private investment



Gulf States Building

- 1415 Main Street
- 68 apartment units
- \$4.66 million TIF funds
- \$10.4 million private investment

Seed Projects Under Construction

1217 Main Street

- 28,000 square feet retail space
- Public rooftop garden
- \$.974 million TIF funds
- \$5.24 million private investment



Existing Condition



Proposed



Republic Center Tower I

- 325 N. St. Paul Street
- 227 apartment units
- \$4.6 million TIF request
- \$1.44 million historic tax abatement
- \$34.0 million private investment

Seed Projects Under Construction

Interurban Building

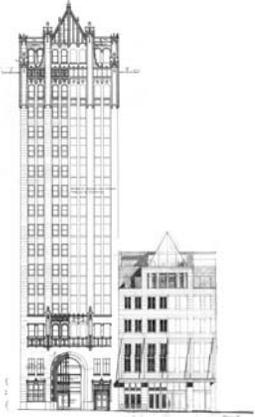
- 1500 Jackson Street
- 118 apartment units
- 20,000 square foot grocery store (scheduled June 2005 opening)



\$5.0 million TIF request
\$967,000 tax abatement
\$500,000 streetscape
\$15.0 million investment



Seed Projects Under Construction



1530 and 1524 Main Street

- 112 hotel rooms
- Restaurant, health club/spa retail & meeting space
- \$8.5 million TIF funds
- \$24 million private investment

Seed Projects Approved

1608 Main Street

- 8,000 square feet retail
- 4,000 square feet office
- \$1.9 million TIF funds
- \$2.9 million private investment
- Includes the 1608 Main Street building adjacent to Neiman Marcus and the 1st half of the pedestrian access-way connecting Main Street to Commerce Street.



Existing Conditions



Proposed Building



Proposed Building

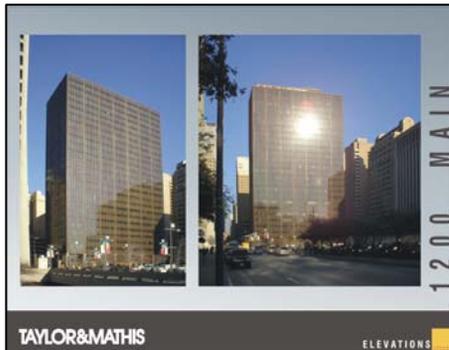
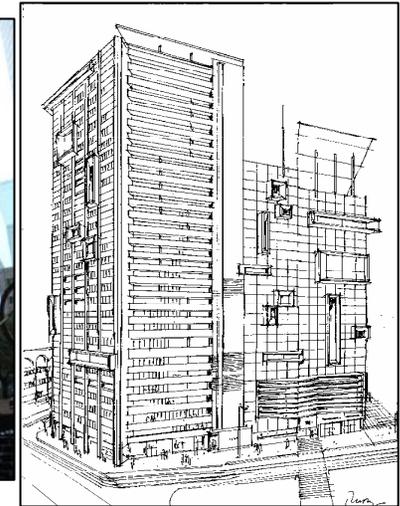


Proposed Building

Seed Projects Approved

Fidelity Union Life Towers

- 1507 Pacific, 1511 Bryan and 318 North Akard Streets
- 440 units and 23,000 square feet of retail space
- \$9.0 million TIF request
- \$6,777,298 (estimated) tax abatement
- \$80.0 million investment



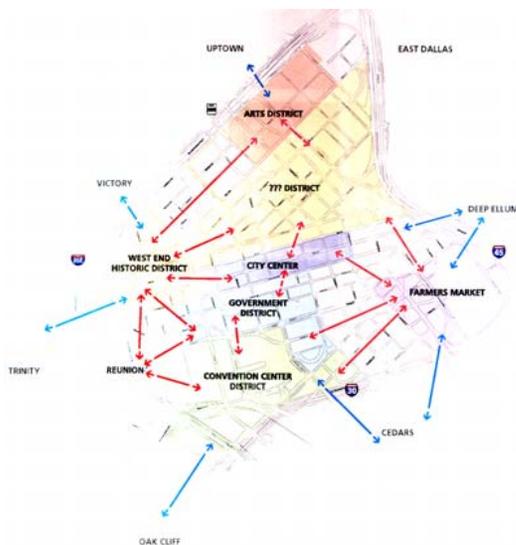
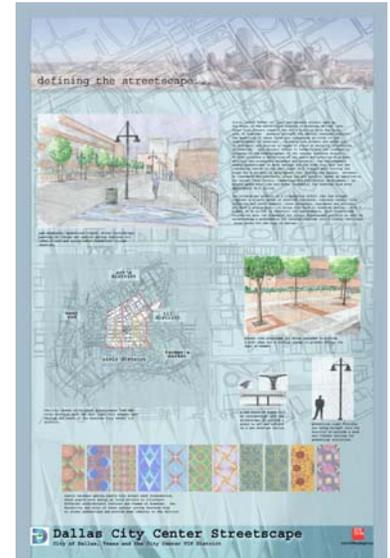
1200 Main Street

- 273 condominiums and 10,000 square feet of new retail space at Main and Field Streets
- \$4.75 million TIF request
- \$48.0 million investment

Downtown Initiatives

North/South Streetscape Projects and Linkages

- Improvements include street alignments, sidewalk enhancements, lighting, landscaping, art, and amenities are underway on 5 City Center North/South Streets (Field, Akard, Ervay, St. Paul, Harwood) and the project has been extended from the DART light rail line to the south side of Ross Avenue.



- In order to make use of the resources of the districts surrounding the City's core, a connectivity must exist between them.

Downtown Initiatives

Traffic/Thoroughfare Plan Study

- A study examining the City's traffic and thoroughfare plan within the central business district is underway.
- Two-way traffic on various streets is being examined.
- The downtown location of a second DART line is also being discussed.
- The study will be complete the 2nd quarter of 2005.



National Historic District

- There are many significant historic structures within downtown and, by having this designation in place, developers will more readily be able to take advantage of the 20% Federal Tax Credit when rehabilitating a vacant structure within the designated district.
- Additional research is being done as requested by the National Park Service.

Downtown Initiatives

Downtown Parks Master Plan

- The Downtown Parks Master Plan, conducted by Carter & Burgess, Hargreaves and Associates, and Chan Krieger and Associates, identifies and prioritizes potential open spaces.
- \$5,000,000 is available from bond funds to begin creating downtown parks.
- Fundraising is underway for the top priority sites.



Wayfinding

- City Council approved a contract for fabrication and installation of the first phase of the City Center Wayfinding signage program in June 2004.
- The Downtown Improvement District manages the wayfinding contract and financially contributed to the project.
- As development attracts more people to the downtown area, it becomes important that they find their way into the area, to parking or transit points, and to points of interest.

Downtown Initiatives

Parking

- In 2001, City Council Approved a Parking Plan.
 - When parking was first considered to be an important component for downtown, there was no plan to make it happen.
 - City hired Kittelson & Associates, a nationally renowned parking expert.
 - Kittelson recommended that 800-1000 public parking spaces were needed to accommodate the downtown core.
 - Staff has used the recommendations made by Kittelson and has been able to find cost savings in providing public parking by leasing spaces in existing garages and by assisting with equipment and marketing.



Downtown Initiatives

Parking, Cont.

- Several parking agreements including the Dalpark Lease (444 spaces), the “Davis Lot” development (370 spaces) and the Central Dallas Association’s proposal of using funds to convert private garages to public use (up to 5,000 spaces) will exceed the goal set by the 2001 Kittleson Parking Study of providing between 800 and 1,000 public parking spaces to support the growing downtown retail environment.
- The parking goal has been accomplished with 60 percent less funds than originally anticipated when including the \$10,000,000 in TIF funds that were released for the “Davis Lot” Garage and CDA’s parking proposal.



Downtown Initiatives

Retail

- The Downtown Partnership was created to facilitate the leasing, marketing and programming of the Main Street District Retail Area.
- The Downtown Partnership assisted in bringing in Madison Retail Group, who was hired to create a retailing master plan for the District and determined that approximately 250,000 square feet of retail was needed downtown.
- The Retail Recruitment Initiative (\$2.5 million) and accompanying criteria were approved by City Council.
- Kül Design Studios will open an almost 10,000 square foot home furnishings and furniture store in the Davis Building (spring 2005).
- Staff and the Downtown Partnership are working with a women's upscale apparel and accessories retailer, a specialty wine retail and production store, and other interested retailers.
- There is still a need to increase the amount of rehabilitated ground-floor retail space.
- It is still challenging to draw retailers downtown.

Appendix C

We Have Redeveloped Downtown's Surrounding Neighborhoods



Surrounding Neighborhoods



- The Arena
 - W Dallas Victory Hotel and W Residences
 - Museum of Nature and Science relocation
- Uptown
 - 7,000 already built residential units
 - 2,400 built in State-Thomas with more to come
 - Over \$133 million invested in Cityplace with over 1,300 apartment units constructed.
- East Dallas/ Bryan Place
 - Opening of Latino Cultural Center
 - Bryan Place neighborhoods link downtown to East Dallas and Lower Greenville.

Surrounding Neighborhoods

- Arts District
 - The \$70 million Nasher Sculpture Center is an international destination
 - Dallas Museum of Art receiving \$400 million in private donations
 - Performing Arts Center will provide space for the Dallas Opera, Dallas Theater Center and other arts groups
 - Designs have been unveiled for the Winspear Opera House
 - Dallas Arts Magnet School receiving \$8 million in DISD bond funds for renovations and expansions.



Surrounding Neighborhoods

- Deep Ellum
 - Home to more than 250 businesses
 - Public Improvement District has promoted significant growth and investment
- Farmers Market
 - Over 1,200 apartment/townhouse units have been built or are planned
 - Private investment will exceed \$150 million
 - 2003 bond program includes \$3.2 million for Farmers Market improvements
 - Pedestrian connection to Deep Ellum completed.

Surrounding Neighborhoods

- Fair Park
 - Fair Park Master Plan with entertainment district completed
 - Planned Development District in place
 - Working with potential developer of entertainment district
- Convention Center
 - Center has been expanded
 - Linkages to and from the Convention Center continue to be improved
 - Convention Center Hotel being negotiated

Surrounding Neighborhoods



- The Cedars
 - 247 acre mix of residential, commercial and light industrial uses
 - Gilleys, the 150,000 square-foot Texas-size honky-tonk, is open
 - Police Headquarters and the 458 unit Southside on Lamar provided the catalysts necessary for growth
 - Available grant for streetscaping to connect the Cedars DART station to the Police headquarters, South Side on Lamar, and the Convention Center

Surrounding Neighborhoods

- Oak Cliff Gateway
 - 350-acre district
 - Jefferson at Kessler Park
 - Emerging retail opportunities
 - Planned Methodist Hospital expansion
 - TIF funding Lake Cliff Tower (60 residential units; 32,500 square feet of commercial).
- The West End
 - Expanded Dallas World Aquarium
 - FRAM residential and retail project nearing completion and phase II has been announced.

Surrounding Neighborhoods

- Trinity River

- \$246 million bond program
- Increased flood protection
- Improved traffic flow around downtown
- Encourages development of the land along the river
- Provides recreational amenities and environmental benefits
- Funding complete for the Woodall Rodgers Calatrava bridge
- Design funding complete for the I-30 Calatrava bridge

