

“coopetition”

By David Berzina, CEcD, FM and Mike Rosa



Dallas/Fort Worth International Airport

Coming together is a beginning. Staying together is progress. Working together is success.

– Henry Ford

Collaboration is often seen as an idyllic phrase, particularly in the economic development world where competition is the name of the game. It is rare to find collaboration as part of an everyday operating plan when it comes to landing new business and expanding business in a specific community. Geography, local politics, and a fierce commitment to reduce the burden on taxpayers by bringing in new jobs, sales tax revenues, and capital investment can present a real challenge for regional initiatives.

Fortunately, for the Dallas-Fort Worth Metroplex, an underlying, long-term commitment to regional collaboration is yielding tremendous results for the Dallas-Fort Worth Metroplex: Competition is giving way to cooperation. As a result, big business is coming to North Texas

thanks to a coordinated and collaborative approach to marketing the region, which has led to broader prosperity for the North Texas region.

JUMPSTARTING REGIONAL COOPERATION

You can trace the seeds of regionalism back to DFW International Airport, which recently marked its 40th anniversary. If there was any single event that jump-started regional cooperation, that was it: It got everyone thinking that we had something going for us as a region, and that the whole is much greater than the sum of its parts.

The DFW International Airport is an invaluable sales tool, with more than 58 million passengers flowing through its terminals, taking advantage of more than 150 domestic destinations and 56 non-stop inter-

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Together, two chambers represent the largest regional economic powerhouse in the state of Texas.

A REGIONAL APPROACH IS DRIVING BIG BUSINESS TO NORTH TEXAS

In an age of fierce competition for new corporate relocations and expansions, the Dallas-Fort Worth region has successfully adopted a collaborative approach that proves the whole is larger than the sum of the parts. Working together on marketing initiatives to promote regional assets is paying off: The region consistently ranks at or near the top of the list nationally in economic development “wins,” population growth, and job growth.



Dallas, Texas Skyline

national flights to places like Australia, China, and the Middle East. It is at the top of the list of reasons why big businesses select North Texas as their base of operations. Business executives can get out and back to regional offices in a day, and any company based in the Metroplex can reach the rest of the world in a matter of hours. In turn, these companies can actually quantify the savings in time and money, which are huge deciding factors for companies.

This major international aviation hub, a collaboration between the east (Dallas) and west (Fort Worth) sides of the Metroplex, has spurred unprecedented growth. The North Texas region is now the fourth-largest Metropolitan Statistical Area (MSA) in the United States, boasting a population of 6.7 million people in a 9,500-square-mile area, and a growth rate of nearly 23 percent over the last decade. It is estimated that the population will exceed nine million by 2030.

A NEW WORLD OF OPPORTUNITY

Beyond Dallas and Fort Worth, there are a dozen municipalities in the Metroplex with populations in excess of 100,000 people. More people mean more critical mass for expanding and relocating companies. No other area in the country has this population base with as many major economic development agencies working in partnership with one another.

Working together to land big business was a strong initial step towards regionalism. In early 2000, the Boeing Company announced plans to establish a new global headquarters outside of its primary base of operations in Seattle, WA. The North Texas region was a solid contender and finalist due in large part to DFW International Airport and Fort Worth-based American Airlines, but lost out to Chicago in 2001. Even though we didn't win this bid, the process of two major cities and two major Chambers of Commerce working together opened everyone's eyes to a whole new world of opportunity.

DFW MARKETING TEAM

The first big step toward regional marketing was the formation of the DFW Marketing Team, which began meeting in 2003. More than 60 communities, along with the Dallas Regional Chamber, the Fort Worth Chamber, and TXU Energy came together to establish and begin to market a singular brand. The volunteer organization, which is chaired by different municipalities on a rotating basis, now represents 90 cities and towns. The group meets quarterly but, more important, participates jointly in national and international trade shows and fielding and hosting international delegations to expand business opportunities between domestic and foreign companies. By pooling our resources for travel and developing targeted marketing materials, we are that much more effective.

This approach has worked well for both cities and the region as a whole. The competition is fierce – everyone is trying to land the next big business. We're competing with cities and states across the country and even within our own state.

But the numbers don't lie: Both the Fort Worth and Dallas Chambers repeatedly make the annual top 20 economic development agencies list, which is based on the total value of economic development deals in each market. The region is unapologetic for its success: North Texas has one-quarter of the state's population but produces one-third of the Texas Gross Domestic Product (GDP) or approximately \$400 billion annually.

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TRUST AND TRANSPARENCY ARE PARAMOUNT

In theory, there are no barriers to working together. But, at the end of the day, it always comes down to fighting for more jobs and increased tax revenues. Human nature can certainly get in the way of economic development cooperation, because cities can see issues differently. Trust becomes a paramount issue – and one of the greatest indicators of success in regional cooperation.

Case in point: The cities of Dallas, Fort Worth, Arlington, and Irving pursued a “handshake agreement” that is essentially a “no raid” policy. The participating cities agreed not to incentivize a company to move from one city to the next, unless, and only if, the community where the company existed could no longer meet its

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requirements or needs. Additionally, the groups agreed that if their city or organization was contacted by a company considering relocation to another participating city, the economic development agency would contact its peers and give them a chance to retain the company.

Transparency and trust are paramount, and the united front also has another benefit: Businesses are more willing to invest in a region whose communities work in collaboration and recognize each of their unique assets.

This was a groundbreaking step on the part of the cities and Chambers and is one that the region hopes will be replicated elsewhere. At the end of the day, we believe that there is no net benefit to one community losing a long-time business to another nearby community.

A healthy respect between and among North Texas communities – and the understanding of their differences and similarities – helps foster the collaborative and cooperative spirit. We recognize each other's strengths: Dallas is frequently the focus of discussions related to general downtown office space. The city's ability to recruit a company needing 500,000 square feet in a short timeframe is unmatched. However, when the search is under 500,000 square feet, Fort Worth is a viable option in addition to Dallas.

Conversely, Fort Worth still has vast land available for development, with much of the growth centered in north Fort Worth around AllianceTexas, an 18,000-acre master-planned community that is the world's most pre-eminent multi-modal global logistics hub. With room to build and grow, Fort Worth is quickly becoming the “go-to” community for manufacturing and distributing, and businesses related to the oil and gas industry. Internationally recognized companies such as Amazon.com and Walmart have located major distribution facilities in the region, and the region's manufacturing base

has expanded well beyond Lockheed Martin and Bell Helicopter to now include locomotive manufacturer GE Transportation.

MARKETING THE REGION AS A WHOLE IS MORE PRODUCTIVE

Both sides of the Metroplex have their individual strengths, but marketing the region as a whole is significantly more productive. The assets in North Texas are incredibly spread out, which means the message can get diluted. We try to synthesize the best that the region has to offer and present that to companies considering a move to Texas. We tell prospects considering the region to close their eyes and throw a dart at a map of North Texas, because no matter where it lands, they'll

find something there they will like – Class A office buildings, speculative development, corporate campuses, urban living, expansive parks and trails, centers for innovation, higher education opportunities, and cultural offerings.



Fort Worth, Texas Skyline

The regional sales pitch often starts with a review of the Fortune 500 companies that have located in North Texas, including AMR/American Airlines, ExxonMobil, Fluor Corporation, AT&T, RadioShack, Texas Instruments, and Kimberly-Clark. If companies of that caliber are coming here because of the business and regulatory environments, the labor pool, the high quality of life, and our overall infrastructure, that sends a strong statement – the Good Housekeeping Seal of Approval, if you will – to other businesses. Ultimately, success breeds success.

And while the DFW International Airport is another marketable asset, the airport is just the tip of the iceberg for North Texas, which has one of the most sophisticated and global supply chains, thanks to a complementary and expansive network of roads and rail. This means goods, services, and people can connect anywhere in

Photo credit: Glen Elman

the country in a matter of hours. There's a reason that FedEx, Amazon.com, Walmart, and other major logistics-based companies have located here. You've heard of 'location, location, location' – for these companies, it's all about access, access, access.

The regional collaboration works hard to market the human capital available throughout the region as well. There are more than 350,000 students enrolled in post-secondary education, providing an extraordinary pipeline of skilled and highly educated workers. More than 35,000 students are graduating annually; they represent the future workforce and leadership for global brands that call North Texas home.

With new companies moving into the region and needing to fill hundreds or thousands of positions, a thriving and growing labor pool gives them peace of mind that we have the talent they will need. At the end of the day, employers want to locate where the talent is, and in a place where the best talent wants to live.

ADVANCING LEGISLATION

Regionalism has led to a unified approach to other major issues in the North Texas area including water and transportation. Fort Worth is one of the fastest-growing major metropolitan areas in the country, and the region is adding jobs – and people – faster than in any other part of the country. More people translate to a greater demand on infrastructure and natural resources, so the region works together to advance necessary legislation to provide the financial resources to equip the region for the growth that is yet to come.

Water is an ever-present issue in the face of continuing droughts and increasing population and usage. It is clear that the failure to meet water needs in the future would be devastating in terms of the North Texas region's growth and economic well-being. As part of the 2007 Texas Water Plan, the Texas Water Development Board looked at economic impacts of inadequate water

resources, estimating that if the region could not meet the needs of its communities, the region would lose more than one million residents, almost 745,000 jobs, and \$62.6 billion in income by 2060.

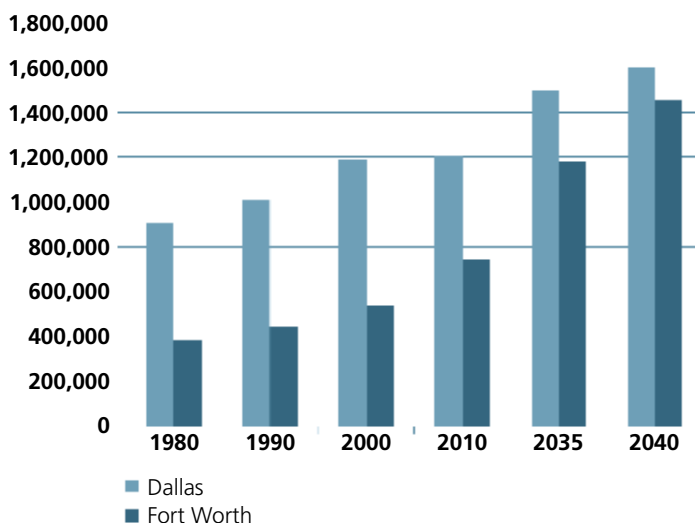
Such dire predictions led to action: Following the 2013 Texas Legislative Session, regional Chambers joined forces to promote a constitutional amendment that would provide \$2 billion in funding for development of long-term water resources. Without water, there will be no economic development; the two go hand in hand. Joint press conferences involving state elected officials and business leaders from throughout the region underscored the dire need to help ensure the future of the region's water supply, and voters responded with the amendment passing by a large majority.

Similarly, the Chambers came together around another economic development issue: ensuring tax relief for aviation- and aerospace-related businesses that were looking outside the state to warehouse inventories due to burdensome tax legislation. The proposed constitutional amendment, with the endorsement of elected officials and business leaders, also passed in the November 2013 elections. Retaining these businesses – and their inventories – will have long-term impacts for the region and the state.

Later this year, voters will once again take to the polls, this time considering a constitutional amendment that will generate approximately \$1 billion in annual funding for much-needed transportation projects around the state, from interstate highways and state highways to major, local arterials. The Fort Worth Chamber and Dallas Regional Chamber, along with many of their partners, have played critical roles in driving this legislation.

The region has found a blueprint for success: For issues like water or transportation funding, there is no other way to act than on a regional basis. A well-developed infrastructure is absolutely essential; without it, economic development stagnates.

Fort Worth Population Trends



A TRACK RECORD OF GROWTH

On the receiving end, regionalism makes all the sense in the world. Instead of having to query multiple cities for basic information, prospects can go to one or two sources and get an overview of the region as a whole. More than 100 cities in North Texas have economic development offices, so we could easily be fragmented in our efforts. Having two "go-to" organizations for site selection consultants and relocation experts to count on is a competitive advantage for our region.

Interest in the region continues at a fast pace: Between the two Chambers, there are typically 150 to 200 annual inquiries leading to 50 to 75 site visitations, with 20 to 30 of these coming to fruition. Both of our Chambers are seeing significant increases in interest in the region. We are at the heart of it all; this is the place to be – for international businesses, for start-ups, for manufacturers, for life-science companies.

A strong track record of growth continues to benefit North Texas and elevate our awareness among global industry leaders and small businesses alike. Success begets success: The more companies, employees, students, and families we attract to the region, the more marketable – and recognized – we become.

Dallas, Fort Worth and the region as a whole enjoy national and international recognition for any number of business and quality of life metrics. Texas leads the nation in the creation of jobs at all pay levels; Texas has experienced stronger growth than the rest of the U.S. in all four wage quartiles from 2000 to 2013, according to the Federal Reserve Bank of Dallas. According to the U.S. Census Bureau, the Dallas-Fort Worth-Arlington metropolitan area ranks third on the national list of largest population increases between July 1, 2012 and July 1, 2013.

Such success does not come without substantial investments and strong partnerships. At the end of the day, avoiding the rivalry that pits communities against each other can make it easier for each city, and the region, to promote economic vitality and sustainability. Instead of competing against each other, the cities are now competing against the world.

Numerous other accolades set the North Texas region apart:

- *Area Development Magazine* has recognized DFW as “A Recession Busting Metro Area”
- DFW ranks in the top 10 of “Best Cities for Jobs in the Finance Industries” (*Forbes*)
- ZipRealty has designated the region as the most affordable major metro area to live in the U.S.
- The region is the second most popular moving destination according to Penske Truck Rental
- Texas has dominated the list of *Forbes*’ “Best Cities for Good Jobs,” with Dallas leading the way in the number one position
- The School for the Talented and Gifted in Dallas has been named the best high school in the nation by *U.S. News and World Report*
- Downtown Fort Worth ranks first on the list of “Top 10 Best Downtowns” according to Livability.com
- Fort Worth has ranked third on *Forbes*’ list of “Best Cities for Job Seekers”

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Ultimately, the cities of North Texas had a choice: try to grow on their own, or come together to foster an economic development juggernaut. While cities still have their differences and individually try to be the place that new or expanding businesses ultimately choose, we have learned that standing together we stand taller, to the benefit of everyone. 🌐

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