

ADDISON, TEXAS

Economic Development Strategic Plan

Prepared for:

The Town of Addison



Prepared by:



T·I·P STRATEGIES, INC

SEPTEMBER 13, 2010

About TIP Strategies

TIP Strategies, Inc. (TIP) is a privately held Austin-based business and economic development consulting firm committed to providing quality solutions for both public and private-sector clients.

Established in 1995, the firm's areas of practice include economic development consulting, strategic planning, site selection, economic impact analysis, regional economic development, target industry analysis, cluster analysis, technology audit, transit-oriented development, workforce analysis, feasibility studies, market analysis, and redevelopment analysis and planning.

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ACKNOWLEDGEMENTS

TIP Strategies would like to thank the many individuals who participated in the development of this plan. We are particularly grateful to the business representatives who generously gave their time and input. Their knowledge and expertise contributed greatly to our understanding of Addison and our recommendations.

We would also like to thank the city council as well as the leadership and staff of the Town of Addison for their critical guidance, support, and feedback.

Town of Addison City Council

- Joe Chow, Mayor
- Don. R. Daseke, Mayor Pro Tempore
- Blake W. Clemens, Deputy Mayor Pro Tempore
- Kimberly Lay, Council Member
- Roger S. Mellow, Council Member
- Bianca R. Noble, Council Member
- Neil Resnik, Council Member

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INTRODUCTION

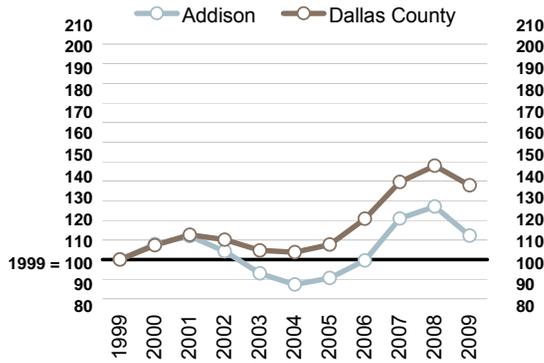
The Town of Addison engaged TIP Strategies, Inc., an Austin-based economic development consulting firm, to assist in developing an economic development strategic plan for the city. The following recommendations are the result of a five-month process incorporating input and ideas from key stakeholders throughout the community. The purpose of the plan is to provide a blueprint for positioning Addison for sustainable economic growth and prosperity.

The information for the planning effort was gathered primarily through stakeholder interviews and focus groups conducted by the consulting team. Interviews and discussions were conducted with 21 individuals representing business, municipal government, public service, and economic development in the Addison area. The consulting team also led six focus group discussions involving 54 participants representing various local business sectors and Town leadership. TIP would like to thank the individuals who gave their valuable time to participate in this process. We would also like to thank Town staff for scheduling and organizing these meetings.

Focus Groups

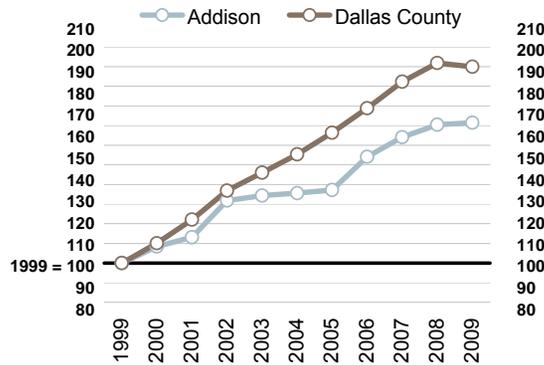
- Hotels
- Airport
- Real Estate
- Retail
- Miscellaneous businesses
- Council and P&Z

Figure 1: Taxable Commercial Property



SOURCE: Dallas County Appraisal District; TIP Strategies

Figure 2: Taxable Residential Property



SOURCE: Dallas County Appraisal District; TIP Strategies

Figures 1 & 2 above show the indexed growth of commercial and residential taxable property values for both Addison and Dallas County over the last 10 years. Both figures indicate Addison has been losing ground in commercial and residential property values relative to the county.

EXECUTIVE SUMMARY

The long-term economic vitality of Addison stands at a critical juncture. For many years, Addison benefitted from its strategic location within the DFW Metroplex, superior transportation access, diverse retail and dining options, and growing importance to business and private aviation interests in the region. These assets alone are no longer sufficient to guarantee Addison’s continued growth and prosperity in the face of vigorous competition for new investment and jobs in the region. Addison must adopt a more assertive approach to strengthening its economic base. At the same time the city must preserve its unique quality of life and character. This plan was developed with those goals in mind.

The Challenge

This project began as the nation was beginning its recovery from the Great Recession. While Texas – and the Metroplex in particular – was spared from the worst of the downturn, the effects will be with us for many years. Among those effects are business consolidations, high unemployment rates, declining tax revenues, and tight credit. Corporate relocations and bankruptcies unthinkable a decade ago are now commonplace. An inevitable response, both public and private, is a fierce increase in competitiveness. Just as companies move to protect their market share, so too do communities across the country. And cities who recently felt that rising property values and limitless sales tax revenues would forever fuel their projects have been forced to rethink their competitiveness as well.

What makes the Metroplex unique in this new economic environment is the diversity of the overall business base. Two of the most successful corridors in the U.S. run directly north out of Dallas. One begins with Richardson and ends with McKinney. The other begins with Addison and extends to Frisco. This diversity, however, is not evenly distributed. A handful of communities have moved aggressively to recruit businesses, and to increase investment. This has been made possible by the economic development sales tax (both 4A and 4B). Its prevalence in the North Dallas area is astounding. In 2009, the combined yearly expected sales tax generated by 4A and 4B for economic development in the Metroplex was well over \$130 million. Frisco, Allen, and McKinney alone had over \$45 million available.

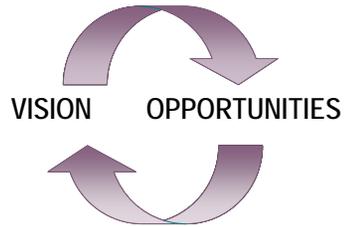
There is another way to make this point. Good transportation and proximity to airports, as well as a skilled workforce and varied amenities, now have to be considered baseline for the region. The differentiator is the increasing role of economic development.

The Response

While the economic development sales tax is a huge source of revenue, it is most effective as a tool for generating new investment. In other words, communities are successful because they have a strategy. The Addison Town Council recognized that need and this plan is a direct response to it. While the town cannot generate 4A/4B sales tax revenue, it can make a determined effort to elevate economic development. It can create targeted incentives, fund a department, and market its assets. It is our firm conviction that doing these things will generate investment into the community.

Part of the success of a competitive strategy is knowing where and when to compete. Addison has assets that cannot be matched by other Metroplex cities. It has a broad appeal to young professionals, it has blue ribbon projects, it has a well-managed airport. What it lacks is an economic development strategy and the professional staff to implement it.

The plan that follows outlines the steps for achieving economic development success. To do nothing is to see investment continue to flow to other communities. The opportunity that the council is prepared to capitalize on will be a signature moment in Addison's history.



Vision and Goals

Economic development goals, strategies, and actions must be driven by a clear vision. While conceptually this makes sense, the more practical value of the vision is in directing resources for the express purpose of economic development. As a result, successful vision statements are bold but provide a clear direction and can be supported by goals and strategies. We believe that the following economic development vision for Addison achieves those objectives and reflects the city's real economic development potential.

Addison is the premier destination for quality investment and growth in North Texas.

This vision, however, can only be reached if goals are established as pillars to support key proposals. We believe that the following five goals will accomplish that:

- **Goal One: Build capacity to conduct economic development.**
- **Goal Two: Support the existing economic base through business retention and expansion.**
- **Goal Three: Focus business attraction on priority growth sectors.**
- **Goal Four: Raise the profile of Addison regionally and nationally.**
- **Goal Five: Maintain and enhance Addison's quality of place.**

Priority Strategies

TIP, with the strong encouragement of the Town's leadership, has sought to address the question of Addison's future economic vitality in a practical way. Based on our understanding of the city's opportunities and challenges, and in light of current economic conditions, we believe the seven strategies outlined below represent the highest priorities for Addison.

- **Establish an economic development department within the Town of Addison.** The Town of Addison should formally establish an economic development department. Ideally, local economic development efforts are led by a non-governmental organization with substantial support from the private sector. In Texas, such organizations are typically 4A/4B economic development corporations or chambers of commerce. Addison's financial participation in DART precludes the establishment of a 4A/4B tax to fund an economic development corporation. Additionally, the large portion of Addison businesses owned/managed by outside residents limits the near-term feasibility of raising the necessary private funds for an effective private economic development organization. Consequently, the model with the highest probability of success is a department funded and administered by the Town of Addison.
- **Hire a professional economic development director.** The Town should hire an experienced economic development professional to manage the department and lead the Town's economic development efforts. TIP recommends this person assume a department director level position supervised by the assistant city manager.

Recommended Priority Growth Sectors

To support Addison's economic development efforts, TIP identified opportunity priority growth sectors using a combination of quantitative, qualitative, and strategic approaches. The recommended industries capitalize on existing and emerging assets in Addison, as well as the broader North Texas region. These sectors were also chosen in light of the current distressed economic environment, as they are likely to endure slow growth times and could possibly benefit from governmental support.

- Headquarters for SMEs & regional offices
- Creative services
- Information technology
- Back office for administrative and professional services
- Healthcare
- Aviation related services
- Small, fast-growing firms (entrepreneurship across sectors)

- **Hire an economic development support staff.** TIP recommends the director be supported by a staff of two – an economic development specialist and a marketing coordinator. Both support staff should be supervised by the economic development director; however, due to the lack of any marketing staff within the municipal government, the marketing coordinator could also provide support to the director of visitor services and other departments as needed.
- **Establish an economic development fund.** Addison should create a fund that can be utilized to attract and retain employers, as well as to provide revitalization and rehabilitation support to commercial office property owners and retail centers. Initially, the annual allocation to the fund should be \$500,000.
- **Develop an economic development marketing plan.** TIP recommends the Town of Addison take a more active role in defining Addison inside and outside the region. The first step toward this goal is developing a marketing plan for raising the profile of Addison among potential new investors, developers, and residents within the DFW Metroplex and beyond. To assist in developing the plan, the Town should engage a marketing consultant. This recommendation should not be confused with engaging a consultant for an overall image and branding study. Such studies are not effective for attracting new business investment. Addison's efforts should focus on targeted marketing strategies for new investment and talent, including marketing materials, travel, and advertising. TIP estimates such a plan can be developed for approximately \$10,000.
- **Pursue priority growth sectors.** The primary purpose of traditional economic development recruitment is to generate interest from companies with expansion or relocation plans. As the Town builds a full-service economic development program and as resources permit, Addison should engage in business recruitment efforts and include the target growth sectors listed in the adjacent text box. This is not to say that other prospects should be ignored, simply that proactive efforts should be concentrated in areas offering the greatest opportunities for success.
- **Interact and network with regional commercial real estate and site selection community.** Addison's commercial office market is vital to the city's economic well being. The adjacent figure shows how Addison's largest employers are concentrated in commercial office space. Consequently, a core function of Addison's economic development program will be persistent communication and networking with the commercial real estate community in North Texas. Brokers, leasing agents, site location consultants, and developers are a primary source for new business leads and prospects in the Metroplex. They also offer critical intelligence on trends within the region as well as feedback on Addison's competitive position in the marketplace.

These seven priority strategies address some important short-term and long-term economic development needs of Addison. However, they alone don't meet all of the community's needs and challenges. The plan also recommends strategies to address other critical issues. These include business retention and expansion, supporting entrepreneurship, and continuing to emphasize quality planning practices and design standards.

Budget Estimate

Figure 3 provides estimates of budget expenses for establishing and running a new economic development department. Please note these are rough estimates and may vary. Additionally, because the Town would be funding a new department from scratch, the 2011 budget will include start-up expenses that may not be required in subsequent years.

Figure 3: FY 2011 Economic Development Budget Estimate

| Category | FY 2011 Estimated Expenses |
|---|----------------------------|
| Personnel Costs (2.5 FTEs salary + 25% for benefits) • \$130K for director • \$65K for specialist • \$22.5K for marketing coordinator | \$278,000 |
| Supplies | \$20,000 |
| Travel, Memberships, & Conferences | \$25,000 |
| Purchased Services | \$25,000 |
| Economic Development Fund Allocation | \$500,000 |
| Total | \$848,000 |

GOAL ONE: BUILD CAPACITY TO CONDUCT ECONOMIC DEVELOPMENT

For many years, Addison enjoyed vibrant economic growth. This was due to its strategic location within the DFW Metroplex, proximity to the North Dallas Expressway and other primary road arterials, diverse retail and dining sector, and growing importance to business and private aviation interests in the region. The city attracted large employers and commercial developments without having to actively market, recruit, or incentivize. However, as residential and commercial development has continued migrating northward over the last few decades, Addison now finds itself in a position of having to vigorously compete for its share of high quality new investment. The city’s ageing inventory of office buildings and retail centers must contend with newer, trendy office and retail developments in suburban communities such as Plano, Frisco, and McKinney. Aggressive economic development policies adopted by these and other communities have made the competitive environment more challenging for Addison.

Figure 4: Platinum Corridor Real Estate Picture
1/1/10–4/13/10

| | North Platinum Corridor | South Platinum Corridor |
|---------------------------|--------------------------------|---------------------------------|
| Market Analysis | 79 buildings 10,125,898 RSF | 128 buildings 19,363,836 RSF |
| Total Net Absorption YTD | 3,273 sq. ft. | -641,212 sq. ft. |
| Non-Leased RSF Percentage | 12.1% | 20.1% |
| Average Age of Buildings | 9.2 Years | 24.2 Years |

Source: Transwestern

Figure 4 shows how the commercial office market in the Addison area is struggling in comparison to the northern suburbs. The data was compiled by the Dallas office of Transwestern, a national commercial real estate company. It shows leasing activity for the north and south sections of the Platinum Corridor, which runs along the North Dallas Tollway from Dallas to Frisco.¹ Between January 1 and July 13 of 2010, the South Platinum Corridor, which includes Addison, experienced a total net absorption loss of over 641,000 sq. ft. of office space. In comparison, the North Platinum Corridor, which includes Plano and Frisco, managed a total net absorption gain of just over 3,200 sq. ft. While both figures reveal the current weakness of the DFW commercial office market, the northern portion of the corridor is still faring much better than the southern portion. Moreover, the northern section enjoys a smaller vacancy rate and a younger average building age.

Addison’s competitive position is further hindered by the absence of a formal economic development entity dedicated solely to business recruitment, retention, and expansion. The Dallas Business Journal lists 96 economic development agencies and 50 chambers of commerce operating within the north Texas region.² Of these, the only organization representing the interests of Addison is the Metrocrest Chamber of Commerce, which focuses on traditional chamber activities (member networking, education, and advocacy).

¹ The Platinum Corridor runs 13.7 miles along the North Dallas Tollway through the cities of Dallas, Farmers Branch, Addison, Plano, and Frisco. It begins just south of Interstate 635 in north Dallas to State Highway 121 in Frisco. The north-south dividing line is the George Bush Turnpike (Hwy 190).

² *Dallas Business Journal*. North Texas Economic Development. Pullout Section B. April 2, 2010.

For Addison to compete for new investment and jobs, the Town must commit resources to conduct economic development.

Strategy 1.1 **Establish an economic development department within the Town of Addison.** The Town of Addison should formally establish an economic development department. Ideally, local economic development efforts should be led by a non-governmental organization with substantial support from the private sector. In Texas, such organizations are typically 4A/4B economic development corporations or chambers of commerce. Addison's financial participation in DART precludes the establishment of a 4A/4B tax to fund an economic development corporation. Additionally, the large portion of Addison businesses owned/managed by outside residents limits the near-term feasibility of raising the necessary private funds for an effective private economic development organization. Consequently, the model with the highest probability of success is a department funded and administered by the Town of Addison.

Actions:

1.1a. *The city council should formally direct the city manager to establish an economic development department and hire a director to lead the department.*

Strategy 1.2 **Hire a professional economic development director.** The Town should hire an experienced economic development professional to manage the department and lead the Town's economic development efforts. TIP recommends this person assume a department director level position supervised by the assistant city manager.

Actions:

1.2a. *Post the position on economic development-related websites that advertise job opportunities, including the Texas Economic Development Council (TEDC) and the International Economic Development Council (IEDC).*

1.2b. *Request that regional and statewide partners assist in locating an appropriate candidate through their professional networks.*

1.2c. *Consider engaging an executive placement firm to assist in identifying and vetting candidates for the position.*

Economic Development Functions

Economic development organizations are expected to perform some, or all, of the functions listed below. Checkmarks (√) indicate areas of special emphasis. They are based on the orientation of this plan and are, in varying degrees, essential if action is to be taken.

- marketing and recruitment (targeted industries) √√√
- business advocacy √
- business expansion and retention √√√
- financial incentives √√
- real estate transactions and improvements √√
- land and buildings √√
- bonding authority
- infrastructure improvements √√
- workforce and professional training √
- business startup support √√

Economic Development Director Responsibilities & Qualifications

Some of the major responsibilities the director should perform include (but are not limited to):

- Implementing the city's economic development strategic plan
- Targeting and building relationships with existing businesses, commercial property owners, regional commercial real estate professionals and developers, and regional economic development allies
- Improving financing to support economic development (e.g., grant writing, fundraising, etc.)
- Calling on business investment prospects and commercial developers
- Negotiating financial incentive packages
- Managing a marketing campaign promoting Addison as a location for new investment and employment

The minimum qualifications for the economic development director should include:

- Five (5) years progressive work experience in economic development
- Extensive knowledge of principals and practices of economic development with a proven track record of results
- Experience with economic development financing techniques such as incentives, grants, and loans
- Graduation from a four-year university with a degree in urban planning, business or public administration, economics, marketing, finance, or a related field
- The director would benefit from completing the Basic Economic Development Course (BEDC) and/or holding a certification as a Certified Economic Developer (CEcD) by the International Economic Development Council (IEDC). Experience in the commercial real estate development field is also preferred.
- Annual salary range: between \$110,000 and \$130,000, depending on qualifications.

Strategy 1.3

Hire an economic development support staff. TIP recommends the director be supported by a staff of two – an economic development specialist and a marketing coordinator. Both support staff should be supervised by the economic development director; however, due to the lack of any marketing staff within the municipal government, the marketing coordinator could also provide support to the director of visitor services and other departments as needed.

Actions:

1.3a. *The economic development director should take the lead in interviewing and hiring candidates to fill the economic development specialist and marketing coordinator positions.*

Economic Development Specialist Responsibilities & Qualifications

Some of the major responsibilities the economic development specialist should perform include (but are not limited to):

- Building and maintaining databases of existing businesses and preferred business sites.
- Researching and compiling site location, demographic, and economic information regarding Addison for investment prospects and site location consultants.
- Designing and updating a community profile.
- Preparing prospect packets.
- Researching prospects and target employers.
- Representing Addison at various economic development events throughout the Metroplex.
- Conducting existing business visitations.
- Administering a local employer survey.
- Coordinating local business roundtables and forums.

1.3b. *The director should work with the city manager and other department directors to determine how the marketing coordinator could support other departments and allocate assignments accordingly.*

The minimum qualifications for the economic development specialist should include:

- Graduation from a four-year university with a degree in urban planning, business or public administration, economics, marketing, finance, or a related field, and
- Two to three (2-3) years related experience.
- Completion of the Basic Economic Development Course (BEDC) or similar accreditation.
- The annual salary for an economic development specialist would be in the \$45,000 to \$65,000 range.

The minimum qualifications for the marketing coordinator should include:

- Graduation from a four-year university with a degree in marketing, public relations, or a related field.
- Knowledge of principles and practices related to economic development.
- Knowledge of principles and practices of marketing, promotion, and program development.
- The annual salary for a marketing coordinator would be in the \$45,000 to \$55,000 range.

Strategy 1.4 **Establish a formal incentives policy.** Addison finds itself in a highly competitive market within the Metroplex for new investment and jobs. Many neighboring communities compete to attract new businesses by utilizing various types of financial incentives. Communities that have adopted 4A/4B taxes have been the most aggressive to offer generous financial incentives to lure major employers, including corporate headquarters. Obviously, Addison is not in a position to offer million-dollar packages to compete with

Marketing Coordinator Responsibilities & Qualifications

Some of the major responsibilities the economic development specialist should perform include (but are not limited to):

- Helping to design and maintain an economic development website for Addison.
- Assisting with development and maintenance of the Town's brand.
- Designing promotional materials and programs.
- Facilitating special events and promotions.
- Designing, writing, and distributing periodic e-newsletters and promotional materials.
- Coordinating the printing, delivery, and distribution of economic development products and promotional items.

such deals. However, TIP feels the Town can creatively and judiciously utilize targeted incentives to attract and retain valuable employers as well as to support commercial development and revitalization. The Town has previously used incentives to attract/retain employers (i.e., United Surgical Partners and Hilton Worldwide) and to support new development (infrastructure cost participation in Vitruvian Park). TIP recommends the Town formalize the use of incentives by establishing a dedicated funding allocation and a policy governing its use. In addition, the Town should consider the use of other financial tools to support economic development.

Actions:

- 1.4a. *Establish an economic development fund.*** Addison should create a fund that can be utilized to attract and retain employers, as well as to provide revitalization and rehabilitation support to commercial office property owners and retail centers. Initially, the annual allocation to the fund should be \$500,000.
- 1.4b. *Consider the use of other incentive tools.*** In addition to providing direct cash incentives to existing or potential businesses, the Town should consider using other development related tools to encourage investment in new or existing buildings/sites in Addison. TIP recommends the Town of Addison consider employing the following incentive tools:
 - Public infrastructure cost participation: To encourage certain commercial, industrial, or residential developments, the Town may consider paying a portion or the entire amount of the required city infrastructure (within ROWs or easements dedicated to the Town). Addison has used this incentive previously, most recently to support the development of Vitruvian Park.
 - Tax Increment Finance (TIF) districts: TIF districts allow taxing entities to repay the costs of improvements to a designated reinvestment zone with the future tax revenues generated by increasing property values. The tax increment is derived from the difference in appraised value between the year in which the reinvestment zone is established (base year) and each year the reinvestment zone is in existence. A board of directors consisting of 5 to 15 members who are representatives from the participating taxing entities is

Property Assessed Clean Energy “PACE” Bonds

The proceeds of a Property Assessed Clean Energy (PACE) bond are provided to commercial and residential property owners in the form of a loan to finance energy retrofits (efficiency measures and small renewable energy systems). The loans are then repaid by the property owner over 20 years via an annual assessment on their property tax bill.

PACE bonds can be issued by municipal financing districts or finance companies and the proceeds can be typically used to retrofit both commercial and residential properties.

Texas is one of several states that have passed legislation enabling Texas communities to create PACE Energy Districts. So far, the cities of Austin and San Antonio have each been given \$10 million in American Recovery Act funding federal grants to help set up municipal PACE financing mechanisms. Nationally, local PACE programs have been established in California, Colorado, Maryland, and New York.

pacenow.org

cleanenergyfortexas.org

rael.berkeley.edu/financing

required to govern the TIF. According to the Texas Comptrollers Office, within Dallas County the cities of Dallas, Farmers Branch, Grand Prairie, Irving, Mesquite, Richardson, and Rowlett have established Tax Increment Reinvestment Zones.³

- **Tax abatements:** One of the most common forms of local property tax incentives in Texas is the tax abatement. Chapter 312 of the Texas Tax Code authorizes property taxing entities, excluding school districts, to limit the property taxes assessed on real property or tangible personal property located on real property due to the repairs or improvements to the property. Only property located within a city or county-designated reinvestment zone is eligible for a tax abatement agreement. Texas law permits a maximum tax abatement of 100 percent for up to 10 years. To support desirable large-scale new development and redevelopment, the Town of Addison should consider the targeted use of tax abatement as a tool.
- **Development fee rebates:** Addison may consider rebating a portion or the entire amount of all city fees charged in the regulation of land development.
- **Texas Enterprise Zone:** The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and capital investment in economically distressed areas of the state. Local communities must nominate a company as an Enterprise Project to be eligible to participate in the Enterprise Zone Program. Designated projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created or retained at the qualified business site. The Town of Addison recently nominated and approved Mary Kay Cosmetics to be the first Texas Enterprise Zone participant in Addison.
- **Energy efficiency retrofit grants:** An emerging tool for promoting new investment and reinvestment in commercial and industrial properties is public assistance for energy efficiency retrofits. Such measures are increasingly

³ Susan Combs, Texas Comptroller. Biennial Reports of Reinvestment Zone for Tax Abatement Registry Tax Abatement Agreement Registry Tax Increment Financing Zone Registry Refund for Economic Development. December 2008.

Incentives

Formal incentives policies should be carefully crafted in a transparent manner to ensure that they yield a net benefit to area taxpayers. The following principals should be considered when establishing a policy:

1. the targeted investment would not occur without the incentive
2. the investment should generate new economic activity in the area instead of displacing existing businesses

When creating an incentives deal for a particular prospect, we recommend the following:

- a statement demonstrating how the proposed incentive relates to the broader economic development strategies,
- a formal cost/benefit estimate weighing the estimated direct/indirect benefits (e.g., tax base enhancement, increase in retail sales, increase in wage rates, etc.) to the incentive costs (e.g., tax abatements, training subsidies, infrastructure improvements, etc.) associated with a particular deal, and
- a “recapture” agreement that protects the community’s by requiring some expectation of performance from the recipient.

welcomed by the private sector as they help to reduce energy costs, improve the property market values, and support individual company efforts to become “greener” and more environmentally conscious. A new financing tool allowing local governments to assist with private energy efficiency retrofits is a Preferred Assessed Clean Energy (PACE) bond. As described in the text box left, PACE bonds allows property owners to borrow money from municipalities to make energy improvements and the loans are repaid over a number of years via special tax assessments on the property. As an additional incentive to promote energy efficiency and conservation, the Town could give special consideration to all LEED certified projects for various tax and infrastructure cost participation incentives.

1.4c. ***Consider incentives targeted toward entrepreneurs and start-ups in order to support new business development and growth in Addison.***

- In addition to supporting an economic development fund to provide grants, the Town may also consider establishing a **Revolving Loan Fund (RLF)** to provide operating capital for small developing companies in Addison, especially those engaged in targeted sectors such as creative services and information technology. Such enterprises may well constitute a growing portion of future business activity and employment in Addison. To assist in capitalizing an RLF, Addison could apply for a grant from the Economic Development Administration (EDA) through the agency’s Revolving Loan Fund Program.
- Another approach that may be effective in Addison is creating virtual incubators by using public funds to subsidize private lease space for qualifying small businesses. Such a tool offers the advantage of both supporting small business development as well as filling vacant office space.

Because these potential tools would likely require separate dedicated funding allocations, they should be considered after the first two of years of building the Town’s economic development program.

1.4b. ***Adopt a formal incentives policy to direct the use of incentives.*** This policy should provide clear guidance on the standards to qualify for incentives,

especially tax incentives. However, projects should always be evaluated individually. Some projects that may not meet minimum qualifications may still merit consideration for assistance due to other positive impacts they offer. As a general guideline, the incentive policy should not solely emphasize job creation. Similarly, job creation should not be the single determining factor in triggering the return of incentives though a “recapture” provision in the policy. The value and success (or lack thereof) of a private enterprise should be judged on more than the number of jobs created.

Investment should be measured by direct capital investment (machinery and equipment, buildings, and aggregate payroll). Emphasis should be placed on employers that create higher wage jobs (e.g., 120 percent above the median annual salary for the region). Overall, consideration should be given to developing incentives based on:

- New capital investment (real property and personal property taxable value above the existing value)
- Number and types of new jobs
- Location (desired development areas as evidenced by existing and planned infrastructure, as well as the comprehensive land use map),
- Local annual sales tax generated to the city
- Site plan characteristics, and/or
- Targeted business sectors (i.e., corporate and regional headquarters; creative services; information technology; back office for administrative and professional services; healthcare; and aviation related services.

Eligibility for tax abatements and the value of the incentives should be first determined by the fiscal impact to the city. Most taxing authorities will establish minimum qualifications with respect to investment and jobs. For example, Dallas County requires Fortune 1000 corporate HQ projects to create at least 100 full-time high-paying jobs and increase the county’s tax base by at least \$2.5 million within three years of executing the abatement.

Economic Development Websites

A professional economic development website should include the following basic components:

- **Community profile(s):** This section should contain information on area demographics. Community profiles also often highlight primary quality of place assets, such as school district descriptions and basic statistics, higher education institutions description and location, arts and entertainment facilities, and any other amenities.
- **Business climate.** This section should contain information on the area's workforce, major employers, target industry profiles, tax rates, utility providers and rates (if available), transportation access, and available incentives.
- **News.** The news section should contain announcements of any new initiatives of the economic development organization as well as any events or happenings in the community that have economic development implications.

Additional sources of information for prospects include a list of available buildings and sites in the region and maps indicating where major economic development assets are located.

The International Economic Development Council has prepared a comprehensive set of data standards for communities to use when presenting themselves to site selectors or prospective businesses. The data standards matrix and related information is available at: http://www.iedconline.org/?p=Data_Standards.

Strategy 1.5

Redesign the Town's economic development website. The Addison economic development website lacks many of the functions and informational assets considered standard for basic site selection requirements, including a community profile, information on the local business climate, and updated database of available sites/properties.

Actions:

- 1.5a. ***Engage a web design firm.*** TIP will work with EDsuite, a web design firm specializing in economic development websites, to design a new economic development website for Addison. EDsuite has assisted in website development for over 100 economic development organizations around the United States.

A Bird in the Hand

The expansion and retention of existing businesses should be at the heart of any economic development strategy. Existing businesses form the backbone of a thriving economy. They typically represent the best opportunity for increasing the employment and tax base of a community and the greatest economic threat if they close or relocate. But local firms are often overlooked in a community's enthusiasm to recruit new, headline-generating businesses.

Given the fiercely competitive environment for business attraction and the myriad of issues facing most communities with regard to the recruitment of new business, business retention should be a baseline activity for economic development organizations. In other words, all other initiatives, including business recruitment, should be considered in light of their ability to complement and support the existing business network.

GOAL TWO: SUPPORT THE EXISTING ECONOMIC BASE THROUGH BUSINESS RETENTION AND EXPANSION.

Business retention and expansion (BRE) should be the heart of any economic development program. A solid BRE program will help the Town of Addison protect and even grow its existing base of employers. The recent high-profile losses of Pizza Hut to relocation and CompUSA to bankruptcy highlight the vulnerability Addison faces in the current environment. The Town may not have been able to change the outcome in either case, but situations will emerge where an active BRE program will preserve and even expand tax base and jobs in Addison.

Existing businesses form the backbone of a thriving economy, but they are often overlooked in a community's enthusiasm to recruit new, headline-generating businesses. In the context of the private sector, a business retention program is like the adage that says you must attend to your existing customers first. If you don't, you jeopardize your base. This is especially true in light of current economic conditions, which mean fewer recruitment prospects and more existing businesses in distress.

At its simplest, a BRE program helps the economic development organization arrive at a clear understanding of the businesses already in the community and helps keep tabs on changes and challenges area businesses face. The primary functions of a BRE program are threefold:

1. to ensure that at-risk businesses receive support, especially when that risk is the result of labor issues or other factors the community can influence in some way;
2. to expand and support growing businesses; and
3. to advocate for local businesses generally, by identifying their issues and needs.

Strategy 2.1 **Become familiar with businesses in Addison and seek to understand their needs.**

Actions:

- 2.1a. *Maintain inventory of existing businesses.*** The Town's economic development staff should develop and maintain a database of existing businesses and available properties in Addison. Public business records, such as tax records, utility hookups, and ownership transfers, are good sources for information to populate the database.

The Importance of Connections

Helping local businesses connect to trade associations, think tanks, academic institutions, and other similar companies is a key element of the economic gardening approach introduced by Littleton, Colorado:

We are aware of research in network theory that indicates that an increase in the number of business connections increases the innovation levels of companies. In particular, "weak ties" to "hubs" outside a business's normal daily connections are important for bringing in new ideas.

We have made a point of connecting our businesses to our local community college and the University of Colorado, as well as the work of interesting research organizations like The Santa Fe Institute and The Colorado Issues Network.

<http://www.littletongov.org/bia/economicgardening/>

- 2.1b. **Administer a regularly scheduled employer survey.** Conduct an annual employer survey as a means for keeping in touch with local business and documenting specific needs or expansion plans. The survey could be conducted as a paper survey or via the Internet.
- 2.1c. **Conduct business visitations.** To supplement findings from the employer survey, economic development staff should visit at least 30 businesses per year. The purpose of the visits should be to gauge the ability and needs of local businesses to operate successfully and possibly expand in Addison. A set procedure should be established for these visits to ensure that consistent information is gathered.
- 2.1d. **Host business roundtables.** Provide opportunities for local businesses to meet regularly with the Town's economic and community development staff. The purpose of these meetings is similar to that of the employer survey, but the face-to-face approach often stimulates discussion that a survey cannot. This could be accomplished by holding quarterly forums or in conjunction with an existing event, such as is offered by the Addison Business Association and the Metrocrest Chamber of Commerce.

Strategy 2.2

Provide support to small businesses. Over the past decade, small businesses have contributed the largest share of job creation in the United States. Furthermore, they often provide the services and products that support the operations of larger businesses in a community. Promoting and ensuring that small businesses are connected with available technical and financial assistance, such as that provided by the North Texas Small Business Development Center (NTSBDC); microfinance programs; and state programs that help companies expand their markets is an valuable part of a business retention program.

Actions:

- 2.2a. **Provide networking opportunities for small businesses.** In addition to the forums discussed above, networking opportunities can be a valuable part of a BRE program. Hosting a monthly luncheon or "after hours" event has been a mainstay of chambers and economic development organizations. The Addison Business Association and the Metrocrest Chamber of Commerce already host regular events for local businesses. The Town should continue supporting these

organizations and encourage local small businesses to attend and participate. Supporting existing events – rather than introducing competing events – should be the focus of this task.

- 2.2b. *Promote Existing Small Business Programs and Services.*** Work with the NTSBDC and other relevant organizations in the Metroplex to ensure that existing small business and entrepreneur services are promoted to local businesses. Specific emphasis should be given to identifying entrepreneurial ventures that go beyond the traditional “mom & pop” operations that are the typical target of such efforts. (See strategy 3.4.)
- 2.2c. *Improve capital availability.*** Access to capital is a critical factor in small business and entrepreneurial development. As such, working with the financial community and other economic development groups to improve access to capital should be a top priority of BRE programs. Examples could include the formation of a capital network, as well as encouraging new lending models in conjunction with banks to meet the technology needs of businesses. As part of this work, contacts should be established with the angel and venture capital community nationally, as well as with regional organizations such as the North Dallas Investment Group.
- 2.2d. *Review Existing Regulations.*** Town staff should conduct a review of development regulations, ordinances, and approval processes to ensure that government is being responsive to the small business community. Small business owners and representatives of relevant groups, such as the Addison Business Association, should be part of this review.
- 2.2e. *Create Small Business Ombudsman.*** This position would be the primary point of contact for new and small businesses in the area and would serve as a liaison between the business community and relevant local government departments and commissions. In Addison, the city manager has successfully served as the de facto business liaison. However, a new economic development director should assume the responsibility of serving as the primary point of contact between the Town and Addison businesses.

Strategy 2.3 **Establish a program to support retailers and restaurateurs.** Retailers and restaurants play an essential role in Addison’s economy. The concentration of these businesses along the Beltline corridor has been vital to generating employment and revenue for Addison. However, the relative age of many shopping centers and establishments along the corridor as well as the development of newer competing centers in the region is threatening the long-term vitality of Addison’s retail/restaurant sector.

Actions:

- 2.3a. *Survey consumers to determine their shopping patterns and retail needs, as well as their perceptions of Addison.***
- 2.3b. *Meet with existing retailers to better understand their product offerings, customer profiles, store traffic, as well as their needs and challenges in their present locations.***
- 2.3c. *Engage specialists to provide business workshops and seminars for existing retailers and restaurateurs.*** Retail Opportunity Workshops should also be held for those entrepreneurial-minded persons interested in opening a retail business in Addison.

Strategy 2.4 **Have an intervention strategy.** Develop a “rapid response” strategy for dealing with potential layoffs or plant closures. Under the Federal Worker Adjustment and Retraining Notification Act (WARN) of 1989, companies with 100 or more employees must notify local governments and state workforce organizations about facility closings or mass layoffs at least 60 days in advance of the event. However, at this point, it is frequently too late to do anything. Identify “at-risk” companies early-on and develop an aggressive intervention strategy. As part of this effort, the community should identify the tools available to help avert such actions or ameliorate their impact. Examples of these tools include:

- Partnering with the Texas Workforce Commission and the Dallas Workforce Development Board’s rapid response teams to provide assistance to workers facing dislocation.
- Cultivating relationships with site selectors, developers, and real estate brokers to ensure prompt reuse of a closed facility by a new tenant.

GOAL THREE: FOCUS BUSINESS ATTRACTION ON PRIORITY GROWTH SECTORS.

The attraction of companies is the activity most commonly associated with economic development organizations. Indeed, target industry recruitment is a cornerstone of most programs. While essential, industry recruitment is a staff and resource-intensive activity. Large cities or communities with dedicated resources such as a 4A tax are able to afford aggressive business recruitment efforts and incentives. However, smaller communities such as Addison are forced to be more creative and focused with their limited resources.

With little undeveloped land and no economic development sales tax, Addison is not likely to attract a major industrial project or new Fortune 500 headquarters building. Increasingly, such projects are locating on greenfield sites in suburban areas where capital costs are lower. However, with a focused recruitment program Addison is in a position to successfully attract small and medium sized enterprises (companies with less than 500 employees) to existing buildings and sites.

TIP recommends the Town’s economic development program concentrate on building greater awareness of Addison as a destination for high quality investment among site location consultants, commercial real estate professionals, and employers within North Texas and the nation. Addison should be top of mind to companies seeking new facilities or expansion within the Metroplex. The greatest emphasis should be placed on attracting professional and technical services sector firms in such sectors as creative services, information technology, corporate and regional offices, healthcare, back office for administrative and professional services, and aviation related services. An additional emphasis should be placed on attracting and supporting small, fast-growing entrepreneurial firms across these sectors.

Strategy 3.1 Interact and network with regional commercial real estate and site selection community. Addison’s commercial office market is vital to the city’s economic well being. The adjacent figure shows how Addison’s largest employers are concentrated in commercial office space. Consequently, a core function of Addison’s economic development program will be persistent communication and networking with the commercial real estate community in North Texas. Brokers, leasing agents, site location consultants, and developers are a primary source for new business leads and prospects in the Metroplex. They also offer critical intelligence on trends within the region as well as feedback on Addison’s competitive position in the marketplace.

Town of Addison's largest employers

| Jobs | Employer Name | Bldg Type |
|-------|--------------------------------------|-----------|
| 1,183 | Mary Kay Cosmetics Inc -- Hq | Office |
| 590 | Regus Group Plc | Office |
| 400 | Chartwell Diversified Services | Office |
| 321 | Concentra Operating Corp | Office |
| 300 | Dallas Marriott Quorum | Hotel |
| 280 | Greenhill School | School |
| 267 | National Business Research Institute | Office |
| 250 | Armstrong Cabinet Products | Office |
| 250 | Cushman & Wakefield Of Texas, Inc | Office |
| 250 | Cardiovascular Provider Resources | Office |
| 240 | H Q Global Workplaces Inc | Office |
| 240 | Palm Harbor Homes I Lp | Office |
| 230 | Intercontinental Dallas | Hotel |
| 226 | Trinity Christian Academy | School |
| 202 | Mbna Information Srvcs Inc | Office |
| 200 | Encore Payment Systems | Office |
| 200 | Glazers Wholesale Drug Co Inc | Office |
| 200 | Clear Channel Communications | Office |
| 200 | Sam's Club | Retail |
| 199 | Richmont Corp | Office |

Source: NCTCOG, Development Monitoring by City (database)
<http://www.nctcog.org/ris/demographics/devmon/searchcity.asp>

Recommended Priority Growth Sectors

To support Addison’s economic development efforts, TIP identified opportunity priority growth sectors using a combination of quantitative, qualitative, and strategic approaches. The recommended industries capitalize on existing and emerging assets in Addison, as well as the broader North Texas region. These sectors were also chosen in light of the current distressed economic environment, as they are likely to endure slow growth times and could possibly benefit from governmental support.

- Headquarters for SMEs & regional offices
- Creative services
- Information technology
- Back office for administrative and professional services
- Healthcare
- Aviation related services
- Small, fast-growing firms (entrepreneurship across sectors)

Actions:

- 3.1a. ***Regularly attend commercial real estate functions in the region.***
- 3.1b. ***Build and maintain a database of developers, brokers, and site consultants in North Texas.***
- 3.1c. ***Maintain and update information typically of interest to commercial and industrial developers on the economic development website.***
- 3.1d. ***Call on individual brokers, agents, consultants, and developers.***
- 3.1e. ***Host tours and events featuring specific assets, such as available land and buildings or new projects.***
- 3.1f. ***Offer assistance to aggressively market developers’ and land owners’ properties and buildings to future tenants.***
- 3.1g. ***Develop and distribute a quarterly e-newsletter to local businesses, regional public officials, site selectors, real estate developers, investment prospects, and other key stakeholders.*** In addition to communicating achievements and successes in Addison, each issue should highlight a different opportunity in the city.

Strategy 3.2

Pursue priority growth sectors. The primary purpose of traditional economic development recruitment is to generate interest from companies with expansion or relocation plans. As the Town builds a full-service economic development program and as resources permit, Addison should engage in business recruitment efforts and include the target growth sectors listed in the adjacent text box. This is not to say that other prospects should be ignored, simply that proactive efforts should be concentrated in areas offering the greatest opportunities for success.

Actions:

- 3.2a. ***Compile and maintain resource information for each target industry sector.*** This includes identifying associations for each industry sector as well as following industry trends by monitoring trade publications or purchasing industry data and reports from private sources.

- 3.2b. *Join and become active in trade or industry associations for each target industry sector.*** Economic development staff should research appropriate organizations and become active participants in events and meetings, including sponsorships and advertising. Local and regional organizations should be pursued first to minimize costs.
- 3.2b. *Build awareness among private employers in North Texas.*** The Town, The Metrocrest Chamber, and the Addison Business Association should raise the profile of the city in the region and position it to capture potential business consolidation and expansion activities of DFW-area companies.
- Regional publications. Implement a public relations campaign targeted at regional publications. TIP recommends identifying key regional publications such as the Dallas Business Journal and sending press releases on recent business successes. The initial press release should promote the importance of economic development planning and how local leadership worked together to determine the best opportunities for Addison. Ensuing releases should highlight Addison's efforts to establish an economic development program.
 - Visitation. Call on owners and managers of North Texas companies to present the benefits of Addison as a location for future expansion.
- 3.2c. *Establish a prospect management system.*** Once a prospective company expresses interest in Addison, it should be entered into a formal prospect management system. Use of a formal system will help set the prospect's expectations and allow the economic development staff to track the status of future deals quickly and easily. Having a transparent and efficient process is an effective way to gain an edge in business recruitment. It allows staff to respond to requests in a timely, coordinated fashion. The following worksteps address this task:
- Process. The first step is formalizing the process by which prospects can indicate interest, receive information packets, visit Addison, and apply for relocation assistance. This documentation should cover the prospect lifecycle – from lead generation through prospect evaluation to awarding of relocation assistance.

- Intake questionnaire. Post an electronic form on the Economic Development Department web page that prospects can use to request an information packet, set up a visit and tour, and indicate interest in locating in Addison. This questionnaire can also collect information on the prospect that the organization can use to tailor its response.
- Response. Create a standard information packet that is provided to prospects. Adapt pieces such as suitable sites and maps as well as workforce availability to respond specifically to the needs of the prospect. Arrange a visit for the prospect to tour Addison and view its primary assets.

Strategy 3.3 **Pursue new investment from companies in the region seeking to consolidate facilities.** One of the major consequences of the Great Recession is the effort by private employers to preserve cash and profits by cutting costs – meaning fewer workers and fewer facilities. Consequently, many companies are moving to consolidate operations into fewer sites, either existing or new. Addison should look for business expansion opportunities among current employers seeking to merge operations into an existing facility. Additionally, the city should leverage its location to attract new investment. This should center on companies based or operating in the North Texas, especially those seeking new sites to house operations of multiple facilities.

Actions:

3.3a. *Visit with existing businesses in Addison that operate facilities outside of the city.*

- Determine whether consolidation is a possibility and offer to assist in relocating outside operations to the city.

3.3b. *Monitor DFW regional news outlets for reports of consolidation.*

- Economic and Business Research: Identify economic trends, which companies are expanding and contracting in terms of employment and facilities, where satellite facilities are, and how their supply chains are structured.

3.3c. Build awareness among the corporate base in North Texas.

- Implement a public relations campaign targeted at regional companies. Identify key regional publications and send press releases on recent business successes.
- Call on executives of North Texas-based companies to present the benefits of Addison as a location for future expansion or for consolidation of facilities/operations.
- Send targeted mailings touting Addison as a destination for consolidated operations.
- Engage new partners for lead referral. Specific candidates include local and regional construction firms, real estate brokers, banks and service firms (legal and accounting), regional industry associations, and area colleges and universities.

Strategy 3.4 Support entrepreneurship. The Town of Addison and its regional partners should place new emphasis on fostering small business development and growth-oriented entrepreneurship within the city's business community. Fostering entrepreneurship is important for multiple reasons. In general, small businesses are responsible for a significant portion of jobs created. Local businesses that have matured in a community often have much stronger ties to the region and require less effort to retain. Entrepreneurial enterprises add to those elements: they contribute to economic vitality through their creativity and innovation. In other words, they create a center of gravity for talent and capital. The unique quality of entrepreneurial ventures rests on the following understanding:

- Export Oriented: unlike many small businesses, entrepreneurial companies seek markets beyond the immediate region.
- Capital Intensive: since these companies are on a growth trajectory, they require substantial operating and expansion investment.



- Technology Driven: even non-technology companies require a technology infrastructure (broadband, e-commerce transaction capability, highly skilled workforce).
- Professional Service Dependent: since most entrepreneurs have some form of intellectual property (including patents, specialized equipment or processes), they need easy access to legal, financial, and marketing services.

While small business development centers are beneficial to the typical locally-oriented start-up, they are not designed to assist the specialized needs of entrepreneurs. The facilities, networks, and support they need fall into a different category. As a consequence, this recommendation speaks to the assistance an economic development department should provide in building an entrepreneurial cluster in Addison.

Actions:

- 3.4a. *Assess the existing entrepreneurial programs and services available in North Texas.*** Work with representatives of the North Texas Small Business Development Center (NTSBDC), the Institute for Innovation & Entrepreneurship at UT Dallas, the Metrocrest Chamber of Commerce, the Addison Business Association, and other organizations to formally assess the needs of area entrepreneurs and identify gaps in services and support that are not being provided.
- 3.4b. *Work with partners to enhance services for entrepreneurs.***
- Support the establishment of a formal angel investor network in Addison to aid entrepreneurs in raising seed capital by providing opportunities for entrepreneurs to present business plans and financing needs to an audience of local investors.
 - Support the creation of a youth entrepreneurship education program in DISD schools.
 - Encourage the development of a mentor network to match new entrepreneurs with veteran entrepreneurs.

- Create a clearinghouse of information on services available in the North Dallas area. Include a description of services and contact information for:
 - Business services: accounting, legal, human resources, information technology, business transfer planning, production, marketing, market research.
 - Financing services: microlenders, local banks, national banks, factors, angel investor networks.

3.4c. Celebrate and support entrepreneurship in the region. Addison and its partners (the Metrocrest Chamber and the Addison Business Association) should engage in a public relations campaign profiling area entrepreneurs (“success stories”) – current and past – and informing residents of entrepreneurial activity and initiatives. This will help foster an entrepreneurial spirit and a community that values entrepreneurship.

GOAL FOUR: RAISE THE PROFILE OF ADDISON REGIONALLY AND NATIONALLY.

The Town of Addison should take a more active role in defining the community to potential businesses, visitors, and residents. Interviews with existing businesses and residents indicate a generally positive image of the city and its municipal government. Addison residents and businesses are proud of the business environment and quality of life Addison offers. However, many stakeholders expressed a frustration that Addison's small size and lack of an economic development program stifles its exposure within the region and nationally. In order for the city to realize its full economic potential, the Town must undertake a sustained marketing campaign raise Addison's profile as a destination for new investment.

Strategy 4.1 **Develop an economic development marketing plan.** The first step toward this goal is to develop a specific marketing plan and budget for raising the profile of Addison among potential new investors in priority growth industries and residents within North Texas and beyond.

Actions:

4.1a. Engage a marketing consultant. The Town should engage a marketing consultant to help design the plan. This recommendation should not be confused with engaging a consultant for an overall image and branding study. Such studies are not effective for attracting new business investment. Addison's efforts should focus on targeted marketing strategies for new investment and talent, including marketing materials, travel, and advertising. TIP estimates such a plan can be developed for approximately \$10,000.

- Goals for a marketing plan should focus on the following areas:
 - Company relocation,
 - Business expansion,
 - Talent attraction, and
 - Awareness in the North Texas business community about Addison.

Strategy 4.2 **Highlight the Town of Addison’s superior business services and friendliness.** Several people interviewed as part of this process recommended the Town highlight its superior business friendliness and responsiveness as a feature of a marketing campaign. This message should particularly appeal to small and medium sized businesses Addison is seeking to attract.

Actions:

4.2a. *Involve existing businesses.* Addison’s most effective salespeople are its existing businesses. They should be the primary messengers of why Addison is a profitable place to do business.

Strategy 4.3 **Feature Addison Airport prominently in economic development marketing.** Another local asset many stakeholders feel is underutilized in local marketing efforts is Addison Airport. As the region’s busiest and most strategically located business and general aviation airport, Addison Airport is a strong asset for recruiting corporations and executives to the city.

Actions:

4.3a. *Highlight Addison Airport in economic development materials, including both print and electronic.*

4.3b. *Coordinate the Town’s economic development marketing efforts and activities with those of Addison Airport.*

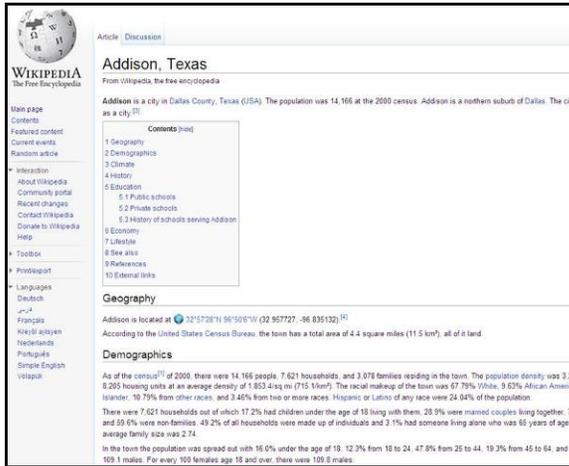
4.3c. *When appropriate, include airport representatives when hosting investment prospects.*

4.3d. *Occasionally hold economic development events, including developer/commercial real estate forums, at the airport.*

Strategy 4.4 **Influence the image of Addison portrayed on the Web and through social media.** Use non-traditional approaches to raising Addison’s profile. Social networking sites, such as Facebook and Twitter have rapidly emerged as prominent marketing vehicles.

Actions:

4.4a. *Influence the image of Addison portrayed on the Web.*



- Assume ownership of Addison’s entry on Wikipedia. Regularly update the information and data with references.
- Establish a new Facebook page for the Town of Addison. Join other Addison-related Facebook groups to influence content.
- Create a Twitter account to update and inform businesses and residents of new announcements, upcoming events, and salient issues.
- Create a blog section of the Town’s economic development website to provide content and connect to other sites.
- Coordinate social media strategies with other organizations in the area such as the Metrocrest Chamber.
- Invite local residents and professionals to post positive messages about the area on these websites.
- Send invitations through Facebook and other sites for Addison events (e.g., Kaboom Town, Taste Addison, etc.).
- Post photos from activities and events in Addison on networking and sharing sites, such as and Flickr and Photobucket.
- Post video from activities and events in Addison on networking and sharing sites, such as YouTube.

Redefining PLACE

Much has been written about the importance of quality of life to the site selection process. Communities throughout the nation have positioned themselves by touting their advantages in this regard—good schools, safe streets, pleasant weather. We agree these factors are important. We take issue only with the narrowness of the focus. Quality of life assumes that everyone thrives in the same environment and is attracted to the same amenities. It assumes that current residents' view of what makes a community would be shared by all.

By contrast, quality of place considers what is attractive to a range of residents, both old and new. The idea of quality of place accommodates growth and recognizes the benefits of change. It recognizes that one person's "good place to raise a family" might translate into another's "there's nothing to do in this town." Quality of place is about providing options, not just for current residents, but for those who will be residents in the future.

GOAL FIVE: MAINTAIN AND ENHANCE ADDISON'S QUALITY OF PLACE.

Increasingly, private employers rely on the skills and talent of their workforce to retain or gain a competitive advantage. Companies have discovered that one way to tap into talented workers is by locating operations in communities with a strong sense of place. This is because communities offering a multitude of amenities are the ones attracting many of today's skilled and talented workers. Likewise, a community that is attractive to talent will in turn be more likely to attract companies. A company will be less likely to locate where workers refuse to live. While there is no set definition for "quality of place", the common factors are the wide availability of choices in housing, entertainment, culture, recreation, retail, and employment.

Addison is unique in that it is a small urban community located in the center of a vast metropolitan area. It is home to Class A office towers, upscale residential neighborhoods, higher density mixed-used developments, conference and theatre facilities, manicured parks, and diverse retail and dining options. The Town of Addison strives to maintain the city's appearance, landmarks, and streetscapes. The Town hosts some of the most well attended events in the region and even offers a public athletic club for residents. Addison's challenge is not establishing a sense of place, but continually improving it.

Strategy 5.1 Continue emphasizing quality planning practices, design standards, and landscaping. One of most distinctive aspects of Addison's appearance is the emphasis on quality and aesthetics within the city's public and private facilities and infrastructure. The Town's commitment to high quality is evidenced by such attractive public facilities as Town Hall, Addison Circle Park, and the Conference and Theatre Centre. The yearly planting of 75,000 tulip bulbs from Holland is another example of how the Town distinguishes its quality of place and image within the region. New private developments such a Vitruvian Park will enhance the city's appeal to new employers, workers, residents, and visitors.

Actions:

- 5.1a. *Continue funding park development and city beautification efforts.***
- 5.1b. *Continue supporting the Addison Arbor Foundation and other similar organizations to enhance the city's natural environment.***

- 5.1c. ***Work with private developers and building owners to promote visually appealing construction and landscaping that is consistent with Town standards.***

Strategy 5.2 **Position Addison as the “greenest” community in the region.** Traditionally, environmental sustainability had no role in economic development planning or practice. Increasingly, however, cities and regions have begun accepting and embracing the growing importance of sustainability to economic vitality. This trend began with communities becoming “greener” in order to attract and retain young talented professionals. More recently, the energy shock of 2008 and the federal government’s new emphasis on promoting alternative energy as a national economic driver has caused CleanTech to become a globally pursued target industry sector. With private industry now adopting the culture of sustainability, local environmental awareness is also becoming a factor in site location decision making.

Through its *Addison Green* initiative, the Town of Addison has already formalized a commitment to “make Addison a leader in sustainable development and operations that protect and enhance the Town’s quality of life.” The Town is utilizing hybrid electrical vehicles and bio-diesel fuel in its non-public safety diesel engines. It has adopted the North Central Council of Government’s (NCTCOG) Clean Air Policy, signed the US Mayors Climate Protection Agreement, and is a member of the Sierra Club’s Cool Cities. Moreover, the Town intends to implement sustainable building standards and to require that Development Services staff obtain LEED certification training.

Actions:

- 5.2a. ***Include information regarding Addison’s sustainability initiative in the Town’s economic development marketing materials.***
- 5.2b. ***Encourage and support energy efficiency retrofitting by existing building owners. This could include financial incentives such as grants or using PACE bonds. (see 1.4b.)***
- 5.2c. ***Continue making local business aware of federal energy tax incentives and other programs supporting energy efficiency.***

Strategy 5.3



Support the development of the Cotton Belt Line. The Cotton Belt Rail Line is a planned 67.7-mile commuter rail line extending through Tarrant, Dallas, Collin, and Rockwall Counties. When complete, the line will provide rail service from Dallas's northeast suburbs to Southwest Fort Worth, including a major terminal at DFW Airport. Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority are leading the development of the line, which has been broken up into four segments. DART plans to locate a rail stop at the Addison Transit Center as part of the first segment of the line's development.

Having such a stop represents a substantial economic development opportunity for Addison. Indeed, some large employers interviewed by the consulting team believe a Cotton Belt rail stop in Addison would greatly benefit their operations by providing expanded transportation access for their respective workforces and broadening their labor draw area.

Actions:

- 5.3a. *Continue working with DART and the Regional Transportation Council to secure a light and/or commuter rail and stop in Addison along the Cotton Belt Rail Line.***
- 5.3b. *Include designs and information about the Cotton Belt line and the Addison stop in the Town's economic development marketing materials.***

Strategy 5.4

Pursue a long-term airport development plan. Addison Airport is one of the city's most important and notable economic development assets. With 774 based aircraft and an average of 366 operations per day, Addison Airport ranks as the third largest general aviation airport in the country. Companies and private pilots from across North Texas utilize the airport on a daily basis for business and personal travel. The airport also has a significant real estate footprint in the city, taking up approximately 15 percent of the city's total 4.35 square miles. This percentage is substantial considering Addison is 90 percent built out and has little land available for new commercial/industrial development. Officials and businesses associated with the airport indicated to the consulting team development and redevelopment opportunities exist on and around the airport. To properly guide and manage future development at the airport, however, a development plan is needed.

Actions:

- 5.4a. *Determine if an outside consultant is needed to assist with the design of the plan.*
- 5.4b. *Work with Washington-Staubach to identify the parameters, scope, needs, and oversight of the development plan.*
- 5.4c. *Ensure the Town's economic development director has some involvement and input into the plan's design and deliverables.*

Strategy 5.5 Explore opportunities for developing a destination venue for sports and/or entertainment. The hospitality industry is an important economic engine for Addison. The city is home to 22 hotels and over 4,000 hotel rooms. Business travel accounts for much of the sector's activity in Addison. In fact, hotel representatives reported to the consulting team their weekday business is healthy. Conversely, their weekend activity is much slower and less profitable. Moreover, the weekend events Addison hosts throughout the year tend to draw visitors from within the region and do not put "heads in beds." Several hotel representatives and others interviewed by the consulting team contend Addison lacks a venue or facility for hosting weekend events that would draw visitors from outside the region who may require an overnight stay. One example mentioned is an athletic facility for hosting major tournaments/meets.

Actions:

- 5.5a. *The director of visitor services should engage the local hospitality industry to brainstorm for concepts and examples.*
- 5.5b. *Perform a gap analysis to identify any event niches that are not currently being met in the Metroplex.*
- 5.5c. *If an opportunity is identified, conduct a feasibility and economic impact analysis to determine if the concept warrants formal pursuit by the Town.*

IMPLEMENTATION MATRIX

The following guide combines all the goals, strategies, and actions in a single table. It also includes potential partners and allies as well as a recommended time horizon for implementation. The purpose of the implementation matrix is to provide a graphic representation when the actions should realistically be implemented and the most appropriate organizations to carry them out.

| STRATEGY / ACTION ITEMS | | TIMELINE | | | | |
|---|--|----------|----------|---------|---------|----------|
| Description | Regional Partner(s) | 0-6 mos | 6-12 mos | 2-3 yrs | 4-5 yrs | On-going |
| Town – Town of Addison; MCC – Metrocrest Chambers of Commerce; ABA – Addison Business Association; NTSBDC – North Texas Small Business Development Center | | | | | | |
| GOAL ONE: BUILD CAPACITY TO CONDUCT ECONOMIC DEVELOPMENT | | | | | | |
| 1.1 Establish an economic development department within the Town of Addison. | | | | | | |
| 1.1a | The city council should formally direct the city manager to establish an economic development department and hire a director to lead the department. | Town | X | | | X |
| 1.2 Hire a professional economic development director. | | | | | | |
| 1.2a | Post the position on economic development-related websites that advertise job opportunities. | Town | X | | | |
| 1.2b | Request that regional and statewide partners assist in locating an appropriate candidate through their professional networks. | Town | X | | | |
| 1.2c | Consider engaging an executive placement firm to assist in identifying and vetting candidates for the position. | Town | X | | | |
| 1.3 Hire an economic development support staff. | | | | | | |
| 1.3a | Interview and hire candidates to fill the economic development specialist and marketing coordinator positions. | Town | X | X | | |
| 1.3b | Determine how the marketing coordinator could support other departments and allocate assignments accordingly. | Town | X | X | | |

| STRATEGY / ACTION ITEMS | | | TIMELINE | | | | |
|---|---|----------------|----------|---------|---------|----------|---|
| Description | Regional Partner(s) | 0-6 mos | 6-12 mos | 2-3 yrs | 4-5 yrs | On-going | |
| Town – Town of Addison; MCC – Metrocrest Chambers of Commerce; ABA – Addison Business Association; NTSBDC – North Texas Small Business Development Center | | | | | | | |
| 1.4 Establish a formal incentives policy. | | | | | | | |
| 1.4a | Establish an economic development fund | Town | X | | | | X |
| 1.4b | Consider the use of other incentive tools. | Town | | X | | | X |
| 1.4c | Consider incentives targeted toward entrepreneurs and start-ups. | Town | | | X | | X |
| 1.4d | Adopt a formal incentives policy to direct the use of incentives. | Town | X | | | | X |
| 1.5 Redesign the Town’s economic development website. | | | | | | | |
| 1.5a | Engage a web design firm. | Town, TIP | X | | | | |
| GOAL TWO: SUPPORT THE EXISTING BASE THROUGH BUSINESS RETENTION AND EXPANSION. | | | | | | | |
| 2.1 Become familiar with businesses in Addison and seek to understand their needs. | | | | | | | |
| 2.1a | Maintain inventory of existing businesses. | Town | | X | | | X |
| 2.1b | Administer a regularly scheduled employer survey. | Town | | | X | | X |
| 2.1c | Conduct business visitations. | Town | | X | | | X |
| 2.1d | Host business roundtables. | Town, MCC, ABA | | | X | | |
| 2.2 Provide support to small businesses. | | | | | | | |
| 2.2a | Provide networking opportunities for small businesses. | Town, MCC, ABA | | X | | | X |
| 2.2b | Promote Existing Small Business Programs and Services. | Town, NTSBDC | | | X | | X |

| STRATEGY / ACTION ITEMS | | TIMELINE | | | | |
|---|--|-----------|----------|---------|---------|----------|
| Description | Regional Partner(s) | 0-6 mos | 6-12 mos | 2-3 yrs | 4-5 yrs | On-going |
| Town – Town of Addison; MCC – Metrocrest Chambers of Commerce; ABA – Addison Business Association; NTSBDC – North Texas Small Business Development Center | | | | | | |
| 2.2c | Improve capital availability. | Town | | | X | |
| 2.2d | Review Existing Regulations. | Town, ABA | | X | | |
| 2.2e | Create Small Business Ombudsman. | Town | X | | | |
| 2.3 Establish a program to support retailers and restaurateurs. | | | | | | |
| 2.3a | Survey consumers. | Town | | | X | X |
| 2.3b | Meet with existing retailers. | Town | | | X | X |
| 2.3c | Engage specialists to provide business workshops and seminars. | Town | | | | X |
| 2.4 Have an intervention strategy. | | | | | | |
| 2.4a | Provide assistance to workers facing dislocation. | Town | | | | X |
| 2.4b | Cultivating relationships with site selectors, developers, and real estate brokers. | Town | | | | X |
| GOAL THREE: FOCUS BUSINESS ATTRACTION ON PRIORITY GROWTH SECTORS. | | | | | | |
| 3.1 Interact and network with regional commercial real estate and site selection community. | | | | | | |
| 3.1a | Regularly attend commercial real estate functions in the region. | Town | | X | | X |
| 3.1b | Build and maintain a database of developers, brokers, and site consultants in North Texas. | Town | | | X | X |
| 3.1c | Maintain and update information typically of interest to commercial and industrial developers on the economic development website. | Town | | X | | X |
| 3.1d | Call on individual brokers, agents, consultants, and | Town | | X | | X |

| STRATEGY / ACTION ITEMS | | TIMELINE | | | | |
|---|--|----------------|----------|---------|---------|----------|
| Description | Regional Partner(s) | 0-6 mos | 6-12 mos | 2-3 yrs | 4-5 yrs | On-going |
| Town – Town of Addison; MCC – Metrocrest Chambers of Commerce; ABA – Addison Business Association; NTSBDC – North Texas Small Business Development Center | | | | | | |
| | developers. | | | | | |
| 3.1e | Host tours and events featuring specific assets, such as available land and buildings or new projects. | Town, ABA, MCC | | | X | X |
| 3.1f | Offer assistance to aggressively market developers' and land owners' properties and buildings to future tenants. | Town | | X | | X |
| 3.1g | Develop and distribute a quarterly e-newsletter. | Town | | | X | X |
| 3.2 Pursue priority growth sectors. | | | | | | |
| 3.2a | Compile and maintain resource information for each target industry sector. | Town | | | X | X |
| 3.2b | Join and become active in trade or industry associations. | Town | | | X | X |
| 3.2c | Build awareness among private employers in North Texas. | Town | | | X | X |
| 3.2d | Establish a prospect management system. | Town | | | X | |
| 3.3 Pursue new investment from companies in the region seeking to consolidate facilities. | | | | | | |
| 3.3a | Visit with existing businesses in Addison that operate facilities outside of the city. | Town | | | X | X |
| 3.3b | Monitor DFW regional news outlets for reports of consolidation. | Town | | | | X |
| 3.3c | Build awareness among the corporate base in North Texas. | Town | | | X | X |
| 3.4 Support entrepreneurship. | | | | | | |
| 3.4a | Assess the existing entrepreneurial programs and services available in North Texas. | Town, MCC, ABA | | | X | |
| 3.4b | Work with partners to enhance services for entrepreneurs. | Town, MCC, ABA | | | | X |

| STRATEGY / ACTION ITEMS | | TIMELINE | | | | | |
|---|---|----------------|---------------------|---------|----------|---------|---------|
| | | Description | Regional Partner(s) | 0-6 mos | 6-12 mos | 2-3 yrs | 4-5 yrs |
| Town – Town of Addison; MCC – Metrocrest Chambers of Commerce; ABA – Addison Business Association; NTSBDC – North Texas Small Business Development Center | | | | | | | |
| 3.4c | Celebrate and support entrepreneurship in the region. | Town, MCC, ABA | | | X | | X |
| GOAL FOUR: RAISE THE PROFILE OF ADDISON REGIONALLY AND NATIONALLY. | | | | | | | |
| 4.1 Develop an economic development marketing plan. | | | | | | | |
| 4.1a | Engage a marketing consultant. | Town | | X | | | X |
| 4.2 Highlight the Town of Addison's superior business services and friendliness. | | | | | | | |
| 4.2a | Involve existing businesses. | Town, ABA | | X | | | X |
| 4.3 Feature Addison Airport prominently in economic development marketing. | | | | | | | |
| 4.3a | Highlight Addison Airport in economic development materials, including both print and electronic. | Town | | X | | | |
| 4.3b | Coordinate the Town's economic development marketing efforts and activities with those of Addison Airport. | Town | | | X | | |
| 4.3c | When appropriate, include airport representatives when hosting investment prospects. | Town | | | | | X |
| 4.3d | Occasionally hold economic development events, including developer/commercial real estate forums, at the airport. | Town, ABA, MCC | | | | | X |
| 4.4 Influence the image of Addison portrayed on the Web and through social media. | | | | | | | |
| 4.4a | Influence the image of Addison portrayed on the Web. | Town | | X | | | X |
| GOAL FIVE: MAINTAIN AND ENHANCE ADDISON'S QUALITY OF PLACE. | | | | | | | |

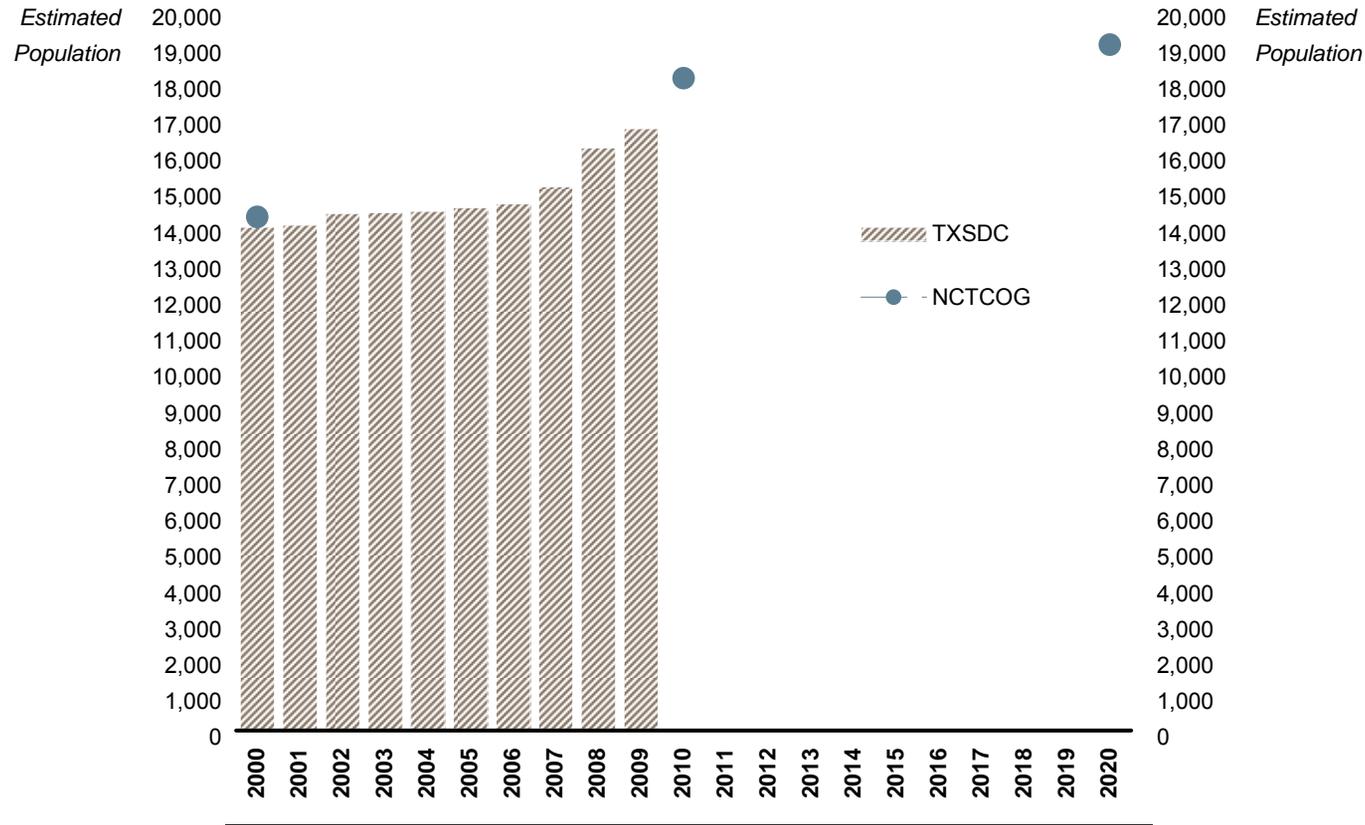
| STRATEGY / ACTION ITEMS | | TIMELINE | | | | |
|---|--|------------|----------|---------|---------|----------|
| Description | Regional Partner(s) | 0-6 mos | 6-12 mos | 2-3 yrs | 4-5 yrs | On-going |
| Town – Town of Addison; MCC – Metrocrest Chambers of Commerce; ABA – Addison Business Association; NTSBDC – North Texas Small Business Development Center | | | | | | |
| 5.1 Continue emphasizing quality planning practices, design standards, and landscaping. | | | | | | |
| 5.1a | Continue funding park development and city beautification efforts. | Town | | | | X |
| 5.1b | Continue supporting the Addison Arbor Foundation and other similar organizations to enhance the city's natural environment. | Town | | | | X |
| 5.1c | Work with private developers and building owners to promote visually appealing construction and landscaping that is consistent with Town standards. | Town | | | | X |
| 5.2 Position Addison as the “greenest” community in the region. | | | | | | |
| 5.2a | Include information regarding Addison's sustainability initiative in the Town's economic development marketing materials. | Town | | X | | X |
| 5.2b | Encourage and support energy efficiency retrofitting by existing building owners. | Town | | | X | X |
| 5.2c | Continue making local business aware of federal energy tax incentives and other programs supporting energy efficiency. | Town | | | | X |
| 5.3 Support the development of the Cotton Belt Line. | | | | | | |
| 5.3a | Continue working with DART and the Regional Transportation Council to secure a light and/or commuter rail and stop in Addison along the Cotton Belt Rail Line. | Town, DART | | | | X |
| 5.3b | Include designs and information about the Cotton Belt line and the Addison stop in the Town's economic development marketing materials. | Town | | | X | |

| STRATEGY / ACTION ITEMS | | TIMELINE | | | | |
|---|--|----------|----------|---------|---------|----------|
| Description | Regional Partner(s) | 0-6 mos | 6-12 mos | 2-3 yrs | 4-5 yrs | On-going |
| Town – Town of Addison; MCC – Metrocrest Chambers of Commerce; ABA – Addison Business Association; NTSBDC – North Texas Small Business Development Center | | | | | | |
| 5.4 Pursue a long-term airport development plan. | | | | | | |
| 5.4a | Determine if an outside consultant is needed to assist with the design of the plan. | Town | | X | | |
| 5.4b | Work with Washington-Staubach to identify the parameters, scope, needs, and oversight of the development plan. | Town | | X | | |
| 5.4c | Ensure the Town's economic development director has some involvement and input into the plan's design and deliverables. | Town | | X | | |
| 5.5 Explore opportunities for developing a destination venue for sports and/or entertainment. | | | | | | |
| 5.5a | Engage the local hospitality industry to brainstorm for concepts and examples. | Town | | | X | |
| 5.5b | Perform a gap analysis to identify any event niches that are not currently being met in the Metroplex. | Town | | | | X |
| 5.5c | If an opportunity is identified, conduct a feasibility and economic impact analysis to determine if the concept warrants formal pursuit by the Town. | Town | | | | X |

APPENDIX A: DATA FIGURES

POPULATION

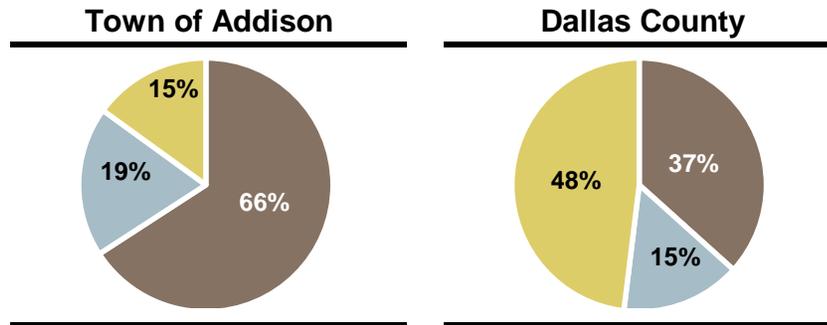
Town of Addison Population



SOURCE: Texas State Data Center; North Central Texas Council of Governments

TAX BASE

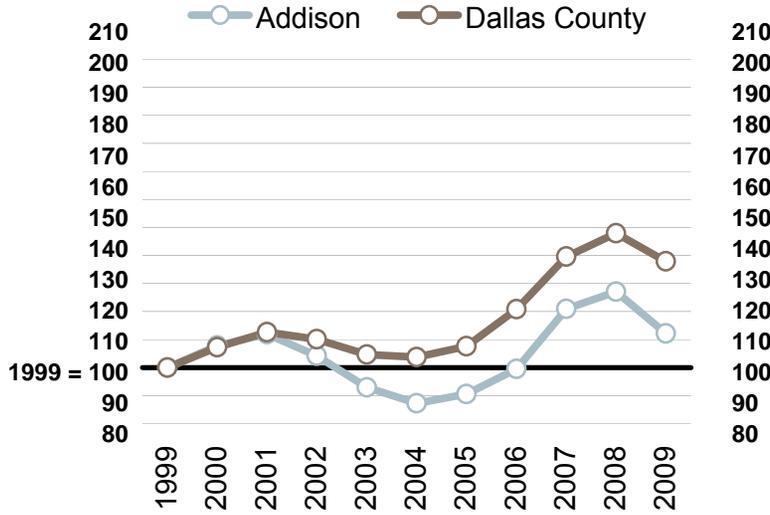
Composition of taxable property



- Commercial property
- Business personal property
- Residential property

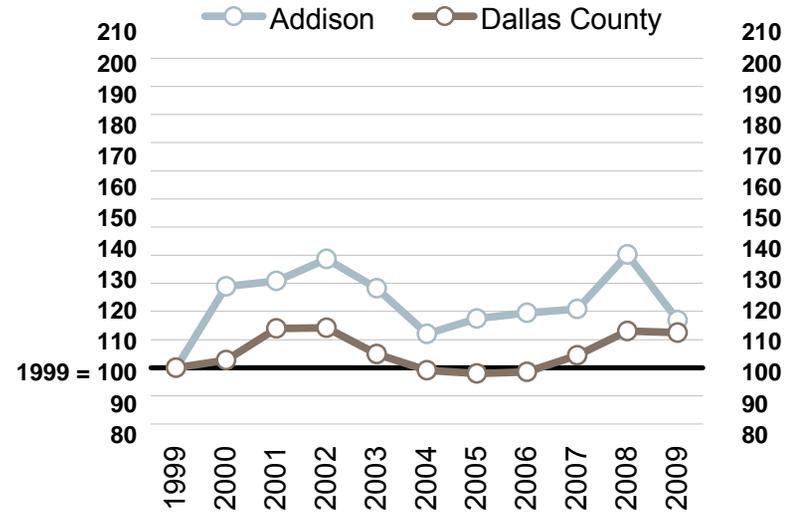
SOURCE: Dallas County Appraisal District; TIP Strategies

Taxable Commercial Property



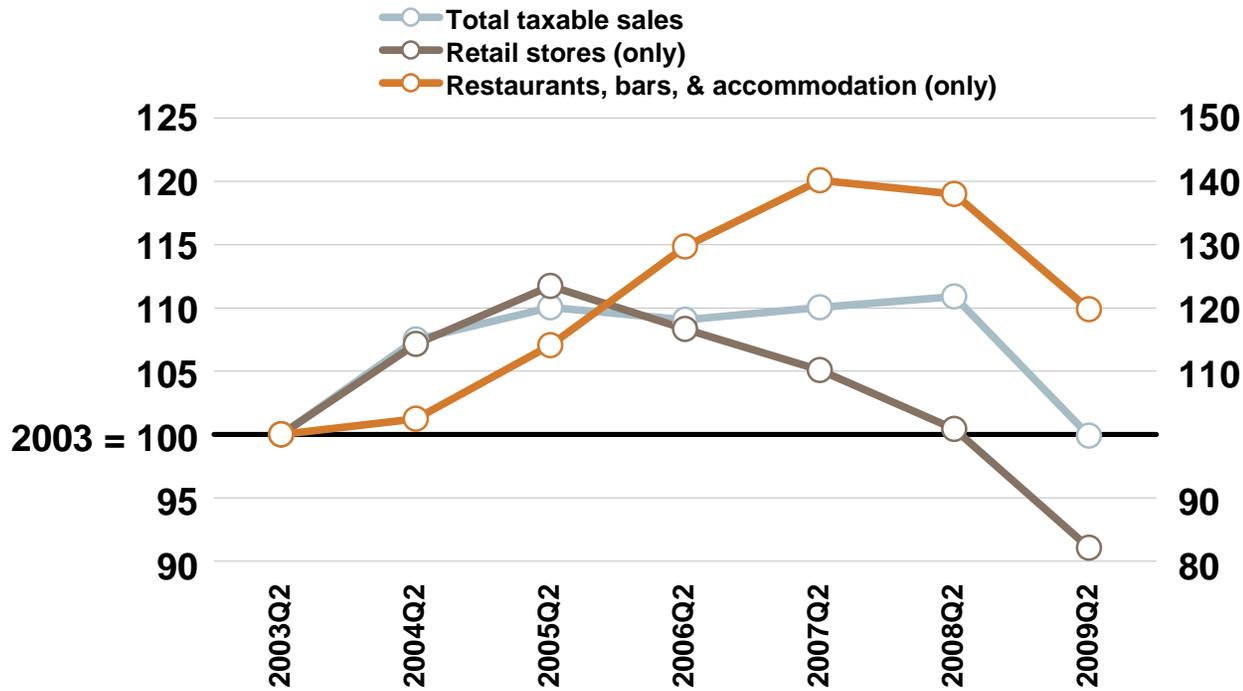
SOURCE: Dallas County Appraisal District; TIP Strategies

Taxable Business Personal Property



SOURCE: Dallas County Appraisal District; TIP Strategies

Growth of Addison's taxable sales, 2003=100*



SOURCE: Texas Comptroller of Public Accounts; TIP Strategies

*NOTE: The index represents annual taxable sales for the 4-quarter period ending in Q2 of each year, not Q4.

This construction of the index was necessary because 2009Q2 is the most recent quarter available.

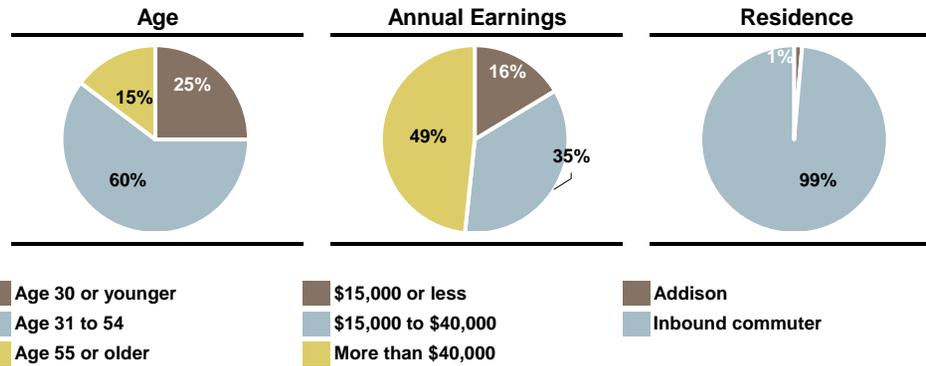
Growth of Addison's taxable hotel receipts, 2001=100



SOURCE: Texas Comptroller of Public Accounts; TIP Strategies

EMPLOYMENT

Addison's job base characteristics as of 2008



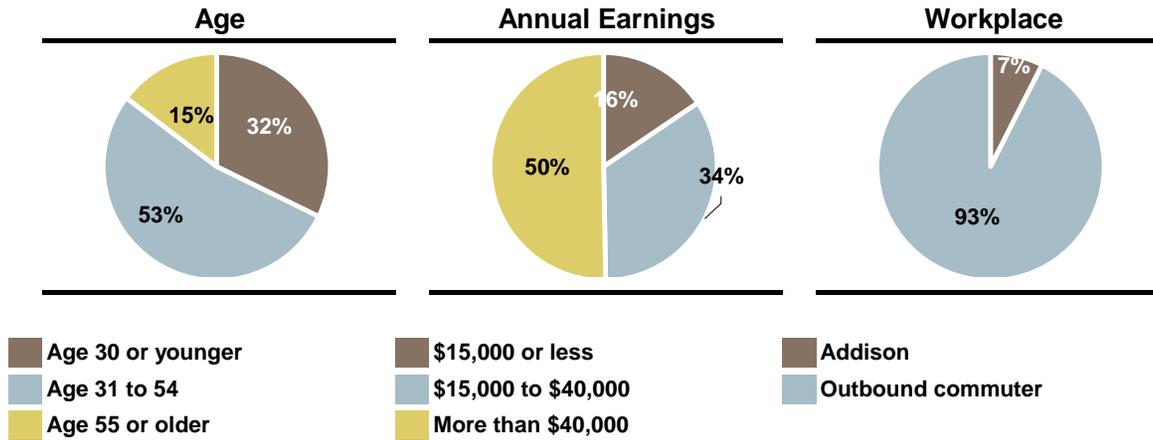
SOURCE: U.S. Census Bureau's Local Employment Dynamics (LED) Origin-Destination database; TIP Strategies

Addison's major sources of INBOUND commuters

| | |
|------------|-------|
| Dallas | 8,784 |
| Plano | 3,282 |
| Carrollton | 2,175 |
| Garland | 1,695 |
| Irving | 1,202 |
| McKinney | 1,062 |
| Fort Worth | 1,040 |
| Richardson | 1,022 |
| Frisco | 987 |

SOURCE: U.S. Census Bureau's Local Employment Dynamics (LED) Origin-Destination database; TIP Strategies

Characteristics of Addison's employed residents as of 2008



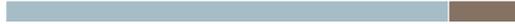
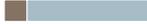
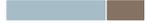
SOURCE: U.S. Census Bureau's Local Employment Dynamics (LED) Origin-Destination database; TIP Strategies

Addison's major destinations for OUTBOUND commuters

| | |
|----------------|-------|
| Dallas | 2,720 |
| Farmers Branch | 537 |
| Plano | 515 |
| Irving | 479 |
| Carrollton | 445 |
| Richardson | 282 |
| Fort Worth | 149 |

SOURCE: U.S. Census Bureau's Local Employment Dynamics (LED) Origin-Destination database; TIP Strategies

Town of Addison's job base* in 2009 shown with the forecast 10-year change

| NAICS Sector | 2009 jobs + 10-year net chg to 2019 | | |
|-----------------------------------|-------------------------------------|---------------|---|
| Professional & technical services | 7,869 | +2,621 |  |
| Administrative services | 6,892 | +1,917 |  |
| Finance & insurance | 6,641 | +1,073 |  |
| Wholesale trade | 4,394 | +248 |  |
| Real estate | 4,313 | +1,259 |  |
| Retail trade | 3,514 | +215 |  |
| Accommodation & food services | 3,037 | +590 |  |
| Manufacturing | 1,910 | -340 |  |
| Information | 1,865 | -34 |  |
| Healthcare & social services | 1,507 | +576 |  |
| Construction | 1,240 | +245 |  |
| Personal & other services | 1,093 | +63 |  |
| Corporate headquarters | 898 | +56 |  |
| Transportation & warehousing | 772 | +240 |  |
| Educational services | 617 | +266 |  |
| Government | 579 | +79 |  |
| Arts, entertainment, & recreation | 391 | -2 |  |
| Oil, gas, & mining | 156 | +0 |  |
| Agriculture, forestry, & fishing | <10 | <10 | |
| Utilities | <10 | <10 | |
| City of Addison Total | 47,690 | +9,071 | |

SOURCE: EMSI; TIP Strategies; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Census Bureau

*NOTE: Forecast not available based on city boundaries. Instead, employment data and forecast reflect activity within **zip code 75001**.

APPENDIX B: DATA BENCHMARKS

| City | State | Metropolitan region | Major employment center | Inner ring suburb | Relatively small land area | Heavily confined boundaries | Corporate airport nearby |
|----------------|------------|----------------------|-------------------------|-------------------|----------------------------|-----------------------------|--------------------------|
| Addison | Texas | Dallas-Fort Worth | ✓ | ✓ | ✓ | ✓ | ✓ |
| Bethesda | Maryland | Washington-Baltimore | ✓ | ✓ | ✓ | ✓ | |
| Silver Spring | Maryland | Washington-Baltimore | ✓ | ✓ | ✓ | ✓ | |
| Reston | Virginia | Washington-Baltimore | ✓ | | ✓ | | ✓ |
| Tyson's Corner | Virginia | Washington-Baltimore | ✓ | ✓ | ✓ | ✓ | ✓ |
| Burbank | California | Los Angeles | ✓ | ✓ | ✓ | ✓ | ✓ |
| Culver City | California | Los Angeles | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cupertino | California | Silicon Valley | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mountain View | California | Silicon Valley | ✓ | ✓ | ✓ | ✓ | ✓ |
| Littleton | Colorado | Denver | ✓ | ✓ | ✓ | ✓ | |
| White Plains | New York | New York City | ✓ | ✓ | ✓ | ✓ | ✓ |

SOURCE: TIP Strategies, Inc.

Population

| City | State | Population* |
|----------------|--------------|---------------|
| Burbank | California | 102,968 |
| Silver Spring | Maryland | 76,540 |
| Mountain View | California | 71,348 |
| White Plains | New York | 57,342 |
| Reston | Virginia | 56,407 |
| Bethesda | Maryland | 55,277 |
| Cupertino | California | 53,637 |
| Littleton | Colorado | 40,777 |
| Culver City | California | 38,580 |
| Tyson's Corner | Virginia | 18,540 |
| Addison | Texas | 14,964 |

SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program)

* The latest 2008 Census estimate except for the Washington DC suburbs of Bethesda, Silver Spring, Reston, and Tyson's Corner. These areas are unincorporated CDPs (Census-designated places) for which intercensal estimates are not made.

Land area

| City | State | Land area (in square miles)** |
|----------------|--------------|-------------------------------|
| Burbank | California | 17.35 |
| Reston | Virginia | 17.15 |
| Littleton | Colorado | 13.52 |
| Bethesda | Maryland | 13.14 |
| Mountain View | California | 12.06 |
| Cupertino | California | 10.94 |
| White Plains | New York | 9.80 |
| Silver Spring | Maryland | 9.42 |
| Culver City | California | 5.11 |
| Tyson's Corner | Virginia | 4.90 |
| Addison | Texas | 4.43 |

SOURCE: U.S. Census Bureau (2000 Decennial Census)

Population Density

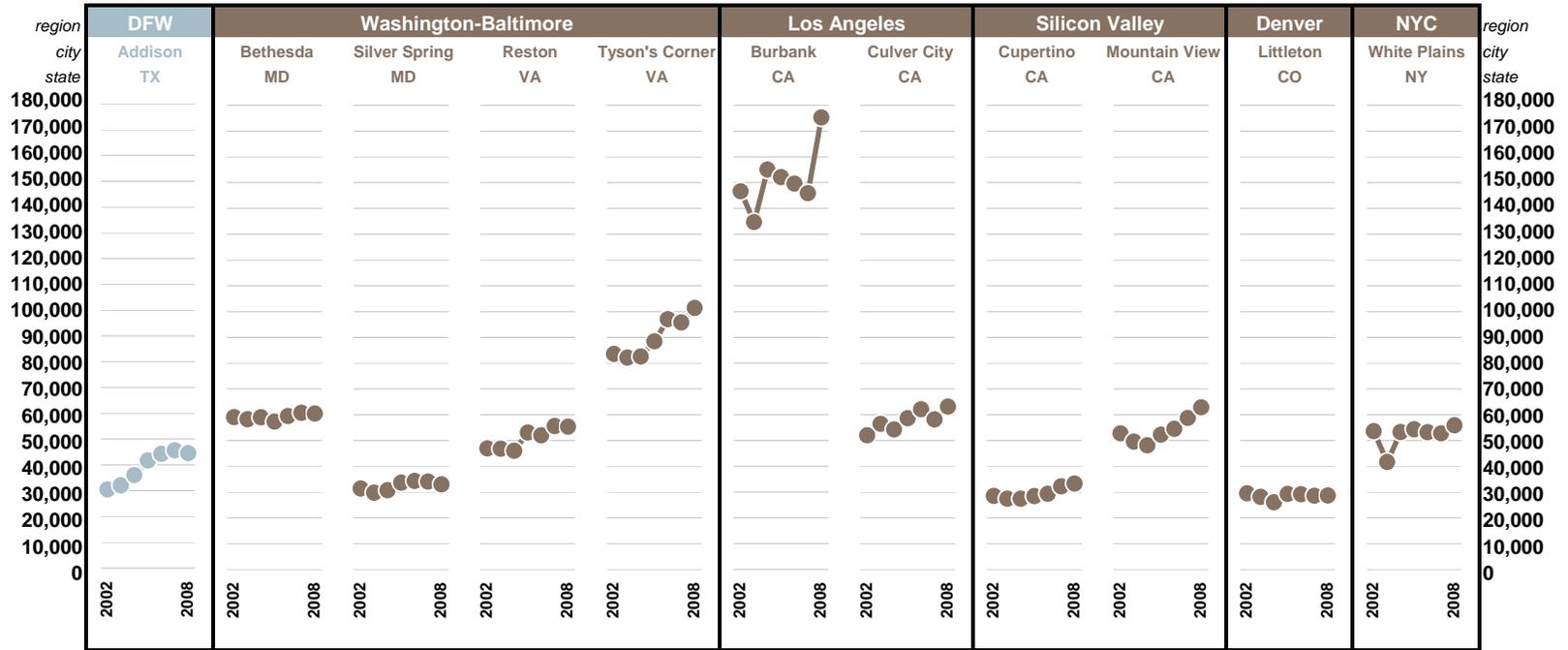
| City | State | Population | Sq. Miles | Persons per square mile |
|----------------|--------------|---------------|-------------|-------------------------|
| Silver Spring | Maryland | 76,540 | 9.42 | 8,125 |
| Culver City | California | 38,580 | 5.11 | 7,550 |
| Burbank | California | 102,968 | 17.35 | 5,935 |
| Mountain View | California | 71,348 | 12.06 | 5,916 |
| White Plains | New York | 57,342 | 9.80 | 5,851 |
| Cupertino | California | 53,637 | 10.94 | 4,903 |
| Bethesda | Maryland | 55,277 | 13.14 | 4,207 |
| Tyson's Corner | Virginia | 18,540 | 4.90 | 3,784 |
| Addison | Texas | 14,964 | 4.43 | 3,378 |
| Reston | Virginia | 56,407 | 17.15 | 3,289 |
| Littleton | Colorado | 40,777 | 13.52 | 3,016 |

SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program, and Local Employment Dynamics Origin-Destination Database)

* The latest 2008 Census estimate except for the Washington DC suburbs of Bethesda, Silver Spring, Reston, and Tyson's Corner. These areas are unincorporated CDPs (Census-designated places) for which intercensal estimates are not made.

**All land areas are from the 2000 Census.

Total jobs, 2002-2008*



SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program, and Local Employment Dynamics Origin-Destination Database)
 *jobs based on place-of-work location, not on household location

Population Density

| City | State | Population | Jobs | Jobs per 100 Residents |
|----------------|--------------|---------------|---------------|------------------------|
| Tyson's Corner | Virginia | 18,540 | 101,406 | 547 |
| Addison | Texas | 14,964 | 44,570 | 298 |
| Burbank | California | 102,968 | 175,316 | 170 |
| Culver City | California | 38,580 | 63,112 | 164 |
| Bethesda | Maryland | 55,277 | 60,379 | 109 |
| Reston | Virginia | 56,407 | 55,315 | 98 |
| White Plains | New York | 57,342 | 55,812 | 97 |
| Mountain View | California | 71,348 | 62,798 | 88 |
| Littleton | Colorado | 40,777 | 28,615 | 70 |
| Cupertino | California | 53,637 | 33,303 | 62 |
| Silver Spring | Maryland | 76,540 | 32,936 | 43 |

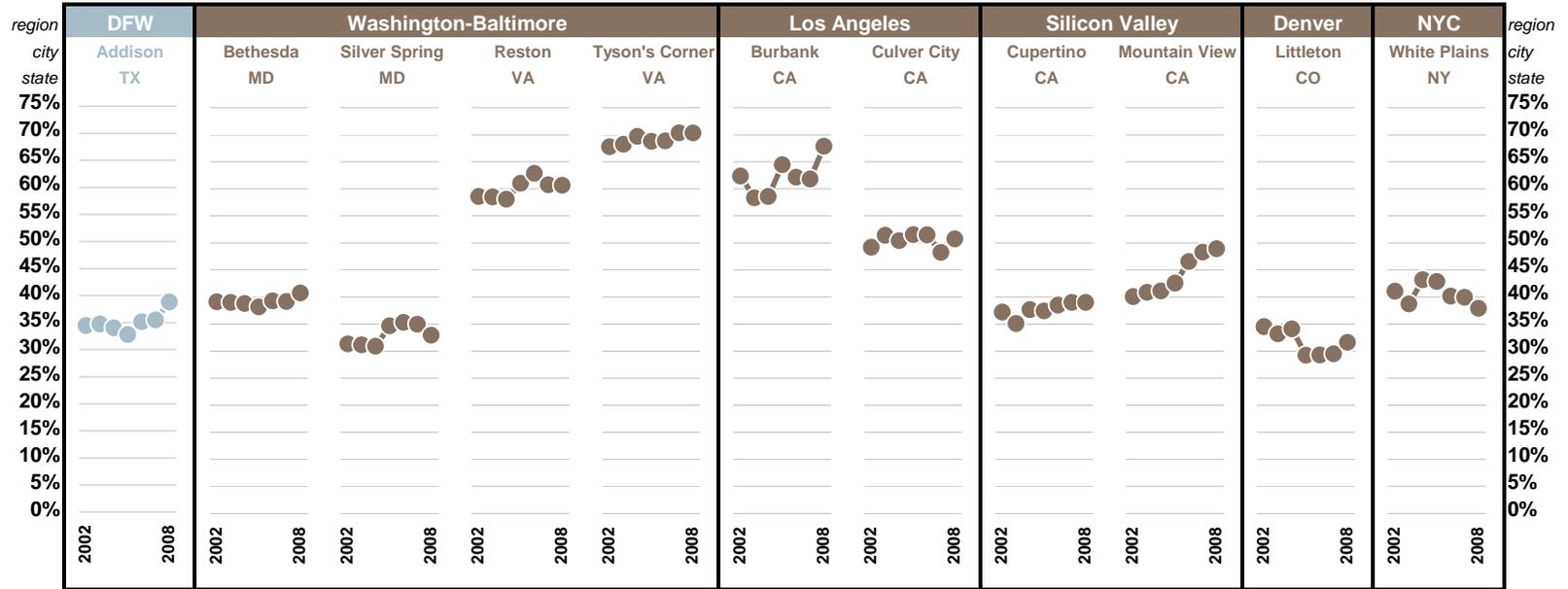
SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program, and Local Employment Dynamics Origin-Destination Database)

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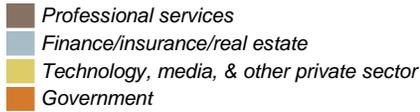
**All land areas are from the 2000 Census.

Office jobs as a % of total employment, 2002-2008*

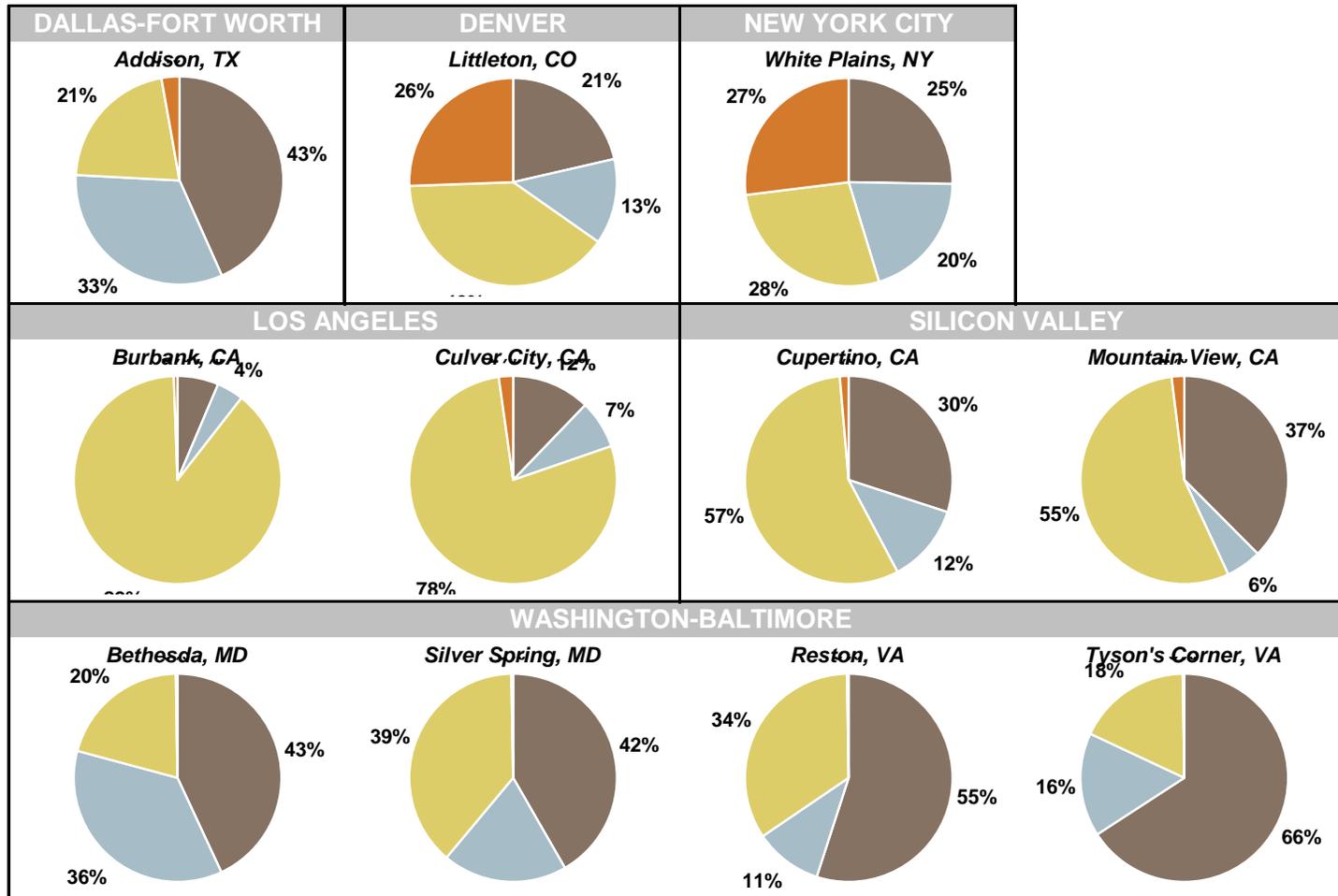


SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program, and Local Employment Dynamics Origin-Destination Database); TIP Strategies, Inc.
 NOTE: For these estimates, TIP Strategies has defined office-using employment as 100% of the following sectors (information/media, finance/insurance, real estate; professional services; and corporate services), plus lesser shares of these sectors (50% of support services; and 75% of public administration, excluding schools)
 *jobs based on place-of-work location, not on household location

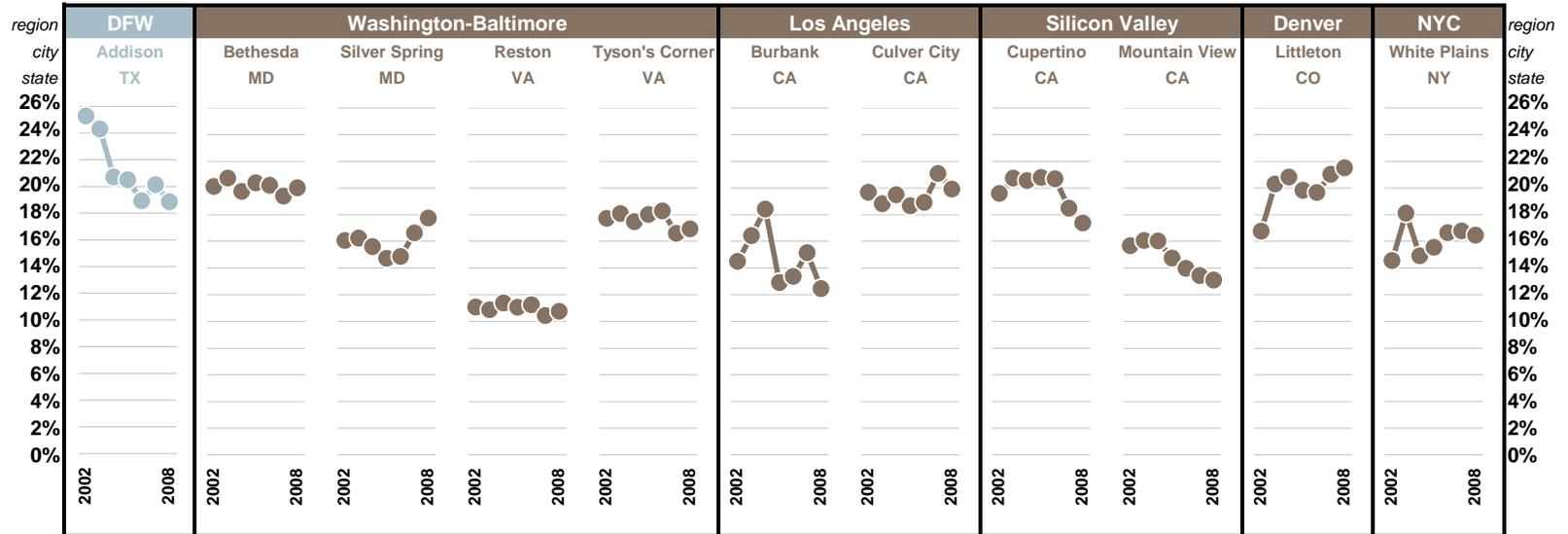
Composition of office employment, 2008*



SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program, and Local Employment Dynamics Origin-Destination Database); TIP Strategies, Inc.
 *jobs based on place-of-work location, not on household location



Tourism jobs as a % of total employment, 2002-2008*

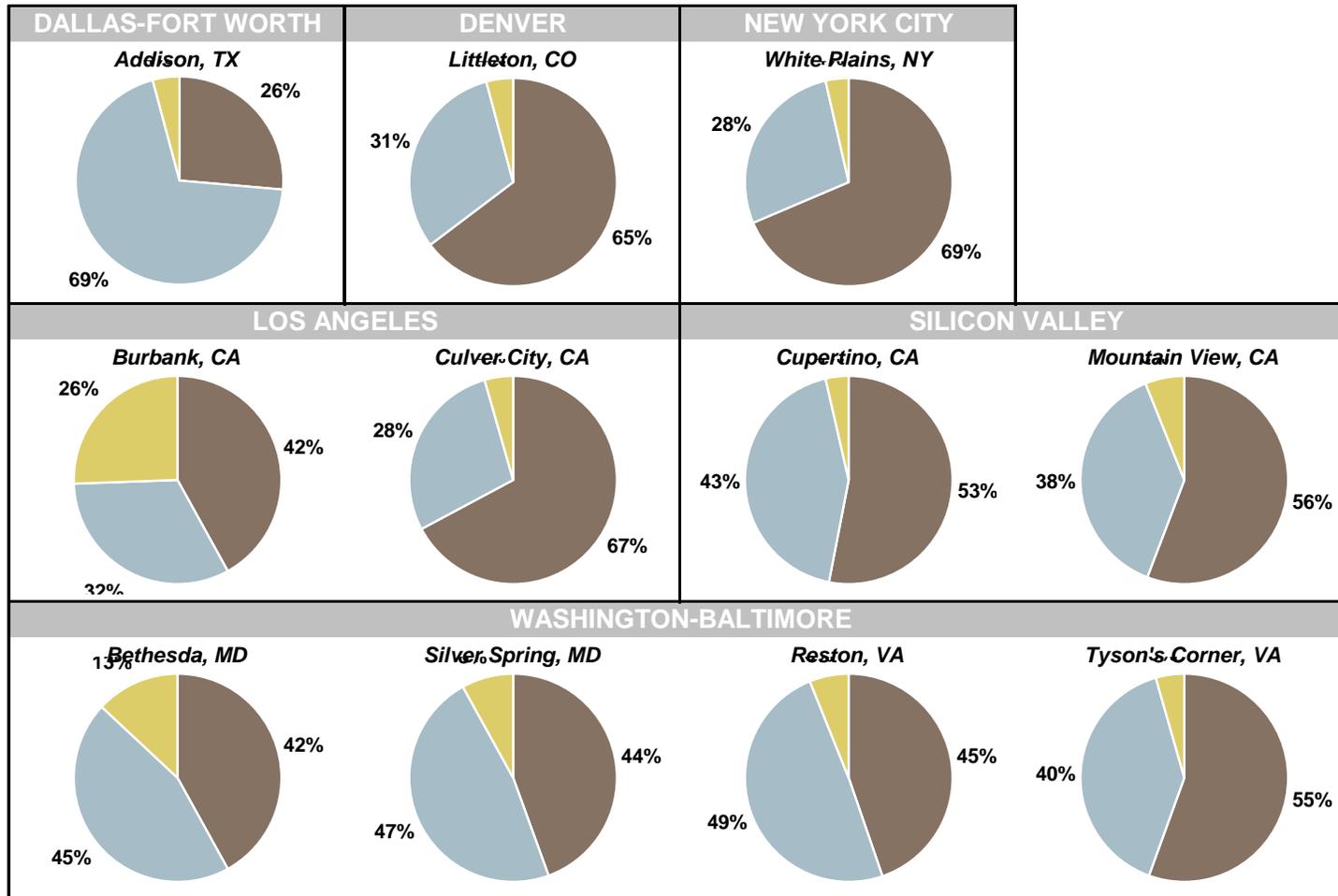


SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program, and Local Employment Dynamics Origin-Destination Database); TIP Strategies, Inc.
 NOTE: For these estimates, TIP Strategies has defined tourism employment as 100% of the following sectors (retail trade; accommodation/food services; and arts/entertainment/recreation)
 *jobs based on place-of-work location, not on household location

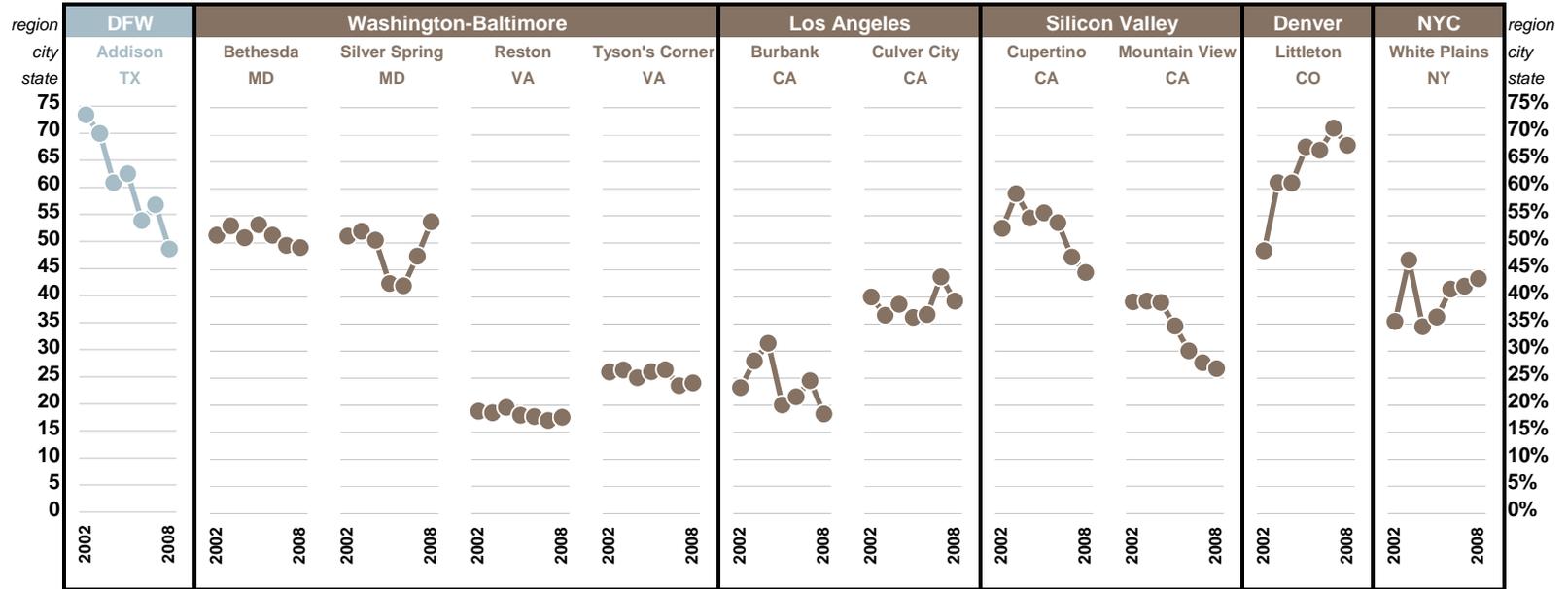
Composition of tourism employment, 2008*

- Retail trade
- Hotels, restaurants, & bars
- Other entertainment & recreation

SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program, and Local Employment Dynamics Origin-Destination Database); TIP Strategies, Inc.
 *jobs based on place-of-work location, not on household location



Number of tourism jobs per 100 office jobs*



SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program, and Local Employment Dynamics Origin-Destination Database); TIP Strategies, Inc.
 NOTE: For these estimates, TIP Strategies has defined office-using employment as 100% of the following sectors (information/media, finance/insurance, real estate; professional services; and corporate services), plus lesser shares of these sectors (50% of support services; and 75% of public administration, excluding schools). TIP Strategies has defined tourism employment as 100% of the following sectors (retail trade; accommodation/food services; and arts/entertainment/recreation)
 *jobs based on place-of-work location, not on household location