

City of Dallas Economic Development Stakeholder Task Force

**Findings and Recommendations
June 1, 2005**

Purpose

- Outline the findings and recommendations of the Economic Development Stakeholder Task Force.

Background

- ❑ January 2004 – Council makes economic development a priority.
- ❑ March 2004 - Staff responds with rebuilding effort and Council incorporates into 2004-2005 budget. Rebuilding focuses on proactive area development, business retention, communication and research.
- ❑ November 2004 - McKinsey identifies process problems and recommends stakeholder input to better focus the emerging economic development strategy.
- ❑ December 2004 - City Manager's Office names Karl Zavitkovsky to chair the **Economic Development Stakeholder Taskforce**, a diverse group of individuals from Dallas' business, nonprofit and partner groups.
- ❑ February – May 2005 Stakeholders worked with staff to refine the draft economic development strategy and priority list.

Overview

- ❑ Dallas' economic situation has changed.
- ❑ Resources need to be better aligned with priorities.
- ❑ Taskforce was charged with providing a template for change.

Task Force Mission

- The mission of the task force was to help the City:
 - Create a unifying economic vision.
 - Develop strategic initiatives/priority action plans that align with the vision.
 - Commit to defined time horizons and establish accountability.
 - Insure the process is consistent and supports the needs of businesses.
 - Build implementation teams with the community that encourage partnerships and promote communication.
 - Measure, track and publish performance.

Task Force Members

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Bill Beuck, Independent Real Estate Consultant

Carl Ewert, The Staubach Company

Carl M. Lavallais, Antioch Fellowship Missionary Baptist Church

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Jim Hobbs, Ernst & Young

Jay Patel, Ernst & Young

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A New Strategy

- The City Council, City staff, outside consultants and community stakeholders agree that Dallas needs an improved economic development effort.
- As noted, Dallas has begun a reorganization of its economic development priorities, structure, and processes to create the premier economic development program in the U.S.
- After reviewing best practices, the Task Force recommends the City incorporate the following best practices and guiding values.

Best Practices: Process

- The most successful economic development strategies have:
 - A unifying vision to rally public and private support,
 - On-going private sector involvement,
 - Strategic objectives that narrow focus to achievable results,
 - A system that integrates goals, implementation and performance monitoring with budgets and a tactical agenda,
 - Seamless coordination of all City departments that are involved in the development process.

Best Practices: Guiding Values

- ❑ Economic development is a Citywide responsibility.
- ❑ Development and quality of life are compatible.
- ❑ Strategy must define a manageable number of goals and achieve or exceed those goals.
- ❑ Partnerships multiply economic impact.
- ❑ Dallas will be consistent and fair with investors.
- ❑ Dallas businesses/residents are our customers.
- ❑ Each City staff promotes Dallas' economic development.
- ❑ Stakeholders are critical to strategy and accountability.
- ❑ Monitoring and feedback ensure results.
- ❑ Assignment of responsibility is essential for accountability.

Identify Solutions

- The Task Force went through its own discovery process and reached many of the same conclusions as prior observers, such as McKinsey•Hammer•Siler•George, Dallas Together Forum, the Jobs Task Force, the Task Force on Affordable Housing and others.
- The Economic Development Stakeholder Taskforce made several recommendations that are grouped under two broad categories.

Recommendation 1: Change the Economic Development Process

- The Task Force recognizes the progress made to date:
 - Made a Council priority,
 - Invested greater resources,
 - Set high-level visions for Downtown, Southern Dallas and the Trinity, and
 - Engaged its private sector to improve the process.
- The City must implement these process changes to achieve desired outcomes

Process Changes

- Craft a unifying vision:
 - *Dallas is a safe, vibrant urban environment that strengthens North Texas and is:*
 - A. ***Strategically engaged*** in economic development
 - B. The ***urban core*** of the region
 - C. A ***business friendly*** city
 - D. A city of ***balanced development*** and growth opportunities
 - E. A city of ***great neighborhoods***

Process Changes

- Refine the draft economic development plan:
 - Adopt the directional initiatives recommended by the Task Force and create action plans that set timelines, establish accountability and include performance measures.
 - Create interdepartmental forums to overcome potential bottlenecks and roadblocks to priority projects.
 - Maximize development potential of citywide initiatives like the Trinity River Corridor and transit oriented development through focused action plans.
 - Present the economic development strategic plan for Council consideration in August.

Process Changes

- Analyze OED staffing/organization to ensure proper alignment with strategic priorities.
- Synchronize budget requests to strategic plan priorities.
- Adopt and implement comprehensive Land Use Plan
- Build facilitating partnerships with the community.
 - Engage a core group of the Stakeholder Task Force to meet quarterly with the OED Leadership Team.
 - Form priority industry working groups to champion Dallas as a business location.
 - Partner with DART to develop transit oriented development marketing and zoning focusing on residential and retail.

Process Changes

- Monitor and Report Results
 - Create OED performance and monitoring system that can support Management Focus and Individual Performance Plans.
 - Review quarterly performance with Council Committee and outside Stakeholders.
 - Track three types of indicators:
 - A. Economic outcomes related to growth.
 - B. Community success factors.
 - C. Individual project milestones.

Recommendation 2: Priorities Should Reflect Changed Economy

- The Task Force discovered Dallas has changed. Several factors that once drove economic development are no longer valid:

Old Economic Landscape:	New Economic Landscape:
Sunbelt boomtown.	Maturing central city.
Growth Drivers: "Big" business and relocations .	Growth Drivers: New and expanding businesses.
Northern Dallas carries the economy.	Northern Dallas built-out; Southern Dallas needs to be repositioned to capitalize on growth potential.
Corporate Dallas depends on local prosperity.	Corporate prosperity relies on global economy.
Regional growth benefits Dallas	North Texas' vitality enhanced by a healthy Dallas
Homogeneous City.	Heterogeneous City

Recommendation 2: Priorities Should Reflect Changed Economy

- Dallas embodies several strengths that distinguish it from other cities:
 - A strategic location for transport with huge logistics potential.
 - The finance and business service center of the Southwest.
 - Traditional manufacturing technologies: semiconductors, aerospace/defense, medical devices.
 - Regional retail centers.
 - Regional cultural and entertainment facilities and groups.
 - Abundant and unique civic assets.
- The City must develop focused action plans that reflect and leverage new economic realities.

Priority Recommendations

- Accelerate the development and redevelopment of a downtown that is connected to surrounding neighborhoods.
 - Redevelop vacant downtown office buildings,
 - Accelerate implementation of pedestrian mobility plan,
 - Implement downtown parks master plan, and
 - Improve ambient lighting.

Priority Recommendations

- Create an open dialogue with legacy businesses and seek their advice.
 - Benchmark business development programs against competitor cities.
 - Create a targeted recruitment program focused on strengths and emerging possibilities.

Priority Recommendations

- Identify key business/industry clusters.
 - Focus on existing industry strengths and promising emerging/international industries.
 - Initiate a survey to determine what support and services businesses need from the public sector. Repeat periodically.
 - Conduct annual focus groups to update information.

Priority Recommendations

- Incorporate the visions and strategies for Trinity River, UNT-Dallas and the Arts District into neighborhood and economic development priorities.
- Complete targeted market analysis of the logistics and distribution industries.
 - Develop a vision/strategic plan to leverage Dallas NAFTA Trade Coalition Initiatives.
 - Convene summit on Dallas Logistics hub.
- Complete a comprehensive retail market study with targeted focus on transit oriented development.
 - Identify retail service gaps in underserved areas and areas with significant retail leakage.
 - Develop neighborhood retail recruitment program to address service needs.

Priority Recommendations

- Proactively identify/pursue developers capable of redeveloping priority Southern Sector shopping facilities.
 - Southwest Center Mall
 - Lancaster-Kiest
 - Wynnewood
- Focus City resources on implementing the Frazier Court Redevelopment Plan.
- Continue to emphasize the importance of public safety and public education to family and business decisions to live/invest in Dallas.

Recommendation Summary

- ❑ Institutionalize an economic development process,
- ❑ Acknowledge the changed economic realities,
- ❑ Focus Efforts and build on strengths,
- ❑ Embrace values of transparency, responsibility and accountability.

City of Dallas
Economic Development
Stakeholder Task Force
Findings and Recommendations
May 2005

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EXECUTIVE SUMMARY

Economic development has been designated Dallas' number one priority by the City Council. In January 2005, a Stakeholder Task Force was formed for the purpose of shaping priorities for the Economic Development Strategic Plan and providing external input to staff and the Council. This implemented a McKinsey recommendation that was accepted by City Council. Over a four-month period, working closely with staff of the Office of Economic Development and Housing Department, a review of current strategic economic planning efforts was undertaken. Additionally, the Task Force collaborated actively with the Planning Department and its consultants to gain a deeper understanding of the Comprehensive Land Use Plan process and the insights provided by the 900+ public interviews conducted as part of these initiatives.

From this work and the background information provided by a wealth of recent task force studies and outside consultant reports (See Appendix 3), this group concluded that the **issues** providing strategic economic development context are:

1. As a maturing central city, Dallas now captures a smaller share of North Texas' economic growth than it did in the past.
2. While the long-term vitality of North Texas requires an economically healthy Dallas, what's good for North Texas today may not always be good for Dallas.
3. Dallas' economic health depends on existing business growth, as well as a steady supply of newly formed businesses.
4. Corporate success is defined in terms of global competition and technological innovation, rather than on businesses serving local needs.
5. Land development patterns must shift. Northern Dallas, the traditional engine of economic growth, has limited geographic options to expand, whereas Southern Dallas has 79% of the city's developable, but traditionally unproductive, land.
6. Demographic and immigration trends over the next 25 years anticipate Dallas will have a changing ethnic mix, resulting in a population that is larger, younger and less educated. This implies an increased burden on the tax base to provide needed services.

The **challenges** Dallas faces, as previously articulated by McKinsey and others, have received priority attention from the City. They must continue to be aggressively addressed if Dallas is to prosper in face of the issues outlined above. A summary of these challenges follows:

1. Dallas lacks both an economic development vision supported by the community and comprehensive strategy to achieve that vision.
2. The City has not yet developed a programmatic implementation process – based on focused research, prioritization of strategic goals and public-private collaboration – that will produce broad-based support for key goals.
3. Two areas of the City require special attention. **Southern Dallas** is a huge landmass with significant population. There are distinctive opportunities and constituencies. These require individual champions and a dedicated Economic Development Department team to focus its efforts on initiatives tailored to specific places and circumstances (being addressed). Likewise **Downtown** also needs a dedicated team to focus exclusively on identified priorities for that area (underway).
4. The City has not engaged the private sector effectively.
5. The Office of Economic Development (OED) has lacked resources (now being rectified) to actively engage private sector leadership in business retention/expansion and attraction programs and provide coordinated outreach to small businesses and entrepreneurs.
6. Although public education and public safety are not usually defined as economic development activities, they are important enablers and integral to the success of the economic development process. Perceived lack of a unified approach by the City toward these critical public programs presents a real challenge to the successful execution of economic development strategy.

The City has responded to these challenges by creating a new Economic Development Council Subcommittee, forming this Stakeholder Task Force, creating a separate Office of Economic Development (OED)/hiring a new director (July) and allocating additional resources to support this effort. Organizational alignment of the OED with strategic initiatives is pending Council approval of the Strategic Plan.

Despite the changed economic context and aforementioned challenges, Dallas has many **strengths** upon which to build a vision and economic development strategy. Among these strengths are:

1. Dallas is a strategic location for transport, with huge potential as a continental logistics hub.
2. The City continues to be the Southwest's financial center, including professional service businesses.
3. Traditional technology strengths in aerospace, defense, medical and advanced manufacturing continues, with new opportunities that build on Dallas' labor force strengths and geographic distribution advantages.
4. It continues to be a regional retail center, although this advantage is eroding with new suburban malls and big box stores to the north and south.
5. Dallas is a major regional cultural and entertainment center, whose Art District's stature has been further enhanced by the world-acclaimed Nasher Sculpture Gardens and Museum and the soon to be built Performing Arts Center.
6. Civic and infrastructure investments represent an existing resource. New initiatives such as the landmark Trinity River project, with its signature Calatrava bridges, will potentially change the face of downtown and the southern and western parts of the City.

The **primary mission** of this stakeholder group is to assist the City in:

- Creating a unifying economic vision.
- Developing strategic initiatives/priority action plans that align with the vision.
- Committing to defined time horizons and establishing accountability.
- Emphasizing a consistent process that drives execution.
- Building implementation partnerships with the community that generate buy-in.
- Measuring, tracking and publishing performance.

Upon completion of this initial effort, a core group of the Task Force will remain engaged to support implementation efforts and increase accountability.

Our vision of Dallas is a safe and vibrant urban environment that strengthens all of North Texas and incorporates the following series of attributes:

1. Strategic Engagement
2. Dynamic and Expanded Center-City Economy
3. Business-Friendly
4. Balanced Growth and Development
5. Great Neighborhoods

Key to this vision is a **growing economy** that enables residents and businesses to have **more opportunities** that in turn generates **more sales/property tax revenue** to fund City services

Recommended High Priority Actions Must to be Aligned with Vision Themes/Strategic Initiatives (See Directional Implementation Plans in Appendix 5)

- **Strategic Engagement**

1. Incorporate the Stakeholder Task Force report recommendations into the Economic Development Strategic Plan. Completion of the Economic Development Strategic Plan and approval by Council. (page 35)
2. Create an OED Performance Management System to track progress toward strategic goals and outcomes of individual projects. Review quarterly with Council Committee and outside Stakeholders. (page 35)
3. Analyze OED staffing/organization to insure proper alignment with strategic priorities. (page 36)
4. Review all strategic initiatives with significant economic development impact – insure proper leadership/multidisciplined teams in place (eliminate “silos”). (page 36)
5. Adopt and implement the Comprehensive Land Use Plan. (page 36)

- **Dynamic and Expanded Center City Economy**

6. Continue to proactively address solutions to redevelop vacant downtown office buildings and accelerate implementation of downtown communities/pedestrian mobility plans as well as downtown parks master plan – establish goals, timetable and accountability. (page 37)

- **Business-Friendly**
 7. Create an open dialogue with legacy businesses and seek their advice. Benchmark best practices from competitor cities. (page 39)
 8. Identify key business/industry clusters and initiate a survey to determine satisfaction with public service, barriers to growth, interest in expansion, etc. Repeat at 5-year intervals with annual focus groups in intervening years. (page 39)

- **Balanced Growth and Development**
 9. Develop economic development related visions and strategic action plans for the Trinity Corridor, UNT Southern Campus and Downtown Arts District in conjunction with neighborhood and private sector partners. (page 38)
 10. Complete a targeted market analysis of the logistics and distribution businesses. Develop a vision and strategic plan to effectively leverage Dallas NAFTA Trade Coalition initiatives to retain/grow the logistics sector. (page 41)

- **Great Neighborhoods**
 11. Complete a comprehensive retail market study, with targeted focus on transit-oriented development. Implementation of TOD planning with DART to promote desirable development along transit corridors. (page 42)
 12. Proactively identify/pursue developers capable of redeveloping priority Southern Sector shopping facilities (Southwest Center Mall, Lancaster-Kiest, Wynnewood). Develop strategic action plans and timetables for each property. (page 42)
 13. Focused support of the Frazier Court Redevelopment Plan that was developed by community residents under the guidance of Antonio DiMambro. Develop goals, action plans, timelines and accountability in conjunction with the DHA, neighborhood and private sector partners. (page 42)
 14. Take necessary public actions that demonstrate consistently clear recognition of the overarching importance of crime and public education to family and business decisions to live and invest in Dallas. (page 45)

What is Next: Strategy Implementation

- Set City priorities and make commitment.
 1. Incorporate Stakeholder Task Force recommendations into Economic Development Strategic Plan/get Council approval.
 2. Develop a broad based communications plan.
 3. Select fast-track initiatives and prioritize tactics
 4. Commit to defined time horizons for priority initiatives
 5. Incorporate priorities into business plans, performance measures and budget requests.

- Build implementation partnerships with the community. Initially engage a core group of the Stakeholder Task Force to meet quarterly with the Council Economic Development Committee and OED Staff Leadership Team.

- Track and Publish Performance * (page 30)
 1. Economic outcomes
 2. Community success factors
 3. Individual projection milestones/execution results

(*) Use City's "Management Focus" software to coordinate.

Background and Context

In December 2004, the Dallas City Manager's Office asked Karl Zavitkovsky, Managing Director and Real Estate Executive at Bank of America to Chair a Stakeholder Task Force. Its purpose is to assist the City of Dallas and its Office of Economic Development in shaping economic development priorities and provide external input to City staff and the Council. The Stakeholder Task Force convened its first meeting in February 2005 and concluded its work in May 2005 with the ratification of the contents of this report.

Task Force Members include a diverse cross-section of leaders from neighborhood groups, finance, real estate, academia, non-profits and a variety of businesses. (See Exhibit 1)

With the pro bono support of Ernst & Young, the Task Force conducted the following series of activities to formulate its recommendation.

- Five 2-hour meetings, numerous subgroup-working sessions.
- Various quantitative and qualitative analyses to better understand the economic development challenges in Dallas.
- Two meetings with Comprehensive Land Use Plan Consultants John Fregonese and Jon Roberts to gain insights provided by the 900+ public interviews conducted as part of this initiative.
- More than 75 interviews with civic, community and business leaders, as well as citizens and developers.

See Appendix 1 for meeting schedule and interview list.

Exhibit 1

TASK FORCE

Al Salgado, Associate State Director, North Texas Small Business Development Center

Arcilia C. Acosta, President & CEO, CARCON Industries and Construction & STL Engineers

Bill Beuck, Independent Real Estate Consultant

Carl Ewert, Executive Vice President, The Staubach Company

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Jim Reid, President, Texas Mezzanine Fund

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Kenneth H. Townsend, Managing Partner, Stanhope Partners

Lee Jackson, Chancellor, University of North Texas System

Ms. Lee McKinney, Senior Vice-President, Retired, JP Morgan Chase. Also
Community Advocate

Linda Owen, President, The Real Estate Council

Michael Harling, Executive Vice President, Municipal Capital Markets Group,
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Michael Mendoza, Trade Commissioner, Canadian Consulate General

Mike Rosa, Vice President Economic Development, Greater Dallas Chamber

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Steve Taylor, President, North Dallas Chamber of Commerce

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Dr. Wright L. Lassiter, Jr., President, El Centro College

Karl Zavitkovsky, Managing Director, Bank of America

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Janet Tharp, Development Services Department, City of Dallas

Rebecca Dugger, P.E., Director, Trinity River Corridor Project

Douglas A. Dykman, Deputy Director for Zoo Operations, Dallas Zoo and Dallas Aquarium at Fair Park

I. Dallas’ Changing Economy: Issues, Challenges and Strengths

A. Issues

Dallas has changed. During the past 50 years, Dallas has grown from a small servicing center for the productive North Texas prairie farms to the ninth largest city in America. It is now the cultural and economic core of the internationally important DFW Metroplex – the fifth most populous MSA in the nation. The City is home to over 1,200,000 residents and 71,000 businesses that employ over 1,000,000 people in the City. Along the way Dallas has played many roles: agricultural service center, regional business and manufacturing hub, transportation nexus, and most recently, Sunbelt boomtown. What Dallas is becoming today will affect its development prospects tomorrow. The Task Force began by assessing the current economic situation with two questions:

How has the nature of the Dallas economy changed?

Given what Dallas has become and is becoming, what should the city and its economic partners do to help insure sustained economic success?

The conclusion is that Dallas is no longer a Sunbelt boomtown. Dallas is evolving into a mature urban city that has reached the limits of geographic growth in most directions. Economically and ethnically diverse, Dallas has no majority racial group nor is it dependent on any single industry. With continued regional housing and employment sprawl, Dallas constitutes an ever-shrinking share of North Texas metropolitan geography. It does not, however, have to experience a diminished role in the urban area. By addressing systemic problems in the development process, and building on its strengths as a modern, urban business center, Dallas can ensure its long-term prosperity. The following review identifies six ways in which Dallas’ economic situation has changed.

Figure 1. Changing Economic Development Situation	
Old Assumptions	New Reality
Dallas is a Sunbelt boomtown.	Dallas is a maturing central city.
“Big” business announcements and relocations drive the economy.	New business formation and existing business expansion drive growth.
Southern Dallas serves support functions because Northern Dallas can carry the City’s economy.	Northern Dallas is built-out, but Southern Dallas needs to be repositioned to capitalize on growth potential.
Corporate Dallas’ prosperity depends on local prosperity.	Corporate Dallas’ prosperity is determined by global economic conditions and competition.
What is good for North Texas is automatically good for Dallas	North Texas’ vitality is enhanced by a healthy Dallas.
Dallas is a homogeneous city.	Dallas is a heterogeneous city.

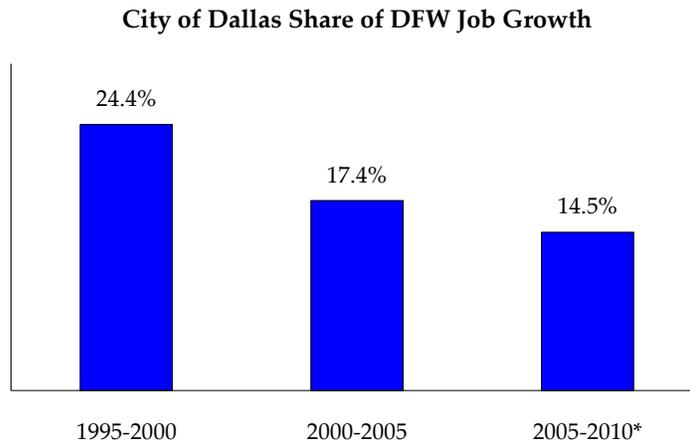
Each of the changed situations in Figure 1 imply lessons for the crafting of a new economic development policy.

Old Assumption: Dallas benefits by being a low cost Sunbelt destination that automatically out-competes the Rust Belt.

New Reality: Dallas is a Maturing Central City not a Sunbelt Boomtown

Nationally, the historic Sunbelt leaders Dallas, Houston, Phoenix and Atlanta have become sprawling metropolitan areas which are losing their competitive edge to a new generation of hard charging second tier cities (e.g. Austin, Las Vegas and Charlotte.) In addition, emerging metro areas in developing countries offer many cost advantages at a comparable level of technology to Dallas. With the shakeout in manufacturing, older U.S. cities have become more productive, making the need to relocate to low cost areas less important. Finally, within the region, the current cost advantages of relocating to North Texas are mostly enjoyed by suburbs with large tracts of available land.

In addition to the loss of the Sunbelt effect, Dallas suffers from a variety of conditions that characterize all cities once they stop growing geographically. The suburban development pattern of growth now accrues to cities miles beyond Dallas' borders. There are fewer large developable parcels of land within the City. Older neighborhoods lack modern housing and have ailing infrastructure. More importantly, issues of high crime and underperforming public schools reduce Dallas' potential to retain and attract businesses and households. Dallas now captures a smaller share of regional growth than in the past.



Source: NCTCOG. * Forecast.

Old Assumption: Economic development and Dallas' vitality is defined by "big" business announcements and corporate relocations.

New Reality: Economic vitality is now more a function of small and existing business growth as well as a steady supply of newly founded businesses.

Existing businesses account for 85% of new jobs and, according to Federal statistics, small businesses typically account for 75% of net new jobs. While the relocation of a Fortune 500 firm makes headlines, neither the size nor quality of these relocations is sufficient to drive a metropolitan economy. Often, relocating corporations seek to shore up their already mature business model and do not represent large future growth prospects. In addition, many corporate relocations involve only small numbers of administrative staff, which while adding prestige to the local business community, do not contribute significantly to the economic base.

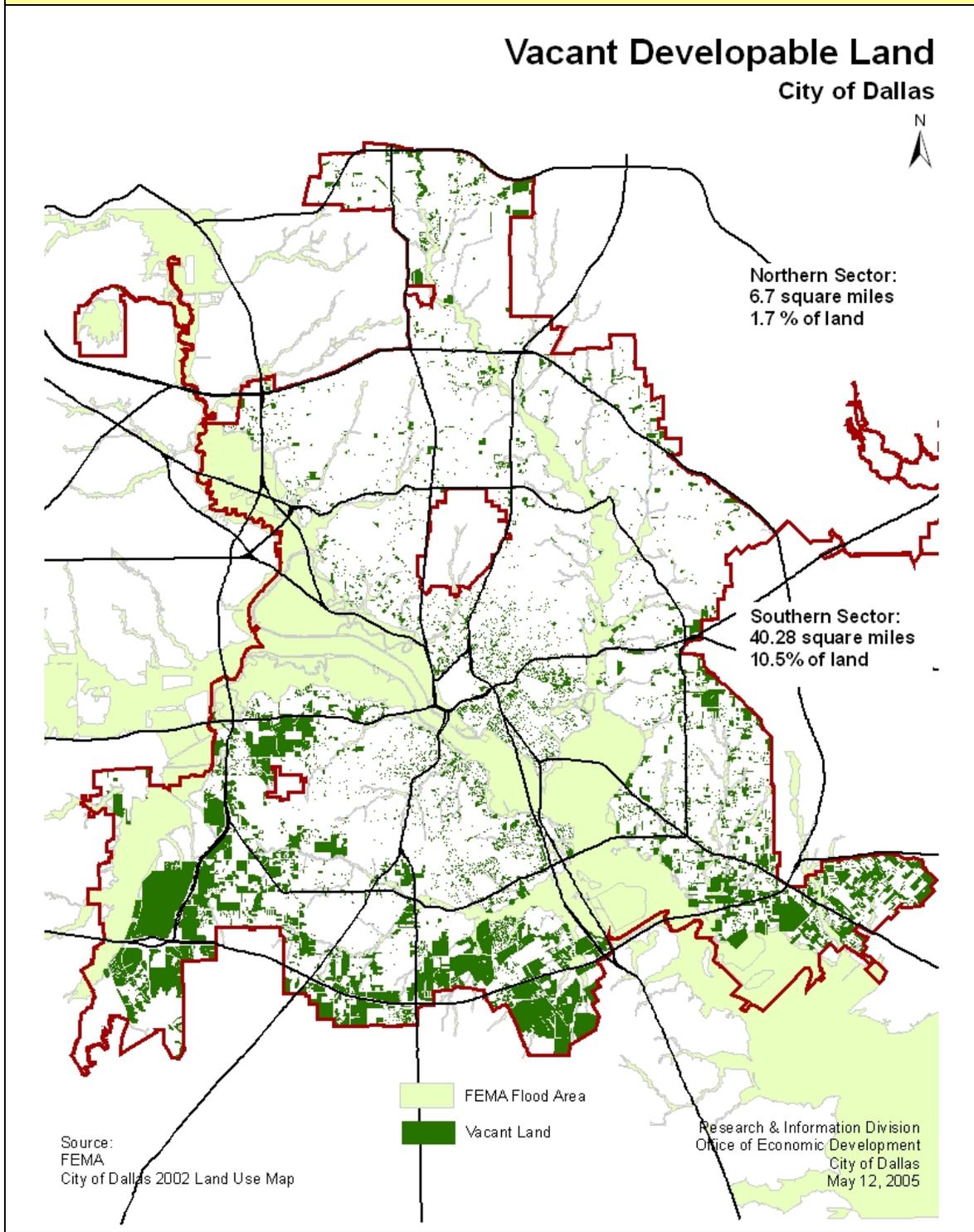
Even as existing, and typically small businesses account for most new jobs, maintaining a modern mix of businesses depends on the creation of new generations to replenish the ranks of local businesses. Newly founded businesses will be better aligned with current business processes and technology. An economy that creates many new businesses is more likely to create the rare, innovative firm that grows into a truly large business.

Old Assumption: Northern Dallas, as the business center, carries the City's economy while Southern Dallas plays a support and maintenance role.

New Reality: Northern Dallas development options are now limited. Southern Dallas has the majority of developable land, but is not yet positioned to carry a larger share of the economic burden.

For decades, with the assistance of corporate and political Dallas, economic growth has been generated primarily in the North. While high-end office, retail and residential development flourished in northern areas, most support facilities such as land fills and "dirty" or low-end industries gravitated South. This land use pattern retarded the redevelopment of Southern Dallas, which contains 79% of the City's developable vacant land. Positioning the multiple Southern communities to generate a larger proportionate share of total City revenues will require a concerted political and economic push by both the public and private sectors. Figure 2, while not representing a current survey quality assessment, reveals the imbalance of development opportunities in North and South.

Figure 2. Vacant Land Pattern, City of Dallas as of 2002



Old Assumption: Corporate Dallas’ prosperity depends on local growth and development.

New Reality: Corporate Dallas’ livelihood depends on global cycles, competition and technology change.

Once, many of the leading corporations in the City owed their prosperity to continued local growth and development. These included grocers, utilities, media companies and real estate. Today, the leading firms in Dallas, large and small, are multinational and compete with other global companies for market share. These businesses may desire to be good corporate citizens but must respond to their shareholders when they make investment and employment decisions. Future success will depend on Dallas’ ability to create an environment for higher value-added business processes and jobs. Continued private investment by the globally oriented business community will be based on economic merit

Figure 3 highlights changes in corporate leadership over the past twenty-five years. In 1980, locally oriented utilities and locally owned banks were the major taxpayers in Dallas. Last year, nationally or globally oriented corporations made up the top five.

Figure 3. Dallas’ Largest Taxpayers in 1980 and 2004	
1980: Mostly Locally Oriented	2004: Mostly Nationally or Globally Oriented
Southwestern Bell Telephone Dallas Power & Light First National Bank Republic National Bank Dallas Market Center	Raytheon/Texas Instruments SBC Communications Texas Utilities Crescent Real Estate Southwest Airlines

Source: 1980 and 2004 Comprehensive Annual Financial Reports, City of Dallas.

Old Assumption: What is good for North Texas is good for Dallas. (Dallas gets a share of regional growth by virtue of it being the largest local economy and suburban development only serves to enhance Dallas’ economy.)

New Reality: What is good for Dallas also benefits the North Texas Region.

The long-term health and vitality of North Texas depends on a healthy Dallas. During the boom years of the 1990s, central cities that lost population also saw population declines in 50 percent of their suburbs, while in growing central city metro areas, population declined in only 16 percent of their suburbs. The City is the image of the region in the minds of most outsiders who make investment decisions. Dallas is the nexus of major infrastructure networks that supply suburban businesses (highway, rail, water, electricity, etc.). Dallas remains the largest employment and

population center in the region, including the source of jobs for hundreds of thousands of suburbanites.

The newly competitive suburbs, armed with state-approved development finance tools, and modern business parks mean the site selection process has become more complex. A business relocation to North Texas is not necessarily a win for Dallas. It is in the interest of the City to recruit for the region, but also work to make Dallas the destination of choice within North Texas.

Old Assumption: Dallas is a homogeneous city.

New Reality: Dallas is a non-majority city and is becoming a Latino-majority city with a younger population less prepared for middle class participation.

Figure 4. Changing Socio-Demographics		
Characteristic	1990	2003
Population	1,006,877	1,206,667
% Hispanic*	20.9%	40.3%
% White*	55.3%	32.2%
% Black*	29.5%	22.6%
% Under 18	25.0%	27.7%
% Age 65+	9.7%	8.2%
% Bachelor Degree or Higher	27.1%	29.1%
% High School or Less	48.2%	49.8%
% Foreign Born	12.5%	26.3%
* 1990 percentages will not total because of changes in racial and ethnic definitions. Source: U.S. Census Bureau.		

In the past, decisions about economic development were made as if the City were homogeneous. Today, Dallas’ diversity makes governance more complicated. It is home to an increasingly younger population with a higher percentage of immigrants. Lack of well paying, entry-level jobs hinders upward mobility and a reinvigoration of the middle class by these new citizens. This poses significant economic development challenges.

B. Challenges

The Task Force and many of the interviewees believe the City of Dallas and the Office of Economic Development has made progress in improving the performance and effectiveness of economic development programs. However, Dallas faces challenges that require focused attention if the City is to prosper in the face of the fundamental, long term issues discussed above. Some of these challenges are solidly within the ability of the City to address and some are more difficult to correct and require strengthening relationships with other organizations and individuals.

1. Dallas has earned the reputation among many business leaders in the development community as a business un-friendly city. This results from a lack of coordination between economic development, zoning, legal, and other supporting departments, from the growing strength of neighborhood groups who may oppose certain business development initiatives, and from the complexity and rigidity of its development process.
2. Dallas lacks a unifying economic development vision that differentiates the City locally and nationally. The City does not have community buy-in or a deep group of stakeholders working to achieve that vision.
3. The City has labored under conflicting priorities when it comes to establishing an economic development vision. By not unifying its internal operations to support a common vision, multiple agendas are allowed to divert workforce from the plan. In addition, a lack of focus permits ad hoc projects to dilute the effort. City departments often fail to recognize their contributions to the development process. This sometimes results in missed opportunities, squandered resources, or actually results in unnecessary barriers to business expansion or real estate development.
4. The City has had an inconsistent economic development policy that produced multiple plans, which were not effectively implemented. Implementation failed for three primary reasons: lack of broad-based support, lack of focus on key priorities / dilution of resources and a reactive, deal-based mentality instead of a programmatic process based on strategic research, prioritization of goals and public-private collaboration.

Dallas' economic development performance cannot be attributed to lack of planning. Indeed, in the last seven years, Dallas created four separate plans to guide the City's economic development efforts: *A Global Strategy for Southern Dallas – 1998*, *Economic Development Department Strategic Plan 2000-2005*, *Dallas Strategic Plan – 2000*, *Department of Planning and Development Strategic Economic Development Plan 2001-2005*. By lacking a unifying distinct vision, a focused implementation strategy, and a system to track performance and enforce accountability, these plans failed to produce an effective development policy.

5. The City's economic development effort lacked resources to actively engage private sector leadership in business retention / expansion and attraction programs (now being addressed), and in resources to focus on large scale catalyst projects that have the potential to create development ripples over under performing sectors of the City, particularly the central city and parts of Southern Dallas.

Dallas' historic commitment to economic development has varied over the last 15 years. The Economic Development Department was created in 1989 and reached 29.3 full-time equivalent positions in the General Fund for FY99-00. The subsequent national recession resulted in declining City revenue, significant budget cuts and staff reductions. In 2002, the Economic Development Department was dissolved and merged with Real Estate, Planning, Zoning, Building Inspection and other real estate development-related functions. There remained 13.7 General Fund FTEs focused on economic development.

Achieving critical mass necessary to realize a distinct, credible and effective development vision requires a level of investment that the City has not provided in several decades. Further, the City has not effectively focused its investments on a limited number of projects that are capable of

generating self-sustaining economic activity. Instead, investments have been spread uniformly across the city, which can dilute the economic impact of public spending.

6. Dallas has not engaged the private sector effectively. There is a real opportunity to create an open dialogue with legacy businesses and seek their advice.

The development process requires far more than the efforts of the Office of Economic Development. This office is the lead department on economic development issues through administration of the certain economic development programs such as: marketing, business retention, tax increment finance, small business assistance, research and Brownfields. Other municipal services outside the responsibility of OED are critical to economic development. They include: public safety, management and regulation of the real estate development process, provision of physical infrastructure and housing. Through all of these services the City of Dallas affects its competitive environment. In addition, other local government entities are responsible for additional major economic development enablers such as schools, workforce training, and higher education.

7. By maintaining the highest crime rates of American large cities, Dallas has not provided a fundamental prerequisite for development and investment by business and commitment by families to live in the city.

8. Dallas has not provided the other two fundamental prerequisites for families and businesses to choose the city over the suburbs: a housing stock that offers products for all income levels and neighborhood public schools that are attractive to the families that live there. As a result, Dallas is at risk from middle class flight by all racial and ethnic groups.

9. Southern Dallas has different constituencies. Development policy toward it will require individual champions and a group within the Office of Economic Development that focuses initiatives tailored to specific development opportunities and challenges.

10. The area traditionally known as Downtown Dallas is a key lynch pin to the economic future of all Dallas residents. The area "inside the freeway loop" must be rapidly developed with high density residential projects appealing to all income groups if we hope to create the 24/7 urban environment that will preserve the existing commercial base and cause new private retail and commercial development to occur on their own merits. This development is also critical to the realization of the full potential of the Arts District and the City's appeal as a convention and tourism destination.

11. Dallas is the namesake of the region. It has failed to use its political stature and clout to enact the necessary regional initiatives on transportation and air pollution. The City also fails at using political influence to pursue an agenda that makes it more competitive with the suburbs.

Despite these changes in the economic situation and the challenges they represent, Dallas has many strengths upon which to build its economic development strategy. One of the most important implications of the changing economic situation is that the successful economic development policy for the city of Dallas is to differentiate itself from the rest of North Texas. Dallas' greatest strengths lie in expanding on the developing urban character of its inner city, its business services and distribution industries, its growing transit system, and its growing collection of cultural, medical and educational institutions.

C. Strengths to Build Upon

Development success in Dallas will come from building on the City's existing strengths, by specializing in the things Dallas does best. This means playing our unique role in the region, and nationally. These strengths are concentrated in four primary areas.

Dallas Can Build on its Urban Character:

Retail: 7-Eleven, Inc and Neiman Marcus represent the spectrum of successful Dallas retailers. Along with retail developments such as NorthPark Center and Dallas Galleria, the City continues to serve as the retail center for much of the region. Home to firms such as Brinker International and FedEx Kinko's, Dallas is a city where retail operations can thrive.

Culture: Dallas is the major regional cultural and entertainment center, with a diverse mix of ethnic restaurants, important museums, and highly regarded performing arts organizations. The world-acclaimed Nasher Sculpture Gardens and Museum and the soon to be constructed Center for Performing Arts will further enhance the stature of the Arts District.

Civic/Infrastructure Investments: Downtown Dallas is the focus of the DART system. Dallas is the home to County government offices, courts, federal offices, several DCCCD campuses and major hospitals. These facilities and systems are persistent employment hubs within the city and assets to encourage new development and employment opportunities. Additionally, the landmark Trinity River project, with its signature Calatrava bridges, has the potential to change the face of both Downtown and the Southern and Western parts of the city.

The emergence of the Uptown area and other neighborhoods around the core as thriving urban communities is proof that central city redevelopment can build the tax base and provide new living, office and retail opportunities. These communities also signal the possibilities from City involvement in the redevelopment process through its tax increment finance process.

***New Possibilities:** Use the stable employment bases provided by government offices, hospitals and educational institutions as focal points for new urban neighborhoods and planned corporate developments. Use the growing transit system as the backbone of new transit-oriented neighborhoods possessing commercial, retail, entertainment and residential opportunities that are only possible in urban settings.*

Dallas Can Build on its Role as a City of Professionals:

Finance - Selection of the City as a Federal Reserve District headquarters in 1913 made Dallas the center for banking in the region. Even with the decline of most locally owned banks, banking industry is still a major employer. In addition, Dallas is home to a significant community of venture and angel investors.

Business and Professional Services - Given the historic role of downtown, proximity to banks, and the presence of the courts, legal services, accounting and consulting services continue to play an important role in the City's economy. Dallas has by far the largest concentration of law firms and legal services businesses in North Texas. Real estate services, and insurance emerged and remain driving sectors.

New Possibilities: Leverage the clustering advantages of urban centers in Downtown and transportation corridors to grow existing strengths and encourage the small professional services firms that grow into large global suppliers. Dallas may have particular advantage in several media and other industries where technology and content are combined in novel ways.

Dallas Can Build on its Legacy as A City of Trade:

Transportation - Securing both north-south and east-west rail lines, the Houston and Texas Central in 1872 and the Texas and Pacific in 1873, respectively, centered Dallas as the regional trade hub. It remains, to this day a pivotal gateway location at the intersection of 4 major interstate highways. Aviation assets include Dallas Love Field, Hensley Field and Dallas Executive Airports. Additionally, Southwest Airlines represents a modern Dallas transportation pioneer.

New Possibilities: Continental logistics hub with multimodal facilities and the supporting information technology, and distribution businesses and growth in assembly operations and wholesale.

Dallas Can Build on its Diverse Technology Industries:

Aerospace, Defense and Advanced Manufacturing - Advantageous geography and flying conditions made Dallas a major aerospace manufacturing platform during World War II. The presence of Vought, Raytheon and other companies remain key businesses. The founding of Texas Instruments and other technology manufacturing companies cemented an important role in advanced manufacturing. Dallas also has a small, but important cluster of computer gaming, media, and other high-end electronic content businesses.

New Possibilities: Modern assembly operations, electronics and medical instruments, and telecommunications industries that build on Dallas' labor strengths and its geographic and distribution advantages. Dallas can serve as an attractive location for content-intensive electronic media industry.

Economic Implication:

Dallas' historic role as a suburban Sunbelt boomtown is changing. The city is maturing and is the largest locality in a still growing region. As such, Dallas resides on a middle ground occupied by few other cities. It has not yet reached the stage of older land-locked Eastern cities like Philadelphia or Boston, but it is also losing commonality with its "peer" Sunbelt cities that continue to experience suburban growth and development through annexation.

In a maturing Dallas, development policies that leave success to chance, that are diluted by chasing marginal "deals of the minute" or that assume Dallas will always get its share by supporting regional development, will undermine the long-term viability of both the City and the North Texas Region. Regions with healthy central cities consistently outperform those with less vibrant urban cores in terms of job creation, business formation and private investment.

The Office of Economic Development's role is to coordinate the City's development initiatives but success will require a concerted collaborative effort by both the public and private sectors. Moreover, economic development is an on-going process. During this process milestones will be reached, but because we compete on a global stage, new goals will continually arise as industries succeed and fail. Furthermore, every community in the developed, and an increasing number, in the developing world, is continually climbing the same economic ladder. As a consequence, Dallas must consistently support its economic development programs through direct investments, incentives, partnerships, planning and research. In racing vernacular, this is much more akin to a marathon than a sprint.

II. A Proposed Vision for Dallas' Economic Future

In assessing our new economic reality, it is clear that a vital economy is essential for ensuring a quality community for the people and employers of Dallas. History is full of communities that enjoyed fleeting economic excellence rather than sustained economic success. In Dallas, we want three basic outcomes from our economy in the long term.

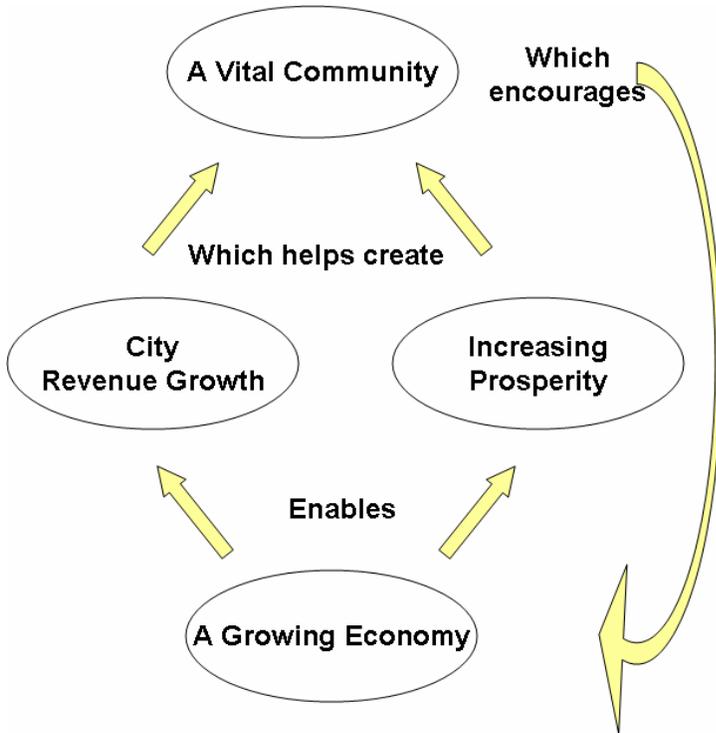
A Growing Economy – The City of Dallas must continue to add net new businesses, jobs and residents. Optimally, Dallas will capture more of regional total growth than in the recent past through more intense development and redevelopment of commercial, retail, industrial and residential centers.

Economic Opportunity and Prosperity for Residents – The City of Dallas must find ways to offer more economic opportunities for its residents. This will result in higher employment levels and income levels in all parts of the City. Property values and retail sales should rise correspondingly. The City will need to nurture new generations of innovative firms that build on its historic strengths: business and professional services, finance, insurance, real estate, semiconductors and other electronics hardware, aerospace, wholesale trade and transportation.

Sustainable Revenue to Fund City Services - Economic growth and development in the City of Dallas will ultimately provide a growing stream of property and sales tax revenue to sustain the public services needed by its households and businesses.

A growing economy is a prerequisite to achieving the other two outcomes.

VITAL CYCLE OF SUCCESS



A PROPOSED VISION FOR DALLAS' ECONOMIC FUTURE

Having a clear, compelling shared vision is important at this stage of Dallas' development, not only to mobilize citizens to work collaboratively and proactively toward a shared future, but also to attract and retain innovative people and companies in a highly competitive global environment.

The economic vision of Dallas as a safe and vibrant urban core that strengthens North Texas incorporates a series of attributes that build on existing strengths and opportunities and stretch us to develop our potential in tomorrow's world.

Economic Vision

Dallas will be a Safe and Vibrant Urban Core that Strengthens North Texas and will be:

A City that is **Strategically Engaged** in economic development and works effectively with the business community to overcome obstacles to growth and markets itself locally and globally.

A **Dynamic and Expanded Center-City Economy**, a revived dense residential downtown, and thriving urban housing, office and retail development throughout the center-city area.

A **Business Friendly** City that effectively leverages its strengths in technology, medicine and logistics and becomes the destination of choice for entrepreneurial activity.

A City of **Balanced Growth and Development Opportunities** where past neglect of the Southern Sector is overcome and the full economic potential of this vast land area is realized.

A City of **Great Neighborhoods** that serves the spectrum of household types and needs: That are supported by urban and suburban commercial centers, parks, transit, and libraries.

STRATEGIC INITIATIVES

The recommended economic strategy identifies 15 broad initiatives that the city of Dallas should pursue with its economic development partners to achieve the vision and desired economic outcomes. The following exhibit aligns these 15 strategic initiatives with the vision themes they support most directly.

15 Strategic Initiatives

Strategically Engaged in Economic Development

Employ a disciplined economic development planning process that is measurable, promotes accountability and drives budget decisions.

Address organizational issues that limit Dallas' ability to achieve its strategic objectives.

Adopt and implement "Forward Dallas", the Comprehensive Land Use Plan.

A Dynamic and Expanded Center-City Economy

Accelerate the development and redevelopment of a downtown that is connected to its surrounding neighborhoods and becomes a vital central city that provides legitimate urban alternatives to the suburban lifestyle. Elevate the influence of strategic priorities on all matters involving commuter and pedestrian mobility.

Build on unique urban assets only Dallas provides/leverage Dallas' growing collection of cultural and recreational assets: Arts District, Trinity River and urban entertainment districts to support urban redevelopment.

A Business Friendly City

Renewed focus on retaining/expanding local businesses (large and small) and attracting new industries with an emphasis on technology, medical and logistics.

Support and promote entrepreneurship and growth businesses, with specific focus on businesses owned by ethnic minorities and women.

Balanced Growth and Development Opportunities

Make Dallas an inland port and continental distribution hub by supporting growth and retention of the logistics sector and forging connections to port cities thru initiatives such as federal high priority corridor designations, "Agile Port" systems, inland ports of pre-clearance, linear trade zones and a cargo service airport.

Develop specific retail initiatives in communities with pronounced retail service "gaps" or "leakages" of spending to other neighborhoods or cities.

Encourage public/private partnerships with an integrated focus on master planning and neighborhood involvement in pivotal high priority opportunities such as Frazier Courts, UNT's Southern Sector Campus, the Trinity Corridor and citywide transit oriented development.

A City of Great Neighborhoods

Expand urban living, working and shopping options in underutilized and underserved neighborhoods.

Stimulate investment in a variety of housing choices for all income levels. Promote land use and redevelopment efforts that expand the variety of housing options and offer greater working and shopping options in urban corridors across the city. Assemble underdeveloped and abandoned properties for the purpose of invigorating and stabilizing aging neighborhoods.

Lower crime rates and make Dallas the safest large city in America.

Address neighborhood concerns related to public education by developing a long-term work plan with DISD to identify ways Dallas can support public education through infrastructure investment, planning and other programs.

WHAT'S NEXT: STRATEGY IMPLEMENTATION

To be effective, this economic strategy needs to be embraced by City government and also belong to the entire Dallas community. Each Strategic Initiative includes specific tactics that local government should pursue. But all sectors and institutions and many leaders have a role in ensuring a strong economic future for Dallas. Executing Dallas' economic strategy will require mobilizing the talents, resources, and passions of the entire Dallas community and beyond.

Execution of the strategy should have three main tracks:

- **Set City Priorities and Make Commitments** – This strategy should be communicated throughout the entire city organization, so every staff member can help “connect the dots” – align their work to this vision for economic excellence. City elected leaders and senior staff should commit to a select number of fast-track Strategic Initiatives, and to priority tactics under each Strategic Initiative to implement in the next two years. City Service Areas should incorporate these priorities into their business plans, performance measures, and budget requests.

Dallas must focus on a relatively small number of projects to achieve early and lasting successes. The primary strategic initiative is to leverage Dallas urban assets, create a thriving urban business community in an expanded center city.

- **Build Implementation Partnerships with Community** – City elected leaders and staff should take this strategy out into the business and residential communities. They should engage key economic development partners about how to champion the vision and align efforts to move forward on the Strategic Initiatives.
- **Track Performance and Progress** – The City should track and publish three kinds of measures related to execution of the strategy: performance on desired economic outcomes, performance on community success factors, and milestones and results of executing the economic strategy. The research and information function should support a

cycle of continuous improvement that involves research, planning, implementation and performance monitoring. This cycle is repeated to make sure the City is on target with its development strategy.

As we implement this strategy in the next five years, we need to be aware that our environment will continue to change. Even as we focus on achieving initial priorities, we will need to be opportunistic as new possibilities and challenges emerge. We must continue learning from each other and from our increasingly connected world, continue updating our ideas and practices.

IMPLEMENTATION PRINCIPLES

When implementing and refining this strategy over time, City leadership and staff should remember the following principles:

Economic development is a Citywide program – public safety, development regulation, streets, sanitation, parks, libraries, transportation and numerous other services fall outside the purview of the Office of Economic Development. A City commitment to economic development must permeate all areas of City government. This includes all levels of political leadership, management and staff.

Development and quality of life should be compatible goals – availability of jobs, quality housing and retail opportunities support household and municipal finances. Greater prosperity makes spending on schools, public safety, streets, parks and libraries possible.

Focus on a few priority actions, and finish what you start - Critical mass is necessary and effective development will require focus. Demonstrated success stories promote more investment.

Partnerships leverage resources and multiply economic impact – the City will maximize its development effect if it coordinates its efforts with other local governments, community groups, and stakeholders.

Internal consistency is required from the City – the City’s economic development commitment cannot be subject to the whims of the political process. The initiative will lose steam if it is lost in the shuffle of multiple conflicting priorities.

Dallas businesses are customers just like residents and should be treated equitably – Problems facing businesses are just as valid a concern for City employees as residential complaints and should be addressed in a fair and timely manner.

Each City staff member is an Ambassador for the entire City – From the Mayor on down, all City employees must recognize that their public actions represent the face of Dallas to local businesses and to the world. Professionalism and setting a positive image for the business community affects Dallas’ development prospects.

Interests seeking to invest in the City should be treated equitably - Favoritism on the part of public officials or City staff is ruinous to development efforts and the City's reputation with developers and businesses.

Support efforts of private-sector employers to increase productivity – add more value or reduce costs. Dallas should work to remove barriers to business formation, growth and retention, and facilitate the development process rather than being an obstacle to development.

Stakeholders have an important role to play in strategy and accountability - The business and residential community should participate. Dallas will ensure that the private sector and its economic development allies will have a voice in its economic development strategy and in evaluating performance.

Monitoring and feedback improve the process – continuous dialogue with businesses, performance monitoring, indicator tracking and other research catches problems and permits process improvements. By maintaining a strategic research program to measure progress and report performance, the process will grow stronger and more effective over time.

Assignments of responsibility are essential for accountability – In an environment of multiple conflicting priorities; economic development in Dallas has become reactionary. Projects are sometime shifted from area to area, and there are occasional delays in responding to development clients. By making assignments for certain priority areas, it will be possible to hold management and staff accountable for implementing the strategic initiatives.

Outcome Indicators

Economic Growth: real estate property values, business personal property values, employment levels by place of work, residential and commercial building permits. Total number of businesses. Small business growth by segment compared to the region. New corporate relocations. Size of the labor force.

Economic Development: employment rates by place of residence (absolute and percent of regional totals), value of commercial and residential building permits. Net new jobs, unemployment rate and income levels.

Resources for City Services: percent of regional real estate and property taxes, sales taxes, revenue by segment, ratio of commercial to residential tax base.

Monitoring Economic Outcomes	
Desired Outcome	Possible Indicators
Economic Growth	Laborforce Employment (Dallas Residents Working) Payroll Employment (Jobs in Dallas) Real Estate Construction by Type Building Permits and Value
Economic Development	City Unemployment Rate Estimated Underemployment Per Capita Personal Income New Business Starts by Industry Commercial Occupancy Rates Median Home Values
Sustainable Revenue	Total City Revenue Revenue by Source (Commercial: sales property, Residential: property, Other: fees, etc.)

Community Success / Economic Indicators

Basic economic indicators needed for awareness and strategy – may also include development fundamentals or enablers.

Indicators of Community Success (Development Enablers)	
Development Depends on:	Possible Indicators
A Safe City	Total Indexed Crime (compared to other cities) Crime Rates by Type of Offense
A Well Trained Workforce	Educational Attainment Community College Training Activity Levels Texas Worksource Activity Levels
Strong Public Schools	Number of Exemplary Schools Neighborhood Participation in Local School (Percent of Children Attending)
A Diverse, Quality Housing Stock	Housing Affordability Home Ownership Rate

Performance and Implementation Indicators

Milestone tracking – track milestones and other results. Performance indicators from Management Focus. Performance on geographic opportunity area goals.

Appendix 1

Overview of Task Force Process

Meeting Dates:

Kickoff Meeting	February 8
Preliminary Briefing	February 9
Working Session	February 23
Working Session	March 11
Initial Findings	March 31
Working Session	April 19
Final Report Ratification	May 31

In addition to these Task Force meetings, subgroups met to formulate their recommendations.

Sub Group Organization By Geography and Key Service Area:

Southern Sector
Downtown
Small Business/Business Retention
Retail
Logistics and Transportation

Process Discipline:

All subgroups developed priorities on the basis of two primary considerations:

- Economic Impact and Ease of Execution (high, medium, low) – Optimal being a high/high.
- Five year vision/desired outcomes were articulated for top priorities.
- “Gap Analysis” was undertaken to assess current conditions versus desired outcomes.
- Directional action plans were recommended.

Appendix 2
Interview List

Task Force Members	City Hall	Other Interviewees
Karl Zavitkovsky	Dr. Elba Garcia, District 1	Ronald Kirk, Partner, Vinson Elkins
Arcilia Acosta	John Loza, District 2	Monte Anderson
Bill Bueck	Ed Oakley, District 3	Mareen McAvey, Urban Land Institute
Jim Christon	Dr. Maxine Thornton-Reece, District 4	Charles Kendrick, Clarion Ventures
Fred Conwright	Don Hill, District 5	Alice Murray, Central Dallas Assoc.
Cecilia Edwards	Leo Cheney, District 7	Greg Campbell
Eduardo Espinosa	James Fantroy, District 8	David Marquis, South of the River
Carl Ewert	Gary Griffith, District 9	D'Angelo Lee, City, Plan and Zoning Commission
Donna Halstead	Bill Blaydes, District 10	David Dean, Dean International
Michael Harling	Sandy Grayson, District 12	Herb Weitzman, Cencor Realty Services
Jerry Haynes	Mitchell Rasansky, District 13	Marshall Mills, Cencor Realty Services
Lee Jackson	Veletta Forsythe Lill, District 14	Neva Hall, Neiman Marcus
Cris Jordan	Ryan Evans, Assistant City Manager	Shelly Bagot, Neiman Marcus
Peter Kline	Jerry Killingsworth, Housing	Jack Gosnell, United Commercial Realty
Wright Lassiter	Theresa O'Donnell, Development Services	David Levey, Forrest City Enterprises
Carl Lavallais	Charles Brideau, Housing	Henry S. Miller, Henry S. Miller Interests, Inc.
Hank Lawson	Daniel Oney, OED	Robert Bagwell
John Loveland	Hammond Perot, OED	Brent Kroener, CDK Realty Advisors
Lee McKinney	Janet Tharp, Development Services	Jon Napper, Pannatoni Development Corporation
Michael Mendoza	Rebecca Dugger, Trinity River Corridor Project	Nancy Hormann, Central Dallas Assoc.
Charles O'Neal	Douglas Dykman, Dallas Zoo	Randall White, The Corporate Citizen Group
Linda Owen		Stephanie Green, First Worthing
Wes Ratcliff		John Fregonese, Fregonese Calthorpe Associates
Jim Reid		Jon Roberts, T.I.P. Strategies
Mike Rosa		Bill Barnett, McKinsey/Retired
Al Salgado		Carol Reed, Carol Reed Assoc.
Neal Sleeper		Don Williams, Foundation for Community Empowerment
Steve Taylor		Barry Henry, Crow Holdings
Charles Terrell		Calvin Stevent
Ken Townsend		
Jack Wierzenski		

Appendix 3

Prior Task Force Reports and Consultants Studies

Assessment, Analysis and Recommendations for City of Dallas Economic Development Organizations, Hammer, Siler, George Association, 1999
Building Economic Development Capacity, Maureen McAvey, ULI Senior Fellow, Feb. 2005
Closing the Employment Gap in the Dallas Area, The Jobs Task Force, March 2004, Boston Consulting Group
Council Presentation, Boston Consulting Group
Dallas Achieves Overview, 4/12/05
Dallas Is Open For Business; City Council Briefing, 3/31/04
Dallas NAFTA Trade Corridor: Action Plan and Strategy, January 2005, Dean Int'l Inc.
Dallas War on Crime Briefing, 4/19/05, Charles T. Terrell
Don Reynolds 21 st Forecasting – Council Presentation
Downtown Dallas, Achieving Critical Mass, City Council Briefing, 4/6/05
Downtown Parks Master Plan – Final Report, Dallas Park and Recreational Department, Carter Burgess, 2004
Forward Dallas Research Findings City Council Briefing, 1/5/05 – Enviromedia
Frazier Courts Neighborhood Development Study, AD&A, Inc., 3/10/04
Ft. Worth Ave. Corridor Land Use and Urban Design Study, Dallas City Plan Commission, 12/16/04
Mayor's Task Force on Affordable Work Force Housing, 2/2002 and McKinsey
McKinsey and Company Report, December 2004
ROTCC Status Report, January 2005. Dean Int'l Inc.
Southern California Association of Government "Logistics & Distribution: An Answer to Regional Upward Social Mobility", 6/9/04
Southern Dallas Economic Development Overview Council Briefing, 2/24/05
Southern Sector, Dallas Together Forum/McKinsey
St. Louis: Inner-City Economic Development, Harvard Business School, 6/24/04
T.I.P. Strategies "Discovery Phase", City of Dallas Staff Workshop, 1/11/05
T.I.P. Strategies "Opportunity Phase" Council Briefing, 3/29/05
T.I.P. Strategies "Rethinking Economic Development"
Ten Principles for Successful Development Around Transit, ULI, 2003
The Brookings Institute, Christopher Leenberger "Turning Around Downtown: Twelve Steps to Revitalization"
The Browning of Texas, Cruz C. Torres, Texas A&M, 1/19/05, Int'l Women's Forum
The Net Economic Benefits of the Trans Texas Corridor, The Perryman Group, 2/02
Trade Rush 21 st Century Gold or Can Distribution & Logistics be our Answer to Regional Upward Social Mobility, Mark Pisano, Ed Sag, 1/28/05
Transportation and Growth, Myth and Fact, ULI, 1996

Appendix 4

How Dallas City Government Affects the Economy

To put detailed action strategies into context, it is important to clarify the role local government plays in the process of economic development.

1. **Adopts Policies** to Shape the Qualities of the Community
2. **Determines How Land is Used** and Facilities are Developed
3. **Provides Local Infrastructure** to Ensure Business Efficiency and Investment
4. **Spends Money on Capital Projects** and **Public Services**
5. **Supports Development** of the **Local Workforce**
6. **Supports Innovation and Entrepreneurship**
7. Establishes **Policies to Align Business and Community Goals**
8. **Communicates** the Community's Assets, Advantages, and Aspirations
9. **Provides Leadership** for Long-Term Economic Success
10. **Is equitable in assistance to investors** in our community

Appendix 5

RECOMMENDED ACTIONS (DIRECTIONAL IMPLEMENTATION PLANS)

The Task Force recommends the following related to implementing the strategic initiatives.

Strategic Initiative: Employ a disciplined economic development process that establishes priorities and includes measurement and accountability.			
Five-Year Vision: Dallas follows a development policy that is focused on the highest return programs and projects rather than being driven by a deal mentality or waiting for whatever projects happen to emerge from the private sector.			
Priority Action	Timeline	Metrics	Accountability
Incorporate Stakeholder Task Force Report Recommendations into ED Strategic Plan	30 Days	Stakeholder Report Accepted	CMO/City Council.
Adopt and Implement ED Strategic Plan	60-90 Days	Completion of Plan/Approval by Council	CMO/City Council
Realign and/ or increase economic development resources to best pursue strategic objectives.	Ongoing/tied to budget cycle	Budget and organization tied to strategic plan/ economic development performance indicators.	ED Director/CMO
Five Year Vision: Dallas maintains an ongoing business feedback system to identify business priorities and evaluate the City's economic development effectiveness.			
Priority Action	Timeline	Metrics	Accountability
Create an economic development performance management system to track progress toward strategic goals and outcomes of individual projects.	0-180 days	Tracking system deployed. Reviewed qtrly with Council Committee/Outside Stakeholders	OED
Create an annual process for revising tactical objectives to better achieve the strategic plan's goals. Process must involve private stakeholder input.	0-180 days	Formal annual review procedures adopted by Council.	OED

Strategic Initiative:			
Address organizational issues that limit achievement of economic development objectives.			
Five-Year Vision:			
Priority Action	Timeline	Metrics	Accountability
Analyze economic development department staffing and organization to insure it is properly aligned with strategic priorities	0-6 mo.	Tie to Strategic Plan	Economic Development Director
Creation of a private sector group of business leaders to work with Economic Development Dept. to address issues of Business Retention/Expansion and Attraction	Immediate (See “Engage Private Sector Leadership” Initiative)	See “Engage Private Sector Leadership” Initiative	OED
Review all strategic initiatives with significant economic development impact – Insure appropriate leadership alignment (eliminate silos)	0-6 mo.	Strategic Initiatives have multidisciplined teams with identified team leader.	CMO

Strategic Initiative:			
Adopt and Implement the Comprehensive Land Use Plan.			
Five-Year Vision: Comprehensive Plan is integral part of the Economic Development Process.			
Priority Action	Timeline	Metrics	Accountability
<ul style="list-style-type: none"> • Support ongoing comprehensive planning efforts • Adopt comprehensive plan • Adopt implementation plan 	0-12 mo. 0-12 mo. 0-12 mo.	Comprehensive Plan and Implementation Plan adopted by City Council	City Council CMO Planning Department
Five Year Vision:			
Priority Action	Timeline	Metrics	Accountability
<ul style="list-style-type: none"> • Adopt ongoing monitoring program 	0-12 mo / ongoing annual updates	Monitoring Program adopted by City Council; Explicit use of Plan as a tool to evaluate development decisions	CMO City Plan Commission, City Council

**Strategic Initiative:
Accelerate Redevelopment and Connectivity of Downtown and Surrounding Neighborhoods.**

Five-Year Vision: An expanded downtown that is connected to its surrounding neighborhoods

Priority Action	Timeline	Metrics	Proposed Accountability
Redraw boundaries to include surrounding neighborhoods. Brand and market.	0-12 mo.	Completion of redefined map, marketing program to brand the new urban core.	Appropriate City Officials and Downtown Team
Proactively address solutions to vacant downtown office buildings	0-12 mo.	Properties under contract	CMO/Downtown Team
Accelerate implementation of downtown commuter/pedestrian mobility plans as well as parks masterplan	0-12 mo.	Redefined goals/regular progress reports	Downtown Team CMO Park Board DART
A dedicated team/governance process to focus exclusively on identified downtown priorities	0-12 mo.	Dedicated team in place	CMO

Five Year Vision: Redevelop "Inside the Loop"

Priority Action	Timeline	Metrics	Accountability
Grow housing to 10,000 units within 5-years.	2010	Presence of 10,000 units in the newly defined downtown.	CMO/Private Industry.
Retain current office tenants and attract new small, high end, professional business and creative firms.	Ongoing	Monitor square footage, track 20,000 s.f. and greater. Track increasing high end and desirable tenants.	CMO/OED-Research Downtown Team
Create Retail Identity <ul style="list-style-type: none"> • Increase Main Street Incentives • Encourage development of art galleries, fashion and destination retail. 	12-24 mo.	Monitor sq ft. retail	CMO/OED-Research Downtown Team.
Create pedestrian friendly links between downtown destinations. <ul style="list-style-type: none"> • Thoroughfare plan • Downtown parks master plan 	0-12 mo.	Annual surveys	CMO/OED-Research Downtown Team.

Improve access to existing parking resources. <ul style="list-style-type: none"> • Signage/rate structure that encourages retail and event use. 	Immediate	Measure usage.	CMO/Downtown Team.
Implement Downtown Parks Master Plan.	12-24 mo.	Funding in place and implemented.	CMO/Parks Dept Downtown Team.
Lobby DISD for downtown elementary school.	24-60 mo.	School is open and operating.	CMO/Appropriate Public Officials.
Develop a downtown lighting strategy/plan. <ul style="list-style-type: none"> • Building facades are lit and ambient lighting in public space is sufficient to create aura of security 	0-12 mo.	Survey	CMO/Downtown Team/ OED – Research
Increase Police presence and address homeless problem to correct public perception.	0-12 mo.	Annual survey	CMO/DPD/Appropriate Public Officials.

Strategic Initiative:			
Build on unique urban assets to support development.			
Five-Year Vision: Assets and institutions unique to Dallas become the focal points of new neighborhoods and commercial centers.			
Priority Action	Timeline	Metrics	Accountability
Targeted assessments initiated and visions developed relative to the Trinity, UNT Southern Campus and Downtown Arts District in conjunction with neighborhood and private sector partners.	6- 24 mo.	Assessments Completed. Visions developed Strategic Action Plans in place	CMO/Planning Dept.
Assess Opportunities to better leverage our Community College Campuses, major hospitals/research facilities and aviation assets.	6-24 mo.	Assessments completed, visions developed, appropriate action plans in place	CMO/Planning Dept./OED Research

Strategic Initiative: Create an open dialogue with legacy businesses and seek their advice. Benchmark best practices from competitor cities. Make economic development a citywide business.			
Five-Year Vision: An engaged private sector group of business leaders committed to the continued economic development of the City of Dallas that works closely with the Office of Economic Development to set the vision for the future of the City and actively seeks to retain and foster the growth of existing businesses and recruit new business to the City.			
Priority Action	Timeline	Metrics	Accountability
Benchmark best practices among peer cities	0-6 mo.	Working format developed	OED
Solicit business leadership involvement per best practice guidelines	6-12 mo.	Business leadership group engaged	OED/CMO

Strategic Initiative: Renewed focus on retaining/expanding local businesses and attracting new industries.			
Five-Year Vision: Position Dallas as the Premier City in North America for business growth.			
Priority Action	Timeline	Metrics	Accountability
Identify businesses/industry clusters conduct a survey to determine satisfaction with public services, barriers to growth, interest in expansion/new space, etc.	0-12 mo. Repeat at 5 year intervals	Number/percentage of business respondents Number of actions taken to resolve issues	OED
Conduct focus groups in the interim years to get updated information/early warning system on potential move.	Annually after initial survey	Number assisted and/or identified by early warning system/retained	OED
Dedicate an OED staff person to focus on business retention and expansion	0-12 mo.	Dedicated staff in place	OED

Strategic Initiative: Support and promote entrepreneurship and growth businesses.			
Five-Year Vision: Climate exists where city government encourages small business growth through cooperative efforts. Organizational networks serve as attractors to businesses			
Priority Action	Timeline	Metrics	Accountability
Identify competitive clusters and promote business formulation and growth by publication of information on website on how to do business in Dallas.	0-12 mo.	Number of businesses formed	OED
Partner with worksource and DCCD to solidify workforce-training opportunities and identify gaps.	12-24 mo.	<ul style="list-style-type: none"> • Identification of workforce training needs. • Funding of programs to meet unfilled needs 	OED/CMO DCCD Appropriate Public Officials
Promote Dallas as a place to come and insure small businesses and involved in solicitation of new businesses	0-12 mo.	# of successful relocations achieved	OED and Ethnic Chambers
Five Year Vision: Dallas recognized as a City that promotes and rewards entrepreneurship.			
Priority Action	Timeline	Metrics	Accountability
Promote youth entrepreneurship by making it part of the school curriculum and support business internship	12-24 mo.	<ul style="list-style-type: none"> • Number of classes and attendees • Number of internship 	OED DISD
Conduct business plan competition (semiannually)	12-24 mo.	<ul style="list-style-type: none"> • Number of businesses participating • Number of businesses funded 	OED Ethnic Chambers Sponsoring Firms (pro bono)
Annual recognition of successful entrepreneurs	12-24 mo.	Top 5-10	OED, Mayor

Five Year Vision: Dallas is a city where promising entrepreneurs have greater access to capital.			
Priority Action	Timeline	Metrics	Accountability
Hold all-day public hearings regarding bank financing initiatives (top 12 institutions – 30 minutes each)	0-12 mo.	Increase in bank financing activities to small businesses (\$ amt, # of businesses)	Council/CMO OED
Assess other debt and equity capital sources (SDDC, TMF, Venture Capital, etc.)	0-12 mo.	Increase in small business financing activity from non-banking sources (\$ amt., # of businesses)	OED

Strategic Initiative: Leverage Dallas NAFTA Trade Coalition. Grow and retain Logistics Sector. Forge Port City Connections to develop “in-land port” and distribution hub.			
Five-Year Vision Improved logistics services along I-20 corridor centered on an “in-land port”. Creation of an innovative logistics sector offering national leadership in methods, services and facilities.			
Priority Action	Timeline	Metrics	Proposed Accountability
Complete comprehensive logistics/distribution sector study	0 –12 mo.	Receipt of logistics reports	OED
OED represented in commuter and pedestrian mobility and logistics.	0-12 mo.	OED part of multi-disciplined team	CMO
Advocate NAFTA initiatives: NAFTA highway designation and inland port. (Creation of multi-disciplined team)	0-12 mo.	Scorecard on advocacy success or failure.	Dallas NAFTA Trade Corridor Project/Appropriate Public Official
Hold City Summit on developing I-20 into a stronger logistics hub.	12-18 mo.	Scheduled, promoted and completed – attendance & participation.	OED

Strategic Initiative: Develop a holistic approach to retail development that addresses gaps in communities and encourages transit-oriented development.			
Five-Year Vision: Reduce Retail Gaps in Dallas Neighborhoods			
Priority Action	Timeline	Metrics	Accountability
Complete comprehensive retail market study.	0-12 mo.	Receipt of retail report.	OED
Proactively identify and pursue developers capable of successfully developing/redeveloping priority Southern Sector Shopping Facilities (Southwest Ctr. Mall, Wynnewood, Lancaster-Kiest) <ul style="list-style-type: none"> • Transit-oriented retail 	0-12 mo. (identify) 12-36 mo. (under contract) See initiative related to expanding shopping options in underserved neighborhoods	Minimum 1 priority facility under contract	OED

Strategic Initiative: Encourage public/private sector partnerships with an integrated focus on master planning and neighborhood involvement in pivotal high priority development/redevelopment opportunities.			
Five-Year Vision: Implement strategic projects that are catalytic and/or replicable			
Priority Action	Timeline	Metrics	Accountability
Focused support of Frazier Court redevelopment plan. Develop goals, action plans, timelines and accountability with neighborhood and private sector partners.	0-12 mo.	Completion of actions plans, etc.	CMO/Housing Dept/DHA Appropriate neighborhood and private partners
Replicate Frazier Courts. Master planning process with the UNT Campus area, Trinity Corridor.	0-18 mo. 18-36 mo.	Completion of master plans. Community buy-in	OED, Planning Department
Implementation of TOD planning in concert with DART Standards to promote desirable development along transit corridors	See Strategic Initiative related to expanding urban living/working/shopping options in underutilized and underserved neighborhoods.		CMO/OED and appropriate City Departments

Strategic Initiative: Expand urban living, working and shopping options in underutilized and underserved neighborhoods.			
Five-Year Vision: Transit communities built around targeted DART stations and Downtown.			
Priority Action	Timeline	Metrics	Accountability
Assign high-level point person to lead City efforts to develop transit/urban communities.	0-12 mo.	Assignment and organization made.	CMO/OED/Planning
Complete/Implement <i>Forward Dallas</i> plan.	0-12 mo. (completion)	Approval by City Council	Planning Dept/ City Planning Commission.
Compatibility of zoning (around transit stations) with desired outcomes	12-36 mo. (implementation)	Zoning changes made	CMO/Zoning Commission/City Council
Develop a marketing tool – a site analysis - to market transit development to investors and developers. (6 DART RFP’s)	0-12 mo.	Completion of marketing tool	Economic Development Dept/Planning Dept.
Organize City Summit on transit development (national and international participants)	12-18 mo.	Scheduled, promoted and completed – attendance and participation	OED/Planning Dept.
Dedicate funds in the next bond proposal for transit development (Amount TBD)	Next bond proposal	City \$ invested and leveraged in transit and pedestrian amenities	CMO/City Council

Strategic Initiative: Promote Sustainable Communities by Stimulating a Variety of Housing Choices for all Income Levels, with Particular Emphasis on South Dallas and Downtown.			
Five-Year Vision: Urban Neighborhoods will begin to be stabilized and residents in both the Southern Sector and Downtown will enjoy an Increased Quality of Life			
Priority Action	Timeline	Metrics	Accountability
Sell groups of vacant, unproductive and tax-foreclosed properties at below market to developers of single-family homes for sale to low-to-moderate income and working families	Immediate/ongoing	Number of units per year	Dallas Housing and Acquisition Development Corporation
Provide up to 50% of the cost of public infrastructure (streets and drainage) for infill lots	Immediate/ongoing	Number of units per year	Dallas Housing Department
Provide mortgage financing funds to participating lenders through the sale of tax-exempt single-family mortgage revenue bonds	Immediate/ongoing	Number of units per year	Dallas Housing Finance Corporation
Participate in financing of single-family development by providing funding toward cost of construction	Immediate/ongoing	Number of units per year	Dallas Housing Department
Pursue all available housing-related funds for Dallas affordable workforce housing projects	Immediate/ongoing	Number of units per year	Dallas Housing Department
Sell In town Housing Section 108 downtown lofts loans and use proceeds for other housing-related activities	Starting within next six months and continuing until completed	Amount of funding made available and number of affordable downtown units	Dallas Housing Department

Strategic Initiative: Lower crime rates and make Dallas the safest big city in America.			
Ten-Year Vision: Make Dallas the safest large city in America within the next decade			
Priority Action	Timeline	Metrics	Accountability
Lower crime rates in all areas.	Annual improvement Goal achieved by 2010	Total indexed crime compared to other cities. Crime rates by type and offense.	CMO/Appropriate Public Officials DPD "Goals for Public Safety"

Strategic Initiative: Develop a long term work plan with DISD to support public education through infrastructure investment, planning and other activities.			
Five-Year Vision: Dallas Proactively Engaged with DISD			
Priority Action	Timeline	Metrics	Accountability
Develop long-term work plan with ISD's to improve perceptions and identify ways Dallas can support public education through infrastructure investment, planning and other programs. (Have been successful at shared facilities programming and out to do more.)	6-12 mo.	Completion of a MOU between Dallas and ISD's outlining mutual expectations and plan of attack for first five years.	Mayor/City Council