

# Memorandum



DATE September 30, 2011

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

SUBJECT **Office of Economic Development Overview**

On Monday, October 3, 2011, the Economic Development Committee will be briefed on the Office of Economic Development Overview.

Briefing material is attached.

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



Ryan S. Evans  
Assistant City Manager

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

# Office of Economic Development

## Overview

Economic Development Committee  
October 3, 2011



**DALLAS  
ECONOMIC  
DEVELOPMENT**



City of Dallas

# Purpose

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- Confirm overarching goals of economic development
- Review OED's organizational structure and implementation tools
- Assess results
- Discuss going forward opportunities and focus
- Initiate a dialogue concerning goals and performance measurements

# Economic Development is an Established City Council Priority

- Council names economic development the #1 priority in January 2004
- Strategic advice from McKinsey & Company and private sector stakeholder group
- Current initiatives framed by two council-approved documents: *Strategic Engagement*, a forward-looking economic development plan (September 2005) and *forwardDallas!*, a comprehensive land use plan (June 2006)
- Subsequent mayors and councils have reaffirmed the city's commitment

# Overarching Goals

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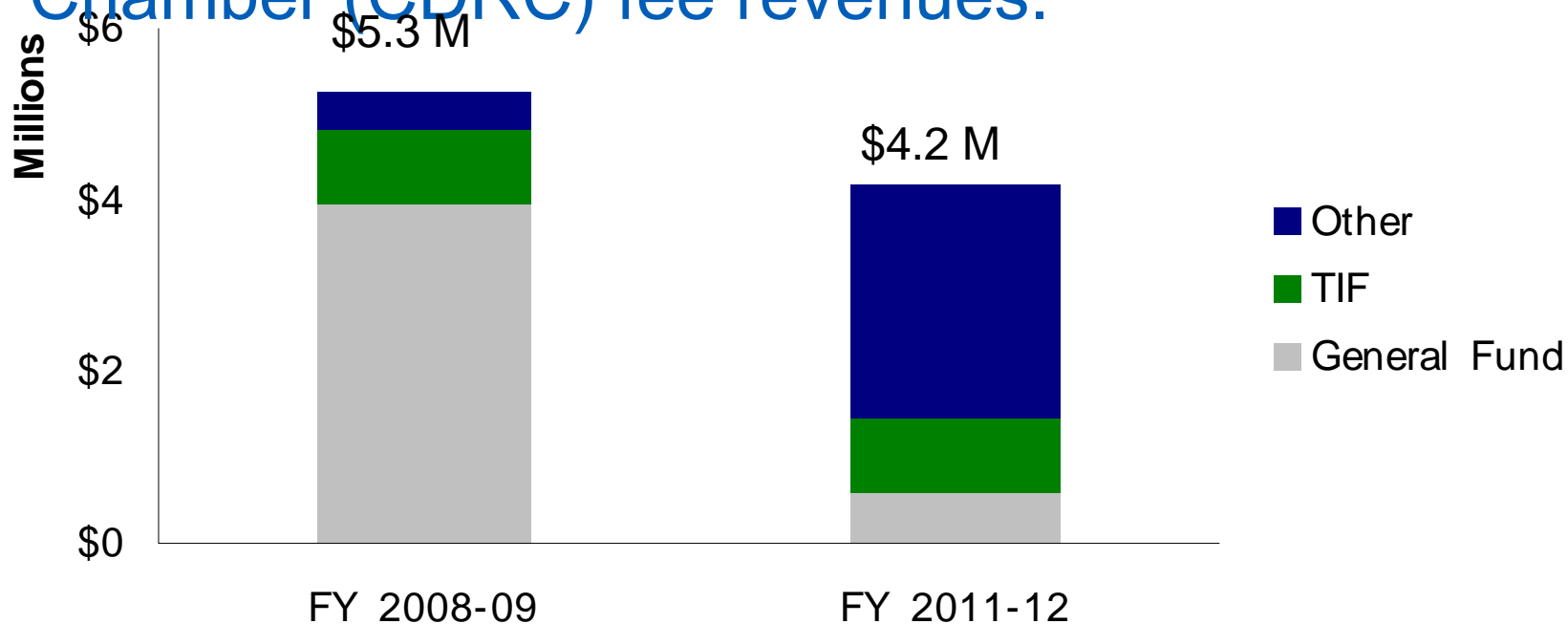
- Grow the economy
- Increase economic opportunities for residents
- Increase and broaden the tax base
- Stimulate the growth of more sustainable communities

# How OED Is Organized

- 48 staff positions in FY 2012
- FY 2012 operating budget of \$4.2 M
- Supervised by Karl Zavitkovsky, director
- Key units/Executives:
  - Business Development / Hammond Perot, A.D.
  - Small Business / Lee McKinney, A.D.
  - Finance, Administration and Government Compliance / Jiroko Rosales, A.D.
  - Area Redevelopment / Karl Stundins, manager
  - Research and Information / Daniel Oney, manager
  - Dallas Film Commission / Janis Burklund, manager

# OED Is Increasingly Funded by Non-General Fund Revenue Sources

- OED's budget now relies less on the General Fund and more on other funding, such as TIF reimbursements and City of Dallas Regional Chamber (CDRC) fee revenues.

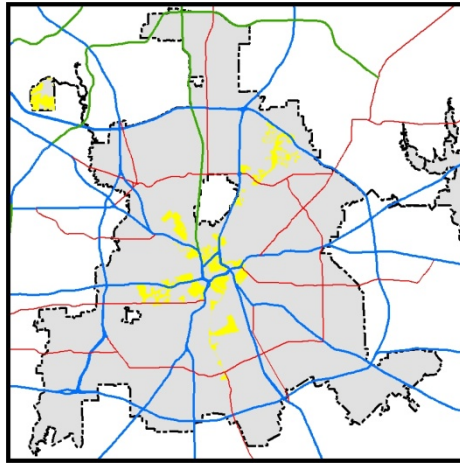


# Implementation Tools

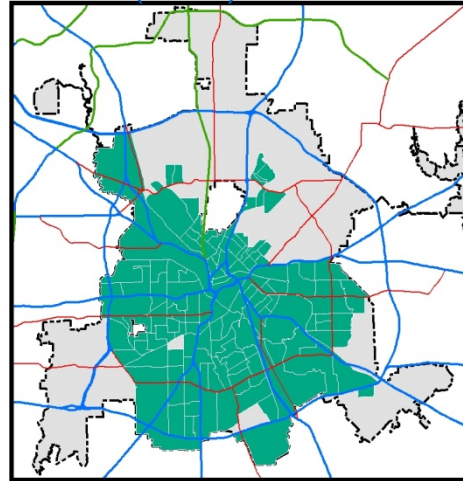
- Public Private Partnership Program (P/PPP)
- Tax Increment Finance Districts (TIF)
- Public Improvement Districts (PID)
- Municipal Management Districts (MMD)
- New Market Tax Credits (NMTC)
- City of Dallas Regional Center (CDRC)
- Historical Tax Credits
- HUD Section 108 and Low Income Housing Tax Credits (LIHTC)
- CityDesign Studio
- General Obligation Bond Program
- State and federal initiatives

# Implementation Tools (Incentive Geographies)

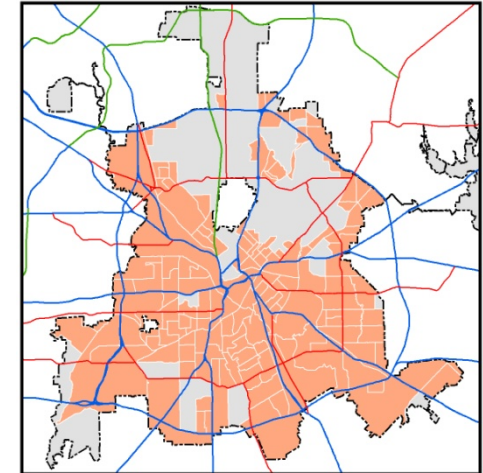
TIF Districts



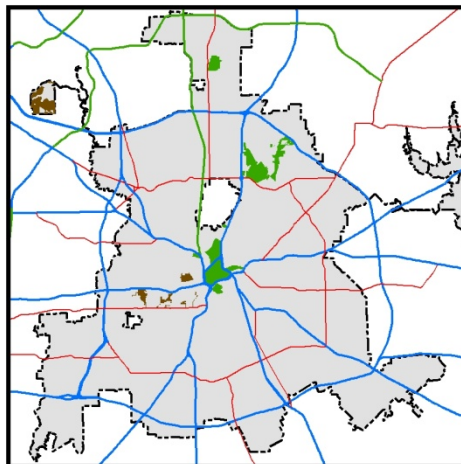
CDRC (EB-5)




New Market Tax Credit



PIDs and MMDs



-  Tax Increment Financing District
-  CDRC Targeted Employment Area
-  New Markets Tax Credit Eligible Area
-  Public Improvement District
-  Municipal Management District

# Development Strategy

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- Reinvestment in the core
- Focus on business development: recruitment and expansion
- Repositioning property into more productive uses: TIF districts, industrial parks
- Cost-benefit approach
- Marketing

# Council Objectives

- Council also identified specific milestone projects to focus development activity
  - Convention Center Hotel open and operational by 1Q 2012
  - Redevelop 4% aging multifamily housing
  - Recruitment of production facility in Southern Dallas
  - Increase real property value in 10 opportunity areas
  - Continue Streetcar Implementation Plan
  - Increase the number of business customers that rate the city's responsiveness as Good or Excellent

# Council Objective Results

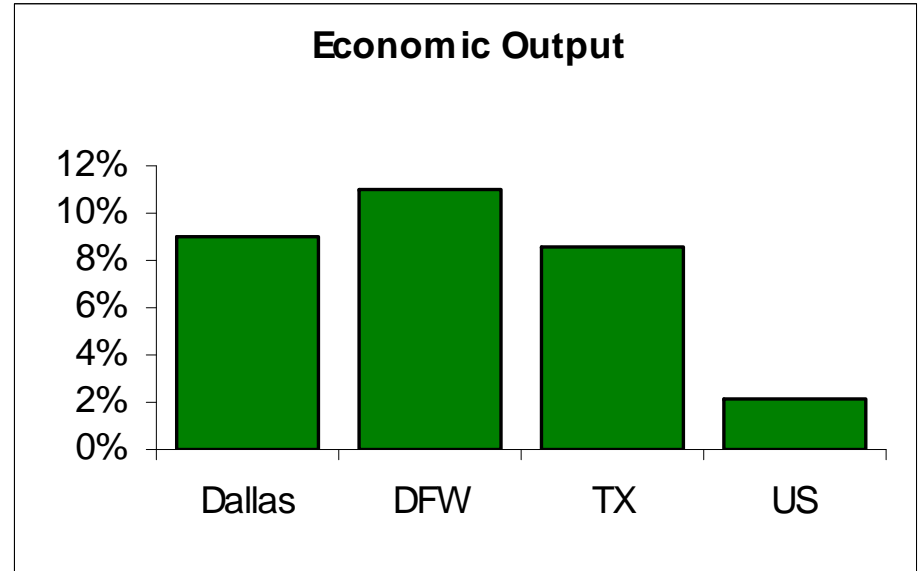
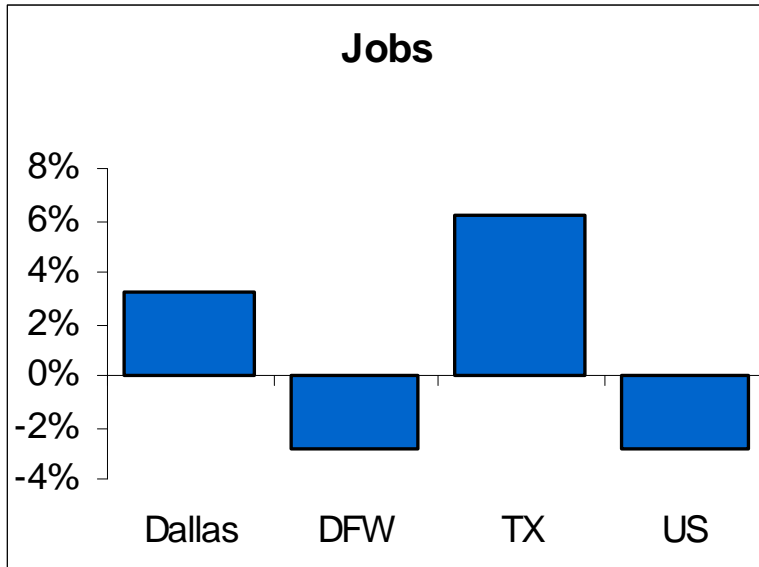
- Hotel completion scheduled for 4Q 2011
- 5% of aging multi-family housing stock demolished
- 7 Southern Dallas manufacturing projects: 1,023 jobs; \$149.6M investment
- Opportunity area values up 10.2%; 7% in North; 24% in South
- Streetcar system plan; McKinney extension; Trinity River crossing
- 2008 baseline 85% say Dallas Good or Excellent Place to Do Business
- 4 Southern Dallas shopping centers (610K sq ft); 8 Aldi grocery stores (5 open); 4 Walmarts announced

# Economic Results

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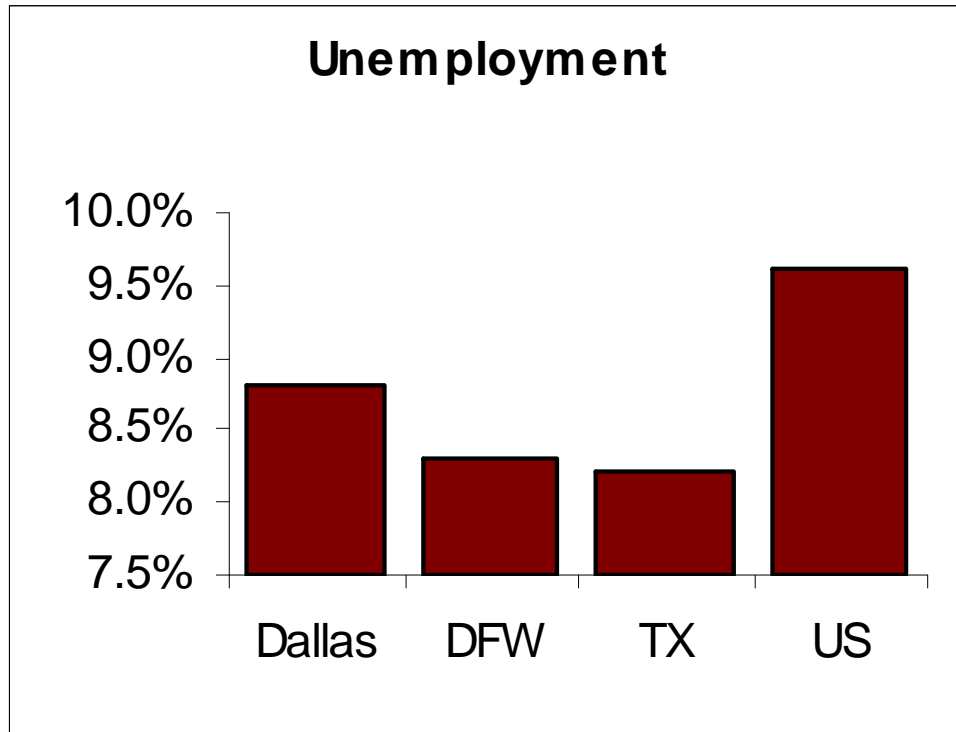
- The city has seen remarkable improvements in the past five years, especially considering the magnitude of the Great Recession of 2008-9
- Economic Growth (2006 to 2010)
  - 6.5 M sq. ft of commercial space added
  - 14,064 jobs added
  - 27,000 new housing units permitted

# Results: Economic Growth Since 2006



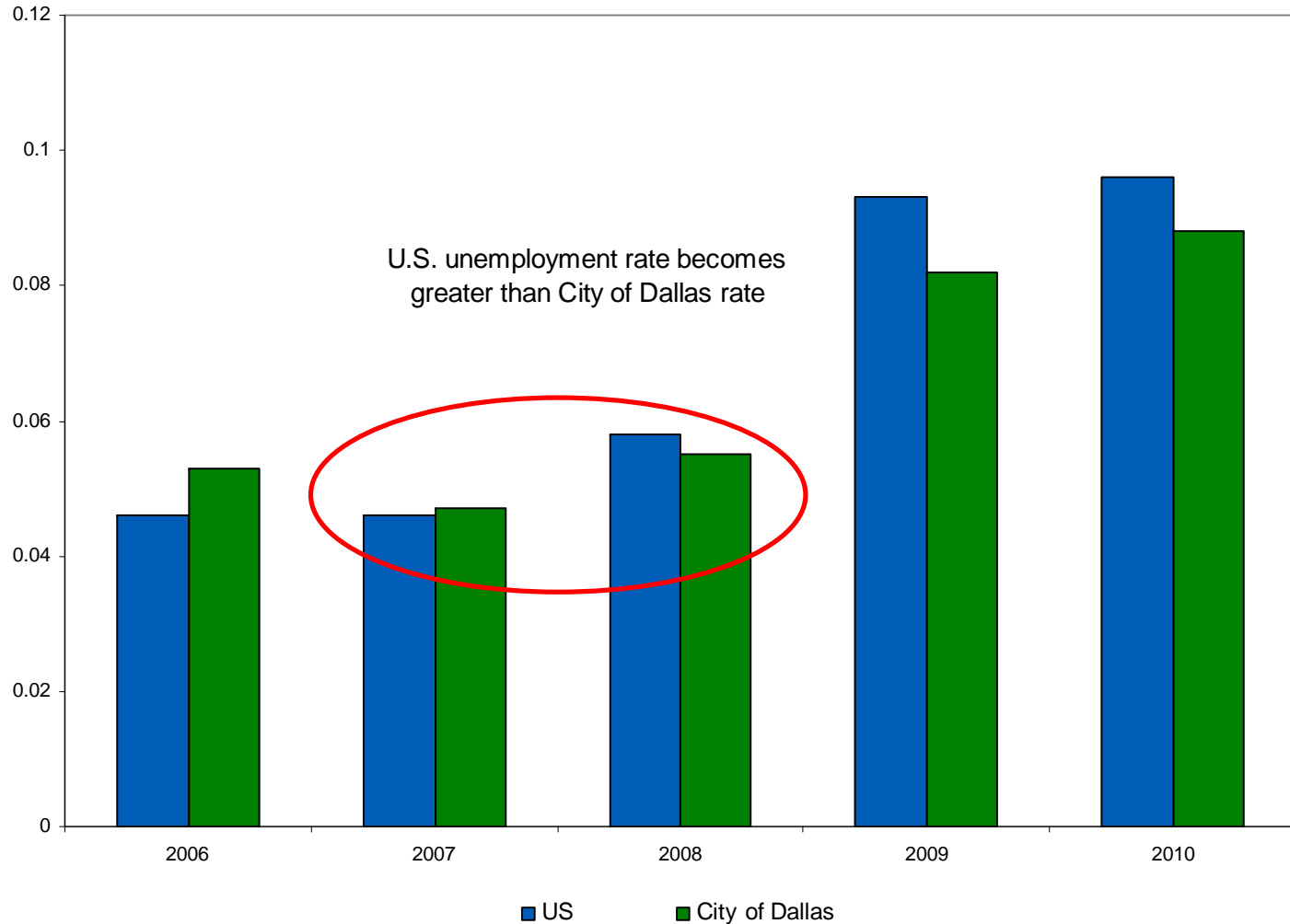
- Growth of people working in Dallas exceeded growth for the U.S. and DFW, lagged Texas.
- Dallas economic output (gross product) exceeds national rate, matches Texas and trails slightly the region overall.

# Results: Employment Opportunities Since 2006

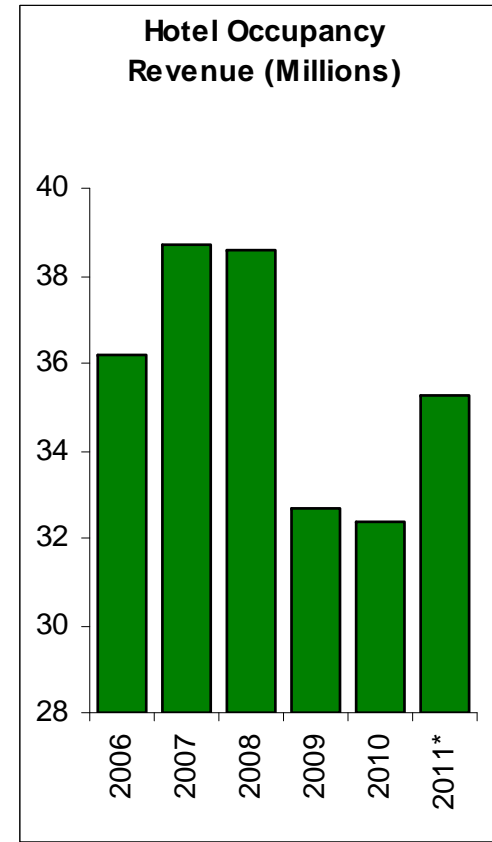
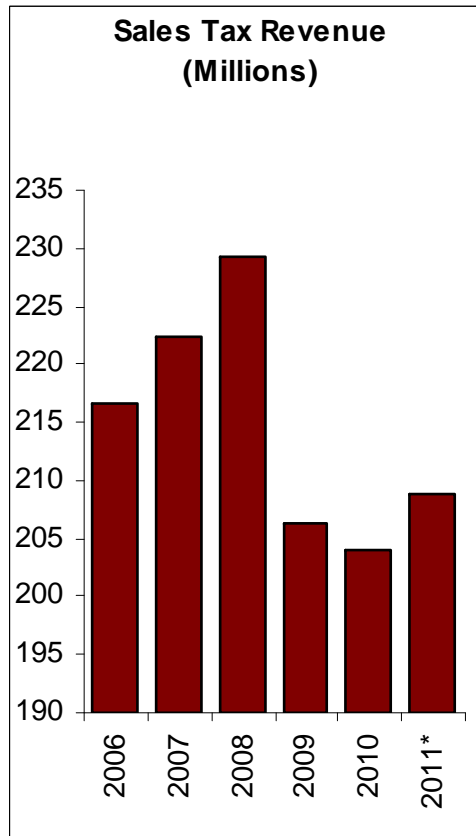
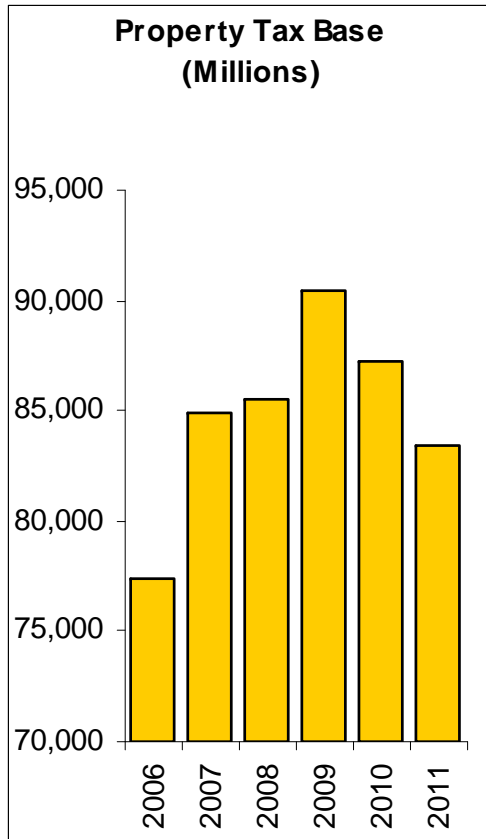


- Unemployment rate slightly above region overall and Texas, below U.S. Has been tracking lower than the U.S. rate for over three years.

# Results: Unemployment Since 2006



# Results: Revenue Since 2006



\*2011 Estimate

- Property tax base still up 12.3 % through recession; HOT and sales tax revenue down since 2006, but recovering.

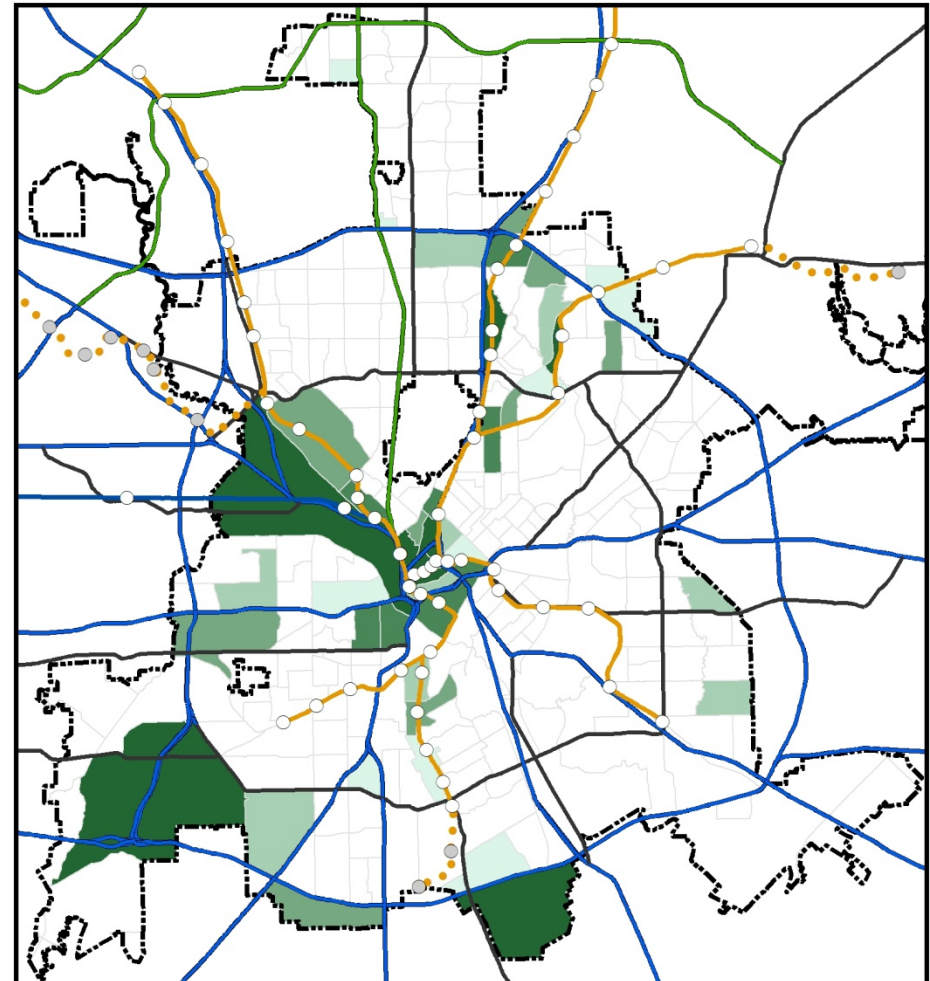
# Results: \$146.5M in Public Funds Leverages \$3B in Private Investment Since 2006

Public Private Partnership Program	Total (\$M)	North (\$M)	South (\$M)
Public Investment	\$33.1	\$15	\$18
Private Investment	\$834	\$365	\$469
Jobs	7,703	6,315	1,388

PPP leverage = 25.2 to 1

	Northern TIFs	Southern TIFs
Public Investment	\$78.2	\$35.2
Tax Base Investment	\$1,800	\$423

TIF leverage = 19.6 to 1



Total Private Investment in Completed or In Progress TIF District, Public-Private Partnership Fund, & 2006 Bond Program Proposition 8 Projects, 2006-2011



# Example Projects Since 2006

## Southern Dallas

- Four new TIFs, including TOD TIF
- 2 block Lancaster Corridor land assemblage at VA DART Station
- 3 new water bottling plants (423 jobs)
- 3 business parks
- 4 new/redeveloped grocery-anchored retail centers
- \$1B investment from last 3 bond programs
  - South Central Police Substation
  - Bexar St Corridor
  - Urban Land Bank

## DART Expansion

- 17 new stations
- Green line opened
- \$5.5B TOD construction completed, under construction and planned

## Long-Term Catalyst Initiatives

- IIPOD
- UNT Dallas Campus
- Trinity Corridor

## New TV Series

Good Guys, Chase, Lonestar

## Downtown

- Parks: Main Street Garden completed 2009, Belo Gardens and Woodall Rodgers Deck Park under construction
- Hotels:
  - Aloft Hotel completed
  - Joule hotel renovation completed, expansion underway
  - 1,000 room Omni Convention Center Hotel under construction
- Arts District: Winspear, Wylie Completed, Strauss Square, and City Performance Hall under construction
- Mercantile redevelopment produces 366 residential units
- AT&T, Comerica headquarters recruited and Deloitte headquarters retained and expanded = 1,841 jobs
- \$100+M in 2006 bond investments

# Going Forward Opportunities

- Focus resources/additional investment in Southern Dallas neighborhoods with best chance of changing perceptions/attracting private investment
- Implement Downtown 360 recommendations and provide continued public support for ongoing projects, with objective of achieving critical mass of activity
- Develop a sustainable institutionalized recruitment program that strengthens local industry clusters/improves networks. Seek opportunities in Dallas' "Eds and Meds"
- Partner with Aviation Department to redevelop aviation and non-aviation assets at Love Field and Executive Airport

# Going Forward Opportunities

(cont'd)

- Complete connectivity between development anchors
- Support delivery of major generational publicly-funded asset and infrastructure amenities (i.e. Dallas Omni Hotel, City Performance Hall, Woodall Rodgers Deck Park, UNT Law School, DART Blue Line to UNT Dallas, etc.)
- Lay groundwork for development of Trinity River Corridor (West Dallas Gateway, Cedars West, Downtown overlook)
- Support redevelopment of mega sites (Valley View, Citywide TOD, Southwest Center Mall, demolished apartment complexes)
- Leverage private investment in public assets (DART rail, airports, IIPOD, Fair Park)
- Promote foreign investment in Dallas through leveraging of the CDRC EB-5 program

# Suggested Goals and Performance Measures

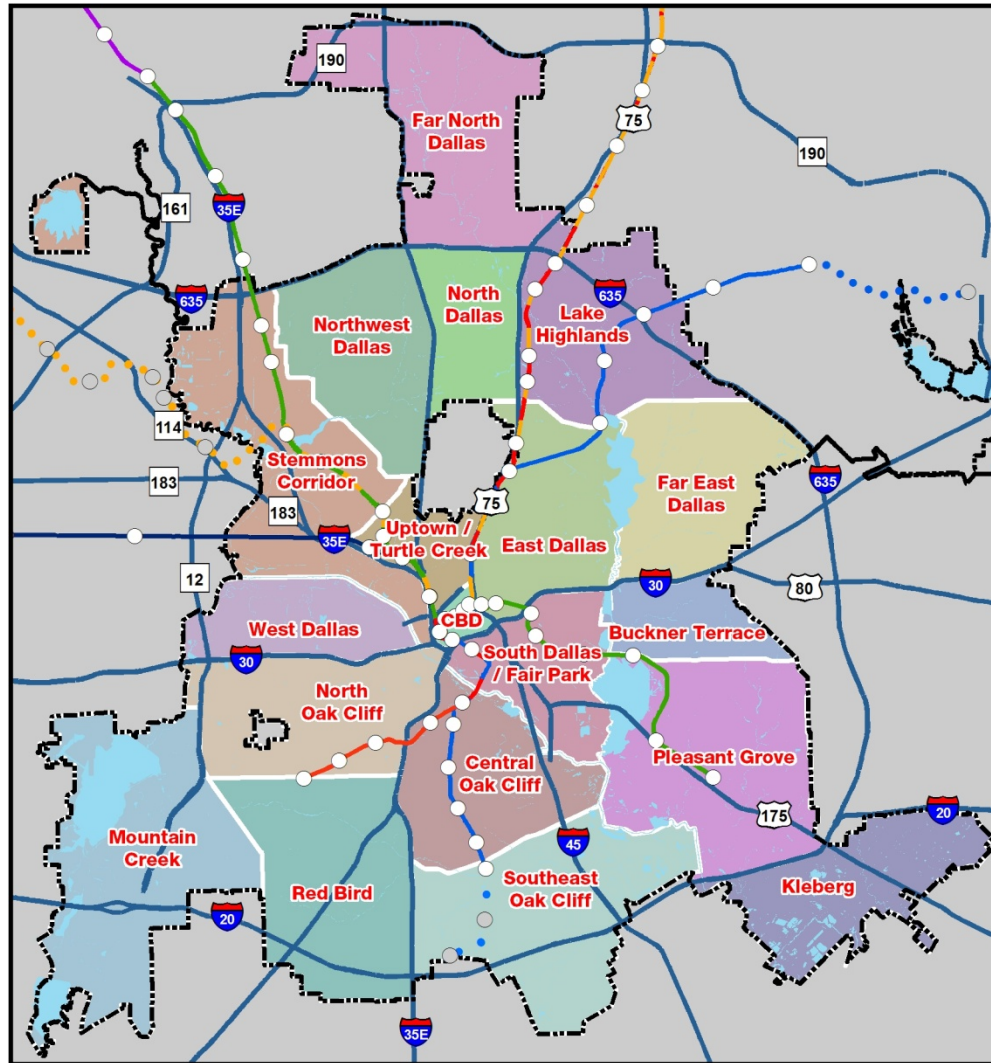
- Establish four-year goals for the following:
  - Employment (Level of business activity)
  - Labor force (number of Dallas residents in the work force)
  - Unemployment rate (% of Dallas residents actively looking for work, but unable to find it)
  - Downtown tax base (real property values inside the CBD)
  - Tax base in Southern Dallas (measure real property values in focused areas of investment)

# Suggested Goals and Performance Measures

(cont'd)

- Establish community sustainability indicators that are tracked annually
  - **Commitment:** degree that households invested in their neighborhoods
  - **Resilience:** capability of households to withstand adverse conditions
  - **Amenities:** how marketable is a neighborhood

# Dallas Neighborhoods



# Discussion and Comments

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