

### **DEVELOPMENT PROGRAM**

#### **TARGETED INVESTMENT AREA**

#### **Development Opportunity**

The City's overall strategy for this Area is to take advantage of the proximity and influence of the Baylor Medical Center and encourage more market-supportive land uses. The Shiloh and Walnut TIA offers the potential for: better leveraging a major medical center; relocating existing retail space (currently unrelated to Baylor Medical Center); and replacing retail space with medical office space and complementary multi-family residential and convenience retail/dining.

Key Assets of this Targeted Investment Area include:

- Baylor Medical Center
- Proximity to Duck Creek

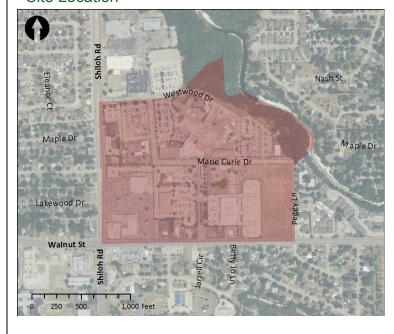
# FOREST/JUPITER /WALNUT CATALYST AREA SHILOH & WALNUT



#### 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**

#### TARGETED INVESTMENT AREA

#### Cita and Trada Araa



# FOREST-JUPITER STATION/WALNUT AREA SHILOH & WALNUT

#### Demographic Profile

	2-mile Radius	5-mile Radius	DFW Metro
2009 Population	57,596	343,979	5,161,544
Annual Growth Rate (2009-2019)	0.05%	0.26%	2.50%
Median Household Income	\$44,480	\$49,392	\$55,182

The Shiloh & 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 1	TIA Capture
Land Use	5 yr	10 yr
Single Family Attached (units)	0	0
Multi-Family Rental (units)	30	75
Retail (sq ft)	12,000	30,000
Office (sq ft)	80,000	200,000
Employment (sq ft)	0	0

As shown, market potential within the Shiloh & Walnut *Targeted Investment Area* suggests support for office space, supported by retail and residential rental 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		60,000
Residential (Rental)	50	40,000
Residential (For-Sale)	0	0
Gross Floor Area		115,000
Project Land Area		304,920
Floor Area Ratio		38%
Surface Parking	335	117,180
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.



### **IMPLEMENTATION STRATEGY**

#### TARGETED INVESTMENT AREA

## Development Economics

\$13,550,188

13,500 \$15.00 54,000 \$18.00 32,000
\$15.00 54,000 \$18.00
54,000 \$18.00
\$18.00
22.000
32,000
\$15.60
0
\$0
\$1,673,700
95%
\$1,590,015
\$506,000
\$1,084,015
8.0%
\$13,550,188
0
\$200,000
\$0
\$0
\$0

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

# FOREST/JUPITER /WALNUT CATALYST AREA SHILOH & WALNUT

#### Development Economics (Cont'd)

Development Cost Estimate	
Property Purchase (Acquisition/Demolition)	\$4,878,720
On-Site Improvements (Surface Parking)	\$1,004,400
On-Site Improvements (Structured Parking)	\$0
Site Development	\$609,840
Building Construction (Hard Costs)	\$10,979,970
Construction Contingency	\$1,259,421
Soft Costs (% of Hard Costs)	\$1,889,132
Developer Profit	\$2,062,148
Total Project Cost	\$22,683,631
Development Economic Summary	
Total Project Cost	\$22,683,631
Total Project Value	\$13,550,188
Project Margin/"Gap"	(\$9,133,443)
% Project Margin/"Gap"	-40%

The Shiloh & Walnut *Targeted Investment Area* represents a more <u>challenged</u> opportunity, as evidenced by a significant economic gap.

#### Strategy Elements

Total Project Value

Catalyzing Potential	Medium
	Already activity catalyst;
	needs swap of retail to
	medical complement
Market Opportunity	Medium
	Limited by land & will of
	Baylor Med Ctr.; would
	benefit from relocation
	of non-complementary
	retail
Cost of Failure/Inattention	Medium
	Area strengths (e.g.
	creek) – could spur
	improvement
	incrementally
Cost to Make Market-Ready	Medium-High
	Relocation of active
	retailers could be
	expensive

#### Strategy Action Items

- Partner with Baylor Medical Center and associated medical professional groups to revitalize the TIA through adapting to the changing landscape of federal healthcare provision and the growth of the Medical Center.
- Research the application of low-income housing tax credits (LIHTC) and New Market Tax Credits to encourage workforce housing and mixed-use development.
- Explore the need for development regulations to allow residential and outdoor market uses.
- Implement a strategy to reposition older retail strip center to create a sense of place and support Baylor Medical Center and the surrounding neighborhoods.
- Involve local ethnic retailers and community groups in a visioning process for the renovation and repositioning of the older retail shopping center.
- Develop bike/pedestrian connections between the TIA and Duck Creek and Forest-Jupiter Station.