ECONOMIC DEVELOPMENT STRATEGIC PLAN

CITY OF ARLINGTON, TEXAS

TIP STRATEGIES

ACKNOWLEDGMENTS

TIP would like to thank the following individuals and organizations for their participation in this planning process.

TIP STRATEGIES

TIP STRATEGIES, INC., is a privately held economic development consulting firm with offices in Austin and Seattle. TIP is committed to providing quality solutions for public sector and private sector clients. Established in 1995, the firm's primary focus is economic development strategic planning.

CONTACT
TIP Strategies
2905 San Gabriel Street, Suite 309, Austin, TX 78705
PH: 512-343-9113
www.tipstrategies.com

CONSULTING TEAM
Jon Roberts, Managing Partner
Alexis Angelo, Consultant

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EXECUTIVE SUMMARY

Arlington's growth over the past 5 years has been nothing short of remarkable. That growth, evidenced by new residents and new developments, has also been surprisingly resilient. While much of the nation continues to struggle with the lingering effects of the coronavirus disease 2019 (COVID-19) pandemic, Arlington is seeing renewed strength in the hospitality industry, retail, and corporate expansion.

With a population of 400,000, Arlington (the City) has affirmed its position as the pivot point in the Dallas-Fort Worth-Arlington metropolitan area. And as home to the University of Texas at Arlington (UTA)—in 2021 designated a Texas Tier One research institution—the City is able to tap into a highly educated workforce. In addition to a sustainable talent pipeline, Arlington offers some of the most sought-after entertainment offerings in Texas. The Texas Rangers (baseball), the Dallas Cowboys (football), and Six Flags Over Texas (theme park) have become the region's entertainment hub.

The City of Arlington engaged TIP Strategies, an Austin-based economic development consulting firm, to revisit the City's 2014 economic development strategic plan. The plan provided a vision of a globally connected City with quality amenities and an innovative business environment to draw companies and residents. It also put forth the notion that Arlington was well positioned to leverage its position as the third City in the Metroplex and build on the international recognition afforded the City by its many assets.

ARLINGTON, TX:
An Economic Development Strategic Plan

September 2014

TIP Strategies, Inc.
www.tipstrategies.com

It is no exaggeration to say that Arlington's success was in large measure due to the determined efforts of City leadership. The economic development strategic plan prepared by TIP Strategies in 2014 was used to great effect. In the current update of that plan, even greater emphasis is being placed on redevelopment and on leveraging the growth potential of the community.

The current plan update utilizes key elements from the 2014 plan that are still integral to Arlington's success, while also considering recent data, both quantitative and qualitative. The updated plan is intended to supply Arlington with the tools and guidance needed to ensure ongoing economic success. Thanks to recent voter approval, Arlington has formed the most highly funded economic development corporation (EDC) in the state with a newly established quarter-cent sales tax. This updated plan provides guidance to the City and the EDC on how to move forward.
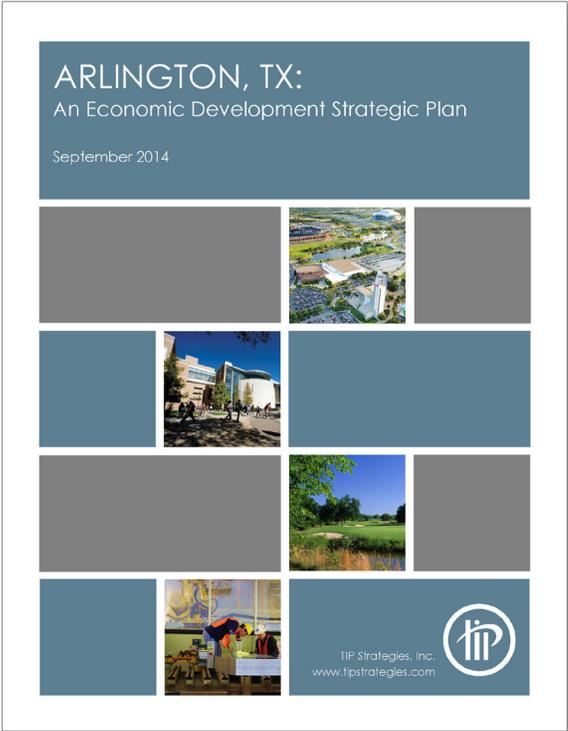
KEY FINDINGS

The sales tax and associated fund represents an enormous opportunity to shape Arlington's future.

In November 2020, a majority of Arlington voters authorized the adoption of an additional quarter-cent City sales and use tax to fund the creation of an economic development corporation (EDC). The Arlington Economic Development Corporation is a nonprofit organization whose mission is to recruit new employers and industry. It also assists local companies to grow and to generate quality job opportunities for the community. Arlington City Council appointed the organization's board members in December 2020. The EDC will operate with dedicated funding to pursue economic development activities Citywide and is now the most highly funded EDC in the state of Texas. With input from the City and the chamber, the funds will focus on the four areas identified in Figure 1. More information regarding the fund framework can be found in Appendix B.

FIGURE 1. FUND AREAS

TARGETED AREA FUND. A targeted area fund invests in development and redevelopment opportunities, as determined by the EDC board, in specific geographic areas across Arlington.

OPPORTUNITY FUND. This fund provides programming and resources to support the stabilization and growth of small businesses in Arlington and businesses owned and operated by women and people of color within Arlington.

DEAL CLOSING FUND. A deal closing fund can offer incentives to companies with immediate project opportunities in Arlington with specific expansion and recruitment initiatives.

INNOVATION FUND. An innovation fund catalyzes projects that the City of Arlington can use to support innovative companies, health sciences research and development, and Smart City initiatives.

There have been significant milestones in Arlington's competitive positioning.

In 2016, UTA was designated as a Carnegie Classification of Institutions of Higher Education, R-1: Doctoral Universities—Very High Research Activity, and in 2021 it became a Texas Tier One university. The two designations are symbols of UTA's stature as a major research center and establish it among the top ranks of schools in Texas and the broader region. UTA's research study areas include Texas transportation infrastructure and aviation technology, further promoting Arlington as a leader in transportation advancements.

In 2021, Arlington became the first City in Texas and the largest in the country to allow SiFi Networks to build out an open-access fiber network across the community, allowing all residents access to the most reliable network in the state. This is an opportunity to advance Arlington's economy as it bridges the digital divide and creates a City where it is easier to do business.

Wallbox, a global electric vehicle charger manufacturer, announced in 2021 that it chose Arlington as the site for its first American plant. The company, which will utilize 130,000 square feet of manufacturing space, selected Arlington for its central location and easy access to national transportation networks. The world is transitioning to electric vehicles and Arlington's prominence in this space is evident through Wallbox's interest in the City.

Arlington is leaning into its identity as the American Dream City.

The City of Arlington and the Arlington Convention & Visitors Bureau worked together to create the "Arlington: The American Dream City" brand. This brand is intended to represent all of Arlington and its "can-do" spirit. A representation of this mentality can be found in the Unity Council formed in 2020. The Unity Council was charged with examining different aspects of racial and ethnic disparities and studying equity strategies that the City could implement. With a growing awareness of the importance of equity and inclusion, the Unity Council and its continuing efforts will allow Arlington to build an equitable future and shared prosperity for all its residents. This equity lens is embraced throughout the updated strategic plan.

Arlington has huge assets ripe for redevelopment.

Just as in 2014, many of the City's areas are ripe for redevelopment. In a competitive environment like the Metroplex, successful redevelopment often requires a strong public sector role. Identifying desired outcomes and defining clear guidelines for City involvement will provide the foundation for the rejuvenation and transformation of key economic centers into vibrant destinations. With huge assets, such as the Great Southwest Industrial Park, Arlington is uniquely positioned to be one of the most dynamic areas within the Metroplex.

Housing availability and variety continues to constrain talent.

Arlington has advantages that ensure a strong economic future. To capitalize on these advantages, however, an aggressive approach to new housing opportunities is required. The link between housing (including variety, availability, quality, cost) and talent attraction and retention is increasingly clear. While many Dallas-Fort Worth area communities, such as Arlington, are skewed toward single-family detached housing because of their origins as suburbs, they must continue to produce a strong mix of housing options with a range of price points to maintain and grow the talent pool.

FRAMEWORK

This plan offers an approach to economic development that leverages assets and maximizes opportunities to differentiate Arlington within the region. The guiding principles and overall approach recommended in the 2014 strategic action plan remain as important in 2021 as they were when first adopted 7 years earlier. One important element of the original plan that is deserving of special attention now, just as before, is the need for more explicit action addressing equitable growth and its intersection with economic development in Arlington. These updates to the 2014 framework are highlighted.

GUIDING PRINCIPLES

The guiding principles listed below are woven throughout the plan's goals and strategies as a way of ensuring that Arlington's incentives and investments provide tangible benefits in regard to talent, innovation, and place.

1. *Globally Connected.* Arlington's employment centers are premier locations for companies that are engaged in the global marketplace and that represent the next generation of innovation in their industries.
2. *Vibrant.* Arlington's amenities create a quality of place that attracts companies, retains UTA graduates, and entices visitors to linger.
3. *Innovative.* Arlington is a hotbed of innovation in the Metroplex in multiple facets: its economic development practices, the research taking place at UTA, and the research and development taking place at local companies.
4. **NEW** *Equitable Growth.* Arlington will benefit from addressing the needs of disadvantaged communities within the City by delivering strategies that achieve equitable growth for all.

ASPIRATIONS AND VISION

Drawing from these guiding principles, the following aspirations from the 2014 plan continue to provide a clear vision for what the City could be.

- ▶ Great Southwest Industrial District is a premier location for globally connected companies engaged in next generation manufacturing.
- ▶ The Entertainment District functions as a business district and activity hub for the Metroplex.
- ▶ Companies are attracted to Arlington for its amenities, including the Texas Tier One research university, as well as its prime location.
- ▶ The downtown is a vibrant activity hub for the region.
- ▶ UTA students want to stay in Arlington after graduation and have desirable housing and employment options.
- ▶ Visitors linger for a multiday, multifaceted experience. They might even consider living or working in Arlington.
- ▶ *NEW* All residents of Arlington feel included in economic opportunity.

The vision that these aspirations provide are of Arlington as a central hub of commerce, entertainment, and higher education. These ideas are captured in the vision statement.

> *Arlington is a key city in the Metroplex—a destination*
> *for globally recognized commerce and industry, entertainment and recreation,*
> *as well as research and innovation.*

GOALS

The goals of a strategic plan support the vision of the guiding principles and aspirations. For Arlington, these goals remain as follows.

1. *Competitive Positioning.* The elevation of Arlington's competitive positioning in the region to capture a larger share of high-wage, high-impact growth.

2. *Transformational Redevelopment.* The rejuvenation and transformation of key economic centers into vibrant destinations. *NEW* Special attention must be paid to disadvantaged populations.

3. *High-Impact Community Development.* The creation of the amenities and assets that will secure Arlington's position as a major activity hub in the Metroplex.

PLANNING CONTEXT

The strategic plan update is informed by current events, quantitative analysis, and stakeholder interviews. The common themes that emerged from these activities are summarized below and shaped the strategies and actions mapped out in the plan.

COVID-19 DISRUPTIONS AND TRENDS

The COVID-19 pandemic has had widespread effects on the national economy. It remains a major factor in the acceleration of trends that affect the City of Arlington.

Uneven Recovery. COVID-19 has had an uneven impact on different workers based on education level. While workers across nearly all industries and experience levels initially faced job losses in the spring of 2020, those with bachelor's degrees have recovered from those job losses while those with lower levels of educational attainment continue to lag in their recovery (see Figure 2). This imbalance highlights the need for the City to focus on equitable access to participation in the local economy.

FIGURE 2. CUMULATIVE CHANGE IN EMPLOYMENT BY EDUCATIONAL ATTAINMENT
MILLIONS OF JOBS FROM FEBRUARY 2020
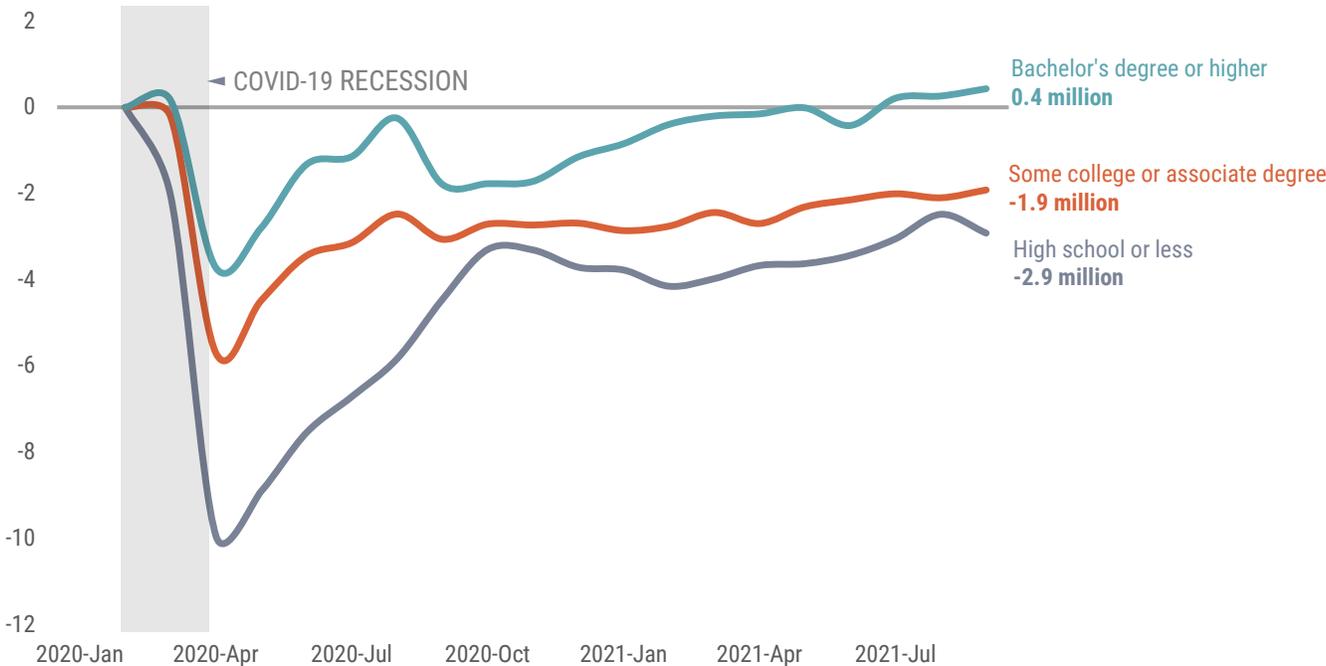
Sources: US Bureau of Labor Statistics, Household Survey (Current Population Survey); National Bureau of Economic Research (NBER).
Notes: Employment is seasonally adjusted and includes all workers age 25 and older. The current recession began in February 2020 and ended (officially) in April 2020.

Workforce Shortages. The US has undergone a number of demographic shifts that have contributed to worker shortages in recent years including the aging of the baby boom generation, lower labor force participation rates among working age populations, and a reduction in net immigration rates. A comparison of long-term job creation and population growth shown in Figure 3 helps illustrate the mismatch at the national level between supply (new entrants to the labor market) and demand (average annual job creation for the past 75 years). The COVID-19 pandemic has created new barriers for workers, including concerns over health risks in the workplace and the availability of childcare, that only exacerbate the situation. While the Dallas-Fort Worth region has been fortunate to be among the fastest-growing regions in the country, the competition for workers remains fierce. To continue to compete within the Metroplex, Arlington must become more aggressive in attracting and retaining workers.

FIGURE 3. SUPPLY AND DEMAND OF US WORKERS
THE US LABOR SUPPLY FACES LONG-TERM PRESSURE

Sources: US Census Bureau, International Database; US Bureau of Economic Analysis, Current Employment Statistics.
Notes: Population estimates and projections are for the resident population. The US population components shown in the US Census Bureau International Data Base (IDB) might not match the official population components for the United States, in part, due to differences in how they are displayed (calendar year versus midyear-to-midyear estimates).

Remote Work. The location of daily work is evolving with the US economy. As Figure 4 shows, there has been a steady rise in the percentage of employed persons working from home over the past several years. This trend was of course accelerated with the onset of the COVID-19 pandemic. However, while certain workers now have the flexibility to work from home, that is not the case for all. Higher-wage workers are six times as likely to be able to work from home as lower-wage workers.[1] The future for remote work and the impact it will have on commercial office construction and leasing, transportation, urban design, and demographic shifts is still unknown. Figure 4 reflects the percentage of employed people working from home in the US between 2006 and 2019.

FIGURE 4. WORK-FROM-HOME SHARE OF US EMPLOYMENT
PERCENTAGE OF EMPLOYED PEOPLE WORKING FROM HOME IN THE US, 2006–2019
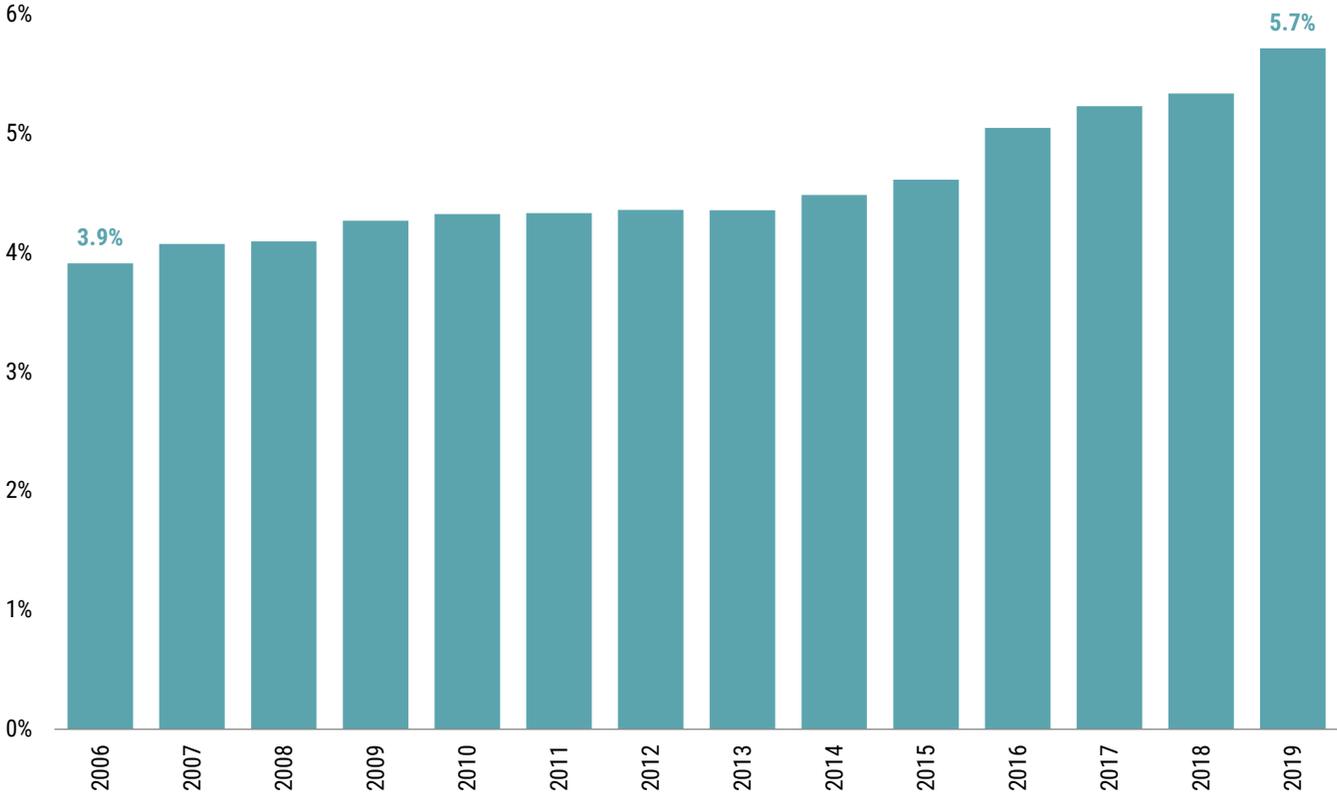

Source: US Census Bureau, American Community Survey 1-Year Estimates.
Notes: Table B08006, Sex of Workers by Means of Transportation to Work, Workers 16 Years and Over.

[1] "Job Flexibilities and Work Schedules—2017–2018 Data from the American Time Use Survey." US Department of Labor, Bureau of Labor Statistics. September 24, 2019. https://www.bls.gov/news.release/pdf/flex2.pdf.

Housing Crisis. The crisis around affordable and attainable housing is nationwide. And while it is often attributed to households with lower incomes, housing availability and affordability extend well beyond that (see Figure 5). For Arlington, the lack of available and attainable housing is an obstacle when attracting and retaining workers to the area.

FIGURE 5. PERCENTAGE OF US HOUSEHOLDS STRUGGLING WITH HOUSING COSTS AS OF 2019
HOUSING BURDEN BY HOUSEHOLD INCOME BRACKET
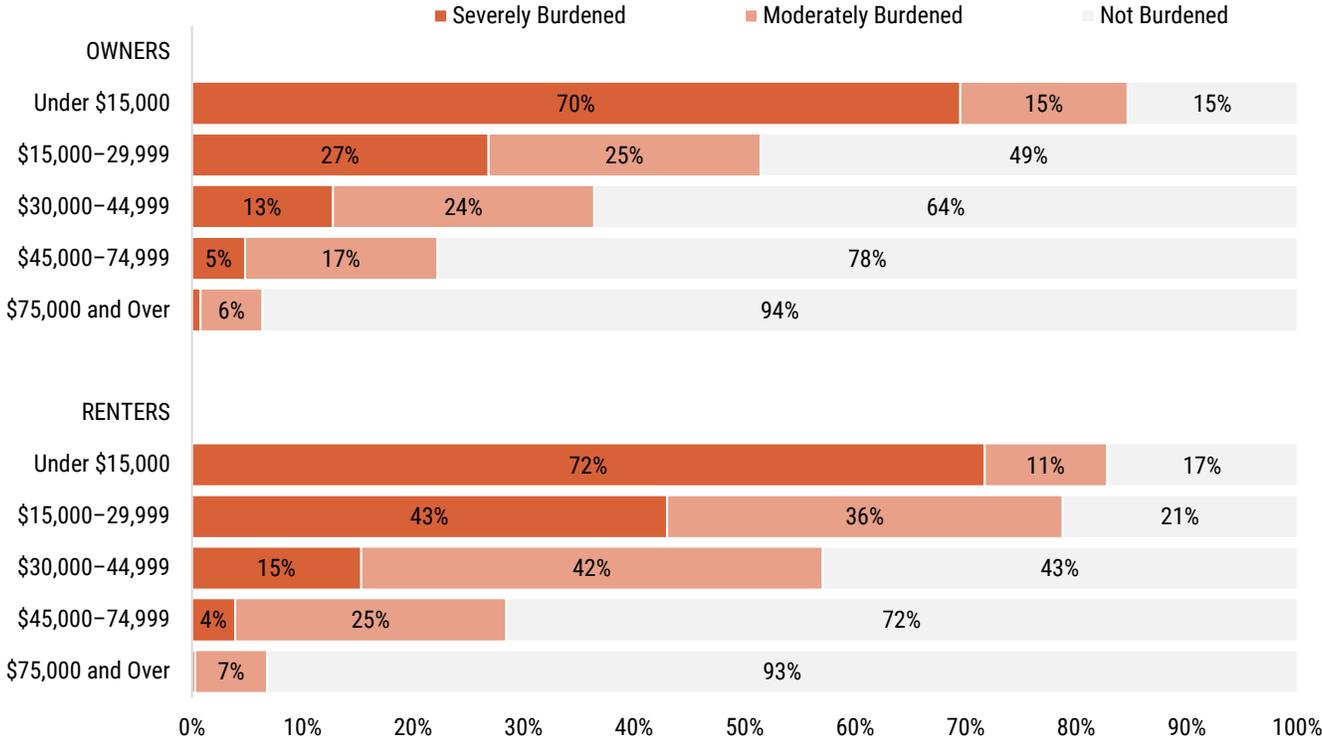
Source: Joint Center for Housing Studies (JCHS) of Harvard University, The State of the Nation's Housing 2020, Table A-2.
Notes: Based on JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Industrial Development. The US is experiencing a golden age of industrial development and the Dallas-Fort Worth metro area is leading the way. There is an unprecedented demand for industrial space due to supply chain restructuring, vertical integration of multiple industries, and the just-in-time delivery model. Figure 6 shows the US industrial construction underway as a percentage of existing inventory from the first quarter (Q1) of 2001 through the third quarter (Q3) of 2021.

FIGURE 6. US INDUSTRIAL CONSTRUCTION RATE
INDUSTRIAL SPACE UNDERWAY AS A PERCENTAGE OF EXISTING INVENTORY, Q1 2001 THROUGH Q3 2021

Location:	**US average**
Period:	**2021 Q1**
Property type:	**Industrial**
Under construction:	**359.9 million SF**
Construction rate:	**2.1% of inventory**
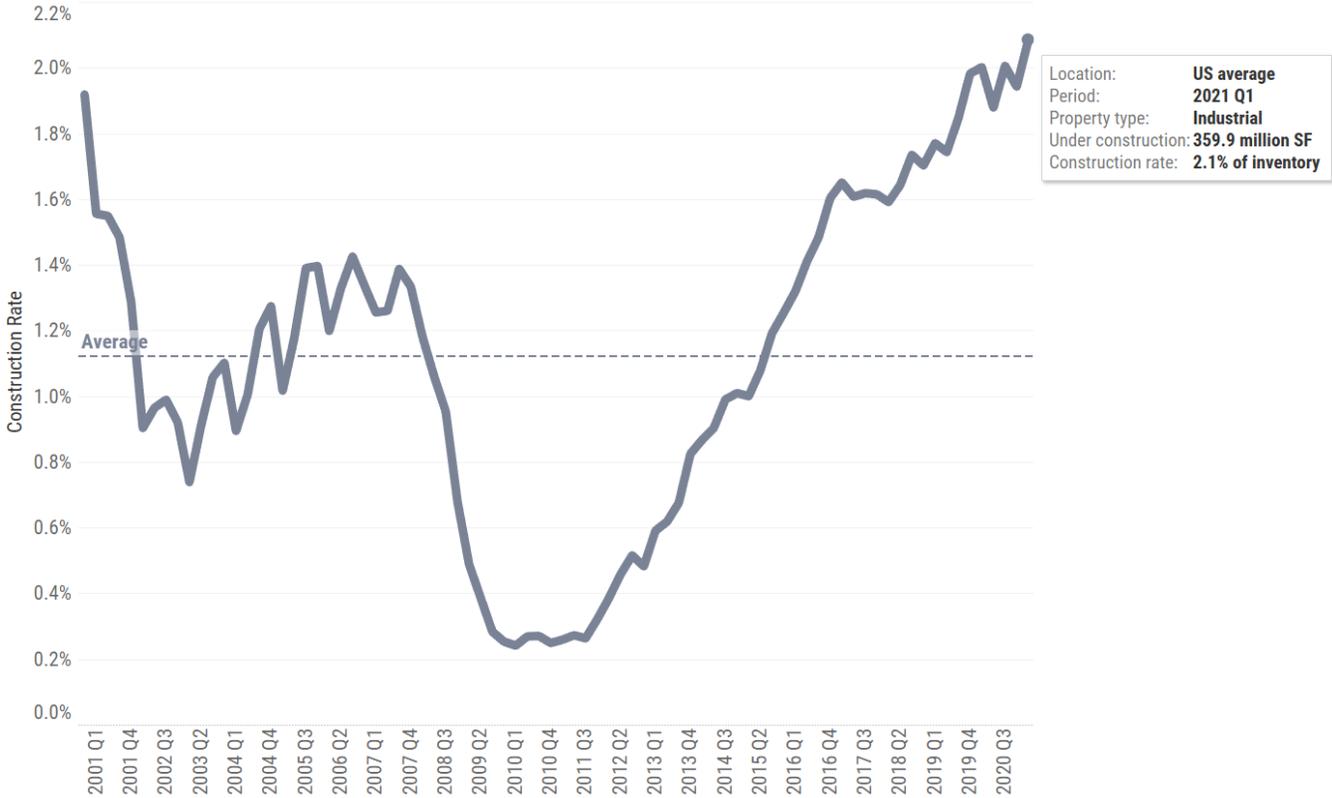
Sources: CoStar; TIP Strategies.
Notes: Industrial construction rates are calculated based on square feet.

DEVELOPMENT CONTEXT

The focus of this analysis was on real estate trends in the Dallas-Fort Worth (DFW) area as part of a consideration of Arlington's development and redevelopment opportunities. In addition, a comprehensive analysis of commuting trends shed light on the City's workforce.

Industrial Real Estate Trends. The industrial real estate inventory in Arlington has increased by more than 20 percent since 2014, reaching a total of 125 million square feet of space as of the third quarter of 2021. Most of this space is, unsurprisingly, located in and around the Great Southwest Industrial Park, though the northern side of the park tends to have about 10 million more square feet of space than the southern side. Industrial construction rates tend to track with activity in the broader DFW metro area, though Arlington outperformed the region consistently between the second half of 2015 and the first half of 2019. However, construction rates in this market have fallen in Arlington since 2019, though the trend points upward over the past four quarters (see Figure 7). Vacancy rates follow an inverse pattern to construction and have reached a 20-year low of 2.24 percent in the third quarter of 2021. Industrial market rate rents are on a steady upward trend that has persisted since the end of the Great Recession in 2009; Arlington's submarket rates closely follow the trend of the Metroplex and the nation.

FIGURE 7. INDUSTRIAL CONSTRUCTION RATES: ARLINGTON
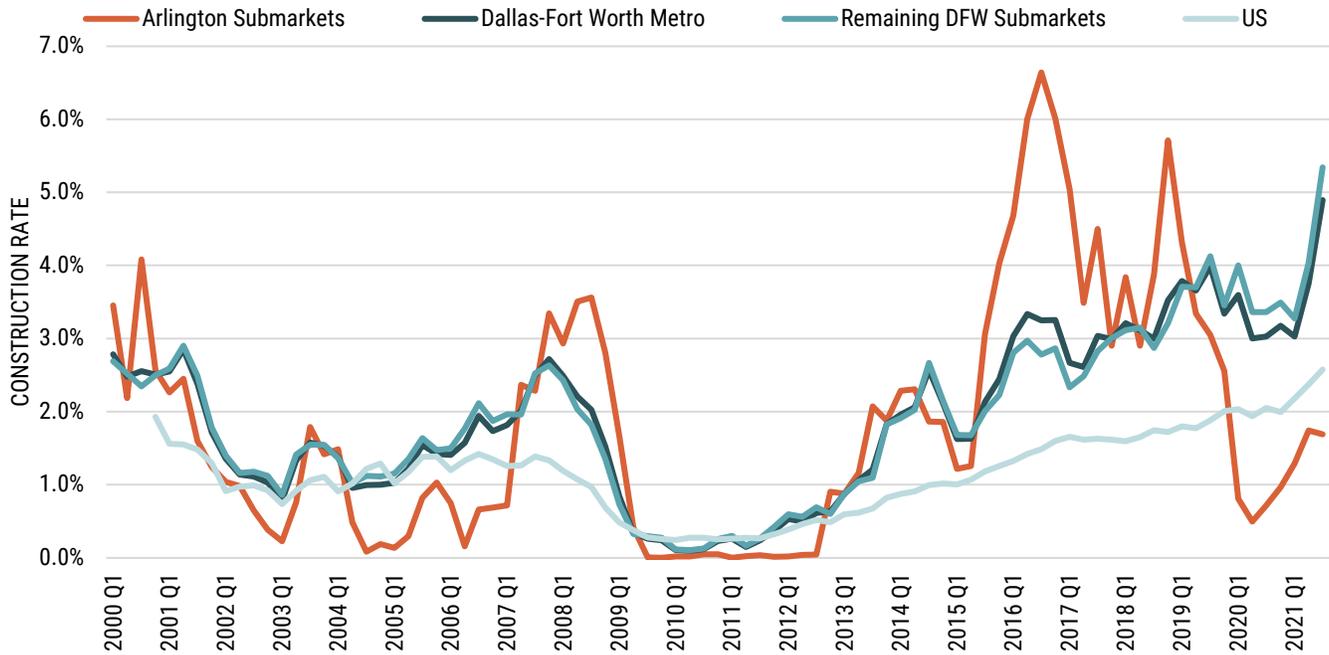
Sources: CoStar; TIP Strategies.
Notes: Construction rate is calculated as the quotient of square footage under construction and total industrial inventory for a given region and quarter.

Commercial Office Real Estate Trends. Arlington's office space inventory has also steadily risen during the past 20 years to reach over 14 million square feet of space in Q3 2021, though not at the same pace as its industrial counterpart. However, construction rates in this market tend to underperform compared with trends in the broader metro area and the country (see Figure 8). This trend is especially pronounced for Class A office space, which accounts for less than one fifth of Arlington's office inventory—aside from a spike in Class A construction between 2015 and 2018, the City has seen little development of high-end commercial office space over the past 20 years. At the same time, office vacancy rates in Arlington tend to be lower than the broader metro area as they generally behave inversely to construction trends. Less than 10 percent of the City's office space was vacant at the end of Q3 2021, though Class A office space had a much higher vacancy rate of 14.7 percent (compared with 9.8 and 4.2 percent vacancy for Class B and Class C, respectively). Office market rate rents in Arlington follow the broader trends regardless of the class of the space. Though market rents declined slightly in 2020 as businesses reconsidered leases and adjusted to the pandemic economy, trends in Arlington and the metro area have stabilized and might be starting to recover.

FIGURE 8. TOTAL OFFICE CONSTRUCTION RATE: ARLINGTON
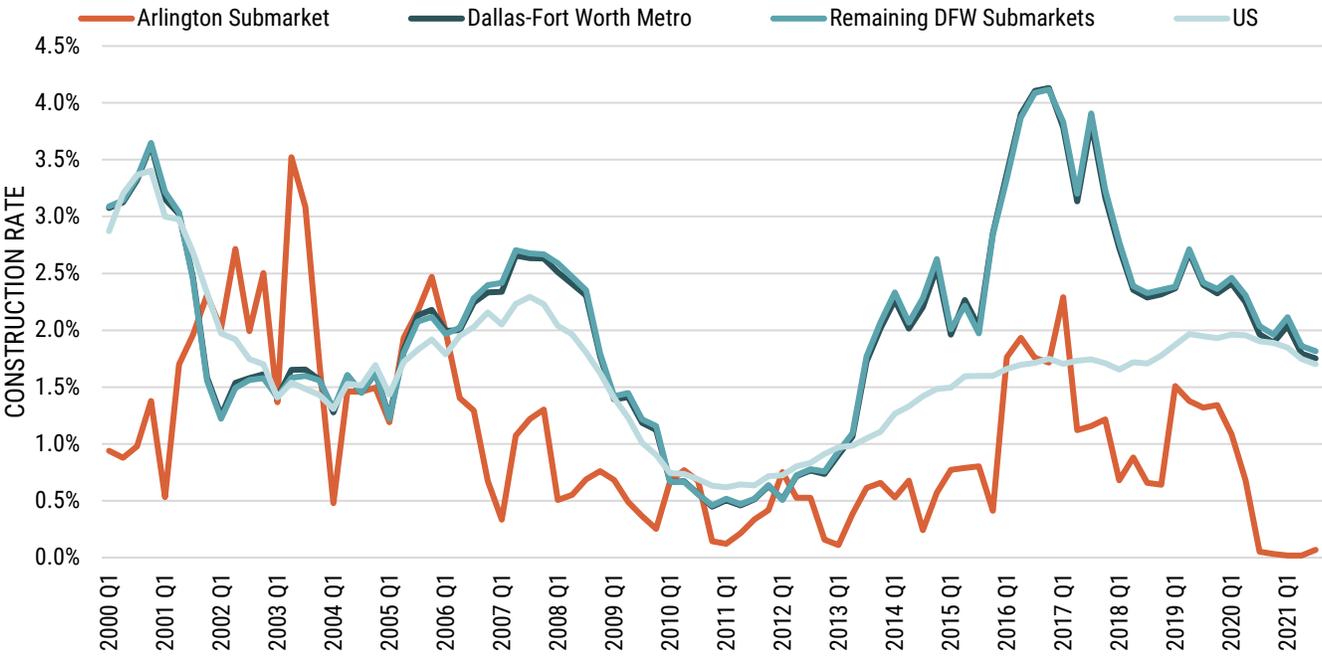

Sources: CoStar; TIP Strategies.
Notes: Construction rate is calculated as the quotient of square footage under construction and total selected office type(s) inventory for a given region and quarter.

Commuting. Arlington continues to be a net exporter of commuters to other areas in the region, though the number of workers commuting into the City for work over the past 10 years is on an upward trend (see Figure 9). However, there appears to be about 2,500 fewer workers who live and work in the City in 2018 (42,600) compared with 2015 (45,100). Unsurprisingly, Fort Worth and Dallas are the next largest employment destinations for residents after Arlington with 27,900 and 25,500 commuters, respectively, followed by Irving and Grand Prairie, which each drew more than 11,000 commuters in 2018. These patterns shift when examining the commuting flows of the opposite group (which people who worked in Arlington commute home) as more than twice as many Arlington workers live in Fort Worth (22,400) as opposed to Dallas (10,500), followed by neighboring Grand Prairie (10,900). Commuting patterns vary by industry sector as well; Arlington sends a net total of more than 8,000 workers in the transportation sector to jobs outside of the City, while about 3,200 healthcare workers and 2,700 entertainment workers commute into the City for work.

FIGURE 9. ARLINGTON COMMUTING TRENDS, 2008 TO 2018
COMMUTING **INTO** THE CITY MEANS A PERSON LIVES OUTSIDE OF THE CITY AND WORKS INSIDE OF THE CITY.
COMMUTING **OUT OF** THE CITY MEANS A PERSON LIVES INSIDE OF THE CITY AND WORKS OUTSIDE OF THE CITY.

Year	COMMUTE INTO ARLINGTON	COMMUTE OUT OF ARLINGTON
2008	97,375	-134,095
2009	96,147	-142,699
2010	97,706	-127,408
2011	103,723	-124,102
2012	107,695	-123,300
2013	114,162	-127,830
2014	116,237	-131,826
2015	114,404	-137,169
2016	114,804	-138,435
2017	120,227	-140,835
2018	121,181	-143,700
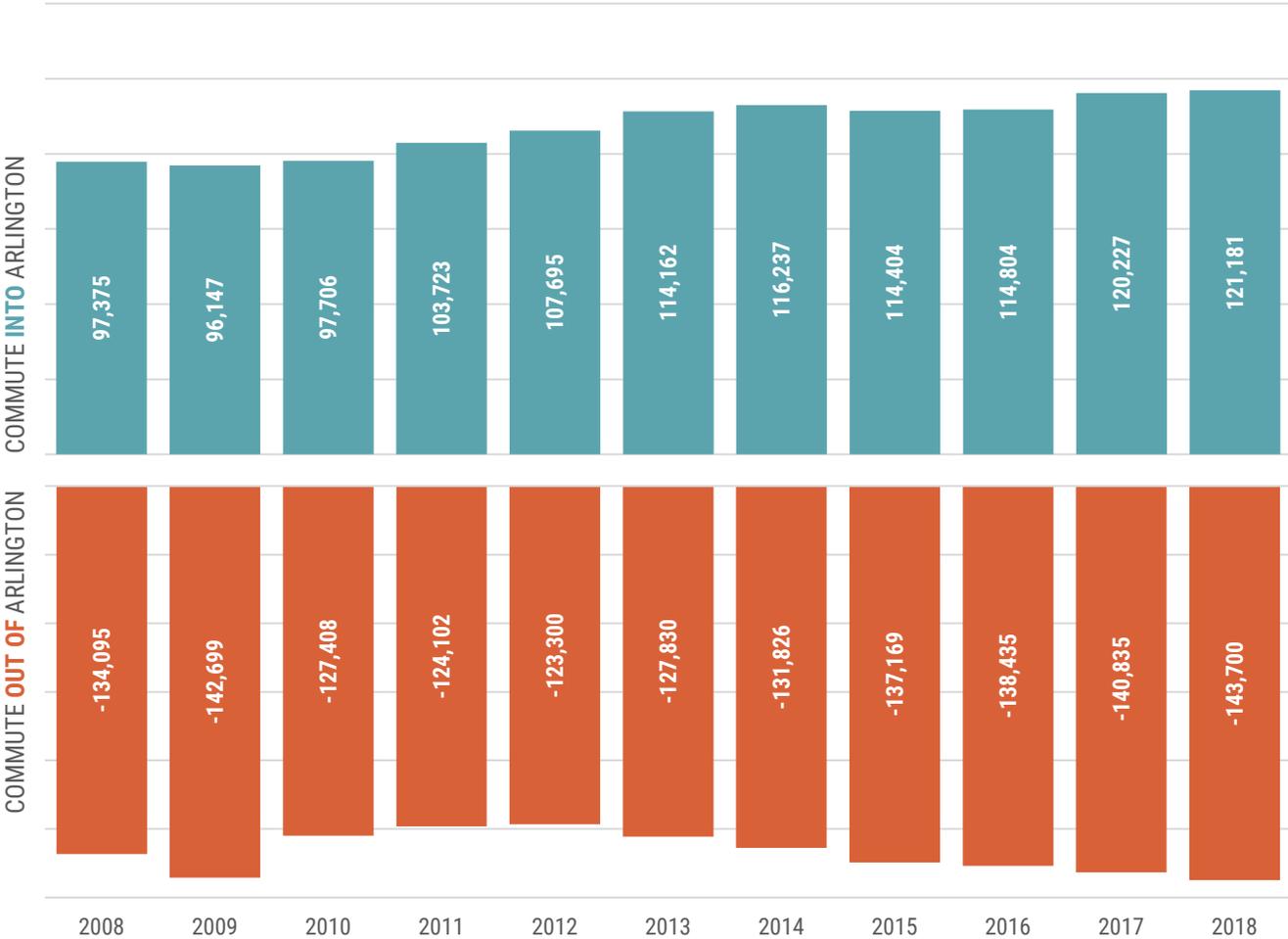
Sources: Longitudinal Employer-Household Dynamics (LEHD), Origin-Destination Employment Statistics (LODES); TIP Strategies.

STAKEHOLDER ENGAGEMENT

In the development of this plan, one-on-one interviews were conducted with City council members, EDC board members, outside site selection consultants, developers, and interested parties both within Arlington and regionally. Additionally, multiple meetings were held with City Manager Trey Yelverton, Deputy City Manager Jim Parajon, EDC Board of Directors Chair Michael Jacobson, and City of Arlington Economic Development Director Bruce Payne.

EDC BOARD AND CITY COUNCIL THEMES

Several themes emerged from the interviews with EDC board members and City council members. These themes are listed below and are addressed in the goals, strategies, and activities included in the Strategic Action Plan section.

- Emphasis on small business support and on marginalized communities.
- Concerns about multifamily and single-family housing availability.
- Desire to attract more higher-paying jobs.
- Being intentional with the newly established EDC fund.
- Improving the quality and perceptions of school districts.
- Emphasis on talent attraction and retention, especially of young people from UTA.
- Engaging with, and better utilizing, the power of UTA.
- Increasing quality-of-life offerings, such as green spaces, music venues, transportation options, health clinics, and grocery stores.
- Challenges facing Arlington's economic advancement in the recent past, including perception issues, unimaginative investments, and the fear of becoming two separate Arlingtons (one of haves and one of have-nots).

REAL ESTATE THEMES

The interviews with outside site selection consultants revealed important findings about current real estate trends as well as the larger perceptions of Arlington, Texas, as a site for future investment (see Figure 10).

Generally, the interviewed site selectors viewed Arlington positively, giving emphasis to the City's prime geographic location. Some commented on the leadership role the City has played in mobility innovation through the Drive.ai self-driving project and the strategic opportunities the new wave in mobility presents to Arlington. Another commented on the industrial strength of the area, saying, "Out of all of Texas, nowhere else can meet the industrial needs like Arlington—it's in the middle of DFW, has great infrastructure, and other areas get too expensive." The area's strengths in tourism and entertainment were emphasized repeatedly. Interviewees also commented on the City's ability to take advantage of significant development opportunities for office space, which could be more conducive to a post-pandemic hybrid model where employees commute to the office less frequently. Despite these positive impressions, some still shared perceptions that were less encouraging. This was the case when it came to a lack of sense of community or synergy in downtown Arlington and an impression that Arlington was largely underdeveloped relative to its potential.

FIGURE 10. TAKEAWAYS FROM SITE SELECTOR INTERVIEWS

REAL ESTATE TRENDS

RESIDENTIAL

▸ Increased demand for suburban living
▸ High demand for multifamily
▸ Cities are typically anti-multifamily
▸ Need strategic sites, targeted funds, and quality development

INDUSTRIAL

▸ Is and will remain strong
▸ Position and pricing of Arlington is ideal
▸ Great Southwest needs more investment in infrastructure
▸ Arlington should treat UTA as a major regional industrial partner

OFFICE SPACE

▸ DFW could see net gain in offices
▸ Life sciences will thrive
▸ Plano and Frisco have run out of space, leaving opening for Arlington
▸ B and C Class are harder to retrofit
▸ Debate over shared workspaces

RETAIL

▸ Mixed-use sites have potential with "health and body" retail
▸ Jurisdictions don't have good code for mixed-use
▸ Might shift to more just-in-time fulfillment centers

Source: TIP Strategies research.

STRATEGIC ACTION PLAN

The purpose of this update is to revisit the 2014 plan, identify strategies that are working, those that need to be revisited, and those that no longer align with the City's competitive positioning and opportunities.

Since 2014, the City of Arlington has made measurable progress toward the three goals included in this plan. Selected highlights for each goal are outlined in Figure 11. In addition to these goals there are other considerations to be made regarding organizational dynamics and marketing.

While beyond the scope of this plan update, the relationships between the EDC board, the City council, the City's economic development staff, as well as other institutional partners in Arlington, will be critical. The City should consider the preparation of an organizational matrix that clarifies the dynamics within the City as well as with the Greater Arlington Chamber of Commerce, the Arlington Convention & Visitors Bureau (CVB), and the University of Texas at Arlington in particular.

As the City begins its focused marketing efforts, it is strongly encouraged that a close working relationship is developed between the EDC director and the marketing team. This is true for target industry and workforce initiatives, and also for talent attraction and brand awareness.

FIGURE 11. 2014 ECONOMIC DEVELOPMENT STRATEGIC PLAN GOALS AND SELECTED ACHIEVEMENTS

GOAL	PROGRESS MADE SINCE 2014
1 **COMPETITIVE POSITIONING**	‣ Increased its marketing and trade show presence. ‣ Consistently been rated as a top five location in the Metroplex for capital investment. ‣ Established (and leveraged) four tax increment reinvestment (TIRZ) districts and tax abatement abilities.
2 **TRANSFORMATIONAL REDEVELOPMENT**	‣ Seen an extension of the Entertainment District to I-30 and Lincoln Square. ‣ Made significant strides in downtown development and redevelopment. ‣ Seen dramatic new projects in the Entertainment District, including the newly opened Live! by Loews.
3 **HIGH-IMPACT COMMUNITY DEVELOPMENT**	‣ Seen the Arlington Independent School District (ISD) pass major bond packages to assist in changing the school district's image and reputation. ‣ Continued with the successful build-out of the Viridian housing development. ‣ Seen the development of the Levitt Center, expanding the quality of place offerings at the Levitt Pavilion downtown.

GOAL 1. COMPETITIVE POSITIONING

The elevation of Arlington's competitive positioning in the region to capture a larger share of high-wage, high-impact growth.

Arlington is fortunate to be situated in the center of the Metroplex. This prime location places the City squarely in the path of growth from Dallas and Fort Worth. While DFW is an amazingly dynamic economy, it is also hyper-competitive.

Coupled with tremendous infrastructure assets and a solid employment base, the City of Arlington's geography helps generate numerous leads from companies seeking to relocate or expand in the region. Because of the significant sales tax funded economic development initiatives throughout the Metroplex, Arlington must continue to improve its competitive positioning. The full resources of the new EDC will be required, as well as a variety of additional funding tools that include bonding for redevelopment districts and aggressive public-private partnerships (P3s) that spur new greenfield projects.

STRATEGIES AND ACTIONS

1.1. BE A LEADER IN ARLINGTON AND IN THE REGION FOR FUTURE DEVELOPMENT AND INVESTMENT.

The 2014 plan advised Arlington to raise its profile among the private sector partners who could be potential investors, ultimately improving Arlington's position in the DFW real estate market. It is still the case that to achieve this, the City of Arlington will need to take a leadership role in redevelopment. Bringing stakeholders together to participate in creative (i.e., post-pandemic) real estate projects is essential. This collaboration will help to educate partners on the opportunities present in Arlington and the benefits of investing there.

1.1.1. *NEW* **Use the newly established EDC's fund as a vehicle to lead the region.**

1.1.2. **Engage major employers and key sectors in this vision for Arlington.**

- Engage business leaders who are willing to participate actively in Arlington's economic development activities.
- Leverage Arlington's business leaders to reach corporate decision-makers and investors who would be interested in making investments in Arlington.
- Incorporate business leaders, when appropriate, into recruitment activities to help sell Arlington as the ideal location.

1.1.3. **Maintain active relationships with brokers, developers, and site selectors to advance Arlington's vision, project ideas, redevelopment sites, and incentives programs.**

- Forge personal relationships with site selectors who specialize in site location in Arlington's target sectors.
- Host brokers, developers, and site selectors regularly at the City's entertainment venues to strengthen relationships.
- Hold one-on-one meetings with groups or individuals who are particularly well-positioned to partner with the City to move a project or idea forward.
- Convene groups of these stakeholders as necessary to discuss the City's opportunities and engage these stakeholders in projects that would take advantage of these opportunities.

1.1.4. *NEW* **Maintain relationships with major area foundations that could supplement the fund with further support.**

1.2. **NEW** **LEVERAGE THE COMPETITIVE ADVANTAGE OF UTA.**

The University of Texas at Arlington (UTA) is a thriving research institution and major asset to the City of Arlington. The success of the university influences the success of the City and vice versa. This symbiotic relationship should be better utilized to support the community by (1) building up the visibility of the City; (2) offering a built-in and highly educated talent pool; (3) creating opportunities for commercialization and innovation; (4) developing mentoring supports for small business owners and entrepreneurs; and (5) supporting the fund through collaborative expansion projects, including the up-and-coming research park.

1.2.1. **Promote the UTA image and visibility as a Texas Tier One and a Carnegie R-1 research institution when selling to prospects.**

- Create an advisory committee or add designated seats to the EDC board for UTA representation to inform economic development decisions in the City.
- Involve the university in selling the City to prospects to attract higher-paying jobs.
- Retain the built-in talent pool and brainpower at UTA through partnering with the Maverick Advantage program to prepare the future workforce for opportunities in Arlington.

1.2.2. **Support efforts to elevate UTA as a prominent stakeholder in the region's innovation economy through developing opportunities for technology transfer and commercialization both at the student and faculty levels.**

1.2.3. **Partner with UTA to offer mentorship and incubator support for entrepreneurs, small businesses owned by people of color, and small businesses owned by women.**

EXAMPLE: Economic Development Investments (Lubbock, Texas)

Through the Texas Tech University Innovation Hub, Lubbock is able to generate more innovation, talent, and workforce development in West Texas. The Hub is a place to nurture smart ideas and entrepreneurs to create a social or commercial value resulting in impact. The Hub assists in the formation of technology startup companies critically relevant to today's local and regional economy.[2]

1.2.4. **Utilize UTA faculty to conduct due diligence for revolving loan funds (RLFs) and other small business supports under the fund.**

1.2.5. **Encourage UTA to more aggressively subcontract with people of color- and women-owned businesses local to Arlington.**

1.2.6. **Support UTA's new research park development by promoting the downtown and UTA area for commercial and residential redevelopment.**

1.3. **EXPAND THE CITY'S PORTFOLIO OF BUSINESS RETENTION, EXPANSION, AND ATTRACTION TOOLS AND ACTIVITIES FOR BUSINESS GROWTH.**

Arlington's newly established quarter-cent sales tax has the opportunity to bring in a different mix of prospects. The fund also allows the City to assist expanding businesses. The creative use of new tools, incentives, and collaboration with the City will result in dynamic new business growth. Maintaining strong relationships with the Greater Arlington Chamber of Commerce and the Arlington CVB will further strengthen this strategy. Finally, engagement with industry associations will be important to maintaining and improving business relationships.

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[2] "Launching West Texas Startups." Texas Tech University, Innovation Hub at Research Park. https://www.depts.ttu.edu/research/research-park/.

1.3.1. *NEW* Utilize the due diligence process and funding guidelines to most effectively disperse deal closing funds (see Appendix B: Arlington EDC Funding Framework).

1.3.2. Continue to develop analytical and reporting capabilities to inform decisions and report results.
- Expand and maintain the existing business database.
- Maintain an inventory of key sites and buildings that will be a focus of business recruitment efforts.
- Conduct in-depth market research in target industries to track trends and stay informed of industry happenings.
- Continue to perform economic and fiscal impact analyses, cash flow modeling, and calculate return on investment to inform incentives negotiations and the City's project participation.
- Track metrics related to strategic plan implementation and create an annual report card.
- Conduct other specialized analyses and research to inform major decisions.

1.3.3. Enhance the City's business retention and expansion (BRE) and business recruitment programs through partnerships.
- Use the existing networks, such as the chamber and the Great Southwest Industrial District Association, to distribute the BRE survey.
- Assemble a team of community leaders, including UTA representation, to assist in conducting business visits as part of the BRE program, as needed.
- Partner with regional chambers and nearby communities to enhance external marketing efforts.
- Use teams of community leaders to sell Arlington to prospects. Team members could be drawn from the City's Economic Development Corporation.

1.4. *NEW* INCREASE SUPPORTS FOR SMALL BUSINESSES AND PEOPLE OF COLOR- AND WOMEN-OWNED BUSINESSES.

Arlington is made up of a thriving community of small business owners who are invested in the City and its success. During the COVID-19 pandemic, small businesses carried a huge burden. As a consequence, the City must prioritize small, people of color-owned, and women-owned businesses through its new EDC funding. Arlington's diverse community and its identity as the "American Dream City" must be backed by support for *all* Arlington business owners.

One of the Unity Council's findings was that the MWBE spending by the City was not adequate. Some recommendations included creating an office of business diversity, reducing barriers of communication with MWBEs, and finding solutions to reducing barriers to MWBEs serving as primary contractors. Another finding was that commercial capital for MWBEs needed to be increased and that the City should increase lending to minority businesses. These recommendations, including financial support and technical assistance, are echoed here in the City's strategic action plan.

1.4.1. Increase the City offerings and visibility of tools, incentives, and regulations benefiting small businesses.

1.4.2. Designate 30 percent of the newly developed EDC fund to support small, people of color-owned, and women-owned businesses through programmatic offerings.
- Partner with UTA to offer small business assistance through mentorship.
- Offer people of color- and women-owned business assistance through RLFs, mentorship, and designated staff within the City.

- Reach out to potential partners to develop working capital options for small businesses owned by people of color or women.
- Provide significant resources for small businesses, including those owned by people of color and women, seeking to scale up their companies to achieve significant growth.
- Model such a fund after similar funds in other regions, such as the Grand Rapids example.

> **EXAMPLE: New Community Transition Fund (Grand Rapids, Michigan)**
>
> The Right Place, Inc.—Grand Rapids and West Michigan region's economic development organization—teamed up with Bank of America and the Consumers Energy Foundation to launch the New Community Transition Fund. This capital investment fund is aimed at creating greater ethnic and racial diversity in West Michigan business ownership. Bank of America and the Consumers Energy Foundation each gave $200,000 in seed funding to initiate the fund, with the goal of raising up to $25 million in capital from investors to support historically disadvantaged groups.

1.4.3. Develop and maintain relationships to support small, people of color-owned, and women-owned businesses (see Action 1.5.1).
- Facilitate collaboration between service providers offering support to small businesses.
- Build a small business support ecosystem that will allow for warm referrals and ensure small business owners' needs are met.

1.4.4. Dedicate City staff to help small business owners navigate incentives, as they are critical investors in the Arlington community.
- Connect people of color-owned and women-owned businesses to government bid opportunities.
- Create welcoming materials for *all* business owners in relevant languages.
- Identify a primary point of contact for small businesses to reach out regularly to understand business challenges and needs and consider how to address these needs creatively. This could be an appointed staff liaison in an economic development office.
- Create frequently asked questions and offer webinars that help future and existing business owners navigate access to resources and support.

> **EXAMPLE: Small Business Support Ecosystem (Pittsburgh, Pennsylvania)**
>
> The Urban Redevelopment Authority (URA) of Pittsburgh is an example of an organization that has cultivated an ecosystem of support for the area's small businesses. It provides access through an online tool and in person through a business action team. Services provided by the URA include business gap financing, an incubation program, and a façade renovation fund.

1.5. STRENGTHEN PARTNERSHIPS WITH TALENT-FOCUSED ENTITIES.

Current economic development practices have moved beyond business attraction and site development. They now also include entrepreneurship and innovation, workforce development, small business development, and tourism promotion. The Dallas-Fort Worth region has a robust network of service providers who fill many of these roles. To avoid duplication, the City of Arlington should leverage partnerships with area providers to enhance its economic development program and prospects.

1.5.1. Tap into the network of service providers to support new and existing businesses in Arlington. Potential partners include the following organizations.

- Workforce development: UTA and Workforce Solutions

- Entrepreneurship: Greater Arlington Chamber of Commerce, UTA, Dallas Entrepreneurs' Organization, The Indus Entrepreneurs (TiE) Dallas

- Small business support: US Small Business Development Center (SBDC), Service Corps of Retired Executives (SCORE), and LiftFund (previously known as Accion Texas)

- Other technical assistance: Texas Manufacturing Assistance Center (TMAC), Greater Arlington Chamber of Commerce

1.5.2. NEW Partner with nonprofit entities to promote existing talent pipeline programs through organizations such as the United Way of Texas' THRIVE initiative.

1.5.3. NEW Partner with nonprofit entities and other DFW groups to inform new program design, specifically targeting people of color-owned and women owned business communities (the following recommendations are echoed from the Arlington Unity Council's 2021 report).

- Establish a job resource center in the Arlington East Library and Recreation Center, staffed by at least one individual, and encourage companies to conduct job fairs in the area.

- Conduct job and Arlington Resource Sharing Group fairs in East Arlington on an annual basis.

- Consider a pilot program that subsidizes Via services for persons with certain income levels.

- Create Community-Outreach-Networking-Empowerment-Communication-Tool (CONECT) as a centralized location for job and education-related resources and assistance for disconnected community members.

EXAMPLE: Community Benefits Agreement (Atlanta, Georgia)

When the Atlanta Falcons football team announced plans for a new stadium to be built on Atlanta's predominantly African American Westside—an area where 50 percent of the population lives in poverty—residents viewed the development with cautious optimism. This was in part because past efforts to revitalize the area had not succeeded. A new, more collaborative approach to revitalization began in 2013, led by Invest Atlanta (the city's community and economic development entity). Instead of a more traditional approach that focused on the benefits of new construction, investment, and job creation associated with the redevelopment, the resulting Community Benefits Plan detailed recommendations from local residents on specific initiatives that were critical to neighborhood revitalization. The plan provided a framework to guide the administration of a new Community Improvement Fund and Neighborhood Prosperity Fund focused on 14 areas ranging from workforce development and entrepreneurship to youth programs and urban agriculture.[3,4]

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[3] "Invest Atlanta Westside Projects Update." Invest Atlanta, Atlanta's Development Authority. January 25, 2017. www.investatlanta.com/assets/cbp_committee_meeting_final_presentation_jan_2017_qN9LjDo.pdf.

[4] "Community Benefits Plan." November 26, 2013. www.investatlanta.com/assets/community-benefits-plan_38X9BMP.pdf.

1.6. *NEW* **TAKE ADVANTAGE OF RECENT ACHIEVEMENTS AND LEVERAGE AMENITIES IN ARLINGTON AND IN THE REGION THAT PROMOTE A MORE DYNAMIC IMAGE FOR THE CITY.**

Arlington is already a well-established and thriving community with a reputation as a forward-thinking environment for transportation and innovation. This reputation should be further leveraged to position Arlington for Smart City and technologically innovative initiatives. The "American Dream City" does not just promote itself as a welcoming community for all individuals to thrive but takes actual action to support that image through bringing together community stakeholders in the Unity Council and striving to ensure that all residents have equitable opportunities to succeed. Arlington is known as a tourist asset with international appeal with its major sports facilities and amusement parks. These assets should not be downplayed or overlooked.

1.6.1. Use existing initiatives and partnerships across the City to position Arlington for future Smart City and innovation opportunities, especially tied to the deployment of new technologies.

- Promote General Motor's recent investment in new, state-of-the-art equipment at its Arlington plant as a way Arlington and its businesses offer a competitive advantage and are invested in the City as well as in advancing and growing within their own industry sector.

- Leverage the Arlington FiberCity® initiative to promote Arlington as a forward-looking community that is preparing for success in the future and positioning itself to better enable Smart City applications and bridge the digital divide for residents and businesses.

- Partner with the Greater Arlington Chamber of Commerce to learn from its current entrepreneurship ecosystem study and what unique offerings Arlington has for entrepreneurs and where the gaps might still exist that the City can help to fill.

1.6.2. Highlight Arlington's diverse talent pool and welcoming environment.

- Continue embracing the ideal that Arlington has promoted itself as the "American Dream City" for the past several years. Demonstrate it to visitors, businesses, and residents, moving forward with inclusive growth.

- Make use of the City's investment in the Unity Council and integrate economic-related report findings and recommendations into the City and EDC's economic development investments and efforts (see Action 1.5.3).

- Consider adopting a sister city (Sister Cities International) to promote Arlington as a global City and encourage international communities to visit and invest in Arlington.

1.6.3. Make the most of Arlington's well-known quality-of-life amenities and tourist attractions.

- Continue to tout Arlington as an international destination for sports fans interested in the Dallas Cowboys, the Texas Rangers, minor league teams, and esports. This asset should be employed when pursuing big projects.

- Continue to promote Arlington as the regional destination for amusement parks—Six Flags Over Texas has a strong presence in the City. Just as with the sports facilities, this strong link to entertainment should continue to be promoted when attracting tourists, businesses, and residents.

GOAL 2. TRANSFORMATIONAL REDEVELOPMENT
The rejuvenation and transformation of key economic centers into vibrant destinations.

Like many Metroplex cities, one of the primary challenges facing Arlington is that the City is largely built-out. As a result of the lack of large greenfield sites and the aging of the City's buildings and infrastructure, redevelopment continues to be a large part of Arlington's economic development program. The areas targeted for evaluation as part of the 2014 planning process and newly identified areas should be the starting point for a transformational strategy.

- ▸ *Downtown/UTA.* A focus on creating better linkages and attracting missing services, including professional services, residential offerings, shopping, and lodging, will be key to creating a vibrant center for employment, housing, and nightlife. This includes linking the UTA campus and downtown to the Entertainment District.

- ▸ *Great Southwest Industrial District.* With the majority of buildings more than 30 years old and pockets of chronic vacancy, this property has slipped relative to other industrial properties in the Dallas-Fort Worth area.

- ▸ *Entertainment District.* Leveraging these assets will require a vision beyond simply maximizing the area's hospitality and leisure potential. The addition of residential offerings, along with the attraction of major employers, must also be emphasized. This includes revitalization of areas like Lincoln Square, which serves as a gateway to the ballparks.

- ▸ *Lamar/Collins Overlay Area.* With aging apartment complexes, low income levels, and high crime rates, this area has suffered from continued disinvestment. Supporting major catalyst projects and maximizing the controls provided under the existing overlay district will be critical to transforming this area.

- ▸ *International Corridor.* The area along Collins Street and Pioneer Parkway is a bustling district of international businesses with the potential to be a regional attraction highlighting the culture and diversity of Arlington.

STRATEGIES AND ACTIONS

The strategies and actions outlined below provide a structure for creating a sustainable urban core. Supported projects should help build the City's urban core by contributing to the property tax base and emphasizing density.

2.1. **ADVANCE EXISTING CATALYST PROJECTS.**

Unlike traditional real estate ventures, catalyst projects offer the potential to engage stakeholders and help redefine a community or region. These high-impact projects typically generate substantial returns—in employment or tax revenue or both—and often jumpstart development in the surrounding area. Because of the scale, public sector involvement might be required to bring some projects to fruition. This involvement can range from marketing the project to providing subsidies to land acquisition.

2.1.1. **Support potential site opportunities presented to the EDC board at the September 2021 meeting.**

- • *Six Flags East Land Use*—32.5 acres with a total Tarrant Appraisal District (TAD) value of $36,638,316

- • *West Division Street Land Use*—566.3 acres with a total TAD value of $638,070,365

- • *I-30 Properties Land Use*—14.2 acres of residential properties with a total TAD value of $4,756,665 and 125.6 acres of commercial properties with a total TAD value of $122,991,137[5]

2.1.2. **Monitor the progress of existing catalyst projects and keep the EDC board informed through regular updates on project status and progress to ensure accountability.**

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[5] Bruce Payne presentation to the EDC Board of Directors in September 2021.

2.1.3. Develop a deep partnership between the City's Office of Economic Development and the EDC board to support and make important decisions regarding catalyst projects.

- Follow the specific criteria for prioritization of potential projects determined in the evaluation matrix, including generating private investment, creating well-paying jobs, having positive community impact, and achieving a realistic timeline (see Evaluation Matrix, page 46).

- Put in place policies and tools that promote and encourage the advancement of the catalyst projects.

- Use the EDC as a sounding board for catalyst projects.

- Support the EDC's activities to move projects forward.

- Work closely, in partnership with EDC members, with the appropriate stakeholders to raise awareness of projects and potential benefits.

- Act as an advocate for projects with committee members where political support or political action is needed.

- Use the resources of the City, as needed, to help advance priority projects.

2.2. NEW EXPLORE NEW AREAS FOR REDEVELOPMENT.

While some catalyst projects identified in the 2014 strategic plan still require action, there are additional areas emphasized by EDC board members and the City council members to be considered for future redevelopment. These include critical sites that have the potential to create a positive image of Arlington to both visitors and residents. Examples include the development or redevelopment of major corridors, such as Lincoln Square (which serves as a gateway into the Entertainment District) and the International Corridor (which has the potential to be a major attraction for visitors). Projects associated with UTA include the development of a corridor between the university and the Entertainment District, which would connect these two important community assets, and working with UTA in the creation of a new research park.

2.2.1. Position the Great Southwest Industrial Park as the leading eco-industrial complex in the Metroplex, advancing the Great Southwest Industrial Park to become sustainable. This would both eliminate waste from an environmental standpoint and generate new business investment and jobs in Arlington.

- Support the planning and development for this Master Plan in addressing infrastructure needs.

- Manage interested community partners and identify new sources of funding to support the sustainable effort at the Great Southwest Industrial Park.

- Attract businesses from across the country that align with the sustainable Greater Southwest Industrial Park's goals.

2.2.2. Revitalize Lincoln Square, which serves as a gateway to the ballparks.

2.2.3. Develop the corridor between UTA and the Entertainment District to connect two important community assets.

2.2.4. Invest in the International Corridor as a major attraction for visitors to the community, highlighting Arlington's diversity.

2.2.5. Build off the momentum of UTA's research park development.

- Ensure that City regulatory processes do not get in the way of UTA successfully completing this project.

- Consider what is around the Park that might be leveraged and developed in the future with the presence of this new research park development.

2.3. ENSURE THE CITY HAS THE PROPER TOOLS AND POLICIES IN PLACE TO SUPPORT TRANSFORMATIONAL REDEVELOPMENT.

By using the newly developed funding guidelines to evaluate opportunities objectively, the EDC board and the City should utilize all the tools available to them to support redevelopment efforts. Tools from public-private partnerships (P3s) to land assembly and land banking should be accessible by the City to acquire and develop land.

2.3.1. *NEW* **Use newly created funding guidelines to evaluate redevelopment projects and support other tools for collaboration in redevelopment efforts.**

2.3.2. *NEW* **Use P3 development offerings to position City-owned properties for market-driven redevelopment.**

- Structure clear guidelines that define the City's role as a partner in redevelopment projects. Use successful P3s as models for formulating these guidelines (see Goal 1, Strategy 3).
- Create a P3 development authority to drive public-private development projects on City-owned properties.
- Establish a City of Arlington commercial real estate task force to facilitate ongoing communication between the City and commercial and industrial real estate development and brokerage community to identify and assess redevelopment opportunities and needs.
- Identify the sites, buildings, and development districts available and engage in public-private collaboration to prepare them for development.
- Select a developer, through a request for proposal (RFP) process, to partner with and jointly develop the most promising sites for an agreed-upon mix of uses that activate underutilized properties, create space for new and expanding companies, and generate capital investment for the City.

2.3.3. *NEW* **Use land assembly and land banking as tools to acquire underutilized parcels by the City of Arlington.**

- Identify nodes of underutilized and/or poorly maintained parcels and explore the possibility of land assembly to provide the ability to influence a larger scale catalyst project.
- Work with the private sector or other partners to facilitate land assembly for larger projects. Where necessary or where an extraordinary opportunity exists, use land banking as a tool to assemble land.

EXAMPLE: Land Banking (Philadelphia, Pennsylvania)

In an effort to streamline the process for selling abandoned or delinquent public property to private developers, the city of Philadelphia passed the Land Bank Ordinance in 2013 and received the inaugural properties from the Philadelphia Housing Development Corporation 2 years later. Working with the city council, community leaders, the public, and other municipal agencies, the Land Bank returned $2.8 million to the city in back-owed property taxes, of which $1.55 million (55 percent) was paid to the Philadelphia school district between 2018 and 2019. Money for acquisitions comes from the General Fund.[6,7,8,9]

2.3.4. NEW **Consider utilizing a redevelopment fund to stimulate investment in underserved areas of Arlington.**

EXAMPLE: Inner City Reinvestment Infill Policy and Redevelopment Fund (San Antonio, Texas)

Created in 2008, the Inner City Reinvestment Infill Policy (ICRIP) promotes growth in San Antonio's underserved downtown real estate markets through the coordination of public incentives and initiatives that stimulate private investment in walkable urban environments. There are five policy goals: increase new development (housing and commercial) on vacant lots, increase redevelopment of underused buildings and sites, increase rehabilitation and adaptive reuse of existing buildings, improve maintenance of existing buildings and sites, and increase business recruitment and assistance.

Although the program was ultimately defunded, ICRIP distributed nearly $102 million to developers between 2012 and 2018 leading to $4.4 billion of investments, construction of 10,000 housing units, 230,000 square feet of retail space, and 28,000 square feet of office space.[10,11,12]

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[6] Kevin O'Brien, Kirstin S. Toth, Claudette Robey, Christopher Gollan, and Matthew Sattler. "Best Practices in Land Bank Operation." Cleveland State University. January 1, 2005. https://core.ac.uk/download/pdf/216940415.pdf.

[7] "Philadelphia Land Bank Strategic Plan & Performance Report 2019." City of Philadelphia. https://secureservercdn.net/104.238.71.140/k05.f3c.myftpupload.com/wp-content/uploads/2019/07/2019_StrategicPlan_DRAFTREPORT_PublicRelease_060519_PRINT-6.5.19-REDUCED.pdf.

[8] Melissa Romero. "What You Need to Know about the Philadelphia Land Bank." Curbed Philadelphia. December 20, 2015. https://philly.curbed.com/2015/12/10/9892464/philadelphia-land-bank-what-you-need-to-know.

[9] "Philadelphia Land Bank Bill." December 12, 2013. https://www.pubintlaw.org/current-cases-projects-public-health/philadelphia-land-bank-bill/.

[10] "Inner City Reinvestment/Infill Policy." https://www.sanantonio.gov/Portals/0/files/ccdo/Inner%20City%20Reinvestment%20Infill%20Policy.pdf.

[11] Adolfo Pesquera. "San Antonio City Council Retools Development Incentives to Favor Affordable Housing." Virtual Builders Exchange. December 13, 2018. https://www.virtualbx.com/industry-news/san-antonio-city-council-retools-development-incentives-to-favor-affordable-housing/.

[12] "City of San Antonio Fee Waiver Program" City of San Antonio. https://www.sanantonio.gov/NHSD/Programs/COSAFeeWaivers.

GOAL 3. HIGH-IMPACT COMMUNITY DEVELOPMENT

The creation of the amenities and assets that will secure Arlington's position as a major activity hub in the Metroplex.

Creating quality places that draw residents and employers is an essential element in competing with peers in the Metroplex. The concept of *quality of place* is outward looking, compared with the more traditional notion of quality of life. The latter seeks to build on the things important to current residents, while a place orientation focuses on enhancing the area's diversity of options that appeal to a broad audience. The idea of quality of place encompasses a range of amenities and touches on topics ranging from entertainment to housing to community collaboration. For Arlington to fulfill its potential as an economic powerhouse in the region, concerted attention to quality of place will be essential. Focusing public policy and private investments on elements that include housing and downtown amenities for young professionals can help support this bold vision.

STRATEGIES AND ACTIONS

3.1. PROMOTE DEVELOPMENT OF DIVERSE HOUSING PRODUCTS.

Placemaking is closely linked to housing. Many Dallas-Fort Worth area communities are skewed toward single-family detached housing because of their origins as suburbs. As these communities mature, they draw in new businesses and residents who bring with them a variety of experiences and preferences with regard to housing. Ensuring that Arlington offers a strong mix of housing options, including multifamily, townhomes, and downtown living, should be an essential element of this high-impact community development strategy to attract and retain talent in Arlington.

3.1.1. Support high-impact housing projects in Arlington that will be market makers.

- Continue to support the Viridian and Lamar/Collins projects.
- Encourage the development of a downtown urban apartment project that would appeal to UTA graduates and other young professionals in the Metroplex.
- Incorporate a range of housing products in the Entertainment District.
- Create a P3 with the City and developers to create a mixed-use neighborhood of multifamily and single-family homes.
- Consider revising zoning restrictions to allow residential units in the Great Southwest Industrial Park.

> *EXAMPLE: Ground-Floor Residential Zoning (Grand Rapids, Michigan)*
>
> The city of Grand Rapids, Michigan, revised its zoning ordinance (effective March 1, 2021) to allow ground-floor residential units in business districts throughout the city. The new policy is a response to multiple challenges, including a tight housing market and underperforming business districts. A summer 2020 housing study indicated the city needs roughly 9,000 additional housing units, 60 percent of which would be rental units, by 2025 to meet demand and ensure low-income residents are not displaced. Meanwhile, many property owners in the city's business districts (the city has 6,000 commercially zoned properties) have struggled to find commercial and office renters to fill first-floor spaces, leading to vacant and underutilized ground-floor spaces fronting many commercial corridors, a problem that has been exacerbated by the economic downturn associated with the COVID-19 pandemic. The new zoning ordinance applies to nearly half of the city's commercial properties, allowing conversion of ground-floor commercial spaces into residential dwellings.[13]

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[13] Michael Kransz. "Grand Rapids Leaders Allow Ground-Floor Apartments in Nearly Half of City's Commercial Spaces." M Live January 27, 2021. https://www.mlive.com/news/grand-rapids/2021/01/grand-rapids-leaders-allow-ground-floor-apartments-in-nearly-half-of-citys-commercial-spaces.html.

3.1.2. Keep Arlington's mix of housing healthy and diverse. Accomplish this by increasing the momentum around the renovation or redevelopment of aging multifamily housing projects and low-density housing.

- Create a clear policy and toolbox for encouraging the construction of high-quality housing in targeted redevelopment areas where appropriate.
- Consider creating a fund to fill the gap between construction costs for infill and redevelopment projects—which tend to be significantly higher than greenfield development—and loan amounts available through commercial lenders.
- Conduct ongoing outreach and relationship building with developers active in the DFW area to sell Arlington as a destination for high-quality, market rate housing projects.
- Establish different standards for infill housing development, as determined by the Arlington Unity Council, as existing zoning ordinances put older or established neighborhoods at a disadvantage for redevelopment.
- Examine existing ordinances to eliminate barriers to develop housing that is affordable.

3.1.3. NEW Assist anchor institutions (such as UTA, General Motors, and others) with launching homebuyer assistance programs that encourage employees to become local homeowners in Arlington.

3.2. NEW COLLABORATE WITH KEY STAKEHOLDERS TO INCLUDE THEIR VOICES AT THE EDC TABLE.

The recently formed Arlington EDC board will require guidance and input from key employers and stakeholders in the Arlington community, especially those not already represented by the existing board. Community collaboration will ensure that the board can make informed decisions that will strengthen all of Arlington by considering the needs of key anchor institutions like UTA, professional sports teams, and General Motors (GM).

3.2.1. Leverage major corporate partners, such as the Cowboys and the Rangers to develop innovative approaches to financing and supporting local businesses and entrepreneurs (see Greater Green Bay Chamber example on page 43).

3.2.2. Convene stakeholders to identify regional resources to support excellence in Arlington's education offerings.

- Encourage Arlington ISD to join in an ad hoc or advisory capacity to inform the EDC board.
- Create an opportunity to include UTA with the EDC whether through allotted board seats or an advisory committee.

3.3. PRIORITIZE PROJECTS THAT HELP TRANSFORM ARLINGTON'S QUALITY OF PLACE.

The notion of quality of place requires economic development practitioners to take an outward-looking stance. This approach means viewing local assets in terms of their ability to meet the needs of existing residents, as well as students and visitors. Under this framework, fundamental aspects of place, including downtown, tourism destinations, and higher education institutions, take on a new significance. They serve as both an amenity for Arlington residents and as a means for enticing others to the City, whether for a brief or extended stay. The City should support the efforts of organizations and initiatives connected with these high-impact assets.

3.3.1. Partner with appropriate groups to identify priority projects to vet.

- Challenge the EDC board to identify projects that will enhance Arlington's quality of place.
- Work with the Downtown Arlington Management Corporation to identify catalyst projects to attract investment and enhance the quality of place of downtown. Focus on truly mixed-use development that incorporates high-density housing that appeals to young professionals.

- Partner with the Arlington CVB to form a tourism task force to identify projects that will capture visitors' spending and increase their length of stay.

- Establish a mechanism by which community groups and stakeholders can submit ideas to be evaluated.

- Work with partners, such as the Unity Council, to understand and address community quality-of-life needs, such as transportation for low-income residents, health clinics, and grocery stores.

3.3.2. Continue to strengthen the connection between UTA and the community at large.

- Partner actively with UTA to hasten its transition from a commuter school to a residential campus.

- Continue to support the growth of the Downtown District and the College Park District to create a more uptown feel, attractive to students and recent graduates.

- Work with UTA and Arlington employers to create meaningful internship opportunities, develop work-based learning experiences, and help connect UTA students and graduates with Arlington-based companies.

- Support the Downtown Arlington Management Corporation in increasing community events and the portfolio of unique establishments that would tie UTA students more closely with the community.

- Work with UTA to organize industry-focused events that will draw attention to UTA's research strengths and aid the City's economic development efforts.

- Support UTA's efforts to launch a business incubator.

> *EXAMPLE: Talent Initiative (Minneapolis-Saint Paul, Minnesota)*
>
> *Make It. MSP.* is a Greater Minneapolis-Saint Paul (MSP) talent initiative that was developed and launched in 2015. The initiative is focused on three target talent groups: MSP newcomers, professionals of color, and tech workers. The initiative is organized by four teams that focus on welcoming newcomers to the area, increasing the tech talent pool through attraction and retention efforts, creating a culturally inclusive community, and connecting interns and recent graduates with professional opportunities throughout the region.
>
> Between 2015 and 2019, the number of 25–34 year olds moving to the region increased by 265 percent (from 2,150 to 7,837). Further, 2019 is the second consecutive year where the region had a net gain of more than 7,500 millennials. Prior years saw increases of 1,000 to 3,000 people in this demographic.

3.3.3. NEW Develop amenities for UTA students and young professionals.

- Connect major amenity corridors and adjacent destinations in Arlington with bike lanes, expanded sidewalks and trails, and gateway signage and beautification.

- Activate underutilized spaces in key corridors across town with art installations.

- Host street fairs, cultural festivals, and other events that bring activity to Arlington's key corridors.

- Utilize the creek system to develop trails and green spaces along the corridor between the Entertainment District and UTA in order to draw more students to amenity offerings in Arlington.

- Encourage the development of more restaurants, bars, coffee shops, and music venues downtown as a way to engage and retain UTA students, graduates, and young professionals.

APPENDIX A: STRATEGIC GROWTH AREAS

TARGETING OVERVIEW

Unlike more traditional targeting analysis, the concept of strategic growth areas goes beyond an analysis of employment trends to consider how a region's opportunities are shaped by local and regional assets and emerging trends and opportunities. This approach allows targeting efforts to encompass strategic projects that can support multiple areas of activity and enhance innovation and entrepreneurship.

TIP's metro-wide employment analysis highlights the City of Arlington's many strengths within the Dallas-Fort Worth region. The strategic growth areas emphasize property types where Arlington is uniquely positioned to excel within the region.

With the presence of a Texas Tier One research university in UTA as well as a network of other higher educational opportunities and a strong hospital administration presence through Texas Health and Human Services, it comes as no surprise that **INSTITUTIONAL** is a target sector for the City of Arlington moving forward. Partnerships with leadership at key institutions should be prioritized in making the best use of this City-wide strength.

Arlington's strong **INDUSTRIAL** presence, particularly in the transportation, logistics, and automotive space, with major employers such as General Motors, contribute to this key target area in the City.

The City's strong and diverse array of business, financial, and insurance services combine to give the area a particular strength in **OFFICE**-related industries.

And finally, Arlington's history as an entertainment destination with attractions such as Six Flags Over Texas, AT&T Stadium—home to the Dallas Cowboys, and Globe Life Field—home to the Texas Rangers, are all powerful drivers for Arlington's thriving **HOSPITALITY** sector.

The framework for these updated target sectors is provided in Figure 13. The remainder of the section provides a data profile of each sector that illustrates employment trends and provides a staffing profile for the industry based on national trends.

FIGURE 12. TARGETING APPROACH
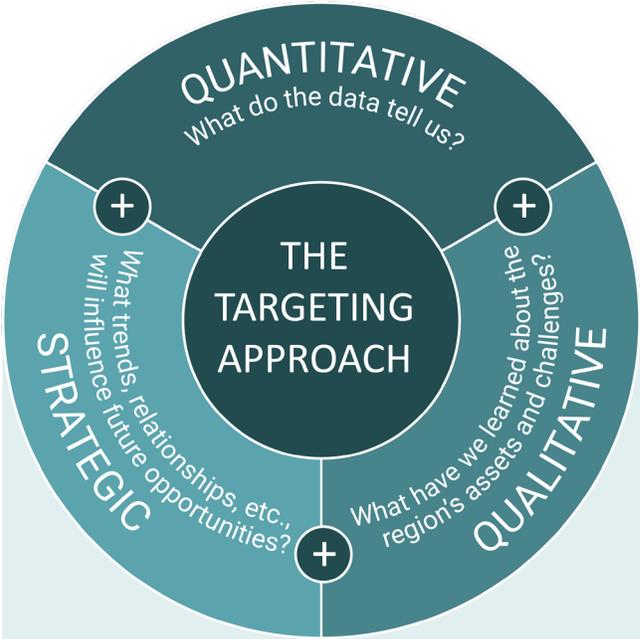
In identifying target sectors, our team examined detailed data to identify which industries are well-established in the region, how they performed in recent years, and how they are expected to perform in the near term. For this analysis, we looked at factors including strategic assets, existing initiatives, critical mass, competitive advantage, growth prospects, and cross-sector synergies.

ABOUT THE DATA

For the targeting analysis, we filter standard NAICS industry classifications within an industry "cluster" framework developed by the US Economic Development Administration in conjunction with the Institute for Strategy and Competitiveness at Harvard Business School (www.clustermapping.us).

Source: TIP Strategies, Inc.

FIGURE 13. TARGETING FRAMEWORK UPDATE

TRADED and **LOCAL** clusters and subclusters emerge from the analysis...

...to provide a foundation for **TARGET SECTORS**

COLLEGES, UNIVERSITIES, & PROFESSIONAL SCHOOLS	
HOSPITALS	→ INSTITUTIONAL

AEROSPACE VEHICLES & DEFENSE	
AUTOMOTIVE	
CONSTRUCTION PRODUCTS & SERVICES	
DISTRIBUTION & E-COMMERCE	→ INDUSTRIAL
FOOD PROCESSING & MFG.	
TRANSPORTATION & LOGISTICS	

BUSINESS SERVICES	
FINANCIAL SERVICES	
INSURANCE SERVICES	→ OFFICE
MARKETING, DESIGN, & PUBLISHING	

ACCOMMODATIONS & RELATED SERVICES	
AMUSEMENT PARKS & ARCADES	
CULTURAL & EDUCATIONAL ENTERTAINMENT	
SPECTATOR SPORTS	→ HOSPITALITY
PROMOTERS & MANAGERS	
HOSPITALITY ESTABLISHMENTS	

Sources: US Economic Development Administration; Institute for Strategy and Competitiveness, Harvard Business School; TIP Strategies.

INSTITUTIONAL

FIGURE 14. TARGET SNAPSHOT

DALLAS-FW-ARLINGTON MSA	TOTAL	TARGET
2020 Establishments	192,339	392
2020 Employment	3,935,686	200,449
Net Chg., 2010−2020	+760,913	+33,761
Pct. Chg., 2010−2020	+24.0%	+20.3%

FIGURE 16. EMPLOYMENT OUTLOOK

US OVERALL	TOTAL	TARGET
Net Chg., 2020−2025	+5,652,930	+458,476
Pct. Chg., 2020−2025	+3.6%	+4.0%
DALLAS-FW-ARLINGTON MSA	TOTAL	TARGET
Net Chg., 2020−2025	+282,911	+17,126
Pct. Chg., 2020−2025	+7.2%	+8.5%

FIGURE 15. TARGET CONCENTRATION
LOCATION QUOTIENT TREND

FIGURE 17. TARGET COMPONENTS
ANNUAL EMPLOYMENT

FIGURE 18. TARGET GROWTH
ANNUAL PERCENT CHANGE IN EMPLOYMENT
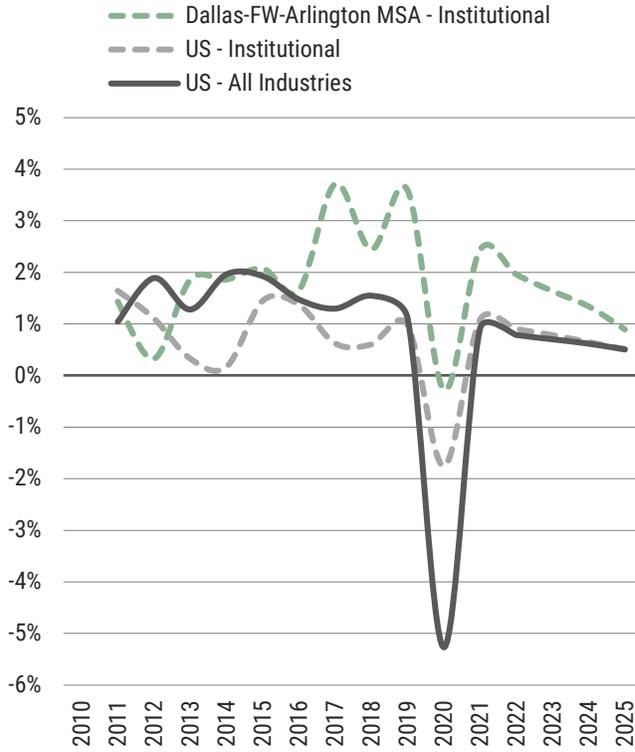
Sources: US Bureau of Labor Statistics; Emsi) 2020.3−QCEW Employees, Non-Quarterly Census of Employment and Wages (QCEW) Employees, and Self-Employed; US Economic Development Administration; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.
Notes: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit North American Industry Classification System (NAICS) used by Emsi. MSA is metropolitan statistical area.

FIGURE 19. TARGET STAFFING PROFILE

LQs & RELATIVE EARNINGS: BELOW AVG➔ ▬▬▬▬▬▬▬▬▬ ⬅ABOVE AVG

STANDARD OCCUPATIONAL CLASSIFICATION		EMPLOYMENT			EARNINGS	
		2020 Jobs	% of Target	LQ (US= 1.00)	Local Hourly Median	Relative to US (US=1.00)
Code	Description					
29-1141	Registered Nurses	35,080	17.5%	1.06	36.97	1.02
25-1099	Postsecondary Teachers	28,668	14.3%	0.96	34.15	0.93
31-1131	Nursing Assistants	5,977	3.0%	0.81	14.52	0.98
43-6013	Medical Secretaries & Administrative Assistants	5,579	2.8%	1.85	17.94	1.00
43-9061	Office Clerks, General	5,289	2.6%	0.98	17.26	1.02
29-2018	Clinical Laboratory Technologists & Technicians	3,721	1.9%	1.18	26.49	1.02
43-6014	Secretaries & Administrative Assistants, All Other	3,663	1.8%	0.72	18.88	1.01
11-9111	Medical & Health Services Managers	3,407	1.7%	1.32	49.24	0.99
25-9044	Teaching Assistants, Postsecondary	3,237	1.6%	1.03	9.47	0.54
31-9092	Medical Assistants	3,203	1.6%	1.46	16.97	0.99
37-2011	Janitors & Cleaners, Except Maids & Housekeeping Cleaners	2,986	1.5%	0.78	13.31	0.95
29-2098	Medical Records & Health Technicians, All Other	2,631	1.3%	1.22	21.06	0.99
13-1198	Business Operations Specialists, All Other	2,630	1.3%	1.29	40.90	1.10
29-1126	Respiratory Therapists	2,458	1.2%	1.27	30.94	1.02
11-9033	Education Administrators, Postsecondary	2,448	1.2%	0.78	47.38	1.02
29-2061	Licensed Practical & Licensed Vocational Nurses	2,343	1.2%	1.28	24.28	1.04
29-1228	Ophthalmologists & Physicians, All Other	2,211	1.1%	0.94	98.66	0.99
43-4051	Customer Service Representatives	2,141	1.1%	1.22	17.88	1.04
29-2034	Radiologic Technologists & Technicians	2,072	1.0%	0.92	29.56	0.99
29-2052	Pharmacy Technicians	1,985	1.0%	1.56	17.79	1.05
37-2012	Maids & Housekeeping Cleaners	1,974	1.0%	1.06	11.57	0.93
43-1011	First-Line Supervisors, Office & Administrative	1,908	1.0%	1.00	29.11	1.04
29-1051	Pharmacists	1,897	0.9%	1.24	59.05	0.95
29-2055	Surgical Technologists	1,732	0.9%	1.23	24.73	1.03
21-1012	Career Counselors & Advisors	1,574	0.8%	0.71	30.33	1.09

Sources: US Bureau of Labor Statistics; Emsi 2020.2– QCEW Employees, Non-QCEW Employees, and Self-Employed; US Economic Development Administration; Institute for Strategy and Competitiveness, Harvard Business School; TIP Strategies.
Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the 6-digit NAICS classifications used by Emsi.

WHY IT MATTERS

Each target industry is underpinned by its workforce, making the occupational composition of each target worthy of further analysis. Figure 19 shows each target's largest occupational contributors. The number of local jobs for each occupation is shown along with the occupation's weight (in percentage terms) within the target. The location quotient (LQ) compares the occupation's local weight to its national weight within this target. An LQ that exceeds 1.00 indicates a local occupation employed more heavily by the local target industry than national patterns might imply, while an LQ below 1.00 indicates relatively lighter local reliance on the occupation. Median local hourly earnings accompany the occupations shown in the exhibit. Wage ratios exceeding 1.00 indicate higher pay than the same occupation might expect nationally, while ratios below 1.00 suggest relatively lower compensation than the national level.

INDUSTRIAL

FIGURE 20. TARGET SNAPSHOT

DALLAS-FW-ARLINGTON MSA	TOTAL	TARGET
2020 Establishments	192,339	15,550
2020 Employment	3,935,686	415,539
Net Chg., 2010–2020	+760,913	+109,037
Pct. Chg., 2010–2020	+24.0%	+35.6%

FIGURE 22. EMPLOYMENT OUTLOOK

US OVERALL	TOTAL	TARGET
Net Chg., 2020–2025	+5,652,930	+528,068
Pct. Chg., 2020–2025	+3.6%	+4.4%
DALLAS-FW-ARLINGTON MSA	TOTAL	TARGET
Net Chg., 2020–2025	+282,911	+31,527
Pct. Chg., 2020–2025	+7.2%	+7.6%

FIGURE 21. TARGET CONCENTRATION
LOCATION QUOTIENT TREND

FIGURE 23. TARGET COMPONENTS
ANNUAL EMPLOYMENT

FIGURE 24. TARGET GROWTH
ANNUAL PERCENT CHANGE IN EMPLOYMENT
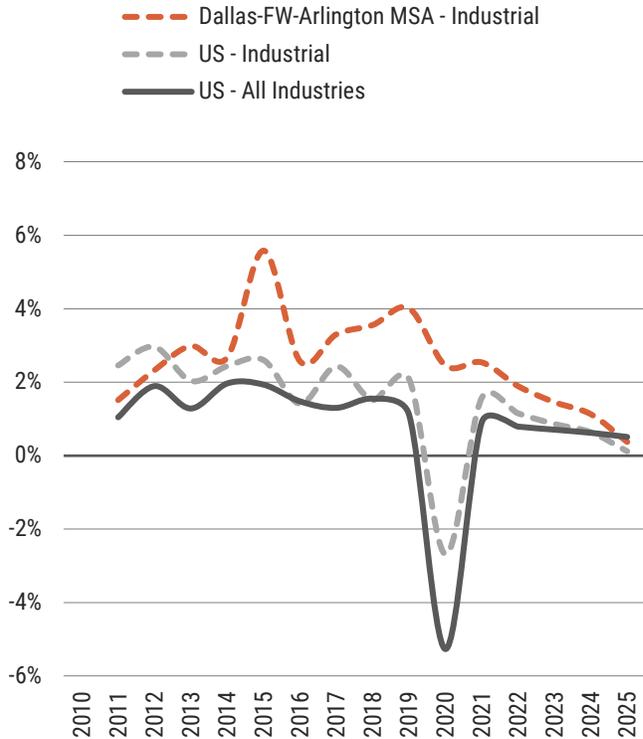
Sources: US Bureau of Labor Statistics; Emsi 2020.3—QCEW Employees, Non-QCEW Employees, and Self-Employed; US Economic Development Administration; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.
Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

FIGURE 25. TARGET STAFFING PROFILE

LQs & RELATIVE EARNINGS: **BELOW AVG** → ◼◼◼◼◼◼◼ ← **ABOVE AVG**

Code	Description	2020 Jobs	% of Target	LQ (US= 1.00)	Local Hourly Median	Relative to US (US=1.00)
53-3032	Heavy & Tractor-Trailer Truck Drivers	28,868	6.9%	1.05	23.23	1.03
53-7062	Laborers & Material Movers, Hand	28,690	6.9%	0.92	14.92	1.00
41-4012	Sales Reps, Non-Technical and Scientific Products	21,400	5.2%	0.91	30.14	1.02
53-7065	Stockers & Order Fillers	18,872	4.5%	1.16	14.58	1.04
53-7051	Industrial Truck & Tractor Operators	17,438	4.2%	1.41	17.24	0.96
43-4051	Customer Service Representatives	14,003	3.4%	1.17	17.88	1.04
11-1021	General & Operations Managers	9,640	2.3%	0.99	50.67	1.02
43-5071	Shipping, Receiving, & Inventory Clerks	9,301	2.2%	1.17	16.41	0.97
43-9061	Office Clerks, General	8,041	1.9%	1.01	17.26	1.02
51-2098	Miscellaneous Assemblers & Fabricators	7,585	1.8%	0.62	14.44	0.90
43-4181	Reservation & Ticket Agents	6,985	1.7%	2.77	26.50	1.40
53-2031	Flight Attendants	6,545	1.6%	1.73	37.18	1.31
49-3011	Aircraft Mechanics & Service Technicians	6,384	1.5%	2.01	37.11	1.16
53-1047	First-Line Supervisors of Transportation Workers	5,466	1.3%	1.04	27.43	1.04
43-1011	First-Line Supervisors, Office & Administrative	5,447	1.3%	1.15	29.11	1.04
15-1256	Software Developers, Analysts, & Testers	4,833	1.2%	1.14	52.83	1.00
43-3031	Bookkeeping, Accounting, & Auditing Clerks	4,775	1.1%	0.92	20.63	1.01
53-3033	Light Truck Drivers	4,698	1.1%	0.81	18.76	1.05
13-1198	Business Operations Specialists, All Other	4,560	1.1%	1.27	40.90	1.10
51-9061	Inspectors, Testers, Sorters, Samplers, & Weighers	4,527	1.1%	0.99	18.29	0.94
41-4011	Sales Reps, Technical and Scientific Products	4,520	1.1%	0.82	37.76	0.91
53-7064	Packers & Packagers, Hand	3,966	1.0%	0.66	12.47	0.93
53-2011	Airline Pilots, Copilots, & Flight Engineers	3,477	0.8%	1.35	74.64	0.97
43-5061	Production, Planning, & Expediting Clerks	3,404	0.8%	1.28	24.43	1.03
49-9071	Maintenance & Repair Workers, General	3,331	0.8%	0.83	19.90	1.01

Sources: US Bureau of Labor Statistics; Emsi 2020.2– QCEW Employees, Non-QCEW Employees, and Self-Employed; US Economic Development Administration; Institute for Strategy and Competitiveness, Harvard Business School; TIP Strategies.
Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the 6-digit NAICS classifications used by Emsi.

WHY IT MATTERS

Each target industry is underpinned by its workforce, making the occupational composition of each target worthy of further analysis. Figure 25 shows each target's largest occupational contributors. The number of local jobs for each occupation is shown along with the occupation's weight (in percentage terms) within the target. The LQ compares the occupation's local weight to its national weight within this target. An LQ that exceeds 1.00 indicates a local occupation employed more heavily by the local target industry than national patterns might imply, while an LQ below 1.00 indicates relatively lighter local reliance on the occupation. Median local hourly earnings accompany the occupations shown in the exhibit. Wage ratios exceeding 1.00 indicate higher pay than the same occupation might expect nationally, while ratios below 1.00 suggest relatively lower compensation than the national level.

OFFICE

FIGURE 26. TARGET SNAPSHOT

DALLAS-FW-ARLINGTON MSA	TOTAL	TARGET
2020 Establishments	192,339	29,892
2020 Employment	3,935,686	492,556
Net Chg., 2010–2020	+760,913	+133,172
Pct. Chg., 2010–2020	+24.0%	+37.1%

FIGURE 28. EMPLOYMENT OUTLOOK

US OVERALL	TOTAL	TARGET
Net Chg., 2020–2025	+5,652,930	+1,130,291
Pct. Chg., 2020–2025	+3.6%	+7.4%
DALLAS-FW-ARLINGTON MSA	**TOTAL**	**TARGET**
Net Chg., 2020–2025	+282,911	+51,335
Pct. Chg., 2020–2025	+7.2%	+10.4%

FIGURE 27. TARGET CONCENTRATION
LOCATION QUOTIENT TREND

FIGURE 29. TARGET COMPONENTS
ANNUAL EMPLOYMENT

- Marketing, Design, & Publishing
- Insurance Services
- Financial Services
- Business Services
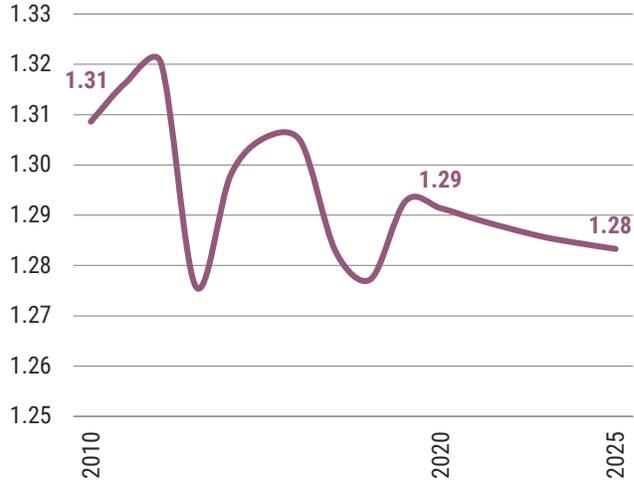
FIGURE 30. TARGET GROWTH
ANNUAL PERCENT CHANGE IN EMPLOYMENT
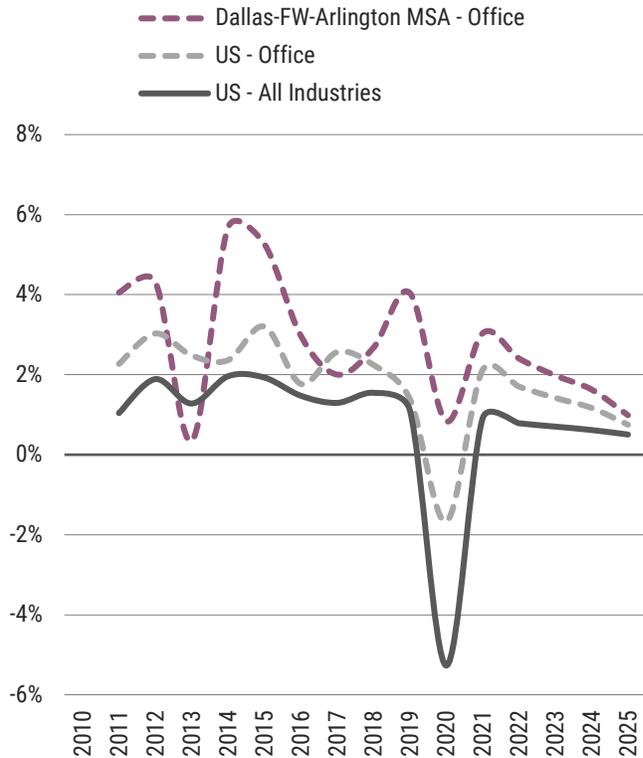
- Dallas-FW-Arlington MSA - Office
- US - Office
- US - All Industries

Sources: US Bureau of Labor Statistics; Emsi 2020.3—QCEW Employees, Non-QCEW Employees, and Self-Employed; US Economic Development Administration; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.
Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

FIGURE 31. TARGET STAFFING PROFILE

LQs & RELATIVE EARNINGS: **BELOW AVG ➜** ▬▬▬▬▬▬▬▬▬ **← ABOVE AVG**

		EMPLOYMENT			EARNINGS	
STANDARD OCCUPATIONAL CLASSIFICATION					Local Hourly Median	Relative to US
Code	Description	2020 Jobs	% of Target	LQ (US= 1.00)		(US=1.00)
15-1256	Software Developers, Analysts, & Testers	31,634	6.4%	1.10	52.83	1.00
43-4051	Customer Service Representatives	29,444	6.0%	1.14	17.88	1.04
13-1198	Business Operations Specialists, All Other	15,178	3.1%	1.16	40.90	1.10
11-1021	General & Operations Managers	14,949	3.0%	1.06	50.67	1.02
13-1111	Management Analysts	14,110	2.9%	0.84	45.33	1.07
15-1211	Computer Systems Analysts	12,837	2.6%	1.16	47.62	1.06
43-9061	Office Clerks, General	11,031	2.2%	1.12	17.26	1.02
15-1232	Computer User Support Specialists	10,887	2.2%	1.17	23.06	0.91
13-2011	Accountants & Auditors	10,413	2.1%	0.94	37.50	1.06
41-3031	Financial Services Sales Agents	10,374	2.1%	1.11	30.41	0.98
13-2098	Financial, Investment, Risk Specialists, All Other	9,756	2.0%	1.20	38.41	0.96
41-3091	Sales Reps, Miscellaneous Services	9,517	1.9%	0.95	27.88	0.99
43-1011	First-Line Supervisors, Office & Administrative	9,111	1.8%	1.13	29.11	1.04
13-1161	Market Research Analysts & Marketing Specialists	7,861	1.6%	0.72	37.30	1.18
43-3031	Bookkeeping, Accounting, & Auditing Clerks	7,842	1.6%	1.05	20.63	1.01
11-3031	Financial Managers	7,508	1.5%	0.88	70.25	1.10
11-3021	Computer & Information Systems Managers	7,104	1.4%	0.87	74.01	1.02
13-2052	Personal Financial Advisors	7,099	1.4%	0.96	40.83	0.93
13-1031	Claims Adjusters, Examiners, & Investigators	6,510	1.3%	1.21	34.86	1.07
43-4131	Loan Interviewers & Clerks	6,398	1.3%	1.79	20.52	1.03
43-3011	Bill & Account Collectors	6,294	1.3%	2.02	18.06	0.99
15-1299	Computer, All Other	6,205	1.3%	1.13	46.18	1.05
43-6014	Secretaries & Administrative Assistants, All Other	6,078	1.2%	0.81	18.88	1.01
13-1071	Human Resources Specialists	5,813	1.2%	0.91	31.52	1.03
13-2072	Loan Officers	5,592	1.1%	1.18	36.56	1.19

Sources: US Bureau of Labor Statistics; Emsi 2020.2– QCEW Employees, Non-QCEW Employees, and Self-Employed; US Economic Development Administration; Institute for Strategy and Competitiveness, Harvard Business School; TIP Strategies.
Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the 6-digit NAICS classifications used by Emsi.

WHY IT MATTERS

Each target industry is underpinned by its workforce, making the occupational composition of each target worthy of further analysis. Figure 31 shows each target's largest occupational contributors. The number of local jobs for each occupation is shown along with the occupation's weight (in percentage terms) within the target. The LQ compares the occupation's local weight to its national weight within this target. An LQ that exceeds 1.00 indicates a local occupation employed more heavily by the local target industry than national patterns might imply, while an LQ below 1.00 indicates relatively lighter local reliance on the occupation. Median local hourly earnings accompany the occupations shown in the exhibit. Wage ratios exceeding 1.00 indicate higher pay than the same occupation might expect nationally, while ratios below 1.00 suggest relatively lower compensation than the national level.

HOSPITALITY

FIGURE 32. TARGET SNAPSHOT

DALLAS-FW-ARLINGTON MSA	TOTAL	TARGET
2020 Establishments	192,339	16,089
2020 Employment	3,935,686	309,747
Net Chg., 2010−2020	+760,913	+42,323
Pct. Chg., 2010−2020	+24.0%	+15.8%

FIGURE 34. EMPLOYMENT OUTLOOK

US OVERALL	TOTAL	TARGET
Net Chg., 2020−2025	+5,652,930	+27,702
Pct. Chg., 2020−2025	+3.6%	+0.2%
DALLAS-FW-ARLINGTON MSA	TOTAL	TARGET
Net Chg., 2020−2025	+282,911	+28,393
Pct. Chg., 2020−2025	+7.2%	+9.2%

FIGURE 33. TARGET CONCENTRATION
LOCATION QUOTIENT TREND

FIGURE 35. TARGET COMPONENTS
ANNUAL EMPLOYMENT

- Amusement Parks & Arcades
- Cultural & Educational Entertainment
- Spectator Sports
- Promoters & Managers
- Accommodations & Related Services
- Hospitality Establishments
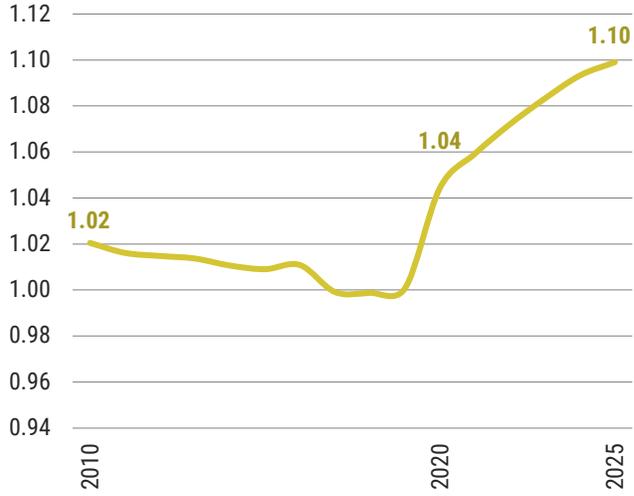
FIGURE 36. TARGET GROWTH
ANNUAL PERCENT CHANGE IN EMPLOYMENT
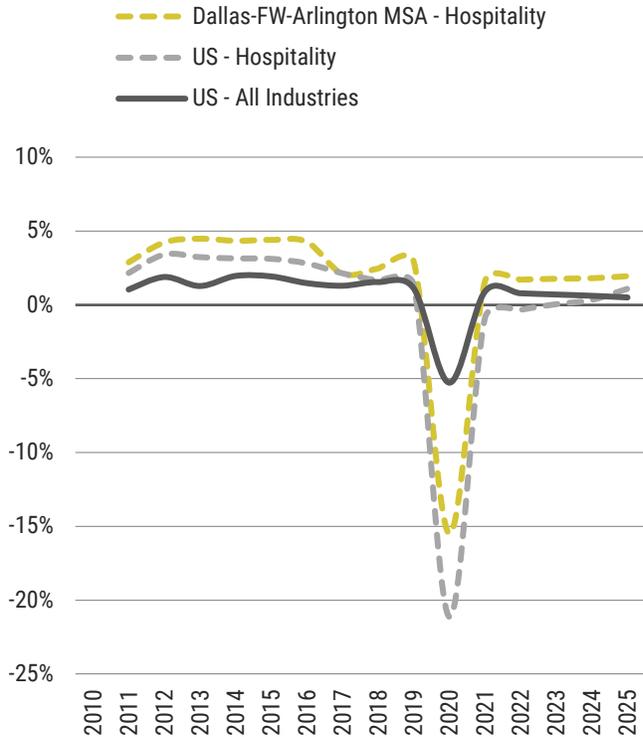
- - - Dallas-FW-Arlington MSA - Hospitality
- - - US - Hospitality
—— US - All Industries

Sources: US Bureau of Labor Statistics; Emsi 2020.3−QCEW Employees, Non-QCEW Employees, and Self-Employed; US Economic Development Administration; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.
Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

FIGURE 37. TARGET STAFFING PROFILE

LQs & RELATIVE EARNINGS: BELOW AVG→ [gradient bar] ←ABOVE AVG

STANDARD OCCUPATIONAL CLASSIFICATION		EMPLOYMENT			EARNINGS	
Code	Description	2020 Jobs	% of Target	LQ (US= 1.00)	Local Hourly Median	Relative to US (US=1.00)
35-3023	Fast Food & Counter Workers	87,554	28.3%	1.15	10.20	0.89
35-3031	Waiters & Waitresses	49,051	15.8%	1.07	9.02	0.79
35-2014	Cooks, Restaurant	28,719	9.3%	1.06	13.03	0.94
35-1012	First-Line Supervisors of Food Prep & Services	19,774	6.4%	1.03	15.86	0.96
35-2011	Cooks, Fast Food	11,643	3.8%	0.83	10.10	0.86
41-2011	Cashiers	10,694	3.5%	1.18	11.14	0.93
35-9011	Dining, Cafeteria, & Bar Attendants	8,312	2.7%	1.08	9.79	0.81
53-3031	Driver/Sales Workers	8,146	2.6%	1.46	15.59	1.16
35-2021	Food Preparation Workers	7,083	2.3%	0.62	11.76	0.94
35-9021	Dishwashers	6,844	2.2%	0.79	10.48	0.86
35-9031	Hosts & Hostesses, Food-Related	6,730	2.2%	0.88	9.84	0.86
37-2012	Maids & Housekeeping Cleaners	6,559	2.1%	0.76	11.57	0.93
35-3011	Bartenders	6,194	2.0%	0.62	9.23	0.77
11-9051	Food Service Managers	5,468	1.8%	0.92	25.35	1.03
43-4081	Hotel, Motel, & Resort Desk Clerks	4,874	1.6%	1.00	11.94	0.97
11-1021	General & Operations Managers	3,155	1.0%	1.16	50.67	1.02
35-2015	Cooks, Short Order	2,610	0.8%	1.06	9.90	0.78
49-9071	Maintenance & Repair Workers, General	1,968	0.6%	0.77	19.90	1.01
51-3011	Bakers	1,682	0.5%	1.56	12.22	0.87
35-1011	Chefs & Head Cooks	1,610	0.5%	0.72	26.13	1.08
33-9032	Security Guards	1,406	0.5%	0.84	13.84	0.93
37-2011	Janitors & Cleaners, Except Maids & Housekeeping Cleaners	1,341	0.4%	0.67	13.31	0.95
35-9099	Misc. Food Prep & Serving Related Workers	1,130	0.4%	0.80	9.39	0.72
35-2012	Cooks, Institution & Cafeteria	1,124	0.4%	0.86	13.10	0.95
43-9061	Office Clerks, General	1,115	0.4%	1.11	17.26	1.02

Sources: US Bureau of Labor Statistics; Emsi 2020.2– QCEW Employees, Non-QCEW Employees, and Self-Employed; US Economic Development Administration; Institute for Strategy and Competitiveness, Harvard Business School; TIP Strategies.
Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the 6-digit NAICS classifications used by Emsi.

WHY IT MATTERS

Each target industry is underpinned by its workforce, making the occupational composition of each target worthy of further analysis. Figure 37 shows each target's largest occupational contributors. The number of local jobs for each occupation is shown along with the occupation's weight (in percentage terms) within the target. The LQ compares the occupation's local weight to its national weight within this target. An LQ that exceeds 1.00 indicates a local occupation employed more heavily by the local target industry than national patterns might imply, while an LQ below 1.00 indicates relatively lighter local reliance on the occupation. Median local hourly earnings accompany the occupations shown in the exhibit. Wage ratios exceeding 1.00 indicate higher pay than the same occupation might expect nationally, while ratios below 1.00 suggest relatively lower compensation than the national level.

APPENDIX B: ARLINGTON EDC FUNDING FRAMEWORK

PURPOSE

The purpose of the Arlington EDC funding framework is to provide guidance to the EDC board members who are responsible for investing the newly established quarter-cent sales tax toward meaningful economic development initiatives throughout Arlington. This framework offers a methodology for measuring the benefit a funding proposal might offer Arlington should the EDC choose to fund it. The framework consists of the following components.

▸ Four fund buckets: Targeted Area, Opportunity, Deal Closing, and Innovation
▸ Due diligence process for the Arlington Office of Economic Development to conduct
▸ Evaluation matrix
▸ Metrics for measuring success

These elements were informed by the findings from meetings and interviews with City council members, EDC board members, the City manager, and City staff.

PROCESS

Figure 38 demonstrates the process of execution and roles for stakeholders throughout the process of allocating EDC funds.

FIGURE 38. FUNDING PROCESS FLOW CHART

FOUR FUND BUCKETS
Each fund targets a component of business growth and success and accepts funding proposals.

DUE DILIGENCE
City staff conduct research on businesses seeking EDC funding and share findings with the board.

EVALUATION
EDC board rates funding proposals based on matrix to determine who receives EDC funding.

SUCCESS METRICS
Success of each investment will be measured using specific metrics for that fund bucket.

TARGETED AREA FUND

OBJECTIVE: To invest in development and redevelopment opportunities, as determined by the EDC board, in specific geographic areas across Arlington.

FUND GOAL

Arlington has many districts and corridors that would benefit from a targeted and intentional investment to further develop or redevelop the area. Allocating funds to specifically invest in target areas was a priority for both the EDC and the City council. Some key corridors and areas mentioned by the board include the Entertainment District, Great Southwest Industrial Park, and Downtown Arlington.

While Arlington has made significant headway with development projects, such as lodging options in the Entertainment District and the new research park underway at UTA, there remain areas that would benefit from capital investment to uplift the City. The goal of this fund is to encourage and support effective development and redevelopment efforts in key areas around town. This fund will also incentivize private partners to coordinate with the City in P3 development efforts to encourage more market rate properties (commercial, industrial, and residential).

METRICS OF SUCCESS

▸ Number of available parcels of land acquired by the City through land banking efforts.
▸ Amount of capital investment in different target areas across the City.
▸ Square footage of developed property.
▸ Amount of capital investment leveraged through P3s.

ROLES AND PARTNERS

The EDC leadership and board, City Office of Economic Development, and other economic development partners such as the Greater Arlington Chamber of Commerce and the Arlington Downtown Business Improvement District, should collaborate to identify the best sites for development through partnerships. The City should consider partnering with private land developers and engage with The Real Estate Council (TREC), which covers all of North Texas. The City should also explore partnerships with major private entities in Arlington including GM, the Cowboys, the Rangers, and Texas Health Resources.

INVESTMENT EXAMPLE

P3 INVOLVING DEVELOPERS: CINCINNATI CENTER CITY DEVELOPMENT CORPORATION | Established in 2003, Cincinnati Center City Development Corporation (3CDC) is a 501(c)(3) nonprofit focused on downtown revitalization in Cincinnati, Ohio. The concept for 3CDC came from a city of Cincinnati Economic Development Task Force recommendation that was part of a larger effort to optimize municipal development activities. The organization is funded through a mix of corporate contributions, management fees, and below-market developer fees. 3CDC oversees two private investment funds, Cincinnati New Markets Fund and the Cincinnati Equity Fund, intended for downtown redevelopment and economic development in blighted neighborhoods. In addition to partnering with the city and the state, 3CDC has a 27-member board of directors. Two developers sit on the board and both also serve on the Development and Finance Committee.

https://www.3cdc.org/about-3cdc/
https://www.3cdc.org/wp-content/blogs.dir/3/files/2021/07/3CDC-Board-of-Directors_2021_0701.pdf

OPPORTUNITY FUND

OBJECTIVE: To invest in programming and resources to support the stabilization and growth of small businesses in Arlington and businesses owned and operated by women and people of color within Arlington.

FUND GOAL

Arlington prides itself on being business friendly and having a thriving network of small businesses. Small businesses were hit especially hard by the COVID-19 pandemic and require discrete supports to aid their recovery and build resiliency for future challenges. Assisting and investing in Arlington's small business community, which is already deeply invested in the City of Arlington, was a top priority for the EDC board and the City council when considering how to allocate these newly acquired funds. Further, Arlington has made a name for itself as the "American Dream City" and wants to ensure all residents and business owners have an equitable opportunity for wealth and success. Therefore, this fund will target small businesses owners for both technical assistance and financial support, with a specific investment in people of color-owned and women-owned small businesses.

METRICS OF SUCCESS

- The number of businesses served.
- The amount of capital accessed.
- The number of small business loans awarded.
- Qualitative data, such as the percentage of small businesses served that were satisfied with the services provided or attitudes toward the local small business support ecosystem.

ROLES AND PARTNERS

The EDC board and the Arlington Office of Economic Development will directly engage with local small business owners through this fund. This group of business owners includes people of color, women, and those who have been disconnected from City services in the past because of barriers to access such services. This fund could also engage with faculty at UTA who can assist the EDC board in vetting small businesses for funding opportunities through due diligence.

INVESTMENT EXAMPLE

REVOLVING LOAN FUND FOR SOUTH TEXAS DEVELOPMENT COUNCIL | The South Texas Development Council (STDC) was formed in 1956 and is the regional planning commission for Jim Hogg, Starr, Webb, and Zapata Counties along the Mexico-US border. It is also an EDA-designated redevelopment area due to the lack of available funding and high unemployment. In 1980, the South Texas Economic Development Corporation (STED) was established to manage the EDA's Title IX revolving loan fund (RLF) grant program. STED has a board of directors, of which three members also serve on the board of STDC and is managed by STDC through an administrative agreement. STED and STDC serve the same region. The RLF seeks to stimulate commercial growth, expand opportunities for businesses owned by people of color and women, and increase economic growth for small businesses within the four counties. Borrowers must secure private funding in order to leverage RLF dollars (2:1 ratio), provide proof of participation from a private lender, demonstrate loan repayment capability, and pledge personal collateral. Funds can be used for equipment, capital expenditures, and working capital.

https://stdc.cog.tx.us/revolving-loan-fund/
https://stdc.cog.tx.us/wp-content/uploads/2018/10/STDC-Audit-FY2017.pdf

DEAL CLOSING FUND

OBJECTIVE: *To invest in companies with immediate project opportunities in Arlington with specific expansion and recruitment initiatives.*

FUND GOAL

While the EDC fund aims to be forward-looking and some investments might take time to see a return on investment, the fund is also intended to meet more immediate business attraction and development needs. The deal closing fund aims to attract and incentivize businesses with immediate project opportunities in Arlington that will drive private investment and job creation, strengthening Arlington as a major competitor in the Metroplex. The goal is to attract major projects that will help Arlington grow in stature *today* to meet immediate needs of the community.

METRICS OF SUCCESS

▸ Number of new jobs created.

▸ Percentage of jobs above Arlington's median wage.

▸ Amount of capital investment driven through the project.

ROLES AND PARTNERS

The EDC board, the City Office of Economic Development staff, and possibly faculty from UTA will serve as collaborators in reviewing deal closing proposals, conducting due diligence, evaluating a project for impact, and ultimately the EDC board members will determine whether to invest in the project based on the evaluation and due diligence findings. Companies interested in having a presence in Arlington that can drive capital investment and job attraction should consider applying for this funding opportunity through the EDC.

INVESTMENT EXAMPLE

ARLINGTON ECONOMIC DEVELOPMENT CORPORATION | Arlington is already engaging in this critical work by using the EDC and its funding to incentivize businesses with job growth potential to expand in Arlington. In June 2021, the EDC board, followed by the City council, approved $2.5 million in incentives to expand the presence of Bell Textron, a manufacturer of helicopters, in Arlington, ensuring this full amount would not be received until after a year in Arlington and once the appraised value reaches $15 million. Bell plans to build a 50,000-square-foot facility in Arlington, which will create 175 jobs with an average salary of $75,000 a year.

https://www.dallasnews.com/business/airlines/2021/06/30/helicopter-maker-bell-is-building-a-new-systems-integration-labs-facility-in-arlington/

INNOVATION FUND

OBJECTIVE: *To invest in projects that the City of Arlington can use to support innovative companies, health sciences research and development, and Smart City initiatives.*

FUND GOAL

Arlington is leading the way for innovations related to transportation and health sciences with several projects already underway. The City's strength in technology and innovation can be further leveraged through a special designated funding allocation that will further support future efforts and projects in these areas and also facilitate Smart City initiatives for a City that is already well underway in its creative approaches to public and private sector challenges.

METRICS OF SUCCESS

- Number of business startups locally.
- Amount invested through angel investor and venture capital investments and the number of angel investor and venture capital backed startups in Arlington.
- Number of high-growth firms (measured by percentage growth in revenue) in Arlington.

ROLES AND PARTNERS

The EDC board and the Arlington Office of Economic Development will partner with entities across Arlington already conducting innovative approaches and also those creative entities and initiatives yet to be formed. Possible partners include UTA's research and development as it relates to the health sciences and transportation partners such as GM, Wallbox, and Drive.ai.

INVESTMENT EXAMPLE

GREATER GREEN BAY CHAMBER, WISCONSIN | Major initiatives aimed at quality of place, innovation and entrepreneurship, and talent attraction/retention/development are underway in Green Bay. Downtown urban redevelopment, including Titletown District adjacent to Lambeau Field, TitletownTech, and an over $25 million venture capital fund sparked by the Packers and Microsoft prioritizes five key verticals: (1) sports, media, and entertainment; (2) digital health; (3) agriculture, water, and environment;(4) advanced manufacturing; and (5) supply chain technology. Additionally, the Equity League is a new impact division of TitletownTech launched by Microsoft, the Packers, and the Milwaukee Brewers focused on Black and Latinx founders.

https://titletowntech.com/

DUE DILIGENCE PROCESS

Evaluating investment opportunities is crucial to a well-managed economic development fund. The due diligence process helps ensure that the City has a rigorous approach to the use of incentives. It can also be used to inform investment decisions related to redevelopment efforts throughout the City.

This process considers the return on investment (ROI) that can and should be measured according to what the business "pays back" or in this case, returns to the community. The due diligence checklist, which City staff will use to uniformly consider incentive opportunities, constitutes a minimum level of information that should be available about any business seeking incentives. These due diligence findings will be shared with the EDC board before finally evaluating an investment project using the Evaluation Matrix.

PROJECT ELIGIBILITY

As part of the due diligence process, City staff should evaluate whether the proposal meets one or more of the authorized projects for Type B Corporations. Staff shall share any findings to the Board for consideration. The Board shall ultimately determine if a project qualifies for funding and under which provision of the Economic Development Act the project is authorized.

FIGURE 39. DEAL CLOSING ELIGIBILITY

PRIMARY JOBS (501.101)	
(1)	**Will the Project create or retain primary jobs?**
a.	Are the jobs available at a company for which a majority of the products or services of that company are marketed beyond Arlington to regional, statewide, national, or international markets infusing new dollars into the local economy?
b.	Are jobs included in one of the NAICS Codes set forth in the Act listed below?
	- Crop production (NAICS 111)
	- Animal production (NAICS 112)
	- Forestry and logging (NAICS 113)
	- Commercial fishing (NAICS 11411)
	- Support activities for agriculture and forestry (NAICS 115)
	- Mining (NAICS 211-213)
	- Utilities (NAICS 221)
	- Manufacturing (NAICS 311-339)
	- Wholesale trade (NAICS 42)
	- Transportation and warehousing (NAICS 48-49)
	- Information (excluding movie theaters) (NAICS 51, excluding 512131, 512132)
	- Securities, commodity contracts and other financial investments/related (NAICS 523)
	- Insurance carriers and related activities; (NAICS 524)
	- Funds, trusts, and other financial vehicles (NAICS 525)
	- Architectural, engineering, and related services (NAICS 5413)
	- Computer system design and related services (NAICS 5415)
	- Management, scientific, and technical consulting services (NAICS 5416)
	- Scientific research and development services (NAICS 5417)
	- Other professional, scientific, and technical services (NAICS 5419)
	- Management of companies/enterprises for corporate or regional headquarters (NAICS 551)
	- Telephone call centers (NAICS 56142)
	- Correctional institutions (NAICS 922140)
	- National security (NAICS 928110)

FIGURE 39. DEAL CLOSING ELIGIBILITY–CONTINUED

PRIMARY JOBS (501.101)–CONTINUED
(2)	**Is the Project suitable for the development, retention, or expansion of any of the following?**
a.	Manufacturing and industrial facilities
b.	Research and development facilities
c.	Military facilities
d.	Transportation facilities
e.	Recycling facilities
f.	Distribution centers
g.	Small warehouse facilities
h.	Primary job training facilities by institutions of higher learning
i.	Regional or national corporate headquarters facilities

INFRASTRUCTURE PROJECTS (501.103)	
(1)	**Will the infrastructure project create new or expanded business enterprises?**
(2)	**Is the infrastructure project limited to one or more of the following categories of improvements?**
a.	Streets and roads
b.	Rail spurs
c.	Water and sewer utilities
d.	Electric utilities
e.	Gas utilities
f.	Drainage
g.	Site improvements
h.	Telecommunications

RECREATIONAL OR COMMUNITY FACILITIES (505.152)	
(1)	**Is the project related to land, buildings, equipment, facilities, or improvements for any of the following public purposes?**
a.	Professional or amateur sports
b.	Tourism
c.	Conventions
d.	Public Parks
e.	Stadiums
f.	Amphitheaters or concert halls
g.	Museums
h.	Exhibition centers

EVALUATION MATRIX

Funding proposals will be ranked using the criteria in the matrix. Each evaluation consideration will be rated on a scale from 1 to 5, where 1 = little to no impact and 5 = optimal impact.

DEAL CLOSING FUND EVALUATION CONSIDERATIONS	FUNDING PROPOSAL NAME	FUNDING PROPOSAL NAME	FUNDING PROPOSAL NAME
Strengthens existing industry clusters			
Level of capital investment			
Percentage of jobs above Arlington's median wage			
Total number of jobs in Arlington			
Direct tax benefit (sales, property, payroll)			
Business viability (competitive advantage)			
Meets community environmental & design standards			
Project timeline			

Other evaluation criteria might be made for the Opportunity, Innovation, and Targeted Area Funds. These funds might take more investment risks than the Deal Closing Fund, as they are intended to invest in historically underserved communities and innovative projects. Other evaluation criteria might include the following.

▸ Serving disadvantaged areas or communities.
▸ Supporting MWBE requirements.
▸ Aligning with Arlington comprehensive plan targets.

DEFINITIONS

The matrix below provides definitions for each of the evaluation considerations used in the evaluation matrix.

EVALUATION CONSIDERATIONS	DEFINITION
Strengthens existing industry clusters	Will the project enable the City to become more economically diverse/prosperous?
Level of capital investment	Will the company make capital investments now and, in the future, to reach its development goals?
Percentage of jobs above Arlington's median wage	Does the company ensure a sizable number of well-paying jobs that will be prepared for and hired from locally?
Total number of jobs in Arlington	How many jobs does the company bring to Arlington?
Direct tax benefit (sales, property, payroll)	What is the potential benefit to the City and community through tax impact?
Business viability (competitive advantage)	Is the company credible to administer, implement, and maintain the project in the community?
Meets community environmental & design standards	Is the company's proposed project aligned with other community investments?
Project timeline	Is the project timeline reasonable and viable?