



## THE BUSINESS COMMUNITY'S SUPPORT FOR THE CITYDESIGN STUDIO'S URBAN STRUCTURE PLAN

# PUTTING IT ALL TOGETHER

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“Creative thinking was essential to the plan for West Dallas that has been created by the Dallas CityDesign Studio.

“Creative thinking will *also* be essential to the implementation of that plan.

“This document, developed by the business community most affected by the plan, launches the creative thinking that must occur for the plan to become a reality.”

**Larry Beasley, C.M.**  
Consultant, CityDesign Studio

# EXECUTIVE SUMMARY

**D**allas is a mighty city with a majestic profile. However, most of its premier assets are clustered on one side of the city. The western, southern and southeastern sections of the city in particular have very few of the same assets. However, the vast expanses of undeveloped land there represent outstanding opportunities to add tax revenue to the city ... so long as those areas get developed in a way that produces communities that will sustain for many years to come.

Many factors are responsible for this imbalance. Developments in Dallas over the past 25 years have generally emphasized separation from the street rather than connection to the street, a single use rather than mixed uses and access only by automobile rather than access by automobile, foot, bicycle, trolley and/or light rail.

As a result, people over time have found many developments in Dallas to lack character and have moved farther away from the city core in search of something better.

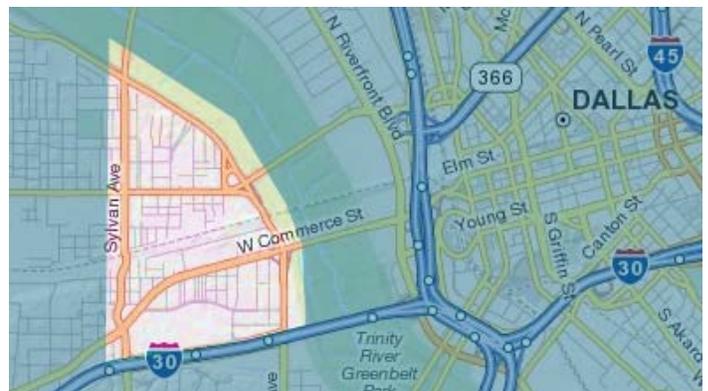
The good news is, a new vision of how cities can grow and prosper is taking root all over the world. That vision is embedded in an accompanying document from the Dallas CityDesign Studio targeting a new urban-planning model for a section of West Dallas adjacent to the Trinity River.

We, the business stakeholders in this area, urge the Dallas City Council to approve the innovative plan crafted for our area by the Dallas CityDesign Studio and adopt several recommendations for its implementation that we outline in this document. We ask the council to designate the area going forward as the **Dallas City Council Urban Innovation Zone**, a laboratory where innovative urban design strategies get tested.

**Most important, we hope the council will endorse the work of the Dallas CityDesign Studio as a model that will be replicated over the next several years in other underserved neighborhoods located in every council district city-wide.**

Since August 2009, the CityDesign Studio has been working with us, and listening to us, with the goal of crafting an innovative strategy for the redevelopment and revitalization of that specific slice of West Dallas bounded by:

- the Trinity River on the north and east,
- Interstate 30 on the south and
- Sylvan on the west.



Why should this “West Dallas Study Area” be the beta site for an entirely new approach to urban planning in Dallas? Primarily because of its location. This segment of West Dallas is immediately surrounded by the Medical District, the Market Center District, the Design District, the Justice Complex, the Kennedy Tourist District, Downtown Dallas and the affluent neighborhoods of North Oak Cliff.

A revitalized West Dallas will not have to look far for locals and visitors eager to enjoy its amenities.

More important, though, is the area’s proximity to the Trinity River Corridor Project. Access to several of the project’s key recreational venues will be from the study area. And two of the three Santiago Calatrava-designed bridges that will traverse the Trinity River will land in this area. So, we feel this section of West Dallas is truly the slice of Dallas most on the front lines of the changing inner city.

Led by world-renowned urban planner Larry Beasley, the Dallas CityDesign Studio has facilitated more than 30 meetings over the past 18 months that have elicited a vision for the study area from its residents, business owners,

landowners, and investors, as well as from city staff, elected officials and community leaders from adjacent neighborhoods.

An exciting re-imagining of this area – incorporating the latest urban-planning philosophies – is described in detail in the document from the CityDesign Studio that accompanies this one.

Based on that plan, we are asking this Dallas City Council to take four steps as quickly as possible:

- Designate the West Dallas Study Area as an official beta site for new urban design principles, a site to be called the **Dallas City Council Urban Innovation Zone**.
- **Approve the CityDesign Studio Plan as the desired blueprint** for this Urban Innovation Zone.
- **Charge city staff to deliver to the council within six months a toolkit of incentives and land-use guidelines** that will motivate developers and business owners to make the CityDesign Studio Plan a reality ... and to re-assess that menu every year or two and revise it as needed.
- **Commit to replicating in other similar neighborhoods across Dallas the most successful aspects of the process the CityDesign Studio has used in the West Dallas Study Area, as well as the most successful parts of the toolkit the city applies to the Urban Innovation Zone.**

To the third point, we strongly urge city staff to include some, or all, of the following, as part of its menu of tools that will apply exclusively within the Dallas City Council Urban Innovation Zone:

- **Revisions to the city's land-use and building-code guidelines to kick-start new development projects** that reinforce the vision outlined in the CityDesign Studio Plan.
- **Revisions to the city's land-use and building-code guidelines to allow and stimulate the incremental use of existing structures** as described in the CityDesign Studio Plan.
- **Significant City of Dallas participation in a catalyst project** for the zone.
- **Greater City of Dallas participation in the improvement of existing infrastructure and the installation of new infrastructure** throughout the zone.
- **Refinements to the city's existing financial incentives** so more development will be drawn to the zone.
- **Adoption of new financial incentives** likely to spur developers to invest in the zone and put Dallas on a par with the cities it competes against.
- **Establishment of a concierge for the Dallas City Council Urban Innovation Zone**, who will be dedicated to minimizing the bureaucracy developers encounter when bringing projects forward.

In this document, we offer several ideas for each of the above categories, ideas gleaned from area developers and investors, as well as from many of the cities Dallas competes against for development.

We believe that by approving the recommendations put forth in the CityDesign Studio plan, this Dallas City Council will re-establish a long-overlooked and underserved neighborhood as an exciting destination offering a high quality of life for its residents and visitors.



And, as the process used by the Dallas CityDesign Studio transfers to other, similar neighborhoods across Dallas in coming years, this council will see it established as part of its legacy a vision that:

- **dramatically reshaped for the better how Dallas' neighborhoods developed going forward.**
- **transformed dormant communities isolated by freeways and levees into vibrant villages connected by and to the Trinity River.**
- **turned Dallas away from its fabled "tipping point."**
- **refashioned its entire urban core into a development magnet that fortified the city's tax base for generations to come.**



# INTRODUCTION

## A GAME-CHANGING VISION FOR ALL OF DALLAS

It's a muggy April morning and the city's ozone levels are higher than usual. So, several residents of the Cedar Crest and Highland Hills neighborhoods in South Oak Cliff meet at a van stop near their homes to take the electric-powered shuttle to their jobs at the new government complex along South Lancaster Road. Afterward, they'll either bike directly to the nearby trails in Kiest Park, or perhaps shoot hoops at the state-of-the-art basketball center nested deep within the heart of the complex.

Two weeks later, families in Arlington Park ride DART's Green Line to Maple Avenue to take in the mariachi competition at their neighborhood's Cinco de Mayo Festival. In Oak Cliff, the residents of Winnetka Heights and Wynnewood North walk or take a bus to their festival on Jefferson Boulevard.

On a steamy evening in August, retirees in the Munger Place section of Old East Dallas stroll from their condo complex to an art-house cinema on Greenville Avenue via a serpentine walkway cooled by misters and elms. Meanwhile, seniors in the Red Bird neighborhood of Southwest Dallas beat the heat with iced coffees and frozen yogurt beside an ice rink inside a re-imagined Southwest Center Mall.

And, on a spectacular crisp October morning, scores of those living in Kessler Park, La Bajada, Downtown Dallas and the Design District choose to walk or bike to their jobs at the new technology campus situated along Fort Worth Avenue. That evening, they meet friends at one of the cafes along the perimeter of the esplanade that runs from Interstate 30 to Singleton Boulevard, or at one of the kayak launches alongside the Trinity River at Sylvan Avenue.

Sadly, not one of these scenarios takes place today. However, we the business stakeholders in and around West Dallas believe the unique vision and innovative tools being recommended by the CityDesign Studio can turn those desirable dreams into definitive realities. And, we believe

the recommendations can revitalize not just West Dallas (and the other communities mentioned above), but also similar neighborhoods of potential found in every Dallas City Council district.

We believe that by approving the recommendations put forth in the CityDesign Studio plan, this Dallas City Council will establish as part of its legacy a vision that:

- **dramatically reshaped for the better how Dallas' neighborhoods developed going forward.**
- **transformed dormant communities isolated by freeways into vibrant villages connected by a river.**
- **triumphantly turned Dallas away from its fabled "tipping point" and refashioned its entire urban core into a development magnet that fortified the city's tax base for generations to come.**

Let's now look at why we feel Dallas can benefit from this game-changing approach to development...

# A CASE FOR THE CITYDESIGN STUDIO PLAN

## MORE SUSTAINABLE NEIGHBORHOODS AND A MORE UNIFIED CITY

**D**allas is a mighty city with a majestic profile. Stunning architecture defines not just downtown but also those business corridors in Uptown, across North Dallas and along the Dallas North Tollway. Nearby are some of the city's premier shopping districts – from West Village, to NorthPark, to Preston Center, to the Galleria.

Major recreational amenities also define the city. The Katy Trail, stretching from Victory Park to the Park Cities, is a popular gathering place for people of all ages. And White Rock Lake and its adjacent arboretum offer additional opportunities for those who want to engage in exercise ... or merely relish a spectacular sunset.

**These assets are all impressive ... but are all located on the same side of the city.** Like the bodybuilder who has emphasized his chest at the expense of his legs, our city has grown in a lopsided way. In particular, the taxpayers in the city's western, southern and southeastern sections enjoy few, if any, amenities comparable to those mentioned above.

Now, some of the traditionally desirable neighborhoods on the city's north side are starting to show their age as well. Unless we rethink how those communities are to evolve in coming years, the city may find residents abandoning them too, further eroding the city's tax base.

### HOW DID WE GET HERE?

Dallas confronts the challenge it faces partly because – as has been the case in many cities across North America – **many of the developments that sprung up across the**

**city over the past 25 years were short-sighted in their design.** These developments emphasized separation from the street (*expansive parking lots, or multi-level garages*) rather than connection to the street (*angle-in parking, parking lots behind the businesses*), and a single use (*big-box, or multi-family apartments*) rather than a mix of uses (*condos above retail, or work/live arrangements*).

**Residents found their experiences at these places more woeful than wonderful. So they quickly moved on to the next development that promised to be “more exciting”**, a development that most likely was farther from the city's core. The result: vacant storefronts and cracked asphalt at projects that hosted enthusiastic ribbon-cuttings just a few years before.

Also contributing to the current problem is the fact that **Dallas' development mindset over the past 25 years has created a city that forces most of its residents to use an automobile** to travel from where they live, to where they work, to where they play. Yes, DART is changing how some of our residents conduct their daily activities. Still, most people in Dallas view the city's retail, office and entertainment complexes as temporary touch points detached from their neighborhoods, rather than desirable destinations braided into their communities.

### A REMEDY IS AT HAND

The encouraging news: **a new vision of how cities can grow and prosper is taking root all over the world.** And by endorsing the recommendations of the CityDesign Studio, Dallas can put that vision to work toward the transformation of overlooked neighborhoods south, west, east AND north.

- It's a vision that infuses into the planning of key developments the needs and insights of the citizens affected by them. **We believe that will minimize the pushback projects often encounter late in the development cycle and increase the support they receive from neighbors once they open.**

- It's a vision that encourages developers to design communities so everything can be accessed by foot, bus, bike, streetcar, light rail ... as *well* as by automobile. **We believe that will reduce the amount of dollars the city must spend to abate the pollution caused by vehicular congestion.**
- It's a vision that insists that deserted sidewalks become vibrant streetscapes. **We believe that will entice motorists to pull over and spend their money in the urban core rather than race through the urban core on their dash home to the suburbs.**
- It's a vision that says **temporary uses (or permanent re-uses) of existing architecture are superior to no uses at all ... and are often the first steps toward a more sustainable neighborhood over time.**



And, it's a vision that replaces the expensive cycle of build/deteriorate/scrape/build again with one that designs **smart communities that endure for generations.** In short, a **vision that we believe will convert swaths of property contributing little to the tax base into dynamic engines of economic vitality.**

Over the past year, we and the CityDesign Studio have been quietly pursuing this vision in a historically overlooked but strategically important area of West Dallas. Now we feel it is time to accelerate that vision, so it can soon benefit not just West Dallas but also neighborhoods in Oak Cliff, South Dallas, East Dallas, Pleasant Grove ... and beyond.

**By adopting the recommendations offered by the CityDesign Studio, the Dallas City Council will show it is committed to revitalizing neighborhoods in the urban core in a way that will sustain them for years to come.** It will also set into motion a process that can seamlessly connect those neighborhoods to one another and to what will soon become a world-class urban attraction – the Trinity River Corridor Project.

Let's take a brief look at the path-finding work the CityDesign Studio has undertaken over the past year, and how the business community and residents of West Dallas have worked with the studio to help it craft its vision and recommendations.

# THE PROCESS BEHIND THE NEW VISION

## LISTENING TO AND WORKING ALONGSIDE THE COMMUNITY

The vision and tools proposed by the CityDesign Studio plan are not pie-in-the-sky suggestions submitted by lofty academics possessing little direct knowledge of the community they have studied.

They are, instead, the result of a planning project unlike any undertaken before in this city... a project that has brought together:

- **urban planners** who possess world-class credentials,
- with **neighborhood leaders** who feel passionate about their communities,
- with **hundreds of businesspeople** and residents who own property in (or adjacent to) the first neighborhood to be re-imagined.

Since August 2009, the CityDesign Studio has been working with us and listening to us with the goal of crafting an innovative strategy for the redevelopment and revitalization of that specific slice of West Dallas bounded by:

- **the Trinity River on the north and east,**
- **Interstate 30 on the south and**
- **Sylvan Avenue on the west.**

(In this document, we subsequently refer to this area as the “West Dallas Study Area”).

### WHY WEST DALLAS?

Historically, West Dallas has been a depressed pocket isolated from the rest of the city and defined prominently by the lead smelter and several housing projects once put there by outsiders. It has also, at times, been a place held back by political and commercial malaise.

However, West Dallas is also a well-defined neighborhood loved deeply by its long-term residents. And it is an area that has abundant open land and, as a result, has already started to see an uptick in commercial development. These days, new opportunities for (and new perceptions of) West Dallas are definitely flourishing ... and the property owners within that area are sensing the change and embracing it as they look to make their solid community an even better place to live.

**Perhaps the best reason, however, for making West Dallas the beta site for the CityDesign studio's work is ... location, location, location.**

More than many other areas of the city that want to develop, West Dallas is surrounded by a host of next-door neighbors who can significantly support its success.

**Immediately to its northwest, just over the Hampton Road Bridge, is the Medical District.** This area employs thousands of medical professionals and hosts hundreds of visitors a day to the Parkland Hospital complex, the Children's Medical Center, the UT Southwestern Medical Center campus, and other medical facilities.

**Immediately to its north, just over the Sylvan Road Bridge, is the Market Center area.** The wholesale market complex brings thousands of fashion, gift and home accessory buyers to the area each year. Several major hotels, including the massive Hilton Anatole, also are in this area.

Immediately to its northeast, just over the Continental Pedestrian Bridge, is the Dallas Design District, a mecca for art and antique shoppers.

Immediately to its east, over the Commerce Street Bridge, is the Justice Complex and Downtown Dallas. And just a few hundred yards to its south are the established neighborhoods of North Oak Cliff, as well as the Methodist Medical Center complex.

We are confident a revitalized West Dallas will not have to look far for locals and visitors eager to enjoy its amenities. Especially since these micro-communities are already linked by such well-traveled thoroughfares as Interstate 30 West, Sylvan Avenue, Fort Worth Avenue, and Singleton Boulevard.

**But most important of all is the West Dallas Study Area's proximity to the Trinity River Corridor Project.**

Access to several of the project's key recreational venues will be from West Dallas. And two of the three Santiago Calatrava-designed bridges that will traverse the Trinity River will land in West Dallas. So, we feel West Dallas is truly the area of Dallas most on the front lines of the changing inner city.

Somewhat-walkable communities – complete with mixed-use developments and convenient DART stations – already exist to downtown's north (Uptown), east (Deep Ellum) and south (South Side on Lamar). **It is this area west of downtown that is best-positioned to be the blank slate upon which Dallas freely writes the story of the new way it wants to develop going forward.**

## THE STEPS TAKEN THUS FAR

West Dallas has not been the CityDesign Studio's only sphere of interest. The studio has also facilitated two design workshops for Martin Luther King, Jr. Boulevard hosted by Councilmember Carolyn Davis. It helped the city develop its design for Riverfront Boulevard on the east side of the Trinity River. And in July 2010, the studio partnered with the local chapter of the Congress for New Urbanism to host an Urban Conversation at the Belmont Hotel that drew more than 100 attendees.

However, the studio's primary task since its inception has been convening the key constituents of West Dallas and adjacent neighborhoods to help us envision how the West Dallas Study Area might develop in coming years so **everyone's** desires for the area get realized.

To that end, the studio has facilitated more than 30 meetings, most of which have involved West Dallas Study Area residents, business owners, landowners, and investors.

Launching that series of meetings was a Dream Session in August of 2009, which involved 110 people from West Dallas and Oak Cliff, as well as design professionals and city staff. Since then, the CityDesign Studio has spearheaded multiple smaller meetings about the redevelopment of the West Dallas Study Area that have fostered dialogue and generated insights from:

- the residents of La Bajada and Los Altos in West Dallas;
- the residents of East Kessler, Kessler Park, Stevens Park, Kings Highway, Wynnewood North and Winnetka Heights in North Oak Cliff;
- key West Dallas landowners such as West Dallas Investments, Oaxaca Investments LLC, Cienda Partners, Sowell Company, the America's Cable Park Group and Options Real Estate;
- leaders of such organizations as the West Dallas Chamber of Commerce, the Fort Worth Avenue Development Group, the West Dallas Coalition of Neighborhood Associations, and the Oak Cliff Chamber of Commerce;
- City Manager Mary Suhm and key staffers from the city's offices of economic development, housing and code enforcement, among others;
- Mayor Tom Leppert, Councilmember Dave Neumann (District 3), Councilmember Steve Salazar (District 6) and Councilmember Angela Hunt (District 14).

In these sessions (many of which were conducted in Spanish as well as English) the participants identified the aspects of the West Dallas Study Area they wanted to see remain, and the new amenities they most needed. They discussed the types of new developments they would be most comfortable with, and the types of incentives that could ensure such developments arrive.



They articulated the barriers that prevent such development from occurring in the study area today and effective options for dismantling those barriers in the future. Most of all, they discussed what they want the overall personality of the study area to be in ten – and even 20 – years.

**The meetings have helped the CityDesign Studio craft an exciting blueprint for the development of the community. A separate document outlines that blueprint in detail.**

However, that blueprint can only take shape if the city reconsiders how it supports development through its code, zoning and economic incentives. Let's now explore the tools and incentives we the business community believe will make it easier to both realize this vision in West Dallas ...



# HOW THE CITY CAN MAKE THIS VISION COME TO PASS

## DIFFERENT TOOLS FOR A UNIQUE URBAN DESTINATION

It's time to turn the West Dallas Study Area into a world-class success story.

Stakeholders have expressed their dreams for the area, and premier urban planners have translated those dreams into a tangible, attainable and desirable destination for all.

What's needed now is a city council that's willing to exercise the vision to endorse both the process and product to which hundreds of people who care about West Dallas have committed almost 18 months of their time ... council willing to endorse an urban-planning model that other cities worldwide will want to emulate.

To that end, we ask this Dallas City Council to take these four steps as quickly as possible:

- designate the West Dallas Study Area as an official beta site for new urban design principles, a site to be called the Dallas City Council Urban Innovation Zone
- approve the CityDesign Studio Plan as the desired blueprint for this Urban Innovation Zone

- charge city staff to deliver to the council within six months a toolkit of incentives and land-use guidelines that will motivate developers and business owners to make the CityDesign Studio Plan a reality ... and to re-assess that menu every year or two and revise it as needed. *Chief among those tools: a plan for city involvement in the creation of the Herbert Street development spine outlined in the plan, as well as two other underpasses beneath the Union Pacific Rail Line needed to effectively connect the neighborhoods north and south of it.*
- commit to replicating in other, comparable neighborhoods across Dallas the most successful aspects of the process the CityDesign Studio has used in the West Dallas Study Area, as well as the most successful parts of the toolkit the city applies to the Urban Innovation Zone

### A DIFFERENT TOOLKIT FOR A NEW URBAN DESTINATION

A simple refrain has emerged from the many meetings the CityDesign Studio has conducted with those who currently own property in – and those who would like to develop in – the West Dallas Study Area.

That refrain: we can help the area provide for its residents a much higher quality of life, AND generate for the city a much higher level of tax revenue, but **only if we can choose from a different menu of financial incentives and encounter far-less-burdensome bureaucracy.**

Many innovative incentives offered by other cities (both in the DFW area and nationwide) are not now in the City of Dallas' toolkit. And many of the codes and bureaucratic hoops developers grapple with here have been abandoned by many of the cities that Dallas competes with.

So, we ask the Dallas City Council to charge city staff to develop within six months a menu of guidelines and incentives to at first be offered just within the Dallas City Council Urban Innovation Zone. This menu will address some or all of the following seven preferences expressed by the business community:

- **Revisions to the city's land-use and building-code guidelines to kick-start new development projects** that reinforce the vision outlined in the CityDesign Studio Plan.
- **Revisions to the city's land-use and building-code guidelines to allow and stimulate the incremental use of existing structures** as described in the CityDesign Studio Plan.
- **Significant City of Dallas participation in a catalyst project** for the district.
- **Greater City of Dallas participation in the improvement of existing infrastructure** and the installation of new infrastructure throughout the district.
- **Refinements to the city's existing financial incentives** so more development will be drawn to the district.
- **Adoption of new financial incentives** likely to spur developers to invest in the district and put Dallas on a par with the cities it competes against.
- **Establishment of a concierge for the Dallas City Council Urban Innovation Zone**, who will be dedicated to minimizing the bureaucracy developers encounter when bringing projects forward.

Starting on the right, you will find detailed recommendations associated with each of these innovations that can guide city staff as they develop a menu for city council consideration in the coming weeks.

**These ideas stem from brainstorming sessions that involved city staff, area business owners, investors and developers...**



## 1. REVISIONS TO CITY GUIDELINES THAT WILL KICK-START NEW DEVELOPMENT PROJECTS

The business owners and developers who participated in our brainstorming sessions all agreed that many of the city's current codes and zoning guidelines inhibit their ability to bring quality projects to Dallas' urban core. Such guidelines seem especially irrelevant in pockets like West Dallas that have difficulty attracting development in the first place. In addition, many of the current guidelines have either been abandoned by Dallas' competitors ... or were never adopted in the first place.

We recommend that in designing the menu of guidelines exclusive to the Dallas City Council Urban Innovation Zone, city staff give serious consideration to the following ideas:

### ■ RETHINK CURRENT PARKING REQUIREMENTS

Currently, each structure in Dallas must provide a certain number of parking spaces based on the square footage of the property and/or its use. We would like to see "market-driven parking" prevail within the Urban Innovation Zone, a concept found in many parts of Seattle, San Francisco, San Diego and Alexandria, Virginia, among other locations. "Market-driven parking" would allow for such new options as on-street parking, spaces allotted to more than one business at the same time, and lots that serve one set of businesses by day and another set by night.

The result: a more walked neighborhood and a more vibrant street life. Why? Because rather than pull up to a specific location, experience it and then leave, drivers will park wherever they can and then walk to their destination, usually passing other places they decide to visit on the same trip ... or in the future.

Once the Urban Innovation Zone achieves a certain amount of density, city staff may also want to consider charging significantly more at city-operated parking structures within the zone than it does at the parking structures it operates elsewhere in the city. The increased

charge/revenue could both encourage more people to use alternative forms of transportation (walk, bike, bus) and fund transportation-related initiatives within the zone (area-wide bike racks, enhanced bus stops, etc.).

**■ RETHINK THE ZONING THAT REGULATES MUCH OF THE AREA**

Governing much of the Urban Innovation Zone is either an IM (industrial manufacturing or IR (industrial research) designation. These categories don't just discourage non-industrial developments ... they also inhibit many innovative developments that are common in the cities Dallas competes with.

Such developments include spaces where, for example:

- Lawyers, accountants, etc. have an office on the ground floor and a residence above that.
- Different but related businesses work side-by-side as a co-op.
- Sculptors or potters manufacture their artwork in the back and sell it in a retail shop up front.

The CityDesign Studio's document outlines in detail the zoning categories needed to create the mix of businesses and uses envisioned by the plan. We support their zoning recommendations and urge city staff to adopt them as part of the menu of supportive measures they will provide the City Council in coming weeks.

Creating new zoning designations for the area will require a reconsideration of PD714, a zoning overlay established several years ago to spur development along the Fort Worth Avenue corridor in particular. We are supportive of this planned development district being opened up and altered to ensure the zoning within its boundaries align with those recommended by the CityDesign Studio Plan.

**■ ALLOW CUMULATIVE ZONING ACROSS THE AREA**

Today, the city stipulates that each specific property be limited to a very specific use. Like other mechanisms mentioned above, this zoning philosophy stifles innovative developments from coming to an area.

Why? When land is rezoned to allow a higher use at that location, land values can instantly skyrocket, even if there is no one interested in developing the land at that time. Developers actually turn away from the area in question.

Also, developers wanting to rejuvenate large tracts want the flexibility to change over time, based on market demand, what goes into certain structures or at certain locations. A location that works fine as a metal fabrication shop in 2010 might be great for townhomes in 2015, should the housing market recover. But if that spot is zoned solely for light industrial, developers might very likely drop the townhome project, given the hassle they know they will encounter to change the zoning.

We would like to see Cumulative Zoning allowed throughout the Dallas City Council Urban Innovation Zone. Under this scenario, the overall form (size, height, relationship to the street, relationship to other structures) of the buildings and public spaces throughout the zone would be specified up-front. And some uses (environmentally dangerous or sexually-oriented businesses, for example) would be disallowed. Otherwise, however, specific uses for specific properties would not be set in stone.

This "form-based" model for zoning would allow the area to evolve organically over time, but with general guidelines in place to ensure new developments do not compromise the zone's overall quality of life. The CityDesign Studio Plan calls for this type of overlay for the area and we support their call for the city to make Cumulative Zoning the norm in the Urban Innovation Zone.

**■ ALTER LANDSCAPING REQUIREMENTS SO THE URBAN INNOVATION ZONE CAN BECOME AN URBAN GREEN ZONE**

Developments that respect the environment cost the city less long-term than do those that consume water, trees, etc. in a wasteful way. Also, a community is more likely to succeed long-term when thought has been given to incorporating green spaces, rather than extensive swaths of concrete, into its overall layout and design.

However, several developers and business owners told us Dallas' current landscape ordinance feels restrictive and therefore discourages economic development. We want an area like the Urban Innovation Zone to do the opposite – encourage developers and neighbor-friendly businesses to enthusiastically revitalize the area.

At the same time, our abiding interest is in developing a green area that:

- helps reduce the urban heat island effect,
- helps contribute to air quality,
- enhances pedestrian appeal, and
- provides a green gateway to the Trinity River Project.

Therefore, as city staff designs the menu of options for application in the Urban Innovation Zone, we strongly urge it to revisit some key provisions within the landscape ordinance. We believe in some instances, the city can develop some equivalencies for this beta site, a testing ground for new thinking and new technologies.

For example:

- The current landscape ordinance states that a ten-foot, perimeter-landscape buffer strip – containing specific planting materials – must be provided along the length of the perimeter between commercial and residential uses and adjacent to streets. While we recognize the appropriateness of this substantial green divider in more open suburban settings, we feel what better suits a denser, more urban area is more subtle and random landscaping that's more likely to connect properties, people and the street to one another than divide them.
- Likewise, current requirements for screening and parking lot trees may be ideal for a big-box development along an interstate highway. But such requirements only feel suburban and out-of-place in the denser, New Urbanist-style of community we hope the Urban Innovation Zone becomes.
- The current landscape ordinance also stipulates that all plants must be within 100 feet of a verifiable water source. We believe there is room here to allow for common water sources targeted to a wider coverage area as well as alternative irrigation systems (such as shared and hidden rain-collection cisterns).

Finally, we have the opportunity in the Urban Innovation Zone to save time, money and maintenance by including more energy-efficient landscaping strategies and forward-thinking elements like green roofs and rain gardens, as well as architectural or sculptural components that assist with shading, windbreaks and water conservation.

## ■ STRENGTHEN THE ENFORCEMENT OF THOSE LAWS/CODES ASSOCIATED WITH QUALITY OF LIFE

Property owners and developers in our brainstorming meetings also pointed out that several quality-of-life factors in the Urban Innovation Zone that are overseen by code just do not measure up when compared to those same factors in the cities Dallas competes against. Greater enforcement of those codes will not just lead to a better quality of life in the zone; they will also lead to more developers wanting to put projects there, they said.

These issues include panhandling, stray dogs, grounds maintenance, illegal signage and graffiti, among others. Codes are in place to regulate these problems yet developers said the city just isn't enforcing those codes diligently enough in the area to make many developers feel comfortable about bringing new projects forward.

One option we recommend is that of allowing some form of citizen-led code enforcement to take place within the Dallas City Council Urban Innovation Zone. Although there has been resistance in Dallas to "letting neighbors snitch on neighbors", the fact remains such programs are successful in the cities Dallas competes against.

For example, the Denver area has empowered citizens to become volunteer code enforcement officers. These citizen code officers are trained by code enforcement staff and are able to report on, and follow through on, code violations city-wide. Meanwhile, Bradenton, Florida, and other cities have formed code-enforcement boards whose members include citizens who oversee enforcement of codes in place.

We also recommend looking at improvements that can be made at the individual-violation level. For example, we strongly urge the city to ban panhandling across the Dallas City Council Urban Innovation Zone the same way it just banned it in the West End, Deep Ellum and Downtown Dallas.

We also believe a group of artists, architects, etc. could be easily recruited to oversee the sign ordinances governing the zone, to ensure goal of the CityDesign Studio to make the area more aesthetically pleasing remains intact.



## 2. REVISIONS TO CITY GUIDELINES THAT WILL STIMULATE INCREMENTAL USE OF EXISTING STRUCTURES

Another major component of the CityDesign Studio Plan is encouraging existing structures to enjoy a new life. That can come about by someone putting into such a structure a temporary use of some sort (a café that intends to be open just over the summer months, for example, or an art show designed to coincide with the Super Bowl), or a permanent re-use of the space (the transformation, for example, of a former tire shop on Fort Worth Avenue into the restaurant/live music spot Jack's Backyard.

We believe many of the recommendations we put forward in the previous section of this document will apply to this goal as well. Specifically, new uses are more likely to come to existing structures in the Urban Innovation Zone if the city: rethinks its current parking requirements, rethinks the industrial zoning governing much of the area, allows cumulative zoning to occur across the zone, alters requirements that prevent the area from being an Urban Green Zone and strengthens in the zone the enforcement of the codes associated with quality of life.

However, we offer two other recommendations specifically designed to stimulate the increased and innovative use of **existing structures**:

### ■ ESTABLISH A NEW 'TEMPORARY USE' PERMIT

Currently, the city offers two types of permits: a Special Event permit geared to one-time events, and a Long-Term Use permit geared to businesses that expect to operate for years in a location.

What developers told us they need is a hybrid of the two – a temporary use permit that will allow for short-term (one month, four months, nine months) use of an existing building. Such permits can be found in Austin, San Diego, and Orange, California, among other cities.

The Orange, California, example is an especially applicable one, as that city that has successfully revitalized its core over the past 15 years. The city recognizes that certain uses of

land require special individual review. The intent of its temporary permit is to accommodate reasonable requests for interim, temporary or seasonal uses within any zoning district, when such activities are desirable for the community in the short term. However, temporary uses permitted must be sensitive to the health, safety and general welfare of persons residing and working in the community and not cause long-term detrimental effects on the surrounding properties or community.

Perhaps a theater company wants to stage a production in an abandoned warehouse for two or three weeks. Or an artists' cooperative wants to stage a show for one month in an old motel. Other cities make it easy for such spirited ventures to thrive. But the codes of Dallas make it almost impossible for them to take place.

Over its six-month run, the highly successful restaurant 48 Nights at Sylvan and Fort Worth Avenue generated tens of thousands of dollars for local charities. However, it almost did not come to be, for inspectors originally interpreted the city's code to say that the restaurant needed to install expensive exhaust-release equipment just because it was a new (although short-term) occupant in the space.

Meanwhile, the owner of an abandoned warehouse on Singleton Boulevard, which hosted a landmark art exhibit for three weeks, had to hire a Dallas Fire Rescue employee for the length of the show just because the original industrial use of the building mandated much more extensive fire regulations.

By allowing Temporary Use Permits to be issued for certain businesses wanting to come to the Dallas City Council Urban Innovation Zone, the city can both increase its revenue from permits AND inject immediately a heightened sense of energy and creativity all throughout the zone.

### ■ ALLOW 'EQUIVALENCIES' THAT CAN HELP A DEVELOPER SATISFY CODE

Say a property owner wants to put a nicer retail shop into an existing building within the Urban Innovation Zone. The retail shop will just be open from October to January to sell Christmas, Chanukah and Kwanzaa ornaments and gifts crafted by local residents. Fire codes most likely would demand that owner install expensive firewalls before the shop can ever open for business. Guess what? There goes the shop.

Or, someone wants to open a diner in a former gasoline station on a small, unusually shaped parcel of land. Current landscape regulations demand they plant trees in a way that would likely make it difficult for them to develop the property.

In other cities, people wishing to rehab existing structures have the flexibility of coming up with “equivalencies”, that enable them to satisfy the city’s code but in a more creative and flexible way.

The retail shop is allowed to open because the owner installs a fire alarm and three fire extinguishers, rather than the firewalls mandated otherwise. And, the diner goes forward because the city allows an exception or modification to the tree requirement because of the problems posed by the odd shape of the lot.

We recommend that in devising the menu of new options that will apply in the Dallas City Council Urban Innovation Zone, city staff explore what creative equivalencies property owners might use to satisfy code. We also ask city staff to consider an overlay for the zone that would allow property owners to just meet 50% of the guideline in place (for example, if you remove a tree that is 12 inches in diameter, you need only replace it with a tree or trees totaling six inches in diameter).

■ **GIVE PRIORITY TO THE IMPROVEMENT OF INFRASTRUCTURE ADJACENT TO EXISTING BUILDINGS IN THE ZONE**

Just because a smaller, older building sits vacant does not mean it is worthless. Such buildings can house small shops, cafes, artists’ studios, etc. – and often do in other cities.

The City of Dallas can increase the chance life returns to such buildings all across the Urban Innovation Zone by ensuring the infrastructure around such buildings is appealing and functional. Specifically, we ask city staff to consider a system by which any bond money dedicated to infrastructural improvements within the zone (replacement of curbs and sidewalks, streetscaping, etc.) go first toward the infrastructure surrounding **existing architecture**.



When it comes to the Dallas City Council Urban Innovation Zone, will the City of Dallas have any skin in the game? Developers have told us they will be much more likely to bring projects to the area if they are confident the city is also planning to be involved in the area’s renaissance.

Historically, the biggest challenge to the completion of deals in areas like West Dallas has been lack of capital – both equity and debt. That challenge is especially heightened in today’s ultra-tight financing market. Increasing that challenge even further are the higher equity requirements lenders now demand, as well as a dearth of comparables.

The City of Dallas can help mitigate these challenges by identifying ways in which it might participate in potential projects. In particular, we encourage city staff to explore how the city might kick-start development in the Urban Innovation Zone by participating in a catalyst project ... some large development likely to trigger other developers to consider the area.

We understand and support the fact that the city must: 1) participate only in catalyst projects that advance a public objective, 2) evaluate such projects on a case-by-case basis, and 3) consider the fiscal benefit to the city of participating in any such project.

That catalyst project could be:

■ **INSTITUTIONAL**  
**A SCHOOL, MUSEUM, LIBRARY, GOVERNMENT OFFICE BUILDING, ETC.**

In keeping with the theme of the area, perhaps the city helps fund a charter high school devoted to architecture and urban design. Or perhaps it helps establish a New Urbanist Museum, the Bonnie & Clyde Museum or a Museum of Texas Music in the area.

On a large scale, the Pompidou Centre in Paris, France, and The Guggenheim Museum in Bilbao, Spain, are exceptional examples or institutional projects that have been enormous catalysts for neighborhood that were formerly bleak and dreary. And The New Museum's new (opened in 2007) building in the Bowery has helped transform that traditionally dreary nook of New York into a dynamic nexus of cultural and commercial development. Closer to home, The Missouri Research Park in suburban St. Louis is a 200-acre research and development complex that has spawned scores of smaller R&D operations along Highways 40 and 61.

### ■ INFRASTRUCTURAL

#### A MAJOR INVESTMENT IN THE AREA'S ROADS, PARKS, ETC.

Perhaps the city commits to creating grand gateways into the zone, at Sylvan and Canada Drive, Singleton and Beckley, West Commerce and Beckley and Interstate 30 and Sylvan. Or perhaps it chooses to help fund the grand plaza envisioned at the west end of the Continental Pedestrian Bridge or pursue a streetcar line that would carry passengers from the Urban Innovation Zone to the Design District to the Justice Complex to the Kennedy Tourist District to the Convention Center Hotel to Methodist Hospital ... and back again.

One of the more noted examples of this type of catalyst project is the High Line in New York City. The city has helped transform the former rail line into an aerial greenway. Since the opening of the park on Manhattan's Lower West Side in June of 2009, more than 30 developments alongside the line have either been announced or have begun construction.

Similarly, the Katy Trail in Dallas is slowly evolving into a catalyst projects, as condo and retail projects increasingly get sited near or alongside it and adopt the Katy Trail into their name.

**The most important infrastructural project the city could help undertake, however, is the creation of some or all of the three "punch throughs" of the Union Pacific line the plan calls for.**

These connectors will serve as a major catalyst for development in the area and link the neighborhoods north and south of the line that now are completely sequestered from one another by the line.

### ■ RESIDENTIAL

#### CONDOS, TOWNHOMES, ETC. SOME OF WHICH PERHAPS POSITIONED AS WORKFORCE HOUSING

Small condo buildings, townhome communities, etc. – partially funded by the city or county – can go a long way to stimulating additional economic activity in an area.

For example, Palmers Dock, along a formerly blighted section of the waterfront in Brooklyn's Williamsburg neighborhood, has attracted multiple retail establishments since opening in 2008. The apartment building offers 113 affordable-housing units. The city extended a \$5.9 million loan to subsidize the project's various rent levels (which range from \$400-600 a month).

More important, Palmers Dock also has a ground floor devoted to retail. More than 80 percent of that space has been leased to a dry cleaners, Duane Reade drug store and restaurant, businesses not before found near the site which for years served as a garbage-transfer station. Meanwhile, the complex has persuaded both a wine bar and deli to open nearby.

Yet another example of a residential catalyst project is Dudley Village, a 50-unit multi-family project in Boston's Dorchester neighborhood. The community is credited for having revitalized this previously blighted area of Boston, spurring investment by not-for-profit, private and public entities. Since the project (coordinated by the city and funded by low-income housing tax credits) opened two years ago, the Dudley Street corridor has become a vibrant, multicultural district teeming with new life.

Closer to home, the tornado-damaged Bank One Tower was successfully refashioned in 2008 into condos and townhomes that have helped spur nearby retail in and around downtown Fort Worth. A public/private partnership brought that building back to life after several years of dormancy.

■ COMMERCIAL

**A SHOPPING COMPLEX, OUTDOOR MARKETPLACE, ETC.**

Many view the Sylvan/Thirty mixed-use shopping complex set to rise at Sylvan Avenue, Fort Worth Avenue and Interstate 30 as having the potential to be a catalyst project the way the flagship Whole Foods Market in Austin has been a catalyst for development on the west side of that city's downtown. There is still opportunity for the City of Dallas to become more engaged financially in Sylvan/Thirty (or any other shovel-ready project).

Other possibilities in this category would be a grand outdoor farmers' market; a mixed-use complex offering needed retail, residential units and small office space; and a court full of trailers that sell fresh food and display artwork.

The Navy Yard, in a formerly dreary section of Philadelphia's South Side, is one example of a successful commercial catalyst development. The project has attracted condos and the corporate headquarters of Urban Outfitters and Tasty Baking Company since its opening a few years ago. Yet another is SouthSide Works in Pittsburgh. A public/private partnership there has transformed an abandoned and environmentally hazardous factory complex into a mixed-use village employing 5,400 people and featuring more than ten apparel shops and ten restaurants, as well as an 11-screen movie theatre.

In committing to participate in a catalyst project within the Dallas City Council Urban Innovation Zone, the city could assume one of several roles:

- **The developer of a catalyst project.** Under this scenario, the City would actually develop a major project intended to attract smaller satellite projects over time. An example of this is the Special Events Center in Allen, Texas. In that instance, the City of Allen, using Economic Development Funds available from its sales tax revenue, developed a multi-purpose facility to attract sports events, youth leagues, and other special events.

This venue is located in the city's newest retail center and has a convention center hotel attached to it. It has attracted: the Texas Stampede Rodeo, the Allen American's Minor League Hockey team, the Allen Wranglers minor league football team, two ice skating rinks, conventions, musicals and other special activities.

- **An equity investor in a catalyst project.** In this instance, the City would actually invest its own funds in a project that it deems worthwhile to spark interest in the Urban Innovation Zone.

The latest example of injecting equity into a project is the City of Dallas' recent decision to invest \$2MM from general bond funds to acquire land for infill developments across North Oak Cliff. In this instance, the amount invested is secured by real estate, so that if the project does not move forward, the City will have collateral to be repaid.

- **A guarantor of the debt associated with a catalyst project.** Under this scenario, the City would use its bond rating to borrow funds at favorable rates.

The most recent example of using this financial vehicle to advance a catalyst project would be the Downtown Dallas Convention Center Hotel. Because of the City's superior credit rating, this development was able to borrow \$480MM at a rate of 4.78% – well below the target rate of 5.5%. This saved the city \$3MM per year for 30 years of interest.

Elsewhere, the city of Indianapolis is issuing bonds to help fund a \$150 million mixed-use development that will include an upscale hotel and YMCA on land owned by Eli Lilly Corporation.

- **The lender to a catalyst project.** In this scenario, the City would actually loan money to a developer to facilitate a development in the Urban Innovation Zone. Hamilton County, Ohio, has loaned some \$2.3 million to an Atlanta development firm to help it complete The Banks on Cincinnati's riverfront. And the Los Angeles City Council just approved a \$19.3 million loan to help a developer complete a retail complex in that metropolis' Mid-City district.

As it prepares a menu of development options for the Dallas City Council to consider vis a vis the Urban Innovation Zone, we encourage city staff to explore the four roles described above. Any of the above scenarios would likely increase the number of landowners and

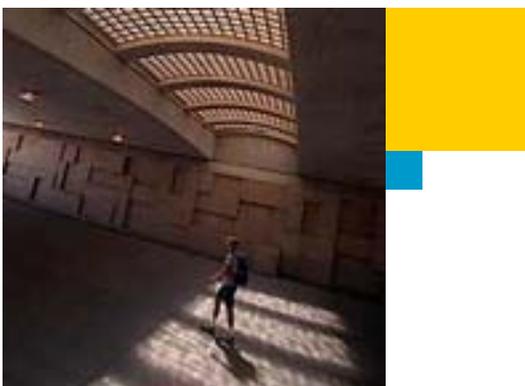
developers who would submit development proposals within the zone and, long-term, other promising but overlooked neighborhoods all over Dallas.

**Of course, we believe the City of Dallas has a right to expect a beneficial return on whatever form of participation it decides to make in a catalyst project.**

This idea is by no means new to Dallas, however. The city has already demonstrated its willingness to use creative tools to attract attention and/or catalyst projects to certain areas of the city. These include:

- The public/private partnership that enabled the Convention Center Hotel to be built.
- The TOD TIF, which allows incremental property taxes from affluent areas to be used to jump-start major development in areas such as the Lancaster corridor.

These “outside-the-box” financing models supported by the City of Dallas have enabled these projects to move forward. By demonstrating similar creativity, the City of Dallas can greatly increase the likelihood catalyst projects like those we all hope to see will truly rise in the Urban Innovation Zone ... and eventually other overlooked neighborhoods city-wide.



The Dallas CityDesign Studio Plan does call for a few larger projects coming to the area over time. However, larger projects in an area like the Urban Innovation Zone present a daunting challenge – a decaying infrastructure that, depending on the size of the project, must be repaired or replaced by the developer.

We urge city staff to identify practical ways by which the city can assume a greater responsibility in the improvement of existing infrastructure, or the installation of new infrastructure, associated with new projects that propose to come to the Urban Innovation Zone.

**Again, we believe the creation of some or all of the three “punch throughs” of the Union Pacific line that the CityDesign plan calls for represents an outstanding opportunity for the city to meaningfully contribute to the improvement of the area’s infrastructure.**

Here are some additional ideas regarding infrastructure improvement that current property owners and interested investors offered during our brainstorming sessions:

**A Consider including within the city’s next bond package funds targeted toward the following projects ... items we the business stakeholders in West Dallas deem priorities within the Urban Innovation Zone:**

**■ NEW URBANIST STREET GRID**

Design and construction of the New Urbanist-style street grid proposed by the CityDesign Studio and City of Dallas Bike Plan. Design is to include wider sidewalks, resting benches, pedestrian-friendly intersectional signals, bicycle lanes, on-street parallel parking, and corner ramps for the disabled, among other street improvements.

Long-standing examples of this style of grid would be **SoHo in New York City** and the **Yorkville neighborhood of Toronto, Ontario**.

More recently, the **Tampa suburb of Temple Terrace** has included the [creation of a tightly woven street grid into its redesign of its downtown](#).<sup>1</sup>

Other local redesigns that have included pedestrian-friendly street grids have taken place in:

- [Roanoke, Texas](#)<sup>2</sup>
- [Midlothian, Texas](#)<sup>3</sup>

### ■ GREEN ZONE

Design and construction of landscaping, greenbelts, pocket parks, median improvements, irrigation, public spaces, and trails designed to make the Urban Innovation Zone a green zone that encourages pedestrian activity, reduces noxious emissions, augments the Trinity River Corridor Project and reduces the heat island effect. Improvements are to integrate with the street and sidewalk grid as proposed by the CityDesign Studio. Funds are to provide beneficial landscaping approaches such as soil and water conservation, shade trees and eco-friendly water capture and use.

Examples of this can be found in the:

- [Livable Region Strategic Plan of Vancouver, British Columbia](#)<sup>4</sup>
- [RiverPlace section of Portland, Oregon](#)<sup>5</sup>

### ■ INNOVATIVE PARKING GARAGE

Land purchase and relocation of the Southern Star concrete batch plant adjacent to the utility sub-station located near the western base of Margaret Hunt Hill Bridge. Funds would also be devoted to the planning, design and construction of an innovative parking garage to replace the concrete plant, a structure that would feature solar power, bays for mixed-use development and year-round pedestrian-friendly connectors to the amenities within the Trinity River Corridor Project Park as well as the Continental Bridge pedestrian park.

Similar innovative parking structures have recently been constructed in:

- [Tucson, Arizona](#)<sup>6</sup>
- [Zug, Switzerland](#)<sup>7</sup>

**B** Consider redirecting funds stemming from previous bond elections toward today's infrastructure priorities within the Urban Innovation Zone.

For example, more than a million dollars authorized in the 2006 Bond Election was earmarked toward a cosmetic uplift of West Commerce Avenue. However, that unspent money might now be better applied toward some of the key goals within the CityDesign Studio Plan, such as creating the spine road along Herbert Street. Or, perhaps some of the priorities outlined above.

**C** Invest in an overhaul of the area's storm-water management system, taking that expense off of the shoulders of developers.

**D** Invest significantly in the creation of the plaza and parking area at the western foot of the Continental Pedestrian Bridge.

**E** Undertake, in the residential and commercial areas of the zone, several simple and affordable improvements that will help calm traffic.

These might include restriping lanes, or installing bollards, so streets are narrower than they are now.

**F** Ensure that all long-term infrastructural improvements the city makes within the zone are consistent with the principles set forth in the CityDesign Studio Plan.

This includes wider sidewalks, curbs cut in a way that accommodate pedestrians more than vehicles, creation of public spaces, etc.

By including some or all of these ideas in the menu of suggestions it will give to the Dallas City Council, city staff will greatly increase the likelihood that more neighbor-friendly developments will come to the Urban Innovation Zone over time.

#### WEB REFERENCES

1. <http://bit.ly/G9iac8>
2. <http://bit.ly/fK0phA>
3. <http://bit.ly/fhBXh7>
4. <http://bit.ly/gutj4o>
5. <http://bit.ly/gkfArU>
6. <http://bit.ly/iw50o>
7. <http://bit.ly/foq3mW>



**5. REFINEMENTS TO THE CITY'S EXISTING FINANCIAL INCENTIVES**

TIFs, PIDs, MMDs, New Market Tax Credits ... all these incentives and others play vital roles in the city's efforts to lure development to Dallas. However, the city has many opportunities to refine those incentives so they are more effective, particularly in an area like the Urban Innovation Zone.

As city staff develops a menu of options for the city council to apply to the zone, we recommend it consider including some or all of the following alterations to some current incentives:

■ **TIFS**

Currently, someone developing a project within a TIF invests money in a project and then gets reimbursed by the TIF after land values have increased. We recommend the city instead explore a TIF structure just within the Urban Innovation Zone whereby **developers receive the funds they seek from the TIF directly from the city at the beginning of the project and then the city gets reimbursed by the TIF.**

A few years ago, the City of Chicago received a \$5 million loan from the Local Initiatives Support Corporation. The city has since distributed that money to its TIF districts, which can extend those funds upfront to developers whose projects create jobs and/or provide some form of job training. Over time, the increased value of properties in the TIFs paid off the initial \$5 million and continues to replenish the \$5 million fund as an ongoing source of money for developers coming to the TIFs.

And Rogers, Minnesota, a growing suburb of Minneapolis, recently provided TIF financing up-front for a market-rate senior residential community called Heritage Place.

Another way the city might revise its TIF mechanism just for the Urban Innovation Zone would be to have it grant a larger reward to those who first develop within the TIF. Currently someone developing a 100,000-square-foot

property in a TIF *five years* after its establishment receives the same percentage of the increment as does someone developing a 10,000 square foot property within the first year of the TIF. By weighting pioneer developments within the Urban Innovation Zone more heavily, the city is much more likely to kick-start the area.

Yet a third way the city's TIF structure might be altered just for the Urban Innovation Zone involves its affordable-housing requirement. Currently any new residential development within a TIF must set aside 20% of its units for affordable housing. That requirement is off-putting to some developers. More important, the Urban Innovation Zone already has more than its share of affordable housing – to bring balance to the area, more housing units outside the “affordable housing” category are what’s needed.

So, options (for projects in the Urban Innovation Zone that have affordable housing within a two-mile radius) include: eliminating the 20% requirement altogether, eliminating it for a period of time (five years, ten years), reducing the requirement to 5% or 10%, or eliminating it altogether for ten years and then gradually stair-stepping the requirement back up to 20% in increments over the next 15-20 years.

Finally, a fourth way TIFs within the Urban Innovation Zone can be improved, we feel, is by revising them so they incent smaller, more entrepreneurial developments. Currently TIFs favor larger developments because such projects are the ones that will turbo-boost land values within the TIF district most quickly. The city might rebalance the benefit TIFs bring to the zone by saying a certain percentage (10%-20% perhaps) of a TIF district's overall increment will be dedicated solely to developments whose footprints are less than 25,000 square feet.

■ **CHAPTER 380 GRANTS**

Historically, these grants have carried with them an expectation that the recipient will be creating jobs in some way. We believe the city might consider broadening how it applies Chapter 380 grants within the Urban Innovation Zone so they act in a capacity similar to incentives associated with an economic development corporation. Perhaps the grants can also go toward land acquisition or the demolition of existing, derelict properties.

■ **EB5 PROGRAM**

The U. S. Government's Regional Center Investment Program allocates 3,000 green cards each year for people who invest in designated Regional Centers. The amount required to invest is \$1 million, although that amount is reduced to \$500,000 if the investment takes place in a rural or high- unemployment area. The City of Dallas might include within its menu of options to the City Council that the city apply for the Urban Innovation Zone to receive EB5 Regional Center status.



**6. ADOPTION OF NEW FINANCIAL INCENTIVES**

By tweaking its current set of economic incentives, the City of Dallas will go a long way toward making the CityDesign Studio plan a reality. However, a new urban vision requires new incentives, as well.

To that end, we ask city staff to consider some or all of the following mechanisms as it prepares for council consideration the menu of tools to be applied in the Urban Innovation Zone:

■ **ESTABLISHMENT OF A SALES TAX INCREMENTAL REVENUE DISTRICT**

In this scenario, the city would each year reinvest back into the Urban Innovation Zone some percentage of the one cent it receives from the tax generated by each sale made within the zone. It might choose to devote the entire one cent, or 50% of it, or 25% of it, etc. Money collected could then go toward demolition costs of existing buildings, road enhancements, sidewalks, streetscaping, etc. This is an option that the Texas State Legislature extended to cities in just the past few years.

The city of Arlington, Texas, is setting aside 25% of the one cent it receives from each purchase within a prescribed area in South Arlington for the construction of more than one million square feet of retail and office space there. Moneys collected through the program will also go to build a bridge that will extend Center Street over Interstate 20.

In Colorado Springs, one of that city's Urban Renewal Areas has enacted a sales-tax-sharing agreement on top of the property-tax-sharing arrangement created by a TIF. This funding – managed by Sales Tax Increment Financing guidelines established by the Colorado Springs city council in 2006 – comes from a portion of the new sales tax revenue generated from new retail businesses that locate within the URA's designated boundaries. In 2009, this generated an additional \$113,000 for projects in that URA.

It's important to point out, however, that such districts often fail if they do not have a major retail business/complex to support them. The Chicago suburb of Hammond, Indiana, converted 80 acres of what was the Woodmar Country Club (which generated only a small amount of sales tax) into a pad for a suburban-style Cabela's. The substantial sales tax generated by the Cabela's (and other retail businesses that subsequently chose to set up shop nearby) have been kept within the county for flood control programs, thanks to the Sales Tax Increment District established by Hammond. Support for the concept was strong in Hammond, since it did not increase property taxes or create a new tax.

And in the event of a recession, the city would not be able to rely on as much reinvestment money for the zone. However, it would still be able to rely on MORE money than it would if it chooses NOT to devote ANY of the one cent collected on purchases in the zone, as is the case now.

### ■ TARGET SOME BOND PROGRAM FUNDS TOWARD KEY DEVELOPMENTS WITHIN THE ZONE

In this case, the city would agree to apply some of the funds requested in an upcoming bond program toward key economic development initiatives within the Urban Innovation Zone. On pages 20-21, you will find a list of what we the business community in West Dallas consider to be the priorities for the area.

### ■ GUARANTEED CITY LOANS

Earlier, we discussed how the city could offer loans to kick-start a catalyst project in the Urban Innovation Zone. The city could also offer guaranteed loans to those interested in developing projects beneath the level of 'catalyst', as well as businesses wanting to locate/relocate to the zone. The funds for these loans might come from county, state or federal sources (such as HUD, the Department of Energy, etc.).

For example, Cleveland's Economic Development Loan Program offers long term, fixed-rate financing at 4% interest. This provides a lower debt service on overall financing and can help a company expand its operations. Loans range from \$35,000 to \$500,000 and cannot exceed 40% of the total project's cost. Terms are typically 5-7 years on equipment and up to 15 years on land and buildings.

A related aspect of this general idea would be **designating the Urban Innovation Zone as a Green Development Zone**, a place where the city offers grants and/or low-interest loans to property owners specifically interested in installing energy-efficient features in existing buildings, or to developers willing to build new structures that incorporate the latest in environmentally friendly features.

*It is important to note that we feel any incentives/rewards offered to developers for green-building initiatives should go ONLY to projects that perform beyond the requirements outlined by existing city programs, like the Dallas Green Building Ordinance.*

The City of Columbus has established just such a Green Columbus Fund, which offers low-interest loans for commercial-building owners who want to install better windows, furnaces, air conditioners or other energy-saving equipment. Each loan offers up to \$200,000 per recipient and the program has resulted in the renaissance of many former gas stations, factories and polluted sites throughout the city into tax-generating businesses.

Meanwhile in Seattle, Green Building Grants (funded through the King County Department of Natural Resources and Parks) go toward projects that meet stringent criteria for resource conservation.

### ■ REAPPLICATION OF CERTAIN TOURIST TAXES TOWARD THE URBAN INNOVATION ZONE

At the end of 2011, the City of Dallas will pay off its debt on the American Airlines Center. Revenues from taxes assessed to hotel guests and those renting cars here have paid for the center. Rather than allow that revenue to lapse, we recommend two possibilities – allow all of those funds to go toward development initiatives in the Urban Innovation Zone OR split the funds 50/50 between projects in the Downtown Arts District and arts-related development in the Urban Innovation Zone. This would require a city-wide vote.

### ■ CREATING AN ECONOMIC DEVELOPMENT CORPORATION FOR THE ZONE

Cities large and small across the country have established Economic Development Corporations to give a boost to the economic climate, and tax revenues, within their boundaries. City staff might want to consider – as part of the palette of options it hand the City Council – the

creation of an Economic Development Corporation of some sort just for the Urban Innovation Zone.

One of the most successful urban EDCs is the Portland Development Commission. That body took a blighted industrial area of the city and used TIF fund, local and federal grants, contracts for services and private donations to transform it into a fresh, vibrant, high-density multi-use community. The Commission accomplished this by investing their funds in properties that were not, at the time, attractive to the private sector. They subsequently reinvested the profits and cash-flow from their initial successes into other projects.

The San Diego Regional Economic Development Corporation has a different emphasis from many other EDCs. It focuses primarily on: A) ensuring the area workforce has the skills necessary to maintain the area as a high-tech center and B) ensuring the region meets its needs in six infrastructure categories: water, housing, energy, transportation, economic competitiveness and environmental stewardship.

An Economic Development Corporation for the Urban Innovation Zone could take on that profile as well.

Although Dallas has at times shown a reluctance to form such corporations, it cannot help but acknowledge the achievements made by the EDCs in two of its biggest local competitors.

- In its four years of operation the Allen Economic Development Corporation has negotiated and closed at least 58 projects that have brought 8,000 primary jobs to the city and added approximately \$856 million to Allen's tax rolls. Those projects have enabled the City of Allen to provide more than \$157-million in public facilities and amenities.
- Frisco's Economic Development Corporation has achieved similar success. Since 2000, that organization has lured at least \$1.4 billion worth of new investment, and some 3,000 new jobs, to Frisco. As a result, the city's sales tax revenues more than doubled, and its overall tax base tripled, between 2002 and 2008.

We believe one way the city could fund such a corporation would be through a half-cent increase in the city sales tax. This would of course require approval from the state. However, a host of funding mechanisms could apply.





If city departments treat the Dallas City Council Urban Innovation Zone like any other potential area for development, the world-class vision crafted by the CityDesign Studio will never come to be. Fast-tracking the success of the study area will greatly increase the likelihood of its success and enable the model to move to other council districts as quickly as possible.

To that end we encourage the creation of a Fast Track Concierge for the study area. This individual, who will be located at the Oak Cliff Municipal Center on Jefferson Boulevard, will work one-on-one to help developers more quickly launch a project within the study area's boundaries.

This concierge will speed such steps as:

- assessing how compatible proposed projects are with current zoning
- determining which permits, special reviews, (if any) will be required
- preparing a draft time line and the order of steps necessary for completion of the Permit-review process
- coordinating with the Express Plan Review staff (if that option is used)
- monitoring and coordinating with those departments that need to review plans
- answer questions from the developer and keep them apprised of progress

Today, a developer can pay \$500 an hour for just such a concierge, who can truncate the time required to get projects permitted, etc. from 12 months to 30 days or less. Generally the total cost a developer incurs under this plan is \$1,000- \$2,000.

We are recommending that for the Study Area only, the city either:

- **waive that fee altogether** to kick-start developments in the study area
- **reduce the fee substantially** (at least 50%) for projects in the study area
- **defer payment of the fee** until the project goes vertical (or collect it immediately if a project fails to materialize)
- **recruit payment of the fee** from The Trinity Trust, the Southern Dallas Development Corporation, the West Dallas, Oak Cliff or Dallas Regional chambers of commerce, an area TIF or MMD, the Fort Worth Avenue Development Group, or a private foundation that wishes to see development occur in the Trinity River Corridor (Meadows Foundation/ Communities Foundation etc.)

The ultimate goal?

**Make the permitting and approval process so streamlined that developers have no reason to say 'no' and help developments in the Urban Innovation Zone proceed at the pace the development of the Downtown Dallas Convention Center Hotel has proceeded.**

The good news is, the city already has a precedent for just such an arrangement. When a neighborhood comes to the city seeking Historic or Conservation status, that neighborhood receives a concierge of sorts who walks them through the process step by step (albeit not on a 'fast track' basis as this document proposes for developments in the study area).

And when the first neighborhood received Historic status, the 'concierge' concept was not in place – it emerged as more and more neighborhoods began to go through the process. This underscores the fact that the concept as we are recommending it for the West Dallas could also be expanded over time to other corridors of potential in other council districts.



**■ THE DALLAS CITY COUNCIL URBAN INNOVATION ZONE – A LABORATORY FOR TESTING NEW APPROACHES**

Many other innovative tools for turbo-charging the Urban Innovation Zone may surface as the evolution of the area occurs. At the same time, some of the tools unleashed in the area may not take hold at all.

That is the exciting personality we hope to create for the zone: that of an innovative laboratory where much is tested and the most successful live on to benefit other neighborhoods all across Dallas.



# CONCLUSION

**T**his Dallas City Council now has before it an opportunity unlike that provided to any previous council.

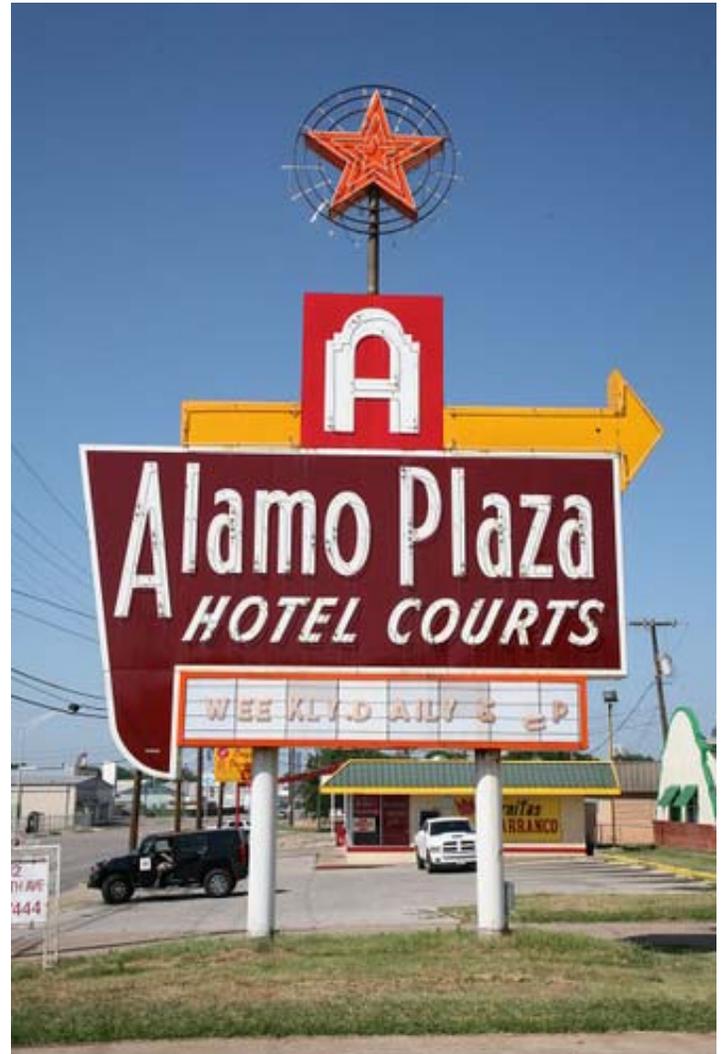
By endorsing the Dallas CityDesign Studio's plan for the West Dallas Study Area – and authorizing city staff to formulate a menu of innovative tools that will pertain exclusively to the area – this council will launch an exciting new chapter for the urban core of Dallas.

But we envision this chapter to be the first of many that will transform multiple neighborhoods in multiple council districts in years to come.

We, the business stakeholders in the area that will be most affected by the CityDesign Studio plan, support its objectives and have indicated so on the following page. We appreciate how the studio listened to our aspirations for the area (as well as those of its long-time residents) and how they have diligently worked to craft a plan for the betterment of us all.

We also hope the information we've provided in this document illustrates that enacting the plan will be not just "the right thing to do" but also a worthwhile business decision that, long-term, can reap millions of dollars of additional tax revenue for the city.

It's a calculated risk, but one conceived by world-class expertise. We look forward to working with the City of Dallas and the CityDesign Studio to bring to vivid reality the studio's thoughtful, inclusive vision for the promising part of our city known as West Dallas.



# CONTRIBUTORS

**B**eginning in August, 2007, the West Dallas business community rallied behind the Dallas CityDesign Studio's inclusive and innovative planning process.

While Studio planning was underway, key business stakeholders simultaneously began a 15-month exploration of how the plan's economic development potential could be fully realized.

This business stakeholder effort culminated with a series of larger meetings, brainstorming sessions, and follow-up interviews which produced the ideas and recommendations proposed in this **consensus document**.

Our thanks to Jeff Herrington Communications and Elettore for their pro bono support in facilitating brainstorming sessions as well as writing, researching, and producing this final document.

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