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TODs, TIFs, Reurbanization and Renewal

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Introduction: Light Rail and Transit Oriented Development (TOD)

In 1983, 14 member cities voted to create Dallas Area Rapid Transit. The starter light-rail line began service in 1996. In 2000, DART ridership totaled over 97 million trips. There are now 93 miles of light rail and 35 miles of commuter rail. 42 stations are now built or being planned.

With DART's success came an increase in transit-oriented retail and residential development around light rail stations. People realized the convenience of living, working, and shopping in areas where a long car trip wasn't required to get a gallon of milk. By the end of 2001, private investment along the $860 million starter line had exceeded $922 million and is now well over $1 billion. Light rail has proved itself as a successful catalyst for transit oriented development and DART is actively working with developers to seek out TOD opportunities. Adjacency to transit amenities can boost property values by as much as 25 percent. How do these development opportunities translate to market reality?

- DART authorized 1983
- Service begins 1996
- 42 existing or planned DART stations
- 93 miles of light rail
- 35 miles of commuter rail
- Over $1 billion private investment

Beginnings: Rail starts Downtown, but development begins Uptown


From its genteel beginnings as the first Dallas streetcar suburb and its subsequent history as a thriving African-American neighborhood, this area gradually suffered severe decline from suburban flight, disinvestment, and decaying infrastructure. In the 1980s developers begin acquiring and clearing properties in the expectation of building more office space but those plans were halted by the market downturn. Much of the area was vacant, blighted and crime-ridden through the end of the 1980s.

In 1987 a coalition of property owners commissioned RTKL to guide the rezoning of the area as a planned development district of 130 acres. The State-Thomas Special District was the first district in Dallas with design standards that promoted urban neighborhood-making. The development greatly extended the range of housing types available in downtown Dallas, while enriching the neighborhood environment of the historic State-Thomas district.

In 1989, to promote reinvestment in the area, the City of Dallas created the State-Thomas Tax Increment Financing District, the first TIF district in Dallas. TIF funds were used to improve the area infrastructure including water and sewer systems, burying utilities, and paving streets. The first residential project, the Meridian, was built in 1990 and was quickly followed by others.
Also in 1989, the historic streetcar was returned to Dallas streets, at least in a modest way. The first electric streetcar system was begun in Dallas in 1889; streetcar service was ended in the 1950s. When the original rails were rediscovered under the asphalt, local private business owners and rail enthusiasts bought and restored antique trolley cars and returned them to service under a private non-profit organization called the McKinney Avenue Transit Authority (MATA). This timely addition in a time-honored form of ‘light transit’ helped with the restoration of urban form and pedestrian scale to this historic streetcar suburb.

The success of State-Thomas as evidenced by high urban density and low vacancy rates proved that there was a pent-up demand for quality urban living in Dallas, and spurred further development. In 1993 the City created the Uptown Public Improvement District (PID) and the Cityplace TIF District. PIDs are created at the request of property owners, who pay an assessment for services beyond existing City services. Activities eligible for public improvement funds include marketing the area, providing additional security, landscaping and lighting, cleaning the streets within the district, and providing cultural and recreational improvements.

Development continues in Uptown around the Cityplace DART station. The trolley line was expanded to connect the Cityplace station to Downtown, creating a true transit circulator and a model that every Dallas neighborhood developing around transit looks toward. MATA is franchised by the City and receives some operational funding from DART and from the Uptown and Downtown Public Improvement Districts.

**Results**

By 1998, there were 56 restaurants in the 128-block Uptown area. By 2000, population in the entire downtown (or ‘intown’) area had increased by 54 percent over 1990 figures. Current land prices are over $70 per square foot.

- + 2700 Units over 14 years
- 32 projects, 19 utilizing TIF funds
- 90% complete, seed for “Uptown”
- + $300,000,000 invested (tax value)
- + $25,000,000 TIF funds authorized
- Highest market rates in North Texas

State-Thomas property values:
- 1989: $47,506,802
- 2004: $307,693,707
- 547.68% increase

Cityplace property values:
- 1992: $45,065,342
- 2004: $291,065,959
- 545.88% increase

2
Lessons Learned

- T.I.F. – pays public improvements up-front; repaid over a period of years from tax revenues
  - Rezone – Planned Development District, 130 acres
  - Develop Design Standards
  - New standard for urban density in Dallas, first time used
- Urban Design features:
  - Revitalizing a run-down area
  - True urban scale and density
  - Diverse mix of uses
  - Streets for walking as well as driving
  - Public/private partnership

Transit Extension: Urbanizing the Suburbs

Addison Circle: 1993

The Town of Addison is tucked in between other suburbs of North Dallas, bounded within a four square mile area. In the early 90s, town officials decided to create a “special urban district” to increase the local population base and support the town’s restaurant/entertainment business. Due to the small area remaining for development, the town had placed a moratorium on the typical Edge City garden style apartments. Instead they were seeking a more comprehensively planned, sustainable, urban model such as the one provided by the State-Thomas district. The result was an 80 acre planned development called Addison Circle. The town chose the site based on several favorable characteristics:

- Within walking distance of employment centers, retail and entertainment;
- Adjacent to a proposed DART station;
- Near the Addison conference center and arts center (the ‘community center’);
- The site was already being used for special events;
- The parcel was large enough for a mixed-use special district;
- It was controlled by a single land owner.

The town promoted the plan to the property owner and to area developers and attracted the interest of a developer (Columbus Realty, later Post Properties) who had also developed properties in the State-Thomas district. The developer and the property owner, working with the town staff and consultants, took the following steps:

1. Commissioned a marketing survey to explore potential demand and rental rates.
2. Created a consensus building planning process with public workshop sessions, public relations and education initiatives.
3. Worked with consultants to prepare design/development standards to be encoded into the final zoning for the district.
4. Hired land use attorneys and real estate consultants to conduct cost/benefit analyses.
5. Identified potential financing and funding gaps which needed to be resolved.

As a result, in 1993 Addison developed a public improvement funding strategy to seed the initial development. Rather than a typical TIF, the town provided phased public improvements from the general fund, linked to specific performance requirements on the part of the developer. Key features of the agreement include:

- $9 million from the town for project seed money
- $4 million for initial infrastructure improvements. For this, the developer commits to build at least 1500 dwelling units within four to five years.
- $5 million linked to remaining development phases of up to 3000 units.
- An additional $1 million for a design competition for a focal corporate icon at the center of Addison Circle.

**Present Conditions**

Construction began in 1995 and is now in the final phases. While 30% of the site is dedicated to open space and public parks, overall density exceeds 37 dwelling units/acre. Apartment densities are as high as 90 units/acre. Addison Circle serves as a town center but is also an important regional event center; frequent events draw large crowds and are served by the DART transit center. Public investment of $9 million generated private investment of $300 million. On completion, the project will include 3000-400 residential units; 4 million square feet office and retail; and will have generated up to 10,000 new jobs for the area.

**Legacy Town Center: Urbanizing the Suburban Office Park**

Legacy Town Center serves as the 150-acre heart of this 2,665 acre corporate office park located north of Dallas in Plano. Although there is a park-and-ride and future plans for rail connections, this project was primarily intended for the nearly 40,000 people who work in the area. Employers are realizing that the best quality employees are attracted and retained by addressing their desire for a particular ‘quality of life’ with pedestrian scale and convenience. However, the centers urban vitality, retail and entertainment offerings provide a regional draw. The Shops at Legacy offer 450,000 square feet of ground floor retail and entertainment uses, and 60,000 square feet of second-level loft office space, in addition to residential space. The City of Plano worked with developers to rezone the area for mixed-use; no other public incentive was required. The first phase opened in 1999 and a second phase is underway.

**Notes:**
- 1980s suburban office park
- 1990s Town Center development
- Pedestrian-scale, mixed-use, quality of life attraction
- City rezoned for mixed-use district; no other public incentive required