

Thriving Economy Results Team: Presentation of Strategies and Results Map

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Thriving Economy Team Members

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Results Area Description

Desired Result

- A thriving economy with diverse businesses growing and people working

Indicators of Progress

Primary Indicators	What it means	Availability / source	Latest data	Target
Property Tax Base (recommend)	Total taxable real & Business Personal Property value	DCAD	2006 property tax base: \$76.8 billion ⁽¹⁾	3.0 percent annual growth for next 5 years
Unemployment rate (recommend)	Percent of Dallas residents seeking work but not employed	State and federal statistics	2006 unemployment rate: 5.6 percent ⁽²⁾	4.9 percent unemployment rate within 24 months

Secondary indicators will also be tracked, for example:

- Employment – number of jobs in Dallas
- Sales tax
- Hotel occupancy tax
- Commercial building occupancy rate
- Building permits
- Personal income
- Gross city product

Positive Economic Trends

■ Dallas' Economic and Development Statistics are improving as the national economic expansion continues

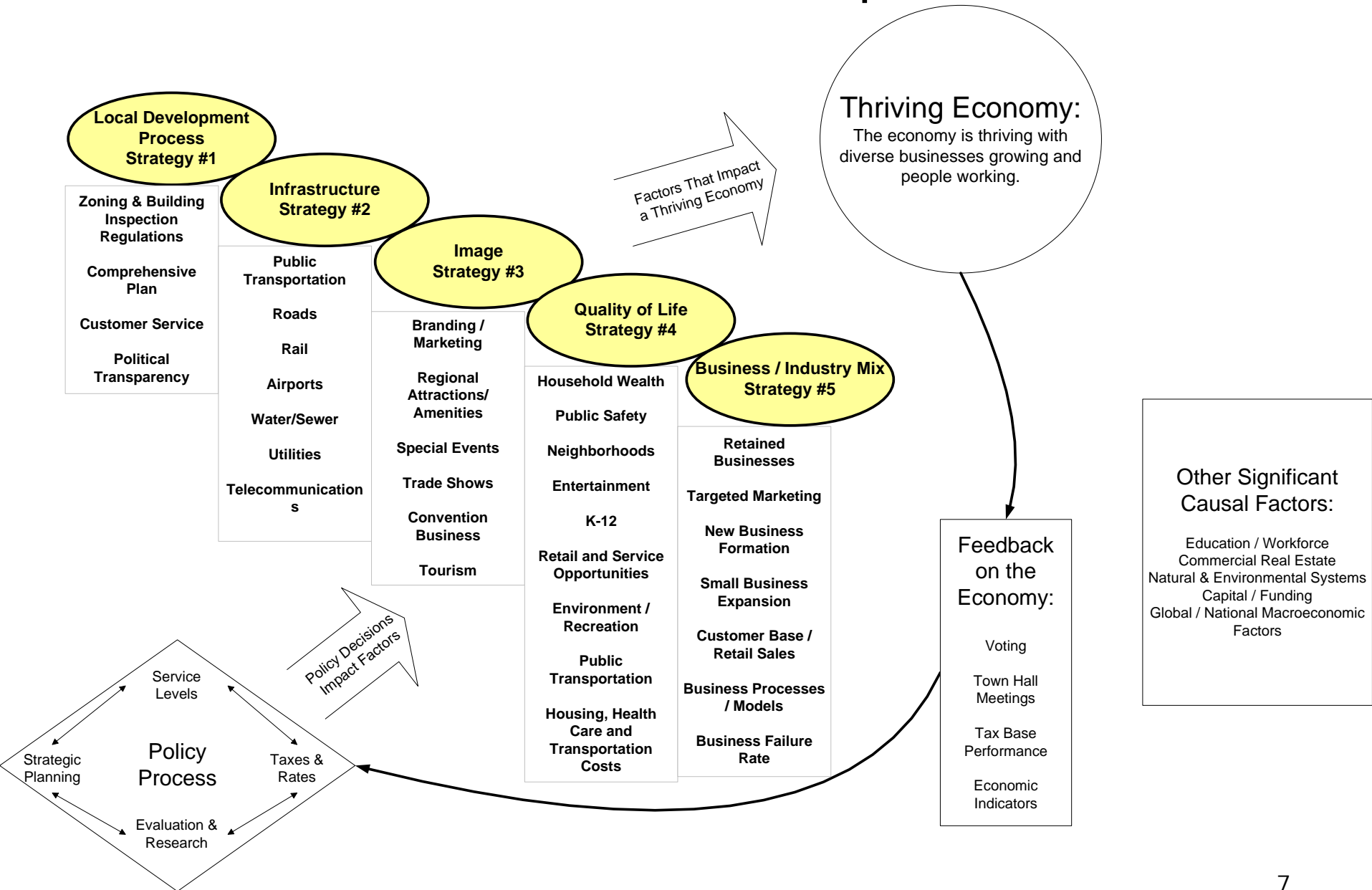
- Since 2002, the total property tax base has increased by a total of 17.8 percent⁽³⁾
- The unemployment rate has fallen by 3.6 percentage points since 2003, to 5.6 percent⁽⁴⁾
- Office vacancy rates fell two years in a row down to 20.1 percent⁽⁵⁾
- Sales tax revenue up three years running by a total of 17.5 percent⁽⁶⁾
- Since 2003, jobs in the City have increased by 5.5 percent to 1.033 million⁽⁷⁾

Thriving Economy Gaps

■ **Despite improving indicators...**

- Dallas' unemployment rate has exceeded the nation's since 1999⁽⁸⁾
- The number of businesses in the City has remained relatively level at around 64,000⁽⁹⁾
- Office vacancy rates are high compared to peer cities⁽¹⁰⁾
- Business personal property levels have been relatively flat since the 1990s⁽¹¹⁾

2007-08 Results Map



Purchasing Strategies Logic

Select strategies that influence causal factors for a thriving economy.

- Key elements in decision-making process
 - Greatest economic impact
 - *forwardDallas!* and *Strategic Engagement* documents
 - Trends, gaps and evidence that impact a “Thriving Economy”
 - Key Causal Factors addressed by other Results Teams



Strategies

KFA 1	Economic Development		
Result 1	Thriving Economy		
Strategy 1	Institute a regulatory process that facilitates development and encourages market activity		
Sub-strategy 1	Change development regulations to support the vision of <i>forwardDallas!</i> and <i>Strategic Engagement</i>		1.1.s1.ss1
Sub-strategy 2	Increase efficiency and improve customer service		1.1.s1.ss2
Sub-strategy 3	Maintain safeguards and create opportunities for environmentally friendly and sustainable development		1.1.s1.ss3
Sub-strategy 4	<i>Develop effective land use policies, for example: land bank, real estate services, long range and area planning, and Inland Port master planning</i>		1.1.s1.ss4
Sub-strategy 5	Develop a legislative agenda that secures new economic development through financial and non-financial programs and incentives		1.1.s1.ss5

Strategies (continued):

Strategy 2 Take advantage of the 2006 capital bond program and prioritize infrastructure investments according to *forwardDallas!* and *Strategic Engagement* to achieve maximum impact

Sub-strategy 1 Maintain Dallas' existing infrastructure and assets to sustain current development successes **1.1.s2.ss1**

Sub-strategy 2 Coordinate development-related operations and the 2006 capital bond program to open new development and redevelopment opportunities **1.1.s2.ss2**

Sub-strategy 3 ***Adequately fund operations and maintenance for new and existing capital projects*** **1.1.s2.ss3**

Strategies (continued):

Strategy 3	Fulfill Dallas' ambition to be a visitor friendly destination in all its dimensions: business, trading, recreation and the arts	
Sub-strategy 1	Promote major destinations and special events	1.1.s3.ss1
Sub-strategy 2	Increase national trade show activity and business travel	1.1.s3.ss2
Sub-strategy 3	Develop beautification and pedestrian friendly programs	1.1.s3.ss3
Sub-strategy 4	Promote investment in venues (e.g. Black Box Theater)	1.1.s3.ss4
Sub-strategy 5	<i>Create a national image-making program for Dallas similar to the "Brand Atlanta" program</i>	1.1.s3.ss5

Strategies (continued):

Strategy 4 Attract/support the development of urban and neighborhood retail and entertainment destinations, including mixed use projects, for Dallas residents

Sub-strategy 1	Promote transit-oriented development and other large scale catalyst projects	1.1.s4.ss1
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Sub-strategy 2	Expand the availability of retail services to underserved neighborhoods	1.1.s4.ss2
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Sub-strategy 3	<i>Create local development plans that make Dallas' development pattern more efficient and sustainable through coordinated land use, economic development and infrastructure planning and implementation</i>	1.1.s4.ss3
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Strategies (continued):

Strategy 5 Maintain, grow and diversify the Dallas economy's business base

Sub-strategy 1 Support small business and start-up/entrepreneurial activity **1.1.s5.ss1**

Sub-strategy 2 Retain, attract and grow key businesses **1.1.s5.ss2**

Sub-strategy 3 Diversify the economy through targeted recruitment of strategic industries, for example: logistics and the inland port **1.1.s5.ss3**

Sub-strategy 4 Market Dallas' story to include its business climate and the City of Dallas' commitment to its economic development strategy **1.1.s5.ss4**

Sub-strategy 5 *Improve local small business opportunities with the City of Dallas* **1.1.s5.ss5**



Prerequisites of Economic Development

Economic development initiatives cannot achieve the desired results without...

- A safe city
- A well trained work force
- Strong public schools
- Diverse, quality housing stock
- Dependable, ample and quality natural resources

Special Considerations for a Thriving Economy

Include programs that:

- Offer incentives for development in Southern Dallas, Central Dallas (CBD + one mile radius), and underserved areas of the City
- Lower the crime rate in commercial and retail areas
- Assist in achieving the goals of the public school systems
- Create job opportunities for reentry applicants
- Address the prerequisites of a thriving economy by creating economic impact in the tax base or employment gains
- Foster public/private partnerships for redevelopment efforts in the northern sector of the City



Purchasing Strategies Recap

1. Reform development regulations
2. Take advantage of the 2006 capital bond program
3. Be a visitor friendly destination
4. Attract / support development
5. Strengthen business base

References

1. City of Dallas, Office of Financial Services and Dallas Central Appraisal District Certified Annual Report.
2. U.S. Bureau of Labor Statistics Household Employment Survey.
3. City of Dallas, Office of Financial Services and Dallas Central Appraisal District Certified Annual Report.
4. U.S. Bureau of Labor Statistics Household Employment Survey.
5. CoStar.
6. City of Dallas, Office of Financial Services.
7. City of Dallas, Office of Economic Development.
8. U.S. Bureau of Labor Statistics Household Employment Survey.
9. Dun & Bradstreet Zap data.
10. CoStar.
11. Dallas Central Appraisal District.



Thriving Economy Results Team: Appendix to Presentation

Strategy 1 - Evidence

- Most broad-based, comprehensive local economic development strategies are delivered through public/private sector partnerships that are strongly driven or led by the local authority. The private sector is often keen to manage initiatives aimed at improving the vitality and viability of town centers or to be involved with business development initiatives. Source: World Bank, (2006)
- “Although some development occurs within the context of traditional and distinct roles and responsibilities undertaken by local governments and private developers, an increasingly common pattern reveals blurred boundaries and surprising reallocations as each party participates to a greater extent than before in what the other does... ‘public and private development’... increasing or decreasing according to political shifts, budget realities, and economic performance” Source: U.S. Economic Development Administration (2002)

Strategy 2 - Evidence

- Traditionally, progressive urban leaders promoted upward mobility largely by building critical, wealth-creating infrastructure: schools, roads, bridges, mass transit, public parks, and housing... Today it appears that most cities will not invest in ways to stimulate the middle class and broad-based economic growth... opportunities could be seized by... a return to the basics of urban policy, focusing on such things as infrastructure development. Source: Joel Kotkin, (2006)
- Transformative investments are multi-dimensional efforts that remake the urban physical landscape to stimulate economic growth, improve fiscal vitality and advance social equity. Cities are increasingly making transformative investments to realize their full potential through investments in downtown, neighborhoods, corridors, green spaces and waterfronts. Source: Brookings Institute Metropolitan Policy Program, (2006)
- \$11.1 billion in Dallas' capital needs inventory. DWU has identified an additional \$1.4 billion in needs over the next 5 years, not including the long range water supply projects. Source: City of Dallas (2005)

Strategy 3 - Evidence

- A recent survey of site selectors and executives confirmed Dallas' overall positive business image. Results indicate Dallas must do more to differentiate itself and to project an image based on its demographics, vision, lifestyle and business climate. Source: City of Dallas, Office of Economic Development, (2006)
- Without travel-generated tax revenue, each household in Texas would have to pay \$736 in additional local, state, and federal taxes to maintain current service levels. Our major liability is the State's **lack of image.**” Source: Economic Development & Tourism, Office of the Governor, State of Texas (September 2005 and October 2006)

Strategy 4 – Evidence

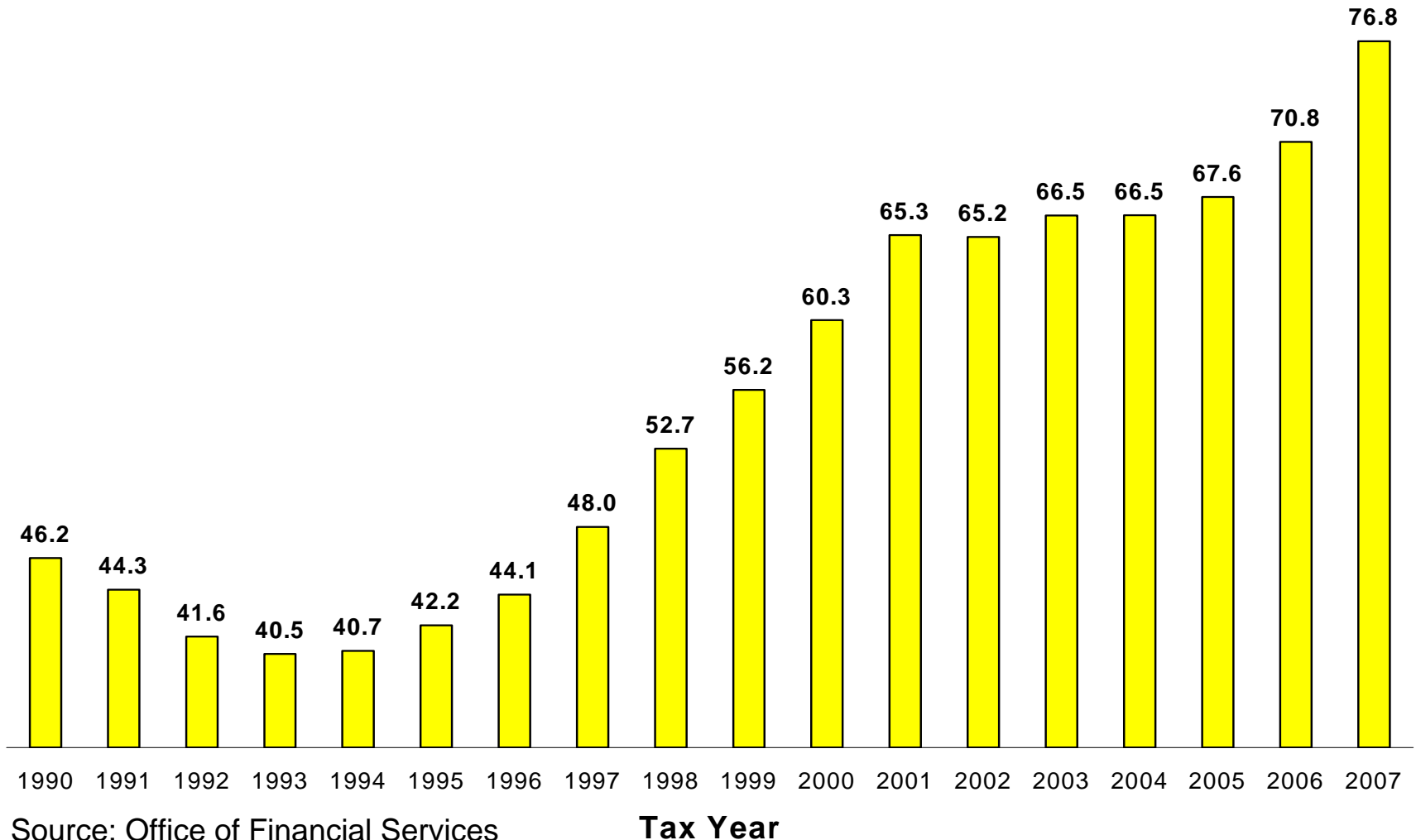
- Three percent of Dallas' land area, (over 8,000 acres), is within ¼ mile of an existing or proposed DART station. Source: COD, Office of Economic Development (2006)
- Dallas is one of the top ten metro areas for potential demand for TOD housing, with potential demand expected to increase 364% to 264,532 households by 2025. Source: Center for Transit-Oriented Development, (2004)
- “When low-income working families have to pay higher prices for everyday goods and services they have less money to invest in savings, education, homes and home improvements, their retirement, and their children... Unabated crime, low property values, and all of the many consequences of concentrated poverty continue to wear away neighborhoods. In turn, these neighborhoods remain unattractive for mainstream business investment, since the risks of doing business are too high.” Source: Brookings Institute (April 2005)

Strategy 5 - Evidence

- Both entrepreneurship and innovation are drivers in the growth of regional economies. Innovative regions need entrepreneurs to more fully develop local economies. Entrepreneurial regions are likely to be associated with higher levels of technology. Source: U.S. Small Business Administration (2005)
- “Labor force growth alone does not provide a margin of added value that can be distributed as rising wages, incomes and overall living standards...In addition, there must be a shift in industry-mix so that an increasing share of a region’s wealth derives from relatively more productive industries.” Source: North Texas Commission (2003)

City Economic Trends: Total Property Value

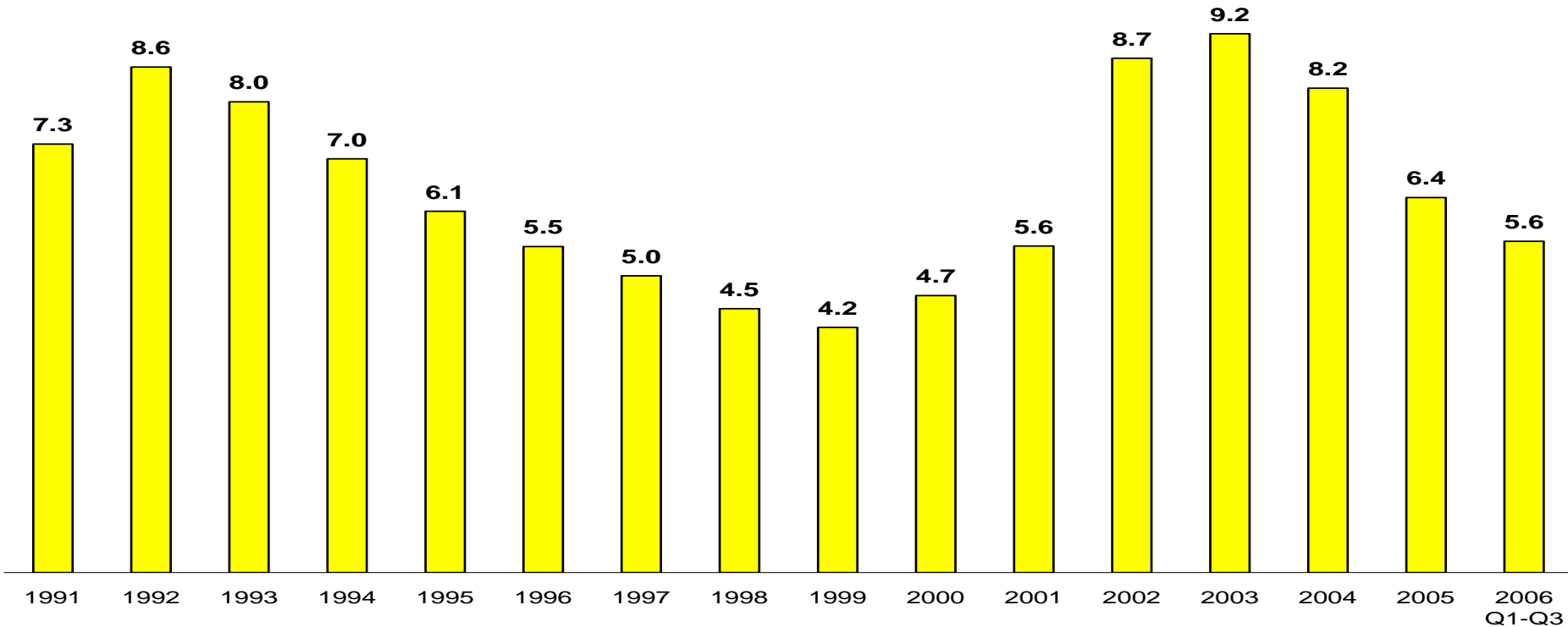
Constant \$ in billions



Source: Office of Financial Services

Tax Year

City Economic Trends: Unemployment Rate

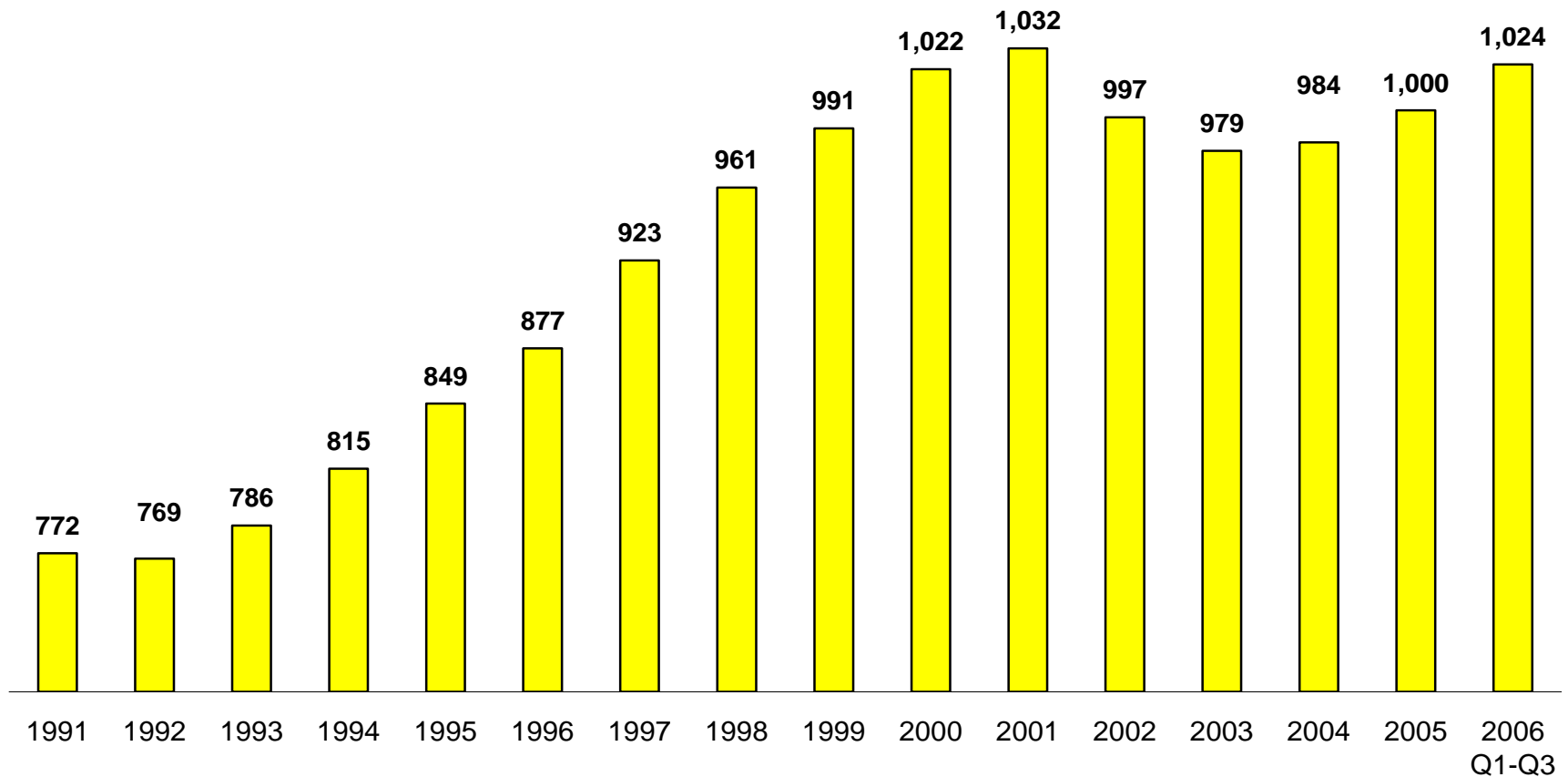


Source: U.S. Bureau of Labor Statistics

Fiscal Year

City Economic Trends: Jobs in Dallas

Jobs in thousands

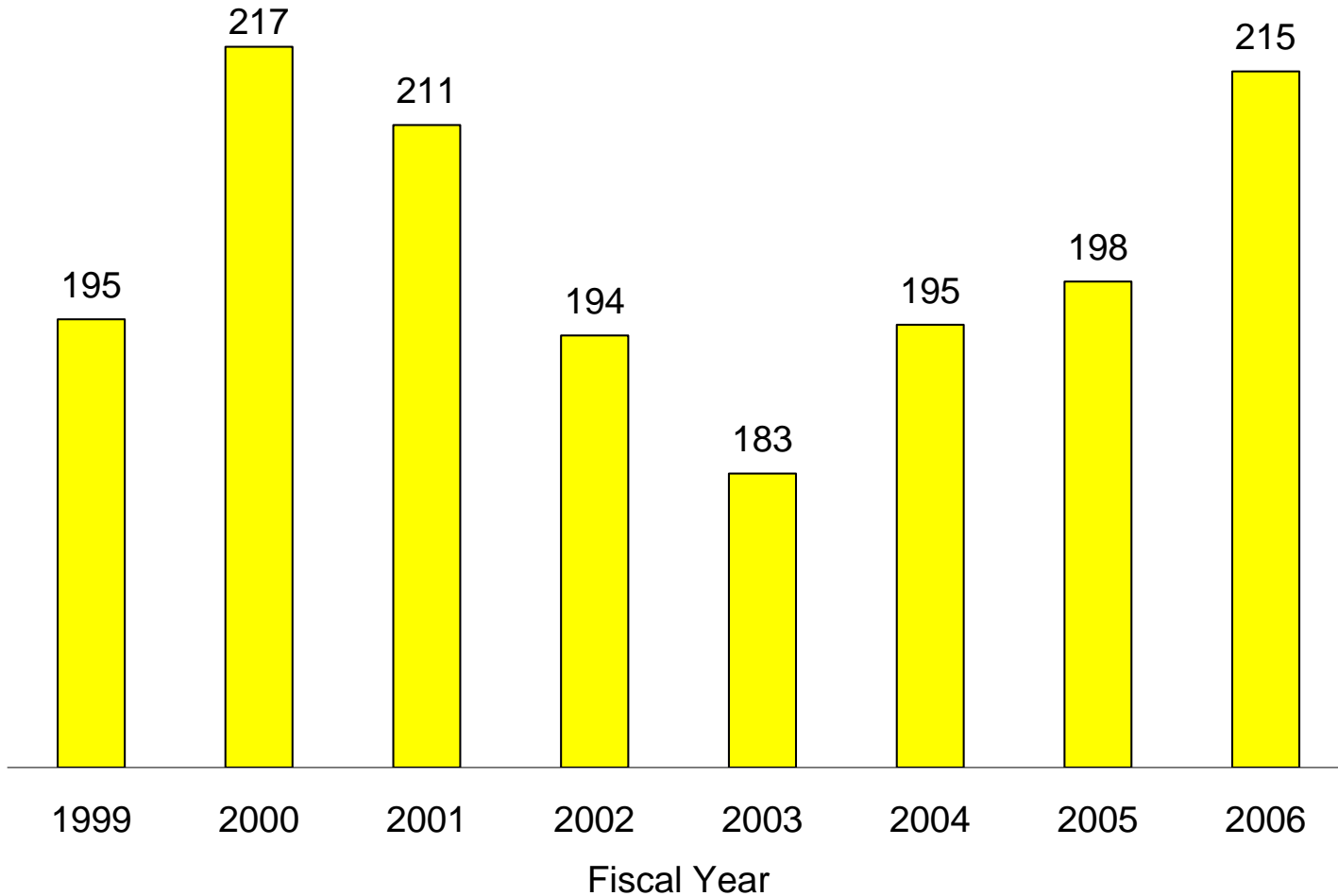


Source: Office of Economic Development

Fiscal Year

City Economic Trends: Sales Tax Revenue

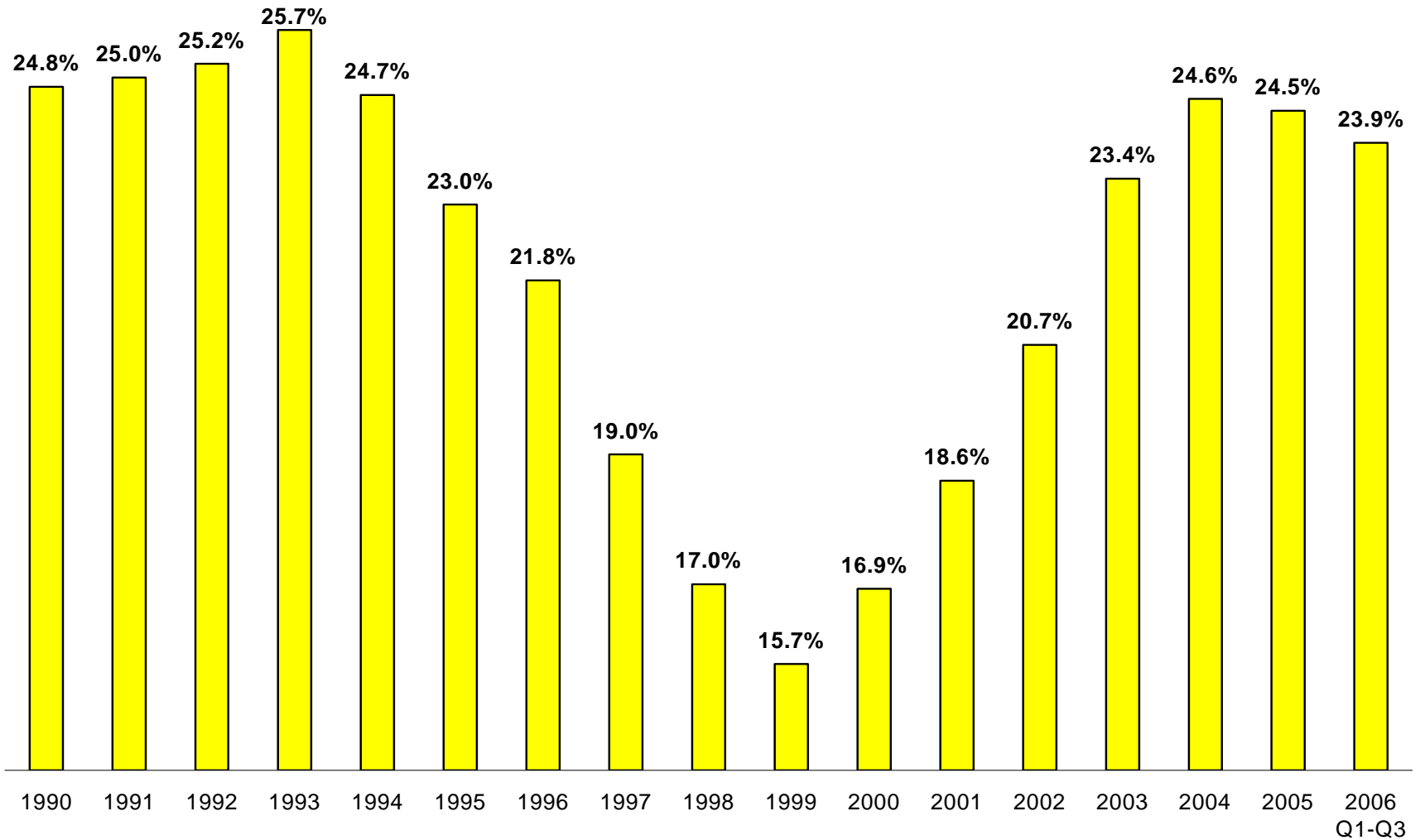
Constant \$ in millions



Source: Office of Financial Services

Fiscal Year

City Economic Trends: Office Vacancy Rate

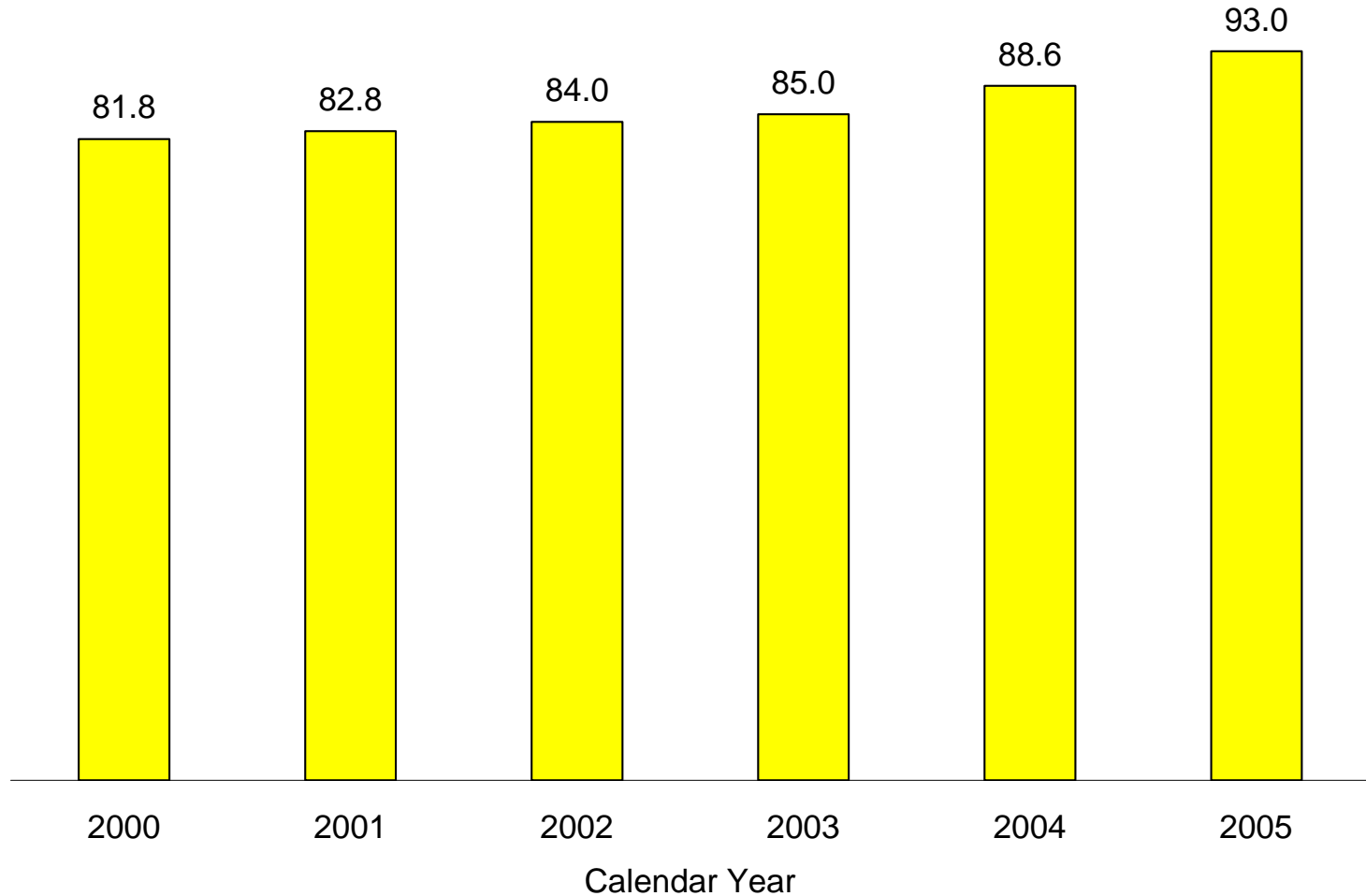


Source: CoStar

Fiscal Year

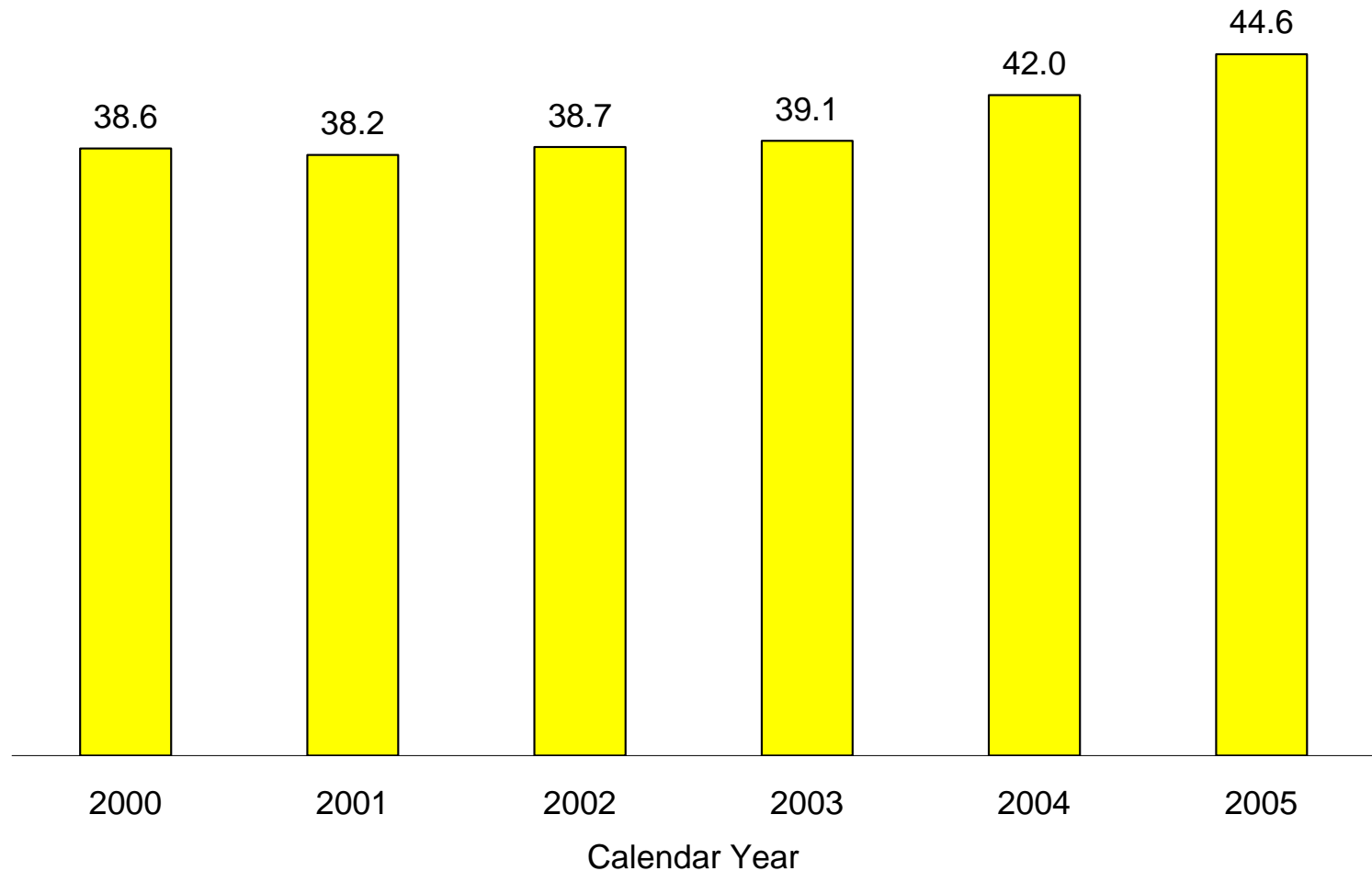
City Economic Trends: Gross City Product

Constant \$ in billions



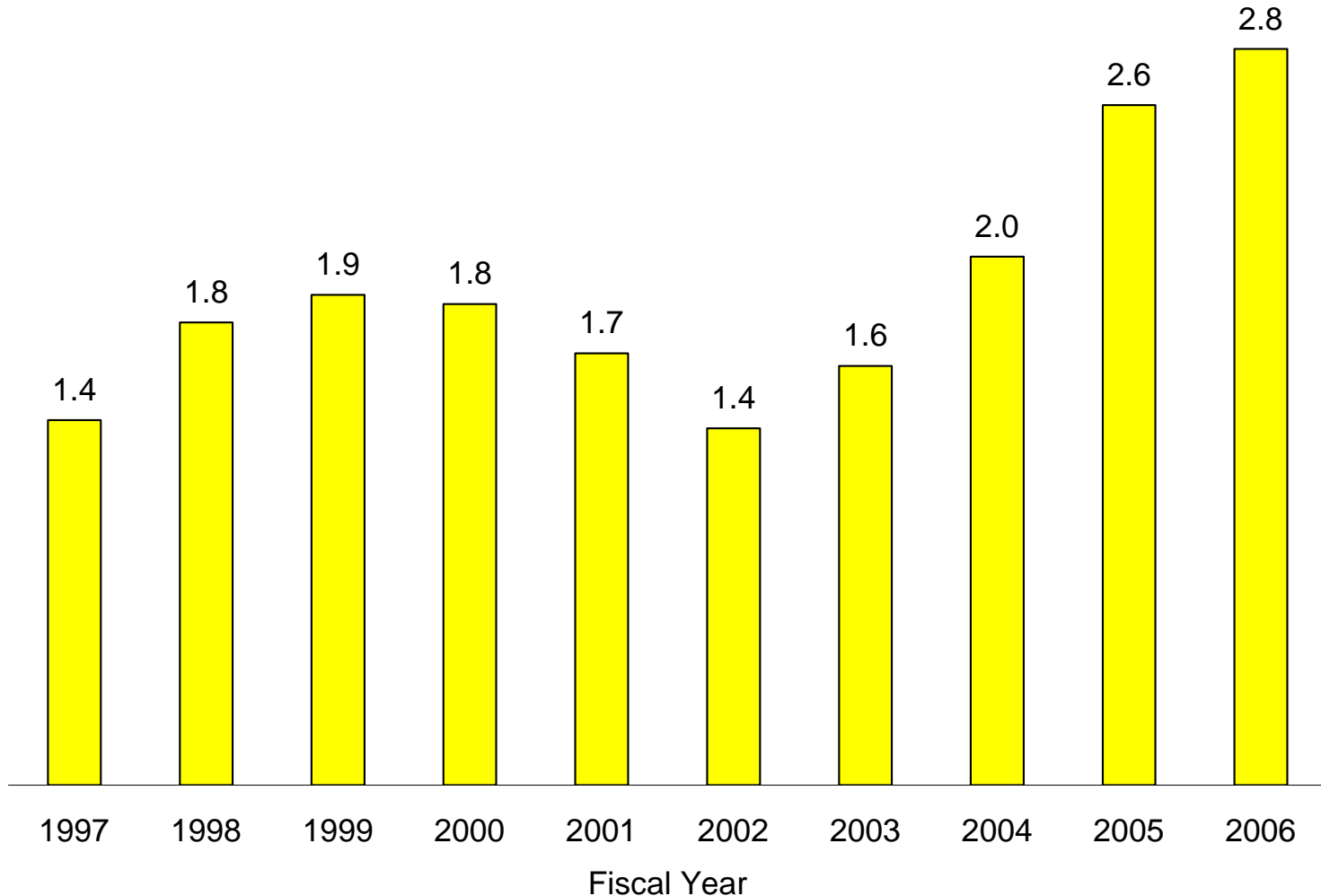
City Economic Trends: Total Personal Income

Constant \$ in billions



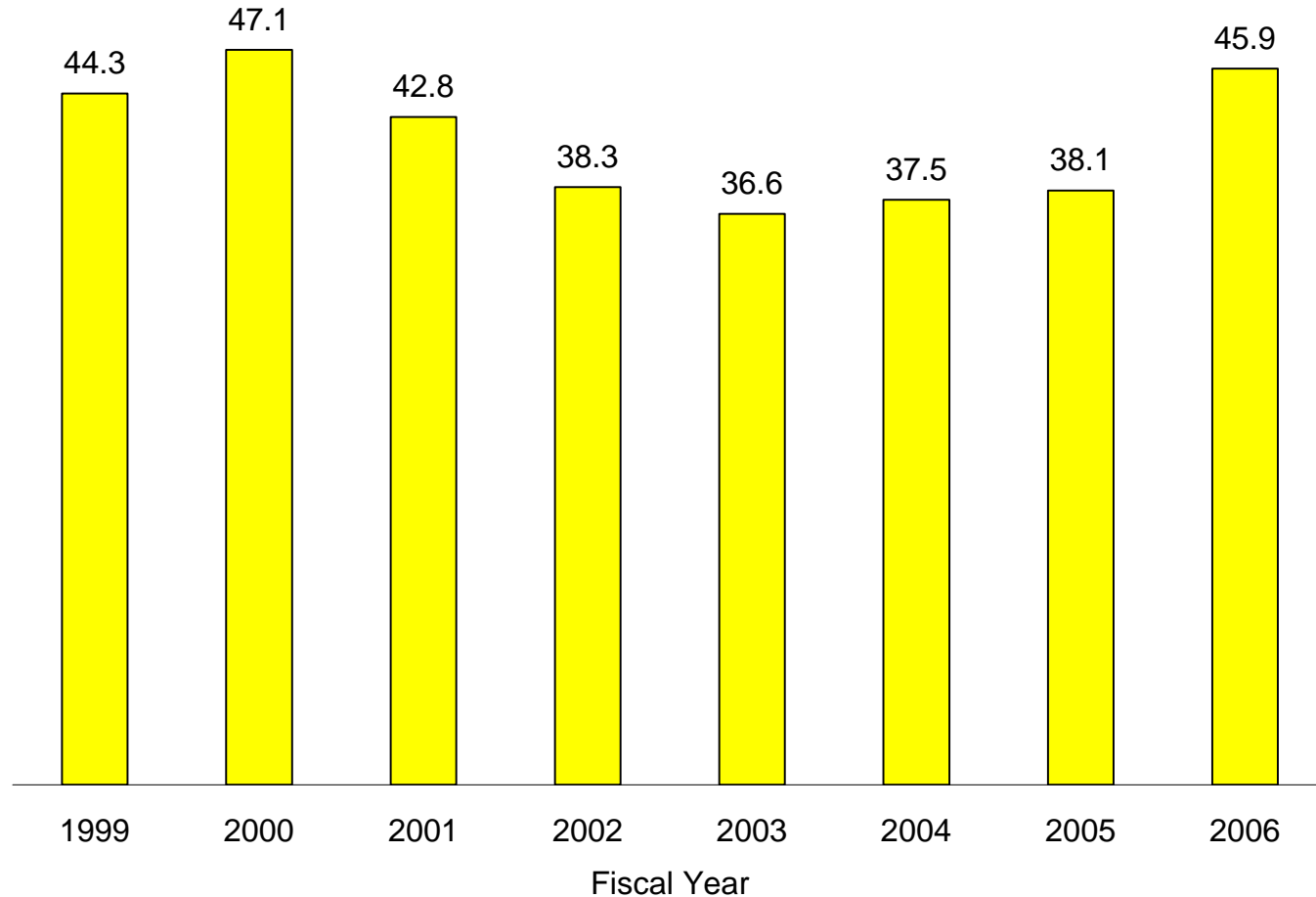
City Economic Trends: Total Building Permits

Constant \$ in billions



City Economic Trends: Hotel/Motel Tax Revenue

Constant \$ in millions



Gap Opportunities

- Improve resident's job prospects...

Unemployment Rates	2001	2002	2003	2004	2005	2006
U.S.	4.7	5.8	6.0	5.5	5.1	4.7
Dallas (City)	6.5	8.9	9.0	8.1	5.8	5.6
Gap	1.8	3.1	3.0	2.6	0.7	0.9

Source: U.S. Bureau of Labor Statistics

Gap Opportunities

- Boost new business starts...

	2004	2005	2006
Dallas Firms (City)	63,700	65,000	64,600

Source: U.S. Dun & Bradstreet

Gap Opportunities

- Improve downtown real estate performance...

City	Downtown Vacancy Rate
Charlotte	5.1
Denver	10.6
Phoenix	11.2
Seattle	12.6
Chicago	16.6
Austin	18.8
Houston	19.1
Atlanta	20.2
San Jose	20.3
Dallas (48 th out of top 50 markets)	20.9

Source: CB Richard Ellis, CoStar

Gap Opportunities

- Increase business investment...

	1998	2000	2002	2004	2006
Taxable Business Personal Property (\$B)	\$11.9	\$12.2	\$13.9	\$12.7	\$12.2

Source: DCAD

Updates to Causal Map

