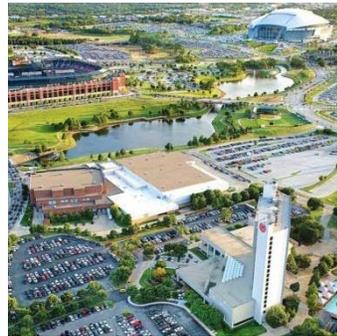


# ARLINGTON, TX:

## An Economic Development Strategic Plan

September 2014



TIP Strategies, Inc.  
[www.tipstrategies.com](http://www.tipstrategies.com)



## ACKNOWLEDGEMENTS

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## ABOUT US



TIP Strategies, Inc. is a privately held Austin-based economic development consulting firm committed to providing quality solutions for public and private-sector clients. Established in 1995, the firm’s primary focus is strategic economic development planning. In addition, TIP has experience with entrepreneurship, target industry analysis, workforce, and redevelopment. TIP’s methods establish a clear vision for economic growth. Community leaders across the country have embraced the TIP model of Talent, Innovation, and Place to achieve successful and sustainable economies.

Global Logistics Development Partners is an independent investment advisory firm that creates growth solutions in emerging logistics hub markets. GLDP was founded in 2010 to address opportunities created by changing global trade and logistics patterns, new public policies, shifting markets and a keen interest in economic development through international trade.

# CONTENTS

**Executive Summary..... 1**

    Response .....5

    Conclusion .....7

**Framework ..... 9**

    Guiding Principles .....9

    Aspirations & Vision .....10

    Goals .....11

..... 12

**Strategic Action Plan..... 12**

    GOAL 1. Competitive Positioning .....13

    GOAL 2. Transformational Redevelopment .....23

    GOAL 3. High-Impact Community Development.....29

**Organization & Programs ..... 36**

    Peer Comparison.....37

    Programmatic & Functional priorities .....42

**Study Areas ..... 46**

    Downtown.....47

    Great Southwest Industrial District .....52

    Entertainment District.....58

    Lamar/Collins Overlay .....63

    Airport .....67

## EXECUTIVE SUMMARY

Arlington is a city with enviable assets. Centrally located between two major urban areas—Dallas and Fort Worth—it has ready access to three interstate highways (I-20, I-30, and I-35) and a Class I railroad. One of the world’s 10 busiest passenger airports, Dallas-Fort Worth International Airport, is minutes away. It has a growing population, a branch of the University of Texas (UT-Arlington), a major theme park (Six Flags), and the largest industrial park in the region. In fact, the 7,000-acre Great Southwest Industrial District offers more than 82 million square feet of space. If that weren’t enough, Arlington is home to facilities that host two professional sports franchises: Globe Life Park, a baseball-only facility created for the Texas Rangers, and AT&T Stadium, which hosts the Dallas Cowboys.

Yet, like most cities of its age, the City does have some challenges. Arlington went through a period of rapid expansion during the latter half of the 20th Century, fueled by industrial growth surrounding the General Motors Arlington Plant and a burgeoning regional aerospace sector. Arlington’s recent job growth, however, has been in low-wage sectors related to its growing hospitality, tourism, and retail sectors. Many of the city’s residential and commercial developments were built during the boom years—now more than three decades ago—and are aging. Opportunities for greenfield development are more limited in Arlington as the city approaches build out. At the same time, many Metroplex suburbs have ample land and aggressive incentives to attract businesses and developers.

These issues are not uncommon among Metroplex communities, but Arlington’s challenge goes further. Arlington is, in effect, the “Third City” of the region. Its transition from bedroom community to core city requires not only a more forward-looking economic perspective, but a broader change in image and perception. Unlike a number of other first-ring suburbs, Arlington has achieved its own distinct status. Because of its advantages, not the least of which are sports-related, the city has international recognition. Its economic importance is evident in the name of the metropolitan area itself—the region was officially named the Dallas-Fort Worth-Arlington Metropolitan Statistical Area in 2003.

Resources behind economic development in the city have ebbed and flowed over the past decade. Since 2007, when economic development became a division in the city manager’s office, both financial and human resources have remained relatively steady. The efficiency of services compares well with many of Arlington’s peers. The city has had notable, and sizeable, victories—AT&T Stadium, Arlington Highlands, Viridian, and GM’s recent investment. The economic development office is currently staffed by four full-time employees—a manager, two specialists, and an administrative coordinator. In addition, they can pull in resources from any department, as needed. This structure allows for a great degree of creativity and flexibility. Under this structure, the office has honed its project management skills and is known for its ability to usher projects successfully through the city’s development and incentives process. The volume and scope of the project load, even in the wake of the country’s largest recession, has been demanding.

In addition to this, the office is tasked with activities such as administering the city’s four tax increment reinvestment zones, conducting business retention and expansion visits, responding to requests for proposals

for potential projects, and conducting outreach to the business community. The small staff also maintains relationships with community partners such as UT-Arlington, the Great Southwest Industrial District Association, the Dallas Regional Chamber, and Workforce Solutions. There are also the demands of vetting potential projects, preparing special studies and research, spearheading the city's international efforts, performing research and analysis, and administrative duties. Prioritizing different functions is difficult due to the high volume of tasks, and staff resources are not necessarily optimized.

The result of this structure is an office that is highly responsive. The staff, however, does not have the flexibility to be visionary or to actively solicit new projects. While prospective projects are finding their way into the city's pipeline, the city does not have the capacity to deliberately pursue projects or companies. This risks a situation where "first come, first served" is the order of the day.

Some of the most successful economic development organizations in the Metroplex have from 4 to 10 employees with budgets 2 to 10 times larger than Arlington's. While the structure of competing organizations is similar (business retention and expansion, business recruitment, and administrative help) there is an enormous gap in capacity. Most of these organizations have both a lower administrative burden (because they are not part of a city) and have more staff to help with administration, research, and special projects. The level and intensity of project assistance at the City of Arlington is second to none, but the office has less time for industry research, for outreach and marketing, for forging relationships and building connections, and for attending trade shows. These functions are essential activities in building the network necessary to realize the kinds of projects the City of Arlington is eager to capture.

To be sure, the City of Arlington has done an exemplary job with the resources it has. It could, however, be the leading organization among the Mid-Cities, if not the entire Metroplex. It could be a more active player on the national and international stage. In fact, Arlington could be the leading destination for international investment in its target industries. Whatever the opportunities, the city's economic development program is hard-pressed to capitalize on new and emerging trends.

To address these challenges and chart a new direction for economic development, the City of Arlington engaged TIP Strategies to prepare an economic development strategy. The plan draws on existing analyses and studies and incorporates extensive input from city officials, business leaders, and others. Figure 1 provides a starting point by presenting a SWOT analysis (strengths, weaknesses, opportunity, threats). This helps set a context and points the way to actionable strategies.



FIGURE 1. SUMMARY OF ARLINGTON SWOT ANALYSIS

COMMUNITY COMPETITIVENESS	ORGANIZATION
<b>STRENGTHS</b>	
<ul style="list-style-type: none"> <li>• Location of Metroplex, generally</li> <li>• Location between Dallas and Fort Worth</li> <li>• Transportation access: Interstates 20 and 30, rail (UP), air</li> <li>• Proximity to DFW airport</li> <li>• UT-Arlington</li> <li>• Top-notch GA airport: Arlington Municipal Airport</li> <li>• Attractiveness to manufacturing, healthcare, retail</li> <li>• In national/international spotlight as home of Rangers and Cowboys (media exposure)</li> <li>• Event venues and amusement parks that attract an international audience</li> <li>• High number of visitors (8 million annually)</li> <li>• Parks and trail system</li> </ul>	<ul style="list-style-type: none"> <li>• Reputation for supporting and executing on large-scale, highly-visible projects</li> <li>• Close connection with city officials</li> <li>• Efficient execution of programs with existing (limited) resources</li> <li>• High level of technical expertise</li> <li>• Close relationship with planning department and other development related services</li> <li>• Ability to pull resources from departments across the city</li> <li>• New branding initiative</li> </ul> 
<b>WEAKNESSES</b>	
<ul style="list-style-type: none"> <li>• Perception of public schools</li> <li>• Aging housing, particularly multifamily</li> <li>• Aging commercial/industrial product and ownership structure, particularly in GSW</li> <li>• Lack of higher-end housing products (executive-level)</li> <li>• Limited greenfield sites for industrial uses</li> <li>• Lack of urban-lifestyle amenities</li> <li>• Limited and aging Class A office space</li> <li>• Attractiveness to professional companies and workers (especially tech)</li> <li>• Lack of access to public transportation (regional/local)</li> <li>• Lack of full-service, resort-style hotels to support event venues</li> </ul>	<ul style="list-style-type: none"> <li>• Inability to be proactive due to capacity and financial constraints</li> <li>• Limited resources in comparison to Metroplex peers</li> <li>• Support of projects to create lower wage, service sector jobs</li> <li>• Less established relationships with the business community</li> </ul> 

COMMUNITY COMPETITIVENESS

ORGANIZATION

OPPORTUNITIES

- Supporting high-impact, transformational redevelopment projects
- Further revitalizing GSW: redevelopment and attracting new business
- Leveraging presence of existing aerospace assets to become a regional center for aerospace R&D
- Leveraging momentum of entertainment venues and ancillary development opportunities
- Leveraging proximity to DFW to attract businesses needing that amenity
- Strengthening relationship with UT-A and supporting the expansion of higher education in the community
- Retaining UT-A students after graduation

- Elevate Arlington to be a more competitive ED player on a national and international stage
- Access to dedicated funding streams
- Access to resources at regional service providers
- A more deliberate and active approach to redevelopment and industry recruitment—tying these together
- Better alignment of ED development opportunities with the CIP
- Engage business community around economic development and redevelopment opportunities
- Strengthen ED Committee



THREATS

- High cost of redevelopment versus greenfield development in other Metroplex cities
- Difficulty in diversifying away from manufacturing and service sector economy
- Loss of expanding companies to neighboring communities with new product
- Tight credit market and ability to secure financing for more visionary projects
- Large percentage of tax-exempt property in Downtown
- Continued aging of residential base

- Ability to compete with well-capitalized ED programs in the Metroplex and beyond
- Loss of opportunities because of lack of capacity to manage project load and be proactive
- Status-quo



## RESPONSE

Arlington has great potential. The very wealth of the city's assets, coupled with the real challenge posed by its threats, suggests an aggressive response is required. This plan focuses on the region's opportunities in tangible ways to set a course of action for the city. These actions coalesce around three goals:

### **1: THE ELEVATION OF ARLINGTON'S COMPETITIVE POSITIONING IN THE REGION TO CAPTURE A LARGER SHARE OF HIGH-WAGE, HIGH-IMPACT GROWTH.**

*The Metroplex is one of the most dynamic economies in the country. Arlington's position in the metropolitan area affords it a wealth of opportunities for business recruitment and expansion. Capturing a larger share of the region's and the nation's high-wage growth will require a more deliberate and dynamic approach towards economic development than the city has taken to date.*

### **2: THE REJUVENATION AND TRANSFORMATION OF KEY ECONOMIC CENTERS INTO VIBRANT DESTINATIONS.**

*Many of the city's areas are ripe for redevelopment. In a competitive environment like the Metroplex, successful redevelopment often requires a strong public sector role. Identifying desired outcomes and defining clear guidelines for city involvement will provide the foundation for the rejuvenation and transformation of key economic centers into vibrant destinations.*

### **3: THE CREATION OF THE AMENITIES AND ASSETS THAT WILL SECURE ARLINGTON'S POSITION AS A MAJOR ACTIVITY HUB IN THE METROPLEX.**

*This goal focuses on creating amenities and assets that will secure Arlington's position as the third city in the region and elevate it into a major hub of economic activity for the Metroplex. Strategies address issues that will help the city attract and retain the talent needed to support existing and future employers, including the need to create more diverse housing options and address perceptions of the local school district.*

Overall, these goals seek to bring greater clarity to the city's economic development process. While many of the strategies presented in this plan are not new, they are brought together around a common focus. For

#### **FRAMEWORK: GUIDING PRINCIPLES**

The Strategic Action Plan was built around three guiding principles:

- 1. Globally-connected.** Arlington's employment centers are premier locations for companies who are engaged in the global marketplace and who represent the next generation of innovation in their industries.
- 2. Vibrant.** Arlington's amenities create a quality of place that attracts companies, retains UT-A graduates, and entices visitors to extend their stays.
- 3. Innovative.** Arlington is a hotbed of innovation in the Metroplex in multiple facets: its economic development practices, the research taking place at UT-Arlington, and the research and development taking place in local companies.

the sake of continuity, the actions build on ideas and analyses that have come from prior plans and programs. In many cases, the specific action reflects standard economic development practices.

The city may be well-positioned to continue its rise within the region, but fully realizing Arlington's potential will require a concerted effort and strategic timing. The projects listed below have been identified as priorities for action:

- ▶ The expansion of the city's economic development **capacity** to create a program that can compete on the national stage
- ▶ The enhancement of the current **investment fund** to support economic development projects
- ▶ An expanded **business retention and expansion program** to support Arlington's employers
- ▶ A **targeted outreach campaign** to attract national and international companies that would be good additions to Arlington
- ▶ A **strong network of partners** that will enhance Arlington's economic development potential
- ▶ A **revamped redevelopment program** that reinforces the city's economic development priorities
- ▶ The re-orientation of the **Economic Development Committee** to serve as a sounding board for the Office of Economic Development

Implementing these projects will provide the City of Arlington with the capacity and tools it needs to realize a forward-looking economic development program. These investments will give the city the ability to conceptualize projects and pursue companies and industries that it views as vital to the economic health and revitalization of the city. These priority projects will give the city the structure for creating higher wage jobs, attracting additional investment into the city's redevelopment areas, generating additional leads from targeted industries, and becoming an economic development leader in the region and beyond.

## FRAMEWORK: ASPIRATIONS & VISION

With the guiding principles as a foundation, the following aspirations paint a clear vision for the city:

- Great Southwest Industrial District (GSW) is a premier location for globally-connected companies engaged in next generation manufacturing.
- The entertainment district functions as a business district and activity hub for the Metroplex.
- Companies are attracted to Arlington for its amenities, including the Tier I research university, as well as its prime location.
- The downtown is a vibrant activity hub for the region.
- UT-A students want to stay in Arlington after graduation and have desirable housing and employment options.
- Visitors linger for a multi-day, multi-faceted experience. They might even consider living or working in Arlington.

The vision painted by these aspirations is as follows:

*Arlington is a key city in the Metroplex—  
a destination for globally-recognized commerce  
and industry, entertainment and recreation,  
as well as research and innovation.*

## CONCLUSION

This plan for the city requires an increased capacity for economic development. For catalyst projects to be successful and for economic growth to offer wider benefits, new measures and new processes must be brought to bear. Arlington is a major city in its own right, not just another DFW suburb. As a major city, Arlington needs to pay constant attention to its competitive position both in the region and nationally. Having an increasingly strong identity based on higher education, sports franchises, and tourist attractions is a wonderful starting point.

Economic development opportunities, however, have to be fought for with determination and new tools. Arlington can realistically position itself as a hub for high profile projects that draw on its university and on the technology companies that make up an increasing share of its talent pool. Led by a forward-looking team and strategic new goals, the city's prospects are greater than they have ever been.

# FRAMEWORK



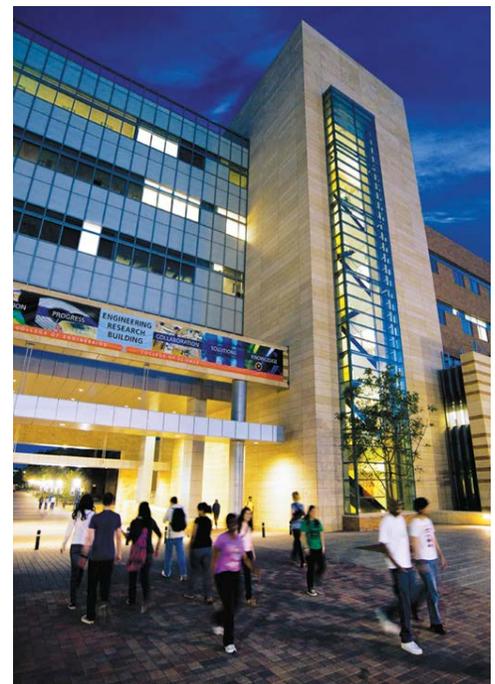
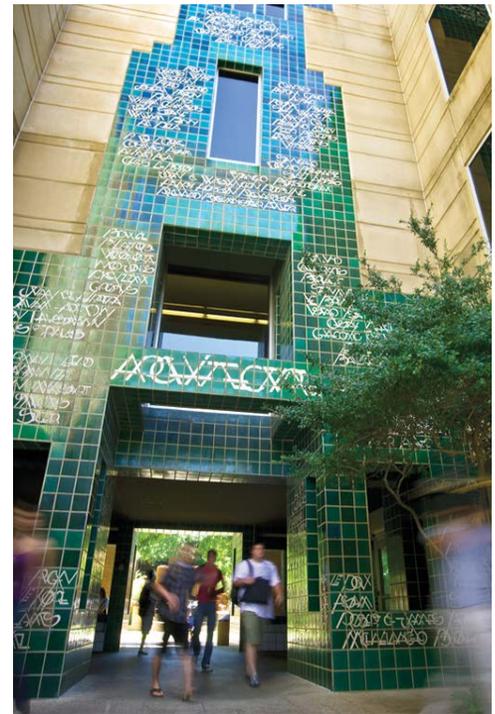
# FRAMEWORK

At its core, this plan is shaped by the factors that have the greatest impact on economic vitality: a commitment to talent, innovation, and place. **Talent** emphasizes the attraction and retention of skilled workers; **innovation** encompasses strategies for engaging industry leaders and fostering growth in high-wage sectors; and **place** focuses on the characteristics of Arlington that make it appealing to residents and visitors. Collectively, this framework suggests an approach to economic development that leverages assets and maximizes opportunities to differentiate Arlington from the region. These factors are woven throughout the framework below.

## GUIDING PRINCIPLES

The Strategic Action Plan was built around three guiding principles. These principles are designed as reference points for the goals and strategies—a way of ensuring that Arlington’s incentives and investments provide tangible benefits. Each of the principles is also a way of being forward-looking, of identifying industries and projects that position the city within the Metroplex and that can result in spin-off benefits.

1. **Globally-connected.** Arlington’s employment centers are premier locations for companies who are engaged in the global marketplace and who represent the next generation of innovation in their industries.
2. **Vibrant.** Arlington’s amenities create a quality of place that attracts companies, retains UT-A graduates, and entices visitors to linger.
3. **Innovative.** Arlington is a hotbed of innovation in the Metroplex in multiple facets: its economic development practices, the research taking place at UT-Arlington, and the research and development taking place at local companies.



## ASPIRATIONS & VISION

Drawing from these guiding principles, the following **aspirations** paint a clear vision for what the city could be:

- *Great Southwest Industrial District (GSW) is a premier location for globally-connected companies engaged in next generation manufacturing.*
- *The entertainment district functions as a business district and activity hub for the Metroplex*
- *Companies are attracted to Arlington for its amenities, including the Tier I research university, as well as its prime location.*
- *The downtown is a vibrant activity hub for the region.*
- *UT-A students want to stay in Arlington after graduation and have desirable housing and employment options.*
- *Visitors linger for a multi-day, multi-faceted experience. They might even consider living or working in Arlington.*

The vision that these aspirations paint are of Arlington as the third city—a central hub of commerce, entertainment, and higher education. These ideas are captured in the vision statement below:

***Arlington is a key city in the Metroplex—a destination for globally-recognized commerce and industry, entertainment and recreation, as well as research and innovation.***

The path forward for achieving this vision is already underway. In GSW, a transformation is just beginning—the success of the Pioneer 360 business center’s redevelopment, and the recent GM stamping plant and retooling demonstrate the district’s potential. Likewise, new development activities in the downtown, the progress of UT-Arlington towards its goal of achieving Tier I status, and the East Lamar Redevelopment Project are all moving Arlington towards these aspirations. However, these investment activities have not yet reached the tipping point and may not, without a sustained economic development effort.

These guiding principles, aspirations, and vision prescribe a transition for the City of Arlington—both in reality and in perception. The City of Arlington must elevate its economic development programs if it is to truly fill the role of the third city of the Dallas-Fort Worth-Arlington metropolitan area.

## GOALS

The goals of a strategic plan form the pillars to support the vision painted by the guiding principles and aspirations. For Arlington, the planning team identified three goals:

- GOAL 1. THE ELEVATION OF ARLINGTON'S COMPETITIVE POSITIONING IN THE REGION TO CAPTURE A LARGER SHARE OF HIGH-WAGE, HIGH-IMPACT GROWTH.**
- GOAL 2. THE REJUVENATION AND TRANSFORMATION OF KEY ECONOMIC CENTERS INTO VIBRANT DESTINATIONS.**
- GOAL 3. THE CREATION OF THE AMENITIES AND ASSETS THAT WILL SECURE ARLINGTON'S POSITION AS A MAJOR ACTIVITY HUB IN THE METROPLEX.**

These goals provide a solid foundation for the Strategic Action Plan outlined in this document. However, success will require a strong partnership between the city, the private sector, and the existing network of organizations involved in the economic development arena.

# STRATEGIC ACTION PLAN



## GOAL 1. COMPETITIVE POSITIONING

*The elevation of Arlington’s competitive positioning in the region to capture a larger share of high-wage, high-impact growth.*

Arlington is fortunate to be situated in the center of the Metroplex. This prime location places the city squarely in the path of growth from Dallas and Fort Worth. Coupled with tremendous infrastructure assets and a solid employment base, the city’s geography helps generate numerous leads from companies, across the US and the world, looking to relocate or expand in the region.

For the most part, existing prospects represent the manufacturing sector, with some healthcare, retail, hospitality, and housing projects. Those typically not in the mix are professional services and other office users, which are precisely the kinds of prospects that would change the composition of employment growth in the city. Some of these leads come from the Dallas Regional Chamber and the Office of the Governor, and some come directly to the city. Rarely do any of these leads surface as a direct result of outreach and marketing activities on the part of the city itself.

**FIGURE 2. CITY OF ARLINGTON PROJECTED EMPLOYMENT GROWTH BY MAJOR SECTOR, 2012-17**  
*Sectors where average earnings per job\* is below the regional average (\$52,325) are in orange*

DESCRIPTION	2013 AVG. EARNINGS PER JOB	2012 JOBS	2017 JOBS		CHANGE 2012-2017
Health Care and Social Assistance	59,938	20,088	24,635	4,547	
Accommodation and Food Services	19,848	18,408	21,421	3,013	
Administrative and Support	38,469	12,190	14,341	2,151	
Arts, Entertainment, and Recreation	51,057	5,465	7,107	1,642	
Retail Trade	35,926	18,354	19,353	999	
Government	72,111	11,463	12,419	956	
Construction	56,987	6,191	7,038	847	
Manufacturing	70,072	11,045	11,861	816	
Professional, Scientific, and Technical Services	75,854	5,657	6,463	806	
Finance and Insurance	80,146	8,249	9,028	779	
Wholesale Trade	72,668	8,137	8,861	724	
Other Services (except Public Administration)	29,865	6,420	7,142	722	
Transportation and Warehousing	62,028	4,191	4,626	435	
Educational Services (Private)	42,396	2,207	2,500	293	
Real Estate and Rental and Leasing	48,992	2,932	3,187	255	
Utilities	130,867	373	478	105	
Management of Companies and Enterprises	91,282	1,043	1,104	61	
Mining, Quarrying, and Oil and Gas Extraction	117,043	63	77	14	
Information	63,214	2,112	2,093	-19	

Source: EMSI Complete Employment - 2013.2. City of Arlington defined using the following zip codes: 76001, 76002, 76006, 76010, 76011, 76012, 76013, 76014, 76015, 76016, 76017, and 76018. \*Note: average earnings per job includes wages and salaries, plus supplemental compensation such as bonuses, stock options, and contributions to 401(k) plans, for all jobs in a specific metro or industry. Because EMSI includes non-wage/salary compensation, EMSI 'industry earnings numbers should not be treated as "average salary." They are generally higher than average salary by industry numbers that may come from other sources.

Due to the mix of prospects, the patterns of employment growth in the near future will likely follow the same trends. Figure 2 shows Arlington’s projected growth over the next five years. These projections are based on historic growth patterns and show what Arlington’s economy will look like with “more of the same”— growth in low-wage sectors related to hospitality and food services and less growth in higher-wage sectors. **To change these trends, the City of Arlington must embark on an aggressive campaign to capture a larger share of the higher-wage sector growth in DFW.**

The table to the right (Figure 3. Arlington Office Scenarios) shows an example of what could happen if Arlington captures a greater share of office employment in the core counties of the Metroplex (Collin, Dallas, Denton, and Tarrant). If Arlington increases its share of growth from 4.2 percent to somewhere between 4.6 and 5.2 percent, it could capture an additional 2,222 to 2,525 office workers. These additional workers would translate to an additional 555,500 to 631,250 square feet of office space.

To capture a greater share of this high-wage growth, Arlington needs to attract best-in-class office and industrial product to be able to compete with the Las Colinas and Alliances of the nation. It needs to develop an environment that offers the corporate feel and amenities that higher profile corporate users seek.

This is not without its challenges. According to CBRE’s Q42013 Office Report, while the office market in DFW is one of the nation’s strongest, the vacancy rate is 18 percent. This figure includes all types of office space and is likely lower for high-quality assets that would be considered Class A. Lease rates have been climbing steadily in the past year, surpassing pre-recession levels in 2013. In addition, just over 5 million square feet of new office space is under construction. As a result, there has been a strong increase in the flow of capital to DFW’s commercial real estate, particularly its high quality assets. In other words, the fundamentals of the market are fairly strong and appear to be improving. **The primary challenge that Arlington faces, however, is that it is not known as a destination for Class A office product.** The city must make the case for why it should be.

On the industrial side, CBRE highlights the strength of the regional industrial market. Vacancy is at a low of 7 percent, net absorption has been steadily positive for the last 12 quarters, and the industry outlook is positive. The primary challenge for Arlington is, again, having a competitive product. Alliance and Port of Dallas offer well-

**FIGURE 3. ARLINGTON OFFICE SCENARIOS**

*What would it mean for Arlington to capture a larger share of DFW office-using employment?*

BASELINE			
Proj. Change in Office-Using <sup>1</sup> Employment		2014-2018	
DFW Core Counties <sup>2</sup>		+48,573	
Arlington		+2,020	
<i>Arlington Share of DFW Core Growth</i>		4.2%	
SCENARIOS			
Increase	Arlington’s Share of DFW Core Growth	Additional Office Jobs (Total)	Additional Office Space Required (SF) <sup>3</sup>
+10%	4.6%	+2,222	+555,500
+15%	4.8%	+2,323	+580,750
+20%	5.0%	+2,424	+606,000
+25%	5.2%	+2,525	+631,250

Notes: 1) Office-using employment estimated by TIP Strategies based on typical occupancy patterns. 2) DFW Core Counties are Collin, Dallas, Denton, and Tarrant 3) Assumes 250 square feet per office worker.

Source: EMSI Complete Employment 2012.3; TIP Strategies

serviced, largely greenfield, and highly competitive product. While Arlington has a very well-established industrial district, the infrastructure, buildings, and development patterns are less than optimal and property values in many areas of the district are declining. The demand for Arlington’s existing product is there, but it is not the high end of the market. To change this, Arlington will need to continue and strengthen its efforts to rejuvenate its industrial market, particularly in GSW.

Promoting this growth will require closer collaboration with developers and an aggressive outreach strategy to secure anchor tenants. Relationship building is at the core of this goal – relationships with local private sector leaders, with regional economic development organizations, with developers and brokers within the Metroplex, and beyond. The relationships themselves, however, will not be enough. The city must leverage those relationships to educate these players of opportunities for investment in Arlington and projects the city would like to see. Leveraging these relationships will allow the city to promote its vision, which will, in turn, generate more targeted leads and projects that will help it meet its vision.

**STRATEGY 1. BE A LEADER IN ARLINGTON AND IN THE REGION.**

Improving Arlington’s position in the DFW real estate market will require Arlington to raise its profile among the private sectors players that could be potential investors in Arlington. To achieve this, the City of Arlington will need to take more of a leadership role both locally and regionally. Convening groups, organizing events, communicating regularly, and bringing stakeholders together are all activities that could reinforce Arlington’s leadership position. These activities will also help to educate players on the opportunities present in Arlington and the benefits of investing there.

Actions:

1. Engage the business community around this vision for Arlington.
  - ▶ Engage business leaders who are willing to participate actively in Arlington’s economic development activities.
  - ▶ Leverage Arlington’s business leaders to reach corporate decision-makers and investors who would be interested in making investments in Arlington.
  - ▶ When appropriate, incorporate business leaders into recruitment activities to help sell Arlington as the ideal location.

**PRIVATE SECTOR ENGAGEMENT**

**The basics.** The most successful strategies for engaging the private sector in public initiatives start with a basic principle: use their time wisely. This means scheduling meetings at convenient times, such as early morning or during lunch, and ensuring agendas are action-oriented.

**Give them a reason.** Including an item of interest to the local business owners as part of each meeting, such as presentations on financing mechanisms and regulatory issues, can help encourage regular participation. This approach takes a little extra planning and requires an in-depth knowledge of the needs of area businesses but can be highly effective.

**A two-way street.** At its core, private-sector engagement is about creating relationships. Working towards a shared objective, rather than driving a unilateral agenda, is more likely to bring success. The private sector role should be clearly defined and structured in a way that encourages long-term participation.

2. Maintain active relationships with brokers, developers, and site selectors to communicate vision and initiatives.
  - ▶ Continue to participate in the Great Southwest Industrial District Association.
  - ▶ Continue to participate in the North Texas Commercial Association of Realtors (NTCAR), participate at the Commercial Real Estate Expo, and ensure Arlington properties are featured on the DFW Bus Tours.
  - ▶ Forge personal relationships with site selectors that specialize in site location in Arlington’s target sectors.
  - ▶ Host a site selector or developer day and/or familiarization tour in Arlington to promote Arlington’s vision, and feature the properties available to support this vision.
  - ▶ Regularly host brokers, developers, and site selectors at the city’s entertainment venues to strengthen relationships.
3. Through this network of businesses, brokers, developers, and site selectors, advance Arlington’s vision, project ideas, redevelopment sites, incentives programs, and other economic development projects and initiatives, as appropriate.
  - ▶ Communicate with this network through regular, relevant eNewsletters, include recent announcements, current initiatives, and upcoming opportunities for investment. Promote Arlington’s positive attributes and the benefits of investing in Arlington.
  - ▶ Hold one-on-one meetings with groups or individuals who are particularly well-positioned to partner with the city to move a project or idea forward.
  - ▶ Convene groups of these stakeholders as necessary to discuss the city’s opportunities and engage these stakeholders in projects that would take advantage of these opportunities.
  - ▶ Participate in as many of the regional economic development marketing activities to make the City of Arlington a top-of-mind destination for investment.
4. Promote regional collaboration around areas of mutual interest. Examples include regional branding and addressing workforce challenges.
  - ▶ Participate in a regional economic development summit to create a forum for discussing the outlook and opportunities specific to the Mid-Cities region of DFW. This can help elevate the Mid-Cities’ position in the region and could help Arlington emerge as the leader.
  - ▶ Build stronger relationships and increase participation in the Dallas and Fort Worth Regional Chambers, DFW Airport, the DFW Marketing Team, and TexasOne. This will help Arlington increase its visibility in the region.
  - ▶ Support Workforce Solutions Tarrant County and the Regional Workforce Leadership Council to ensure that Arlington’s employers have access to the labor force they need.

## STRATEGY 2. EXPAND THE CITY'S PORTFOLIO OF BUSINESS RETENTION, EXPANSION, AND ATTRACTION TOOLS AND ACTIVITIES.

Currently, Arlington's Office of Economic Development has a full-time staff of four with some administrative support. In addition, they are able to pull in resources as needed, and as available, from other departments across the city. Under this structure, the office has little capacity to execute on forward-looking activities; they spend most of their time on active projects and pressing matters. For example, the Business Retention and Expansion program prioritizes which companies staff will visit based on size, taxable property, lease expiration, industry and importance. This is a great approach to prioritizing business visits, but staff do not have enough time to visit enough companies for the program to have significant impact. Furthermore, the department's Business Recruitment activities are largely reactive. Staff are highly responsive to prospects that are referred to them or call them directly. However, the office has little time and resources to market to corporate decision-makers in the target industries or to develop closer connections to site selectors. To bring in a different mix of prospects and to keep a better pulse of Arlington's businesses, the Office of Economic Development will need to expand their activities and tool box.

### CITY OF ARLINGTON OFFICE OF ECONOMIC DEVELOPMENT

The Office of Economic Development is currently staffed by four full-time employees – a manager, two specialists, and an administrative coordinator.

The primary functions of the office are:

- Internal relations & administration
- Manage / monitor ED-related funds & incentives agreements
- Research & analysis
- Lead generation, marketing, and general outreach
- Business and development assistance

Source: City of Arlington.

### **Actions:**

1. Create and maintain fresh and current content for marketing tools.
  - ▶ Continue to update and improve the city's economic development website.
  - ▶ Design an eNewsletter template and blog that will provide Arlington's stakeholders and target audiences with relevant information on economic development in the city. Share content at least quarterly and through various channels, including Facebook and Twitter.
  - ▶ Update and improve Arlington's proposal template to respond to inquiries from prospects more quickly and effectively. This template should be designed to be informative and to make Arlington stand-out among its peers.
  - ▶ Create a sales-presentation template to showcase Arlington for prospects and site selectors.
2. Continue to develop analytical and reporting capabilities to inform decisions and report results.
  - ▶ Expand and maintain the existing business database.
  - ▶ Maintain an inventory of key sites and buildings that will be a focus of business recruitment efforts.

- ▶ Conduct in-depth market research in target industries to track trends and stay informed of industry happenings.
  - ▶ Continue to perform economic and fiscal impact analyses, cash flow modeling, and calculate return on investment to inform incentives negotiations and the city's project participation.
  - ▶ Track performance metrics related to strategic plan implementation, and create an annual report card.
  - ▶ Conduct other specialized analyses and research to inform major decisions.
- 3. Ensure that the city's incentive policy is competitive and is realizing net benefits for the city. (*See Goal 2, Strategy 2*).
  - ▶ Review peer communities' incentives policies and recent deals to stay abreast of the competitive environment and what is successful in the region. Currently, the city offers competitive incentives with the exception of having a dedicated investment fund.
  - ▶ Provide an overview of the incentives negotiation and approval process to set the expectations of the prospect.
  - ▶ Incorporate fiscal and economic impact analysis into the process, and establish thresholds for return on investment.
  - ▶ Structure prudent performance agreements to ensure that the interests of the city are protected.
  - ▶ Monitor compliance and analyze results to evaluate the effectiveness of the city's incentives process on an on-going basis.

## SMART INCENTIVES

**Is this a good deal?** Smart incentives start with a solid understanding of the benefits they are likely to generate. This can be evaluated along three lines:

### Project benefits:

- Does it have favorable characteristics (jobs, wages, investment, location)?
- Does it fit with your economic development strategy?
- What is the likelihood of success? How does that compare with risk level?

### Fiscal & economic impact

- How do projected tax revenues compare with any increase in cost of service?
- What is the timing of the incentive, and what are the implications with regard to budgets?
- What is the estimated contribution to the local economy?

**Was this a good deal?** A smart policy means taking time to figure out what is working and what is not.

- Monitor compliance using clearly defined performance agreements.
- Evaluate performance after the fact. Did the incentive affect the choices businesses made? Were any existing businesses harmed? Did the project's benefits outweigh the costs of incentives?
- Report findings, and use them to inform future incentives policies.

Source: Adapted from Business Development Advisors presentation to the National League of Cities, Economic Development Financing Tools workshop, November 2013

- ▶ Profile the City's use of the following tools on the website to be more competitive with neighboring communities:
    - ◆ *Inclusion in Foreign Trade Zone No. 39:* Because the zone has been designated a "Usage-Driven Foreign Trade Zone Site," any business located in Tarrant County is eligible to apply for inclusion in the FTZ through an expedited process.
    - ◆ *Financing Assistance:* The city provides support with asset-backed financing through the Texas Economic Development Bank's Texas Product/ Business Fund.
    - ◆ *Fast-Track Permitting:* The city provides an accelerated review and development process, through a close partnership with the company, to ensure any bottlenecks or issues are addressed in a timely manner.
    - ◆ *Special Financing Districts:* List the existing TIF districts in the description of the city's incentives on its website.
  - ▶ Create a dedicated investment fund, or enhance an existing fund, to be able to make strategic investments in economic development projects. The fund would allow the city to participate in high-impact catalyst projects and compete with those cities that have sales tax revenues dedicated to economic development. Examples of uses for the fund are forgivable loans or economic development grants, seed for a revolving loan fund, reimbursements to other city departments for revenues foregone due to incentives agreements, or land banking.
4. Expand the business retention and expansion program.
- ▶ Maintain and expand the current database of businesses operating in Arlington and use this database as the foundation of a customer relationship management system to track business and retention activities.
  - ▶ Increase the number of business visits conducted annually.
  - ▶ Create a more strategic plan for hosting businesses at the City's entertainment venues.
  - ▶ Conduct an annual business climate survey that collects information from Arlington employers about their outlook and needs.
  - ▶ Forge relationships with the headquarters of major employers in Arlington that are branches, regional offices, facilities, or plants.
  - ▶ Reach out to new businesses in Arlington with information on the city's economic development programs.
5. Launch a more extensive marketing and outreach campaign to recruit businesses to Arlington.
- ▶ Gather industry intelligence and stay abreast of trends in target industries on a continual basis.
  - ▶ Identify companies that are likely to expand within target industries, to create a database of potential leads. Look at metrics such as increasing sales, infusions of capital, restructuring, and other indicators that provide reasons to believe a company may be expanding in the near future. Look at both domestic and multi-national companies.

- ▶ Develop and maintain relationships with site selectors, particularly those who represent clients in Arlington’s target industries.
- ▶ Attend key trade shows and industry events to gather industry intelligence and make connections with industry players.
- ▶ Forge relationships with key decision makers at target companies. For relevant contacts in the leads database, establish and follow a contact protocol that includes an initial contact, follow-up, and on-going communication through an informative email newsletter.
- ▶ Participate on US and international trade missions and recruitment trips with regional partners where appropriate.
- ▶ Partner with DFW Airport to attract investment from international markets such as Sao Paulo, Dubai, Beijing, Hong Kong, Guangzhou and other target regions.
- ▶ Create, perhaps in partnership with the Arlington Chamber or UT-A, a Global Business Council to use as a source of leads for international business recruitment and as support for hosting prospects (*See text box on Metro Atlanta Chamber.*)

### STRATEGY 3. STRENGTHEN PARTNERSHIPS WITH AREA INSTITUTIONS AND ORGANIZATIONS.

Current economic development practices have moved beyond business attraction and site development. They now include such functions as entrepreneurship and innovation, economic gardening, workforce development, small business development, and tourism promotion. The Dallas-Fort Worth region has a robust network of service providers that fill many of these roles. To avoid duplication, the City of Arlington should leverage partnerships with area providers to enhance its economic development program and prospects.

#### METRO ATLANTA CHAMBER GLOBAL COMMERCE COUNCIL

Through its Global Business Growth team, the Metro Atlanta Chamber (MAC) offers industry expertise and site selection services—including analyzing available incentives, matching companies with needed professional services, and identifying research and academic resources—to international companies looking to expand in metro Atlanta.

One key to the program’s success is the Global Commerce Council. Comprised of 300 members representing some of the region’s largest employers, including Delta Airlines and Georgia-Pacific, the council meets every other month and hosts a number of high-profile events throughout the year. Council members make connections locally and globally in support of three objectives:

- attracting foreign investment and jobs into metro Atlanta
- helping Atlanta-area companies expand their business abroad
- helping newly landed foreign companies continue to grow in Atlanta

Council members are surveyed to capture as much detail as possible about their areas of expertise and other information, including languages spoken within the company. This information is entered into a secure database which allows MAC to quickly provide a foreign company looking to invest in the metro Atlanta area with industry-specific contacts.

Source: MAC website

**Actions:**

1. Maintain and leverage the city’s strong partnership with UT-A.
  - ▶ Actively support UT-A’s quest to become a Tier 1 research university.
  - ▶ Highlight UT-A’s assets prominently when selling Arlington to prospects. Involve UT-A directly in the selling whenever possible.
  - ▶ Support efforts to elevate UT-A as a prominent player in the region’s innovation economy through its research as well as its technology transfer and commercialization.
  - ▶ Support UT-A’s transition from a commuter campus to a residential campus through high-impact community development projects, particularly in downtown (See Goal 3).
  
2. Tap into the network of service providers to support new and existing businesses in Arlington. Potential partners include the following organizations:
  - ▶ Workforce development: UT-A and Workforce Solutions
  - ▶ Entrepreneurship: Arlington Chamber of Commerce, UT-A, LaunchDFW, DFW Start-Up Weekend, Entrepreneurs Organization Dallas, TiE Dallas
  - ▶ Small business support: SBDC, SCORE, and ACCION Texas
  - ▶ Other technical assistance: TMAC, Arlington Chamber of Commerce
  
3. Enhance the city’s Business Retention and Expansion and Business Recruitment programs through partnerships.
  - ▶ Use the existing networks, such as the Chamber and GSWIDA, to distribute the BRE survey.
  - ▶ Assemble a team of community leaders to assist in conducting business visits as part of the BRE program, as needed.
  - ▶ Partner with regional chambers and near-by communities to enhance external marketing efforts.

**FORT COLLINS, CO**  
UNIVERSITY CONNECTIONS

Sparked by an informal conversation between the city manager of Fort Collins, Colorado, and the president of Colorado State University (CSU), UniverCity Connections is a coalition of foundations, higher education, and local government seeking to create positive connections among three community assets: CSU, downtown Fort Collins, and the Poudre River.

Since its formation in 2006, the partnership and its stakeholders have envisioned and implemented a number of ideas designed to enhance the attractiveness of the Poudre River for residents and visitors, spur infill and redevelopment in the downtown/CSU area, establish a downtown “Brewery District,” and help realize the creative arts as an economic driver, including the creation of the Arts Incubator of the Rockies.

Encouraging sustainable development through programs and promoting the city’s unique brand are important elements of the initiative.

Source: <http://www.univercityconnections.org/>

- ▶ Use teams of community leaders to sell Arlington to prospects. Team members could be drawn from the city's Economic Development Committee, and/or the Global Business Council.
4. Leverage the city's economic development resources through a strong partnership with the private sector.
- ▶ Develop strong relationships with the private sector and clearly communicate the city's vision and opportunities (See *Goal 1, Strategy 1*)
  - ▶ Create and adopt a public-private partnership policy to define the city's purpose and parameters for entering into these partnerships.
  - ▶ Be a strong partner to the private sector through a wide range of activities, from providing project management assistance on key projects to making active investments in projects.

## GOAL 2. TRANSFORMATIONAL REDEVELOPMENT

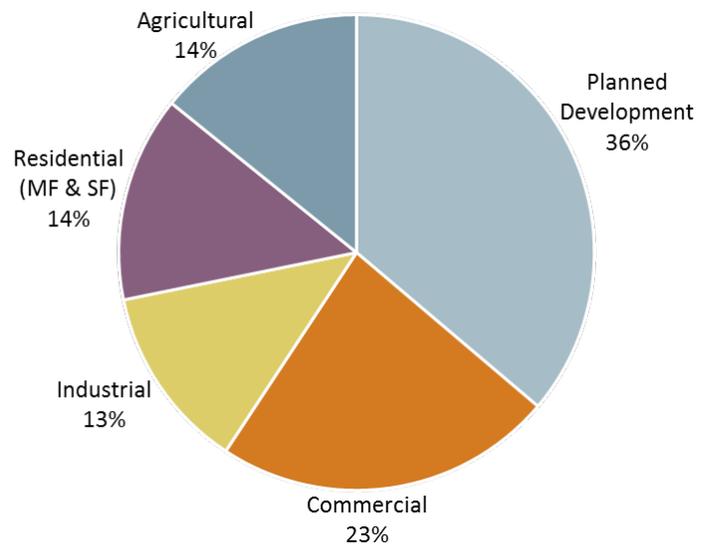
### *The rejuvenation and transformation of key economic centers into vibrant destinations*

Like many Metroplex cities, one of the primary challenges facing Arlington is the fact that the city is largely built-out. According to the city’s most recent Annual Growth Profile, the city had slightly more than 11,200 acres of vacant land in 2012, roughly 22 percent of the total developable land area. The largest share of vacant developable land—more than 4,000 acres—is zoned Planned Development (PD), with the lion’s share slated to be part of the Viridian PD, a master planned community in north Arlington. An additional 1,600 acres of vacant land (roughly 14 percent of total vacant land) is zoned for agricultural uses. However, this designation is often applied to annexed parcels which are then rezoned at some future date.

In addition to the challenges created by the city’s approaching build-out, a large share of Arlington’s existing hardscape was built during periods of rapid growth in the 1970s and 80s. As a result, much of the city’s development and related infrastructure is aging and in need of improvement. While the city is not facing the massive task confronting older communities in other parts of the US, redeveloping older properties and targeting infrastructure repairs and replacement must be part of the mindset.

As a result of the lack of large greenfield sites and the aging of the city’s buildings and infrastructure, redevelopment will be a large part of Arlington’s economic development program. The areas targeted for evaluation as part of this planning process should be the starting point for a transformational strategy:

FIGURE 4. VACANT LAND



Source: City of Arlington, Community Planning & Development

- ▶ **Downtown/UT-Arlington.** Recent development projects have helped generate interest in this area. A focus on creating better linkages and attracting missing services, including professional services, residential offerings, shopping, and lodging, will be key to creating a vibrant center for employment, housing, and nightlife.
- ▶ **Great Southwest Industrial District.** With the majority of buildings more than 30 years old and pockets of chronic vacancy, this property has slipped relative to other industrial properties in the Dallas-Fort Worth area. Making use of existing tools, such as the unused management district designation, and putting in

place new tools, like a fund to mitigate the costs associated with bringing buildings up to code, will be required to maximize the potential of this regionally significant property.

- ▶ **Entertainment District.** Arlington’s entertainment district boasts assets that would be the envy of any major city; its sports stadiums and related attractions bring in roughly 8 million visitors annually and make the city an internationally recognized destination. Leveraging these assets will require a vision beyond simply maximizing the area’s hospitality and leisure potential. The addition of high-end lodging and residential offerings, along with the attraction of major employers, must also be emphasized.
- ▶ **Lamar/Collins Overlay Area.** With aging apartment complexes, low income levels, and high crime rates, this area has suffered from disinvestment over the past few decades. However, planned projects, including the East Lamar Redevelopment Project—a 66-acre project featuring market-rate apartments, structured parking, and walking trails—could help attract other investors to this troubled area of the city. Supporting major catalyst projects and maximizing the controls provided under the existing overlay district will be critical to transforming this area.

The strategies and actions outlined below provide a structure for creating a sustainable urban core. Supported projects should help build the city’s urban core by contributing to the property tax base and emphasizing density, where applicable. Creating a quality of place—one that helps retain existing residents and attracts new people to the city—should be the ultimate objective in any development or redevelopment plan.

**STRATEGY 1. ALIGN REDEVELOPMENT STRATEGIES AND ECONOMIC DEVELOPMENT PRIORITIES**

Given the limited number of greenfield sites, maximizing the potential of infill and redevelopment projects should be emphasized. This means ensuring city policies are in place to encourage development that furthers economic development goals, such as creating employment centers, enhancing the tax base, and providing opportunities for higher wage jobs.

**PORTLAND DEVELOPMENT COMMISSION  
COMMERCIAL PROPERTY REDEVELOPMENT  
LOAN PROGRAM**

The Commercial Property Redevelopment Loan Program was created by the Portland Development Commission (PDC) to further economic development in designated commercial areas or corridors by filling the gaps between available financing and project costs. Typically, the PDC provides 10-20 percent of project funding for property development or rehabilitation that reflects the strategic priorities of PDC. Eligible projects include specific business categories, such as target or high-growth industry clusters, as well as projects that support historic preservation, transit-oriented development, and green building practices. Between July 2009 and July 2012, the PDC invested \$28.4 million through the program, leveraging an additional \$179.1 million of private capital, a 1:6 ratio.

Source: Portland Development Commission website and Economic Development Strategy: Three-Year Status Report, July 2012.

**Actions:**

1. Create a clear framework for advancing redevelopment projects that meet economic development goals.
  - ▶ Evaluate potential infill/redevelopment sites to better understand the current conditions and determine if there are barriers that need to be mitigated for development to occur.
  - ▶ Review the city's development process and fee structure to ensure that they encourage redevelopment. For example, impact fees put in place to manage greenfield growth can inhibit redevelopment. Continue to offer a fast-track process for particularly high-impact redevelopment projects.
  - ▶ Identify nodes of underutilized and/or poorly maintained parcels, and explore the possibility of land assembly to provide the ability to influence a larger scale catalyst project.
  - ▶ Structure clear guidelines that define the city's role as a partner in redevelopment projects. Use successful public-private partnerships as models for formulating these guidelines. (See *Goal 1, Strategy 3*).
  - ▶ Establish specific thresholds in terms of economic development metrics that redevelopment/infill projects must meet to receive priority status.
2. Participate in and promote redevelopment projects that meet economic development priorities.
  - ▶ Work with area developers and brokers to identify and conceptualize redevelopment projects that promote growth in target industry sectors.
  - ▶ Incorporate Class A office and corporate campus plans into mixed use projects where possible—particularly in entertainment district.
  - ▶ Explore the potential of infill and redevelopment

**CITY OF SAN ANTONIO****INNER CITY REINVESTMENT INFILL POLICY**

The City of San Antonio's Inner City Reinvestment Infill Policy (ICRIP) was created as part of a comprehensive strategy to prioritize public and private sector investments within specific areas of the city. The goal of the policy is to coordinate and concentrate public incentives in these areas in order to improve the utilization of vacant and underused properties, enhance and rehabilitate existing structures, and support the city's business recruitment and assistance efforts.

Target areas are identified using a proprietary market value analysis (MVA) tool developed by The Reinvestment Fund and the University of Texas at San Antonio. The MVA uses spatial and statistical cluster analysis to characterize local markets in terms of their ability to support healthy growth. Addressing barriers to development in these areas is a core objective and the ICRIP is designed to bring "all the tools in the toolbox" to the challenge. Examples of strategies include zoning, timing of infrastructure, parking incentives, financing tools, and dedicated staff support for regulatory and procedural issues.

Supporting initiatives include a searchable online database of city-owned properties for sale and the adoption of the San Antonio Development Agency's (SADA) Real Property Disposition Plan which prioritizes the disposition of SADA-owned properties for development of affordable or at-market-rate housing. Increasing investor confidence and encouraging stakeholder involvement are key elements of the program.

Source: *Inner City Reinvestment Infill Policy* (no date), accessed at <http://www.sanantonio.gov> and case studies of The Reinvestment Fund's Market Value Analysis tool at [www.trfund.com](http://www.trfund.com).

as a strategy for retaining existing businesses that are in expansion mode. This approach can help keep successful companies from going elsewhere in the region and promote a “business friendly” image for the city.

## STRATEGY 2. STRENGTHEN TOOLBOX FOR INFILL AND REDEVELOPMENT PROJECTS

Infill and redevelopment projects frequently face a number of barriers relative to greenfield sites. For example, they can face higher land acquisition costs and development costs because of surrounding uses, contamination, or the effects of market speculation.

This tendency, coupled with the difficulties in establishing the market value of the finished development, can make infill and redevelopment projects difficult to finance through traditional means. Identifying and mitigating barriers to development can help increase the likelihood of success.

### Actions:

1. Establish a straight-forward, transparent, and predictable incentives program to attract new and expanding businesses to redevelopment areas. (*See Goal 1, Strategy 3*)
  - ◆ Create a framework for the prioritization of available incentives and resources, including specific criteria that must be met to qualify for incentives. A market based approach, such as the market value analysis tool created for the City of San Antonio (see case study on previous page), is one example.
  - ▶ Modify the existing tax abatement guidelines to increase the differential between investing in a targeted area versus the rest of the city.
  - ▶ Ensure that target areas align with existing plans and the vision of stakeholders to the extent possible.
  - ▶ Promote identified areas and available sites to prospective developers.
2. Expand Arlington’s toolbox to include a variety of tools to address barriers to infill and redevelopment.
  - ▶ The city already utilizes most of the tools available. Consider the use of other incentives including:
    - ◆ *New Market Tax Credits*: These credits are available for commercial projects that benefit low-income areas. These credits could help fund new commercial market rate projects in areas such as the Lamar/Collins area.
    - ◆ *A dedicated economic development investment fund*: A sub-set of this fund could be used to offset costs of upgrade buildings to meet code requirements or to support desirable infill and redevelopment projects by providing access to capital.
    - ◆ *Special fee waivers* for projects in the target redevelopment areas.
  - ▶ Create a tax increment reinvestment zone for the Great Southwest Industrial District, or activate the existing municipal management district. (*See GSW Study Area profile, Strategic Considerations*),

- ▶ Work with the private sector or other partners to facilitate land assembly for larger projects. Where necessary or where an extraordinary opportunity exists, use land banking as a tool to assemble land.

### STRATEGY 3. IDENTIFY AND ADVANCE CATALYST PROJECTS

Unlike traditional real estate ventures, catalyst projects offer the potential to engage stakeholders and help redefine a community or region. These high-impact projects typically generate substantial returns—in employment or tax revenue or both—and often jumpstart development in the surrounding area. Because of the scale, public-sector involvement may be required to bring some projects to fruition. This involvement can range from marketing the project to providing subsidies to land acquisition.

**Actions:**

1. Set the stage for the advancement of priority, high-impact projects.
  - ▶ Establish specific criteria for prioritization of potential projects:
    - ◆ **Leverage** *Will this project generate a response from the private sector? Will the city’s investment attract other investors?*
    - ◆ **Focus** *Is the project well defined?*
    - ◆ **Impact** *Does it create well-paying jobs? Enhance the tax base? Spur private investment?*
    - ◆ **Funding** *Does it align with priorities of potential funding organizations (e.g., the US Economic Development Administration, other federal/state programs)?*
    - ◆ **Local considerations** *Is there political*

#### OKLAHOMA CITY “MAPS”

Now in its third iteration, Oklahoma City’s Metropolitan Area Projects program, better known as MAPS, has become a nationally recognized model for financing public facilities. Funded through a temporary one-cent sales tax, the first MAPS program resulted in the debt-free construction of \$350 million in public facilities—most in the city’s urban core—in just over a 10-year period.

Approved by voters in December 1993, the original MAPS tax generated \$309 million in direct revenues during the 66 months it was in effect and an additional \$54 million in interest. The MAPS projects were also linked to additional \$600 million investment in the downtown, planned over the same period.

MAPS for Kids (MAPS 2) raised \$514 million for Oklahoma City public schools, along with a \$180 million bond. MAPS 3 is expected to raise \$777 million between April 2010 and December 2017, which will be used to make a number quality of life improvements, including a new downtown convention center and public park, improvements to the Oklahoma River and State Fairgrounds, trail and sidewalk construction, and the introduction of a rail-based streetcar system.

Proposed MAPS projects were reviewed by an 11-member Citizens Advisory Board. Eight citizen sub-committees were appointed to provide additional input to the Advisory Board.

Source: <http://www.okc.gov/MAPS>

*and community support? Does it link with community development priorities?*

- ◆ **Market viability** *Will the private sector support it?*
  - ◆ **Schedule** *Can it be achieved within a realistic timeframe?*
- ▶ Work closely with the Economic Development Committee (*See below*) to define a project list.
  - ▶ Where applicable, provide resources needed to vet potential projects (i.e., staff time, feasibility studies, due diligence, etc.)
  - ▶ Put in place policies and tools that promote and encourage the advancement of the catalyst projects.
2. Create a structure for identifying and vetting other potential projects beyond those identified to date.
- ▶ Participate in broad regional planning initiatives. Wider involvement with regional partners can inform potential projects and position the city for a leadership role in those projects.
  - ▶ Use the Economic Development Committee as a sounding board for catalyst projects. The functions of the committee will be to:
    - ◆ Build support for existing catalyst projects and for a more active role for the city in advancing selected projects.
    - ◆ Identify and conceptualize other catalyst projects on an on-going basis, determine feasibility of those projects, and prioritize them using the evaluation criteria.
    - ◆ Advance projects by building community support for projects, identifying funding sources, and designating project teams to ensure the project is realized.
3. Support the Economic Development Committee's activities to move projects forward.
- ▶ In partnership with committee members, work closely with the appropriate stakeholders to raise awareness of projects and potential benefits.
  - ▶ Act as an advocate for projects with committee members where political support or political action is needed.
  - ▶ As needed, use the resources of the city to help advance priority projects.

## GOAL 3. HIGH-IMPACT COMMUNITY DEVELOPMENT

*The creation of the amenities and assets that will secure Arlington’s position as a major activity hub in the Metroplex*

Always an important consideration, the availability of skilled labor has emerged in recent years as an essential factor in corporate location decisions (see Figure 5). Competitiveness is no longer defined simply by the ability to provide sites in an industrial park, but rather the ability to support innovative companies and talented workers. Under this model, the retention and attraction of businesses is directly tied to the attraction and retention of talent. This is, in turn, is heavily influenced by the “quality of place”.

As a result, a comprehensive approach to economic development must balance traditional business recruitment and retention strategies with those that focus on retaining and attracting people. This is particularly true in a competitive environment like the Metroplex. Without an attractive quality of place and world-class amenities, the city’s capacity to support existing and future employers could be compromised.

The concept of quality of place is outward looking, compared with the more traditional notion of quality of life. The latter seeks to build on the things that are important to current residents, while a place orientation focuses on enhancing the area’s diversity of options that will appeal to a broad audience. The idea of quality of place encompasses a range of amenities and touches on topics ranging from entertainment to housing to education. For Arlington to fulfill its potential as an economic powerhouse in the region, concerted attention to quality of place will be essential. The strategies outlined below suggest a framework for raising the bar.

**FIGURE 5: TOP LOCATION DECISION FACTORS, SURVEY OF CORPORATE DECISION MAKERS**

TOP LOCATION DECISIONS	2012	2011	2010	2009	2008	2007	2006	2005
Labor Costs	1	2 <sup>T</sup>	2	1	2	2	1	2
Highway Accessibility	2	1	1	2	1	1	2	1
Availability of Skilled Labor	3	2 <sup>T</sup>	7	6	6	4	8	3
Availability of Advanced ICT Services	4	–	–	–	–	–	–	–
Occupancy/Construction Costs	5	5	4	7	3	5	7	7
Energy Availability & Costs	6	7	9	4	5	3	9	10
Corporate Tax Rate	7	4	6	5	8	7	3	6
Available Buildings	8	–	–	–	–	–	–	–
Tax Exemptions	9	8	3	3	4	10 <sup>T</sup>	6	8
Low Union Profile	10	10	–	–	9	10 <sup>T</sup>	–	–

Source: *Area Development Magazine*, Corporate Surveys, 2005 to 2012 as presented by Jennifer Zeller of Georgia Power at EMSI 2013 Annual Conference. Notes: ICT = information and communication technology; – Not in top-10 factors for year shown; T = Factors tied for second place.

## STRATEGY 1. PROMOTE DEVELOPMENT OF DIVERSE HOUSING PRODUCTS

The concept of quality of place is also closely linked to housing. Many Dallas-Fort Worth area communities are skewed toward single-family detached housing because of their origins as suburbs. As these communities mature, they draw in new businesses and residents who bring with them a variety of experiences and preferences with regard to housing. Ensuring that Arlington offers a strong mix of housing options, including multifamily, townhomes, and downtown living, should be an essential element of this high-impact community development strategy.

### **Actions:**

1. Support high-impact housing projects in Arlington that will be market makers.
  - ▶ Continue to support Viridian, Tierra Verde, and the Lamar/Collins project.
  - ▶ Encourage the development of a downtown urban apartment project that would appeal to UT-A graduates and other young professionals in the Metroplex.
  - ▶ Incorporate a range of housing products in the Entertainment District.
2. Keep Arlington's mix of housing healthy and diverse. Accomplish this by increasing the momentum around the renovation or redevelopment of aging multifamily housing projects and low-density housing.
  - ▶ Create a clear policy and toolbox for encouraging the construction of high-quality housing in targeted redevelopment areas where appropriate.
  - ▶ Consider creating a fund to fill the gap between construction costs for infill and redevelopment projects—which tend to be significantly higher than greenfield development – and loan amounts available through commercial lenders.
  - ▶ Conduct on-going outreach and relationship building with developers active in the DFW area to sell Arlington as a destination for high-quality, market rate housing projects.

## STRATEGY 2. COLLABORATE WITH KEY STAKEHOLDERS TO IMPROVE THE PERCEPTION OF ARLINGTON ISD

A quality school district is a key consideration for many when choosing a place to live. Four different school districts are or will be represented in the City of Arlington—Arlington ISD, Mansfield ISD, Kennedale ISD, and soon Hurst-Euless-Bedford ISD. Arlington ISD, however, covers the vast majority of the city’s residents.

Figures from the city’s most recent satisfaction survey (published in February 2013) indicated a high level of approval for Arlington ISD. Among residents with children attending Arlington ISD, nearly one-half (47 percent) were “very satisfied” with the quality of education, and another 40 percent were “somewhat satisfied.” However, Arlington ISD ranks fairly low when compared to its surrounding communities and some of its peers. While this ranking system does not necessarily correspond with the reality of AISD, this system is a tool that is used by site selectors and companies to evaluate communities. These rankings also contribute to perceptions held by families looking at the Metroplex for relocation.

FIGURE 6. SELECT DFW SCHOOL DISTRICT RANKINGS

TEXAS RANK (OF 933)	DISTRICT	# STUDENTS
<b>594</b>	<b>Arlington Independent School District</b>	<b>64,484</b>
21	Frisco Independent School District	37,279
132	Keller Independent School District	32,746
140	Grapevine-Colleyville Independent School District	13,670
158	Plano Independent School District	55,568
166	Mansfield Independent School District	32,251
268	Hurst-Euless-Bedford Independent School District	21,046
328	Kennedale Independent School District	3,185
583	Grand Prairie Independent School District	26,532
752	Fort Worth Independent School District	81,651
780	Irving Independent School District	34,243

Source: National Center for Education Statistics, U.S. Dept. of Education, and Texas Education Agency via SchoolDigger.com

In 2012, Arlington ISD launched its 3-year strategic plan: *Achieve Today. Excel Tomorrow*—a concerted effort to become recognized as a premier school district. It aims to accomplish this through developing inspired learners, having effective leadership, and enhancing its community. As it implements this strategic plan, Arlington ISD is taking bold steps towards transforming itself into a model of 21<sup>st</sup> Century education.

**Actions:**

1. Convene stakeholders to identify regional resources to support excellence in Arlington’s P-12 education system.
  - ▶ Encourage Arlington ISD to join the [North Texas P-16 Council](#).
  - ▶ Identify gaps in resources, and create a plan to help Arlington ISD connect with needed resources.
  - ▶ Help link innovative initiatives within Arlington ISD to community support through organizations such as the Arlington Tomorrow Foundation, GM’s Community Affairs, JP Morgan Chase Foundation, and Educate Texas.
  
2. Ensure career and technical education is aligned with the workforce needs of regional businesses.
  - ▶ Encourage Arlington ISD’s participation in the Regional Workforce Development Taskforce on the sector councils that apply to Arlington.
  - ▶ Help Arlington ISD and the regional service center engage the city’s largest employers, to understand how the implementation of HB-5 can help create a pipeline of talent for those employers.
  - ▶ Assist Arlington ISD in tailoring its specialization tracts that are part of its dual-credit and Early College High School to be as responsive to employers’ needs as possible.
  - ▶ Partner with Workforce Solutions to ensure Arlington is involved in their initiatives to align employers’ needs with workforce development and education.
  
3. Promote and publicize the strengths and innovative initiatives at Arlington ISD.
  - ▶ Help Arlington ISD tell the story of its successes, such as its International Baccalaureate program and the launch of its Early College High School and dual credit programs.

**ACHIEVE TODAY. EXCEL TOMORROW.**  
 ARLINGTON INDEPENDENT SCHOOL DISTRICT (AISD)

As part of their 2012-2015 strategic planning process, (*Achieve Today. Excel Tomorrow.*), the AISD set out to prepare graduates to excel in higher education or the career of their choice. A number of programs are designed to meet this goal:

**CTE Dual-Credit Program:** For this initiative, the AISD career and technical education department partnered with Tarrant County College to offer Certificate of Completion dual-credit programs. Areas of study include Automotive Engine Analysis, Fire/EMT, and Welding, among others. Programs give students 15 to 30 hours of college credit to apply toward an associate degree.

**Early College High School (ECHS):** Also in partnership with Tarrant County College, ECHS is a Texas Education Agency designation which allows innovative schools to provide students, who would not otherwise consider attending college, with an opportunity to earn a high school diploma and up to 60 college credit hours. The program begins in fall 2014 and will consist of approximately 100 freshman students.

**Paving the Road to College and Career Readiness:** Paving the Road to College and Career Readiness is an AISD program designed to use effective teaching and leadership to better equip students to extend their educational path. The initiative includes a comprehensive, year-round, test preparation program to ensure students have higher achievement on college entrance exams and to increase the number of AISD National Merit scholars.

Source:  
[http://www.aisd.net/information/strategic\\_plan.aspx](http://www.aisd.net/information/strategic_plan.aspx).

- ▶ Feature information on Arlington’s education options that highlights Arlington ISD’s strengths on the Office of Economic Development website.
- ▶ Publicize Arlington ISD’s innovative programs that support workforce development in the Office of Economic Development’s eNewsletter and/or blog.
- ▶ Provide Arlington ISD an opportunity to sell its assets to prospects looking to locate in Arlington.
- ▶ Support Arlington ISD’s initiatives to engage the community.

### **STRATEGY 3. PRIORITIZE PROJECTS THAT HELP TRANSFORM ARLINGTON’S QUALITY OF PLACE**

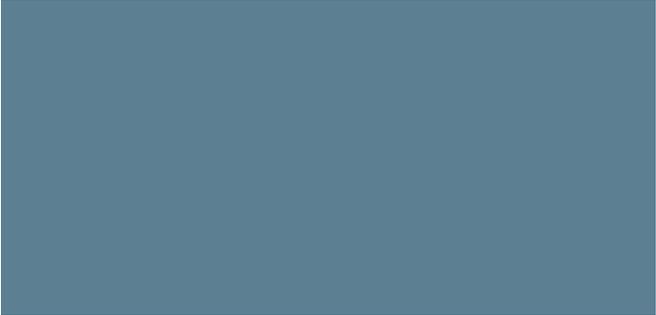
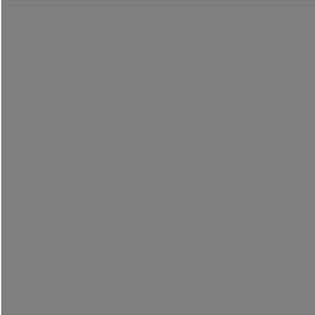
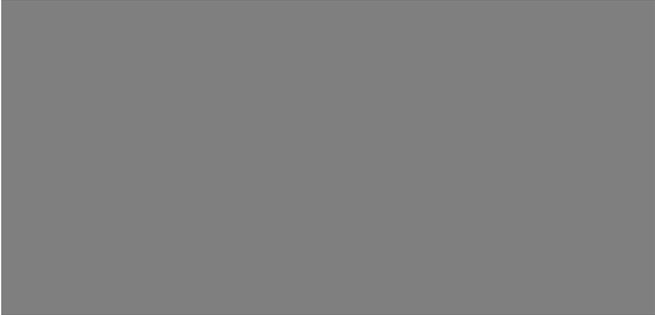
The notion of quality of place requires economic development practitioners to take an outward-looking stance. This approach means viewing local assets in terms of their ability to meet the needs of existing residents, as well as students and visitors. Under this framework, fundamental aspects of place, including downtown, tourism destinations, and higher education institutions, take on a new significance. They serve as both an amenity for Arlington residents and as a means for enticing others to the city, whether for a brief or an extended stay. The city should support the efforts of organizations and initiatives connected with these high-impact assets.

#### ***Actions:***

1. Partner with appropriate groups to identify priority projects to vet.
  - ▶ Challenge the Economic Development Committee to identify projects that will enhance Arlington’s quality of place.
  - ▶ Work with the Downtown Arlington Management Association to identify catalyst projects to attract investment and enhance the quality of place of downtown. Focus on truly mixed-use development that incorporates high-density housing that appeals to young professionals and empty-nesters.
  - ▶ Partner with the Convention and Visitors Bureau to form a tourism task force to identify projects that will capture visitors’ spending and increase their length of stay.
  - ▶ Establish a mechanism by which community groups and stakeholders can submit ideas to be evaluated.
2. Continue to strengthen the connection between UT-Arlington and the community at-large.
  - ▶ Actively partner with UT-A to hasten its transition from a commuter school to a residential campus.
  - ▶ Continue to support the growth of the Downtown/College Park District to create a more uptown feel, attractive to students and recent graduates.
  - ▶ Work with UT-A and Arlington employers to create meaningful internship opportunities, develop work-based learning experiences, and help connect UT-A students and grads with Arlington-based companies.

- ▶ Support the Downtown Arlington Management Association in increasing community events and the portfolio of unique establishments that would tie UT-A students more closely with the community.
- ▶ Expand programs, such as the Urban Design Center, that provide students with opportunities to apply their skills in a professional, real-world setting and to increase their connection with the community.
- ▶ Collaborate with UT-A's Division of Communications on the College Town UT-A newsletter to leverage this communications channel to establish a stronger connection between students and the community.
- ▶ Work with UT-A to organize industry-focused events that will draw attention to UT-A's research strengths and aid the city's economic development efforts.
- ▶ Support UT-A's efforts to launch a business incubator.

# ORGANIZATION & PROGRAMS

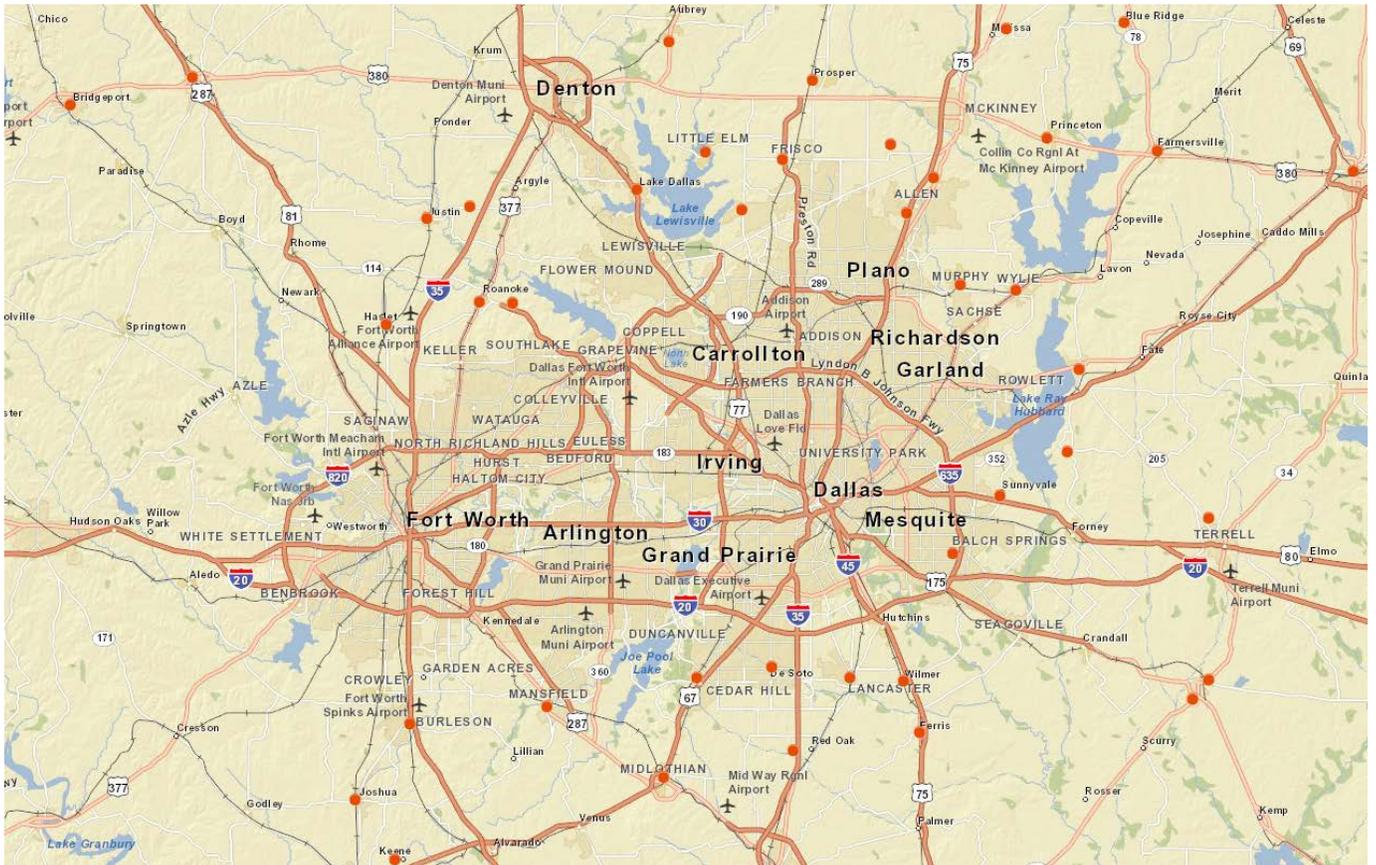


# ORGANIZATION & PROGRAMS

Economic development, particularly business attraction, is competitive on an international playing field. Countries have crafted industrial policies to foster growth in key sectors. Within the US, most states have identified target industries and are working aggressively to grow those sectors through business formation, expansion, and recruitment. At the local level, communities are spending significant resources on economic development as well. However, there is wide variation in those resources from state to state and community to community.

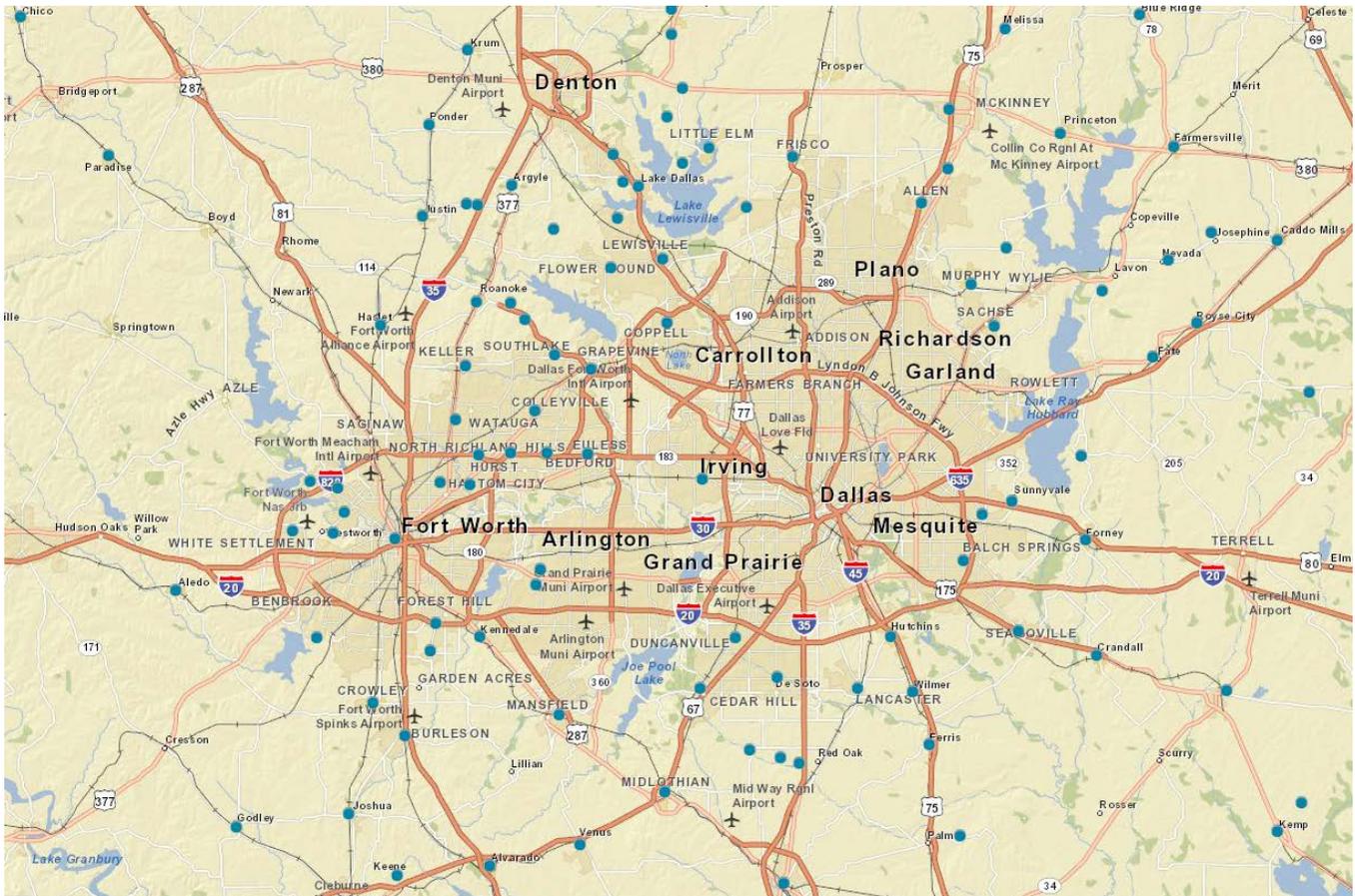
Within the Metroplex, economic development is particularly competitive because of the number of communities that have dedicated sales tax revenues for economic development. There are 64 cities with over 10,000 inhabitants, many of which have 4A or 4B (or both) corporations. The following two maps show the locations of the region’s economic development programs with dedicated sales tax revenues.

## 4A CORPORATIONS IN DFW REGION



Source: Texas Comptroller of Public Accounts.

### 4B CORPORATIONS IN DFW REGION



Source: Texas Comptroller of Public Accounts.

### PEER COMPARISON

A recent report by Atlas Advertising found a clear correlation between communities’ economic development budgets and economic development outcomes - jobs and capital investment announced. Communities that spend \$250,000-\$499,000 annually, on average, announced 542 jobs and \$219 million in investment. Communities that spent over \$2,500,000 annually, on average, announced 3,987 jobs and \$499 million in investment.<sup>1</sup>

To gain an understanding of the kinds of resources Arlington competes against within the region, we looked at peer cities. Most of Arlington’s peers spend over \$2.5 million annually on economic development. In addition, the communities have larger staffs dedicated to economic development.

<sup>1</sup>Source: <http://www.atlas-advertising.com/community-marketing-presentations.aspx>

Most of Arlington’s surrounding communities are staffed similarly to Arlington, but have significantly higher budgets. Arlington’s neighboring cities, however, do not have economic development programs as comprehensive as those of other communities. As a result, **there is a significant opportunity for Arlington to stand out among the mid-cities if it elevates its economic development to be more comprehensive and aggressive.**

PEER COMPARISON (LOCAL)

ORGANIZATION	STAFF	4A/4B	2012 BUDGET	2010 POPULATION
CITY OF ARLINGTON	3	—	406,000	365,438
CITY OF DALLAS	45	—	4,632,678	1,197,816
DALLAS REGIONAL CHAMBER	10	—	—	1,197,816
FORT WORTH CHAMBER OF COMMERCE	6	—	—	741,206
CITY OF FORT WORTH ECONOMIC DEVELOPMENT	71	—	5,129,598	741,206
FRISCO ECONOMIC DEVELOPMENT CORPORATION	8	4A	8,800,316	116,989
CITY OF GRAND PRAIRIE	3.5	—	—	175,278
IRVING ECONOMIC DEVELOPMENT PARTNERSHIP	5	—	3,900,000	216,290
MANSFIELD ECONOMIC DEVELOPMENT CORPORATION	4	4A	3,899,868	56,368
CITY OF PLANO	4	—	855,758	254,525

Source: TIP Strategies Research, US Census Bureau.

While the City of Arlington’s Office of Economic Development executes many of the same functions as its peers, there are two notable exceptions: target industry recruitment and international outreach. Although Arlington does have target industries, it has not undertaken a concerted effort to market directly to decision makers in those industries with the goal of recruiting them to Arlington.

In addition, some of the OED functions are limited due to capacity constraints. While the analytical capabilities of the city are exceptional, they have not been utilized in support of economic development as fully and regularly as they could be. Most of the OED’s marketing and lead generation is passive. The economic development staff themselves describe their prospect management and business assistance to be largely reactive. Finally, the business retention and expansion program could be expanded and some aspects, such as relationship building activities, could be better formalized and tracked.

PEER FUNCTIONAL COMPARISON

ORGANIZATION	CITY OF ARLINGTON	FORT WORTH CHAMBER OF COMMERCE	CITY OF FORT WORTH	FRISCO EDC	CITY OF GRAND PRAIRIE	IRVING ECONOMIC DEVELOPMENT PARTNERSHIP	MANSFIELD EDC	CITY OF PLANO
DATA COLLECTION & PUBLICATION	■	■		■	■		■	■
POLICY & ADVOCACY	City / Chamber	■				■		
TARGET INDUSTRY RECRUITMENT		■		■	■			■
MARKETING & LEAD GENERATION	■	■		■	■	■	■	■
SITE SELECTION & RELOCATION ASSISTANCE	■	■	■	■	■	■	■	■
INCENTIVES	■		■	■	■	■	■	■
INFRASTRUCTURE & TRANSPORTATION	■		■	■				
REAL ESTATE & SITE DEVELOPMENT	■			■		■		
INTERNATIONAL OUTREACH		■			■	■		
BUSINESS RETENTION & EXPANSION	■	■		■	■	■	■	
E-SHIP & COMMERCIALIZATION	UT-A		■	■				
SMALL BUSINESS DEVELOPMENT	SBDC		■		■	■		
TOURISM PROMOTION & MARKETING	CVB							
PLACE MAKING & REDEVELOPMENT	■		■		■			■
TALENT DEVELOPMENT & ATTRACTION								
WORKFORCE DEVELOPMENT	WFS	■				■		
K-12 SYSTEM SUPPORT & IMPROVEMENT		■				■		

Source: TIP Strategies Research.

It is also useful to look beyond the DFW region and understand how Arlington would compete with national peers. If Arlington were a stand-alone city, not sandwiched in the Metroplex, it might compete with similarly sized cities such as Wichita, St. Louis, Tulsa, and Tampa.

Most of the cities the size of Arlington have robust public/private partnerships that serve as regional chambers of commerce or economic development organizations and cover multiple counties in the region. In St. Louis, there is an Economic Development Partnership between the city and the county that provides economic development services county-wide. There is also a regional chamber of commerce that covers the multi-county Greater St. Louis region.

The peer organizations have between 13 and 23 employees dedicated to economic development. The budgets of the peers who made that information available are all over \$2,500,000.

**SUMMARY STATS FOR CITIES OF ARLINGTON’S SIZE**

ORGANIZATION	TYPE	STAFF	OVERALL BUDGET	2010 POPULATION
GREATER WICHITA ECONOMIC DEVELOPMENT COALITION (WICHITA, KS)	Public/Private	23	n/a	382,368
TULSA REGIONAL CHAMBER (TULSA, OK) GROWMETROTULSA	Public/Private	14	\$2,555,685	391,906
TAMPA HILLSBOROUGH ECONOMIC DEVELOPMENT CORPORATION (TAMPA, FL)	Public/Private	18	\$2,940,747	335,709
ST. LOUIS ECONOMIC DEVELOPMENT PARTNERSHIP (ST. LOUIS, MO)	Public/Private	13	n/a	319,294

Source: TIP Strategies Research.

As would be expected, Arlington’s peer organizations have more comprehensive economic development programs. The table on the following page summarizes the functions that each of the peer organizations execute.

PEER FUNCTIONAL COMPARISON (NATIONAL)

	GREATER WICHITA ECONOMIC DEVELOPMENT COALITION (WICHITA, KS)	TULSA REGIONAL CHAMBER (TULSA, OK)	TAMPA HILLSBOROUGH ECONOMIC DEVELOPMENT CORPORATION (TAMPA, FL)	ST. LOUIS ECONOMIC DEVELOPMENT PARTNERSHIP (ST. LOUIS, MO)
DATA COLLECTION & PUBLICATION	■	■	■	■
POLICY & ADVOCACY	■	■		
TARGET INDUSTRY RECRUITMENT	■	■	■	
MARKETING & LEAD GENERATION	■	■	■	
SITE SELECTION & RELOCATION ASSISTANCE	■	■	■	■
INCENTIVES	■	■	■	■
INFRASTRUCTURE & TRANSPORTATION				■
REAL ESTATE & SITE DEVELOPMENT				■
INTERNATIONAL OUTREACH	■	■	■	
BUSINESS RETENTION & EXPANSION	■	■	■	■
E-SHIP & COMMERCIALIZATION		■		■
SMALL BUSINESS DEVELOPMENT		■		■
TOURISM PROMOTION & MARKETING				
PLACE MAKING & REDEVELOPMENT				■
TALENT DEVELOPMENT & ATTRACTION		■		
WORKFORCE DEVELOPMENT	■	■	■	■
K-12 SYSTEM SUPPORT & IMPROVEMENT				

Source: TIP Strategies Research.

## PROGRAMMATIC & FUNCTIONAL PRIORITIES

The table below summarizes in the first column what the OED is currently doing. The second column indicates which are core functions of basic economic development programs. The fourth column indicates what the Arlington city council identified as priorities. The final column indicates what TIP recommends that Arlington do. The orange markers indicate that these functions can be accomplished through partnerships.

FUNCTION	CURRENT	CORE	COUNCIL PRIORITY	RECOMMENDED
DATA COLLECTION & PUBLICATION	■	■		
TARGET INDUSTRY RECRUITMENT				■
MARKETING & LEAD GENERATION	■	■		
SITE SELECTION & BUSINESS ASSISTANCE	■	■		
INCENTIVES	■	■		
INFRASTRUCTURE & TRANSPORTATION	■		■	
REAL ESTATE & SITE DEVELOPMENT	■	■		
INTERNATIONAL OUTREACH			■	■
BUSINESS RETENTION & EXPANSION	■	■		
E-SHIP & COMMERCIALIZATION				■
SMALL BUSINESS DEVELOPMENT				■
TOURISM PROMOTION & MARKETING				■
PLACE MAKING & REDEVELOPMENT	■		■	■
TALENT DEVELOPMENT & ATTRACTION				■
B-2-B RELATIONSHIP FACILITATION				
WORKFORCE DEVELOPMENT				■
K-12 SYSTEM SUPPORT & IMPROVEMENT			■	■

Source: TIP Strategies Research.

In the table that follows, we have mapped these functions to programs. For each program, we have included a description and sample activities. This map is meant to provide a guide for the city as it implements this strategic plan.

PROGRAMS	DESCRIPTION	SAMPLE ACTIVITIES
BUSINESS RETENTION & EXPANSION	Keeps a pulse on Arlington’s business community members and supports their growth (big & small employers/new & established)	<ul style="list-style-type: none"> <li>■ Designs, conducts, and analyzes business surveys</li> <li>■ Schedules and conducts employer visits</li> <li>■ Identifies and works to address any challenges employers have doing business in Arlington</li> <li>■ Connects businesses with resources to ensure needs are met</li> <li>■ Manages expansion or retention projects, providing assistance to the business as needed</li> </ul>
INDUSTRY RECRUITMENT (DOMESTIC)	Markets expansion or relocation to Arlington to companies in target industries	<ul style="list-style-type: none"> <li>■ Researches and stays abreast of trends in target industries</li> <li>■ Attends key trade shows to gain industry intelligence and forges relationships with industry decision makers as well as site selectors</li> <li>■ Identifies companies who may be looking to expand in the near future</li> <li>■ Prepares responses to Requests for Proposals from site selectors and companies seeking new locations</li> </ul>
INDUSTRY RECRUITMENT (INTERNATIONAL)	Markets expansion or relocation to Arlington to companies in target countries	<ul style="list-style-type: none"> <li>■ Identifies countries with which Arlington already has a strong connection – through Sister Cities, through its residents, through UT-A programs, or through its multi-national corporations. (Target international markets)</li> <li>■ Conducts research on business practices in the target markets</li> <li>■ Researches and stays abreast of trends in the target international markets</li> <li>■ Attends key trade shows to gain industry intelligence and forge relationships with industry decision makers as well as site selectors in the target international markets</li> <li>■ Identifies companies who may be looking to expand in the near future</li> <li>■ Prepares responses to Requests for Proposals from site selectors and companies seeking new locations</li> </ul>
REDEVELOPMENT AREAS	Markets opportunities in redevelopment areas to landowners, developers, and brokers	<ul style="list-style-type: none"> <li>■ Develops profiles of redevelopment areas to use to inform landowners, developers, and brokers of opportunities and incentives available in redevelopment areas</li> <li>■ Meets with landowners, developers, and brokers to raise awareness of the opportunities</li> <li>■ Organizes familiarization tours to showcase key opportunities</li> <li>■ Develops a deep understanding of financial tools that can be used to support redevelopment projects</li> <li>■ Proposes (internally) financial structure for any city participation in projects</li> <li>■ Runs supporting financial models to test feasibility and measure return</li> </ul>

PROGRAMS	DESCRIPTION	SAMPLE ACTIVITIES
BUSINESS & DEVELOPER ASSISTANCE & PROSPECT MANAGEMENT	Manages projects related to expanding or relocating businesses and significant development projects that will help Arlington meet its economic development goals	<ul style="list-style-type: none"> <li>■ Helps identify suitable sites</li> <li>■ Helps structure incentives proposal and performance agreement</li> <li>■ Works as a liaison with Community Development &amp; Planning, Public Works, city council, and other city departments to ensure that the project moves efficiently and predictably through the development and incentives process</li> </ul>
DATA & ANALYTICS	Supports the Economic Development Office by providing relevant research and data	<ul style="list-style-type: none"> <li>■ Performs in-depth analysis to track progress, evaluate strategies, and inform decision making</li> <li>■ Performs data analysis and prepares studies to inform activities of other program areas</li> <li>■ Provides necessary community data and analysis for responses to RFPs, for the website, and for the community profile</li> </ul>
FINANCE & BUDGET	Manages, tracks, and reports all financial aspects of the Economic Development Office	<ul style="list-style-type: none"> <li>■ Manages special financing districts and other funds</li> <li>■ Performs fiscal and economic impact analyses for projects (including estimates of ROI)</li> <li>■ Tracks the department’s revenues and expenses</li> </ul>
MARKETING & COMMUNICATIONS	Manages the brand/image and messaging of Arlington’s economic development program	<ul style="list-style-type: none"> <li>■ Creates collateral</li> <li>■ Maintains an up-to-date website</li> <li>■ Seeks co-marketing opportunities</li> <li>■ Supports recruitment efforts</li> <li>■ Maintains a social media presence</li> <li>■ Writes press releases and manages general public relations</li> </ul>

# STUDY AREAS

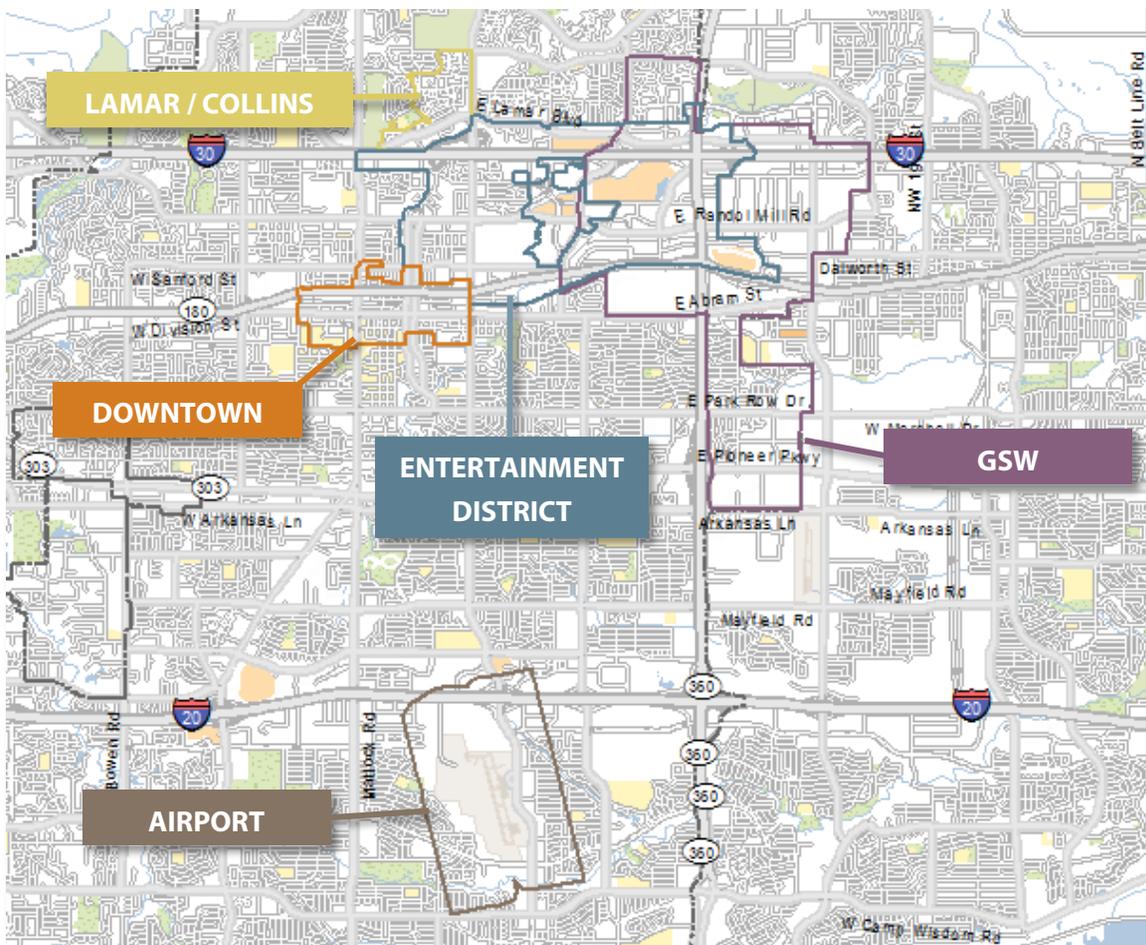


# STUDY AREAS

As part of the Economic Development Strategic Plan, TIP evaluated the city’s targeted redevelopment areas and made strategic recommendations for each area. The profile for each study area includes a vision for the area, a snapshot of ownership and current uses, an overview of special districts and tools used in the area, an inventory of recent and current projects in the area, and strategic considerations.

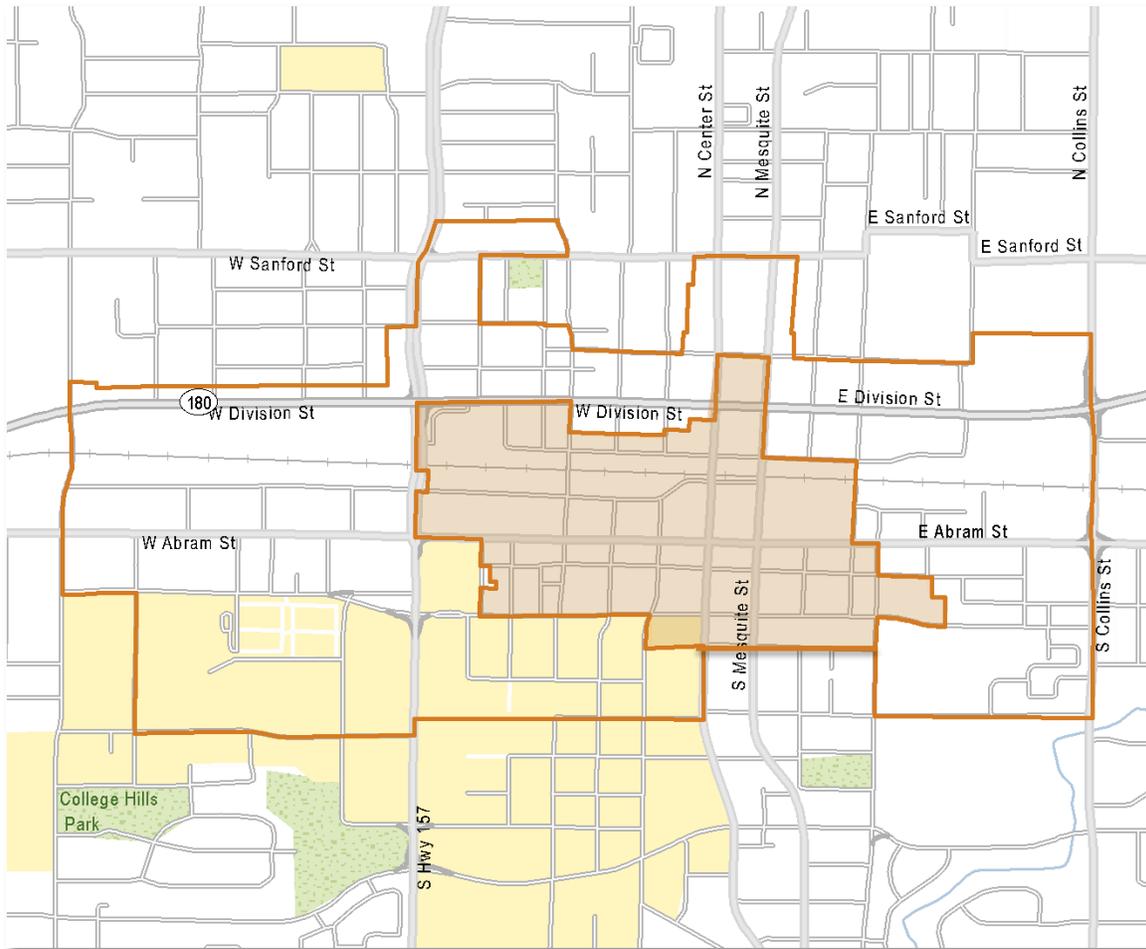
The targeted redevelopment areas profiled were:

- ▶ Downtown
- ▶ The Great Southwest Industrial District
- ▶ The Entertainment District
- ▶ The Lamar / Collins Overlay
- ▶ The Airport Overlay



## DOWNTOWN

*A vibrant destination for residents, families, students, artists, visitors, and entrepreneurs*



### THE VISION

As the historic center of Arlington, downtown will solidify its position as an activity hub. Adjacent to the university, it plays a pivotal role in maintaining the city’s “college town” environment. As the university transitions from a commuter school to a residential campus and Tier 1 research institution, the downtown will play an increasing role in student life—housing, shopping, dining, and entertainment. The amenities that support students will also support recent graduates and young professionals. With greater density and a critical mass of urban amenities, downtown will also become more attractive to employers.

SNAPSHOT OF OWNERSHIP AND USES

The downtown area consists of 435 acres in the heart of the City of Arlington. Division Street and Abram Street serve as the primary East-West corridors, and Center Street and Mesquite Street serve as the primary North-South corridors. UT-Arlington is the largest anchor of the downtown area, while the City of Arlington’s municipal buildings serve as a secondary anchor.

The vast majority of the parcels are under local ownership. Over 85 percent of the land area is owned by someone in the DFW region; only 10 percent of the land area is owned by someone who lives outside of the state of Texas. This distribution may help avoid some of the chronic issues of absentee landlords.

The largest land owners are public entities—the State of Texas (as owner of UT-Arlington), the City of Arlington, and Tarrant County (see Figure 7). These public entities account for almost one-third of the land area in downtown. Other non-profits and churches account for another 10 percent of the land area. This means that over 40 percent of the land area downtown is exempt from property taxes. There are only four private individuals or corporations that own more than 5 acres of land in downtown.

FIGURE 7. TOP TEN LANDOWNERS IN DOWNTOWN

OWNER	LAND AREA (ACRES)	PERCENT (%)
State of Texas	60	13.7%
City of Arlington	49	11.3%
Board of Regents, UTA	19	4.4%
Breof East Border LP	16	3.6%
First Baptist Church Arlington	14	3.2%
Arlington Senior Housing LP	9	2.0%
First United Methodist Church Arlington	8	1.9%
County of Tarrant	7	1.6%
Afallon Investments Inc.	5	1.2%
111 Realty Investors LP	5	1.2%

Source: City of Arlington, Tarrant County Assessment District.

FIGURE 8. SUMMARY OF LAND USE IN DOWNTOWN

LAND USE DESCRIPTION	TOTAL VALUE (DOLLARS)	PERCENT (%)	LAND AREA (ACRES)	PERCENT (%)
Vacant-Undevelopable	\$164,804	0%	0.9	0%
Vacant-Developable	\$9,772,829	4%	39.2	9%
Single Family	\$6,112,264	2%	20.8	5%
Multifamily	\$25,454,558	10%	22.2	5%
Office	\$58,868,709	23%	61.6	13%
Institutional	\$78,829,122	31%	168.6	37%
Entertainment/Recreation	\$180,912	0%	0.4	0%
Commercial/Retail	\$52,228,883	21%	112.0	24%
Transportation/Utilities/Communication	\$4,953,544	2%	12.8	3%
Manufacturing/Warehouse/Industrial	\$5,414,497	2%	16.0	3%
Park/Open	\$417,964	0%	2.1	0%
Mixed Use	\$9,500,000	4%	3.2	1%
<b>TOTAL</b>	<b>\$251,898,086</b>		<b>459.9</b>	

Source: City of Arlington, Tarrant County Assessment District.

By assessed value, the downtown area represents \$252 million (see Figure 8, previous page). Office, commercial, and institutional uses account for over \$50 million each of assessed value in the downtown. In all, office and commercial account for 44 percent of the total value in downtown. Multifamily uses account for another \$25 million, or about 10 percent of the total value in downtown.

Currently, only 39 acres remain vacant and developable. However, downtown contains a large number of parcels used for relatively low-density / low-intensity uses.

In terms of zoning, the overwhelming majority of the land is designated as downtown business and business categories (see Figure 9), which allows for a wide range of institutional and commercial uses as well as dense multifamily, in the case of downtown business. Other uses cover a wide spectrum from light industrial (56 acres) to multifamily and duplex residential (54 acres). The planned development and mixed use categories, which account for 22 acres, will allow for some flexibility in uses of those designated areas.

### SPECIAL DISTRICTS AND TOOLS

The **Downtown Business District** was established to aid in the revitalization of Arlington’s original urban core by permitting uses that contribute to the area’s role as the “unique civic and ceremonial heart of the city.” Among the permitted uses are specialized retail, cultural, commercial, office, research and development, and institutional.

The **Downtown Neighborhood Overlay District** was established as an overlay zoning district to encourage the revitalization of the area around the Downtown Business District into a high-density, pedestrian-oriented neighborhood.

The **Downtown Design Standards** apply to both the Business District and the Overlay district. They were created to establish an architectural character for downtown that would encourage high-quality and pedestrian-oriented development.

FIGURE 9. SUMMARY OF ZONING BY CATEGORY

ZONING DESCRIPTION	LAND AREA (ACRES)	PERCENT (%)
<b>Downtown Neighborhood Overlay:</b>		
<b>Business</b>	110	24.0%
<b>Light Industrial</b>	56	12.2%
<b>Multifamily</b>	32	7.0%
<b>Duplex</b>	22	4.8%
<b>Planned Development</b>	15	3.3%
<b>Community Service</b>	10	2.2%
<b>Neighborhood Service</b>	3	0.7%
<b>Office</b>	3	0.7%
<b>Landmark Preservation</b>	3	0.7%
<b>Residential</b>	1	0.2%
<b>Downtown Business</b>	108	23.5%
<b>UTA</b>	89	19.4%
<b>Mixed Use</b>	7	1.5%

Source: City of Arlington

In terms of financing tools, the downtown area has both a Tax Increment Reinvestment Zone (TIRZ) and a business improvement district (BID). The funds are managed by the Downtown Arlington Management Corporation (DAMC).

The TIRZ in the downtown area, **TIRZ 1**, was established in 1998 and will expire in 2018. It was established to provide a financing mechanism to facilitate redevelopment in the downtown area. As of September 2013, the fund had accumulated almost \$6.5 million. Since the establishment of the TIRZ, the area's taxable value has appreciated by \$45.4 million, an increase of about 62 percent. Funds from TIRZ 1 have supported the following projects:

- ▶ the development of the Vandergriff Building
- ▶ improvements associated with Center Street Station
- ▶ annual payments for the parking garage associated with the College Park development
- ▶ improvements at 300 E. Abram

The **Downtown Arlington BID** was established in 2010. Funds generated from the BID may be used for marketing, economic development, security, and beautification.

In addition, the **Building Facade Improvement Program** provides funds to support redevelopment in the downtown. The program is part of the city's revitalization efforts in the Central Arlington Neighborhood Revitalization Strategy Area. Non-residential property owners and business lessees are eligible to apply for funds to be used for façade rehabilitation or repair and other exterior improvements.

## RECENT AND CURRENT PROJECTS

DAMC and the City of Arlington have facilitated a number of projects in recent years that have contributed significantly to the revitalization of downtown. These projects include:

- ▶ College Park District
- ▶ Levitt Pavilion
- ▶ Various marketing initiatives: brand launch, banner program, other marketing and promotion
- ▶ Beautification: litter patrol, installation of trash receptacles
- ▶ Organization of multiple community events to draw people downtown

In addition, there are a number of other projects in the pipeline:

- ▶ **Abram Street Roadway & Streetscape Enhancements:** as a continuation of the improvements made to Center Street, the Abram Street improvements will expand Downtown's connectivity and walkability with a more continuous look and feel. The Abram Street improvements from Collins to SH-360 were slated to begin at the end of 2013. The section of improvements to Abram from Cooper to Collins will likely begin in 2015.

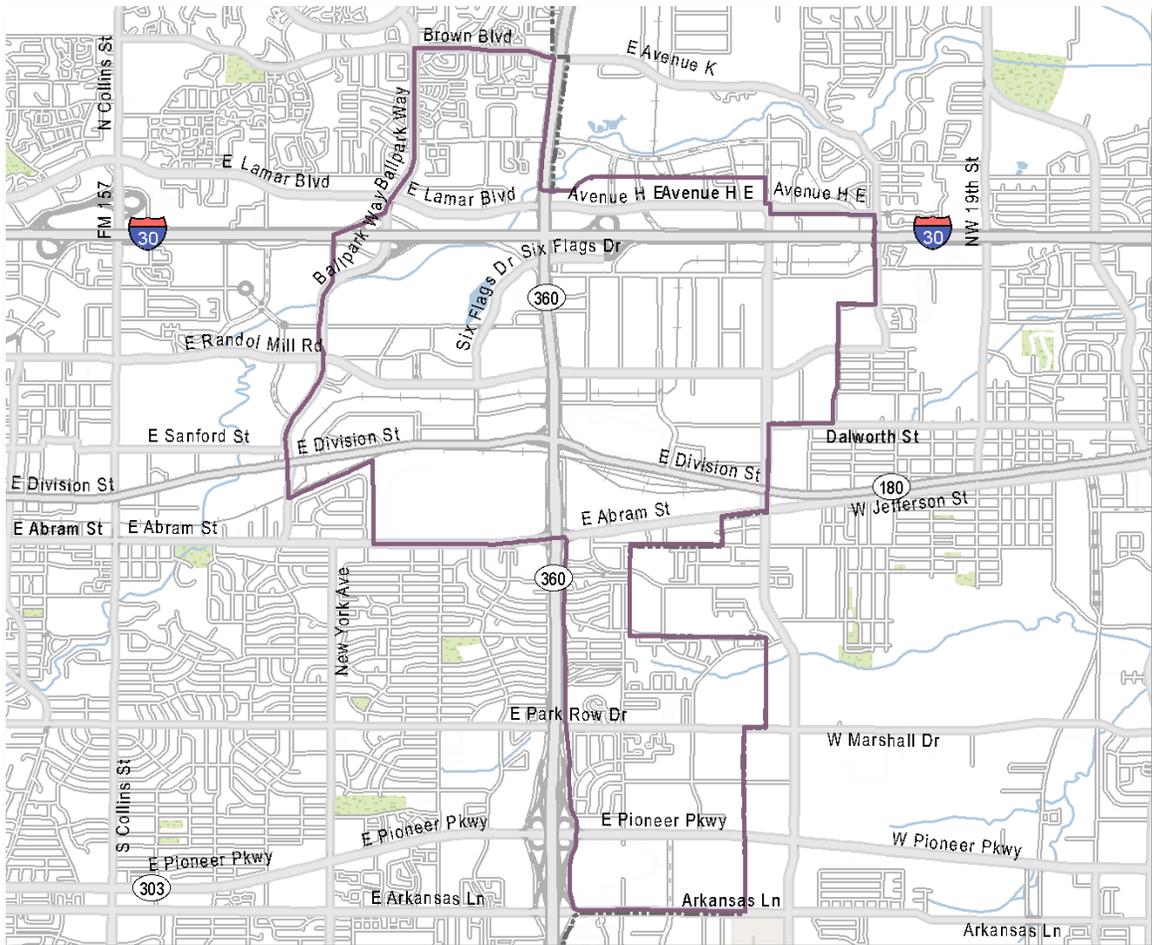
- ▶ **Downtown Library Redevelopment:** the library, which opened in 1973, currently sits on 3.5 acres in the heart of downtown. While the presence of a library downtown is considered essential, there is the potential to reinvent the library and put its current location to a more intense, urban use that would be a major catalyst for downtown revitalization.

## STRATEGIC CONSIDERATIONS

- ▶ Work with DAMC, downtown developers, and downtown business owners to create a short-list of desired tenants that would enhance the downtown experience. Partner with DAMC to recruit these tenants to available sites and to new development projects. Downtown has a good mix of unique establishments that can be used as a springboard for attracting other businesses appealing to the college student and young professional demographics.
- ▶ Develop a list of downtown office users. Identify which ones have multiple locations across the city or in the region and work with them to consolidate their offices downtown. Use this strategy to generate interest in developing office space downtown. Once office users express interest in consolidating downtown, approach developers who might be interested in incorporating office space into their mixed-use projects. Public sector office users could be a logical starting place.
- ▶ Encourage the incorporation of office space in mixed-use projects that can accommodate a range of business sizes, including later stage start-up companies that may spin-out of the Center for Innovation or that are associated with UT-A. This will provide space that can be used as a landing pad for companies graduating from nearby incubator/accelerator space, providing a more robust foundation for an active entrepreneurial ecosystem.
- ▶ Use city-owned land (Municipal Court and Library) as catalyst projects that will help downtown revitalization projects reach critical mass. Market-rate housing and office space should be priorities. A hotel could be another consideration.
- ▶ Leverage existing and planned office space as part of the city's efforts to attract and retain office users and professional services.

# GREAT SOUTHWEST INDUSTRIAL DISTRICT

*A leading manufacturing and logistics hub*



## THE VISION

The Great Southwest Industrial District (GSW) will re-establish itself as a premier location for manufacturing and logistics in the nation. The transportation linkages present in Arlington and the DFW region provide GSW with access to supply chains and markets that give it an unparalleled competitive advantage. The aging infrastructure and buildings (which have led to a decline in rents and aesthetics) are steadily improved upon. A strong partnership with the area’s property owners allows the GSW to be revitalized into a high-quality location for globally connected companies—both small and large—in search of Class A facilities that command premium rents.

SNAPSHOT OF OWNERSHIP AND USES

GSW incorporates over 8,000 acres of land in both Arlington and Grand Prairie. The former comprises 3,611 acres and 23 million square feet, and the latter 5,500 acres and 35 million square feet. The Arlington portion of the district is along SH-360 extending from Arkansas Lane to Brown Boulevard and includes a small segment along I-20 between New York Avenue and SH-360.

Land ownership is dominated by General Motors Co. and the Six Flags Fund II Ltd (see Figure 10). Together the two make up almost 15 percent of the total acreage with just over 466 acres. The General Motors land holdings consists of the 249 acre Arlington Assembly Plant. The Six Flags Fund holdings include the 189 acre amusement park as well as 26 acres of vacant land adjacent to the park. The Prologis holdings are spread across nine properties localized east of Great Southwest Parkway between Ave E and

Randol Mill as well as two significant parcels on Pioneer Parkway. The next largest owner, the City of Arlington, owns almost 70 acres, which includes a large parking lot across from the Convention Center and a number of vacant parcels along Timberlake Dr. The three-building Pioneer 360 Business Center, which is the fourth largest land owner, is one of the newest complexes in GSW-Arlington with 1.1 million square feet of space on 64 acres. The Arlington MHP and Western Investment parcels are mobile home parks located north of I-30 just east of Ballpark Way.

FIGURE 10. TOP TEN LANDOWNERS IN GSW

OWNER NAME	LAND AREA (ACRES)	PERCENT (%)
<b>General Motors Co.</b>	249	7.94%
<b>Six Flags Fund II Ltd.</b>	217	6.93%
<b>Prologis</b>	75	2.23%
<b>City of Arlington</b>	70	2.05%
<b>CLPF Pioneer 360 LP</b>	64	1.58%
<b>Texas Turnpike Authority</b>	50	1.24%
<b>Arlington MHP Ltd.</b>	39	1.04%
<b>Ken-Ran Development Inc.</b>	33	0.98%
<b>Western Investments Ltd.</b>	28	0.88%
<b>BHP Sale Builders Hardware Ltd.</b>	26	0.83%

Source: City of Arlington, Tarrant County Assessment District.

FIGURE 11. SUMMARY OF LAND USE IN GSW

LAND USE DESCRIPTION	TOTAL VALUE (DOLLARS)	PERCENT (%)	LAND AREA (ACRES)	PERCENT (%)
<b>Vacant-Undevelopable</b>	\$667,655	0%	31.4	1%
<b>Vacant-Developable</b>	\$40,185,120	3%	347.7	11%
<b>Single Family</b>	\$85,139,771	7%	245.9	8%
<b>Multifamily</b>	\$95,651,520	8%	192.7	6%
<b>Office</b>	\$151,189,721	13%	219.2	7%
<b>Institutional</b>	\$6,387,134	1%	32.4	1%
<b>Entertainment/Recreation</b>	\$71,597,101	6%	247.6	8%
<b>Commercial/Retail</b>	\$265,631,454	22%	449.4	14%
<b>Transportation/Utilities/Communication</b>	\$19,707,611	2%	54.7	2%
<b>Manufacturing/Warehouse/Industrial</b>	\$451,238,955	38%	1,255.8	40%
<b>Park/Open</b>	\$484,078	0%	27.9	1%
<b>Mixed Use</b>	\$-	0%	-	0%
<b>TOTAL</b>	\$1,187,880,120		3,104.6	

Source: City of Arlington, Tarrant County Assessment District.

The total assessed value of GSW is \$1.2 billion (see Figure 11, previous page). Within the district, 75 percent of the total value of the district is from commercial uses—office, commercial, transportation, and industrial. Another 15 percent of the value is from residential uses. Almost 348 acres of GSW are vacant and developable.

There are 456 buildings in the core of Arlington’s GSW; the average age of these buildings is 36 years. In terms of types, 62 percent are industrial, 15 percent office, and 24 percent flex. In terms of land value, Manufacturing/Warehouse/Industrial accounts for almost 40 percent of the value in the area; Commercial/Retail accounts for 22 percent and Office accounts for 13 percent.<sup>2</sup>

As of August 2012, 13 buildings had been consistently vacant. Some of the reasons stated for this include lack of public transportation, roadway, crime concerns, and code issues. Additional contributing factors include the type of building being custom/specific, ownership expectations, sale/lease limitations, and the condition of the building.<sup>3</sup>

Over the past year, the industrial market in DFW has tightened, reaching a total vacancy rate of 7.3 percent, which is the lowest level since the second quarter of 2001.<sup>4</sup> Likewise, the market for product in GSW has also tightened. As of August

2013, there were 16 buildings that were entirely vacant compared to 25 vacant buildings in August 2012.

In terms of zoning, 2,136 acres, or 68 percent, of the district is zoned for Industrial Manufacturing (see Figure 12). An additional 338 acres is zoned for Festival, which largely corresponds with the Six Flags Theme Parks. In terms of residential uses, 143 acres is zoned for multifamily and 172 acres for other residential. In addition, 68 acres are zoned for manufactured homes. About 133 acres are zoned for other commercial uses, including light industrial, office, and retail. Planned Development accounts for 112 acres of the district.

**FIGURE 12. SUMMARY OF ZONING BY CATEGORY**

ZONING DESCRIPTION	LAND AREA (ACRES)	PERCENT (%)
<b>Entertainment District:</b>		
<b>Business</b>	8	0%
<b>Festival</b>	338	11%
<b>Industrial Manufacturing</b>	560	18%
<b>Agriculture</b>	27	1%
<b>Business</b>	80	3%
<b>Community Service</b>	23	1%
<b>Industrial Manufacturing</b>	1,576	50%
<b>Light Industrial</b>	14	0%
<b>Multifamily</b>	143	5%
<b>Manufactured Home</b>	68	2%
<b>Neighborhood Service</b>	4	0%
<b>Office</b>	4	0%
<b>Planned Development</b>	112	4%
<b>Residential</b>	172	5%

Source: City of Arlington

<sup>2</sup> City of Arlington, *City Council Work Session*. Sept 4, 2012.

<sup>3</sup> IBID.

<sup>4</sup> CBRE. *Dallas / Fort Worth Industrial MarketView*. Q3 2013.

## SPECIAL DISTRICTS AND TOOLS

In 2003, the **Great Southwest Improvement District** was established by the Texas Legislature to promote, develop, and maintain GSW. However, there was not enough support among property owners to levy an assessment. The statute authorizing the district in the Texas Special District Local Laws Code is still in effect.

A portion of the district also falls into the Entertainment District Overlay. The **Entertainment District Overlay** is intended to provide a more sustainable mix of uses and activities, while promoting high quality development and an aesthetically pleasing environment in an area including two major sports venues, Six Flags, and Hurricane Harbor.

## RECENT AND CURRENT PROJECTS

Arlington has completed a number of projects in recent years. The city invested over \$20.8 million in improvements to 23 railroad crossing and to major corridors, including Stadium Drive (Division to Chapman Cut Off), Six Flags Drive (Randol Mill to Division), Randol Mill (SH-360 to East City Limit), and Avenue F (Avenue E to Great Southwest).

Other recent projects in the GSW area include the following:

- ▶ **Division Street / SH-360 Interchange:** This project included the widening of SH-360, the rebuilding of both the Division Street and Union Pacific bridges, and improving the frontage road and access ramps between Abram and Galleria Drive. The construction was completed at the end of 2012.
- ▶ **Pioneer 360 Business Center:** The former Forum 303 Mall was transformed into 1.3 million square feet of office/warehouse space that is the largest LEED Gold Core and Shell Industrial project in Texas. The \$65 million investment was completed in 2008. The city provided a 10-year real property tax abatement. Kaplan University was the first tenant to sign a lease. Other current tenants include Stewart & Stevenson, Cardone, and ADPI.
- ▶ **Forum 303 Crossing:** Approximately \$22.5 million was invested to construct just over 500,000 square feet of speculative office/warehouse space. The project was completed in 2009 by Panattoni Development and was sold to Weeks Robinson Properties of Atlanta in 2011. Current tenants include Pitney Bowes, Southpak, Sarnova, Tire Centers, and TSF Sportswear.
- ▶ **General Motors:** GM recently completed a \$240 million retooling of its assembly plant and a \$200 million addition of a stamping plant.

In addition, numerous projects are planned or underway. These include:

- ▶ **Abram Street (SH-360 to City Limits):** This project will involve a street rebuild and widening from 4 lanes to 6 lanes along with drainage, water, and sewer renewals, as well as streetscape improvements. The project began in 2012 and is scheduled to end mid-2014.
- ▶ **Park Row (SH-360 to City Limits):** This project involves the rebuild of Park Row Drive. The project began in 2013 and is scheduled to be completed in 2014.
- ▶ **Great Southwest Parkway (Avenue E to Abram Street):** This project will involve rebuilding Great Southwest Parkway from Avenue E to Abram Street, including water and sanitary sewer renewals, pavement markings, and streetscape improvements. The project is expected to start in 2015 and end in 2017.

## STRATEGIC CONSIDERATIONS

- ▶ Continue to track vacant properties and work in partnership with area brokers and developers to conceptualize renovations or redevelopment options to increase the usefulness and value of these properties. The consistently vacant buildings with rail accessibility should be a priority, as that access provides them with a competitive advantage
- ▶ Using the county's parcel data and assessment information, map the deed dates and owners. This can help identify investment hotspots as well as active investors who may be assembling larger parcels. Target these hotspots and investors with outreach efforts to inform them of the city's redevelopment vision and tools to support it.
- ▶ Create a grant fund dedicated to assisting tenants and landowners in upgrading older buildings to meet code requirements.
- ▶ Work closely with the GSWIDA to increase landowner participation and interest in the revitalization of GSW. Identify potential landowners who could be champions for a plan to fund a management district or another type of special district and create a working group to help forward the initiative. Creating smaller sub-districts within the existing management district would likely be more feasible. Consider creating one district on the north side of GSW around the oldest section (between Ave E & Randol Mill) and a second district on the south side near Pioneer Parkway.
- ▶ Assess the feasibility of establishing a TIRZ in a section of GSW that is ripe for redevelopment. The southern part of the district between Arkansas and Division could be a starting point. Road improvements are planned in the area, and Pioneer 360 and Forum 303 have demonstrated the redevelopment potential in those areas. Furthermore, five of the 13 consistently vacant buildings are located in this region and could be targeted specifically for redevelopment projects supported by the TIRZ funds.
- ▶ Encourage the assembly of 40+ acre sites that could be used to spur further redevelopment of GSW. Land assembly could be done through partnerships with developers or through purchase by the city

itself. Assess underutilized parcels or consistently vacant buildings for purchase. Underutilized parcels could include obsolete malls and shopping centers, mobile home parks, and public storage. The city should only purchase land as part of this strategy as a way of bridging ownership to facilitate a private owner's assembly of land, under unique circumstances that present a rare opportunity (e.g. foreclosure), or due to another such unforeseen necessity.

- ▶ Prioritize infrastructure investments in GSW, particularly with respect to roads and drainage. Consider dedicating a set percentage of the city's capital improvements budget to GSW-related project to ensure the district receives a consistent share of public infrastructure investments.
- ▶ Work with Union Pacific to understand their recent land acquisitions and strategic direction for the investment in GSW. Explore ways to improve intermodal access in GSW and ways to leverage the existing rail assets.
- ▶ Partner with Grand Prairie and GSWIDA to create a stronger brand identity, a beautification plan, a plan for heightened public safety. These programs could be partially funded through an activated management district or a business improvement district.
- ▶ Support the prioritization of the I-30 / 360 direct connect project as this will significantly enhance access into and out of the district.

# ENTERTAINMENT DISTRICT

*The Central Business District in the Mid-Cities Region*



## THE VISION

The Entertainment District is home to internationally known destinations including the AT&T Stadium, Texas Rangers Ballpark, Six Flags over Texas, and even the US Bowling Congress. With room for new development and visionary ideas, Arlington’s Entertainment District becomes a primary business district in the Metroplex with world-class amenities; Class A office product; and exceptional shopping, dining, hospitality, and entertainment destinations.

SNAPSHOT OF OWNERSHIP AND USES

The Arlington Entertainment District consists of approximately 2,018 acres near the intersection of I-30 and SH-360. The north-south borders are roughly Lamar and Division, and its east-west borders are SH-360 and Center Street.

The City of Arlington, as well as the Six Flags fund and corporation, dominate land ownership in the district with a combined 25 percent of total land ownership. The city's parcel includes AT&T Stadium as well as surface parking lots and parkland. The remaining parcels are owned by just over 1,100 companies and individuals (see Figure 13). The Texas Turnpike Authority parcel is an undeveloped parcel at the intersection of I-30 and SH-360. The PBDIL Holdings parcel (also an undeveloped parcel) is located along Division, directly to the south of AT&T Stadium. The Premier Tierra Holdings parcels are part of the Six Flags Mall complex. The Maharishi Global Development Fund parcel and the Rangadass, Vasudev parcel are largely undeveloped. The Heller-Roberts parcel is a distribution center.

FIGURE 13. TOP TEN LANDOWNERS IN ENTERTAINMENT DIST.

OWNER NAME	LAND AREA (ACRES)	PERCENT (%)
City of Arlington	242	12.01%
Six Flags Fund II Ltd.	217	10.77%
Texas Turnpike Authority	50	2.46%
Six Flags Theme Parks Inc.	47	2.32%
Lincoln Square Dunhill LP	45	2.25%
Pbdil Holdings LLC	29	1.41%
Premier Tierra Holdings Inc.	26	1.27%
Maharishi Global Dev. Fund	19	1%
Rangadass, Vasudev	19	1%
Heller-Roberts Texas	18	1%

Source: City of Arlington, Tarrant County Assessment District.

FIGURE 14. SUMMARY OF LAND USE IN ENTERTAINMENT DISTRICT

LAND USE DESCRIPTION	TOTAL VALUE (DOLLARS)	PERCENT (%)	LAND AREA (ACRES)	PERCENT (%)
Vacant-Undevelopable	\$39,857	0%	0.7	0%
Vacant-Developable	\$56,433,190	3%	217.2	11%
Single Family	\$57,040,710	3%	177.8	9%
Multifamily	\$92,541,785	5%	136.9	7%
Office	\$194,254,706	10%	192.9	10%
Institutional	\$55,327,483	3%	73.5	4%
Entertainment/Recreation	\$1,002,417,783	50%	407.2	20%
Commercial/Retail	\$440,925,462	22%	528.6	26%
Transportation/Utilities/Communication	\$15,918,044	1%	30.1	1%
Manufacturing/Warehouse/Industrial	\$83,796,265	4%	196.5	10%
Park/Open	\$3,013,453	0%	46.8	2%
Mixed Use	\$0	0%	0	0%
<b>TOTAL</b>	<b>\$2,001,708,738</b>		<b>2,008.1</b>	

Source: City of Arlington, Tarrant County Assessment District.

In terms of land use, entertainment and recreational uses account for just over \$1.0 billion in value (see Figure 14, previous page). This is 78 percent of Arlington’s entertainment and recreation tax base and represents 13 percent of Arlington’s tax base that is not residential, institutional, or open space. A full 50 percent of the total value of the area is derived from entertainment and recreational uses. Commercial and office uses account for 32 percent of the total value.

The most common zoning designation in the Entertainment District is Festival, which covers 689

acres, or 34 percent, of the district (see Figure 15). Industrial Manufacturing covers 604 acres, which represents 30 percent of the district. This largely falls in the part of the district that is in GSW. Other commercial uses account for 238 acres. Fifty-three acres are zoned as Planned Development. About 20 percent, or 429 acres, of the district is designated as residential use of some kind.

FIGURE 15. SUMMARY OF ZONING BY CATEGORY

ZONING DESCRIPTION	LAND AREA (ACRES)	PERCENT (%)
<b>Entertainment District Overlay:</b>		
<b>Business</b>	41	2%
<b>Community Service</b>	133	7%
<b>Duplex</b>	144	7%
<b>Festival</b>	689	34%
<b>Industrial Manufacturing</b>	604	30%
<b>Light Industrial</b>	43	2%
<b>Multifamily</b>	116	6%
<b>Neighborhood Service</b>	6	0%
<b>Office</b>	15	1%
<b>Planned Development</b>	53	3%
<b>Residential</b>	169	8%

Source: City of Arlington

SPECIAL DISTRICTS AND TOOLS

**TIRZ 5** covers the entertainment district. It was established in 2006 and will expire in 2036. The full quantity of revenues generated by TIRZ 5 covers debt service for bonds issued to finance public improvements in the district. The total outstanding debt is \$54.1 million. Since the zone was established, the city’s taxable value in the district has appreciated by \$67.7 million, an increase of about 10 percent.

**The Entertainment District Overlay** is intended to provide a more sustainable mix of uses and activities, while promoting high quality development and an aesthetically pleasing environment in an area, including two major sports venues, Six Flags, and Hurricane Harbor.

RECENT AND CURRENT PROJECTS

Recent projects in the study area include the following:

- ▶ **I-30 (Cooper Street to Ballpark Way):** This project includes the widening of I-30 between Cooper Street and the Tarrant County line, as well as the construction of new bridges and an interchange at Baird Farm Road and Center Street. The project was completed in 2012.

- ▶ **US Bowling Congress:** The United States Bowling Congress built a 100,000 square foot bowling campus, relocating its headquarters from Wisconsin to Arlington in 2008. The campus includes the International Bowling Museum and the International Bowling Training and Research Center. It is also the training center for Team USA and hosts numerous teams throughout the year for intensive training camps.
- ▶ **AT&T Stadium:** The official stadium of the Cowboys was completed in 2009 and represents a \$1.15 billion investment in the entertainment district. The stadium hosts numerous events, including the Dallas Cowboys home games, and attracts millions of visitors to Arlington. To support the construction of the stadium, the city financed over \$325 million of the project through a bond issuance. These bonds are paid through the proceeds of a 1/2-cent sales tax, a 2 percent increase in hotel occupancy tax, and a 5 percent increase in car rental tax. These taxes have generated considerably more revenues than anticipated, allowing for the early repayment of the city's bonds.
- ▶ **Vought Aircraft:** Vought Aircraft recently signed a lease to relocate its engineering services operations, including aerospace product development, as well as its division management and shared services to the facility recently vacated by Siemens. The new location will house up to 80 engineers.

Current and planned projects include:

- ▶ **Stadium Drive (Division Street to Abram Street):** This project involves the rebuilding and widening of Stadium Drive to include an underpass at the railroad tracks. Water and sewer renewals, as well as streetscape improvements, will also be made. The project is scheduled to start in 2014 and end in 2016.
- ▶ **The Ranger's Ballpark** has recently announced \$4 million of improvements to the Diamond Club.

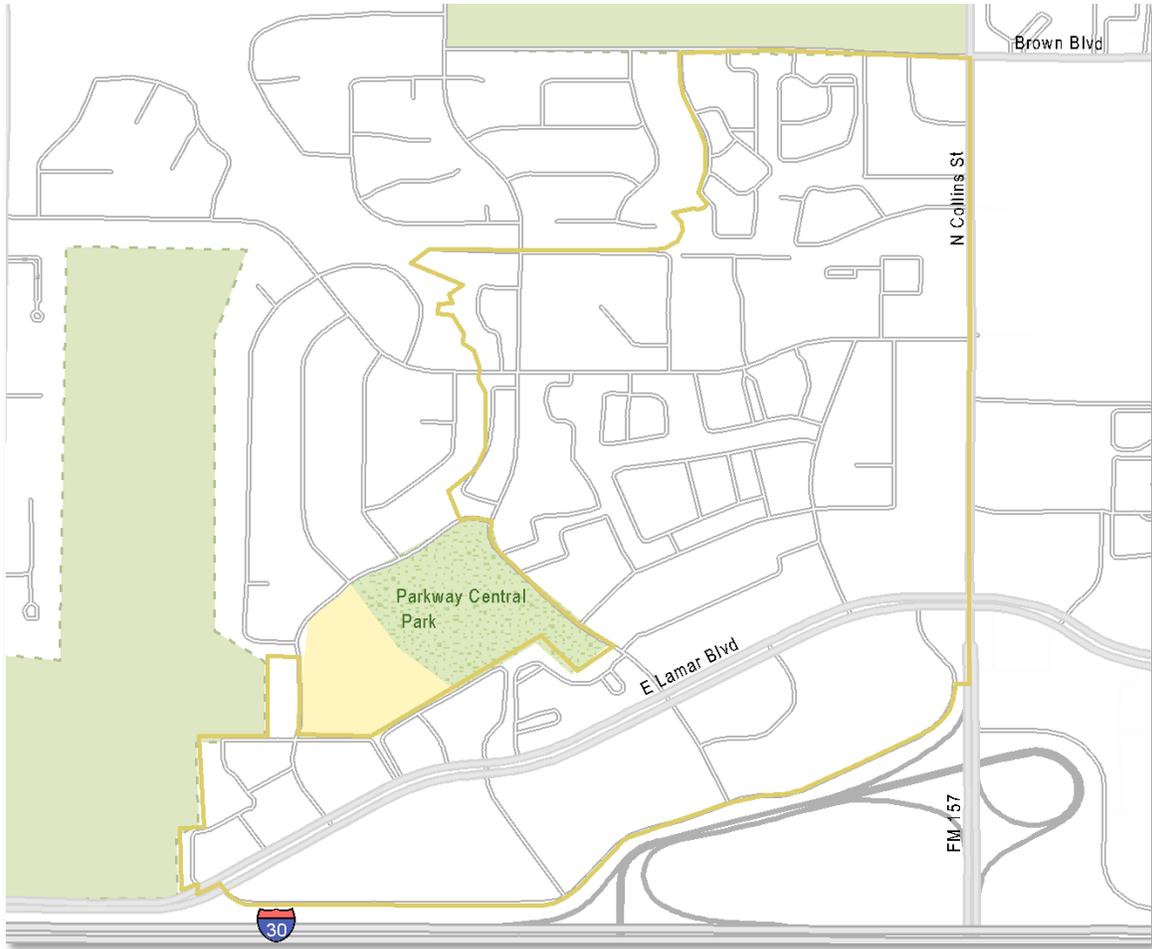
## STRATEGIC CONSIDERATIONS

- ▶ Work in partnership with Experience Arlington to establish the vision for the district and develop a strategic plan specific to the area. This plan should guide development in the district as well as guide outreach, communications, and marketing efforts of Experience Arlington, the Convention Center, and the Office of Economic Development. The plan should also identify strategies for tying the entertainment assets together to create an environment that retains visitors for multiple nights. These tourism amenities should include strong hubs of retail, dining, and nightlife that can also serve as amenities for office users and residents.
- ▶ Expand the mission of the Trolley District to be an association of stakeholders in the Entertainment District. The association should coordinate implementation of the vision and strategy (such as the DAMC) in partnership with Experience Arlington.

- ▶ Use city-owned parcels as stages for blue-ribbon public-private partnerships that catalyze development in the district and bring essential elements to the district, such as a full-service hotel, more convention space, dining and shopping destinations, and Class A office space.
- ▶ Leverage the district's stadiums and international events for business attraction purposes by building a brand around them (and Arlington's other large assets). Use the city's access to those events to build relationships with decision makers in target industries as well as with major employers, developers, site selectors, and brokers. Formalize this relationship-building program by creating a list of potential invitees each quarter and ensuring the full utilization of the city's access to world-class events with this targeted list of invitees. (*See Goal 1, Strategy 2, Action 3*).

## LAMAR/COLLINS OVERLAY

*A high-quality/high-amenity housing and activity hub attractive to young professionals and empty nesters*



### THE VISION

The Lamar/Collins area will become an urban residential village with upscale apartments, connected trails, walkable boulevards, and mixed-use neighborhood centers that offer unique shopping and dining options.

SNAPSHOT OF OWNERSHIP AND USES

The Lamar/Collins overlay district is situated on the junction of I-30 and North Collins Street, which, together, make up the east and south border. The almost 300 acres consist largely of aging apartment complexes developed mostly in the 1970s. Deterioration of these apartment complexes has led to a decline in the area’s tax base by 35 percent from 2007 to 2012. Adjacent areas showed a decline in tax base of 14 percent, from 2007 to 2012.<sup>5</sup>

While 40 percent of the owners in the district hold Arlington or DFW addresses, over 49 percent live outside the state of Texas. The largest landowner is Moritz Interest, which owns three parcels on the south side of Lamar that are largely undeveloped (see Figure 16). Of the other top 10 landowners, all but Texas Health Resources are apartment complexes built in the 1970s and early 1980s. All but the Pacific Chase and Raamco holdings have been acquired, or have at least filed new deeds, since 2005.

FIGURE 16. TOP TEN LANDOWNERS IN LAMAR/COLLINS

OWNER	LAND AREA (ACRES)	PERCENT (%)
<b>Moritz Interest Ltd. et al.</b>	29	11%
<b>Raamco Texas Properties, LP</b>	17	6%
<b>Irg Polk LLC</b>	16	6%
<b>Texas Health Resources</b>	15	5%
<b>Roc Tx Oak Creek LLC</b>	14	5%
<b>Madera-Summer Oaks LP</b>	12	4%
<b>Pacific Chase Inc.</b>	12	4%
<b>Landmark At Heritage Fields LP</b>	10	4%
<b>Arlington Hills LP</b>	9	3%
<b>724 Polk LLC</b>	9	3%

Source: City of Arlington, Tarrant County Assessment District.

In terms of land use, over 50 percent of the value in the district is from multifamily uses (see Figure 17). Another 35 percent is from office and other commercial. Fourteen percent or 36 acres of land in the area remains vacant and developable.

FIGURE 17. SUMMARY OF LAND USE IN LAMAR/COLLINS

LAND USE DESCRIPTION	TOTAL VALUE (DOLLARS)	PERCENT (%)	LAND AREA (ACRES)	PERCENT (%)
<b>Vacant-Undevelopable</b>	\$0	0%	-	0%
<b>Vacant-Developable</b>	\$10,190,600	8%	36.3	14%
<b>Single Family</b>	\$0	0%	-	0%
<b>Multifamily</b>	\$63,094,596	50%	158.6	60%
<b>Office</b>	\$22,993,933	18%	31.0	12%
<b>Institutional</b>	\$5,248,422	4%	6.9	3%
<b>Entertainment/Recreation</b>		0%	-	0%

<sup>5</sup> Arlington Voice. “Hundreds Pack Town Hall to Learn More about Lamar - Collins Development.” Accessed December, 20, 2013.

LAND USE DESCRIPTION	TOTAL VALUE (DOLLARS)	PERCENT (%)	LAND AREA (ACRES)	PERCENT (%)
<b>Commercial/Retail</b>	\$21,951,520	17%	28.0	11%
<b>Transportation/Utilities/Communication</b>		0%	-	0%
<b>Manufacturing/Warehouse/Industrial</b>	\$3,260,835	3%	5.1	2%
<b>Park/Open</b>	\$0	0%	-	0%
<b>Mixed Use</b>	\$0	0%	-	0%
<b>TOTAL</b>	\$126,739,906	100%	265.8	100%

Source: City of Arlington, Tarrant County Assessment District.

The overlay district designates 46 percent of the district for multifamily—18 or 22 units per acre (see Figure 18). Over 70 acres, or 27 percent, is designated business, and 11 percent for community services. Forty-three acres is designated as Planned Development.

**FIGURE 18. SUMMARY OF ZONING BY CATEGORY**

ZONING DESCRIPTION	LAND AREA (ACRES)	PERCENT (%)
<b>Lamar/Collins Mixed-Use Overlay:</b>		
<b>Multifamily</b>	121	46%
<b>Business</b>	71	27%
<b>Community Service</b>	30	11%
<b>Planned Development</b>	43	16%

Source: City of Arlington

### SPECIAL DISTRICTS AND TOOLS

The **Lamar/Collins Mixed Use Overlay** establishes special use and development standards to promote high-quality, high-density, mixed-use development in this specific location. The overlay was established in 2005 and allows for a variety of uses, including townhouses, duplexes, row houses, live/work units, full service hotels, business offices, night clubs, galleries, general retail stores, and restaurants. Aside from allowing the mix of uses, it has minimal parking requirements, structured parking for multifamily, 16-foot streetscapes, and six-story maximum building heights.

### RECENT AND CURRENT PROJECTS

Current projects include:

- ▶ **Lamar Boulevard (Collins to Ballpark Way):** This project involves the rebuilding of Lamar, expanding it from four to six lanes, renewing water and sewer, and installing new streetlights and a new signal at Collins. Although this project is adjacent to the study area, it contributes to the viability and appeal of projects in the study area itself.

Planned projects include:

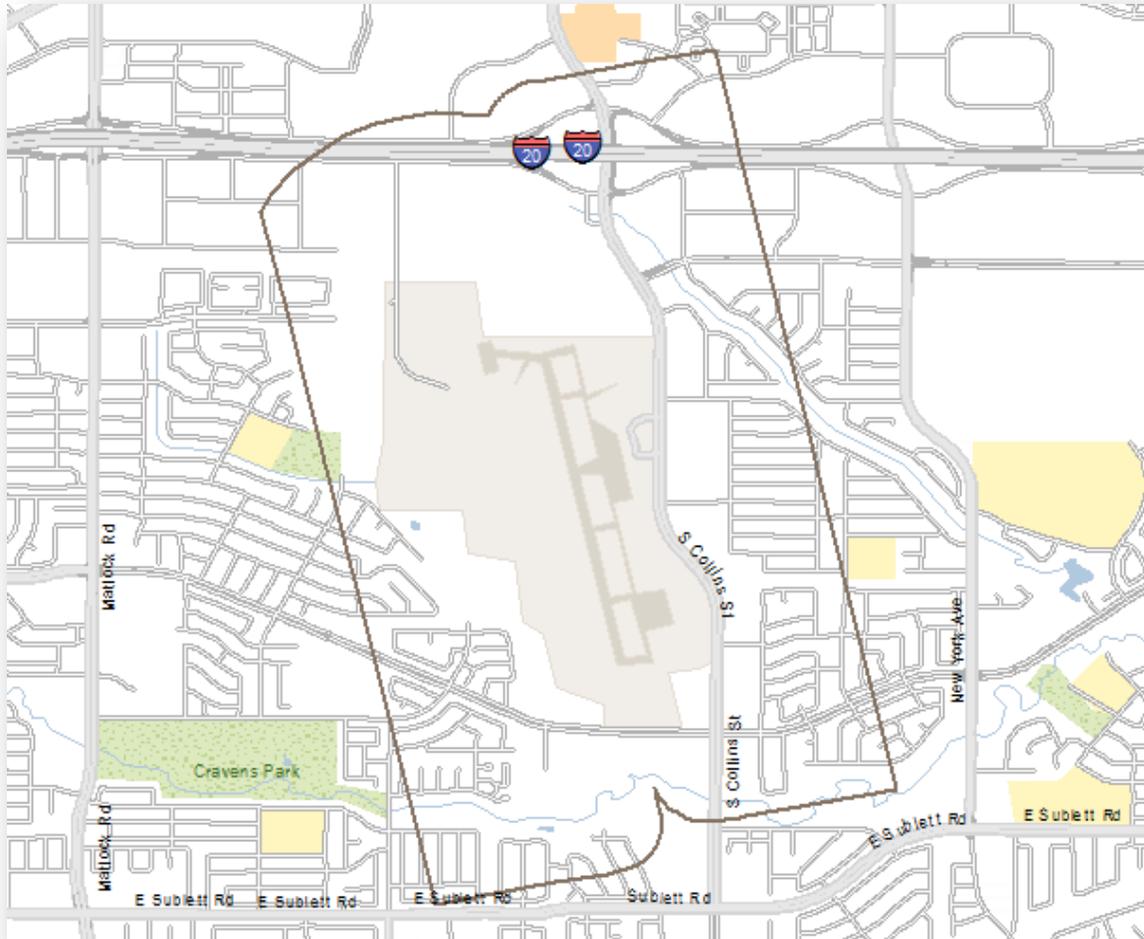
- ▶ **The East Lamar Redevelopment Project:** JCKPL plans to invest \$160 million to redevelop 31-acres near the intersection of Lamar Boulevard and Collins Street. The project will involve the demolition of four existing complexes and the construction of 1,600 or more high-end housing units. As part of the project, the city pledges to rebate 90 percent of the city's property taxes and invest in improvements along Lamar and Parkway Central Park. The project aims to be a significant catalyst in the overlay district and spur further private sector investment in the surrounding areas.

## STRATEGIC CONSIDERATIONS

- ▶ Support the East Lamar Redevelopment Project as much as possible because of its potential to attract other private investment and its community benefit. Ensure that uses other than multifamily are well-represented to create a more integrated, urban environment.
- ▶ Actively promote the East Lamar Redevelopment Project to raise awareness of the project among developers in order to attract other investment. Use press releases and social media to raise awareness of the project, invite developers to tour the project, and continuously communicate the city's vision to these audiences.
- ▶ Hold a forum for landowners in the district to raise awareness of the city's vision for the district and awareness of investments that the city will be making as part of the East Lamar Redevelopment Project. Continue to forge relationships with interested landowners through an eNewsletter, periodic contact (email or phone calls), and invitations to the city box at one of the stadium events.
- ▶ Regularly track HUD programs to identify programs, such as the Sustainable Communities Challenge Grants, that could be used to incentivize mixed-use development, affordable housing, and the re-use of existing buildings. An injection of federal funding could spur further development in the area.
- ▶ Continue to monitor ownership in the area to track investment trends and notable transactions.

## AIRPORT

*A premier reliever airport and innovative employment center for the DFW region*



### THE VISION

The airport is already home to a large aviation/aerospace presence and a strong mix of tenants. In addition, Bell Helicopter and Agusta Westland have research and development divisions nearby. With new acreage opening up for development, the airport will strengthen its position as the premier reliever airport in the Metroplex and become a destination of aerospace research and development.

SNAPSHOT OF OWNERSHIP AND USES

Located near the intersection of I-20 and SH-360 in south-central Arlington, the Municipal Airport is well situated relative to the city’s primary transportation links. The airport is owned by the City of Arlington, and covers approximately 500 acres. The city also manages 96 t-hangers, a 10,000 square foot hanger, and 51 tie down spaces. It is considered a full-service general aviation “reliever” airport. A significant portion of airport traffic is general aviation.

The Airport Overlay District covers almost 1400 acres, including the airport. The City of Arlington owns 38 percent of the land in the district (see Figure 19). The next largest owner is Bell Helicopter, which owns 119 acres on the west side of the airport. To the west of the Bell Helicopter site is just over 100 acres, owned by Chesapeake Land Dev., Jim Sowell Construction Co., and Louis Land Co. The 16.5 acres owned by Clint Hurt (across Collins from the airport) is largely undeveloped.

FIGURE 19. TOP TEN LANDOWNERS AT THE AIRPORT

OWNER	LAND AREA (ACRES)	PERCENT (%)
<b>City of Arlington</b>	528	38%
<b>Bell Helicopter Inc.</b>	119	9%
<b>Chesapeake Land Dev. Co. LLC</b>	52	4%
<b>Jim Sowell Const. Co. Inc.</b>	36	3%
<b>CLF Arlington LP</b>	25	2%
<b>Louis Land Co. Ltd.</b>	25	2%
<b>Compound Properties LLC</b>	18	1%
<b>Clint Hurt</b>	17	1%
<b>Bardin Greene Apartments LLC</b>	16	1%
<b>1300 W I-20 LLC</b>	14	1%

Source: City of Arlington, Tarrant County Assessment District.

FIGURE 20. SUMMARY OF LAND USE AT THE AIRPORT

LAND USE DESCRIPTION	TOTAL VALUE (DOLLARS)	PERCENT (%)	LAND AREA (ACRES)	PERCENT (%)
<b>Vacant-Undevelopable</b>	\$9,936	0%	4.4	0%
<b>Vacant-Developable</b>	\$20,279,167	5%	302.2	21%
<b>Single Family</b>	\$213,186,790	53%	345.2	24%
<b>Multifamily</b>	\$18,014,789	5%	15.9	1%
<b>Office</b>	\$45,835,801	11%	78.9	5%
<b>Institutional</b>	\$11,362,264	3%	41.7	3%
<b>Entertainment/Recreation</b>	\$0	0%	-	0%
<b>Commercial/Retail</b>	\$67,408,771	17%	88.7	6%
<b>Transportation/Utilities/Communication</b>	\$18,224,326	5%	426.4	29%
<b>Manufacturing/Warehouse/Industrial</b>	\$4,785,236	1%	80.8	6%
<b>Park/Open</b>	\$747,962	0%	84.5	6%
<b>Mixed Use</b>		0%	-	0%
<b>TOTAL</b>	\$399,855,042	100%	1,468.6	100%

Source: City of Arlington, Tarrant County Assessment District.

The Airport Overlay district is valued at almost \$400 million (see Figure 20, previous page). Over 50 percent of this value is single-family residential. Another \$112 million is office and commercial.

Over 300 acres of land in the district remain vacant and developable.

The Airport Overlay District also has a portion designated as a Business Park (see Figure 21). In all, 441 acres are zoned for industrial manufacturing and 192 acres are zoned for light industrial. These industrial designations represent 42 percent of the area. Over 340 acres are zoned residential (23 percent). Another 291 acres are designated as a commercial category—office, business, neighborhood service, or community service.

FIGURE 21. SUMMARY OF ZONING BY CATEGORY

ZONING DESCRIPTION	LAND AREA (ACRES)	PERCENT (%)
<b>Airport Overlay:</b>		
Agriculture	71	5%
Business	8	1%
Community Service	61	4%
Duplex	2	0%
Industrial Manufacturing	255	17%
Light Industrial	184	12%
Multifamily	30	2%
Neighborhood Service	8	1%
Office	47	3%
Planned Development	109	7%
Residential	340	23%
<b>Business Park Overlay:</b>		
Business	121	8%
Community Service	46	3%
Industrial Manufacturing	186	12%
Light Industrial	8	1%
Multifamily	15	1%
Planned Development	7	0%

Source: City of Arlington

SPECIAL DISTRICTS AND TOOLS

The **Airport Overlay** was established to prescribe special use and development regulations for those properties impacted by noise and flight patterns around the airport.

The **Business Park Overlay** includes special use and design standards to promote high-quality, high-intensity, mixed-use development along the Interstate.

RECENT AND CURRENT PROJECTS

- ▶ **New Airport Terminal Building & Terminal Apron Expansion:** A new airport terminal building was constructed in 2011; the second floor of the terminal building was finished out in 2012 to provide additional office space. The terminal apron expansion was completed in 2010.
- ▶ **Design and Construction of the West Parallel Taxiway:** This project included the construction of the new taxiway, the relocation of Taxiway Bravo, grading and drainage improvements at Taxiway Delta, the relocation of the ASOS, as well as other taxiway improvements. The project was completed in 2013 and opens the west side of the airport for development.

- ▶ **New monument and way finding signage**
- ▶ **Arlington Air Associates** signed a land lease for a \$5.0 million development of hangar and office facilities, which could potentially house 24 additional medium to large corporate jets.
- ▶ **Harrison Aviation**, the airport's Fixed Based Operator, constructed a 10,000-square-foot conventional hangar.

Current projects:

- ▶ The MALSF is being converted to **MALSR**, and is projected to be completed in February 2014.
- ▶ **Center Street Extension**: The extension of Center Street will provide better access to the airport's west side. This project is expected to be completed in 2015.

## STRATEGIC CONSIDERATIONS

- ▶ Assist the airport in marketing the airport's facilities and land as destinations for innovative aviation-related businesses. Work in partnership with airport management to identify strategic prospects for the 100 acres that will become available with the Center Street extension.
- ▶ Establish an Innovation (or Technology) Corridor between Bell Helicopter and the TI site along Bardin Road. Though the land area is relatively small, the corridor could be anchored by strong tenants on each end and could attract investment in the infill area.
- ▶ Participate in the aerospace cluster group in DFW and attend aerospace industry networking events to establish closer relationships with aerospace companies. Market the available sites and buildings at the airport and in the Innovation Corridor to these companies.
- ▶ Publicize the recently announced Vought project in the Entertainment District to further establish Arlington as a destination for aerospace research and development in the region.
- ▶ Forge relationships with the FAA UAS testing site at Texas A&M - Corpus Christi (and the other FAA selected sites) to determine if Arlington could collaborate in testing, particularly as it relates to the use of UAS for public safety purposes.