

Inside the Loop 2003 Committee

Second Interim Report

December 2, 2002

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Inside the Loop 2003
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Inside the Loop 2003 Committee

December 2, 2002

The Hon. Laura Miller
Mayor
City of Dallas
1500 Marilla, Room 5EN
Dallas, Texas 75201

Dear Mayor Miller:

This is the second interim report of the Inside the Loop 2003 Committee, which outlines progress on several important initiatives you asked the committee to pursue. We present this as another interim report because much work remains to be done in order to capitalize fully on tax revenue leverage inside the loop. For purposes of this report, the terms "Downtown Dallas" and "Downtown" are used interchangeably with the area delineated by the freeway loop.

First and foremost, the committee thanks you and the City Council for the opportunity to engage in these initiatives on your behalf. It is critical that the leadership of the City of Dallas be intensely focused on the economic potential represented by the area inside the loop. Investments you make here can have a disproportionate positive impact on the overall budget of the City, while influencing how our City is perceived by residents, visitors, and opinion makers around the world.

Downtown is our City's epicenter, both geographically and economically. It is the linchpin for the continued vitality of close-in neighborhoods and commercial centers, and for the successful re-development of the Southern Sector. If Downtown wanes, the adverse impact on these communities will be severe, and over time, Dallas' economic center will shift northward. "Job One" is retaining, supporting and encouraging current Downtown stakeholders of all sizes and kinds. The City of Dallas literally cannot afford to lose any of these stakeholders.

The Committee appreciates your request that we help prioritize 2003 bond program items that would positively affect Downtown in a significant way. These build on the recommendations we made last May when the possibility of a bond program was being considered by the Council. The committee has preliminarily established five top priorities for Downtown, in rank order. We also have set five top priorities for immediate action and for intermediate action. And, we believe that three special projects deserve the Council's attention and investment.

The committee is certain that if these highest priorities are addressed successfully, then the resultant positive economic impacts will make it more likely that Dallas can consider truly ambitious projects for the area inside the loop, with the support and financial assistance of the private sector and other public entities. Until these priorities are funded, however, it is improbable that potential investors and public sector partners will put significant amounts of money into Downtown. Thus, we and the City are presented with a classic sequencing choice, wherein there has to be a common belief that necessary investment will attract significantly greater incremental investment from private investors and public sector partners.

Members of the Inside the Loop 2003 Committee comprise stakeholders from the private and public sectors, and design professionals. A roster of the committee membership as of December 2 follows this transmittal letter. Since its initial meeting on April 9, the committee has met a total of 13 times and attendance has consistently been approximately 85%. Each meeting has lasted at least two hours, and there has been considerable work done between meetings by individual committee members following up on concepts discussed at the formal meetings. As chairman, I would observe that this kind of commitment of time and resource is highly unusual and evidences both the concern of Downtown stakeholders and their commitment to an ambitious program for the area inside the loop. Moreover, organizations represented by committee members have invested or committed a quarter of a million dollars to support Downtown initiatives being considered by the committee.

You originally convened the committee to devise a plan for a Downtown-wide celebration of the opening of the Nasher Sculpture Center. This charge was quickly expanded to address the need for a single physical plan for the area inside the loop, *and* the economic development impact of realizing such a plan over time. You asked the committee to pursue a "big idea" for open space in Downtown Dallas that can serve as a focal point for economic development initiatives, and you have consistently underscored the importance of achieving 24-hour activity Downtown and linking Downtown to its surrounding neighborhoods. We agree that these outcomes are pivotal to the long-term health of the area inside the loop.

Our interim report includes six sections that address objectives you set forth for the committee. These are:

- Current Conditions
- Linkages
- The Greening of Downtown
- Transportation & Parking
- Strategies
- Ordinances & Policies (in development)

Specific, prioritized goals for each section follow the executive summary. The preliminary prioritization presented below is a product of several iterations by the committee, wherein stakeholders were asked to rank many possible goals. We then took the two highest-ranked goals for each of the sections described above, and the committee chose from among these to determine its five highest priorities for Downtown.

The committee's preliminary recommendations for these priorities are, in rank order:

1. Make the addition of a hotel adjacent to the Convention Center a priority by concluding a deal with a convention hotel, emphasizing linkages to the rest of Downtown.
2. Create "Commerce Garden" on Main Street between the Mercantile and the Municipal Building, in as large a form as is practical.
3. Complete pedestrian improvements for Harwood, St. Paul, Ervay, Akard and Field Streets from Young Street to Ross Avenue.
4. Construct three TIF-financed public parking structures to support retail revitalization of the core.
5. Decide soon on the second DART rail alignment through Downtown; reserve the best options for DART rail corridors (surface or subway) to ensure those options remain open.

The sub-sets of the top five priorities are, in rank order:

Immediate Action Items

1. Complete pedestrian improvements for Harwood, St. Paul, Ervay, Akard and Field Streets from Young Street to Ross Avenue.
2. Create "Commerce Garden" on Main Street between the Mercantile and the Municipal Building, in as large a form as is practical.
3. Decide soon on the second DART rail alignment through Downtown; reserve the best options for DART rail corridors (surface or subway) to ensure those options remain open.
4. Improve pedestrian streetscapes on Market Street (from Wood to Elm Streets) and Routh Street (from Woodall Rodgers to Central Expressway).
5. Complete the Boulevard System with improvements to Ross Avenue, Routh Street to Central Expressway, and Young Street (from Ervay to Harwood Streets).

Intermediate Action Items

1. Construct three TIF-financed public parking structures to support retail revitalization of the core.
2. Create linkages between Downtown and its surrounding neighborhoods utilizing the Boulevard System.
3. Work closely with the General Services Administration on the location of a new Federal Courthouse, enhanced by a large, landscaped "Federal Plaza" with underground parking.
4. Study the feasibility of creating "deck parks" or pedestrian enhancement of bridges over Woodall Rodgers Freeway and the I-30 Canyon.
5. Extend the McKinney Avenue Trolley to the West End and study connections to the Convention Center and along Main Street to Deep Ellum.

Special Projects

1. Make the addition of a hotel adjacent to the Convention Center a priority by concluding a deal with a convention hotel, emphasizing linkages to the rest of Downtown.
2. Ensure that funds included in the City bond package for a new Performing Arts Center are sufficient to provide attractive pedestrian and vehicular links to the center of Downtown.
3. Reform surface parking regulations and vigorously enforce landscaping, fencing and lighting requirements.

This report does not address the opening of the Nasher Sculpture Center in detail, since you have recruited others to coordinate that effort. However, as chairman of the Inside the Loop 2003 Committee, I am working closely with those individuals and the leadership of the Nasher Sculpture Center to ensure that Downtown presents its best face locally, nationally and to the world in October 2003. One critical aspect of achieving that result is for the City to use its powers and, where necessary, its financial wherewithal to put all of Downtown in the best possible condition by mid-summer 2003. This effort should be concentrated on the Arts District and adjacent properties, but applies for the entire area inside the loop.

Most prominent among the projects the City can undertake is improving the site you've acquired for the Performing Arts Center, and landscaping that site prior to mid-summer 2003. The City owns numerous pieces of property around the Arts District and throughout Downtown that should be cleaned up and, where appropriate, improved prior to mid-summer 2003. While this requires considerable coordination and some financial resource, the Nasher Sculpture Center opening is a rare opportunity to make a highly-positive impression on citizens and visitors alike. Guests who will attend the Center's opening events from outside Dallas have inordinate influence nationally and worldwide insofar as how Dallas is perceived *as a city*. Our committee strongly urges the Council to acknowledge these factors and authorize an aggressive effort supporting an overall Downtown program for the Nasher Sculpture Center opening.

The remainder of this report contains an executive summary, followed by details about the goals mentioned above. There are large base maps accompanying five sections of the report; these maps are the foundation for the power point presentation I will make on the committee's behalf. We acknowledge the work that many others have done prior to the formation of the Inside the Loop 2003 Committee, since many of our recommendations represent the product of those earlier efforts. We especially note the work of the Downtown Task Force committee chaired by David Biegler, which reported its recommendations to the City Council in February 2002.

The Inside the Loop 2003 Committee looks forward to continuing to work with you and members of the City Council in implementing the recommendations outlined in this interim report.

Sincerely,



Robert W. Decherd
Chairman
Inside the Loop 2003 Committee

RWD:cci

Enclosures

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Executive Summary

Downtown Dallas is the single most important financial asset of the City of Dallas. There is great unrealized potential inside the loop for economic development initiatives and public sector investments that can yield above-average returns to taxpayers in the form of increased sales tax and property tax revenues. Nothing is more pivotal in assuring the City's ability to grow. *Using the basic concepts of a long-term business plan, we believe that the City of Dallas -- with public and private partners -- can implement a revenue-based strategy for the area inside the loop that attenuates the future tax burden of all residential property owners in Dallas, while creating urban design and development opportunities that are presently out of reach.*

An ambitious, forward-looking, revenue-based strategy can dramatically improve the perception of Dallas locally, nationally and globally, resulting in a wide range of positive economic development choices.

Such a strategy assures that the area inside the loop reaches its highest, best utilization. As taxpayers and as citizens, Dallas residents want and deserve a dynamic Downtown. Visitors from the region and far-flung locales will be attracted to a Dallas that achieves such utilization levels, and they will spend significant amounts of disposable income while visiting or doing business here.

There is increasingly intense competition among ambitious, large cities in the United States. The Inside the Loop 2003 Committee believes that while Dallas has made some progress -- even good progress -- since the collapse of the banking, oil and gas, real estate, and insurance industries in the mid-1980's, much opportunity has been lost or by-passed because Dallas has not had a cogent plan for realizing the economic potential of the area inside the loop.

Moreover, it is abundantly clear to our committee that the area inside the loop has been starved of public and private capital for the past 15 years, except for a few high-impact projects such as the Convention Center expansions, and selected private investments in cooperation with the City Center TIF. Since the mid-1980's, there have been virtually no new commercial office developments of any size, no trend-setting investments in arts facilities such as the Meyerson Symphony Center (completed in 1989), or public sector initiatives such as those outlined below. The best assessment we can render is that Dallas has held its own during the past 15 years.

Meanwhile, other major cities across the United States have invested hundreds of millions of dollars -- or even *billions* of dollars -- in coordinated public/private strategies for their downtowns. It is time for Dallas to undertake similarly bold strategies in an ambitious, yet businesslike, orderly and pragmatic manner. We must have the collective will -- in both the public and private sectors -- to embrace this approach in order to realize the economic benefits such investments deserve. A catch-can approach, or one that is pursued inconsistently over time, will not work.

A Revenue-Based Business Plan

It is clear to our committee that any successful long-term plan for Downtown must be predicated on performance against established objectives such as increased property tax valuations, increased sales tax revenues, and demonstrable economic impact on the various districts and neighborhoods inside the loop. There are many stakeholders in Downtown, including the newly-emerging residential population (both homeowners and tenants), who have the same needs and concerns as other constituents throughout the city. An ambitious plan for Downtown Dallas, therefore, touches an exceptionally wide range of interests from apartment renters to homeowners; from shopkeepers to large retailers; from major commercial/corporate property owners to one of the largest concentration of public sector facilities in Texas.

These stakeholders own the physical assets that comprise Downtown. It is within our collective power to invest in existing assets, and create new assets, through a disciplined long-term business strategy. The decision-making framework for these investments in the public sector, and the willingness of the public sector to lead, will have much to do with the pace and extent of private sector investing over the next 25 years. The fact is that the property tax base in Downtown Dallas has been in a slump for 15 years. Property valuations were \$3.92 billion in 1990, declined to \$1.89 billion in 1996, and then rose gradually to \$3.45 billion in 2001. In 2002, these valuations *declined* to \$3.28 billion.

	<u>Downtown Property Value</u>	
<u>Year</u>		<u>Total Value</u>
1990		\$3.92 billion
1991		3.86 billion
1992		3.20 billion
1993		2.59 billion
1994		2.18 billion
1995		1.97 billion
1996		1.89 billion
1997		2.22 billion
1998		3.03 billion
1999		3.39 billion
2000		3.40 billion
2001		3.45 billion
2002		3.28 billion
Cumulative Change 1990-2002		<u>(-) 15.03%</u>

A business plan for Downtown Dallas must be built on the idea that new public sector investments will soon cause the property tax base to increase at an above-average rate. The opposite approach is to rely solely on private sector investments which, in the strong opinion of the committee, will not occur at sufficient levels to achieve above-average growth (or perhaps any growth) absent public sector investment.

The reason this choice is so important is that a \$1 billion increase in the property tax base Downtown can yield dramatic increases in tax revenues for all taxing entities. Based on a model developed for the committee (Tab 8), this yield is as follows:

DISD	\$15.88 million/year
City of Dallas	7.00 million/year
Parkland	2.54 million/year
Dallas County	1.96 million/year
DCCD	.60 million/year
<u>TOTAL</u>	<u>\$27.97 million/year</u>

These tax revenues represent incremental cash flow to each taxing entity, but do not include the significant increase in sales tax, hotel/motel taxes, and other taxes that would logically flow from a Downtown that has seen 30 percent growth in the underlying value of its physical assets. *It is clear to our committee that this investment/return relationship is the pivotal decision that the City of Dallas must make relative to the area inside the loop.* Provided disciplined investments are made at significant orders of magnitude, there would be higher tax revenues associated with stepped-up activity Downtown, including commercial activity, retail sales, support services, entertainment spending, and convention business.

A major concern, increasingly expressed by visitors, convention organizers and convention-goers, is that Downtown Dallas lacks dynamism and that competitor cities offer more excitement. We must acknowledge that this factor also heavily impacts the ability of commercial property owners Downtown to *retain* existing major tenants, much less attract new ones.

In the committee's opinion, significant changes in the perception of Downtown by various constituencies depend disproportionately on investments by the City in infrastructure. The impact on residents throughout Dallas, and how they view and use Downtown; the impression of Dallas made on visitors from far and near; and perhaps most importantly, our ability to interest mid- to large-size companies in relocating to Downtown, depend on a large financial commitment by the City inside the loop. The Boeing example is still clear in the mind: a "Fortune 50" company publicly announces its plan to relocate from another major city; it has the specific intent of locating in a central business district; Dallas is short-listed; and, Boeing chooses Chicago despite the many, unique attributes Dallas-Fort Worth had in this head-to-head competition. Dallas-Fort Worth had all the cards but one -- a vibrant, attractive, dynamic Downtown.

There is a truism in business that good investments create growth, and growth in turn attracts additional investment capital. This “virtuous circle” is true in the life of great cities as well. Our committee urges the Council to embrace this approach toward Dallas’ single-largest concentration of financial assets, and stimulate growth through disciplined investments and incentives. In turn, the products of these investments will attract investment capital at a far greater rate than if our future is left solely to the private sector.

This relationship, in microcosm, is being demonstrated presently by the results achieved through investments by the City Center TIF in the Main Street corridor. It is critical to note that these results are just now in evidence after several years of seed investments by the City Center TIF, and show great promise.

The committee realizes that an aggressive intermediate to long-term investment philosophy may result in higher near-term taxes; reflecting the additional cost of funds associated with bond programs and other public financial incentives. However, we must realize that Dallas is no longer a “new” city; instead, Dallas is a maturing, densely-populated urban center which is experiencing all of the same growth pains that other larger cities (and competitor cities of the same size) inevitably encounter.

New cities can achieve growth with strong financial management, planning and discipline. But a maturing urban center has more complex financial needs for infrastructure, maintenance, and ambitious improvements like the ones our committee is recommending for Downtown. These necessitate greater public investment and financial incentives across a broad range of initiatives, from attracting commercial investment and convention business, to re-building neighborhoods and preserving historic structures, to creating an image -- a brand -- for Dallas.

Our committee wants to underscore and celebrate the fact that the area inside the loop has many notable assets of superior quality. These include Main Street, the Convention Center, the Arts District, the City Hall complex, the Farmers Market, the West End, the DART Transit Mall, and government centers such as the Dallas County complex, Federal buildings, Dallas Community College District headquarters and El Centro, and DART headquarters. There are also numerous high-quality commercial office buildings and hotels Downtown. The problem is that these assets are not linked together in a coherent, attractive way, and overall investment in infrastructure, thoroughfares, parks and urban landscaping inside the loop over the past 15 years has been inadequate.

This second interim report is a starting point in pursuit of an ambitious business plan for Downtown. Success depends on the engagement and long-term commitment of stakeholders in both the public and private sectors, and their willingness to invest based on the validity of a revenue-based development strategy agreed upon by all stakeholders. Neither the public nor the private sectors can succeed in this endeavor alone. We must work cooperatively and relentlessly -- and seek investment from every available source. The essential framework is a business plan that measures and assesses returns on invested dollars in a consistent, sophisticated and disciplined manner.

A key component to a successful business plan for Downtown is the willingness of the public sector, especially the City of Dallas, to use prerogatives in ways that have not been routine in the past. Foremost among these is the power of eminent domain; our committee is convinced that use of this power must be a prominent part of any ambitious plan for Downtown. We also support aggressive enforcement of existing codes and ordinances to support the business plan. Preliminary recommendations are forthcoming from a sub-committee we formed last summer.

As noted in the committee's transmittal letter, our work has focused on six concepts, as follows:

Current Conditions

The area inside the loop has many outstanding physical assets. It also has wide gaps in consistency and quality of infrastructure, physical improvements, parks and open spaces. For example, while the Arts District and the Convention Center represent two enviable assets for Downtown, there is no linkage between the two. It is virtually impossible to move from one to the other -- either on foot or by vehicle -- without being disappointed by the quality of physical space between them. The same applies to every part of Downtown.

One of Downtown's greatest challenges is the sea of surface parking lots which, in many people's minds, are its signature. In the aggregate, surface parking lots comprise approximately 25% of the net land mass inside the loop. The quality of these parking lots ranges from poor to outstanding, but most are on the poor end. Together with the recommendations outlined below, a plan for improving surface parking in Downtown Dallas is crucial to our long-term success.

There is also in Downtown Dallas a demonstrable lack of parks, open spaces, landscape and streetscape amenities that distinguish the core of great cities and disproportionately impact perceptions of these urban areas. By linking existing assets in Downtown Dallas using better infrastructure and consistent amenities, we set the stage for encouraging new commercial development across all categories: office, retail, support services and housing. Without these linkages, as well as more open spaces and amenities, the pace of progress will be slow, if not problematic.

Linkages

Moving pedestrians and all kinds of vehicles across Downtown and through its various sub-districts is the crux of any physical plan for the area inside the loop. Our committee strongly recommends public investment in a *boulevard system* that extends to the freeway loop and beyond, creating linkages between existing assets inside the loop and connecting Downtown with its surrounding neighborhoods where important public and private investments have been made -- and are being made today.

The five north-south streets that link the Arts District to Young Street have been at the top of our priorities for a City bond program; these improvements need to be completed on an urgent timetable. Immediately after completion of enhancements to the five north-south streets, or concurrently, the boulevards depicted on the physical plan we present today should be built out to the freeway loop. In two key instances, these boulevards should be extended. One extension is the link contemplated for decades between Downtown and Fair Park; we believe this should occur on Canton Street, an alignment that connects City Hall to the entrance of Fair Park. The other extension is on the west side of Downtown, connecting the boulevard system via Wood Street and Reunion Boulevard to the City's unprecedented investment in the Trinity River Corridor.

There are two other large boulevard projects noted in subsequent sections that deserve mention here. One is the concept of "deck parks" over the Woodall Rodgers and I-30 canyons; the other is bringing Central Expressway to grade on the east side of Downtown.

The leadership of the Uptown area has developed impressive concepts for deck parks of different degrees for Woodall Rodgers, which we urge the City to consider. There is also an opportunity to work with the Texas Department of Transportation and others in designing deck parks over the I-30 canyon behind City Hall when this section of interstate highway is rebuilt. The City's expectations vis-à-vis the TxDOT project should be clear, i.e., that deck parks must be a part of this design. While the actual rebuilding of the I-30 canyon is perhaps a decade in the future, it is important to begin this discussion with TxDOT now and make clear the City's position.

Likewise, we feel our proposal to bring Central Expressway to grade beginning at the Woodall Rodgers interchange, and continuing to the Farmers Market, is one with numerous high-impact benefits. A re-built "Central Boulevard" would connect all of East Dallas with Downtown, including public sector assets such as the Latino Cultural Center and private sector assets such as the Meadows Foundation District, Baylor University Medical Center, and Bryan Place. It would dramatically improve the sense of entrance to Downtown from the north and surrounding East Dallas neighborhoods. And, together with the Fair Park link, Central Boulevard would create for the first time in decades a logical route into Downtown, connecting easily to the major public assets inside the loop (including the Arts District, Main Street and City Hall), and to Fair Park together with its surrounding neighborhoods.

The Greening of Downtown Dallas

Laments about the lack of large parks and open space in Downtown Dallas go back as far as anyone's memory. The fact is that Downtown is lacking in great park spaces, and where modest ones exist, there are large gaps from one to the next, which diminishes the impact of those parks for office workers, residents, visitors, and potential investors.

Our committee recognizes that Dallas cannot create a park inside the loop on the scale of Central Park in New York, Golden Gate Park in San Francisco, the Boston Common and Public Gardens, and so forth. But we do believe fervently that for Downtown to thrive -- and for the City's business plan for Downtown to succeed -- there must be a sophisticated plan for creating parks and open spaces inside the loop. And, we must have the collective resolve to build these parks and open spaces over the next two decades.

Our sense of urgency about this issue is such that the committee strongly supports your concept of a "big idea" that can be undertaken immediately. Thus, our focus on the proposal for "Commerce Garden" east of the Mercantile complex and including the Grand Hotel block. You and the Council have seen an early-stage presentation of Commerce Garden, and the concept has been significantly refined over the past several months. The committee's role has been to encourage and facilitate the processes by which the City can make a sound judgment about the qualitative rationale for this park, the related economic development implications, and its overall feasibility from a financial and land acquisition standpoint.

The committee's view is that Commerce Garden meets or exceeds the criteria for parks and open space inside the loop -- which, as stated above, must include demonstrable economic development impacts. We believe you and the Council should continue working on this idea with dispatch, since the realization of Commerce Garden would be the catalyst for many positive developments at the very core of Downtown. A successful Commerce Garden would also set an example for future park development inside the loop by underscoring the importance of strong public/private partnerships.

The committee notes and applauds the initiative by the Park and Recreation Board to create a Parks Master Plan for the area inside the loop. Such a plan is overdue, and like Commerce Garden on a single-project basis, can have broad implications for Downtown over the long-term. It is key that the public and private sectors have a prioritized set of parks and open spaces, stick to those priorities, and bring to bear all possible public and private financial resources to achieve the Parks Master Plan.

The committee is aware that the Park and Recreation Board is considering the creation of a new 501(c)(3) organization that would engage in the improvement, development and redevelopment of parks throughout the City, including Downtown. We strongly support this idea, knowing that there are significant funds available both in the private and public sectors for such initiatives. Most other major cities have an organization like this which works closely with the public sector to enhance the quality of parks and open spaces. It is our belief that these funds are not being directed to Dallas because there is no mechanism presently for applying for such funds, or managing the use of such funds.

The committee's understanding is that the Parks Master Plan for Downtown can be completed by year-end 2003. We will modify the physical plan we've proposed for Downtown to reflect the specific recommendations of the master plan and the priorities established by it. Thus, when looking at the base map for "The Greening of Downtown" (Tab 5), it is important to realize that new parks indicated on this map are *concepts* and

do not presume to be locations ultimately identified in the Parks Master Plan. The exception is Commerce Garden, which we strongly believe is a “given” in the Parks Master Plan process. The City should continue to pursue Commerce Garden while the Parks Master Plan is developed. The committee also observes that the financing for the Parks Master Plan is a 50/50 public/private partnership, which further affirms the intent of Downtown stakeholders to encourage and support City initiatives that have the greatest possible impact on economic growth inside the loop.

Transportation and Parking

As with the Parks Master Plan, the City has taken impressive steps to launch a comprehensive transportation study for Downtown. The Committee applauds this initiative and is convinced that a sophisticated, coordinated assessment of vehicular, rail and pedestrian systems inside the loop is not only timely but absolutely essential to the achievement of business plan objectives and the realization of any ambitious physical plan for Downtown. The committee’s base maps for transportation and parking, as with parks and open spaces, depict various ideas that have been advanced in anticipation of this study. We look forward to incorporating the transportation study’s findings into a final physical plan for Downtown.

While the committee has generally limited its focus to the area inside the freeway loop, we made an exception in recommending a Fair Park link that we believe is important on several levels. We strongly suggest that this link be included as a part of the Downtown Transportation Study.

The committee will continue to advocate various mechanisms for converting surface parking lots in Downtown to open space without diminishing total parking capacity Downtown, or the affordability of such parking. With a careful, coordinated approach in the public and private sectors -- and necessary investment by both -- we believe that the overall appearance and perception of Downtown can be dramatically improved. We recommend that studies be made to assess how a parking authority could match-fund private sector investments in above grade and subsurface parking capacity that would continue to be affordable for Downtown workers, residents and visitors.

At the same time, we strongly urge the Council to enforce and strengthen existing parking lot ordinances. This commitment includes improving the City’s own surface parking lots to comply with existing codes. The perception of Downtown will never meet our collective aspirations unless all surface parking lots are improved in a coordinated, comprehensive manner.

Strategies

Taking together all of the themes described above, the committee proposes that the City and the private sector adopt a single overall physical plan for Downtown. Our recommended initial version of a physical plan is shown under the “Strategies” section of this report.

A comprehensive, simple physical plan such as this can be updated and enhanced by the Parks Master Plan and the Downtown Transportation Study when these are completed. Such a plan is the critical beginning point for realizing a Downtown environment that increases the property tax base through public and private investment at the most rapid pace possible. The result will be higher property values and property tax revenues, as well as higher sales tax revenues and hotel/motel tax revenues. The Mayor asked our committee to develop a response to the question, "Show me the plan for Downtown Dallas." The "Strategies" base map is a first step toward a consensus response which can empower the public and private sectors to pursue an orderly, disciplined set of priorities that will result in a dynamic Downtown.

Once a physical plan is adopted, it is critical that investment priorities be addressed *in rank order* and that these priorities *not be modified* until either (1) an established priority is accomplished, or (2) a new priority is deemed to be of greater importance as a result of disciplined processes that engage all stakeholders on a timely basis -- with maximum cooperation and coordination between the public and private sectors. This "substitution rule" philosophy will serve Downtown, and all of Dallas, very well.

Conclusion

The Inside the Loop 2003 Committee is grateful for the opportunity to have advanced these recommendations and suggest an ambitious, revenue-based business plan and physical plan for Downtown. We look forward to continuing to advocate these concepts and provide detailed support for the approaches described in this second interim report. With your encouragement, we will continue working throughout 2003 toward a final report that meets your expectations.

A PHYSICAL PLAN FOR
DOWNTOWN DALLAS

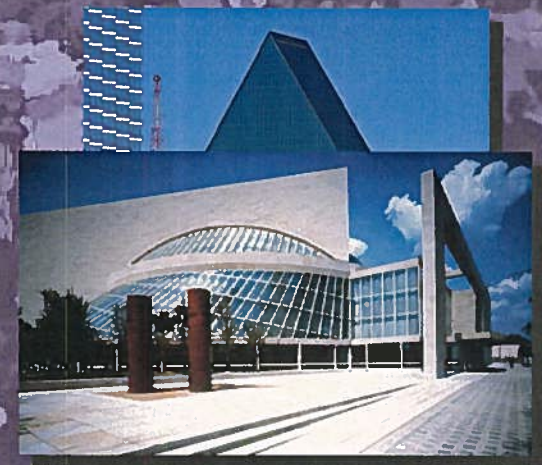
INSIDE THE LOOP 2003 COMMITTEE
INTERIM REPORT
DECEMBER 2, 2002

Version 12-02-02

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

CURRENT CONDITIONS

-  HISTORIC AND/OR CULTURAL RESOURCES, MAJOR INVESTMENTS
-  RESIDENTIAL BLDG'S
-  CITY-OWNED BLDG'S
-  OTHER GOVERNMENTAL BLDG'S

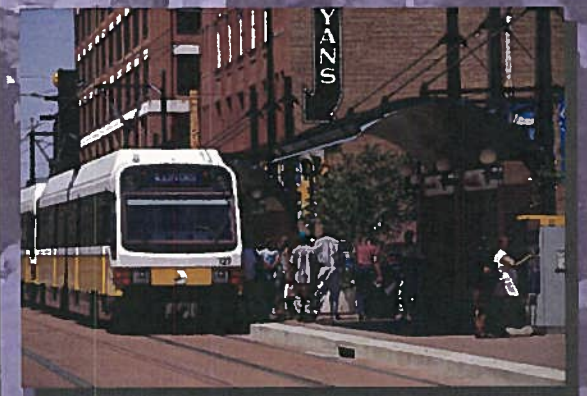
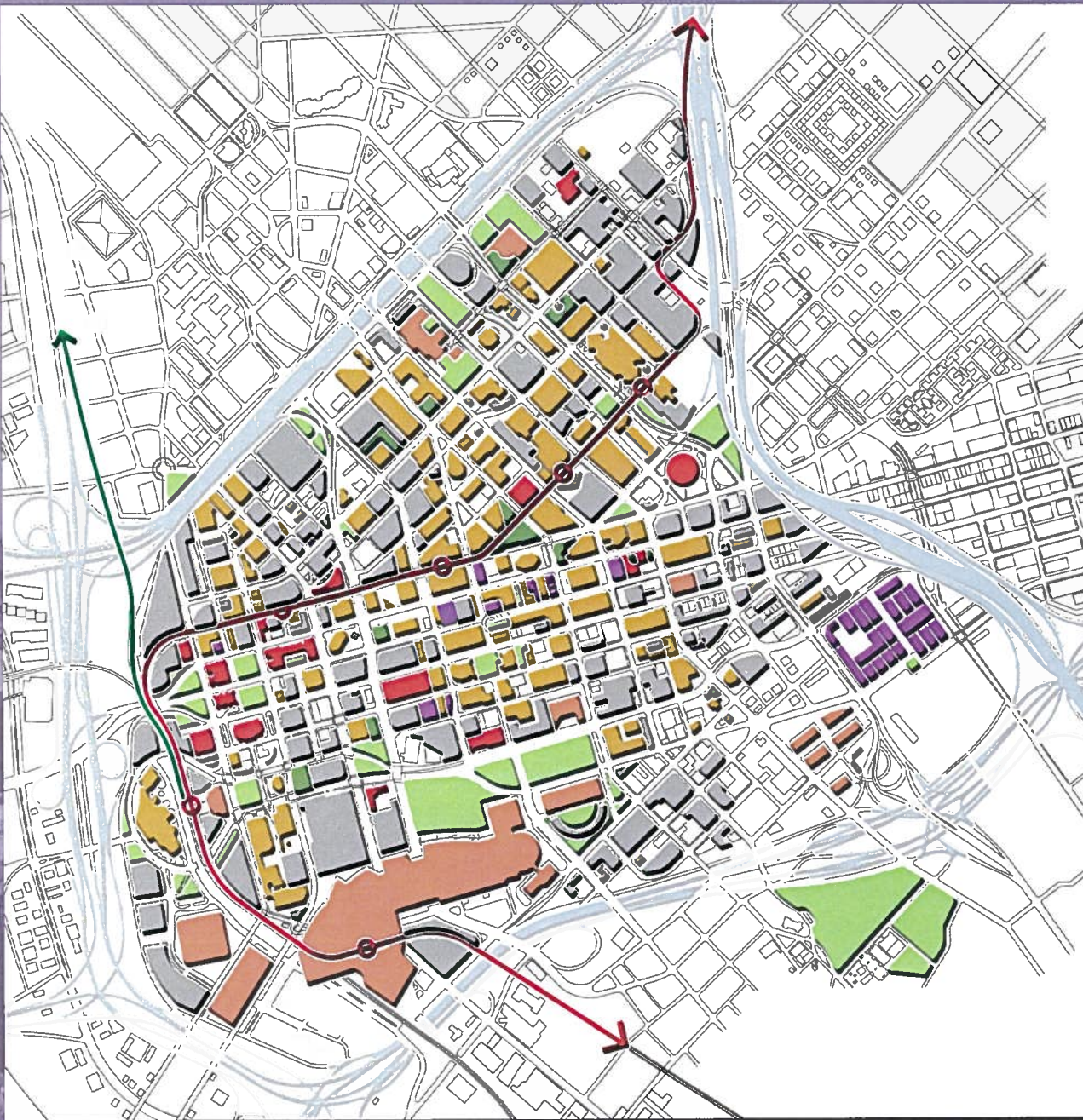


Version | 2-02-02

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

CURRENT CONDITIONS

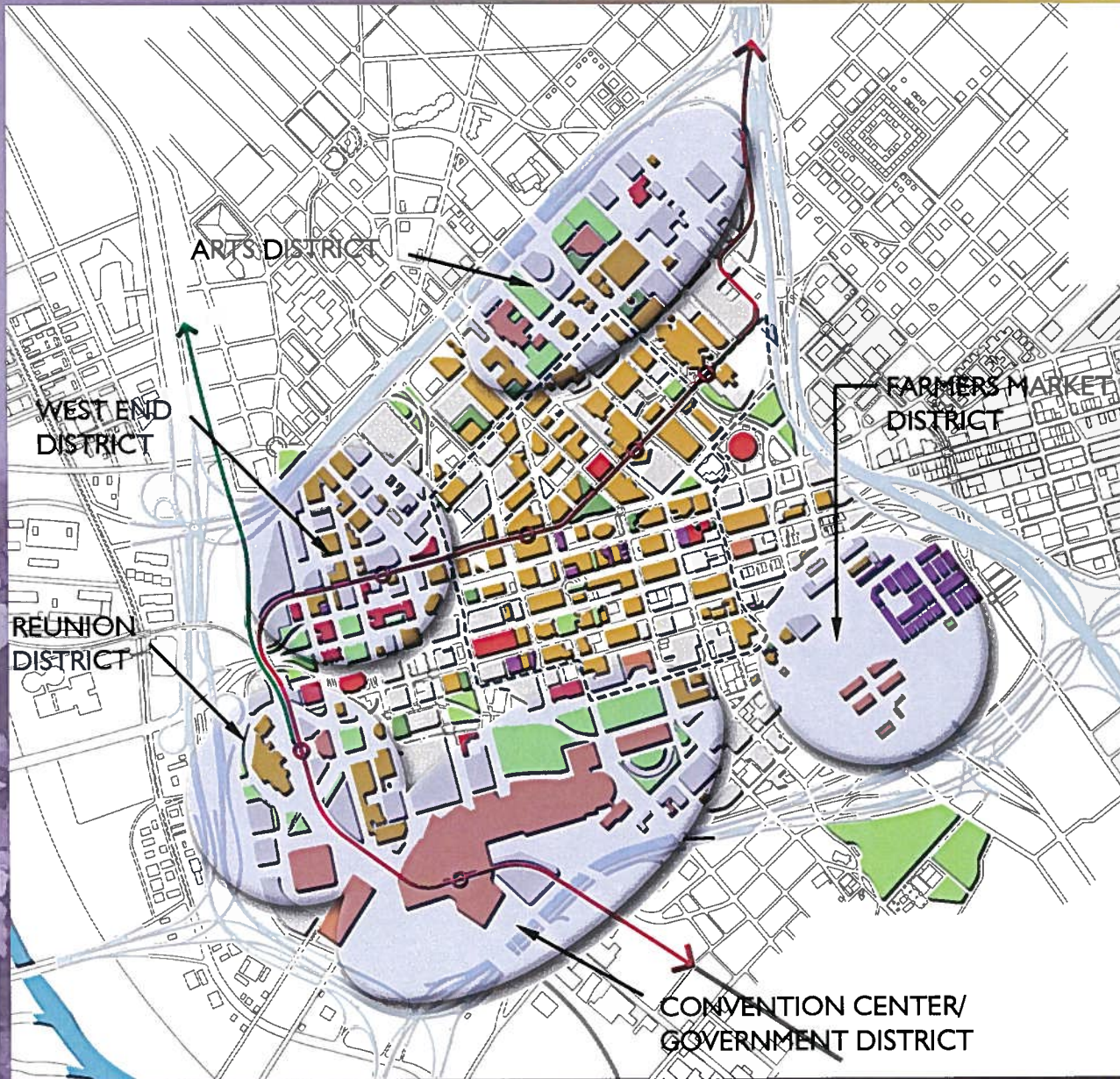
-  EXISTING PUBLIC PARKS OR OPEN SPACES
-  EXISTING PRIVATE PARKS OR OPEN SPACES
-  EXISTING DART LIGHT RAIL TRANSIT
-  EXISTING TRINITY RAILWAY EXPRESS
-  EXISTING SURFACE PARKING LOTS



Version | 2-02-02

A PHYSICAL PLAN FOR DOWNTOWN DALLAS CURRENT CONDITIONS

DOWNTOWN DISTRICTS



Version 12-02-02

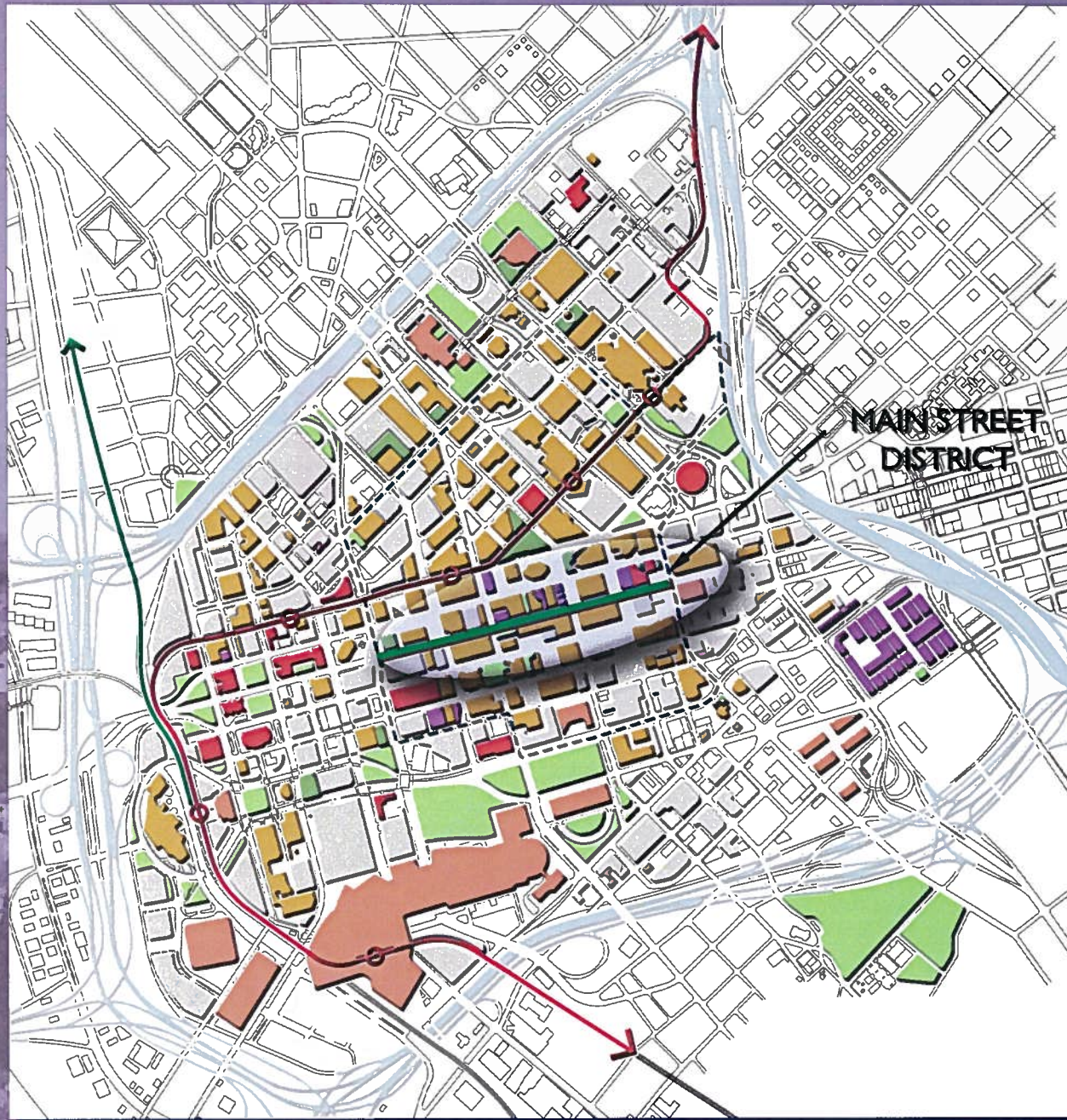
A PHYSICAL PLAN FOR
DOWNTOWN DALLAS
CURRENT CONDITIONS



**CITY CENTER
TIF DISTRICT**

A PHYSICAL PLAN FOR DOWNTOWN DALLAS CURRENT CONDITIONS

CITY CENTER/ MAIN STREET DISTRICT

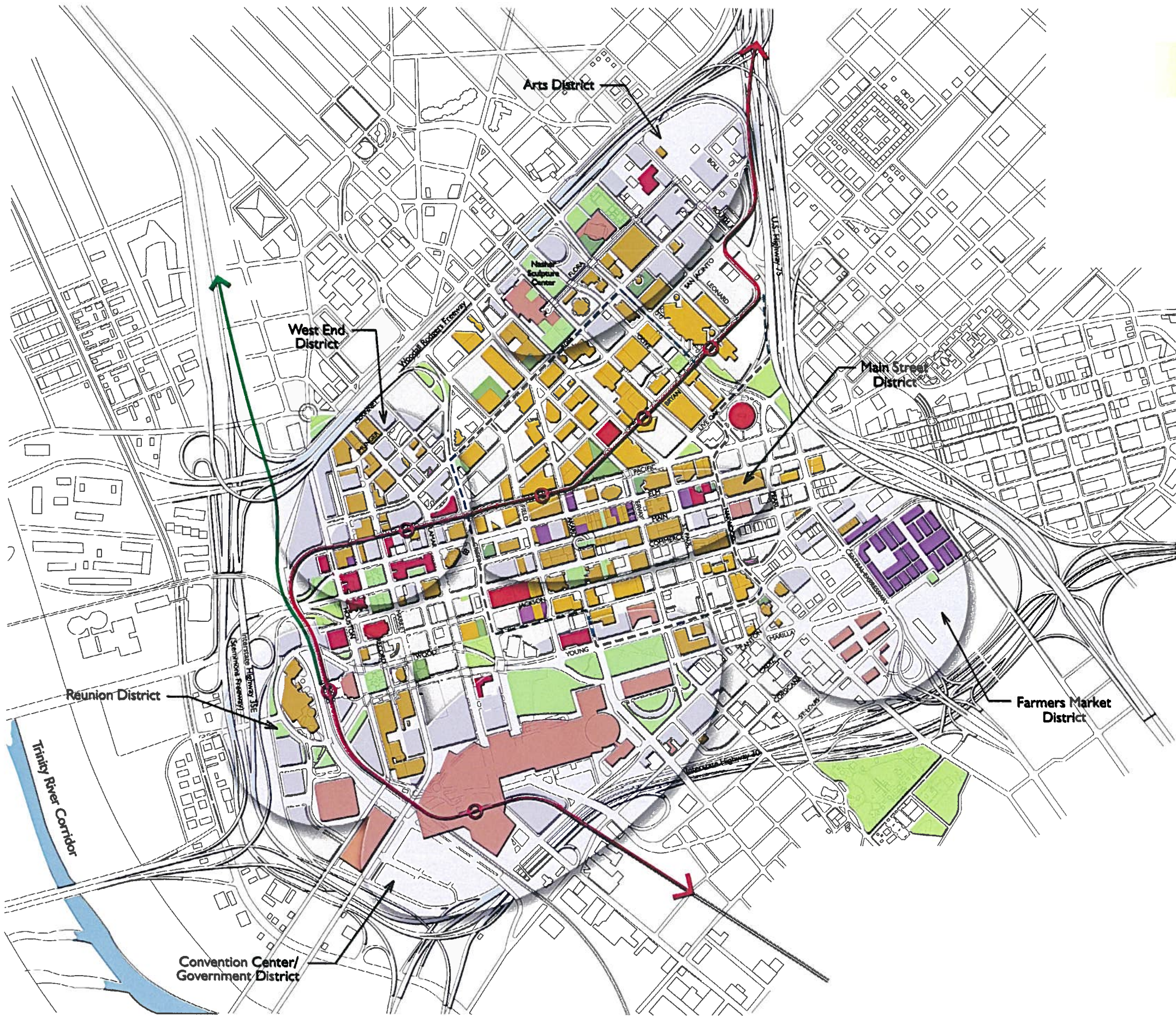


Version 12-02-02

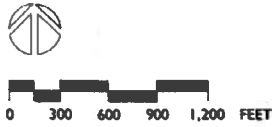
A PHYSICAL PLAN FOR DOWNTOWN DALLAS

CURRENT CONDITIONS

Version 12-02-02



- Historic and/or Cultural Resource, Major Investment
- Residential as Predominant Building Use
- Other Governmental Building
- City-Owned Facility
- Existing Public Park or Open Space
- Existing Private Park or Open Space
- Existing Surface Parking Lot
- Existing DART Light Rail Line
- Existing Trinity Railway Express
- City Center TIF District



A PHYSICAL PLAN FOR DOWNTOWN DALLAS

Version 12-2-02

LINKAGES PRIORITIES

Immediate Action Items

1. Complete pedestrian improvements for Harwood, St. Paul, Ervay, Akard and Field Streets from Young Street to Ross Avenue.
2. Improve pedestrian streetscapes on Market Street (from Wood to Elm Streets) and Routh Street (from Woodall Rodgers to Central Expressway).
3. Implement a way-finding signage system.
4. Upgrade street lighting to first class standards.

Long-Term Action Items

1. Complete the Boulevard System with improvements to Ross Avenue, Routh Street to Central Expressway and Young Street (from Ervay to Harwood Streets).
2. Create linkages between Downtown and its surrounding neighborhoods utilizing the Boulevard System.
3. Link Downtown to Fair Park via a boulevard using Canton Street right-of-way.
4. Rebuild "Central Boulevard" from Woodall Rodgers to Commerce Street, bringing it to grade and connecting with improvements already in place from Commerce Street through the Farmers Market. Realign Pearl Street to connect with Central Boulevard.
5. Link Downtown to the Trinity River Lake and Trinity Park via Reunion Boulevard.

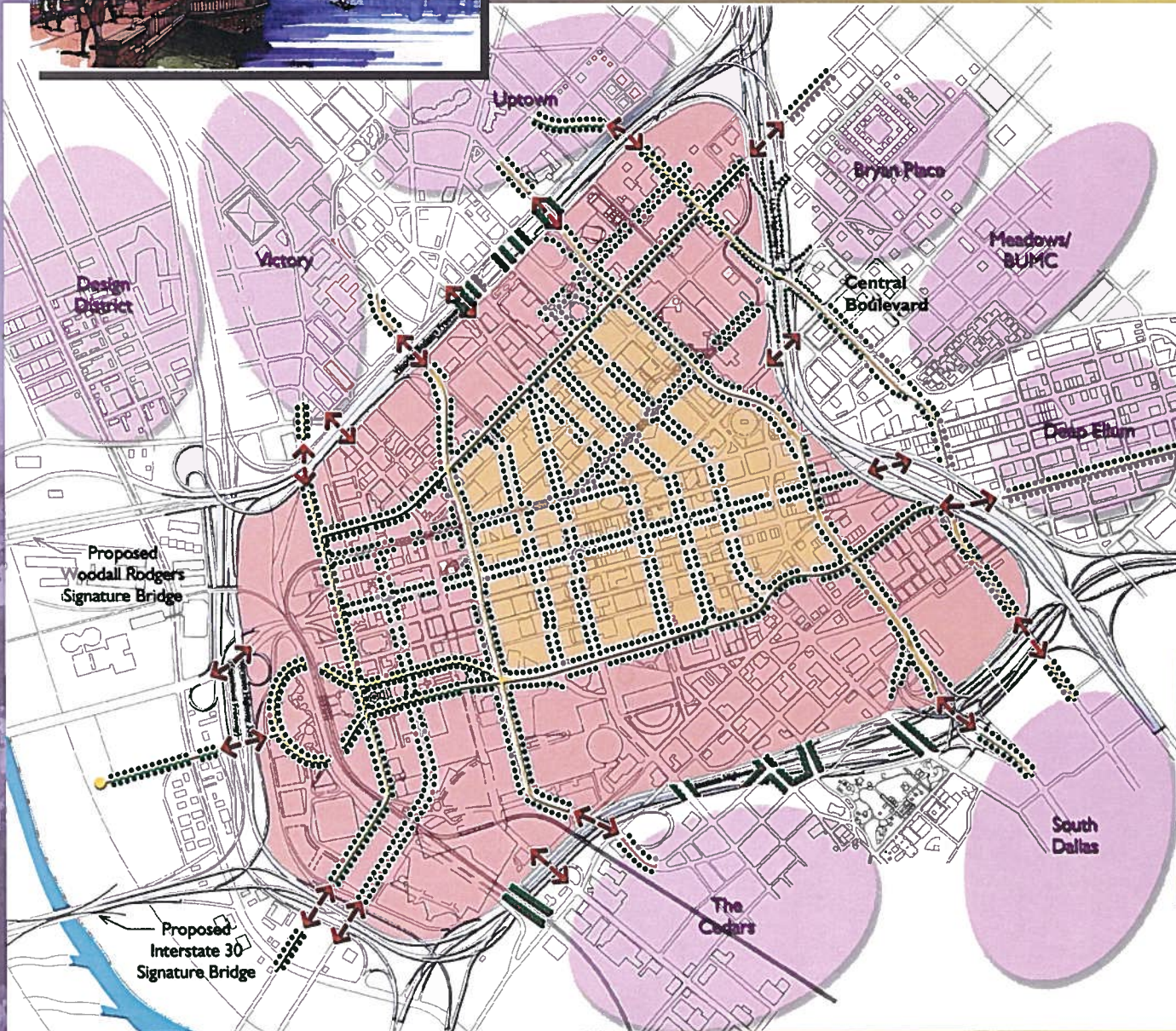
Special Projects

1. Make the addition of a hotel adjacent to the Convention Center a priority by concluding a deal with a convention hotel, emphasizing linkages to the rest of Downtown.
2. Ensure that funds included in the City Bond Package for a new Performing Arts Center are sufficient to provide attractive pedestrian and vehicular links to the center of Downtown.

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

LINKAGES

-  PRIMARY PEDESTRIAN FRIENDLY PRECINCT
-  SECONDARY PEDESTRIAN FRIENDLY PRECINCT
-  KEY LINKAGE
-  CORE BOULEVARD SYSTEM
-  ENHANCED FRWY DECK PARK
-  KEY PEDESTRIAN/VEHICULAR LINKAGE

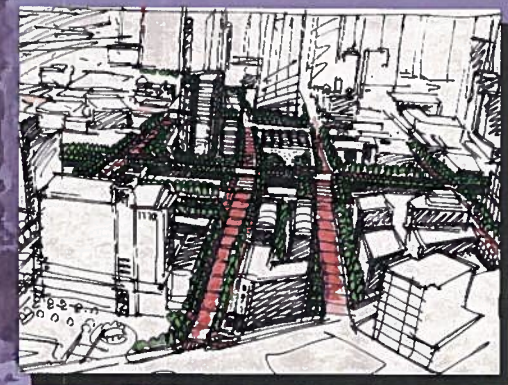
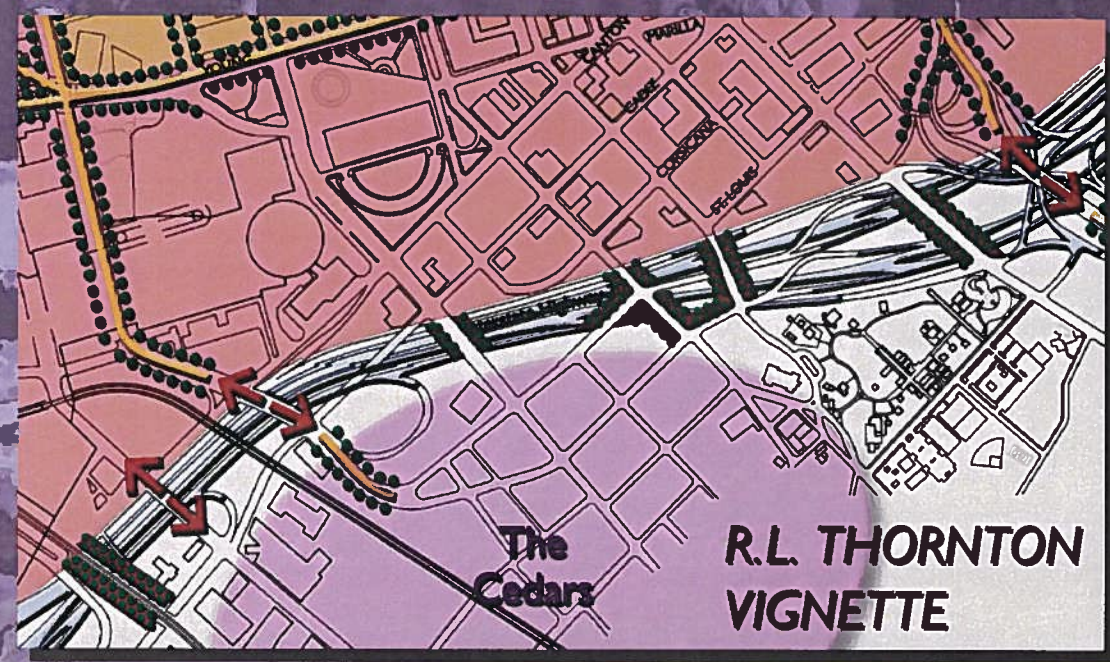
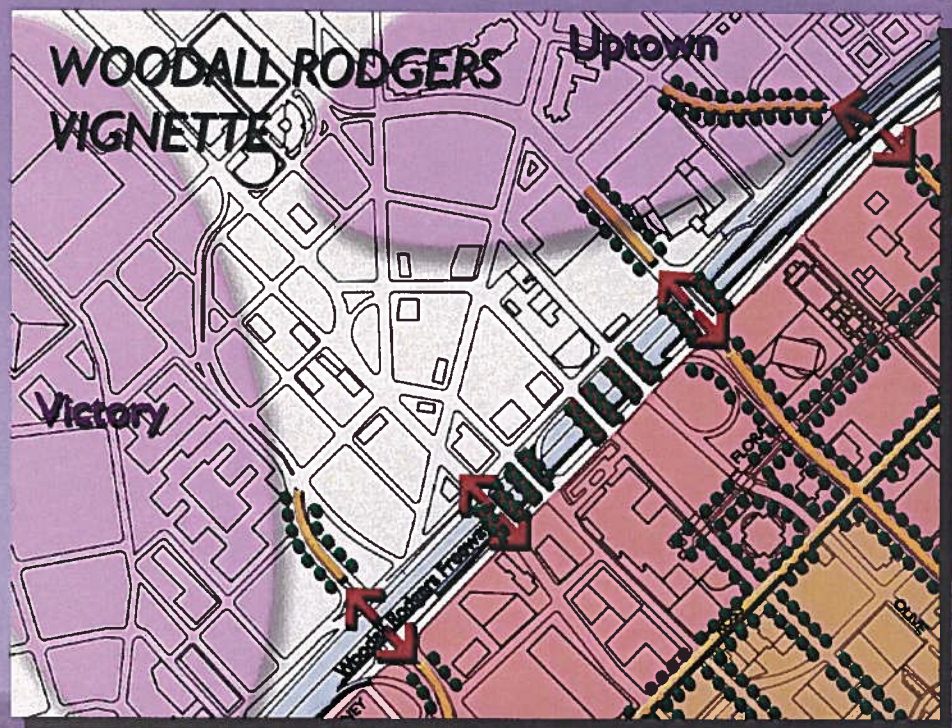


Version 12-02-02

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

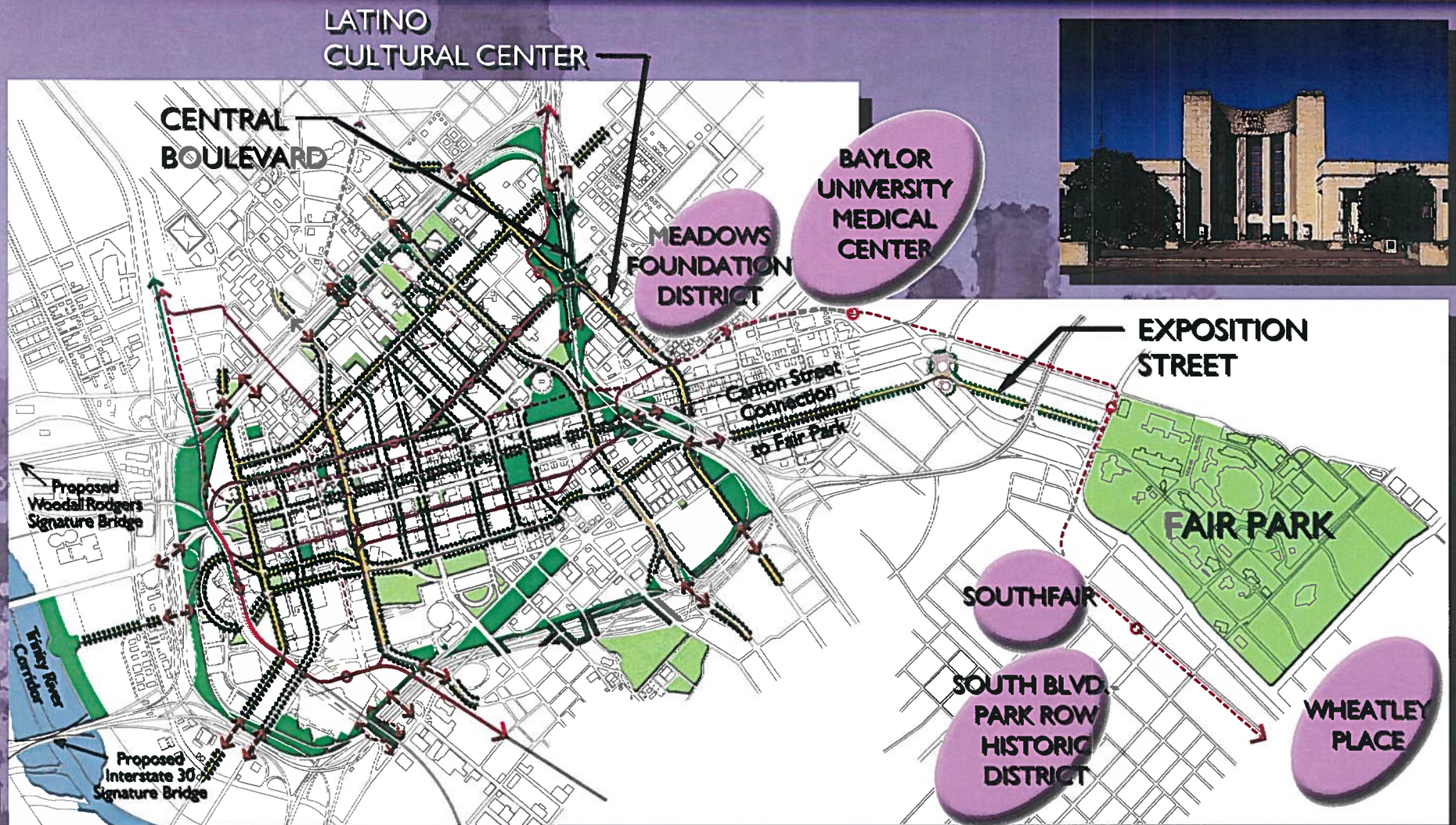
LINKAGES

 ENHANCED
FREEWAY
DECK PARKS



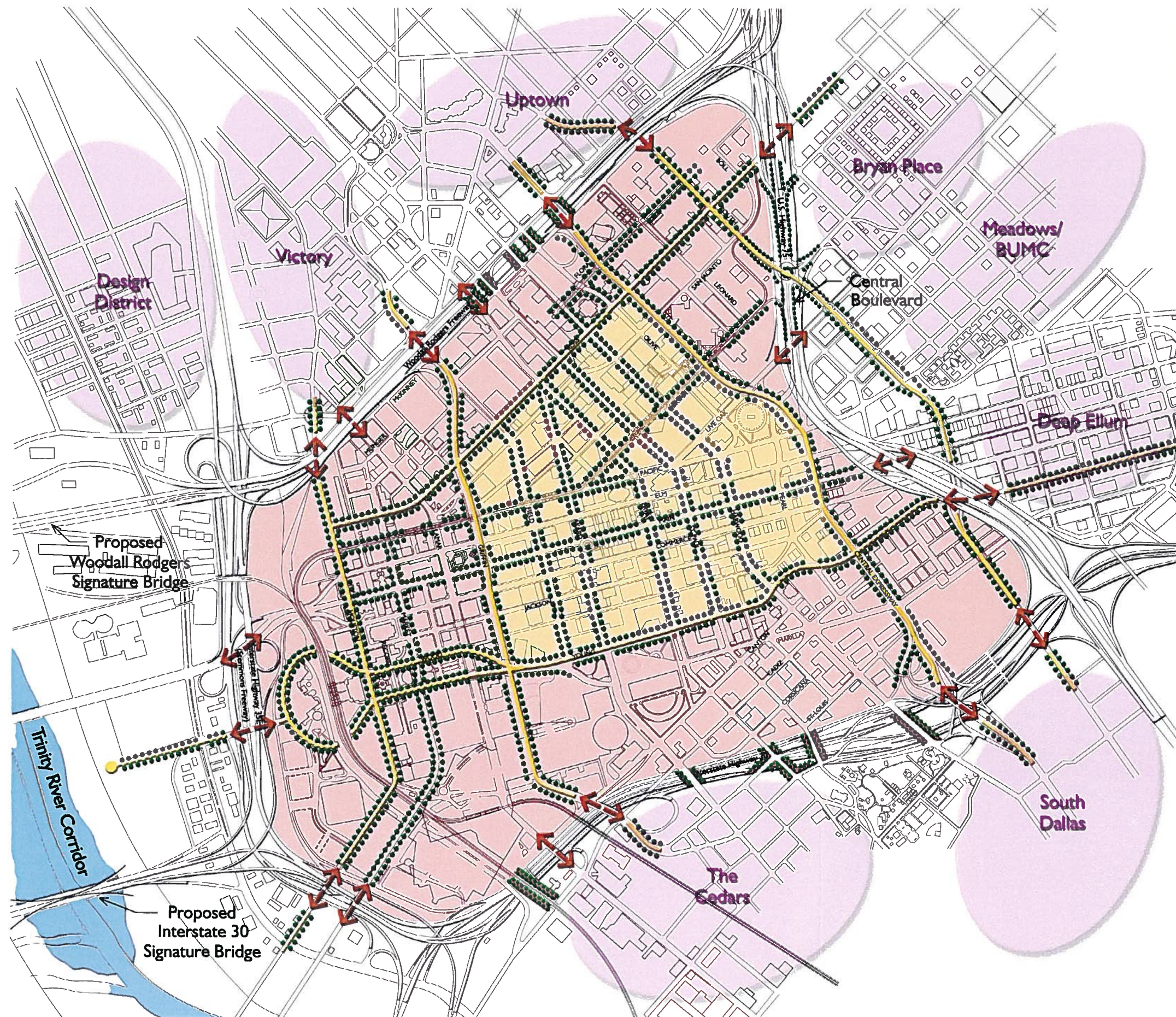
A PHYSICAL PLAN FOR DOWNTOWN DALLAS







LINKAGES

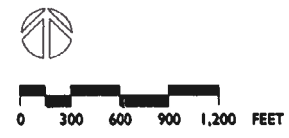


A PHYSICAL PLAN FOR DOWNTOWN DALLAS LINKAGES

Version 12-02-02



-  Primary "Pedestrian Friendly" Precinct
-  Secondary "Pedestrian Friendly" Precinct
-  Key Linkage
-  Core Boulevard System
-  Enhanced Freeway Deck Park
-  Key Pedestrian/Vehicular Linkage



A PHYSICAL PLAN FOR DOWNTOWN DALLAS

Version 12-2-02

THE GREENING OF DOWNTOWN

Immediate Action Items

1. Create "Commerce Garden" on Main Street between the Mercantile and the Municipal Building, in as large a form as is practical.
2. Undertake a Parks Master Plan for Downtown to quickly and dramatically expand parks and open space. The Master Plan should identify opportunity areas for new parks which enhance existing assets, promote new development and reduce blight.
3. Assemble key perimeter tracts and combine with enhanced surplus freeway right-of-way to create an "Emerald Bracelet" greenbelt encircling Downtown.
4. Complete West End Plaza with City Center TIF involvement.
5. Implement the County's "Old Red Courthouse Square."

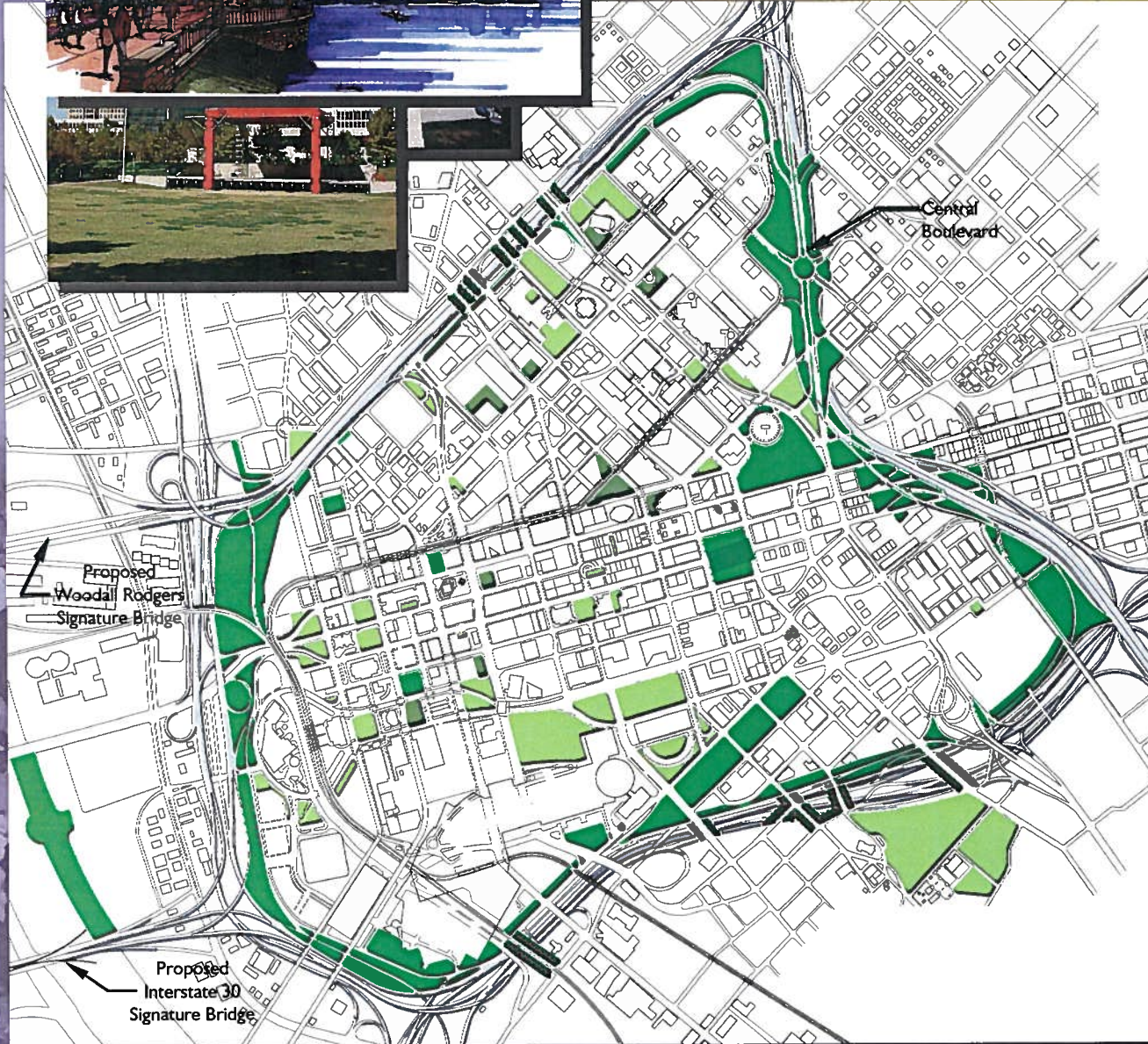
Long-Term Action Items

1. Study the feasibility of creating "deck parks" or pedestrian enhancement of bridges over Woodall Rodgers Freeway and the I-30 Canyon.
2. Work closely with the General Services Administration on the location of a new Federal Courthouse, enhanced by a large, landscaped "Federal Plaza" with underground parking.
3. Build the Reunion Overlook and Plaza on the Trinity Levee.

Special Projects

1. Reform surface parking regulations and vigorously enforce landscaping, fencing and lighting requirements.
2. Eliminate the City policy of charging a license fee for awnings overhanging the public right-of-way and for sidewalk cafes.
3. Reform City policy regarding street vendors.

A PHYSICAL PLAN FOR DOWNTOWN DALLAS GREENING OF DOWNTOWN

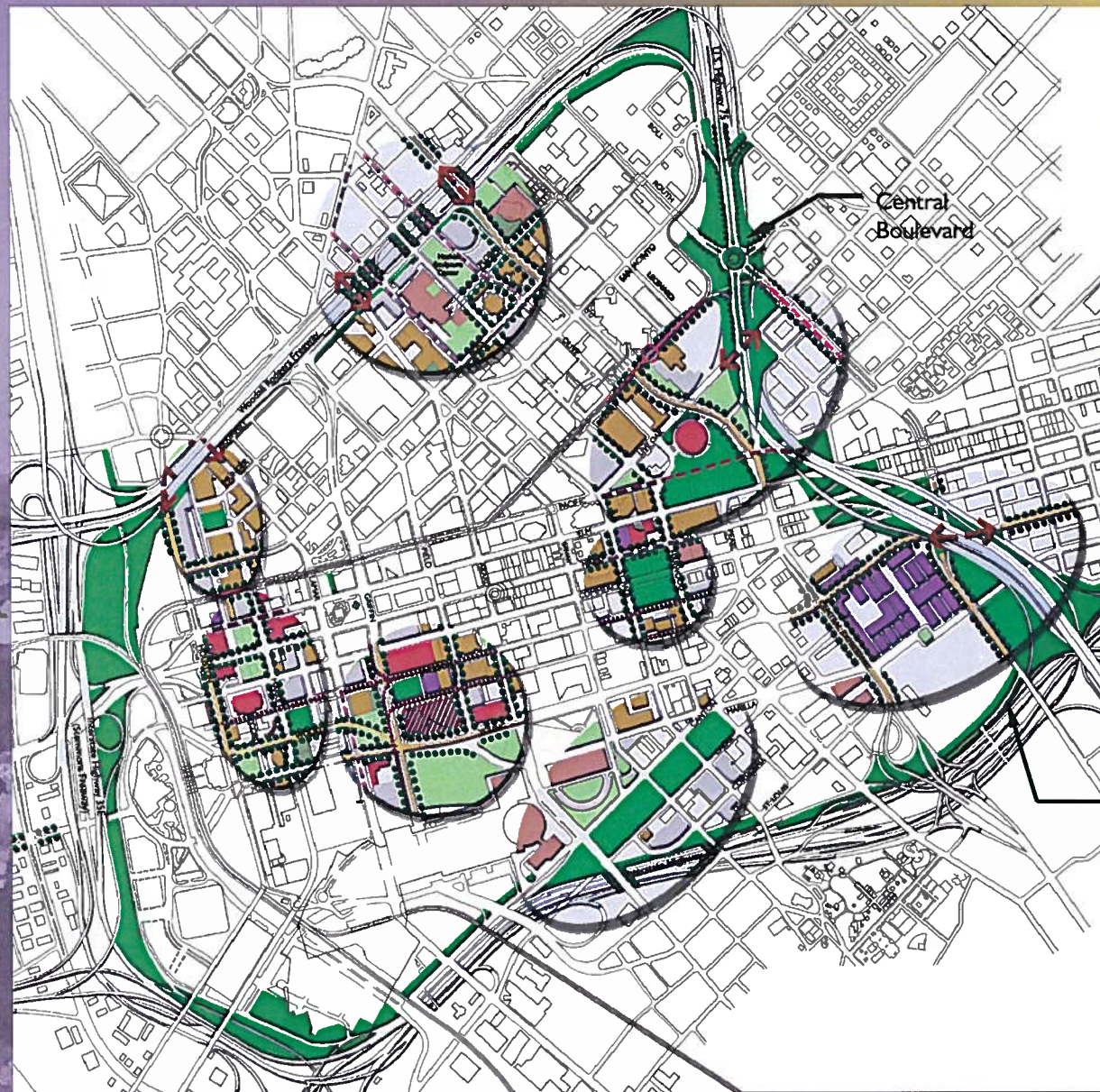


-  EXISTING PUBLIC PARK / OPEN SPACE
-  EXISTING PRIVATE PARK / OPEN SPACE
-  PARK "OPPORTUNITY" AREA
-  ENHANCED FREEWAY DECK PARKS



A PHYSICAL PLAN FOR DOWNTOWN DALLAS

GREENING OF DOWNTOWN



PARK
"OPPORTUNITY"
AREA

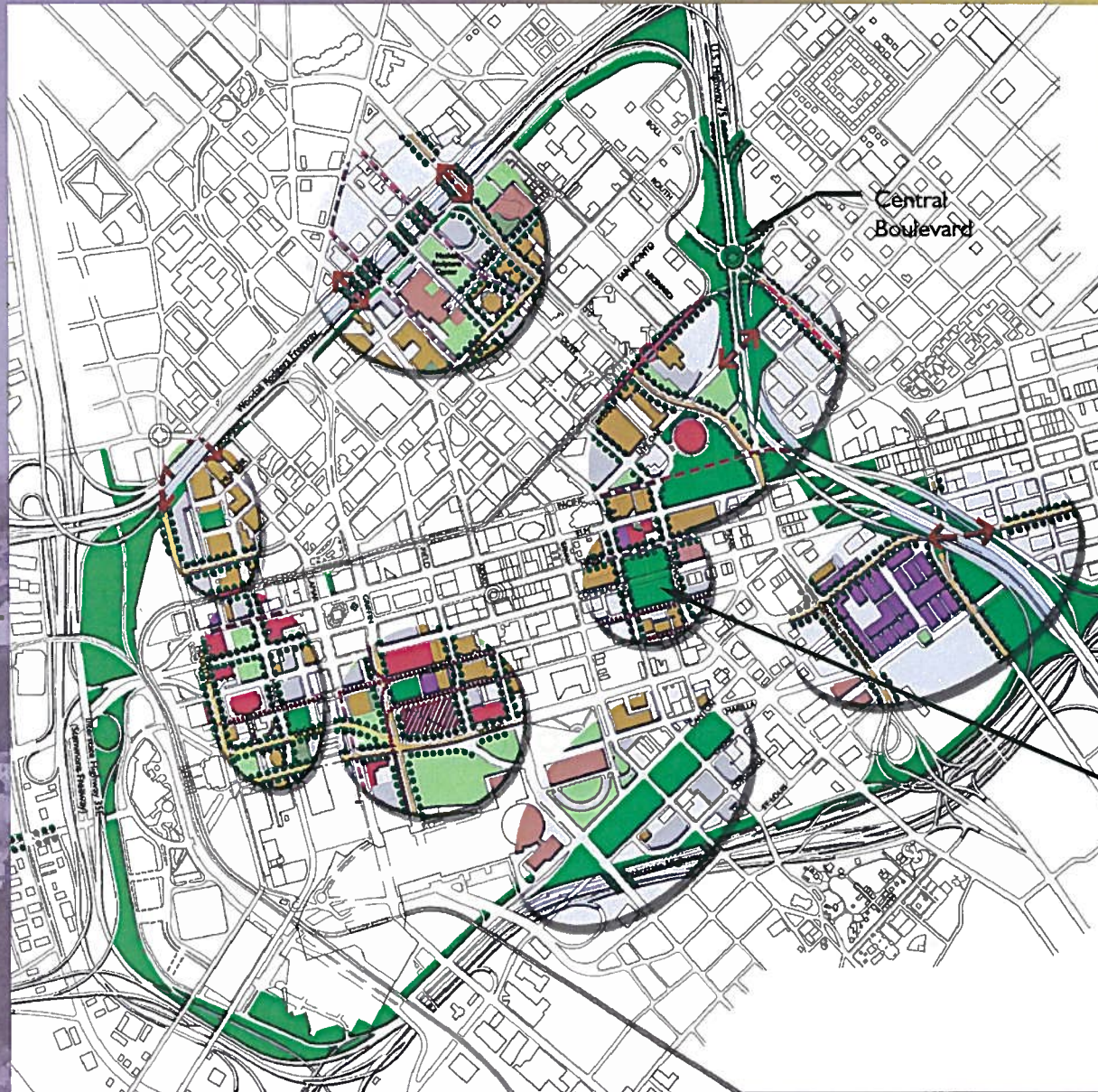
"Emerald Bracelet" 61.0 Ac. +/-

- Could offer a 5.1 mile jogging or cycling loop around Downtown
- Improves the imageability of Downtown as viewed by thousands of drivers each day
- Brings residents, office workers and conventioners in easy contact with green space
- Can be linked easily to adjacent neighborhoods and other components of a Downtown park
- Utilizes surplus right-of-way for a large percentage of the greenbelt area

Version 12-02-02

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

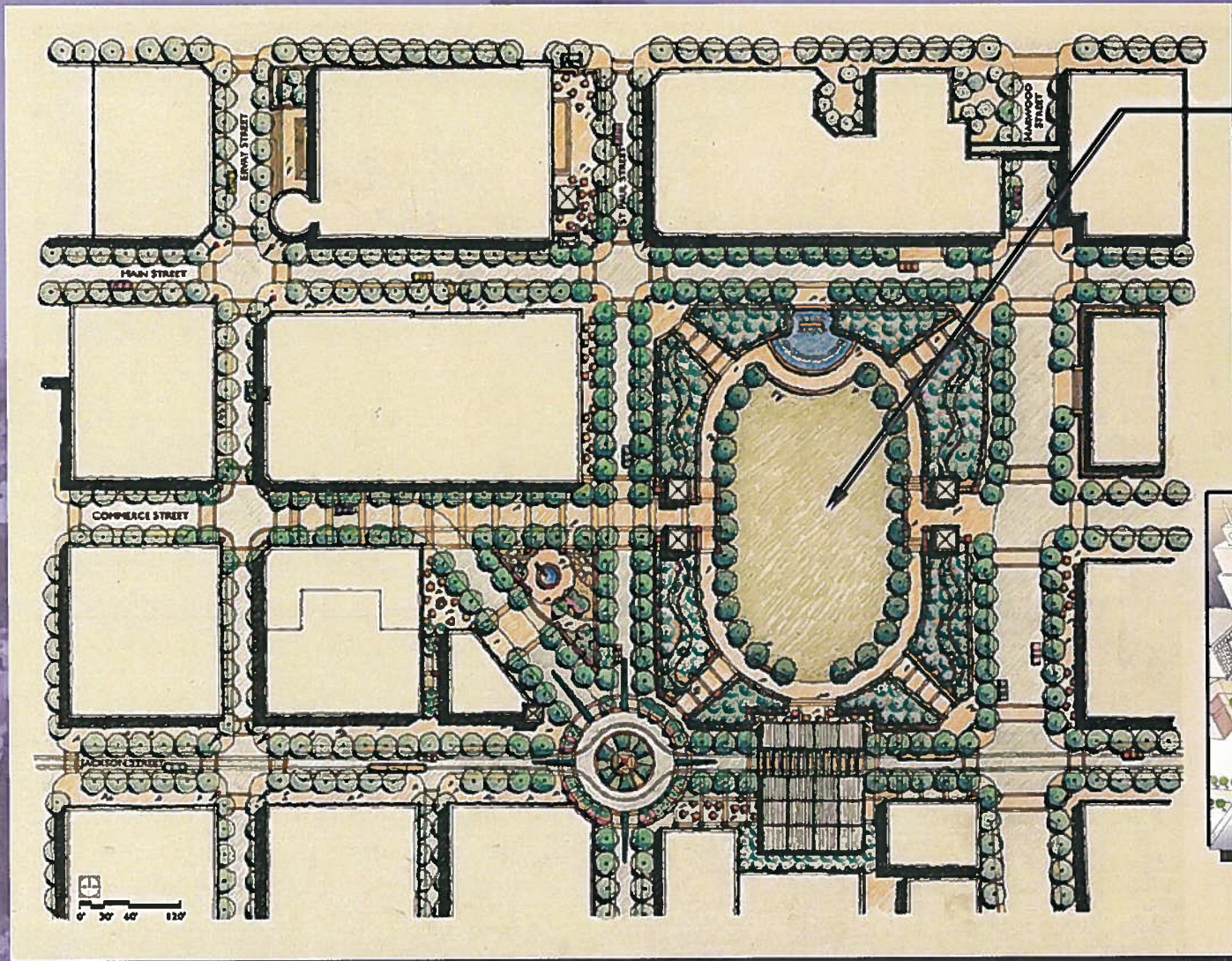
GREENING OF DOWNTOWN



PARK
"OPPORTUNITY"
AREA

- "Commerce Garden" 4.7 Ac. +/-**
- Adjacent to Main Street vitality
 - An ideal location for stimulating redevelopment and investment
 - Proximate to thousands of CBD office workers and residents
 - Proximate to the Dallas Education Center
 - Adjacent to possible DART LRT alignment

A PHYSICAL PLAN FOR DOWNTOWN DALLAS GREENING OF DOWNTOWN



COMMERCE
GARDEN

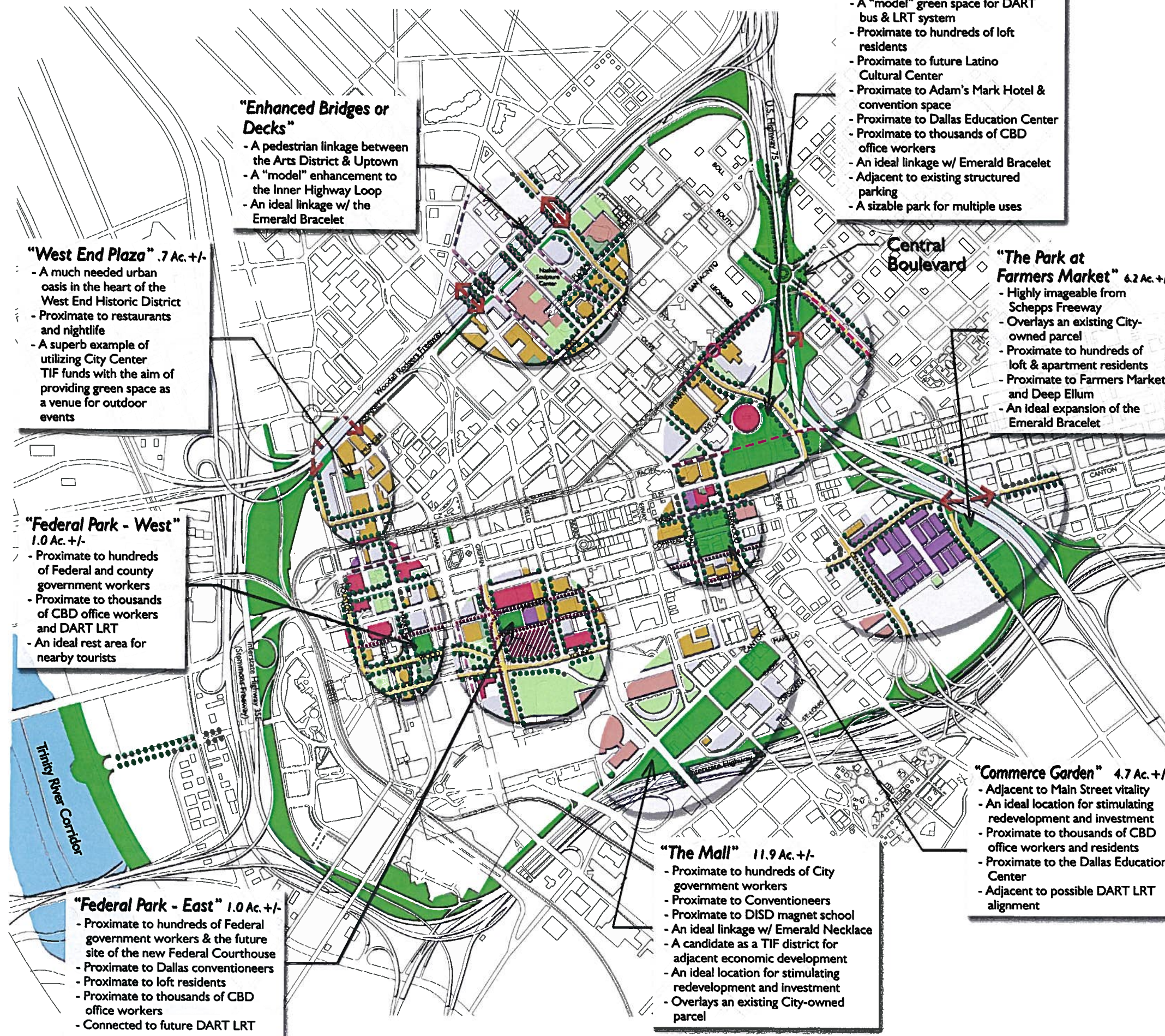


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A PHYSICAL PLAN FOR DOWNTOWN DALLAS

GREENING OF DOWNTOWN

Version 12-02-02



"East Transfer Park" 12.7 Ac. +/-

- A "model" green space for DART bus & LRT system
- Proximate to hundreds of loft residents
- Proximate to future Latino Cultural Center
- Proximate to Adam's Mark Hotel & convention space
- Proximate to Dallas Education Center
- Proximate to thousands of CBD office workers
- An ideal linkage w/ Emerald Bracelet
- Adjacent to existing structured parking
- A sizable park for multiple uses

"Enhanced Bridges or Decks"

- A pedestrian linkage between the Arts District & Uptown
- A "model" enhancement to the Inner Highway Loop
- An ideal linkage w/ the Emerald Bracelet

"West End Plaza" .7 Ac. +/-

- A much needed urban oasis in the heart of the West End Historic District
- Proximate to restaurants and nightlife
- A superb example of utilizing City Center TIF funds with the aim of providing green space as a venue for outdoor events

"Federal Park - West" 1.0 Ac. +/-

- Proximate to hundreds of Federal and county government workers
- Proximate to thousands of CBD office workers and DART LRT
- An ideal rest area for nearby tourists

"Federal Park - East" 1.0 Ac. +/-

- Proximate to hundreds of Federal government workers & the future site of the new Federal Courthouse
- Proximate to Dallas conventioners
- Proximate to loft residents
- Proximate to thousands of CBD office workers
- Connected to future DART LRT

"The Mall" 11.9 Ac. +/-

- Proximate to hundreds of City government workers
- Proximate to Conventioners
- Proximate to DISD magnet school
- An ideal linkage w/ Emerald Necklace
- A candidate as a TIF district for adjacent economic development
- An ideal location for stimulating redevelopment and investment
- Overlays an existing City-owned parcel

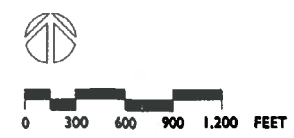
"Commerce Garden" 4.7 Ac. +/-

- Adjacent to Main Street vitality
- An ideal location for stimulating redevelopment and investment
- Proximate to thousands of CBD office workers and residents
- Proximate to the Dallas Education Center
- Adjacent to possible DART LRT alignment

"The Park at Farmers Market" 6.2 Ac. +/-

- Highly imageable from Schepps Freeway
- Overlays an existing City-owned parcel
- Proximate to hundreds of loft & apartment residents
- Proximate to Farmers Market and Deep Ellum
- An ideal expansion of the Emerald Bracelet

- Historic and/or Cultural Resource, Major Investment
- Residential as Predominant Building Use
- Park "Opportunity" Area
- Existing Public Park or Open Space
- Existing Private Park or Open Space
- Existing Surface Parking Lot
- Other Existing/Future Governmental Building
- City-Owned Facility
- Key Linkage
- Core Boulevard System
- Existing DART Light Rail Line
- Future DART Light Rail Line
- Possible DART Light Rail Line (Surface Level)
- Possible DART Light Rail Line (Subway)
- Fixed Guideway "Circulator"
- Enhanced Freeway Deck Park
- Key Pedestrian/Vehicular Linkage



"Emerald Bracelet" 61.0 Ac. +/-

- Could offer a 5.1 mile jogging or cycling loop around Downtown
- Improves the imageability of Downtown as viewed by thousands of drivers each day
- Brings residents, office workers and conventioners in easy contact with green space
- Can be linked easily to adjacent neighborhoods and other components of a Downtown park
- Utilizes surplus right-of-way for a large percentage of the greenbelt area

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

Version 12-2-02

TRANSPORTATION & PARKING

Immediate Action Items

1. Decide soon on the second DART rail alignment through Downtown; reserve the best options for DART rail corridors (surface or subway) to ensure those options remain open.
2. Complete the Boulevard System with improvements to Ross Avenue, Routh Street to Central Expressway and Young Street (from Ervay to Harwood Streets).
3. Undertake a Thoroughfare Plan for Downtown to include traffic-calming practices within the Primary Pedestrian Zone; eliminating one lane of traffic off Elm and Commerce Streets from Field to Harwood Streets to allow wider sidewalks; and studying two-way traffic operations throughout Downtown.
4. Re-engineer bus operations downtown and remove buses entirely from Main Street. Consider making Downtown a Free Fare Zone on DART.

Long-Term Action Items

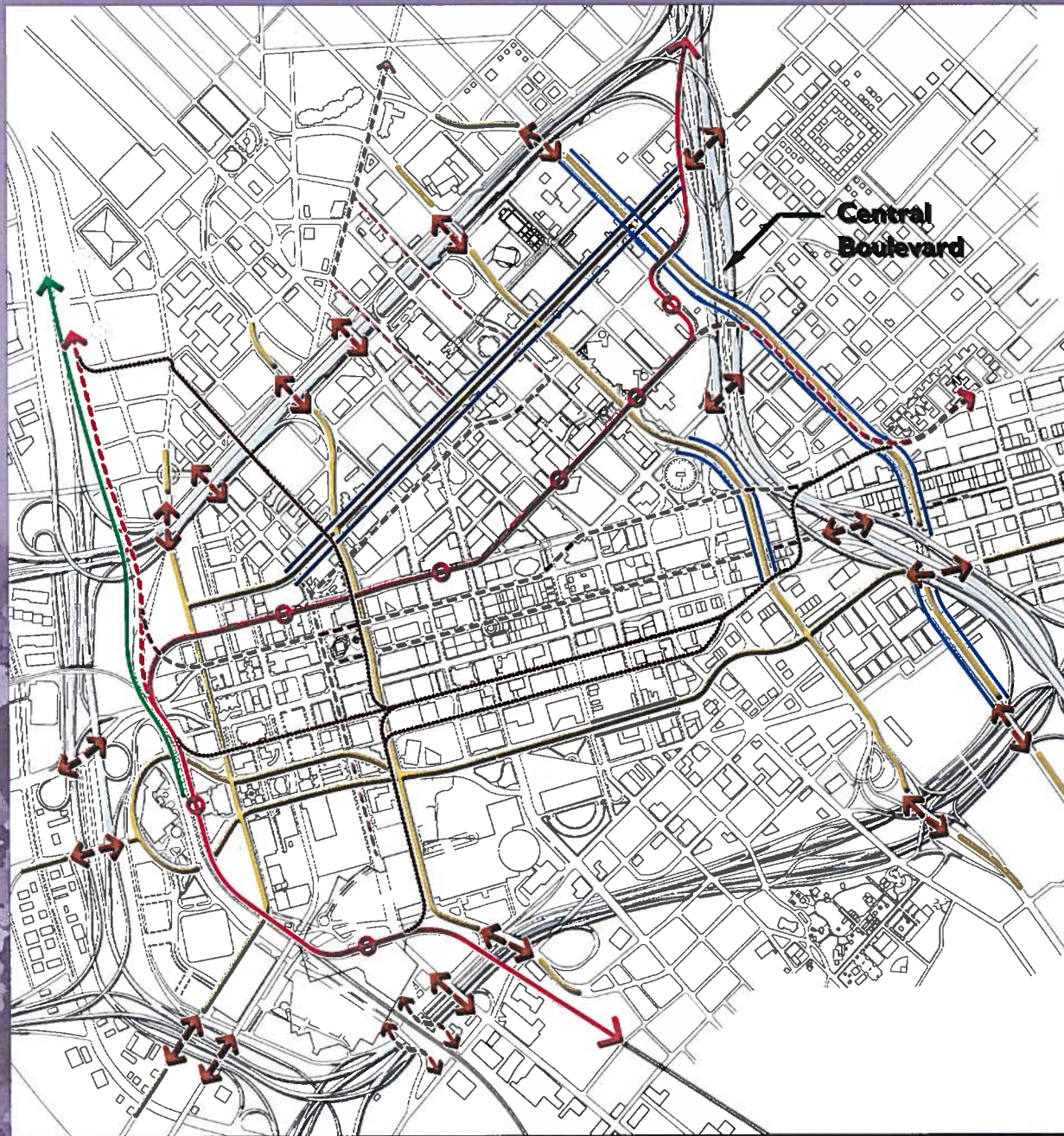
1. Extend the McKinney Avenue Trolley to the West End and study connections to the Convention Center and along Main Street to Deep Ellum.
2. Construct three TIF-financed public parking structures to support retail revitalization of the core.
3. Devise a strategy to replace surface parking lots located in the perimeter zone with public parking structures and open space.

Special Projects

1. Require a Special Use Permit to allow new surface parking Downtown.
2. Require a new building permit as a prerequisite for a demolition permit.

A PHYSICAL PLAN FOR DOWNTOWN DALLAS




TRANSPORTATION & PARKING

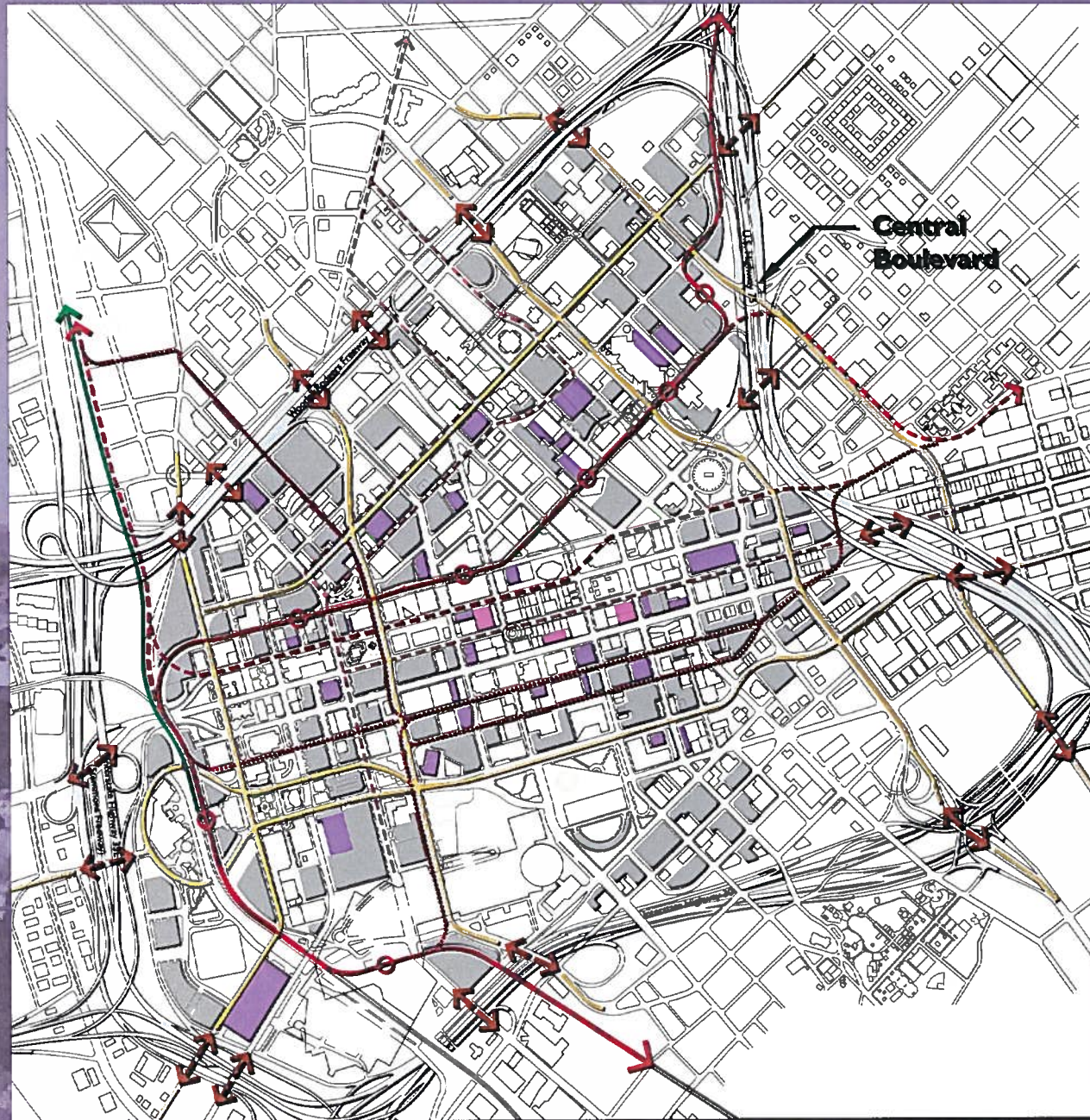


-  EXISTING DART LRT
-  FUTURE DART LRT
-  EXISTING TRINITY RAILWAY EXPRESS
-  POSSIBLE DART LRT (SURFACE LEVEL)
-  POSSIBLE DART LRT (SUBWAY)
-  FIXED GUIDEWAY "CIRCULATOR"
-  CORE BOULEVARD SYSTEM
-  KEY LINKAGES
-  CORE SEGMENTS TO BE COMPLETED

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

TRANSPORTATION & PARKING



-  PROPOSED TIF PUBLIC PARKING STRUCTURE
-  EXISTING ABOVE-GRADE PARKING STRUCTURE
-  EXISTING SURFACE PARKING LOT



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A PHYSICAL PLAN FOR DOWNTOWN DALLAS

TRANSPORTATION & PARKING

-  PROPOSED TIF PUBLIC PARKING STRUCTURE
-  EXISTING ABOVE-GRADE PARKING STRUCTURE



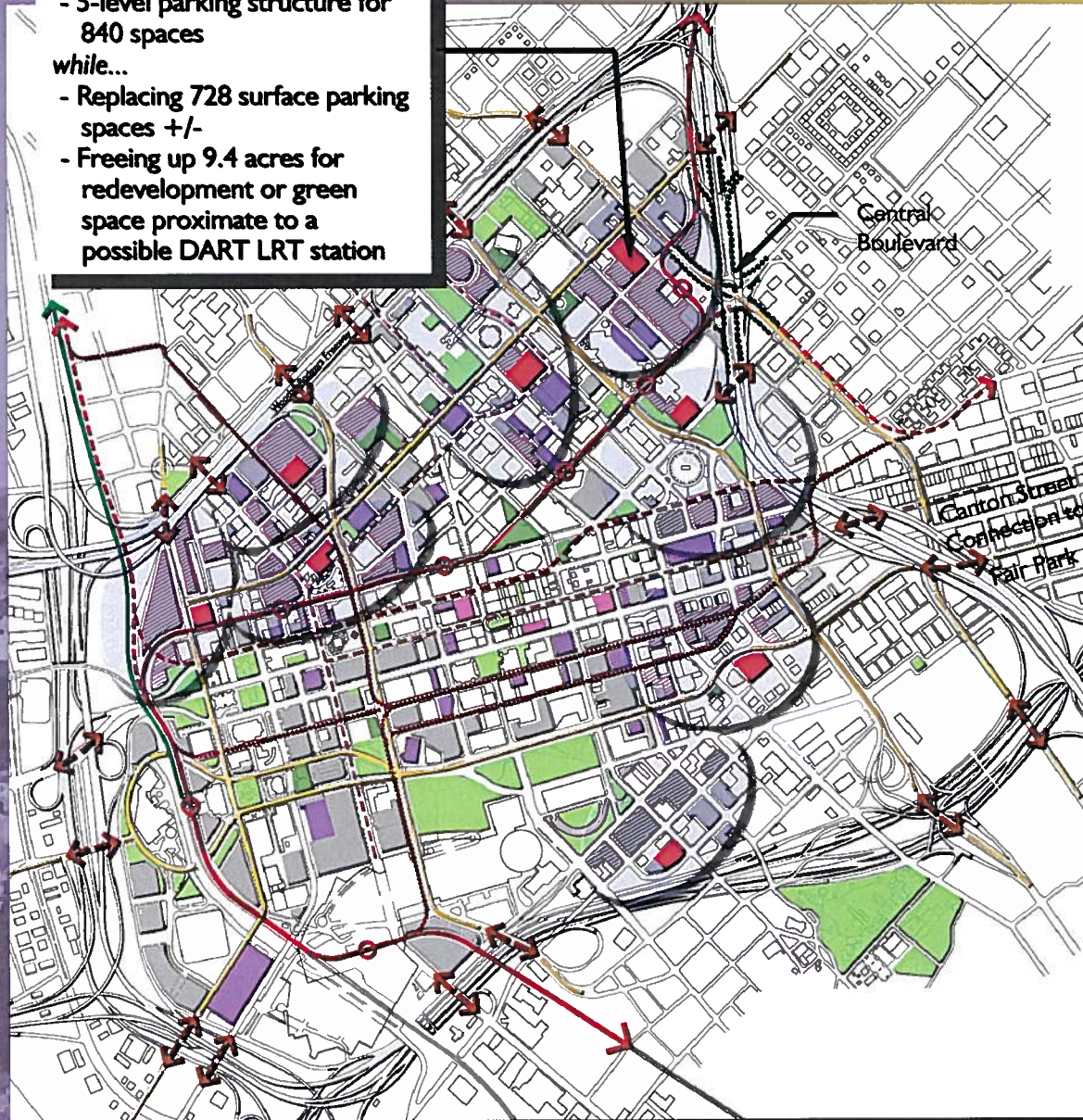
Version 12-02-02

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

TRANSPORTATION & PARKING

Arts District - East Parking Structure

- would incorporate a...
- 5-level parking structure for 840 spaces
- while...
- Replacing 728 surface parking spaces +/-
 - Freeing up 9.4 acres for redevelopment or green space proximate to a possible DART LRT station

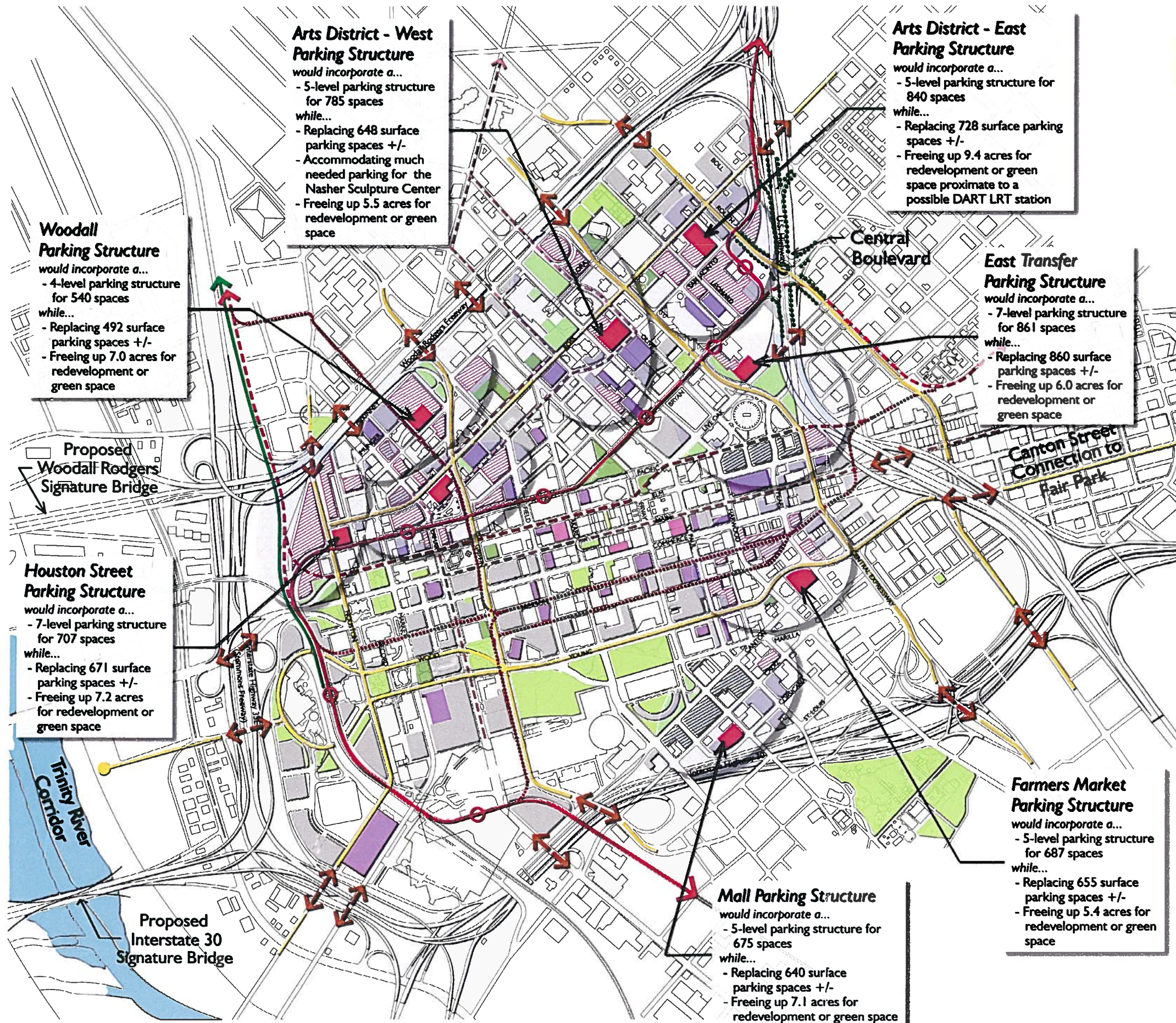


-  PROPOSED PARKING STRUCTURE
-  PROPOSED TIF PUBLIC PARKING STRUCTURE
-  EXISTING ABOVE-GRADE PARKING STRUCTURE
-  REPLACED SURFACE PARKING TO BE USED FOR EITHER ECONOMIC REDEVELOPMENT OR GREEN SPACE
-  EXISTING SURFACE PARKING LOT

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

TRANSPORTATION & PARKING

Version 12-02-02



Arts District - West Parking Structure
 would incorporate a...
 - 5-level parking structure for 785 spaces
 while...
 - Replacing 648 surface parking spaces +/-
 - Accommodating much needed parking for the Nasher Sculpture Center
 - Freeing up 5.5 acres for redevelopment or green space

Arts District - East Parking Structure
 would incorporate a...
 - 5-level parking structure for 840 spaces
 while...
 - Replacing 728 surface parking spaces +/-
 - Freeing up 9.4 acres for redevelopment or green space proximate to a possible DART LRT station

Woodall Parking Structure
 would incorporate a...
 - 4-level parking structure for 540 spaces
 while...
 - Replacing 492 surface parking spaces +/-
 - Freeing up 7.0 acres for redevelopment or green space

East Transfer Parking Structure
 would incorporate a...
 - 7-level parking structure for 861 spaces
 while...
 - Replacing 860 surface parking spaces +/-
 - Freeing up 6.0 acres for redevelopment or green space

Proposed Woodall Rodgers Signature Bridge

Houston Street Parking Structure
 would incorporate a...
 - 7-level parking structure for 707 spaces
 while...
 - Replacing 671 surface parking spaces +/-
 - Freeing up 7.2 acres for redevelopment or green space

Farmers Market Parking Structure
 would incorporate a...
 - 5-level parking structure for 687 spaces
 while...
 - Replacing 655 surface parking spaces +/-
 - Freeing up 5.4 acres for redevelopment or green space

Mall Parking Structure
 would incorporate a...
 - 5-level parking structure for 675 spaces
 while...
 - Replacing 640 surface parking spaces +/-
 - Freeing up 7.1 acres for redevelopment or green space

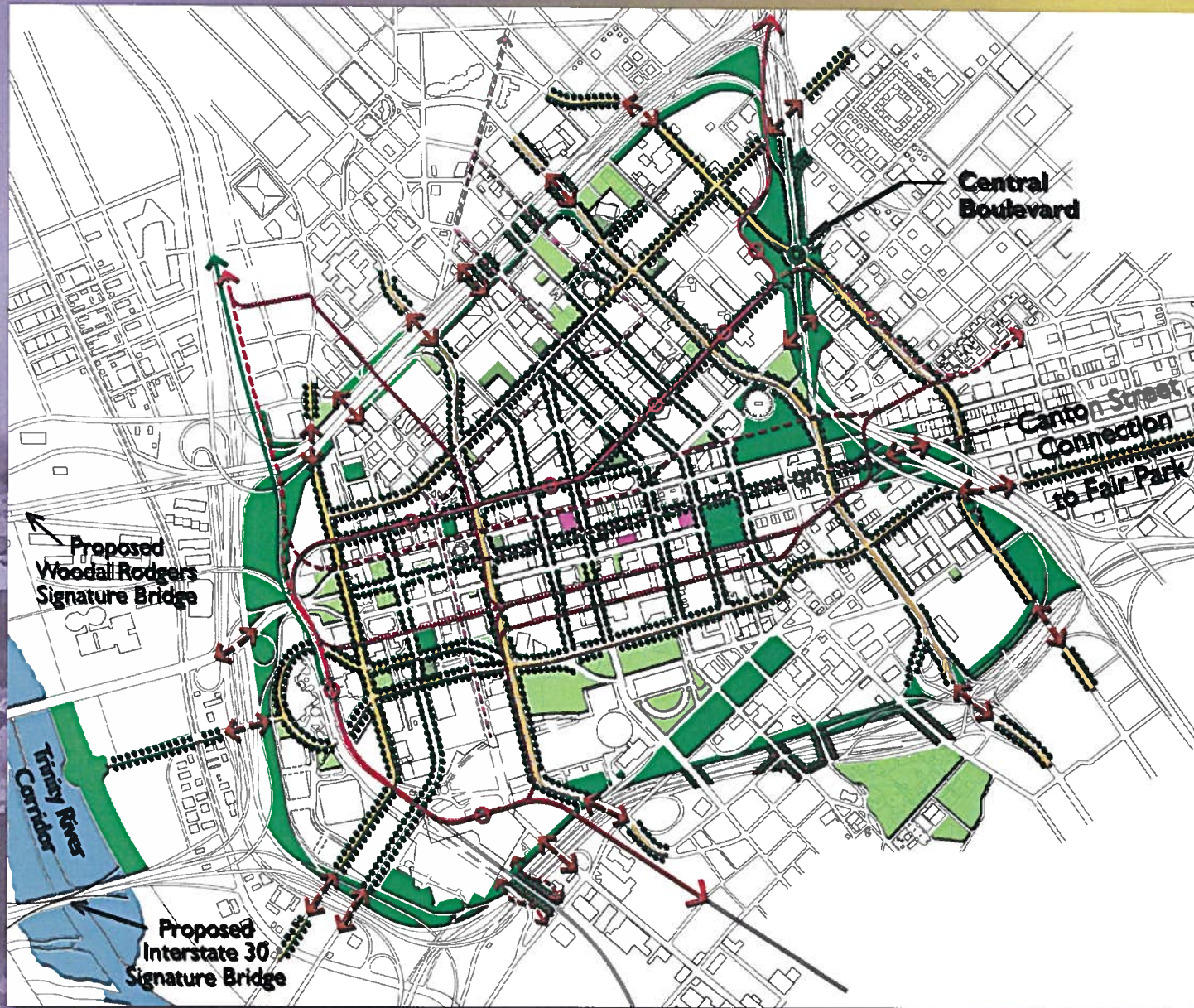
- Proposed Parking Structure
- Proposed TIF Public Parking Structure
- Existing Above-Grade Parking Structure
- Replaced Surface Parking to be used for either Economic Redevelopment or as Green Space
- Existing Public Park or Open Space
- Existing Private Park or Open Space
- Existing Surface Parking Lot
- Core Boulevard System
- Existing DART Light Rail Line
- Future DART Light Rail Line
- Possible DART Light Rail Line (Surface Level)
- Possible DART Light Rail Line (Subway)
- Fixed Guideway "Circulator"
- Existing Trinity Railway Express
- Key Pedestrian/Vehicular Linkage



A PHYSICAL PLAN FOR DOWNTOWN DALLAS

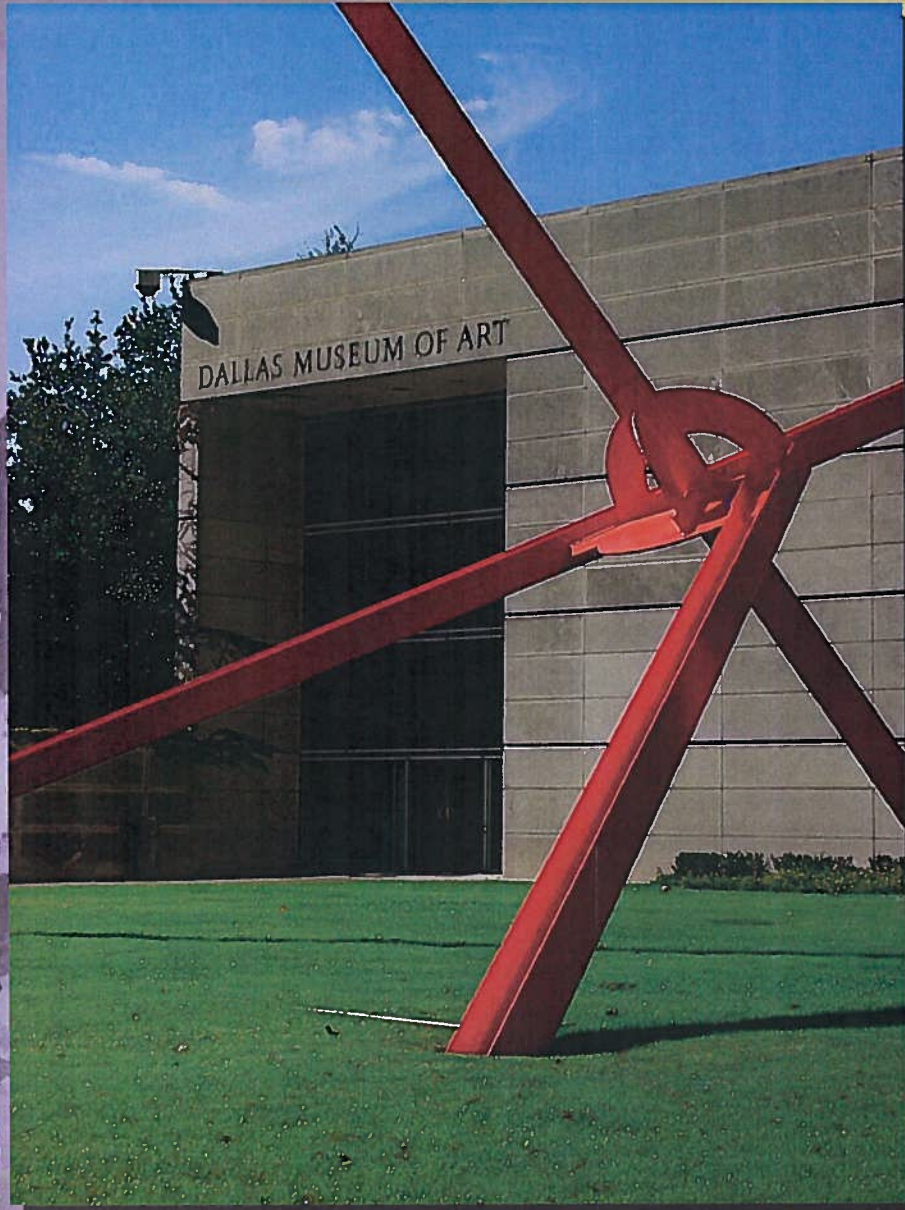
STRATEGIES

COMPOSITE PLAN FOR ACTION



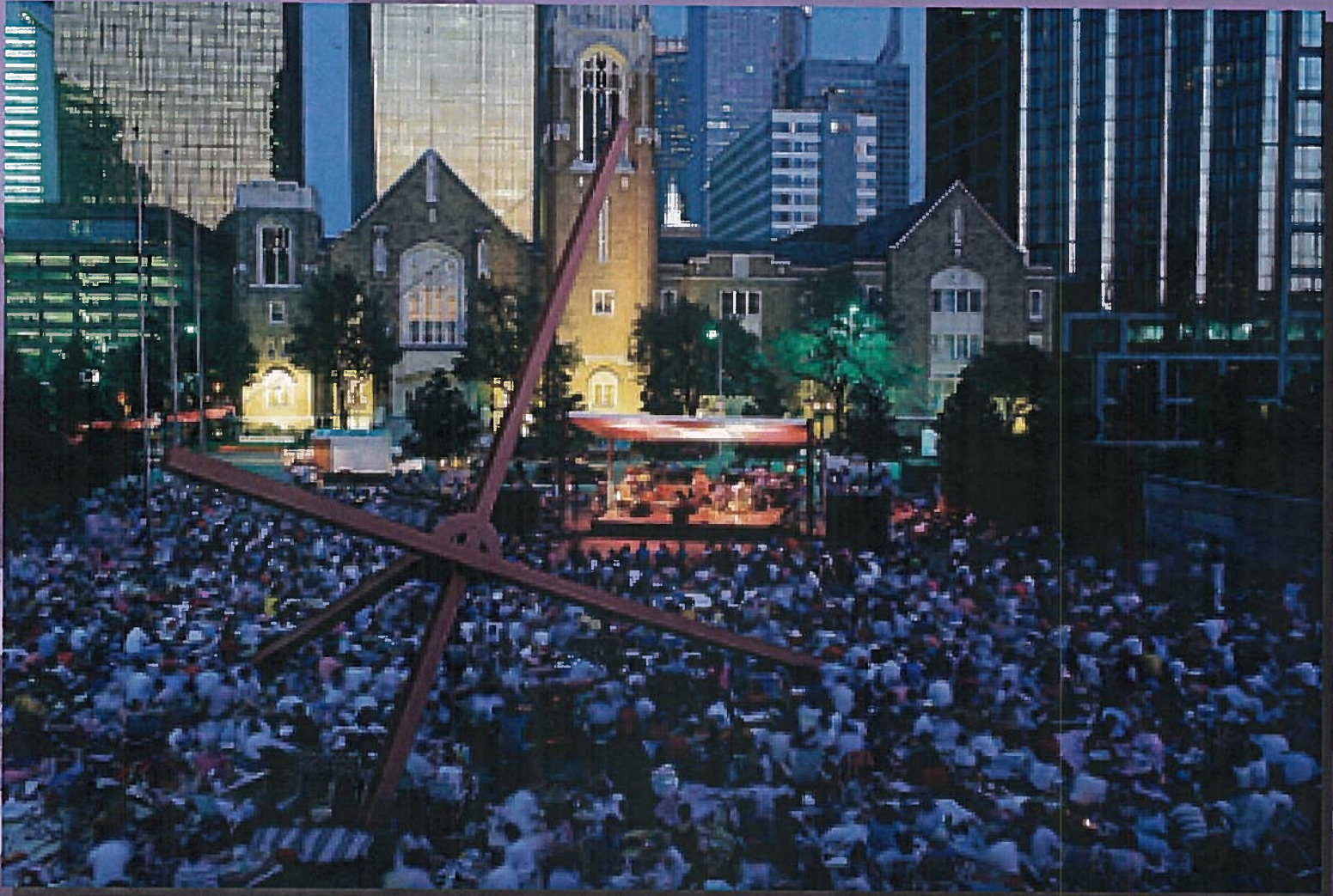
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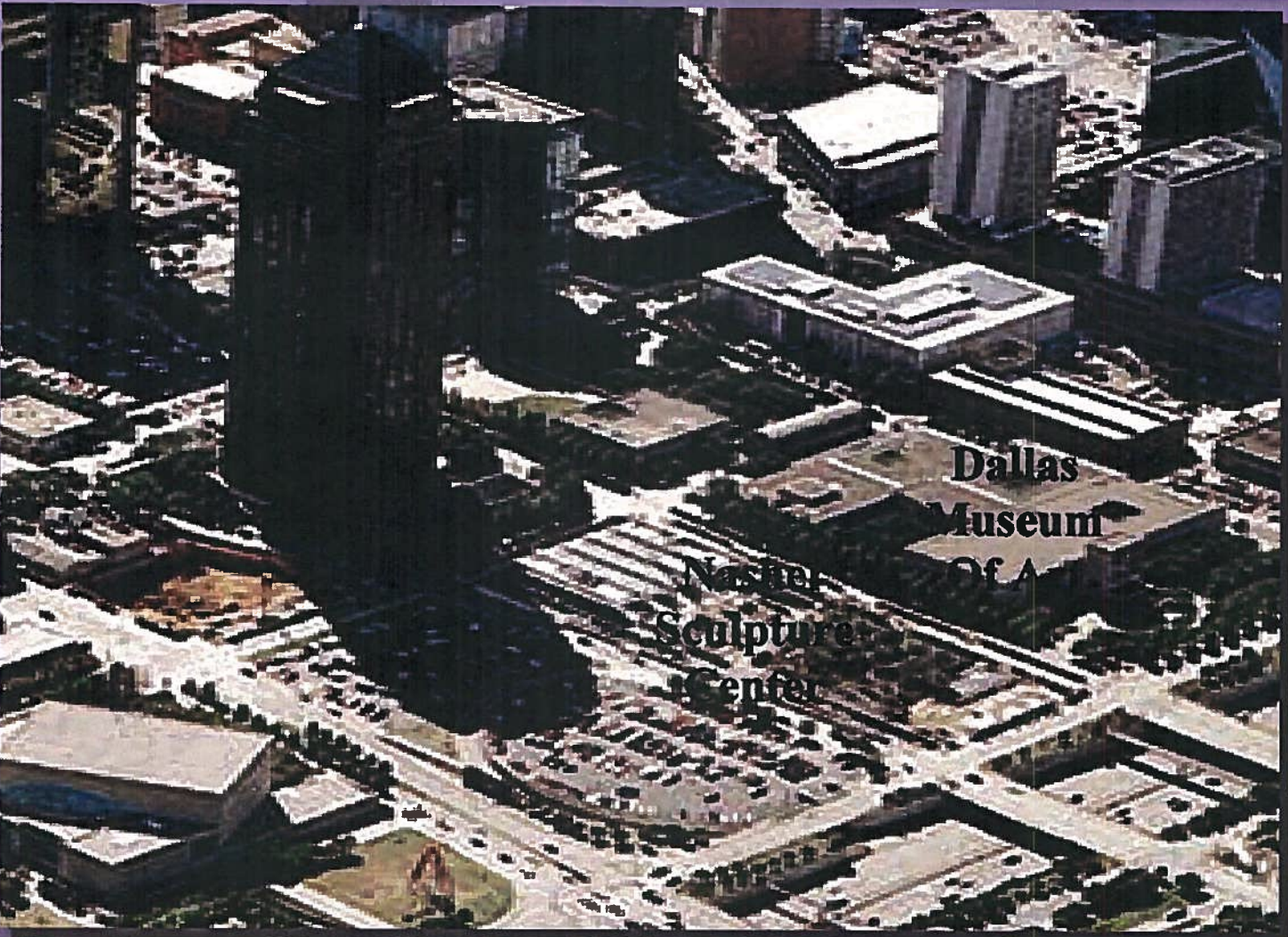
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A PHYSICAL PLAN FOR DOWNTOWN DALLAS



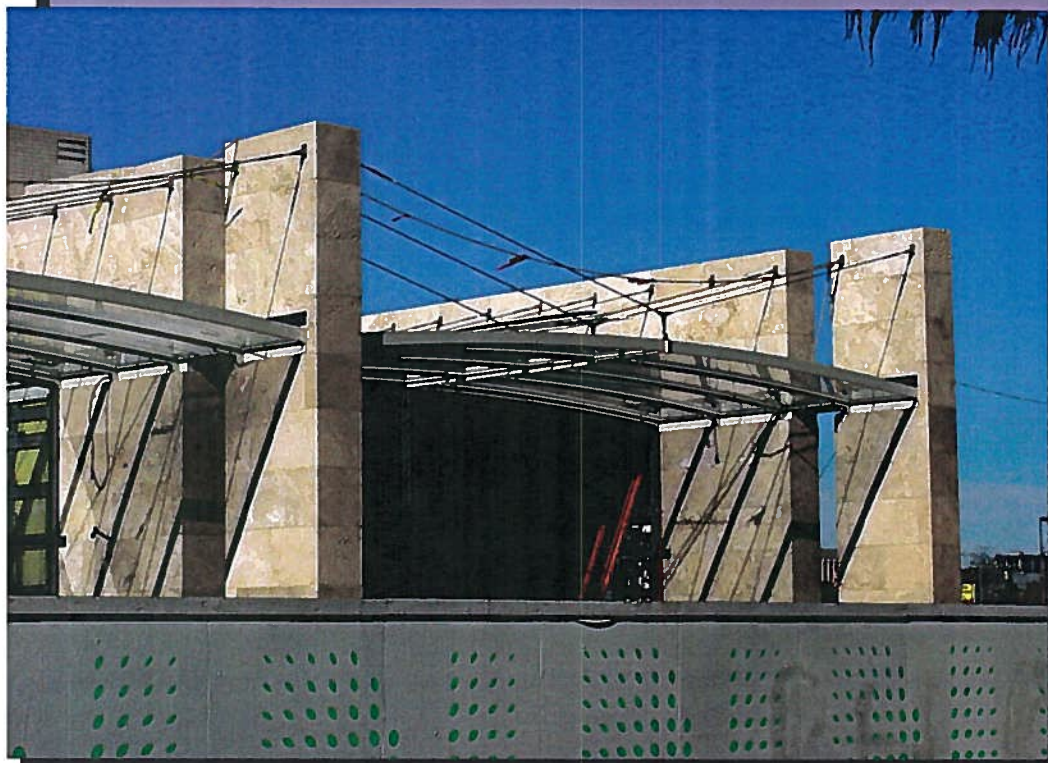
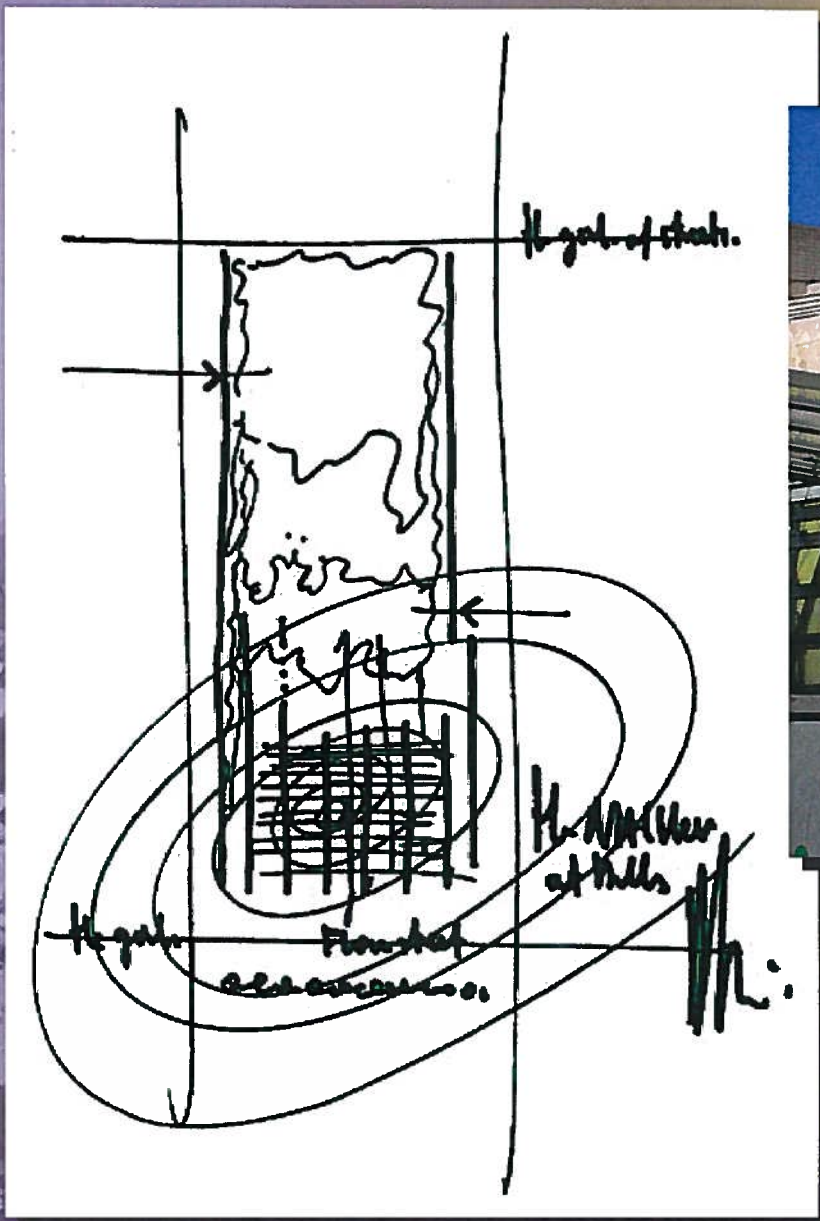
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A PHYSICAL PLAN FOR DOWNTOWN DALLAS



Version 12-02-02

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A PHYSICAL PLAN FOR DOWNTOWN DALLAS



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A PHYSICAL PLAN FOR DOWNTOWN DALLAS

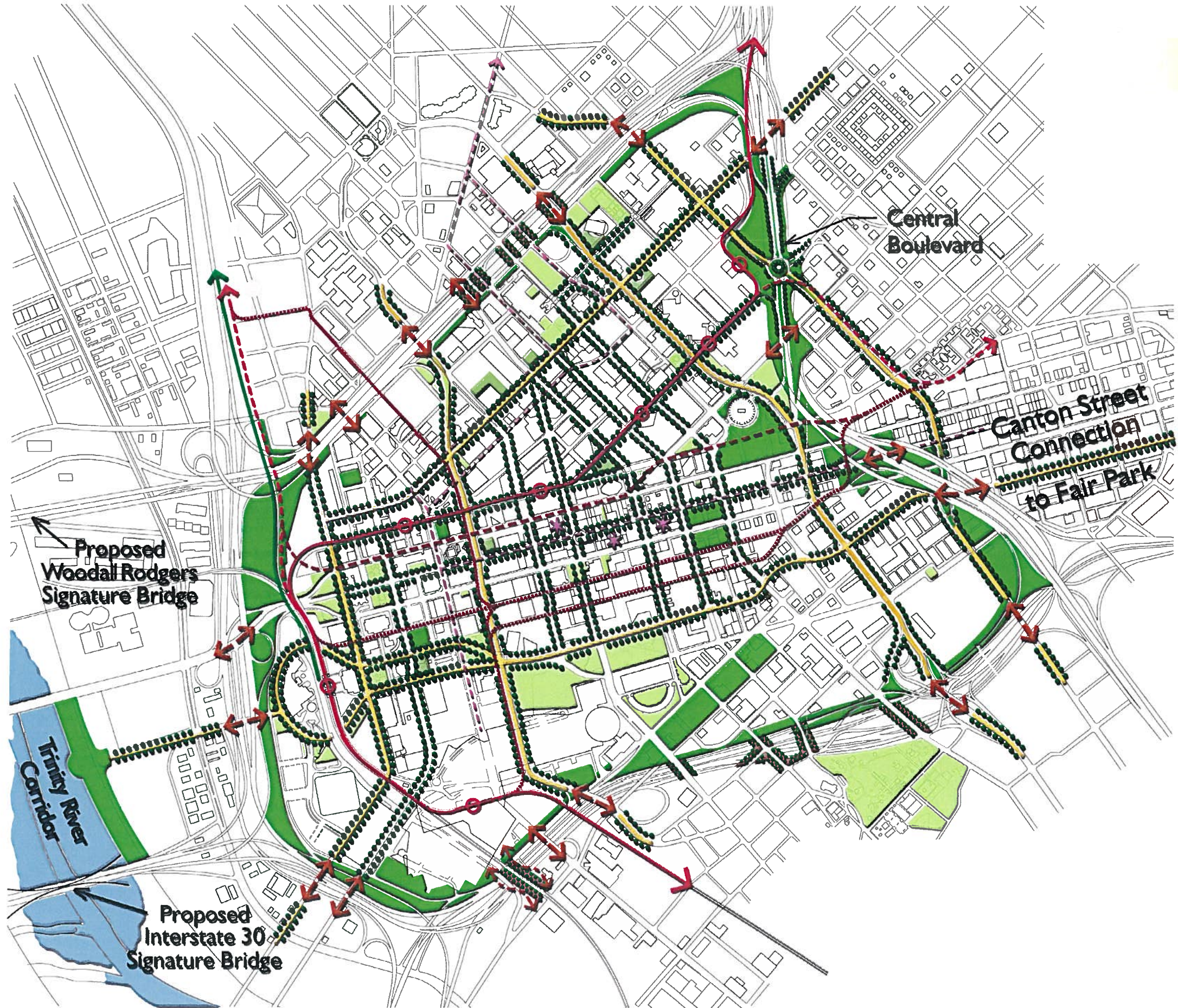


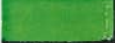













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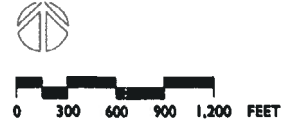
A PHYSICAL PLAN FOR DOWNTOWN DALLAS

STRATEGIES

Version 12-02-02



-  Park "Opportunity" Area
-  Existing Private Park or Open Space
-  Existing Public Park or Open Space
-  Key Linkage
-  Core Boulevard System
-  Existing DART Light Rail Line
-  Future DART Light Rail Line
-  Possible DART Light Rail (Surface Level)
-  Possible DART Light Rail (Subway)
-  Fixed Guideway "Circulator"
-  Enhanced Freeway Deck Park
-  Key Pedestrian/Vehicular Linkage
-  Proposed TIF Garage Location
-  Existing Trinity Railway Express



Proposed Woodall Rodgers Signature Bridge

Trinity River Corridor

Proposed Interstate 30 Signature Bridge

Central Boulevard

Canton Street Connection to Fair Park

“INSIDE THE LOOP”

A REVENUE BASED

STRATEGY

July 17, 2002

Updated November 20, 2002

“INSIDE THE LOOP”
DEVELOPMENT

REGIONAL ASSET

JOBS/BUSINESS CENTER

QUALITY OF LIFE

TRANSPORTATION HUB

GOVERNMENTAL CENTER

REVENUE BASE

REAL PROPERTY TAX

PERSONAL PROPERTY TAX

SALES TAX

“INSIDE THE LOOP” **OPPORTUNITIES**

OPPORTUNITIES LOST

Vacant/Substandard Properties

- No Jobs
- No Sales Tax
- Limited Property Tax
- Blight on Neighboring Property
- Make ready Lost Liability

Vacant Land

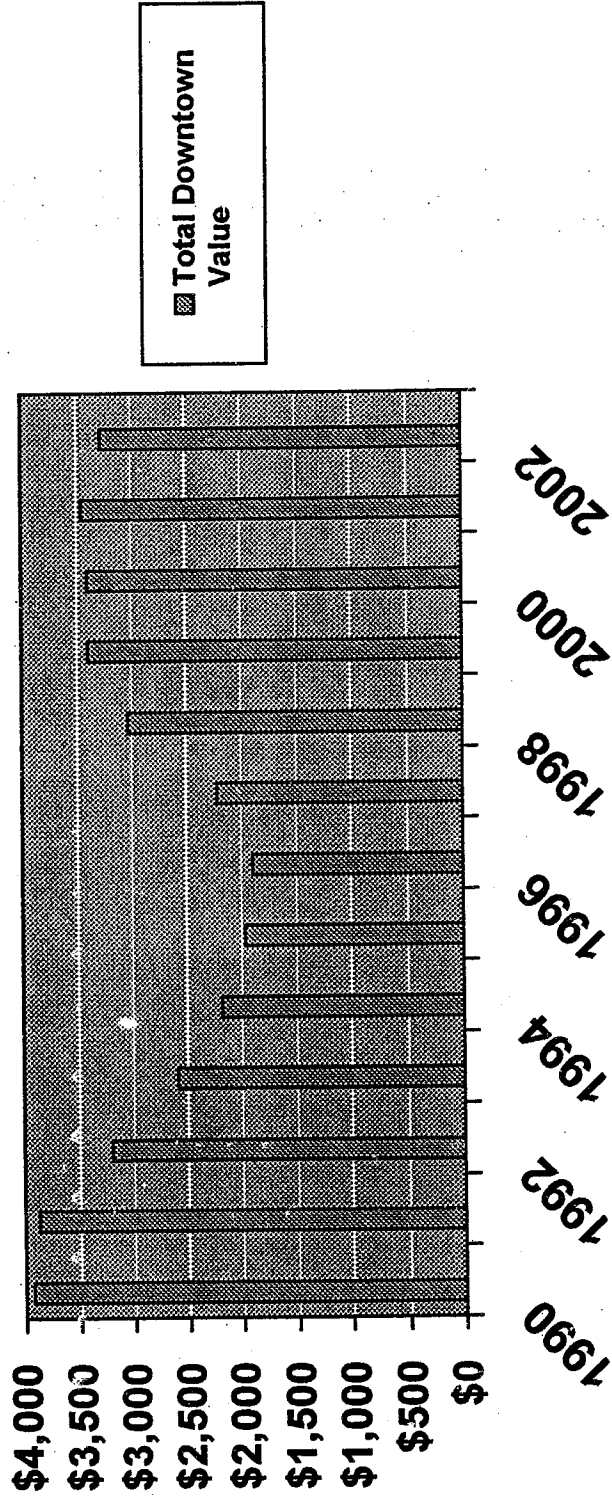
- No Jobs
- No Sales Tax
- Limited Property Tax

Competitive Disadvantages

- Hazmat Abatement
- Fire/Life Safety Code Issues
- Parking
- Economic Development Sales Tax in Suburbs
- Clean Sheet Development
- Complicated Regulatory Process

WHAT HAVE WE DONE?

The downtown property values steadily declined from 1990-1996. Property value in the City Center TIF District increased after the creation of the TIF but have not reached 1990 levels. Property values declined over 5% in 2002.



“INSIDE THE LOOP”

DOWNTOWN VALUES

YEAR	TOTAL DOWN VALUE	CHANGE	CUM. CHANGE
1990	\$3,923,751,640		
1991	\$3,865,116,133	-1.49%	-1.49%
1992	\$3,199,317,880	-17.23%	-18.46%
1993	\$2,588,192,370	-19.10%	-34.04%
1994	\$2,177,288,400	-15.88%	-44.51%
1995	\$1,968,010,910	-9.61%	-49.84%
1996	\$1,891,999,730	-3.86%	-51.78%
1997	\$2,222,316,260	17.46%	-43.36%
1998	\$3,034,920,850	36.57%	-22.65%
1999	\$3,394,439,530	11.85%	-13.49%
2000	\$3,401,246,990	0.20%	-13.32%
2001	\$3,452,108,270	1.50%	-12.02%
2002	\$3,275,199,500	-5.12%	-15.03%

FY 2003 TAX RATES

Dallas Independent School District	\$ 1.58753
City of Dallas	\$.6998
Dallas County Hospital District (Parkland)	\$.254
Dallas County	\$.196
Dallas County Community College District	\$.06
TOTAL	\$ 2.79733

“INSIDE THE LOOP”
ANNUAL TAX REVENUE AT
FY2003 TAX RATES

LOCATIONS **\$3.5B** **\$4.0B** **\$4.5B** **\$5.0B**

DISD	\$56M	\$64M	\$71M	\$79M
CITY OF DALLAS	\$24M	\$28M	\$31M	\$35M
PARKLAND	\$ 9M	\$10M	\$11M	\$13M
DALLAS COUNTY	\$ 7M	\$ 8M	\$ 9M	\$10M
DCCCD	\$ 2M	\$ 2M	\$ 3M	\$ 3M
TOTAL	\$98M	\$112M	\$125M	\$140M

ANNUAL TAX YIELD ON \$1.0B
VALUE INCREASE

FY2003 Tax Rate

DISD	\$1.58753	X	\$1.0B	=	\$15,875,300
City of Dallas	\$.6998	X	\$1.0B	=	\$ 6,998,000
Parkland	\$.254	X	\$1.0B	=	\$ 2,540,000
Dallas County	\$.196	X	\$1.0B	=	\$ 1,960,000
DCCCD	\$.06	X	\$1.0B	=	\$ 600,000
TOTAL	<u>\$2.79733</u>				<u>\$ 27,973,300</u>

**“INSIDE THE LOOP” FUNDING OPPORTUNITY*
 SHARING NEW PROPERTY TAX REVENUE WITH TIF
 ANNUAL TAX YIELD ON INCREMENTS OF \$1.0B**

	FY2003 TAX RATE	50% SHARE TO TIF	75% SHARE TO TIF	100% SHARE TO TIF
CITY OF DALLAS	\$.6998	\$3,499,000	\$5,248,500	\$6,998,000
DALLAS COUNTY	\$.196	\$ 980,000	\$1,470,000	\$1,960,000
TOTAL		\$4,479,000	\$6,718,500	\$8,958,000

*Assumes expansion of City Center TIF to cover entire area “Inside the Loop”

“INSIDE THE LOOP” CAPITAL FUNDING NEEDS

<u>NEEDS</u>	<u>PUBLIC</u>	<u>PRIVATE</u>
Street Improvements	X	
Side Walk Improvements	X	X
Street Lighting	X	
Landscaping	X	X
Wayfinding Signage	X	X
Utility Relocation	X	X
Public Parking	X	
Hazmat Abatement		X
Fire Code Compliance		X
Private Parking		X
Facade Restoration		X

“INSIDE THE LOOP” FUNDING SOURCES

<u>SOURCES</u>	<u>PUBLIC</u>	<u>PRIVATE</u>
City Bond Funds	X	
County Capital Funds	X	
DART Capital Funds	X	
Federal Grants	X	
State Grants	X	
Foundation Funds	X	X
TIF Funds	X	X

“INSIDE THE LOOP” PROPOSAL

EXPAND CITY CENTER TIF

EXTEND CITY CENTER TIF

SHARE PROPERTY TAX REVENUE

FOCUS PROCEEDS ON PRIVATE DEVELOPMENT

DEVELOP COORDINATED REVENUE STRATEGY

LOCAL PUBLIC CAPITAL AND BOND FUNDS

STATE & FEDERAL GRANTS

FOUNDATIONS GRANTS

STREAMLINE DEVELOPMENT PROCESS

TARGET \$1.0B TAX BASE EXPANSION

Policy Issue – Coordinated Management

Present Condition -- Downtown has suffered from lack of coordination of multiple departments and organizations, both public and private, pursuing varying objectives for Downtown. In the private sector, area organizations pursue objectives for a limited number of stakeholders and it has become difficult for the “Downtown-wide” organizations, such as the Central Dallas Association with the Downtown Improvement District, to pull together all constituencies. This presents a confusing array of requests with which municipal officials must contend.

In the public sector, the City Center TIF covers only one-half of Downtown and its powers are limited to reviewing and recommending actions, not implementing them. While the recent appointments by the City of a Downtown Coordinator and a Development Coordinator for Downtown Projects are steps in the right direction, it remains to be seen whether those will raise the Downtown agenda to a high enough priority to move issues expeditiously through the City staff to conclusion.

Proposed Condition -- A more coordinated management structure would focus the strengths of the respective units towards fulfilling the Inside the Loop 2003 Committee’s recommendations by bringing forward one voice committed to the entire Downtown.

How To -- A number of statutory alternatives exist to provide for coordinated management of existing redevelopment tools. Houston and Fort Worth provide excellent examples. The goal is to structure a new entity that effectively couples the operation and management function of the DID, and the development function of the City Center TIF, with stakeholder involvement from the private sector. It is proposed that a sub-committee of the Inside the Loop 2003 Committee, together with City staff, examine the merits of structures already being used by others. Progress may not require the more far-reaching step of a redevelopment authority. A management authority and local government authority, which Houston has used successfully, deserve consideration.

Policy Issue – Parking Lots

Present Condition -- In 1995, the City recognized that unsightly parking lots are a blight on Downtown. Uneven surfaces; dark, unlighted facilities; and lack of any landscaping, detract from nearby properties. Rather than eliminate or constrain necessary parking inventory, the parking ordinance for Downtown was amended. It requires lighting of all garages and surface parking lots. Fencing and landscaping are voluntary everywhere except in a sub-zone, which is now only the Main Street retail core where fencing and landscaping are required. Garages and surface parking lots have generally complied with the lighting requirement, but some take advantage of the “not open after dark” loophole. Outside of the sub-zone, fencing and landscaping have been spotty except on new parking lots. Those that have voluntarily complied demonstrate the significant improvement that fencing and landscaping make to Downtown.

Proposed Condition -- Owners who have voluntarily complied with the fencing and landscaping requirements deserve appreciation. They provide a model for the attractiveness that can exist throughout Downtown. The fact that these improved lots have remained in business for an extended period of time demonstrates that there is no economic hardship created by the cost of upgrading. It is time to make the voluntary compliance mandatory.

How To -- Amend the Development code, specifically, Chapter 51-A, Section 4.124, to eliminate the voluntary compliance provision established in 1995 and make fencing and landscaping of surface lots mandatory, with full compliance set for January 1, 2004.

Policy Issue – Public Order

Present Condition -- Downtown is severely impacted by repeat offenders of public intoxication and disorderly conduct ordinances, the “quality of life” crimes. It is often not the general homelessness issue which affects quality of life for Downtown, but rather the problems created by substance abusers and those publicly intoxicated. It has been difficult to effect a solution because of the difficulty in forcing corrective action for these misdemeanors.

Proposed Condition -- A new program affords the opportunity to break this cycle by offering substance abuse treatment – a better long-term solution. The last session of the Texas Legislature authorized communities to implement adjudication procedures that elevate Class C misdemeanors (Municipal Courts) to Class B misdemeanors (County Courts) and allow prosecutors to seek sentencing options that can include mandated treatment for substance abusers. Community service is another possible sentencing option for judges. The City of Austin has successfully implemented this program and provides a model for Dallas. A task force from Dallas has also investigated a similar Community Court thrust in New York City. It is proposed that Dallas implement this program.

How To -- Gain the consent of the County Courts to implement this program in cooperation with the Municipal Court Administrator and the Dallas Police Department. Track its effectiveness for the clients and the community.

Policy Issue – Vendors

Present Condition -- Active cities have active streets, including street vendors. Dallas' Central Business District has few, if any, street vendors. The Inside the Loop 2003 Committee asserts that street vendors and street performers would add to the cultural fabric, identity and excitement of the central core.

Proposed Change -- Amend Dallas City Code Section 50-152 through 168 as follows:

1. Allow the sale of fruits and vegetables in areas other than the Farmers Market;
2. Allow street vendors in areas of the Central Business District controlled by the Park and Recreation Department;
3. Decrease the requirements for CBD Location Permits which stipulate that each site must have an area of no less than 40 square feet; and,
4. Reduce the CBD location permit annual fee from \$22.50 per square foot (40 square foot minimum) to no more than \$12.00 per square foot, which is the annual fee for Location Permits outside of the CBD.

The City should develop a small business loan or grant program to encourage street vendors in the CBD. The City should advertise the need, and assess the demand, for such street vendors. There are few if any inquiries or applications by street vendors today because of the City's prior discouragement of such activity, so the City must develop programs to encourage the trade.

Remarks by Robert W. Decherd

Dallas City Council Briefing

May 1, 2002

Mayor Miller, members of the City Council. It is a privilege to appear before you today to discuss the interim recommendations of the Inside the Loop 2003 Committee which the Mayor convened last month. I hope you have each had an opportunity to read and study the recommendations sent to the Mayor on April 26, in anticipation of your decisions concerning the City Center TIF and the 2002 bond program.

We want today's report to begin a longer conversation in which the private sector and the City's leadership refocus decisions about the area inside the freeway loop, which I will refer to as Downtown, on a business development/investment approach that serves Dallas as a whole.

The reason this is so important is that our ability to maintain and grow Dallas' tax base, and the cash flows generated by that tax base, depend disproportionately on the vitality of the tax base inside the loop. Our ability to invest together in Downtown, and achieve above-average financial returns on these investments, is the single-most important lever you have to manage the City's financial strategy over the long-term.

Let's think of Downtown -- the area inside the loop -- as a business. This business consists of various governments, private companies large and small, real estate investors large and small, homeowners and apartment renters, tenants large and small, retailers, restaurateurs, and major public assets such as the Convention Center, City Hall, the Municipal Building, Union Station, Jonsson Central Library, Farmers Market, the West End and the Arts District. This business represents the single-biggest financial asset of the larger corporation you oversee -- namely, the whole City of Dallas. Downtown, like all businesses, depends on investment for its growth; *no business can grow without ongoing investment in its capital and operating needs.*

Continued. . .

The shareholders of your corporation are the constituencies inside the loop, including the various governments, and a much larger number of constituencies outside the loop. But the prosperity of the entire corporation depends to an unusual extent on the prosperity of this one business, which in simplest economic terms, defines the equation for making Downtown vibrant again.

To many of us in the private sector, it is apparent that the relationship of Downtown to public investment, performance, and return on investment has been obscured over the past two decades by the larger economic challenges facing Dallas, and to some degree by the halting recovery of the 1990s. A mistaken perspective emerged that many City investments in Downtown are only contributions to private interests or to abstract urban design notions. Yet the consensus of the largest private investors inside the loop -- and the few remaining CEOs whose companies are here -- is that unless we build a common understanding about the business purposes of Downtown, neither the financial leverage represented by Downtown nor the City's ambitions for Downtown will be realized.

What is distinctive about an aggressive investment strategy inside the loop is that as Downtown prospers, it naturally aids the neighborhoods immediately surrounding it on all sides. In turn, the higher tax revenues generated by such successes benefit further-out neighborhoods which want and deserve increased investment in infrastructure, parks and basic services. No other defined geographic area -- i.e., no other target for City investment -- can make this same claim.

It is important to remember that in business, in government, and in our personal financial affairs, there is no such thing as "holding our own." We are either advancing or retreating in our fiscal health, and every business person knows that only by attracting capital can one reasonably expect to grow a business and achieve a strong return on that invested capital.

Continued. . .

Our committee's interim report emphasizes that hundreds of millions of dollars are needed in any ambitious business development/investment plan for Downtown in the decade ahead. Thus, we urge you to encourage and support private sector investors who can bring large amounts of investment capital to Downtown and its immediately adjacent neighborhoods. But it is dangerous to think that the private sector will act on its own. The business behavior and experience of investors, owners, and CEO's who have been intimately involved with Downtown, underscore the reality that the private sector will not invest in your business if you don't invest in ours. It is no coincidence that the last large commercial project built inside the loop was Bank One Center, begun in 1985 and completed in 1987 -- *15 years ago*.

In this context, it is critical to agree on the purposes of the City Center TIF. The TIF is potentially the City's single-most important investment vehicle for Downtown. It is presently the only dedicated source of capital for Downtown, one that is not subject to the vagaries of annual budgets and periodic bond programs. As such, the TIF can help fuel a business development/investment plan for Downtown. If the TIF's cash flows grow, the great likelihood is that cash flows will be growing for the entire City of Dallas. And -- a crucial point -- the TIF supports a strategy wherein we improve the epicenter of Downtown first, then work outward gradually in all directions.

Our committee is keenly aware of how much demand exists for 2002 bond funds. At the same time, the bond funds recommended for Downtown concentrate on projects that will have immediate impact and, in some cases, are long overdue: completing the boulevard ring and making essential improvements to the five north/south streets that link the Nasher Sculpture Center and the Arts District with the very center of Downtown, then continue south to City Hall and the Convention Center.

Continued. . .

The \$25.585 million requested for Downtown includes funds for only one project that qualifies as an investment in terms of a business development plan. Moreover, if Downtown is indeed the City's single-most important financial asset, generating almost 13 percent of total commercial property taxes, it follows that higher levels of bond program investments will be needed to support a Downtown business development/investment plan. So, as indicated in my letter to the Mayor, we strongly support the Downtown bond allocation recommended by the City's staff.

The Mayor has asked us to bring forward a "big idea" for Downtown, and my fellow committee member, Ken Hughes, is going to describe briefly one potential site for a dynamic Downtown park that would ignite development and attract investment capital to the City Center. Our committee believes such a park *is* the "big idea," and there are several potential sites we will study over the next few weeks in conjunction with established Downtown organizations. It is our intention to bring you a specific recommendation as soon as possible.

With this intention in mind, let me ask Ken, who has invested in and around Downtown for many years and most recently created Mockingbird Station, to narrate his six-minute presentation of a Dallas version of New York's Bryant Park. After Ken's part, I will conclude the presentation and gladly respond to your questions. Ken?

[Show Ken Hughes video]

Continued. . .

So, to summarize:

- Our committee believes strongly that together with the City, the private sector should build a business development/investment plan for Downtown based on a single, unified physical plan.
- We urge you to extend and enhance the City Center TIF, and allocate the 2002 bond funds recommended by the City's staff.
- And, we're ready to help launch a "big idea" at the epicenter of Downtown, while coordinating overall plans to celebrate the opening of the Nasher Sculpture Center in May 2003.

The great positive in all of this is that if the City Council -- the corporation's board of directors, if you will -- invests patiently and steadily in Downtown, we can realize the financial potential of the area inside the loop that also defines the personality and image of our City. We look forward to working with you in every way possible to accomplish this end.

(End)

Inside the Loop 2003 Committee

April 25, 2002

The Hon. Laura Miller
Mayor
City of Dallas
1500 Marilla, Room 5EN
Dallas, Texas 75201

Dear Mayor Miller:

This is an interim report of the Inside the Loop 2003 Committee which you convened last month. We thank you for the opportunity to work together with you and members of the City Council to bring vibrancy to the heart of our city on behalf of all Dallas citizens. The committee has met three times since its formation, for more than two hours in each instance. More than 85% of committee members have attended each meeting, and there is broad enthusiasm for the tasks you have presented us. A committee roster is attached for the Council's reference.

This report reflects the views of the Downtown stakeholders who comprise the committee, excepting Council member Sandy Greyson and staff representatives from the City, Dallas County and DART. We appreciate the perspective each of these individuals brings to the committee, and recognize that Ms. Greyson reserves the right to state her position and respond to our recommendations when the Council takes them up.

Time is of the essence relative to the Council's deliberations concerning the extension of the City Center TIF, the impending bond program, and the specific concept of seed funding for a dynamic Downtown park. Thus, we send these recommendations to you and the Council knowing that our work has only begun on these and many other issues that have a profound impact on the future of Dallas' single-largest identifiable tax base and source of cash flow -- the land mass inside the freeway loop. For ease of presentation, I will refer to this area as Downtown in these recommendations.

Continued. . .

It is extremely important that these and subsequent committee recommendations be viewed as part of a process wherein the City and all of Downtown's constituents agree on a single, comprehensive plan for investing in Downtown with the following shared goals:

- Stimulate the growth of this crucial source of tax revenues, so that future valuations and cash flows grow at a rate sufficient to prime the economic engine that Downtown represents for the entire City of Dallas.
- Build and reinforce the most positive image possible for our City, both with residents and visitors. Downtown Dallas is our face to the world.
- Enhance the quality of life in Dallas for all citizens, based on the well-established premise that if Downtown flourishes, neighborhoods all around Downtown will flourish and the entire City will be benefited.

It follows that our committee feels very strongly that you, the Council and City staff should regard Downtown as a City-wide asset and invest accordingly in Downtown, along with other government authorities and the private sector. Key projects that have been incubating in Downtown for several years are about to succeed, and we need to insure that significant new projects are built upon this foundation. It is also important, for contextual purposes, to realize that the improvement in the Downtown tax base since 1996 represents a recovery, not growth; the 2001 tax valuation of Downtown is still less than a decade earlier.

Moreover, the U.S. real estate cycle that stimulated this recovery has probably run its course; commercial real estate transactions are under pressure nationally, and specifically in Downtown Dallas. This simply means that investments made to acquire property in Downtown Dallas in recent years are not presently generating any returns to the project owners -- and are unlikely to do so until Downtown *as a whole* begins to grow at a sustainable, above-average rate. As the Council thinks about Downtown's evolution, the important consequence is that large investment by the private sector is highly unlikely unless the public sector is investing alongside at a significant level.

Our committee views its primary task as helping the City create a business model for its biggest financial asset: Downtown. We are moving as quickly as possible to organize the committee's work plan, and expect to forward additional recommendations and ideas to you over the summer and through the first few months of 2003.

Continued. . .

The Hon. Laura Miller
April 25, 2002
Page Three

You have challenged us to recommend projects that can be achieved prior to May 2003 and coincide with the opening of the world-class Nasher Sculpture Center. The recommendations below begin to address this charge. I speak for every committee member in thanking you for your personal, outspoken interest in stimulating Downtown's growth, and for challenging the committee to think big, collaborate, and focus available funding on achievable projects. You have also asked us to bring a "big idea" to you and the City Council; one such idea is described below.

This interim report is organized in three sections: the City Center TIF, the 2002 bond program, and a "big idea." We welcome the chance to discuss these recommendations with you, the Council and City staff.

Capitalize on the City Center TIF

The City Center TIF is the largest and most important commitment the City has made inside the freeway loop over the past decade. It is also the linchpin for any ambitious yet realistic business model for Downtown Dallas. The committee urges you and the Council, in the strongest way possible, to extend the TIF, protect its focus on the very center of Downtown, and permit the TIF Board to bring forward specific plans over the next decade that can be catalysts for a Downtown business development strategy and accompanying business plan. The committee believes this forward-looking approach by the Council should be paired with a "performance test" mindset, wherein the City employs a "use it or lose it" philosophy with the TIF Board, and the private sector is accountable for delivering measurable results from this pivotal funding mechanism.

The committee is very aware of the financial pressures facing the Council presently. Competition for bond funds is unprecedented, given the deferrals that have been made over the past 15 years and the ambitious plans of other constituencies throughout the City for parks, neighborhood improvements, and basic services. We are also mindful of the potential budget impact of the *Council's* proposal to address police and fire pay, which we strongly endorse.

Given these factors and other current conditions, the committee endorses the current City staff proposal for extending the TIF and allocating 53 percent of its incremental revenue to Downtown over the next 10 years to continue the momentum that is now building after 6 years of the TIF's existence. We also endorse the concept of an additional 10 percent of the increment being available for finish-out allowances and other, similar approved purposes.

Continued. . .

Our committee's consensus is that hundreds of millions of investment dollars are required inside the loop to realize the opportunities to leverage these assets for the City's overall good, and certainly to meet the ambitions that you and so many others have for how Downtown works on a day-in, day-out basis. In the committee's estimation, tax base growth at a 3% annual rate is possible inside the loop *only* if the TIF funding outlined above, and funding from various other government authorities, is sharply focused on a mutually-agreed business model for the City Center. Without it, there is the clear risk of decline in the tax base.

Whatever future course the Council chooses, dedication of TIF funds in the requested amount to the Madison Retail Project is an essential investment and is consistent with the philosophy of focusing TIF investments in the core area. The Madison Project presentation has been made with detailed projections of investment by area and function; the TIF Board retains the latitude to manage the overall investment and achieve the greatest impact for public dollars invested. Value engineering (including assurances that no recent investments in infrastructure are redone), selection of individual retail projects, and other choices within the core for this approved project should be managed by the TIF Board (which is directly accountable to the City Council).

Downtown leaders are keenly aware of the larger financial issues facing the City, and we know that the TIF provides the private sector and the City a mechanism to build momentum in the heart of our City over the next 10 years. It would be a grave error to restrict our collective ability to use the TIF mechanism in funding the Downtown business model. The committee underscores the need for a strong, focused and decisive TIF Board that will resist suggestions to move unrelated issues into the TIF's responsibility. The TIF Board must stay on point with intended purposes of the TIF -- and the public policy that supports those purposes. The City can greatly enhance the TIF Board's effectiveness by assigning a designated, empowered staff member to support the Board's work plan on a nearly full-time basis.

Substantially all of the current TIF commitments are in the six-block area between Elm, Field, Commerce and Ervay Streets. We strongly support this disciplined focus of TIF resources and believe that until the epicenter of Downtown is truly vibrant, this discipline must remain in force. The north-south linkages between this six-block area to the Transit Mall and the Nasher Sculpture Center on the north, and to Young Street/City Hall/the Convention Center on the south, must be undertaken concurrently with bond funds in order to meet your May 2003 deadline for projects that have noticeable impact.

Continued. ...

Other than this focus, the few exceptions for uses of TIF funds should meet stringent criteria. Two such exceptions are proposed currently, and we believe the TIF should help fund both. One is the critical partnership with Dallas County in developing a major new public plaza on the east side of the Records Building at Market and Elm Streets. The other is the West End Plaza.

Dallas County Plaza is a great financial opportunity for the City as well as an important signal that the City wants to work as a financial partner with the County in promoting Downtown over the decades ahead. County dollars will match the TIF's proposed \$3 million investment on a 3-to-1 basis. There are few chances to achieve such a match on any project, with any potential partner.

The development of a West End Plaza has been proposed by West End property owners. These owners have been very supportive of the view that all Downtown interests must look out for the good of the whole. They have set aside their own agendas to support the work of this committee and other groups that are trying to balance the needs of the City Center with all of Downtown. Moreover, the West End is essentially a creation of the City of Dallas and has received very little direct funding from the City over the past 20 years.

The creation of the West End Plaza will not only reinforce the City's commitment to the West End, it will assure that the West End thrives again as a critical component of our Convention Center and Visitors strategy. It will enable the West End to have a large gathering-place for various kinds of festivals and activities that support these and other purposes. This Plaza also links recently-completed improvements in infrastructure and open space between The Sixth Floor Museum and Woodall Rodgers Expressway. The TIF should make a \$4 million commitment to the West End Plaza and spur West End property owners to get the project started now with a May 2003 target date in mind.

Fund 2002 Bond Program Priorities

The committee has reviewed in detail City staff recommended allocation of \$25.585 million to Downtown in the upcoming bond program, and concurs that these recommendations (attached) are correct and properly prioritized. At the same time, \$25.585 million is only a fraction of what will be needed over the next 5-10 years for Downtown to maximize its tax generation potential and meet the overall goals summarized above. It is critical that this \$25.585 million be maintained in any bond program the Council advances in 2002. Funding for these defined Downtown needs must be available immediately through bond funds and cannot await long-term funds generated through the TIF mechanism. Our committee will work closely with City staff and established Downtown groups to support this objective in every way possible.

Continued. . .

The Hon. Laura Miller
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Page Six

We particularly emphasize the importance of bond funds for the five north/south linkages mentioned above. With your May 2003 timing in mind, we urge you and the Council to instruct City staff to begin design development and construction planning for these five north/south streets between the Main Street corridor and the Nasher Sculpture Center, and Young Street/City Hall/the Convention Center. These streets will be beautified and pedestrian-ready by May 2003 only if pre-planning is authorized immediately by the Council.

While the committee did not study in detail the 2002 bond program request for the Performing Arts Center, we fully support the recommended funding level and strongly urge the Council to maintain the momentum of this great City-wide asset. The Arts District is on the verge of flourishing after 20 years of false starts.

A Big Idea

You challenged the committee to bring forward a "big idea" that has the potential to accelerate Downtown's progress in a substantive way, and to recommend a process to make this big idea a reality. You also asked that clear progress be made toward achievement of this big idea by the May 2003 opening of the Nasher Sculpture Center.

The committee unanimously believes that the first "big idea" deserving of the joint commitment and energy of the City and all Downtown constituencies is a large, dynamic Downtown park. This park would be in, or located next to, the Main Street corridor and its critical anchor, Neiman Marcus. This park would be the focal point for a wide range of people-oriented activities. \$10.4 million is included in the \$25.585 million bond recommendation noted above; we concur that this seed investment toward a dramatic, central open space has extremely high potential impact on Downtown's business model.

As you know, several proposals have been advanced recently as to where this park should be located in the epicenter of Downtown. Wherever it is located, this park would constantly be the site of events, promotions and excitement -- much like Bryant Park in New York City. The \$10.4 million in the bond program would be earmarked for site acquisition, although we reemphasize that the total cost of acquiring property for a large park Downtown, clearing the site, and building the improvements is likely to be some multiple of this amount. We are also constrained by the fact that Downtown's existing thoroughfare system, and the City's historic lack of attention to open spaces in Downtown, make it especially difficult to block up a piece of property large enough to meet your criteria for a big idea.

Continued. . .

The Hon. Laura Miller
April 25, 2002
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Nonetheless, the committee will undertake a process in conjunction with other established Downtown organizations to identify and recommend a site, and to devise a strategy for realizing such an open space. We believe this recommendation can be presented before year-end, with a strong base of support or even a consensus. Provided such a recommendation is brought to you and the Council, and you approve the idea, we envision that the City would undertake land acquisition early in 2003 with the minimum goal of being able to control the site by May 2003 -- or better, to have cleared the site. This is a very aggressive timetable, and we do not want you or the Council members to be misled that this interim goal can be met no matter what.

The committee also believes that this big idea should simply be one of several that we and other Downtown organizations propose to you and the Council collaboratively over the next 18-24 months. We must all think and act ambitiously in developing Downtown's long-term business model, especially if we want to attract new capital to Downtown either from investors or private sector sources that might contribute to some truly big concepts.

Laura, the Inside the Loop Committee is united in the recommendations outlined above, and stands ready to support these recommendations in any way that you and the Council feel is appropriate. Thank you again for your leadership in raising our collective consciousness of the critical importance of Downtown as the largest, highest-potential economic engine for Dallas' tax base and, therefore, for the greater good of Dallas.

Sincerely,



Robert W. Dechard
Chairman

RWD:cci

Enclosures

cc: Inside the Loop 2003 Committee

Inside the Loop 2003 Committee

May 31, 2002

The Hon. Laura Miller
Mayor
City of Dallas
1500 Marilla, Room 5EN
Dallas, Texas 75201

Dear Mayor Miller:

I am writing on behalf of the Inside the Loop 2003 Committee to thank you and the City Council for committing an additional \$42 million in future revenue from the City Center TIF for downtown investment. This funding is the crucial component in the continued momentum of the Main Street corridor that is being improved in conjunction with the City Center TIF and the Madison Group. The members of our committee and other downtown stakeholders are committed to rewarding the confidence the Council has expressed through this approval.

At the same time, while we know that pressures on the 2002 bond program are great, the committee urges you and the Council in the strongest way possible to include the key projects downtown that require public sector investment. These are, in priority order, the improvement and upgrading of the five north/south connector streets we have discussed with you and the Council; the enhancement of Ross Avenue *from the Arts District to Lamar Street*; and, the resurfacing of Elm and Commerce Streets through downtown. (We also note that there is no firm commitment as yet from Dallas County to help fund the Elm/Commerce resurfacing.)

It is essential to complete these and other improvements being undertaken by the private sector prior to the opening of the Nasher Sculpture Center in mid-2003. Members of the national and international press corps will descend upon downtown for that opening, and these reporters and art critics will also render judgment on the vitality of Downtown Dallas. The committee cannot state emphatically enough how important it is that the City begin planning and investing now to ensure that these impressions are the best possible we can earn as a community.

Continued. . .

The Hon. Laura Miller
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As you know, I have recruited Peter Beck, CEO of The Beck Group and immediate past chairman of The Dallas Chamber, to oversee and coordinate downtown's celebration of the opening of the Nasher Sculpture Center. Peter has already met with the leadership of the Arts District Friends and the Central Dallas Association to determine how best to proceed, and he and I are meeting with Ray Nasher in late June. Peter is also planning "summit meetings" with leaders in the arts community, the real estate community, the corporate sector, and other stakeholder groups.

At the committee's meeting on May 30, we discussed an approach to the opening of the Nasher Center wherein the five north/south connector streets are "beautified" using temporary landscaping and street furniture, then permanent construction on these connectors begins immediately after the opening. Our concern is that with only 11 months between now and the opening date for the Nasher Center, we put Dallas at risk of presenting an unattractive experience downtown for the press and visitors, as well as for citizens we attract downtown as part of a larger celebration. Ken Hughes and Gerry Sampson will report on this possible alternative approach when the committee meets again in mid-June.

With respect to your charge that our committee develop a comprehensive physical plan for downtown, we underscore the timeliness and importance of the thoroughfare study which the Council will soon authorize. We ask that the "policy group" for the thoroughfare study include me in my role as chair of the committee or, if possible, myself and one other committee member. Nothing is more important to the strategic development of downtown than the thoroughfare system and DART. No meaningful physical plan can be completed without anticipating how transportation decisions influence future development. Thus, the committee believes that there is a need to resolve the nature of the next DART alignment through downtown at the earliest appropriate time.

Our committee is focusing on the idea of *linkages* as the single most important design imperative for downtown. These linkages, together with the "big idea" of a central park, can have immediate impact and create the kinetic effects public investment should stimulate. If we approach linkages and parks in an intelligent and aggressive manner, there will be real and positive impacts on adjacent properties and throughout downtown.

Continued. . .

The Hon. Laura Miller
Page Three

I briefed the Park Board on May 16 concerning our committee's work. The Park Board enthusiastically supports the approach we are taking, and is prepared to help manage a master plan for parks and open spaces inside the loop. Our committee believes that the City should find the funding for such a master plan as soon as possible, and we feel that as much as 20 percent of the needed funding could be raised in the private sector.

Members of the Inside the Loop 2003 Committee are also considering initiatives we can make on our own in parallel with the City's investments. I hope to be able to describe some of these to you and the Council before fall. In the meantime, I am systematically meeting with other public and private stakeholders ranging from Dallas County, DART, and DCCCD, to the Central Dallas Association, to principals of the largest property owners downtown.

The committee looks forward to keeping you and the Council apprised of our progress and again, we strongly urge you to allocate funds in the 2002 bond program to address the basic needs inside the loop (as outlined above) so that necessary linkages and improvements can be completed prior to the opening of the Nasher Sculpture Center next year.

Sincerely,



Robert W. Dechard
Chair

RWD:ujc

cc: Inside the Loop 2003 Committee

Inside the Loop 2003 Committee

June 17, 2002

The Hon. Laura Miller
Mayor
City of Dallas
1500 Marilla, Room 5EN
Dallas, Texas 75201

Dear Mayor Miller:

I am writing on behalf of the Inside the Loop 2003 Committee to convey the committee's strong endorsement of Henry S. Miller III's proposal for the Mercantile complex downtown. Henry and his colleague, David Levine, presented the plan to the committee Tuesday and answered questions from committee members. Our conclusion is that this proposal is a substantial improvement over the Spire plan for the Mercantile complex, and in light of current fiscal constraints on the City, takes on even greater importance for downtown.

Henry specifically noted that the City Council's expansion of TIF funding for downtown was one of several important considerations in his decision to go forward with this project. In relaying this observation to you and the Council, we again acknowledge your foresight in authorizing this critical source of future funding for qualifying projects inside the City Center TIF boundaries.

Henry's plan for the Mercantile is appropriate in scale and texture. One component of the plan is the demolition of the Mercantile Securities Building. The committee believes this is necessary for any realistic redevelopment of the Mercantile complex, and we urge the City to endorse this demolition so that Henry can proceed as rapidly as possible. The most important building in the complex, the original Mercantile tower, is preserved under Henry's proposal and there does not appear to be an economically realistic alternative which would result in the entire complex being preserved.

The committee is very impressed with Henry's appreciation of the relationship between development of the Mercantile complex and Main Street retail development generally, and the potential leverage of the Mercantile's adjacency to Neiman Marcus specifically. It is clear to the committee that Henry already is collaborating with the leadership of the Downtown Partnership and, by connection, the Madison consulting team and other developers in the epicenter of downtown.

Continued. . .

The Hon. Laura Miller
June 17, 2002
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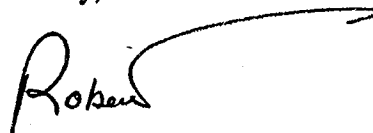
The committee believes that the timely development of Henry's plan for the Mercantile complex is the best immediate opportunity for the City and the private sector to make demonstrable progress at the epicenter. We are encouraged that several other projects -- each partly funded by the City Center TIF -- are already underway, including the Davis Building, the Hart Furniture Building, and soon, the Southwest Properties proposal for the property adjacent to Neiman Marcus on Commerce Street. Taken together, these initiatives can result in a dramatic enhancement of the Elm-Main-Commerce corridor.

The potential development of Henry's plan for the Mercantile intensifies the committee's focus on the park site we have preliminarily presented to the Council and the Park Board. This site is between the Mercantile complex and the Municipal Building. While we appreciate the challenges the Council faces in formulating the 2003 Bond Program, we again underscore how critical a dynamic park complementing City Center developments is to the long-term revitalization of downtown.

In light of the Council's decision to delay the Bond Program to 2003, most opportunities for permanent refurbishment of targeted areas downtown prior to the opening of the Nasher Sculpture Center must be re-thought. We hope to have recommendations for alternative approaches ready for discussion with you shortly.

Thank you again for your outspoken commitment to the area Inside the Loop. We urge you and the Council to endorse and approve the Miller plan for the Mercantile complex.

Sincerely,



Robert W. Dechard
Chair

RWD:cci

cc: Inside the Loop 2003 Committee

Mr. Miles Zitmore, CFP
Ms. Regina A. Sullivan

Inside the Loop 2003 Committee

July 19, 2002

The Hon. Laura Miller
Mayor
City of Dallas
1500 Marilla, Room 5 EN
Dallas, Texas 75201

Dear Mayor Miller:

Thank you for taking time recently to be updated on the progress being made by the Inside the Loop 2003 Committee. I am increasingly confident that the Committee can produce a physical plan for Downtown Dallas that brings together the many good initiatives that have been undertaken over the past decade and enables a wide range of constituencies to embrace a unified approach to the further development of downtown. As we discussed, the Committee's present direction is to produce a single base map representing a comprehensive physical plan for the area inside the loop, then embellish the base map with a few important themes that establish specific priorities for various constituencies to pursue -- collectively and individually.

You and I discussed the preliminary plans for the opening of the Nasher Sculpture Center in May 2003. Peter Beck and I are meeting again with Ray Nasher later this month to develop these ideas further, then Peter will be taking charge of coordinating and managing the 2003 celebration from a civic standpoint (as distinct from the specific plans being made by Ray and his team for the Sculpture Center itself). Peter will want to get on your calendar soon to discuss his strategy in this regard.

We spoke specifically about your collaborating with Peter to ensure that all of the property in the area defined as the Arts District is in pristine condition prior to the opening of the Sculpture Center, including the site of the Performing Arts Center owned by the City. Peter will soon provide you a list of property owners within the Arts District, and will lead this effort on your behalf.

Continued . . .

The Hon. Laura Miller
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July 19, 2002

We also discussed the importance of the thoroughfare plan revision being undertaken by the City in collaboration with the Council on Governments. The Committee believes it is critical that I be a member of the policy committee for this study and, if possible, a second member of the Committee as well. I am enclosing the Committee's prior correspondence to you as a reference for this recommendation, with the specific suggestion tabbed.

I continue to discuss with Paul Dyer the feasibility and cost of adding a parks master plan for downtown to the study presently underway at Fair Park. I believe this can be funded in a joint public/private partnership. The effort is not only timely but extremely important to the overall impact of any physical plan for downtown.

In this vein, a consensus is developing that the single-most important governmental action that can foster the realization of a great physical plan for downtown is a decision about the second DART alignment. Your communication to Robert Pope, the chairman of the DART board, regarding the second alignment is crucial. Robert has also suggested two persons as potential members of the second tier policy group for the thoroughfare study. They are Don Dillard and Robert Shaw (resumes attached). It would be very positive if you and Robert collaborated on the appointment of these two persons to the appropriate advisory group.

I am sure you have seen the attached story concerning the Federal government's plans for expanding the Federal courts. I have already met with the local Federal Executive Board and the GSA executives who manage these decisions for Dallas and North Texas. These preliminary discussions were very encouraging and I'd like to brief you on them, as well as recommend how you can pitch this group and others who will influence the decision over the next 12-24 months. There is one specific, immediate step you can take at City Hall that will help downtown vis-à-vis Federal investment overall.

I will call soon to touch base and see if you have questions about any of the matters raised in this letter.

Sincerely,



RWD:cci

Enclosures

cc: Inside the Loop 2003 Committee
Mr. Henry C. Beck III