Closing the Employment Gap in the Dallas Area

A Study Prepared by The Jobs Task Force

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MARCH 2004

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Acknowledgments

The Jobs Task Force (JTF) extends its thanks to the business and community leaders who participated in this effort to assess and improve the labor environment in the Dallas area. A broad cross-section of city and regional leaders contributed substantial time and energy to make this undertaking a success.

The JTF would also like to thank Mayor Laura Miller and Judge Margaret Keliher for convening the JTF and for their commitment to this critical task.

Furthermore, the JTF is indebted to The Boston Consulting Group (BCG) for its extraordinary pro-bono contributions in research, interviews, and thought leadership throughout the course of this project.

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Background and Context

In May 2003, Dallas Mayor Laura Miller and Dallas County Judge Margaret Keliher asked J. McDonald "Don" Williams, Chairman Emeritus of the Trammell Crow Company, and Tim Sambrano, local entrepreneur, to chair a task force that would assess opportunities to improve the labor environment in the Dallas area. The Mayor and Judge announced the formation of the Jobs Task Force (JTF) and convened its first meeting on October 31, 2003.

The JTF was composed of a diverse set of business leaders from the greater Dallas area. Members on the task force represent companies that vary in size from small private businesses to Fortune 500 multinationals. To provide guidance on community issues and needs, the Mayor and Judge also convened an Advisory Council (AC) of community leaders who represent constituents throughout the region. Exhibit 1 details the membership of both the JTF and the AC.

With the pro bono support of The Boston Consulting Group, the JTF held four 2-hour meetings. At first, the sessions uncovered and explored the facts associated with the labor environment; in later sessions, the JTF formulated and then finalized the recommendations outlined in this report. Additionally, the AC held two 2-hour meetings to review and discuss the JTF recommendations. A more detailed discussion of the methodology used by the JTF is discussed in the Methodology Section of this report.

EXHIBIT 1

BROAD RANGE OF BUSINESS, COMMUNITY LEADERS ON JOBS TASK FORCE, ADVISORY COUNCIL

SPONSORS

City of Dallas (Mayor Laura Miller)

Dallas County (Judge Margaret Keliher)

JOBS TASK FORCE

Chairs: J. McDonald "Don" Williams & Tim Sambrano

Name	Company/Organization	Title
Mr. Abid H. Abedi	Adea Solutions, Inc.	Chairman & CEO
Mr. Joel Allison	Baylor Health Care System	President & CEO
Mr. Gerard J. Arpey	AMR Corp./American Airlines	President & CEO
Mr. Norman P. Bagwell	Bank One Dallas	President
Mr. Tom Baker	TXU Energy	President
Mr. Britt Berrett	Medical City Dallas Hospital	President & CEO
Mr. Albert C. Black, Jr.	On-Target Supplies & Logistics	President & CEO
Mr. William A. Blase, Jr.	SBC Southwest	President & CEO
Dr. Jesus "Jess" Carreon	Dallas County Community College District	Chancellor
Mr. William F. Concannon	Trammell Crow Company	Vice Chairman
Mr. Christopher J. Durovich	Children's Medical Center Dallas	President & CEO
Mr. Perry Fagan	Citicards Irving	President
Mr. Louis Grabowsky	Grant Thornton	Managing Partner
Mr. Doug Hutt	Bank of America–Dallas	President
Mr. Fred J. Kleisner	Wyndham International	Chairman & CEO
Mr. Thomas C. Leppert	The Turner Corporation	Chairman & CEO
Ms. Wendy Lopez	LopezGarcia Group	CEO
Mr. Erle Nye	TXU Corp.	Chairman & CEO
Mr. Allen Questrom	J.C. Penney Company, Inc.	Chairman & CEO
Mr. Luis Spinola	Azteca Enterprises	President & CEO
Mr. J. Puckett	The Boston Consulting Group	Vice President & Director
Mr. Tom Lutz	The Boston Consulting Group	Vice President & Director

ADVISORY COUNCIL

Chair: Ms. Laurie Bouillion Larrea (President, WorkSource for Dallas County)

Name	Company/Organization	Title
Ms. Jan Hart Black	Greater Dallas Chamber of Commerce	President
Dr. Glen I. Bounds	Bill J. Priest Institute for Economic Development	President
Mr. John Cappello	West Dallas Chamber of Commerce	President
Mr. Greg Floyd	Hire DFW First	Chairman Emeritus
Ms. Robie Glenn	Central Dallas Ministries	
Ms. Donna Halstead	Dallas Citizens Council	President
Ms. Nancy Lloyd	Oak Cliff Chamber of Commerce	
Mr. A.K. Mago	Greater Dallas Indo-American Chamber of Commerce	Founder & Chairman
Dr. John Ellis Price	UNT Dallas Campus	Vice Provost
Mr. Ed Rankin	PeopleSolutions	Founder & CEO
Ms. Lalla Shackelford	Central Dallas Ministries	
Ms. Marilyn Small	Jacob's Ladder	
Mr. Les Tanaka	Greater Dallas Asian American Chamber of Commerce	Executive Director
Mr. Arturo Violante	Greater Dallas Hispanic Chamber of Commerce	President
Ms. Diane Weklar	Hire DFW First	Chairperson

Executive Summary

Throughout most of the past three decades, the Dallas area and the broader Dallas–Fort Worth metropolitan area (DFW) have enjoyed a significantly lower rate of unemployment than rates experienced by Texas and the nation as a whole. This advantage has ranged from more than 1 point in 1970 to nearly 5 points during the oil boom of the early 1980s.

The advantage, however, has slowly eroded—and in 2000, the trend reversed completely. In 2003, the unemployment rate in DFW averaged more than one-half point higher than the national rate. To close the existing unemployment gap and keep pace with the national average, DFW will need to create approximately 21,000 jobs. Furthermore, to regain DFW's historical advantage, the area will need to create an additional 24,000 jobs—bringing the total new jobs required in Dallas–Fort Worth to 45,000.[1]

In addition, over the last several years, underemployment has become an increasing problem in the DFW area. In fact, during the 1990s, the percentage of Dallas County workers earning less than $25,000 per year rose from 20.1% in 1989 to 25.5% in 1999. More simply put, more than one-quarter of all households in Dallas County failed to earn a living-wage for a family of four.

The JTF believes that the unemployment and underemployment issues affecting the DFW area cannot be effectively addressed by taking a narrow slate of actions that focus exclusively on current imbalances of labor supply and demand. Rather, the current and future balance of the labor market in the Dallas area is influenced by a broad set of factors, ranging from education to the effectiveness of activities in economic development, and from workforce readiness to the maintenance of an advantaged set of regional assets. To address these factors, the JTF has identified an agenda of several broad themes:

- **Civic and governmental leadership must take steps to plan and act with a greater regional focus.** A coordinated effort that spans the 12-county DFW region is necessary to address many issues—including economic development, transportation, workforce development, and air quality.

- **City leadership should continue to pay close attention to policy issues that influence small businesses.** Over the coming decade, a substantial portion of the jobs created in the Dallas area will emerge in the small-business sector. In fact, several experts estimate that the majority—more than 60%—of new jobs will originate in small businesses. Many of the specific recommendations in this report are targeted at supporting growth among small businesses.

- While job creation has garnered greater attention in the DFW area in recent years, the substantial rise in the number of civic and community organizations focusing on job creation and readiness has unfortunately also resulted in more fragmented and less coordinated efforts. **The JTF believes that existing capital, labor, and resources could be leveraged more effectively by increasing the scale of some of these employment-focused organizations, potentially by consolidating initiatives and focusing them on more strategic goals.**

- **The public and private spheres must work together to improve the appeal of DFW's "regional product."** Public-private cooperation is essential for addressing both labor supply and demand issues.

1. The jobs required in the DFW area were calculated based on the 2003 annual average unemployment rates for both the DFW Combined Metropolitan Statistical Area (CMSA) and the nation overall, labor force estimates, and an assumed historical advantage for the DFW area of 13% over the national average.

- **Companies in the DFW area should explore opportunities to boost employment and job retention.** Texas Instruments' recent announcement to build a $3 billion manufacturing facility in Richardson provides an excellent example of how a Dallas-area company is taking action to support the local labor environment.

In addition to outlining these general themes, the JTF has also developed a set of recommendations that it believes will have direct impact on the labor environment in the Dallas area.

Recommendations for Workforce Development

Overall, current workforce-development programs in the Dallas area are highly regarded throughout the state and nation. The JTF has developed the following recommendations to further improve area activities in workforce development:

- **Develop and institute a program targeting job creation in the job and industry categories where a high number of jobs go unfilled.** The goal is to boost the number of jobs that pay living wages.

- **Institute a year-round school-to-career internship program for high school students.** Such a program would initially be formed as a partnership between the Dallas Independent School District (DISD) and area employers; it may subsequently expand beyond DISD to include other area school districts.

- **Institute an *access point program*** that enables faith-based organizations (FBOs) and community-based organizations (CBOs) to better deliver community workforce development and other human services to both the underemployed and the unemployed.

- **Create a comprehensive clearinghouse that would serve as a one-stop resource for both area donors and constituents in the community.** The online resource center would provide performance statistics for all regional nonprofits, identify all workforce development organizations, as well as monitor and compare operational and financial performance metrics for these organizations. The information would direct donors and constituents alike to the organizations best suited to their needs and goals.

Recommendations for Economic Development

The Greater Dallas Chamber of Commerce (GDCC) and other economic-development bodies have worked for some time to attract employers to the region and retain existing regional businesses and jobs. Despite these efforts, however, a general recession in the United States and among the local mix of businesses has acutely affected job creation, and subsequently unemployment rates, in the DFW area over the last several years. The JTF believes that the following actions will enhance existing efforts in economic development:

- **Create a regionally representative team from across North Texas** to internalize the findings of the JTF and recommend ways to improve and accelerate coordination across the many organizations that are currently involved in economic development and marketing for North Texas. This team should also assess whether regional entities for economic development are executing strategies that advance the goals that best serve the region.

- **Formulate and clearly communicate a strategic vision and plan for the City of Dallas.**

- **Increase the level of public-sector investment—in terms of both the budget and the number of professionals—dedicated to efforts for economic development in the City of Dallas.**

- **Create a City Ombudsman to serve as the sole and central contact for significant leads in economic development for the City of Dallas.** Accelerate implementation of the

Express Plan Review Team, which will enable fast-tracking of development initiatives and eliminate regulatory barriers that impede large development deals.

- **Create a task force that will accelerate existing plans for improving development processes, such as the automated land-management system and quarterly reviews of performance measurements.** Form a team to review the City's development processes and to recommend further opportunities to position the development function of the City of Dallas as more focused on customer service and more cooperative with businesses.

- **Update business assistance and incentive programs offered by the City of Dallas and Dallas County,** ensuring that these programs are competitive with similar offerings from peer cities. Examples of programs to be assessed include small-business lending, abatement, and grant programs.

- **Adopt a standard and comprehensive set of metrics that would be used to consistently evaluate the economic and strategic value of all investments made in the infrastructure and business incentives of the City of Dallas.** The metrics should evaluate each investment at both a micro- and a macroeconomic level.

- **Ensure that the City is using all available tools and resources to promote economic development,** including eminent domain authority, demolition funds, and land banking.

- **Ensure that, through their actions and disposition, City and County political leaders and management promote a "can-do," business-friendly environment** that fosters employment and income growth as well as long-term value creation for taxpayers and businesses alike.

- **Encourage corporations to participate in the Destination Dallas Heroes Program,** under which local companies commit to holding corporate events in the Dallas area.

- **Increase corporate investment and participation in the Dallas Convention and Visitors Bureau.**

- **Create a team—led by the Dallas Convention and Visitors Bureau—to audit and benchmark current efforts to improve travel and tourism in the Dallas area.**

- **Encourage investment in small businesses, including business enterprises owned by ethnic minorities and women.**

Recommendations for Enabling Platforms

The JTF also identified a set of *enabling platform*—initiatives that may not create jobs directly but will foster an environment that encourages job growth and reduces unemployment and underemployment. Although the JTF has not developed detailed recommendations for these areas, it highlights their importance as critical regional issues that will affect job creation:

- **Continue to advance the existing efforts of the Dallas Citizens Council and other area organizations to build a top-tier research university in the North Texas Region.**

- **Endorse and support the efforts of Mike Moses and DISD to improve youth education, including key programs to promote education in early childhood.**

- **Endorse the efforts of the City of Dallas and the Inside the Loop Committee to increase the vibrancy of the City Center.**

- **Support Mobility 2025, the plan that the North Central Texas Council of Governments formulated to improve infrastructure for regional transportation.**

- **Support the Regional Transportation Council's existing plan to improve air quality.**

- **Develop and execute a comprehensive plan to reduce the crime rate in the City of Dallas.**

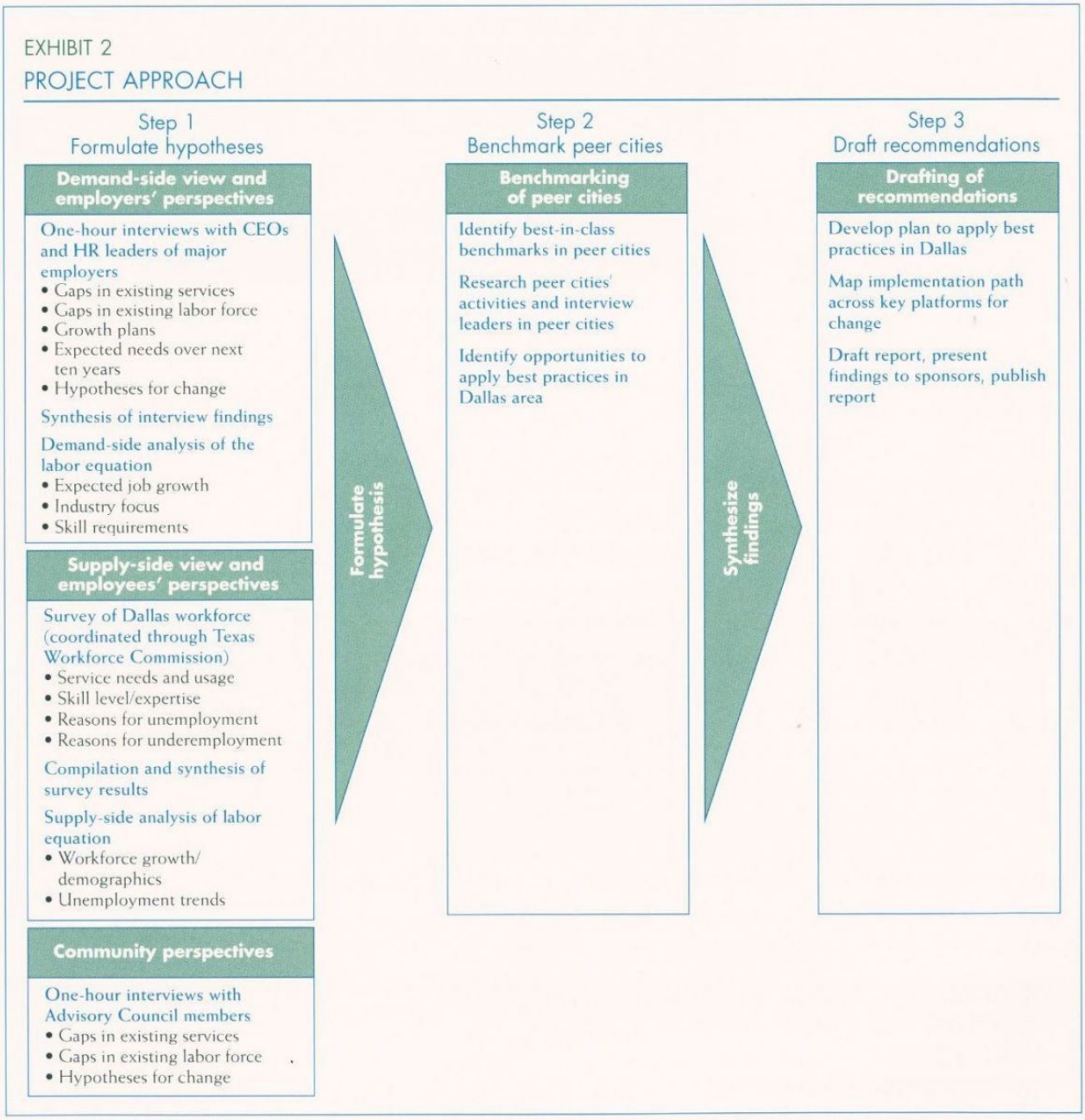
Methodology

In order to assess the current labor environment in the Dallas area and develop a recommended plan of action, the JTF used the three-step approach outlined in Exhibit 2.

Step 1: Formulate Hypotheses

The task force conducted one-hour interviews with each member of the JTF and the AC, as well as with other community leaders. The interviews sought to identify the existing beliefs held about the current labor environment in the Dallas area. Based on the responses gathered from more than 80 interviews, the task force formulated hypotheses about specific actions that would improve the regional labor environment. (See the list of interviewees in Appendix Exhibit A-1.)

EXHIBIT 2
PROJECT APPROACH



Step 2: Benchmark Peer Cities and Identify Best Practices

For each hypothesis developed in Step 1, the JTF developed and executed a methodology to identify the peer cities that are considered best in class in the related area of workforce or economic development. The team researched each of these cities, identifying best-practice opportunities that could be implemented in the Dallas region.

Step 3: Draft Recommendations

For each hypothesis, the team drew on the identified best practices as well as the interviews with JTF and AC members to develop specific recommendations and roadmaps for implementing proposed changes. The roadmaps vary in depth and specificity, depending on how highly the JTF ranked each recommendation as an area priority.

The Labor Environment in the Dallas Area

The Historic Labor-Market Advantage Enjoyed by the DFW Area Has Reversed

As the nation's growth accelerated in the southern and western parts of the country, many Sun Belt cities have experienced labor market advantages. Over much of the past 30 years, for example, DFW has enjoyed employment and economic growth superior to that experienced by the nation as a whole. As a result, the DFW area has enjoyed stable growth in jobs and has outpaced the nation in job creation for most of the past three decades. (See Exhibit 3.)

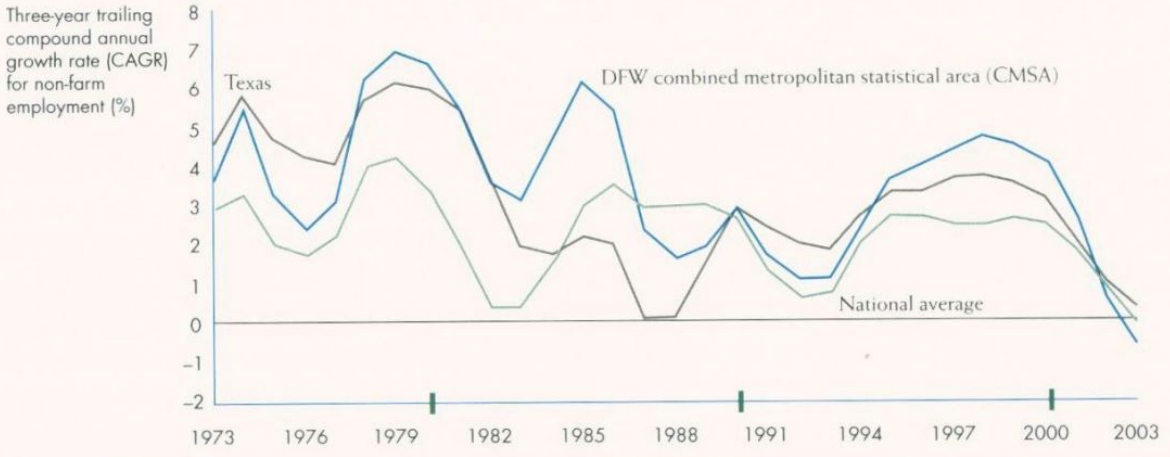
Over the past several decades, however, DFW's advantage in employment has slowly diminished—and even vanished. For example, DFW's relative unemployment increased steadily from 60% of the national average in the 1970s to 87% in the 1990s. In fact, since 2000, the historic trend has reversed completely, with unemployment in the DFW area at 111% of the national average for the current decade.[2] (See Exhibit 4, page 12.) As Exhibit 5 on page 13 highlights, unemployment is particularly acute in the City of Dallas and its Southern Sector.

At the root of the recent job losses in DFW are four key trends, which are evidenced in Exhibits 6 and 7 on pages 13 and 14, respectively.

2. Comparison is a ratio of 1970–1979, 1980–1989, 1990–1999, and 2000–2003 annual average unemployment rates for DFW CMSA and for the United States.

EXHIBIT 3

OVERALL, JOB CREATION IN DFW AREA HAS OUTPACED THAT OF TEXAS AND THE NATION. . .



Job-growth ratio	1970s	1980s	1990s	2000s
DFW growth / National growth	1.50	1.65	1.61	0.75
DFW growth / Texas growth	0.87	1.78	1.07	0.37

SOURCES: Bureau of Labor Statistics; BCG analysis.
NOTE: Data for 2003 reflect preliminary results. Definitions of metropolitan statistical areas (MSAs) changed several times during the period represented. Decade comparison is ratio of 1970–1979 CAGR, 1979–1989 CAGR, 1989–1999 CAGR, and 1999–2003 CAGR for DFW CMSA to corresponding CAGRs for Texas and the United States.

EXHIBIT 4

. . . BUT DFW'S HISTORIC EMPLOYMENT ADVANTAGE HAS ERODED—EVEN REVERSED—IN RECENT YEARS

Unemployment ratio	1970s	1980s	1990s	2000s
DFW rate / National rate	0.60	0.73	0.87	1.11
DFW rate / Texas rate	0.78	0.77	0.84	1.04

SOURCES: Bureau of Labor Statistics; BCG analysis.
NOTE: Current Population Survey data used for national rate (1970–2003), Texas rate (1970–2002), and DFW CMSA rate (1970–2001); Local Area Unemployment Statistics data used for Texas rate (2003) and DFW CMSA rate (2002–2003).

The Decline in Manufacturing

During the period between September 2000 and September 2003, more than 36,000 jobs were lost in the durable goods subsector in the Dallas metropolitan area. Hardest hit were communications equipment and semi-conductors manufacturing; these sectors lost 47% and 25% of jobs, respectively.

The Slump in Professional Services

The Dallas-area professional-services sector lost 11% of its jobs between September 2000 and September 2003. Computer-system design and employment services suffered the deepest declines, losing 22% and 21% of net employment, respectively.

The Crash of Telecom and Tech Services

One-quarter of telecom services employees in the DFW area lost their jobs between September 2000 and September 2003. Layoffs occurred across most industry players, including Ericsson, Nortel, Worldcom, Nokia, and Alcatel.

The Movement of Jobs Offshore

Although somewhat limited to date, the impact of area companies shifting jobs to overseas markets is likely to be felt more substantially in DFW over the coming years. The Gartner Group estimates that 3.3 million jobs in the United States will be lost to so-called offshoring by 2015. Given the high concentration of "at-risk" jobs in the City of Dallas, the area is likely to feel the negative effects of offshoring more intensely than in most other regions.

Unemployment is not, however, the only issue affecting the DFW area. Underemployment—that is, employees earning wages insufficient to financially support and sustain a family—has

EXHIBIT 5

CITY OF DALLAS HIT HARDEST BY UNEMPLOYMENT

	Unemployment rate (%)				Jobs required to attain national average	Additional jobs required to attain historical average[2]
	2000	2001	2002	2003[1]		
Dallas City	4.0	6.3	9.1	8.8	19,774	5,522
Dallas County	3.5	5.4	7.9	7.6	20,015	9,918
Dallas MSA	3.1	4.8	7.1	6.9	19,478	16,065
FW MSA	3.2	4.1	6.1	6.2	1,794	7,615
DFW CMSA	3.1	4.6	6.8	6.7	21,272	23,680
Texas	4.2	4.8	6.3	6.6		
U.S.	4.0	4.7	5.8	6.0		

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission.
[1]Annual average computed using Local Area Unemployment Statistics from Texas Workforce Commission, but national average unemployment rate is based on Current Population Survey data from Bureau of Labor Statistics.
[2]Calculated based on CMSA's historical ratio to the national rate from 1990 to 1999.

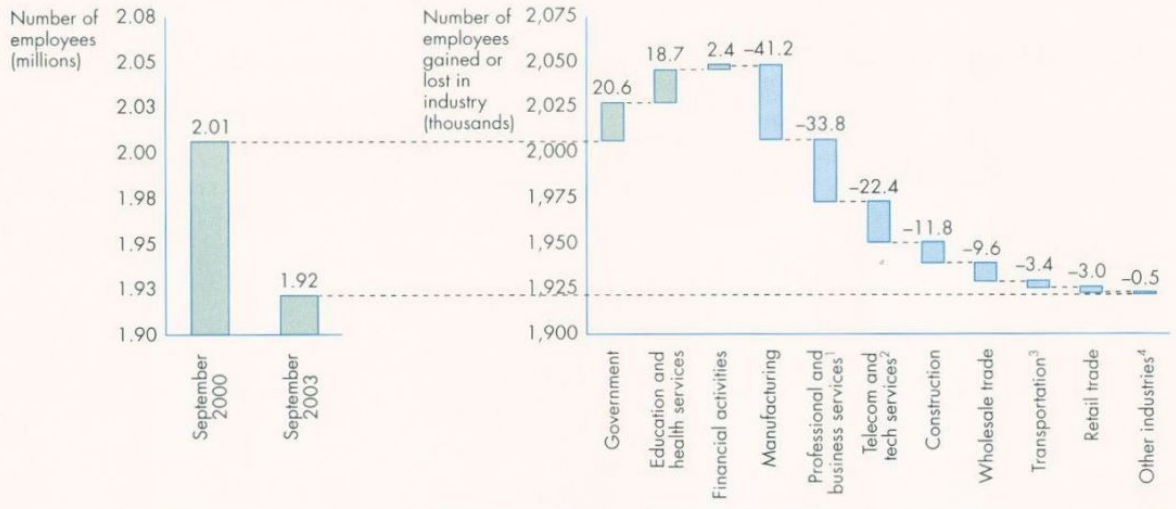
also emerged as a serious problem in the Dallas area. For example, the percentage of workers in Dallas County earning less than $25,000 per year increased from 20.1% in 1989 to 25.5% in 1999—a rise that meant that about one-quarter of all households in Dallas County earned less than a living-wage for a family of four. (See Exhibit 8, page 14.)

Looking ahead, the DFW area is expected to create approximately 540,000 jobs between 2003 and 2010—a 25% increase over current offerings. In turn, this gain is expected to yield average annual job growth of 2.6%, which compares favorably with job-growth rates forecast for peer cities such as Washington, D.C., Los Angeles, New York, and Chicago. Despite these expected gains—as well as to build further on them—it remains critical that the region invest today in programs that will help secure Dallas' future as a world-class business center with a capable and talented workforce.

EXHIBIT 6

MOST JOBS LOST IN MANUFACTURING, PROFESSIONAL SERVICES, TELECOM/TECH

Dallas MSA

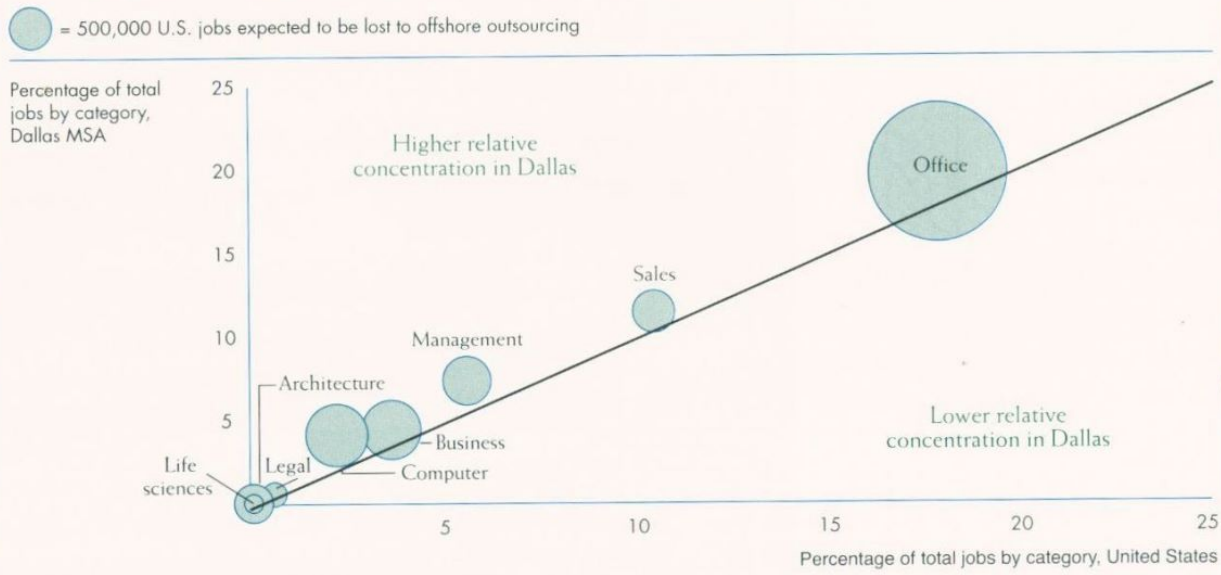


SOURCES: Texas Workforce Commission; BCG analysis.
[1]Professional and business services include legal, accounting, architectural, computer-system design, administrative, employment, property management, and waste-removal services.
[2]Telecom and tech services include telecom service providers (equipment manufacturers not included) and information technology firms (computer-systems design not included).
[3]Transportation includes warehousing, air, rail, and truck transportation.
[4]Other industries include mining, utilities, leisure and hospitality, and other services.

EXHIBIT 7

JOB LOSS EXPECTED TO BE MORE PRONOUNCED IN DALLAS AREA THAN IN MOST OTHER U.S. REGIONS

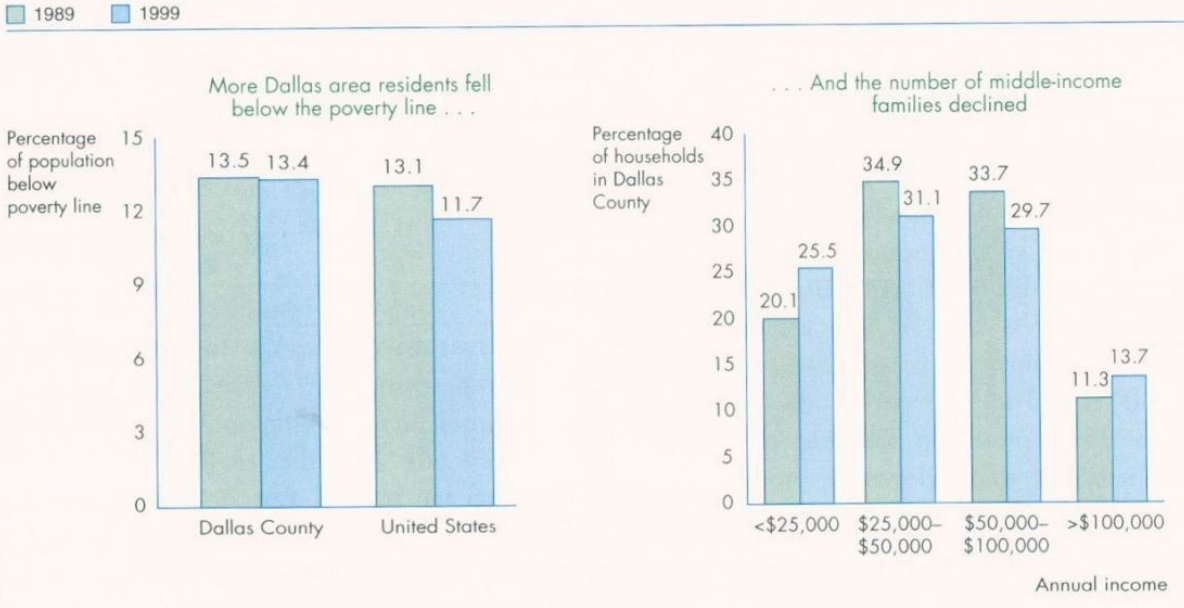
Lost employment anticipated for high-risk industries in 2001, Dallas MSA Versus the United States



SOURCES: Bureau of Labor Statistics; Forrester Research; BCG analysis.

EXHIBIT 8

EARNING A FAMILY-SUSTAINING WAGE INCREASINGLY DIFFICULT IN DALLAS AREA



SOURCES: 1990 and 2000 U.S. Census Tables and Current Population Survey, Bureau of the Census and Bureau of Labor Statistics; BCG analysis.

Recommendations for Action

Overview

Employing the methodology outlined in this report, the JTF developed a broad range of recommendations for action that it believes can help the Dallas area reclaim its advantage in the labor market in the future.

The recommendations in both workforce development and economic development will help improve the labor environment across the short, medium, and long term. As Exhibit 9 on page 16 illustrates, the JTF has classified these recommendations either as

- *levers for direct impact:* actions that if implemented will effect change; or as
- *enabling platforms:* platforms and underlying changes that will help foster an environment that will ultimately advance job creation and employment.

Lever for Direct Impact in Workforce Development

Exhibit 10 on page 17 details the lever for direct impact in workforce development and its platforms for action. Each will be addressed in this section.

The Case for Change: Build on Existing Strengths

Workforce-development efforts in DFW are already highly regarded at both the state and national levels. Relative to similar efforts in other cities, WorkSource for Dallas County has performed well, and this organization has contributed to the creation of innovative workforce-development programs, such as the Regional Industry Clusters Program. Among their peers in other cities nationwide, the seven colleges of the Dallas County Community College District, the Dallas TeleCollege, and the Bill J. Priest Institute for Economic Development are considered strong performers and valuable resources.

Despite these strengths in workforce development, several industries in DFW still find themselves lacking a well-trained, local workforce. Exhibit 11 on page 18 illustrates a range of industries with short-, medium-, and long-term opportunities for development.

For example, the area has a high need for medical and dental assistants. Given the relatively short time required for training in this field—just one to two years—these needs can be met quickly by directing DFW residents to the appropriate training programs.

Platform for Action: Improve Infrastructure for Adult Education

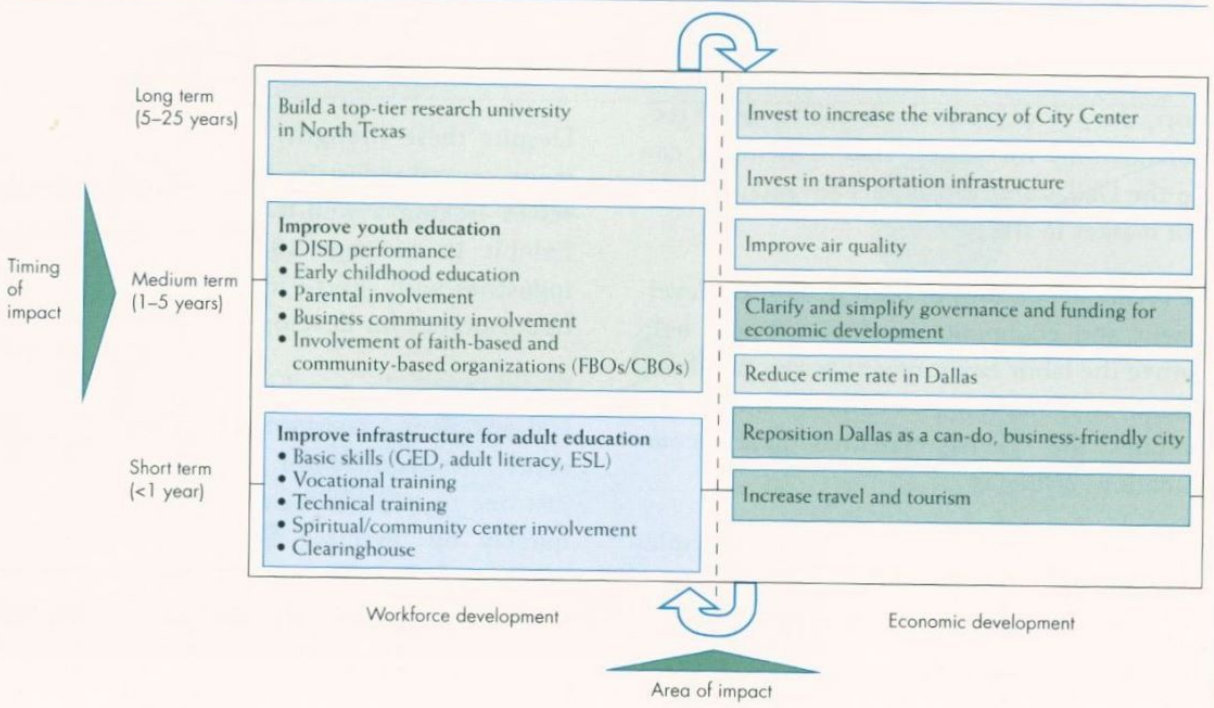
Benchmarking of Peer Cities

To identify opportunities for improving adult education in the Dallas area, the JTF conducted a benchmarking exercise to identify peer cities that have best practices that can be applied locally. The benchmark cities were selected based on surveys conducted with the leadership of workforce-development organizations in Texas and throughout the nation. Advisory Council Chair Laurie Bouillion Larrea assisted in arranging and conducting the surveys, in which 18 total respondents were asked:

1. "Please select the three metropolitan areas (outside of Texas) that you believe have been most effective in designing and implementing successful workforce-development initiatives."
2. "More specifically, please select the three metropolitan areas (outside of Texas) that you believe have designed and deployed the most effective and successful vocational training programs to fill labor needs in targeted industries."

EXHIBIT 9

A RANGE OF RECOMMENDATIONS WOULD IMPROVE LABOR ENVIRONMENT IN DFW AREA



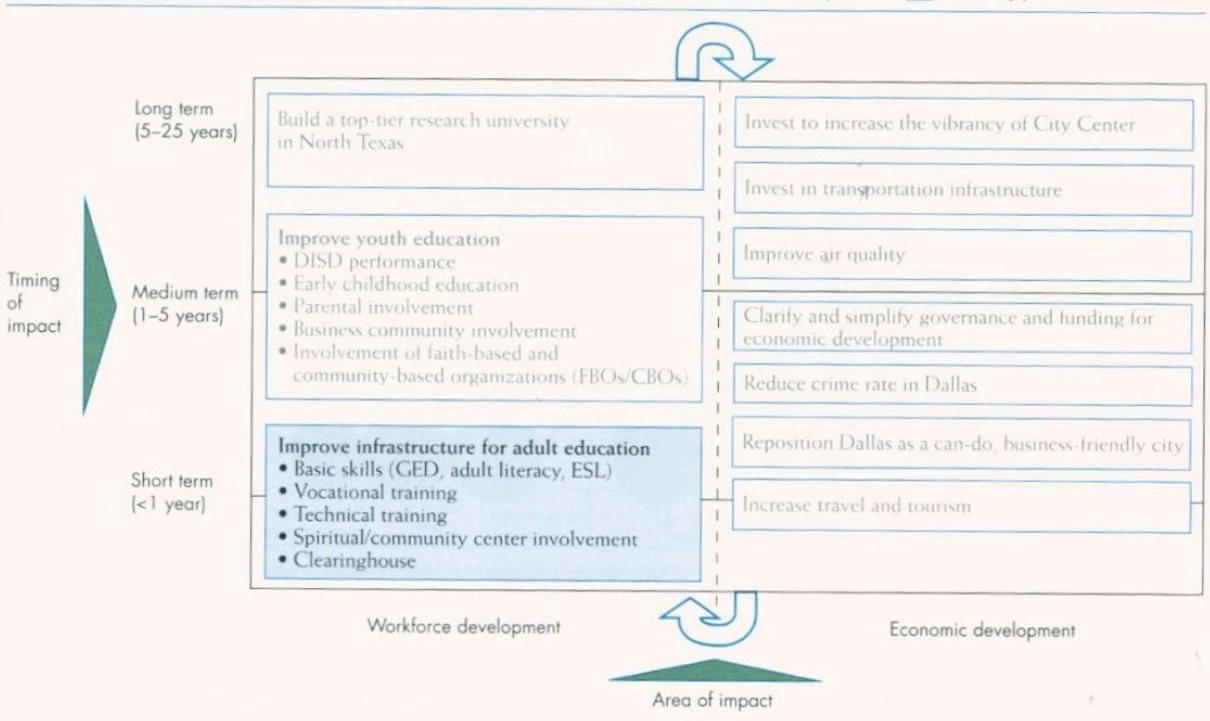
The results of the survey, highlighted in Exhibit 12 on page 18, led the team to benchmark workforce-development practices in San Diego, Boston, Philadelphia, and Seattle.

San Diego. Through the San Diego Workforce Partnership (SDWP), the City and County of San Diego have been on the forefront of developing and executing innovative workforce-development solutions for the greater community. In particular, the SDWP has been a national pioneer in convening educators from the area's community colleges and four-year universities with key representatives from local businesses. These alliances have developed into industry-specific advisory groups in biotechnology, computer electronics, health care and medical services, hospitality and visitor services, and telecommunications. Each group focuses individually on sector-specific solutions for workforce development that cover such topics as youth education, adult job training, and ongoing assessments of skills that the industry will require in the future. Each group is a self-sufficient governing body that maintains a comprehensive strategic and tactical plan for addressing key industry issues. San Diego has received national acclaim for its efforts in this area and serves as a model for cities aspiring to meet industry-specific needs for workforce development.

Boston. The City of Boston implemented an innovative internship program called Pro Tech. (See Exhibit 13, page 19.) The program seeks to link youths to careers through a 19-month, paid internship program for high school juniors and seniors. During the school year, students in the program are employed 15 hours a week; they work full-time through the summer. The program spans four industries: health care, financial services, utilities, and communication. Studies indicate that, when compared to nonparticipants, Pro Tech students are more likely to stay in school, graduate, and attend college.

EXHIBIT 10

ACTIONS IN WORKFORCE DEVELOPMENT COULD HAVE A DIRECT IMPACT



Philadelphia. The City of Philadelphia adopted three innovative programs that enhanced adult workforce-related education:

Access Point Network. To broaden the reach of area workforce-development services, the city identified 26 access points within Philadelphia's faith-based organizations (FBOs) and community-based organizations (CBOs). A staff member at each access point was trained to serve as a contact person and provide orientation on the full range of community services available in the area. The cost associated with the program was minimal; primary costs included time to train staff as well as signage within the FBO/CBO facilities.

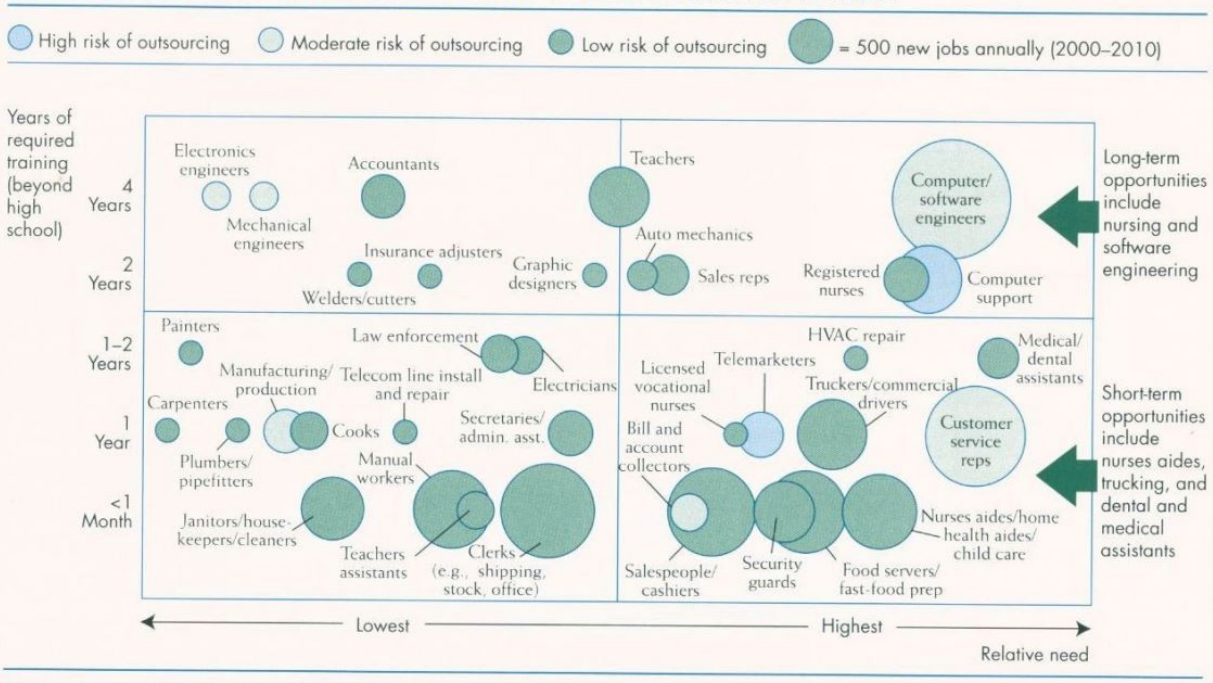
Employer Hoteling Program. The city developed a program to house in each area workforce-development office representatives from corporations that have year-round recruiting needs. Under the program, corporations provide their own staff and pay monthly rent to the board of each workforce organization. The workforce centers refer incoming customers to corporations, and appropriate job fairs are conducted periodically throughout the year. Under this program, UPS and Aramark hired approximately 350 workers in 2003.

Employer Recruitment. The workforce-development system coordinates directly with Philadelphia's economic development team to recruit new firms to the Philadelphia region. For example, Big Bus Company, a British tour guide, recently made plans to enter the U.S. market. The workforce-development center prescreened jobseekers, placing about 30 employees in customer service, commercial driving, and tour guide positions. These efforts saved Big Bus about $80,000 in recruitment costs.

Seattle. The City of Seattle developed an innovative program known as the Seattle Jobs Initiative. (See Exhibit 14, page 19.) The program focuses on improving pay for the underemployed so that workers earn at least $9 per

EXHIBIT 11

SEVERAL INDUSTRIES IN NEED OF A READY WORKFORCE IN DFW AREA



SOURCES: Bureau of Labor Statistics; BCG analysis.
NOTE: Relative need defined as combination of relative growth rate and number of occurrences in classifieds.

EXHIBIT 12

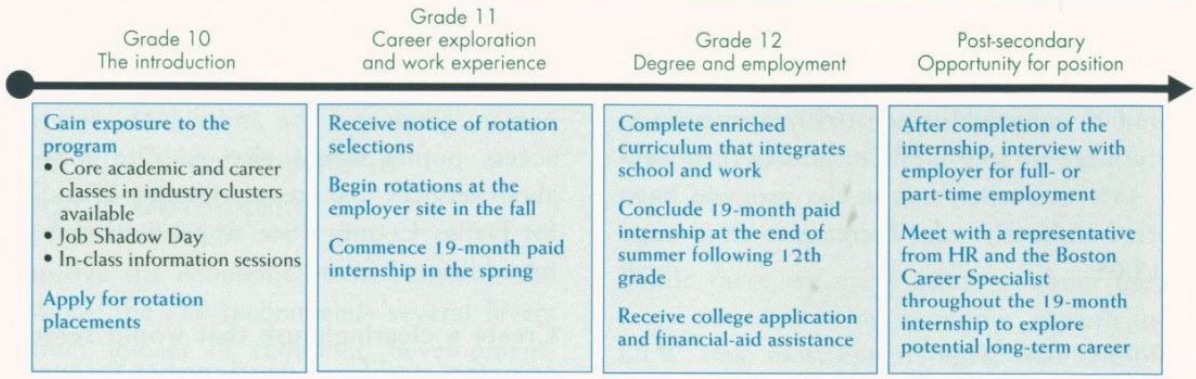
JTF SURVEY IDENTIFIED FOUR PEER CITIES FOR POSSIBLE BEST PRACTICES

JTF subsequently contacted
- The workforce board presidents in the four cities identified above
- Texas and other national leaders in workforce development, based on referrals from interviewees

SOURCE: JTF survey.

EXHIBIT 13

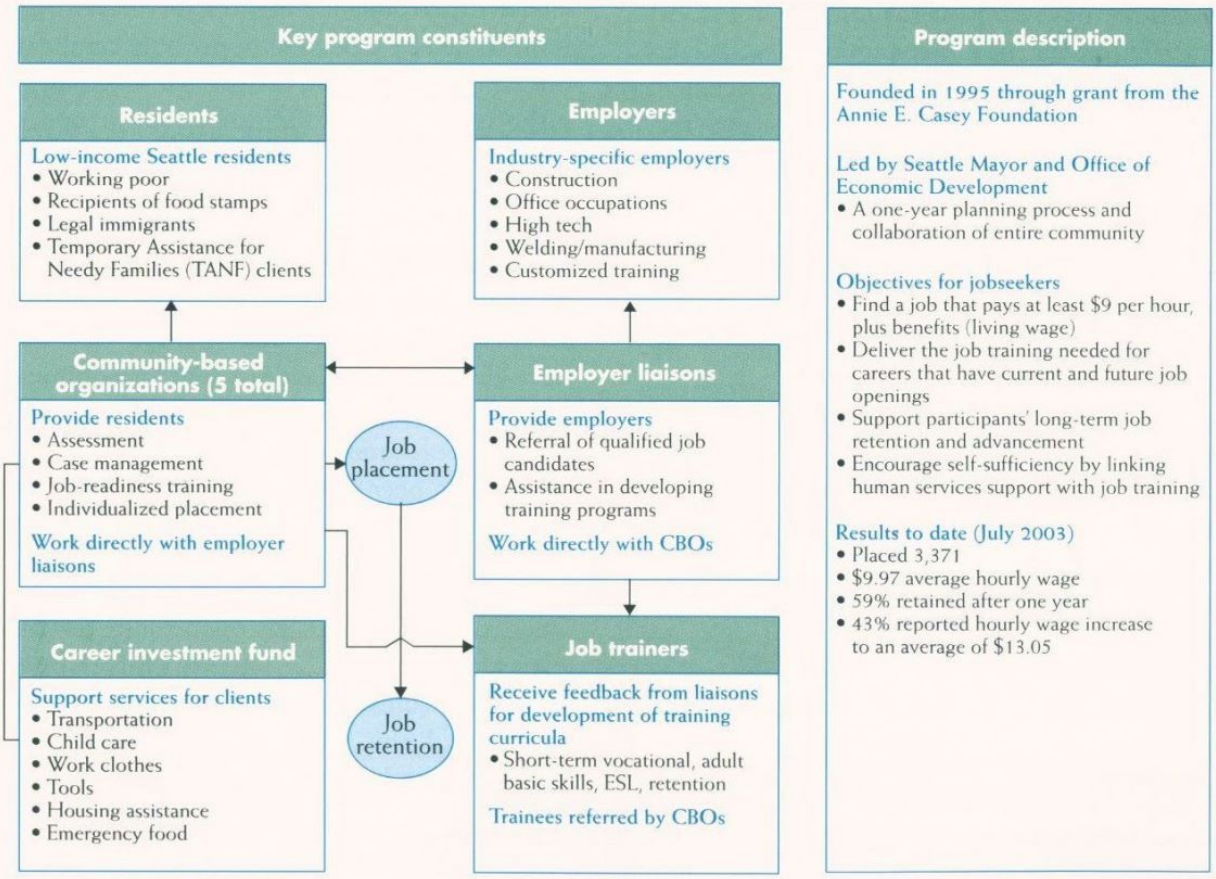
BOSTON'S PRO TECH PROGRAM IMPROVES STUDENT RETENTION AND COLLEGE ATTENDANCE



SOURCE: Interview with Nancy Snyder, Deputy Director, Boston Private Industry Council.

EXHIBIT 14

SEATTLE JOBS INITIATIVE SERVES AS A MODEL FOR EMPOWERING LOW-INCOME RESIDENTS



SOURCES: Literature search, interviews.

hour before benefits are considered. This initiative to provide all workers a living wage was launched in 1995 using a grant from the Annie E. Casey Foundation. The cost of the program is estimated at $3,000 per participant. The program has delivered on its goals, placing more than 3,000 individuals since 1999, at an average hourly wage of $9.97. Since starting their new jobs, 43% of participants in the program have reported an hourly wage increase to an average of $13.05.

Recommended Actions

The JTF, drawing on the benchmarking of peer cities as well as on interviews with JTF and AC members, recommends the following specific actions to address both unemployment and underemployment issues in the DFW area:

Develop a flagship program to provide living-wage jobs to the underemployed by targeting workforce development for high-need job categories. Implement a communitywide, collaborative effort to provide job training, placement, and retention services to low-income city residents, preparing them for the jobs in the greatest demand and most likely to pay better wages and benefits. The leaders of this initiative—the Mayor's Office, WorkSource for Dallas County, and/or the Dallas County Community College District—should aspire to create a banner workforce-development program that is recognized nationally as a model for success. (See Appendix Exhibit A-2 for additional details.)

Implement a year-round school-to-career internship program. Create a DISD/Dallas business partnership to provide paid, year-round internships to high-school students. Led by DISD, this program would require a multi-year commitment from Dallas area businesses to offer 18–24 month internships, counseling, and ongoing assistance for students. (See Appendix Exhibit A-3 for additional details.)

Implement a network of FBO/CBO access points for community services. Build a program to enhance community awareness of and access to workforce-development services by drawing on the area's FBOs and CBOs to reach out to jobseekers. Led by WorkSource for Dallas County, this initiative would train individuals from area FBOs and CBOs to deliver certain workforce-development services as well as other human services. The individuals serving as access points would also educate jobseekers about services that are provided by WorkSource for Dallas County. (See Appendix Exhibit A-4 for additional details.)

Create a clearinghouse that would serve as a one-stop workforce-development resource for both area donors and constituents in the community. Develop an online information database that profiles and rates workforce-development programs; the database would provide performance statistics for all regional nonprofits, identify all workforce-development organizations, as well as monitor and compare operational and financial performance metrics for these organizations. Led by a number of possible candidates, this initiative would aspire to become the authoritative information source for prospective donors. (See Appendix Exhibit A-5 for additional details.)

Additional Recommendations

In addition to the specific recommendations outlined here, the JTF believes that area workforce-development leaders should continually monitor local workforce priorities—such as nursing. Furthermore, they should track best practices in peer cities so that they can identify opportunities and platforms for Dallas as well as new trends in workforce development.

One example of such an opportunity or trend was identified in a recent University of Wisconsin study by Devah Pager. The study investigated the effects of race and criminal record on the hiring of young black and white jobseekers in Milwaukee. It found that black jobseekers and ex-offenders were one-half to one-third as likely to be called back by employers as equally qualified white or non-offender counterparts. To address these types of prob-

lems, many cities have recently begun innovative programs to get ex-offenders back to work. For example, the Delancey Street Foundation in San Francisco recently attracted national media attention when it began providing rehabilitation programs and jobs to ex-offenders.

Levers for Direct Impact in Economic Development

To improve the economic environment in the DFW area, the JTF recommends several levers for direct impact in economic development; they are outlined in Exhibit 15 and explored further in this section.

The Case for Change: Economic Performance

Since the economic boom period of the late 1990s, economic growth in the Dallas area has slowed significantly. In fact, the Dallas area's growth rates in its economic output rank as the third worst—12 of 15—of the 15 metropolitan areas with the highest gross metropolitan product (GMP) from 1999 to 2003.[3] Furthermore, in the area of job creation, the Dallas area has seen a net decline since year-end 1999 and has failed to keep pace with others in the Sun Belt, notably Phoenix, Atlanta, and Houston. (See Exhibit 16, page 22.)

While there are many opinions about the primary drivers slowing economic growth in the DFW area, most experts agree that one of the key factors has been that the area was tied significantly to the industries hardest hit by down cycles or structural economic changes—such as the rise of outsourcing and the bursting of the technology bubble.

3. The ranking was made based on a comparison of the compound annual growth rate for the GMP for the periods 1992–1999 and 1999–2002.

EXHIBIT 15

SOME RECOMMENDATIONS FOR ECONOMIC DEVELOPMENT COULD HAVE DIRECT IMPACT IN THE SHORT, MEDIUM TERM

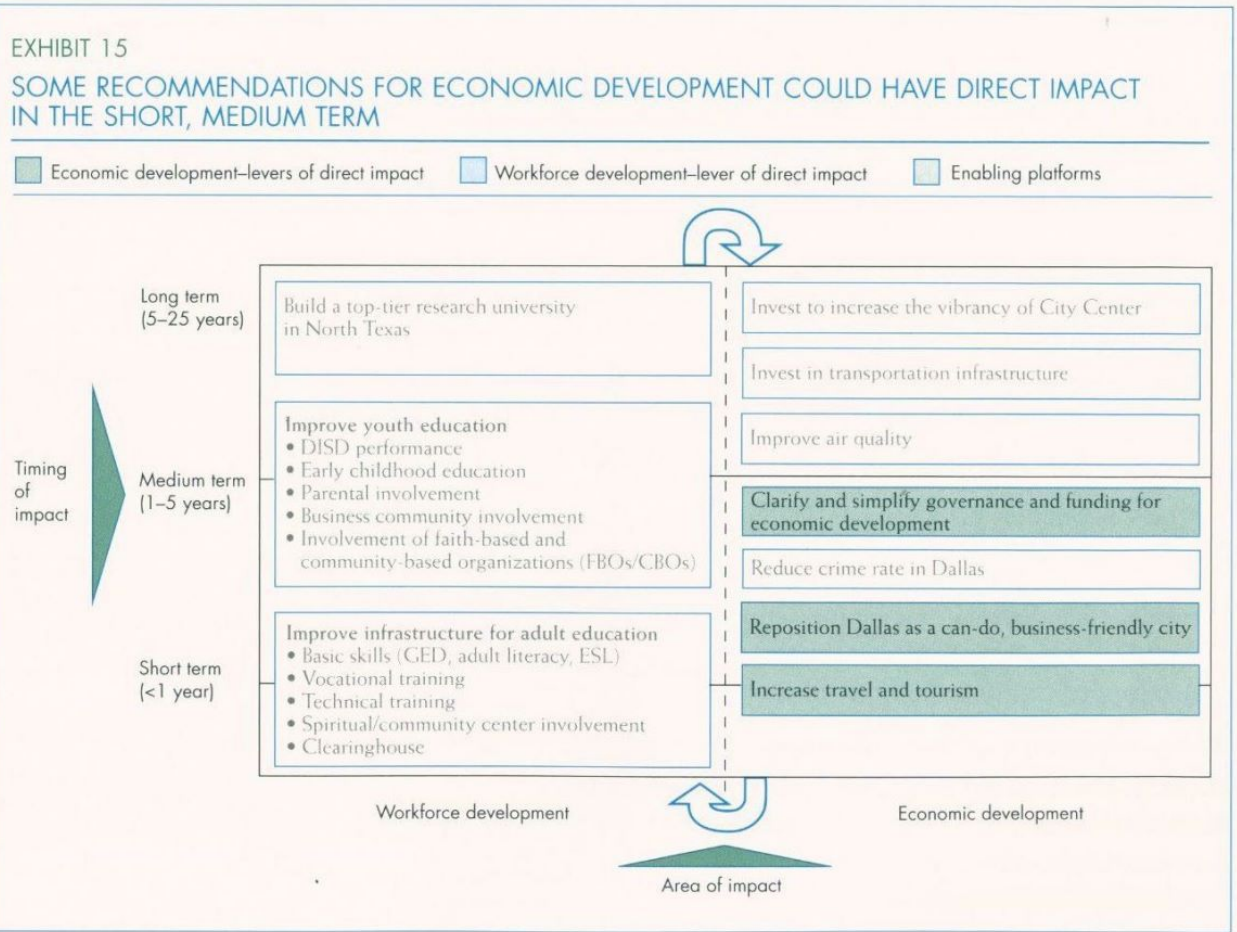


EXHIBIT 16

DALLAS RANKS TENTH IN JOB GROWTH

Metropolitan area	Non-farm employment (thousands of jobs)		Net increase/ (decrease)	Percentage increase/ (decrease)
	December 1999	December 2003		
Washington, D.C.	2,730.9	2,864.8	133.9	4.9
Phoenix	1,576.9	1,653.3	76.4	4.8
San Diego	1,185.0	1,238.1	53.1	4.5
Orange County	1,375.1	1,419.4	44.3	3.2
Atlanta	2,192.4	2,249.8	57.4	2.6
Houston	2,068.9	2,121.0	52.1	2.5
Philadelphia	2,414.0	2,450.8	36.8	1.5
Minneapolis	1,746.3	1,722.4	(23.9)	(1.4)
Los Angeles	4,099.2	4,035.3	(63.9)	(1.6)
Dallas	1,961.4	1,926.6	(34.8)	(1.8)
Chicago	4,253.3	4,147.6	(105.7)	(2.5)
New York	4,283.4	4,148.4	(135.0)	(3.2)
Boston	2,034.3	1,951.1	(83.2)	(4.1)
Seattle	1,420.3	1,355.5	(64.8)	(4.6)
Detroit	2,222.7	2,058.6	(164.1)	(7.4)

SOURCE: Bureau of Labor Statistics.

Coincident with its slower rate of economic growth, the City of Dallas has seen its public spending on economic development shrink markedly. The City's budget for economic development has decreased from $2.32 million in 2000 to a planned budget of $720,000 in 2004. Exhibit 17 details economic performance in the Dallas area as well as City spending on economic development.

The Dallas area has also seen its performance in some polls on economic development slip recently. (See Exhibit 18, page 24.) Although no ranking is a perfect measure of economic performance, several polls appear to indicate that the DFW area may be falling from its historically preeminent position. From 1991 through 1997, for example, *Site Selection* magazine consistently ranked Dallas as No. 1, No. 2, or No. 3 in new and expanded facilities. In 1998, however, Dallas began to slide in the rankings, falling to No. 9 in 1998 and to No. 24 in 2002.[4] Similarly, *Forbes* ranked Dallas in the Top 10 Best Places for Business and Careers in 1999 and 2001, but the city's ranking has fluctuated. It achieved its highest ranking in 1999, at No. 3, but was No. 9 in 2003.

Although Dallas has slipped in these rankings, readers of *Plants Sites and Parks* magazine reinforced the DFW area's continuing appeal by ranking it the metropolitan area most appealing for new facility location in 2004.

Furthermore, given the long history of growth in the DFW area, it would be a mistake to conclude that the area is failing on the economic development front. If leaders in the Dallas area aspire to set the standard for business attraction, retention, and expansion, however, they must take actions that continually enhance efforts in economic development.

Platform for Action: Clarify and Simplify Governance and Funding for Economic Development

Current Efforts in Economic Development

Although economic growth has been sluggish in recent years, the Greater Dallas Chamber of Commerce (GDCC) and other entities have made substantial progress in marketing the

4. Dallas expected to be ranked No. 4 in 2003; official results not yet published.

EXHIBIT 17

CITY OF DALLAS REDUCED ECONOMIC DEVELOPMENT SPENDING WHILE AREA GROWTH RATE SLOWED

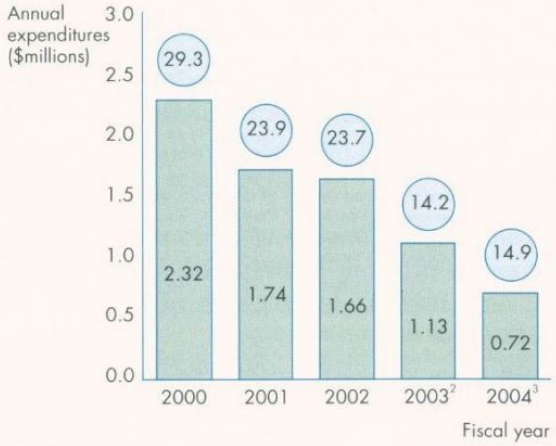
Economic growth has slowed in Dallas area much more than in other cities . . .

Top 15 metropolitan areas ranked by GMP

= Full-time employees (FTEs)

. . . And investment in economic development is falling

Annual General Fund budget[1] for Economic Development Division of the City of Dallas



SOURCES: *The U.S. Conference of Mayors: The Role of Metro Areas in the U.S. Economy*, prepared by Global Insight; City of Dallas Economic Development Division.

[1]Expenditures and FTEs are only those funded through the City's General Fund; excluded are grant funds, TIFs, or multi-year funding.

[2]Figures are estimated.

[3]The budgeted numbers for 2004 exclude additional resources (reflected in the General Fund in prior years) of ~$650,000 for the city's tax increment financing efforts as well as six FTEs administering community development block grants and the South Dallas/Fair Park Trust Fund.

North Texas region as an attractive destination for potential employers. From its original focus on the City of Dallas, the GDCC has grown to promote and serve the entire region. Recent initiatives spearheaded by the GDCC reflect this regional focus, including:

- A regional branding campaign coordinated with the Fort Worth Chamber of Commerce. The GDCC assembled about 70 business people and about 60 economic development professionals from around the DFW region to create the regional branding campaign, "DFW—Dallas/Fort Worth Metroplex—The Where, With All"
- Momentum Dallas, a GDCC fund-raising effort to increase regional marketing for the Dallas area
- Participation in several high-profile regional wins in economic development, including the recent announcement of a new $3 billion Texas Instruments plant in Richardson and a Union Pacific intermodal hub in Wilmer-Hutchins

Interviews with members of the JTF revealed conflicting viewpoints about the effectiveness of current activities in achieving the region's broad goals in economic development. Most members of the JTF agree that economic development and marketing should be conducted on a more regional basis; however, opinions diverge about the right approach to achieving broader regional cooperation. Generally, the members seem to agree that establishing a new entity to lead regional economic development—with its own staff and funding—would only contribute to current problems with fragmentation and thus should be avoided.

The JTF believes that the GDCC's efforts to focus economic development more regionally are a step in the right direction. While the GDCC has made substantial progress in that direction, we believe that structural issues may be limiting the region's potential in economic development. Given GDCC's history as a

Dallas-focused organization—along with the inherently unique interests of many entities promoting economic development in the area—it may be difficult or undesirable to place all efforts for economic development in the DFW area "under the tent" of any single existing entity.

As discussed below, many regions considered to be best in class in economic development have succeeded in consolidating regional resources in order to present a unified regional marketing vision with coordinated governance. Currently, the JTF has not yet reached consensus that regional economic-development bodies should be merged, but task force members are interested in continuing a high degree of focus to ensure effective strategy and efficient execution of economic development in the DFW area.

Benchmarking of Peer Cities

To identify best practices in economic development that can be applied to the Dallas area, we asked the International Economic Development Council (IEDC) to provide a list of the U.S. cities that it considers the most effective, most innovative, and most strategically focused in the field of economic development. With assistance from its CEO, the IEDC identified five cities as the "best of breed" in economic development:

EXHIBIT 18

DALLAS PERFORMANCE IN ECONOMIC DEVELOPMENT RANKINGS IS INCREASINGLY SCATTERED

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Site Selection magazine New and Expanded Facilities	**Dallas** Charlotte Atlanta Orlando Fort Worth Los Angeles Houston Louisville Greensboro Cincinnati	**Dallas** Charlotte Orlando Atlanta Greensboro Fort Worth Houston Milwaukee Columbus Los Angeles	**Dallas** Charlotte Cleveland Columbus Cincinnati Fort Worth Greensboro Orlando Atlanta New York	**Dallas** Charlotte Cleveland Columbus Houston Phoenix Greensboro Cincinnati Fort Worth	Chicago Phoenix **Dallas** Fort Worth Cleveland Columbus Greensboro Houston Orlando Cincinnati	Chicago **Dallas** Atlanta Charlotte Greensboro Detroit Phoenix Fort Worth Cleveland Cincinnati	Detroit **Dallas** Grand Rapids New York Houston Cleveland Chicago Los Angeles San Jose Columbus	Detroit Minneapolis Washington Los Angeles Charlotte Chicago Riverside Grand Rapids **Dallas** Cleveland	Detroit Chicago Orange Cty. Minneapolis Los Angeles New York Grand Rapids San Diego Riverside **Dallas**	Detroit Chicago Grand Rapids Orange Cty. New York Los Angeles Minneapolis Cleveland Ann Arbor Columbus **Dallas (14)**	Chicago Detroit Minneapolis New York Los Angeles Houston Grand Rapids Orange Cty. Cleveland Atlanta **Dallas (20)**	Chicago Detroit New York Memphis Minneapolis Cincinnati Charlotte Nassau Washington Grand Rapids **Dallas (24)**	Dallas[1]
Forbes Best Places for Business and Careers									Seattle Austin **Dallas** Ventura Oakland Middlesex Cty. Denver San Jose Houston Atlanta	Austin Atlanta Santa Rosa Boulder Boise City San Diego Orange Cty. San Antonio Palm Beach Colorado Springs **Dallas (24)**	San Jose Austin SFO Boulder **Dallas** Santa Rosa Boise City San Diego Phoenix Oakland	San Diego Santa Rosa Las Vegas Ventura McAllen Boise City San Luis Oakland Brownsville Orange Cty. **Dallas (14)**	Austin Boise Raleigh Atlanta Madison Provo Omaha Des Moines **Dallas** Washington
Entrepreneur Magazine Best Cities for Small Business			Atlanta Minneapolis/ St. Paul Kansas City Columbus Phoenix Seattle Cleveland St. Louis Chicago Tampa		Portland Denver Minneapolis/ St. Paul Atlanta Indianapolis Charlotte Cincinnati Columbus Pittsburgh St. Louis	Portland St. Louis Seattle Greensboro Charlotte Denver Minneapolis/ St. Paul Las Vegas Salt Lake City Kansas City	Raleigh Jacksonville Orlando Atlanta Charlotte Indianapolis Greensboro Tampa San Antonio Salt Lake City **Dallas (19)**	Palm Beach Salt Lake City Raleigh Atlanta Orlando Las Vegas Phoenix Norfolk Middlesex Cty. Washington **Dallas (13)**	Fort Worth Palm Beach Raleigh Atlanta Charlotte **Dallas** Las Vegas Orlando New York Austin	**Dallas** Orlando	Washington **Dallas** Raleigh Middlesex Cty. Ft. Lauderdale Orlando Fort Worth Houston Monmouth Nashville	Minneapolis/ St. Paul Washington Atlanta Ft. Lauderdale Salt Lake City Palm Beach Norfolk Miami Charlotte Orlando **Dallas (24)**

SOURCES: *Site Selection* magazine; *Forbes*; *Entrepreneur Magazine*.

[1]Dallas expected to be ranked No. 4 in 2003 survey; official results not yet published.

- Chicago
- Cincinnati
- Kansas City
- Philadelphia
- Pittsburgh

The JTF performed benchmarking analyses on Chicago, Cincinnati, and Pittsburgh, seeking to identify best practices that might apply well to the Dallas area.

World Business Chicago (WBC). Today's WBC was formed through the merger of the Chicago Partnership for Economic Development and an organization formed by the Civic Committee of the Commercial Club of Chicago—itself originally called World Business Chicago. (See Exhibit 19, page 26.) WBC is tasked with marketing the Chicagoland region to attract and retain businesses. It has an annual budget of $3 million to $4 million and about 16 staff members. Public and private sectors provide roughly equal funding to the organization.

WBC incorporates four components of successful economic development:

1. Regional Focus
   - Commitment by city and community leadership to take a regional approach to economic development
   - "The mission is just that: bring home the jobs. And by home, I mean anywhere in this region. We are one region, and one economy . . . If a business doesn't want to locate in Chicago, so be it . . . I would much rather that they move to Palatine or Markham than to Atlanta."

     –Mayor Richard Daley
   - "We had to look at this regionally and create a comprehensive picture of regional assets because companies demand it."

     –Paul O'Connor
     Executive Director, WBC
2. Active Leadership from Both the Public and Private Sector
   - Co-chaired by Chicago Mayor Richard Daley and Michael D. O'Halleran, President and Chief Operating Officer of Aon Corporation
   - A 23-member board composed of business and civic leaders
3. The Role of an Honest, Company-Facing Broker
   - "The cities control the dirt and the deal. They have the incentives and the local expertise. My job is to sell the region and bring the right people to the table."
   - "We are little sizzle and almost all steak. We put the data on the table and let the business decide based on the facts . . . When Boeing visited Denver, they got John Elway; when they visited Chicago, they got to talk business with industry leaders."

     –Paul O'Connor
     Executive Director, WBC
4. Cooperation Across Public and Private Entities
   - Brings experts and industry leaders to the table
   - Engages public economic development entities and "lights fires of urgency" among them
   - Meets monthly with Department of Planning
   - Meets quarterly with many of the region's municipal public information officers to discuss regional branding

Cincinnati USA Partnership. The Cincinnati USA Partnership was formed to bring together, in a coordinated effort, all the business-attraction programs in the area while maximizing regional marketing resources. (See Exhibits 20 and 21, page 27.) The partnership's Regional Marketing Partners include the ten most critical economic-development entities in the region; the partnership extends across a tri-state, 13-

EXHIBIT 19

MERGERS, STRUCTURE, AND FUNDING MAKE WORLD BUSINESS CHICAGO A SUCCESS

World Business Chicago (WBC) and Chicago Partnership for Economic Development (CPED) Merged in September 2000

Merged organization identified as single regional contact for facility location or expansion process

CPED was created by the Mayor in 1999 in response to industry's call for a focused regional marketing organization

WBC was a joint venture of the Civic Committee of the Commercial Club of Chicago (~70 of the area's most prominent business leaders) and the Chicagoland Chamber of Commerce; it was created to focus on international business development

Early turf wars overcome through merger, leadership, and big wins

Illinois Department of Commerce and Economic Opportunity
- Some early resistance to WBC
- Boeing win and change of administration relieved tension

City Department of Planning and Development
- Resistance minimal because of Mayor's involvement

Civic organizations (WBC, CPED, and Chamber)
- Merger of WBC and CPED eliminated duplication of effort
- Chicagoland Chamber
  - Participates on WBC board
  - Regional marketing is not part of the chamber's mission

WBC is funded by both private and public sources

Annual budget
- $4 million originally budgeted
- Downturn pushed budget to <$3 million for last three years

Sources of funding
- Goal is to be funded 50% public and 50% private
  - Public funding: operational (e.g., rent, payroll)
  - Private funding: marketing (e.g., materials, travel expense)
- Currently, city contributes majority of funding but the trend is shifting toward a 50/50 split between public and private funding

Staff of 16

WBC's three operational pillars

Database and research
- Powerful decision-making tool for companies considering Chicago relocation or expansion
- Regularly updated fact base for the region
- Area universities provide research assistance

Business development expertise
- Staff expertise built around industry sectors and strategic issues (e.g., transportation, regulatory issues)
- Staff has business background, bottom-line focus

Marketing and communication

SOURCES: Interview with Paul O'Connor, Executive Director of WBC; literature search.

county area. The Cincinnati USA Partnership model differs from the WBC in that it is managed by an entity that predates the creation of the partnership—the Greater Cincinnati Chamber of Commerce.

Pittsburgh Regional Alliance. The Allegheny Conference on Community Development formed the Pittsburgh Regional Alliance (PRA) in 1996, focusing it on regional business attraction and retention. (See Exhibits 22 and 23, pages 28 and 29, respectively.) In 2000, recognizing the opportunity for greater coordination and sharing of resources, the PRA formed a strategic alliance with several other entities focused on regional economic development: the Allegheny Conference on Community Development, the Pennsylvania Economy League/Western Division, and the Greater Pittsburgh Chamber of Commerce. All of the entities play vital roles in improving and marketing the regional product.

Common Themes and Best Practices

Although the Chicago, Cincinnati, and Pittsburgh models exhibit distinct funding

EXHIBIT 20

CINCINNATI USA PARTNERSHIP HAS WELL-DEFINED GOALS, USEFUL TRACKING SYSTEM, AND STRONG FUNDING

Partnership has well-defined goals, a unique system to track progress, and a growing record of success

Five-year campaign in economic development began in 1999 with three goals

- Attract business
  - Goal: attract 1,000 new investments
  - Year-end 2002: attracted 888
- Build international business community
  - Goal: double number of international firms
  - Year-end 2002: 255 international firms, up from 168
- Create jobs
  - Goal: create 90,000 new jobs
  - Year-end 2002: created 44,111 new jobs

Partnership tracks activity in economic development through Web-based Information Network (WIN)

- Tracks contact with targets from lead generation through to created jobs
- Dual use: tracks metrics and serves as resource for regional professionals in economic development

Partnership is funded from public and private sources

Approximately 200 investors donating between $5,000 and $200,000

Small, additional investment from the dues of more than 1,300 members of the Greater Cincinnati Chamber

Budget

- 2002 partnership: $4.3 million
- Total five-year investment: $20.7 million

Staff

- Total: 17
- Marketing, attraction, and retention: 11

SOURCES: Interview with Neil Hensley, Senior Director of Economic Development, Cincinnati USA Partnership; literature search.

EXHIBIT 21

CINCINNATI USA PARTNERSHIP IS A MODEL OF REGIONAL COOPERATION

Partnership focuses on greater coordination for regional economic development

Cincinnati USA Partnership is public-private initiative tasked with stimulating economic growth for the Greater Cincinnati Region

Region is defined as three-state, 13-county area

Partnership is managed by the Greater Cincinnati Chamber of Commerce

Programs funded by the partnership include

- Business attraction, retention, and expansion
- Regional marketing: domestic and international
- Business information and workforce development
- New business-development initiatives
  - CincyTechUSA
  - Minority Business Accelerator

Creation of Regional Marketing Partners was first act by the partnership

Mission: Bring together, in a coordinated effort, all the area's business-attraction programs to maximize regional marketing resources

Regional Marketing Partners was created to reduce perceived duplication of effort by different ED groups

Coalition of ten most important entities in economic development, including

- City of Cincinnati
- Greater Cincinnati Chamber of Commerce
- Clermont Chamber of Commerce
- Dearborn County Chamber of Commerce
- Cinergy
- Cincinnati/Northern KY International Airport

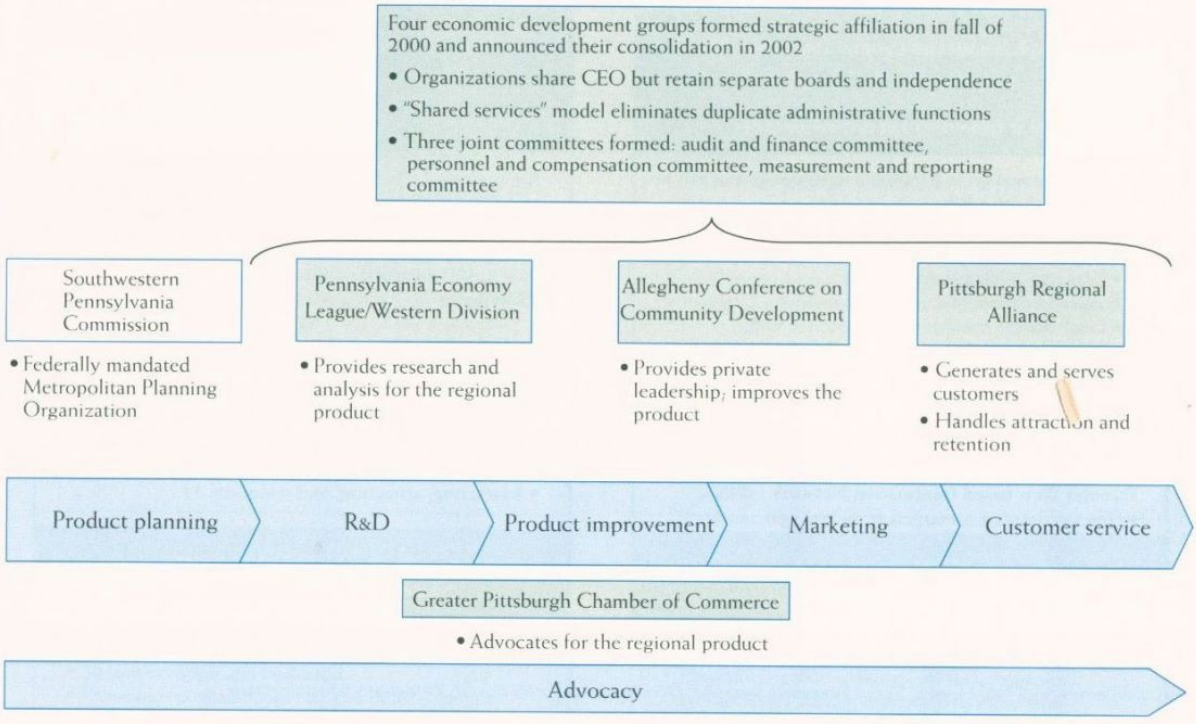
Regional Marketing Partners meet monthly

- Discuss regional branding
- Define target sectors for regional marketing efforts
- Set spending on regional marketing activities

SOURCES: Interview with Neil Hensley, Senior Director of Economic Development, Cincinnati USA Partnership; literature search.

EXHIBIT 22

PITTSBURGH GROUPS COLLABORATE TO POSITION THE REGION AS THE PRODUCT (I)



SOURCES: Interview with Bernie McShea, Senior Vice President of Business Development, Pittsburgh Regional Alliance; literature review.

approaches and governance structures, all echo a theme common across much of the economic development successful in large urban areas: regional coordination and cooperation spanning multiple municipalities and civic organizations. The JTF believes that the North Texas Region should continue to build on existing efforts to adopt a similar regional approach to economic development and marketing.

Recently, the GDCC also conducted its own benchmarking study of economic development. The GDCC study examined several cities including Detroit, Atlanta, Philadelphia, Houston, Cincinnati, and St. Louis. Several best practices emerged from this research:

- Forming regional alliances
- Using consistent performance metrics
- Possessing strong research capabilities
- Maintaining aggressive sales and marketing of the region
- Achieving consistency in the regional image conveyed to businesses and others

Recommended Action

The task force recommends that the following action should be taken to enhance activities in economic development within both the DFW area and throughout the North Texas Region:

Create a team of leaders from across North Texas to recommend ways to improve coordination among the many entities involved in economic development and marketing activities for the region. This team, composed of members representing all the pertinent entities and constituents in the region, should be focused on developing a plan to build on the momentum generated by existing economic-development entities to create a unified regional

vision and marketing capabilities. The team also should be responsible for ensuring that the strategies and activities embraced by regional economic development entities from the DFW area are effective and consistent with the regional vision. Such a group could be convened either by combining

- the CEO Roundtable of the Dallas Citizens Council and a comparable entity representing Fort Worth, such as the Executive Roundtable; or
- the boards of the GDCC and the Fort Worth Chamber of Commerce.

Either way, one of these two newly merged groups should initiate a focused discussion that will further catalyze regional cooperation.

The success of this initiative will require extensive cooperation and endorsement across the many diverse public and private interests within the City and the region. (See Appendix Exhibit A-6 for details on this recommendation.)

EXHIBIT 23

PITTSBURGH GROUPS COLLABORATE TO POSITION THE REGION AS THE PRODUCT (II)

"3 Rivers: One Future" campaign launched November 2002

"3 Rivers: One Future" campaign is broad in scope and participation

Four economic development entities committed to effort
- Allegheny Conference
- Pittsburgh Regional Alliance
- Greater Pittsburgh Chamber of Commerce
- Pennsylvania Economy League/Western Division

Three main areas of concentration: community, education, and growth

Three-year goals
- Generate 50,000 new jobs (net)
- Generate $1 billion in new investment

Fund-raising from public and private sources

Community initiatives

Reshape the waterfront and protect the watershed
- Complete the next phase of Three Rivers Park and redevelop riverfronts throughout the region
- Increase public awareness of water-quality issues and secure federal and state funds to upgrade water and sewer systems

Provide a high quality of life for residents
- Provide the amenities needed to attract and retain young people, with a particular focus on Oakland
- Encourage effective land-use planning and infrastructure investment
- Lead the nation in eliminating medication errors and hospital-induced infections

Education initiatives

Improve quality and accountability in education
- Enable every ten-year-old child to be proficient in reading, writing, and mathematics
- Increase availability and access to high-quality early-education programs

Create a workforce for the 21st century
- Provide effective training and match workers to jobs
- Attract and retain talented workers in key industries

Growth initiatives

Provide the infrastructure and climate for job creation
- Create new, quality industrial sites and buildings at strategic locations, including around Pittsburgh International Airport
- Encourage entrepreneurship and support commercialization of new technologies developed at universities
- Improve tax competitiveness and fiscal stability

Aggressively market the region
- Double the level of new business prospects and increase the rate of success in business attraction and retention
- Triple the number of clients in foreign direct investment or exporting
- Market the region globally as a center of learning
- Increase national and international tourism

SOURCES: Interview with Bernie McShea, Senior Vice President of Business Development, Pittsburgh Regional Alliance; literature search.

Platform for Action: Reposition Dallas as a "Can-Do," Business-Friendly City

Throughout its interviews with industry and community leaders, the JTF found that many in Dallas and the region believe that Dallas has lost its long-held reputation as a business-friendly community. (See Exhibit 24.) The consequences of losing such an image could be dire, since many companies hesitate to locate in cities that do not demonstrate a strong interest in business, fearing cumbersome tax, regulatory, or bureaucratic structures. In addition, business leaders actively avoid any type of public friction with city officials, since it might damage a company image.

Recently, the City has implemented several initiatives to position Dallas as "friendlier" to current and prospective area businesses and developers. These initiatives include consolidating the City's predevelopment functions from five departments into one department now headed by Theresa O'Donnell. They also include undertaking a reengineering effort that automates all land-management processes for online access and availability by the spring of 2005. These and similar efforts should be accelerated and intensified, drawing on input from real-estate professionals and other business leaders.

Developer Interviews

In an effort to understand the factors that are eroding Dallas' reputation as a business-friendly environment, the JTF interviewed several real-estate developers. The majority of interview participants requested to remain anonymous. Several themes emerged:

- Some developers expressed concern with the City's level of support and endorsement for economic-development deals. In particular, many said they believed that City leadership has not made economic development a priority. Some developers said they feel that the

EXHIBIT 24

HAS DALLAS LOST ITS IMAGE AS A BUSINESS-FRIENDLY AREA?

Traditionally, Dallas has been seen as the "can-do" city . . .

"... (Dallas) is an entrepreneurial city and a get-it-done city ..."

—October 1987
Brent Byers
Dallas City Council Member

"Dallas is a can-do city ..."

—October 1986
John Scovell
President, Woodbine Development Corp

"Dallas is a can-do city ..."

—February 1987
Henry S. Miller Jr.
Dallas real-estate magnate

"Dallas is a can-do city, and the people should live up to it ..."

—September 1987
Jack Evans
Former Dallas mayor
United Way Board Chairman

. . . But comments made to the JTF paint a different picture

"Dallas' reputation as a can-do, business-friendly city has waned—we need to re-establish Dallas as a city that is welcoming to businesses . . ."

"Dallas needs to change its behavior toward businesses, and adopt a can-do, welcoming attitude. The bureaucratic process should be simplified in order to attract more businesses . . ."

". . . This can-do city can do, and must do, better . . ."

"We drive away the people who care because of how hard it is to do business in Dallas . . ."

"We don't have the ability to fast-track projects through city hall in Dallas . . ."

"The city is in trouble . . . Dallas' reputation as a can do city is disappearing . . ."

—May 2003,
The Dallas Morning News

SOURCES: *The Dallas Morning News*, interviews with JTF and AC members.

City's willingness to criticize projects and proposals in public forums is a major liability.

- Some developers said they feel that the City does not take advantage of all available tools and financing resources to develop infrastructure and win economic-development deals. The resources they believed were overlooked included federal and state money from the U.S. Departments of Commerce and Housing and Urban Development. Interviewees noted that Houston in particular is more effective than Dallas in securing federal funds.

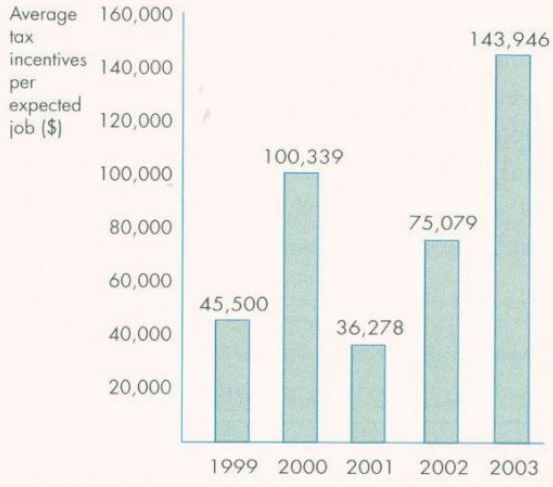
- Some developers expressed personal beliefs that cities and states throughout the United States have boosted their investments in tax-incentive programs in an effort to win economic-development deals. As Exhibit 25 illustrates, the average cost of "winning" economic-development deals has increased over the past several years. As a result, the market for bringing attractive new businesses to municipalities is becoming increasingly competitive. In light of this trend, Dallas must ensure that its own incentive packages are competitive with those offered by peer cities.

- Some developers have expressed concern that the City's development function—in comparison with the development functions of suburbs and other major cities—lacks a focus on customer service and should improve delivery of its services.

EXHIBIT 25

COST OF INCENTIVE PACKAGES IS RISING

Average incentives per job created for sampling of deals in United States



SOURCES: *Site Selection* magazine, 1999–2003; BCG analysis.
NOTE: Data limited to examples disclosing full incentives and estimating created jobs.

Benchmarking of Peer Cities

The JTF conducted a benchmarking exercise to identify peer cities that have business-friendly practices that the Dallas area could adopt or apply. To identify the best peer benchmarks for Dallas, the JTF cross-referenced several sources, including the U.S. Conference of Mayors Best Practices Database, the IEDC, and *Entrepreneur Magazine's* listing of the Best Cities for Small Business. Drawing on this information, the JTF chose to benchmark Philadelphia, Boston, and Atlanta, since these cities were consistently ranked well by these organizations. Their programs are highlighted in Exhibit 26 on page 32. (See Appendix Exhibit A-7 for additional details on the benchmarking process.)

In reviewing the business-friendly practices in each of these three cities, JTF identified a common theme: Each city implemented a program targeted to remake city services into customer-facing and user-friendly processes. In Philadelphia, for example, the Mayor's Business Action Team (MBAT) was charged with eliminating bureaucratic barriers that could hinder companies seeking to do business in the city.

The JTF undertook an additional benchmarking process to understand which business-friendly incentive programs offered by U.S. cities are considered to be best in class. Exhibit 27 on page 33 outlines incentive programs and approaches highlighted as best practices by the U.S. Conference of Mayors and other organizations.

Although the City of Dallas and Dallas County already have access to—and use—many of these tools for economic development (such as TIF and tax abatement), leadership in Dallas should more aggressively deploy and more publicly endorse the use of these tools in order to compete more effectively in attracting and retaining businesses. The fact that area developers perceive Dallas as a less-than-friendly environment for business poses a critical threat—one that has a real and negative impact on the proportion of new development that the City wins out over suburbs perceived to be more friendly to business.

In a final element of its analyses, the JTF compared the economic development budget for the City of Dallas with that of other cities in the Sun Belt. As Exhibit 28 on page 34 demonstrates, funding for economic development in Dallas trails that of some competing municipalities, notably Atlanta, Denver, and Phoenix.

Recommended Actions

By interviewing area developers and benchmarking the economic development in peer cities, the JTF identified several actions that can improve Dallas' image as a business-friendly environment:

EXHIBIT 26

BEST-IN-CLASS PROGRAMS TARGETED TO STREAMLINE BUSINESS-SUPPORT PROCESSES

Philadelphia's Mayor's Business Action Team

Objectives
- Serves as clearinghouse for all business-assistance services and programs offered in Philadelphia
- Provides personal contact to guide businesses through city procedures (permitting, zoning, etc.)
- Handles service requests, such as parking, street lighting, and graffiti removal

Structure
- MBAT is a division of the Philadelphia Department of Commerce
- Partners are the Mayor's Office, the Philadelphia Industrial Development Corporation, and the Philadelphia Commercial Development Corporation

Funding
- Philadelphia Department of Commerce

Impact
- In six years of operation, MBAT has handled more than 14,000 requests for local service, more than 2,500 inquiries on business start-ups, and hundreds of inquiries on out-of-state relocation

Boston's Back Streets

Objectives
- Provides support services for small and mid-sized light industrial and commercial businesses
- Hotline to Boston Redevelopment Authority for immediate attention
- District business managers in industrial areas provide businesses with direct contacts who serve as city ombudsmen

Structure
- Initiative championed by the Mayor's Office
- Administered by the Boston Redevelopment Authority

Funding
- City of Boston
- FleetBoston Financial Foundation

Impact
- Increased maximum available loan amounts from $150,000 to $250,000
- In two years of operation, assisted in creating more than 250 jobs and developing more than 342,000 sq. ft of industrial space

Atlanta's One Stop Capital Shop

Objectives
- Provides centralized, comprehensive financial and business assistance to new and expanding small businesses

Structure
- Partnership of City of Atlanta, Atlanta Empowerment Zone Corporation, U.S. Small Business Administration, and the U.S. General Store
- Staffed by small-business professionals from Atlanta Empowerment Zone Corporation and City of Atlanta

Funding
- Atlanta Empowerment Zone Corporation
- U.S. Small Business Administration

Impact
- In six years of operation, AOSCS has assisted in creating or retaining more than 6,000 jobs
- Provided business assistance to more than 25,000 individuals who are either in business or seeking to start a business

SOURCES: U.S. Conference of Mayors Best Practices Databases; City of Philadelphia; City of Boston Redevelopment Authority; Georgia Department of Community Affairs.

EXHIBIT 27

THE DFW AREA CAN DEPLOY A RANGE OF TOOLS USED BY OTHERS IN ECONOMIC DEVELOPMENT

Type of incentive	Description	Examples
1 Loans/other financing	Loans, loan guarantees, and equity financing used by government to lower private companies' financing costs; loans can be targeted to develop places or sectors	• Phoenix: $170M NMTC allocation from the Department of Commerce; funding for small-business and real-estate loans and venture capital • Chicago: Central Loop Improvement Fund provides low-interest loans for small business, encouraging retail development downtown
2 Grants	Land, infrastructure, construction, and equipment grants can all be used to encourage development (e.g., urban renewal, small business support)	• Palm Beach County: ~$200M grant for Scripps Research Institute facility, temporary space and land • Lansing: Building Facade Improvement Plan offers $5,000 in matching funds, encouraging downtown revitalization
3 Tax Incentives	Tax abatements, exemptions, credits, and tax increment financing (TIF) used to attract and retain businesses and encourage expansion	• Chicago: Boeing receiving $1M in annual prop. tax abatements for 20 yrs • Akron: Akron Initiative offers abatements to small businesses for machinery and equipment
4 Brownfield redevelopment	Cities may use funds in the characterization, assessment, remediation, redevelopment, and reuse of properties with real or perceived contamination	• Houston: Minute Maid Park, performing arts center, and aquarium • Dallas: Victory development project and two apartment complexes • Boston: Revitalization of Dudley Square, Roxbury
5 Site development	Acquisition and/or improvement of sites for industrial or commercial use; land banks and industrial parks are examples of public efforts to subsidize real-estate costs	• St. Louis: $6M fund for land assembly in distressed areas • Houston: contributed to Houston Technology Center, 26,000-sq-ft campus • Denver: Lowry Redev. Auth., redevelopment of Lowry Air Force Base • Atlanta: Southside Redev. Init., funds for assembly and demolition
6 Training	Cities may subsidize training, lowering a company's costs in order to assist in business attraction or retention	• San Antonio: Toyota, $3M for city-provided job-training center • Santa Fe: SF Business Incubator offers training for small business

Create and clearly communicate a vision and strategy for the City. Currently, Dallas does not have a clearly articulated strategy. The JTF endorses the development and articulation of a long-term plan and vision for Dallas for the coming decades. Once developed, initiatives should be prioritized and resources focused to achieve the vision. (See Appendix Exhibit A-8 for additional details.)

Increase the level of public-sector investment—both in terms of the budget and in terms of the number of professionals—dedicated to economic development for the City of Dallas. This step would reverse the trend of decreased budget and resource allocations for the City and would likely require hiring considerably more top-quality staff for the City's economic-development department. The City should review human resources practices and civil service rules in order to identify and remove any structural hurdles that might impede the attraction and retention of talented individuals.

EXHIBIT 28

DALLAS LAGS PEER CITIES IN BUDGET, STAFF FOR ECONOMIC DEVELOPMENT

FY2004 operating budget for economic development[1]

SOURCES: Interviews with municipal departments in economic development.

[1]Municipal divisions in economic development vary in scope of activities; adjustments made to better compare spending and staffing

[2]2004 budget data for Economic Development Division of the Department of Development Services.

[3]2004 budget data for Economic Development and Revitalization Division of Planning and Development Department combined with economic development contract with Greater Houston Partnership (~$700,000); unable to distinguish percentage of staff specific to City of Houston.

[4]Combined 2004 budget data for the Bureau of Economic Development of the Department of Planning and Community Development and the Atlanta Development Authority (ADA), excluding personnel and expenses related to affordable housing.

[5]Proposed 2004 budget data for the Mayor's Office of Economic Development and International Trade; if international trade is excluded, budget is ~$2M with 13 staff members.

[6]2004 budget data for Community and Economic Development Department; ~15 CED staff members focus on workforce-related programs, thus an equal porportion of the budget has been excluded.

Create a City Ombudsman to serve as the sole and central contact for all significant Dallas leads in economic development. Provide a single point of entry to the City's business services, and accelerate implementation of the Express Plan Review Team, which will enable fast-tracking for major deals in economic development. (See Appendix Exhibit A-9 for additional details.)

Create a task force that would accelerate existing plans for improvements in the City's processes and will audit and benchmark the City's development processes. This effort should build on current improvement efforts by the City's Department of Development Services, such as formulating a strategic plan, measuring and reviewing the City's performance in development on a quarterly basis, and automating the land-management system. A team should be formed to identify further opportunities to improve development processes. The goal of this effort should be to position existing City interactions in development as more customer-facing and business-friendly processes. (See Appendix Exhibit A-10 for additional details.)

Update business assistance and incentive structures to ensure that they are competitive with offerings from peer cities. Execute a comprehensive and detailed benchmarking of incentive programs offered by peer cities. Modify packages in the City and County of Dallas as required to ensure that Dallas is well positioned to attract and retain businesses and jobs. Implement a process to monitor developments in tax-incentive structures throughout the United States in order to ensure that Dallas offers leading-edge economic-development packages on an ongoing basis. (See Appendix Exhibit A-11 for additional details.)

Adopt a standard and comprehensive set of metrics that would be used consistently to evaluate the economic and strategic value of all investments made in the infrastructure and business incentives of the City of Dallas. This process should track for all deals both the primary impact—that is, the jobs directly created by the deal—as well as any secondary impacts, which include resulting capital investments, national recognition, employment, and income multipliers. These measures should be used to quantify the success of the City's efforts in economic development and to direct the City in the further creation and use of incentives for economic development. (See Appendix Exhibit A-12 for additional details.)

Ensure that the City is leveraging all available resources and tools to promote economic

development. The City's use of TIF districts, public improvement districts, and public-private partnership programs has made substantial contributions to economic growth, but other tools remain available to further encourage development. Thus, the City should continue to embrace these tools while complementing them with others that are employed more aggressively in other regions. Examples of additional tools include eminent domain, demolition funds, and land banking. Furthermore, Dallas should more aggressively pursue available federal and state funds. (See Appendix Exhibit A-13 for additional details.)

Ensure that, through their actions and disposition, City and County political leaders and management promote a "can-do," business-friendly environment. The Mayor, City Council, City Manager, and other area leaders should actively and visibly participate in efforts to attract, retain, and expand businesses. (See Appendix Exhibit A-14 for additional details.)

Encourage investment in small businesses, including enterprises owned by ethnic minorities and women. Develop and maintain programs that encourage the growth of a diverse resource base within the Dallas community. Establishing lending programs for small businesses, creating investment-incentive programs that support small businesses, and garnering support from public-education institutions all should contribute to a thriving entrepreneurial environment in the Dallas area.

Additional Recommendations

In addition to the actions recommended here, the JTF believes that a business-friendly Dallas can and must include a thriving City Center. Recommendations for achieving the goal of a vibrant downtown are detailed in the Enabling Platforms section of this report.

Platform for Action: Increase Travel and Tourism

The Environment in the DFW Area

As Exhibit 29 on page 36 illustrates, travel and tourism can contribute significantly to the local economy and tax base. The DFW area, however, has suffered a downturn in tourism and travel in recent years, as evidenced by the City's decreased share of convention traffic. In 2002, Dallas played host to only 8 of the nation's 200 largest trade shows—a more than 50% drop-off from the City's 1988 pinnacle of 22 trade shows.[5] Partly as a result, hotel occupancy rates and resulting revenues have suffered as well. (It is interesting to note that the 15% hotel occupancy tax in Dallas ranks as the highest—tied with Houston—among the 25 largest metropolitan areas.)

Current Efforts

The Dallas Convention and Visitors Bureau (DCVB) has launched an aggressive campaign to lift Dallas into the top five travel destinations in the country. As part of this effort, the region recently launched an initiative known as Destination Dallas Heroes to spur travel and tourism among local companies. Thus far, the DCVB has collaborated with City leadership to reach out to more than 600 meeting planners and executives and encourage businesses to hold conventions in Dallas. Initial response has been very positive; during the first two weeks, more than 40% of those contacted expressed interest.

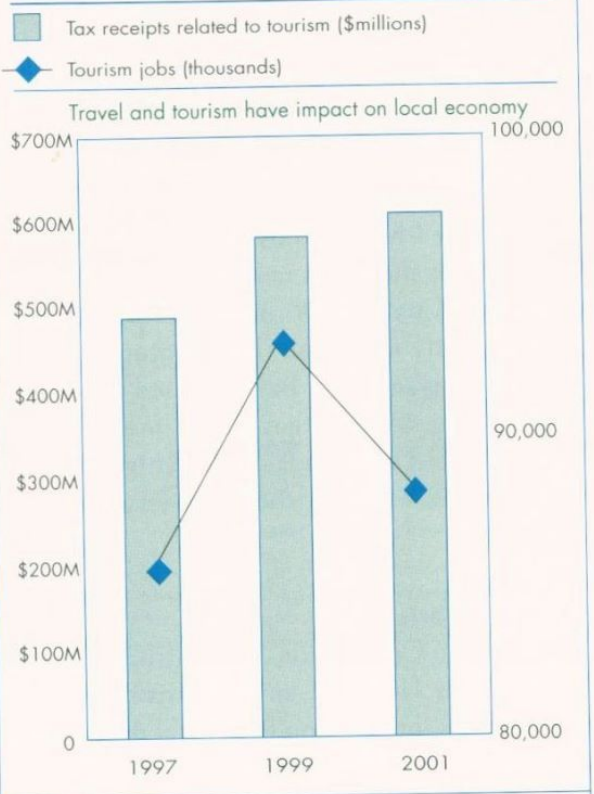
The DCVB's efforts contributed to a big win: *Tradeshow Week* recently announced its decision to hold its annual Fastest 50 Conference in Dallas in November. The conference, attended by representatives from the 50 fastest-growing trade shows in the nation, provides an excellent opportunity to sell the Dallas area as an attractive site for future convention business.

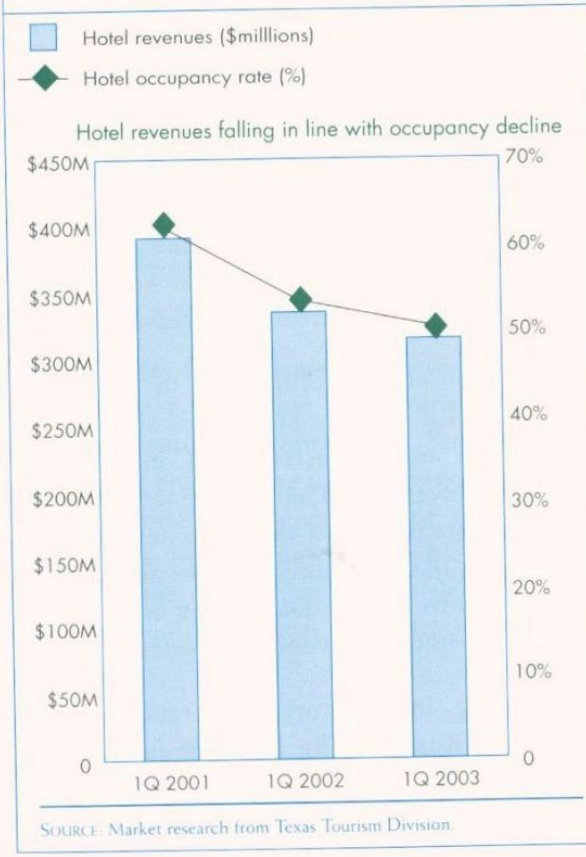
Furthermore, in an effort to rebrand the city, DCVB has retained The Richards Group. The

5. Trade show numbers reported by *The Dallas Morning News* in its January 31, 2004, article, "Dallas, the Brand."

EXHIBIT 29

TRAVEL AND TOURISM FUEL JOBS, REVENUES IN DALLAS MSA





SOURCE: Market research from Texas Tourism Division.

rebranding effort, which will take months to complete, aims to change perceptions of Dallas from a place that offers "nothing to do" to a place that is considered "a fun, attractive, and diverse destination." The JTF believes that these activities are powerful and impactful first steps toward increasing travel and tourism in the Dallas area.

Recommended Actions

From its interviews with area business and civic leaders, the JTF has determined that the following actions can be taken to promote travel and tourism in the Dallas area:

Increase corporate investment in the Dallas Convention and Visitors Bureau. The marketing budget required to launch an effective national travel and tourism campaign is estimated between $5 million and $6 million. Yet, in stark contrast, the 2004 marketing budget for the DCVB is approximately $600,000.[6] To help boost revenues and contributions, the DCVB is attempting to broaden its membership base to encompass area retailers, utilities, and other organizations and institutions that stand to benefit from enhanced travel to the region. Today, DCVB's current membership base—and primary revenue source—is composed almost entirely of hotels.

Encourage area corporations to participate in the Destination Dallas Heroes Program. Local corporations should be encouraged to contribute to the area economy—while taking advantage of incentives—by locating their own corporate meetings and conventions in Dallas.

The Dallas Convention and Visitors Bureau should create a team to benchmark current best practices and evaluate current efforts designed to boost tourism and travel in the area. The team should evaluate existing plans to build a hotel adjacent to the convention center, review tax structures that touch visitors (such as the occupancy tax), and assess the existing gov-

6. Budget figure cited during JTF interview with Phillip Jones, President and CEO of the Dallas Convention and Visitors Bureau.

ernance structures of travel-related civic organizations.

Other Enabling Platforms

In addition to recommending the levers for direct impact outlined in this report, the JTF also identified a set of enabling platforms for the region—platforms that won't directly create jobs but will foster an environment that will encourage workforce and economic development, as well as higher employment and income levels.

Although the JTF has not developed specific detailed recommendations for these areas, the enabling platforms are highlighted in this report, given their important role in addressing regional issues. Exhibit 30 details the enabling platforms that will be covered in this section.

Platform for Action: Build a Top-Tier Research University in North Texas

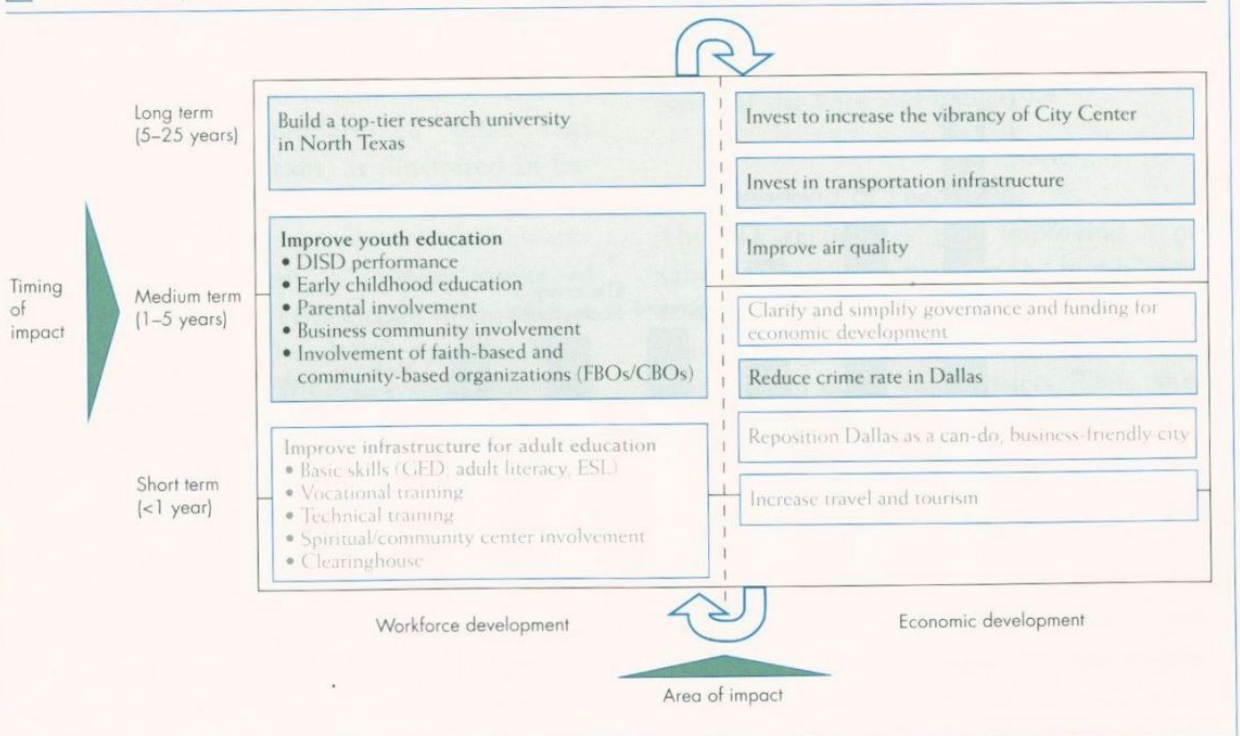
The Dallas Environment

Although both Dallas and North Texas are home to a number of well-known universities, no single institution consistently ranks near the top of the nationally recognized research institutions. Moreover, as illustrated in Exhibit 31 on page 38, the largest Dallas institution trails in federal research funding relative to the largest institutions in peer cities.

Top-tier universities play a critical role in attracting talent and delivering ongoing economic development within regions. University research dollars not only fund technology initiatives but also attract more members of the "creative class" to a region. Many economists believe that each dollar a university spends boosts income and employment in a region by a factor of 1.5 to 2.5. Consider, for example, that

EXHIBIT 30

ENABLING PLATFORMS CAN HELP FOSTER IMPROVED WORKFORCE AND ECONOMIC DEVELOPMENT



Johns Hopkins University was responsible for creating 79,250 new jobs in Maryland during 1999, and that MIT faculty and students launch about 150 new start-up businesses each year.

Benchmarking Peer Cities and Their Research Institutions

To assess which best practices used by other cities and research institutions might apply to the DFW area and its own research institutions, the JTF tracked the institutions that experienced the most significant increases in federal research funding dollars from 1992 to 2001: Boston University, Emory University, the University of Illinois at Chicago, and the University of Colorado Health Sciences Center. After interviewing the leadership at each of these institutions, the JTF identified several common themes that seem to contribute to the growth in research funding:

- The administration's absolute commitment to research
- A world-class faculty, as well as a resolution to pay for top talent
- A solid and well-resourced support infrastructure

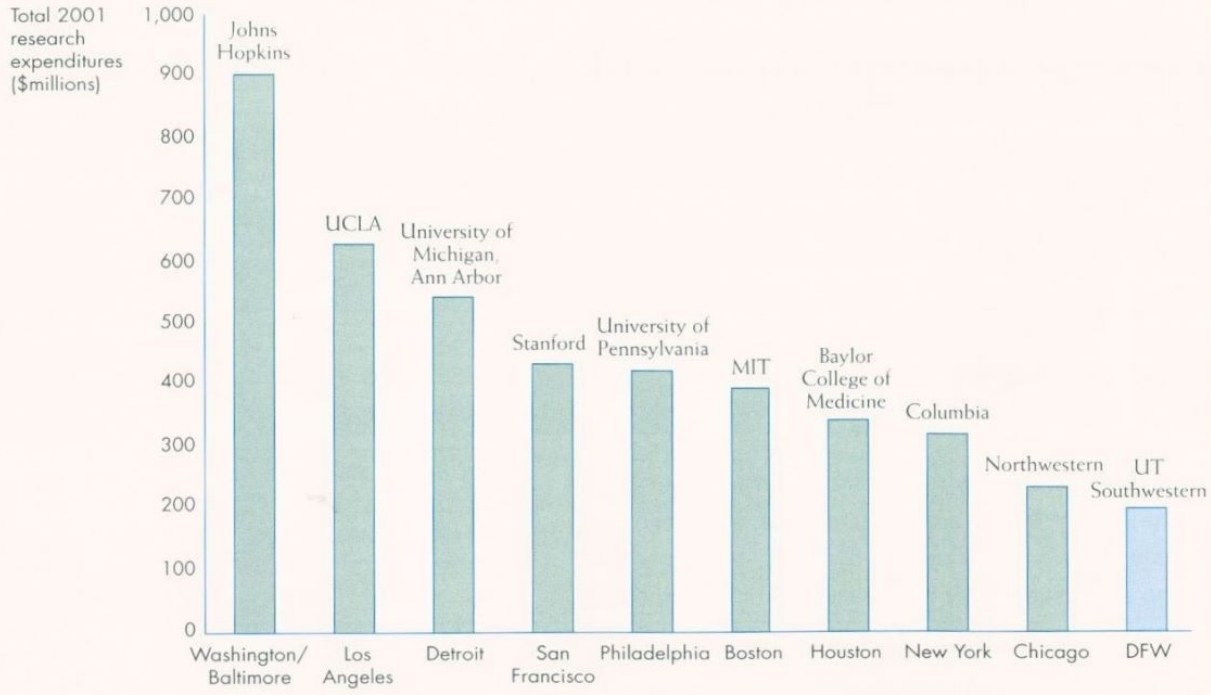
The Way Forward for Dallas

The task force recognizes that building a top-tier research institution is a complex task that will require a commitment from a broad cross-section of regional leadership. It also recognizes that several groups have already embarked on initiatives to help build a local top-tier research institution for the area. Rather than develop a new plan, JTF endorses the current efforts of the Dallas Citizens Council and of University of Texas System Chancellor Mark Yudof.

EXHIBIT 31

RESEARCH INSTITUTIONS IN PEER CITIES SIGNIFICANTLY OUTSPENDING THOSE IN DALLAS AREA

Largest research institution, by expenditures, in the ten most populous metropolitan areas



SOURCES: Interviews with university representatives; The Center at the University of Florida; SRI International 2002 benchmarking study.

The JTF believes that these initiatives will succeed if they build on the strengths of the universities that currently exist in the region. Thus, business, education, and community leaders should work to nourish the existing "pockets of excellence" at area universities. The JTF also recommends several additional actions for consideration:

- Continue to leverage the combined strengths of UTD, UTA, and UTSW through shared programs and faculty as well as through incubation of commercially viable research
- Analyze university-ranking metrics in order to focus explicitly on the criteria that most significantly drive recognized excellence at research institutions
- Ensure that the City Center has adequate access to higher-education facilities, either by locating them physically in the City Center or by improving the infrastructure for public transportation

Platform for Action: Improve Youth Education

The Dallas Environment

Despite progress in recent years, DISD's performance on standardized tests lags that of its peers in Texas, as illustrated in Exhibit 32.

Educational attainment, a primary driver of employment, plays a critical role in income as well. (See Exhibits 33 and 34, page 40.) Thus, improving the educational system for area youth will play a critical role in addressing both the unemployment and underemployment issues in the DFW area. Mike Moses, DISD Superintendent, and many of the JTF members believe that improving the area's educational systems is the single most important key to attaining the area's long-term objectives for workforce development and economic development.

EXHIBIT 32

ON STANDARDIZED TESTS, STUDENTS IN HOUSTON AND TEXAS OUTPERFORM PEERS IN DALLAS

Percentage of students passing Texas Assessment of Academic Skills, 2002[1]

	Dallas	Houston	Texas
Grade 3 – Reading	76	86	87
Grade 3 – Math	76	84	87
Grade 8 – Reading	88	92	94
Grade 8 – Math	85	90	92

SOURCE: Texas Education Agency.
[1]Newly implemented test now called Texas Assessment of Knowledge and Skills.

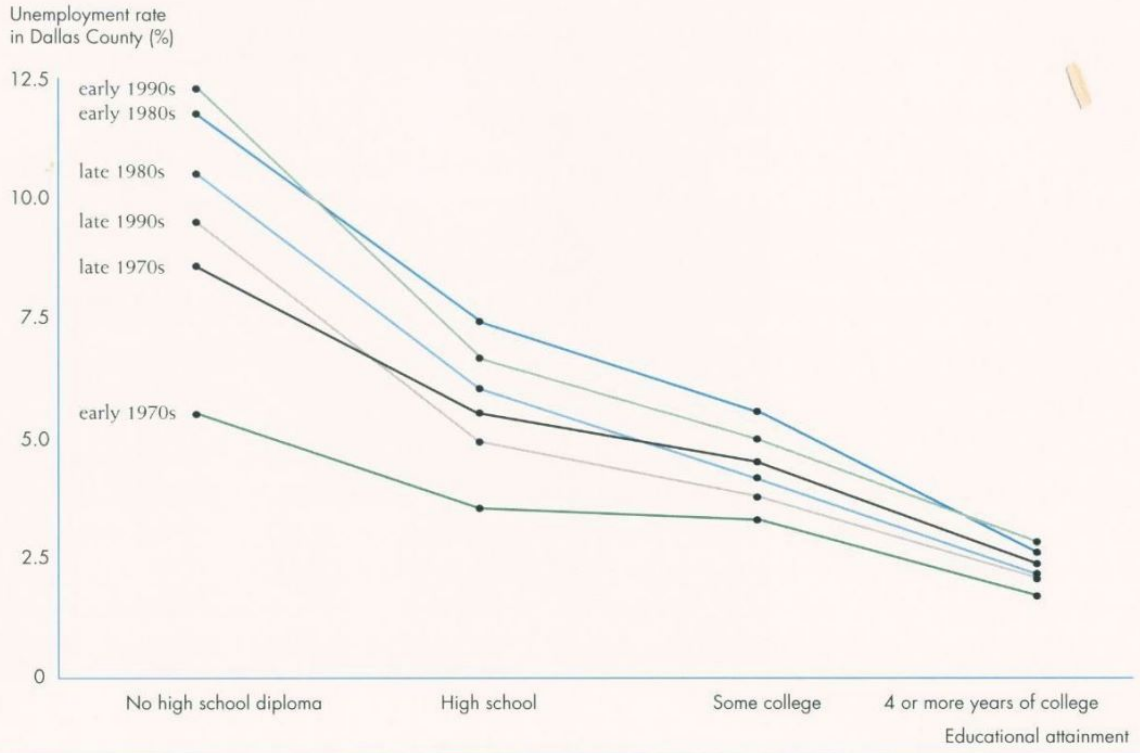
Having an educated workforce—an area in which Dallas currently stacks up poorly against its peers —translates into workforce readiness, a key driver fueling an area's ability to attract businesses as well as its resulting economic growth. (See Exhibit 35, page 41.) Clearly, therefore, improving the performance of DISD is a critical issue for the City and County.

Benchmarking of Peer Cities

The JTF recognizes that improving a public school system is a herculean and highly complex task—one that cannot be achieved through a universal or generic approach to reform that will work for all cities and districts. Thus, the JTF conducted a benchmarking exercise not to uncover a one-size-fits-all approach used by another school district but to identify characteristics common to the reform efforts that have succeeded in various cities and regions in recent years. (See Appendix Exhibit A-15 for details on the benchmarking process.) Indeed, several common themes did emerge from the research, with the JTF finding that cities improved overall

EXHIBIT 33

UNEMPLOYMENT FLUCTUATES, BUT REMAINS HIGHEST AMONG THOSE WITH LESS EDUCATION

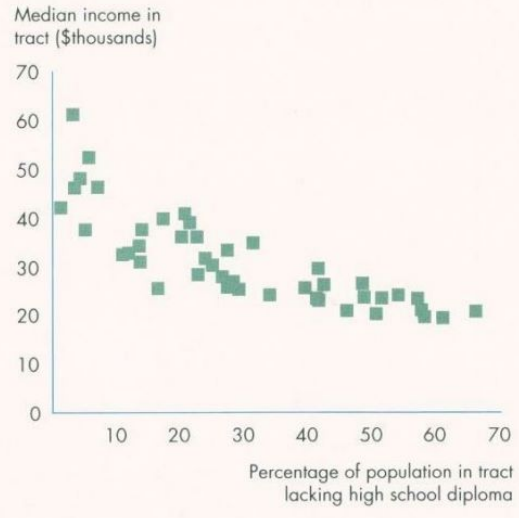


SOURCES: Census 2000; BCG analysis.

EXHIBIT 34

EDUCATION HIGHLY CORRELATED TO INCOME

Data for Dallas Census tracts, 2002



SOURCES: Census 2000; BCG analysis.

school-system performance by using a variety of initiatives:

Increased Accountability at the District Level. Successful school districts have specified detailed goals for academic achievement and tied them to compensation in the district. These institutions have developed and disseminated districtwide curricula and learning standards and have adopted data-driven decision-making approaches.

Improvements in Early Childhood Education. Improving district performance requires improving children's readiness to read and learn when they enter school. Improving education in early childhood requires identifying and developing the learning tools that are most effective among young students as well as targeting these tools to those at greatest risk for missing educational opportunities or dropping out of school.

Improvements in Math and Science. It is critical to upgrade children's skills through training in math, science, and computers. Such enhancements also include programs that offer differential pay to attract scarce math and science teachers.

Increased Parental Involvement. Initiatives to enhance the role of parents in education require that a school's processes and policies—and in some cases facilities—be changed as necessary to support and encourage family involvement. Additionally, it requires that schools be sensi-

EXHIBIT 35

DALLAS HAS HIGH PERCENTAGE OF DROPOUTS, LOW PERCENTAGE OF COLLEGE GRADS

Percentage of residents without a high school diploma

Rank	City	Percentage
1	Santa Ana, CA	55.2
2	Miami, FL	37.6
3	Detroit, MI	32.7
4	Baltimore, MD	30.6
4	El Paso, TX	30.6
6	Anaheim, CA	30.3
7	Newark, NJ	29.8
8	Cleveland, OH	28.9
9	Fresno, CA	28.6
9	Los Angeles, CA	28.6
11	**Dallas, TX**	**27.7**
12	Houston, TX	26.7
13	Fort Worth, TX	26.4
14	Chicago, IL	26.1
15	Buffalo, NY	25.3
16	Stockton, CA	25.0
17	New York, NY	24.7
18	Philadelphia, PA	24.6
19	St. Louis, MO	24.4
20	Riverside, CA	22.8
21	Sacramento, CA	22.7
22	Bakersfield, CA	22.6
22	Milwaukee, WI	22.6
24	Corpus Christi, TX	22.3
25	Oakland, CA	22.2
25	San Antonio, TX	22.2
27	Phoenix, AZ	21.6
28	Louisville, KY	21.2
29	Long Beach, CA	21.1
30	New Orleans, LA	20.5
31	Boston, MA	20.1
32	San Diego, CA	19.9
33	San Jose, CA	19.8
33	Tampa, FL	19.8
35	Memphis, TN	19.3
36	Cincinnati, OH	19.0
37	Las Vegas, NV	18.6
38	Oklahoma City, OK	18.2
39	Washington, DC	18.0
39	Toledo, OH	18.0

Percentage of residents with at least a bachelor's degree

Rank	City	Percentage
1	Seattle, WA	48.8
2	Raleigh, NC	48.0
3	San Francisco, CA	47.8
4	Washington, DC	42.5
5	Atlanta, GA	41.2
6	Austin, TX	40.6
7	Minneapolis, MN	40.5
7	Charlotte, NC	40.5
9	Lexington-Fayette, KY	39.7
10	Boston, MA	38.1
11	Colorado Springs, CO	36.9
12	Portland, OR	36.8
13	Albuquerque, NM	36.5
14	Oakland, CA	35.2
15	San Diego, CA	34.9
16	St. Paul, MN	34.6
17	San Jose, CA	34.4
18	Denver, CO	33.8
19	Anchorage, AK	31.5
20	Honolulu, HI	31.4
21	Nashville-Davidson, TN	31.1
22	Pittsburgh, PA	31.0
23	Arlington, TX	30.4
24	Virginia Beach, VA	30.3
25	Cincinnati, OH	29.6
26	Omaha, NE	29.3
26	New York, NY	29.3
26	Columbus, OH	29.3
29	New Orleans, LA	29.2
30	Tulsa, OK	28.6
31	Oklahoma City, OK	28.3
32	Kansas City, MO	28.2
32	**Dallas, TX**	**28.2**
34	Houston, TX	28.1
35	Los Angeles, CA	28.0
36	Indianapolis, IN	27.7
37	Chicago, IL	26.9
38	Tampa, FL	25.4
39	Long Beach, CA	24.8
40	Wichita, KS	24.7

SOURCE: U.S. Census Bureau.

tive to unique family, cultural, and language circumstances and needs.

Improved Stability and Focus in Institutional Governance. Political and organizational stability is necessary to achieve school-reform strategies. The school board must have support from stakeholders as well as adequate time to implement any reform. The board must also work with stakeholders to create a shared vision for reform and then must support district leadership in the pursuit of improvement.

The Way Forward for Dallas

The JTF understands that improving the youth education system in Dallas is beyond the scope of this initiative. The JTF believes that current improvement efforts by DISD must be supported and allowed to take root. Later, they can then be challenged so that substantial further gains can be made.

Within the JTF, there is a belief that existing DISD leadership possesses the talent necessary to turn around the local school district. The team is already focused on identifying and removing impediments to improvement. The JTF encourages the school board to stay the course and to support the district leadership team in their pursuit of reform.

The JTF also advocates support and aggressive expansion for the Dallas Early Childhood Reading Initiative—a collaboration of DISD, Head Start of Greater Dallas, Child Care Management Services, Southern Methodist University, the Texas Instruments Foundation, and the Foundation for Community Empowerment. The initiative distributes a language-rich curriculum (LEAP) to all area three- to four-year-old children whose family income qualifies them as being at risk for missing educational opportunities or dropping out of school. DISD should also initiate a similar program for improving math and science. Finally, the City and DISD should identify and deploy best-of-breed parental-involvement programs at the district level.

Platform for Action: Invest to Increase the Vibrancy of the City Center

The Current Dallas Environment

The downtown Dallas area lacks the vibrancy of many of the peer cities with which Dallas competes for jobs and talent. Downtown vacancy rates in the DFW area are the highest in the country across major metropolitan areas; in fact, downtown property values in the area fell by nearly $370 million from 2002 to 2003. (See Exhibit 36.)

Benchmarking of Peer Cities

To identify best practices that could benefit Dallas, the JTF benchmarked the steps that St. Paul and Denver are taking in their city centers. (See Appendix Exhibit A-16 for details on the benchmarking process.) From this research, several common themes emerged across these cities:

Increased Development of Housing Downtown. Dallas' peer cities created programs to encourage housing development in their downtown areas so that they could increase the number of local residents in the city center. Many municipalities also improved amenities to help attract more residents downtown.

Infrastructure Development. Peer cities invested in infrastructure such as streetscaping and lighting to create a clearly delineated downtown area and to attract residents and businesses. As part of the effort, the cities ensured that their transportation plans provided adequate downtown access.

Cultural Attractions. Peer cities aggressively promoted existing cultural attractions located downtown, such as museums. In some cases, they also invested in bringing new attractions, such as hockey and football franchises, to the city center.

The Way Forward for Dallas

It is beyond the scope of this task force to develop a comprehensive plan to increase the vibrancy of the Dallas City Center. The JTF,

EXHIBIT 36

DOWNTOWN OFFICE VACANCY RATES ARE THE HIGHEST IN THE COUNTRY

SOURCES: CB Richard Ellis, Colliers International property reports.

however, supports the existing efforts under way, including the Inside the Loop Plan, the Dallas Downtown Parks Plan, and the Trinity River Project. The JTF believes that the City should mobilize behind existing leadership, including Mayor Miller and the Inside the Loop Committee. Continued progress will likely require the City to evaluate funding options similar to those explored by other peer cities, including bond issues and, potentially, increases in sales taxes.

Platform for Action: Invest in Transportation Infrastructure

The Dallas Environment

In recent years, the City of Dallas has made considerable progress in developing the public-transportation infrastructure necessary to manage congestion and meet the growing needs of the regional population. Still, in a recent survey, the unemployed in Dallas indicated that they consider a shortage of public transportation to be a major obstacle to their finding and holding jobs. (See Exhibit 37.)

Moreover, with most job growth in the Dallas region concentrated in the suburbs—where the unemployed do not live—the area's public-transportation problem is likely to intensify. (See Exhibit 38, page 44.)

The Way Forward for Dallas

Transportation is a regional issue; thus, any efforts to improve transportation in the Dallas area must adopt a regional approach. Recently, the North Central Texas Council of Governments (NCTCOG) developed Mobility 2025, a long-term strategic plan. Mobility 2025 proposes that $49 billion be invested in freeways, tollways, high-occupancy vehicle lanes, rail, and a sophisticated system for monitoring traffic. It is the opinion of the JTF that this plan should be endorsed and supported by the City of Dallas, Dallas County, and other major constituencies in the North Texas Region.

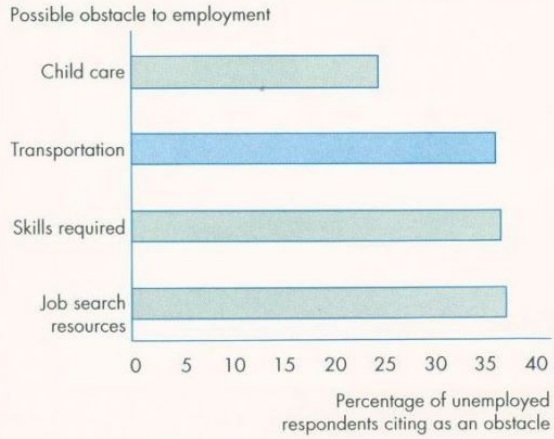
Platform for Action: Improve Air Quality

The Dallas Environment

Air quality has emerged as a major issue in the Dallas region, not only because it affects the regional environment and the health of local

EXHIBIT 37

UNEMPLOYED PERCEIVE SHORTAGE OF PUBLIC TRANSPORTATION AS A MAJOR OBSTACLE TO EMPLOYMENT



SOURCE: Survey of the Dallas unemployed conducted by the JTF.

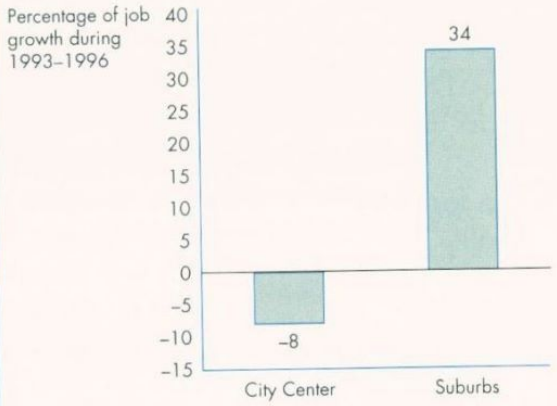
residents but also because poor air quality has a detrimental effect on efforts in economic development. For example, many area leaders believe air-quality issues are behind Dallas' recent loss of an $800-million Toyota manufacturing plant to San Antonio.

Currently, the U.S. Environmental Protection Agency (EPA) has classified the entire DFW metropolitan area as a "serious non-attainment area." If the area cannot attain air quality in accordance with EPA standards by 2005–2007, it will face a significant economic burden, including withdrawal of federal transportation funds.

EXHIBIT 38

TRANSPORTATION WILL BECOME AN INCREASINGLY IMPORTANT ISSUE FOR DALLAS

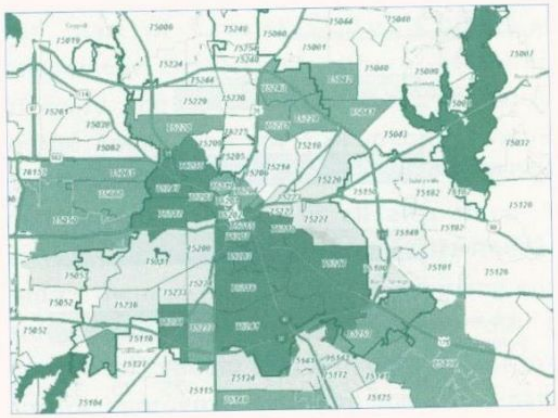
Job growth is highest in the suburbs . . .



Unemployment rate

<5% 5–7% 7–10% 10–24%

. . . but unemployment is concentrated in the City Center



SOURCE: Bureau of Labor Statistics.

The Way Forward for Dallas

Improving air quality in the North Texas Region affects every element of the regional economy. Although developing a new plan to improve air quality is beyond the scope of the JTF, the task force recognizes that air quality is a regional issue, and that any efforts to improve air quality must therefore be regional in nature. The JTF believes that the existing plan from the Regional Transportation Council provides a solid foundation for addressing these issues. Its planned initiatives include:

- An AirCheck Texas Repair and Replacement Assistance Program, which will help low-income individuals repair or replace high-emission vehicles
- A Clean Vehicle Program, which targets government and private fleets for replacement with vehicles that have ultra-low emissions
- Driver behavior programs, which aim to use education to modify driver behaviors that impede air quality (as well as transportation)—such as excessive idling, speeding, and aggressive driving

The JTF believes that the City and the region should endorse these efforts. Moreover, we believe that the community should closely monitor progress toward these goals and should hold the existing leadership accountable for ongoing progress.

Platform for Action: Reduce the Crime Rate in Dallas

The Dallas Environment

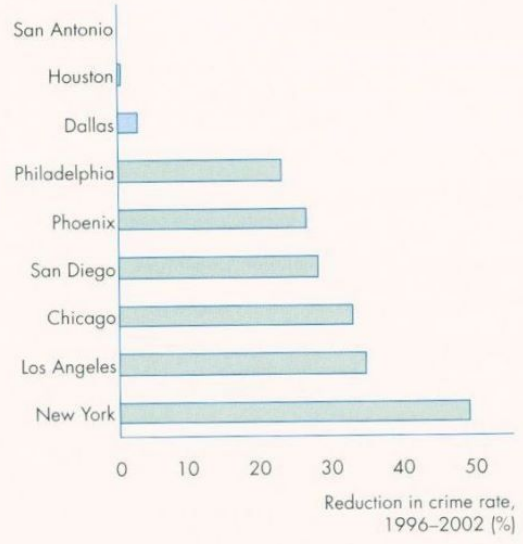
Dallas' crime rate is among the highest in the nation across major metropolitan areas. (See

EXHIBIT 39

HIGH CRIME RATE POSES IMAGE PROBLEM FOR DALLAS

Dallas has the second highest rate of violent crimes . . .

. . . And reduction in Dallas crime rate is relatively small



SOURCE: Dallas Indicators Project.
NOTE: Crime rate is number of violent crimes per 10,000 inhabitants. Violent crime includes murder, rape, robbery, and aggravated assault. Only cities with more than 1 million inhabitants in 1995 are shown.

Exhibit 39.) Crime in Dallas has been reduced only slightly, even while many other major cities have reduced crime substantially over the past decade: New York cut crime by almost half, and Los Angeles cut crime by about one-third.

Of course, a high crime rate has consequences for the quality of life of the citizenry, but its impact also extends further. In fact, the high crime rate within the City hinders economic-development efforts there—and across the region as well. Many companies planning conventions or relocations won't consider any region known as a high-crime area.

The Way Forward for Dallas

The Dallas crime rate cannot be resolved without first developing a leadership team—including a new police chief—to address the situation. Such a team should be responsible for developing a comprehensive plan to reduce crime in the City and metrics to monitor progress toward anti-crime goals. It also should be held accountable for successful implementation of its plans. There are many success stories from which the new leadership team can draw best practices, including New York, Los Angeles, and Chicago.

Implementation and Ownership

The agenda recommended by the JTF requires that a broad set of players share responsibility for the full range of recommended levers and platforms for action. The JTF believes that it is important for the Mayor, the City Council, the County Judge, and the County Commissioners to appoint a team that will continually monitor progress against all the goals outlined in this report. Such a team should report to the City and the County, and it should be responsible for proposing changes to any implementation plans as required. Without an entity such as this, the impact of these recommendations, the JTF fears, could be minimized.

Therefore, the JTF has developed a plan for monitoring implementation on an ongoing basis. The JTF proposes creating an Implementation Committee co-chaired by two leaders—one from local business and one from the community. This committee would form a subcommittee for each lever or platform recommended in this report; the subcommittees would be responsible for creating specific performance measures and monitoring the implementation of each lever or platform. They also would provide quarterly progress updates to the Implementation Committee Chairs and would maintain responsibility for updating and modifying implementation plans.

The co-chairs of the Implementation Committee would provide quarterly updates to the JTF sponsors, Mayor Miller, and Judge Keliher. After a period of 18 months, The Boston Consulting Group would audit the progress made by each subcommittee toward its stated goals. As proposed, the Implementation Subcommittees would be composed of members as outlined in Exhibit 40.

EXHIBIT 40
PROPOSED MEMBERSHIP FOR IMPLEMENTATION SUBCOMMITTEES

Area	Lever/platform	Recommended implementation team leaders
JTF implementation	• Oversee implementation of all levers and platforms	• JTF Implementation Committee Don Williams Fred Kleisner Erle Nye J. Puckett Joel Allison
Lever of direct impact in workforce development	• Improve infrastructure for adult education	• Laurie Bouillion Larrea • Jess Carreon
Levers of direct impact in economic development	• Clarify and simplify governance and funding for economic development	• The CEO Roundtable of the Dallas Citizens Council and a comparable entity representing Fort Worth, such as the Executive Roundtable -OR- • The combined boards of the GDCC and FWCC
	• Reposition Dallas as a "can-do," business-friendly city	• Dallas Mayor, City Manager
	• Increase travel and tourism	• Dallas Visitors and Convention Bureau
Enabling platforms	• Build a top-tier research university in the Dallas area	• Dallas Citizens Council
	• Improve youth education	• Mike Moses, DISD
	• Invest to increase the vibrancy of the City Center	• Robert Decherd, Inside the Loop Committee
	• Invest in transportation infrastructure	• North Central Texas Council of Governments
	• Improve air quality	• Regional Transportation Council
	• Reduce crime rate in Dallas	• City Manager, New Dallas Police Chief

Concluding Thoughts

Without a doubt, the action items recommended by the JTF present an ambitious agenda for the DFW area and its leadership. Still, the JTF believes that each of the levers and platforms outlined in this report will play a critical role in securing the future economic health and vibrancy of Dallas and the North Texas Region.

We hope that the Mayor, the City Council, the County Judge, the County Commissioners, and other key leaders will take these recommendations to heart as they map out the future of our region.

If you have any additional questions regarding this report or would like to obtain additional copies, please contact:

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Appendix

EXHIBIT A-1

LIST OF BUSINESS, COMMUNITY LEADERS INTERVIEWED BY JOBS TASK FORCE

JOBS TASK FORCE MEMBERS

Name	Company/Organization	Title
Ms. Laura Miller	City of Dallas	Mayor
Ms. Margaret Keliher	Dallas County	County Judge
Mr. Abid H. Abedi	Adea Solutions, Inc.	Chairman & CEO
Mr. Joel Allison	Baylor Health Care System	President & CEO
Mr. Gerard J. Arpey	AMR Corp./American Airlines	President & CEO
Mr. Norman P. Bagwell	Bank One Dallas	President
Mr. Tom Baker	TXU Energy	President
Mr. Britt Berrett	Medical City Dallas Hospital	President & CEO
Mr. Albert C. Black, Jr.	On-Target Supplies & Logistics	President & CEO
Mr. William A. Blase, Jr.	SBC Southwest	President & CEO
Dr. Jesus "Jess" Carreon	Dallas County Community College District	Chancellor
Mr. William F. Concannon	Trammell Crow Company	Vice Chairman
Mr. Christopher J. Durovich	Children's Medical Center Dallas	President & CEO
Mr. Perry Fagan	Citicards Irving	President
Mr. Louis Grabowsky	Grant Thornton	Managing Partner
Mr. Doug Hutt	Bank of America – Dallas	President
Mr. Fred J. Kleisner	Wyndham International	Chairman & CEO
Mr. Thomas C. Leppert	The Turner Corporation	Chairman & CEO
Ms. Wendy Lopez	LopezGarcia Group	CEO
Mr. Erle Nye	TXU Corp.	Chairman & CEO
Mr. Allen Questrom	J.C. Penney Company, Inc.	Chairman & CEO
Mr. Tim Sambrano		Local Entrepreneur
Mr. Luis Spinola	Azteca Enterprises	President & CEO
Mr. J. McDonald "Don" Williams	Foundation for Community Empowerment	Chairman & Founder

ADVISORY COUNCIL MEMBERS

Name	Company/Organization	Title
Ms. Jan Hart Black	Greater Dallas Chamber of Commerce	President
Dr. Glen I. Bounds	Bill J. Priest Institute for Economic Development	President
Mr. John Cappello	West Dallas Chamber of Commerce	President
Mr. Greg Floyd	Hire DFW First	Chairman Emeritus
Ms. Robie Glenn	Central Dallas Ministries	
Ms. Donna Halstead	Dallas Citizens Council	President
Ms. Laurie Bouillion Larrea	WorkSource for Dallas County	President
Ms. Nancy Lloyd	Oak Cliff Chamber of Commerce	
Mr. A.K. Mago	Greater Dallas Indo-American Chamber of Commerce	Founder & Chairman
Dr. John Ellis Price	UNT Dallas Campus	Vice Provost
Mr. Ed Rankin	PeopleSolutions	Founder & CEO
Ms. Lalla Shackelford	Central Dallas Ministries	
Ms. Marilyn Small	Jacob's Ladder	
Mr. Les Tanaka	Greater Dallas Asian American Chamber of Commerce	Executive Director
Mr. Arturo Violante	Greater Dallas Hispanic Chamber of Commerce	President
Ms. Diane Weklar	Hire DFW First	Chairperson

OTHER BUSINESS AND COMMUNITY LEADERS

Name	Company/Organization	Title
Ms. Elaine Agather	J.P. Morgan Chase, Dallas	Chairman & CEO
Ms. Judy Clark	Cincinnati USA Partnership	Director of PGC Resource Development
Mr. Robert Decherd	Belo Corporation	Chairman, President & CEO
Mr. Ruben Esquivel	University of Texas Southwestern Medical Center	VP, Community & Corporate Relations
Mr. Ryan Evans	City of Dallas	Assistant City Manager
Mr. Jeff Finkle	International Economic Development Council	President & CEO
Mr. Larry Fitch	San Diego Workforce Partnership	
Mr. Rodney "Rod" Ginther	Goodwill Industries of Dallas	President & CEO
Mr. Greg Giornelli	Atlanta Development Authority	President
Ms. Sallie Glickman	Philadelphia Workforce Investment Board	Executive Director
Mr. Larry Good	Corporation for a Skilled Workforce	CEO
Ms. Joanna Greene	Chicago Workforce Board	
Mr. Ryan Gregory	City of Phoenix, Community and Economic Development Department	Operations Manager
Ms. Catherine Hagan	ACS	Quality Assurance Manager
Ms. Alison Haralson	Greater Dallas Chamber of Commerce, Health Industry Initiatives	Manager
Mr. Neil Hensley	Cincinnati USA Partnership	Senior Director, Economic Development
Mr. John Huggins	City of Denver, Mayor's Office of Economic Development and International Trade	Director of Economic Development
Mr. David Hunn	Northern Virginia Workforce Investment Board	Executive Director
Mr. Phillip J. Jones	Dallas Convention and Visitors Bureau	President & CEO
Mr. Randall Kempner	Council on Competitiveness	Executive Director
Mr. Alan Kramer	Greater San Antonio Chamber of Commerce	
Ms. Sue Langston	SBC	
Ms. Connie Martinez	WorkSource for Dallas County	VP, Planning and Resource Development
Mr. Bernie McShea	Pittsburgh Regional Alliance	Senior Vice President, Business Development
Mr. Mike Moses	Dallas Independent School District	General Superintendent
Mr. Eric Nelson	Philadelphia Workforce Investment Board	
Ms. Theresa O'Donnell	City of Dallas, Department of Development Services	Director
Mr. Paul O'Connor	World Business Chicago	Executive Director
Mr. Robert Peche	San Antonio Economic Development Foundation	Vice President
Mr. Richard Perez	WorkSource for Dallas County	Assoc. VP, Planning
Mr. J. Hammond Perot	City of Dallas, Economic Development Division	Assistant Director
Mr. Dan S. Petty	North Texas Commission	President
Mr. Pablo Romo	Omega Contracting, Inc.	Project Manager
Ms. Erica Sager	U.S. Department of Labor's Center for Faith and Community Initiatives	Associate
Ms. Tonya Shadduck	Baylor Health Care System	
Mr. John Shellene	DFW Semiconductor Executive Council	Director
Ms. Nancy Snyder	Boston Private Industry Council	Deputy Director
Mr. William C. Sproull	Greater Dallas Chamber of Commerce	VP, Economic Development
Ms. Kris Stadelman	Workforce Development Council of Seattle	President
Mr. Roland S. Tilden	Bank of America–Dallas	SVP, Personnel Manager
Mr. E. John Ward	Dallas Transfer and Terminal Warehouse	President
Ms. Marcia A. Wilson	City of Houston, Department of Planning & Development	Deputy Assistant Director

EXHIBIT A-2

A FLAGSHIP PROGRAM WOULD CREATE LIVING-WAGE JOBS FOR THE UNDEREMPLOYED

What would the program look like?

Objectives
- To aid employers in meeting their near- and long-term labor needs
- To provide Dallas' low-income residents vocational skills training in targeted sectors and subsequent placement into long-term, career-laddered, family-sustaining employment
- Focus on lower-wage, short-term training opportunities (e.g., trucking, nurses aides)

Key elements
- Identification of family-sustaining occupations in high-need sectors (update sector needs biannually)
- Community college (CC) teaching and curricula development
- Firm commitments from employers to
  - coordinate with community colleges to develop curricula that will train qualified graduates
  - employ and retain graduates
- Adequate funding for student support services
  - financial aid for transportation, child care, tuition, books, general living expenses
- Retention program (post-employment support)
- Success metrics: number of jobseekers placed, average hourly wage, percentage of workers retained after one year

Highlighted best-of-breed models
- Seattle Jobs Initiative (described in this report)
- Project QUEST (San Antonio)

How do we get there?

Platform implementation team
- Laurie Bouillion Larrea
- Jess Carreon

Action implementation team leaders
- Mayor's Office
- Dallas County Community College District
- WorkSource for Dallas County

Required partners
- Pledged employers
- Community colleges (CCs)
- Facilities providers: e.g., faith-based and community-based organizations (FBOs and CBOs), CCs
  - classrooms, administrative processing, case management
- Administration, employer solicitation and retention, case management
- Outreach partners (e.g., FBOs, CBOs)

Sources of funding
- City of Dallas
- WorkSource for Dallas County
- Corporations
- Private philanthropy

Obstacles to success
- Funding requires substantial commitment from community

Immediate next steps
- Gain buy-in from stakeholders
- Identify and form leadership team
- Craft tactical plan
- Secure funding
- Execute pilot

EXHIBIT A-3

CREATING A YEAR-ROUND, SCHOOL-TO-CAREER INTERNSHIP PROGRAM

What would the program look like?

Objectives
- To expose Dallas' high school youth to career opportunities through hands-on, paid work experience
- To build the pipeline for the city's future workforce

Key elements
- Committed employer participants in targeted sectors
- In-school outreach/awareness program to ensure recruitment of the "right" candidates
  - presentations, job shadow days, pre-entry rotations
- Ongoing individual case management
  - relationship managers to serve as liaisons between students and employers
- Year-round, continuous participation
  - part-time employment during school year, full-time employment during summer
- Program coordinator
  - to convene industry
  - design program
  - develop curricula with schools
  - troubleshoot and coordinate relationships with high schools, employees, and higher education
- Success metrics: number of students placed, number of graduates placed/continuing education in industry, number of employers

Highlighted best-of-breed models
- Boston's Pro Tech (described in this report)
- San Antonio's Academies

How do we get there?

Platform implementation team
- Laurie Bouillion Larrea
- Jess Carreon

Action implementation team
- Mike Moses, DISD
- WorkSource for Dallas County
- City of Dallas
- YMCA
- Goodwill Industries of Dallas
- Campfire USA

Required partners
- School district(s)
  - 1–2 selected in competitive process during initial year
- Pledged employers
- Administration, employer solicitation and retention, case management

Sources of funding
- Corporations
- Private philanthropy
- DISD
- City of Dallas
- WorkSource for Dallas County

Obstacles to success
- Collaborations require employers' long-term commitment

Immediate next steps
- Gain buy-in from stakeholders (e.g., DISD, WorkSource for Dallas County)
- Form team
- Craft tactical plan
- Secure employer pledges and funding
- Execute

EXHIBIT A-4

NETWORK OF FBO, CBO ACCESS POINTS WOULD BOOST AWARENESS, USE OF COMMUNITY SERVICES

What would the program look like?

Objectives
- To create access to community workforce-development resources for FBO/CBO members who traditionally would not use such services
- To educate FBOs and CBOs on area services; create new opportunities for leverage through partnership

Key elements
- Recruitment of the right FBOs and CBOs
  - need and capability
- Clearly defined and agreed-upon service offering
- Equipment of all sites with online access to resources
- Training of FBO and CBO representatives
- Tracking FBO, CBO results
- Success metrics: number of FBOs, CBOs contracted, number of jobseekers registered/placed, number of FBOs, CBOs self-sustaining after one year

Highlighted best-of-breed models
- Philadelphia's Access Points (described in this report)
- Brevard County Workforce Investment Board pilot initiative

How do we get there?

Platform implementation team
- Laurie Bouillion Larrea
- Jess Carreon

Action implementation team leaders
- WorkSource for Dallas County
- Leading FBO or CBO
- Texas Department of Human Services

Required partners
- WorkSource for Dallas County
- 15–20 carefully recruited FBOs and CBOs

Sources of funding
- Federal and state grants
- Private philanthropy
- Corporations

Obstacles to success
- Capacity issues with WorkSource
  - more job-seeking customers, more funding needed from Texas Workforce Commission
- FBOs and CBOs maintaining annual funding

Immediate next steps
- Assess need and feasibility with WorkSource for Dallas County
- Secure funding
- Execute

EXHIBIT A-5

CLEARINGHOUSE WOULD SERVE DONORS AND THE COMMUNITY

What would the program look like?

Objectives
- To provide prospective corporate/individual donors an objective, comprehensive profile and evaluation of existing workforce-development programs in the Dallas area

Key elements
- 100% program participation and data disclosure
- Brand recognition as authoritative data source
  - donor testimonials that program data have driven investment decisions
- Rigorous analytics
  - financial profile, program effectiveness, organization capacity
- Overall relative rating system
- Success metrics: number of organizations profiled, number of subscribers, number of donors citing database as authoritative/critical source for making investment decisions

Highlighted best-of-breed models
- No model identified through interviews; however, software development for similar effort in progress at Foundation for Community Empowerment (FCE)
- Existing effort between DISD and the Greater Dallas Chamber of Commerce

How do we get there?

Platform implementation team
- Laurie Bouillion Larrea
- Jess Carreon

Action implementation team
- WorkSource for Dallas County
- Dallas Citizens Council
- FCE
- DISD
- Area chambers
- United Way

Required partners
- Data owner responsible for
  - collection and analysis
  - Web site design and maintenance
- All regional workforce-development programs
- WorkSource for Dallas County

Sources of funding (can evolve to self-funding venture)
- WorkSource for Dallas County
- City of Dallas
- Area chambers
- Corporations
- Foundations

Obstacles to success
- Organizations may be unwilling to participate and disclose data
- Metrics may not be comparable across programs

Immediate next steps
- Gain buy-in from key stakeholders
- Form team
- Craft tactical plan
- Secure funding
- Execute

EXHIBIT A-6

TEAM COULD RECOMMEND IMPROVED COORDINATION FOR ECONOMIC DEVELOPMENT IN NORTH TEXAS

What would the program look like?

Objectives
- Unified marketing effort to stimulate economic development across North Texas
- Coordinated and cooperative economic development across all area chambers, municipalities, and other entities focused on attracting businesses

Key elements
- Geographic scope spans DFW's 12-county CMSA
- Honest, company-facing broker
- Funding from both public and private sectors (benchmarks suggest $3M budget, ~15 staff members)
- Comprehensive database of regional statistics
- Deal tracking from lead to completion
  - updated on live opportunities
  - "autopsies" on lost deals
- Coordination of regional research
- Regional prospect management system
- Retention programs

Benchmark models to observe
- World Business Chicago, Cincinnati USA Partnership, and Pittsburgh Regional Alliance

Who should convene the team?

The CEO Roundtable of the Dallas Citizens Council and a comparable entity representing Fort Worth, such as the Executive Roundtable

- OR -

The combined boards of the GDCC and FWCC

Many elements of this vision are already a reality at Greater Dallas Chamber of Commerce

EXHIBIT A-7

BEST PRACTICES IDENTIFY OPPORTUNITIES TO MAKE DALLAS MORE BUSINESS FRIENDLY

Benchmarking process

Cross-referenced several sources to identify peer benchmarks

- Philadelphia, Boston, and Atlanta, among others, were identified for their best practices by the U.S. Conference of Mayors and American Management Services, Inc.
- Philadelphia was also ranked in the top five for economic development by the CEO and staff of the IEDC
- *Entrepreneur Magazine* ranked Atlanta and Boston in the top five for growth and low risk of bankruptcy among small businesses

Cities and practices identified

Philadelphia

- Launched a new division of the Department of Commerce, the Mayor's Business Action Team, which acts as a central access point for reliable and comprehensive business assistance

Boston

- Implemented two complementary programs that aimed to revitalize the traditional business districts as well as inner-city businesses, Back Streets and Main Streets

Atlanta

- Created the Atlanta One Stop Capital Shop to provide centralized, comprehensive financial and technical business assistance to new and expanding small businesses

SOURCES: *Best Small Business Practices* 2000, 2001, U.S. Conference of Mayors; *Entrepreneur Magazine* Best Cities for Small Business 2003; International Economic Development Council.

EXHIBIT A-8

FORMULATING A STRATEGY FOR THE CITY, REGION

What would the strategy look like?

Macro trends/direction of the economy

Value proposition that Dallas and DFW area will provide to businesses and residents

Plan to invest behind key competitive advantage of Dallas and the DFW /North Texas region
- Industry mix
- Labor pool/demographics
- Infrastructure
- Factor costs
- Size and location

Priorities for efforts in economic development
- Key industries
- Company targets
- Leadership
- Incentives
- "Can-do" environment

Priorities for workforce-development efforts
- Skill sets
- Educational attainment
- Assets

Priorities for key enablers
- Infrastructure for City Center
- Crime rate
- Air quality
- Transportation

Tangible goals and priorities for 2010–2020

How do we get there?

Platform/action implementation team
- Mayor of Dallas
- City Manager

Required partners
- DFW chambers
- Dallas Citizens Council and equivalents
- Private sector

Sources of funding
- Metro chambers
- Cities of Dallas, Fort Worth
- Private sector

Obstacles to success
The effort might require significant funding

Immediate next steps
- Gain consensus
- Secure funding
- Create team to head initiative
- Execute

EXHIBIT A-9

DESIGNATE OMBUDSMAN AS CONTACT FOR ALL LEADS IN ECONOMIC DEVELOPMENT

What would the program look like?

Objectives
- Provide single point of contact and fast-track capabilities for business support services
- Streamline permitting, licensing, zoning processes
- Make City services more customer facing

Key elements
- Buy-in and cooperation from City departments and organizations providing business services
  - Municipal ED, zoning, and licensing departments
  - Dallas area chambers of commerce (e.g., Greater Dallas Chamber of Commerce, Greater Dallas Hispanic Chamber of Commerce)
- Up-to-date database detailing the City's assets, financing programs, and other incentives
- Designated ombudsman to guide prospective businesses through all City processes

Highlighted best-of-breed models to observe (described in this report)
- Philadelphia Mayor's Business Action Team
- Boston Back Streets and Main Streets
- Atlanta One Stop Capital Shop

How do we get there?

Platform implementation team
- Mayor of Dallas
- City Manager

Required partners
- City Council
- Area chambers

Sources of funding
- City of Dallas
- Greater Dallas Chamber of Commerce

Obstacles to success
- Entrenched perceptions
  - difficult to change quickly view that City Hall is not friendly to business
- Inertia of existing policies and processes

Immediate next steps
- Achieve consensus
- Create organizational structure of initiative
- Secure funding
- Execute

EXHIBIT A-10

FORM A TASK FORCE TO ACCELERATE PROCESS IMPROVEMENT

What would the program look like?

Objectives
- Conduct an audit of Dallas' zoning and permitting laws, processes, and tax incentives
- Benchmark and rationalize Dallas' structured processes and laws to identify opportunities for improvement/change

Key elements
- Buy-in and cooperation from City Hall and City Council
- Benchmarking of zoning, permitting laws in peer cities
- Benchmarking of tax abatements and incentives offered by peer cities
- Assessment of business relocations that were lost to peer cities
- Retention of expert on development processes and best practices

How do we get there?

Platform/action implementation team
- City Manager
- Mayor of Dallas

Required partners
- City Manager
- City Council

Sources of funding
- City of Dallas
- Greater Dallas Chamber of Commerce
- Area businesses

Obstacles to success
- Lack of commitment from City
  - City Hall, City Council might resist review of zoning laws and tax-incentive policies

Immediate next steps
- Achieve consensus
- Secure funding
- Execute

EXHIBIT A-11

UPDATE BUSINESS ASSISTANCE AND INCENTIVE STRUCTURES

What would the program look like?

Objectives
- Make Dallas' business assistance and incentive packages competitive with peer cities
- Use leading-edge incentives to compete with other municipalities in attracting and retaining businesses and jobs

Key elements
- Benchmark Dallas packages with those of peer cities
- Institute process to continually revise/review packages, ensuring that they are up to date
- Task team to ensure that goals are accomplished

How do we get there?

Platform/action implementation team
- Mayor of Dallas
- City Manager

Required partners
- City Council
- Area businesses

Sources of funding
- City of Dallas

Obstacles to success
- Cost of incentive programs
- Unwillingness of City leadership to use incentives aggressively

Immediate next steps
- Convene team
- Execute benchmarking study
- Propose and execute plan for Dallas

EXHIBIT A-12

ADOPT A STANDARD SET OF METRICS FOR EVALUATING THE IMPACT OF DEALS IN ECONOMIC DEVELOPMENT

What would the program look like?

Objectives
- Capture and understand the overall detailed impact of deals in economic development for Dallas area
- Deliver information for ongoing development of tax abatement and incentive programs

Key elements
- Rigorous and systemized approach to evaluate micro-level and macro-level effects of deals
- Ongoing reporting system to track wins, losses, and overall impacts of deals

How do we get there?

Platform/action implementation team
- Mayor of Dallas
- City Manager

Required partners
- City Council
- Area business
- Greater Dallas Chamber of Commerce

Sources of funding
- City of Dallas

Obstacles to success
- Unwillingness to adopt macro-level view of the economic impact of deals
- Inertia of existing structures

Immediate next steps
- Research approaches to evaluate comprehensive view of deals in economic development
- Create process to ensure that deals and resulting impacts are tracked and monitored

EXHIBIT A-13

ENSURE THAT THE CITY IS LEVERAGING ALL AVAILABLE RESOURCES FOR ECONOMIC DEVELOPMENT

What would the program look like?

Objectives
- Ensure that City and County leverage all available resources in economic development
- Ensure that economic development in Dallas is both resourceful and world class

Key elements
- Team to audit existing resources for economic development in the city
- Comparison/benchmarking of resources in peer cities
- Implementation plan to improve use of existing resources
- Resources should include, but not be limited to, eminent domain, demolition funds, and land banking

How do we get there?

Platform/action implementation team
- Mayor of Dallas
- City Manager

Required partners
- City Council
- Greater Dallas Chamber of Commerce
- Area business

Sources of funding
- City of Dallas

Obstacles to success
- Existing processes in economic development
- Shrinking City budget for economic development

Immediate next steps
- Form team to assess Dallas' use of resources
- Create and execute plan to improve existing structures and processes

EXHIBIT A-14

ENSURE THAT CITY'S POLITICAL LEADERSHIP AND MANAGEMENT TEAM ARE BUSINESS FRIENDLY

What would the program look like?

Objectives
- Leverage the political powers of City leadership to encourage economic development

Key elements
- Public endorsement of a pro-business attitude by City leadership
- Active and ongoing support and participation in business attraction, retention, and expansion efforts by City leadership

How do we get there?

Platform/action implementation team
- Mayor of Dallas
- City Manager

Immediate next steps
- Individual meetings between the Mayor and top business leaders to discuss area priorities
- Public statements by the Mayor, City Council, and City Manager in support of business
- Active and ongoing participation in existing leads for economic development

EXHIBIT A-15

BENCHMARKING APPROACH FOR IMPROVING YOUTH EDUCATION

Process description

Four school systems were examined by the benchmarking study, *Foundations for Success: Case Studies of How Urban Systems Improve Student Achievement*

- Houston ISD
- Charlotte-Mecklenburg Schools
- Sacramento City USD
- Chancellor's District in New York City

The Research Advisory Group of the Council of the Great City Schools (CGCS), a coalition of 61 of the nation's largest urban public school systems, selected for the case study districts that

- had improved overall student achievement at least three years running
- had narrowed differences between white and minority students
- had improved more rapidly than other districts in their respective states
- were geographically representative

Benchmark cities identified

Houston Independent School District (HISD)

- Comparable demographic mix to DISD
  - African-American: Houston, 32%; Dallas, 36%
  - Hispanic: Houston, 55%; Dallas, 55%
  - English-language learners: Houston, 27%; Dallas, 33%
- For HISD, TAAS improvement in reading and math from 1994–2002 surpassed state improvement for all grades tested (Grades 3–8 and 10)
- During same period, HISD outperformed state in narrowing performance gaps between minority and white students for all grades tested (Grades 3–8 and 10)

Charlotte-Mecklenburg Schools (CMS)

- Elementary student achievement on the North Carolina end-of-grade tests improved significantly between 1995 and 2000
- Percentage of students scoring below grade level decreased for African-American and white students

SOURCE: *Foundations for Success: Case Studies of How Urban School Systems Improve Student Achievement*, Council of the Great City Schools, September 2002.

EXHIBIT A-16

IDENTIFYING PEER CITIES, BEST PRACTICES FOR INCREASING THE VIBRANCY OF THE CITY CENTER

Identification process

Three sources were used to identify benchmark cities/practices

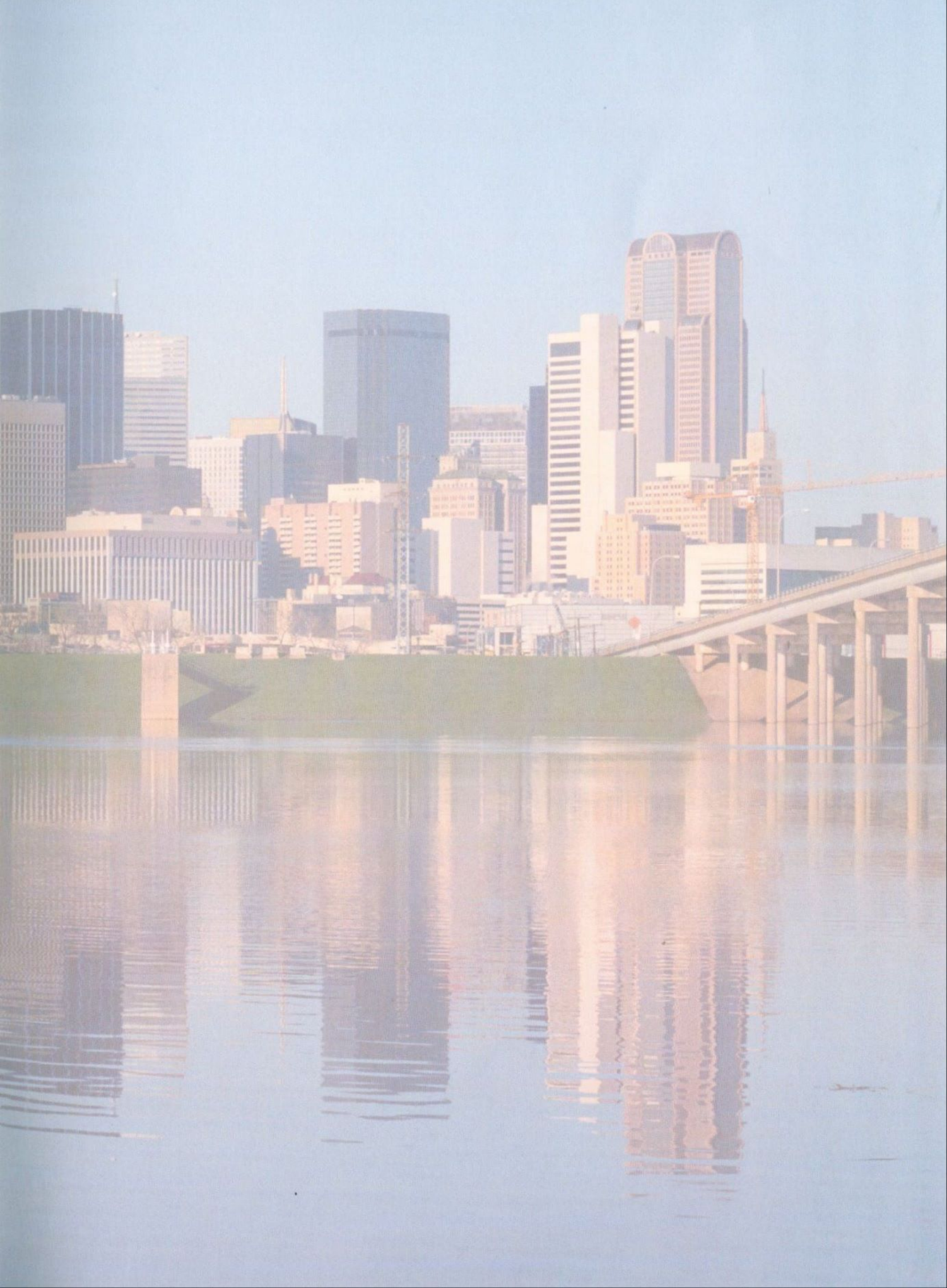
- A publication produced by the Fannie Mae Foundation and the Brookings Institution's Center on Urban and Metropolitan Policy looked at population growth in 24 cities, and identified Denver as one of the top cities for downtown population growth
- A federal policy paper presented to President Bush and Congress by CEOs for Cities presented as best practices the efforts of St. Paul and Denver to revive their downtown districts
- A paper written for the Brookings Institution that explored the steps cities can take to attract and increase residential life and 24-hour activity in their central business areas

Benchmark cities identified

St. Paul

- Launched the Capital City Partnership in 1996 to organize resources of the business community in order to plan, develop, and promote the downtown area

Denver

- Brought together businesspeople, residents, and organizations working toward the common goal of revitalizing downtown
- Focused on creating downtown housing and destinations that would attract residents and local visitors

SOURCES: *Competitive Cities: A New Urban Agenda*, CEOS for Cities; *Downtown Rebound*, Fannie Mae Foundation; *Ten Steps to a Living Downtown*, Brookings Institution's Center on Urban and Metropolitan Policy.