DEVELOPMENT PROGRAM
TARGETED INVESTMENT AREA

FOREST/JUPITER /WALNUT CATALYST AREA
JUPITER & WALNUT

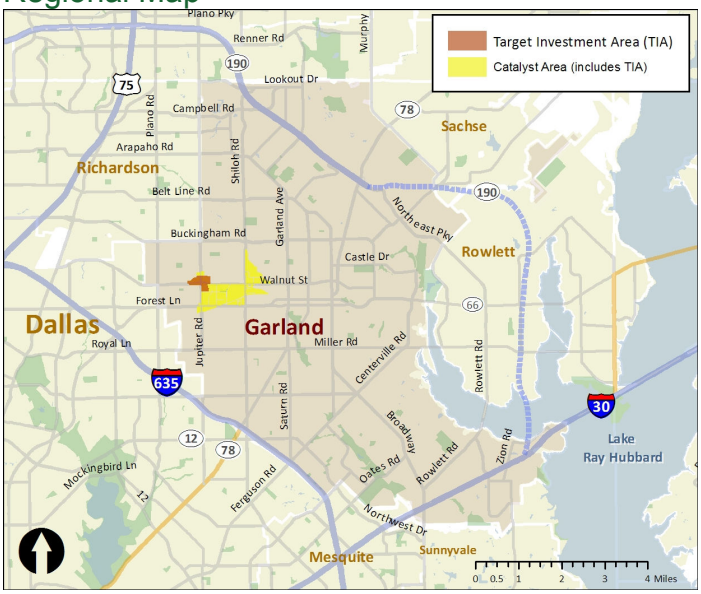
Development Opportunity

The City's overall strategy for this Area is to strengthen the connection between this intersection and the DART light rail stop at Jupiter and Forest. The Jupiter and Walnut TIA offers the potential for: a planned ethnic community retail center with coherent streetscape and other shared amenities (such as outdoor/farmers/event space) to enhance its destination potential; neighborhood supportive office and retail space to convert inefficient land uses and fill larger retail vacancy, while improving job prospects for existing residents; and medium/higher density residential to break up the retail/parking glut and enliven the overall place.

Key Assets of this *Targeted Investment Area* include:

- Proximity to DART station
- Vacant/underutilized land

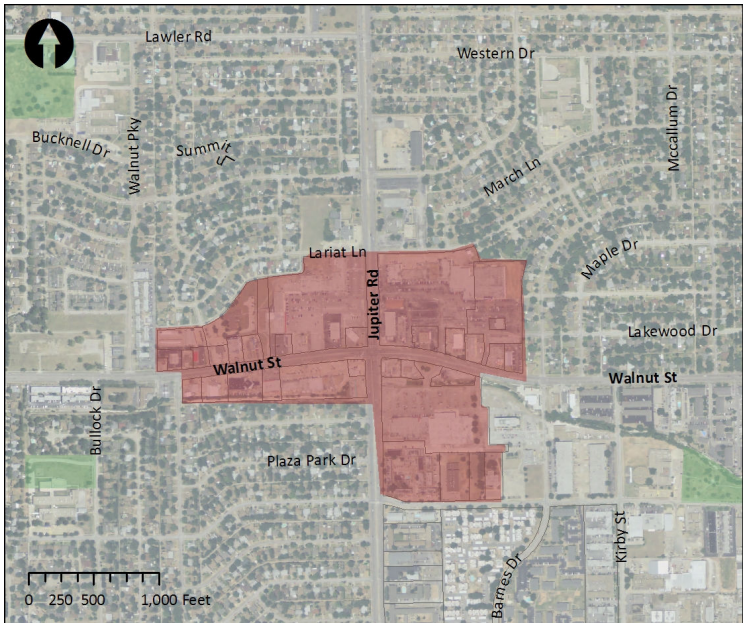
Regional Map



Market Opportunities

	Short-Term (1 - 5 years)	Long-Term (5 - 10 years)
Housing		
Rental	X	
Ownership (Attached)		
Retail		
Neighborhood	X	
Regional/Specialty		
Office/Employment		
Class A		
Local Service	X	
Other		
Public	X	
Parking	X	

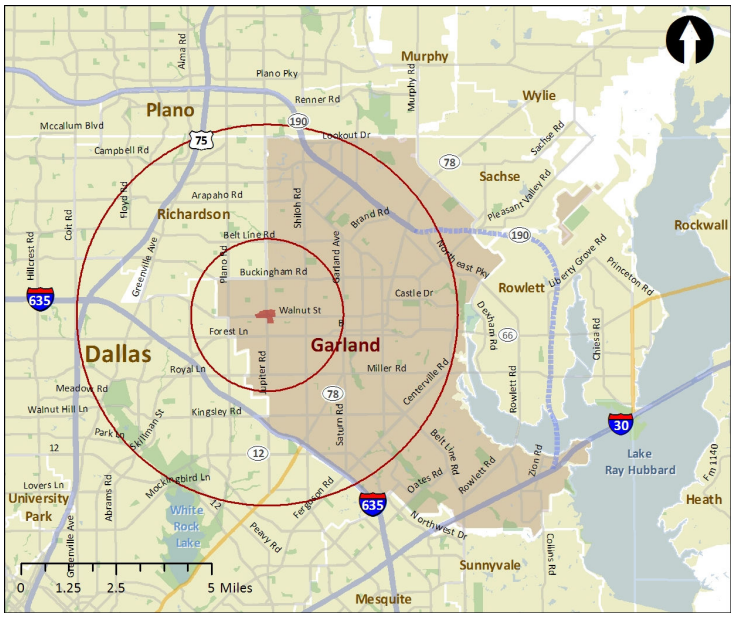
Site Location



MARKET POTENTIAL
AREA TARGETED INVESTMENT AREA

FOREST/JUPITER /WALNUT CATALYST
JUPITER & WALNUT

Site and Trade Area



Demographic Profile

	2-mile Radius	5-mile Radius	DFW Metro
2009 Population	62,165	369,774	5,161,544
Annual Growth Rate (2009-2019)	-0.01%	0.27%	2.50%
Median Household Income	$43,932	$47,951	$56,794

The Jupiter & Walnut Trade Area profile suggests an established concentration of lower-income households, expected to grow at a modest rate over the next 10 years.

Market Potential

	Attainable TIA Capture	
Land Use	**5 yr**	**10 yr**
Single Family Attached (units)	**0**	**0**
Multi-Family Rental (units)	**54**	**90**
Retail (sq ft)	**30,000**	**50,000**
Office (sq ft)	**0**	**0**
Employment (sq ft)	**132,000**	**220,000**

As shown, market potential within the Jupiter & Walnut Targeted Investment Area suggests support for employment space, supported by retail and rental residential uses. This redevelopment opportunity will likely occur incrementally over the next 10 years.

Catalyst Program

	Units/Spaces	*Square Feet*
Retail/Restaurant		**15,000**
Office/Employment		**15,000**
Residential (Rental)	**60**	**48,000**
Residential (For-Sale)	**0**	**0**
Gross Floor Area		**78,000**
Project Land Area		**348,480**
Floor Area Ratio		**22%**
Surface Parking	**200**	**69,983**
Structured Parking	**0**	**0**

The Catalyst Program reflects a "Phase 1" development that could take advantage of the potential market opportunity within the next 7 to 10 years. The program's development economics begin to form the framework of a potential public-private partnership.

GARLAND

IMPLEMENTATION STRATEGY
TARGETED INVESTMENT AREA

FOREST/JUPITER /WALNUT CATALYST AREA
JUPITER & WALNUT

Development Economics

Estimated Project Value (Stabilized Yr)	
Total Retail/Restaurant Rentable SF	13,500
Rent/SF*	$15.00
Total Office/Employment Rentable SF	13,500
Rent/SF*	$15.00
Total Residential Rentable SF	38,400
Rent/SF	$16.20
Total Parking Spaces (Structured)	0
Rent/Space	$0
Gross Income	$1,027,080
Occupancy	95%
Effective Gross Income	$975,726
Operating Costs	$319,800
Net Operating Income	$655,926
Capitalization Rate	8.0%
Project Value -- Office/Retail/Rental Hsg	***$8,199,075***
Total Housing Units	0
Sales Price/Unit (Wtd Avg)	$200,000
Gross Revenue	$0
Less Marketing Costs	$0
Net Sale Proceeds	$0
Project Value -- For-Sale Housing	***$0***
Total Project Value	***$8,199,075***

** Retail based on triple net lease; Office based on gross lease.*

Development Economics (Cont'd)

Development Cost Estimate	
Property Purchase (Acquisition/Demolition)	$3,484,800
On-Site Improvements (Surface Parking)	$599,850
On-Site Improvements (Structured Parking)	$0
Site Development	$696,960
Building Construction (Hard Costs)	$5,940,012
Construction Contingency	$723,682
Soft Costs (% of Hard Costs)	$1,085,523
Developer Profit	$1,253,083
Total Project Cost	***$13,783,910***
Development Economic Summary	
Total Project Cost	***$13,783,910***
Total Project Value	***$8,199,075***
Project Margin/"Gap"	***($5,584,835)***
% Project Margin/"Gap"	***-41%***

The Jupiter & Walnut *Targeted Investment Area* represents a more challenged opportunity, as evidenced by a significant economic gap.

Strategy Elements

Criteria	
Catalyzing Potential	**Medium** Mainly a matter of optimizing potential within TIA
Market Opportunity	**Medium** Weak demographics for national tenants, but already finding niche success as Asian-oriented
Cost of Failure/Inattention	**Medium** Could remain ad hoc ethnic market, but more coherent vision could raise upside (even remaining Asian-themed)
Cost to Make Market-Ready	**Medium** Could improve with just more organization but themed streetscaping & some relocations needed to maximize potential

Strategy Action Items

- Implement a strategy to reposition older retail strip centers to meet the needs of the appropriate trade area as a commercial and place-making center.
- Educate neighboring homeowners associations and other stakeholder groups about the potential for high-quality residential density as a replacement for vacant retail.
- Involve local ethnic retailers and community groups in a visioning process for the renovation and repositioning of the older retail shopping center.
- Study the feasibility of forming a business improvement district (BID) to fund shared improvements to streets and public spaces.
- Evaluate the potential for expanding the existing TIF boundaries to incorporate the entire Corridor.
- Research the application of low-income housing tax credits (LIHTC) and New Market Tax Credits to encourage workforce housing and mixed-use development.