

The background is a solid blue color. A thin white grid is overlaid on the page. A thick red line outlines a stylized version of the New York City skyline, including the Empire State Building. Several small, colored dots (pink, orange, green, blue, purple) are scattered across the grid, with thin white lines connecting some of them to the skyline or other points.

FINAL REPORT OF THE INSIDE THE LOOP COMMITTEE

AUGUST 2005

Inside the Loop Committee

2002 – 2005*

Michael Anderson
Chavez Properties

Peter Beck
The Beck Group

David Biegler
Estrella Energy

Bill Blase
SBC Southwest

Bob Bussone
Camden Properties

Richie Butler
Solomon Partners

Robert Decherd, Chair
Belo Corp.

Bob Garza
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Reggie Graham
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The Hon. Sandy Greyson
Councilmember, District 12

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Regina Sullivan
Belo Corp.

Jack Wierzenski
DART

Miles Zitmore
City Center TIF

* The size of the ITL Committee remained constant at about 25 members. This list includes all individuals who served on the Committee at various times during its three-year existence.

Inside the Loop Committee

August 25, 2005

The Hon. Laura Miller
Mayor
City of Dallas
1500 Marilla, Room 5EN
Dallas, Texas 75201

Dear Mayor Miller and Members of the City Council:

The members of the Inside the Loop Committee are pleased to submit this final report which concludes three years of work from April 2002-April 2005. The Committee is proud of its initiatives on behalf of the City of Dallas and our fellow citizens, and we thank you for the opportunity to have served in this capacity.

While much has been accomplished in Downtown Dallas over the past three years, you are keenly aware that the real effort to achieve vibrancy Downtown and stimulate growth in its tax base is just beginning. An analysis of the Downtown tax base, updated from our interim report to you in December 2002, indicates that the numerous investments by the public and private sectors over the past three years are not yet reflected in rising property values (Exhibit A). However, we believe such a rise is likely to begin in 2005 based on the number of significant projects Downtown that are now coming on line (Exhibit B). Also, it is important to note that if appraised values of the districts surrounding Downtown are included in a trend analysis, property values for the entire area have increased by \$60 million, or slightly less than one percent, over the past five years.

The Committee strongly asserts that the public and private sectors should remain focused on this opportunity to leverage the City's most concentrated group of physical assets in ways that increase tax revenues, attract further investment to the Center City broadly defined, and maintain Dallas' position as one of our Nation's most important cities for the present and the future.

Continued. . .

The Hon. Laura Miller
August 25, 2005
Page Two

We were charged by Mayor Miller in 2002 to pursue five objectives:

- The creation of a Comprehensive Physical Plan for the area inside the freeway loop, i.e. Downtown.
- The pursuit of a “big idea” for Downtown, which the committee identified preliminarily as what is now known as Main Street Garden.
- The successful opening of the Nasher Sculpture Center in October 2003.
- 24-hour vibrancy and street-level linkages within Downtown.
- Economic development stimulated by investments Downtown.

Progress has been made in this pursuit, as detailed below:

- A Comprehensive Physical Plan for the area inside the freeway loop is finished and is included in this report as Exhibit C. This Physical Plan is unprecedented in its completeness and can serve as the reference point for a wide range of current and future initiatives. Such initiatives will achieve maximum effect if they are coordinated in the context of a Comprehensive Physical Plan for Downtown.
- With the encouragement of the Park and Recreation Department, and with funding from both the public sector and the ITL Committee, the “big idea” for Downtown was expanded into the first-ever Downtown Parks Master Plan, which was adopted by the Council in June 2004 and is now in the early stages of implementation. The ITL Committee chair has agreed to lead the implementation effort along with the president of the Park and Recreation Board and the department’s staff. The three highest priority urban parks and the larger-scale park identified in the Master Plan have the potential to change the function and perception of Downtown in a fundamental way.
- The ITL Committee instigated and funded the first specific design concept for beautifying and making functional the public and private land adjacent to the freeway loop, the “Emerald Bracelet.”

Continued.

- The Nasher Sculpture Center opened successfully in October 2003, thanks principally to the work of Ray Nasher and the Center's staff. The City assisted in preparing for the opening and addressed a number of infrastructure concerns in the Arts District at the urging of, and in coordination with, the ITL Committee.
- Twenty-four hour vibrancy remains a goal for Downtown and some progress has been made in street-level linkages (e.g., the improvement to the five north-south streets funded in the 2002 bond program). The ITL Committee has played a key role in the development of the first Comprehensive Transportation Plan for the Central Business District in more than 25 years. This plan, which was adopted by the Council in June 2005, is the framework for public investment in transportation systems and vehicular movements that will improve the character of Downtown, widen sidewalks in key locations, beautify streetscapes, achieve greater design consistency inside the loop, and change ordinances to make Downtown more of a neighborhood -- which is critical to the realization of its full potential as a center of commerce, residential housing, education, entertainment (including sports), arts and culture.
- The ITL Committee has encouraged and supported financially a contemporary assessment of the route, function and design of the Fair Park Link (this study is currently being completed).
- Real progress has been made in stimulating investment Downtown as a result of allocations from the City Center TIF and other public sector financial commitments since the ITL Committee began its work in April 2002. High-level representatives of every key public sector stakeholder Downtown served on the ITL Committee in an ex officio capacity, and we believe the economic development progress made over the past three years is partly attributable to the coordination of activities among and between these public sector stakeholders. The ITL Committee urges the City of Dallas to continue engaging with these other public sector stakeholders as ever more projects get underway in both the public and private sectors.

Continued.

As indicated in the several exhibits to this final report, locating the second DART alignment through Downtown is perhaps the single-most important decision that will be made for the next quarter century. With the involvement of the ITL Committee, the Comprehensive CBD Transportation Plan has identified a corridor for this second alignment which will now be the subject of an alternatives study by DART. We stress how essential it is that the City of Dallas, Dallas County, the Dallas County Community College District, and the private sector work cooperatively to support this alternatives study and ensure that it is completed timely and with a specific implementation timetable.

Construction of a Convention Center hotel is the highest priority identified by the ITL Committee that has yet to move into an implementation phase. The simple fact is that Dallas will not be able to compete effectively in the current or future convention business without a Convention Center hotel. We encourage the Council to choose a location, a development partner, and a construction timetable as soon as possible, so that Dallas can reclaim its role as one of the nation's premier convention destinations.

A remarkable number of development initiatives have been completed or undertaken since the ITL Committee was formed. These are listed in Exhibit B as a benchmark for thinking about future public and private strategies Downtown. It is important to attract new partners to support these investment and development strategies, including the North Texas Council of Governments, the State of Texas, and various federal programs that can provide expertise and incremental funding to the overall planning and execution of initiatives Downtown.

Midway through the ITL Committee's work, we recommended that all of the studies being conducted to support these goals (e.g., the Downtown Parks Master Plan, the Comprehensive CBD Transportation Study, and related projects undertaken by Dallas County and DART), as well as private sector organizations such as the Central Dallas Association and the Downtown Improvement District, agree on a context for achieving vibrancy Downtown. This Context Statement has been adopted by most of these organizations and the steering committees of all the aforementioned studies. We hope that in accepting the final report of the ITL Committee, the Council will formally adopt this statement as well (Exhibit D).

Continued. . .

The Hon. Laura Miller
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Page Five

Lastly, the Committee strongly concurs with the concept recently advanced that the perceived boundaries of Downtown, which have indeed been defined by the freeway loop for the past 25 years, should be foregone in favor of a broader definition of Downtown. The districts around Downtown have grown impressively and organically over the past 15 years, while the traditional core stalled. In all presentations of the ITL Committee's work over the past three years, aided by the evolution of the Comprehensive Physical Plan for Downtown, we talked about the "spill-in" phenomenon whereby investment and development in these surrounding districts was creating positive pressure toward the core of Dallas. We now see this spill-in reflected in investments being made inside the freeway loop. In the ITL Committee's view, there is no advantage to differentiating between Downtown, the area inside the loop, or the neighborhoods outside the loop; all of these districts should be thought of broadly as Downtown Dallas.

Downtown is the key neighborhood in the Center City geography and the most important one insofar as tax revenues, perception and the future of our City are concerned. We applaud the investment in the deck park over Woodall Rodgers Freeway connecting Uptown to Downtown as adjacent neighborhoods within the Center City. We believe that the rapid development of Central Boulevard on the east side of Downtown has the same potential to connect those neighborhoods with the core (i.e., new development adjacent to Bryan Place, the Latino Cultural Center, the Meadows Foundation/Wilson Historic District, and Baylor University Medical Center). Likewise, the City must ensure that TxDOT's plan for rebuilding I-30 includes in its final form funding for the deck parks connecting Old City Park to the Farmers Market area and South Side to the Reunion/Convention Center district. The connection of Downtown to the Trinity River will link what are arguably our City's two most important long-term physical assets.

Listed on the following page are the Top 5 Immediate and Intermediate Action Items the ITL Committee recommends that the City pursue (and fund) as expeditiously as possible:

Continued.

Exhibit A
Property Values

Exhibit B
Development Initiatives

Exhibit C
Physical Plan

Exhibit C-1
Linkages

Exhibit C-2
The Greening of Downtown

The Top 5 Immediate Action Items - 2005

- Conclude a deal to build a Convention Center hotel.
- Build out the Boulevard System as recommended in the Comprehensive CBD Transportation Plan and construct Central Boulevard as soon as possible.
- Design and complete the three urban parks recommended in the Downtown Parks Master Plan and make progress in acquiring land for Gateway Park and the Emerald Bracelet.
- Vigorously support the alternatives study for the second DART alignment Downtown and advocate an aggressive timetable for construction.
- Advance pedestrian linkages inside the loop with particular attention to connections from the Arts District to surrounding areas (including the Woodall Rodgers deck park), sidewalk enhancements recommended in the Comprehensive CBD Transportation Plan, and bicycle/jogging paths identified in the Emerald Bracelet.

The Top 5 Intermediate Action Items - 2005

- Extend the McKinney Avenue Trolley to Downtown destinations and encourage DART to develop specific plans for a Downtown circulator system.
- Complete design and engineering for a Fair Park Link using Canton Street right-of-way and strengthen connections to East Dallas.
- Work closely with the General Services Administration on the location of the new Federal Courthouse, enhanced by a large, landscaped "Federal Plaza" with underground parking.
- Build the Reunion Overlook and Reunion Plaza on the Trinity Levee.
- Reform and vigorously enforce City ordinances related to surface parking, metered parking, landscaping, fencing and lighting, license fees for sidewalk uses such as cafes, street vendors, and uses of Downtown parks.

Exhibit A

Downtown Improvement District

Property Value

<u>Year</u>	<u>Total Value</u>
1990	\$ 3.92 billion
1991	\$ 3.86 billion
1992	\$ 3.20 billion
1993	\$ 2.59 billion
1994	\$ 2.18 billion
1995	\$ 1.97 billion
1996	\$ 1.89 billion
1997	\$ 2.22 billion
1998	\$ 3.03 billion
1999	\$ 3.39 billion
2000	\$ 3.40 billion
2001	\$ 3.45 billion
2002	\$ 3.28 billion
2003	\$ 2.99 billion
2004	\$ 2.95 billion

CBD + 1 Mile Radius

Property Value

<u>Year</u>	<u>Total Value</u>
2000	\$ 8.60 billion
2001	\$ 8.97 billion
2002	\$ 8.71 billion
2003	\$ 8.41 billion
2004	\$ 8.66 billion

Calculated at 1 mile radius
from the freeway loop

A \$1 billion increase in the property tax base City-wide

yields the following increases in tax revenues:

DISD	\$16.69 million/year	57.0 percent
City of Dallas	7.20 million/year	24.6 percent
Parkland	2.54 million/year	8.7 percent
Dallas County	2.04 million/year	7.0 percent
DCCCD	0.80 million/year	2.7 percent
<u>TOTAL</u>	<u>\$29.27 million/year</u>	

Percentage of taxes paid by homeowners and businesses in the City of Dallas

	<u>Homeowners</u>	<u>Businesses</u>
2002	39 percent	41 percent
2003	42 percent	39 percent
2004	45 percent	38 percent
2005	46 percent	37 percent

Source: Dallas Central Appraisal District

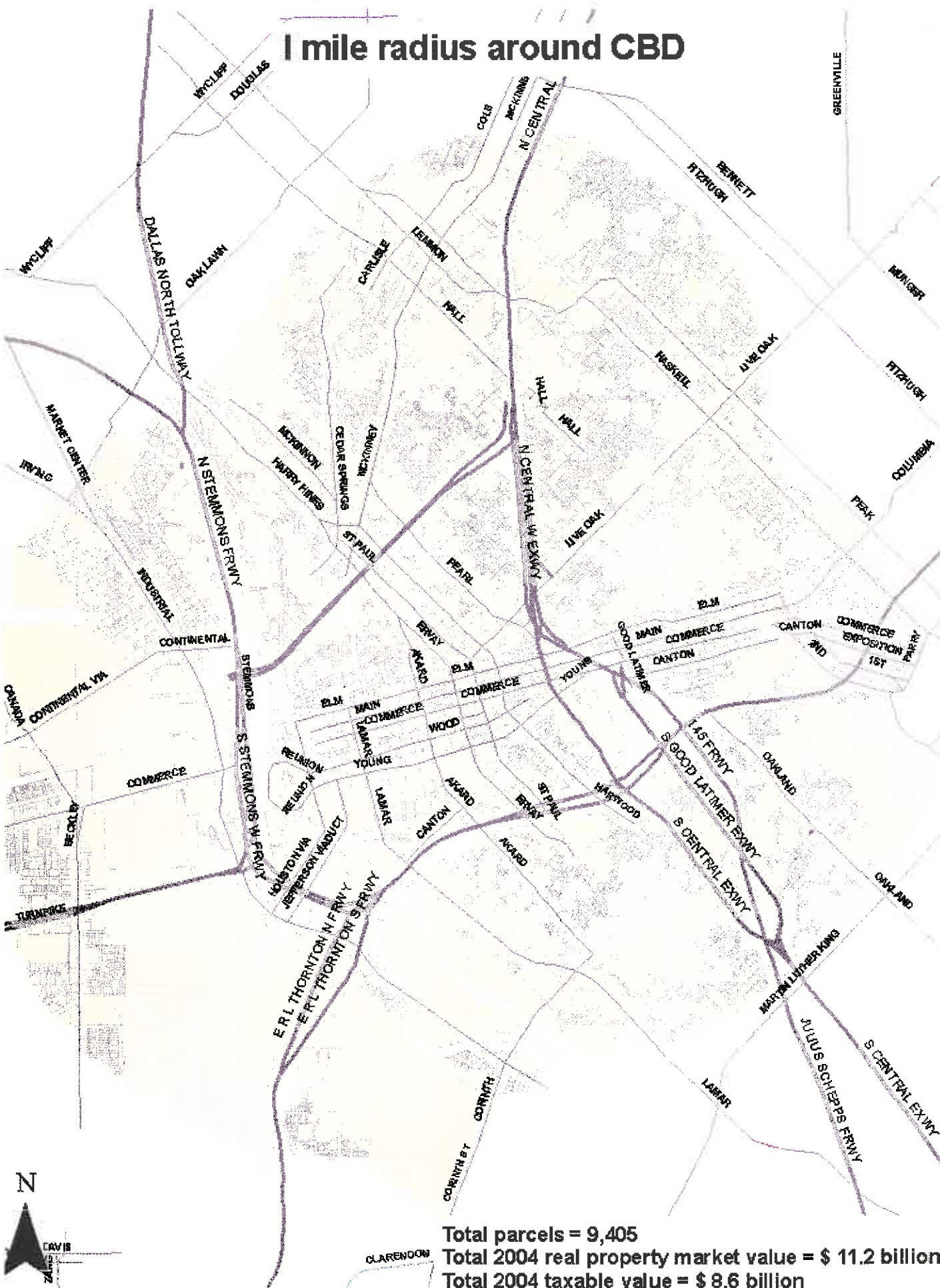


Exhibit B

Development Initiatives, March 2002 – June 2005

City Center TIF Projects Funded

- 1217 Main Street
- 1415 Garage and Residences – Davis Lot
- 1608 Main Street and Pedestrian Accessway
- Dallas Power & Light Building
- Davis Building
- Gulf States Building
- Hart Furniture Building
- Interurban Building and Urban Market Grocer
- Joule Urban Resort - 1530 and 1524 Main Street
- Merriman Architects Offices
- Metropolitan Condominiums- 1200 Main Street
- Mosaic Towers - Fidelity Union
- Republic Center
- Stone Street Gardens
- Thompson Building
- Universities Center at Dallas

Additional City Center TIF Activities/Funding

- Affordable Housing
- DalPark Garage
- Fire Corridor
- Metropolitan Garage
- North/South Streets
- Parking Study
- Parks Master Plan
- Retail Study

Other Public Sector Development Activities

- CBD Transportation Plan
- CityPark Program
- Dallas County Plaza Garage and Plaza Improvements
- El Centro Expansion
- Expansion of George Allen Courts Building
- Ferris Plaza Renovations
- Gold Rings Garage
- Mercantile, Continental and Atmos Energy Buildings (announced)
- Supergraphics Renewal
- UNT Law School at Old City Hall (announced)
- Wayfinding Program

Exhibit B (continued)

Private Sector Development Activities

- Nasher Sculpture Center
- One Arts Plaza (announced)
- Performing Arts Center (announced)
- WFAA Plaza
- Woodall Rodgers Deck Park (announced)

New Retailers

- Benji's Collezzione (announced)
- Citi Cleaners
- Crimson in the City
- Curves
- Footgear (announced)
- Kul Design Studio
- Optical
- Salon Nails
- Swirl
- Urban Market Grocer

New Restaurants/Bars

- Beyond the Box
- Café Mansion at the Nasher
- Campisi's
- City Tavern
- Fuse
- Iron Cactus
- Jeroboam
- Metropolitan Café
- Obar
- Pandora
- Porta de Roma
- Press Box Grill
- Starbucks in the Magnolia
- Which Wich

Exhibit C-1

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

LINKAGES PRIORITIES

Immediate Action Items

1. Complete the Boulevard System with improvements to Ross Avenue, Routh Street to Central Expressway, Young Street from Ervay to Harwood Streets, and Pearl Street from Live Oak to Young Street.
2. Rebuild "Central Boulevard" from Woodall Rodgers to Commerce Street, bringing it to grade and connecting with improvements already in place from Commerce Street through the Farmers Market. Realign Pearl Street to be parallel with Central Boulevard.
3. Create linkages between Downtown and its surrounding neighborhoods utilizing the Boulevard System.
4. Complete pedestrian improvements for Harwood, St. Paul, Ervay, Akard and Field Streets from Young Street to Ross Avenue.
5. Improve pedestrian streetscapes on Market Street (from Wood to Elm Streets) and Routh Street (from Woodall Rodgers to Central Expressway).

Long-Term Action Items

1. Implement a way-finding signage system [in process].
2. Upgrade street lighting to first class standards.
3. Link Downtown to Fair Park via a boulevard using Canton Street right-of-way. Incorporate major access/egress enhancements for Baylor University Medical Center and the Meadows Foundation/Wilson Historic District.
4. Link Downtown to the Trinity River Lake and Trinity Park via Reunion Boulevard.
5. Ensure that funds included in a future City bond program for a new Performing Arts Center are sufficient to provide attractive pedestrian and vehicular links to the center of Downtown.

Exhibit C-2

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

THE GREENING OF DOWNTOWN

Immediate Action Items

1. Create Main Street Garden between the Mercantile complex and the Municipal Building, in as large a form as is practical.
2. Plan, fund and build Pacific Garden and Griffin Street Garden as recommended in the Downtown Parks Master Plan.
3. Assemble key perimeter tracts and combine with enhanced surplus freeway right-of-way to create Gateway Park and the "Emerald Bracelet" greenbelt encircling Downtown.
4. Implement the County's "Old Red Courthouse Square."
5. Create deck parks and pedestrian enhancement over Woodall Rodgers Freeway and the I-30 Canyon.

Long-Term Action Items

1. Work closely with the General Services Administration on the location of a new Federal Courthouse, enhanced by a large, landscaped "Federal Plaza" with underground parking.
2. Build the Reunion Overlook and Plaza on the Trinity Levee.
3. Reform City policy regarding street vendors.
4. Vigorously enforce the new surface parking regulations to ensure landscaping, fencing and lighting meet the new standard.
5. Eliminate the City policy of charging a license fee for awnings overhanging the public right-of-way and for sidewalk cafes.

Exhibit C-3

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

TRANSPORTATION AND PARKING

Immediate Action Items

1. Decide soon on the second DART rail alignment through Downtown; reserve the best options for DART rail corridors (surface or subway) to ensure those options remain open.
2. Complete the Boulevard System with improvements to Ross Avenue, Routh Street to Central Expressway, Young Street from Ervay to Harwood Streets, and Pearl Street from Live Oak to Young Street.
3. Rebuild Central Boulevard from Woodall Rodgers to Commerce Street by removing the overpass at Bryan Street and realigning the southbound lanes to parallel the northbound lanes. Remove the current connection from Central Boulevard to Pearl Street, thereby creating a larger and contiguous Carpenter Plaza. Convert Pearl Street to two-way from Live Oak Street to Young Street.
4. Extend the McKinney Avenue Trolley to the Arts District, the Convention Center and along Main Street to Deep Ellum. Actively study a Downtown circulator system.
5. Re-engineer bus operations downtown and remove buses entirely from Main Street. Consider making Downtown a Free Fare Zone on DART.

Long-Term Action Items

1. Devise a strategy to replace surface parking lots located in the perimeter zone with public parking structures and open space.
2. Require a Special Use Permit to allow new surface parking Downtown.
3. Require a new building permit as a prerequisite for a demolition permit.

Context for Achieving Vibrancy in Downtown Dallas

Downtown Dallas is the single most important financial asset of the City of Dallas, and there is great unrealized potential inside the Downtown freeway loop for economic development initiatives and public sector investments that can yield above-average returns to our citizens in the form of increased sales and property tax revenues. Realizing this potential is pivotal in assuring the City's ability to grow.

A forward-looking strategy for Downtown focused on enhancing the City's revenues can dramatically increase vibrancy and improve the perception of Dallas locally, nationally and globally. Combined with an ambitious but pragmatic physical plan that incorporates specific priorities for land use, transportation, parks, public spaces, and cultural facilities inside the loop, this strategy can result in a wide range of positive economic development choices and public amenities that our citizens deserve.

Dallas citizens want and need a dynamic downtown. The area inside the freeway loop has benefited primarily from a few high-impact public projects over the past two decades, and private capital has been invested only sporadically. Dallas must undertake bold projects Downtown in a business-like and orderly manner. To facilitate these projects, the various Downtown constituencies must speak with one voice, and have the collective will -- in both the public and private sectors -- to make necessary investments.

The many stakeholders Downtown, including the emerging residential population, have the same needs and concerns as other residents throughout our City. An ambitious plan for Downtown Dallas touches an exceptionally wide range of interested persons, from apartment renters to homeowners; from shopkeepers to large retailers; from commercial/corporate property owners to one of the largest public sector constituencies in Texas; from visitors to workers who make up the largest concentration of employment in the City of Dallas.

There must be an investment/return relationship to the public sector's investments inside the freeway loop. Disciplined investments will produce higher tax revenues associated with stepped-up activity Downtown, including commercial, retail, support services, entertainment spending and convention business. These investments increase the likelihood of vibrancy comparable to Dallas' competitor cities, and potentially lessen the tax burden on other parts of Dallas. These investments also heavily impact the ability of commercial property owners Downtown to retain existing major tenants and attract new ones. It is a truism that smart investments create growth, and growth in turn attracts additional investment capital.

Continued. . .

Exhibit D (continued)

Page Two

There are many notable assets inside the loop presently. Linking these existing assets both from a transportation and beautification standpoint is the first priority of a far-sighted land use strategy that fully integrates Downtown with planning/investment initiatives in the districts surrounding Downtown. There must be a *significant* increase in the number of important parks and public spaces Downtown for the benefit of residents, Dallas citizens generally, and visitors. Adequate, yet attractive and discreet, parking in sufficient amounts must support Downtown's commercial infrastructure and public events. And, there must be a contemporary transportation plan for Downtown that incorporates the best thinking for integrating vehicles, light rail, pedestrians and cyclists. It is critical that major thoroughfare enhancements and light rail routes be decided now.

For Downtown Dallas, time is truly of the essence. Enviably choices abound if Downtown's stakeholders have the will to make them.

An aerial photograph of the Hawaiian Islands, showing the main islands and surrounding waters. The islands are dark and rugged, with some white patches indicating snow or light-colored rock. The water is a lighter gray, and the overall image has a grainy, high-contrast appearance.

INSIDE THE LOOP 2003 COMMITTEE

INTERIM REPORT
DECEMBER 2, 2002

Inside the Loop 2003 Committee Members

(as of December 2, 2002)

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Chavez Properties

John Scovell
Woodbine Development Corporation

David Biegler
Central Dallas Association

Rob See
Robert F. See Jr. & Associates, P.C.

Bob Bussone
Camden Properties

John Sughrue
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TrizecHahn

Gerald Wolsborn
Adam's Mark Hotel - Dallas

Gerry Sampson
Neiman Marcus, Inc.

Miles Zitmore
City Center TIF

Introduction

Dallas Mayor Laura Miller appointed the Inside the Loop 2003 Committee in April of 2002. The committee met 14 times during the year to address matters critical to the City's economic future as identified by Mayor Miller. On December 2, the committee presented its second interim report to the Mayor and City Council. This document depicts the Physical Plan that is integral to that report.

The committee's work will continue throughout 2003. Many stakeholders, constituents, and interested parties will contribute their insights to the preliminary proposals shown here. Two initiatives in 2003 will help define an ambitious Physical Plan for Downtown, namely the Parks Master Plan commencing in January and the Downtown Transportation Study which begins shortly thereafter. The results of these two planning exercises will be incorporated in a final, comprehensive version of the Physical Plan.

Last April, Mayor Miller charged the Inside the Loop 2003 Committee to focus on the following activities:

- The creation of a comprehensive Physical Plan for the area inside the freeway loop, i.e. Downtown
- The pursuit of a "big idea" for Downtown, which the committee has identified preliminarily as Commerce Garden
- The successful opening of the Nasher Sculpture Center in October 2003
- 24-hour vibrancy, and street-level linkages within Downtown
- Economic development stimulated by investments Downtown

The Inside the Loop 2003 Committee thanks Mayor Miller and the City Council for their support of the committee's work; for their ambitions for the heart of our City; and for their receptivity toward the committee's principal recommendation that there must be a sophisticated, achievable business plan for Downtown to support the Physical Plan presented here. We look forward to working with the Mayor and the City Council, and all stakeholders in the heart of Dallas, to pursue these goals together.

The committee's priorities for Downtown are listed on page 2 of this summary of the second interim report.

Priorities

Mayor Miller asked the committee to identify the five highest priorities for Downtown, in rank order. As presented to the City Council on December 2, these are:

1. Make the addition of a hotel adjacent to the Convention Center a priority by concluding a deal with a convention hotel, emphasizing linkages to the rest of Downtown.
2. Create "Commerce Garden" on Main Street between the Mercantile and the Municipal Building, in as large a form as is practical.
3. Complete pedestrian improvements for Harwood, St. Paul, Ervay, Akard and Field Streets from Young Street to Ross Avenue.
4. Construct three TIF-financed public parking structures to support retail revitalization of the core.
5. Decide soon on the second DART rail alignment through Downtown; reserve the best options for DART rail corridors (surface or subway) to ensure those options remain open.

In addition, the committee identified the following immediate or intermediate term goals:

- Improve pedestrian streetscapes on Market Street (from Wood to Elm Streets) and Routh Street (from Woodall Rodgers to Central Expressway).
- Complete the Boulevard System with improvements to Ross Avenue, Routh Street to Central Expressway, and Young Street (from Ervay to Harwood Streets).
- Create linkages between Downtown and its surrounding neighborhoods utilizing the Boulevard System.
- Work closely with the General Services Administration on the location of a new Federal Courthouse, enhanced by a large, landscaped "Federal Plaza" with underground parking.
- Study the feasibility of creating "deck parks" or pedestrian enhancement of bridges over Woodall Rodgers Freeway and the I-30 Canyon.
- Extend the McKinney Avenue Trolley to the West End and study connections to the Convention Center and along Main Street to Deep Ellum.

Finally, the committee recommends the following special projects for purposes of planning and funding:

- Ensure that funds included in the City bond package for a new Performing Arts Center are sufficient to provide attractive pedestrian and vehicular links to the center of Downtown.
- Reform surface parking regulations and vigorously enforce landscaping, fencing and lighting requirements.

Executive Summary

Downtown Dallas is the single most important financial asset of the City of Dallas. There is great unrealized potential inside the loop for economic development initiatives and public sector investments that can yield above-average returns to taxpayers in the form of increased sales tax and property tax revenues. Nothing is more pivotal in assuring the City's ability to grow. *Using the basic concepts of a long-term business plan, we believe that the City of Dallas -- with public and private partners -- can implement a revenue-based strategy for the area inside the loop that attenuates the future tax burden of all residential property owners in Dallas, while creating urban design and development opportunities that are presently out of reach.*

An ambitious, forward-looking, revenue-based strategy can dramatically improve the perception of Dallas locally, nationally and globally, resulting in a wide range of positive economic development choices.

Such a strategy assures that the area inside the loop reaches its highest, best utilization. As taxpayers and as citizens, Dallas residents want and deserve a dynamic Downtown. Visitors from the region and far-flung locales will be attracted to a Dallas that achieves such utilization levels, and they will spend significant amounts of disposable income while visiting or doing business here.

There is increasingly intense competition among ambitious, large cities in the United States. The Inside the Loop 2003 Committee believes that while Dallas has made some progress -- even good progress -- since the collapse of the banking, oil and gas, real estate, and insurance industries in the mid-1980's, much opportunity has been lost or by-passed because Dallas has not had a cogent plan for realizing the economic potential of the area inside the loop.

Moreover, it is abundantly clear to our committee that the area inside the loop has been starved of public and private capital for the past 15 years, except for a few high-impact projects such as the Convention Center expansions, and selected private investments in cooperation with the City Center TIF. Meanwhile, other major cities across the United States have invested hundreds of millions of dollars -- or even *billions* of dollars -- in coordinated public/private strategies for their downtowns. It is time for Dallas to undertake similarly bold strategies in an ambitious, yet businesslike, orderly and pragmatic manner.

We must have the collective will -- in both the public and private sectors -- to embrace this approach in order to realize the economic benefits such investments deserve. A catch-can approach, or one that is pursued inconsistently over time, will not work.

A Revenue-Based Business Plan

It is clear to our committee that any successful long-term plan for Downtown must be predicated on performance against established objectives such as increased property tax valuations, increased sales tax revenues, and demonstrable economic impact on the various districts and neighborhoods inside the loop. There are many stakeholders in Downtown, including the newly-emerging residential population (both homeowners and tenants), who have the same needs and concerns as other constituents throughout the city. An ambitious plan for Downtown Dallas, therefore, touches an exceptionally wide range of interests from apartment renters to homeowners; from shopkeepers to large retailers; from major commercial/corporate property owners to one of the largest concentration of public sector facilities in Texas.

These stakeholders own the physical assets that comprise Downtown. It is within our collective power to invest in existing assets, and create new assets, through a disciplined long-term business strategy. The decision-making framework for these investments in the public sector, and the willingness of the public sector to lead, will have much to do with the pace and extent of private sector investing over the next 25 years. The fact is that the property tax base in Downtown Dallas has been in a slump for 15 years. Property valuations were \$3.92 billion in 1990, declined to \$1.89 billion in 1996, and then rose gradually to \$3.45 billion in 2001. In 2002, these valuations *declined* to \$3.28 billion.

<u>Downtown Property Value</u>	
<u>Year</u>	<u>Total Value</u>
1990	\$3.92 billion
1991	3.86 billion
1992	3.20 billion
1993	2.59 billion
1994	2.18 billion
1995	1.97 billion
1996	1.89 billion
1997	2.22 billion
1998	3.03 billion
1999	3.39 billion
2000	3.40 billion
2001	3.45 billion
2002	3.28 billion
<u>Cumulative Change 1990-2002</u>	<u>(-) 15.03%</u>

A business plan for Downtown Dallas must be built on the idea that new public sector investments will soon cause the property tax base to increase at an above-average rate. The opposite approach is to rely solely on private sector investments which, in the strong opinion of the committee, will not occur at sufficient levels to achieve above-average growth (or perhaps any growth) absent public sector investment.

The reason this choice is so important is that a \$1 billion increase in the property tax base Downtown can yield dramatic increases in tax revenues for all taxing entities. Based on a model developed for the committee, this yield is as follows:

DISD	\$15.88 million/year
City of Dallas	7.00 million/year
Parkland	2.54 million/year
Dallas County	1.96 million/year
DCCD	.60 million/year
<u>TOTAL</u>	<u>\$27.97 million/year</u>

These tax revenues represent incremental cash flow to each taxing entity, but do not include the significant increase in sales tax, hotel/motel taxes, and other taxes that would logically flow from a Downtown that has seen 30 percent growth in the underlying value of its physical assets. *It is clear to our committee that this investment/return relationship is the pivotal decision that the City of Dallas must make relative to the area inside the loop.* Provided disciplined investments are made at significant orders of magnitude, there would be higher tax revenues associated with stepped-up activity Downtown, including commercial activity, retail sales, support services, entertainment spending, and convention business.

A major concern, increasingly expressed by visitors, convention organizers and convention-goers, is that Downtown Dallas lacks dynamism and that competitor cities offer more excitement. We must acknowledge that this factor also heavily impacts the ability of commercial property owners Downtown to *retain* existing major tenants, much less attract new ones.

In the committee's opinion, significant changes in the perception of Downtown by various constituencies depend disproportionately on investments by the City in infrastructure. The impact on residents throughout Dallas, and how they view and use Downtown; the impression of Dallas made on visitors from far and near; and perhaps most importantly, our ability to interest mid- to large-size companies in relocating to Downtown, depend on a large financial commitment by the City inside the loop.

There is a truism in business that good investments create growth, and growth in turn attracts additional investment capital. This "virtuous circle" is true in the life of great cities as well. Our committee urges the City Council to embrace this approach toward Dallas' single-largest concentration of financial assets, and stimulate growth through disciplined investments and incentives. In turn, the products of these investments will attract investment capital at a far greater rate than if our future is left solely to the private sector.

The committee realizes that an aggressive intermediate to long-term investment philosophy may result in higher near-term taxes; reflecting the additional cost of funds associated with bond programs and other public financial incentives. However, we must realize that Dallas is no longer a "new" city; instead, Dallas is a maturing, densely-populated urban center which is experiencing all of the same growth pains that other larger cities (and competitor cities of the same size) inevitably encounter.

New cities can achieve growth solely with strong financial management, planning and discipline. But a maturing urban center has more complex financial needs for infrastructure, maintenance, and ambitious improvements like the ones our committee is recommending for Downtown. These necessitate greater public investment and financial incentives across a broad range of initiatives, from attracting commercial investment and convention business, to re-building neighborhoods and preserving historic structures, to creating an image -- a brand -- for Dallas.

A key component to a successful business plan for Downtown is the willingness of the public sector, especially the City of Dallas, to use prerogatives in ways that have not been routine in the past. Foremost among these is the power of eminent domain; our committee is convinced that use of this power must be a prominent part of any ambitious plan for Downtown. We also support aggressive enforcement of existing codes and ordinances to support the business plan.

Our committee wants to underscore and celebrate the fact that the area inside the loop has many notable assets of superior quality. These include Main Street, the Convention Center, Union Station, the Arts District, the City Hall complex, the Farmers Market, the West End, the DART Transit Mall, and government centers such as the Dallas County complex, Federal buildings, Dallas Community College District headquarters and El Centro, and DART headquarters. There are also numerous high-quality commercial office buildings and hotels Downtown. The problem is that these assets are not linked together in a coherent, attractive way, and overall investment in infrastructure, thoroughfares, parks and urban landscaping inside the loop over the past 15 years has been inadequate.

This second interim report is a starting point in pursuit of an ambitious business plan for Downtown. Success depends on the engagement and long-term commitment of stakeholders in both the public and private sectors, and their willingness to invest based on the validity of a revenue-based development strategy agreed upon by all stakeholders. Neither the public nor the private sectors can succeed in this endeavor alone. We must work cooperatively and relentlessly -- and seek investment from every available source. The essential framework is a business plan that measures and assesses returns on invested dollars in a consistent, sophisticated and disciplined manner.

The Inside the Loop 2003 Committee's work has focused on six concepts, as follows:

Current Conditions

The area inside the loop has many outstanding physical assets. It also has wide gaps in consistency and quality of infrastructure, physical improvements, parks and open spaces. For example, while the Arts District and the Convention Center represent two enviable assets for Downtown, there is no linkage between the two. It is virtually impossible to move from one to the other -- either on foot or by vehicle -- without being disappointed by the quality of physical space between them. The same applies to every part of Downtown.

One of Downtown's greatest challenges is the sea of surface parking lots which, in many people's minds, are its signature. In the aggregate, surface parking lots comprise at least 25% of the net land mass inside the loop. The quality of these parking lots ranges from poor to outstanding, but most are on the poor end. A plan for improving surface parking in Downtown Dallas is crucial to our long-term success.

There is also in Downtown Dallas a demonstrable lack of parks, open spaces, landscape and streetscape amenities that distinguish the core of great cities and disproportionately impact perceptions of these urban areas. By linking existing assets in Downtown Dallas using better infrastructure and consistent amenities, we set the stage for encouraging new commercial development across all categories: office, retail, support services and housing. Without these linkages, as well as more open spaces and amenities, the pace of progress will be slow, if not problematic.

Linkages

Moving pedestrians and all kinds of vehicles across Downtown and through its various sub-districts is the crux of any physical plan for the area inside the loop. Our committee strongly recommends public investment in a *boulevard system* that extends to the freeway loop and beyond, creating linkages between existing assets inside the loop and connecting Downtown with its surrounding neighborhoods where important public and private investments have been made -- and are being made today.

The five north-south streets that link the Arts District to Young Street have been at the top of our priorities for a City bond program; these improvements need to be completed on an urgent timetable. Immediately after completion of enhancements to the five north-south streets, or concurrently, the boulevards depicted on the Physical Plan for Downtown should be built out to the freeway loop. In two key instances, these boulevards should be extended. One extension is the link contemplated for decades between Downtown and Fair Park; we believe this should occur on Canton Street, an alignment that connects City Hall to the entrance of Fair Park. The other extension is on the west side of Downtown, connecting the boulevard system via Wood Street and Reunion Boulevard to the City's unprecedented investment in the Trinity River Corridor.

There are two other large boulevard projects that deserve mention. One is the concept of "deck parks" over the Woodall Rodgers and I-30 canyons; the other is bringing Central Expressway to grade on the east side of Downtown.

The leadership of the Uptown area has developed impressive concepts for deck parks of different degrees for Woodall Rodgers, which we urge the City to consider. There is also an opportunity to work with the Texas Department of Transportation and others in designing deck parks over the I-30 canyon behind City Hall when this section of interstate highway is rebuilt. The City's expectations vis-à-vis the TxDOT project should be clear, i.e., that deck parks must be a part of this design. While the actual rebuilding of the I-30 canyon is perhaps a decade in the future, it is important to begin this discussion with TxDOT now and make clear the City's position.

Likewise, we feel our proposal to bring Central Expressway to grade beginning at the Woodall Rodgers interchange, and continuing to the Farmers Market, is one with numerous high-impact benefits. A re-built "Central Boulevard" would connect all of East Dallas with Downtown, including public sector assets such as the Latino Cultural Center and private sector assets such as the Meadows Foundation District, Baylor University Medical Center, and Bryan Place. It would dramatically improve the sense of entrance to Downtown from the north and from surrounding East Dallas neighborhoods. And, together with the Fair Park link, Central Boulevard would create for the first time in decades a logical route into Downtown, connecting easily to the major public assets inside the loop (including the Arts District, Main Street and City Hall), and to Fair Park together with its surrounding neighborhoods.

The Greening of Downtown Dallas

Laments about the lack of large parks and open space in Downtown Dallas go back as far as anyone's memory. The fact is that Downtown is lacking in great park spaces, and where modest ones exist, there are large gaps from one to the next, which diminishes the impact of those parks for office workers, residents, visitors, and potential investors.

Our committee recognizes that Dallas cannot create a park inside the loop on the scale of Central Park in New York, Golden Gate Park in San Francisco, the Boston Common and Public Gardens, and so forth. But we do believe fervently that for Downtown to thrive -- and for the City's business plan for Downtown to succeed -- there must be a sophisticated plan for creating parks and open spaces inside the loop. And, we must have the collective resolve to build these parks and open spaces over the next two decades.

Our sense of urgency about this issue is such that the committee strongly supports Mayor Miller's concept of a "big idea" that can be undertaken immediately. Thus, our focus on the proposal for "Commerce Garden" east of the Mercantile complex and including the Grand Hotel block. The committee's role has been to encourage and facilitate the processes by which the City can make a sound judgment about the qualitative rationale for this park, the related economic development implications, and its overall feasibility from a financial and land acquisition standpoint.

The committee's view is that Commerce Garden meets or exceeds the criteria for parks and open space inside the loop, which must include demonstrable economic development benefits. The realization of Commerce Garden would be the catalyst for many positive developments at the very core of Downtown and would set an example for future park development inside the loop by underscoring the importance of strong public/private partnerships.

The committee notes and applauds the initiative by the Park and Recreation Board to create a Parks Master Plan for the area inside the loop. Such a plan is overdue, and like Commerce Garden on a single-project basis, can have broad implications for Downtown over the long-term. It is key that the public and private sectors have a prioritized set of parks and open spaces, stick to those priorities, and bring to bear all possible public and private financial resources to achieve the Parks Master Plan.

When the Parks Master Plan for Downtown is completed by year-end 2003, the committee will modify the Physical Plan for Downtown to reflect the specific recommendations of the master plan and the priorities established by it. Thus, when looking at the base map for "The Greening of Downtown," it is important to realize that new parks indicated on this map are *concepts* and do not presume to be locations ultimately identified in the Parks Master Plan. The exception is Commerce Garden, which we believe should be pursued while the Parks Master Plan is developed. The committee also observes that the financing for the Parks Master Plan is a 50/50 public/private partnership, which further affirms the intent of Downtown stakeholders to encourage and support City initiatives that have the greatest possible impact on economic growth inside the loop.

Transportation and Parking

As with the Parks Master Plan, the City has taken impressive steps to launch a comprehensive transportation study for Downtown. The Committee applauds this initiative and is convinced that a sophisticated, coordinated assessment of vehicular, rail and pedestrian systems inside the loop is not only timely but absolutely essential to the achievement of business plan objectives and the realization of any ambitious physical plan for Downtown. The committee's base maps for transportation and parking, as with parks and open spaces, depict various ideas that have been advanced in anticipation of this study. We look forward to incorporating the transportation study's findings into a final Physical Plan for Downtown.

While the committee has generally limited its focus to the area inside the freeway loop, we made an exception in recommending a Fair Park link that we believe is important on several levels. We strongly suggest that this link be included as a part of the Downtown Transportation Study.

The committee will continue to advocate various mechanisms for converting surface parking lots in Downtown to open space without diminishing total parking capacity Downtown, or the affordability of such parking. With a careful, coordinated approach in the public and private sectors -- and necessary investment by both -- we believe that the overall appearance and perception of Downtown can be dramatically improved. We recommend that studies be made to assess how a parking authority could match-fund private sector investments in above grade and subsurface parking capacity that would continue to be affordable for Downtown workers, residents and visitors.

At the same time, we strongly urge the Council to enforce and strengthen existing parking lot ordinances. This commitment includes improving the City's own surface parking lots to comply with existing codes. The perception of Downtown will never meet our collective aspirations unless all surface parking lots are improved in a coordinated, comprehensive manner.

Strategies

Taking together all of the themes described in previous sections of this second interim report, the committee proposes that the City and the private sector adopt a single overall Physical Plan for Downtown. A comprehensive, simple Physical Plan can be updated and enhanced by the Parks Master Plan and the Downtown Transportation Study when these are completed. Such a plan is the critical beginning point for realizing a Downtown environment that increases the property tax base through public and private investment at the most rapid pace possible. The result will be higher property values and property tax revenues, as well as higher sales tax revenues and hotel/motel tax revenues. The Mayor asked our committee to develop a response to the question, "Show me the plan for Downtown Dallas." The "Strategies" base map is a first step toward a consensus response which can empower the public and private sectors to pursue an orderly, disciplined set of priorities that will result in a dynamic Downtown.

Once a Physical Plan is adopted, it is critical that investment priorities be addressed *in rank order* and that these priorities *not be modified* until either (1) an established priority is accomplished, or (2) a new priority is deemed to be of greater importance as a result of disciplined processes that engage all stakeholders on a timely basis -- with maximum cooperation and coordination between the public and private sectors. This "substitution rule" philosophy will serve Downtown, and all of Dallas, very well.

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

STRATEGIC PRIORITIES as of December 2, 2002 Interim Report

- Pursue highest potential uses for the entire land mass inside the loop, and achieve a distinctive identity for Downtown
- Invest heavily along the Main Street Corridor and around existing assets throughout Downtown
- Support and expand TIF financing
- Quickly address and improve:
 - Pedestrian and physical linkages
 - Parks and open spaces
 - Transportation and thoroughfare systems
- Positively engage the public at street level
- Advocate a compelling case for significant, steady public investment inside the loop
- Devise approaches to deal effectively with:
 - Existing inventory of Class B, C and D buildings
 - Surface parking
- Make the permitting process user-friendly to facilitate the revitalization of Class B, C and D buildings
- Strengthen and enact ordinances as needed to cause private sector owners to improve blighted buildings and open lots; demand strict enforcement

A PHYSICAL PLAN FOR DOWNTOWN DALLAS

CURRENT CONDITIONS as of December 2, 2002 Interim Report

- A large land mass
- Distinct districts of superior physical assets
- Lack of coherence
- Inadequate pedestrian and physical linkages
- Woeful lack of green spaces and outdoor gathering places
- Improving transportation systems, but critical gaps remain
- Inconsistent, often inadequate, maintenance of public infrastructure
- Inconsistent, often inadequate, maintenance of private property
- Approximately 20 percent of net surface area is parking lots
- Lack of positive public engagement at street level; poor retail and entertainment assets at street level

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