DEVELOPMENT PROGRAM
TARGETED INVESTMENT AREA

I-30 CATALYST AREA
I-30 & ROSEHILL

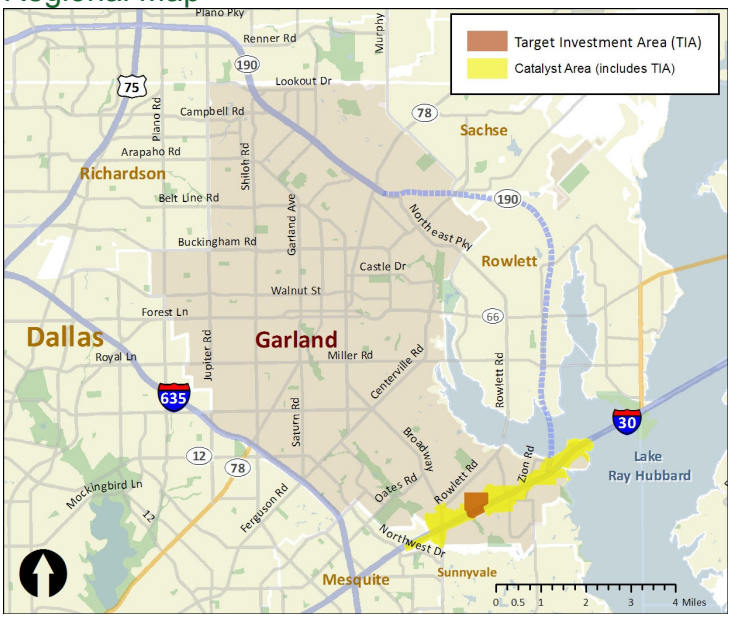
Development Opportunity

The City's overall strategy for this Area is to preserve land for development opportunities which complement I-30 TIAs at Harbor Point and Broadway. The Rosehill intersection area offers the opportunity to provide quality workforce (and higher) range housing with excellent interstate access. While retail and professional office development is conceivable here, it may be strategically unsound in the short term given struggling centers elsewhere along the Corridor.

Key Assets of this *Targeted Investment Area* include:

- Larger vacant land tracts
- Few owners of vacant land
- Utilities in place
- Regional access/visibility (I-30)

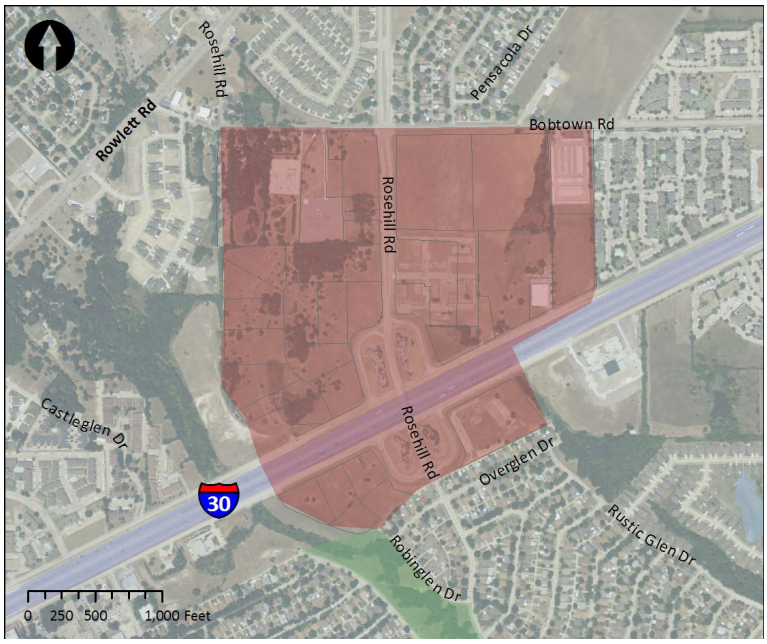
Regional Map



Market Opportunities

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

Site Location

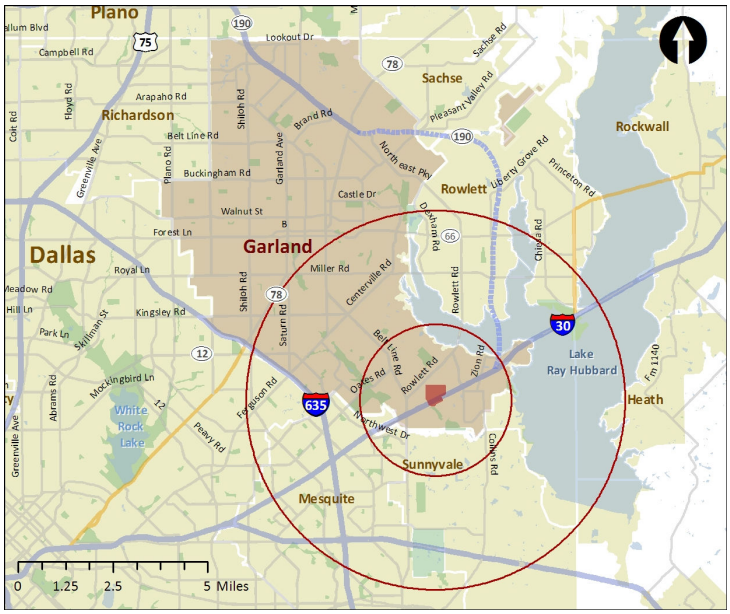


MARKET POTENTIAL

TARGETED INVESTMENT AREA

I-30 CATALYST AREA
I-30 & ROSEHILL

Site and Trade Area



Demographic Profile

	2-mile Radius	5-mile Radius	DFW Metro
2009 Population	36,488	207,615	5,161,544
Annual Growth Rate (2009-2019)	0.94%	0.39%	2.50%
Median Household Income	$54,907	$51,067	$56,794

The I-30 & Rosehill Trade Area profile suggests an established concentration of middle-income households, expected to grow at a steady, if modest rate over the next 10 years.

Market Potential

	Attainable TIA Capture	
Land Use	**5 yr**	**10 yr**
Single Family Attached (units)	**25**	**50**
Multi-Family Rental (units)	**150**	**300**
Retail (sq ft)	**25,000**	**50,000**
Office (sq ft)	**15,000**	**30,000**
Employment (sq ft)	**65,000**	**130,000**

As shown, market potential within the I-30 & Rosehill *Targeted Investment Area* suggests support for a mix of attached ownership (e.g., townhomes, rowhouses) and rental residential units. This development opportunity will likely occur incrementally over the next ten years.

Catalyst Program

	Units/Spaces	*Square Feet*
Retail/Restaurant		**10,000**
Office/Employment		**75,000**
Residential (Rental)	**150**	**120,000**
Residential (For-Sale)	**50**	**75,000**
Gross Floor Area		**280,000**
Project Land Area		**435,600**
Floor Area Ratio		**64%**
Surface Parking	**412**	**144,130**
Structured Parking	**103**	**36,033**

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

I-30 CATALYST AREA
I-30 & ROSEHILL

Development Economics

Estimated Project Value (Stabilized Yr)	
Total Retail/Restaurant Rentable SF	9,000
Rent/SF*	$18.00
Total Office/Employment Rentable SF	67,500
Rent/SF*	$17.00
Total Residential Rentable SF	96,000
Rent/SF	$14.40
Total Parking Spaces (Structured)	103
Rent/Space	$300
Gross Income	$2,722,785
Occupancy	95%
Effective Gross Income	$2,586,646
Operating Costs	$943,000
Net Operating Income	$1,643,646
Capitalization Rate	8.0%
Project Value -- Office/Retail/Rental Hsg	***$20,545,572***
Total Housing Units	50
Sales Price/Unit (Wtd Avg)	$250,000
Gross Revenue	$12,500,000
Less Marketing Costs	($875,000)
Net Sale Proceeds	$11,625,000
Project Value -- For-Sale Housing	***$11,625,000***
Total Project Value	***$32,170,572***

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

Development Economics (Cont'd)

Development Cost Estimate	
Property Purchase (Acquisition/Demolition)	$1,742,400
On-Site Improvements (Surface Parking)	$1,235,400
On-Site Improvements (Structured Parking)	$1,853,100
Site Development	$871,200
Building Construction (Hard Costs)	$27,337,520
Construction Contingency	$3,129,722
Soft Costs (% of Hard Costs)	$4,694,583
Developer Profit	$4,086,393
Total Project Cost	***$44,950,318***
Development Economic Summary	
Total Project Cost	***$44,950,318***
Total Project Value	***$32,170,572***
Project Margin/"Gap"	***($12,779,746)***
% Project Margin/"Gap"	***-28%***

The I-30 & Rosehill *Targeted Investment Area* represents a more challenged opportunity, as evidenced by a significant economic gap.

Strategy Elements

Criteria	
Catalyzing Potential	**Medium** Limited land, but modest improvements would still help corridor
Market Opportunity	**Medium** Good access but modest demographics & growth
Cost of Failure/Inattention	**Medium** Already contributes to weak market reputation of corridor
Cost to Make Market-Ready	**Medium** Parcels & roads are ready, but retail market may prefer Broadway

Strategy Action Items

- Promote this TIA as a "new economy" employment and light industrial/flex development district.
- Disseminate target industry research to DFW business associations and local/regional economic developers.
- Provide pre-development financial assistance to projects which promote "new economy" job creation and support services. Mechanisms may include: tax abatements, low interest loans, 380 agreements, loan pools, and tax credits.
- Work with local lenders to direct Community Reinvestment Act (CRA) dollars, revolving loan funds and grant programs to strategic development and redevelopment projects which support "new economy" jobs and support services.
- Acquire and position strategic properties for private investment (land swap, land write-down, density bonuses, transfer of development rights, etc.).
- Explore the potential designation of this TIA as a Texas Enterprise Zone supporting "new economy" jobs.