Date: February 2022

Bachman Area Planning Technical Memorandum



# Subject: Economic Development Opportunities

### Introduction

This memo will discuss how the study area might realize improved economic conditions and development as transportation and recreation access are improved. The Bachman Area is uniquely situated in the impact zone of the region's second-largest commercial airport and at the transition of neighborhood types. Past investments in an automobile-centric development pattern combined with the environmental justice issues of noise and air pollution have likely contributed to a challenging economic situation in portions of the study area today.

Comprehensively addressing economic challenges requires a multi-disciplinary approach. The Bachman Area Planning Study focuses primarily on improvements to the built environment created by our streets, public spaces, and private buildings. Within that framework, the existing economic conditions will be summarized and concluded with opportunities for leveraging transportation investments.

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### Policy Background

The new economic development strategy from the City of Dallas (discussed below) presents an opportunity for important issues, such as walkability and equity, to be directly addressed in an economic development context. While existing overlapping economic development districts make most of the study area eligible for public funds, implementing change is limited without private partnerships and may have expanded opportunities under the new strategic economic development plan.

### Strategic Economic Development Plan

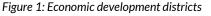
The City of Dallas adopted a new economic development policy in May of 2021 that produced a vision with four focus areas following a market analysis and public input process. These four focus areas are 1) generating economic vitality, 2) promoting community sustainability, 3) creating conditions for smart growth and sustainable development, and 4) delivering responsive governance. Highlights of the implementation strategy include establishing a new development entity, pursuing non-traditional funding sources, ensuring that zoning and land use supports inclusive growth, and creating walkable communities.

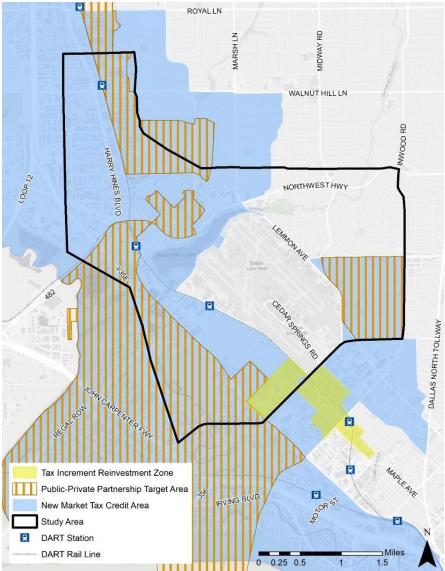
The implications of this policy on neighborhoods like the Bachman area are significant. For example, the proposed new development entity, through its business development and public real estate development functions, could attract employment to the area and build/incentivize affordable housing through public/private partnerships. The "creating walkable communities" strategy will also benefit the area greatly as it has a higher proportion of zero-car households than many other neighborhoods in Dallas. Higher walkability may also lead to a stronger community identity and could form the basis for future public or private investment.

More information here: https://dallasecodev.org/544/Strategic-Economic-Development-Plan

#### Existing Economic Development Programs and Incentives

There are three types of economic districts and programs intersecting the study area: the City of Dallas' Public/Private Partnership (P/PP) Program target areas, New Market Tax Credit (NMTC) program eligible tracts, and the Maple/Mockingbird Tax Increment Reinvestment Zone (TIRZ) southwest of the airport entrance (see Figure 1). This provides opportunity for most of the study area to leverage public revitalization funds using tools such as tax abatements, tax credits, and tax increment financing (TIF). However, it will be challenging for these programs alone, without private partnership to make significant economic improvements in this area due to longstanding market conditions.





### DISTRICT DEFINITIONS

P/PP: Program created by the City of Dallas to assist for-profit companies offset development costs through tax abatements, grants, loans, and other tools. All developments in Dallas are eligible, however, developments in target areas have lower minimum requirements.

#### **NMTC:** Fund

established by the US Treasury and administered by the City using zones. The program allows for private entities to offset federal income taxes by purchasing tax credits from community development entities.

#### TIRZ: Districts

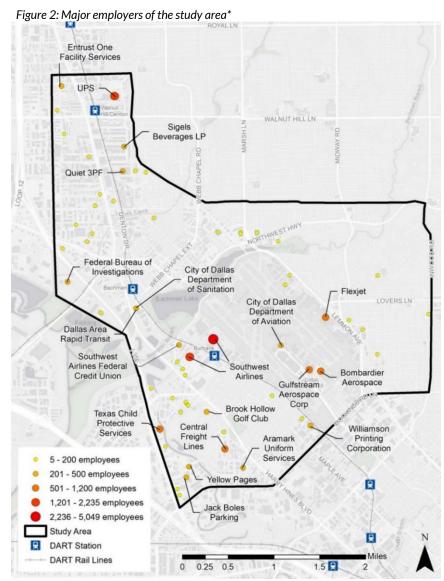
established by the City to utilize tax increment financing for infrastructure improvements and other eligible public expenditures

### Area Assets and Activity

Bachman Lake is located within seven miles of Downtown Dallas, within four miles of the Southwestern Medical District, and under two miles from the Trinity River to the west as well as the Northaven Trail to the north. Three DART stations connect the study area to various employment and recreation centers. There are also several large employers located in the study area as well as several recreational assets.

#### Major Employers

Major employers in the study area include Southwest Airlines, United Parcel Service (UPS), the City of Dallas (Dallas Love Field), and Central Freight Lines. There are also several other aviation-related employers located at Love Field. Figure 2 displays major employers in the study area. The two largest employers, Southwest Airlines and UPS, are both located very close to rail stations.



\*Disclaimer: Data may not fully represent the current state of employment in the study area due to disparities such as official employee location (e.g., Federal airport employees appearing to work from Washington DC but work at Love Field, Southwest Airlines employees appearing to work from the corporate headquarters but working elsewhere).

### Employment

According to the Census Bureau's 2018 Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES)<sup>1</sup>, accessed through the OnTheMap tool, there are almost 60,000 workers employed in the study area but only about 14,000 workers living in the study area. However, it is estimated that under 900 workers live and work in the study area. Figure 3 displays the breakdown of workers living and employed in the study area. Major employment centers exist in the study area but do not appear to employ many residents of the study area.

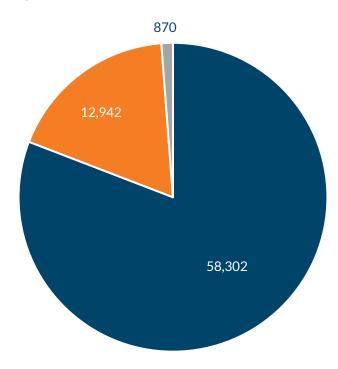


Figure 3: Workers living and employed in the Study Area

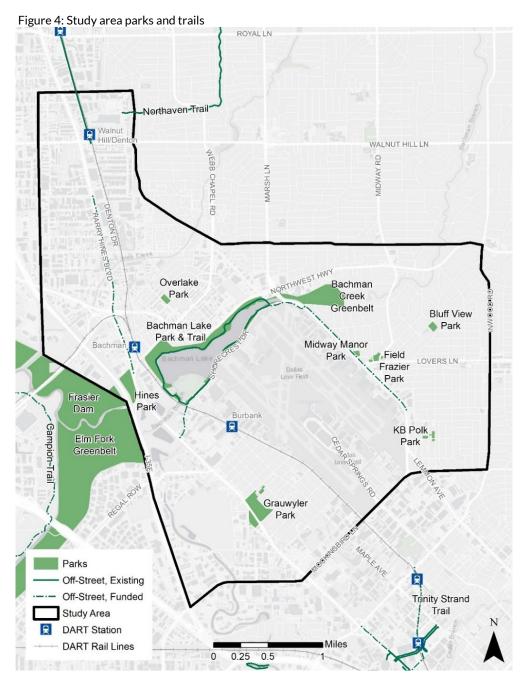
- Workers employed in Study Area but living outside
- Workers living in the Study Area but employed outside

	Number	Percent of Total
Workers employed in the Study Area	59,172	82.1%
Workers living in the Study Area	13,812	19.2%
Workers employed in Study Area but live outside	58,302	80.8%
Workers living in the Study Area but employed outside	12,942	17.9%
Workers living and employed in the Study Area	870	1.2%
Total employees living or working in Study Area	72,114	100.0%

Source: US Census Bureau's OnTheMap tool

#### **Recreational Assets**

The study area contains nine parks and sits between existing and future regional multi-use trails including the Northaven Trail, Campion Trail (Irving), Trinity Strand trail, Elmfork Trinity River greenbelt, and Bachman Lake Trail. Through this Bachman Area Planning Study, public engagement indicates that residents hold significant value in having access to park space. Public investments in these recreational amenities can improve quality of life and provide general beautification, attracting new private investment and creating value for residents. A 2016 study of the Dallas parks system indicated Dallas parks generate over a \$600 million return on investment through tourism, real estate, and environmental value<sup>2</sup>. Figure 4 displays a map of the parks and trails most relevant to the study area.



## Zoning

The study area contains 24 different zoning districts (see Figure 5). Almost half of the land in the study area is zoned for industrial use. The second most common land use zone category is single family residential (approximately 25 percent). The study area also has 34 planned development zones, which can vary widely in use. Additional land use specific studies may need to be conducted to evaluate re-zoning for new walkable development opportunities.

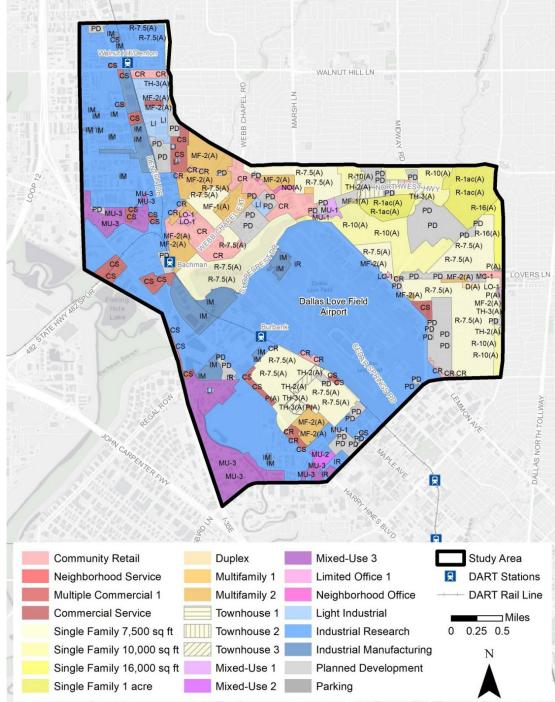


Figure 5: Zoning Districts in the Study Area

## Demographics

Understanding the characteristics of the population in the study area informs the economic development needs and market potential. Demographic data are based on Census block group level 2019 American Community Survey 5-year estimates and organized into six analysis neighborhoods created to provide a more descriptive summary of the large study area. See Figure 6 for a map of the analysis neighborhoods. It should be emphasized that Census estimates have varying levels of precision; therefore, all statistics in this section should be viewed as supporting information and less as definitive conclusions.

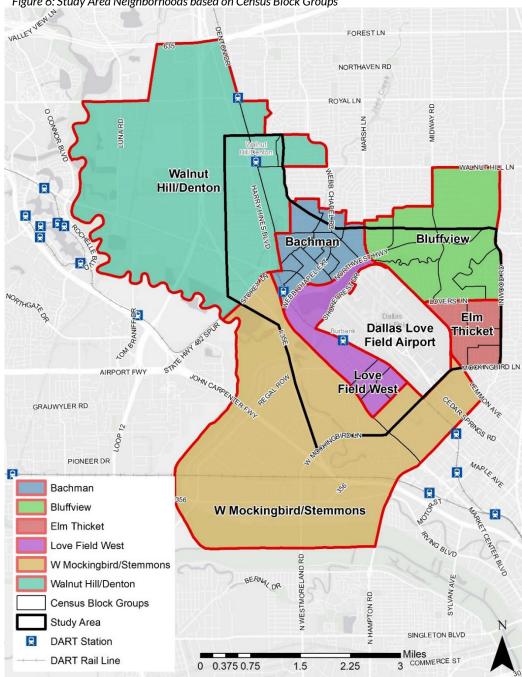


Figure 6: Study Area Neighborhoods based on Census Block Groups

The total population of the study area is over 51,000 residents. The highest population density in the study area is found in the Bachman neighborhood. This neighborhood also has the highest percentage of residents under 18 years of age, minority residents, limited English proficiency (LEP) residents, and zero-car households. It also has the lowest average household income and lowest percentage of residents over 65. Elm Thicket, Love Field West, W Mockingbird/Stemmons, and Walnut Hill/Denton are similar demographically with some unique characteristics. The Bluffview neighborhood is generally more affluent, older, and has fewer non-white residents.

Average household sizes in the study area neighborhoods vary from 1.8 people per household (W Mockingbird/Stemmons) to 3.2 people per household (Love Field West). Housing unit density and percent renter-occupied housing units are highest in the Bachman neighborhood although W Mockingbird/Stemmons has a similar rate of renter-occupied units. The Bluffview neighborhood has the highest percentage of owner-occupied housing units. Only one other neighborhood, Love Field West, is majority owner-occupied.

Driving alone is the most common commute mode in all neighborhoods and carpooling is the second most common mode in all neighborhoods except W Mockingbird/Stemmons. In the W Mockingbird/Stemmons neighborhood, walkers and transit users make up approximately 10 and 11 percent of commuters, respectively, while carpoolers only make up six percent of the commuting population. Bachman has the second-highest transit user rate at only six percent. According to this Census estimate, there are zero bicycle commuters in the study area.

The study area has an overall diverse population with sometimes major differences between neighborhood populations. Using this data can generally help target increased public investment in low-income and minority communities facilitating new economic development opportunities. See Figure 7 to compare statistics between analysis neighborhoods.

#### Figure 7: Demographics, Housing, and Commuting data

		Demo	graphics				
Neighborhood	Deehmen	Bluffview	Elm	Love Field	W Mockingbird /	Walnut Hill /	Study
	Bachman		Thicket	West	Stemmons <sup>a</sup>	Denton <sup>a</sup>	Area
Total population	21,342	8,210	4,668	5,697	5,586	5,553	51,075
Population density (people/ sq. mile)	15,699	2,711	5,657	4,140	581	583	1,834
Average median age	29	42	39	37	36	34	34
% Over 65	3%	17%	10%	15%	12%	5%	9%
% Under 18	31%	20%	21%	26%	13%	28%	25%
% Labor force participation <sup>b</sup>	76%	69%	68%	63%	62%	78%	71%
% Unemployed <sup>b</sup>	4%	3%	4%	6%	12%	4%	5%
Average median household income <sup>c</sup>	\$34,701	\$126,049	\$37,168	\$48,722	\$43,024	\$65,495	\$57,215
% Less than high school diploma/GED <sup>d</sup>	63%	10%	21%	58%	12%	42%	39%
% High school diploma/GED <sup>d</sup>	24%	10%	25%	24%	22%	22%	21%
% Some college or higher <sup>d</sup>	13%	80%	54%	18%	66%	35%	40%
% Minority population	74%	29%	60%	68%	71%	67%	64%
% LEP population	54%	11%	6%	35%	5%	42%	34%
% LEP population – Spanish	54%	10%	5%	35%	2%	40%	33%
% Zero car households	15%	3%	3%	8%	12%	6%	10%
		Но	using			•	
Average household size	2.9	2.3	2.3	3.2	1.8	2.8	2.6
Total households	6,921	3,427	1,859	1,647	2,610	1,869	18,338
Housing unit density (units/sq. mile)	5,091	1,132	2,253	1,197	271	196	659
% Owner-occupied housing units	6%	73%	47%	59%	9%	31%	31%
% Renter-occupied housing units	94%	27%	53%	41%	91%	69%	69%
			muting				
% Drive alone	57%	76%	88%	69%	70%	67%	67%
% Carpool	31%	10%	7%	29%	6%	27%	22%
% Transit	6%	1%	2%	1%	10%	1%	4%
% Bike	0%	0%	0%	0%	0%	0%	0%
% Walk	3%	1%	2%	1%	11%	2%	3%
% Other commute modes a: Neighborhood includes a large block group th	3%	12%	1%	0%	3%	3%	4%

a: Neighborhood includes a large block group that lies primarily outside of study area

b: Residents 16 or older excluding those in the armed forces

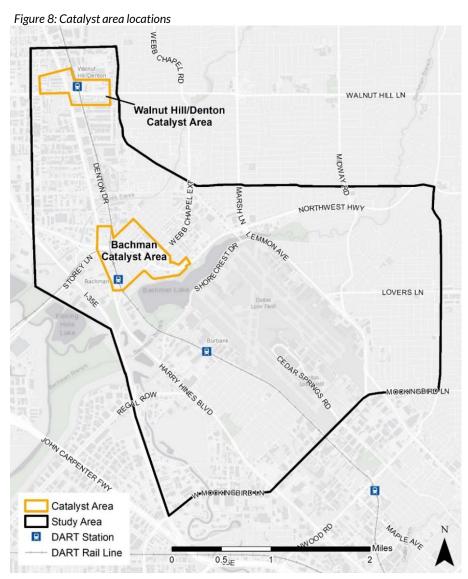
c: Median household income of Census block groups in neighborhood divided by the number of Census block groups in the neighborhood

d: Residents 25 or older

### Catalyst Areas

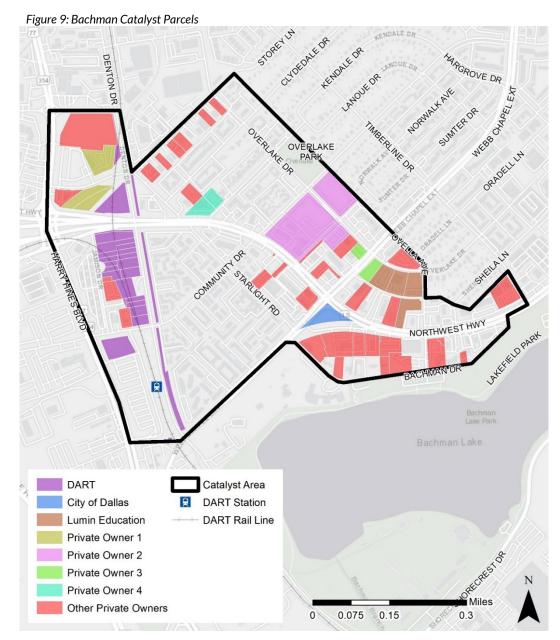
Using stakeholder input and focusing on areas needing new investment with vacant or underused land, two economic catalyst areas were identified within the study area. The first encompasses Northwest Highway from Harry Hines Boulevard to Timberline Drive and includes Bachman Station and Overlake Park. Its land uses are primarily multi-family housing, commercial property, and vacant property. The second catalyst area is based around the Walnut Hill/Denton Station and is primarily composed of industrial and commercial properties. Both catalyst areas, while currently underinvested, have potential to be impactful to the wider community. Figure 8 shows the location of the catalyst areas within the study boundary.

Dallas Central Appraisal District property data (2021) was utilized to find parcels in the two catalyst areas that have improvement values greater than their land values. Properties where the land is more valuable than the buildings on it (improvements) is used as a draft estimate of land likely to redevelop if greater demand can be incentivized. Detached single-family residential properties and public parks were excluded in this analysis.



### Bachman Catalyst Area Parcels

Using the methodology described previously, 83 parcels totaling approximately 57 acres in the Bachman area were identified as possible catalytic development sites. Although not all are totally vacant, DART owns 29 parcels (3.5 vacant acres) in the study area. The City of Dallas owns a single 1.2-acre vacant parcel at the corner of Northwest Highway and Webb Chapel Extension and Lumin Education, a non-profit education organization, owns almost four acres of mostly vacant land in a cluster of four parcels in the area as well. There are also four private owners who each own key vacant or neighboring parcels in the area that could be redeveloped. Regulations related to Love Field Airport's runway protection zones need to be considered in redevelopment plans. Overall, fractured ownership in the area will hinder redevelopment, however, several vacant properties present an opportunity for new development without displacement of existing businesses. Figure 9 displays the parcels of interest.



### Walnut Hill/Denton Catalyst Area Parcels

Using the methodology described previously, 28 parcels, totaling approximately 60 acres in the Walnut Hill/Denton area were identified as possible catalytic development sites. Three of these parcels (14.8 acres) are owned by DART, including the rail station park-and-ride lot (269 parking spaces on 13.4 acres). While no vacant sites exist in this area, lower value buildings and underutilized parking lots with redevelopment potential are common. Given the proximity of the rail station, transit-oriented development may be realized here as well, however, like the Bachman catalyst area, fractured ownership will hinder redevelopment. Figure 10 displays the parcels of interest. See Transit memo for more information on light rail station redevelopment and the Past Plans, Funding, and Ongoing Local Government Coordination memo for a summary of the Urban Land Institute's study of the area on the project website: www.NCTCOG.org/BachmanArea.

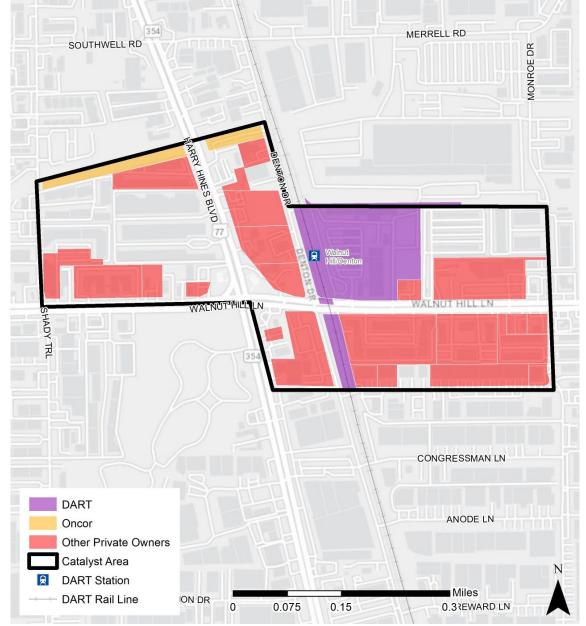


Figure 10: Walnut Hill/Denton Catalyst Parcels

## Area Transportation-Centered Opportunities

Changes in roadway design combined with land use led by public-private partnerships are one method to lead economic development. Additionally, investments in more context sensitive roadways which feature a better public space centered around more walkable and bike friendly streets and trails could increase the appeal of this centrally located area. Four transportation-centered redevelopment opportunities that could be realized in the Bachman Area are presented here.

### Northwest Highway-Storey Lane-Harry Hines Boulevard Interchange

The interchange between Northwest Highway (State Highway Loop 12), Storey Ln (State Highway 482 Spur), and Harry Hines Blvd is of special interest regarding economic development potential. Currently, the interchange includes nine ramps that cross over each other and a DART light rail line (Orange Line). The interchange also occupies about 33 acres of land, including a section of Joes Creek and its 100-year floodplain. It is estimated that the reconstruction of the ramps to a simpler configuration could open approximately 20 acres of land to be redeveloped. With flooding concerns on parts of Northwest Highway, this land could also be used as recreational green space to help with stormwater mitigation. Longer-term, there may be opportunity for private redevelopment. Figure 11 displays the area of interest along with the 100-year floodplain.



Figure 11: Northwest Highway-Storey Lane Interchange

### **Complete Streets and Road Diets**

Research and case studies suggest that road diets and complete streets can increase economic development potential and values on surrounding properties. Additionally, it may also increase retail sales for businesses along the improved corridor.<sup>3,4,5</sup>

A road diet consists of reducing the number or width of vehicular travel lanes to improve safety and increase non-vehicular modes of travel. Road diets are most often applied to street segments with too many lanes for the level of traffic using the segment. The City of Dallas and TxDOT Dallas District have preliminarily discussed the possibility of reducing lanes on Northwest Highway to soften the barrier between the neighborhood and Bachman Lake Park caused by the roadway and to improve user safety. This modification would provide additional right-of-way for the construction of amenities such as continuous sidewalks with separation from the curb, street trees, and pedestrian lighting.

A complete street is a street that facilitates multiple modes of transportation, usually a combination of vehicles, transit, pedestrian, and bicycles. Safety is prioritized over vehicle speeds through various interventions such as vehicle lane narrowing, sidewalk and bike lane construction, accessible transit stops, and more. Numerous streets in the Bachman neighborhood such as Community Drive and Overlake Drive may be good candidates for this design as well as Shorecrest Drive, which is already included in the Dallas County 7<sup>th</sup> Call MCIP. See the "Past Plans, Funding, and Ongoing Local Government Coordination" document on www.NCTCOG.org/BachmanArea for more funded complete street projects.

### **Trail-Oriented Development**

There is evidence that bicycle trails can increase property values and retail sales and decrease commercial vacancies in the areas the trails are constructed. However, there is also evidence that bicycle infrastructure can increase rent in areas that have a low supply of bicycle-friendly streets.<sup>6</sup>

The proximity of the study area to established regional trails is an asset that could be capitalized on through trail-oriented development. The feasibility of trail-oriented development in the study will be clearer following the completion of currently underway studies.

### **Transit-Oriented Development**

Two of the three rail stations in the study area have large, highly underutilized park-and-ride lots.<sup>7</sup> These lots could be redeveloped eventually for TOD but due to the economic conditions of the area, it is an unlikely short-term achievement. For further information regarding TOD in the study area, see the Bachman Area Planning Transit memo on the project website:

www.NCTCOG.org/BachmanArea.

### Recommendations

The City of Dallas should consider initiating an economic redevelopment plan that comprehensively examines the market and community needs of the Bachman area with a focus on leveraging transportation investments to support affordable housing, land use, environmental hazards, crime, anti-displacement, and other social or environmental goals. A more detailed plan would examine the current market, new City of Dallas economic policy, possible zoning changes, and options for public-private partnerships that can support the area.

Areas of specific focus for economic development include the Walnut Hill/Denton Station Area and the Bachman Neighborhood/Bachman Station Area and major roadways including Northwest Highway where road diets and complete streets can help catalyze development interest.