

ECONOMIC DEVELOPMENT STRATEGIC PLAN CITY OF FORT WORTH, TEXAS



EXECUTIVE SUMMARY

DECEMBER 2017

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

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ISAAC BARCHAS led the Austin Technology Incubator for 10 years, starting in 2006. Over that time, he has overseen the incubation of more than 200 companies. He is responsible for ATI's strategic direction and evolving the ATI economic model. Isaac remains active in the technology and venture capital communities in Austin and across the US and has been published in the *Washington Post*, *Wall Street Journal*, *Chicago Tribune*, and *Austin American Statesman*.

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ABOUT THIS WORK

CHALLENGE. Over the last several decades, Fort Worth has been one of the fastest-growing large cities in the US. The challenge for economic development, however, is not just whether the community can continue to add people and jobs. As with all growing cities, the question becomes what kind of development the City wants—and what it will take to ensure that development is sustainable. In short, how does Fort Worth “up its game” to compete regionally as well as globally?

There are two existing models in Fort Worth that demonstrate the effectiveness of long-term, strategic thinking. A lesson can be learned from Hillwood’s business development strategy for the Alliance district. A long-term vision, a thoughtful approach to real estate development, investments in strategic transportation assets, and a holistic view that includes amenities and housing are the factors that have established Alliance as a national model of successful business development. Similarly, Sundance Square has undertaken long-term planning efforts that have transformed the city. Thanks to the rejuvenation of downtown, Fort Worth now has a true center of gravity that functions as the city’s premier entertainment, dining, shopping, and residential district. Yet, despite the success of Alliance and Sundance Square, these two models stand as outliers in Fort Worth, almost as if they are separate from the community. The City, the Fort Worth Chamber, and other partners have not embraced the need for a narrowly focused economic development program that aggressively pursues the most promising opportunities. Without a focused business development effort, Fort Worth has fallen behind its competition. The city’s growth in recent years has largely been defined by expansion of single-family residential development driven by employment growth in other cities.

The threats facing the city may not always be apparent but they are very real. Recent business relocations, an increase in population not matched by an increase in wages, an out-of-balance tax base, and persistent difficulties in attracting skilled and educated young people—these issues risk engulfing Fort Worth. These challenges put Fort Worth in an increasingly weak position towards the City of Dallas and aggressive suburbs throughout the metro area. Of course, these concerns represent a snapshot in time. Conditions will change. Some of the trends we have identified are themselves subject to changes at the national level. That is part of the challenge as well: establishing a strategic framework flexible enough to respond to changing conditions while moving the community toward a more prosperous future.

RESPONSE. To address this challenge, the City of Fort Worth chose to devise its first ever economic development strategic plan. Working with TIP Strategies (an economic development consulting with offices in Austin and Seattle) and their partners (Fregonese Associates, JLL, and Isaac Barchas), the City of Fort Worth has engaged the business community and local stakeholders to create a strategic framework to guide the City’s economic development activities. During the project’s “Discovery Phase,” the TIP consulting team met with more than 300 community, business, and academic leaders through roundtable discussions, employer interviews, and other meetings with key stakeholders. Input was also received during community workshops held in each of the six target areas (specific neighborhoods studied for their redevelopment potential) and through an online community survey that received nearly 1,300 unique responses. The project Steering Committee and Leadership Team provided their expertise over the course of five meetings, which contributed immensely to the strategic plan.

RESULTS. The economic development strategic plan that emerged has very **specific outcomes**:

1. High-wage job growth.
2. A more sustainable tax base, driven less by residential property valuation and more by commercial and industrial investment.
3. An economy that capitalizes on high-growth businesses and the creative individuals who fuel them.
4. A commitment to “quality of place” throughout the community.

These outcomes are tangible and measurable. In the case of the first two (wage growth and tax burden), data are readily available and can be easily tracked over time. The third outcome (attracting high-growth industries) can be measured using employment data in target industry classifications. The fourth outcome (quality of place) is less easily measured, but there are many ways in which the vitality of neighborhoods can be assessed indirectly. These include rising home values, new business startups, reduction of blighted areas, and the emergence of walkable corridors with a mixture of residential and commercial developments and related amenities.

The plan is ambitious by design and is structured around a bold vision. That vision was articulated in the City’s initial call for a strategic plan, and, in various forms, was reiterated in stakeholder discussions. The vision seeks to capitalize on the city’s many advantages and its dramatic growth.

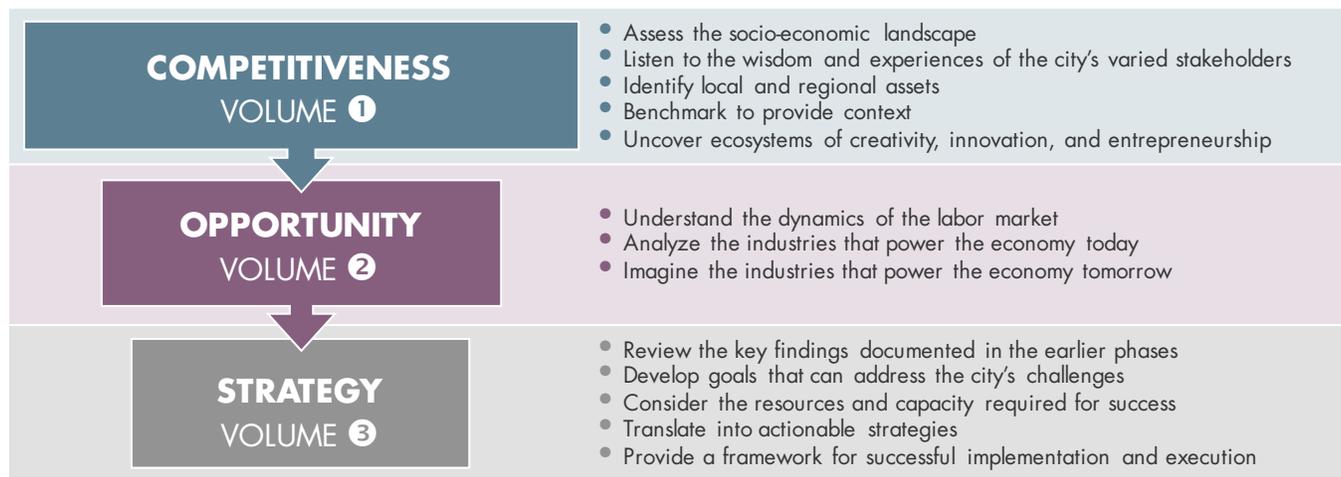
EXECUTIVE SUMMARY

What is the significance of Fort Worth emerging as one of the most populous US cities? It means the city has an opportunity—even a responsibility—to capitalize on its growing size, influence, and economic potential. The goals and initiatives in this plan are an ambitious response to that new reality.

The plan is a roadmap for the city’s economic development program. Just as important, it must be viewed as a call to action. The time has come for Fort Worth to embrace its status as a major US city and compete on the national and international stage.

The results of the planning process are presented in three interlinked volumes, representing three distinct phases of work. The first phase was a journey of discovery into the city’s competitive landscape. The second phase focused on the opportunities underscoring the city’s workforce and its industry structure. These first two phases laid the groundwork for the strategic plan that emerged in the third phase of work. This document, Volume 3, provides a roadmap for the City’s economic development program, with initiatives and actions organized into the themes of **competitiveness, creativity, and community vitality**. In support of these goals, there is an implementation section, including a recommended organizational structure and necessary tools and resources.

FIGURE 1. PLANNING PROCESS OVERVIEW



PHASE 1: COMPETITIVENESS AS CONTEXT

Development of a strategic plan begins with a months-long process of data collection, stakeholder meetings, and fieldwork. In this first phase of work, the consultants, TIP Strategies, assessed the demographic, economic, and fiscal patterns characterizing all aspects of the City of Fort Worth’s growth. Meetings were held to gather input and understand the needs and experiences of the city’s many stakeholders. Roundtables and interviews were held with major employers, real estate professionals, academic leaders, and other experts to gather input on specific industries and areas of opportunity addressed by the plan’s recommendations. The process also involved cataloging strategic local and regional assets across a broad spectrum ranging from cultural and tourism assets to entire city districts; from the elements of transportation connectivity to the educational and medical institutions that anchor the city’s economy; from the city’s major employers, largest taxpayers, and visionary philanthropists to its strategic partners in promoting economic growth. The consultants benchmarked the city and the Dallas-Fort Worth metro area against selected places around the US and around the world in order to better understand Fort Worth in the context

of its peers. Experts were brought in to analyze the city’s build-out potential (Fregonese), to map out the city’s entrepreneurial ecosystems (Isaac Barchas), and to evaluate the city from a corporate site selection perspective (JLL).

After months of investigation, the first volume in this three-volume series was rolled out. Volume 1 included an unabridged reference appendix with the entire scope of the research undertaken. Most importantly, Volume 1 summarizes the consulting team’s findings from this phase of work. These findings highlight specific issues affecting the city’s competitive position and, as such, form important underpinnings of the economic development strategic plan in the final phase of work. The findings from Phase 1 shown below are supplemented by a technical report with guidance on marketing, program areas, and site selection, which was delivered to City staff separately.

VOLUME 1 COMPETITIVENESS	
THEME	FINDINGS
Implications of Land Use	<i>The City has a vast reserve of land (vacant properties & redevelopment sites) that can drive economic growth</i>
	<i>In the absence of a focused business development effort, residential uses dominate the tax base</i>
	<i>Regional job growth draws Fort Worth residents outside the city for work</i>
	<i>Current trends imply that Fort Worth’s jobs-housing balance is slowly eroding</i>
Districts as Drivers	<i>Fort Worth has districts at different stages of their life cycle, which can serve as drivers for economic development</i>
	<i>Harnessing the potential of the urban core (Downtown & surrounding districts) will be critical to the city’s future</i>
External Visibility	<i>Fort Worth has relatively low external visibility among large US cities</i>
	<i>Fort Worth has a unique asset to leverage for enhancing the city’s external visibility...It’s Not “Dallas International Airport” It’s DFW</i>
	<i>Fort Worth is a visitor destination with untapped potential</i>
Economic Development	<i>Economic development is a shared responsibility among local entities</i>
	<i>Fort Worth’s partners must expand and add to current baseline economic development activities</i>
	<i>New initiatives are required to take Fort Worth to the next level</i>
	<i>A proactive economic development effort is required to counteract misperceptions of the city and to increase investment</i>
	<i>Fort Worth lags many benchmark communities—both within the region and outside the state—in terms of resource levels allocated to economic development</i>
	<i>Fort Worth’s favorable factors for corporate site location should inform the City’s target marketing messages, both nationally and internationally</i>
	<i>Favorable perceptions of the city among commercial real estate brokers should be emphasized in marketing efforts</i>
	<i>Economic development marketing efforts lack consistent messaging as well as global perspective</i>

PHASE 2: OPPORTUNITY FOR TALENT AND INDUSTRY

While the first phase of work was far-ranging in the scope of material it covered, the second phase was more focused on specific areas of opportunity. Phase 2 concentrated on a thorough review of the city’s industrial and occupational drivers. The consultants sought to understand the dynamics of the city’s labor market, to analyze the industries that power the current economy, and to imagine the possibilities embodied in Fort Worth’s industries of tomorrow. This work was largely data-driven but also involved extensive fieldwork. Roundtable discussions and interviews were held with

industry leaders in the fields of healthcare, aviation/aerospace, startups and technology, higher education and workforce, infrastructure, logistics and transportation, and manufacturing.

Like Volume 1 (the competitiveness assessment), this second volume included an unabridged reference appendix to catalog the entire scope of the research undertaken. Again, the consultants summarized key findings from this phase of work to further inform the preparation of the economic development strategic plan in Volume 3.

VOLUME 2 OPPORTUNITY	
THEME	FINDINGS
Workforce Considerations	<i>Given the importance of a skilled labor force, Fort Worth’s opportunities must be considered within the context of ongoing structural challenges presented by a declining jobs-to-household ratio and weak job growth in high-wage occupational categories</i>
	<i>A number of Fort Worth’s existing sectors and emerging opportunities will require STEM talent, which is currently lacking in the region</i>
	<i>Employment in Fort Worth’s urban core generates citywide economic benefits and should be encouraged</i>
Existing Industry Strengths	<i>The transportation and warehousing sector is the city’s largest in terms of its share of total employment</i>
	<i>Regional strengths in manufacturing are weighted towards Fort Worth</i>
	<i>Fort Worth’s resilient healthcare employment has avoided cyclical patterns</i>
	<i>The oil and gas sector is evolving, and Fort Worth's role must evolve as well</i>
Emerging Opportunities	<i>The hospitality and tourism sector remains under-developed in the City of Fort Worth relative to its potential</i>
	<i>Fort Worth’s aerospace manufacturing expertise and relatively high profile in this industry should be leveraged to pursue design and R&D functions</i>
	<i>Opportunities created by Fort Worth’s large concentration of healthcare employment, life sciences firms, and the newly established TCU UNTHSC School of Medicine should be aggressively pursued</i>
	<i>Fort Worth is well-positioned for geotechnical growth and innovation due to its long-standing strengths in oil and gas</i>
	<i>Existing international assets available to Fort Worth present the opportunity to strengthen international business and tourism opportunities</i>
	<i>A more aggressive stance will be required for Fort Worth to capture a greater share of high-profile corporate expansions within the region</i>
	<i>Dramatic regional growth in professional services has not been realized in Fort Worth, but should be</i>
Connecting the Dots	<i>Fort Worth is a significant center of private equity</i>
	<i>Institutions of higher education in Tarrant County are a key component of the region’s talent pipeline and are essential for the city’s future success in growing high-wage jobs and attracting high-growth businesses</i>
	<i>Meeting the growing demand for aerospace workers with advanced skillsets will require a greater emphasis on STEM education and training at the local level</i>
	<i>The city’s incentives policy should be designed to promote growth in specific geographic areas and in target industries</i>
	<i>Fort Worth must commit to making the public investments required for the city to compete for high-growth businesses and top-tier talent</i>
	<i>To advance economic development in Fort Worth, an expanded collaborative effort will be required</i>

PHASE 3: FROM ANALYSIS TO STRATEGY

Strategic planning combines both art and science. The “art” consists of a delicate synthesis of the vast amount of input gathered from a wide range of stakeholders with complex and nuanced views; the “science” is represented by a straightforward analysis of statistics using transparent, methodical processes. Both aspects—art and science—were combined in Volumes 1 and 2 to form the groundwork for the leap from analysis to strategy.

The strategy work was also informed by input received on one central question asked of stakeholders throughout the planning process: “What does economic success look like in Fort Worth?” This input included asking local experts to point out other successful cities to understand how Fort Worth could learn from and compete with them. The consulting team looked to these cities, which included Denver, Austin, and Nashville (among others), and the priorities of City leadership to craft a compelling vision to drive the plan and provide a framework for action.

The vision that emerged seeks to broaden Fort Worth’s horizons and create a more expansive view of economic success for the future. The vision is operationalized by three goals, which are supported by a series of strategies and actions. The three goals, along with the priority strategies that fall under each goal, are presented below.

VOLUME 3 STRATEGY	
GOAL	PRIORITY STRATEGY
Establish Fort Worth’s competitive edge	<i>Launch a national strategy to generate interest in Fort Worth among major real estate firms.</i>
	<i>Expand the Chamber’s role in marketing Fort Worth for international business development.</i>
	<i>Redesign Fort Worth’s business retention & expansion (BRE) program to better address the needs of major employers and key industries.</i>
	<i>Expand employer-led sector partnerships to address critical workforce issues.</i>
Become a hub for creative businesses	<i>Formally designate the Near Southside as a “medical innovation district.”</i>
	<i>Expand the reach of entrepreneur networking among the city’s startup and tech communities.</i>
	<i>Raise the profile of the Main Street Fort Worth Arts Festival for national/international visibility.</i>
	<i>Create a Futures Forum at the City of Fort Worth.</i>
Ensure community vitality	<i>Rapidly increase the density of residential development in downtown and surrounding urban districts such as Panther Island.</i>
	<i>Focus city investments along specific corridors and at nodes of existing business activity.</i>
	<i>Conduct an audit of the small business support mechanisms available in Fort Worth.</i>

This process of anchoring goal-setting activities with well-grounded, well-informed strategic priorities has been a fundamental methodological approach of this three-volume report. The remainder of the executive summary explains the strategic plan in more detail, including the overall vision and a description of the three primary goals. This is followed by a section on the implementation process and concludes, appropriately, with a section on measuring performance.

STRATEGIC PLAN OVERVIEW

The plan is structured around a bold vision. That vision was articulated in the City’s initial call for a strategic plan, and, in various forms, was reiterated in stakeholder discussions. It seeks to capitalize on the city’s many advantages and its dramatic growth. Based on annual population growth trends since the last census, Fort Worth is on track to become the nation’s 12th largest city by 2019, a significant leap from its 2016 ranking as the 16th largest. This track would leap frog major US cities including San Francisco, Columbus, and Indianapolis.

The steady stream of new residents, coupled with the city’s vast tracts of available land and numerous assets, calls for an ambitious response. Findings from the planning process suggest the time has come for Fort Worth to use its growing influence to compete more fully on the national and international stage. Committing to a longer-term vision (not just short-term success) means embracing a holistic notion of what economic development can accomplish. A clear, concise vision provides strategic direction and serves as a touchstone for future decisions, especially those that impact community investments and re-allocation of resources. This focus is reflected in the vision statement that emerged from the planning process.

VISION

To compete successfully on the national and international stage for creative, high-growth businesses and the talented individuals who fuel them.

Supporting the vision are three goals. These goals address **competitiveness**, **creativity**, and **community vitality**. They form the core of the plan’s recommendations. They reflect the guidance received by the City and stakeholders and were informed by data analysis and benchmarking against other communities facing similar challenges. Within each goal are specific initiatives that the City—and the community at large—can undertake to realize the vision. Some of the initiatives represent “baseline economic development,” that is, the activities every city must commit to for economic growth. Others are intended to be transformative—strategies that will have a more dramatic impact on the future of the community as a whole. An implementation matrix is provided for directing the work of the City and its partners. In addition, the plan includes a discussion of tools and resources to support implementation.

The approach taken in this plan has been especially mindful of the fact that economic development is never a strictly City-driven activity. It is, first and foremost, a community challenge.

GOAL 1. ESTABLISH FORT WORTH’S COMPETITIVE EDGE



Economic development is not a game for the faint of heart. It can hardly be described as a game at all. Economic development is an intense international competition among powerful cities

fighting to grow their economies, enhance their urban vitality, and compete for talent and business investment. Incentives are a contentious, but essential component of business attraction. In the Dallas-Fort Worth metro area, dozens of communities vie for projects large and small. An economic engine that competes successfully for new business in Fort Worth already exists: Hillwood’s ongoing development of Alliance. This plan calls for more formal mechanisms to connect the City and

PRIORITY STRATEGIES

- Launch a national strategy to generate interest in Fort Worth among major real estate firms.
- Expand the Chamber’s role in marketing Fort Worth for international business development.
- Redesign Fort Worth’s business retention & expansion (BRE) program to better address the needs of major employers and key industries.
- Expand employer-led sector partnerships to address critical workforce issues.

Hillwood, but the Alliance template for business development is a model that should be emulated by the City, the Chamber, and other partners focused on stimulating economic growth in Fort Worth. With the exception of Alliance, the reality is that Fort Worth has not been an effective player in the region. The question is not whether Fort Worth can continue to grow absent a more aggressive posture; it can. The real question is whether high-profile recruitment opportunities, those that generate enormous press and attract both investment and high-paying jobs, will by-pass Fort Worth. Unless the community makes a whole-hearted commitment to competing for projects, growth will be driven more by residential development and lower-wage employment. The success of this plan is predicated on a more dynamic approach to business attraction and retention.

THE INITIATIVES

- 1.1. Brand & Image.** Elevate the profile of Fort Worth at the regional, national, and international levels.
- 1.2. Marketing & Target Industry Recruitment.** Attract new investments and businesses into the community, focusing on target industries that align with Fort Worth’s assets.
- 1.3. Business Retention & Expansion (BRE).** Improve the competitiveness of existing businesses and help them remain and grow in the community.
- 1.4. Workforce & Industry Partnerships.** Expand collaboration between employers and training providers to address the needs of local industries and build a pipeline of talent to fuel future business growth.

OVERVIEW OF PRIORITY STRATEGIES

INITIATIVE: BRAND & IMAGE
PRIORITY STRATEGY: Launch a national strategy to generate interest in Fort Worth among major real estate firms.

Challenge	<i>While public-sector investments such as transportation networks and water/wastewater systems are necessary to set the stage for economic development, the private sector is responsible for the vast majority of the built environment in US cities. This is especially true in the Dallas-Fort Worth metro area, where the real estate development and brokerage community drives a high level of business expansion and recruitment activity. Compared with Dallas and its northern suburbs, Fort Worth is an afterthought among regional and national real estate professionals. Current and recent construction of office space exacerbates this problem, with more than half of all ongoing class A office space under construction in a narrow corridor stretching from downtown Dallas, up through Plano, and into Frisco. In light of their importance to the process, building relationships with brokers and developers should be a major focus of the City’s marketing and recruitment efforts.</i>
Response	<i>As a starting point for stronger ties to the real estate community, the City should create a Fort Worth Real Estate Working Group (in partnership with the Real Estate Council of Greater Fort Worth). This group should provide guidance on strategies for hosting a national conference of real estate brokers and developers, a major real estate competition focused on a specific project in Fort Worth, and other events (such as CoreNet Global and the annual meeting of the Urban Land Institute). In addition, the City and Chamber should launch a real estate-focused foreign direct investment (FDI) strategy to build awareness of Fort Worth among global real estate investors.</i>

Results *With an abundant supply of land, few natural barriers, and a pro-growth mindset, the Dallas Fort-Worth area has been able to thrive on its aggressive real estate opportunities. The economic development community, especially in Texas, has long recognized that unless something “happens on the ground,” the benefits are usually ephemeral. If Fort Worth can raise its profile among regional and national real estate professionals, it will realize the benefits of these relationships in the form of “on the ground” opportunities.*

INITIATIVE: MARKETING & TARGET INDUSTRY RECRUITMENT

PRIORITY STRATEGY: Expand the chamber’s role in marketing Fort Worth for international business development.

Challenge *Fort Worth has largely ignored one of the most promising business development opportunities: capturing international business development and foreign direct investment (FDI). The prospect of increased FDI in the US is a strong argument for Fort Worth establishing a strategy to capitalize on this opportunity. In recent years, the only major players in the Dallas-Fort Worth metro area that have invested significantly in recruiting international businesses are DFW International Airport and the Dallas Regional Chamber. As such, a large share of the region’s FDI projects have landed in the City of Dallas and North Dallas suburbs near the airport such as Plano and Irving.*

Response *This requires two separate approaches: 1) regional partnerships with DFW International Airport and the Dallas Regional Chamber; and 2) a stand-alone effort led by the Fort Worth Chamber, with support of local international companies, to promote the city for foreign-based investment.*

Results *A focused international recruitment program will generate a new wave of investments, business expansions, and employment growth in Fort Worth from multinational corporations and foreign-based firms. A corollary benefit to this strategy is enhanced business opportunities for existing Fort Worth companies seeking to sell products and services abroad.*

INITIATIVE: BUSINESS RETENTION & EXPANSION (BRE)

PRIORITY STRATEGY: Redesign Fort Worth’s business retention & expansion (BRE) program to better address the needs of major employers and key industries.

Challenge *The June 2017 announcement of XTO Energy’s relocation of 1,600 jobs from Fort Worth to the new Exxon campus in The Woodlands (just outside Houston) illustrates the need for a strong, proactive business retention and expansion (BRE) program. As soon as the firm was acquired by Exxon, the alarm bells should have been rung about the firm’s potential to vacate Fort Worth. Similar concerns need to be taken seriously in light of Williamson Dickie’s recent acquisition by VF Corporation. These examples illustrate the need for the City’s economic development program to strengthen its understanding of the requirements of local businesses.*

Response *The City and Chamber must establish a set of filtering mechanisms to identify target companies as part of the BRE program. This should be structured around a tiered approach that prioritizes companies that are at risk of downsizing/relocating, have significant growth potential, and fall within the city’s target industries. Relationships must be cultivated not only with local business leaders, but also with executive leadership (e.g., CEOs, CFOs, global real estate directors) of Fort Worth’s major employers whose HQs are located elsewhere. Beyond the companies themselves, connections must also be made with relevant professional service providers that offer a different understanding of the company’s needs and challenges, such as accounting firms, legal firms, marketing/PR firms, and commercial real estate professionals. The program should coordinate BRE efforts among organizations to fully leverage available resources and relationships and to exchange vital information. Focus should be on the Chamber and City relationships (including the Mayor’s office), but should also extend to the local business relationships maintained by the Fort Worth Hispanic Chamber (FWHC) and the Fort Worth Metropolitan Black Chamber (FWMBC).*

Results *A solid BRE program is, arguably, more important than a recruitment program. Not only does BRE offer similar potential for job creation (through the “expansion” part of the title), it also creates a climate that is more supportive of business growth generally. Stated another way, it is difficult to recruit a new company if existing businesses are not thriving, especially if they have a negative attitude about the local business climate. In addition to creating a supportive business climate, a robust BRE program must also help mitigate risks and vulnerabilities facing existing employers.*

PRIORITY: WORKFORCE & INDUSTRY PARTNERSHIPS

PRIORITY STRATEGY: Expand employer-led sector partnerships to address critical workforce issues.

Challenge *Access to a skilled workforce consistently ranks at or near the top of the list of site selection factors ranked in Area Development’s Annual Survey of Corporate Executives. The Dallas-Fort Worth metro area consistently attracts new business expansion projects that create thousands of new jobs on a monthly basis. Some of these new jobs will be filled by workers moving into the area from outside of the region and state, but the majority will be filled by local talent. This places the burden on communities in the region to develop a pipeline of talent to support the area’s rapidly expanding economy.*

Response *Fort Worth’s most prominent workforce and industry partnership is the regional DFW Aerospace Consortium. The community needs to increase its commitment to the consortium’s programs and promote a greater emphasis on design, R&D, and technology-related skills. Fort Worth should also play an active role in other regional workforce & industry partnerships, such as the North Texas Supply Chain Council and similar efforts focused on technology, healthcare, and infrastructure.*

Results *Ensuring a pipeline of workers to support the needs of current and future employers requires workforce development initiatives built on successful partnerships between major employers, workforce development organizations, educational institutions, economic development groups, and community organizations. Re-affirming and expanding Fort Worth’s role as a leader in building this pipeline of talent will help position the community for future employment growth.*

GOAL 2: BECOME A HUB FOR CREATIVE BUSINESSES



Being recognized as a hub of creative energy is the hallmark of successful cities. Fort Worth already has many of the ingredients needed to become a major hub for creative businesses.

Entrepreneurship is one important element of this energy, but is not the only one. Innovation districts, collaboration between higher education and existing industry, and dynamic talent clusters are all part of what makes for a creative community. Fort Worth already benefits from a strong cluster of higher education, industry, and talent: the Near Southside medical district. Formally establishing this area as a “medical innovation district,” with new incentives and investments, can fuel citywide economic growth. New and expanded linkages between Fort Worth’s arts community and businesses (including technology firms) can help raise the city’s profile as a leading center for creative people and businesses. Lastly, the City itself can take a more forward-looking stance that encourages innovation through its own programs and investments.

PRIORITY STRATEGIES

- Formally designate the Near Southside as a “medical innovation district.”
- Expand the reach of entrepreneur networking among the city’s startup and tech communities.
- Raise the profile of the Main Street Fort Worth Arts Festival for national/international visibility.
- Create a Futures Forum at the City of Fort Worth.

THE INITIATIVES

- 2.1. Near Southside Medical Innovation District.** Enhance and expand the Near Southside’s role as a medical innovation district and position it to become the most livable medical district in the US.
- 2.2. Entrepreneurship.** Build on the dynamic environment that embraces and fuels high-growth business in Fort Worth. Ensure that expanding startups see the city as hospitable to their continuing growth.
- 2.3. Broader Promotion of the Arts.** Expand the connection between the arts community and tech entrepreneurs as well as established businesses.
- 2.4. Establish a “Futures Forum” at the City.** Create a formal working group, led by the mayor, that addresses city issues from a “futures perspective.” Implicit in this initiative is the recognition that major public investments, from transportation to water to energy, can be a significant stimulus for economic development.

OVERVIEW OF PRIORITY STRATEGIES

INITIATIVE: NEAR SOUTHSIDE MEDICAL INNOVATION DISTRICT

PRIORITY STRATEGY: Formally designate the Near Southside as a “medical innovation district.”

Challenge

Fort Worth already has the Dallas-Fort Worth metro area’s single largest concentration of medical jobs. While not widely recognized within the region, this distinction belongs to the Near Southside medical district. As a result, the recently developed TCU-UNTHSC School of Medicine is opening a new set of opportunities for innovation. The district benefits from proximity to downtown and growing urban vitality along the Magnolia Avenue corridor and South Main Street. These elements—concentrated employment, proximity to medical research, and connections to dynamic neighborhoods and amenities—constitute many of the ingredients necessary to establish a formal “medical innovation district” that can fuel citywide growth.

Response	<i>A formal “medical innovation district” designation would start with additional public investments to enhance walkability and pedestrian connectivity, as well as support broadband that creates extended connectivity across all devices, both wired and wireless. It would also involve the creation of incentives for talent recruitment (e.g., a nationally recognized life sciences researcher) that would advance the district and attract additional research staff. Establishing the district formally will also provide opportunities to generate national attention about the district and to invite outside organizations to evaluate the area and uncover strategies for accelerating its development.</i>
Results	<i>Public investments, incentives, and awareness of the Near Southside as a medical innovation district will help the area expand its existing medical assets and increase its appeal as a vibrant urban district.</i>

INITIATIVE: ENTREPRENEURSHIP

PRIORITY STRATEGY: Expand the reach of entrepreneur networking among the city’s startup and tech communities.

Challenge	<i>Entrepreneurial companies have specific needs for talent, real estate, and capital. The undercurrent for all of these needs is the network of people involved in supporting the growth of entrepreneurial companies. Communities with a highly engaged, connected, and collaborative startup scene have a built-in advantage in the global competition for high-growth business development. Fort Worth has all of the building blocks needed to support a higher level of entrepreneurship: TECH Fort Worth and other strong support organizations, talented entrepreneurs and workers in the city and metro area, innovative companies and higher education institutions in the area, and a growing menu of real estate options suitable for tech firms and startups (including WeWork and other co-working spaces and an expanding supply of attractive office spaces in downtown and the Near Southside). What Fort Worth and the entire metro area lack is a robust networking environment for local entrepreneurs and tech workers. In fact, the only city in Texas that does this well is Austin.</i>
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Response	<i>Elevate the role of TECH Fort Worth as a connector/convener to address the need for better and more frequent networking opportunities aimed at entrepreneurs, young professionals, and tech workers. This should involve new events such as reverse-pitch competitions to engage major corporations and other organizations in Fort Worth with needs for innovation. It should also involve specific tactics to enhance entrepreneur networking in Fort Worth, such as an online calendar of networking events hosted by TECH Fort Worth. Lastly, stronger connections must be established between Fort Worth’s startup/tech community and local and regional higher education institutions.</i>
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Results	<i>A stronger, more connected set of networking channels for entrepreneurs, investors, and tech workers in Fort Worth will help existing startups and tech firms. Just as important, this will help the city become a hub of entrepreneurial activity, positioning it to attract entrepreneurs and high-growth companies from across the metro area, state, and nation.</i>
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INITIATIVE: BROADER PROMOTION OF THE ARTS

PRIORITY STRATEGY: Raise the profile of the Main Street Fort Worth Arts Festival for national/international visibility.

Challenge	<i>Fort Worth’s reputation as a center of the arts is well-established. The Kimbell and the Amon Carter Museums are destinations on national and international levels. However, the city doesn’t have any arts events that rise to the same level of prominence. The most recent economic impact study of the Main Street Fort Worth Arts Festival indicates that 92 percent of the estimated 283,000 festival attendees reside within 50 miles of downtown Fort Worth. Only 8 percent (19,000) are visitors from outside the area. Contrast that with the SXSW festival, which draws 22 percent of its 204,000 registrants from outside the US. And among US registrants, only 25 percent are from the South Central US (Texas, Oklahoma, Arkansas, and Louisiana). The Main Street Fort Worth Arts Festival needs to emulate SXSW and other hallmark events so that when attendees visit Fort Worth they feel “what you’re experiencing here can’t be experienced anywhere else.”</i>
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Response *The City should work with Downtown Fort Worth Inc., the Arts Council of Fort Worth, and other partners to raise the profile of the Main Street Fort Worth Arts Festival to make it an event with national and international visibility. The festival should be re-envisioned to explore the linkage between graphic arts and software gaming.*

Results *An expanded Main Street Fort Worth Arts Festival can do for Fort Worth what SXSW Interactive did for Austin. The Interactive portion of SXSW (separate from the music festival) is now one of the premier tech conferences in the world and has helped solidify Austin’s position as a global tech hub. Elevating the Main Street Fort Worth Arts Festival to incorporate tech-related elements that draw an international audience can serve as a vehicle for the attraction of artists, graphic designers, and related creative individuals to Fort Worth.*

INITIATIVE: ESTABLISH A "FUTURES FORUM" AT THE CITY

PRIORITY STRATEGY: Create a futures forum at the City of Fort Worth.

Challenge *Private sector firms, by necessity, are focused on the immediate and near-term demands of the marketplace. Municipal governments are better positioned for long-term strategic thinking than almost any other type of organization. Unfortunately, most cities are bogged down by election cycles and a day-to-day “putting out fires” approach to their operations. This challenge exists in small and large cities across the US, Fort Worth included. New mechanisms are required to leverage the City’s inherent need for long-range planning, including City purchasing around major investments (from transportation to water to energy), which can itself be a stimulus for economic development.*

Response *The City should create a Futures Forum as an internal city leadership group that also seeks guidance from outside experts around specific topics. Other cities have created similar internal leadership groups. Fort Collins, Colorado, created its Futures Committee to assist City Council members in their decision-making process. They meet monthly with a goal “to position the City in the distant future (30 plus years) for achievable successes, integrating community desires with known fiscal, social, and environmental data.”*

Results *This recommendation has two dimensions. First, to engage elected officials in the recognition that “disruption” as a force in business also applies to the public sector. Second, to address specific purchasing opportunities that will advance technology solutions for Fort Worth. Taken together, these two dimensions will help the community move closer toward its long-range objectives.*

GOAL 3: ENSURE COMMUNITY VITALITY



Quality of place is an essential component of a successful economic development strategy. The strength of neighborhoods, of connectivity among different districts of the city, and of urban

amenities is what makes cities attractive to talented individuals and to dynamic businesses. With the Trinity River Project, the Arts District, and extensive trails and parks, Fort Worth is well on its way to realizing this goal. Downtown Fort Worth has improved dramatically in recent years, serving as the city’s most concentrated center of employment and entertainment.

However, the city’s urban core has not benefited from the ongoing waves of corporate expansion and relocation projects captured by other cities in the region (Dallas, Plano, Irving) and other downtowns across the US (Boston, Denver, Chicago). Fort Worth can turn the tide and become a leading destination for corporate expansions and high-wage employment growth. And downtown—including surrounding urban districts such as Panther Island—should play a central role in this strategy. This will require new incentives and coordinated programs to rapidly accelerate development in the city’s urban core, starting with a much greater density of residential development, but also including new hotels, an expanded higher education presence, and new office construction. Employment growth and business investment in the downtown will generate citywide benefits, but the plan also calls for a more targeted approach to encourage economic development in Fort Worth’s neighborhoods and commercial corridors. Lastly, a major re-organization is required in the way the City of Fort Worth provides services to support the growth of independent, locally-owned small businesses, including minority-owned firms.

PRIORITY STRATEGIES

- Rapidly increase the density of residential development in downtown and surrounding urban districts such as Panther Island.
- Focus City investments along specific corridors and at nodes of existing business activity.
- Conduct an audit of the small business support mechanisms available in Fort Worth.

THE INITIATIVES

- 3.1. Downtown Fort Worth.** Accelerate downtown Fort Worth’s emergence as the premier mixed-use business district in Texas.
- 3.2. Neighborhood Alignment.** Align neighborhood assets (people, businesses, and real estate) to benefit from and support citywide economic growth.
- 3.3. Small Business Support.** Restructure small business assistance based on a communitywide audit.

OVERVIEW OF PRIORITY STRATEGIES

INITIATIVE: DOWNTOWN FORT WORTH

PRIORITY STRATEGY: Rapidly increase the density of residential development in downtown and surrounding urban districts such as Panther Island.

Challenge

High-density residential development is the “secret” ingredient for the success of downtown Austin, Denver, and Seattle as dynamic mixed-use business districts. Each of these cities made a commitment to a downtown housing strategy first and is now reaping the benefits in the form of commercial office development and the expansion of tech firms and other professional jobs in their urban cores. Fort Worth is beginning to see these benefits, thanks to its commitment to urban residential development in recent years. However, the City needs a much more aggressive program to accelerate the growth of housing in downtown, Panther Island, the Near Southside, and surrounding urban districts.

Response *Encouraging an increased pace of housing construction in the urban core will require a mix of bold targets for new development, new and expanded incentive programs that reward developers for investing in taller/denser residential structures, and creative approaches (such as shared parking facilities and reuse of outdated office buildings for residential purposes) to reduce barriers to new housing construction.*

Results *A more aggressive agenda for rapidly expanding the base of residents living in and around downtown Fort Worth will generate much more than new housing in the urban core. With thousands of new residents moving into downtown, Panther Island, the Near Southside, and other close-in districts over the next several years, other target audiences will take note. A rapidly expanding urban population base is the key to unlocking the city’s potential for attracting new commercial office development, corporate HQs, professional services firms, and tech companies.*

INITIATIVE: NEIGHBORHOOD ALIGNMENT

PRIORITY STRATEGY: Focus City investments along specific corridors and at nodes of existing business activity.

Challenge *Economic development does not guarantee prosperity for all. Even in the nation’s most successful and diversified metropolitan economies, specific geographies and segments of the population are often left behind. Fort Worth is no exception. Segments of the city’s population in specific neighborhoods and corridors have struggled to achieve prosperity, even while the city as a whole has experienced widespread growth. The City can and should play a lead role in catalyzing development in under-served neighborhoods and for under-served residents.*

Response *Public investments in economic development must be made only when they can reasonably be expected to generate economic benefits. The City must play a lead role as a strategic investor to catalyze development in neighborhoods and corridors targeted for urban revitalization. Just as important, the City is responsible for preventing the proliferation of land uses and activities that might diminish the economic potential of a target area, such as large public sector or nonprofit developments (e.g., community centers, churches, homeless services centers) and land-intensive, auto-centric development (e.g., gas stations, automotive repair shops, car washes, storage unit complexes).*

Results *Outcomes for challenged neighborhoods receiving targeted investments include ancillary development, tax base growth, and job creation.*

INITIATIVE: SMALL BUSINESS SUPPORT

PRIORITY STRATEGY: Conduct an audit of the small business support mechanisms available in Fort Worth.

Challenge *Dynamic local economies are often defined by a strong base of independent, locally-owned, small businesses. Distinctive retailers, restaurants, and coffee shops help otherwise sterile corridors build unique identities. They also provide opportunities for minority-owned business development. Independent, locally-owned firms also recirculate a higher share of their revenue in the local economy, compared to national chain businesses. Additionally, these businesses help attract tech companies and often become magnets for young people, even beyond the city limits. Magnolia Avenue in the Near Southside is a perfect example of this trend, and Race Street is following the same trajectory. An emphasis on independent small businesses also recognizes that there is a distinction between entrepreneurial companies and small businesses. Both types of firms are important to the city’s economy, but their support systems differ substantially.*

Response *Much of what is being done by the Fort Worth Business Assistance Center (BAC) fits into the category of entrepreneurial company support, which is the core mission of TECH Fort Worth. To sharply distinguish between entrepreneurial and small business support, the way the City of Fort Worth provides services will need to be reorganized. An audit is the logical starting point for addressing the way in which small businesses—distinct from entrepreneurial companies—are supported by the City and its partners.*

Results *Clear delineation of the support functions available to support small businesses in Fort Worth will help the BAC and other partners provide more effective and efficient services to grow the base of local firms.*

4. TOOLS & RESOURCES



Goals 1, 2, and 3 describe what is necessary for Fort Worth's overall economic success, regardless of what resources may be drawn upon. The Tools & Resources section addresses the organizational changes required and investments in new tools and resources needed to support the City's economic development program.

THE INITIATIVES

- 4.1. Economic Development Bond Package.** Identify how the citywide bond package makes investments in livability, Smart City infrastructure, and business development. Elevate projects that impact economic development goals.
- 4.2. Citywide Incentive Program.** Create new incentive tools to encourage business growth within target industries and to facilitate development and redevelopment in designated districts.
- 4.3. Organizational Alignment.** Clarify the roles and responsibilities of Fort Worth's economic development partners; build a shared framework for decision making and ongoing collaboration.

IMPLEMENTATION



Effective implementation of the plan rests primarily with collaboration between the City of Fort Worth Economic Development Department and the Fort Worth Chamber of Commerce. New investments from the City and the Chamber will be required to move this plan from concept to action, including a significant increase in staffing to carry out the primary economic development functions outlined. These primary functions include: marketing and target industry recruitment, high-growth startups and tech company recruitment, business retention and expansion (BRE), research, and urban redevelopment.

The City/Chamber partnership is not responsible for every activity outlined in this plan, but it acts as a lever to create large changes through targeted investments and initiatives. Other City departments, and a variety of local and regional partners, also play critical roles in growing and strengthening the Fort Worth economy. Based on an extensive organizational gap analysis, the consulting team identified the 30 organizations (listed below) that have the strongest impact on economic development in Fort Worth. These organizations have been split into two categories: those with economic development as a core part of their mission and those that play critical supporting roles.

CORE ECONOMIC DEVELOPMENT PARTNERS

City of Fort Worth
 Fort Worth Chamber
 Tarrant County
 Fort Worth Convention & Visitors Bureau
 Fort Worth Hispanic Chamber
 Fort Worth Metropolitan Black Chamber
 Real Estate Council of Greater Fort Worth
 TECH Fort Worth
 Oncor
 DFW International Airport
 Sundance Square
 Hillwood
 Downtown Fort Worth Inc.
 Near Southside Inc.
 Trinity River Vision Authority
 Southeast Fort Worth Inc.

SUPPORTING PARTNERS

Fort Worth Transportation Authority
 Arts Council of Fort Worth
 North Central Texas Council of Governments
 Tarrant Regional Water District
 Workforce Solutions for Tarrant County
 Fort Worth ISD
 Texas Christian University
 Tarrant County College
 University of Texas at Arlington
 TCU and UNTHSC School of Medicine
 UNT Health Science Center
 Texas Wesleyan University
 Texas A&M Law School
 Tarleton State University

MEASURING PERFORMANCE



A critical (and often overlooked) component of a successful strategic plan is the set of metrics by which the plan’s implementation is tracked. To achieve the plan’s desired outcomes, TIP recommends Fort Worth track two sets of metrics:

1. **Citywide economic performance metrics.** These include tracking a range of variables to measure Fort Worth’s annual progress on the plan’s four desired outcomes: 1) high-wage job growth, 2) a more sustainable tax base, 3) high-growth businesses and creative individuals; and 4) quality of place.
2. **Specific growth targets.** These include annual growth targets for new Fortune 500 and 1000 HQs, new Inc. 5000 firms (high-growth startups and tech companies) and new residential development in the city’s urban core.