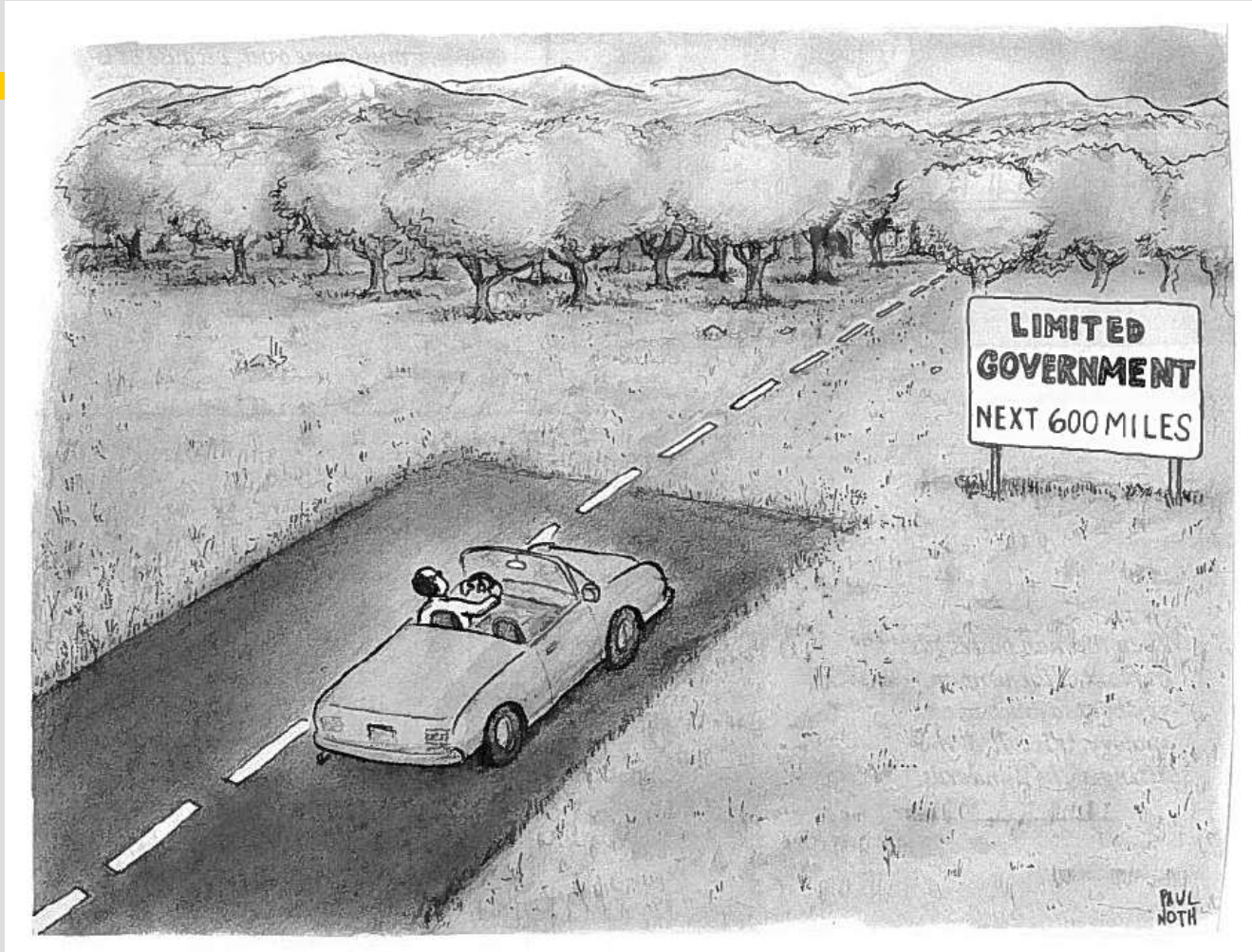


DFW As A Global Competitor

Dallas-Forth Worth Association
for Business Economics
June 19, 2015

Crossing the Border into the Republic of Texas

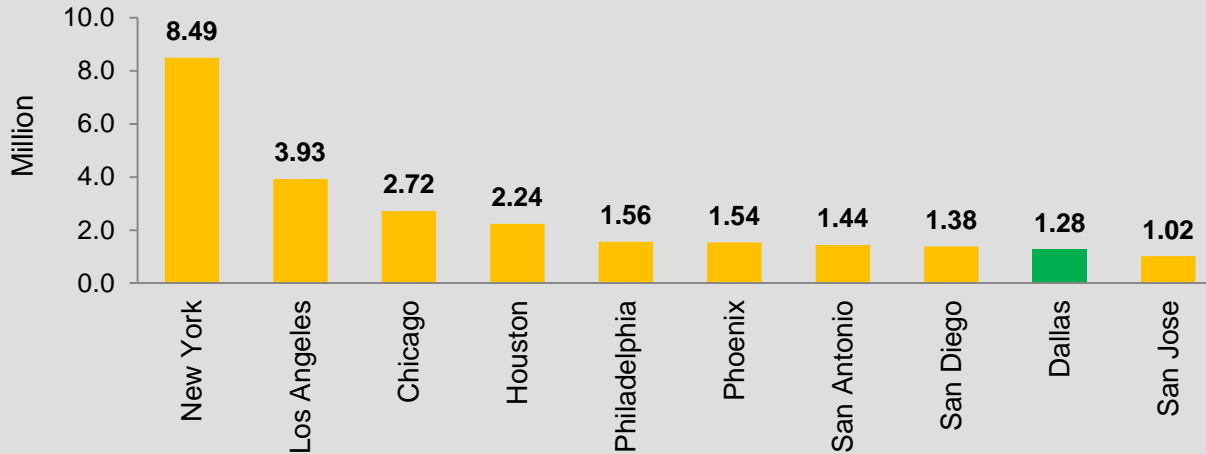


Standing Tall For Free Enterprise

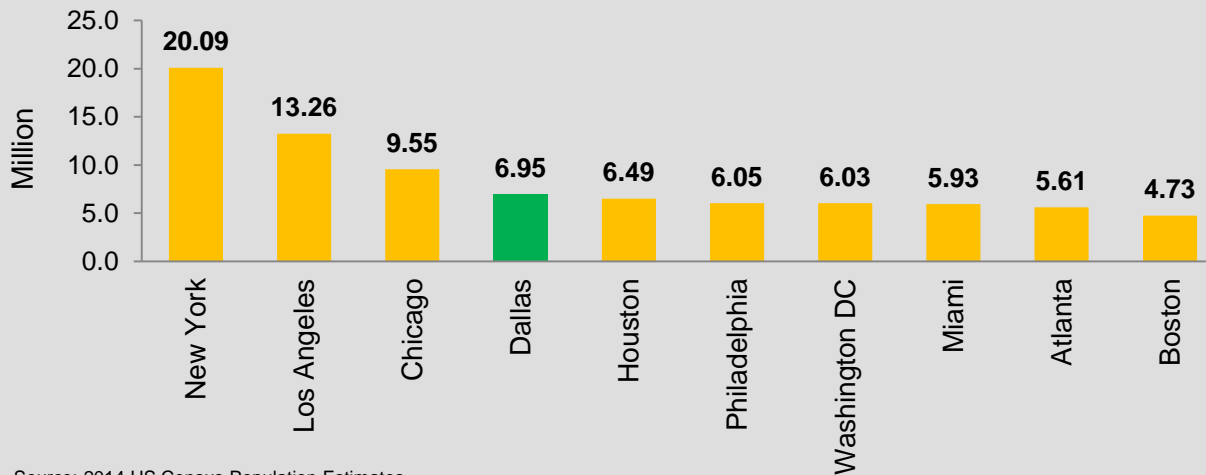


9th largest city and 4th largest metropolitan area in the United States

Largest U.S. Cities



Largest U.S. Metro Areas



Source: 2014 US Census Population Estimates

4 DFW has added 1 million residents every decade for 50 years; population is projected to grow to more than 8.6 million residents by 2030.

Source: Texas State Water Board Estimates, 2015.

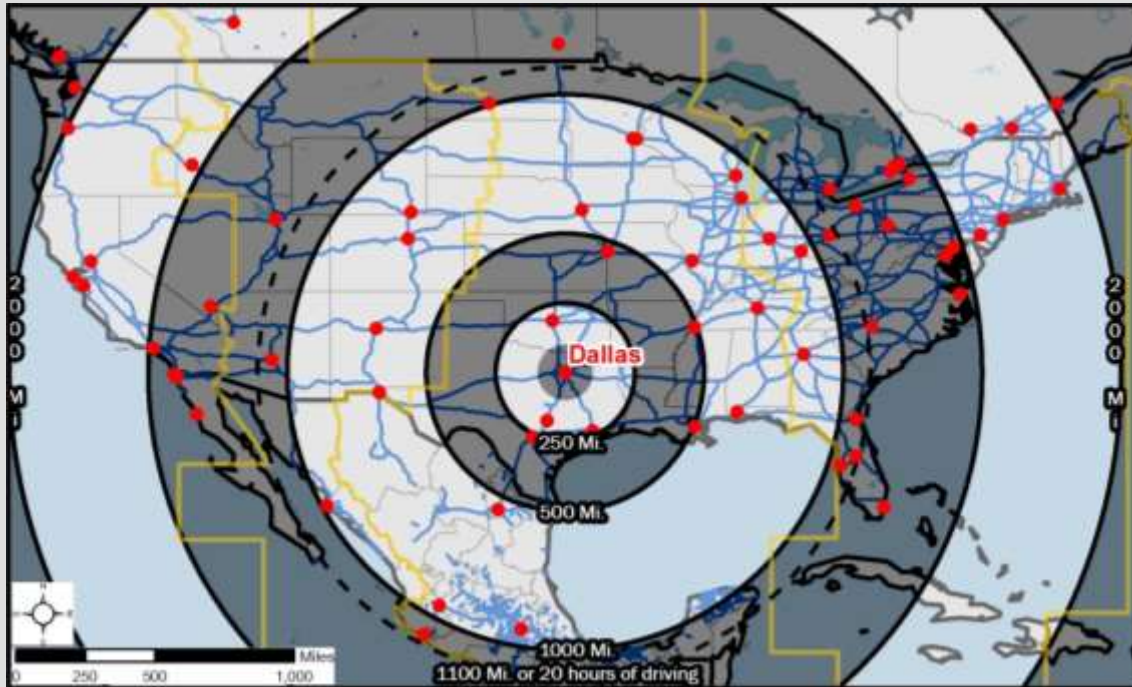


DFW is one of the world's most important business centers

- DFW has the 3rd largest concentration of Fortune 500 firms in the U.S. (21).
- Gross product grew by \$123B (49%) over the previous decade to \$448B in 2013 (27th in the world if a country, between Belgium and Venezuela). DFW is among the world's 75 fastest growing economies, according to the Brookings Institute.
- DFW is the most diverse economy in Texas DFW accounts for 30% of State's GDP



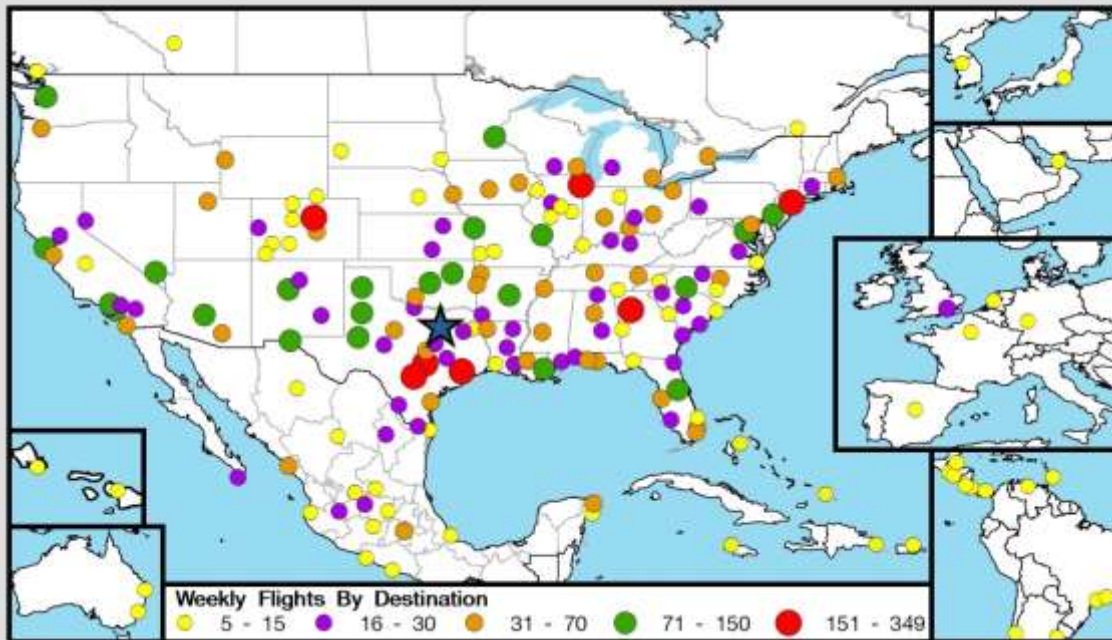
Most centrally located major business center in North America



- Five major interstate highways, and four intermodal rail yards
- 98% of the U.S. population is within two days by ground

6 Dallas has the third lowest distribution costs of the top 50 U.S. consumer markets and lowest of the top 10 markets.

World's fourth busiest airport



- Dallas-Fort Worth International Airport and Dallas Love Field combine for 7,067 weekly non-stop flights to 188 destinations on five continents
- DFW is a major air cargo hub
- Four hours by air to any North American city

7 Starting in 2014, the newly renovated and expanded Dallas Love Field offers scheduled passenger air service to the entire US and Mexico.



Dallas-Fort Worth International Airport
Credit: DFW Airport

One of the most innovative economies in the U.S.



Dallas Nobel
Prize Winners:
1985, 1988, 1994,
2000, 2011

Top Technology Metros

Rank	Metro Area	Tech Jobs (1,000s)	Concentration (U.S. = 1.0)
1	San Jose	244	4.6
2	Seattle	226	2.7
3	Cambridge	164	3.4
4	Washington	276	2.0
5	Los Angeles	376	1.6
6	Dallas	188	1.5
7	San Diego	136	1.8
8	Santa Ana	147	1.7
9	New York	262	0.9
10	San Francisco	106	1.8

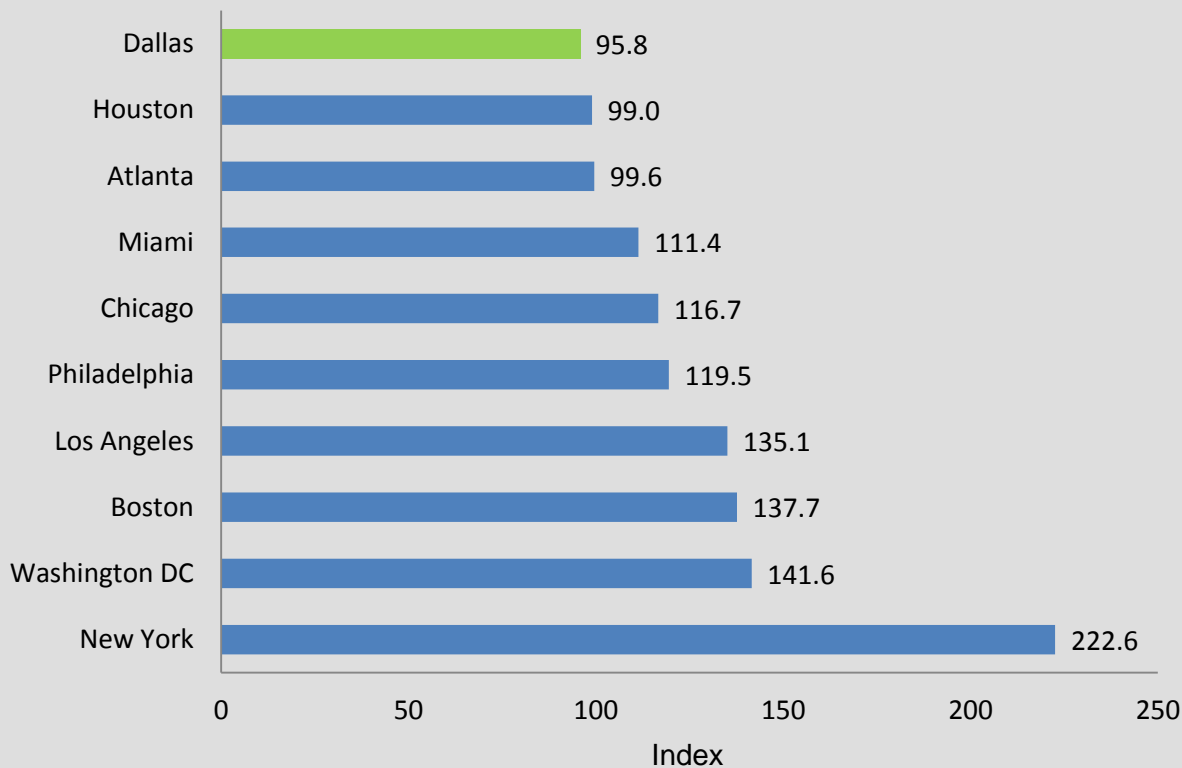
Source: Milken Institute

- Dallas is the birthplace of integrated circuit, information processing industry, convenience stores, group health insurance and the frozen margarita.



Lowest cost big business hub in the U.S.

Cost of Living Index: Ten Largest Cities 2014



Source: Council for Community and Economic Research, 2015.



Competition

- No single primary competitor region
- Main driver is what's important to a company
- DFW Region generally makes short list
- Main competition is often local
- Incentives play a role, but basics come first
- State incentives are critical for out-of-state relocations

Global Perception: Dallas = DFW But in Reality

- 25% of economic output
- 20% of resident workforce
- 20% of population
- 20% of office space
- 25% of the industrial / distribution space

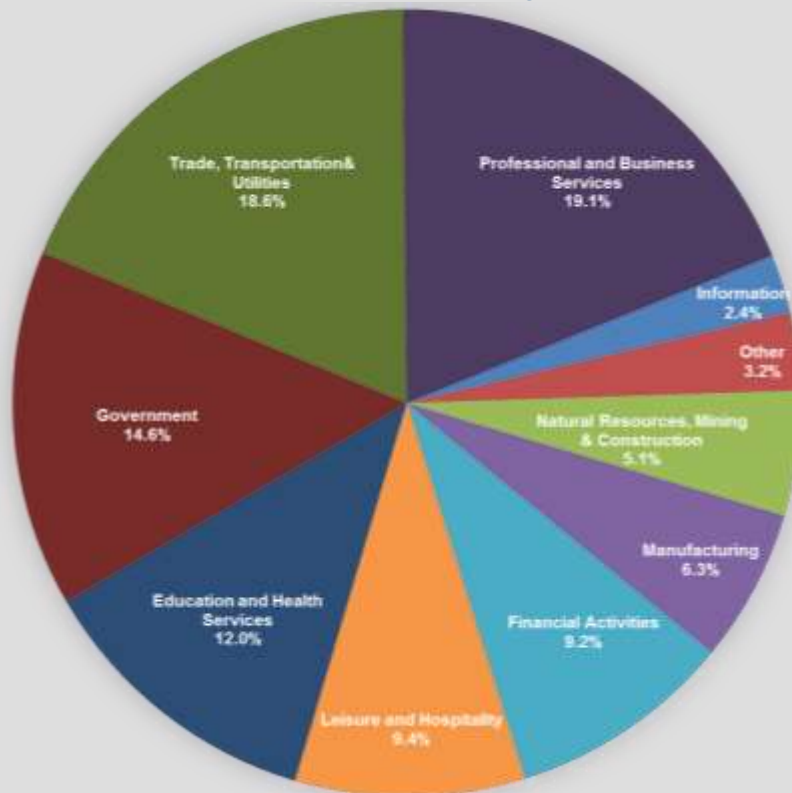


City of Dallas Economy Continues to Outpace National Trends

- Property values grew in 2014 at all-time record values (driven by commercial real estate)
- Value of new construction increased for the third consecutive year
- Sales taxes exceeded 2008 peak level and are projected to grow by 4% in FY'15
- 3.6% job growth vs. national average of 1.7% in 2014.
- Unemployment rate was 3.8% for April 2015, below the state of Texas and the (4.0%) and the Nation (5.1%).

Diverse Industry Mix Dampens Impacts of Single Sector Downturns

Professional and Business services was the largest employment industry within the City, marking a change from the last two years where the Trade, Transportation and Utilities sector was the largest.



Work Force Trends

- Labor market is increasing regional
- Dallas is the regional employment center (777K Payroll Jobs)
- But the growth rate of jobs paying \$40k + slower than MSA and adjacent counties in last five years
 - Dallas-Fort Worth MSA: 25.2%
 - Collin County: 40.8%
 - Denton County: 45.6%
 - Tarrant County: 27.5%
 - City of Dallas: 16.5%
- Only 27.5% of total Dallas work force is comprised of Dallas residents
- 37.4% of Dallas employed residents earn \$40k +

Lessons from late 20th century market collapses

- Pre-1990 free market alone dictate building activity
- “Perfect Storm” of recessions hit Dallas especially hard
 - Real estate bubble burst
 - Energy market tumbled
 - Regional banking sector collapsed
- Public Sector realized it couldn't/shouldn't do it alone
 - New partnerships formed (TIF's, Arts District, In Town Housing)

Dallas' "Boeing Moment"

- May, 2001 Boeing announced decision to relocate corporate headquarters to Chicago
 - Heated three-way battle between Chicago, Dallas and Denver
 - Quality of Life issues made the difference
- Forced introspective review of Dallas quality of life in general and its downtown environment in particular
 - Mayoral Task Force recommended dramatic downtown expansion of parks and open space
 - \$43M in 2006 bond campaign for downtown parks
 - 4 new major parks incorporated in master plan
 - 3 completed by 2015

City of Dallas Demographic changes / recognition of Geographic limitations Impacts Strategic Planning

- No more land annexation
- Regional population doubles since 1990 (1M added every 6 years)
- Dallas growth slower, but big neighborhood shifts
- More focus on urban assets
- Transition from suburban to urban core very challenging (SUV culture)
- Land use planning emphasis on neighborhood preservation and increased density near transit stations

Potential Growth Impediments for the City of Dallas

- Ripple effect of global / domestic dysfunctions
(Protectionism, Sequestration, cyber threats, etc.)
- Unbalanced geographic revenue generation
- Dallas population growth slower, but big neighborhood shifts
- Workforce – jobs mismatch
- Changing industry mix
- Urban vs. suburban competitive situation
- Wealth gap challenges and disproportionate growth of families below poverty line
- Education/critical skills training
- Changing political climate in Austin

Lessons Learned

- Cities can affect the market:
 - Strong partnerships
 - Infrastructure
 - Landmark projects
 - Transportation leading to better urbanism
 - Economic development linked to quality of life

Partnerships: NYLO Dallas South Side Hotel



Infrastructure: Downtown Parks



Belo Garden



Main Street Garden

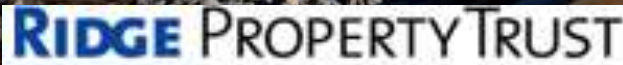
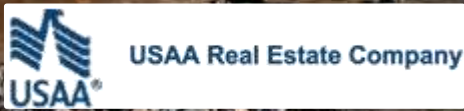


Klyde Warren Park

Credit: Woodall Rodgers Park Foundation



Infrastructure: International Inland Port of Dallas



Credit: Kimley-Horn

Landmark: Omni Dallas Convention Center Hotel



Credit: David Woo, Dark Light



Landmark: Dallas Arts District



Credit: Dallas CVB

Urbanism: Lancaster Urban Village

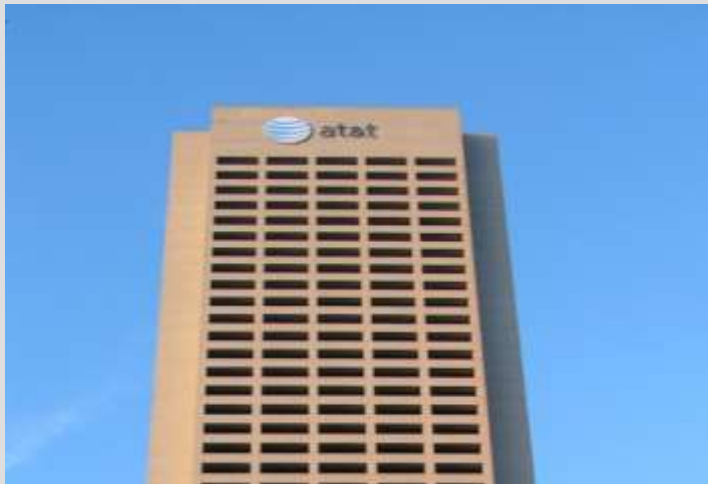


CATALYST | DEVELOPMENT

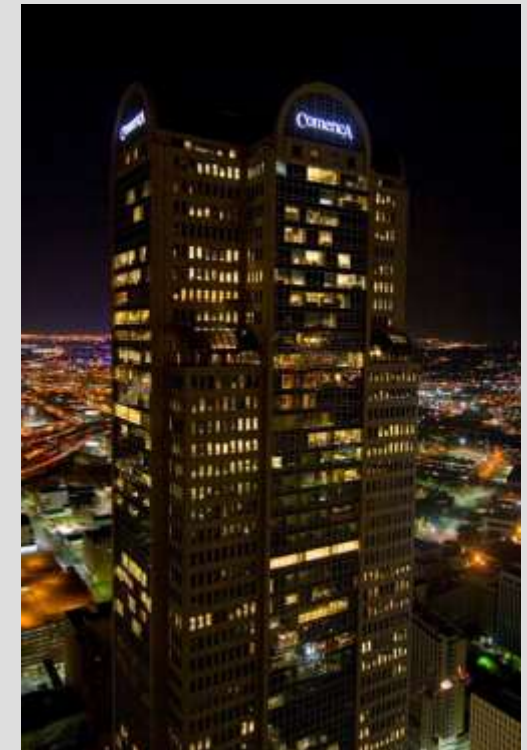


Quality of Life Issues Linked to Economic Development Initiatives

- Resident satisfaction
- Business recruitment/retention (AT&T, Comerica, Tenet, Deloitte, Active Networks, Omnitrac, Comparex)
- “Return on perception”



AT&T



Comerica Incorporated

Economic benefits (cont'd): Katy Trail

- 3.5 mile pedestrian and bike trail system
- Links 20 neighborhood areas to CBD
- Trail serves 15,000 people a week
- Between 2001 and 2011, \$750 million in development completed within .25 miles of trail,
- Home values increased by 20%



Katy Trail

Economic benefits (cont'd): Klyde Warren Park



Klyde Warren Park

Completed in 2012

- Increase of property values (2000 McKinney Tower 65% increase in value between 2008 and 2013)
- Predicted quadruple net value impact (Geoffrey Booth & Dennis Jerke)
- Building of new office and residential towers near park

Looking To The Future

- DFW growing to 10 million residents by 2040
- Dallas' role as largest urban center
- Redevelopment of urban core into walkable, mixed-use, transit-oriented neighborhoods
- Poverty and wealth gap issues require collaborative approach and neighborhood focus.
- Education and job skills training is critical

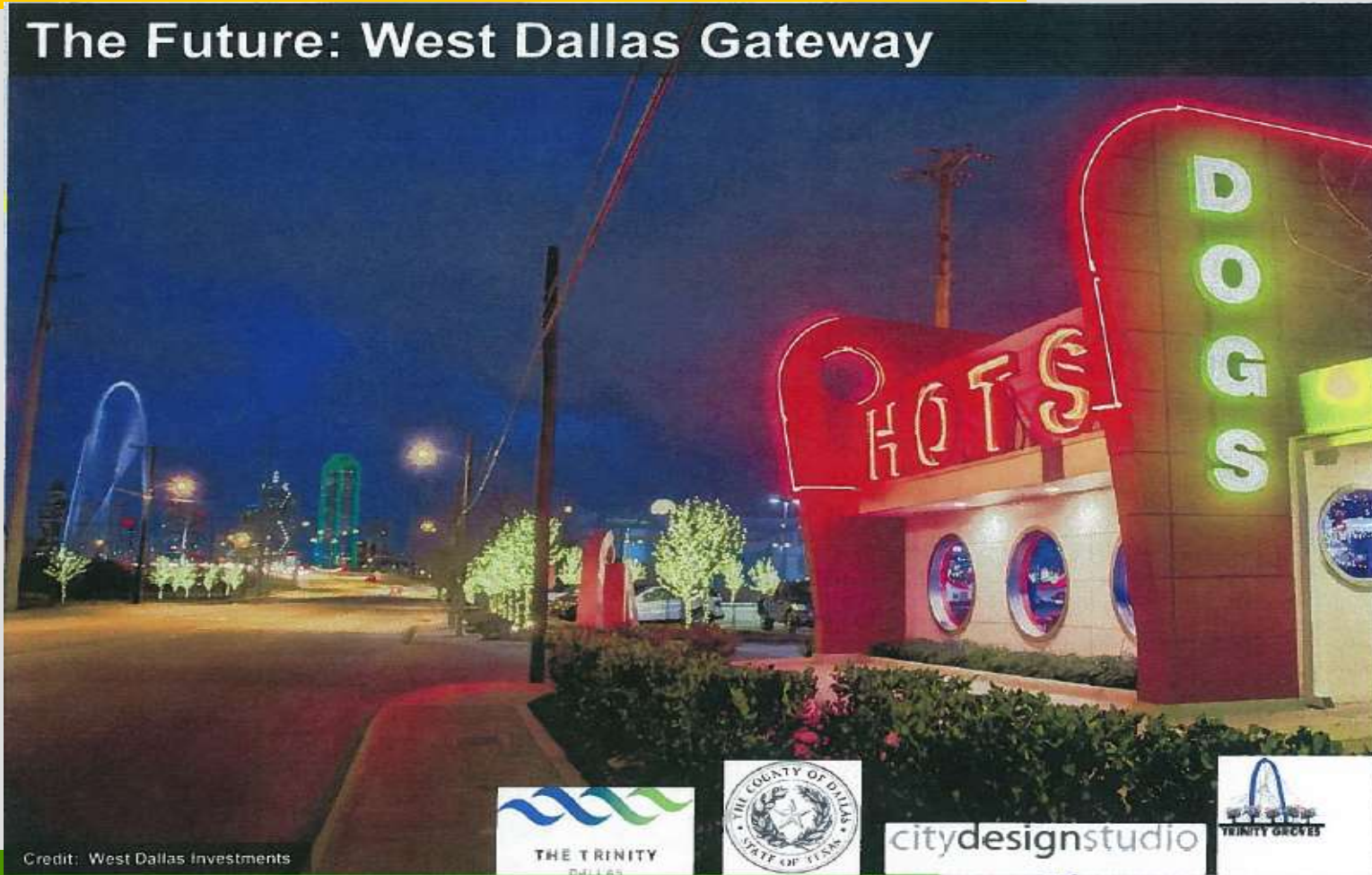
The Future: Farmers Market



Credit: Good Fulton & Farrell

The Future: West Dallas Gateway

The Future: West Dallas Gateway



Credit: West Dallas Investments

The Future: Trinity Forest Golf Course

The Future: Trinity Forest Golf Course



Stevens Park Golf Course

Neighborhood Plus

The future of living in our city



Alleviate
Poverty

2



Fight
Blight

3



Attract and
Maintain
the Middle
Class

4



Expand
Home-
ownership

5



Enhance
Rental
Options

6

1

COLLECTIVE IMPACT

The Future: Regional Headquarters Relocations



The Future High Speed Rail



Questions

