

D

June 2009

Economy

A MONTHLY BRIEFING

In this issue of *D Economy* learn about the Texas legislature's approval of a new law school in downtown Dallas (page 2) and about the increase in the number of jobs in the City of Dallas (page 3). Also, read about the new Brookings Institute report that finds Dallas-Fort Worth to be among the top 20 metros economically in the U.S (page 4).

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City of Dallas

OFFICE OF ECONOMIC DEVELOPMENT

The Mayor's Southern Dallas Task Force Presents First Report

On June 9, 2009, the thirteen citizen teams of the Mayor's Southern Dallas Task Force (MSDTF) presented their first report to the mayor, city council, and city staff in a meeting at Dallas City Hall.

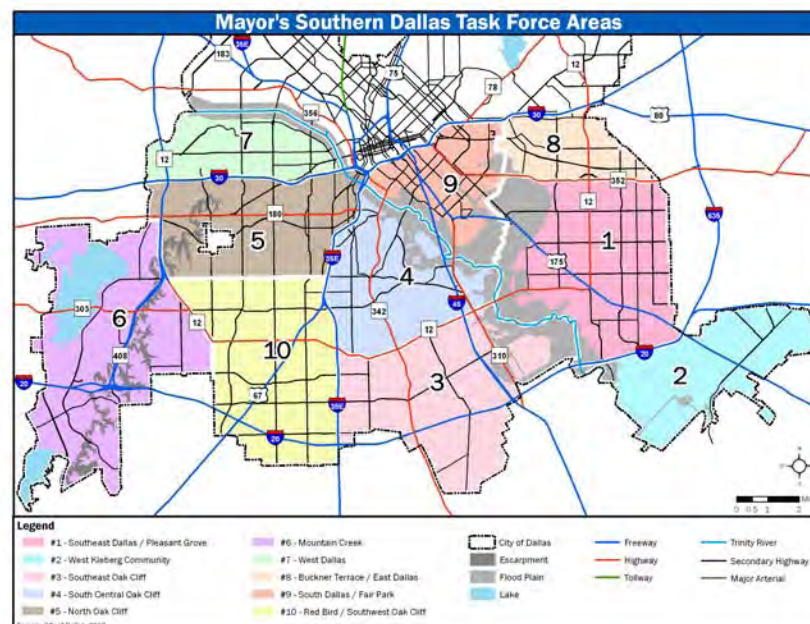
The thirteen teams, representing ten neighborhoods in southern Dallas and three topics of immediate importance, explained their proposals as well as the challenges they face (Figure 1). The proposed projects are designed to stimulate change and economic development. Several common themes emerged from the team meetings, including the desire for a strong commitment to community organization, a need for aggressive rezoning in southern Dallas, a call to simplify the permitting process and the creation of greater opportunities for retail shopping.

The MSDTF was commissioned by Mayor Tom Leppert in August 2008. Councilman Tennell Atkins (Council District 8) was appointed chair.

The Task Force was asked to deliver to the mayor, city council and the city manager a set of viable projects that support redeveloping and repositioning southern Dallas in the near term (two years) and mid term (two to five years). Rather than discussing long-range visions or radical transformations, the Task Force is focusing on addressing the systemic community issues that have limited the economic development potential of their neighborhoods.

The MSDTF is bridging the gap between traditional economic development efforts, which focus upon attracting new businesses to an area, and grassroots community development efforts that focus on specific issues affecting quality-of-life at the neighborhood level. The MSDTF also seeks to educate team members about the development process and encourage collaboration between citizens, developers and city staff.

Figure 1.
Geographic Divisions of the Mayor's Southern Dallas Task Force



In August, the Task Force will reconvene to develop action plans to implement team recommendations. All efforts reflect a new commitment on the part of southern Dallas stakeholders to create lasting change by improving economic growth and a more dynamic community. More information, including the full *Interim Team Report*, can be found on the Mayor's Southern Dallas Task Force website at <http://www.southerndallas.org/>

-Chris Bartels

Center City News

- New restaurant PARK is set open soon on Henderson Avenue (Council District 2). PARK has a 1960's design feel. Its 7,500-square-foot space has five separate areas, including one with two Bocce-Ball courts. It will have a bar, garden patio and lounge. SOURCE: PEGASUSNEWS.COM, JUNE 3, 2009.
- The regular session of the Texas Legislature has ended, and Dallas finds itself with legislative approval for a new law school downtown. The University of North Texas Law School in downtown Dallas will be the first public law school in North Texas. The city has donated the old City Hall building downtown to house the law school (Council District 14). The school has some financing in place but will need to search for more private funding. The first classes are expected to begin in 2011. SOURCE: DALLAS BUSINESS JOURNAL, JUNE 22, 2009.
- The Hard Rock Café Dallas is set to open in July. The 8,900-square-foot restaurant will be located in Victory Park and will have room for 265 patrons inside and 40 outside on a patio (Council District 2). SOURCE: DALLAS BUSINESS JOURNAL, JUNE 24, 2009.

Business News

- U.S. News and World Report has ranked Dallas' Children's Medical Center in the top 10 of all children's hospitals nationally (Council District 2). The magazine does not rank the hospitals individually. This top-10 ranking is a first for the Dallas hospital. It is the state's only pediatric hospital with a Level 1 Trauma status and is one of the few children's hospitals in the country that can care for severe traumatic injuries. SOURCE: DALLAS MORNING NEWS, JUNE 18, 2009.
- Austin-based North Star Consultants of Texas is opening a Dallas office at 2911 Turtle Creek Boulevard (Council District 14). The company plans to eventually open three more offices in North Texas. SOURCE: DALLAS BUSINESS JOURNAL, JUNE 18, 2009.
- The Home and Gift Market trade show held at the World Trade Center building in June, along with eight other major trade shows throughout the year, bring 250,000 visitors to Dallas in the course of a year. The trade shows have an estimated \$1 billion economic impact for the City of Dallas. SOURCE: CBS11TV.COM, JUNE 29, 2009.

Real Estate News

- New parents will have a new place to shop once Buy Buy Baby opens in the choice spot vacated by Home Depot Expo Design Center at the Dallas North Tollway and Alpha Road, near the Dallas Galleria (Council District 11). Buy Buy Baby is part of the Bed Bath & Beyond family of stores. It will take up 30,000 square foot of the center, and the Bed Bath & Beyond located at Belt Line and the Tollway will move into 55,000 square feet of the center, leaving about 40,000 more for other retailers. SOURCE: DALLAS MORNING NEWS, JUNE 5, 2009.
- General Datatech is buying 999 Metro Media Place for the company's new headquarters (Council District 6). The computer networking company will triple its space when it moves into the almost 70,000-square foot building by the end of the year and will hire another 30 employees within the next year. One of the building's selling points is the five acres it sits upon, which provides room for more development and plenty of parking. SOURCE: GLOBEST.COM, JUNE 15, 2009 AND DALLAS BUSINESS JOURNAL, JUNE 26, 2009.

Southern Dallas News

- Edwin Cabaniss is renovating the Kessler Theater on Davis Street, built during World War II, to turn it once again into an active part of the surrounding community (Council District 3). It will have offices, space for his wife Lisa's dance studio, and a place for performances of all types. Plans call for the 7,000-square-foot theater to get a restored façade, new lighting, signage and entryway. SOURCE: DALLAS MORNING NEWS, JUNE 6, 2009.
- Grocery store Save-A-Lot has moved into a larger store in the Crest Plaza Shopping Center at 2611 S. Lancaster, replacing a vacant theater (Council District 4). The 23,790-square-foot grocery store is welcome in a part of the city where full-service grocery stores are sometimes scarce. Save-A-Lot stores are smaller than most full-service grocery stores and stock less variety in exchange for lower prices. Dallas City Council approved an economic development grant up to \$200,000 for the owner of the grocery's store shopping center for renovations. The Crest Plaza Shopping Center will invest about \$1 million for renovations to the 112,000-square-foot center. SOURCE: DALLAS MORNING NEWS, JUNE 8, 2009 AND OFFICE OF ECONOMIC DEVELOPMENT.

Employment

The unemployment rate reached a high of 7.3 percent for the third time this year for the City of Dallas. This follows a drop to 6.8 percent in April. The increase in May represents a change of 0.5 percentage points. The MSA, the state and the nation also experienced a growth of 0.5 percentage points in the unemployment rate, increasing to 7.1 percent, 6.9 percent and 9.1 percent respectively (Table 1).

For the sixteenth consecutive month Dallas continued the trend of either beating or matching the national unemployment rate. The city outperformed the nation by a 1.8 percentage point positive gap in May, equaling the largest gap between the city and nation (Figure 2).

The number of Dallas residents employed in May was 547,979 (Figure 3). This number is lower than the July 2008 peak value of 574,118.

Both the number of persons unemployed and the labor force grew in May 2009. The number of persons unemployed grew by 3,099 (7.7 percent). The labor force also grew by a total of 2,010 persons (0.3 percent) (Table 2).

Despite the growing number of persons unemployed, jobs within the Dallas city limits grew. Initial Office of Economic Development estimates show payroll employment at approximately 1.059 million for the month of May. This number is greater than the revised total of over 1.057 million estimated for April. The industry sector Educational and Health Services grew the largest with 1,639 new jobs, while Professional and Business Services experienced the largest decrease in the number of jobs, with a total of 1,104.

-Moses Pologne

Table 1.
ANNUAL UNEMPLOYMENT RATES

	2009 May	2009 Apr	Point Change
City of Dallas	7.3	6.8	0.5
DFW MSA	7.1	6.6	0.5
Texas	6.9	6.4	0.5
U.S.	9.1	8.6	0.5
Largest U.S. Cities Avg.*		10.5	

Table 2.
CITY OF DALLAS LABOR FORCE (PERSONS)

	Unem- ployed	Labor Force
2009 May	43,391	591,370
2009 Apr	40,292	589,360
Change	3,099	2,010
% Change	7.7	0.3

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 AND DETROIT.

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

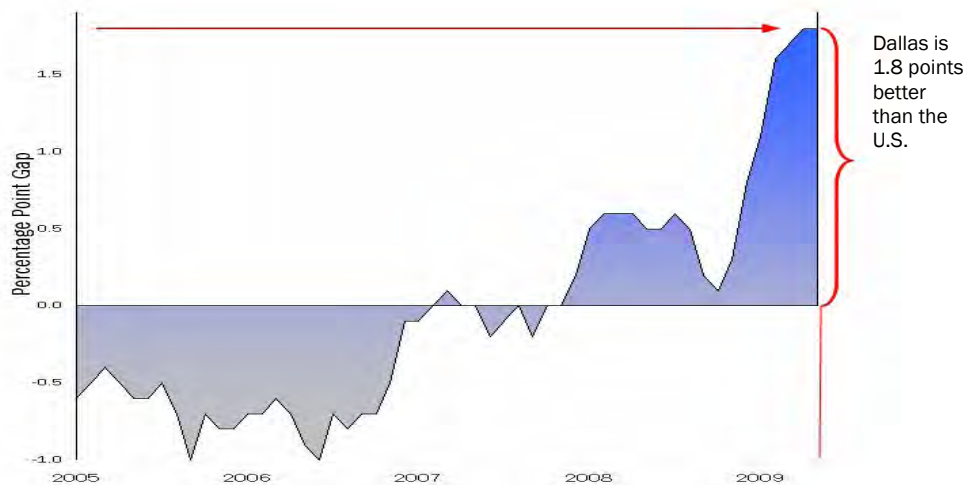


Figure 3.
CITY OF DALLAS EMPLOYMENT



DALLAS-FORT WORTH A TOP METRO PERFORMER

The Metropolitan Policy Program at the Brookings Institute recently released its MetroMonitor for the first quarter of 2009. MetroMonitor looks at the performance of the largest 100 U.S. metropolitan areas and promotes a better understanding of the U.S. economy by taking a closer look at the major metropolitan areas that together constitute most of the country's economic output and employment centers. Some significant findings of the report are:

- A few metros are beginning to show signs of economic recovery, though none have returned to both their pre-recession levels of employment and output.
- Two distinct Sun Belts have emerged. Large parts of the South and West (especially Florida, Arizona and California) have suffered severe economic distress stemming from the drop in housing prices. But parts of the Southwest and Deep South (including Texas, New Mexico and Louisiana) have experienced less job loss, larger wage gains and modest house price increases.
- Nationally, home prices dropped 6 percent in 2008, but 38 of the 100 metro areas did not experience a price decline. Most of those 38 also had a below average employment decline and lie in the less-affected parts of the Manufacturing Belt and the Sun Belt.

MetroMonitor lists Dallas-Fort Worth among the strongest 20 metros. DFW was a high performer in terms of gross metropolitan product (GMP), housing prices and employment (Figure 4 and Table 3).

Figure 4.
Overall Performance on Change in Employment, Unemployment Rate, GMP, and Housing Price



Table 3.

20 Strongest-Performing Metro Areas

Albuquerque, NM	New Haven, CT
Austin, TX	Oklahoma City, OK
Baton Rouge, LA	Omaha, NE-IA
Dallas, TX	Pittsburgh, PA
Des Moines, IA	Rochester, NY
El Paso, TX	San Antonio, TX
Harrisburg, PA	Tulsa, OK
Houston, TX	Virginia Beach, VA-NC
Little Rock, AR	Washington, DC-VA-MD-WV
McAllen, TX	Wichita, KS

20 Weakest-Performing Metro Areas

Bradenton, FL	Modesto, CA
Cape Coral, FL	Oxnard, CA
Detroit, MI	Palm Bay, FL
Fresno, CA	Providence, RI-MA
Grand Rapids, MI	Riverside, CA
Jacksonville, FL	Sacramento, CA
Lakeland, FL	Stockton, CA
Las Vegas, NV	Tampa, FL
Los Angeles, CA	Toledo, OH
Miami, FL	Youngstown, OH-PA