

# Investing in Oak Cliff

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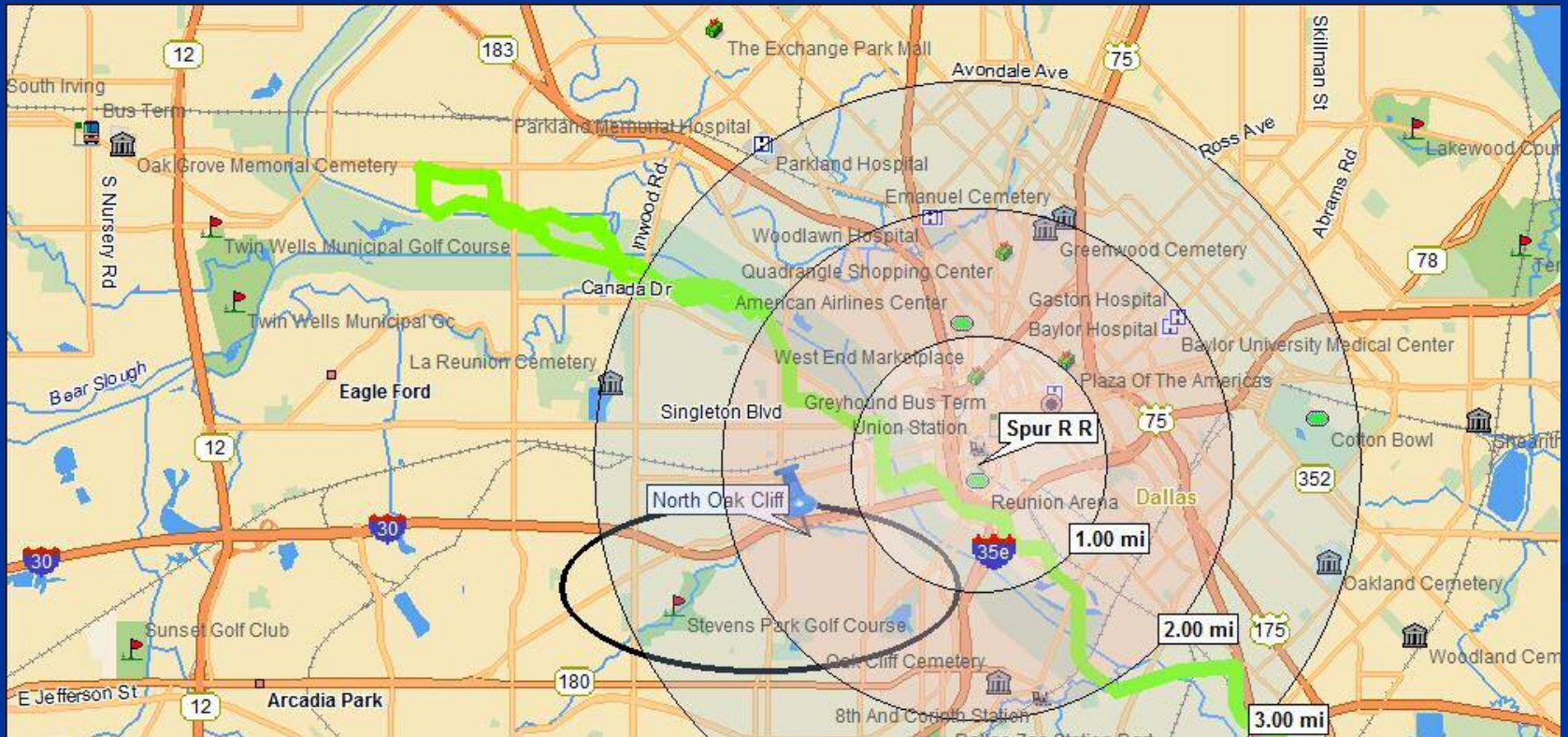
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# Area Locator



# Location

- Most of North Oak Cliff is located between two and three miles from downtown Dallas.



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# Drive Times

- Within a 5-8 minute drive time to downtown.  
Becoming more and more important with \$5 gas



# Dallas Development History

- In the 20<sup>th</sup> century, Dallas has historically grown to the north. Anything south of the Trinity River was considered “bad areas” and got little or no city support and growth.
- In the late 20<sup>th</sup> century, Dallas had developed most or all of the land within the city to the north. The city fathers had a decision to make.
  - Continue development to the north where the only land was in the suburbs, and lose tax revenue to the suburbs
  - Begin developing land south of the Trinity

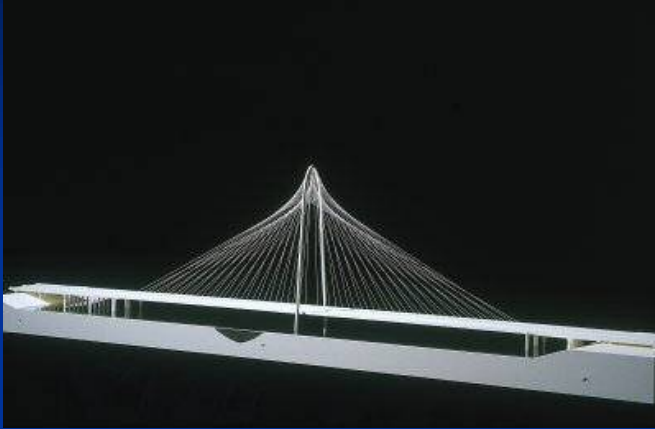
# Dallas Development History

- For most of the 20<sup>th</sup> century, there have been plans floated for a Town Lake or some other development taking advantage of the almost totally-neglected Trinity River running just south of Dallas. This river once sported riverboat traffic that connected to east Texas and the Mississippi River, but this was abandoned when the railroads became the primary means of transport of goods.
- Finally, in the late '90's, citizens voted for a Trinity River Corridor which would include a green space bigger than Central Park in NYC , a chain of lakes, recreational and ecological attractions, and transportation improvements in the southern sector of town. Total cost of the project is about \$2 billion.

# Trinity River Project

- The Trinity River Project consists of several things that will benefit North Oak Cliff.
  - Three new privately/publicly funded bridges designed by world-renowned architect Santiago Calatrava. These bridges are to be signature bridges and will immediately identify Dallas much in the same way that the Golden Gate Bridge identifies San Francisco.
  - On the north side of these bridges is downtown Dallas. On the other side is North Oak Cliff.

# Calatrava Bridges



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# Land Use Plans

- The Trinity River Corridor project has a land use component, in addition to its flood control, transportation, and recreational components.
- The North Oak Cliff side of the river at the southern bases of the three new bridges has been historically a poorer section of town, with lots of apartment buildings following along southern riverbanks. The new land use plan calls for demolition of these old apartments and replacing them with new townhouses, condos, retail, and recreational opportunities.

# New Land Use Plans

- City plans call for high-density residential development to follow the south side of the river. Condos and townhouses will have river and lake views, as well as views of downtown Dallas.
- The highest uses are planned for this side of the river, near the I-30 bridge. This is planned to be an extension of the Central Business District, essentially extending downtown Dallas to the south side of the Trinity River.

# Tax Increment Financing

- The preferred method by which the City of Dallas provides development incentives is through the development of a TIF (Tax Incremental Financing) district. North Oak Cliff has three TIF Districts:
  - Oak Cliff Gateway (Marsalis/Beckley/Zang)
  - Fort Worth Avenue (along Ft. Worth Avenue/Commerce)
  - 12 Hills (Now FZ-16) (along Davis and north on Westmoreland)

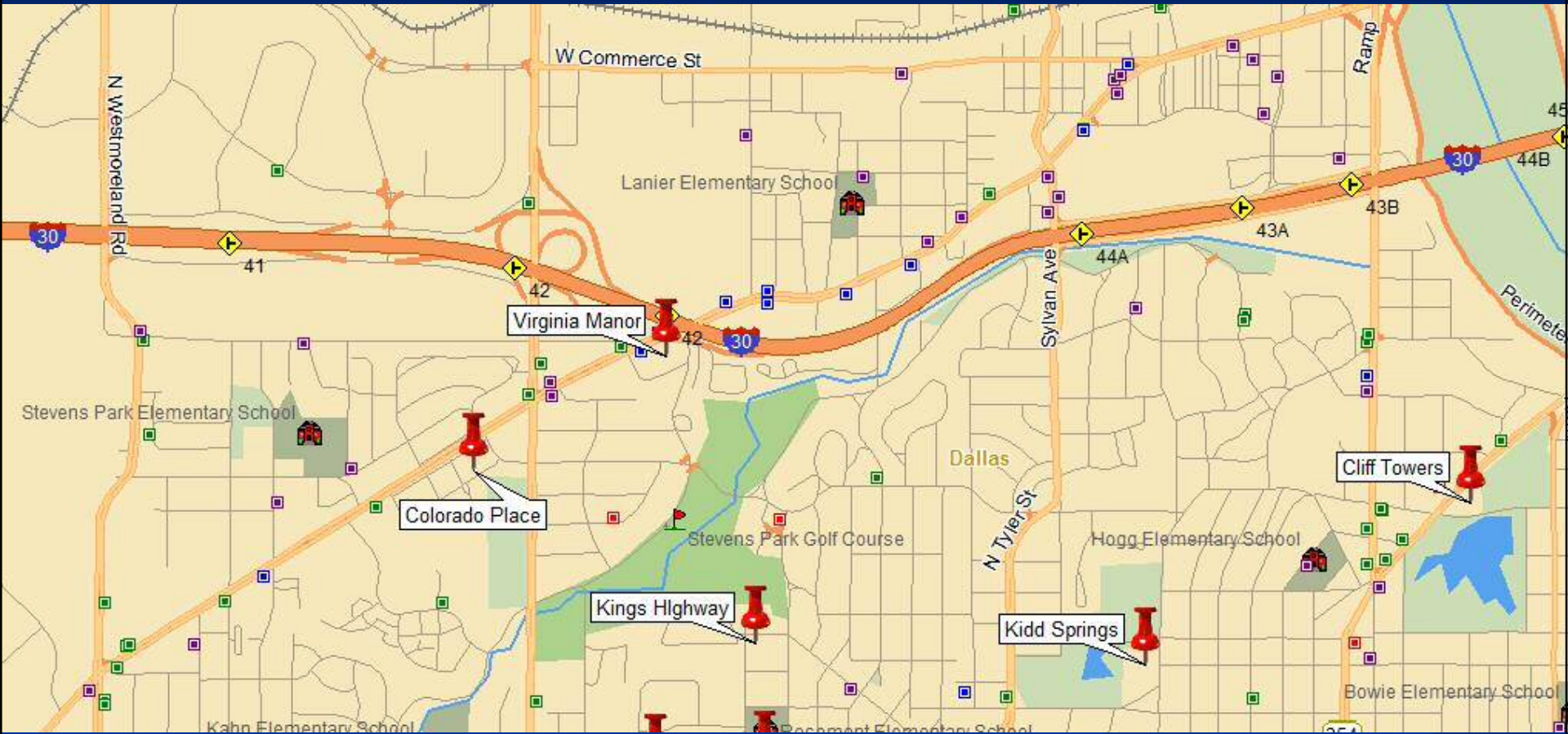
# How a TIF works

- The City sets out goals for improvement
- Individual developers propose projects which will raise the appraised value of properties in the TIF
- City rebates some of these tax benefits to the developer in the form of infrastructure development, tax abatements, and other benefits which are of value to the developer
- City eventually sees the properties go onto the tax rolls at full market value, after benefits from the TIF have been distributed.

# Typical TIF Development

- Developer buys up high-density land, usually with old, obsolete apartments in place
- Developer razes the apartments
- Developer comes to the City with a plan for redevelopment
- When a TIF plan is finalized, developer builds the project and enjoys several years of little or no taxes, and has the City make infrastructure improvements in the area which make the developer's property more valuable.

# Oak Cliff TIF Developments



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# Why this is important to Investors

- Anybody can talk a good story. You can get info from neighborhood associations, business groups, Realtors®<sup>®</sup>, developers, landlords, and historical groups
  - All of this info may be subject to questioning, as each group usually has it's own axe to polish.
  - Many of these groups are not businesspeople and their impressions may or may not be valid in making business decisions

# Business Case

- One thing that can't be “spun” is actual dollar expenditures. The old adage holds true. “Follow the Money”. And following the money shows that all over Oak Cliff, the “big boys”, the pros in the development business, are making significant financial investments in the future of North Oak Cliff
- The City of Dallas is betting almost \$2 billion on the Trinity River Corridor
- Downtown Dallas has gone from a ghost town after six pm to a vibrant living neighborhood in the last ten years.
- The economics of gas prices point to increasing value in close-in, urban living close to work and transportation. With gas at \$5/gallon, people don't want to commute 50 miles to work.