

Exhibit A
Oak Cliff Gateway
Tax Increment Financing District



**Amended Project Plan &
Reinvestment Zone Financing Plan**

February 12, 1997

Amended – December 9, 1998

Amended – January 12, 2005

Amended – November 9, 2009

Amended – December 10, 2014

Amended – August 26, 2015

Amended – December 9, 2015

Amended – February 24, 2021

Plan Framework

Section 1 **PROJECT PLAN** provides a description of the planned public improvements, including a detailed project budget. Also the near term and long term expectations for private development are presented.

Section 2 **REINVESTMENT ZONE FINANCING PLAN** includes an explanation of the increment financing, the financing strategy and the assumptions on which the plan for the Oak Cliff Gateway TIF is based. Also, the financial feasibility of the TIF is examined along with financial policies which have been adopted by the Board of Directors.

Section I – Project Plan

Summary of Plan and Discussion of Modifications

The Oak Cliff Gateway Tax Increment Financing (TIF) District represents an important opportunity for the City of Dallas to develop an attractive entry into the Oak Cliff area and to capitalize on the opportunities provided by the new Oak Cliff Trolley to connect downtown Dallas to key potential growth areas such as the neighborhood around Methodist Regional Medical Center, the Bishop Arts area and the Jefferson Corridor.

The district was created in 1992 to set the standard for job creation while building on successful developments downtown. The Oak Cliff Gateway community occupies a prime location for redevelopment activity between downtown Dallas and Kessler Park. This area, located on the hills overlooking the Trinity River, provides a superior location for new residential and commercial development. However, growth has been slower than expected. Some early developments, such as Lake Cliff Tower, helped to demonstrate the area's potential, but only in the past few years has significant development begun to occur. The district's taxable value has grown by more than \$120 million between 1992 and 2014, including recent developments such as Zang Triangle and Alexan Trinity, but the district lost ground between 2008 and 2011, and continued growth in the core of the district will take additional time.

Parts of the district continue to exhibit deteriorated structures, inadequate sidewalks and streets, tracts of vacant land, faulty lot layouts, unsanitary or unsafe conditions, and deteriorated site improvements. These conditions substantially arrest or impair the sound growth of this part of Dallas.

Recently the City was approached by a development group hoping to help to connect the successes in the Bishop Arts area with the strength of the Jefferson Boulevard corridor by creating a new development between the two areas. This proposal provided an opportunity for the Oak Cliff Gateway TIF District to capitalize on the potential growth in its core area while helping to support new development farther south.

The 2014 modifications to the Oak Cliff Gateway TIF District timeframe, boundary, budget, and policies are intended to help to spur investment in Southern Dallas and encourage orderly redevelopment along the planned extension of the Oak Cliff Gateway trolley line from the Houston Street viaduct, along Zang Boulevard, south to Bishop Arts and beyond Jefferson Boulevard. The proposed changes to the plan include continuing funding for infrastructure needs for new development as well as environmental remediation and façade improvement for rehabilitation of older structures and economic development grants for projects that are not otherwise financially viable.

Modifications to the Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan (“Plan”) in 2014 included the following changes:

- Create two sub-districts within the Oak Cliff Gateway TIF District: (a) Oak Cliff Gateway Sub-district (original district boundary) and (b) Bishop/Jefferson Sub-district.
- Increase the geographic area of the Oak Cliff Gateway TIF District to add approximately 194 acres to create the Bishop/Jefferson Sub-district.
- Extend the termination date of the Oak Cliff Gateway TIF District from the City Council-established termination date of December 31, 2022 to December 31, 2027 for the Oak Cliff Gateway Sub-district and establish a termination date for the Bishop/Jefferson Sub-district of December 31, 2044.
- Maintain the percentage of tax increment contributed by the City of Dallas during the extended term of the Oak Cliff Gateway Sub-district at 85% and establish the percentage of tax increment contributed by the City of Dallas during the term of the Bishop/Jefferson Sub-district at 90%.
- A request will be submitted to the County to have the County participate at the rate of 65% for 20 years beginning in 2015 and ending in 2034 in the Bishop/Jefferson Sub-district.
- Increase the Oak Cliff Gateway TIF District’s total budget from \$10,066,977 NPV (approximately \$33,432,572 total dollars) to \$28,621,027 NPV (approximately \$76,665,998 total dollars), an increase of \$18,554,050 NPV (approximately \$43,233,426 total dollars).
- Authorize an amendment to the participation agreement with Dallas County as a component of this budget increase.
- Restructure the TIF budget to consolidate and broaden categories of eligible project costs into the Oak Cliff Gateway Sub-District (original boundary area); a new category for the Bishop/Jefferson Sub-district; and retain the Education and Administration categories.
- Revised private development goals.

Modifications in 2015 include adding 4.9 acres of vacant and underutilized property west of Beckley Avenue to allow Oxygen, a new \$38 million multi-family project whose project site is only partially in the district, to begin construction and thereby spur additional development on Beckley Avenue north of Methodist Medical Center. The net present value of the budget will remain the same.

In 2021, the Plan was modified to add a budget category for Dallas Streetcar support. The TIF District Board of Directors made a finding that operations and maintenance (O&M) support for the Dallas Streetcar was necessary and convenient to the implementation of furthering development along major transportation corridors and transit connections in and adjacent to the TIF District. TIF District funding support for Dallas Streetcar O&M is intended to be short-term supplemental funding to allow the City and non-profit/for-profit partners to secure and structure other long-term sources of funding.

Tax Increment Base

The total taxable appraised value of real property within the original Oak Cliff Gateway TIF District as of January 1, 1992, according to the Dallas Central Appraisal District (DCAD) was \$38,570,128. The appraised value of real property in this and all other Dallas TIF reinvestment zones combined will remain significantly below the statutory maximum of 15%. In addition, the appraised value of real property in this and all other Dallas TIF reinvestment zones combined was below the maximum threshold of 5% of the City's tax base as set by the City's Financial Management Performance Criteria (FMPC) when the district was created.

In 2009, the base value for the Oak Cliff Gateway TIF District was re-set at \$40,098,623 for the City value. The estimated 2014 base value of the new Bishop/Jefferson Sub-district, according to DCAD, is approximately \$105,400,615. The 2014 taxable base value may be revised when final 2014 figures are available and pending any litigation or tax roll corrections. The City will monitor property with different base years separately. Taxable values may vary by taxing jurisdiction due to different exemption levels.

Market Analysis and Development Program

Although market conditions have changed since Arthur Andersen & Co. prepared the market analysis of the Oak Cliff Gateway area in 1997, the basic focus is still valid. The analysis focused on the need to encourage initial growth and jump-start development within the district by finding productive uses for vacant land and stimulating job creation as a way to spur economic revitalization and increase long-term residential interest.

Based on the initial market research information, a current examination of local development trends, and assuming the development of a targeted implementation program, the TIF board suggested the following target projects:

- Lake Cliff Tower residential redevelopment with adjacent retail, townhome development along Greenbriar Avenue (completed in 2006)
- Core retail development (39,375 square feet completed in 2009)
- Mid and high rise residential with retail along Greenbriar Avenue (Trinity Townhomes development completed in 2007 and Alexan Trinity completed in 2014.)

Exhibit A

- Land assembly for mixed use, high density development adjacent to the Trinity River, between Greenbriar Avenue and Interstate 30 on North Beckley Avenue and Burnett Field near Colorado Boulevard and Interstate 35 (to be completed).

Expansion of Methodist Medical Center's operations created an opportunity to focus denser development in the area roughly bounded by Zang Boulevard, Colorado Street, Beckley Avenue, I-30 and the Trinity River. The 2009 plan amendments provided for funding of the infrastructure and financing needs of this area, and the 2014 plan amendments, including the extended time in the Oak Cliff Gateway Sub-District, give this area the time it needs to succeed.

These projects are designed to create momentum within the core of the TIF district, a key element in attracting potential investment into the neighborhood.

The expansion of the Oak Cliff trolley (currently known as the Dallas Streetcar) and recent development in both the Bishop Arts area and in the Jefferson Corridor have spurred interest in the blocks south of Bishop Arts. TIF funding will help to fund needed infrastructure improvements, complete façade restoration and environmental remediation projects, and spur development through economic development grants in an area of vacant lots, aging multi-family buildings, and under-utilized commercial land.

Area Attributes

The location of the Oak Cliff Gateway TIF District is an ideal setting for residential and commercial redevelopment due to its adjacency to the Trinity River and downtown, as well as its proximity to Interstates 30 and 35.

The pastoral dignity of Lake Cliff Park sets the tone for the Oak Cliff Gateway Sub-district. Scenic vistas from the park and other hillsides within the district are among the finest in Dallas. Potential redevelopment of the Trinity River provides an important bridge between the Oak Cliff Gateway area and Downtown Dallas. Major facilities and natural features of the area include Methodist Medical Center, Lake Cliff Park, Founders Park, school sites and the Trinity River.

The Bishop Arts and Jefferson Boulevard areas serve as a draw for visitors from across the North Texas region and provide destinations for shopping and dining. Proposed developments provide additional restaurant, retail, and residential space while providing needed access to transit and additional parking.

Linkages and corridors play a special role in the expanded Oak Cliff Gateway TIF District. The Dallas Streetcar and both planned and existing trails are vital to development of the district and create the opportunity for expanded recreational, pedestrian, and transit connections both to downtown and through the region.

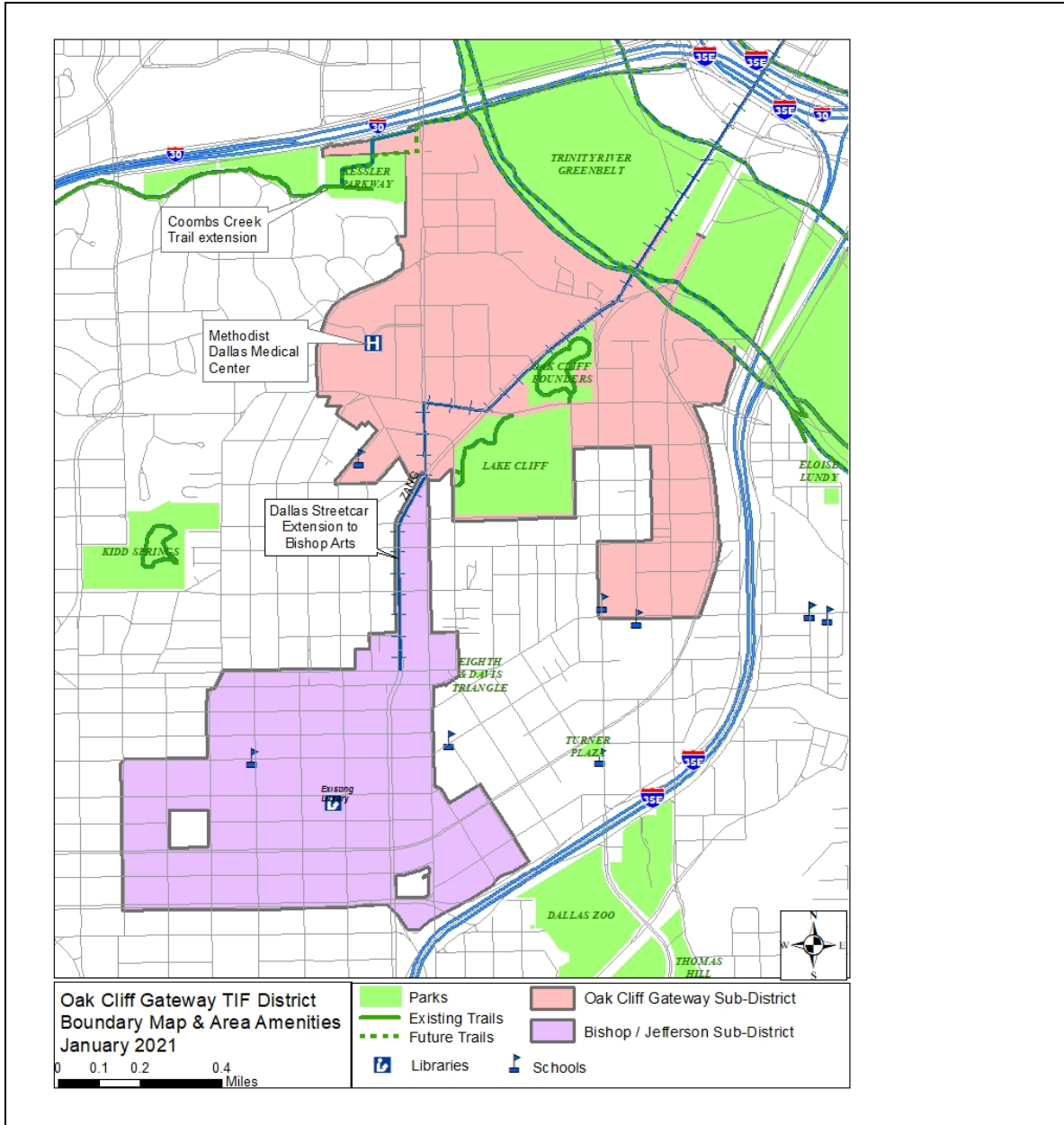
The Dallas Streetcar connects Oak Cliff to downtown Dallas and the greater regional light and heavy rail network. Passengers are able to board in Oak Cliff and then transfer either

to DART's light rail line or to the heavy rail line managed by the TRE which connects downtown Dallas to Fort Worth and the suburbs in between.

View corridors within the districts are a strong attribute of the area. The hilly topography of the area is unusual in Dallas, providing a dramatic setting to view the Downtown Dallas skyline.

The Oak Cliff Gateway TIF district contains more of the original historic buildings than many of the other TIF districts. The designation of the Lake Cliff Historic District has helped to preserve this resource and establish a unique identity for the district.

Exhibit A: Dallas Streetcar, Area Trails, and Area Attributes



TIF District Boundaries

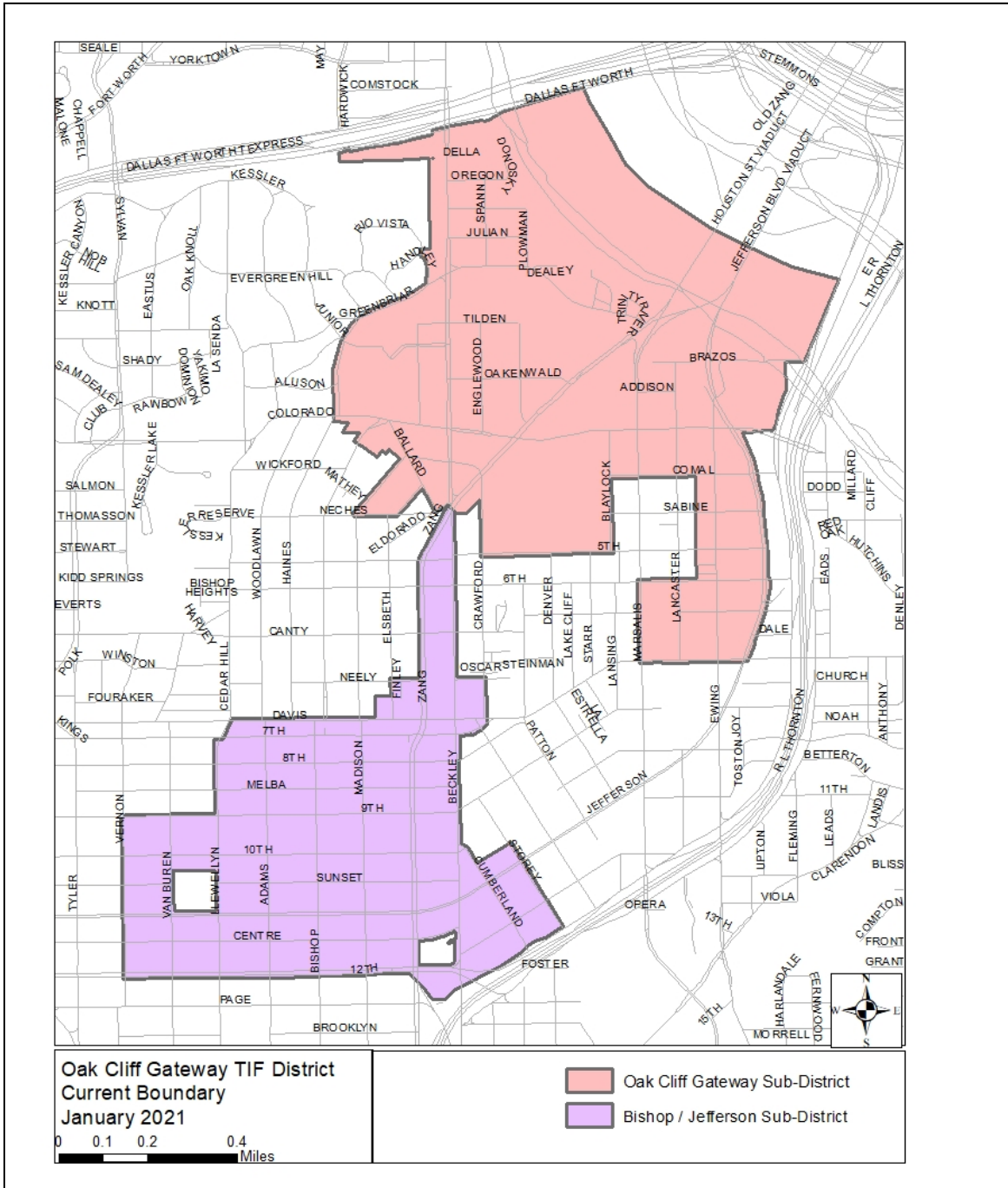
The expanded Oak Cliff Gateway TIF District is located adjacent to the Trinity River and southwest of Downtown Dallas. The Oak Cliff Gateway Sub-district is generally bounded by Interstate 30 and the Trinity River to the north, Interstate 35 and Jefferson Boulevard to the east, 5th and 8th Street to the south and Haines Avenue to the west. An approximately 30-acre tract previously excluded from the district through a 1998 boundary amendment was added back into the district in 2009.

The 2014 amendment added the Bishop/Jefferson Sub-district as shown on the map in **Exhibit B**. This new sub-district is generally bounded by Davis Street on the north, Vernon Avenue and Llewellyn Avenue on the west, 12th Street on the south, and R.L. Thornton Freeway, Storey Street, Crawford Street and Beckley Avenue on the east.

The original district encompassed approximately 254 acres, not counting rights-of-way that the Dallas Central Appraisal District (DCAD) does not identify as land parcels. The Bishop/Jefferson Sub-district encompasses approximately 193 acres (excluding rights-of-way). The 2014 amended boundary had a total area of approximately 447 acres. The 2015 amendment brings the total to 453 acres.

Unless defined otherwise by a relevant City ordinance, district boundaries include all rights of way immediately adjacent to real property within the district, extending to the far sides of the rights of way. Boundaries that approximate property lines shall be construed as following such property lines.

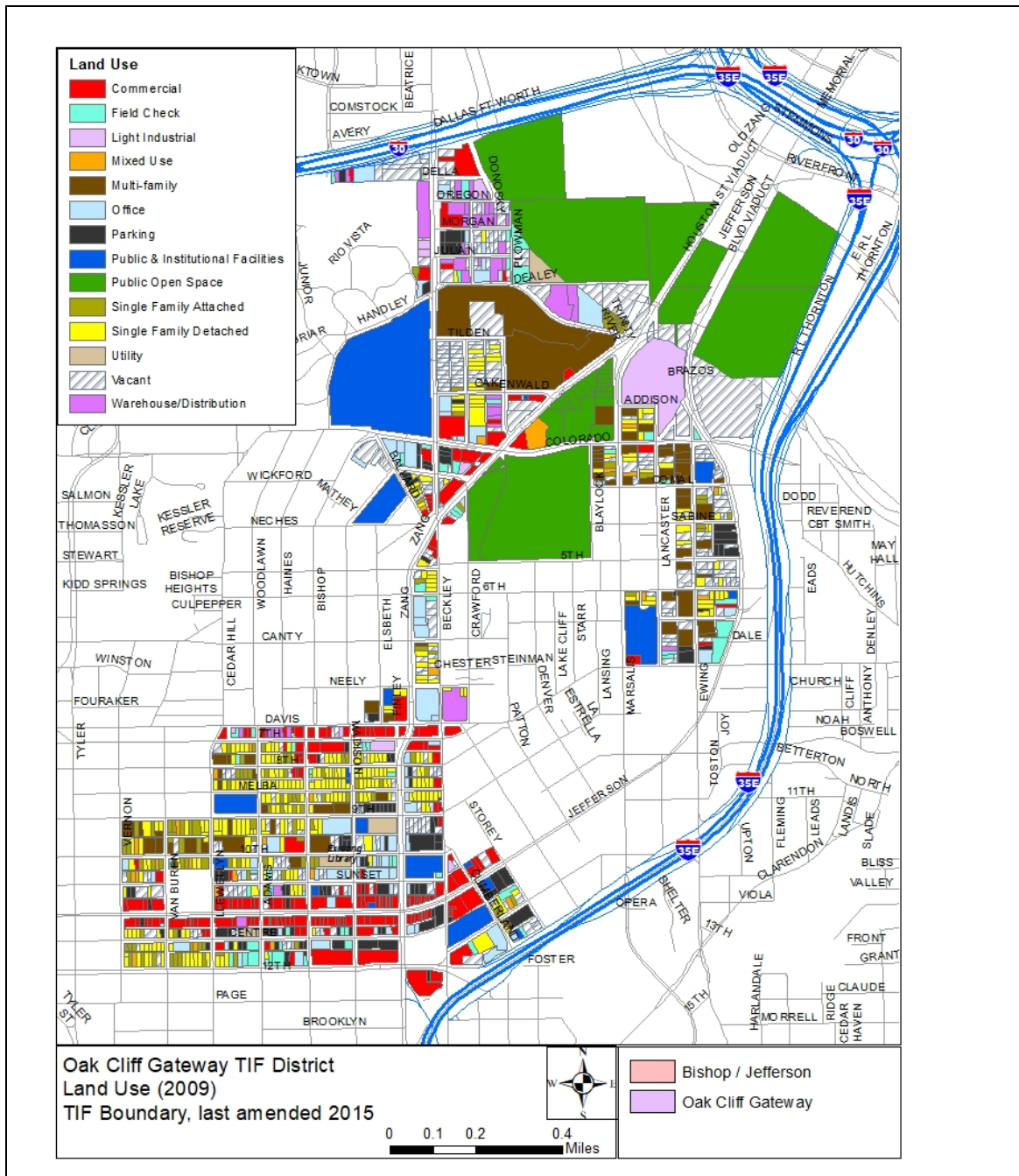
Exhibit B: Map of the Oak Cliff Gateway TIF District



Current Land Use

Land use in the Oak Cliff Gateway TIF District is mixed. Methodist Medical Center creates a major employment center at Beckley Avenue and Colorado Boulevard and has continued to grow during the life of the district. Residential uses and vacant land are scattered throughout the district. The highest concentration of retail use is located at the triangle formed at the intersections of Colorado Boulevard, Zang Boulevard and Beckley Avenue and along Jefferson Boulevard. The Bishop/Jefferson Sub-district is a mix of commercial, multi-family, and vacant land. The sub-district also includes limited single family residential uses.

Exhibit C: Oak Cliff Gateway TIF District Land Use Map (2009 data)



Oak Cliff Gateway Planned Development (PDD) Zoning

The Department of Development Services has been involved in a partnership effort to produce a development plan for the TIF district with input from property owners and business interests in the district, the board of directors for the Oak Cliff Gateway TIF and City staff.

In 2015 the City amended PD 468, based on the City's form-based code, for the northern portion of the area, to include the Oak Cliff Gateway Sub-district and portions of the Bishop/Jefferson Sub-district.

The new zoning designation is intended to create walkable urban neighborhoods where higher-density mixed uses and mixed housing types promote less dependence on the automobile.

In 2010, the City also created PD 830 for zoning near Bishop Avenue and Davis Street. This PD encourages the characteristics of an urban village, with wide sidewalks, street trees, doors and windows opening onto the street, and parking hidden away from the street.

Oak Cliff Gateway Strategic Implementation Plan

Oak Cliff Gateway TIF District is envisioned as a place where people come to work, live, shop, and to enjoy the parks, dining, entertainment, and historic districts. The Gateway retains the distinctive character of its historic settlement. It provides proximity to downtown Dallas as well as opportunities for jobs and business growth. The Trinity River Corridor and the area's parks entice residents, area workers and visitors to enjoy natural beauty, active recreation and quiet reflection. The Oak Cliff Gateway offers a unique park-like setting in the center of the Dallas region. Proposed new development and strategic re-development in the new Bishop/Jefferson Sub-district will be focused on respecting the existing historic buildings and neighborhood character of the area. Planned sidewalks, bike lanes, and green space offer alternatives to driving, and buildings nestle into the existing fabric of the street grid and the neighborhood.

Urban Land Institute (ULI) Study – A Strategy for the Oak Cliff Gateway District and Trinity Place

During the period of October 14-19, 2001, an advisory panel formed by the Urban Land Institute conducted a study of the Oak Cliff Gateway area with particular interest focused on the area of Planned Development District (PDD) 468, Sub-Area A, named for the purposes of the study as Trinity Place. The study (**Appendix A**) focused on Trinity Place, but also examined the entire area and formed conclusions and recommendations that identified the Trinity River Corridor Improvement Plan as a key to development and highly beneficial to the future planned development of the Oak Cliff Gateway TIF District.

The ULI Advisory Panel Study validated the Oak Cliff Gateway TIF District Project Plan and recommended a concentration of mixed-use, high-density development for the entire

Exhibit A

Reinvestment Zone Financing Plan & Project Plan
Oak Cliff Gateway TIF District – February 24, 2021

Sub-Area A with particular concentration of the uses on Burnett Field and the area north of Greenbriar Lane, between the Trinity River levy and Beckley Avenue to I-30, see **Exhibit E**. The advisory panel estimated the infrastructure costs associated with the implementation of this strategy and recommendations at approximately \$15,000,000.

Over the ensuing years, Greenbriar Lane has become a quiet residential street for dense, new townhomes and multifamily apartments.

Beckley Avenue north of Greenbriar Lane remains an opportunity for dense mixed use that takes advantage of the downtown views and proximity to the re-built IH-30 and connections to downtown.

The area east of Methodist Medical Center provides an opportunity for the hospital to expand its campus to the east and to provide additional jobs, investment, and tax base to the City and the district.

Design Guidelines

In 2012, the Oak Cliff Gateway TIF District board of directors adopted Design Guidelines for the district. These guidelines address both the design of private development and the public infrastructure adjacent to the development. The guidelines provide a set of standards that encourages dense, pedestrian oriented development with wide sidewalks, street trees, pedestrian lighting, and parking designed to minimize disruption of the public realm. Since 2013, the City has embraced a process of peer review of all TIF projects. Compliance with the Oak Cliff Gateway Design Guidelines and with the recommendations of the City's Urban Design Peer Review Panel (and other future design review processes) is a requirement for all TIF projects.

In particular, projects within the District will be encouraged to have sidewalks with a clear walking width of at least 7 feet and an additional landscape buffer to protect pedestrians from vehicular traffic. In addition, all projects will be encouraged to bury franchise utility lines, ensure adequate shade, and have first-floor street-facing residential and commercial spaces open directly onto the street frontage.

Planned Private Development

New construction within the TIF district is expected to increase the tax base by approximately \$919 million, raising the net present value of approximately \$26,621,027, or \$76,665,998 in total dollars in tax increment revenue which will be reinvested in the district.

This represents a goal of approximately 1,572,556 square feet of new residential construction (both single family/townhome units and apartment units) and 393,139 square feet of new commercial construction, to include retail, restaurant, and office space.

Planned Public Improvements

Planned public improvements include:

- Public infrastructure Improvements – streetscape, lighting and median improvements, water, wastewater, utility burial
- Pedestrian and lighting improvements throughout the district
- Education and training facilities
- Façade Improvements
- Environmental remediation, interior and exterior demolition assistance
- Economic development grants
- Streetcar Support
- Administration

The Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan provides a long term program to replace and upgrade the area's infrastructure, assistance for environmental remediation and related interior and exterior demolition of buildings to be renovated for residential and commercial use, assistance for façade improvements in the TIF district, assistance for education and training facilities, and for economic development grants to offset the cost of dense, mixed-use redevelopment projects, new roadways, and other public-use improvements.

The TIF district also has the ability to convey public land for economic development purposes so long as the conveyance serves the public purpose of putting land back on the tax rolls, thereby increasing the value of the tax base.

The improvements planned for the Oak Cliff Gateway TIF District are designed to fully meet the long-term public needs to secure the growth and investment of the area. Planned improvements will focus on three major transportation corridors - Zang Boulevard, Colorado Boulevard, and Beckley Avenue – and local streets between Davis Avenue and 12th Street and between Vernon Avenue and Zang Boulevard. These site improvements are necessary for development, design and construction of recreational amenities, including entry portals allowing pedestrian and bicycle access into the Trinity River corridor/trail system.

Tax increment financing will be used to pay for these improvements. Utilizing this program to encourage public infrastructure improvements greatly improves the potential of attracting more commercial investment by improving the economics of the developing market in the district. The Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan also provides for extensive streetscape and other amenities, which complement existing and anticipated investment in the area.

Direct support of historic facade restoration efforts also provides an important incentive to assist new development in the district. The City of Dallas, using TIF funds, can participate in such a facade restoration program. Facade improvements under this program will be reviewed by the Oak Cliff Gateway TIF District Board and the City's Urban

Exhibit A

Design Peer Review Panel (UDPRP) (or other future design review committee) to ensure compatibility with other improved structures and investment in the area.

The City may make economic development loans or grants to further implement this Plan and to encourage additional development in the district. Projects receiving such loans or grants must be consistent with the goals and objectives of the Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan and will be subject to specific project agreements and City Council approval.

Linkages are critical to the Oak Cliff Gateway. Access to major transportation routes is part of the strength of the area. As such, new and enhanced connections are planned to build on these strengths. Planned sidewalks within the district link Lake Cliff and Founders Parks to Methodist Medical Center. Pedestrian and bike trail linkages with the Trinity River are planned. The Oak Cliff Trolley, currently known as the Dallas Streetcar will provide additional transit routes from downtown's convention facilities to the restaurants and shops planned in the area.

Public and private land use and investment decisions based on this concept plan have begun to revitalize the Oak Cliff Gateway. Use of the Tax Increment Financing (TIF) district has added new public investment to supplement projects funded through City of Dallas bond funding programs. Designation of the Lake Cliff Historic District has helped to retain the area's historic neighborhood. Compatible zoning and reasonable variances with the creation of sub-districts have enabled investors to build the developments envisioned here. Lastly, urban design guidelines for public and private investments have ensured that the area's entry points and developments create an identifiable image for the Oak Cliff Gateway.

TIF District Policy Considerations

City policy for TIF districts requires that amended TIF district plans include public objectives such as a provision for affordable housing; utilization of minority and women owned businesses in new construction; promotion of jobs for neighborhood residents; and resolution of issues related to the relocation of area residents displaced by new development. These issues are addressed specifically below.

Mixed Income Housing. Twenty percent of all housing units in projects using TIF funds will be affordable per the City's and County's established criteria for mixed income housing. Affordable housing units are those which are affordable to a household earning 80% or less of the median family income for the Dallas metropolitan area. Affordable rental rates will be adjusted annually.

A developer may, subject to City and County approval, propose an alternative means of fulfilling the City and County's affordable housing requirements.

This plan has a goal of creating new affordable housing units within the Oak Cliff Gateway TIF District, which may include the creation of senior housing or tax credit financed units.

Exhibit A

It is important that affordable housing units blend with the existing community. Mixed-income projects will be encouraged.

Business Inclusion Development (BID) Plan. All TIF-funded projects must follow the City's adopted Business Inclusion and Development Plan. This policy outlines goals for certified Minority- and Women-Owned Business (M/WBE) participation in publicly funded infrastructure projects. The BID Plan goal, as amended by City Council on September 23, 2020, is 32% for construction of public improvements (subject to future modification by City Council). The goal for private improvements is negotiated in the development agreement.

The process for BID compliance and City oversight will be negotiated with City staff and included in the development agreement for each individual project.

Promotion of Jobs for Neighborhood Residents. TIF applicants must agree to sponsor job fairs or other programs to attract neighborhood residents to any permanent jobs created in the developments within the district.

Existing Resident Displacement. Future development projects in the TIF district may include the demolition or extensive renovation of existing multi-family residential property. For that reason, it is understood that some displacement might occur due to redevelopment activities. In such occurrences, the City will only provide TIF assistance for projects where the incidence and impact of any displacement has been minimized. Communication will be a central element in this process.

Section II – Financing Plan

Tax Increment Financing

Section 311 of the State Tax Code, commonly called The Tax Increment Financing Act, provides for municipalities to create reinvestment zones within which various public works and improvements can be undertaken, using tax increment revenues, bonds or notes/advances, to pay for those improvements. At the time an area is designated a reinvestment zone for tax increment financing, the existing total of appraised value of real property in the zone is identified and designated as the tax increment base. Taxing units levying taxes in the zone during its life are limited to revenues from this base.

Public improvements are made in the area to attract private development that would not otherwise occur. As the costs of new development are added to the tax rolls, property values rise. This rise in new value is called the "captured appraised value." Then the taxes that are collected by the participating taxing jurisdictions on the increment between the frozen value and the new, higher value (the "tax increment") are deposited into a TIF fund which is used to pay for the public improvements. Once the public improvements are completed and paid for, the TIF is dissolved and the full amount of the taxes collected in the area is kept by the taxing jurisdictions. In effect, the taxing jurisdictions are investing

future earnings to receive the benefit of higher tax revenues from new development. Also, taxing jurisdictions are not restricted from raising their tax rates during the life of the zone.

Financing Plan

The financing plan developed by the Board provides for approximately \$26,621,027 (NPV) or \$76,665,998 in total dollars of public improvements to be paid for with TIF funds or anticipated TIF increment collections. The financing plan developed by the board allows for the sale of TIF bond funds, if it is in the financial interest of the Oak Cliff Gateway TIF District and the City of Dallas.

Exhibit D: Oak Cliff Gateway Public Improvements Budget

Oak Cliff Gateway TIF District		
Category	TIF Budget (OCG: 1992 dollars) (BA: 2014 dollars)	TIF Budget (Total dollars)
Oak Cliff Gateway Sub-district <ul style="list-style-type: none"> • Public Infrastructure Improvements including Streets, Streetscape, Water, Wastewater, Utility Burial • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants 	\$8,859,775	\$33,513,508
Bishop/Jefferson Sub-district <ul style="list-style-type: none"> • Public Infrastructure Improvements including Streets, Streetscape, Water, Wastewater, Utility Burial • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants 	\$18,554,050	\$38,611,351
Educational/Training Facilities	\$200,000	\$756,029
Streetcar Support	\$257,202	\$950,000
Administration	\$750,000	\$2,835,110
Total Project Costs	\$28,621,027	\$76,665,998
<small>*In order to encourage development in the Bishop/Jefferson Sub-district, Administration expenses and Educational/Training Facilities expenses for the entire District shall be paid out of the Oak Cliff Gateway Sub-district until the Oak Cliff Gateway Sub-district expires. Remaining Administration and Educational/Training Facilities expenses shall then be paid from the Bishop/Jefferson Sub-district.</small>		

Financing Methodology: The City of Dallas/Oak Cliff Gateway TIF District may consider the sale of TIF bonds to finance infrastructure and other public-use improvements in an amount based upon the capacity assessment by the City's financial advisor. The bond debt service would be paid from the future increment revenues. Private developers will advance funds for public improvements in the reinvestment zone. Advances are to be repaid by the proceeds of the TIF bond sales and/or the future increment revenue cash flows to the TIF fund. Taxing jurisdictions need not guarantee these bond and loan repayments with any other source. Private lenders would loan funds only when they were confident that future cash flows to the TIF fund, plus other private assets given as security, would be sufficient to cover their advances to the TIF fund, plus other private assets given as security, would be sufficient to cover their loans.

Bond Issuance: TIF bonds may be issued for the Oak Cliff Gateway TIF District in an amount not to exceed the capacity assessment provided by the City's bound counsel and financial advisor.

Financing Policy: The goal of the Oak Cliff Gateway TIF District is to leverage increment accrued to maximize development in the district.

Long-Term Financing. The City has decided use a dual methodology to finance all subsequent phases of infrastructure and public improvements. After the district satisfied the debt service on the bonds, the district decided to use the remaining increment revenues for additional projects on a "pay-as-you-go basis." Future TIF-funded projects will be reimbursed only after completing all required elements in each project's development agreement.

Expected Revenues. Cumulative private development is expected to exceed approximately \$311 million during the remainder of the 30-year development program, resulting in new taxable value of more than \$919 million at the end of the district. This assumes all taxing jurisdictions participate by 100% through 2012, except the Dallas Independent School District (63%) until 2011. During the initial 10-year term extension only the City of Dallas and Dallas County participated at the rates of 85% and 65%, respectively. During the proposed 2014 term extension, the City will participate in the Oak Cliff Gateway Sub-district at 85% and in the Bishop/Jefferson Sub-district at 90%. The County will participate in the Bishop/Jefferson Sub-district for 20 years at 65%.

Financial Assumptions.

The key factors influencing the financial feasibility study and its conclusions are the financial assumptions which have been adopted. Several categories of assumptions, including development, activity, land appreciation, appreciation of improvements, removal of existing deteriorated structures, and tax rate changes are discussed below:

Inflation and Appreciation. The generally accepted inflator for construction costs and the value of improvements is five and three-quarters percent (5.75%) per annum. Net present values of the tax increment were calculated at this rate.

Exhibit A

Tax Rate Changes. Although tax rates may increase during the future development period, the financial plan assumes that the tax rate will remain constant for the life of the TIF district.

Financial Feasibility

The private development plans; public improvement program, general financing strategy and financial assumptions of the original plan were all included in an economic feasibility study prepared by Arthur Andersen & Co.

Cumulative increased property value is expected to reach approximately \$919 million during the extended term of the TIF district. Coupled with predicted increases in land values, the total taxable value reaches \$1 billion.

Exhibit E: Oak Cliff Gateway TIF Increment Schedule Oak Cliff Gateway Sub-district

Tax Year	Net Taxable		Annual Growth	Captured		Captured Appraised Value County	Tax Increment		Accumulated Net Present Value	Tax Increment		Tax Increment Revenue DCHD	Tax Increment Revenue DCCCD
	Assessed Value	City		Appraised Value	City		Revenue Total Dollars	Revenue City		Revenue Dallas County			
Base Year		\$38,570,128											
1		\$38,245,158	-0.84%		(\$324,970)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2		\$38,639,632	1.19%		\$129,564		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3		\$38,323,980	-0.97%		(\$246,148)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
4		\$39,118,366	2.07%		\$548,238		\$0	\$0	\$0	\$0	\$0	\$0	\$0
5		\$41,514,962	6.13%		\$2,944,834		\$59,146	\$44,722	\$19,189	\$5,919	\$5,919	\$5,471	\$1,472
6		\$43,746,236	5.37%		\$5,176,108		\$103,331	\$118,606	\$33,598	\$10,207	\$9,312	\$9,312	\$2,588
7		\$45,659,848	4.37%		\$7,089,720		\$142,199	\$214,752	\$47,324	\$13,868	\$13,868	\$13,868	\$3,566
8		\$51,431,069	12.64%		\$12,860,941		\$266,401	\$385,083	\$85,847	\$25,188	\$32,641	\$32,641	\$6,444
9		\$54,818,286	6.59%		\$16,248,158		\$339,026	\$590,062	\$108,456	\$31,827	\$41,245	\$41,245	\$9,771
10		\$56,761,977	3.55%		\$18,191,849		\$385,383	\$810,400	\$127,307	\$35,636	\$46,181	\$46,181	\$10,947
11		\$52,797,457	-6.98%		\$14,227,329		\$260,649	\$951,319	\$85,116	\$24,785	\$30,875	\$30,875	\$9,496
12		\$55,421,996	4.97%		\$16,851,868		\$324,311	\$1,117,124	\$111,266	\$24,785	\$30,582	\$30,582	\$11,695
13		\$57,308,839	3.40%		\$18,738,711		\$412,881	\$1,316,733	\$138,985	\$40,039	\$47,546	\$47,546	\$15,336
14		\$60,675,614	5.87%		\$22,105,486		\$485,923	\$1,538,881	\$161,193	\$47,284	\$56,148	\$56,148	\$17,905
15		\$76,125,212	25.46%		\$37,555,084		\$772,572	\$1,872,871	\$256,776	\$84,545	\$87,155	\$87,155	\$27,649
16		\$95,665,708	25.67%		\$57,095,580		\$1,212,775	\$2,368,657	\$402,920	\$129,094	\$136,763	\$136,763	\$43,384
17		\$104,589,616	9.33%		\$66,019,488		\$1,453,846	\$2,930,677	\$469,662	\$150,499	\$167,588	\$167,588	\$53,176
New Base		\$40,097,623											
18		\$98,972,493	-5.37%		\$58,874,870		\$1,374,736	\$3,433,219	\$469,233	\$143,015	\$159,429	\$159,429	\$55,978
19		\$95,104,431	-3.91%		\$55,006,808		\$1,270,510	\$3,872,408	\$433,545	\$132,142	\$147,357	\$147,357	\$51,697
20		\$139,484,827	46.66%		\$99,387,204		\$2,397,194	\$4,656,007	\$811,126	\$272,455	\$275,705	\$275,705	\$97,671
1		\$153,397,659	9.97%		\$113,300,036		\$946,511	\$4,948,582	\$767,551	\$178,960	\$0	\$0	\$0
2		\$168,670,265	9.96%		\$128,572,642		\$1,074,179	\$5,262,567	\$871,015	\$203,164	\$0	\$0	\$0
3		\$211,862,113	25.61%		\$171,764,490		\$1,435,032	\$5,659,222	\$1,163,619	\$271,414	\$0	\$0	\$0
4		\$229,017,976	8.10%		\$188,920,353		\$1,578,363	\$6,071,774	\$1,279,841	\$298,522	\$0	\$0	\$0
5		\$250,888,516	9.55%		\$210,790,893		\$1,428,003	\$6,424,729	\$1,428,003	\$0	\$0	\$0	\$0
6		\$258,415,171	3.00%		\$218,317,548		\$1,478,982	\$6,770,410	\$1,478,982	\$0	\$0	\$0	\$0
7		\$266,167,626	3.00%		\$226,070,003		\$1,531,511	\$7,108,904	\$1,531,511	\$0	\$0	\$0	\$0
8		\$274,152,655	3.00%		\$234,055,032		\$1,585,606	\$7,440,298	\$1,585,606	\$0	\$0	\$0	\$0
9		\$339,766,635	23.93%		\$299,669,012		\$2,030,108	\$7,841,523	\$2,030,108	\$0	\$0	\$0	\$0
10		\$349,959,634	3.00%		\$309,862,011		\$2,099,160	\$8,233,837	\$2,099,160	\$0	\$0	\$0	\$0
1		\$360,458,423	3.00%		\$320,360,800		\$2,170,284	\$8,617,390	\$2,170,284	\$0	\$0	\$0	\$0
2		\$371,272,175	3.00%		\$331,174,552		\$2,243,542	\$8,992,330	\$2,243,542	\$0	\$0	\$0	\$0
3		\$382,410,341	3.00%		\$342,312,718		\$2,318,998	\$9,358,808	\$2,318,998	\$0	\$0	\$0	\$0
4		\$393,882,651	3.00%		\$353,785,028		\$2,396,717	\$9,716,974	\$2,396,717	\$0	\$0	\$0	\$0
5		\$405,699,130	3.00%		\$365,601,507		\$2,476,767	\$10,066,977	\$2,476,767	\$0	\$0	\$0	\$0
							\$38,054,647	\$10,066,977	\$29,603,257	\$2,129,144	\$1,294,232	\$418,776	

Exhibit F: Oak Cliff Gateway TIF Increment Schedule Bishop/Jefferson Sub-district

Oak Cliff Gateway TIF District Increment Collection Chart - Bishop/Jefferson Village Sub-district													
Tax Year	Property Value Estimate	Added Value Estimated	Property Value Growth	Anticipated Captured Value	Tax Increment Revenue City	Tax Increment Revenue City	Tax Increment Revenue Dallas County	Tax Increment Revenue Dallas County	Tax Increment Revenue (NPV) City	Tax Increment Revenue (NPV) Dallas County	Tot. Anticipated Increment Revenue	Tot. Anticipated Revenue (NPV)	Tot. Anticipated Accumulated Revenue (NPV)
2014	\$105,400,615												
2015	\$108,562,633	\$3,162,018	3.00%	\$3,162,018	\$22,681	\$22,681	\$4,996	\$4,996	\$21,448	\$4,725	\$27,678	\$27,678	\$26,173
2016	\$111,819,512	\$3,256,879	3.00%	\$6,418,897	\$46,043	\$46,043	\$10,143	\$10,143	\$62,620	\$13,795	\$56,186	\$56,186	\$76,414
2017	\$121,365,483	\$9,545,971	8.54%	\$15,964,868	\$114,516	\$114,516	\$25,227	\$25,227	\$159,453	\$35,126	\$139,743	\$139,743	\$194,579
2018	\$150,832,881	\$29,467,397	24.28%	\$45,432,266	\$325,886	\$325,886	\$71,790	\$71,790	\$420,035	\$92,530	\$397,675	\$397,675	\$512,565
2019	\$207,092,304	\$56,259,424	37.30%	\$101,691,689	\$729,434	\$729,434	\$160,688	\$160,688	\$971,584	\$214,032	\$890,123	\$890,123	\$1,185,616
2020	\$260,007,296	\$2,914,992	25.55%	\$154,606,681	\$1,108,994	\$1,108,994	\$244,302	\$244,302	\$1,764,536	\$388,712	\$1,353,295	\$1,353,295	\$2,153,248
2021	\$281,128,987	\$21,121,690	8.12%	\$175,728,372	\$1,260,500	\$1,260,500	\$277,677	\$277,677	\$2,616,812	\$576,461	\$1,538,177	\$1,538,177	\$3,193,273
2022	\$304,455,774	\$23,326,787	8.30%	\$199,055,159	\$1,427,823	\$1,427,823	\$314,537	\$314,537	\$3,529,729	\$777,569	\$1,742,360	\$1,742,360	\$4,307,297
2023	\$313,589,447	\$9,133,673	3.00%	\$208,188,832	\$1,493,338	\$1,493,338	\$328,970	\$328,970	\$4,432,619	\$976,468	\$1,822,308	\$1,822,308	\$5,409,086
2024	\$350,337,447	\$36,748,000	11.72%	\$244,936,832	\$1,756,932	\$1,756,932	\$387,037	\$387,037	\$5,437,121	\$1,197,751	\$2,143,969	\$2,143,969	\$6,634,872
2025	\$375,959,851	\$25,622,405	7.31%	\$270,559,236	\$1,940,721	\$1,940,721	\$427,524	\$427,524	\$6,486,372	\$1,428,892	\$2,366,246	\$2,366,246	\$9,176,508
2026	\$387,238,647	\$11,278,796	3.00%	\$281,838,032	\$2,021,624	\$2,021,624	\$445,346	\$445,346	\$7,519,932	\$1,656,576	\$2,466,971	\$2,466,971	\$9,176,508
2027	\$398,855,806	\$11,617,159	3.00%	\$293,455,191	\$2,104,954	\$2,104,954	\$463,703	\$463,703	\$8,537,581	\$1,880,755	\$2,568,657	\$2,568,657	\$10,418,336
2028	\$410,821,480	\$11,965,674	3.00%	\$305,420,865	\$2,190,784	\$2,190,784	\$482,611	\$482,611	\$9,539,134	\$2,101,389	\$2,673,395	\$2,673,395	\$11,640,523
2029	\$423,146,125	\$12,324,644	3.00%	\$317,745,510	\$2,279,189	\$2,279,189	\$502,086	\$502,086	\$10,524,448	\$2,318,445	\$2,781,274	\$2,781,274	\$12,842,893
2030	\$435,840,509	\$12,694,384	3.00%	\$330,439,894	\$2,370,245	\$2,370,245	\$522,145	\$522,145	\$11,493,411	\$2,531,899	\$2,892,390	\$2,892,390	\$14,025,311
2031	\$448,915,724	\$13,075,215	3.00%	\$343,515,109	\$2,464,034	\$2,464,034	\$542,805	\$542,805	\$12,445,945	\$2,741,734	\$3,006,839	\$3,006,839	\$15,187,679
2032	\$462,383,196	\$13,467,472	3.00%	\$356,982,581	\$2,560,636	\$2,560,636	\$564,086	\$564,086	\$13,381,999	\$2,947,939	\$3,124,722	\$3,124,722	\$16,329,938
2033	\$476,254,691	\$13,871,496	3.00%	\$370,854,076	\$2,660,136	\$2,660,136	\$586,005	\$586,005	\$14,301,552	\$3,150,509	\$3,246,141	\$3,246,141	\$17,452,061
2034	\$490,542,332	\$14,287,641	3.00%	\$385,141,717	\$2,762,622	\$2,762,622	\$608,582	\$608,582	\$15,204,607	\$3,349,444	\$3,371,203	\$3,371,203	\$18,554,050
2035	\$505,258,602	\$14,716,270	3.00%	\$399,857,987	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
2036	\$520,416,360	\$15,157,768	3.00%	\$415,015,745	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
2037	\$536,028,851	\$15,612,491	3.00%	\$430,628,236	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
2038	\$552,109,716	\$16,080,866	3.00%	\$446,709,101	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
2039	\$568,673,008	\$16,563,291	3.00%	\$463,272,393	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
2040	\$585,733,198	\$17,060,190	3.00%	\$480,332,583	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
2041	\$603,305,194	\$17,571,996	3.00%	\$497,904,579	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
2042	\$621,404,350	\$18,099,156	3.00%	\$516,003,735	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
2043	\$640,046,480	\$18,642,130	3.00%	\$534,645,865	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
2044	\$659,247,875	\$19,201,394	3.00%	\$553,847,260	\$0	\$0	\$0	\$0	\$15,204,607	\$0	\$0	\$0	\$18,554,050
Totals				\$553,847,260	\$31,641,092	\$31,641,092	\$6,970,259	\$6,970,259	\$2,318,445	\$2,318,445	\$38,611,351	\$38,611,351	\$18,554,050

Financial Policies

General financial policies are governed by the City of Dallas Public/Private Partnership Program, as amended. This program provides a framework for development incentives in a variety of areas. Within this framework the Oak Cliff Gateway board of directors has adopted specific policies for the Oak Cliff Gateway TIF District.

Pedestrian/lighting, street tree and landscaping projects are recognized as an important component of the Oak Cliff Gateway TIF District Public Improvement Plan; therefore, whenever possible a portion of the increment accrued will be set aside for such projects.

Public improvements will be phased at a pace which coincides with private development. Publicly accessible parking facility improvements will be phased to coincide with the pace of related improvements. Projects in the Bishop/Jefferson Sub-district may be required to provide additional publicly accessible parking above the immediate needs of the project. This parking may be required to be structured or otherwise constructed to minimize its impact on the public realm.

Private developers desiring City participation in cost sharing for infrastructure improvements needed for their projects must sign a development agreement with the City.

Each development agreement is mutually exclusive. That is, the nature and extent of support with public funds may change over time as the district becomes more developed.

If a developer needs infrastructure improvements constructed at a time when sufficient funds are not available in the TIF fund, then improvements may be:

- Deferred until funds are available
- Constructed at the sole expense of the developer
- Constructed at developer expense, with the City reimbursing the developer as funds become available.

Private development must substantially conform to the design guidelines adopted by the Oak Cliff Gateway board of directors in order to receive cost participation benefits for infrastructure improvements.

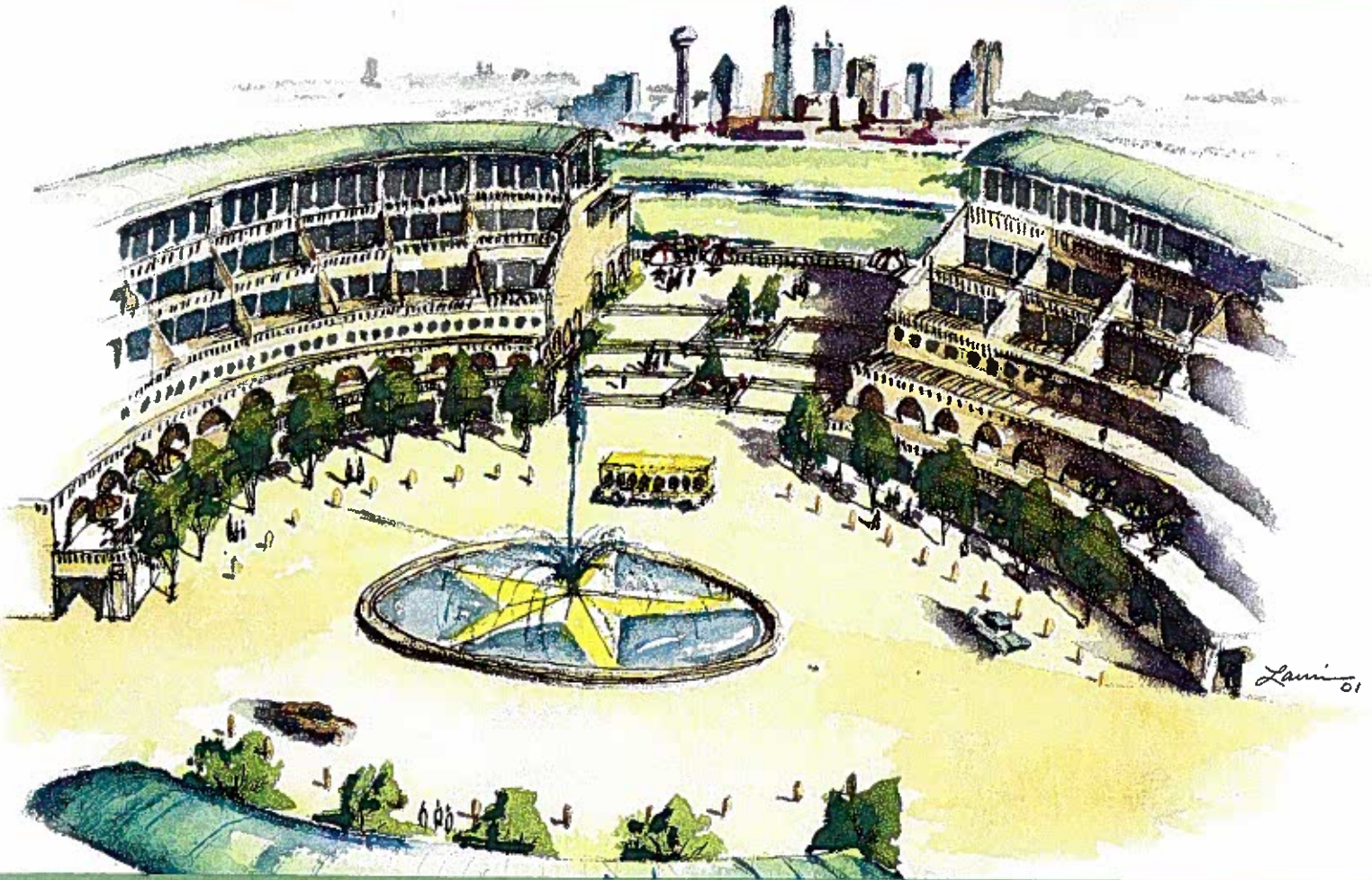
The Oak Cliff Gateway TIF board may from time-to-time recommend amendments to these financial policies, which will affect the operations of the TIF district.

Conclusions

Based upon a set of conservative assumptions and analysis of the project and financing plan, the Oak Cliff Gateway board of directors has concluded that the project and financing plan is feasible.

The success of the Oak Cliff Gateway TIF development will allow the redevelopment of the area. The new residential population base will be supported by redevelopment efforts in the area near downtown Dallas. The expansion of retail and entertainment activities will enhance the area's overall market image. The success of this program will protect and build on this area's untapped real estate potential. The Oak Cliff Gateway Project Plan and Reinvestment Zone Financing Plan was developed with these specific needs in mind.

Oak Cliff Dallas, Texas



**Urban Land
Institute**

Exhibit B
Reinvestment Zone Financing Plan & Project Plan
Oak Cliff Gateway TIF District

Appendix A

Oak Cliff Dallas, Texas

A Strategy for the Oak Cliff Gateway District and Trinity Place

October 14–19, 2001
An Advisory Services Panel Report

ULI—the Urban Land Institute
1025 Thomas Jefferson Street, N.W.
Suite 500 West
Washington, D.C. 20007-5201

Exhibit B
Reinvestment Zone Financing Plan & Project Plan
Oak Cliff Gateway TIF District

About ULI—the Urban Land Institute

ULI—the Urban Land Institute is a non-profit research and education organization that promotes responsible leadership in the use of land in order to enhance the total environment.

The Institute maintains a membership representing a broad spectrum of interests and sponsors a wide variety of educational programs and forums to encourage an open exchange of ideas and sharing of experience. ULI initiates research that anticipates emerging land use trends and issues and proposes creative solutions based on that research; provides advisory services; and publishes a wide variety of materials to disseminate information on land use and development.

Established in 1936, the Institute today has more than 17,000 members and associates from 60 countries, representing the entire spectrum of the land use and development disciplines. Professionals rep-

resented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of America's most respected and widely quoted sources of objective information on urban planning, growth, and development.

This Advisory Services panel report is intended to further the objectives of the Institute and to make authoritative information generally available to those seeking knowledge in the field of urban land use.

Richard M. Rosan
President

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Cover illustration by panelist Laurin McCracken: The panel's vision for the new Trinity Place in the Oak Cliff Gateway District.

About ULI Advisory Services

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI panel teams are interdisciplinary and typically include several developers, a landscape architect, a planner, a market analyst, a finance expert, and others with the niche expertise needed to address a given project. ULI teams provide a holistic look at development problems. Each panel is chaired by a respected ULI member with previous panel experience.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives; a day and a half of hour-long interviews of typically 80 to 100 key community representatives; and a day and a half of formulating recommendations. Many long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. At the request of the sponsor, a written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stake-

holders in the project under consideration, participants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academicians, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance our environment.

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Acknowledgments

The panel would like to extend its appreciation to the city of Dallas for asking the ULI panel to assist in its efforts to revitalize Oak Cliff. Specifically, the panel thanks Laura Miller, Elba Garcia, and the other 13 members of the Dallas City Council at the time of the panel; and Ryan Evans and Jill Jordan, deputy city managers.

The panel was supported by the efforts of the Planning and Development Department: specifically, director Sherrell Cockrell, planning manager David Cossum, and senior planner Michael Finley. Other representatives of agencies and organizations providing support include Stanley Prichard of the city's Economic Development Department, Rebecca Dugger of the Trinity River Project office, and Karen Walz of the Dallas Plan.

Financial assistance for the panel was provided by the following organizations:

- Hicks/Blackard
- Mary Kay Foundation
- Methodist Hospitals of Dallas

- Park Investments, Ltd.
- Oak Farms Dairy
- JPI Lifestyle Apartment Communities, LP
- BELO
- Southwestern Bell
- Texas Utilities
- AT&T
- Lone Star Consolidated Foods, Inc.
- Good Space, Inc.
- Isenberg Management Associates
- Pan American Capital Corporation.

Special gratitude is given to the interviewees and all those who participated in the interview process for openly sharing information about the Oak Cliff neighborhood.

Appendix A

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Foreword: The Panel's Assignment

The Oak Cliff area, located on the south side of the Trinity River, has been seen as far removed from downtown Dallas, even though it lies only about a mile from the convention center, Reunion Area, and other downtown attractions. While parts of Oak Cliff are viewed as desirable, most of the area has been ignored by the city and has not benefited from the recently strong economy.

In addition, the city and the region have been working on a variety of projects that would affect Oak Cliff, including the U.S. Army Corps of Engineers' Trinity River Project, which would involve a series of drainage improvements along the Trinity River resulting in the creation of a large lake between downtown and Oak Cliff, and a proposed parkway project along the river.

A series of other private initiatives have been happening in Oak Cliff: An apartment complex comprising more than 600 units is under construction there, several neighborhoods are experiencing redevelopment, plans are underway for the redevelopment of Cliff Towers, and Jefferson Street is undergoing significant revitalization.

Because of these and other factors, in June 2001 the city asked ULI to convene a panel of unbiased experts to help it evaluate the development potential of approximately 48 acres immediately adjacent to the Trinity River. The area is bounded by Beckley Avenue on the west, the Trinity River on the north, Zang Boulevard on the east, and Greenbriar Avenue on the south. The 1997 Strategic Planning Study by the Dallas Plan, a nonprofit organization formed to create a partnership among the city of Dallas, local organizations, and private citizens, identified this site as part of a general gateway to Oak Cliff.

The panel was asked to address issues related to the market potential, planning and design options, and development and implementation strategies

for the area. The essence of these questions was twofold: First, what is the most desirable development plan for this parcel? And second, what appropriate public actions are needed to achieve the timely realization of the development plan?

Previous Plans and Studies

There have been a lot of previous planning efforts for Oak Cliff and the panel used this information as an important point of reference, but not as a point of departure, in its efforts. It took a fresh look at the assumptions and principles underlying prior plans and studies and reached independent conclusions that are reflected in the findings and recommendations in this report. On balance, the panel's recommendations follow the same general ideas presented in prior general planning "visions" for Oak Cliff, but materially depart from them in their physical form and development strategy.

Relationship to Current Planning: The Trinity River Corridor

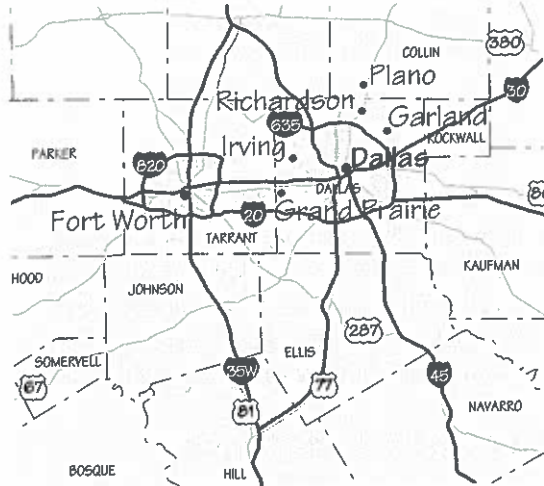
In addition to its previous planning studies, the region is in the middle of a multiyear planning and



Location map.

Appendix A

Dallas is an anchor of the growing Dallas–Fort Worth Metroplex.



However, the panel's recommendations are not predicated on a specific set of plans for the Trinity River Corridor, nor are they dependent on the timing and specific configuration of the improvements. Where appropriate, the panel has made specific recommendations with regard to the Trinity River Corridor Plan as it affects Oak Cliff. These recommendations are focused solely on the enhancement of the development potential of the Oak Cliff study area and not the Trinity River Corridor as a whole.

design process for the Trinity River Corridor—the parcel's largest single boundary. The panel was highly cognizant of the importance of improvements in the Trinity River Corridor to the city of Dallas and to the Metroplex as a whole. The panel views the Trinity River Corridor Plan and eventual improvements to be highly beneficial to the Oak Cliff area in general.

Overview and Summary of Findings and Recommendations

Oak Cliff, over the past several decades, has not participated proportionately in the robust development and growth of the Dallas Metroplex as a whole. However, reinvestment and diverse, multicultural growth are occurring, and visibly so.

The panel strongly endorses the concept of a “gateway” to Oak Cliff. The gateway is not a singular point of access, but rather comprises the entire northern edge between Interstates 30 and 35. It involves not only multiple conventional transportation access points, but also signature design features, into and within the area’s boundaries. The gateway also includes the 48-acre parcel that is prime focus of the panel’s assignment. The panel has named this entire area the Oak Cliff Gateway District.

Once it toured the study area and its surroundings, the panel elected to look slightly beyond the 48-acre study area, believing that it can be the centerpiece of the overall development of the Gateway District. The 48-acre parcel, as a stand-alone development, has a low probability of success. When the parcel is incorporated into an overall gateway program, however, its development potential is unlocked. Therefore, the panel focused its attention on the development of the entire geographic area it defined as the Oak Cliff Gateway District.

The plans for and eventual improvement of the Trinity River Corridor undoubtedly will have a beneficial impact on Oak Cliff. However, to wait for the final determination of these plans and the commencement of improvements would be shortsighted.

The panel’s assignment started with a singular focus—the development opportunities inherent in and the attendant public/private strategies for “unlocking” the potential of a 48-acre parcel.

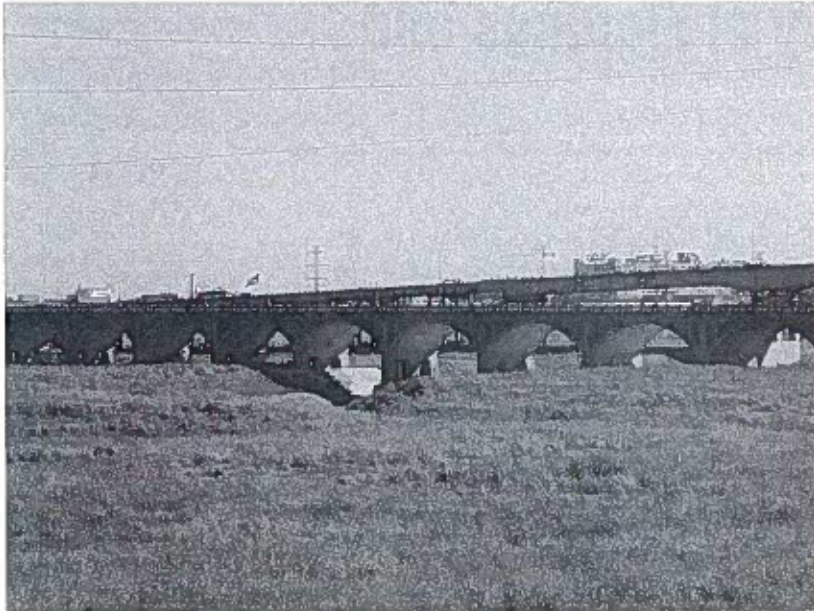
The parcel is situated in a geographic area described by earlier planning studies as the “gateway” to Oak Cliff and was named appropriately “The Oak Cliff Gateway Special Purpose District.” The 48-acre parcel is sandwiched between two main thoroughfares: Beckley and Jefferson. Beckley does not connect directly to downtown Dallas, and the Houston-Jefferson viaduct couplet was characterized by several of those interviewed by the panel as the “back door” of downtown Dallas.

The city staff described the 48-acre parcel as bordered on the west by Kessler Park, on the south by new multifamily development, and on the northeast by the Trinity River Floodway and the central business district (CBD) just beyond the floodway. Currently, the study area is an industrial/commercial district with little substantial development; open storage yards, light assembly, and warehousing are the primary uses there.

Immediately south, a 1,200-unit multifamily development is under construction; the site where it is

The signage that visitors and residents see when entering Oak Cliff does not “announce” that they have arrived someplace special.





The viaducts from downtown provide access over the Trinity River into Oak Cliff.

located was chosen predominantly for the views it offers of the downtown skyline. To the west of the study area lies the Kessler Park neighborhood. Named after George Kessler, one of the pioneers of American urban planning and a native of Dallas, the Kessler Park neighborhood is an upscale island in a neglected and sometimes forgotten area of the city.

Challenges and the Divide

Early in the panel's on-site investigations, several issues that shaped the panel's findings and recommendations became apparent. These were as follows:

- The 48-acre site may once have had prominent visibility, but essentially has no well-defined character today. The parcel is not part of Kessler Park, nor is it functionally or physically a part of the other close-in neighborhoods of the larger Oak Cliff Gateway area.
- The image of a gateway for Oak Cliff is indeed a good idea; however, for gateways to succeed, they require strong, reinforcing physical and visual connections.
- The 48-acre site is not sufficiently strong to stand on its own and, accordingly, the ongoing

development patterns of the Oak Cliff Gateway area as a whole need to be considered.

Once the panel reached these conclusions early in its assignment, it endeavored to cross a historic "divide." The divide, in geographic and historic terms, is the Trinity River. The river and its levees also represent a divide of perception: Over much of the past 50 years, Oak Cliff and South Dallas have languished in comparison with the explosive growth of North Dallas or of the Metroplex as a whole.

The panel heard many double-edged descriptions of Oak Cliff. On one hand, many view the general Oak Cliff area, with its rolling topography and abundant tree canopy, as offering some of the most naturally attractive real estate in the city. On the other, many followed up this description with a not-so-subtle suggestion that in spite of its natural attributes, Oak Cliff is the least desirable part of Dallas.

In addition to the physical and perceptual divide that separates Oak Cliff from the rest of Dallas, the ongoing disagreement about the corridor alignment for the proposed Trinity River Parkway/Tollway constitutes yet another divide—whether to split the alignments between the north and south sides of the Trinity River or to concentrate them on one side or the other.

A Unified Approach

After substantive deliberation and analysis, the panel reached the following conclusions about a unified approach for the development of the 48-acre parcel:

- Prior planning studies for the Oak Cliff area are important and useful guides. They serve as an important and meaningful foundation, but only as a point of departure. In addition, while future improvements along the Trinity River will enhance the development potential of the Oak Cliff Gateway, its success does not depend on them.
- Strong, reinforcing physical and visual connectivity to downtown Dallas is an issue of paramount importance affecting the development

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potential of the 48-acre site. In this regard, creating a strong north/south connection, particularly with direct access from Beckley to I-30, is the most immediate issue in establishing the gateway framework for the Oak Cliff area in general.

- The development potential of the 48-acre parcel is inextricably linked to market opportunities within the immediate Oak Cliff area, and also to the dynamic growth of intown living and visitor activity occurring in and on the periphery of downtown Dallas. For the development of the site to succeed, it is necessary to assess these two distinct market sectors to reinforce and possibly to accelerate its development.
- Given the extended time involved in reaching an ultimate decision on the alignment of the proposed Trinity River Tollway and the importance of this issue to the city of Dallas and to the Metroplex, the panel concluded that the development potential of the 48-acre site does not rest on this issue in the near term, nor will the ultimate decision of the alignment affect the development of the site, provided a com-

plete access solution is in place in the near term and there is coordinated investment in a full gateway concept involving I-30, Beckley, the Houston-Jefferson viaduct couplet, and I-35.

- The existing ownership patterns of the 48-acre site, together with the extensive requirements for improved access and broad improvements to the physical character of some of the immediate environs, will require active public stewardship and concomitant investment to realize the development potential of the property. Unless there is direct public involvement in the development of the 48-acre site, it is likely to languish for several years or longer.

Market Potential

Conclusions about the potential feasibility of new development and the level of support for various real estate products begin with an understanding of the economic base of the regional market, trends in population and employment growth, the existing inventory of various types of real estate (including information about rents and vacancy levels), and the rate of absorption of available space.

This knowledge then needs to be augmented through an assessment of the strengths, weaknesses, and opportunities of a specific local market and site, its position relative to other locations in the regional real estate market, and the characteristics of competitive projects. Through a thorough market analysis, it becomes possible to identify, for a specific submarket, the types of real estate products most likely to be successful, the amount of such space that can be leased successfully in a given time period, the rent levels that can be achieved, and the features and amenities that need to be provided to attract buyers and tenants.

For the Oak Cliff Gateway District study area, the panel evaluated multiple sources of information provided by the city of Dallas, including demographic and economic data from the 2000 census and other information providers, projections by the North Central Texas Council of Governments, and other published sources. Interviews with developers, brokers, and other market participants were used to develop both quantitative data on land values and potential rents as well as qualitative assessments of market perceptions and new development opportunities.

The primary focus of these interviews was the market potential for various types of residential and retail-related development in the Oak Cliff Gateway District. The panel used this information to assess the overall market potential of new

development in the study area and to identify potentially feasible development projects.

The information presented in this section represents simply an overview of market potential based on review of information provided by others. More focused market research and feasibility studies, however, will be required before firm conclusions can be drawn about the feasibility of any specific project.

Dallas and Its Region

The city of Dallas lies within the Dallas/Fort Worth Consolidated Metropolitan Statistical Area (CMSA) defined by the U.S. census, which consists of the eight-county Dallas Primary Metropolitan Statistical Area (PMSA) and the four-county Fort Worth/Arlington PMSA.

As identified in ULI's 2000 market profile of the Dallas/Fort Worth metropolitan area, which was prepared by M/PF Research, Inc., the area's economic strengths include a central U.S. location, low business and living costs, and extensive multimodal transportation networks. The area has one of the largest concentrations of major corporate employers in the country and is a key center for business services and distribution. It also has a sizable high-tech industry cluster, primarily in telecommunications and electronics manufacturing (including computer chips).

From 1993 through 1999, the region experienced strong employment growth, and a substantial employment growth rate of 3.4 percent in 1999 alone. Since 1990, it has experienced a strong annual average population increase of 2.1 percent; in 1999, the region's population exceeded 4.8 million, with 3 million people in the Dallas PMSA and just over 1 million in the city of Dallas. The median household income in the region exceeded \$50,000 in 1999 and throughout that year was

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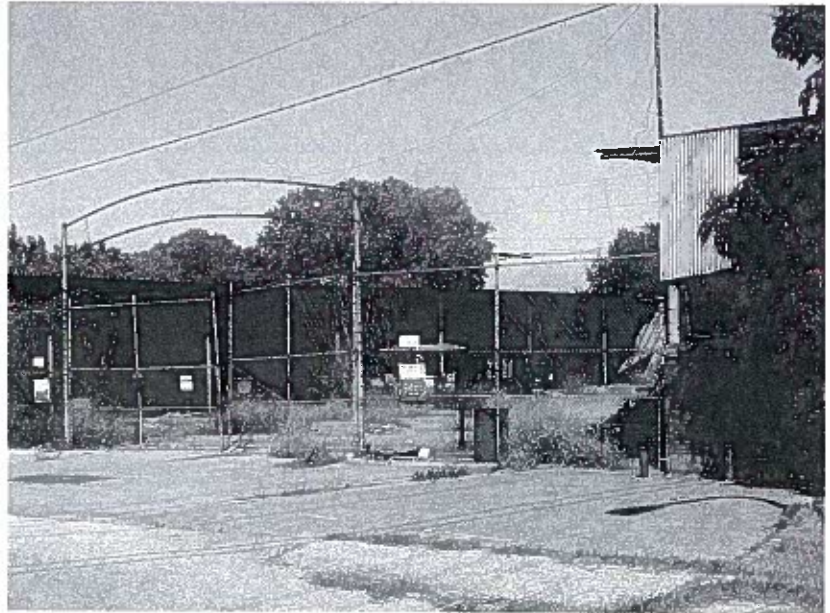
showing continuing growth in real incomes, with an average annual increase of 3.8 percent.

Many individuals interviewed by the panel consider the Dallas economy, with its significant job cuts and decreased growth in the high-tech and particularly telecommunications sectors, to be in a downturn, reflecting recessionary tendencies in the larger U.S. economy. However, this does not detract from the positive long-term outlook for the city's economy and expectations of continuing strong employment and population growth. While the events of September 11, 2001, have created a great deal of confusion and uncertainty, their impacts are likely one-time and short-term ones, except for the impacts on selected industries (such as hospitality) that may experience somewhat longer-lasting setbacks.

The number of housing starts in the region in 1999 declined over that of the previous year, with most of the decline in multifamily starts. In the same year, the median new home price was \$118,000. The panel spoke with a number of people active in the development community who believe that Dallas is overbuilt in multifamily rental housing, with reduced rents and other rental concessions being offered in certain affected areas, such as Uptown.

Condominium development was steady through 1999, with development activity concentrated in the luxury segment of units ranging in price from \$250,000 to \$400,000 and up in the Turtle Creek and Oak Lawn areas. Multifamily rents for the entire region averaged at or just under \$1 per square foot, while rents in the desirable Uptown areas were identified as having reached as high as \$1.50 per square foot prior to the recent softening of the market. Despite the current market slump, more than 25,000 new residents have been attracted to the Uptown, Deep Ellum, and other downtown areas over the past few years, and this will continue to create long-term benefits for these areas.

Retail development and absorption have been active in the region over the past few years, fueled by continuing population growth and real income growth, resulting in increasing consumer expenditures that averaged an annual 8 percent growth in 1999. The current economic slowdown will cause



some retailers to go out of business and overall retail sales to decline. However, with continued projections for long-term population growth, the outlook for the retail sector is positive. Average quoted rents in 1999 for nonregional center space was just over \$14 per square foot per year.

Portions of Oak Cliff currently are used for industrial purposes—an underuse of the area in the panel's opinion.

Within the city of Dallas over the last several decades, the vector of population and employment growth has been northward, from the downtown CBD and beyond into the nearby suburbs such as Plano and Frisco. During the 1990s, significant development of intown urban-style housing in the Uptown, CBD, and Deep Ellum areas attracted more than 25,000 new residents there. Southwest Dallas's population has been relatively stable, although further-out suburbs such as Duncanville and DeSoto are experiencing significant growth.

Oak Cliff Gateway District Market

The Oak Cliff Gateway District consists of that portion of the larger Oak Cliff section of southwest Dallas that is directly across the Trinity River from the downtown area. It is approximately bounded by Interstate 30 to the north, the Trinity River to the east, Jefferson Boulevard to the south, and Hampton Road to the east. The larger Oak Cliff area continues southerly and

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Methodist Hospital, on the edge of Oak Cliff, is a major employment center and an asset to the area.

westerly of the Gateway area to the Dallas city limits.

The Gateway District consists of several distinct submarkets. At its northern end are Kessler Park and Stevens Park, two attractive neighborhoods composed of large, high-quality homes originally developed in the 1920s and 1930s and set on an escarpment above the Trinity River featuring rolling topography with large, mature trees. To the south, the Kings Highway, Winnetka Heights Historic District, Miller-Stemmons, and Kidd Springs Park neighborhoods offer somewhat smaller residences built during the same era. The southern boundary of the Gateway area, Jefferson Boulevard, contains the historic commercial core of the area and most recently has experienced a resurgence as a shopping district oriented toward the area's numerous Hispanic residents.

The eastern side of the Gateway area, from Beckley Avenue to the Trinity River, contains a diverse range of uses. They include attractive residences immediately around the Lake Cliff Park Historic District and major employment centers such as Methodist Medical Center at Beckley and Colorado avenues and the Oak Farms Dairy processing and distribution facility between the Houston Street and Jefferson viaducts.

A new rental residential development comprising more than 600 units is being constructed in two phases at Greenbrier and Beckley avenues. At the same time, certain blocks south and east of Lake Cliff Park have significant blight conditions, with numerous apartment buildings from the 1960s and older houses in need of rehabilitation.

The panel's original study area includes approximately 48 acres largely consisting of various small- and medium-sized low-density industrial and commercial uses. It is a relatively narrow strip that runs along the Trinity River floodway from Interstate 30 to the Houston Street viaduct and also comprises the noncontiguous site of the former Burnett Field on the eastern side of the Oak Farms Dairy complex. Its landward side is bounded by Beckley Avenue on its west side and Greenbrier Avenue along its southern edge down to the Houston Street viaduct.

Household and Population Characteristics

Six census tracts (0020.00, 0042.01, 0042.02, 0044.00, 0046.00, and 0047.00) roughly correspond to the boundaries of the primary Gateway District trade area. Based on 2000 census data, the Gateway area consists of about 19,100 residents and approximately 8,441 households. Aside from the census tract corresponding to most of Kessler Park and Stevens Park, most of the area's population is of Hispanic origin, ranging from 60 to 90 percent in one tract.

Household sizes in census tracts with large Hispanic populations range from an average of 2.78 persons, which is comparable to Dallas's average, to as high as 3.93 persons per household, with the tracts with a higher average having a greater proportion of children under 18 years of age.

Over the past decade, there has been significant demographic change in the area, with two census tracts showing a substantial decline in their African American population. (The panel was told that during this same decade a sizable African American neighborhood has grown around Illinois Street to the south.)

Household income data from the 2000 census will not be released until 2003, and with the substantial demographic change that has occurred, econo-

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metric projections of current household incomes based on 1990 census data may be unreliable. People familiar with the area who were interviewed by the panel believed that Hispanic residents tend to have household incomes below the median income for Dallas, but that their larger family sizes and spending patterns represent significant buying power. At the other end of the scale, Kessler Park and Stevens Park residents are likely to have household incomes considerably higher than the Dallas median, based on housing values and the high proportion of professionals and entrepreneurs living in the area.

Population Growth

Estimates of population and household growth are important for assessing the likely number of new housing units that will be needed in the future.

The North Central Texas Council of Governments prepares projections of future population, household, and employment growth in order to assist regional planning efforts. Most recently, these estimates were prepared for the 1995–2025 time period by dividing the region into demographic forecast districts and allocating growth through an econometric model based on a variety of factors.

The demographic forecast districts (121.00 and 122.02) closest to representing the Oak Cliff Gateway District somewhat exceed its boundaries. Even so, the most recent forecast suggests a population increase of only 1,350 households and 3,600 persons over a 30-year period. This represents an approximately 0.5 percent annual average increase in households and 0.75 percent increase in population, which is considerably less than the Dallas/Fort Worth regional average of approximately 2.1 percent per year. This low rate of population and household growth would support only 800 or so new residential units over the next ten years.

The builtout nature of most of the Gateway area and an assumption of relatively little change in land uses account for the low demand for new residential construction over the next decade. However, the study area contains a significant amount of land that could be put to residential use. Furthermore, a recent large multifamily residential development of 600-plus units created through the assembly of smaller residential par-

cells suggests the potential for additional projects that could result in greater residential densities.

Should the Gateway area match either the Dallas/Fort Worth annual regional average growth rate of 2.1 percent, or the higher Dallas growth rate of approximately 3 percent per year, the area could support an additional 1,800 to 2,600 units of new housing over the next ten years, or an increase of approximately 25 percent or more above the existing housing stock in the primary trade area. Based on Dallas's experience with other redeveloped intown housing markets, there may be the potential for an even greater increase in the housing stock if additional large parcels become available for development.

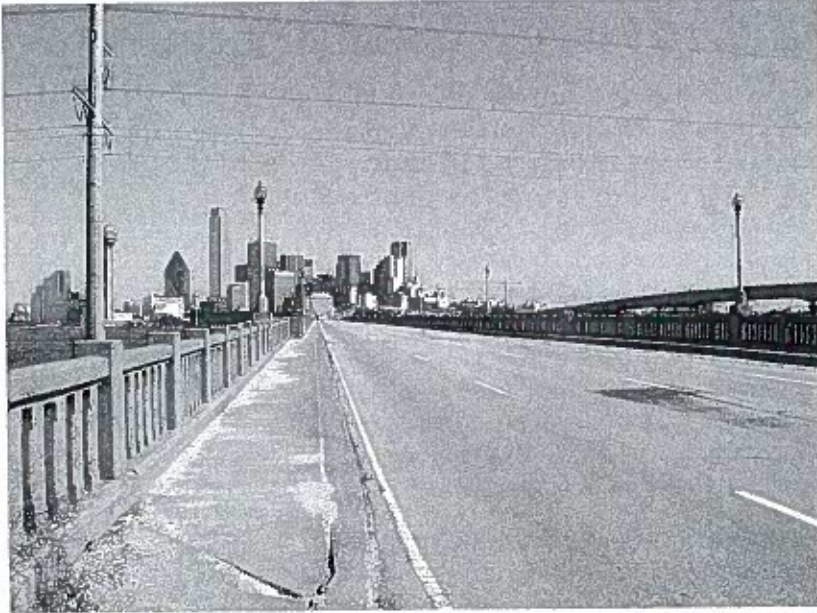
Several factors suggest that the Gateway area could support such an increase in its housing stock. Worsening roadway congestion in the region heightens the attractiveness of close-in residential areas such as the Gateway. As the region struggles to improve its air quality, new policies and programs are likely to support new housing in areas, such as the Gateway, where residents make fewer and shorter trips and are more likely to use public transit. The continuing relocation of firms and individuals to Dallas from other areas creates a steady stream of people potentially interested in the Gateway's combination of setting, convenient location, and diverse multicultural character.

Competitive Analysis

Demographic data of inner-city neighborhoods such as Oak Cliff normally would paint a dim picture of an area experiencing population declines and concentrations of low income. In some respects, Oak Cliff is not surprising: it has concentrations of low-income households; it lacks many basic retail services; and homeownership is below the city's average. But, in several regards, the Oak Cliff Gateway District demonstrates intrinsic advantages among the intown housing and retail markets.

Strengths. First, the district is close to the CBD's employment and cultural facilities. For many of the 100,000 workers in the CBD, this proximity gives Oak Cliff a strategic advantage over alternative locations in Arlington, North Dallas, and the far North Dallas areas.

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There is easy access to downtown from Oak Cliff via the Jefferson Viaduct.

In addition, the Gateway offers ease of access across the Houston, Jefferson, and Commerce Street viaducts to the CBD and on ground level and interstate connections to job and shopping centers within just a few miles of the site. Perhaps one of the district's most important advantages is the excellent downtown skyline views possible from numerous Oak Cliff sites.

Other noteworthy qualities of the Oak Cliff Gateway District include its substantial stock of attractive historic housing that, like Hollywood Heights, has experienced significant investment in rehabilitation over the last several years. Unique topography, tree cover, and good park access—with opportunities for more—add to the area's appeal.

Substantial in-migration from northern Dallas neighborhoods, a pool of high-income households seeking greater shopping choices, and growing Hispanic neighborhoods that are family oriented and that have larger-than-average expenditures for goods and services contribute to multimarket retail demand for the Oak Cliff area.

Weaknesses. Notwithstanding the pluses of the Oak Cliff Gateway District, which were obvious to the panel members, the environment comprises perceived and real weaknesses. The quality of the public school system and the relative lack of

choices in private schools, for example, reduce the area's attractiveness to middle- and upper-income families with children.

Furthermore, many Dallas residents perceive the Oak Cliff area as unsafe, which greatly affects immigration and investment in the area. Anecdotal information abounds of residential brokers steering prospective buyers away from Oak Cliff. Blighted conditions in certain block and key corridors, compounded with historically inferior infrastructure and basic public services, reinforce the image many nonresidents have of the area.

The average family income level there lags the Dallas and national averages, indicating the lower level of discretionary income of its residents. A lack of retail shopping opportunities, including specialty retail for middle- and upper-class residents as well as home furnishing and home improvement stores for all residents, forces Oak Cliff residents to travel to other quarters for even the basics.

Finally, the area's strengths are not widely known to the larger region. Because the area is described as being on the wrong side of the Trinity, its weaknesses appear magnified, but its strengths are some of Dallas's best-kept secrets.

Opportunities. Most weaknesses evident in Oak Cliff have a flip side, actually creating or revealing opportunities for economic and physical development. For instance, the lower cost of land that results from reduced demand will allow new residents seeking an urban lifestyle to find more affordable dwellings. Underutilized and transitional light-industrial sites are available there for new residential, retail, and mixed-use development.

A number of riverfront development sites also are available, offering attractive downtown views across the Trinity River. The current lack of retail uses creates demand for them in two market segments. Likewise, the current paucity of new residential developments creates demand for new residential units.

On balance, the panel finds that the strengths of the Oak Cliff Gateway District significantly exceed its negatives. The district offers the city of Dallas a tremendous opportunity for an economic

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turnaround. Development of the Gateway area between I-30 and I-35 can help jump-start development and redevelopment in the northern portion of Oak Cliff.

By taking advantage of Oak Cliff's historic neighborhoods, unique terrain, ethnic diversity, and proximity to downtown, the city of Dallas and the private sector can build on the community's existing strengths, attract new residents, and create significant benefits for the entire city.

Residential Development

The panel considered the potential of a variety of residential types for the Oak Cliff area. The following discussion addresses single-family and multifamily development there.

Single-Family Detached

For several years, the Dallas/Fort Worth area has seen consistently healthy growth in new construction sales and existing home resales. Oak Cliff has experienced little new single-family home construction, but restorations and renovations have flourished. Resale prices continue to rise across northern Oak Cliff, while the established Kessler Park and Stevens Park neighborhoods have the highest values.

On average, home prices there have doubled over the past five years. Higher-quality older residences are being renovated, with average sales prices of such properties approaching \$175 per square foot in the best neighborhoods. Increasingly, young professionals are purchasing and renovating the early 20th-century bungalows located in and around Lake Cliff, Winnetka Heights, and other areas.

This reinvestment is occurring simultaneously with growth of the Hispanic community, where homeownership and home improvement are increasing. The trend toward rehabilitation and infill housing in the older neighborhoods will continue in the future. It can be enhanced through improved perception of Oak Cliff as a convenient, safe, and unique alternative to suburban living.

Because of the affordability of many neighborhoods in the Gateway District and elsewhere in

Oak Cliff, the city should provide an expanded program of first-time homebuyer assistance targeting moderate- and lower-income residents. It could include downpayment assistance, silent second mortgages, and other local, state, and federal sources of support.

These types of programs could target particular neighborhoods in which the existing single-family residential stock is in the greatest need of rehabilitation. This would create an opportunity to strengthen the existing community by increasing the rate of homeownership and ensuring that long-term residents, including their children, have a stake in the community's improvement and continue to be able to reside there as new residents move in and overall property values increase.

The establishment of conservation districts in neighborhoods with significant historic houses could ensure preservation of the architectural character that some homebuyers demand. Many people want to purchase and renovate such homes to accommodate modern conveniences.

Single-Family Attached

There are few available comparables in Oak Cliff for attached single-family dwellings (townhouses). The existing townhouse supply is small with few resales. When resales do occur, prices approach \$100 per square foot in the Stevens Park and Kessler Park areas.

There is modest potential for infill townhome development in other Oak Cliff Gateway District areas to capture current demand from Oak Cliff empty nesters and professionals seeking convenience to the CBD and Oak Cliff job centers in an upscale environment. Prices for new townhomes should range from \$120,000 to \$275,000.

Multifamily

Estimating multifamily residential demand in a mature neighborhood such as Oak Cliff requires looking outside the immediate vicinity for comparable development. Much like the Gaston Yards and North End apartment communities on the edges of downtown when they were first developed, the first new large-scale residential developments will require comparisons with other communities on the edge of downtown.

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Jefferson at Kessler Park will provide Oak Cliff with much-needed multifamily development.



JPI, the developer of Jefferson at Kessler Park Apartments, already has begun leasing the first phase of its apartments at Beckley and Greenbriar avenues. This project represents the best—but not the only—indication of the desirability of the Oak Cliff Gateway District for upscale multifamily rental development. Demand for multifamily for-sale product, however, requires more analysis of the demographics of existing Oak Cliff residents and professionals working within a few miles of the area.

To make new multifamily residences in the Gateway District successful, developers will have to properly position them relative to the other new intown urban housing communities surrounding downtown. For instance, it would not be appropriate for development densities in the Gateway District to match those in Uptown or in other areas, which average 70 to 80 units per acre.

Rather, the Gateway District can position itself as an intown urban housing area with lower densities than those of similar areas and with a green, parklike neighborhood setting and attractive topography along the river and escarpment areas. Densities for future projects could be similar to that of the new Jefferson at Kessler Park project, or up to 30 to 40 units per acre.

Multifamily for Rent. The largest multifamily development to take place in northern Oak Cliff in decades, JPI's Jefferson at Kessler will add more than 600 multifamily units to the market when its second phase is completed. Its apparent success in attracting new residents at a pace in excess of projections proves that there is potential as well as current demand for upscale rentals. Rental rates for this project have held steady even while other intown Dallas apartment communities are experiencing flat to declining rents arising from overbuilding and a softening market.

There is strong potential demand for additional units targeting young professionals and empty nesters, downtown and medical center workers, either from within the area or from outside of it. Even without a precise market study, it appears that the Oak Cliff area's population growth can support an additional 2,600 multifamily rental units over the next five to ten years. This assumes that Oak Cliff will increase in relative attractiveness and market share as the Gateway project proceeds and the other infrastructure and organizational recommendations of the panel are implemented.

The demographics of new Oak Cliff Gateway District residents will resemble those of other intown housing markets. Amenities provided should mirror those in the other intown developments. Key to maximizing the depth of the Gateway District's market for multifamily rental properties is the creation of a place-making mixed-use center either near the Gateway or in the immediate vicinity.

Multifamily for Sale. There is limited condominium development potential in the Oak Cliff Gateway District area. Small-scale developments—those comprising 40 or fewer units—are supportable in the existing market. Demand for this segment will grow as the market becomes better known as a premium address. New construction will be best received at sites that take advantage of the spectacular skyline views.

Retail Potential

The Gateway area lacks retail offerings, consistent with the general trend in southern Dallas identified in *Reinvesting in the Dallas Southern*

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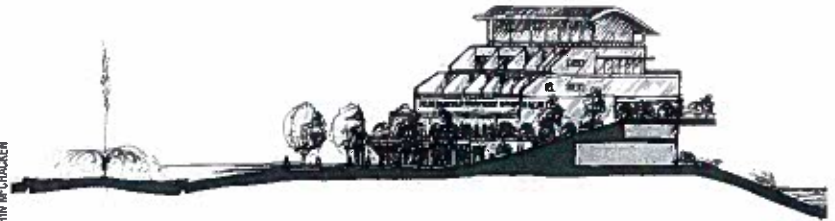
Sector, published by McKinsey and Company in November 1997. This means that Gateway area residents are buying a number of types of goods elsewhere that they would purchase in their own community if there were a larger quantity and a greater selection of retail stores. To an extent, this underretailing can be attributed to the desires of the majority of residents with average to lower household incomes versus those of a smaller cluster of higher-income households with substantial discretionary income.

The Gateway area seems to be relatively well served by supermarkets. The existing Tom Thumb and Albertsons stores on Hampton Road at the western edge of the area, as well as a La Fiesta market on Jefferson Boulevard featuring Hispanic food items, mean that the area probably cannot support another new 60,000-square-foot supermarket.

However, the approximately 1,600 households and 3,200 residents in the Kessler Park and Stevens Park neighborhoods with substantial discretionary income may be able to provide sufficient support for a smaller market, such as a Kroger Signature or a small-format Simon David, offering higher-quality fresh foods and specialty food items. It should be noted that such a store also would draw business from other area residents interested in items unavailable at the other markets.

Mexican restaurants, many of which are located on Jefferson Boulevard, are a well-known offering of the area and draw customers from outside the area, including downtown workers at lunchtime. Other restaurants—including Tillman's Corner, Vito's, a recently opened Thai restaurant in the Bishop Arts District, Norma's, and other places—are well known and well-liked local eateries.

However, the area does not offer the same range of dining choices as many other Dallas neighborhoods. One reason for this is the fact that Oak Cliff is dry, which limits menu offerings and restaurateur profits since margins on alcohol are considerable. There likely is current support for another couple of neighborhood-oriented restaurants or cafés, including higher-quality ones targeting higher-income households that tend to eat out more frequently.



Apparel and other general merchandise categories at all price points seem to be undersupplied and represent a retail opportunity for the Gateway. There also is a lack of home furnishings and smaller home improvement and hardware stores, which is notable given the extensive and ongoing investments being made to rehabilitate homes in the area.

There are other niche markets, such as antique shops and artist galleries, that may represent specific opportunities for the historic stores in the Bishop Arts District, particularly since a large number of artists have moved into the area recently. The unique character of this place—and its relatively lower cost, at \$12 per square foot per year, triple net, for rehabilitated space—could attract retailers who would not fit in a more traditional shopping center or retail environment. High-quality antique stores have proven to be able to draw from throughout a region, and the existing antiques wholesaler in the Bishop Arts District may represent the seed for such a retail cluster.

A detailed retail leakage study that evaluates existing retail sales, potential consumer expenditures, and retailer performance would be necessary to estimate accurately the number and types of additional retail uses that could be supported in the Gateway area. Rents for retail space on Jefferson Boulevard, which have risen as high as \$15 to \$16 per square foot per year, triple net, exceed the regional average of \$14 per square foot per year, and indicate that new retail development is likely feasible. Given the limited retail choices for the area's higher-income households with substantial discretionary income, it is reasonable to conclude that there is near-term support for 30,000 square feet or more of additional retail space.

The panel suggests development that addresses the plaza proposed by the panel as well as takes advantage of the back side (toward the Trinity River and downtown).

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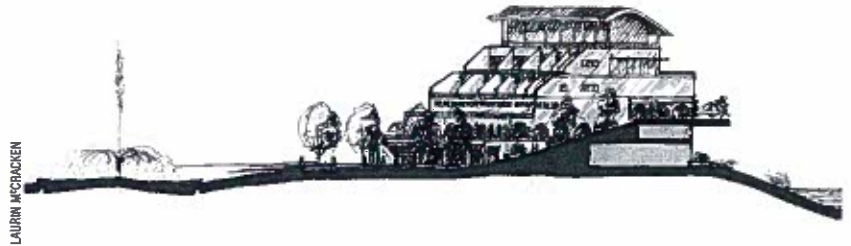
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At the same time, demand from within the Gateway District trade area will not be sufficient to support extensive new retail development. The creation of a new identity for the Gateway District that allows it to compete with other intown housing areas encircling the downtown is important for differentiating it and for creating demand from both retailers and shoppers.

Area restaurants' ability to draw lunchtime business from downtown partially illustrates the potential of the Gateway area's central location at the intersection of the larger Oak Cliff area and downtown and northern Dallas. Additional housing developed in the Gateway District will provide further local support for up to an additional 36,000 square feet of retail space over the next ten years and potentially longer.

Physical improvements to gateways and streets can strengthen the identity of the Gateway District vis-a-vis Dallas's other intown neighborhoods. Building on the district's attributes—a physically unique setting, and a multicultural and diverse community with a strong arts presence—can help create the larger trade area needed to support more retail development.

Industrial Space

The panel believes that existing industrial uses in the study area represent an appropriate transitional use that can continue during the time period necessary for public and private actions to create the market support for redevelopment of these properties for new residential and retail uses. It is clear to the panel that, over the long term, industrial uses in the study area do not represent the highest and best use, and that affected businesses can be relocated to adjacent industrial areas north of Interstate 30 so that they can continue to benefit from the location and transportation advantages they now have near downtown. The time period before likely redevelopment of the study area will facilitate appropriate relocation of affected businesses and purchases of their property.

Mixed-Use Development and Absorption Potential

Mixed-use development that integrates retail space on lower floors and residential units on upper floors is an appropriate product type that supports additional housing and local-serving retail uses that can draw from a larger trade area. It is important that retail and entertainment uses do not simply duplicate existing ones in the West End, Deep Ellum, or other areas, but that they define a unique and competitive niche with these other growing retail and entertainment areas near downtown. Further study will be required to identify the most appropriate retail mix.

The initial leasing success of the Jefferson at Kessler Park multifamily development indicates that the level of market support for residential units is as high as 20 to 25 units per month. With additional public and private improvements in the Gateway District and a strengthening new identity increasing its appeal, this absorption rate could grow to as much as 40 to 45 units per month.

Further study will be required to estimate potential retail absorption accurately. The level of absorption would correspond to approximately 4 to 5 percent of the region's annual absorption of 12,800 multifamily units, which should be attainable for a properly positioned and marketed Gateway District. Strictly local-serving retail uses associated with new residential development over the next ten years could support up to 40,000 square feet of additional new retail space, and with an expanded trade area and competitive market position, the amount of supportable retail space potentially could rise to 100,000 square feet or more.

Planning and Design

As the panel considered how to move forward with the redevelopment of Oak Cliff, three factors were prominent. First, the study area—the Oak Cliff Gateway—belongs to *everyone* in Oak Cliff and should be redeveloped with that in mind. It has the potential to become a destination for all residents and workers in Oak Cliff and ought to be developed as such.

The second factor was that Dallas does not need another tourist destination, such as Deep Ellum or the West End. It needs an area that will serve visitors *and* residents.

The third consideration was that while Oak Cliff affords fantastic views of downtown Dallas, downtown Dallas potentially can have fantastic views of Oak Cliff—it can be another prominent feature on the already dramatic Dallas skyline.

Any plans for the area need to “speak” to downtown. Though bringing the two areas together physically is impossible, it is possible to close the divide between them with the use of architecture and connections. With the three aforementioned factors in mind, the panel developed its physical plan for the area.

Maximizing Assets: Opportunities for Creating a Destination Place

The panel felt that the city needs to use the physical attributes of the Oak Cliff area as well as leverage the site’s proximity to key areas in Dallas.

Physical Attributes

The panel believes that the study area has several positive attributes that historically have been viewed as constraints but that offer immense opportunities for creating a new identity and destination within the Oak Cliff community. This site boasts noteworthy physical characteristics, such as topography, good access, architectural context,

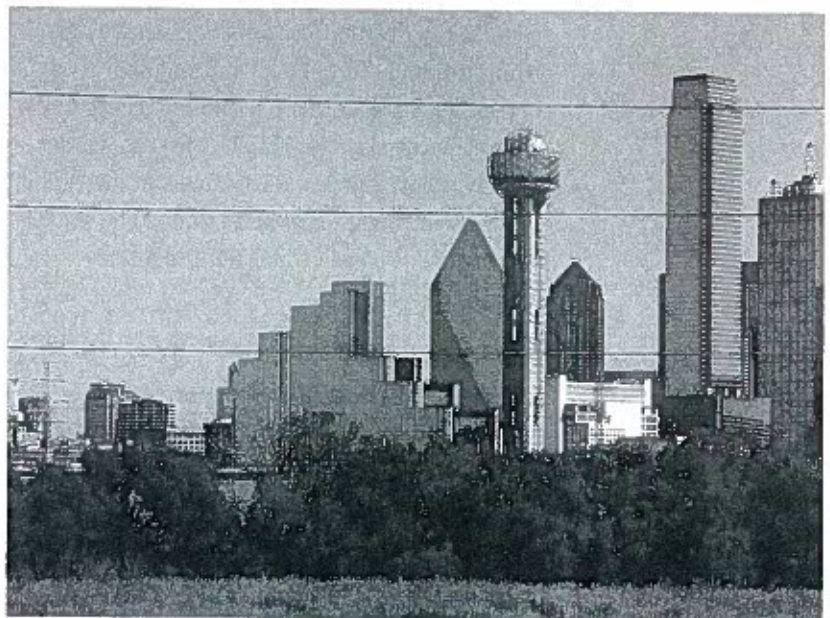
and large stands of natural vegetation, which are elements for successful development.

A review of the many features and focal points offered by this section of Oak Cliff suggests an impact area that is larger than the site. Taken in concert, these focal points establish a system of links that define distinct subdistricts and comprise the Oak Cliff Gateway.

Offering spectacular views of the downtown skyline, the Oak Cliff Gateway is proximate to Dallas’s CBD. The views of downtown from Oak Cliff are as important as the fact that Oak Cliff is clearly visible *from* downtown. Oak Cliff’s opportunity to be a prominent feature of the Dallas skyline is discussed later in this section.

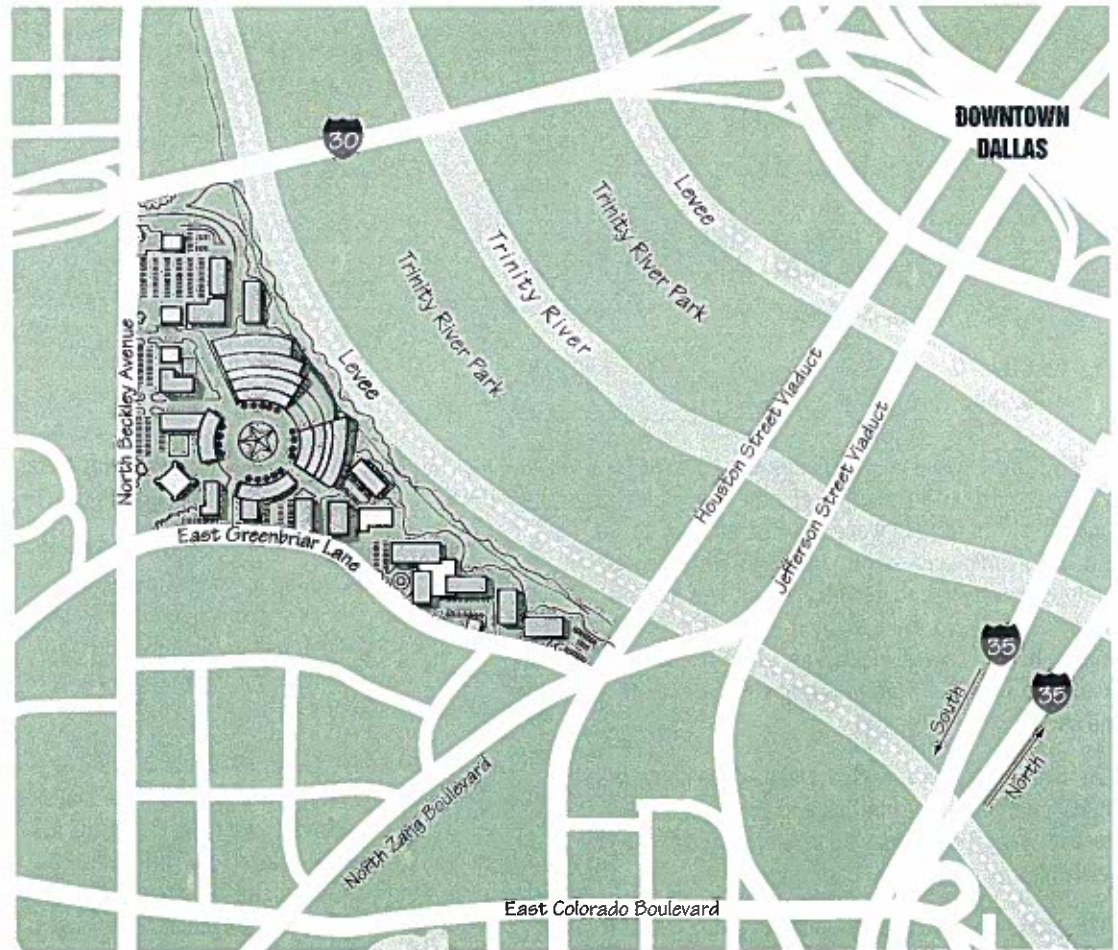
Two of the Gateway’s boundaries provide additional visibility for a potential development, as traffic volumes along Beckley Avenue bring people to and through Oak Cliff. The wide expanse of the Trinity River provides unobstructed views of the site from downtown. The Houston Street and

Views of downtown Dallas from Oak Cliff can be a strong marketing point for the area.



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Trinity Place master plan



Jefferson Street viaducts offer additional direct access between Oak Cliff and downtown Dallas as well as to the Trinity River amenities and greater Dallas.

Plans for the Trinity River corridor provide an extra bonus for land values as the site will become a key destination point as Dallas's new frontyard and offers Oak Cliff neighborhoods unparalleled access to the proposed Trinity Lake and recreational areas. Finally, the site's vacant and underdeveloped land contains a framework of basic infrastructure on which to build and the beginning of one of Oak Cliff's natural features—Coombs Creek.

Site Relationships

The Dallas Plan identifies six strategic policy initiatives critical to the city's future. Embedded in them are the following three objectives that are imperative to the region's growth and success:

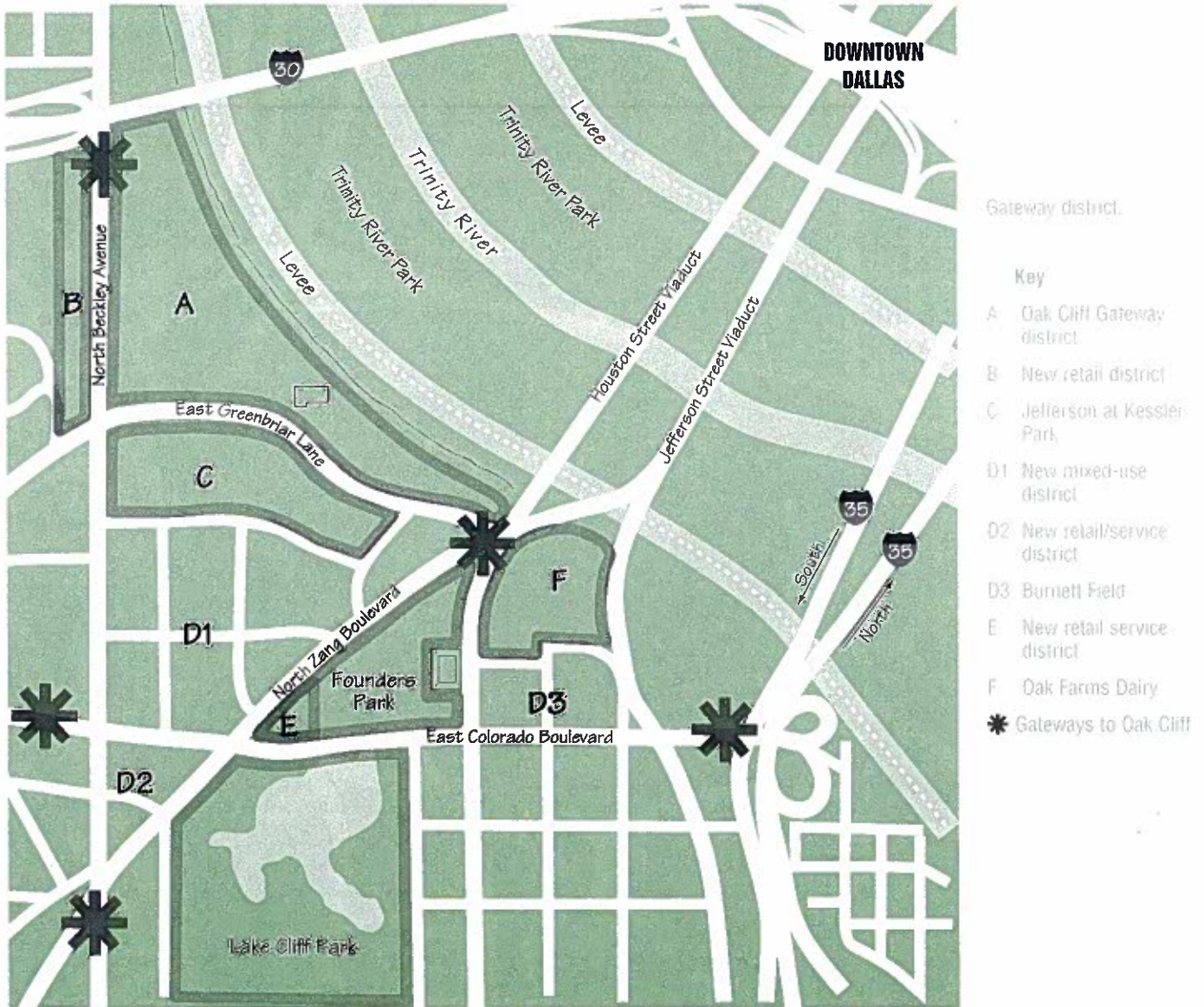
- Targeting Dallas's southern sector as a logical step for new development in the region.

- Envisioning and promoting the CBD and the neighborhoods immediately surrounding it as places to live and work.
- Converting the Trinity River Basin from a barrier into an asset by integrating environmental features with recreational amenities and conditions to promote the economic development of the region.

The panel believes that its proposed plan helps the city meet these objectives. By location and perhaps by default, the Oak Cliff Gateway site represents one of the few sections of northern Oak Cliff that, based on current land uses, is not defined as a residential neighborhood. This provides the Gateway with a unique opportunity to accommodate those land uses currently underdeveloped and desired in the Oak Cliff community and in the southern sector of Dallas at large, such as community-serving retail uses.

Proximity to and visibility from the CBD make this site uniquely suited to become Oak Cliff's official gateway and commercial success story. It can draw not only on the southern sector for

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financial support, but also on the patronage of workers and visitors from downtown Dallas.

Perceived by residents on both sides of the river basin as a demarcation line, the Trinity River has served to bifurcate development opportunities in Dallas, causing perceptions to become economic realities for many Oak Cliff neighborhoods. Unfairly, Oak Cliff has inherited all the negative perceptions associated with the inner city. Notwithstanding this, however, Oak Cliff continues to redevelop itself.

Now, the Oak Cliff Gateway, strategically located between two of Oak Cliff's major arterial streets (Beckley Avenue and the Houston Street viaduct) and not far from the Colorado Street exit off of I-35, can help alter the impression of Oak Cliff to residents and visitors to the region.

Yet, for the study area to capitalize on all of these opportunities in a comprehensive manner that leverages its positive physical attributes against its perceived and actual constraints, the panel felt it necessary to recommend a number of changes to the surrounding context of the site and community edge locations. In essence, the panel has elected to expand the study area's boundaries to Beckley Avenue, Colorado Boulevard, I-35, and the Trinity River levee because redevelopment of this area establishes a better context for the Oak Cliff Gateway's sustained success.

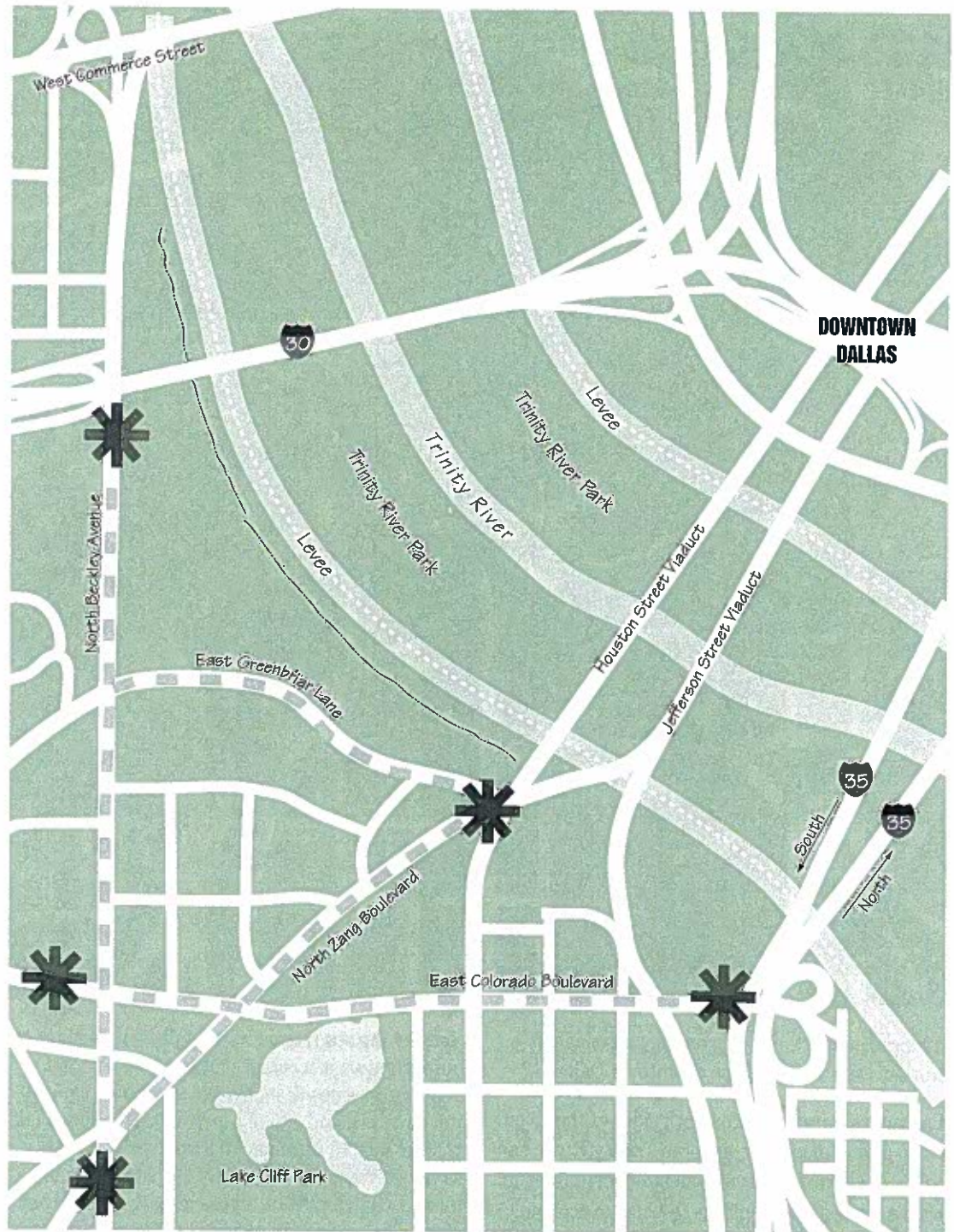
The New Oak Cliff Gateway District

The new Oak Cliff Gateway District establishes multiple levels of retail and commercial experiences, as well as new opportunities for rental and for-sale housing and public gathering places for families and single people.

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Entry and arteries

- Key
-  Main transportation arteries
 -  Gateways to Oak Cliff



The Oak Cliff Gateway can best be described as a district made up of eight subdistricts with single and multiple land uses necessary to support the original study area's visible edge. The panel defined two broad goals for when the subdistricts are developed: meeting the needs of Oak Cliff's residents and attracting visitors from the CBD and from the city at large.

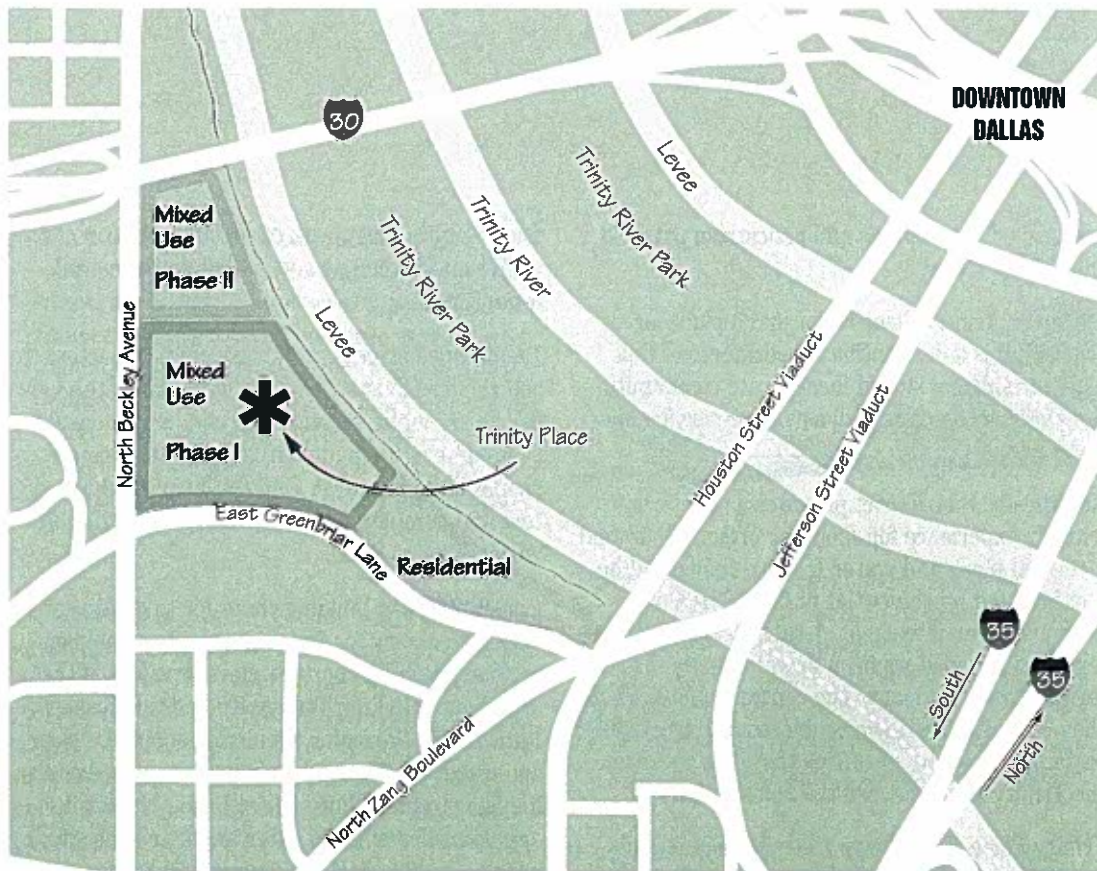
Some of the districts already are defined, with ongoing plans for improvements or redevelopment.

They include the following: Founders and Lake Cliff parks and the Oak Farms Dairy; and Jefferson at Kessler Park.

Four districts help to meet the need for neighborhood-serving retail uses in Oak Cliff. Such uses are proposed for the following areas:

- The western frontage of Beckley Avenue between I-30 and Greenbriar Avenue.
- Colorado Boulevard as part of two mixed-use residential/commercial subdistricts stretching

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from Beckley Avenue to Zang Boulevard and between Marsallis and Jefferson Street.

- A single retail/services district identified for the triangular parcel across from Lake Cliff Park at Zang, Beckley, and Colorado could be developed to feature a plaza visible from three gateway corridors.

The Oak Cliff Gateway also will attract visitors from beyond Oak Cliff, becoming a regional destination. The remaining subdistrict, Burnett Field, which the owner purposes could accommodate a mix of commercial and residential uses, might alternatively be developed as a civic facility that is a regional destination and that also offers numerous employment opportunities. The panel believes that Burnett Field can become an important linkage between the Oak Cliff Gateway and Dallas's other civic jewels such as the Dallas Zoo and the downtown arts district.

The final subdistrict—really the cornerstone of the panel's recommendations—is made up of the original study area bordered by Beckley and Greenbriar avenues, the Trinity River, and Zang Boulevard and has been named Trinity Place by the panel. It is the focal point of the Oak Cliff Gateway District.

Trinity Place

This new area can become the destination within Oak Cliff and, as proposed, can create a new shopping and dining experience that is accessible during a lunchtime excursion or an evening out, and accessible to the residents of Oak Cliff. This district features charms currently lacking in downtown, such as street life and vitality as well as places to shop for gifts and conveniences. It needs to be designed at a neighborhood scale that reinforces the quality and uniqueness of life in Oak Cliff.

Trinity Place has the highest densities in the study area and is the most special of the subdistricts. It is a place for Sunday outings, meetings between friends, noted occasions, and a new experience for Dallas at large to promote. It is the epitome of "the happenin'" part of Oak Cliff.

Trinity Place should be designed to put a local twist on state-of-the-art development in an intimate setting of shops, restaurants, offices, and housing. It is proposed to be Oak Cliff Gateway's most visible area. This mixed-use development is the Gateway's most formal district, developed with use of a master plan within a framework of

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landscaped open spaces and pedestrian paths to the Trinity River.

However, Trinity Place is not just a place for tourists; it is a destination for residents of Oak Cliff as well, and should incorporate community-serving retail uses as well as visitor-serving specialty shops.

Specifically, this district provides a pedestrian-friendly experience for shopping organized around a central plaza and water feature that could be partially fed by the outlet of Oak Cliff's own Coombs Creek if feasible. A rubber-wheeled trolley can bring visitors from downtown via the Jefferson Street viaduct to the central square, where they can meander down cobblestoned streets into restaurants, shops, or offices that look out over the Trinity River toward the Dallas skyline.

Trinity Place should have freestanding outpads for use by restaurants or stores that anchor the development and provide an edge along Beckley Avenue. Surface parking lots distributed throughout the site will accommodate visitors while parking facilities both below grade and carved into the site's levee side can serve workers and residents of the development.

The primary building area will encircle the main plaza on one side and greet the CBD on the levee side, offering vistas of both street and city life. Residential units for rent on the plaza side and for sale on the Trinity River side also could be developed within this building area on the third through sixth floors, offering the views so desired in this marketplace.

Additional residential buildings in the form of stately rowhouses can be clustered at the eastern end of the site, contributing to the neighborhood emerging from the Jefferson at Kessler Park multifamily development. Other opportunities for residential uses exist on the upper floors of individual buildings found at the far west end of the site.

The panel envisions Trinity Place as a contemporary treatment of a historical favorite, making a statement with its design. Incorporating today's design trends, it might boast an arts and crafts theme with materials and colors reflective of the region. Roof overhangs, arcaded walkways, and

floor heights that speak to specific uses can create a rhythm for the site and articulate its overall organization.

Landscaped streets, walkways, and connectors to the Trinity River will help to define the site's view corridors while providing a cool and pleasant atmosphere for pedestrians. This treatment should link to the Oak Cliff Gateway roadway system and complement the scale and uses found within Trinity Place.

Carefully siting buildings in order to create setbacks necessary for framing a vista can help create and protect important view corridors of the downtown skyline, Trinity River, and Kessler Park bluffs. Vehicular circulation should be clear and direct traffic away from important pedestrian linkages to the Trinity River Basin. Numerous opportunities exist to enter and leave the site, which should reduce congestion and help to contain visitors near the retail and commercial establishments while protecting the privacy of the site's residents.

To achieve views over the river levee, the site's baseline grade must be elevated approximately ten feet. Additional levee-side improvements, such as the creation of reflective pools in the residential areas, might be one way to convert the drainage sump into an amenity that simultaneously addresses Trinity Place's drainage and the drainage that terminates in the sump northeast of the Jefferson viaduct.

Planning and Design Conclusions

Criteria for the successful design of the new Oak Cliff Gateway District integrate unique physical features into a master plan that builds on Oak Cliff's community pride. The master plan for the Oak Cliff Gateway District should achieve the following:

- Clearly define gateways and circulation.
- Create an environment that is open, welcoming, comfortable, and accessible from different directions.
- Enhance regional assets.

- Provide new housing opportunities at a density that contrasts with that of Dallas's newest market-rate development.
- Establish new open spaces that add to the experiences of residents and visitors and that connect to Oak Cliff's parks and other natural amenities.
- Develop a new hub for commercial activity that complements the existing commercial fabric by meeting unmet retail and office needs, without draining or competing with the success of similar areas elsewhere in the community.

Transportation

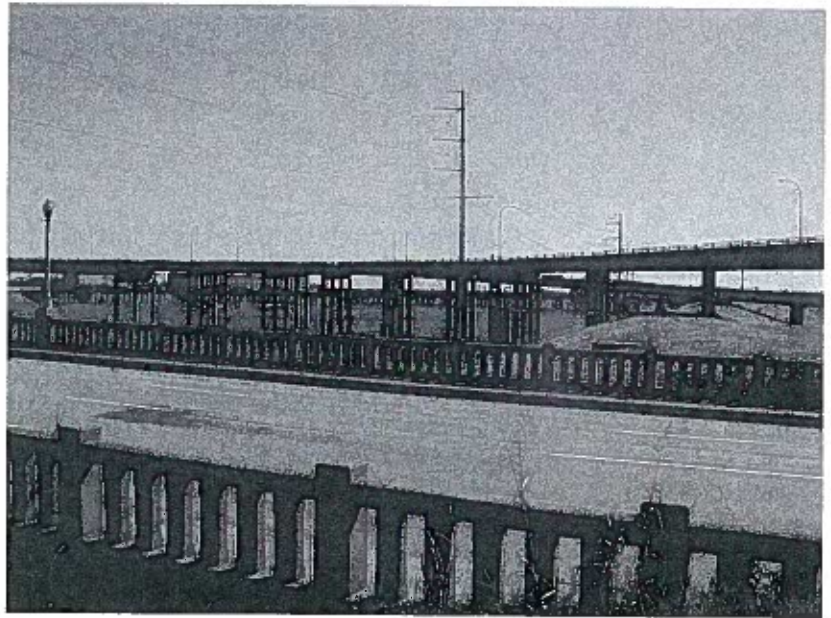
This section describes the transportation systems available to the residents of the Oak Cliff Gateway and the improvements that will be needed to serve the proposed Trinity Place development. They include access for roadways, mass transit, pedestrians, and bicycles, and the relationship of such elements to the proposed Trinity River Parkway.

Roadway Access and Recommendations

The study area connects to several regional roadway facilities, including the following:

- I-30 and I-35 for northbound and southbound travel.
- The Houston/Jefferson couplet, providing direct connections to the downtown street grid of Dallas.
- Beckley Avenue to the north, connecting with Commerce Street, which in turn crosses the Trinity River and joins the freeway network in downtown.

It is unfortunate that Beckley Avenue provides connections to I-30 only for movements to and from the west. The panel is not convinced that it is impractical to complete this diamond interchange to provide for movements to and from the east on I-30. With the planned rebuilding of I-30 in this area, these new ramps would connect with the planned collector/distributor roads.



The good news is that there appears to be adequate roadway capacity to serve the needs of Trinity Place. However, some issues clearly need to be resolved.

During the interviews, the panel learned that these access options are not well understood. Many people are confused about how to use the Houston/Jefferson couplet in either direction. In driving these routes, the panel members often were confused, too. Such confusion needs to be remedied, because this couplet always has ample excess capacity except during a short peak period. Also, the appearance of major arterial service to the study area needs to be improved.

The panel made the following recommendations to address these issues.

- *Wayfinding.* A significant effort to improve area identification and directional signage would assist people traveling into Oak Cliff.
- *Marketing.* A program to increase awareness of Trinity Place access and opportunities should be developed regionwide.
- *Street improvements.* Improvements to Beckley Avenue, Colorado Boulevard, and Zang Boulevard—the major entry streets—are needed. For Colorado and Zang boulevards, such improvements would include additional landscaping along the margins and improved street lighting. For Beckley Avenue, they would be more extensive, including a landscaped median, new pavement, drainage, curbs and sidewalks, and improved landscaping along the margins. In addition, improvements at

The panel believes that while the viaducts across the Trinity River are necessary, they can be made more aesthetically appealing.

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selected intersections in the study area may be called for.

Transit Access and Recommendations

Dallas Area Rapid Transit (DART) bus service currently is offered on Beckley Avenue, Commerce Street, and Colorado Boulevard, providing connections to the Union Station transportation center and to other locations. However, in the interviews, there was little discussion of transit needs or opportunities, except for the expression of some disappointment with not being on the light-rail line.

To address transit access, the panel recommends the following actions.

When development in Trinity Place reaches a level that would support significant ridership, a themed shuttle could provide frequent service to downtown. Detailed planning for this service should consider the following:

- The travel markets to be served, which might include commuter connections to the downtown transportation center and/or visitor connections to the convention center and other locations.
- For whichever market, the need to provide frequent service (every seven to ten minutes) during hours of operation.
- A simple, clearly understandable route.

This themed service should not be implemented until there is reasonable expectation of success. The panel learned that DART has funds to provide such as service, which, when the time is right, could boost the appeal of Trinity Place and help to reduce traffic.

Pedestrian and Bicycle Access and Recommendations

Most major streets in the study area feature sidewalks, but in some cases they may be improved as part of the arterial improvements described above. The panel was unaware of any specific bicycle routes in existence, but the street network serving Trinity Place appears to provide opportunities for bicycle travel.

The following recommendations would help to address the pedestrian and bicycle access issues:

- From its current terminus near downtown Dallas, the Katy Trail should be extended across the Trinity River and along the west levee adjacent to Trinity Place. It appears that this could proceed as soon as funding is available and need not wait for decisions on the parkway.
- As the Trinity River project improves recreational facilities in the river basin, pedestrian and bicycle paths should connect Trinity Place to them.
- There is an opportunity to connect Coombs Creek to the Katy Trail, through Trinity Place.

Trinity River Parkway and Recommendations

The panel was asked to address the potential impacts of proposed parkway alignments on redevelopment opportunities in the study area. It evaluated various proposals for the parkway in the context of how they will affect the development of Trinity Place. The panel's findings include the following:

- The regional need for additional roadway capacity in the Trinity River corridor has been established, and the panel has no basis for questioning that need.
- The success of the redevelopment of the Oak Cliff Gateway and Trinity Place will not depend on the modest capacity improvements provided by the proposed Trinity Parkway.
- The Trinity Place project can proceed independently of the proposed parkway. This is important because funding for the parkway project is not complete and the schedule of implementation may slide.
- The proposed parkway is important in the development of the Trinity River lakes and recreational facilities. These amenities would have a positive impact on the Trinity Place projects.
- The related Woodall Rogers river crossing project will provide a valuable connection from Trinity Place along Beckley Avenue to the freeway network on the north side of the river.

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This road originally was planned as a parkway with a 45-mph speed limit. However, because the projected cost exceeded the financial resources available, the panel understands that the plans have changed to a limited-access toll road in order to gain additional user revenues. To allow for higher toll revenues, the design speed has been increased to make trip times competitive.

In addition, because it is a toll road, it is necessary to control access, to provide toll booths, and to widen the road to accommodate the booths. These factors resulted in increased capital and operating costs. In the panel's opinion, these changes will result in the following:

- While still called a "parkway," the road now would be a high-speed controlled-access highway not appropriate to its setting along the Trinity River.
- Tolls add revenues but also increase costs. Financially, the project will be back where it started—with an unfunded deficit—but it now will be a high-speed controlled-access highway, not the original landscaped parkway.

From the perspective of Trinity Place, the panel feels strongly that if the proposed road is built as a limited-access toll road, the best alternative route for the parkway is the "combined parkway east levee." Building such a facility on the south side of the Trinity River would be a significant

deterrent to the success of Trinity Place and other revitalization efforts in Oak Cliff.

One small element of this alternative—the proposed connection from the parkway to south-bound I-35—appears to be unnecessary and confusing and complicates movements on the south levee, potentially hindering access to Oak Cliff and Trinity Place. It should be eliminated. Traffic desiring to make this movement should continue to use the "Mixmaster," where Interstates 30 and 35E intersect with major roadways, and should be specifically accommodated in the traffic management plan for its reconstruction.

Extensive landscaping should be provided to minimize the visual impact of this roadway. For Trinity Place, this combined alternative would provide good, all-direction connections between the parkway and the Houston/Jefferson couplet and would improve pedestrian and bicycle connections to the river basin.

If there is a regional decision to build the parkway in a split configuration, a true parkway with lower speeds, extensive landscaping, and easy (unlimited) access would be much more beneficial to Oak Cliff. An example for design is the George Washington Memorial Parkway immediately south of Washington, D.C.