

Memorandum



DATE April 3, 2009

TO Members of the Economic Development Committee: Ron Natinsky (Chair),
Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane,
Mitchell Rasansky, Linda Koop, Steve Salazar

SUBJECT **ULI Advisory Services Panel: Redevelopment of Southwest Center Mall**

At your April 6, 2009 meeting, you will be briefed on "ULI Advisory Services Panel: Redevelopment of Southwest Center Mall." A copy of that briefing is attached.

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



A.C. Gonzalez
Assistant City Manager

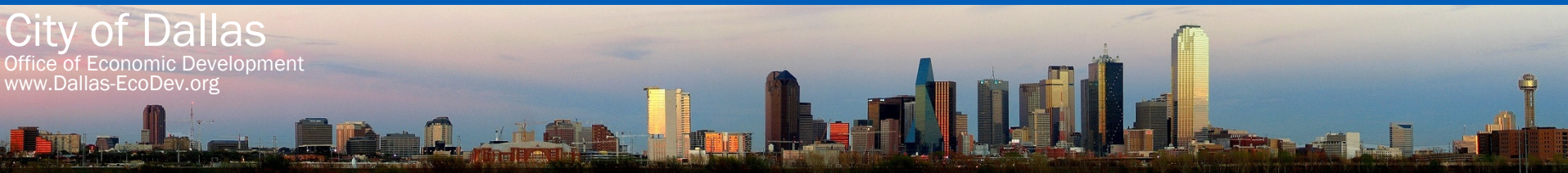
CC: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest Turner, Interim Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Dave Cook, Chief Financial Officer, City Managers Office
Jeanne Chipperfield, Director, Budget & Management Services
Karl Zavitkovsky Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Theresa O'Donnell, Director, Development Services
Helena Steven-Thompson, Assistant to the City Manager

ULI Advisory Services Panel

Redevelopment of Southwest Center Mall

Economic Development Committee

April 6, 2009



Purpose

- To brief the Economic Development Committee on a recommendation from the Southern Dallas Task Force requesting an Urban Land Institute (ULI) Advisory Services Panel to assess redevelopment options for the Southwest Center Mall
- To recommend a Chapter 380 grant in an amount not to exceed \$120,000 to fund this initiative

Who is ULI?

- A 501(c)3 Organization based out of Washington DC focused on research and education
- Approximately 40,000 members in 50 states and 92 countries
- A multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers dedicated to creating better places.

What is an Advisory Services Panel?

- A fee-based service providing technical expertise of ULI members to cities, private developers, and other organization that need objective analysis and advice on how to solve difficult land use, development, and redevelopment problems
- Panel lasts five days and produces a verbal summation of findings and a written report at the end
- Locally produced in-depth briefing materials provided to participants in advance of the session

How the Panel works

- Day One: Briefing by sponsor on project, site tour of impact area, reception for panel members and interested local parties
 - Detailed briefing book is furnished to panelists in advance of their arrival
- Day Two: Interviews (approximately 50 total) with local resource people
 - Interviews focus on market potential, planning and design, development strategies, and implementation
- Days Three and Four: Report preparation
- Day Five: Report presentation

Benefits of ULI Panel

- An independent, academic body would provide suggestions for sustainable development at Southwest Center Mall
 - ULI is very well regarded nationally and panel members will have subject expertise
- Provide framework for future development
 - Will have a report to share with interested parties
- Provide marketing opportunities related to the project, as well as engagement of interested parties and stakeholders
 - Process requires involvement from interested parties and stakeholders

Why Focus on Southwest Center Mall?

- Subgroup 10 (Southwest Oak Cliff) of Southern Dallas Task Force identified redevelopment of Southwest Center Mall as their top priority
- Once thriving mall and community gathering place in steady decline for many years
 - Fragmented ownership
 - High vacancy (2 anchors departed)
 - Recently foreclosed main parcel
 - Problematic access
 - Increased competition
- Renewed focus and creation of a redevelopment plan is important to neighboring communities and is a catalyst for other area initiatives

ULI Experience with Similar Projects

- Conducted a similar panel in 2007 on Eastland Mall in Charlotte, NC
 - Similar fragmented ownership and high vacancies
- Preferred recommendation was to create true mixed-use center including:
 - Demolition of existing mall
 - Hiring master developer
 - Developing town center with main street shopping
 - High quality residential, civic and recreation space
 - Commitment from city to fund portions of infrastructure
- Other options considered included remodel existing stores, and partial retention of existing structures

ULI Panel Members

- Five to nine panel members who are national experts in their fields
- Panel Chair: Charles A. Long
 - Principal of Charles A. Long Properties, Berkley, CA
 - Over 30 years of experience in local government (former City Manager) and development
 - Focus on mixed use, infill projects with public-private development
 - Served on 10 previous panels

Payment Terms

- \$60,000 due upon signature of the contract
- \$55,000 due upon completion of the panel
- \$5,000 due upon receipt of the final report

Next Steps

- Economic Development Committee recommendation to City Council for authorization of a Chapter 380 grant to ULI in an amount not to exceed \$120,000 for the purpose of conducting an Advisory Services Panel to assess redevelopment options for Southwest Center Mall
- Consideration of the grant resolution by City Council on April 8, 2009

Questions?

City of Dallas

Office of Economic Development
www.Dallas-EcoDev.org



Appendix: Southwest Center Mall Background & Ownership

- Opened in 1975
- Total quadrant site: 132.62 acres
 - Mall & related parking: 89.29 acres
- 1,128,280 sq. ft. of gross leasable area in mall building
 - 779,762 sq. ft. of anchor buildings
 - 345,518 sq. ft. of in-line shops
- Anchored by Sears, Macy's, and Burlington Coat Factory
 - Empty anchor buildings for JC Penney and Dillard's
 - Both now in Cedar Hill
- Main parcel owned by Madison Realty Capital of New York
 - Woodmont Company, managing agent
- 34 different parcels comprise the site, including outparcels
 - The five anchor buildings and related parking are owned separately

