

MAYOR'S STATE OF DOWNTOWN ADDRESS

DowntownDallas Annual Meeting

Union Station, Main Ballroom

May 25, 2010

Good morning....

Thanks to John Crawford and thanks to Shelly Sills for all the work you've put into this organization.

And today, I want to send a strong thank you and congratulations to everyone involved in this organization.

And I also want to thank my colleagues on the Dallas City Council and City staff for their work and support to revitalize Downtown Dallas.

Thank you also to the County Commissioners Court, especially our commissioner for Downtown, John Wiley Price.

I also want to extend a thank you to the members of Downtown's state delegation... Senator Royce West, Representative Dan Branch.

And I would also like to extend a very special thank you to two of our good friends representing us in Washington. Congresswoman Eddie Bernice Johnson and Senator Kay Bailey Hutchison. We appreciate their help and support for all the projects in and near Downtown.

You know, take a moment and imagine this area just a brief ten years ago. Downtown Dallas appeared to be heading in a very different direction. Few companies were considering a move downtown... barely anyone was living here... and the streets pretty much shut down at night. We wondered, would our city's downtown survive, could we turn it around?

Survival is no longer the question. Today, I am happy to report - Downtown Dallas has turned a corner. Downtown Dallas is a turnaround play that shows no sign of letting up.

And much of that is due to the vision, the patience, the persistence, the determination and the creativity of you, the members of Downtown Dallas.

You all have understood, that so goes downtown, so goes Dallas, and so goes North Texas. You know that a vital regional economy needs a vibrant, healthy core. Nowhere is there a strong metropolitan area without a dynamic core and Downtown Dallas is the core of North Texas.

And you all have made the personal and corporate and civic investments to stop the slide, to face our challenges head on, and provide the momentum to propel our Downtown forward.

That has paid off for us in so many ways, and will continue to do so for the next decade and beyond. AT&T, Comerica Bank, Tenet HealthCare, 7-11 are among the firms who have moved downtown. Others, like Hunt Consolidated, Deloitte, TXU, Oncor, First Baptist Church all have reinforced their commitment to Downtown. And lately, we've seen even more announcements of other firms who are moving into Greater Downtown as well.

And this is only the beginning. In other states where companies feel over-taxed and over-regulated, Texas clearly is benefitting from its business friendly environment, and because of the investments we have made, Greater Downtown Dallas is now a top competitor.

These companies like the new energy they see. They want their firms in the middle of it. They like the investments we've made in light rail and in the Omni Dallas Convention Center Hotel. They like the investments we've made in our Downtown Parks. And they like the high profile investments we've made in our Arts District.

We are sending a strong message that Dallas is a global economic and diverse cultural hub, and these firms see that their futures are stronger by being here.

That is why we now have numerous firms – several very substantial – who are in serious conversations with us about making **Greater Downtown** their home. In fact, a top chamber official told us the other day he has never seen it so busy.

So again, congratulations and give yourselves another round of applause for all you've done.

Let me quickly address a few of our successes, and address a few challenges ahead.

First – One of our big stories about Downtown Dallas is Public Safety. We have made great strides in crime reduction city-wide. The crime rate has dropped every year for the last six years... and yesterday we dropped yet another notch on the FBI's crime list behind Houston and San Antonio.

And that success is reflected downtown. In the past decade, violent crime in the Central Business District has dropped 34 percent... and total crime is down 39 percent. And that downward trend continues.

Clearly, we have been adding police officers to our force... and renewed the concept of community policing. Our officers are strongly enforcing our panhandling laws and with the video cameras strategically placed around downtown we have more eyes on the streets.

But our success really has to do with teamwork. DPD, DART and the Downtown Safety Patrol have a strong ethic of collaboration to make sure our downtown is getting plenty of attention.

That cooperation also extends to the Bridge to help the move homeless and into transitional housing and more healthy living situations. This has had a critical impact on reducing crime.

In fact, look back no further than the NBA All Star Game... tens of thousands of people came to Downtown Dallas for the NBA All Star Jam Session and for parties and to enjoy the nightlife... yet there were no major incidents.

Yes, challenges remain. But we are clearly heading in the right direction.

Second – Our aggressive vacant building programs is a success story.

Like many cities, Downtown Dallas had its share of major vacant buildings. Many of these were locked up, had broken windows, open to the elements, they were not meeting basic fire and safety codes.

Some had become hotels for both pigeons and the homeless. These buildings – about 40 of them - were a threat to their neighbors, and a deterrent to economic progress in our core.

This state of affairs could not continue.

So we launched our Vacant Buildings Initiative in our Central Business District. The City Attorney's office, Code Compliance, the Fire Marshall and others began inspecting the buildings and citing the owners, mandating that they live up to the basic fire, safety, building and health codes that everyone else has to abide by. If not, they could fight it out with us in court.

Well, what a difference this program has made.

In the first phase, we named 7 buildings – of these, all but one have been brought into compliance. And even more exciting, three of the building's owners decided the hassle and cost of keeping them up were too much... and the structures were sold to an experienced downtown developer who is now exploring plans to develop the buildings.

A similar story is developing with the Phase 2 buildings and we hope to have more good news on those later this summer.

A third success story – a work in progress – the Omni Dallas Convention Center Hotel. What a difference a year makes. After a clearly challenging campaign, Dallas voters chose to make an investment in our city's future.

They understood that to remain competitive in our convention and hospitality industry, we had to have a top notch hotel attached to the Convention Center and that was important for downtown and the entire region.

In fact, just take note of the giant wind energy convention in town this week... it is the biggest convention Dallas has had in years... there is not a hotel room to be had for miles. And just last night.

That's the kind of business we want to see even more of, and will with the Omni Dallas Hotel.

And the good news about the hotel started just weeks after the election when we saved 150 million dollars when we went to market for financing.

And since the sales team started booking business last fall, we have already signed contracts worth over \$17 million in room nights with much more in the works.

And as you leave today, look up at the site and see what tremendous progress is being made.

Despite a very severe winter, the hotel is on budget and on schedule.

This week, they are pouring floor number 15.... They expect to hit floor number 23, and top out the hotel in August.

The Omni Dallas Convention Center Hotel will prove critical to the success of our Downtown and you all played a big role in that success. Congratulations.

And finally, a fourth success story for downtown... The "quality of life" investments we've made in many corners of downtown.

Last year, we opened Main Street Garden and it's already being enjoyed by downtown workers and residents...*and last Saturday....* and this summer at the other end of Main Street, we'll break ground on Belo Gardens.

We are seeing the Deck Park over the Woodall Rodgers Freeway taking shape... by next year this park will become our Boston Commons, our Millennium Park, *OUR* community gathering place. It will also be the bridge that brings Uptown, Downtown and the Arts District together.

Not far away, the walls of the Perot Museum of Nature and Science are starting to rise.

And next month, just a little further down the Woodall Rodgers Freeway, you'll see the 40-story arch of the Margaret Hunt Hill Bridge begin rising above the river.

And speaking of the Arts District... who can forget the amazing opening week of events last year when we all celebrated the opening of the AT&T Performing Arts Center.

The Center has brought Dallas world-wide attention – of the best kind. And tens of thousands of people from across North Texas descended on Center that week to see the new Winspear Opera House and Wyly Theatre and watch the thrilling fireworks show to cap it off.

These facilities may belong to the city of Dallas, but all of North Texas is claiming them as their own.

And we're not through. Later this year, we will celebrate the opening of the new Annette Strauss Artist Square and you'll see the City Performance Hall rise out of the ground, with an estimated completion date in 2012.

Already these investments are laying the seeds for development in that corner of downtown. Many of the firms considering relocating to Dallas have their eyes on buildings and land in-and-around the Arts District - It is now one of the choice places for real estate in Dallas.

My guess is, there are dozens of other success stories out there... all of them deserving more attention than I have time for here today.

But I do want to address a few of the challenges ahead....and most of them have to do with the economy.

Clearly, we are in a much better position than other cities in the country. And we have positioned ourselves to recover more quickly than other cities less fortunate.

However, the current budget situation at the City will likely trail the economy. And that, quite simply will cut into our ability to deliver services for the next year or so.

I know some of my colleagues would like us to consider a hike in our property tax rate. But this not the correct course to take.

Dallas residents are struggling just as we are to make ends meet. And having their property tax bill go up, even a few dollars a month, is not something they need right now. We must be sensitive to this. They are still tightening their belts and making tough choices, and we have to do the same.

I understand that the cuts last year were deep, and this year will be even deeper. And it's going to be painful. But we must do our best to reduce our costs for the next year, focus on bringing jobs and businesses to Dallas, and to do what we can do improve the housing market and our economy.

In contrast look ten years ahead and think about our ability to continue to bring businesses downtown. We need to grow our commercial tax base and raising taxes has never done that here or any place else.

And it is all the more important that the partnership between the Downtown stakeholders and the city continue to be strong.

We need your help to maximize our resources. To look for partnerships that can help us keep our parks vital. To help us keep crime down, graffiti abated, and the trash off the streets.

Next up: Transportation.

This clearly is going to be one of the biggest challenges facing our state, our region and of course, Downtown.

As I stated earlier, the investments we have made in light rail are already paying dividends for us in terms of businesses relocating to our city's core. Which is why it is critical to take the long view with our decisions on light rail and streetcars in the CBD.

Clearly, DART is facing its own set of financial challenges and reshaping its vision to conform to those new realities.

But *we* must make *our* decisions about the second DART light rail alignment and streetcars— based not on short term funding problems - but instead on our long term vision for Downtown Dallas.

We have to be planning both our light rail alignment AND our streetcar system – not for next year, or for five years from now – but literally for the Downtown that we see in 2020 and 2030 and 2040.

The choices we make today will determine how our downtown will grow and be sustained.

So – even if it may take us a few more years to find the additional funding for the most advantageous route – the extra time is a small price to pay for a rail system that we will have to live with for the next thirty, forty, fifty years and beyond.

And a third challenge I want to address, is not directly tied to our Downtown. However, it has everything to do with the message we are sending about our city. And that is the no-bid concessions contracts out at Love Field.

Dallas likes to see itself as a business friendly city. One that values free enterprise and entrepreneurship. We believe when we level the playing field - the best will rise to the top.

But a no-bid contract at Love Field – one that could last close to twenty years – makes a mockery of that.

And this is a bad contract for Dallas.

Now, I have made it clear from the start... *this is not about the people*. As long as the bid process is open to everyone, and the process is fair and transparent, it doesn't matter to me who gets the contract.

Because I have faith that the best deals with the best guarantees of good service and fair prices will win the day. *And I do believe that minority participation and being a local firm have value and can be a factor in that decision.*

But if we want the best deal, for both the city and for consumers, those contracts must be open to everyone in Dallas. We should not simply settle for the status quo.

You see, we have an incredible opportunity out at Love Field. We are going to have a brand new terminal in place just as the Wright Amendment is being lifted.

Our terminal could be, and should be better than Austin's and the new terminal at Houston Hobby and better than any our size making Love Field a more important player for the business traveler. Given its proximity to Downtown, that becomes a critical selling point when we're courting firms to Dallas. That is the message we should be talking about today with Love Field.

Instead – if we approve these no-bid contracts – we are sending a very different message. It tells all businesses – including entrepreneurs and MWBE firms - that we do not have a level playing field.

It tells taxpayers that the city does not know how to cut a good deal... that the biggest contract that the city will do for years did not go through the competitive clearinghouse of an open bid process.

And perhaps the worse message of all: That it's not the *best deal* you have to offer - but *who you know* that matters at Dallas City Hall.

And I can tell you, that's not a label we need.

These contracts are too important. Love Field's future is too important. And most importantly, our City's integrity is too important.

I hope you will support us on this.

Finally, I want to end on an upbeat message about Downtown Dallas. Because this is such a good news story. Really, as I said: a turnaround play.

And because we are clearly moving in the right direction... it is time we start seeing the future of Downtown, or in reality: **Greater Downtown Dallas**.

You see, as our City core grows... as more residents and businesses move in ... these different unique parts of downtown expand, filling in the blanks and begin melding into the whole of a Greater Downtown.

The Arts District - the Financial District – the Downtown Core – Uptown – Victory – the West End – the Cedars- Bryan Place – Deep Ellum - All of these unique neighborhoods become part of the diverse fabric of Greater Downtown – a downtown with 30-40 thousand residents, with businesses, shops, restaurants, parks, theatres.

If we truly believe in the future of our city's core, we need to start seeing Greater Downtown for the great downtown that it is.

By looking forward to what the seeds we are planting will become... we will find the inspiration and determination to get us through the challenges of today, and make the wise choices for tomorrow.