

## DART a regional economic engine spurring development, studies find



By [BRANDON FORMBY](#) and [STEVE BROWN](#)

[Transportation Writer](#); [Real Estate Editor](#)

Published: 28 January 2014 04:44 PM

Updated: 29 January 2014 12:05 AM

Dallas Area Rapid Transit doesn't just move people around North Texas. It also serves as a major economic engine and development incubator, according to two new studies that the agency commissioned.

Researchers at the University of North Texas found that DART spurred billions of dollars in economic activity as it expanded its light-rail system over an 11-year period. One study said the agency's annual operations generate tens of millions in revenue for government entities. Another concluded that train stations increased property values for surrounding land.

"It continues to be a catalyst for development for this region," said Terry Clower, who led the studies.

Clower is the director of UNT's Center for Economic Development and Research. DART tapped the center to estimate how agency operations affect the regional economy and how its light-rail stations affect development. DART board members reviewed the studies' findings Tuesday at a board meeting.

"There's a lot of other benefits that come along with our system," DART president and executive director Gary Thomas said.

The study on DART operations concluded that the \$4.7 billion spent between 2002 and 2013 to expand light-rail operations:

Generated \$7.4 billion in economic activity.

Created \$3.3 billion in salaries, wages and benefits for tens of thousands of jobs.

Helped create 700 new jobs within the agency.

In December 2002, DART had 35 stations along 44 miles. It now has 61 stations along 85 miles. That distance makes it the largest light-rail system in America.

Clower said that the expansion helped offset effects of the recent recession. The Dallas-Fort Worth area withstood the economic downturn much better than many other metropolitan regions.

"It was that constant source of jobs that was helping boost income and economic activity across our region," Clower said.

Once lines are running and stations are open, the system also has an effect on surrounding property. The UNT center studied how a DART station influences real estate within a quarter-mile radius. It compared those areas to comparable clusters of development without a nearby station. The study found that on land around train stations:

Developments worth \$1.5 billion were completed compared to \$600 million in control groups

Office space commands average rental rates that are 13.9 percent higher than control group properties

Taxable contributions exceed \$36 million each year, compared to \$14 million for comparable property

That study's numbers were adjusted for inflation, so they reflect 2013 dollar values. The values of development around train stations did not include downtown Dallas stations. They also excluded public or nonprofit buildings that don't add to tax rolls. Those buildings include the new \$1.3 billion Parkland Memorial Hospital and the \$133 million Irving Convention Center at Las Colinas.

### **Model station**

Mockingbird Station was the first major mixed-use development around a DART station and is still seen as the local standard for transit-oriented development. It includes residential units, a movie theater, a collection of restaurants and several stores. Developers and city officials along the system's four lines have tried to emulate its success.

Developer Trammell Crow's High Street Residential division built its Union at Carrollton Square apartment and retail project adjacent to DART's Downtown Carrollton Station. The urban-style development was built on the site of an old lumberyard.

"We are definitely happy that we made the decision to build at the rail station in Carrollton," Crow senior vice president Joel Behrens said. "The first phase has consistently been between 95 percent and 98 percent leased."

Thomas said he expects that to continue. The study found that \$3.8 billion in planned developments throughout North Texas can be attributed to DART stations.

"As the economy continues to improve, we're seeing this really take off," Thomas said.

### **Hub growth**

A large driver of value in planned developments is the massive State Farm Insurance campus near Richardson's Bush Turnpike Station. The regional office for more than 6,500 employees will anchor a \$1.5 billion mixed-use development.

Irving expects major projects along its Orange Line to break ground this year. They include a mixed-use project called Northshore and a \$150 million city-owned entertainment center.

Dallas' Victory Station was originally seen as a stop primarily for people attending events at American Airlines Center. But developers of thousands of new apartments in Victory Park expect the station to be increasingly important.

"With all the residential units being built in Victory Park, that DART station is going to become more much used," said Lance Fair, chief operating officer of Estein & Associates and vice president of Victory Park.

Fair said office workers in Victory Park already rely on the nearby DART station.

"Our tenants specifically say they are interested in the DART station being there," he said. "They see that as a huge asset to do an office lease in Victory Park."

*bformby@dallasnews.com; stevebrown@dallasnews.com*

*Follow Brandon Formby on Twitter at @brandonformby.*

*Follow Steve Brown on Twitter at @SteveBrownDMN.*

### **AT A GLANCE: The findings**

Two recent studies looked at how DART's operations, build-out and train stations affect the economy and regional development. Here's a look at some of the findings:

\$1.5 billion: Value of developments built around DART stations

\$751 million: Value of multifamily residences developed near DART stations

\$393 million: Value of retail projects near DART stations

\$224 million: Value of office projects near DART stations

13.9 percent: Premium that office properties near DART stations command

\$36.4 million: Property tax contributions from land near DART stations

\$3.9 billion: Value of developments currently being planned around DART stations

\$46,000: Amount DART paid for the two studies

13: Number of cities DART services

61: Number of DART light-rail stations

85: Miles of DART light-rail lines

17 years: Age of the DART light-rail system

NOTE: Property and tax values don't include properties around downtown Dallas stations or land owned by public or nonprofit entities

SOURCES: Dallas Area Rapid Transit; University of North Texas Center for Economic Development and Research

Did you see something wrong in this story, or something missing? [Let us know.](#)

## Comments

To post a comment, log into your chosen social network and then add your comment below. Your comments are subject to our [Terms of Service](#) and the privacy policy and terms of service of your social network. If you do not want to comment with a social network, please consider writing a [letter to the editor](#).

 Login to post a comment

Login    ... 

Post

## 12 Comments

[RSS](#) | [Subscribe](#)

 **Austin Bikeevangelist** 15 hours ago

Money well spent! The system has spurred economic development and is encouraging walkable and more sustainable developments.

All these development around stations are awesome.. they're creating 'mini-downtowns' all over the metro area.

Reply

3   0

 **vc25AEMP** 20 hours ago

Long and short, the tide is turning and more people want to be closer to the city with convenient public transit as an option. My employer is on a DART Rail line and, as a result, I've been able to sell our other car. We don't need it anymore and my annual DART pass costs less than two months of car payments. Taking DART rail adds a total of 15 minutes of commute time to my day and I never have to contend with traffic (unless some moron on in a car decides to play "race the train").

These are desirable things for those my age (early 30's) and younger...and this city/region would be smart to put more effort into better-timed, more efficient public transit to more places.

Reply

7 1



**Bushwood Smithie** 22 hours ago

In a nutshell, if DART didn't exist then those buildings wouldn't have been built somewhere in the area?

Two telling sentences:

"One study says the agency's annual operations generate tens of millions in revenue for government entities." Of course they had to spend over \$4 billion in tax dollars to get those "tens of millions".

"Helped create 700 new jobs within the agency." No comment necessary here.

How about the opportunity cost? What would have been the effect if instead of spending of \$4.7 billion on the world's least economically efficient transit system (based on farebox to cost recovery rate) that only serves 2-3% of the area population, it had instead gone to transportation methods used by 90%+ of the population? Or, god forbid, what if the taxpayers had gotten to keep those dollars and spend them on what they wanted?

Reply

▼ 3 replies

4 7



**Geo Alo** 22 hours ago

I'll bet a dollar you've never ridden the Dart rail.

Reply

6 4



**vc25AEMP** 20 hours ago

Lemme guess: you've never used DART, so you think it shouldn't exist...?

I'm right, aren't I?

Reply

6 4



**Ronnie B** 5 hours ago

No the development would not exist elsewhere. Transit oriented developments exist because of transit.

Would you rather live right next to a rail line or a highway? DART spurred development and increased property value. The same cannot be said of highways. A better study would be on highways which are totally subsidized by taxpayers, and do little to create sustainable growth. The billions spent subsidizing sprawl is far greater, with almost zero ROI. I would love to see UNT quantify the costs of sprawl in DFW, so we know the true costs.

Tax payers are in favor of DART that's why it's won dozens of elections.

Reply

1 0



**NYFMA** 22 hours ago

This is good government spending that benefits a large segment of the community. Real estate increases in value while employees gain easier, more affordable access to more jobs. Also, less pollution. It's a win win win.

Reply

9 2



**AdamsonScott1** 22 hours ago

Two studies paid for by DART "prove" that DART is fabulous. What a surprise - not.

Reply

▼ 4 replies

5 10



**Kevin M** 22 hours ago

Yeah, because third parties are always willing to shell out money to study an entity that isn't them. You're an idiot.

Reply

▼ 2 replies

6 4



**AdamsonScott1** 19 hours ago

Pot, meet kettle. You don't even see that the conclusion was bought and paid for before the "study" even started.

Reply

▼ 1 reply

4 3



**Anonymous** 18 hours ago

Stuff it. The point I made stands.

Reply

2   1



**Justin Cook** 6 hours ago

Not everything is a conspiracy. Government entities and businesses pay for third-party studies like this in order to have a non-participant's view on how that entity or business is performing. UNT's researchers have nothing to gain by skewing the data (and, realistically, have much more to lose as far as their reputation goes if they had skewed the data).

On another forum I read, one of the researchers from UNT actually mentioned that they went out of their way to not cherry pick data in order to give them the most conservative and critical results. If they were to include non-profit development (namely, the hospital district), the results would paint DART rail's impact in an even more favorable light that it already is.

In the end, this is further evidence that there is a desire by residents and businesses alike for better infrastructure in the city center...and, that's a good thing for Dallas.

Reply

1   1