



INSIDE Retail cools off

Wal-Mart and other discounters offered a strong showing, but many U.S. retailers had a slow July as hot weather hurt sales of fall clothing. 2D

OPENING BELL Job data with a bit of bounce

Given the volatility in the numbers recently, investors would settle for July's job creation figures to come somewhat close to the mark this morning. Most economists are expecting gains to hit 175,000, what's now considered the Goldilocks level — not so hot that it spurs inflation anxieties, nor so cold that it implies slowing economic growth.

The report is due at 7:30 a.m. Dallas time.
Danielle DiMartino

THE MARKETS

Down	Needing	S&P 500	10-year Treasury
↓ 87.49	↓ 26.49	↓ 0.18	↓ 0.32
↑ 10.61	↑ 2.91	↑ 32.2	↑ 2.35
↑ 10.61	↑ 2.91	↑ 32.2	↑ 2.35

Oil and retail woes bog down market

But analysts say Thursday's stock sell-off is unlikely to stop the rally for long. 4D

Danielle DiMartino

Educate yourself on the employment outlook. 4D

ENERGY WATCH

CRUDE	GASOLINE
\$61.38	\$2.246
+0.52	+0.007

Per barrel, West Texas Intermediate, Mercantile Exchange
Per gallon, regular unleaded, Dallas

INSIDE BUSINESS

ACS profit rises on sales strength

Shares in the computer-services firm shot up more than 6 percent after hours following the firm's forecast of continued growth. 2D

Robert Miller

Business Day column, 2D

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OFFICE TALK



Iacocca's listenin' to the D-O-G

Chrysler will begin running a television commercial today that pairs former Styron Dene with

Exxon Mobil chief to retire

Raymond staying until year's end; analysts expect smooth transfer

By SUDEEP REDDY
Staff Writer

Exxon Mobil Corp. said Thursday that chairman and chief executive Lee Raymond plans to retire at year's end, concluding a nearly 13-year reign for one of the global oil industry's most prominent leaders.

Mr. Raymond, 66, is expected to hand over control of the Irving-based oil giant to president Rex Tillerson, a 53-year-old Wichita Falls native who climbed up in the company over three decades.

Wall Street expects a seamless transition at the world's largest publicly traded oil company, famous for its disciplined culture

and long history of profitability.

"I don't think Exxon's going to lose a step," said A.G. Edwards analyst Bruce Lanni. "That's a tribute to the way that the company has been run and will continue to be run. The management team is exceptional. They're very much patterned in the same fashion."

Analysts said Mr. Raymond would be remembered for a relentless focus on efficiency that put the company far ahead of its peers by most measures.

In 1999, Mr. Raymond completed the \$81 billion purchase of Mobil Corp. The deal, merging the two largest pieces of the Standard Oil empire that was dismantled in 1911, is considered one of the industry's most successful mergers.

Mr. Raymond has generally avoided the spotlight, but he earned a reputation over the



MEL CHEN JAU/Staff Photographer

Exxon Mobil's Lee Raymond (left) spoke in April with Crown Prince Abdullah, who is now king of Saudi Arabia.

years for his blunt, tough-talking style.

He oversaw the company's response to the 1989 Exxon Valdez disaster and has held firm in fighting the \$5 billion in punitive damages awarded over the worst

oil spill in U.S. history.

Mr. Raymond has been a top target of environmental groups for the scientific assertions behind global warming.

Michael Crosby, a Roman

Catholic monk and leader of the New York-based Interfaith Center for Corporate Responsibility, tried for years to change Mr. Raymond's views on climate change.

While Mr. Crosby expects Mr. Tillerson's style to be different, he is skeptical there will be any substantive change in the company's message.

"I would hope that there would be change, but I am not holding my breath," Mr. Crosby said.

The handover has been expected since Mr. Tillerson was elevated from his post of senior vice president last March. Mr. Raymond had been publicly silent on the timing of his retirement, after having been asked by the board in 2001 to stay beyond the company's retirement age of 65.

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REAL ESTATE REPORT

The next step



Photos by RANDY ELI GROTHE/Staff Photographer

Kessler Woods homes have been selling. "I had no idea it would go this fast," said builder Matt Holley.

Urban homebuilding boom is spreading into Oak Cliff

By STEVE BROWN
Real Estate Editor

Uptown, downtown, all around the town — Dallas' in-town homebuilding boom isn't letting up.

But until recently, many buyers hunting for a high-rise condo or townhouse hadn't thought about Oak Cliff.

Well, think again.

A handful of developments south of the river are bringing the latest in urban housing to historic Oak Cliff neighborhoods. And more are on the way.

"What's happening in Uptown is phenomenal, but Oak Cliff has an incredible future, too," said builder Matt Holley,

Steve Brown's column, 2D
Pinnacle Park is growing, 3D

who's building a 30-home contemporary housing community near Stevens Park Golf Course. "Oak Cliff is a dynamic market right now."



Cliff Towers, which was originally a residential hotel, is being converted into condos. The 1920s building overlooks downtown and Lake Cliff Park. The 60 loft-style condos will be priced from \$180,000 to \$570,000.

Mr. Holley should know: His Kessler Woods project on North Oak Cliff Boulevard is more than half sold, much of it by word of mouth.

"I had no idea it would go this

fast," said Mr. Holley, whose mid-century modern homes are fetching between \$495,000 and \$2 million.

See URBAN Page 10D

Dallas a seller's market

Retailers are eating up vacancies at area shopping centers

By STEVE BROWN
Real Estate Editor

This is shaping up to be one of the best years on record for the North Texas shopping center market.

Fueled by a booming housing market and local employment gains, the retail vacancy rate has fallen below 10 percent.

It's only the third time in the last decade that vacancies have been that low, according to a new shopping center market report from the Weitzman Group.

"It's all tied to rooftops," said Bob Young of the Weitzman Group.

"I don't see any slowdown in terms of appetite" for space, he said.

Researchers with the Dallas-based real estate brokerage said some of the demand is from retailers moving into the market.

And new stores such as Ikea in Frisco and Cabela's in North Fort Worth are included in the almost 4 million square feet of shopping space that will be added to the Dallas-Fort Worth market in 2005.

This fall, Firewheel Town Center in Garland will open, which accounts for about 800,000 square feet of this year's construction, according to Weitzman.

While leasing is up, widespread construction is keeping rents down.

At midyear, average retail rents were virtually unchanged from 2004 at about \$14 per square foot per year.

So far, brokers haven't had any trouble finding new tenants when shopping centers lose merchants, Mr. Young said.

"It creates opportunities for someone not in the market," he said.

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SHOPPING CENTER CONSTRUCTION

New retail space added to the Dallas-Fort Worth market

10 in millions of square feet

Urban boom spreads to Oak Cliff

Continued From Page 1D

So far, he's sold more than 20. "As soon as I start building a house, someone buys it," said Mr. Holley, who began purchasing the land for his project about three years ago.

The site "had sat vacant for years, and I thought it would be a good investment."

"I had no idea there was so much pent-up demand for this type of housing."

'Big difference'

Buyers are coming from all over the city, said sales agent Keith Cox of David Griffin Realtors.

"At Kessler Woods, only about 20 percent are from the neighborhood — the rest are from outside," said Mr. Cox. "That still means getting people to think beyond the Trinity River, and we have a little ways to go."

"But compared to three years ago, we are seeing a big difference."

It's hard to ignore one of the newest developments in Oak Cliff — the condominium conversion of the landmark Cliff Towers at Zang and Colorado boulevards.

Built in the 1920s as a residential hotel, the 12-story building overlooks Lake Cliff Park and downtown Dallas.

NEW DIGS IN OAK CLIFF

Developers are heading south of the river to build townhomes, condos and urban-style housing projects.



1. Villas at Dilbeck Court
2. Kessler Woods
3. Perry Homes
4. Cliff Towers
5. Trinity Townhomes

BETSY BOCK/Staff Artist

Evergreen Realty Partners is turning the building into 60 lofts-style condos priced from \$180,000 to \$270,000.

The units at the renamed Lake Cliff Tower will be finished by late spring or early summer.

"We want to change the gateway for Oak Cliff for the better," said developer Steve Everbach. "We thought it was a tremendous opportunity." The developers are also planning a 35,000-square-foot retail center on land they own across the street.

"We think this area is a tremendous investment opportunity," Mr. Everbach said.

Homebuyers must agree. "We are 65 percent sold with firm contracts — nonrefundable money," said Mr. Cox, whose firm is selling the high-rise.

New to the area

Indeed, the Oak Cliff market has gotten hot enough that some Uptown builders are jumping the river.

Perry Homes — which has built projects just north of downtown and in Oak Lawn — is about to begin a development on Bishop Avenue near Methodist Hospital.

"I would expect construction to start this fall with completion as early as January or February," said Perry Homes' Jim Salyers.

Seven two-story duplex-style homes will be about 1,800 square feet each and start at \$270,000.

"We are hearing that people are very open to new projects in Oak Cliff," said Mr. Salyers, who says Perry Homes is looking at other sites in the area.

Developer Monte Anderson has begun work on a 35-unit townhome project on Fort Worth Avenue near Sylvan Avenue. The Villas at Dilbeck Court are part of a larger development that includes restoration of the historic Belmont Hotel next door.

About nine townhomes are presold, Mr. Anderson said, and there will also be duplexes and patio homes in the project.

"We have tried to keep our prices down," he said. "We are going to start at about \$165,000 or \$175,000 for a 900-square-foot unit."

"I wanted it to be affordable so that everybody I know would be able to live there."

He's planning more condo and townhouse projects. "I have another three or four tracts under contract on Fort Worth Avenue," Mr. Anderson said.

More townhomes

David Griffin Realtors is marketing a townhouse project just getting under way at the foot of the Houston Street viaduct just south of downtown.

Trinity Townhomes will have 24 two-bedroom townhomes

priced from \$299,000 to \$369,000. Many of the three-story homes will have balconies with views of the nearby skyline.

Developer Blaine Ladymon — who also builds in Oak Lawn and East Dallas — has been working on the project for more than a year.

"We searched for land that was close to downtown that was affordable — and that is almost impossible," said Mr. Ladymon. "We found this property that had great views."

But convincing financial back-

ers wasn't easy.

"We had problems with bankers, and several we do business with wouldn't touch the project because they don't believe in the neighborhood," Mr. Ladymon said. "But others have seen the opportunity here and know we are not crazy."

Now, he said, "we've been approached to sell our land to larger and bigger developers."

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David Griffin

The Trinity Townhomes will be three stories high and will have balconies with views of the nearby skyline. They are to be priced from \$299,000 to \$369,000.

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