

# D

# Economy

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## A MONTHLY BRIEFING

### HEALTHY HOSPITAL CONSTRUCTION

In this issue of *D Economy*, read about the expansion of a planned mixed-use development along LBJ Freeway (page 2) and about the percentage point improvement in the city's unemployment rate between 2006 and 2007 (page 3). Also, learn about the many reports, fact sheets, maps, statistics and other useful information on Dallas' Economic Development website (page 4).

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City of Dallas

OFFICE OF ECONOMIC DEVELOPMENT

The health care industry in the U.S. is undergoing a building boom. A 2008 report by the Healthcare Financial Management Association found that project starts in the industry doubled between 2004 and 2006. U.S. Census Bureau statistics show that health care construction increased 9.7 percent between 2006 and 2007, whereas total construction spending in the U.S. decreased by 6.1 percent.

Several trends are converging at the same time to produce this surge in spending. One is aging facilities. Older facilities, especially those built around World War II, aren't suitable for today's technologies and changing care practices. Another is an aging population. As the first baby boomers enter their retirement years, there is an increasing demand for the services needed to accommodate an older population.

An additional trend is competition. Consumers expect a level of care and comfort, such as single-bed rooms. A hospital seeking to survive in a multiple provider market must offer such products to remain competitive.

Anyone taking a short drive around Dallas and viewing the many tower cranes can quickly gather that Dallas hospitals are no exception to the national hospital building boom. Around \$1 billion in construction plans are currently underway, and that number could more than double once a master facilities plan is finalized and approved by voters for the county-owned Parkland Memorial Hospital.

The local trends prompting hospital construction are much the same as in the nation. Hospitals are catching up for years of underinvestment, and there are so many players in

the North Texas hospital market that a hospital that doesn't upgrade and expand its facilities is at risk for losing patients to those that do.

One national trend that is being played out locally is the construction of new hospital towers. Presbyterian Hospital of Dallas is building the seven-story Hamon tower to anchor a \$200 million acute care expansion. Ground-breaking was in late 2006 and completion is expected in mid-2009. It will expand services

and improve clinical operating, logistics and plant-operating efficiencies.

Children's Medical Center Dallas is building a \$149 million, 10-story tower to create space for growing cardiac, surgical and neonatal services (Figure 1). Construction began in 2006 and will be complete in 2009. The tower will also improve patient



**Figure 1. CONSTRUCTION AT CHILDREN'S MEDICAL CENTER DALLAS**  
SOURCE: CHILDREN'S MEDICAL CENTER DALLAS, COURTESY OF LOUIS CURTIS, JR.

traffic around the building.

Medical City Children's Hospital is also building a new tower to be complete in 2009. It's part of a \$212 million master construction plan that also includes a new emergency room, conference center and critical care tower. The new tower will help Medical City Children's respond to anticipated growth.

These examples and the other hospital construction projects in Dallas provide enormous benefits to the city. Besides the economic impacts of jobs and spending during the time of construction, having state-of-the-art medical facilities and medical care is a huge asset for the city in attracting and retaining businesses and a quality labor force.

-Sonya Smith

## Real Estate News

- Fore Property Company has opened a regional office in Dallas at 5956 Sherry Lane (Council District 13). FORE develops, constructs and manages residential multifamily communities. The new office is the first for the company in Texas. The company says the Dallas office positions it strategically for new development activity in the heartland of the U.S. SOURCE: PRNEWswire.COM, JANUARY 28, 2008.
- The developer of the planned Icon mixed-use development on the site of a former car dealership on LBJ Freeway at Noel Road has purchased a nearby condominium complex to extend the development site north (Council District 11). Icon will have offices, apartments, retail, condominiums and hotel rooms. SOURCE: DALLAS MORNING NEWS, JANUARY 29, 2008.
- A partnership affiliated with JLB Partners is buying older apartment complexes between Skillman and Matilda streets along Lovers Lane, with plans to eventually redevelop them (Council District 14). Two other nearby complexes will be demolished soon and replaced with new rental units and retail. The neighborhood is a prime candidate for teardowns because of its closeness to the urban core, its age and its desirability as a place to live. SOURCE: DALLAS MORNING NEWS, FEBRUARY 5, 2008.
- Telx, which provides network co-location and inter-connection services, has moved into 25,000 square feet in the building at 8435 Stemmons Freeway (Council District 6). Telx houses telecommunications equipment in the building. SOURCE: DALLAS MORNING NEWS, FEBRUARY 11, 2008.
- The Dallas-Fort Worth region will have more new warehouse/distribution space developed in 2008 than any of the country's 54 major markets tracked by Property & Portfolio Research Inc. The new properties represent expectations by developers that DFW will continue to be an attractive distribution location because of its rail access to ports on the West Coast, its highway access to Mexico, and its closeness to the Port of Houston, which will benefit by the Panama Canal's expansion. The construction of warehouse/distribution space is up 12 percent from last year. SOURCE: WALL STREET JOURNAL, FEBRUARY 13, 2008.
- Christopher B. Leingberger, a visiting fellow at the Brookings Institution in Washington, D.C., called Dallas a model city for future walkable urban centers at a meeting of the DowntownDallas business group. Leinberger commented that Dallas is aggressively pursuing walkable areas, citing downtown, the Cedars and the Trinity River. He calls walkable urbanism the idea that places should be designed for people to walk easily and safely. Dallas, with its mass transit system, already has one of the key drivers needed to capitalize on this concept. SOURCE: DALLAS MORNING NEWS, FEBRUARY 22, 2008.

## Center City News

- Public relations firm Weber Shandwick has moved its regional office from Irving to the Comerica Tower downtown at 1717 Main Street (Council District 14). This comes short on the heels of the move of its sister firm. TM Advertising also relocated to downtown from Irving. SOURCE: DALLAS MORNING NEWS, FEBRUARY 11, 2008.
- A 1913 downtown building will see new life as office and commercial space after a renovation that will be completed this year. The building, located at 800 Jackson Street, is currently the home of Office Equipment Co., a longtime family-operated business downtown (Council District 2). The family that owns the business also owns the building. The renovated building will have retail and commercial space on the first floor, and the building will also have a small showroom for Office Equipment Co. SOURCE: DALLAS MORNING NEWS, FEBRUARY 20, 2008.
- Turtle Creek Village, opened in 1972, will receive a re-do as the new owners, PM Realty Group and Common Fund, plan a multi-million renovation of one of Dallas' first mixed-use developments (Council District 14). The 18-story office tower will receive more than \$7 million in renovations, including a new glass exterior and lighted sculptural top. PM Realty also has future renovation plans for the rest of the complex, which includes a shopping center and a smaller office building. SOURCE: DALLAS MORNING NEWS, FEBRUARY 22, 2008.

## Southern Sector News

- American Textile Company (ATC) held a grand opening on January 17 at its new Dallas location in Pinnacle Park (Council District 3). The facility employs more than 80 people and it is ATC's first in the southwest. ATC supplies performance-based bedding products such as bed pillows and mattress covers for consumers with allergies. SOURCE: OAK CLIFF TRIBUNE, JANUARY 24, 2008.
- The Fort Worth Avenue Development Group made a \$2,000 Façade Improvement Grant to J.J.'s Awesome Barbeque & Grill to recognize the restaurant's commitment to the Fort Worth Avenue/West Commerce business corridor (Council Districts 3 and 6). The restaurant recently painted its exterior business façade and installed new windows and door. The grant program provides incentives to area business to upgrade the appearance of the corridor. SOURCE: OAK CLIFF TRIBUNE, FEBRUARY 21, 2008.
- Anytime Fitness held its grand opening in the Bishop Arts District on February 23 (Council District 1). It is the only fitness club in the area where patrons can work out 24-hours a day. SOURCE: OAK CLIFF TRIBUNE, FEBRUARY 21, 2008.

# Employment

The values presented in this edition of *D Economy* are annual summaries of 2006 and 2007. Statistics for January and February will be available in next month's newsletter.

The household employment picture for Dallas is a mixture of positive and negative statistics. The average unemployment rate declined a percent in 2007 to 4.5. While the city's rate is still greater than the metropolitan statistical area (MSA) and Texas, its improvement narrowed the gap significantly. The decline was better than the MSA's (-0.6 percent) and the state's (-0.6 percent), to 4.2 and 4.3, respectively. The national average rate plateaued from 2006 to 2007 at 4.6 percent (Table 1.)

The average number of unemployed persons in the city decreased by 19.7 percent while the labor force decreased by 1.3 percent from 2006 to 2007 (Table 2.)

In 2007, the city either matched or beat the national unemployment rate for 11 of 12 months. This is significant in that it is the first time since 2000 that the Dallas unemployment rate has been better than the nation's. A positive gap means that the city's rate is lower than the nation's (Figure 2).

The annual average of employed persons living in the city was 583,378 in 2007, a decrease from 2006's 585,008. This number reflects employment by Dallas residents only (Figure 3).

- Earnest Lloyd

**Table 1. ANNUAL UNEMPLOYMENT RATES**

	2007 AVG*	2006 AVG	Point Change
City of Dallas	4.5	5.5	-1.0
DFW MSA	4.2	4.8	-0.6
Texas	4.3	4.9	-0.3
U.S.	4.6	4.6	0.0
Largest U.S. Cities Avg.**	5.8	5.9	-1.0

**Table 2. CITY OF DALLAS LABOR FORCE (PERSONS)**

	Unemployed	Labor Force
2007 AVG*	27,126	610,504
2006 AVG	33,790	618,798
Change	-6,664	-8,294
% Change	-19.7	-1.3

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

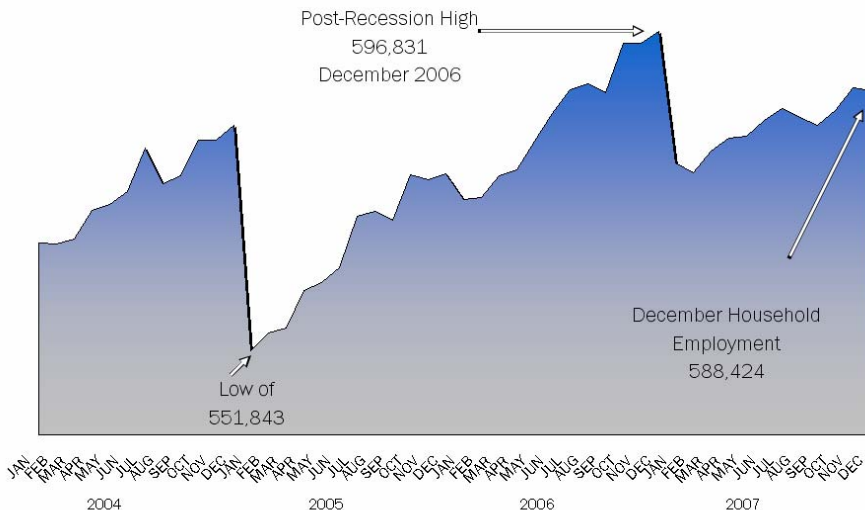
\*PRELIMINARY.

\*\* LARGEST U.S. CITIES EXCLUDING DALLAS ARE: NEW YORK, LOS ANGELES, CHICAGO, HOUSTON, PHILADELPHIA, SAN ANTONIO, SAN DIEGO, SAN JOSE, AND DETROIT.

**Figure 2. CITY OF DALLAS—U.S. UNEMPLOYMENT GAP**



**Figure 3. CITY OF DALLAS EMPLOYMENT**



## DALLAS DATA ARE KEYSTROKES AWAY

In a competitive and changing world, research makes better decisions possible. The Office of Economic Development (OED) research function monitors and analyzes data, and the information function is responsible for making the results available.

One popular way that OED makes information available to city staff, business clients, citizens and other interested parties is through its website. The website is a powerful tool because of its ease of accessibility and the abundance of information included.

The OED website is located at [www.Dallas-EcoDev.org](http://www.Dallas-EcoDev.org). It is divided into six sections, all of which are accessed by blue menu tabs at the top of the page no matter where the user visits inside the website (Figure 4). To make the website more user-friendly, OED recently added a "Dallas Quick Facts" button, which takes the reader to a list of frequently requested and basic data about Dallas.



Figure 4. OED WEBSITE

The six sections of the website are designed to help the city's corporate and small business clients, developers and real estate professionals quickly locate information about assistance the city can provide and to learn how business is done with the city. For instance, under the small business section, a website visitor can locate a guide that explains how to start a small business. He or she can also learn about the city's public/private partnership program and whether a business might meet the guidelines (Figure 5). International clients can find presentations about Dallas in English as well as in three other languages (Figure 6). This accessibility is a welcome convenience for international businesses researching the possibility of doing business in Dallas.

The website also contains reports about current OED initiatives and projects. The latest tax increment financing

district reports are included. Someone who is interested in opening a new business in a TIF district can read the reports to learn about plans for the district as well as investment already made. This information can help estimate the potential success of a new business venture.



Figure 5. EXAMPLES OF PROGRAM GUIDELINES ON THE OED WEBSITE

The Data & Research tab at the top of the website page is the main depository for statistics and general reports about Dallas. It contains up-to-date maps that are of interest to anyone looking to identify a good site for a business. One of the more useful aspects of the Data & Research tab is the reports. These reports, such as the Dallas Economic Profile, provide a comprehensive view of the city's past and current economy, developments and other assets. It also includes short fact sheets such as quality of life and current developments in Dallas.



Figure 6. OED INTERNATIONAL BUSINESS

Altogether, the OED website is an efficient method of getting the word out to the public that Dallas is a desirable place to work and live. If information is the driver of the future, then making information available gives Dallas an advantage in an increasingly competitive and international environment.