TOWN OF ADDISON
COMPREHENSIVE PLAN
2013

LAND USE - OFFICE

The Colonnade, one of Addison's signature office complexes.

A JOBS CENTER

Addison is an employment center for the North Dallas Corridor, and office buildings are its predominant commercial land use. It's central location in the North Dallas Corridor has allowed it to develop as an area where companies and corporations, both small and large, want to be. It borders the western edge of the North Dallas Tollway for a length of 7.07 miles, about half-way between Interstate 635 and the President George Bush Tollway. The convenient location allows the Town to welcome around 100,000 white-collar executives and office employees to Addison every day to support its restaurants and hotels.

A GREAT INVENTORY

Addison is home to 101 Class A and B office buildings totaling 10,255,758 square feet of space, which is more office space than downtown Fort Worth. There is a space in Addison to fit every tenant, as office buildings range in size from 2,500 square-feet on Broadway to 1,028,444 square feet in the three building Colonnade complex. The Town has been fortunate in that its office space has not been dominated by one industry or one type of tenants, such as telecom or energy tenants. It's tenant base is very diverse, which has allowed occupancy to stay stable and not suffer the highs and lows of an industry goes through a boom and bust.

The Town's tenant base is comprised of 30% professional, scientific, and technical services. Retail trade, Hospitality, Real Estate, and Administrative Support make up most of the other tenants, with each of those industries having about an 11% share of the Town's businesses.

In addition, Addison's office tenant base is dominated by small companies that occupy

The Mary Kay Corporation headquarters, located on the Dallas Parkway.

between 5,000 and 20,000 square feet. The majority of Addison's office buildings are multi-tenant buildings which may house several hundred tenants. However, the Mary Kay building, one of the largest buildings in Town at 545,900, is home to just one tenant—the Mary Kay Corporation. The Town is also home to several other large corporations. Bank of America has a credit card processing facility in the Hallmark Center I and II buildings which employs 3,400 people. Mary Kay Corporation has 1,070 employees, and the National Default Exchange Management Corporation employs 566 people. Several other companies have between 300 and 500 employees.

Realtors and office leasing agents generally rate buildings in three categories or classes. While there is not an agreed-upon standard in the industry for classifying buildings, *Square Feet, a Real Estate Blog,* defines them by the following characteristics:

> CLASS A. These building represent the highest quality buildings in their market. They are generally the best looking buildings with the best construction, and possess high quality building infrastructure. Class A buildings are also well-located, have good access, and are professionally managed. As a result, they attract the highest quality tenants and command the highest rents.
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> CLASS B. This is the next notch down. Class B buildings are generally a little older, but still have good quality management and tenants. Often times, value-added investors target the buildings as investments since they well located Class B buildings can be returned to their Class A glory through renovations such as façade and common area improvements. Class B buildings should generally not be functionally obsolete and should be well maintained.
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> CLASS C. The lowest classification of office building and space is Class C. These are older buildings (usually more than 20 years old), and are located in less desirable areas and are in need of extensive renovation. Architecturally, these buildings are the least desirable and building infrastructure and technology is out-dated. As a result, Class C buildings have the lowest rental rate, take the longest time to lease, and are often targeted as re-development opportunities.

The Tollway location allowed Addison to attract developers who built Class A buildings at relatively high densities, with the tallest building in Town being Phase III of the Colonnade at 16 stories. Most of Addison's office building inventory was constructed during the 1980s and '90s, which means the buildings are fairly new. The office building inventory is dominated by Class A space, with 61% of the Town's office square footage rated as Class A. Class B space comprises 38% of the inventory, and Class C space comprises 1%. The

central location and abundance of Class A space has allowed Addison to maintain a healthy office occupancy rate of around 80%, even during economic downturns.

The Atrium at the Colonnade.

Addison's office buildings cluster along the major commercial corridors, and thus fall into eleven different "neighborhoods." The neighborhoods are shown in the map attached to the office inventory. The high-density corridor for office uses is the Dallas North Tollway. Addison has 20 high-density buildings along the Tollway, and it has four available sites to accommodate additional buildings. The three neighborhoods that abut the Tollway: North Tollway Corridor (#4), North Quorum (#7) and South Quorum (#8) have the highest number of buildings and the largest buildings, with over 2 million square feet of office space in each neighborhood. These neighborhoods are home to most of Addison's national and international office tenants such as Hilton, General Electric, and Rexel. The rest of the neighborhoods have smaller buildings and cater more to local tenants.

STAYING COMPETITIVE

Through the boom years of the 1980s and '90s, the Town relied on office brokers and realtors to bring tenants to Addison. However, beginning in the late 1990s, cities around Addison began to make use of the Development Corporation Act, which was passed by the Texas legislature in 1979. It allowed communities to enact 4A/4B corporations that would levy a portion of their sales taxes for economic development purposes. Addison, had joined the Dallas Area Rapid Transit Authority (DART) in 1983, and it was already assessing a portion of its sales tax to mass transit, so it was not eligible to create a 4A/4B corporation. Other cities to the north of Addison, such as Frisco, Allen, and McKinney, were not in DART, so they were eligible to create 4A/4B corporations that raised large amounts of money to lure new businesses and office tenants to their cities. The original intent of the legislation was to allow cities to lure businesses from other states into Texas. However, the non-DART cities began using the funds to lure tenants from Addison, Plano, Dallas, and other DART-member cities. The DART member cities persuaded the Texas Legislature that the Development Corporation Act was not

Two Addison Circle, one of Addison's newest buildings.

fair to all cities, so in 1987, residents of the State of Texas approved an amendment to the State Constitution that gave birth to Chapter 380 of the Local Government Code.This move was led by communities with a population of 500,000+ (such as Dallas and Houston) that were not allowed to participate in the Development Corporation Act. Many smaller communities (like Addison) came on board with the lobbying efforts because Chapter 380 programs gave them an additional tool to support economic development projects, and Chapter 380 programs did not need a local referendum for approval.

Addison made limited use of 380 agreements until 2011 when the City Council determined that Addison should create an Economic Development Fund and hire an Economic Development Director to create standards for incentive eligibility and manage the disbursement of funds. During 2012, the Town approved agreements that brought nine new companies to Addison, generated 960 new jobs, and absorbed approximately 250,000 square feet of office space. In addition, the Economic Development Director worked with the developers of the Village on the Parkway to craft a performance-based incentive that brought two quality anchor tenants, as well as other retailers, to the shopping center.

ADDISON'S OFFICE FUTURE

The City Council and staff recognize that Addison must constantly compete with surrounding cities for office employees because well-paid employees drive the Town's other businesses such as retail and restaurants. A wealth of jobs in the community also drives people to want to live in Addison so they can live close to where they work. Living close to work will become even more attractive in the future as gasoline prices and time spent commuting continue to increase. In addition, Corporate headquarters and other offices draw hotel customers to the city who want to be close to our businesses to call on them.

Addison has traditionally been home to small traditional office businesses, but recently it has seen the range of office uses expand. USAA opened a Call Center in the Two Addison Circle building in Addison Circle, and the Methodist Medical Pavilion, currently under construction adjacent to the Methodist Hospital at 17101 Dallas Parkway, will be the Town's first medical office building. Pre-leasing for the 80,000 square-foot building has gone very well, and the building expects to open in April of 2013 with full occupancy. The Town hopes that as the hospital and adjacent office building expand their operations, it will encourage other medical office uses to open in the area. The Town has already seen some of that expansion, as some smaller existing lease spaces have been re-leased to medical supply businesses.

Addison's office building land use is important and as much a part of the Town's identity as its restaurants and landscaping. Now that the buildings are built, it is important to maintain the quality and keep them as full as possible. There are many avenues the Town can pursue to keep the buildings full. It can make sure that the quality of the buildings stays high through enforcement of building maintenance and landscaping codes. It can continue to market the Town and offer strategic incentives to bring large office tenants to Addison. It can continue to expand the range of office uses by encouraging newer types of office uses such as call centers and medical offices.

In addition, the Town should protect its remaining available Tollway corridor tracts. High-density office buildings are very valuable to the Town

because they bring high ad valorem values to the tax base and lots of employees, which drive the retail/restaurant/hotel economy. The Tollway corridor is the only location in Addison that can attract high-density office buildings. The Town needs to protect the four remaining sites on the Tollway corridor and resist pressure to let those valuable sites be re-zoned for non-commercial uses such as multi-family. There is always pressure on the Town to let developers build what they can finance and build at the moment, but the Town has to think long-term and protect its most valuable land assets.

GOAL:

Recognize that office buildings are a valuable land use asset for the Town and take steps to keep them competitive through code enforcement and Economic Development efforts.

OBJECTIVES:

1. Maintain the quality of buildings through code enforcement efforts aimed at keeping buildings maintained and attractively landscaped.

2. Continue Economic Development efforts to keep Addison competitive with other communities and allow it to compete for large and small tenants.

3. Continue to foster variety among office tenants by encouraging other types of office uses such as call centers and medical offices.

METHOD FOR EVALUATING THE TOWN

METHODOLOGY FOR EVALUATING THE TOWN

In April of 2012, the Mayor charged the Planning and Zoning Commission with studying, analyzing, revising where appropriate, and reporting/delivering back to the Council an updated and current version of Addison's Comprehensive Land Use Plan. Last published in 1991 and only updated occasionally since then, the Plan as it is now structured is out of date to the point of being not useful for most purposes. It does provide a useful benchmark, however, for the Commission to add historical perspective to its discussions.

The Commission reviewed the 1991 plan, touring the Town, reviewing Comprehensive Plans produced by other municipalities, and journeying to other cities to see, first hand, excellent mixed use development examples. Afterward, the P&Z began structuring its task and deciding upon the method to be used to draw conclusions about how Addison could improve the "Highest and Best" use of its resources.

After much discussion, the Commission developed a methodology which looked at the Town in three ways. It examined other successful communities—communities that thrive through all economic cycles and are consistently places where businesses thrive and people desire to live and shop. It determined that successful communities shared many of the same traits or characteristics. The Commission summarized those traits, and labeled them the **Attributes of Success**. It then determined that those attributes should be measured for all **Categories of Land Use** across the Town's entire **Geography**.

ATTRIBUTES OF SUCCESS - A set of attributes agreed upon and prioritized by the Commission as a whole. The attributes identify and define the factors the Commission measured when evaluating a land use within the Town. The Commission believes that every use, regardless of its age, location, or place in the Town's hierarchy of land uses, should have the following traits in order to be a successful and productive use of land:

COMPETITIVE—The Town's businesses, neighborhoods, and facilities are viable in the marketplace. They compete effectively against similar land uses in other metroplex cities. Addison is known as a Town that "does things right," and it enjoys a good image in the metroplex for being efficiently-managed, fiscally-responsible, and visionary. The Town's private sector benefits from the Town's marketing, and businesses should manage and market their operations in a way that supports the Town's brand and good reputation.

SAFE—All sites are designed and improved with an eye toward providing a safe environment. Building and fire codes are adhered to during construction and on an on-going basis. Sites are provided with adequate lighting, and landscaping that is designed to maximize visual accessibility by those both within and around the site.

FUNCTIONAL—Land uses are supported by adequate utilities such as water, sewer, and technology infrastructure. Functional facilities, such as parking lots and drives, are attractively landscaped, in good repair and have adequate capacity to move traffic. Street signs

make it easy to get around and allow people to know when they are in the Town, and how they get from one place to another.

VISUALLY APPEALING—Any site, along with all buildings on it, is attractive, well-maintained and clean, with good quality architecture and construction on new structures, and older structures preserved, remodeled or refurbished. All sites are as free as possible of unattractive overhead utility lines, and have landscaping that is appropriate for the location and use. Signage is tasteful, scaled to match the building, and used for identification of a business, not advertising. In addition, aesthetically pleasing signs identify Addison when entering or leaving the Town.

SUPPORTED WITH AMENITIES—Land uses and facilities in Addison enjoy a close proximity to services and amenities such as retail stores, restaurants, recreational amenities, and entertainment. Sporting events and the cultural arts, such as museums and theatre, are available either in Addison or close by.

ENVIRONMENTALLY RESPONSIBLE — New buildings and sites are designed with energy conservation in mind. LEED and other "green" standards are not re- quired by the Town, but developers are encouraged to think carefully about their use of resources both in the construction and on-going operation of buildings. Existing buildings do all they can to conserve water and energy. All sites utilize native and/or drought-tolerant plants in the landscaping, and effective and well-monitored irrigation systems are provided on all sites.

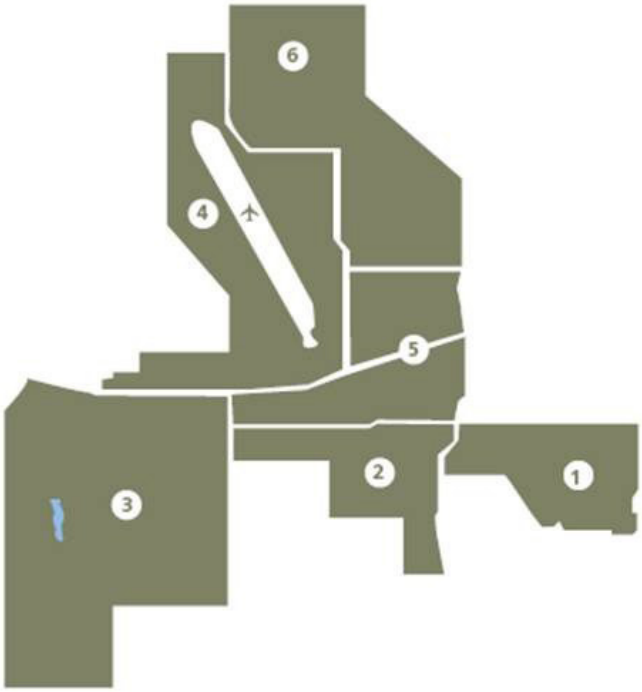
WALKABLE—All land uses and facilities should provide users the ability to walk from one use to another, and to navigate neighborhoods on foot or on a bicycle. Residential and Commercial uses provide the ability to walk between businesses. Trails and parks allow citizens to walk or ride a bicycle from one place to another throughout the entire town, and commercial facilities provide the ability for their employees to walk at lunch, and walk or bicycle to and from work.

CATEGORIES OF USE – Each square foot of land in Addison, from the smallest parcel to the airport, is used in a variety of ways—from single-family residential to corporate office. The Town itself is a large landowner, and it uses its land in a variety of ways in order to provide parks and facilities for its citizens. The Land Use Categories used in the Comprehensive Plan are:

- Single-Family Residential
- Multi-Family Residential
- Retail
- Office/Commercial
- Industrial
- Airport
- Mixed Use
- Parks, Trails, and Open Space
- Community Facilities
- Schools and Education
- Arts and Cultural Facilities
- Transportation Network
- Utilities

As land is a finite resource in Addison, it is important to consider and evaluate the Town's current and projected use of each of its land resources while asking the question "Is this the best…?"

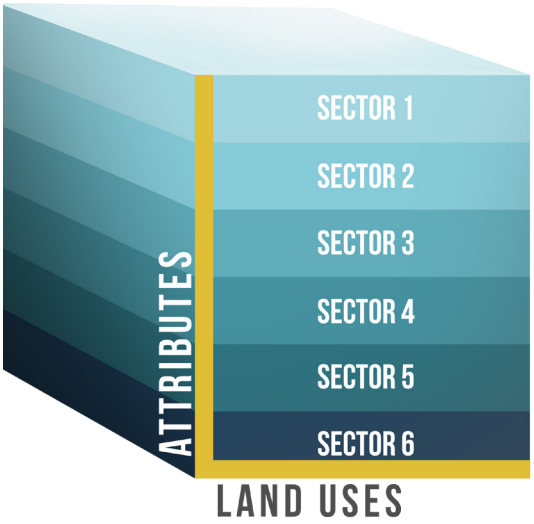
Addison Planning Sectors



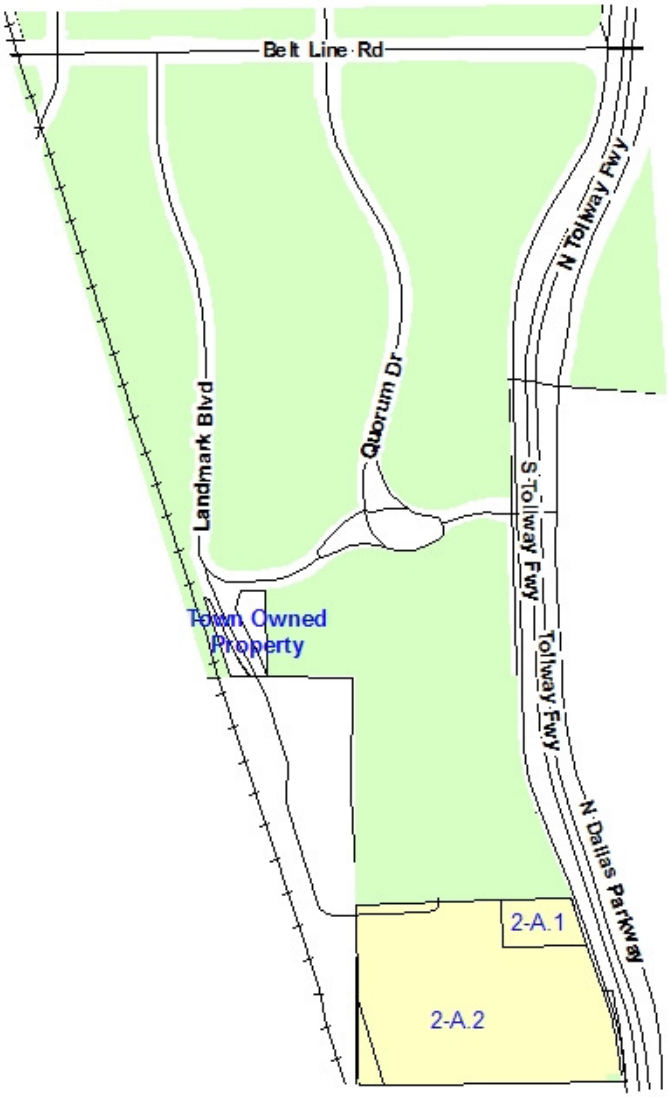
GEOGRAPHY – While Addison is only 4.35 square miles in area, it is a considerable task to evaluate each parcel individually. The current Town budget divides the Town into six geographic sectors. Each Sector has its own unique identity and distinguishing characteristics. The Commission utilized the Sector delineations in order to make the assessment of every parcel in Town a more manageable task. The assessments will be kept manageable by using a simple green, yellow, red color coding. Green will delineate successful parcels, yellow will indicate parcels that are beginning to be less successful, and Red will indicate parcels that are not performing at a level that is positive for that particular tract and an asset to the community.

The three categories used for evaluating the Town's land uses can be illustrated in a 3-dimensional matrix which depicts the interrelationship among the Attributes, the Categories of Land Use, and the six Sectors of the Town's geography.

A key role of the Plan is to present a comprehensive town-wide analysis and framework to guide the coordination of many separate incremental development decisions. Once adopted by the Town Council, the Plan becomes an official policy of the Town and many day-to-day actions of the Town's elected and appointed officials can be guided by the policies of the Comprehensive Plan. It can help guide management decisions made across all departments, and can serve as a basis for the Town's capital improvements program.



SECTOR 2



Town of Addison Sector 2 East

0 295 590 1,180 1,770 2,360 Feet

14345 DALLAS PARKWAY PARCEL 2-A

Acreage, Parcel 2-A.1: 1.49 acres
Zoning, Parcel 2-A.1: Industrial-1
Owner, Parcel 2-A.1: Mody Group, Ltd.

Acreage, Parcel 2-A.2: 16.23 acres
Zoning, Parcel 2-A.1: Industrial-1
Owner, Parcel 2-A.1: Ewing Enterprises Limited PS

Discussion:

This is Addison's largest undeveloped parcel abutting the Tollway. It was formerly the site of the Ewing automobile dealerships, and still carries the Industrial-1 zoning it carried when it held the dealerships. A portion of the tract (Parcel 2-B.1), was sold to the owners of the Modia Home Theater stores, who planned to locate a home theater store on the site. The site was hampered by poor access, but the Landmark Extension gave it access on the west side of the property. The site is located within the noise contours for the Addison Airport.

ATTRIBUTES OF SUCCESS MATRIX

14345 DALLAS PARKWAY 2-A

ATTRIBUTES	COMMENTS	SCORE
Competitive	This is a raw land site that has not been developed, so while it has great potential, it is not competitive with adjacent sites in the South Quorum area.	
Safe	Site does not have development and does not have traffic. It is safe.	
Functional	The site is not functional at present, as it is a raw land site.	
Visually Appealing	The site is not visually appealing at present. It does not have trees or grass, and there are slabs of concrete left on the site from when it served as a car dealership.	
Supported with Amenities	The site is on Addison's southern border, so it is not within walking distance of the business amenities on Belt Line Road or in the south Quorum area. However, those amenities are a short driving distance from this site.	
Environmentally Responsible	The site is environmentally responsible at present. If it were to redevelop, it is likely the future developer would likely add additional trees.	
Walkable	The site is not developed. It fronts directly on the Tollway, and there is no sidewalk. Therefore, it is not walkable.	
Overall Assessment	**The future for this site is uncertain, and the Industrial-1 zoning allows a wide variety of uses. The Town should work with the owner on a Planned Development zoning that would allow flexibility, but protect the Town against Industrial uses being located on this prime piece of property in Addison's high-density office corridor.**	