

# **City of Dallas Economic Development Stakeholder Task Force**

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**Findings and Recommendations  
May 2005**

# Purpose

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

# Background

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- ❑ January 2004 – Economic development a Council priority.
- ❑ March 2004 - Staff respond with rebuilding effort and Council incorporates into 2004-2005 budget. New build-out 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 named Mr. Zavitkovsky to chair the **Economic Development Stakeholder Taskforce**, a diverse groups 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

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

# Task Force Mission

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- 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 establishing accountability.
  - Insure the process is consistent and supports the needs of businesses.
  - Build implementation teams with the community that encourages partnerships and guarantees communication.
  - Measure, track and publish performance.

# Task Force Members

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Al Salgado, North Texas Small Business Development Center  
Arcilia C. Acosta, CARCON Industries & Construction & STL Engineers  
Bill Beuck, Independent Real Estate Consultant  
Carl Ewert, The Staubach Company  
Carl M. Lavallais, Antioch Fellowship Missionary Baptist Church  
Cecilia R. Edwards, Foundation for Community Empowerment  
Charles O'Neal, Dallas Black Chamber of Commerce  
Charles T. Terrell, Unimark Insurance Agency, Inc. & Safer Dallas Better Dallas  
Cris Jordan, Republic Center  
Donna D. Halstead, Dallas Citizens Council  
Eddie Espinosa, La Familia Holdings, Inc.  
Fred Conwright, Jr., Two Podners, Inc.  
Henry T. "Hank" Lawson, SouthFair CDC  
Jack Wierzenski, Dallas Area Rapid Transit  
Jerry Haynes, Jerry Haynes Electric Company  
James P. Christon, Christon Company

Jim Reid, Texas Mezzanine Fund  
John Loveland, Higher Level Development Corp.  
Kenneth H. Townsend, Stanhope Partners  
Lee Jackson, University of North Texas System  
Ms. Lee McKinney, Retired, JP Morgan Chase & Community Advocate  
Linda Owen, The Real Estate Council  
Michael Harling, Municipal Capital Markets Group, Inc.  
Michael Mendoza, Canadian Consulate General  
Mike Rosa, Greater Dallas Chamber  
Neal Sleeper, Cityplace Company  
J. Peter Kline, Seneca Advisors LLP, & Chairman of Dallas Convention & Visitors Bureau  
Steve Taylor, North Dallas Chamber of Commerce  
Wesley D. Ratcliff, W&R Technology & Dallas Black Chamber of Commerce  
Dr. Wright L. Lassiter, Jr., El Centro College  
Brian Bachman, Ernst & Young  
Jim Hobbs, Ernst & Young  
Jay Patel, Ernst & Young  
Larry Haynes, Ernst & Young

# A New Strategy

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- ❑ The City Council, City staff, outside consultants and now the business and community agree that Dallas needs an improved economic development effort.
- ❑ Dallas has begun a reorganization of its economic development priorities, structure, and processes to create the premier economic development program in the U.S.
- ❑ This presentation outlines one of the final steps of this process – finalizing Dallas' economic development strategy.
- ❑ It is the culmination of efforts and sets the stage for a revitalized process, a final strategic plan and an implementation strategy.

# What does the best ED effort look like?

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- After reviewing best practices, the Task Force recommends that the City incorporate the following best practices and guiding values.

# Best Practices: Process

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- The most successful economic development strategies have:
  - A unifying vision to rally public and private support,
  - On-going private sector involvement (two way communication and partnerships),
  - 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 (permits, infrastructure, public safety, legal, economic development)
  - A culture that values equitable treatment of investors, a positive return on investment and accountability.

# City of Dallas Guiding Values

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- ❑ 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

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

# Recommendation 1: Change Economic Development Process

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- The Task Force recognizes the progress made to date:
  - Made a Council priority,
  - Invested greater resources and a higher profile in City government,
  - Set high-level visions for downtown, Southern Dallas and the Trinity and
  - Engaged its private sector to improve the process.
- The City must implement the remaining process changes to integrate the economic development process into the City's overall budget, accountability and ...

# Process Changes

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- 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/prosperous neighborhoods*

# Process Changes

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- Finish the draft economic development plan:
  - Adopt the directional initiatives drafted by the Task Force and create action plans with timelines, identify accountable individuals, and performance measures that are connected to Management Focus.
  - Create interdepartmental group to overcome potential bottlenecks and roadblocks to priority projects.
  - Maximize development potential of citywide initiatives like Trinity River Corridor and transit oriented development.

# Process Changes

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- ❑ Present the economic development strategic plan for Council consideration in August.
- ❑ Analyze OED staffing/organization to ensure proper alignment with strategic priorities.
- ❑ Synchronize budget requests to strategic plan priorities.

# Process Changes

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- Build implementation 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.

# Process Changes

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- Develop action plan to recruit development of Trinity River Corridor opportunity areas.
- Partner with DART to develop transit oriented development marketing and zoning focusing on residential and retail.

# Process Changes

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- ❑ Track and Publish Achievements
- ❑ 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:
  - ❑ Economic outcomes related to growth, economic opportunities for residents, and sustainable revenue.
  - ❑ Community success factors related to: a Safe City, a Well Trained Workforce, Strong Public Schools, a Diverse, Quality Housing Stock.
  - ❑ Individual project milestones.

# Recommendation 2: Prioritize Resources Given Changed Economy and Dallas' Strengths

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

<b>Old Economic Landscape:</b>	<b>New Economic Landscape:</b>
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 (Dallas constituted bulk of region.)	North Texas' vitality enhanced by a healthy Dallas (Declining Dallas is drain on region.)
Homogeneous City.	Heterogeneous City

# Recommendation 2: Prioritize Resources Given Changed Economy and Dallas' Strengths

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- Dallas retains several strengths that differentiate us from other cities:
  - Strategic location for transport with huge logistics potential.
  - Remains 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.
  - Unique civic assets: Trinity River.
- The City must develop detailed implementation plans that compensate for new economic realities, focus on strengths, and coordinate across City departments (outlined on slides 20 to 31.)

# Priority Recommendations

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

# Priority Recommendations

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- Create an open dialogue with legacy businesses and seek their advice. Benchmark best practices from competitor cities. Open dialogue with legacy businesses to refine the business retention program.
  - Benchmark business development programs against competitor cities.
  - Create a targeted recruitment program that focuses on legacy industries and firms that are existing local strengths or emerging possibilities (e.g. medical devices, digital media, specialized logistics services)
  - Implement a business feedback system: survey to determine satisfaction with public services, barriers to growth, interest in expansion, etc. Repeat each five years and use focus groups for annual update.

# Priority Recommendations

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- Identify key business/industry clusters.
  - Focus on existing industry strengths and promising emerging/international industries.
  - Initiate a survey to determine satisfaction with public services, barriers to growth, and expansion plans. Repeat periodically.
  - Conduct annual focus groups to update information.

# Priority Recommendations

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- Match Office of Economic Development focus with existing visions and strategies for Trinity River, UNT-Dallas, the Arts District.
  - Focus area redevelopment initiatives to rebuild neighborhoods.

# Priority Recommendations

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- Complete targeted market analysis of the logistics and distribution businesses.
  - Identify businesses/industry clusters conduct a survey to determine satisfaction with public services, barriers to growth, interest in expansion/new space, etc.
  - Conduct focus groups in the interim years to get updated information/early warning system on potential move.
  - Convene summit on Dallas logistics hub.

# Priority Recommendations

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- 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

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- Proactively identify/pursue developers capable of redeveloping priority Southern Sector shopping facilities.
  - Southwest Center Mall
  - Lancaster-Kiest
  - Wynnewood

# Priority Recommendations

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- Focus City resources on implementing the Frazier Court Redevelopment Plan.
- For other major master planned areas: develop goals, action plans, timelines and accountability in conjunction with neighborhood and private sector partners based on the Frazier Court Redevelopment Plan model.

# Priority Recommendations

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- Continue to emphasize the importance of public safety and public education as enablers of business development and quality of life indicators.