



ECONOMIC VIBRANCY

Council Briefing Presentation

January 19, 2011



Team Roster

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Vision Statement

A **thriving** economy sustained by a healthy mix of local & international business opportunities, housing choices, visitor attractions, & city services

Council Objectives

Objective	Current Data / Progress
Convention center hotel open and operational by Q1 2012.	<ul style="list-style-type: none"> ▪ Achieve substantial completion phase of hotel construction ▪ Current projected opening: February 2012 ▪ Hotel project is on schedule & on budget
Establish or reinvigorate 100,000 SF annually of retail space in the Southern Sector by 2011.	<ul style="list-style-type: none"> ▪ Redeveloped 257,000 SF in 2009-2010 at Crest Plaza Shopping Center on Lancaster Rd. & the Torre Vista Shopping Center on Lake June Rd. & Masters Dr. ▪ Approved in 2010 redevelopment of Big T Plaza, 161,000 SF at I-35E and Ledbetter Dr. ▪ Southwest Center Mall - Fiesta Mundo construction anticipated completion by March 2011 (former Dillard's property, Approx. 180,000SF) ▪ Southwest Center Mall – Investor-owner entered into a joint venture with a retail group to pursue new tenants for the inline store space
Redevelop 4% of aging multifamily housing annually.	<ul style="list-style-type: none"> ▪ Over 6% of the aging multifamily stock was demolished & the sites prepared for redevelopment by mid-year 2010 ▪ Focused multifamily redevelopment efforts underway in North Oak Cliff, Skillman Corridor & Walnut Hill/Central area
Streetcar Implementation Plan	<ul style="list-style-type: none"> ▪ Council approved construction contract in August 2010 to complete the McKinney Avenue Trolley extension on Olive Street ▪ Comprehensive streetcar system plan to serve the Central area of Dallas (3 mile radius around Downtown) is being developed

Council Objectives

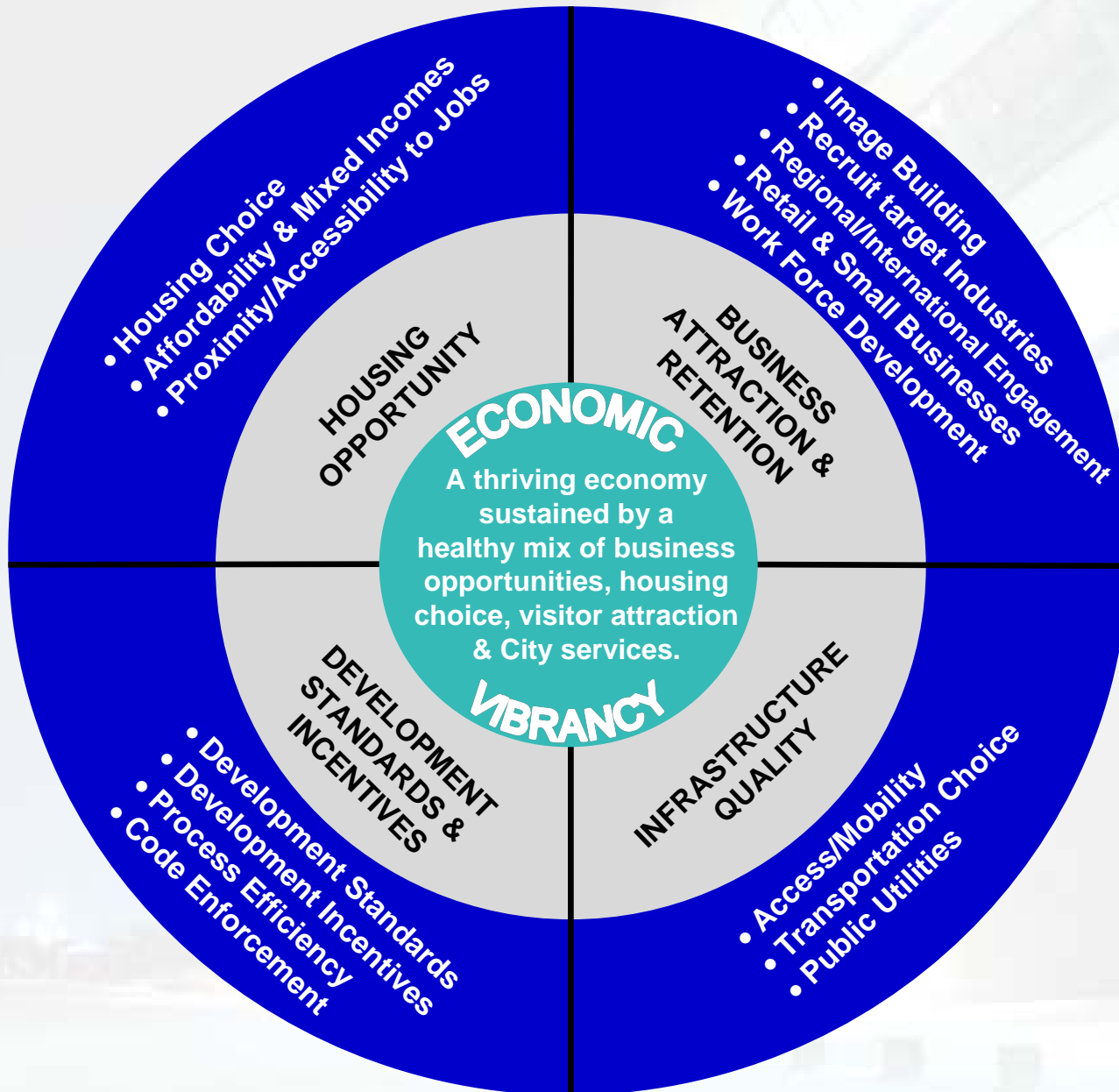
Objective	Current Data / Progress
<p>Increase the percentage of customers rating the City's responsiveness as "good" or "excellent" to 70% in FY10-11.</p>	<ul style="list-style-type: none"> ▪ 85% of businesses rate Dallas as a "good" or "excellent" place to do business in 2008, with 42% rating Dallas as an "excellent" place to do business.(Source: Dallas Business Survey) ▪ 78% of citizens rate Dallas as a "good" or "excellent" place to do business in 2009 while 69% of citizens rated the city's responsiveness as "good" or "excellent" (Source: 2009 Citizen's Survey) ▪ Conduct Citizen Survey in FY10-11
<p>Establish at least one production facility employing no less than 300 people in the Southern Sector.</p>	<ul style="list-style-type: none"> ▪ Since indicator was established, three new water bottling production facilities have been secured (Nestle, Niagara Bottling & Advanced H2O) with 428 associated new jobs ▪ City facilitated the expansion of the Solo Cup manufacturing facility with 110 jobs - \$13M investment ▪ In 2010, Council approved two projects in the Southern Sector resulting in 130 new jobs and \$12.8M in investment
<p>Increase the appraised value in the ten opportunity areas by \$200M per year from 2009 to 2011.</p>	<ul style="list-style-type: none"> ▪ From 2005-2010, real taxable property value in the ten opportunity areas increased by 21.44% (about \$2.01B)

Overarching Considerations

Consistency with Long Range Development Plans

- *forwardDallas!* Plan (Long Range Planning)
- Long Range Water Master Plan (Dallas Water Utilities)
- Mayor's Southern Dallas Task Force (Economic Development)
- Strategic Engagement Plan (Economic Development)
- Balanced Vision Plan (Trinity River Corridor)
- Bond Programs (Public Works & Transportation)
- Downtown Dallas 360 Plan (Economic Development)

Strategy Map



Business Attraction & Retention

Council Objectives

- Convention center hotel & ancillary open & operational Q1 2012
- Establish or invigorate two retail centers in the Southern Sector by 2011
- Have at least one production facility development by 2011
- Increase appraisal value in ten development opportunity areas by \$200M/year



Strategy

Sustain & attract firms in targeted industry sectors and small businesses

Sub-Strategies

- 1) Recruit targeted industries in the Southern Sector
- 2) Facilitate land & commercial structure development/redevelopment
- 3) Grow economy through international & regional engagement
- 4) Expand retail in underserved areas
- 5) Support small business creation
- 6) Promote image as a “green” City & convention/visitor destination
- 7) Partner with local agencies toward market driven work force development
- 8) Create funding sources to facilitate development

Business Attraction & Retention

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Selected Sub-Strategies & Data

- **Grow economy through international & regional engagement**
 - Conducted several trips abroad to recruit City of Dallas Regional Center investors in 2010
 - Recruited **nine foreign corporations** to open Dallas offices, **creating 101 jobs** in FY 09-10
- **Create funding sources to facilitate development**
 - City of Dallas Regional Center – FY 10-11 goal to raise \$80M to finance development in Dallas, and \$100M to \$150M annually thereafter
 - New Markets Tax Credits – Allocated \$55M by HUD for low income neighborhoods
 - Section 108 - HUD Funding for mixed-use affordable housing projects in Downtown, the Southern Sector, and proximate to DART transit stations
 - HUD Community Challenge Grant - \$2.25M awarded for planning and land acquisition related to development of affordable housing near DART stations

Housing Opportunity

Council Objectives

- Redevelop 4% of aging multifamily housing by 2011
- Establish or invigorate two retail centers in the Southern Sector by 2011

Strategy

Facilitate a range of housing choices across the income & geographic spectrum

Sub-Strategies

- 1) Redevelop aging multifamily housing
- 2) Promote housing infill & rehabilitation
- 3) Integrate workforce housing with market rate housing
- 4) Promote mixed-use/transit-oriented developments
- 5) Increase percentage of home ownership
- 6) Encourage housing that is accessible to job opportunities
- 7) Develop affordable housing downtown



Housing Opportunity

Council Objectives

- Redevelop 4% of aging multifamily housing by 2011
- Establish or invigorate two retail centers in the Southern Sector by 2011

Selected Sub-Strategies & Data

- **Promote mixed use development/transit-oriented development**
 - Approved Transit-Oriented Development TIF - linking development, jobs, transit & housing
 - Lancaster Sub-District – **Lancaster Urban Village project**: \$26.8M Mixed-Use Facility, **Phase I is expected to begin Fall 2011 with 98 affordable housing units**, 14,000 SF of retail and a parking garage, Phase II will be a 50,000 SF skills training center for the Dallas Urban League
 - Cedars West Sub-District
 - Mockingbird/Lovers Lane Sub-District
 - Cedar Crest Sub-District
- **Develop affordable housing downtown**
 - Mercantile Continental Building
 - Minimum 40 affordable residential units
 - \$18M TIF funding approved by Council
 - Atmos Complex
 - Minimum 117 affordable residential units
 - \$23M TIF funding approved by Council



Infrastructure Quality

Council Objectives

- Convention center hotel & ancillary open & operational Q1 2012
- Establish or invigorate two retail centers in the Southern Sector by 2011
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Strategy

Create & maintain the fundamental infrastructure systems necessary for economic growth

Sub-Strategies

- 1) Promote access & mobility
- 2) Expand transportation choices & connectivity between alternative modes
- 3) Plan, manage, & maintain public infrastructure to support economic growth



Infrastructure Quality



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Selected Sub-Strategies & Data

▪ Promote access & mobility

- **Love Field Modernization Program (LFMP)** – construction began in March 2009 for **new terminal & aviation facilities that will accommodate passenger & flight traffic increases** at Love Field; Customs & Border Protection (CBP) facility will open in January 2011 to service international flights by general aviation aircrafts (20 Passengers or less)
- Woodall Rodgers Deck Park will provide walking access between CBD & Uptown area & recreation areas; Phase III-final phase to include landscape & other visual aesthetics - completion summer 2012
- Santa Fe Trestle Trail – Multi-purpose hike & bike trail that promotes access to Trinity River Corridor, construction began July 2010; anticipated completion May 2012

▪ Plan, manage & maintain public infrastructure

- Dallas Water Utilities
 - East Bank/West Bank Interceptor was advertised for bids, completion will allow for future abandonment of Cadiz Street pump station and free-up the 60-inch forced main to be used as a water source for the Trinity lakes
 - Awarded the 20-inch recycled water pipeline Phase I & II construction contracts; will result in 5.5 miles of pipeline to provide recycled water to Zoo & Stevens Park Golf Course
- Trinity Watershed Management
 - Awarded the **new Pavaho Pump Station** \$27M construction contract; construction began August 2010; anticipated completion Aug 2012

Development Standards & Incentives



Council Objectives

- Increase percentage of business customers that rate the city's responsiveness as good or excellent to 70% by 2011
- Have at least one production facility development by 2011
- Establish or invigorate two retail centers in the Southern Sector by 2011



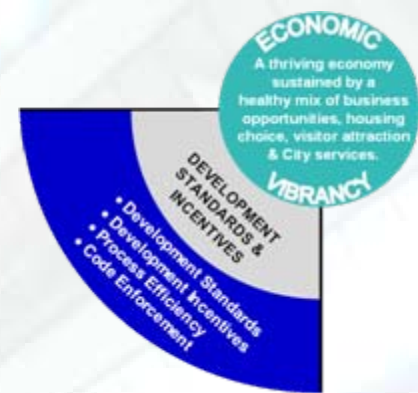
Strategy

Ensure standards & incentives are in place to promote economic development

Sub-Strategies

- 1) Manage a timely & efficient regulatory process
- 2) Promote standards that ensure high quality development
- 3) Implement incentives that promote beneficial development
- 4) Ensure fair enforcement of city codes

Development Standards & Incentives

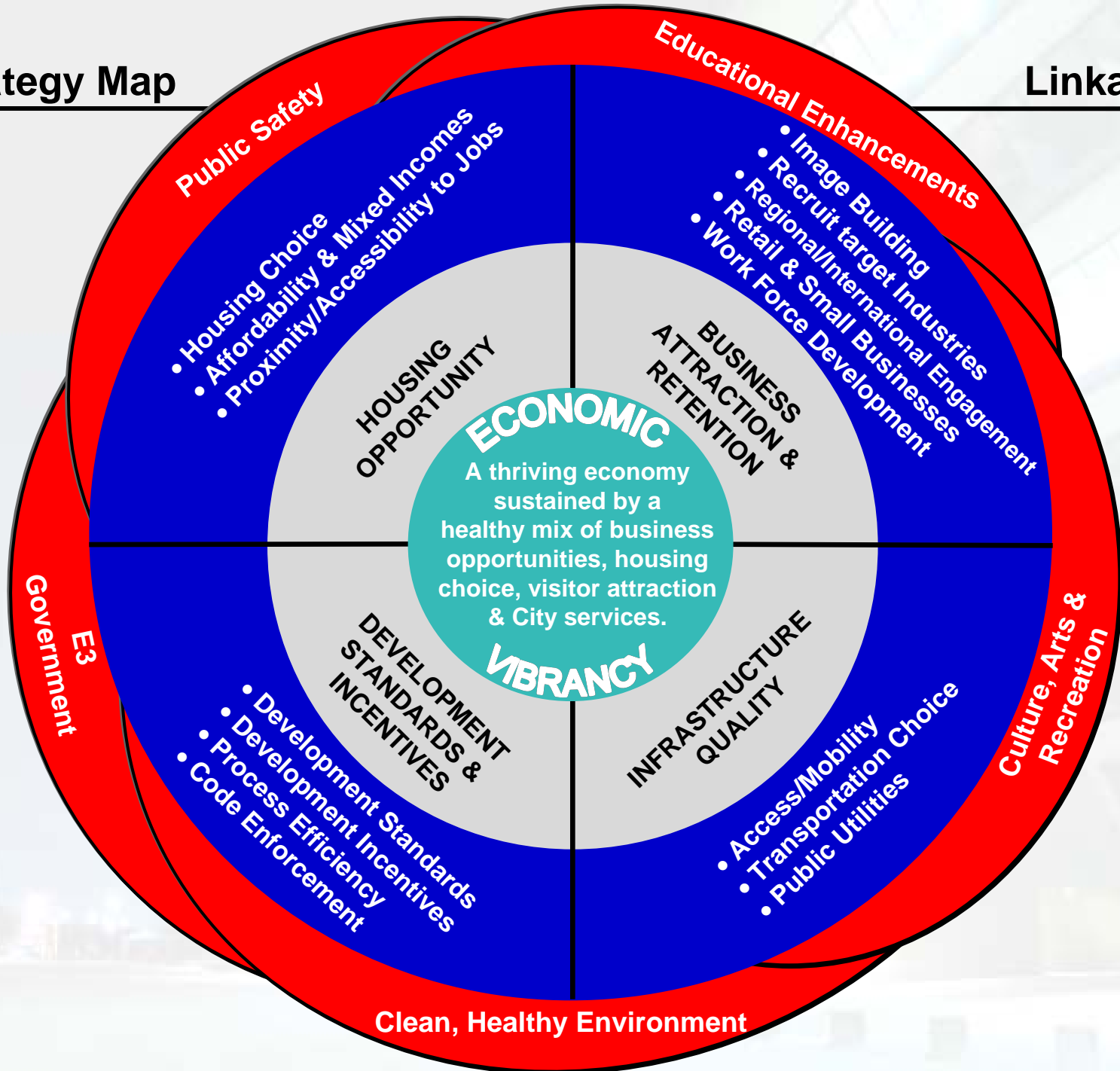


Council Objectives

- Increase percentage of business customers that rate the city's responsiveness as good or excellent to 70% by 2011
- Have at least one production facility development by 2011
- Establish or invigorate two retail centers in the Southern Sector by 2011

Selected Sub-Strategies & Data

- **Promote standards that ensure high quality development**
 - *forwardDallas!* Plan
 - Green Building Ordinance
 - Trinity River Corridor Project
 - Transit-Oriented Developments
 - Form Based Zoning
 - Urban Forest Advisory Committee
 - Sustainability Task Force
 - Downtown Dallas 360 Plan



Links to Other Key Focus Areas

Public Safety

- Continuous Work Force Development
 - Hiring Strategies
- Resource Management
- Enhanced Customer Communication
 - Community Outreach

Educational Enhancements

- Resource Management
 - Meet maintenance & replacement schedules
- Enhanced Customer Communication
 - Community Outreach

E³

- Long-term Resource Management
 - Employ process improvement methods
 - Business Attraction & Retention through a high-service low-cost government

Clean, Healthy Environment

- Resource Management
 - Buy "green" & environmentally friendly goods & services
- Enhanced Customer Communication
 - Encourage Best Practices for companies & residents to minimize their environmental footprint to promote the "green" goals of Mayor & Council

Culture, Arts & Recreation

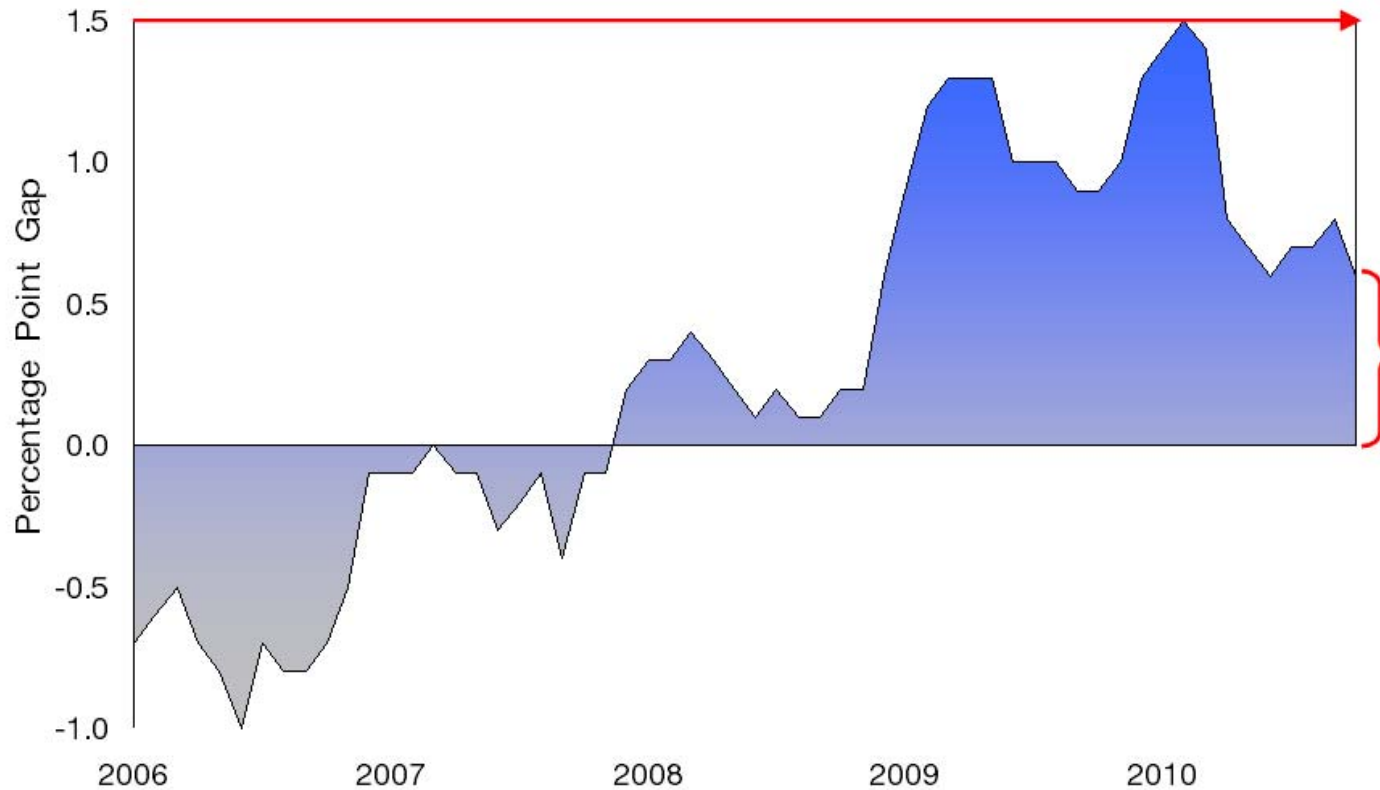
- Provide Quality Infrastructure
 - Ensure economic growth in tandem with cultural growth
 - Public facilities such as parkland, cultural centers & libraries

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- ▶ Labor Force Data – Slide 20
- ▶ Leading Economic Indicators – Slide 21
- ▶ Dallas Unemployment Rates – Slide 22
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- ▶ Real Taxable Property Value by Opportunity Area – Slide 25
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- ▶ Dallas Love Field Total Passengers – Slide 28
- ▶ Long Range Development Plans – Slide 29

Appendix: Economic Vibrancy Statistics

Monthly U.S. – City of Dallas Unemployment Rate Gap



**In October 2010,
Dallas is 0.6 points
better than the
U.S.**

Source is U.S. Bureau of Labor Statistics.

Appendix: Economic Vibrancy Statistics

Household Employment - Labor Force Data - Annualized

Table 1.
ANNUAL AVERAGE UNEMPLOYMENT RATES

Table 2.
CITY OF DALLAS LABOR FORCE
ANNUAL AVERAGE
(PERSONS)

	FY 2009	FY 2010	Point Change		Unemployed	Labor Force
City of Dallas	7.6	8.7	1.1	FY 2009	44,947	598,530
DFW MSA	7.3	8.3	1.0	FY 2010	52,818	605,307
Texas	7.0	8.2	1.2	Change	7,871	6,777
U.S.	8.5	9.7	1.2	% Change	17.5	1.1
Largest U.S. Cities Avg.**	10.4	12.0	1.6			

**SOURCE: TEXAS WORKFORCE COMMISSION, U.S. BUREAU OF LABOR STATISTICS
VALUES NOT SEASONALLY ADJUSTED.**

•LARGEST U.S. CITIES EXCLUDING DALLAS ARE: NEW YORK, LOS ANGELES, CHICAGO, HOUSTON, PHOENIX, PHILADELPHIA, SAN ANTONIO, SAN DIEGO, SAN JOSE & DETROIT.

Appendix: Economic Vibrancy Statistics

Leading Economic Indicators



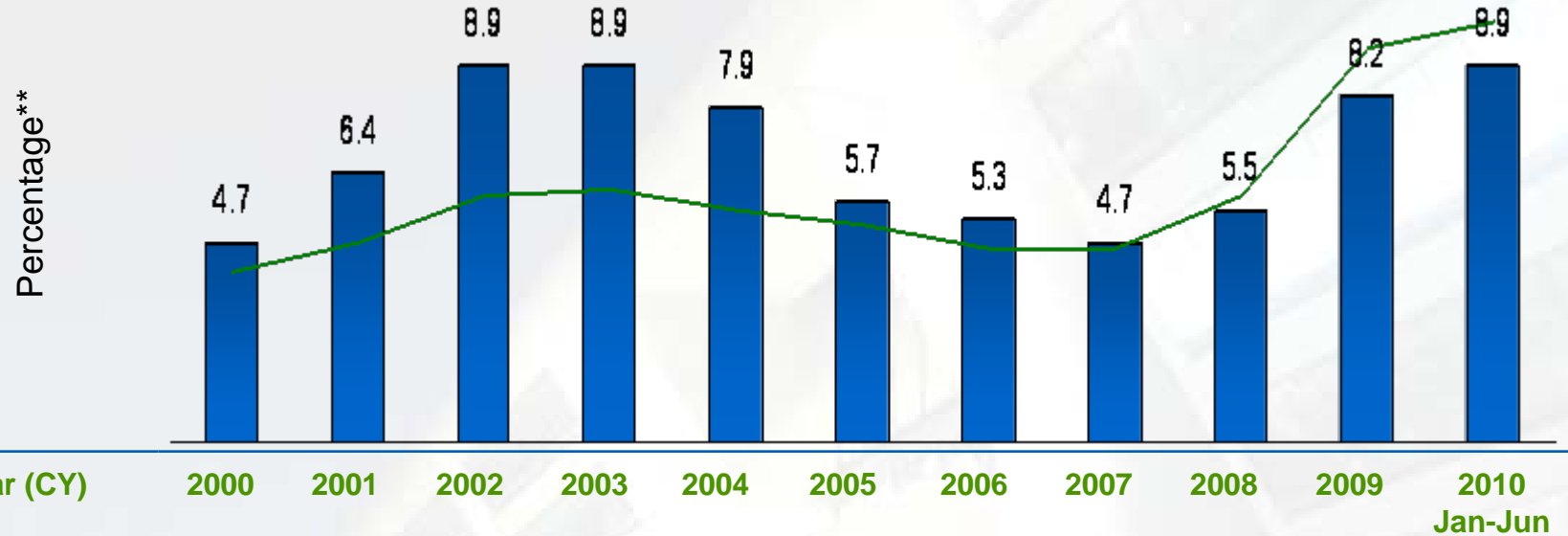
The leading index is a projection of the City's economic performance three to six months in advance. When the index consistently grows above its 12-month average (the red line graph), the City's economy will more likely continue to grow.

The index's annual average reflected an economic downturn starting June 2007. The index declined for 22 months, then turned upward beginning March 2009. The upward trend continued through May 2010 & has since moved in an irregular pattern. As of September 2010, the leading index stands at 87.9 (1997=100) & is above the index's 12 month average. The behavior since May 2010 reflects slowed economic growth.

Index elements consist of Single Family Building Permits, Monthly Regular Initial Claims for unemployment insurance, the West South Central Consumer Expectations Index of the Conference Board, & the City of Dallas calculated Stock Index.

Appendix: Economic Vibrancy Statistics

Dallas Unemployment Rates - Historical



Source: U.S. Bureau of Labor Statistics (BLS)

■ COD unemployment rate

— US unemployment rate

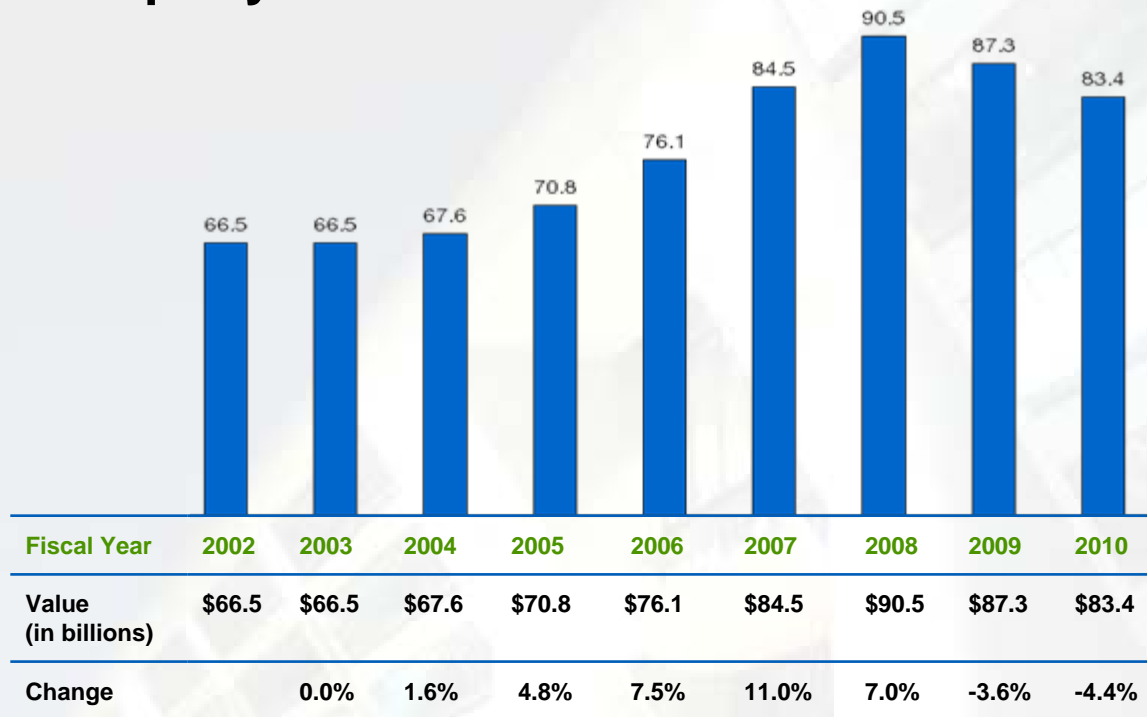
* Reflects BLS revisions as of April 2010

** Percentages are non-seasonally adjusted

The unemployment rate reflects the percentage of City of Dallas resident labor force actively seeking employment. The Dallas (COD) annual average (calendar year) unemployment rate in 2009 was 8.2 percent & the 2010 mid year average rate is 8.9 percent. Since 2007 the COD unemployment rate has equaled or outperformed (less in value than) the U.S. unemployment rate** (see above chart). Unemployment levels rose in 2008 & continued rising through 2010. This is as much a reflection of the rise in the city's working-age population through both in-migration & internal ageing as much as it is a reflection of the economy.

Appendix: Economic Vibrancy Statistics

Total Taxable Property



Source: City of Dallas Office of Financial Services.

This & the following slide contain the summarized taxable values of real & personal property within the City of Dallas. The next page presents the Residential & the Commercial subcategories of Business Personal Property (BPP) & Taxable Commercial Property. The **taxable value** of a property is the market value of the property minus any exemptions. Below are definitions for additional key terms on this & the following page.

- **Real property** - Consists of I& plus anything permanently attached to the I& or legally defined as immovable (i.e. Real Estate).
- **Residential Property** - Non-farm detached, semidetached, or attached residence for one family (single family) & property that contains two or more living units, including duplexes, apartment houses, & cooperatives that are assessed as a single entity (multifamily).
- **Commercial Property** - Any nonresidential real estate of a commercial enterprise.
- **Business Personal Property (BPP)** - Office equipment, fixtures, furniture, & merchandise.

Appendix: Economic Vibrancy Statistics

Taxable Property Values

Residential



Source: City of Dallas Office of Financial Services.

Commercial Property



Source: City of Dallas Office of Financial Services.

Business Personal Property (BPP)



Source: City of Dallas Office of Financial Services.

Appendix: Economic Vibrancy Statistics

Real Taxable Property Value by Opportunity Area - 2005 to 2010



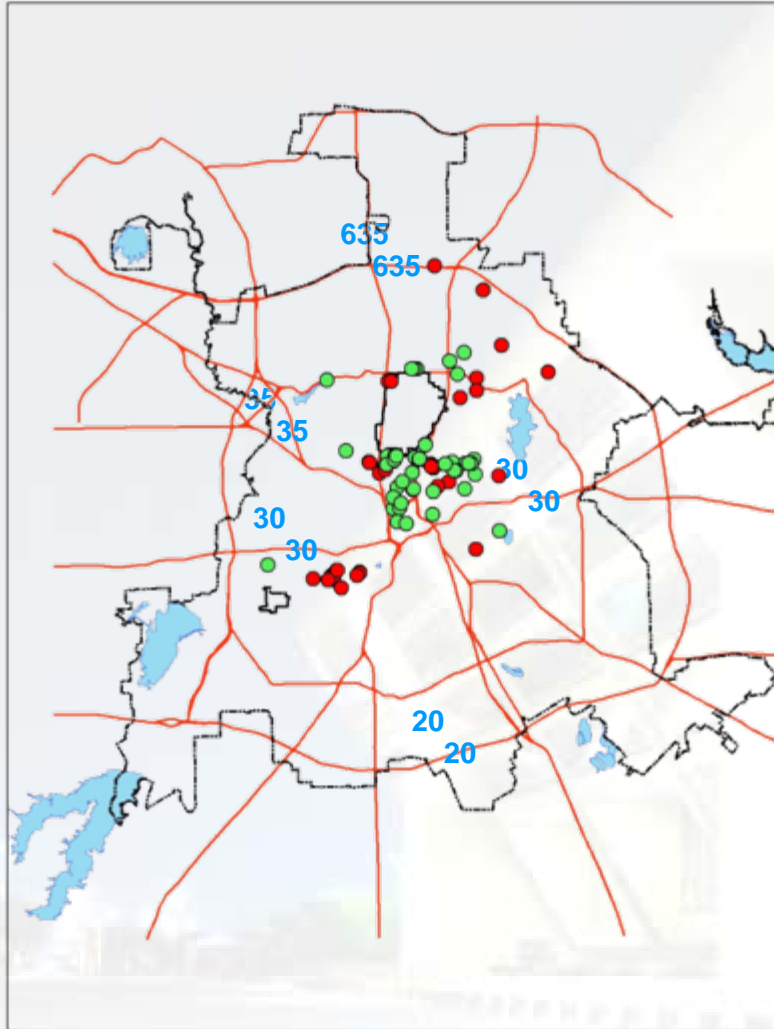
As investment & job creation occurs, taxable property valuations increase. Changes in the real taxable property values are a good indicator of economic vibrancy.

Opportunity Area	2005		2010		Change 2005-10 (in 2010 Dollars)		% Change 2005-10 (in 2010 Dollars)	
	Residential (2010)	Non-Residential (2010)	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential
West Dallas - Oak Cliff	\$150,853,167	\$326,137,386	\$188,089,831	\$319,855,053	\$37,236,664	-\$6,282,333	24.68%	-1.93%
Stemmons Corridor	144,089,518	1,733,121,075	234,291,306	2,374,244,619	90,201,788	641,123,544	62.60%	36.99%
Fair Park & Surrounding Area	279,877,217	596,565,626	350,769,657	683,557,744	70,892,440	86,992,118	25.33%	14.58%
Asian Trade District	121,260,152	1,091,771,977	95,017,508	1,054,611,942	-26,242,644	-37,160,035	-21.64%	-3.40%
NAFTA Corridor	64,718,028	61,235,395	47,699,713	106,716,734	-17,018,315	45,481,339	-26.30%	74.27%
UNT Campus	40,452,796	9,116,996	30,844,923	7,758,045	9,607,873	-1,358,951	-23.75%	-14.91%
Westmoreland Area	29,086,270	57,214,105	25,982,654	52,963,002	-3,103,616	-4,251,103	-10.67%	-7.43%
Central Business District	78,352,033	2,629,761,727	172,062,156	2,695,124,390	93,710,123	65,362,663	119.60%	2.49%
Vickery Meadows	293,041,267	441,576,558	267,346,580	678,417,933	-25,694,687	236,841,375	-8.77%	53.64%
LBJ Corridor	353,921,141	2,623,955,192	326,864,346	2,375,883,979	-27,056,795	248,071,213	-7.64%	-9.45%

Source: City of Dallas Department of Public Works & Transportation, CityGIS Division. Original data from Dallas Central Appraisal District Certified Values. Area definitions & calculations by Dallas Office of Economic Development, December 2010.

Appendix: Economic Vibrancy Statistics

Multifamily Development & Demolition Map



- New development - 3,250 units
- Demolition - 2,990 units

Appendix: Economic Vibrancy Statistics

Despite additional road space, Dallas travel time increases

Urban Area	Annual Hours of Delay per Traveler				Long-Term Change	
					1982 to 2007	
	1982	1997	2006	2007	Hours	Rank
Very Large Urban Area Average	21	43	52	51	30	
Dallas – Fort Worth – Arlington, TX	10	34	55	53	43	2
Washington, DC – VA – MD	16	52	59	62	46	1
San Francisco – Oakl&, CA	23	47	58	55	32	11
Atlanta, GA	19	56	59	57	38	5
Boston, MA – NH – RI	12	32	44	43	31	15
Miami, FL	15	35	48	47	32	11
New York – Newark, NY – NJ – CT	12	32	45	44	32	11
Seattle, WA	12	52	45	43	31	15
Chicago, IL – IN	15	35	43	41	26	23
Detroit, MI	24	48	53	52	28	21
Los Angeles – LBch – Santa Ana, CA	44	69	72	70	26	23
Houston, TX	29	39	56	56	27	22
Philadelphia, PA – NJ – DE – MD	16	28	38	38	22	36
Phoenix, AZ	35	35	45	44	9	70

Appendix: Economic Vibrancy Statistics

Dallas Love Field Total Passengers

Carrier	CY 2009			CY 2010			% Change CY9 to CY10
	Enplanements	Deplanements	Total Pax	Enplanements	Deplanements	Total Pax	
American Eagle Airlines	23,033	23,386	46,419	-	-	-	-100%
Continental Airlines	98,903	98,728	197,631	88,591	91,632	180,223	-9%
Delta Airlines	19,136	20,184	39,320	34,930	34,845	69,775	77%
Southwest Airlines	3,748,878	3,712,094	7,460,972	3,851,003	3,813,660	7,664,663	3%
Other	-	-	-	-	-	-	0%
Totals	3,889,950	3,854,392	7,744,342	3,974,524	3,940,137	7,914,661	2%

Appendix: Long Range Development Plans

Downtown Dallas 360 Plan (Economic Development)

360 is an action-oriented implementation plan crafted to build on recent momentum and make the Vision for Downtown Dallas a reality. The plan promotes housing throughout downtown, enhancing the pedestrian environment downtown, improving local & regional connectivity, concentrating energy & resources on Focus Areas and catalytic sites, and adopt policy language, symbols and messages to position Downtown as an inclusive, open, welcoming place.

Balanced Vision Plan (Trinity River Corridor)

The Balanced Vision Plan, adopted by City Council in December 2003, envisions the Trinity River as a new centerpiece for Dallas, creating an attraction that will support revitalization and renewal in the center of an urban area. It addresses flood protection, environmental restoration and management, recreation, transportation, and community and economic development. The key to this plan is that it successfully balances diverse and potentially conflicting goals for the Trinity River Corridor.

forwardDallas! Plan (Long Range Planning)

Adopted June 2006, the *forwardDallas!* plan is a collaboratively developed unified vision for the City. The Plan's core values are derived from broad-based public input, and a palette of desired building blocks establish the development vision. The plan is a guide for strategic and sustainable growth with policy guidance to encourage new development patterns, enhance the economy, make quality housing more attainable, promote strong and healthy neighborhoods, enhance transportation and infrastructure, and protect the environment.

Strategic Engagement Plan (Economic Development)

Strategic Engagement was adopted by the Council in September 2005 as Dallas' official economic development strategy. The plan identifies priority development initiatives and programs and sets performance objectives. The plan is due to be revised this fiscal year.

Long Range Water Master Plan (Dallas Water Utilities)

Working in cooperation with the Texas Water Development Board Region C Water Plan and other studies for the area, DWU is in the process of implementing the 2005 Water Supply Master Plan to service the needs of the City of Dallas and DWU's customer cities. The availability of quality and ample supply of water is critical to the long-term growth, both economic and pollution-wise, of the region and Dallas in particular. The 2005 Supply Plan plans for water supply until 2060.

Bond Programs (Public Works and Transportation)

The Citizens of Dallas authorize the City Council to issue debt in the form of bonds to finance infrastructure and construction projects. A bond package has a listing of specific projects such as street improvement projects, flood protection, storm drainage projects, and facilities improvement projects such as recreation centers and libraries. Authorizing the City to issue bond debt enables the city to invest in itself and improve the quality of life for its citizens.

Southern Dallas Task Force (Economic Development)

The Southern Sector Task Force is designed to identify, qualify, prioritize and recommend to the Mayor, City Council and the City Manager a range of implementable deliverables that support the achievement of redeveloping and repositioning Southern Dallas in the near-term (2 years), mid-term, (2-5 years) and long-term (> than 5 years). Key economic development priorities are: Manufacturing Facility (200 employees), Lancaster Corridor Transit-Oriented Development/Lancaster Kiest Shopping Center, two full service grocery stores, Southwest Center Mall, South Dallas/Fair Park TOD, Lake June Green Line TOD, Executive Airport, Illinois/Westmoreland TOD, International Inland Port of Dallas, Mountain Creek Industrial Park, Wynnewood Shopping Center, the Calatrava Bridge and West Dallas.