

Strategic Engagement: Dallas' Economic Development Plan

Adopted September 2005

18 Month Status Report—Through March 2007





City of Dallas

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Dallas Economic Development Vision:

Dallas will become a diverse, vibrant, urban City that works and builds on its core strengths. It will be:

A City that is ***Strategically Engaged*** in economic development, that works effectively with the business community to overcome obstacles to growth and that markets itself locally, nationally and globally.

A ***Business-Friendly City*** that effectively leverages its strengths in technology, medicine and logistics and becomes a destination of choice for entrepreneurial activity.

A City with a ***Dynamic and Expanded Center-City Economy*** with a revived, dense residential downtown connected to thriving urban housing, office and retail developments throughout Central Dallas.

A City of ***Balanced Growth and Development Opportunities*** where past neglect of the Southern Sector is overcome and the full economic potential of this vast land area and the entire City is realized.

A ***City of Great Neighborhoods*** serving a spectrum of household types and needs and supporting urban and suburban centers, parks, transit and libraries.

I. Background

In December 2004, the City Manager's Office convened a taskforce of economic development stakeholders. This group of business, education and community leaders were charged with evaluating the City's efforts to rebuild its economic development programs. The task force was also charged with advising the staff of the newly constituted Office of Economic Development in drafting an economic development strategic plan. The resulting document, *Strategic Engagement: Dallas Economic Development Plan*, was adopted by the City Council for implementation in September 2005. This document summarizes the plan, and reports on the progress implementing the 23 goals stated in the plan in its first year.

The stakeholders and OED staff identified three objectives for the renewed economic development effort: economic growth, increasing economic opportunities for residents and maintaining a stable revenue base to support City services.

Given these objectives, the strategic planning process involved an evaluation of the current state of the City. This review concluded that Dallas has changed. The once Sunbelt boomtown had become a maturing central city. This new city is becoming more diverse, must rely more on start-ups and small businesses for job growth and prepare its southern sector to assume a greater role in economic development.

Because of this new reality, Dallas must adopt a new economic development process characterized by: a shared economic vision to maintain focus, Interdepartmental teams to coordinate the economic development process, performance reporting to improve accountability, focusing on catalyst projects to create sustainable successes, actively engaging businesses to reduce development obstacles, working with partners, and raising awareness of public safety, housing and education as economic enablers to improve development opportunities.

The plan recognized that development success in Dallas will come from building on the City's strengths and by specializing in the things Dallas does best. This means playing our unique role in the region and nation. These strengths are concentrated in three primary areas: Dallas can build on its urban character, Dallas can build on its role as a city of professionals, Dallas can build on its legacy as a city of trade.

The performance reporting system to monitor this plan includes three sets of measures. These are economic outcomes, community success factors and strategic plan milestones.

The remainder of this report documents performance on each of these performance measurement components.

Summary Milestone Performance

March 2007

Of 126 items:



**Complete/
On Target 81.0%**



In Progress 13.5%



**Delayed /
Not Started 5.5%**

Ongoing Goal Issues

Status of some goals are elaborated in these Gap / Solution boxes throughout the document:

Ongoing Gap:

OED Solution:

Economic Outcomes Performance

Performance on economic outcomes is the ultimate indicator of progress for Dallas' economic health. While many of these macroeconomic indicators are beyond the City's direct control, Dallas' economic development strategy is designed to make the greatest possible impact on these outcomes.

| Economic Growth | | |
|---------------------------------|-----------------|--------------------------|
| Indicator | Change | Period Reported |
| Jobs in Dallas (1) | Up 4.5 % | March 2006 to March 2007 |
| Commercial Construction (2) | Up 9.1 % | March 2006 to March 2007 |
| Building Permit Value (2) | Up 7.0 % | March 2006 to March 2007 |
| Economic Output (3) | Up 5.3 % | 2006 Q1 to 2007 Q1 |
| Economic Opportunities | | |
| | Change | Period Reported |
| Work force in Dallas (4) | Down 0.5 % | March 2006 to March 2007 |
| Unemployment Rate (4) | Down 1.0 points | March 2006 to March 2007 |
| Per Capita Personal Income (5) | Up 5.5 % | 2004 to 2005 |
| Commercial Occupancy Rates (6) | Up 0.4 % | 2006 Q1 to 2007 Q1 |
| Median Home Values (7) | Up 0.2 % | 2006 to 2007 |
| Sustainable Revenue | | |
| | Change | Period Reported |
| Property Tax Revenue (8) | Up 8.0 % | FY 05 to FY 06 |
| Sales Tax Revenue (8) | Up 9.5 % | FY 05 to FY 06 |
| Hotel Occupancy Tax Revenue (8) | Up 21.4% | FY 05 to FY 06 |

(1) City of Dallas, Office of Economic Development analysis of U.S. Bureau of Labor Statistics data.

(2) City of Dallas, Development Services Department.

(3) City of Dallas, Office of Economic Development analysis of U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis data.

(4) U.S. Bureau of Labor Statistics.

(5) City of Dallas, Office of Economic Development analysis of U.S. Bureau of Economic Analysis and U.S Census Bureau data.

(6) Costar.

(7) Texas A&M Real Estate Center, MLS.

(8) City of Dallas, Office of Financial Services.

Indicators of Community Success (Development Enablers)

These community success factors are qualities that must be present as prerequisites for economic development. Similar to macroeconomic indicators, the City cannot directly control most of these indicators, yet monitoring these indicators helps maintain and promote an awareness of their importance to economic development.

| A Safe City | | |
|--|---------------|--------------------------|
| | Change | Period Reported |
| Murder (1) | Down 7.4 % | 2005 to 2006 |
| Violent Crime (1) | Down 2.4 % | 2005 to 2006 |
| Property Crime (1) | Down 3.8 % | 2005 to 2006 |
| A Well Trained Work force | | |
| | Change | Period Reported |
| High School Graduates (2) | Up 4.3 % | 2004 to 2005 |
| Associates Degrees Awarded (3) | Up 11.0 % | 2004-05 to 2005-06 |
| DCCCD Students Transferring to 4-Year Colleges or Universities (3) | Up 2.3 % | 2004-05 to 2005-06 |
| Strong Public Schools | | |
| | Change | Period Reported |
| Exemplary/Recognized Schools (2) | Up 10.1 % | SY 2004-05 to SY 2005-06 |
| School Rated Acceptable or Better (2) | Down 6.9 % | SY 2004-05 to SY 2005-06 |
| A Diverse Quality Housing Stock | | |
| | Change | Period Reported |
| Housing Opportunity Index (5) | Up 3.0 % | 2005Q4 to 2006Q4 |
| Home Ownership Rate (6) | Down 3.8 % | 2005 to 2006 |

(1) U.S. Federal Bureau of Investigation, Uniform Crime Report.

(2) Texas Education Agency

(3) Dallas County Community College District.

(4) Texas Education Agency.







(5) National Association of Homebuilders, Wells Fargo Housing Opportunity Index. Data applies to Dallas Metropolitan Division.


(6) Demographics Now.

Performance on Strategic Engagement Goals
Vision Element One: Make Dallas a City Strategically
Engaged in Economic
Development

Goal 1: Align the Office of Economic Development with Strategic Priorities.

Align OED staff and other economic development resources with strategic priorities by forming geographic teams supported by service specialists within OED and from other City departments. Focus on three priority geographies: Downtown, Southern Dallas and International Markets.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---|--|
| OED Director hired and Assistant Directors in place to manage key geographic and service teams: Third Quarter 2005. |  | Karl Zavitkovsky hired as OED Director, ADs for geographic areas are Lee McKinney (Southern Dallas), Jennifer Li (International) Hammond Perot (Business Development), Vernae Martin hired 4/07 (Downtown) |
| Stakeholder Advisory Group is organized and meets with OED management team: Fourth Quarter 2005. |  | Stakeholder and International Business advisory groups formed. |
| Draft individual work plans based on strategic plan goals: December 2005. |  | All individual work plans are drafted and in place. |
| Percent of staff time dedicated to strategic priorities (Target measure to be developed.): 0 to 12 months. |  | Performance plans are used to track strategic priority resource allocation. |
| Project managers and multidisciplinary teams are named to drive priority programs and projects (International Inland Port of Dallas (IIPOD), Retail/TOD, Frazier Courts, Trinity Corridor, UNT-Dallas Southern Campus): Fourth Quarter 2005. |  | International Inland Port of Dallas (IIPOD), retail / TOD and Frazier teams in place; UNT-Dallas supporting UNT small area plan group. Trinity team responsibility assumed by Trinity River Corridor Planning Group. |
| Achieve full staffing level: March 2006. |  | Downtown, Southern Sector and international teams fully staffed by end of summer. Attrition has created some openings on Area Redevelopment and Business Development teams. |

Key:  on target / complete,  in progress but behind schedule,  delayed / not started.

Performance on Strategic Engagement Goals

Goal 2: Create an Economic Development Process Based on Research and Planning, and Maintain Access to Databases Required to Support These Efforts.





Create a fact-based process to review strategic initiatives that have a significant development impact, and incorporate appropriate input from interdepartmental work teams. Maintain access to databases and software necessary for research and planning.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---|--|
| OED presents strategic plan to Council: Immediate. |  | Plan presented and approved by Council in August 2005. |
| Research and Information Division's budget allocation supports maintenance of necessary database subscriptions and analysis software. |  | Budget meets data and software needs. Acquisitions in process. |
| Annual research workplan meets the needs of OED service teams, long-term tracking and the strategic planning process: Research projects completed according to workplan timeline. |  | Achieved 100% satisfaction rating from OED service teams and other customers; Over 90% of projects completed on time. |
| Updated strategic plan submitted to Economic Development and Housing Committee in August/September 2006 for approval. |  | '05-'06 Plan remained in place during '06-07. Will be updated and presented to ED&H Committee in 3rd Qtr '07. |
| Publish semiannual scorecard on OED plan: 6 months. |  | First six-month scorecard published May 2006 and put on an annual cycle. 18 month score card published June 2007. |
| Economic indicators and community success factors accurately collected and routinely reported: 3 months. |  | Economic indicators developed and published. Put on semiannual cycle. |
| Regular briefings held with Economic Development and Housing Committee and Stakeholder Advisory Group: Committee meets twice a month, and Advisory Group meets Quarterly. |  | Economic Development and Housing Committee meets a minimum of twice per month; Stakeholder Advisory Board meets quarterly. |

Performance on Strategic Engagement Goals

Goal 3: Drive Measurement and Accountability through Effective Database Use.

Develop a project tracking database to account for staff and other resources applied to projects. Develop an OED accountability system and semiannual scorecard that is consistent with the City's new accountability process. Develop a client relationship management database to track company history with the OED.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---|--|
| Complete an inventory of OED projects/tasks, strategic goals and identify the data requirements: 0 to 6 months. |  | Master OED performance responsibilities spreadsheet completed. Research workplans based on these projects. |
| Develop, deploy and maintain a system capable of documenting resource allocation and producing performance-tracking outputs that link the strategic plan with City accountability and individual performance plan systems: 6 to 12 months. |  | Application selected and installed. Will serve as CRM system as well (see below). |
| Identify client relationship management (CRM) data requirements, select and license an application for maintaining the database system and deploy it: 6 to 12 months. |  | Application selected and installed begun in October. |
| Deploy project tracking, scorecard and client relationship management databases: October 2006. |  | Software installed. Training is being scheduled. |

Ongoing Gap: Proactive customer management and project tracking system has not been fully deployed.

OED Solution: The final research position has been filled and will have primary responsibility for completing the roll-out of the database, completing training and creating a reporting schedule. OED will complete software installation and develop a reporting framework to monitor system use by mid July .

Performance on Strategic Engagement Goals

Goal 4: Create a Communications Program.

Refine the City’s economic development branding message and communicate a clear, consistent and professional image, both domestically and internationally, using available technology and multiple media. Develop, in conjunction with the Public Information Office, a public relations campaign to raise the level of awareness of OED and to distribute “Good News.” Celebrate and share successes about our City to the global community.



| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---------------|---|
| Production of monthly press releases and periodic reports at media breakfasts: 3 to 6 months. | ✓ | Change in PIO processes. PIO assuming responsibility for publishing OED stories. |
| OED’s participation in conferences, seminars and community events is clearly branded with a pro-business message: 3 to 6 months. | ✓ | OED branding initiative has begun and includes new conference booths and pamphlets. Conference participation includes state and national commercial and retail areas. |
| Develop branding program and use consistently in three publications distributed by OED: 0 to 12 months. | ✓ | OED has produced a general pamphlet, an image brochure and a small business pamphlet under the brand “Dallas—Big D — Everything you want and more!” |

Ongoing Gap: OED marketing program has evolved to focus on targeted industry campaigns. Changes in PIO procedures are altering the way the City communicates with the public. OED will continue D Economy publication and has devoted page 4 of the publication to profile local corporate success stories. PIO will provide some publicity through the New Dallas Delivers publication.

OED Solution: OED is enhancing its marketing and branding with new publication standards and custom designs to present a uniform look with clients. Additional opportunities are available to package information for the new OED website. Regular press releases may be a website option.

Performance on Strategic Engagement Goals

Goal 5: Leverage Community and Business Partnerships to Accomplish Economic Development Goals.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---|---|
| Partners identified/engaged for key economic development initiatives: 0 to 12 months. |  | OED staff have identified external partners to support small business initiatives, target industry projects and high technology. |
| Participate with ten community partners on economic development programs and/or events: 0 to 12 months. |  | OED staff have entered into partnerships with eight regional chambers of commerce, UT-Dallas, the University of Dallas, the Foundation for Community Empowerment, Urban Land Institute, and has multiple other partnerships |

Performance on Strategic Engagement Goals

Vision Element Two: Make Dallas a Business Friendly City

Goal 6: Create and Maintain an Aggressive Business Expansion and Retention (BEAR) Program.

Support and encourage a systematic effort to call on key Dallas companies. Conduct site visits to execute a business climate survey. Respond to business community feedback and foster open channels of communication. Foster a customer-friendly regulatory function and development process within the City.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---|--|
| Visit top 125 companies: 0 to 9 months. |  | OED continues to call on top employers, chambers and property owners. Project has been modified to focus on target industry segments as well as largest employers. |
| Complete business climate survey: 6 to 12 months. |  | Completed. Analysis in final stages. |
| Continue to align the City's development review and permitting process with industry expectations (OED to assist Development Services Department efforts.): on-going. |  | OED staff is participating in development code revision through Development Services RFP. This RFP is part of <i>forwardDallas!</i> implementation. |
| Present business climate survey results to Economic Development and Housing Committee: September 2006. |  | Delayed due to busy ED&H Committee schedule. |
| Create or retain at least 800 jobs citywide at existing companies annually. |  | BEAR program has secured the retention of 7-Eleven and Hunt Consolidated headquarters retaining 1,200 jobs for the CBD, Unitrin Insurance 400 jobs, Blockbuster 800 jobs and Dallas Morning News printing operation 80 jobs. |
| Increase commercial real property tax base by 1 percent annually. |  | DCAD certified value summary report indicates 12.9 percent increase. |

Ongoing Gap: Extensive project work addressing retention emergencies has diverted a sizeable share of BEAR program time that was originally planned for proactive campaigns.

OED Solution: BEAR program has developed a more focused strategy that concentrates retention efforts on major business centers: CBD, Stemmons, LBJ and Central corridors as well as the top 25 at risk firms in Southern Dallas. This strategy informed by the results of the Business Climate Survey and Image Survey will be incorporated into the strategic plan update.

Performance on Business Friendly Goals

Goal 7: Develop a Proactive Recruitment Process to Strategically Attract Domestic and International Business.

Refine the target market for the City's focused recruitment efforts. Develop marketing materials and research publications geared to customer needs. Take full advantage of technology to deliver the business message. Work collaboratively with the chambers of commerce.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---------------|---|
| Complete priority industry cluster study: 0 to 3 months. | ✓ | Completed. |
| Select target industries: 3 to 6 months. | ✓ | Completed and presented to Economic Development and Housing Committee in March 2006. |
| Complete profiles of prospect firms: 3 to 9 months. | ✓ | Two marketing programs completed and being implemented for IT business services and composite building materials. |
| Contact prospect firms, including site visits when feasible: 3 to 12 months. | ✓ | Proactive recruitment has been initiated and four site visits have been completed. |
| Secure two relocations or expansion operations to Dallas annually. | ✓ | The International Division has supported the relocation of two Chinese firms to the Asian Trade District: Goldenvale, Inc. and Parsun, Inc. |

Ongoing Gap: Domestic and, especially international recruitment involves a lag between development and launch of a program and relocation results.

OED Solution: OED is increasing its international campaign focus by pursuing opportunities in relatively un-tapped second tier Chinese, Korean and Mexican cities that have the greatest likelihood of taking advantage of Dallas' trade assets in the short term. Establishing a distribution presence is often a prerequisite for attracting substantial investment at a later date.

Performance on Business Friendly Goals

Goal 8: Form an International Team to Strengthen Trade and Investment from Asia, Latin America and Canada.

Form a team, led by an Assistant Director, that focuses on international markets with an initial concentration on China and NAFTA partners.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---------------|---|
| Develop list of international companies in Dallas: 0 to 3 months. | ✓ | List of largest Dallas and Dallas area foreign owned firms developed. Working with GDC to develop comprehensive list. |
| Complete research on level of imports and exports: 0 to 3 months. | ✓ | Foreign trade statistics are published at U.S. Customs district levels, essentially for the DFW area. IIPOD-related container lifts identified as key indicator. |
| Work with existing international companies and state and local partners to identify potential leads: 3 to 6 months. | ✓ | Formed international business advisory group in September. Three Chinese companies/government entities announced opening of new offices in Dallas (26 jobs in 2006, 100 target in 2007) |
| Develop list of best prospect companies: 6 to 9 months. | ✓ | Database of top exporting Chinese companies procured. |
| Contact prospect firms: 9 to 12 months. | ✓ | First trip to China in November 2005; trips completed to China/Korea. Mexico trips to Pacific port cities, Mexico City, Monterrey and Guanajuato. |
| Team in place: 0 to 3 months. | ✓ | Team in place under Assistant Director Jennifer Li. |
| Complete first year workplan: 0 to 3 months. | ✓ | Workplan presented to Economic Development and Housing Committee in May 2006. |

Ongoing Gap: International program experiences a variety of challenges not faced in domestic economic development. These include a lack of standard business and city-level trade statistics, and obstacles to adequately hosting foreign delegations.

OED Solution: OED is working with Mexican and Asian advisors to develop additional contact information. Protocol and OED International Business divisions have consolidated into new shared office space to better coordinate work and increase business development focus of Protocol office.

Performance on Business Friendly Goals

Goal 9: Establish a Uniform Prospect Handling Process.

Establish a prospect handling process for domestic and international leads that: articulates standard procedures and messages to be expressed; uses a consistent and predictable record-keeping system; has built-in follow-up; documents best practices/lessons learned; and measures success.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---------------|---|
| Review prospect response process: 0 to 3 months. | ✓ | Completed. |
| Identify measures to reduce response time, including methods to provide automated initial responses: 9 to 12 months. | ✓ | OED Business Development staff have begun providing standardized industry data. OED website provides extensive data for clients. |
| Develop and deploy a system for tracking follow-up and cataloging lessons-learned: 9 to 12 months. | ✓ | OED project tracking database will provide this capability. Anticipate installation and training complete this fiscal year. |
| Document lessons-learned so that they may be incorporated into the next Public Private Partnership review: December 2006. | ✓ | Council approved Public Private Partnership Program in April 2006. Lessons learned documentation is an ongoing process. |
| Provide same day delivery of “first response information” to all prospect calls: 0 to 3 months. | ✓ | OED staff provide standardized spreadsheets, as recommended by the International Economic Development Council, to all prospects through e-mail while additional request data is being compiled. |
| Implement procedures to ensure all prospect calls receive a follow-up inquiry within two weeks of final request delivery: 0 to 12 months. | ✓ | New OED project tracking database will provide this capability. Anticipate acquisition and training complete this calendar year. |




Ongoing Gap: Economic development customer service is often complicated by clients’ desire to remain anonymous. Requests for information are often rigorously controlled by professional site selectors and other “middleman” representatives. This often precludes an accurate appraisal of business development customer service.

OED Solution: OED is focusing on business process changes that have been among the most requested by the site selection community. These include: an up to date website with information on incentives, business and workforce statistics. Another sought after product is clear delineation of city development priorities to help private decision makers weigh the relative merits of particular sites.

Performance on Business Friendly Goals

Goal 10: Improve Integration of Economic Development and Public Safety.





Incorporate a public safety component in our communications message. Network routinely with public safety officials so they are aware of OED priority projects. Invite senior police officials to participate in BEAR calls where crime and security are competitive issues.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---|---|
| Implement a process to inform public safety partners of public safety issues identified by OED clients: 0 to 3 months. |  | BEAR staff have met with Deputy Chiefs and are calling on businesses in areas where public safety is a concern. |
| Schedule joint customer calls with public safety partners when crime and security are competitive issues: ongoing. |  | Northwest and Southwest substations have been particularly active in this initiative. |
| Complete 15 BEAR calls to businesses in high incident areas annually: 0 to 12 months. |  | Underway. Ten calls made in first year. Resignation of BEAR coordinator has slower progress. |

Performance on Business Friendly Goals

Goal 11: Promote the Importance of Education/Work Force Training in Economic Development.

Improve communication between OED and the education and work force training community and find ways to increase cooperation in business development activities.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---|---|
| Identify and secure major education and work force development partners willing to make site visits: 0 to 9 months. |  | Contacts established with multiple higher education entities (UT-Dallas, UDallas, UNT Dallas, DCCCD, Paul Quinn and DCCCD.) In addition, a manufacturing workforce summit took place and the City of Dallas was an active collaborator with DCCCD—March 2007. |
| Develop information exchange process (meetings, communications, etc.): 6 to 12 months. |  | On-going dialogue is being maintained with these institutions. |
| Schedule joint calling efforts when appropriate: ongoing. |  | No calls made during fiscal year. Dialogue initiated with DCCCD and national machinists in FY 07. |
| Complete 15 BEAR calls with work force training and public education partners annually: 0 to 12 months. |  | No calls made to date. |

Ongoing Gap: Retention program has not secured systematic participation of independent school districts, community colleges or Dallas Worksource. The ad-hoc nature of workforce training in Texas probably detracts from efforts to systematically or proactively conduct workforce operations.







OED Solution: OED is modifying its focus to target industry workforce issues. For example, a manufacturing summit in the first quarter of 2007 has been designed to focus on training needs. Closer involvement with community colleges, the leaders in training in Dallas, by target industry related programs will improve prospects on this goal. The targeted marketing campaigns will specifically address niche training opportunities available and gaps for each target industry.

Performance on Dynamic Center-City Economy Engagement Goals

Vision Element Three: Make Dallas a City with a Dynamic and Expanded Center-City Economy

Goal 12: Form a Team Dedicated to Downtown Priorities.

An Assistant Director leads a team dedicated to building on existing successes in creating in-town residential, retail, transit and cultural assets. Brand and market an expanded Downtown Dallas as an urban city. Create a unique retail identity and enhance Main Street initiatives. Encourage development of art galleries, fashion and destination retail. Improve access to existing parking and incorporate an ambient lighting strategy that increases the perception of safety after dark.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---|---|
| Downtown Assistant Director in place. |  | Position vacated in fall '06 through attrition. Vernae Martin hired April '07. |
| Complete hiring of key staff: 0 to 3 months. |  | Full team in place by March 2006. AD position vacated in August 2006, re-filled April 2007. |
| Complete Center-City workplan: 0 to 3 months. |  | Workplan activities briefed to Council August 2005. Updated workplan scheduled for ED&H Committee in 1st Qtr. 2007. |
| Develop brand for downtown: 6 to 12 months. |  | DOWNTOWNDallas (formerly CDA) has launched a branding campaign for their organization that encompasses a broader definition of downtown beyond the CBD. |
| Maintain existing 267,000 square feet of retail space (including 129,000 square foot flagship Neiman Marcus: ongoing. |  | Currently at 261,850 square feet (including Neiman Marcus). |
| Add 40,000 square feet of retail space: 12 months. Three-year goal is a net increase of 120,000 square feet. |  | Phase I retail additions total 47,700 square feet. Davis Lot scheduled to open 2007 includes 20,000 of this space. |







Ongoing Gap: "Air in the hose" phenomenon has resulted in a quiescent period with little new housing entering the market. Currently multiple projects are under construction with several thousand units to be delivered in the next 18-24 months. This lull is straining the business models of retailers and others investing in downtown that anticipated a larger population density by now. Significant vacant 1980s vintage office space coupled with new product North of Woodall Rogers is a major issue. Lack of convention center hotel impacts convention business.

OED Solution: Gap funding for Urban Market has been provided. BEAR program is focusing on retention threats that would reduce daytime population. Residential amendment to the public private partnership program provided additional subsidy capacity for residential development inside the loop. Currently working on a downtown needs inventory and prioritization of solutions.

Performance on Dynamic Center-City Economy Goals

Goal 13: Promote Transit-Oriented-Development (TOD) to Improve Connectivity.

Coordinate TOD planning in concert with DART standards to promote desirable development along transit corridors: residential, retail, office and cultural uses. Develop a mixed-use development program to maximize Center-City and Southern Sector TOD at the most appropriate DART stations.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---|--|
| Identify Central Dallas stations that have the greatest short-term potential for TOD and develop action plans to work with developer proposals: ongoing. |  | TOD RFQ process included selection of master developer who will develop and master plan a minimum of four stations, two of which will be in Southern Dallas. |
| Identify best practice development incentives used in other cities for TOD and examine Dallas' existing incentive package to ensure the City maximizes TOD investment: 0 to 6 months. |  | Best practices reviewed and documented, Council briefed on program initiatives. |
| Develop a marketing package to target new TOD opportunities available in Dallas: 9 to 12 months. |  | TOD RFQ process completed. Master developer selected and agreement under negotiation. Council briefed. |
| Work with the Planning Department and DART to develop a TOD overlay template to facilitate development / redevelopment of land within 1/4 mile of DART stations: upon presentation of Forward Dallas! to City Council. |  | OED staff participating in development code revision RFP, focusing on market feasibility and development impact of revisions. |
| One Central-City TOD commitment: 12 months. |  | First Worthing at Medical Center. |
| Secure an average of 10,000 square feet of cultural and artistic facilities at each completed TOD project: ongoing. |  | Indicator needs refinement. New TOD request for qualifications and development program will provide an opportunity to revisit feasibility of this goal. |





Ongoing Gap: A high strategic priority, the implementation of which is required to create a distinguishing urban advantage and jump-start development in the southern sector.

OED Solution: OED will complete negotiation of master TOD development agreement that would result in simultaneous development of sites in Southern and Northern Dallas. Development Services is completing a RFP to rewrite the development code to make it easier for mixed use and other urban developments to take place in the City, particularly around DART rail stations. New City-supported TOD developments at Park Lane Place and Lake Highlands Town Center have strong sponsorship and should be successful models for additional projects.

Performance on Dynamic Center-City Economy Goals

Goal 14: Generate a Focused Center-City Business Expansion and Retention Effort.

Work with DOWNTOWNDallas to identify businesses at risk for leaving Downtown and implement priority BEAR strategies. Establish informal business roundtables to address barriers to business success identified by the business climate survey.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---|--|
| Develop early warning system to identify at-risk businesses two to three years in advance of lease termination to begin working with tenant on retention strategy: 0 to 3 months. |  | OED routinely monitors lease expiration dates for CBD and other business centers. Staff identify pressures for relocation through ongoing BEAR program. |
| Establish informal business roundtables to discuss barriers to business success identified in the business survey: 6 to 12 months. |  | Initiating a program with DOWNTOWNDallas. |
| Create or retain at least 400 jobs at existing companies annually. |  | 7-Eleven: 700 jobs retained; Hunt Consolidated: 500 jobs retained. |
| Reduce vacancy rate in CBD office market by 2 percent annually. |  | Annual improvement from 21.8 % to 21.3 %. Primarily due to redevelopment of vacant office space. Heavy pressure by new office development in Victory and Uptown. |

Ongoing Gap: Downtown is moving into a new phase where most brokers believe the balance will accelerate to residential. The 1980s class A space is likely to lose tenants to newer buildings centered along Woodall Rodgers. Office vacancies will likely increase significantly in the short term

OED Solution: OED is seeking new tools to facilitate residential conversions and remove vacant space from inventory. The amended public private partnership program is one such tool. OED is also looking at ways of enhancing the rate of new business start-ups in the central city to absorb the soon to be growing inventory of relatively inexpensive office space.

Performance on Dynamic Center-City Economy Goals

Goal 15: Increase Urban Housing.

Convert vacant class B and C office space to residences. Grow housing to 10,000 units in the CBD and an additional 20,000 units within one mile of the CBD loop (outer ring neighborhoods) by 2015.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---------------|--|
| Define expanded Downtown in conjunction with DOWNTOWNDallas and the Planning Division: 0 to 3 months. | ✓ | DOWNTOWNDallas has identified and is branding the expanded definition. |
| Convert obsolete office space to residential: ongoing. | ✓ | Current conversion projects include: Gulf States, Metropolitan, Mosaic, Republic, Mercantile, 1414 Elm Street. |
| Complete housing best practices white paper: 12 months. | ✓ | Economic Development and Housing Committee briefed on attainable housing strategy. Research is ongoing. |
| Open 600 converted residential units in CBD: 12 months. (Reach 10,000 residential units in the CBD by 2015.) | ✓ | There are 1,510 residential units under construction of which 1,135 are anticipated to open in FY 06-07. |
| Open 2,500 residential units within one mile of the CBD loop: 12 months. (Reach 20,000 units in these outer ring neighborhoods by 2015.) | ✓ | Current estimate is 2,458 units in the CBD and 10,401 in the one mile buffer. |
| Form Downtown Connection TIF District: 12 months. | ✓ | TIF approved on June 8, 2005. |
| Execute development agreement to redevelop the Mercantile block, Continental and Atmos buildings: 0 to 3 months. | ✓ | Development agreement executed. Demolition on Mercantile block is underway. |

Ongoing Gap: "Air in the hose" phenomenon has resulted in a quiescent period with little new housing entering the market. Currently several projects are under construction with several thousand units to be delivered in the next 18-24 months. This lull is straining the business models of retailers and others investing in downtown that anticipated a larger population density by now. Affordability issues; losing Section 108 units not being replaced.

OED Solution: Gap funding for Urban Market has been provided. BEAR program is focusing on retention threats that would reduce daytime population. Residential amendment to the public private partnership program creating the 2 for 1 process can increase the supply of residential.

Performance on Dynamic Center-City Economy Goals

Goal 16: Create Linkages That Connect Center-City Neighborhoods.




Improve connectivity within the CBD loop by accelerating implementation of Downtown commuter and pedestrian mobility plans, parks master plan and north-south streetscape. Increase the number of pedestrian links between the CBD and surrounding neighborhoods, including the proposed park over Woodall Rodgers that would connect Uptown and the Arts District. Explore expanded trolley service to key City locations.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---------------|---|
| Acquire land for Main Street Garden and Pacific Plaza: 12 months. | ✓ | Main Street Gardens, Pacific Gardens, Belo Gardens and Woodall Rodgers Deck Park in approved 2006 capital bond program. |
| Complete north-south streetscape improvement project: 18 months. | ✓ | Ongoing; additional funds in approved 2006 bond program. |
| Encourage cosmetic improvements to private garages participating in the CityPark program: 0 to 6 months. | ✓ | OED has not secured cosmetic improvements. Some improvements to surface parking areas. |
| Identify priority corridors/connections: 9 to 12 months. | ✓ | Corridors identified during development of 2006 bond package. |
| Purchase two park sites: 12 months. | ✓ | Projects included in 2006 bond program. |
| Design one park site: 18 months. | ✓ | Park and Recreation completed the RFP process for Main St. Gardens. Thomas Balsley hired as designer. |
| Complete 2003 bond program streetscape projects, including new sidewalks, landscaping and pedestrian lighting: 18 months. | ✓ | Wayfinding, lighting, streetscape and other improvements ongoing. |
| Install first wayfinding signage phase: 12 months. | ✓ | Complete. Second phase underway. |
| Identify two new priority corridors between successful Central City neighborhoods and begin planning with partners for development, landscaping and trolley service: 0 to 12 months. | ✓ | OED staff identified all priority corridors in the expanded downtown area: South Dallas/Fair Park, Victory/Uptown, Cedars, Design District. |
| Identify City matching funds for the proposed Woodall Rodgers connection park: 12 months. | ✓ | \$20 million approved in 2006 bond program. |

Performance on Balanced Growth Goals
Vision Element Four: Make Dallas a City of Balanced Growth and
Development Opportunities

Goal 17: Form a Team Dedicated to Southern Dallas Priorities.









Hire an Assistant Director to lead a team dedicated to Southern Sector initiatives. Focus specifically on supporting small business development and entrepreneurial activity and implementing projects that fill retail gaps and revitalize neighborhoods.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|--|---|
| Hire Southern Dallas assistant director: 0 to 3 months. |  | Lee McKinney, retired Bank One executive hired on September 1, 2005. |
| Hire team staff: 0 to 3 months. |  | Two senior development coordinators, Erma Saracho and Ron Patterson, hired to focus on Southern Dallas neighborhoods. |
| Complete Southern Dallas workplan: 0 to 3 months. |  | Southern Dallas retail/TOD initiated; Small Business and South Dallas Fair Park Development Plan presented to Economic Development and Housing Committee in April 2006. |

Performance on Balanced Growth Goals

Goal 18: Enhance Dallas' Position As a National Leader in Supply Chain Management/Logistics and Leverage Its Strategic Geographic Location.

Maintain a multidisciplinary team to continue pursuing International Inland Port of Dallas (IIPOD) objectives and strengthen existing partnerships with port cites, neighboring municipalities and federal/state agencies. Complete an in-depth assessment of Dallas' role in the global supply chain management/logistics sector.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---|---|
| Form a multidisciplinary team, led by a project manager and including consultants Dean International, to meet regularly with City Manager's Office to address IIPOD project initiatives: ongoing. |  | Team led by Project Manager Heather Lepasca with active involvement of OED Director. Initiative led by Economic Development and Housing Committee Chairperson Bill Blaydes. |
| Complete a comprehensive assessment of Dallas' ownership and role in global logistics/supply chain management: 0 to 9 months. |  | ULI Advisory Panel (Summer 2006) was a first step. Follow-up research is underway. |
| Organize an international conference that focuses on developing Dallas' Southern Sector into a logistics hub: 9 to 12 months. |  | Trips to China, Korea and Mexico focus on promoting IIPOD and southern sector logistics opportunities. |
| Project manager, OED and Convention and Visitors Bureau work with railroads to define markets and explore collaboration on advertising campaigns: 6 to 12 months. |  | Objective being recast. Industry task force will support marketing effort. Marketing materials are being developed. |
| Identify funding alternatives for IIPOD project: 0 to 12 months. |  | Included more than \$30 million for infrastructure in 2006 bond program. Some matching funds from Dallas County and potential additional funding from NCTCOG TxDOT. |
| Achieve a 10 to one return on public infrastructure investments in client-specific industrial projects: ongoing. |  | First inland port area project received \$1.3 million in infrastructure and yielded \$100 million: a 77 to 1 return. |
| Publish report on opportunities/impact of increasing Dallas' role in global logistics/supply chain management: 9 months. |  | OED staff report completed, being integrated into IIPOD 2006-2007 workplan. |
| Hold logistics/supply chain summit: 12 months. |  | Urban Land Institute panel held in Summer of 2006. |

Performance on Balanced Growth Goals

Goal 19: Revitalize Dallas' Small Businesses and Support Entrepreneurs.

Identify best practices in business assistance and incubator operations and create an information guide for start-up businesses on the OED Web site. Review the South Dallas/Fair Park Trust Fund's mission and programs to more effectively serve the community. Monitor and implement Community Development Block Grant programs to encourage economic development in low-to-moderate income areas. Promote entrepreneurship throughout the community. Help small businesses find access to capital. Create a small business advisory council to obtain regular feedback from the small business community.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---------------|--|
| Review business assistance center / incubator best practices that increase graduation and survival rates: 6 to 9 months. | ✓ | Best Practices study completed by University of Dallas. Presentation made to Economic Development and Housing Committee in April 2006. |
| Implement entrepreneurship / small business recognition program / business plan competition programs: 9 to 12 months. | ✓ | Developing program to recognize small businesses from each council district. Seeking opportunity to participate in existing business plan competition. Part of comprehensive reassessment of small business program. |
| Identify measures of capital access by Dallas small businesses: 6 to 9 months. | ✓ | Have identified sources. Have reconstituted BAC's-business coach, small business plan addresses funding issues. Indicator may need to be revised. |
| Identify alternate small business financing sources: 9 to 12 months. | ✓ | Have identified sources in small business plan presented to Council, April 2006. |
| Present business assistance center/incubator best practices review with recommended process to increase graduation and survival rates to City Council: 9 months. | ✓ | Study presented to Economic Development and Housing Committee April 2006. |
| Complete business plan competition with winning firms producing 10 jobs within 2 years. | ✓ | In planning stages. |
| Small Business Advisory Council created and workplan in place: 0 to 12 months. | ✓ | Separate micro and small business groups forming, first meeting scheduled for December. |
| Increase new business formation (metric to be developed): 0 to 12 months. | ✓ | Metric based on annual new business accounts in OED business database and state taxpayer permits. |

Performance on Balanced Growth Goals

Goal 20: Embrace a Holistic Approach to Retail Development That Encourages Responsible TOD and Focuses on Southern Sector Community Needs.







Create a multidisciplinary team to address retail and TOD issues. Identify qualified developers capable of developing/redeveloping Southern Dallas retail sites and identify potential sites. Establish action plans to promote public private partnerships at retail sites in Southern Dallas communities.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---------------|--|
| Assign multidisciplinary team, led by OED, to identify and prioritize retail and TOD issues: ongoing. | ✓ | Formed in fourth quarter 2005; includes staff from OED, Development Services, Dallas Public Works & Transportation, and DART. Team meets regularly. Developers and NCTCOG staff frequently participate. |
| Identify qualified developers interested in developing/redeveloping retail sites in Southern Dallas: 6 to 9 months. | ✓ | RFQ process completed, lead developer identified and development program being drafted. |
| Secure commitment on one new and one priority redevelopment project totaling at least 100,000 square feet: 0 to 12 months. | ✓ | 150,000 sq. ft. Westmoreland Station retail project anchored by Carnival grocery store open. Deal for 450,000 sq. ft. Target-anchored retail center at I-20 and Hampton development agreement anticipated in 2006. |
| Identify two Southern Dallas DART stations for TOD and develop action plans: 0 to 12 months. | ✓ | Fulfillment being coordinated through TOD RFQ process. |

Performance on Balanced Growth Goals

Goal 21: Use Existing Tools to More Effectively Redevelop Southern Sector Neighborhoods.

Expand existing Dallas Brownfields Program, establish a brownfields redevelopment process and identify an initial pilot redevelopment project. Evaluate and identify neighborhoods in Southern Dallas that would benefit from TIF and PID programs.






| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---|--|
| Create a five-year brownfields redevelopment plan with flow-chart: 12 months. |  | Draft plan developed, under executive review. \$200,0000 assesment EPA grant. |
| Identify two target neighborhoods and two potential brownfields redevelopment sites for each neighborhood: 12 months. |  | Neighborhoods identified: South Dallas/Fair Park, West Dallas, the Cedars, and South Side PID. Sites currently being reviewed. |
| Present recommendations to City Council on most viable Southern Dallas areas for short-term TIF district or PID approach: 0 to 12 months. |  | New TIF/TOD/Retail implementation program being developed in conjunction with TOD RFQ process. |
| Establish one new TIF district in the Southern Sector: 0 to 12 months. |  | Grand Park South TIF approved on October 26, 2005. Program budget is \$16.3 million. |
| Establish one new PID in Southern Dallas: 0 to 12 months. |  | No Southern Sector PIDs created. New PID policy approved December 14, 2005 focuses on commercial areas. |
| Identify one viable project site following the completion of the brownfields redevelopment process five-year plan: 0 to 12 months. |  | Multiple project sites under evaluation. |

Performance on Great Neighborhoods Goals

Vision Element Five: Make Dallas a City of Great Neighborhoods

Goal 22: Support the Frazier Revitalization Initiative As a Model for Other Southern Sector Neighborhoods.


Use City resources to support Frazier Revitalization, Inc.'s efforts to assemble key land and assure planning and usage are in keeping with community desires. Establish a multidisciplinary team, led by the Housing Department, to address Frazier Development Initiatives.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|---|---|--|
| Establish a multidisciplinary team, led by the Housing Department, to support the Frazier Redevelopment Initiative: 0 to 3 months. |  | Team headed by City Housing Director Jerry Killingsworth established. |
| Develop a template for neighborhood redevelopment based on the lessons learned from the Frazier Redevelopment Initiative: 0 to 12 months. |  | OED staff are partnering with UT-Dallas and Williams Institute to develop a monitoring program for the South Dallas / Frazier area to identify most successful development methods. |
| Engage (along with other partners) Frazier Redevelopment, Inc. to assist financing and development: 12 months. |  | Infrastructure financing recommended in 2006 bond program. |
| Assemble key land: ongoing. |  | Land bank program in place to assist in acquisition/development of residential lots. Additional funding identified in 2006 bond program for Economic Development and Housing Infrastructure Acquisition Opportunities. |
| Initiate HOPE VI public housing redevelopment: 12 months. |  | Commenced residential redevelopment construction in September 2005. |
| Complete template of the Frazier Redevelopment Initiative to be used as a model for neighborhood redevelopment: 12 months. |  | In process. Pending results of UT-Dallas / Williams Institute research program. Frazier Project is on going and will not be completed within 12 months. Recommend extending deadline an additional 24 months. |

Performance on Great Neighborhood Goals

Goal 23: Evaluate Opportunities to Stimulate Economic Development in the Trinity Corridor and UNT-Dallas Campus Neighborhoods.

Use the Trinity/Forward Dallas! land use plans for guidance. Establish multidisciplinary teams, led by OED, to evaluate opportunities and establish priorities. Develop action plans around key opportunities.

| <i>Milestone or Performance Measure</i> | <i>Status</i> | <i>Comment</i> |
|--|---|--|
| Establish multidisciplinary teams, led by OED, to evaluate Trinity opportunities and establish priorities: 0 to 3 months. |  | Trinity team responsibility has been assumed by Trinity Corridor Project Planning Group. UNT Dallas Southern Campus Team informally in place under leadership of Development Services Department. Pending completion of <i>forwardDallas!</i> small area plan. |
| Top priority Trinity development sites identified/ action plans developed: 6 to 12 months. |  | Trinity River Corridor Planning Group Director in place. Workplan being developed. |
| City Council approves Comprehensive Plan, which will include an implementation plan for the UNT-Dallas campus area. |  | Acomplished. Small area plan scheduled. |
| Two public private partnerships formed to develop Trinity Corridor and/or UNT-Dallas campus area properties: 0 to 12 months. |  | Trinity Corridor Project Planning Group has initiated conversations with several groups. |
| UNT-Dallas campus community stakeholders are actively engaged and neighborhood redevelopment program is initiated (Frazier model): 0 to 12 months. |  | Long Range Planning is coordinating small area plan with participation by OED and other departments. |

