



City of Dallas
Preliminary Strategic Recommendations

STRATEGIC ECONOMIC DEVELOPMENT PLAN 2019



Thank You

AE would like to acknowledge the individuals and groups who contributed to this project. Their vision and direction drove the City of Dallas' quest for a new strategic economic development plan. We express our special gratitude to:

- Dallas City Council
- Strategic Economic Development Plan Steering Committee (2018)
- City of Dallas Office of Economic Development
- Economic development allies and strategic partners
- Other stakeholders



Project Scope



Stakeholder Engagement

Stakeholder engagement is the first phase of the strategic planning process.

- Focus groups
 - Business Incubators, Startups, and Entrepreneurs
 - Chambers of Commerce
 - Creative Industries
 - Education
 - Grow South Fund
 - Innovation
 - International Strategy
 - PID & TIF Managers
 - Real Estate Development
 - Site Selectors
 - Small Business Capital Providers
 - The Black Church and Economic Development Initiative
 - Workforce Development
 - Young Leaders
- One-on-one interviews
- Online community survey of residents and businesses
- Initial meeting with Strategic Economic Development Plan Steering Committee

Online Resident and Business Surveys

Resident Comparison of Importance vs. Satisfaction			
	Importance (1-5)	Satisfaction (1-5)	Difference
Quality of Public Schools	4.58	2.22	2.36
City Infrastructure	4.61	2.39	2.22
Affordable Housing	4.43	2.42	2.01
Affordable Healthcare	4.51	2.66	1.85
Local Property Taxes	4.22	2.48	1.75
Ability to Walk to Shops and Restaurants	3.98	2.46	1.53
Cost of Living	4.48	3.01	1.48
Community Appearance	4.33	2.90	1.44
Parks and Resources for Recreation	4.36	3.20	1.16
Employee Compensation	4.18	3.06	1.11
Available Jobs	4.40	3.64	0.76
Ability to Take Active Role in Community	4.13	3.37	0.76
Population Diversity	4.01	3.35	0.67
Parking Availability	3.50	2.87	0.63
Creative and Cultural Arts Scene	4.16	3.79	0.37
Branding and Image	3.13	3.17	-0.04

1,272 responses

Business Comparison of Importance vs. Satisfaction			
	Importance (1-5)	Satisfaction (1-5)	Difference
Quality of Public Schools	3.88	2.44	1.44
Development and Permitting Process	3.85	2.50	1.35
Utilities and Infrastructure	3.91	2.72	1.19
Regulatory Environment	3.87	2.72	1.15
Tax Climate	4.01	2.93	1.08
Cost of Permits and Other Fees	3.65	2.67	0.98
Ability to Attract and Retain Skilled Employees	4.12	3.36	0.76
Operating Costs	3.87	3.15	0.72
Logistics/Transportation	3.62	2.90	0.72
Available Financial Incentives	3.44	2.73	0.71
Quality of Life	4.19	3.52	0.67
Access to Customers	4.32	3.73	0.65
Cost of Utilities	3.55	2.92	0.63
Branding/Image	3.93	3.31	0.62
Entrepreneurial Environment	3.98	3.38	0.60

228 responses



Market Assessment

Qualitative information gathered through the stakeholder engagement process were combined with quantitative data from local, state, and national sources, including Avison Young, C2ER, CBRE Group, Inc., City of Dallas, County Business Patterns, Cushman & Wakefield, Energy Information Administration, ESRI GIS software, Internal Revenue Service, National Center for Education Statistics, National Science Foundation, U.S. Bureau of Labor Statistics, U.S. Census Bureau, and WalletHub.

Based on that extensive research, the market assessment examined City of Dallas demographics, economic capacity and characteristics, workforce, local assets, and competitive position in comparison to the benchmark communities of Atlanta, Chicago, Denver, and Phoenix. This information was used to prepare a Strengths, Weaknesses, Opportunities, and Threats (SWOT) chart.

Competitive Positioning Analysis Components

Competitive Positioning Analysis Components	
Components	Competitive?
Population Size, Growth, Density, Workforce skills	↔ ↑
Construction Costs, Commercial Real Estate Lease Rates	↑
Utilities	↓
Education Infrastructure, R&D , Public Schools	↔
Manufacturing Wages, Educational Attainment, Health Coverage, Poverty	↓
Young Professionals	↑
Cost of Living, Airfare Costs, Cost of Government	↑
Household Income, Housing Affordability	↓
Median Home Price, Median Rent	↑
Economic Output, Business Formation, Entrepreneurship	↑
Tax Climate	↑

Key:  **Competitive**  **Not Competitive**  **Equal to other Benchmarks**

SWOT Analysis

Strengths	Weaknesses
Diverse economy	Economic disparities as demonstrated by the Market Value Analysis (MVA)
Strategic location & strong business brand	Perception of low-quality, public school system
DFW Airport	Housing affordability
Arts and culture	Lacking focused economic development strategy
Vibrant neighborhoods	Inadequate public policy for sustainable economic development
Competitive tax climate	Relatively high commercial water, wastewater, and electricity rates compared to benchmark cities
Easy access to capital	Skills gap
Downtown/Vibrant Urban Core	ED staffing capacity and program resources
Medical District	
Opportunities	Threats
Expansion of economic opportunity in southern Dallas	Relentless competition from North Texas suburbs
High speed rail	Tariffs/trade wars (Unfair trade practices for technology, intellectual property)
Attract International corporate investment	Unwillingness of developers to invest in southern Dallas
Growth of medical industry	
Expansion of creative industries & Greater focus on entrepreneurship	
Focused and sustainable Economic Development	
Leverage & accelerate implementation of Public/Private Partnerships	

Community Scorecard

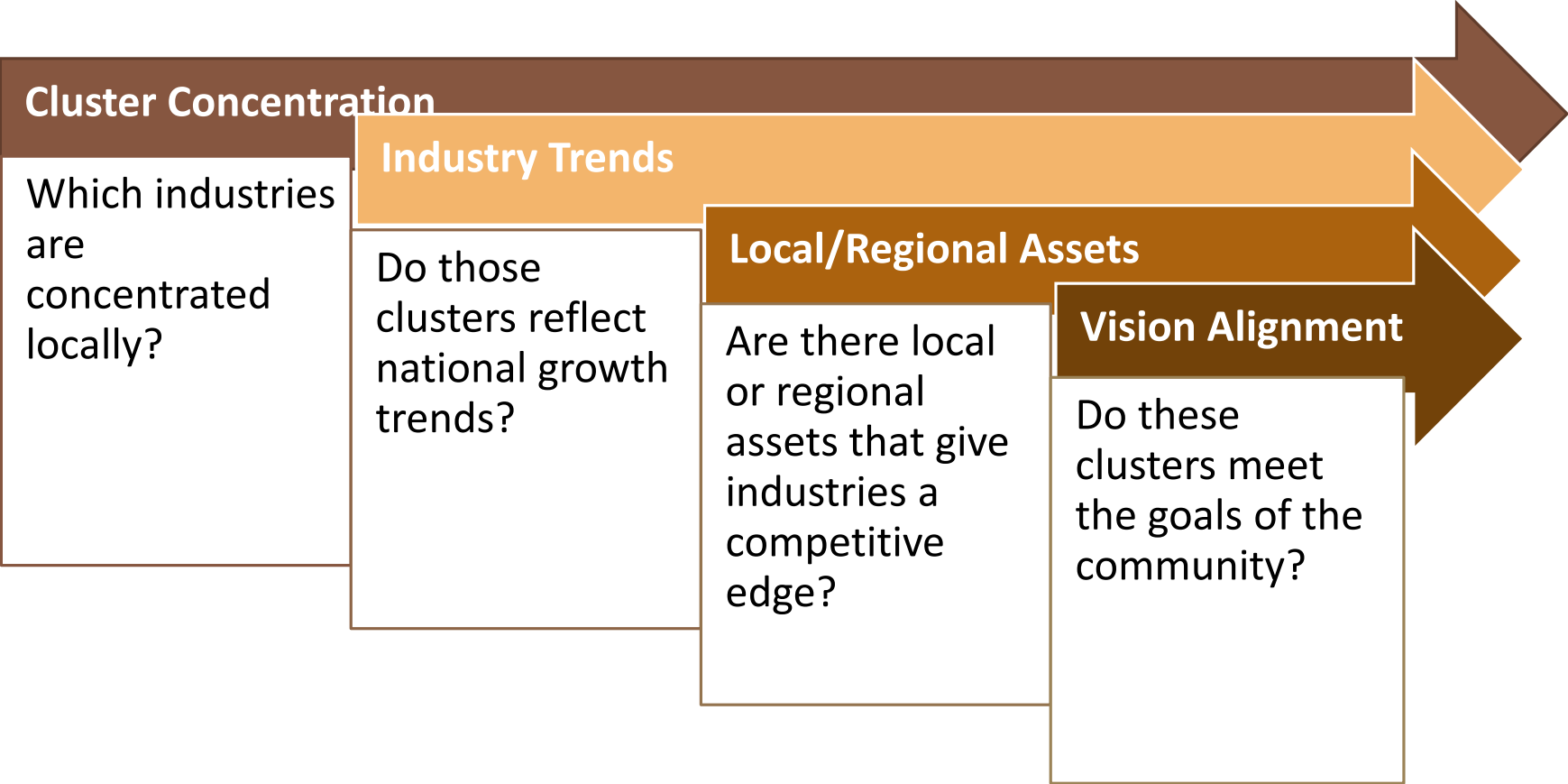
SCORECARD RANKING AND PERFORMANCE					
Assessment Rationale	Community Factor	Leading	Strong	Average	Lacking
<ul style="list-style-type: none"> High rate of net new business formation Competitive tax climate/low cost of gov't 	Business Climate	●			
<ul style="list-style-type: none"> Lower levels of educational attainment Poverty and mobility prevent many from being able to participate in the workforce Significant access to a large regional pool 	Workforce			●	
<ul style="list-style-type: none"> Low ACT scores, but higher graduation rates Poor perception of K-12 schools remain University based R&D expenditures 	Education			●	
<ul style="list-style-type: none"> Access to arts and culture assets Relatively low cost of living Affordability issues with housing 	Quality of Life		●		
<ul style="list-style-type: none"> Strategic location DFW, key Interstates, downtown district 	Infrastructure	●			
<ul style="list-style-type: none"> Lack of Independent ED Agency for Dallas Lacking Economic Development Marketing 	Marketing				●
<ul style="list-style-type: none"> Lack of public policy to guide efforts Community organizations are siloed Real Estate transactional based ED 	Economic Development			●	

Target Industry Analysis

Target industry analysis is an analytical methodology used to identify a community's best fit with traded-sector industries—those that would benefit from Dallas' community assets and be inclined to expand or locate in the area—and those industries that bring value to the community in terms of capital investment, jobs created, annual payroll, square footage constructed, and local purchasing.

AE's target industry analysis provides Dallas with a customized list of industry clusters that will do the most to advance its global competitiveness. This allows the community to focus limited resources on recruiting businesses in clearly and carefully defined markets. From a site selector's perspective, this is appealing to corporate locate decision-makers.

Target Industry Analysis



Target Industries

Economic Development Activities	Life Sciences & Healthcare	Telecommunications & IT	Business Services	National & International Corporate HQs
Core Targets: <i>Retention & Expansion</i>	<ul style="list-style-type: none"> Hospitals & Physicians Offices Home Health Care Services Medical Suppliers Insurance 	<ul style="list-style-type: none"> Wired & Wireless Telecom Carriers Data Centers & Hosting Services Software Publishers Telecommunications Resellers 	<ul style="list-style-type: none"> Legal & CPA Offices Engineering, Architectural, & Interior Design Services Custom Computer & Computer Systems Design Services Management Consulting Services Advertising Agencies 	<ul style="list-style-type: none"> Manufacturing Banks & Other Financial Services Health Services & Insurance Investment Banking
Diversification Targets: <i>Attraction, Entrepreneurship, & Small Business Development</i>	<ul style="list-style-type: none"> Medical Equipment Child Day Care, Nursing Care Facilities & Skilled Nursing Medical Equipment & Devices Cosmetic Surgery Kinesiology & Geriatrics 	<ul style="list-style-type: none"> Telecom Chip Design, Research & Development Internet Publishing Book Publishing Motion Picture & Video Production 	<ul style="list-style-type: none"> Media Publishing National Public Relations Agencies Building Inspection, Surveying, & Mapping Services Product Design Services 	<ul style="list-style-type: none"> Telecom Chip Design & Testing International Corporate Headquarters National & Regional Investment Banking E-Commerce
Entrepreneurial & Emerging Targets: <i>Expansion, Attraction, Entrepreneurship, and Small Business Development</i>	<ul style="list-style-type: none"> Tech Innovations for Patient Care (Healthtech & Data Analytics) Biotechnology Research & Development Medical Laboratories Sports Medicine Continuing Care Retirement Centers 	<ul style="list-style-type: none"> Cyber & Data Security Block Chain, Artificial Intelligence, & Augmented Reality Technologies 	<ul style="list-style-type: none"> Marketing Research & Public Opinion Services Testing Laboratories Industrial & Graphic Design Services Entrepreneurial Business Services 	<ul style="list-style-type: none"> National & International Health Tech Firms Research & Development Firms Medical Equipment and Devices

Target Industries

Economic Development Activities	Entrepreneurship, Digital Arts, & Innovation	Advanced Logistics	Food Processing	Advanced Manufacturing
Core Targets: <i>Retention & Expansion</i>	<ul style="list-style-type: none"> • Fintech • Video Games & Gaming • Microbreweries • Health Tech 	<ul style="list-style-type: none"> • Logistics • Warehouse & Distribution 	<ul style="list-style-type: none"> • Food & Dairy Products • Snack Food Manufacturing 	<ul style="list-style-type: none"> • Computer & Electronic Products (Semiconductors, Communications) • Transportation Equipment (Aerospace & Aircraft Parts) • Fabricated Metal Products (Construction Metals, Machine Components, & Sheet Metal)
Diversification Targets: <i>Attraction, Entrepreneurship, & Small Business Development</i>	<ul style="list-style-type: none"> • E-Sports Development • Creative Medical Devices • Digital Arts & Design • Computer Simulation & Animation • Product Development & Design (Maker's Spaces) • Retail & E-Commerce Innovations 	<ul style="list-style-type: none"> • Advanced Logistics & Software • Driverless Technologies & Testing • E-Bike & Scooter Platforms • Parking Technology Innovations 	<ul style="list-style-type: none"> • Snack & Frozen Foods • Commercial Bakeries • Sugar & Confectionery Products 	<ul style="list-style-type: none"> • Electronic Components • Electrical Equipment & Appliances • Machinery Manufacturing (Industrial, HVAC, Commercial, Electric Lighting) • Aerospace Products & Parts • Sporting Goods
Entrepreneurial & Emerging Targets: <i>Expansion, Attraction, Entrepreneurship, and Small Business Development</i>	<ul style="list-style-type: none"> • Healthtech & Data Analytics • Urban Transportation Technologies & Apps • IOT Technologies • Creative Sectors • Software Publishing 	<ul style="list-style-type: none"> • Smart Transportation & Commuter Software • Ride Share Technologies • Trucking & Logistics Management Software 	<ul style="list-style-type: none"> • Specialty Foods • Dietary Health Products • Vitamins & Supplements 	<ul style="list-style-type: none"> • Scientific & Electronic Instruments • Surgical Appliances • Detection & Navigation Instruments

Strategic Goals



Strategic Goals

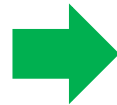
New Roles: Create “Invest Dallas”

Strategy #1-1: Create a new, independent economic development organization

1.1.1

Create “Invest Dallas.”

- Develop an effective, united brand strategy for the City of Dallas.
- Promote Dallas’ brand through national advertising, public relations, inbound/outbound global marketing, and lead generation efforts.
- Increase funding capacity for marketing Dallas
- Network with local commercial/industrial real estate brokers and developers.
- Organize “hot teams” specific to each target industry.



—Branding and Marketing Tactics—

- Hire a branding firm.
- Attend SSG, IAMC, SelectUSA, BIO, CES Conferences and Dallas Regional Chamber-led international missions.
- Compile a list of 100 target companies; conduct marketing missions; package industry and economic assets into corridors/districts.
- Leverage the supply chain of major employers.
- Hire 10-15 freelance writers to prepare and disseminate articles which promote Dallas-related content and its target industries.
- Host annual Familiarization “FAM” Tours for media editors from competing markets and site selection consultants.

“Dallas’ suburban partners for regional economic development are also rivals for assisted corporate projects.”

Strategic Goals

Grow Your Own: Make Dallas a World-Class Entrepreneurial City

Strategy #2-1: Expand Dallas' entrepreneurial ecosystem

2.1.1	Actively promote Dallas Startup Week.
2.1.2	Encourage participation in Entrepreneurship Networking groups.
2.1.3	Explore options to expand the support for local entrepreneurship
2.1.4	Create a co-working, makerspace, remote work partnership program.

- Implement the JPMC/NextStreet recommendations to build a small business ecosystem in Dallas
- Attract a national CDFI to Dallas (LISC/Enterprise)
- Focus small business activities via NEZs in commercial corridors
- Promote/market small business/entrepreneurship in Dallas

—Dallas Startup Week—

- Involve entrepreneurs (or prospective entrepreneurs) from southern Dallas and other underserved areas of the community, while shining a light on how entrepreneurship is a key mechanism for helping residents to escape poverty.

Strategic Goals

Grow Your Own: Make Dallas a World-Class Entrepreneurial City

Strategy #2-2: Create a Minority Business Accelerator/Incubator

2.2.1

Create a Minority Accelerator/Incubator.

- Define the mission—what will the accelerator/incubator do?
- Choose a specialism—the focus is minority- and women-owned startups
- Design the funding structure—how will the accelerator/incubator be funded and what funding will be offered to startups?
- Attract startup talent—how will you recruit startups?
- Select the startups—how will the selection process be managed?
- Develop a program package—what support will be offered to startups?
- Access customer/investor networks—what networks will startups be linked to?
- Build an alumni service and post-program support—how will you support startups once the program has ended?
- Measure/evaluate performance—how will you track the impact of your program?

Strategic Goals

Grow Your Own: Make Dallas a World-Class Entrepreneurial City

Strategy #2-3: Start an Angel Fund for Underserved Entrepreneurs

2.3.1

Create a new angel investment group or seed fund for underserved entrepreneurs in southern Dallas and other underserved areas of the community.

- Work with key partners for the development of an Entrepreneurs of Color Fund
- Create a micro-loan program for small businesses
- Attract Community Development Venture Capital to Dallas
- Develop a Small Business Credit Initiative (SBCI) Program
- Promote all SBA programs such as 7(a), 504, and Patriot Express program
 - Small Business Innovation Research Program (SBIR)
 - Small Business Tech Transfer Program (STTR)



Strategic Goals

Grow Your Own: Make Dallas a World-Class Entrepreneurial City

Strategy #2-4: Develop Citywide Entrepreneurial Competition

2.4.1 Develop a citywide entrepreneurial competition.

- Recognize entrepreneurs from southern Dallas and other underserved areas of the city
- Provide enhanced support to entrepreneurs in targeted industry clusters and supply chains
- Encourage entrepreneurship in MVA reinvestment areas, Opportunity Zones, Neighborhood Empowerment Zones, and other targeted areas



—Entrepreneurship Networking—

- Have special award categories for: Bootstrap entrepreneur, immigrant entrepreneur, special needs entrepreneur, and social entrepreneur.

Strategic Goals

Grow Your Own: Make Dallas a World-Class Entrepreneurial City

Strategy #2-5: Build a Commercial Kitchen to support local food entrepreneurs

2.5.1 Build a commercial kitchen in southern Dallas.

- Develop a community kitchen with local partners to promote culinary medicine and community health via food education.
- Collaborate with our partners to provide technical assistance to local food entrepreneurs from incubation to commercialization.
- Commission a grocery leakage study for new grocery store development in or near food deserts.
- Continue to develop alternative solutions to food insecurity in Dallas.

—Commercial Kitchen—

- Organize a group of committed leaders.
- Conduct market research.
- Establish goals.
- Secure financing.
- Provide the right equipment and product development. Support.
- Prepare an aggressive marketing plan.
- Provide technical and marketing assistance.

Strategic Goals

Grow Your Own: Make Dallas a World-Class Entrepreneurial City

Strategy #2-6: Attract global foreign-born entrepreneurs and businesses

2.6.1 Create Global Entrepreneur-In-Residence programs.

- Promote foreign entrepreneurship and foreign direct investment (FDI) among targeted industries and businesses
- Develop an FDI strategy for Dallas
- Work with federal, state, and local partners to support foreign entrepreneurship and business development

—Global Entrepreneur-In-Residence—

- Dallas leaders partner with local universities to connect international entrepreneur students with visas, enabling them to accelerate business growth and development.

Strategic Goals

Grow Your Own: Make Dallas a World-Class Entrepreneurial City

Strategy #2-7: Develop an Annual Report on Entrepreneurship

2.7.1

Create entrepreneurial performance metrics for annual report.

—Annual Report on Entrepreneurship—

- Display on Entrepreneurial Dashboard.
- Utilize surveys (SurveyMonkey, Google Forms, Zoho), econometric and statistical analyses (# of companies, employment by North American Industrial Classification System code, income, patents, publications, angel and venture capital investment, Small Business Innovation Research contracts and grants).

Strategic Goals

Grow Your Own: Make Dallas a World-Class Entrepreneurial City

Strategy #2-8: Increase Small Business Support

2.8.1 Monitor staffing levels and programmatic funding for small business development programs.

- Conduct a comprehensive evaluation of the City of Dallas Office of Economic Development budget/staffing levels and programs in comparison to the economic development departments in Austin, Fort Worth, Houston, and San Antonio along with other major U.S. cities.

Strategic Goals

Human Capital: Enhance the Talent Pipeline

Strategy #3-1: Adopt New Methods for Education and Training	
3.1.1	Attract a destination school.
3.1.2	Coding schools to close the skills gap.
3.1.3	Continue to promote/expand Early College/Collegiate and P-TECH high schools and ensure study pathways align with Dallas' target industries.
3.1.4	Junior Achievement® of Dallas in every school.
3.1.5	Online digital technologies (tools and apps for smart phones, tablets, and laptops).

Strategic Goals

Human Capital: Enhance the Talent Pipeline

Strategy #3-1: Adopt New Methods for Education and Training

- | | |
|-------|--|
| 3.1.6 | Bring workforce development programs closer to southern Dallas. |
| 3.1.7 | Offer community scholarships for at-risk, low-income, and minority students. |

Strategic Goals

Human Capital: Enhance the Talent Pipeline

Strategy #3-2: Expand Workforce Capacity

3.2.1	Develop public-private childcare collaborative.
3.2.2	Adopt Fair Chance Hiring practices in the City of Dallas.
3.2.3	Develop apprenticeship training for target industry sectors.

- Work with DCCCD to utilize Recruit Texas and TWC Skills Development Fund to recruit companies to Dallas and build workforce capacity

—Apprenticeship Tactics—

- Partner with Apprenticeship 2000 to create a Dallas Chapter.
- Leverage Germany's Skills Initiative.
- Create a Sister Cities relationship in Germany.

Strategic Goals

Human Capital: Enhance the Talent Pipeline

Strategy #3-3: Link Affordable Housing to Workforce Development

3.3.1	Develop a Long-Range Capital Improvements Program (CIP) Strategic Plan.
3.3.2	Advance from transportation analysis/planning to implementation.
3.3.3	Extend DART transit routes to business corridors/employment centers in southern Dallas and other underserved areas of the community.
3.3.4	Improve bus coverage and accessibility to vulnerable populations and strategies for solving last-mile transportation issues.

Strategic Goals

Human Capital: Enhance the Talent Pipeline

Strategy #3-3: Link Affordable Housing to Workforce Development

3.3.5	Take fiber optic broadband access, cost, and support services into consideration when formulating economic development incentive packages. Prioritize those that help increase the percentage of households with high-speed Internet service.
3.3.6	Continue to solicit developer proposals for high-quality affordable housing.
3.3.7	Explore Fannie Mae's high-quality proposals received in response to The Innovation Challenge for affordable housing ideas.

Strategic Goals

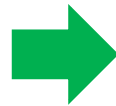
Opportunity for All: An Equitable and Inclusive Economy

Strategy #4-1: Revitalize South Dallas/Southern Dallas

4.1.1a

Leverage City of Dallas development finance, housing, and real estate programs.

- Attract high-quality mixed-used development projects with an affordable housing component.



—Affordable Housing—

- Carry on with Notices of Funding Availability (NOFAs) and Requests for Proposals for City-owned properties.
- Continue to coordinate/negotiate with developers to ensure high-quality, mixed-income housing in mixed-used development projects.
- Fully implement the Dallas Housing Trust Fund (e.g., governance structure, funding policies, criteria).
- Replicate the multi-layered financing approach utilized by Paul Quinn College and Reimagine Redbird.

Strategic Goals

Opportunity for All: An Equitable and Inclusive Economy

Strategy #4-1: Revitalize South Dallas/Southern Dallas

4.1.1b

Leverage City of Dallas development finance, housing, and real estate programs.

- Attract high-quality mixed-used development projects with an affordable housing component.



—Affordable Housing—

- Create a non-contiguous Tax Increment Financing District to assist with meeting affordable housing production goals.
- Utilize Voluntary Inclusionary Zoning incentives that allow for by-right development bonuses.
- Formulate a Sublease Program to facilitate the rental of units to voucher holders.
- Network with Funders for Housing Opportunity, and when the opportunity presents itself, submit grant applications for eligible affordable projects in southern Dallas.

Strategic Goals

Opportunity for All: An Equitable and Inclusive Economy

Strategy #4-1: Revitalize South Dallas/Southern Dallas

4.1.2

Continue to utilize the Dallas Development Fund and New Market Tax Credits by providing equity funding for real estate, corporate expansion, and social service projects in traditionally underserved communities.

- Build on Dallas beachheads of activity such as Redbird/IIPOD/Lancaster Corridor/Education Corridor/West Dallas/Oak Cliff/Buckner Area

—South/Southern Dallas—

- Maintain the South Dallas/Fair Park Opportunity Fund as an economic development tool. Look at equity investments via SDFPOP.
- Prioritize projects that create high-quality jobs, nonprofits providing needed community services, and projects that offer grocery/produce to underserved areas.

Strategic Goals

Opportunity for All: An Equitable and Inclusive Economy

Strategy #4-2: Reduce Poverty

4.2.1 Provide support for the Child Poverty Action Lab.

—Reduce Poverty—

➤ Support a social-change initiative to reduce teen birth rates.

Strategic Goals

Opportunity for All: An Equitable and Inclusive Economy

Strategy #4-3: Reduce Crime

4.3.1

Collaborate with the Dallas Police Department and the business community to develop partnerships that aid in maintaining successful business areas in Dallas.

Strategic Goals

Opportunity for All: An Equitable and Inclusive Economy

Strategy #4-4: Embrace Development Areas / Corridors

4.4.1 Update incentives policies

- Revamp all policies to increase transparency and promote equity in Dallas
 - Ensure policies align with the MVA, Reinvestment Areas in the housing policy, and the Resiliency Plan. (TIF and Public/Private Partnership Policy)
 - Increase digital access for underserved communities in incentivized projects
 - Local Community Benefits
- Create new policies to address critical community development needs
 - Commercial corridor development based on the Commercial MVA
 - Multi-family housing redevelopment in distressed communities
 - Re-tenanting grocery stores in vacant shopping centers
- Create a 373 program for Community Development Initiatives

Economic Development Metrics

- Continued performance evaluation is a critical component to success of the City of Dallas' economic development efforts. The Office of Economic Development should provide progress updates toward implementation on a quarterly basis to the Economic Development Committee and City Council.
- The City of Dallas and its project partners should hold an annual “scorecard” meeting to review progress. Additionally, the City should consider creating a website to track performance metrics and maintain accountability to its citizens for the effectiveness of the City’s economic development programs and initiatives.
- The quarterly report to the Economic Development Committee and the annual scorecard event will be valuable tools that can help the City and the Office of Economic Development track progress for the implementation of this strategic plan.

About AngelouEconomics

AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities.

Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development

As a result, AngelouEconomics' clients are able to diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract businesses to their community.

To learn more, visit www.angeloueconomics.com

