Final Report

Hensley Field Market Analysis

The Economics of Land Use

Prepared for:

City of Dallas

McCann Adams Studio

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Executive Summary

This report summarizes the analysis and conclusions of Economic & Planning Systems (EPS) regarding development opportunities for the Hensley Field property. The study was completed under a contract with McCann Adams Studio as input to the Hensley Field Re-use and Redevelopment Master Plan (Project) being prepared for the City of Dallas.

Background

Hensley Field is a former U.S. Naval Air Station (NAS) located on Mountain Creek Lake in southwest Dallas. The property, owned by the City of Dallas and leased to the Navy, was decommissioned in 1998 under the Base Realignment and Closure (BRAC) process with most functions transferred to the Naval Air Station Joint Reserve Base Fort Worth.

Over the last 20 years, the City of Dallas has focused on industrial uses as recommended in the 2006 *forward*Dallas Comprehensive Plan. To date, the site's full potential has been constrained by a yet to be completed environmental cleanup by the U.S. Navy, which retains full responsibility for remediation that will allow for a full range of redevelopment uses. To date, the property's reuse potentials have not been realized with much of the site being used for storage of vehicles built at the nearby General Motors Arlington Assembly plant.

Through a number of recent planning initiatives, the City of Dallas is now seeking to redevelop Hensley Field for what is described as a "broader, more productive, and aspirational mix of uses." These planning efforts, including the proposed *forward*Dallas Comprehensive Land Use Plan Update, Ongoing Economic Development Policy and Strategic Plan, Comprehensive Housing Policy, Resilience Plan, Dallas Cultural Plan, Connect Dallas Mobility Plan, and Environmental and Climate Action Plan are referenced as providing support for a more innovative redevelopment effort to build a diverse, mixed use, and walkable community.

The project's mission is to "leverage the value of this City-owned asset to create an implementable plan that achieves community objectives related to economic recovery, social equity, and environmental sustainability."

Project Location

Hensley Field is located in far southwest Dallas south of East Jefferson Street and adjacent to Mountain Creek Lake. With the exception of the adjacent Dallas Global Industrial Center, the 738-acre former airfield is almost completely surrounded by the City of Grand Prairie as shown in **Figure 1** below.

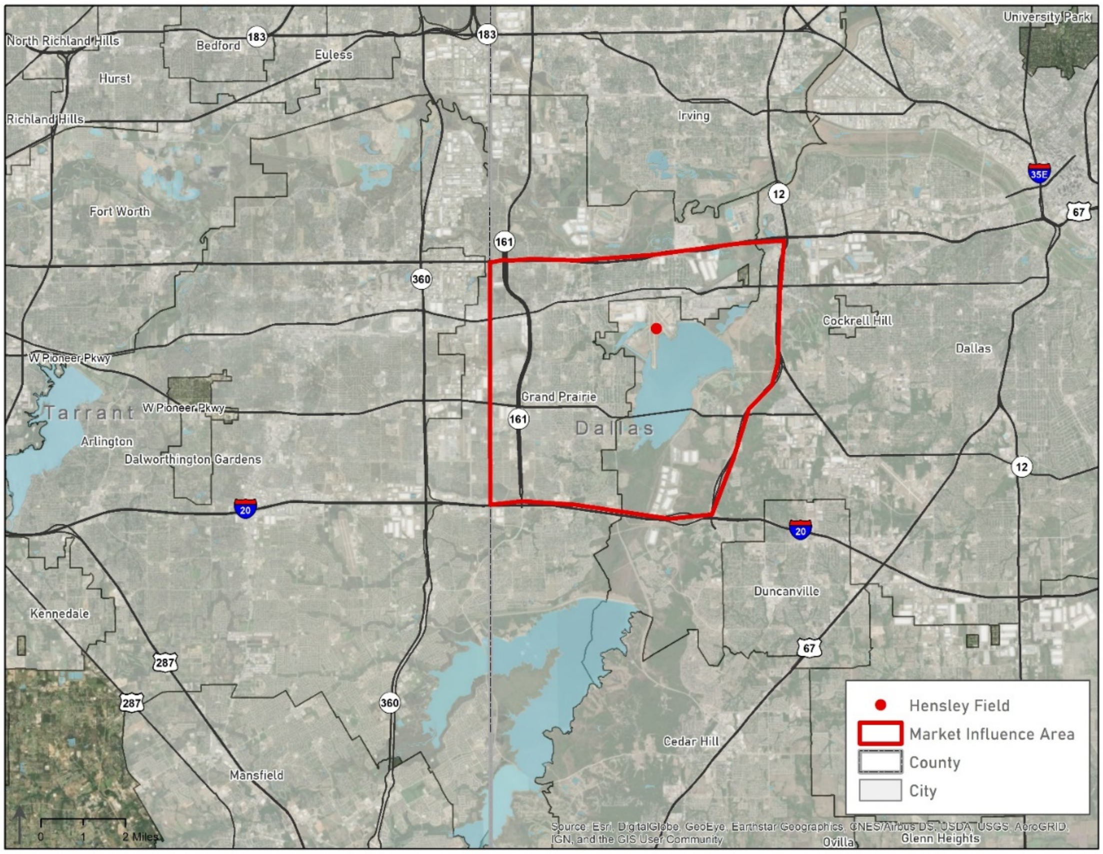
Figure 1. Hensley Field Site Location

Scope of Work

The report is organized in five chapters following this Executive Summary as follows:

- **Regional Growth Trends** – This chapter of the report provides an overview of regional demographic and employment trends in the 11-county Dallas–Fort Worth-Arlington MSA or Metroplex, focused on Dallas and Tarrant Counties, the cities of Dallas and Fort Worth, and in the Mid Cities located between them.
- **Market Area Growth Trends** – This chapter looks more closely at demographic and housing market conditions in the South Mid Cities and in the Hensley Field Market Influence Area shown in **Figure 2**.
- **Residential Markets** – This chapter summarizes data on housing construction trends for the region and South Mid-Cities area. It also evaluates rental and for-sale housing market characteristics in the Hensley Field Market Influence Area more proximate to the site.
- **Commercial Real Estate** – This chapter contains an analysis of market data in the major non-residential real estate market segments to gauge the potential for office, industrial, and/or retail development at Hensley Field.
- **Major Mixed-Use Redevelopments** – This chapter reviews the development history and successes and challenges of other major mixed-use redevelopment projects including relevant efforts in the Dallas/Fort Worth metroplex and successful major airports and military base redevelopments in other cities with relevance to the Hensley Field setting.

Figure 2. Hensley Field Market Influence Area



DFW Metroplex Market Conditions

The Dallas-Fort Worth area or "Metroplex" is a robust and fast growing market for real estate development and investment. The 11-County MSA has a population of approximately 7.6 million, making it the fourth largest MSA in the United States. The GDP of the Metroplex is approximately \$524 billion, making it the 6th largest economy in the U.S, similar in size to the Washington D.C. (#5, \$541 billion); San Francisco (#4, \$549 billion); and Chicago (#3, \$689 billion) MSAs.

Dallas and Tarrant Counties are the urban centers of the MSA and continue to have strong population, housing, and job growth. Over the past 10 years, the two counties combined have added 65,000 people annually, almost equally distributed between the two. Dallas County has added an average of 11,500 housing units per year, and Tarrant County has added 9,400 per year.

The Dallas and Fort Worth areas have had steady appreciation in home values but are still notably more affordable than coastal cities. As of October 2020, the average home price was \$238,000 in Dallas, \$225,000 in Fort Worth, \$230,000 in Arlington, and \$230,000 in Grand Prairie.

Dallas and Tarrant Counties have experienced strong job growth that has supported the population and housing growth rates described above. Since 2010, Dallas County added nearly 200,000 jobs, or 20,000 per year at an annual rate of 1.7 percent. Jobs in Tarrant County also grew by 1.7 percent per year, adding 15,700 jobs per year during the same time period. The unemployment rate in both counties is around 8.0 percent due to the impacts of the COVID-19 Pandemic. During more normal economic times, the unemployment rate has been in the 4 to 6 percent range in both areas.

The Metroplex has a strong trend of outward expansion in all directions. Grand Prairie (pop. 204,000) and Arlington (pop. 393,000) are the two largest suburbs in the South Metroplex area and influence the market around Hensley Field. For the past 10 years Grand Prairie has added 730 housing units per year while Arlington has added 920 per year. To the south there are additional growing suburban and exurban communities including Mansfield (pop. 76,000), Cedar Hill (pop. 50,000), and Duncanville (pop. 41,000).

Residential Market

As a large infill site, the Master Plan may seek to increase the density compared to its surroundings to maximize the site’s yield and the number of housing units created. The urban centers and mature suburbs in the region have experienced an increase in multifamily development and infill projects, indicating strong demand for well-located multifamily housing, and an evolution in the market driven by numerous factors: decreasing land supply, less household wealth available for down payments, and a surge of young demographics with a preference for urban living.

- As a largely built out mature city, Dallas has had a large percentage of its construction in multifamily housing for the past 10 years, ranging from approximately 65 to 85 percent attached and multifamily construction annually.
- While the Fort Worth area is generally a lower density market, the share of single family homes in the city has steadily declined from 77 percent of the market in 2010 to 45 percent of the market in 2019. Correspondingly, multifamily construction is now approximately 40 to 55 percent.
- Arlington’s market is influenced by the growth of the University of Texas at Arlington and the demand for student housing. Nevertheless, the city has shifted from largely single family construction to 50 to 60 percent multifamily construction (2015-2019).
- Grand Prairie has seen a trend similar to Arlington and has transitioned from 70 or 80 to 100 percent single family construction (2010-2013) to approximately 60 to 80 percent multifamily construction (2016-2019).

In terms of market share and production numbers, the Dallas CBD and surrounding area (five mile radius) have captured the majority of the multifamily market share: 4,000 units per year since 2010, which is a third of the market. The North Dallas markets (North Dallas City, Richardson, Carrollton) accounted for another 20 percent of the market, or 2,400 units per year since 2010. In comparison, Grand Prairie and Arlington are smaller markets and have added 400 to 450 units per year of multifamily housing, and 369 and 510 units per year in single family housing, respectively.

Hensley Field Rental Market

In evaluating the housing market, EPS defined a Market Influence Area with an approximately two to three mile area bounded by I-30 to the North, I-20 to the south, Highways 12 and 408 to the east and the Dallas/Tarrant County border (Highway 360) to the west previously shown in **Figure 2**.

EPS identified six new multifamily developments built between 2018 and 2020 in the Market Influence Area that are indicative of current rents and building characteristics. Rents range from $1.40 to $1.58 per square foot per month for 5 of the 6 projects surveyed as shown in **Table 1**. Each of these projects is built with 3-story wood frame construction with surface parking and/or tuck under parking. The Avila Heritage development has higher rents at $1.92 per square foot, but for larger and more luxurious townhome-style units.

Table 1. Recent Multifamily Projects, Market Area

Name	Units	DU/Acre	Rent/sf	Parking	Year Built
Riverside Place	148	27	$1.40	Surface	2019
The Sutherland	272	34	$1.47	Surface	2020
Prairie Gate	264	18	$1.45	Surface	2019
Avilla Heritage	140	10	$1.92	Surface	2019
Winding Creek	314	14	$1.58	Surface	2018
Clark Ridge Canyon	248	10	$1.50	Surface	2019

Source: Costar; Economic & Planning Systems

Hensley Field For-Sale Market

In the for-sale market, current prices and development trends over the past 10 years in the Market Influence Area indicate good potential for for-sale homes with the right design and neighborhood characteristics.

- In 2020, the average new home price is $325,700 or approximately $142 per square foot. These figures are most representative of the Grand Prairie market, as nearly all of this market activity was west of Mountain Creek Lake in Grand Prairie.
- New construction prices within approximately two miles west and south of Hensley Field are 35 to 40 percent higher than the average resale price of $237,600.
- This sizable spread in prices indicates a large difference in age and quality of new housing compared to resales. There are also few new home opportunities in this area, with approximately 50 new home sales in 2020 compared to nearly 2,000 re-sales. New for-sale housing is almost entirely single family detached.

Table 2. Market Influence Area Home Sales, 2020

Description	Sales	Avg. sf	Avg. Price	Avg. Price/sf
Single-Family				
New	51	2,290	$325,704	$142
Resale	1,926	1,852	$237,604	$130
Other	69	2,183	$254,429	$128
Total	**2,045**	**1,862**	**$237,749**	**$130**
Townhome/Duplex				
New	1	1,280	N/A	N/A
Resale	190	1,414	$159,931	$115
Other	5	1,920	$177,105	$104
Total	**196**	**1,428**	**$160,627**	**$114**

Source: Economic & Planning Systems

Grand Prairie has a wide range of home values. The lowest values are in the $200,000 to $250,000 range in the northern area of the city closest to Hensley Field. There are several recently built projects priced in the upper $200,000 to mid-$300,000 range as shown in **Table 3**. Further south in Grand Prairie, newer construction can be found in the upper $300,000 to low $400,000 range on lots ranging from approximately 5,000 to 6,000 square feet.

The Market Influence Area is largely developed, so current home absorption rates are difficult to gauge because subdivisions are nearly complete and fully sold. However, in the early and mid-2000s, the Market Influence Area had an annual absorption rate of approximately 1,000 homes per year.

Table 3. Recent Project Home Values

Description	Avg. Size (sf)	Price Range ($000s)	Avg. Sale Price	Avg.Price/sf
Capella Park	2,553	$163-$339	$272,769	$110
Camp Wisdom	2,028	$100-$279	$201,241	$100
High Hawk at Martin's Meadow	3,191	$240-$413	$313,609	$98
Lake Forest Addition	2,617	$171-$487	$378,109	$128
Mountain Hollow	2,475	$193-$322	$251,464	$105
Westchester Crossing Addition	3,038	$219-$499	$374,199	$126
Candler Park	2,435	$187-$411	$316,000	$138
Coronado Forest	2,829	$254-$474	$372,201	$133
Average	2,646	---	$309,949	$117

Source: Economic & Planning Systems

Office Market

The Dallas and Tarrant County office market is comprised of 388.9 million square feet of space and is growing at 5.4 million square feet per year as shown in **Table 4**. The most active market is the Far North submarket along the North Central Expressway in Dallas, Addison, and west Plano. This area captured 32 percent of new office construction, adding 1.7 million square feet per year since 2010. The next largest submarket in terms of construction is Richardson/Plano with 13.5 percent market share of new construction, growing by 727,000 square feet per year.

The Mid Cities submarket stretches from Grapevine to the southern border of Tarrant County. The entire Mid Cities submarket is 45.2 million square feet and represents 12 percent of the entire 2-county market. Growth in this geographically large submarket varies however, and EPS divided the submarket into north and south areas with I-20 being the approximate division. In the northern portion of the market, closer to DFW Airport, office space grew by 558,000 square feet per year (10 percent market share). In contrast, the South Mid Cities submarket around Hensley Field, Grand Prairie, and Arlington grew more slowly, adding 155,000 square feet per year or 3.0 percent market share.

Table 4. Regional Office Market Inventory Sq. Ft. Trends

				2010-2020		
Description	2010	2015	2020	Total	Mkt. Share	Ann. Sq.Ft.
Far North Dallas	50,588,596	56,236,287	67,964,471	17,375,875	32.4%	1,737,588
Richardson/Plano	37,042,095	40,254,535	44,314,785	7,272,690	13.5%	727,269
Las Colinas	37,327,141	38,594,363	43,992,931	6,665,790	12.4%	666,579
North Mid-City	17,612,452	18,902,210	23,195,463	5,583,011	10.4%	558,301
Uptown/Turtle Creek	13,126,668	13,944,403	16,227,959	3,101,291	5.8%	310,129
South Ft. Worth	17,429,903	18,566,949	19,579,470	2,149,567	4.0%	214,957
North Ft. Worth	3,808,983	4,916,641	5,945,526	2,136,543	4.0%	213,654
Lewisville/Denton	11,827,070	12,506,970	13,672,545	1,845,475	3.4%	184,548
East Dallas	13,273,908	13,710,119	14,886,457	1,612,549	3.0%	161,255
South Mid-City	**20,462,113**	**20,982,506**	**22,012,746**	**1,550,633**	**2.9%**	**155,063**
Stemmons Freeway	14,110,401	14,450,907	15,087,767	977,366	1.8%	97,737
Dallas CBD	32,945,768	33,407,074	33,864,967	919,199	1.7%	91,920
Southwest Dallas	**6,127,357**	**6,272,364**	**6,784,573**	**657,216**	**1.2%**	**65,722**
Preston Center	5,893,795	6,184,446	6,521,394	627,599	1.2%	62,760
Central Expressway	14,105,792	14,454,224	14,673,149	567,357	1.1%	56,736
Ft. Worth CBD	11,049,487	11,257,704	11,605,038	555,551	1.0%	55,555
LBJ Freeway	22,908,719	22,927,108	22,957,710	48,991	0.1%	4,899
Northeast Ft. Worth	5,535,368	5,559,101	5,567,455	32,087	0.1%	3,209
Total	**335,175,616**	**353,127,911**	**388,854,406**	**53,678,790**	**100.0%**	**5,367,879**

Source: CoStar; Economic & Planning Systems

The office market around Hensley Field is comprised mainly of older Class B and C office space. Tenants are largely local small professional service firms, banks, and medical offices. As of the fourth quarter of 2020, vacancy in the Grand Prairie submarket averages over 35 percent, largely skewed by American Airlines vacating its 1 million square foot office facility in 2019. The construction pipeline contains a 150,000 square foot multitenant building near Ikea at I-20 and Highway 161, and two other 5,000 square foot buildings.

Industrial Market

The industrial market in the DFW Metroplex and specifically around Hensley field is perhaps the strongest real estate market segment. Most of the demand is in the warehousing, distribution, and order fulfillment segments as retail continues to evolve, consolidate, and move online: "industrial is the new retail."

The Dallas and Tarrant County markets have added 17.8 million square feet of industrial space over the past 10 years as shown in **Table 5**. The largest submarket is North Fort Worth with 21 percent market share, and 3.7 million square feet of annual inventory growth. The South Dallas submarket, just southeast of Hensley Field, has 19 percent of the market with 3.4 million square feet of annual inventory growth. Just west of Hensley Field is the Great Southwest Arlington submarket with nearly 114 million square feet of total inventory, and 16 percent market share. This submarket has added almost 3.0 million square feet per year since 2010.

Table 5. Regional Industrial Market Inventory Sq. Ft. Trends

				2010-2020		
Description	2010	2015	2020	Total	Mkt. Share	Ann. Sq.Ft.
North Ft. Worth	67,448,552	76,172,996	104,847,735	37,399,183	21.1%	3,739,918
South Dallas	33,368,852	44,113,816	67,328,620	33,959,768	19.1%	3,395,977
Great Southwest Arlington	85,815,108	92,692,130	113,754,962	27,939,854	15.7%	2,793,985
DFW Airport	56,216,452	63,299,002	78,191,351	21,974,899	12.4%	2,197,490
Northwest Dallas	79,611,528	87,251,527	98,010,176	18,398,648	10.4%	1,839,865
South Ft. Worth	81,993,780	86,848,908	94,792,861	12,799,081	7.2%	1,279,908
Northeast Dallas	75,997,691	78,673,051	86,813,666	10,815,975	6.1%	1,081,598
South Stemmons	102,857,544	104,214,200	112,196,953	9,339,409	5.3%	933,941
East Dallas	44,459,284	45,177,104	49,437,684	4,978,400	2.8%	497,840
Total Sq. Ft.	**627,768,791**	**678,442,734**	**805,374,008**	**177,605,217**	**100.0%**	**17,760,522**

Source:CoStar; Economic & Planning Systems

The Great Southwest submarket includes the Dallas Global Industrial Center (DGIC), which is a 315-acre park planned for eight buildings and up to 4.3 million square feet of Class A warehouse and distribution space. The DGIC property was formerly the site of a Vought Aircraft facility building aircraft for the Navy. The property was acquired by NorthPoint Development and American Brownfields Corp in 2013. The most notable recent delivery at the DGIC is the 1.5 million square foot Home Depot Distribution facility, which came online in the second quarter of 2020.

Just south of Mountain Creek Lake is the Mountain Creek Business Park which began development around the year 2000. To date, there are a total of 15 buildings with a total of 6.5 million square feet of space. Notable buildings built after 2015 include Ulta Cosmetics (670,863 sq. ft.), Mountain Distribution Center I (630,000 sq. ft.), and Mountain Distribution Center II (663,000 sq. ft.). Two additional buildings totaling 1.3 million square feet are also proposed.

Retail/Commercial Strategy

In its current condition, Hensley Field has limited retail potential for anything more than highway or arterial-fronted convenience retail or general commercial space. Larger scale retailers require a more accessible 360-degree trade area, and Mountain Creek Lake reduces the trade area access of this site from the south. While this area of Grand Prairie and West Dallas would benefit from an additional full service and major brand supermarket, the site is also not ideal for that due to the same trade area geographic limitations and lack of households in the two-mile trade area. As indicated in the project case studies, retail, supermarkets, and food and beverage businesses are an important tenant in a town center.

The size of the retail/commercial area(s) will be scaled and phased based on the amount and pace of residential development and major employer or institution recruitment. The last section in this Executive Summary relates housing growth on the property to supportable retail space, i.e., "retail follows rooftops."

Mixed Use Redevelopment Case Studies

The successful mixed use projects reviewed in this report have a wide range of development programs based on the community vision and the specific market context and attributes of each site and location. There are, however, a number of 'lessons learned' that can be applied to the Hensley Field context.

- The larger projects reviewed (500 acres or more) have a size and scale to be able to create a unique and project specific development program separate and distinct from surrounding land uses.
- Attracting an institutional or large employer anchor as a first phase of development can provide a stimulus to creating an agglomeration of like type development. This was a major factor in the success of the Anschutz Medical Center (Aurora, CO), and at Mission Bay (San Francisco, CA).
- In some cases, a unique package of community amenities is needed to change or overcome prevailing area market conditions. The unique school development program and expansive open space amenities were a key to Stapleton's (recently renamed Central Park) early success in Denver, CO.

Master Plan Scaling

This section provides input on the development and absorption potentials of Hensley Field. The purpose of these planning level estimates is to enable the planning team and process to consider the potential scale and timeframe of the Hensley Field redevelopment. These are not intended to be a vision for the property, or a directive on the mix of land uses in the plan, but to help gauge the relative levels of demand and absorption potential for major land use types. These estimates also do not consider a wider variety of land uses; the alternatives developed during the planning process will be evaluated in more detail at the appropriate time.

The amount and type of development that will be accepted by the market will vary according to the physical conditions and amenities on the site, and the relationships between the land use types recommended in the Master Plan and alternatives considered throughout the process. The initial development opportunities in the beginning phases will be influenced by the following conditions and strategies:

- **Redevelopment and Remediation –** Existing site impediments will need to be addressed including: airport runways demolished; trunk infrastructure planned for and financed; and remaining environmental clean-up completed to a level that allows the site to be ready for vertical development.
- **Surrounding Land Uses –** Hensley Field is located near several automotive salvage yards along Jefferson Street and near the TexGen Power Plant property that is expected to be redeveloped. The site's development potential will be enhanced by investment in an attractive entryway and enhanced gateway, as well as by plans to incentivize the redevelopment of these adjacent properties.
- **Placemaking and Amenities –** Development will be enhanced by investment in placemaking, design, and amenities that support the development of a mixed-use community. The success of the major redevelopment projects in other cities noted that these investments are essential to establishing a project with its own critical mass and character.

Preliminary Land Capacity

The Master Plan is addressing 738 acres of the Hensley Field site. To estimate the net developable acreage, two estimates are applied. First, a 70-acre area is assumed at this stage to be reserved for a large economic development anchor or institution, leaving 668 acres available for other development. Next, a reduction of 40 percent is applied to the gross acreage to account for physical requirements such as right of way and drainage, plus an allowance for parks and other amenities as shown in **Table 6**. The net developable acreage for Hensley Field is estimated at 401 acres.

Table 6. Site Area and Developable Acreage Estimate

Site Acreage	Calculations
Site Acres (Gross)	738
Economic Development Anchor	70
Available for Other Uses	668
Net to Gross Factor	40%
Net Developable Acres	401

Source: Economic & Planning Systems

The total capacity of the site for development is estimated for industrial and residential development in **Table 7**, as the land uses with the most market support. Office development is addressed separately later in this section due to its more limited opportunity as a standalone land use without the synergies from an economic development anchor. For industrial (primarily warehousing and distribution) development, the site could accommodate approximately 5.4 million square feet of development.

For a residentially oriented master planned community, the property could accommodate over 5,000 dwelling units, shown below with an approximately 50:50 mix of single family and attached and multifamily housing based on recent trends in Grand Prairie and Arlington. In Grand Prairie and Arlington, the mix of housing construction has been trending solidly to approximately 50 percent single family and 50 percent multifamily, primarily rental apartments.

With a 30-acre town center, there is land capacity for nearly 400,000 square feet of mixed-use development. The 0.3 FAR is intended to reflect a blend of single use and single-story commercial development such as a supermarket, plus other multi-story mixed use buildings.

Table 7. Preliminary Site Development Capacity Estimates

	Net Dev. Acres	Net Density	Percent of Site Area	Capacity		Units
Industrial	401	0.30 FAR	100%	5,240,000		Sq. Ft.
Residential Master Plan						
Commercial Center	30	0.30 FAR	100%	392,000		Sq. Ft.
Single Family	371	8 Units/Ac.	82%	2,430	48%	Dwelling Units
Multifamily	371	40 Units/Ac.	18%	2,670	52%	Dwelling Units
Total				5,100	100%	

Source: Economic & Planning Systems

Residential Development Potentials

These initial estimates of development potential are based on an analysis of residential construction trends and other large mixed-use developments in the region.

There is strong housing demand in the area, as Grand Prairie has added an average of 800 housing units per year over the past 10 years. Similarly, Arlington has added approximately 950 housing units per year. In addition, there is infill demand in nearby Dallas, plus growth in the further outlying suburbs south of Grand Prairie and Arlington. Using Grand Prairie as the base, we estimate demand for at least 1,000 housing units per year in this area as shown in **Table 8**.

If Hensley Field can capture one quarter (25 percent) to a little more than a third (35 percent) of this market, the site would absorb 250 to 350 units per year. As a reference, Viridian, a master planned community in Arlington, has achieved absorption of 200 to 250 units per year since 2012. This indicates an approximately 15 to 20 year absorption period for a residential development.

For initial planning, a mix of 50 percent single family detached housing on small lots (less than 5,000 square feet) and 50 percent multifamily housing (apartments) is suggested as a starting place. This is the approximate mix of new housing built in Grand Prairie and Arlington. In Dallas, the mix is closer to 80 percent multifamily citywide. Further south, development becomes more suburban at 70 to 80 percent single family detached.

Table 8. Hensley Field Residential Development Potentials

Description	Calculation		Units
Market Demand			
Grand Prairie Construction		800	units/year
Adjustment for Surrounding Communities	25%	1,000	units/year
Site Capture Rate			
Low	25%	250	units/year
High	35%	350	units/year
Potential Absorption Years			
Site Capacity		5,100	dwelling units
Low	25%	20	years
High	35%	15	years

Source: Economic & Planning Systems

The characteristics of recent multifamily and single-family construction indicate the potential for a wide range of housing prices and types, assuming that attention is placed on placemaking and design as in the other redevelopments profiled in this Report.

- **Multifamily Rental Housing –** The market for apartments is likely to be strong based on the surrounding demographics and major employers and need for workforce housing to support job growth. Current rents will limit densities to 3- to 4-story construction, with predominately surface parking. As the project becomes established or through financial subsidies and/or shared parking with other land uses, higher densities and structured parking could be achieved. If rent levels increase sufficiently over the course of the development, higher density podium or "Texas wrap" style construction could become feasible without financial assistance.
- **For-Sale Housing –** In the initial development stages, for-sale housing is recommended to be weighted towards single family detached housing but with an increment of attached for-sale housing (townhomes). To maximize the site's yield, single family detached lot sizes will need to be less than 5,000 square feet on average. These lot sizes are becoming more common in the Dallas-Fort Worth market in close-in locations. Preliminary pricing supportable in this area is estimated at $275,000 to $350,000 in 2021 dollars. Single family attached housing should be sized and priced under $300,000 to provide a diversity of product and opportunities for entry level housing.

Retail Development Potentials

The retail development potentials for the site will be tied to the amount of new housing growth that the site can achieve. In its current condition, Hensley Field has limited retail potential for anything more than highway or arterial-fronted convenience retail or general commercial space. Larger scale retailers require a more accessible 360-degree trade area, and Mountain Creek Lake reduces the trade area access of this site from the south.

In **Table 9** the expenditure potential generated by new housing and its residents is converted to retail demand and supportable retail space. These estimates include an assumption that the project will draw an additional 25 percent of its business from surrounding areas, increasing the total potential spending power. The spending and demand analysis focuses on the types of retail space that locate in mixed use areas: supermarket, other convenience goods for daily living, specialty retail, and restaurants and bars. In total, these categories comprise 20 percent of a household's annual spending on average. As shown, the 5,100 housing units (estimated land capacity) can support approximately 200,000 square feet of retail space:

- A full-service supermarket (50,000 square feet or larger).
- Approximately 50,000 square feet of convenience goods (drug store/ pharmacy, liquor, and other store(s)).
- Approximately 60,000 square feet of downtown or main street style specialty retail.

- Approximately 40,000 square feet of restaurants and bars, or about 16 establishments at an average size of 2,500 square feet.

The Plan could anticipate more retail/commercial and mixed-use space of approximately 400,000 square feet to expand the mix of uses to include personal services, health and wellness businesses, and professional office space. In addition, the project will draw additional business from the surrounding area as it becomes established.

Table 9. Housing and Retail Space Relationship

	Factors	Calculations
Avg. Household Income	100%	$61,896
Residential Units		5,100
Spending Potential ($000s) from On-Site Housing		$315,670
Plus Inflow Spending from Other Areas ($000s)	**25%**	**$394,587**
Spending Potential		
Supermarkets and Other Grocery Stores	4.9%	$19,335
Other Convenience Goods [1]	4.9%	$19,335
Other Shopper's Goods (Clothing, Sporting, Speciality Retail)	5.5%	21,702
Eating and Drinking	4.8%	18,940
Total Spending	**20.1%**	**$79,312**
Supportable Sq. Ft.	$/SqFt	
Supermarkets and Other Grocery Stores	$400	48,000
Other Convenience Goods [1]	$400	48,000
Shopper's Goods (Clothing, Sporting, Specialty Retail)	$350	62,000
Eating and Drinking	$500	38,000
Total Sq. Ft.		**196,000**

[1] Liquor stores, convenience stores, health and personal care stores.

Source: 2012 Census of Retail Trade; Economic & Planning Systems

The timing for a commercial center will be likely be dependent on when a supermarket would be feasible as an anchor. Currently, the unmet demand for grocery stores in the Hensley Field trade area is estimated at less than $1.0 million in annual sales, compared to supermarket sales targets of $25.0 million or more, indicating that there is no unmet demand or a gap in the market in this area that a new grocery store could fill. In order to attract a new supermarket, Hensley field would need to develop roughly 4,000 housing units or more to create enough demand. Alternatively, developers of the site could try to attract (relocate) an existing grocer seeking a new and more modern store when the project has become more established.

Office Development Potentials

It will be challenging for Hensley Field to become a competitive office location without the synergies provided by a larger anchor firm or institution. The economic development strategy component of the planning process will address that potential. This area of Dallas and Grand Prairie has not attracted the level of office development and office-based business attraction as seen in Far North Dallas, Plano, and Las Colinas submarkets.

Without a broader economic development strategy, office development potentials could involve the following configurations:

- **Office as part of a mixed-use component –** "Town centers" in mixed-use projects, including those profiled here, often contain office space for small professional service firms and medical offices. The market for these is usually established later in the phasing and absorption of the development when there are sufficient households or "rooftops" to a) establish the place and b) generate demand for these services.
- **Freestanding office or sites –** Land for speculative office buildings or tenant recruitment could be reserved on the property. It should be planned however to be converted to another use if the market for office development does not materialize. The labor force in this area may be attractive for customer service and back office support functions that are part of larger corporations.

Industrial Development Potentials

There is a clear and low-risk opportunity for industrial development at Hensley Field. The City of Dallas already has inquiries from developers to redevelop the property. There are numerous national and well capitalized developers active in this area that would be interested in and capable of acquiring and developing the property.

The Mountain Creek Industrial Park south of Mountain Creek Lake is a concrete example of the possibilities here, as is the Dallas Global Industrial Center (DGIC) immediately west. Mountain Creek has constructed an average of 566,000 square feet per year over the past five years. At DGIC, a 1.5 million square foot Home Depot distribution facility was completed in 2020.

The Greater Southwest Arlington and South Dallas industrial submarkets combined total 6.2 million square feet of annual construction, a proxy for industrial space demand. Assuming a 10 percent market share capture rate for Hensley Field indicates potential absorption of 620,000 square feet per year, consistent with what Mountain Creek is achieving currently. With a capacity estimate of 5.4 million square feet for the site, Hensley Field could be completely built with industrial space in less than 10 years from a shovel-ready site.

However, leading the phasing with industrial development is likely to preclude any mixed use or residential development, which would be a major tradeoff. The land requirements are large and would consume a significant portion of the site.

Table 10. Industrial Development Potentials

Description	Calculation	Units
Market Demand		
Greater SW Arlington	2,800,000	
South Dallas	3,400,000	
Total	6,200,000	ann. Sq. Ft.
Hensley Field Site Capture Rate	10%	market share
Hensley Field Ann. Absorption	620,000	ann. Sq. Ft.
Development Capacity	5,397,000	Sq. Ft.
Years to Build Out	8.7	Years

Source: Economic & Planning Systems

1. Regional Growth Trends

This chapter provides an overview of regional growth trends, focused on the Dallas-Fort Worth Area comprised of Dallas and Tarrant Counties. These two counties are part of the larger 11-county Dallas-Fort Worth-Arlington MSA or "Metroplex". The trends presented in this chapter are useful in gauging the overall size and strength of the market in the Dallas, Fort Worth, and Mid-Cities areas. Dallas and Tarrant Counties are where the majority of urban development and jobs are located and are most relevant to the market opportunities for Hensley Field.

The Metroplex has population of 7.6 million, making it the fourth largest MSA in the United States. The GDP of the Metroplex is approximately $524 billion, making it the 6th largest economy in the U.S. The economy is similarly sized as the Washington D.C. (#5, $541 billion); San Francisco (#4, $549 billion); and Chicago (#3, $689 billion) MSAs. The two largest MSAs in terms of both population and GDP are New York at $1.7 trillion and L.A. at $1.1 trillion in GDP.

Population and Housing

Dallas County has a population of 2.7 million people and is adding approximately 33,000 people per year, or 1.3 percent annual growth (**Table 11**). From 2010 through 2020, Dallas County added nearly 330,000 people. Likewise, Tarrant County, which includes Fort Worth, grew to 2.1 million people in 2020, adding just over 32,000 people per year — an annual growth rate of 1.6 percent.

In Dallas County, approximately 11,500 new housing units were built annually over the past 10 years, compared to 9,400 annually in Tarrant County. Overall, the 2-county area added 651,000 residents and 210,000 housing units between 2010 and 2020.

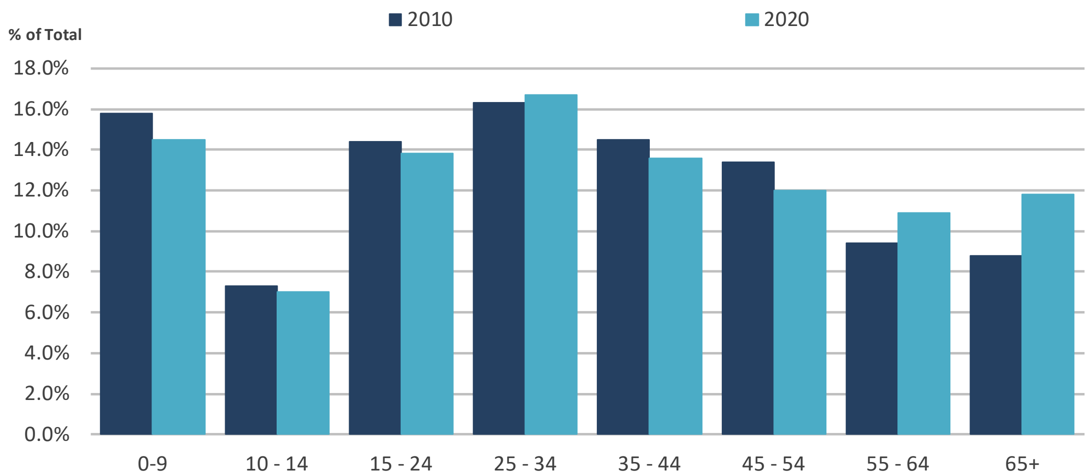
Table 11. Demographic Trends, Dallas and Tarrant County, 2000-2020

				2000-2020			2010-2020		
Description	2000	2010	2020	Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Population									
Dallas County	2,218,899	2,368,169	2,697,864	478,965	23,948	1.0%	329,695	32,970	1.3%
Tarrant County	1,446,813	1,809,034	2,130,512	683,699	34,185	2.0%	321,478	32,148	1.6%
Total	**3,665,712**	**4,177,203**	**4,828,376**	**1,162,664**	**58,133**	**1.4%**	**651,173**	**65,117**	**1.5%**
Households									
Dallas County	807,621	855,960	965,880	158,259	7,913	0.9%	109,920	10,992	1.2%
Tarrant County	534,137	657,134	763,663	229,526	11,476	1.8%	106,529	10,653	1.5%
Total	**1,341,758**	**1,513,094**	**1,729,543**	**387,785**	**19,389**	**1.3%**	**216,449**	**21,645**	**1.3%**
Housing Units									
Dallas County	854,119	943,257	1,058,750	204,631	10,232	1.1%	115,493	11,549	1.2%
Tarrant County	566,154	714,803	809,070	242,916	12,146	1.8%	94,267	9,427	1.2%
Total	**1,420,273**	**1,658,060**	**1,867,820**	**447,547**	**22,377**	**1.4%**	**209,760**	**20,976**	**1.2%**

Source: ESRI Business Analyst; Economic & Planning Systems

The share of the population over the age of 65 in Dallas and Tarrant Counties has grown from 8.8 percent in 2010 to 11.8 percent in 2020, representing the largest increase of any age cohort, as shown in **Figure 3**. The share of the population younger than 25 fell from 37.5 percent in 2010 to 35.3 percent in 2020, while the share of population ages 25 to 34 increased slightly.

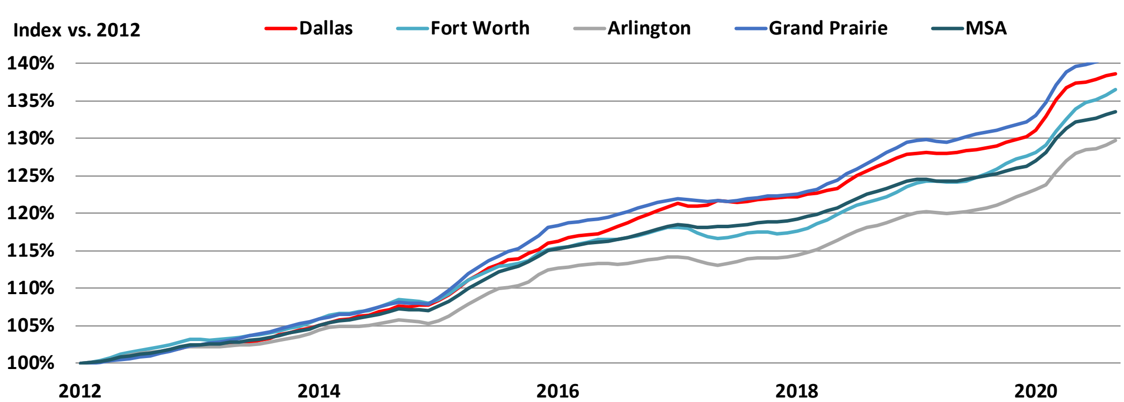
Figure 3. Population by Age, Dallas and Tarrant Counties, 2010-2020



Source: ESRI Business Analyst; Economic & Planning Systems

The housing market in the Metroplex has seen steady appreciation over the past eight years since its low in 2012 near the end of the Great Recession as shown in **Figure 4**. During the Great Recession there was a drop of approximately 25 percent during the Great Recession, however prices have rebounded strongly since then. As of October 2020, the average home price was $238,000 in Dallas, $225,000 in Fort Worth, $230,000 in Arlington, and $230,000 in Grand Prairie.

Figure 4. Home Price Index, 2012-2020



Source: Zillow, Economic & Planning Systems

South Mid-Cities Trends and Demographics

The area between the cities of Dallas and Fort Worth is known as the Mid Cities. This is a large area of post-World War II suburban development comprised of numerous smaller cities. Due to the size of this area geographically, this section evaluates trends and characteristics of the Mid Cities south of the Trinity River where the market is more influenced by Arlington, Grand Prairie, and southwest Dallas than by DFW Airport north of the Trinity River.

Arlington and Grand Prairie are the two largest communities in the southern area of the Mid Cities. Arlington has a population of 393,400 and Grand Prairie has a population of 204,000 as shown in **Table 12** on the following page. Grand Prairie is growing the fastest, at a rate of 1.5 percent annually over the last 10 years.

- Grand Prairie and Fort Worth added households and housing units at a much faster rate than Dallas, Irving, and Arlington between 2000 and 2020.
- Household growth in Grand Prairie and Fort Worth was especially strong between 2000 and 2010, growing at 2.9 percent and 2.8 percent annually.
- Since 2010, household and housing unit growth in Grand Prairie and Fort Worth have slowed, while household and housing unit growth in Dallas and Irving have accelerated. Despite slowing from the previous decade, Fort Worth still added new households at 2.0 percent per year, outpacing Dallas and the other South Mid-Cities.

As Arlington and Grand Prairie mature, new housing development has moved further south to the cities of Mansfield, Cedar Hill, Duncanville, and Kennedale. Separate from the Mid Cities, this is another market area between Southwest Dallas and Southeast Fort Worth and south of Arlington and Grand Prairie that is growing rapidly, as shown in **Figure 5**.

Figure 5. Regional Housing Unit Growth, 2010-2020

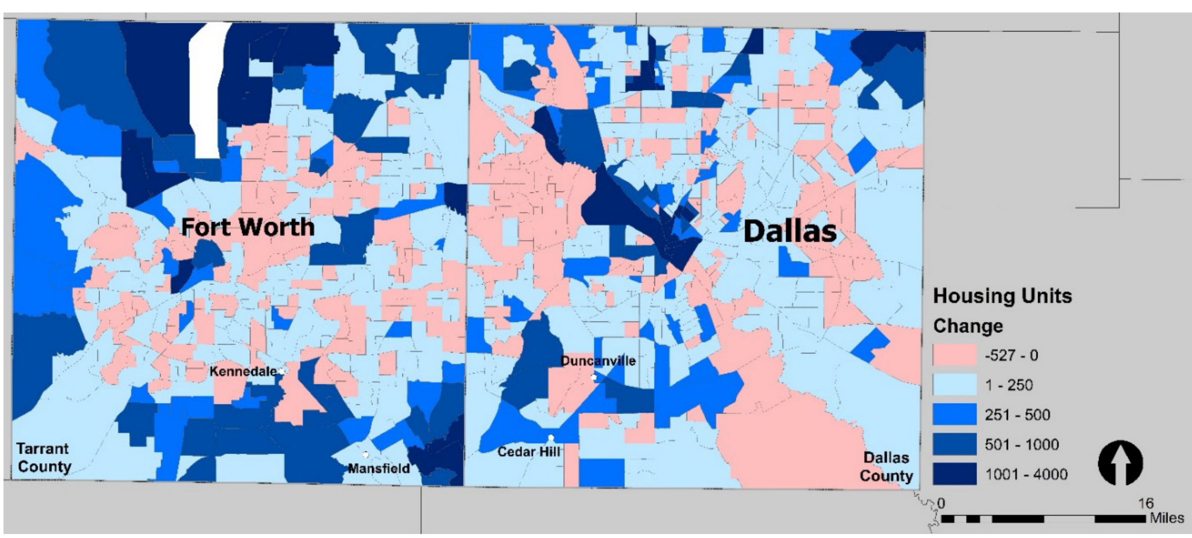


Table 12. South Mid-Cities Demographic Trends

Description	2000	2010	2020	2000-2020 Total	2000-2020 Ann. #	2000-2020 Ann. %	2000-2010 Total	2000-2010 Ann. #	2000-2010 Ann. %	2010-2020 Total	2010-2020 Ann. #	2010-2020 Ann. %
Population												
Dallas	1,188,373	1,197,681	1,379,343	190,970	9,549	0.7%	9,308	931	0.1%	181,662	18,166	1.4%
Ft. Worth	548,711	744,504	920,349	371,638	18,582	2.6%	195,793	19,579	3.1%	175,845	17,585	2.1%
Arlington	332,593	365,211	393,408	60,815	3,041	0.8%	32,618	3,262	0.9%	28,197	2,820	0.7%
Irving	191,629	216,293	250,063	58,434	2,922	1.3%	24,664	2,466	1.2%	33,770	3,377	1.5%
Hurst	37,060	37,361	40,280	3,220	161	0.4%	301	30	0.1%	2,919	292	0.8%
Grand Prairie	127,079	175,396	204,196	77,117	3,856	2.4%	48,317	4,832	3.3%	28,800	2,880	1.5%
Households												
Dallas	451,000	458,012	524,899	73,899	3,695	0.8%	7,012	701	0.2%	66,887	6,689	1.4%
Ft. Worth	199,502	263,788	321,628	122,126	6,106	2.4%	64,286	6,429	2.8%	57,840	5,784	2.0%
Arlington	124,509	133,005	142,210	17,701	885	0.7%	8,496	850	0.7%	9,205	921	0.7%
Irving	76,246	82,539	94,486	18,240	912	1.1%	6,293	629	0.8%	11,947	1,195	1.4%
Hurst	14,396	14,661	15,640	1,244	62	0.4%	265	27	0.2%	979	98	0.6%
Grand Prairie	43,722	58,171	65,596	21,874	1,094	2.0%	14,449	1,445	2.9%	7,425	743	1.2%
Housing Units												
Dallas	483,277	516,589	587,748	104,471	5,224	1.0%	33,312	3,331	0.7%	71,159	7,116	1.3%
Ft. Worth	215,794	292,272	345,331	129,537	6,477	2.4%	76,478	7,648	3.1%	53,059	5,306	1.7%
Arlington	130,411	144,737	152,290	21,879	1,094	0.8%	14,326	1,433	1.0%	7,553	755	0.5%
Irving	80,297	91,129	103,698	23,401	1,170	1.3%	10,832	1,083	1.3%	12,569	1,257	1.3%
Hurst	15,047	15,770	16,397	1,350	68	0.4%	723	72	0.5%	627	63	0.4%
Grand Prairie	46,414	62,424	69,763	23,349	1,167	2.1%	16,010	1,601	3.0%	7,339	734	1.1%

Source: ESRI Business Analyst; Economic & Planning Systems

The four major communities in this area are Mansfield, Duncanville, Cedar Hill, and Kennedale as detailed in **Table 13**. Mansfield is the largest community with 76,000 people and is growing at a rate of 5.1 percent per year, adding 2,400 people and nearly 800 housing units annually. It has roughly tripled in size since 2000. Duncanville, with approximately 41,000 people, has not grown as quickly as other cities in this southern area, adding residents at 0.7 percent per year and households at 0.3 percent per year since 2000. Cedar Hill has grown to a population of 50,000 people at a rate of 2.1 percent per year and has added housing at a pace of 320 units per year.

Table 13. Southern Dallas and Tarrant County Growth Trends

				2000-2020		
Description	2000	2010	2020	Total	Ann. #	Ann. %
Population						
Mansfield	28,362	56,654	76,031	47,669	2,383	5.1%
Cedar Hill	32,900	45,027	50,168	17,268	863	2.1%
Kennedale	5,798	6,763	8,565	2,767	138	2.0%
Duncanville	35,716	38,519	40,739	5,023	251	0.7%
Households						
Mansfield	8,995	18,393	24,420	15,425	771	5.1%
Cedar Hill	11,018	15,505	17,025	6,007	300	2.2%
Kennedale	2,086	2,453	3,097	1,011	51	2.0%
Duncanville	12,760	13,277	13,616	856	43	0.3%
Housing Units						
Mansfield	9,291	19,197	24,774	15,483	774	5.0%
Cedar Hill	11,372	16,337	17,791	6,419	321	2.3%
Kennedale	2,175	2,617	3,172	997	50	1.9%
Duncanville	13,129	14,007	14,321	1,192	60	0.4%

Source: ESRI Business Analyst; Economic & Planning Systems

Economic Trends

Metroplex and the 2-County region have experienced strong job growth that has supported the population and housing growth rates described in the preceding sections. As of 2020, Dallas County has 1.3 million wage and salary jobs. Since 2010, Dallas County added nearly 200,000 jobs, or 20,000 per year at an annual rate of 1.7 percent. Jobs in Tarrant County also grew by 1.7 percent per year, adding 15,700 jobs per year during the same time period.

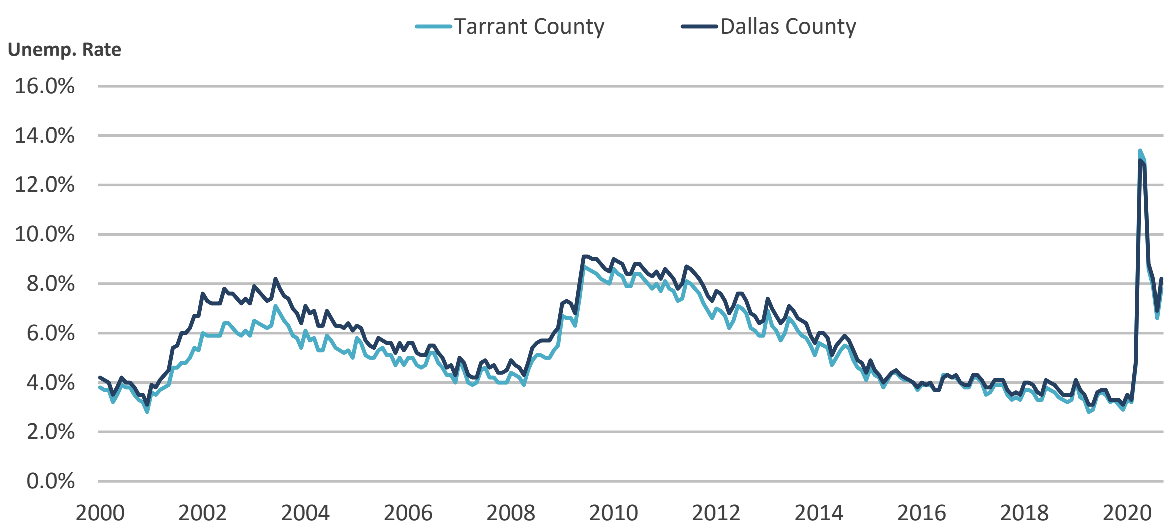
Table 14. Employment Trends, Dallas and Tarrant County, 2010-2020

				2000-2010			2010-2020		
Description	2000	2010	2020	Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Dallas County									
Employment	1,142,138	1,091,493	1,290,883	-50,645	-5,065	-0.5%	199,390	19,939	1.7%
Unemployment Rate	3.8	8.6	8.2	4.8	---	---	-0.4	---	---
Tarrant County									
Employment	766,783	849,576	1,006,621	82,793	8,279	1.0%	157,045	15,705	1.7%
Unemployment Rate	3.5	8.1	7.8	4.6	---	---	-0.3	---	---

Source: BLS; Economic & Planning Systems

As of this writing, the unemployment rate in both counties is around 8.0 percent due to the impacts of the COVID-19 Pandemic. Pre-pandemic, the unemployment rate has been in the 4 to 6 percent range in both areas, as shown in **Figure 6**.

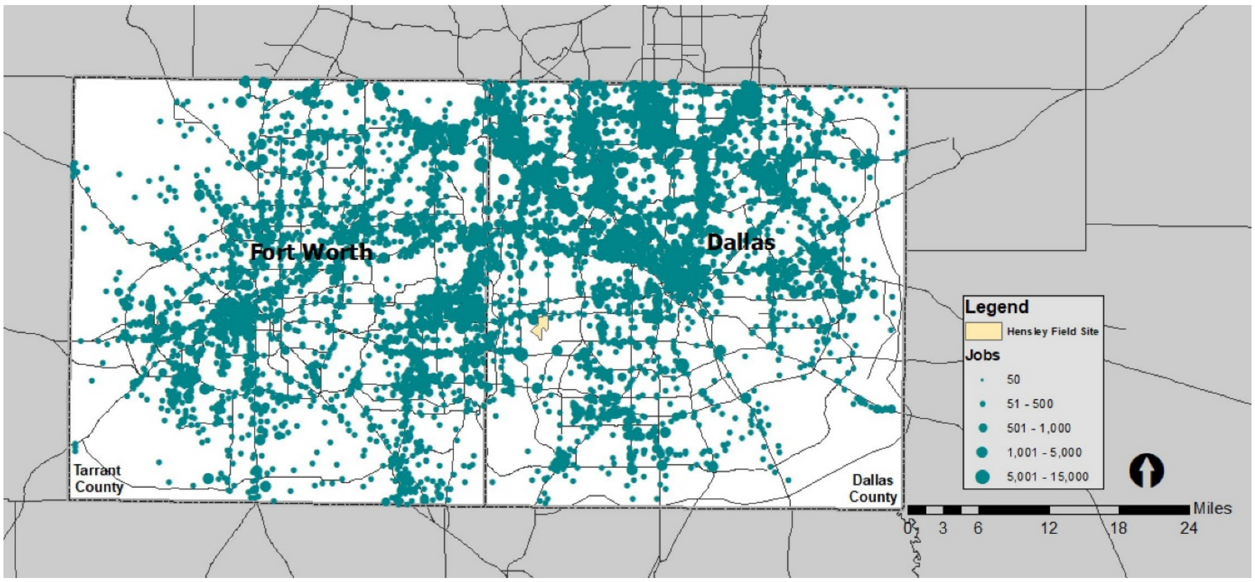
Figure 6. Unemployment Rates, Dallas and Tarrant Counties, 2000-2020



Source: BLS; Economic & Planning Systems

The concentration of employment in Dallas and Fort Worth Counties is illustrated in **Figure 7**. Current employment sites are concentrated in the metro Fort Worth and Dallas areas, with large concentrations of employment in North Dallas.

Figure 7. Job Concentration, Dallas and Tarrant County, 2018

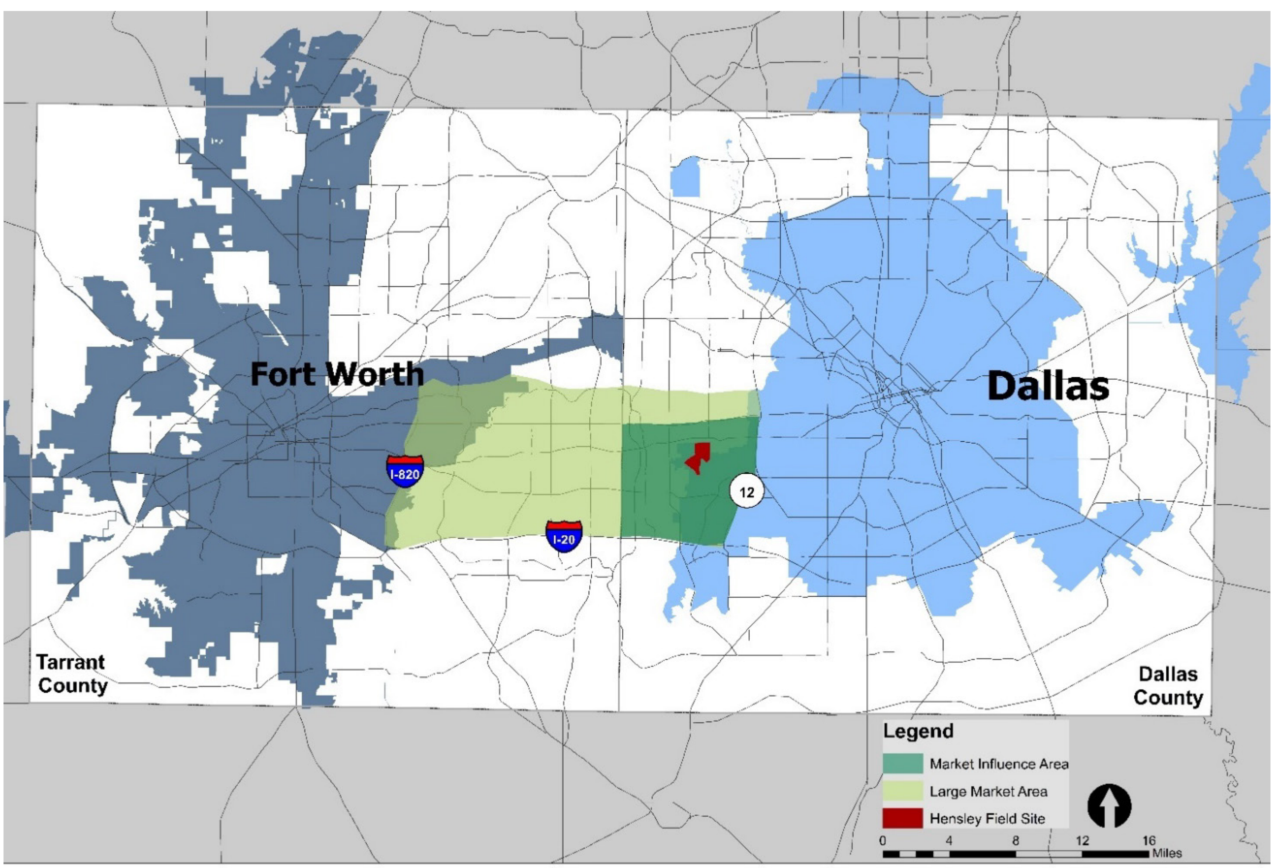


2. Market Area Growth Trends

This chapter looks more closely at demographic and housing market conditions in two areas, the South Mid-Cities and the Hensley Field Market Influence Area. In addition, demographics and home values from nearby zip codes in Grand Prairie and southwest Dallas are also analyzed.

- **South Mid-Cities –** The area between Dallas and Fort Worth south of the Trinity River, shown in light green in **Figure 8**, contains parts of Grand Prairie, Arlington, southwest Dallas, and eastern Fort Worth.
- **Hensley Field Market Influence Area –** This is a two- to- three-mile polygon around the site bounded by I-30 and I-20 north and south respectively; Highway 12/408 and the Dallas/Tarrant County border at approximately Highway 160 east and west, respectively. Shown in dark green, the Market Influence Area contains areas proximate to the site, including central and southern parts of Grand Prairie, parts of southwest Dallas, and the area between Mountain Creek and Joe Pool Lakes in Grand Prairie.

Figure 8. Market Area Definitions



Growth Trends

The South Mid Cities market area added approximately 52,000 residents and 12,300 households between 2000 and 2020, equating to annual growth rates of 0.7 and 0.4 percent, respectively as shown in **Table 15**. This area is largely developed resulting in this growth rate that is lower than the 2-county Dallas and Fort Worth growth rate of 1.4 percent. The Market Influence Area grew faster than the South Mid-Cities area, at 1.3 percent annually for population and 0.9 percent annually for households. Much of this growth was concentrated in Grand Prairie.

The average household size in Market Influence Area in 2020 was 3.36, up from 3.10 in 2000 and significantly higher than the South Mid-Cities' average household size of 2.75 and the 2-county average household size of 2.76. This indicates the growing presence of larger family households in the Market Influence Area.

Table 15. Demographic Trends by Market Area

				2000-2020		
Description	**2000**	**2010**	**2020**	**Total**	**Ann. #**	**Ann. %**
Population						
2-County Area	3,665,712	4,177,203	4,828,376	1,162,664	58,133	1.4%
Market Influence Area	79,021	92,559	101,759	22,738	1,137	1.3%
South Mid-Cities	369,223	390,162	421,366	52,143	2,607	0.7%
Households						
2-County Area	1,341,758	1,513,094	1,729,543	387,785	19,389	1.3%
Market Influence Area	25,270	28,190	29,972	4,702	235	0.9%
South Mid-Cities	139,119	142,609	151,438	12,319	616	0.4%
Housing Units						
2-County Area	1,420,273	1,658,060	1,867,820	447,547	22,377	1.4%
Market Influence Area	26,404	30,298	32,198	5,794	290	1.0%
South Mid-Cities	146,831	157,740	165,169	18,338	917	0.6%
Avg. Household Size						
2-County Area	2.70	2.73	2.76	0.06		
Market Influence Area	3.10	3.24	3.36	0.26		
South Mid-Cities	2.63	2.71	2.75	0.12		

Source: ESRI Business Analyst; Economic & Planning Systems

Home Prices

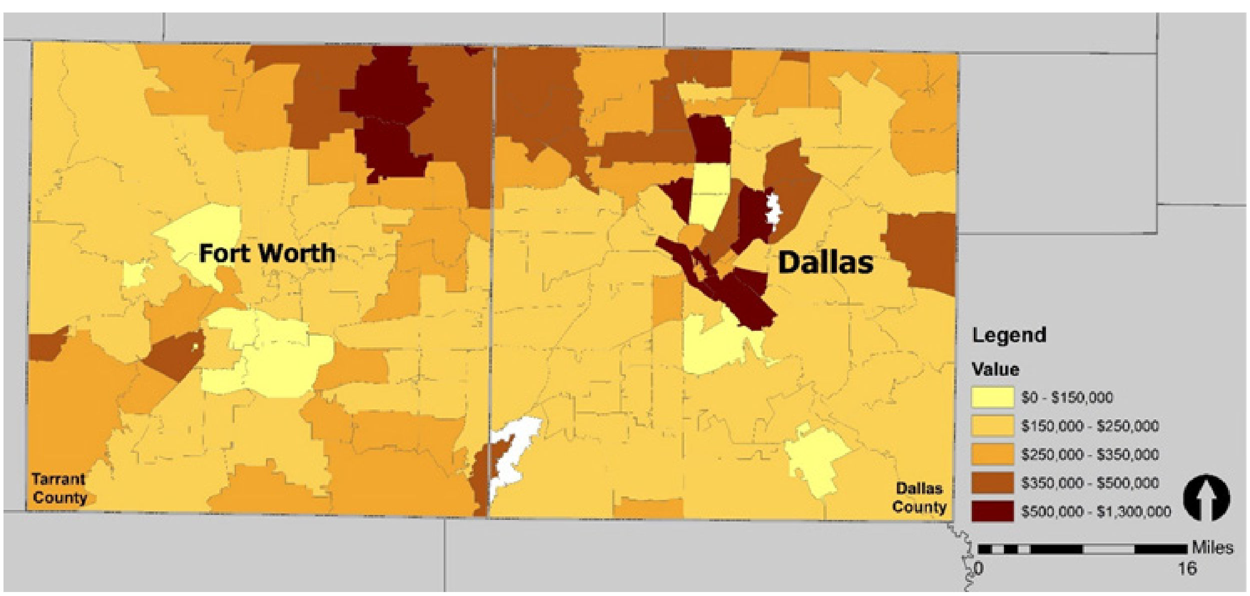
Home values in the Market Influence Area and immediately adjacent areas are consistent with averages in Dallas and Fort Worth. There is however a wide range of home values in this area. Zip codes adjacent to Hensley Field have home values ranging from $180,000 to $240,000, on par with the Dallas and Fort Worth averages of around $230,000 (**Table 16**). Southwest Dallas and Cockrel Hill zip codes have values below the 2-county average and are in the $190,000 to $200,000 range. In West Dallas, home values are significantly higher in the $331,000 range on average. The highest home values in the 2-county area are in Central Dallas, Northern Dallas, and Northern Tarrant County, as shown in **Figure 9**.

Table 16. Home Prices in Adjacent Zip Codes, 2010-2020

			2010-2020		
Description	2010	2020	Total	Ann. #	Ann. %
Grand Prairie North	$76,977	$182,692	$105,715	$10,572	9.0%
Grand Prairie Central	$129,187	$241,276	$112,089	$11,209	6.4%
Grand Prairie South	$104,211	$202,892	$98,681	$9,868	6.9%
Cockrell Hill	$71,127	$185,608	$114,481	$11,448	10.1%
SW Dallas	$104,196	$197,934	$93,738	$9,374	6.6%
West Dallas	$75,781	$331,408	$255,627	$25,563	15.9%
Dallas	$132,634	$238,156	$105,522	$10,552	6.0%
Fort Worth	$125,145	$224,982	$99,837	$9,984	6.0%
Arlington	$128,327	$230,050	$101,723	$10,172	6.0%
Metro Area	$152,756	$270,907	$118,151	$11,815	5.9%

Source:Zillow; Economic & Planning Systems

Figure 9. Home Value by Zip Code, 2020



Surrounding Demographics

As summarized in **Table 17**, the demographics within two to three miles of Hensley Field vary widely. Immediately west of the site (Grand Prairie North and Central), and in the southwestern Dallas areas of Cockrell Hill, Southwest Dallas, and West Dallas, household incomes are below the MSA average, household sizes are larger, and home ownership rates are lower. Several areas are majority non-white and have been affected by a lack of access to economic opportunity and neighborhood disinvestment.

Table 17. Demographic Profile of Adjacent Zip Codes

Zip Code Area	Household Income	Household Size	Owners/ Renters	Percent Non-White
Grand Prairie North	$55,946	2.82	41.3% / 58.7%	45.2%
Grand Prairie Central	$51,732	3.25	47.8% / 52.2%	48.5%
Grand Prairie South	$82,186	3.16	67.1% / 32.9%	59.3%
Cockrell Hill	$47,551	3.66	45.0% / 55.0%	43.4%
SW Dallas	$54,763	3.01	45.2% / 54.8%	65.8%
West Dallas	$57,972	3.10	44.3% / 55.7%	45.2%
Dallas	$56,804	2.59	38.2% / 61.8%	51.9%
Fort Worth	$65,441	2.81	57.7% / 42.3%	43.4%
Arlington	$62,409	2.74	55.4% / 44.6%	47.8%
Metro Area	$76,119	2.77	59.1% / 40.9%	39.7%

Source: ESRI; Economic & Planning Systems

3. Residential Market

This chapter summarizes data on housing construction trends for the region and South Mid-Cities area. It also evaluates rental and for-sale housing market characteristics in the Hensley Field Market Influence Area around the site.

Housing Construction

New housing construction in Dallas averaged 8,583 units per year between 2010 and 2019, 82 percent of which were multifamily projects, as shown in **Table 18**. By comparison, Fort Worth experienced a much higher share of single family detached construction, averaging 7,326 units per year, 56 percent of which were single unit projects. Housing construction in the Market Influence Area and communities to the south was also largely in single family detached units. In Mansfield, Cedar Hill, and Kennedale, over 60 percent of new housing construction comprised of single family detached units. In the south mid-cities, new housing construction had a relatively even mix between single family detached units and units in multi-unit projects. Grand Prairie delivered an average of 806 units per year between 2010 and 2019 and Arlington delivered an average 956 units per year in that time.

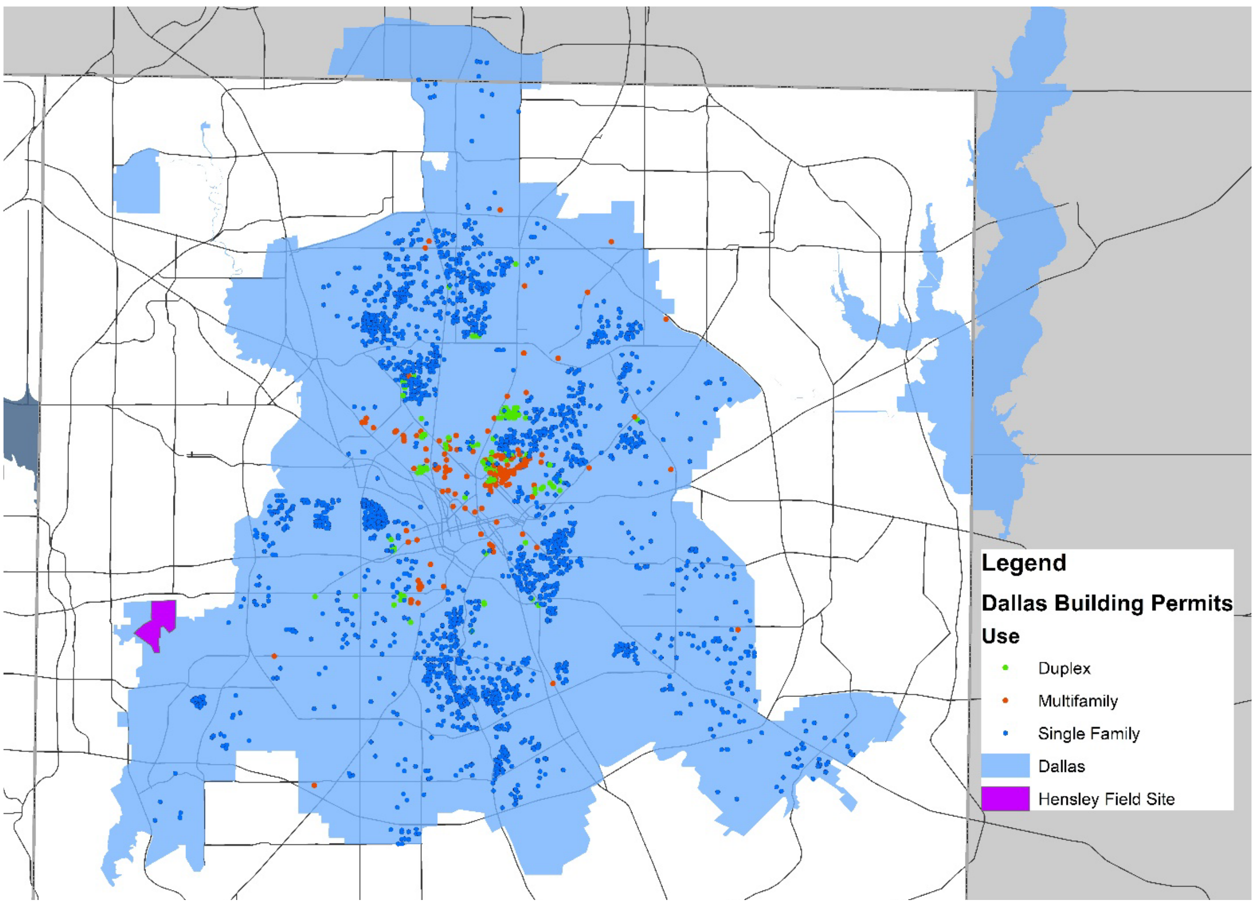
Table 18. New Residential Construction Trends, 2010-2019

Description	Total Units 2010-2019	Annual Construction	Percent
Dallas			
Single Family	14,163	1,574	18%
Attached and Multifamily	63,084	7,009	82%
Total	**77,247**	**8,583**	**100%**
Fort Worth			
Single Family	36,800	4,089	56%
Attached and Multifamily	29,133	3,237	44%
Total	**65,933**	**7,326**	**100%**
Arlington			
Single Family	4,590	510	53%
Attached and Multifamily	4,014	446	47%
Total	**8,604**	**956**	**100%**
Grand Prairie			
Single Family	3,319	369	46%
Attached and Multifamily	3,932	437	54%
Total	**7,251**	**806**	**100%**
Mansfield			
Single Family	3,306	367	69%
Attached and Multifamily	1,467	163	31%
Total	**4,773**	**530**	**100%**
Cedar Hill			
Single Family	764	85	60%
Attached and Multifamily	510	57	40%
Total	**1,274**	**142**	**100%**
Kennedale			
Single Family	499	55	79%
Attached and Multifamily	136	15	21%
Total	**635**	**71**	**100%**

Source: U.S. Census; Economic & Planning Systems

The City of Dallas, despite being largely developed, is still experiencing a large amount of infill housing development in all types of units as shown in **Figure 10**. Multifamily construction is especially concentrated in and around downtown along DART light rail corridors and in Oak Cliff. While there are clusters of new construction in southwest Dallas, the vast majority of market activity is occurring further east and north.

Figure 10. Dallas Building Permits, 2018-2020



Multifamily Construction Trends

New multifamily development activity is concentrated in central Dallas, central Fort Worth, and Northern Dallas. Both cities have experienced a surge of downtown and close-in housing construction since 2010, especially in Dallas along DART light rail in the neighborhoods around Downtown, which greatest the most market share.

The Market Influence Area has captured only 2.5 percent of new deliveries in Dallas and Tarrant counties, delivering 300 units annually since 2010, as shown in **Table 19**, **Figure 11**, and **Figure 12**. In contrast, the area within five miles of the Dallas CBD has added 40,337 units since 2010 or 4,034 units annually, capturing 33.1 percent of new deliveries in the two counties. The area within five miles of the Fort Worth CBD added 927 units annually, capturing 7.6 percent of new deliveries. North Dallas added 2,410 units annually, capturing 19.8 percent of new deliveries while accounting for 15.8 percent of total inventory. This area has seen a large amount of employment growth in the north Dallas suburbs, and has superior DART light rail access.

Figure 11. Multifamily Development since 2010

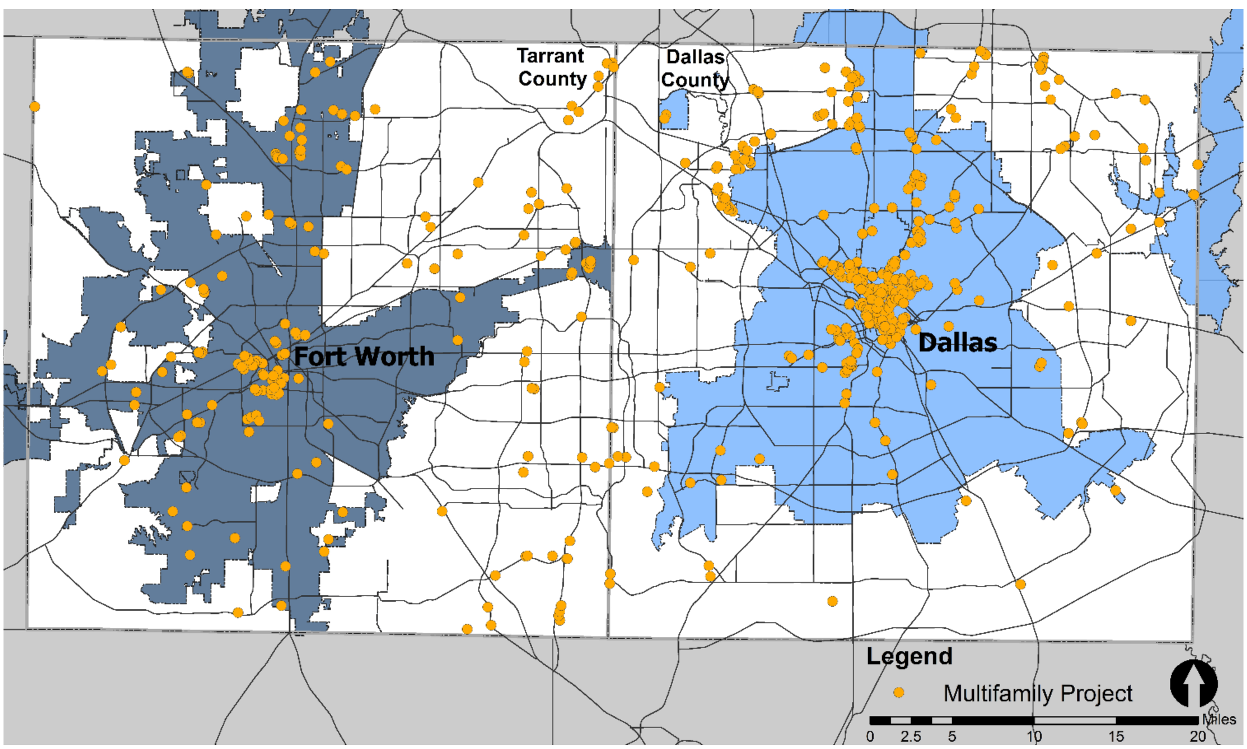
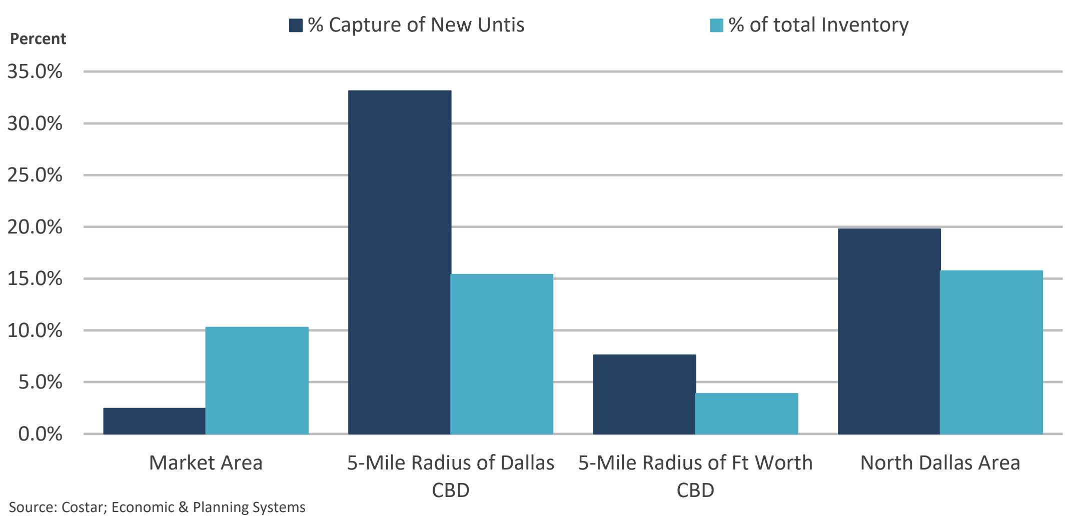


Table 19. Development Capture by Area, 2010-2020

Area	Deliveries, 2010-2020 Total (Units)	Ann. #	% Capture	% Total Inv., 2020
Market Area	2,998	300	2.5%	10.3%
5-Mile Radius of Dallas CBD	40,337	4,034	33.1%	15.4%
5-Mile Radius of Ft Worth CBD	9,270	927	7.6%	3.9%
North Dallas Area	24,102	2,410	19.8%	15.8%
Other	45,051	4,505	37.0%	54.7%
Total Dallas and Tarrant Counties	**121,758**	**12,176**	**100.0%**	**100.0%**

Source: Economic & Planning Systems

Figure 12. Multifamily Capture versus Inventory, 2010-2020



Similar to recent development activity, proposed multifamily construction is located mainly in central Dallas and central Fort Worth, as shown in **Figure 13**. Nealy one-third of new multifamily units in the pipeline are within five miles of downtown Dallas while 10 percent are within five miles of the Fort Worth CBD (**Table 20**). New multifamily development activity is remaining concentrated near the center of Dallas and Fort Worth. Development for dense residential is not shifting to the periphery of the city (**Table 21**).

By comparison, approximately 1,259 units are in the construction pipeline in the Market Area, or 6.3 percent of all multifamily construction in Dallas and Tarrant Counties. The central and northern parts of Dallas, as well as the central part of Fort Worth continue to be the centers of new development.

Figure 13. Proposed Multifamily Construction, Dallas and Tarrant Counties

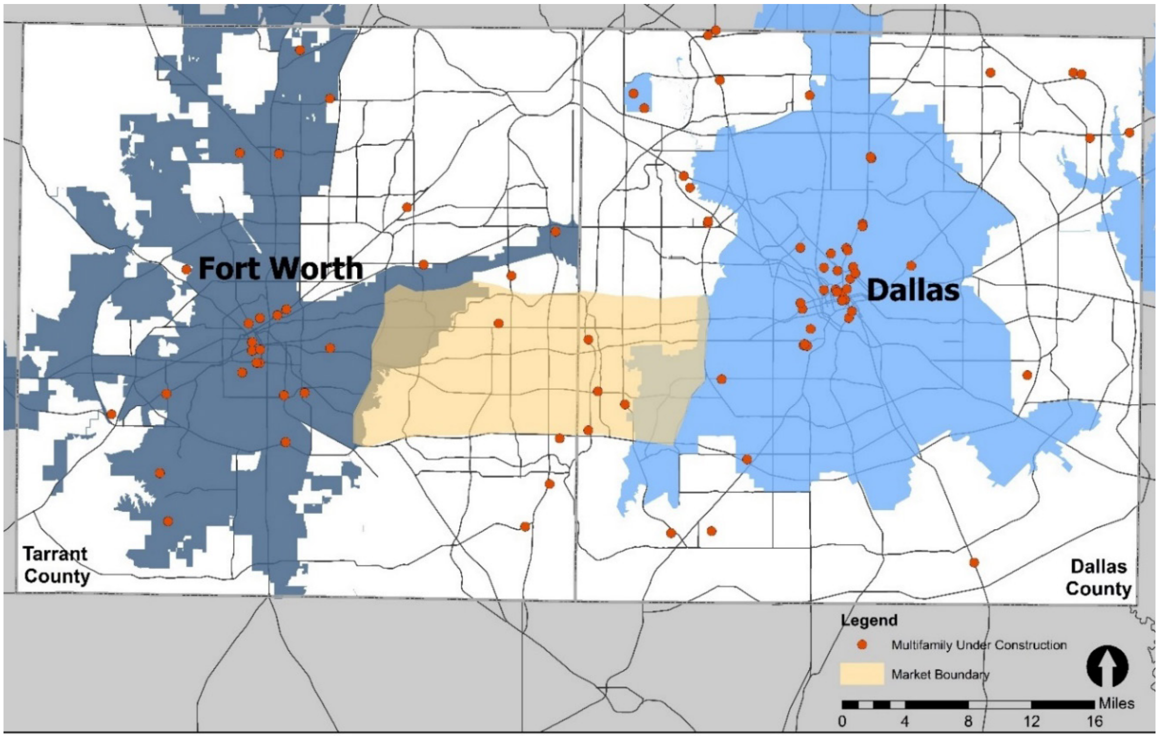


Table 20. Units Under Construction by Area

Description	Units	% Total	% of Inventory
Market Area	1,259	6.3%	10.3%
5-Mile Radius Dallas CBD	6,358	31.6%	15.4%
5-Mile Radius Ft Worth CBD	1,982	9.9%	3.9%
North Dallas Area	1,737	8.6%	15.8%
Other	8,772	43.6%	54.7%
Total Dallas and Tarrant County	**20,108**	**100.0%**	**100.0%**

Source: Economic & Planning Systems

Table 21. Projects under Construction, Market Area

Name	Units	Location	Year to Deliver
The Retreat at Grand Prairie	154	Grand Prairie	2020
The Gibson	187	Grand Prairie	2021
The Royalton at Grand Prairie	300	Grand Prairie	2021
Presidium at Hill Street	290	Grand Prairie	2022
The Truman Arlington Commons	328	Arlington	2021
The Residences at 3000 Bardin*	252	Grand Prairie	2021

*Immediately outside the market area
Source: Economic & Planning Systems

Market Influence Area Developments

Multifamily

Profiles are provided for six multifamily developments proximate to the Hensley Field site built within the past two years. Each property had at least 140 units, with densities ranging from 10 dwelling units per acre to 34 dwelling units per acre. Rents in these developments were approximately $1.50 per square foot. One project, Avilla Heritage, had a higher average rent of $1.92 per square foot, which is likely due to its composition of for-lease detached townhomes. These densities and rent levels are for stick built and surface parked buildings of no more than three stories.

Avilla Heritage

Table 22. Recent Multifamily Projects, Market Area

Name	Units	DU/Acre	Rent/sf	Parking	Year Built
Riverside Place	148	27	$1.40	Surface	2019
The Sutherland	272	34	$1.47	Surface	2020
Prairie Gate	264	18	$1.45	Surface	2019
Avilla Heritage	140	10	$1.92	Surface	2019
Winding Creek	314	14	$1.58	Surface	2018
Clark Ridge Canyon	248	10	$1.50	Surface	2019

Source: Costar; Economic & Planning Systems

Single Family

The average home sale price rose from $194,651 in 2017 to $237,749 in 2020, equating to an annual growth rate 6.9 percent, as shown in **Table 23**. This average sale price is comparable to the 2020 average sale price of $238,000 in Dallas and $224,000 in Fort Worth. Similarly, the average price per square foot in the market area increased from $103 in 2017 to $130 in 2020.

Table 23. Sales and Average Sale Price by Year, Market Area, 2017-2020

					2017-2020		
Description	2017	2018	2019	2020*	Total	Ann. #	Ann. %
Sales	2,080	2,653	2,703	2,045	-35	-12	-0.6%
Avg. Sale Price	$194,651	$224,292	$225,212	$237,749	$43,097	$14,366	6.9%
Avg. Sale Price/sf	$103	$117	$122	$130	$27	$9	8.0%

Source: Economic & Planning Systems
*2020 data goes through November

Resales in 2020 comprised over 94 percent of single family home sales, while new home sales comprised only 2.5 percent of total sales, as shown in **Table 24**. New single family home sales commanded a premium over resales, selling at an average of $325,704 compared to $237,604, and $142 per square foot compared to $130 per square foot. New home sales were also slightly larger at an average of 2,290 square feet compared to 1,852 square feet for resales.

In the Market Influence Area, there were 2,045 recorded single family sales in 2020 compared to 196 townhomes. Townhome sales had an average area of 1,428 square feet with an average sale price of $160,627 or $114 per square foot.

Table 24. Sales Characteristics, Market Area, 2020

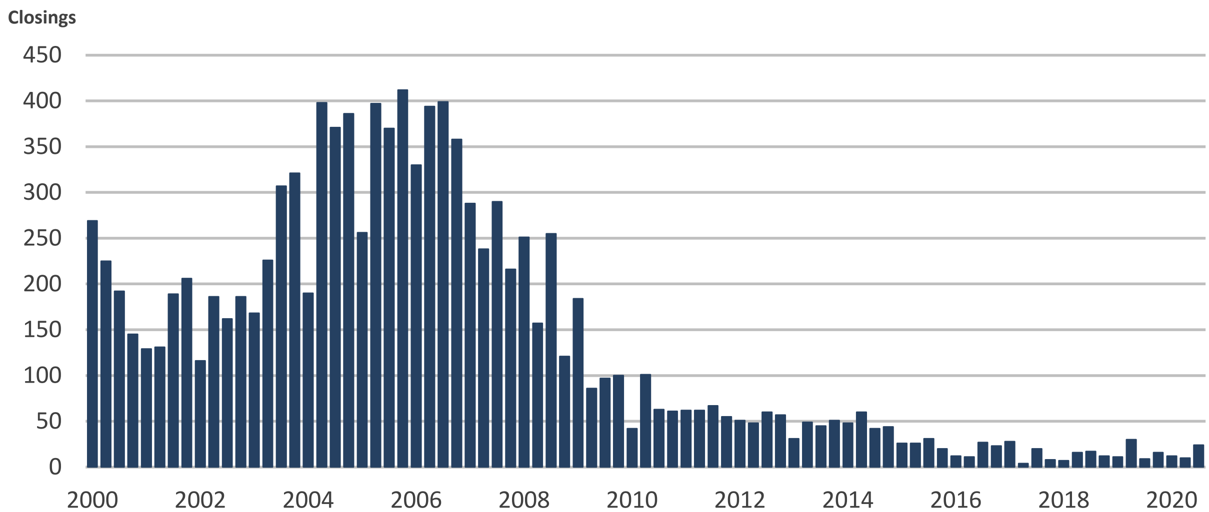
Description	Sales	Avg. sf	Avg. Price	Avg. Price/sf
Single-Family				
New	51	2,290	$325,704	$142
Resale	1,926	1,852	$237,604	$130
Other	69	2,183	$254,429	$128
Total	**2,045**	**1,862**	**$237,749**	**$130**
Townhome/Duplex				
New	1	1,280	N/A	N/A
Resale	190	1,414	$159,931	$115
Other	5	1,920	$177,105	$104
Total	**196**	**1,428**	**$160,627**	**$114**

Source: Economic & Planning Systems

Project Absorption Rates

Single family home activity in the market area was greatest in the years preceding the recession, from 2000 to 2006, as shown in **Figure 14**. During this period, the market area averaged 1,060 closings annually, peaking at 1,481 closings in 2006. By comparison, the last five years have experienced significantly less closing activity, averaging 67 annual closings between 2015 and 2020. This shows that most new housing developments in the market area became built out by the mid-2010s.

Figure 14. Quarterly Closings, Market Area, 2000-2020



Source: Economic & Planning Systems

Comparable Projects

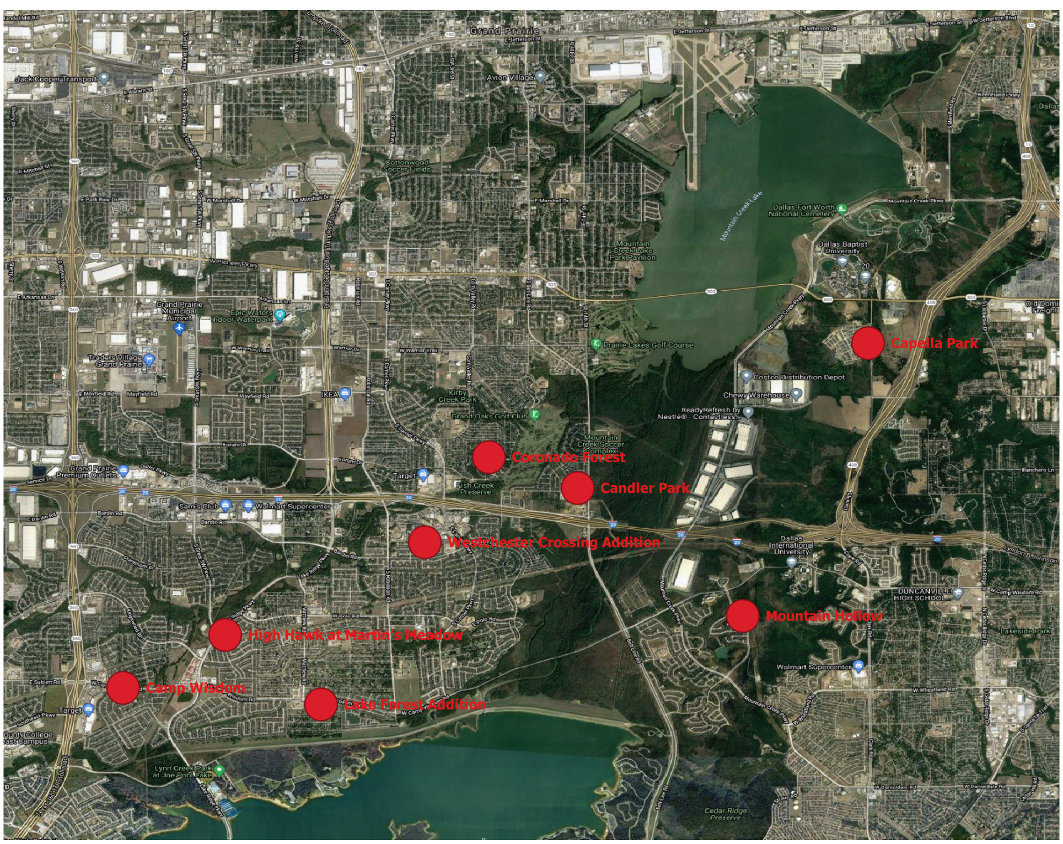
Several recently constructed single family developments are profiled in this section to characterize for-sale market conditions. No condominium for-sale products were identified in this area. The findings are summarized in **Table 25** and are profiled below. Locations are shown in **Figure 15**.

Table 25. Comparable Projects, 2015-2020

Description	Avg. Size (sf)	Price Range ($000s)	Avg. Sale Price	Avg.Price/sf
Capella Park	2,553	$163-$339	$272,769	$110
Camp Wisdom	2,028	$100-$279	$201,241	$100
High Hawk at Martin's Meadow	3,191	$240-$413	$313,609	$98
Lake Forest Addition	2,617	$171-$487	$378,109	$128
Mountain Hollow	2,475	$193-$322	$251,464	$105
Westchester Crossing Addition	3,038	$219-$499	$374,199	$126
Candler Park	2,435	$187-$411	$316,000	$138
Coronado Forest	2,829	$254-$474	$372,201	$133

Source: Economic & Planning Systems

Figure 15. Single Family Project Map



Capella Park

Capella Park is a 177-home single family subdivision on the hillside east of Mountain Creek Lake that broke ground in 2007 and continues to have lots for sale. The community seeks to distinguish itself from other single family subdivisions by offering relatively small lots and certain design elements that reflect a more urban environment, such as alley garage access for each home rather than street-facing driveways. The homes in Capella Park have an average unit size of 2,500 square feet and average lot size of 6,800 square feet. Over the past five years, home sales have ranged from $163,000 to $339,000, with an average overall sale price of $272,769 and average per square foot sale price of $110.

Camp Wisdom

The Townhomes at Camp Wisdom is a 90-unit townhome community in Grand Prairie that broke ground in 2006 and reached buildout in 2017. The townhomes have notably small lots at an average of 1,830 square feet while finished areas average 2,000 square feet. Since 2015, these townhomes have sold at an overall average of $201,241, equating to $100 per square foot. These homes are located along the north side of Camp Wisdom Road south of I-20 in a newly developing area of Grand Prairie.

High Hawk at Martin's Meadow

High Hawk at Martin's Meadow is a single family home community in Grand Prairie on the north side of Joe Pool Lake. Spanning 622 homes, High Hawk broke ground in 2004 and reached buildout in 2016. The homes range in size from 2,000 to 4,700 square feet, averaging 3,191 square feet with an average lot size of 7,700 square feet. Sale prices since 2015 have ranged widely from $240,000 to $413,000 with an overall average sale price of $313,609, and an average price per square foot of $98.

Lake Forest Addition

Vera Lux homes started development on an addition to the Lake Forest subdivision in 2018 that is set to deliver 33 homes. Located in Grand Prairie on the northwestern side of Joe Pool Lake, Lake Forest has recorded 20 sales since 2018 with an average finished size of 2,617 square feet and an average lot size of 7,100 square feet. These homes had an average sale price of $378,109, equating to an average per square foot sale price of $128.

Mountain Hollow

Mountain Hollow is a 111-home single family subdivision in southwest Dallas between Mountain Creek and Joe Pool Lake that was built out between 2007 and 2018. Its homes have an average finished area of 2,500 square feet and an average lot size of 8,800 square feet. Over the past five years, homes have sold for between $193,000 and $322,000, with an average sale price of $251,464 or $105 per square foot.

Westchester Crossing Addition

Westchester Crossing in Grand Prairie added 55 new homes starting in 2015. These homes are on the large side, with an average lot size of 8,500 square feet and an average finished area of 3,000 square feet. These new homes ranged in price from $219,000 to $500,000, with an average overall sale price of $374,199 and an average per square foot sale price of $126.

Candler Park

Impression Homes is currently building 54 new homes as an addition to the Candler Park subdivision in Grand Prairie between Joe Pool Lake and Mountain Creek Lake. This new construction broke ground in 2019 and has led to 29 closings. These homes range in size considerably from 1,234 square feet to 5,838 square feet, with an average size of 2,435 square feet. Accordingly, sale prices since 2015 span a wide range from $187,000 to $411,000, with an overall average of $316,000 and a per square foot average of $138.

Coronado Forest

Coronado Forest is a gated, master-planned community approximately one mile north of Interstate 20 in Grand Prairie. It consists exclusively of single-family homes with an average finished size of 2,829 square feet. Since 2015, Coronado Forest has recorded 15 closings ranging from $254,000 to $474,000, with an average sale price of $372,201 or $133 per square foot. As of 2020, the community is entirely built out.

The following three projects are not located in the Market Influence Area but are examples of recent master planned communities in the southern part of the DFW metroplex. As a result, they do not have the full set of data points that the other projects have and were therefore not summarized in **Table 25**.

Lakeshore Village

Lakeshore village is a luxury townhome community on the southwestern shore of Joe Pool Lake in Grand Prairie. Built in 2006, Lakeshore Village targets an upscale market offering high-end finishes, lake views, and community amenities such as pool access and gated entry. Townhomes range in size from 2,100 to 2,500 square feet and have recently sold between $270,000 and $310,000, equating to a sale price per square foot of around $120.

South Pointe

South Pointe is a luxury master planned community in Mansfield to the southwest of Grand Prairie that broke ground in 2018. It consists of single family homes ranging in size from 2,500 to 4,000 square feet. The community offers residents several amenities, including a pool, parks, trails, and three onsite schools. Most homes have sold for between $400,000 and $500,000, averaging around $150 per square foot.

Grand Peninsula

Grand Peninsula is a 400-acre, 1,300 lot master planned community on the southwestern shore of Joe Pool Lake in Grand Prairie. As a master planned development, Grand Peninsula is served by an onsite elementary school, neighborhood retail, a park and trail system, and amenity centers. Construction broke ground in 2000 and the last lots were sold in 2013.

4. Commercial Real Estate

This chapter contains an analysis of market data in the major non-residential real estate market segments to gauge the potential for office, industrial, and/or retail development at Hensley Field.

Office Market

This section provides a summary of the key market trends for office space in the Greater Dallas and Fort Worth area and the Hensley Field Market Influence Area. Absent the impacts of the Pandemic, the Dallas and Fort Worth areas generally have a strong market for office development in areas that are established employment nodes in knowledge-based industries.

The majority of office market activity since 2010 has occurred in the Far North Dallas region along the North Central Expressway, which includes the City of Frisco, as shown in **Table 26** and **Figure 16**. This submarket accounted for 32.4 percent of the growth in office space in the Dallas-Fort Worth office market inventory over the past decade, with over 1.7 million square feet of new inventory added annually since 2010. In addition, strong office growth has occurred in the Richardson/Plano submarket, which comprises approximately 13.5 percent of the inventory growth and has added roughly 727,000 square feet of office space per year since 2010.

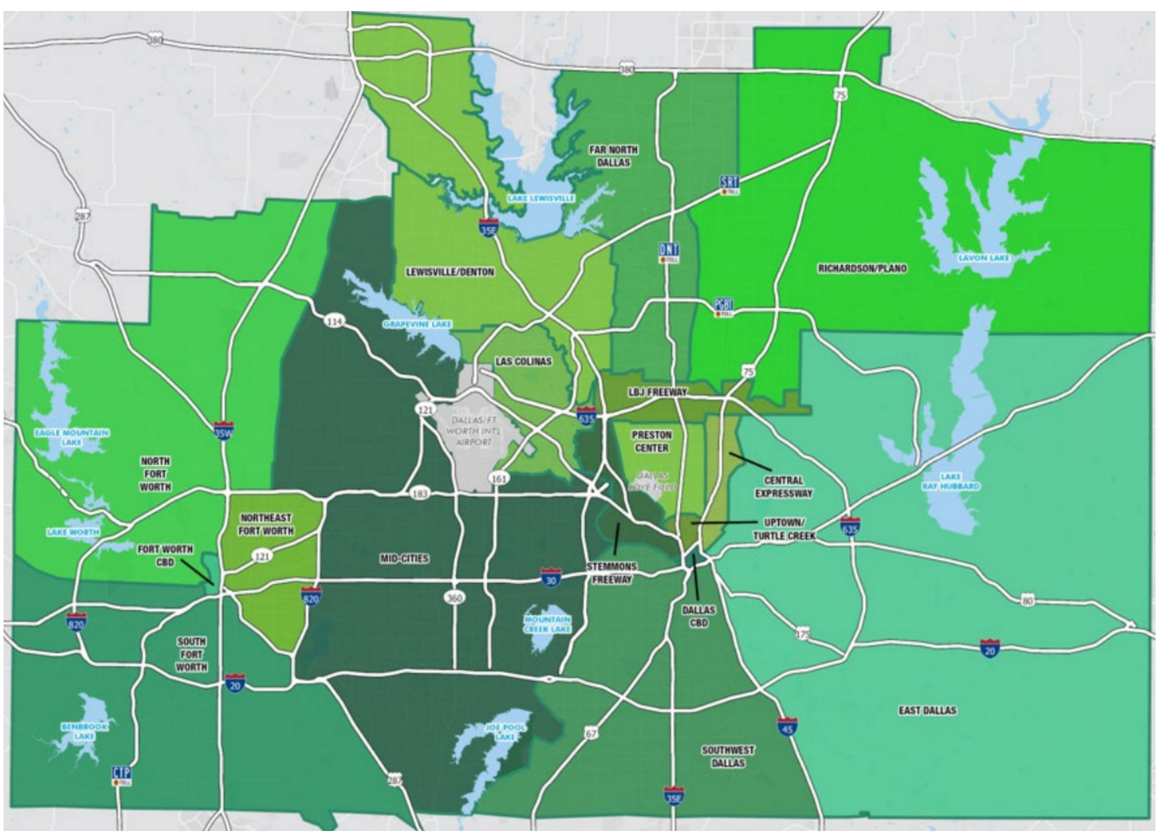
The South Mid-City submarket, defined as the Mid-Cities area south of I-20, and the Southwest Dallas submarket, both surround the Hensley Field project site. As of the fourth quarter of 2020, the South Mid-City submarket currently has approximately 22 million square feet of inventory and captured 2.9 percent of the office market growth. This area added 155,000 square feet of office space per year since 2010. The Southwest Dallas submarket, which is a slightly smaller, gained approximately 65,772 square feet per year — a market share capture rate of 1.2 percent.

Table 26. Office Inventory, 2010-2020

Description	2010	2015	2020	2010-2020 Total	2010-2020 Mkt. Share	2010-2020 Ann. Sq.Ft.
Far North Dallas	50,588,596	56,236,287	67,964,471	17,375,875	32.4%	1,737,588
Richardson/Plano	37,042,095	40,254,535	44,314,785	7,272,690	13.5%	727,269
Las Colinas	37,327,141	38,594,363	43,992,931	6,665,790	12.4%	666,579
North Mid-City	17,612,452	18,902,210	23,195,463	5,583,011	10.4%	558,301
Uptown/Turtle Creek	13,126,668	13,944,403	16,227,959	3,101,291	5.8%	310,129
South Ft. Worth	17,429,903	18,566,949	19,579,470	2,149,567	4.0%	214,957
North Ft. Worth	3,808,983	4,916,641	5,945,526	2,136,543	4.0%	213,654
Lewisville/Denton	11,827,070	12,506,970	13,672,545	1,845,475	3.4%	184,548
East Dallas	13,273,908	13,710,119	14,886,457	1,612,549	3.0%	161,255
South Mid-City	**20,462,113**	**20,982,506**	**22,012,746**	**1,550,633**	**2.9%**	**155,063**
Stemmons Freeway	14,110,401	14,450,907	15,087,767	977,366	1.8%	97,737
Dallas CBD	32,945,768	33,407,074	33,864,967	919,199	1.7%	91,920
Southwest Dallas	**6,127,357**	**6,272,364**	**6,784,573**	**657,216**	**1.2%**	**65,722**
Preston Center	5,893,795	6,184,446	6,521,394	627,599	1.2%	62,760
Central Expressway	14,105,792	14,454,224	14,673,149	567,357	1.1%	56,736
Ft. Worth CBD	11,049,487	11,257,704	11,605,038	555,551	1.0%	55,555
LBJ Freeway	22,908,719	22,927,108	22,957,710	48,991	0.1%	4,899
Northeast Ft. Worth	5,535,368	5,559,101	5,567,455	32,087	0.1%	3,209
Total	**335,175,616**	**353,127,911**	**388,854,406**	**53,678,790**	**100.0%**	**5,367,879**

Source: CoStar; Economic & Planning Systems

Figure 16. Dallas & Fort Worth Office Market



EPS identified 12 recent office buildings constructed since 2010 in the immediate area, shown in **Figure 17**. There are currently no projects under construction and a few projects proposed, the largest of which is the 150,000 square foot Mayfield Groves building expected to deliver in 2022, as shown in **Table 27**.

Figure 17. Office Development since 2010

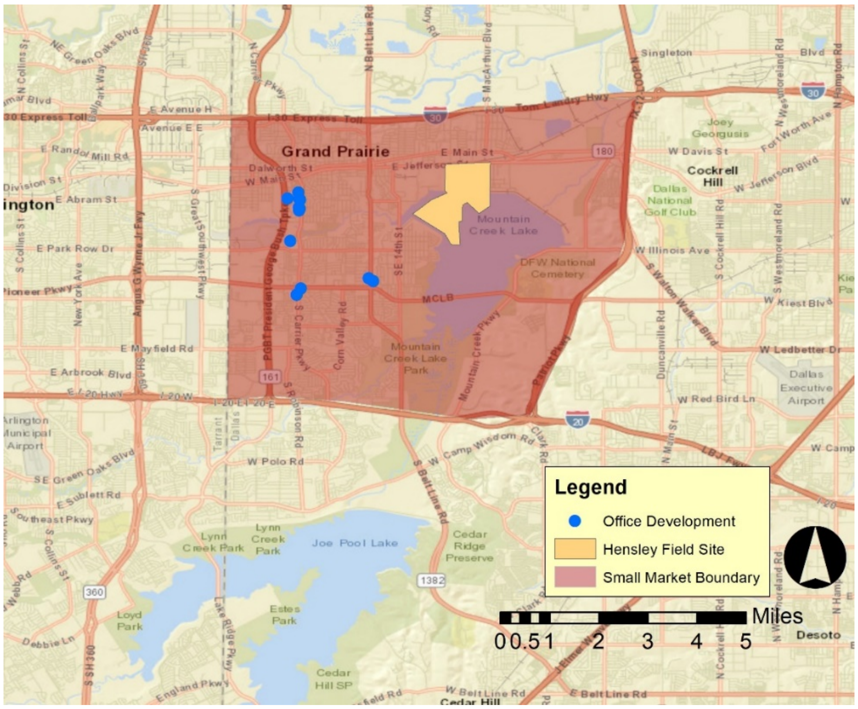


Table 27. Office Development Summary, Market Influence Area

Name	Address	Year	RBA
Notable Deliveries			
N/A	2626 S Carrier Pky	2020	7,152
Medical Office / Professional Office	923 Highway 161	2020	5,000
N/A	825 Desco Ln	2019	7,045
Building 1	820 S Carrier Pky	2019	10,000
Total/Average			**29,197**
Proposed			
Building #3	1020 S Carrier Pky	2022	5,000
Mayfield Groves	Hwy 161 & Forum Dr	2022	150,000
Building #2	1020 S Carrier Pky	2021	5,000
Total/Average			**160,000**

Source: CoStar; Economic & Planning Systems

Office vacancy across the Dallas and Fort Worth submarkets have been relatively high over the last decade, averaging roughly 15 percent in 2020, as shown in **Table 28**. As of the fourth quarter of 2020, the South Mid-City submarket's average vacancy was 19.9 percent, while the Southwest Dallas submarket witnessed an average vacancy rate of 11.2 percent. These figures tend to be skewed however by large buildings that are obsolete and remain available for long periods of time. The vacancy rate has been stable since 2010, and there has been significant new construction in the market.

Table 28. Office Vacancy, 2010-2020

				2010-2020		
Description	**2010**	**2015**	**2020**	**Total**	**Ann. #**	**Ann. %**
Lewisville/Denton	15.3%	8.4%	11.6%	-3.7%	-0.4%	-2.7%
Preston Center	12.9%	8.3%	10.3%	-2.6%	-0.3%	-2.2%
North Mid-City	17.3%	13.5%	14.0%	-3.3%	-0.3%	-2.1%
Uptown/Turtle Creek	18.8%	9.7%	15.8%	-3.0%	-0.3%	-1.7%
Richardson/Plano	18.1%	14.1%	16.1%	-2.1%	-0.2%	-1.2%
LBJ Freeway	24.0%	23.6%	21.3%	-2.7%	-0.3%	-1.2%
Stemmons Freeway	21.0%	17.6%	18.8%	-2.2%	-0.2%	-1.1%
South Ft. Worth	9.1%	6.5%	8.8%	-0.3%	0.0%	-0.3%
Las Colinas	19.8%	14.3%	19.3%	-0.5%	-0.1%	-0.3%
East Dallas	10.3%	7.6%	11.3%	1.1%	0.1%	1.0%
Southwest Dallas	10.0%	9.4%	11.2%	1.2%	0.1%	1.1%
Far North Dallas	16.0%	14.1%	18.2%	2.2%	0.2%	1.3%
Dallas CBD	20.5%	20.1%	24.6%	4.1%	0.4%	1.8%
Northeast Ft. Worth	10.7%	19.6%	13.4%	2.7%	0.3%	2.3%
Central Expressway	13.6%	12.2%	17.2%	3.6%	0.4%	2.4%
North Ft. Worth	4.7%	8.8%	6.6%	1.9%	0.2%	3.5%
Ft. Worth CBD	9.7%	9.6%	13.9%	4.2%	0.4%	3.7%
South Mid-City	9.5%	8.2%	19.9%	10.4%	1.0%	7.7%
Average	**14.5%**	**12.5%**	**15.1%**	**0.6%**	**0.1%**	**0.4%**

Source: CoStar; Economic & Planning Systems

Industrial Market

This section provides a summary of the key market trends for industrial space in the Greater Dallas and Fort Worth area and in the submarkets surrounding the subject property. Much like the office market, strong population and employment growth have resulted in a strengthening industrial market in the Dallas-Fort Worth area.

The largest industrial concentration is the Greater Southwest Arlington submarket, which is located 3.5 miles west of Hensley Field. This submarket includes nearly 114 million square feet of industrial space making it one of the largest submarkets. Major tenants include a 4.0 million square foot General Motors assembly plant.

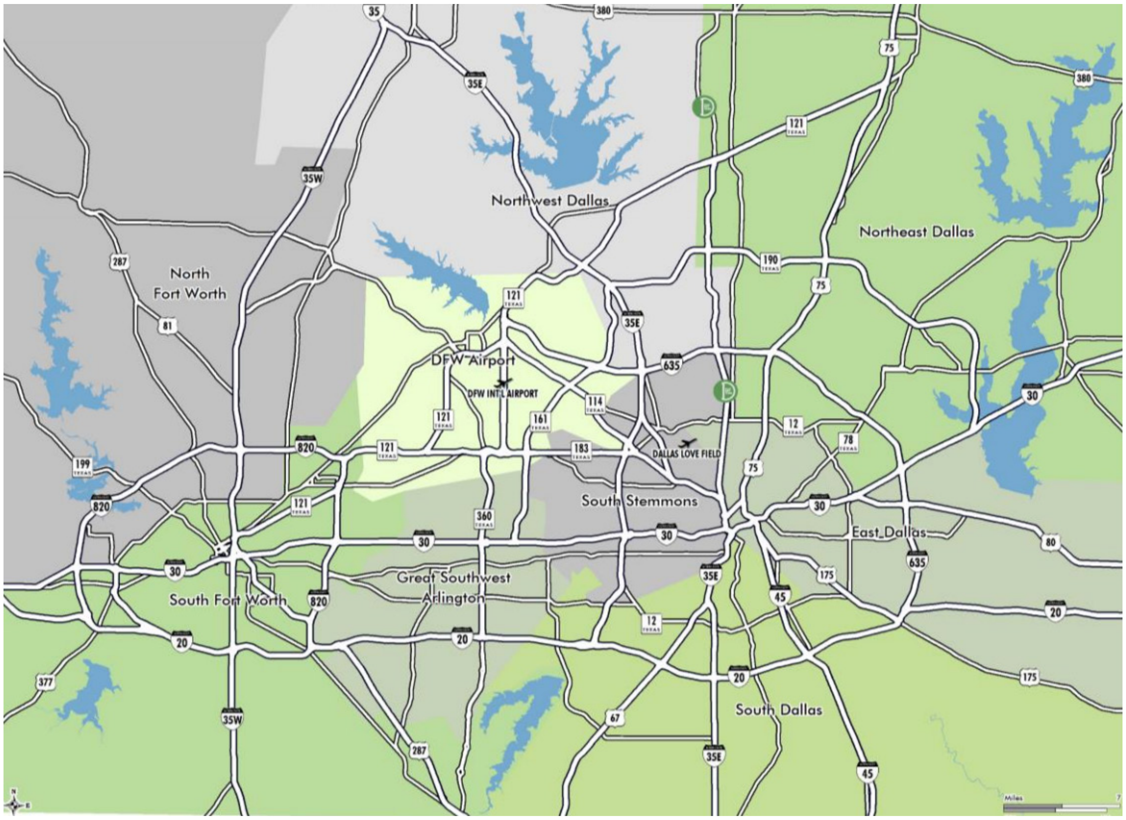
Over the past decade, the largest increment of industrial development has occurred in the North Fort Worth region, with nearly 37.4 million square feet of space added since 2010, which is a 21.1 percent of market share. As illustrated in **Table 29** and **Figure 18**, industrial activity around the Hensley Field site is also strong including the Greater Southwest Arlington, South Stemmons, and South Dallas submarkets. The South Dallas submarket has gained approximately 3.4 million square feet of industrial space each year since 2010, capturing 19.1 percent of market growth. The Great Southwest Arlington submarket, with roughly 2.8 million square feet of industrial space added annually since 2010 captured a 15.7 percent market share. In addition, the South Stemmons submarket has approximately a 5.3 percent market share and has added 900,000 square feet of industrial space annually since 2010.

Table 29. Industrial Inventory, 2010-2020

				2010-2020		
Description	**2010**	**2015**	**2020**	**Total**	**Mkt. Share**	**Ann. Sq.Ft.**
North Ft. Worth	67,448,552	76,172,996	104,847,735	37,399,183	21.1%	3,739,918
South Dallas	33,368,852	44,113,816	67,328,620	33,959,768	19.1%	3,395,977
Great Southwest Arlington	85,815,108	92,692,130	113,754,962	27,939,854	15.7%	2,793,985
DFW Airport	56,216,452	63,299,002	78,191,351	21,974,899	12.4%	2,197,490
Northwest Dallas	79,611,528	87,251,527	98,010,176	18,398,648	10.4%	1,839,865
South Ft. Worth	81,993,780	86,848,908	94,792,861	12,799,081	7.2%	1,279,908
Northeast Dallas	75,997,691	78,673,051	86,813,666	10,815,975	6.1%	1,081,598
South Stemmons	102,857,544	104,214,200	112,196,953	9,339,409	5.3%	933,941
East Dallas	44,459,284	45,177,104	49,437,684	4,978,400	2.8%	497,840
Total	**627,768,791**	**678,442,734**	**805,374,008**	**177,605,217**	**100.0%**	**17,760,522**

Source:CoStar; Economic & Planning Systems

Figure 18. Industrial Submarket Locations



Demand has been strong in the Dallas-Fort Worth industrial market with logistics providers and national retailers locating in the Metroplex over the past decade. Vacancy within the market has remained steady, with all major submarkets averaging over 90 percent occupancy, as shown in **Table 30**. Leasing activity has been strong in the submarkets surrounding the site, with the Greater Southwest Arlington averaging 5.5 percent vacancy as of the fourth quarter of 2020, one of the lowest vacancy rates in the Metroplex.

Table 30. Industrial Vacancy, 2010-2020

				2010-2020		
Description	2010	2015	2020	Total	Ann. #	Ann. %
Great Southwest Arlington	13.9%	4.2%	5.5%	-8.3%	-0.8%	-8.8%
Northwest Dallas	12.8%	5.9%	5.3%	-7.6%	-0.8%	-8.5%
East Dallas	9.4%	4.3%	5.3%	-4.1%	-0.4%	-5.6%
DFW Airport	13.9%	7.3%	8.2%	-5.7%	-0.6%	-5.1%
South Dallas	11.8%	5.7%	7.5%	-4.4%	-0.4%	-4.5%
Northeast Dallas	8.5%	4.8%	5.6%	-3.0%	-0.3%	-4.2%
South Stemmons	10.1%	2.9%	7.2%	-2.9%	-0.3%	-3.3%
South Ft. Worth	5.5%	6.1%	5.7%	0.2%	0.0%	0.3%
North Ft. Worth	8.8%	7.8%	9.1%	0.3%	0.0%	0.4%

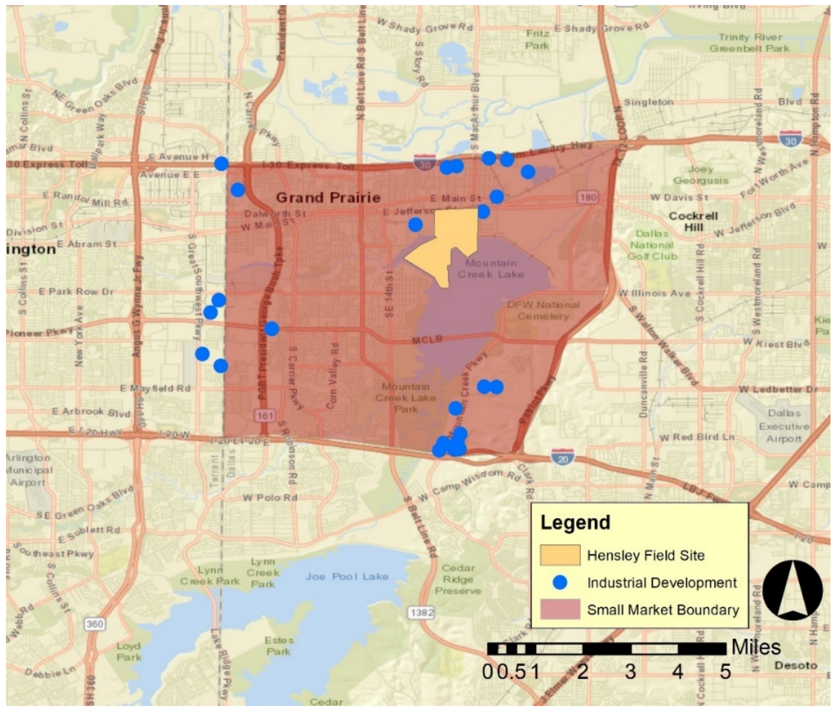
Source: CoStar; Economic & Planning Systems

Surrounding Industrial Development

Industrial development activity has been strong in the Hensley Field Market Influence Area, as shown in **Figure 19**. Several large industrial centers and parks reside in close proximity to the Hensley Field site, including the Dallas Global Industrial Center and the Mountain Creek Building Park.

Immediately west of Hensley Field is Dallas Global Industrial Center (DGIC) with 2.3 million square feet of new warehousing and distribution space and approximately 1.5 million square feet of pre-existing space from the former Vought Aircraft plant that manufactured military airplanes during World War II through the 1970s. The 260-acre property was acquired by NorthPoint Development and American Brownfields Corp in 2013. The most notable recent delivery at the DGIC is a 1.5 million square foot distribution center leased to The Home Depot, which came online in the second quarter of 2020, as shown in **Table 31**.

Figure 19. Industrial Development since 2010



The Mountain Creek Building Park, located just south of Mountain Creek Lake, has completed 15 buildings. Since 2015, there have been four major buildings completed with a total of 2.83 million square feet including an 874,214 square foot industrial building built in 2016, 670,863 square foot Ulta Distribution Center in 2015, 630,000 square foot Mountain Distribution Center I in 2015, and 663,000 square foot Mountain Distribution Center II built in 2016. Two additional buildings totaling 1.3 million square feet are also planned at this park, and are expected to deliver in 2025, as shown in **Table 31**.

Table 31. Industrial Development Summary, Market Influence Area

Name	Address	Year	RBA
Notable Deliveries			
Dallas Global Industrial Center			
Home Depot Distribution Building 1	9314 W Jefferson Blvd	2020	1,500,000
Home Depot Distribution Building 2	7243 Grady Niblo Rd	2019	800,000
Subtotal			**2,300,000**
Mountain Creek Building Park			
DSC Logistics/Kimberly-Clark	4808 Mountain Creek Pky	2016	874,214
Ulta Distribution Center	4786 Mountain Creek Pky	2015	670,863
Mountain Distribution Center II	7243 Grady Niblo Rd	2016	663,000
Mountain Distribution Center I	7343 Grady Niblo Rd	2015	630,000
Mountain Creek Corporate Center	4685 Mountain Creek Pky	2016	230,664
Mountain Creek 5	4895 Mountain Creek Pky	2016	192,000
Mountain Creek-Cummins	4855 Mountain Creek Pky	2014	352,572
Republic Services	4970 S Merrifield Rd	2020	76,344
Subtotal			**3,689,657**
Other Deliveries			
Parkway Logistics Center	2911 S Great Southwest Pky	2019	271,794
Multi-Tenant	2337 W Warrior Trl	2020	2,375
Subtotal			**274,169**
Total Completed			**6,263,826**
Under Construction			
N/A	2590 W Warrior Trl	2021	176,670
Proposed			
Building 4-8	W Jefferson Blvd	2021	1,577,000
Building 1-5	I-30 MacArthur Blvd	2021	207,145
Mountain Creek IV	3584 Mountain Creek Pky	2025	483,167
Mountain Creek I	3636 Mountain Creek Pky	2025	797,073
Total/Average			**3,064,385**

Source: CoStar; Economic & Planning Systems

Retail Market

This section provides a summary of recent notable retail developments in Market Influence Area. It also includes an analysis of the current demand and supply for neighborhood and community level retail stores.

Recent Retail Development

Most of the recent notable retail developments in the Market Influence Area is concentrated to the south along Highway 161, in closer proximity to new housing development occurring in Grand Prairie. Notable recent deliveries include a 216,939 square foot Kohls, which delivered in 2019, and a 297,000 square foot IKEA, which came online in 2017, as shown in **Table 32**. There are only two projects currently under construction, each less than 5,000 square feet, and both are expected to deliver in 2021.The largest proposals in the Market Influence Area include two retail buildings along Mayfield Road, one planned to be 68,730 square feet and the other expected to be 55,215 square feet.

Table 32. Retail Development Summary, Market Influence Area Boundary

Name	Address	Year	RBA
Notable Deliveries			
Main Event Entertainment	3102 S Highway 161	2020	48,000
Kohls	1506 Mayfield Rd	2019	216,939
IKEA	1000 Ikea Way	2017	297,000
Walmart	2650 S Hwy 161 Ln	2017	189,543
Total/Average			**751,482**
Under Construction			
N/A	208 E 2nd Ave	2021	4,400
N/A	1506 Mayfield Rd	2021	1,760
Total/Average			**6,160**
Proposed			
N/A	Mayfield Rd	N/A	68,730
N/A	Mayfield Rd	N/A	55,215
N/A	SEC 161 & Forum Dr	2021	30,000
N/A	3162 State Highway 161	N/A	16,000
Total/Average			**169,945**

Source: CoStar; Economic & Planning Systems

Neighborhood and Community Retail

This section addresses the market for retail commercial uses on the Hensley Field property. It includes a summary of recent retail projects in the Market Influence Area and an assessment of development potentials for neighborhood and community serving retail uses oriented to future residents of the project. The site was not evaluated for regional commercial uses.

The Market Influence Area has a lack of neighborhood and community serving retail uses, and in particular, has been identified as a food desert for grocery stores. This analysis examines the current market for grocery stores and supermarkets in the two-mile trade area.

Retail Expenditure Capture

Retail expenditure potentials are estimated based on the percent of income spent on average by store category as outlined in the steps below.

- The current total personal income (TPI) of the Study Area for 2020 is estimated based on the number of households multiplied by the average household income.
- Based on the U.S. Census of Retail Trade, the percent of TPI spent by store category is then estimated using averages for the state as a whole.
- The growth in trade area expenditure potential is then estimated by applying the same calculation to the forecasted growth in households.
- The amount of retail space supportable currently and at buildout is estimated by dividing expenditure potential by average annual sales per square foot estimates for each store category.

The current TPI in the 2-mile trade area is $279.3 million, and the current TPI in the 3-mile trade area is $850.4 million based on 13,739 households and an average household income of $61,896 as shown in **Table 33**.

Table 33. Two and Three-Mile Household Income

Description	2020
2-mile Trade Area	
Households	4,896
Avg. Household Income	$57,055
Total Personal Income	**$279,341,280**
3-mile Trade Area	
Households	13,739
Avg. Household Income	$61,896
Total Personal Income	**$850,389,144**

Source: US Census; ESRI; Economic & Planning Systems

The average Texas household spends 28.4 percent of its household income in retail stores (excluding auto-related and non-store retailers). The percent of TPI spent by store category is shown in Column 1 in **Table 34**. For 2020, the 28.4 percent of TPI on retail goods equals a total of $241.9 million in retail spending potential.

Table 34. Household Retail Spending by Store Type

	Retail Sales	2020 ($000s)	
	%TPI	2-Mile	3-Mile
Total Personal Income (TPI)	**100%**	**$279,341**	**$850,389**
Convenience Goods			
Supermarkets and Other Grocery Stores	4.9%	$13,789	$41,978
Convenience Stores (excl. Gas Stations)[1]	2.5%	$7,062	$21,499
Beer, Wine, & Liquor Stores	0.3%	$796	$2,425
Health and Personal Care	2.1%	$5,877	$17,891
Total Convenience Goods	**9.9%**	**$27,525**	**$83,792**
Shopper's Goods			
General Merchandise			
Traditional Department Stores	0.6%	$1,749	$5,325
Discount Department Stores and Other	0.6%	$1,588	$4,834
Warehouse Clubs & Supercenters	4.5%	$12,442	$37,877
All Other General Merchandise Stores	0.3%	$794	$2,418
Subtotal	**5.9%**	**$16,574**	**$50,455**
Other Shopper's Goods			
Subtotal	**5.5%**	**$15,475**	**$47,112**
Total Shopper's Goods	**11.5%**	**$32,049**	**$97,566**
Eating and Drinking	**4.8%**	**$13,454**	**$40,957**
Building Material & Garden			
Total Building Material & Garden	**2.3%**	**$6,429**	**$19,570**
Total Retail Goods	**28.4%**	**$79,456**	**$241,885**

[1]Convenience Stores w/Gas (44711) are reduced by 50% to exclude gas sales, Health and Person Care sales reduced 50% to reflect non-taxable prescription sales

Source: 2012 Census of Retail Trade; Economic & Planning Systems

Grocery Stores

The three existing grocery stores whose two-mile radius areas overlap with the Study Area two-mile trade area are shown in **Figure 20**. In addition to the traditional supermarket chains, two supercenters are located in the Market Influence Area, including Walmart (located four miles southwest of the site), and Target (located five miles southwest of the site). The annual sales of each grocery store are estimated in **Table 35** based on their store size and average sales by individual chain. The portion of sales derived from the Study Area is estimated based on the percentage of their two-mile trade area that overlaps with the Study Area. In total, the three existing competitive stores have $58.9 million in annual sales with 22.2 percent of sales, or nearly $13.1 million estimated to be derived from Study Area households.

Figure 20. Supermarkets and Two-Mile Radii

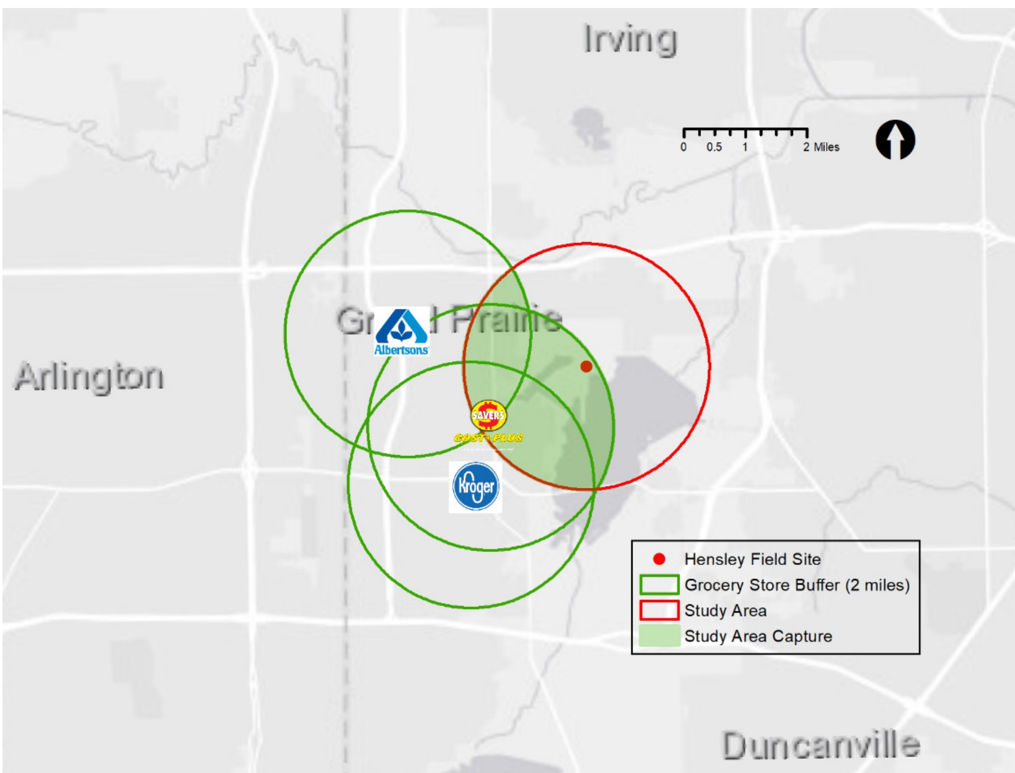


Table 35. Trade Area Supermarket Sales

Grocery Store	Address	Buffer	Building Size *Sq.Ft.*	Sales *Per Sq.Ft.*	Estimated Sales	Study Area Capture	Study Area Sales	Total Sales %
Savers Cost Plus Supermarket	1713 S Belt Line Road	2 mile	31,807	$300	$9,542,100	43.3%	$4,135,248	31.6%
Albertsons	215 N Carrier Pkwy	2 mile	66,191	$400	$26,476,400	15.4%	$4,068,367	31.1%
Kroger	313 E Pioneer Pkwy	2 mile	45,842	$500	$22,921,000	21.3%	$4,891,555	37.4%
Total			**143,840**		**$58,939,500**	**22.2%**	**$13,095,170**	**100.0%**

Source: Economic & Planning Systems

The supportable grocery store space is estimated by subtracting existing Study Area capture shown in **Table 35** from Study Area sales potentials from **Table 34**. Currently, the unmet demand for grocery stores is estimated at $693,889, as shown in **Table 36**. These estimates indicate that there is no un-met demand or a gap in the market in this area that a new grocery store could fill. In order to attract a new supermarket, Hensley field would need to develop roughly 4,000 housing units or more to create enough demand as discussed in the next section. Alternatively, developers of the site could try to attract an existing grocer seeking a new and more modern store when the project has become more established.

Table 36. Grocery Store Unmet Demand

Study Area (2-Miles)	2020
Grocery Stores	
Study Area Spending Potential	$13,789,058
Est. Captured Sales	$13,095,170
Unment Demand	**$693,889**

Source: Economic & Planning Systems

Hensley Field Retail Opportunities

In its current condition, Hensley Field has limited retail potential for anything more than highway or arterial-fronted convenience retail or general commercial space. Larger scale retailers require a more accessible 360-degree trade area, and Mountain Creek Lake reduces the trade area access of this site from the south. While this area of Grand Prairie and West Dallas would benefit from an additional full service and major brand supermarket, the site is also not ideal for that due to the same trade area geographic limitations and lack of households in the two-mile trade area.

While retail development is not expected to be an initial use on the Hensley Field site, the inclusion of retail stores and services to serve future residential development will be an important land use and community amenity. The retail development potentials for the site will be tied to the amount of new housing growth that the site can achieve.

In **Table 37** the expenditure potential generated by new housing and its residents is converted to retail demand and supportable retail space. These estimates include an assumption that the project will be able to draw an additional 25 percent of its business from surrounding areas, increasing the total potential spending power. The spending and demand analysis focuses on the types of retail space that locate in mixed use areas: supermarket, other convenience goods for daily living, specialty retail, and restaurants and bars. In total, these categories comprise 20 percent of a household's annual spending on average. The site is estimated, preliminarily, to be able to accommodate approximately 5,100 housing units. The spending associated with these new households can support approximately 200,000 square feet of retail space:

- A full-service supermarket (50,000 square feet or larger).
- Approximately 50,000 square feet of convenience goods (drug store/ pharmacy; beer, wine, and liquor; and other food stores).
- Approximately 60,000 square feet of downtown or main street style specialty retail.
- Approximately 40,000 square feet of restaurants and bars, or approximately 16 establishments at an average size of 2,500 square feet.

The project could anticipate more retail/commercial and mixed-use space, potentially approximately 400,000 square feet to expand the mix of uses to include personal services, health and wellness businesses, and professional office space. In addition, the project will draw additional business from the surrounding area as it becomes established.

Table 37. Retail Space Supported by On-Site Housing

	Factors	Calculations
Avg. Household Income	100%	$61,896
Residential Units		5,100
Spending Potential ($000s) from On-Site Housing		$315,670
Plus Inflow Spending from Other Areas ($000s)	**25%**	**$394,587**
Spending Potential		
Supermarkets and Other Grocery Stores	4.9%	$19,335
Other Convenience Goods [1]	4.9%	$19,335
Other Shopper's Goods (Clothing, Sporting, Speciality Retail)	5.5%	21,702
Eating and Drinking	4.8%	18,940
Total Spending	**20.1%**	**$79,312**
Supportable Sq. Ft.	$/SqFt	
Supermarkets and Other Grocery Stores	$400	48,000
Other Convenience Goods [1]	$400	48,000
Shopper's Goods (Clothing, Sporting, Specialty Retail)	$350	62,000
Eating and Drinking	$500	38,000
Total Sq. Ft.		**196,000**

[1] Liquor stores, convenience stores, health and personal care stores.

Source: 2012 Census of Retail Trade; Economic & Planning Systems

5. Major Mixed-Use Redevelopments

This chapter reviews the development history and successes and challenges of other major mixed use redevelopment projects. The first section covers recent relevant redevelopment efforts in the Dallas/Fort Worth metroplex, and the second section covers major airports and military base redevelopments with a development context or strategy of relevance to the Hensley Field setting.

D/FW Mixed Use Redevelopments

The D/FW metroplex has several large-scale, mixed use development projects underway that provide some precedents for the Hensley Field Master Plan.

Cypress Waters

Cypress Waters is a 1,000-acre mixed use site under development by Billingsley Company located at the northwest corner of LBJ/I-635 and Belt Line Road in northwest Dallas. The project is within the City of Dallas but almost completely surrounded by the City of Coppell. It is approximately five miles away from both Las Colinas and D/FW Airport.

Cypress Waters is a large redevelopment site fronting the 362-acre North Park Lake built in 1957 as a cooling reservoir by Dallas Power and Light (now TXU) for its new electric power plant. At that time, the City of Dallas annexed the 3,000 acre site including the power plant, lake, and adjacent properties. The North Lake utility is now owned by Luminant Power, and its three generation units are nearing the end of their operational life spans. Although in the City of Dallas, Cypress Waters is within the Coppell Independent School District (ISD). The district is highly regarded and is an attraction for homebuyers. Upon completion, the project is expected to include 4.5 million square feet of office and retail development, 10,000 multifamily housing units, three schools, parks, and a lakeside town center as illustrated in **Figure 21**.

Figure 21. Cypress Waters Site Plan

Development History

The land was purchased for development by Billingsley Company in 2004. The project had several roadblocks prior to receiving development approval. Although located in the City of Dallas, the site is completely surrounded by the City of Coppell, which along with the Coppell Independent School District (ISD) filed a number of lawsuits regarding the project's potential impacts on city operations and the capacity of schools.

The project began construction in 2012, followed by initial development in the corporate campus that has seen over $500 million in investment since 2014. It is the national corporate headquarters for a number of major tenants including Toyota Industries Commercial Finance, OneSource Virtual, Brinker International, and Smoothie King; and regional headquarters for AMN Healthcare, CoreLogic, Signet Jewelers, and Nokia.

A significant part of the project's success attracting corporate office users (and triggering several build-to-suit office buildings) was the due to the City's business attraction and recruitment efforts. Between 2015 and 2018, the City Council approved business development incentives agreements with most of the major tenants recruited to the site in the form of Chapter 380 grant agreements and/or business personal property tax abatement agreements.

As of 2020, the project is approximately 60 percent complete. The office development has been the strongest component with 3.3 million square feet completed or 74 percent of the planned 4.4 million square foot total. Multifamily housing absorption has been slower with 1,973 housing units built (163 affordable) out of 10,000 units planned. Given the pace of residential development, the retail component is also only 22 percent complete with 65,000 square feet built.

Table 38. Cypress Waters Existing Development, 2020

Cypress Waters	# of Buildings	Total Development - SF/Units Built	Planned	% Complete	Major Tenants
Built Development					
Office	15	3,268,400	4,440,071	74%	7-Eleven HQ, Gooshead Insurance, Corelogic Corporate Campus, Nokia, Toyota Finance, OneSource
Retail	2	65,000	291,078	22%	The Dump Furniture Outlet, District 635 Sleep Experts
Residential	5	1,973	10,000	20%	Apartments including 136 affordable
Total Built Office & Retail	17	3,333,400		70%	
Total Built Residential (Units)	5	1,973		20%	
Total Built Development	**22**			**59%**	

Source: Cypress Waters; CoStar; Economic & Planning Systems

Development Financing

Like many large infill developments, the site lacked the necessary infrastructure for development to take place, as well as the funding to pay for its installation. The City of Dallas formed a Tax Increment Reinvestment Zone (TIRZ) in 2010 on 960 acres of the site to utilize tax increment financing (TIF) to provide funding to support the provision of public infrastructure necessary to deliver the first phases of vertical development (including affordable housing units). The TIRZ allocates 85 percent of the TIF property tax revenues over a 30-year time period for the City (as well as from 2014 to 2033 for Dallas County) up to a maximum $10.5 million contribution. In addition to infrastructure, the TIF District requires that 20 percent of all residential projects receiving revenues provide 20 percent affordable housing.

The Developer has also formed a Municipal Management District (MMD) as an additional development and financing tool for funding on site infrastructure. An MMD is a special district created by the State with the power to levy taxes, assessments, or impact fees on new development to pay for needed infrastructure.

Relevance to Hensley Field

Although in a different market context, Cypress Waters shares many traits with Hensley Field as noted below:

- Both projects are located on a redevelopment site adjacent to an older TexGen power plant at the end of its useful life.
- Both are located on a lake, built as a cooling reservoir for the power plant, providing an aesthetic amenity for the adjacent development, as well as a potential recreation amenity.
- Cypress Waters is located in a strong office location that is reflected in the project's success to date; in contrast, Hensley Field is located within a strong industrial corridor.
- Retail uses, including the planned town center, have lagged as there have been insufficient rooftops within the project to trigger its development to date.
- The City formed a TIF district to support the provision of the initial phases of public infrastructure needed to deliver the first phases of vertical development; Hensley Field will also require similar public financial assistance to initiate development.

RedBird

Developer Terrance Maiden of Russell Glen Development, and majority investor and co-developer Peter Brodsky are in the process of redeveloping the 110-acre Red Bird Mall site in southern Dallas near the intersection of US-67 and I-20.

Development History

The 950,000 square foot Red Bird Mall (later renamed Southwest Center Mall) opened in 1975, was and remains the only enclosed mall in the southern half of the City of Dallas. Originally developed around four department stores, the center has declined over the last 20 years as its anchor stores departed, starting with JCPenney's in 2001, Dillard's in 2006, Macy's in 2017, and finally Sears in 2019.

The mall went into bankruptcy in 2008 and later into foreclosure. Since 2015, Peter Brodsky has been in the process of acquiring the property, starting with the in-line mall and former Dillard's, JCPenney, and Sears stores. He has now acquired the majority property on the site.

The RedBird project has an approved $176 million development plan that is expected to include a scaled down amount of retail space as well as family-oriented entertainment, offices, apartments, hotels, and medical facilities. The first development use was development in 2017 of a 2,400 square foot Starbucks community café which has a commitment to hire and train young people from underserved neighborhoods in the surrounding area.

The development team is proceeding with a mixed-use development that includes the reuse of portions of the existing mall, some demolition and redevelopment, as well as additional density and infill on portions of the surrounding parking field.

Infrastructure investments include a street grid of private roads from Westmoreland Road to Pastor Bailey Drive including a new site entryway with green space and a number of commercial pads. TxDOT, as part of the Southern Gateway highway improvement project, will be adding a new exit on northbound US 67 at Camp Wisdom Road to improve access to the RedBird site.

The following additional tenant leasing and development projects are currently underway:

- UT Southwestern Medical Center – UT Southwestern has signed a 15-year lease for the former 150,000 square foot Sears building for an outpatient medical center and office space.
- Parkland Memorial Hospital Clinic - A second medical tenant, Parkland signed a 15-year lease for 43,000 square feet in the first level of the former Dillard's for a primary care center.
- Chime Solutions – This black-owned Atlanta based human resources company has leased 52,856 square feet of the second level of the mall for a business process outsourcing (BPO) office with plans to hire 1,450 workers. The company was initially approved for a Chapter 380 Agreement for up to $2.0 million for creating 1,000 net new jobs. The agreement has been modified to allow installments up to $2.5 million for 1,450 net new jobs.
- Workforce Solutions – This employment and training provider has leased 30,000 square feet in the first level of the former Dillard's.
- Other Commercial Leases – Frost Bank signed a 10-year lease on 3,000 square feet located in a 12,000 square foot freestanding building. Foot Locker has signed a 10-year lease for a 20,493 square foot store along the new green entryway.

RedBird illustration by Omniplan

In a separate development on the western portion of the site's parking field, Palladium is constructing a $60 million, 300-unit four-story apartment project with structured parking. The 4 percent LIHTC project will contain 70 percent affordable units at 60 percent of AMI and 30 percent market rate units. The project also received $1.2 million in City CDBG and $5.0 million in HOME funds for gap financing.

Development Financing

The City of Dallas has made a substantial public investment in the RedBird project. In 2016, the City approved a Chapter 380 Agreement that included a $2.4 million grant for property assembly. In 2018, the City approved an additional incentives package that included a conditional grant agreement for $10 million (from previous GO bonds) and a $12 million 15-year interest only loan for redevelopment costs. The City also committed up to $15.6 million in TIF over 15 years from the Mall Area Redevelopment TIRZ. The TIF funds generated were assigned back to the City to help pay back the $12 million loan.

The Mall Area Redevelopment TIRZ is a non-contiguous TIF area that includes two subdistricts, The Monfort-IH 635 Sub-District encompassing the Valley View Mall redevelopment area in North Dallas, and the Westmoreland-IH 20 Sub-District that includes the Red Bird Mall redevelopment area. The district is structured to allow for the transfer of TIF funds from the more affluent North Dallas site to the less affluent South Dallas site. Under the District's financing plan, 10 percent of the Monfort Sub-District annual net increment will be transferred to the Westmorland Sub-District to facilitate revitalization and redevelopment of the former Southwest Center Mall area.

The various components of the RedBird project are also using a number of additional financing tools and sources. The Developer received a $10 million New Market Tax Credit (NMTC) allocation in 2019. Capital One Community Renewal Fund also intends to provide $3 million in NMTC allocation to the project. Additionally, the Dallas Housing Finance Corporation acquired the land for the Palladium apartment project, issued bonds for project construction, and provided a ground lease for the vertical development. The City is also working with Peter Brodsky to close a Property Assessed Clean Energy (PACE) grant.

Relevance to Hensley Field

RedBird is the most significant redevelopment project in the less affluent southern quadrant of Dallas. The project has required a significant public investment to pay for redevelopment costs and to attract developer and tenant interest.

The developer has had notable success in attracting medical uses to the site, both clinics that serve the households in the market area, as well as uses tapping into the area workforce. He has also had some success "right sizing" the project for retail and commercial uses, including signing Foot Locker, Frost Bank, and Starbucks. The remaining challenge will be attracting sit down restaurants around the central open space amenity (the Lawn). The project has also been successful in attracting developer interest in building affordable housing units, although requiring a significant amount of City investment to be financially feasible.

Collin Creek Mall

The Collin Creek Mall redevelopment is another example of a former enclosed regional mall under development as a mixed-use project in the D/FW region. The 110-acre site is located at the intersection of US-75 (Central Expressway) and President George Bush Turnpike in the City of Plano shown in **Figure 22**.

Development History

Collin Creek Mall opened in 1981 with five department store anchors including (in their most recent iteration) Macy's, Mervyn's, Sear's, Dillard's, and JCPenney's, which closed sequentially over the 2008 to 2019 time period. In 2018, the 99-acre property was sold to Centurion American. In 2019, the City of Plano approved Centurion's proposed $1 billion redevelopment plan for the mall and surrounding property.

The proposed redevelopment plan includes 300,000 square feet of retail space and 40,000 square feet of restaurant space, down from the roughly 1.2 million square feet at the former mall. The project is also planned to contain 200,000 square feet of entertainment uses, 1.3 million square feet of office space, and a 200-room hotel. There will be a substantial residential component including 2,300 multifamily units, 500 single family units, and 300 senior independent living units, along with 8.9 acres of new park space.

One year into the project, most of the site activity has been focused on site work and demolishing portions of the former mall and anchor store buildings including Macy's, Sear's, Dillard's, and Amazing Jakes (which had occupied the former Mervyn's store). The central mall structure will be rebuilt as the centerpiece of the project along with new site amenities, including a water feature to the east and a park to the west. New development is planned to surround the central mall building on a new street grid and set of blocks to be developed as hotel, office, and multifamily residential development. Parking will be reconfigured in three levels of underground parking. The western portion of the site will be configured in a new residential neighborhood with approximately 400 single family homes including detached, duplex and townhouse units.

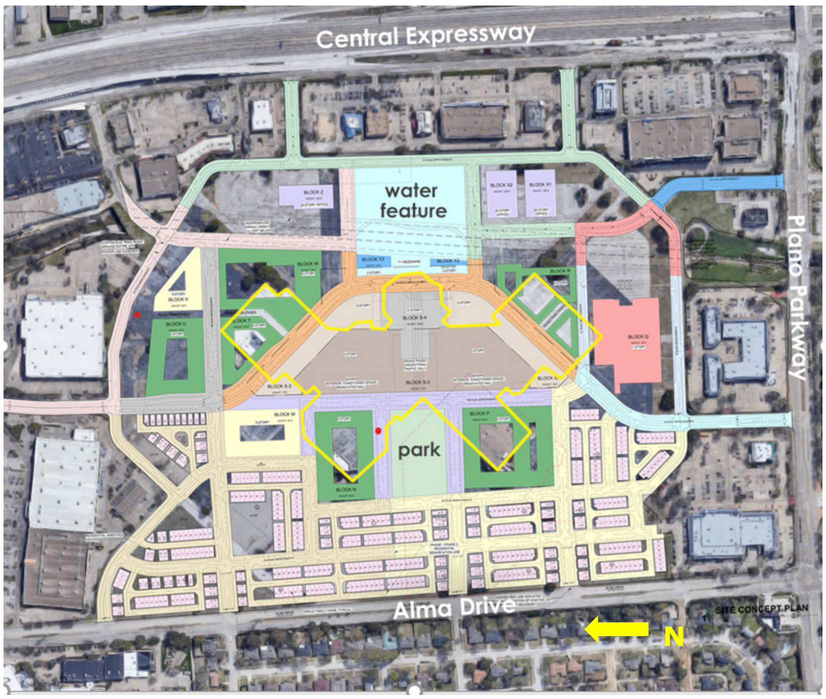
Development Financing

The City of Plano has pledged approximately $109 million in future tax revenue through a Tax Increment Redevelopment Zone (TIRZ). It has also provided a $10 million grant and committed to building $50 million in drainage improvements needed for the project that also benefits the surrounding area. Additionally, the City approved two public improvement districts (PID) formed by the developer that will levy an additional property tax on future development to help pay for infrastructure.

Relevance to Hensley Field

Similar to RedBird, a portion of the former mall is being redeveloped and repositioned for new land uses. However, in this market setting the former department stores have been demolished to allow for the development of much higher densities as the higher rents support the cost of higher density construction types.

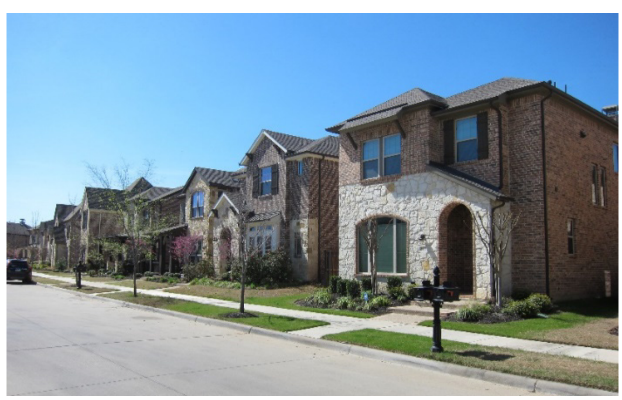
Figure 22. Collin Creek Mall Redevelopment



Existing mall outline shown in yellow line

Viridian

Viridian is a 2,083-acre new-urbanist master planned community under development by Johnson Development in northeast Arlington located north of Collins Street and Green Oaks Boulevard. The project is planned as a series of neighborhoods surrounding five lakes and connecting streams totaling over 500 acres along with an additional 800 acres of parks and open space. The project is planned to contain 4,200 residential housing units and 500,000 square feet of mixed-use commercial space in a town center setting including 200,000 square feet of commercial space, a boutique hotel, theater, and 700,000 square feet of multifamily housing over retail.



Viridian residential street

Development History

The project was started in 2011 as a Huffines Communities property with an initial plat of 180 lots. The site was sold to Johnson Development and Canadian based investors Tricon Capital Group in 2015 for $141 million.

The project currently has 11 active builders with homes priced from $300,000 to over $1.0 million. There are currently approximately 500 completed housing units. It contains a 141-acre neighborhood for 55 plus aged residents called The Elements at Viridian with courtyard and single family detached housing options. The exclusively senior community is now under development in the northeast section of the project. As of early 2020, there were approximately 40 homes completed. The town center has not yet been built. Depending on the location and the retail trade area characteristics, creating a new mixed use town center can be the most challenging aspect for this type of development.

A notable development feature of the Viridian project is a peninsula jutting out into the largest water body on the site, Lake Viridian that contains two anchor projects. The Lakeview Event and Conference Center is private event and conference center that is popular for weddings and other social events. The facility can seat 110 banquet style and up to 250 if the outdoor patio is utilized. Adjacent to the even center is the Gathering Church, a large church, and Overlook Park that contains a community beach.

Development Financing

Viridian has employed a complex public financing structure to finance the roughly $411 million in infrastructure costs and floodplain mitigation. The financing plan includes a Municipal Management District (MMD), Public Improvement District (PID), and TIRZ. The PID has been formed within the MMD to provide additional bonding capacity from special assessments in addition to the ad valorem taxes levied by the MMD. The City also formed a TIRZ, committing 85 percent of its tax increment along with participation from Tarrant County (75% participation), Tarrant County Hospital District (50% participation), and Tarrant County College (50% participation).

Relevance to Hensley Field

Viridian is a successful planned mixed-use community that is largely residentially focused with a range of housing products. It has capitalized on the water features of the project as an amenity for both residential development as well as commercial uses.

Airport and Base Redevelopments

There are several successful urban infill redevelopments of former airports and other military facilities reviewed below as examples of what is possible at Hensley Field including Mueller Airport in Austin, Alameda Point and Mission Bay in the San Francisco Bay area, Stapleton and Fitzsimons in the Denver metro area, and Fort McPherson in Atlanta. These projects are evidence of what is possible and represent a wide range of reuse programs that were developed based on the community vision, market context, and the unique infrastructure and attributes of each site. The Hensley Field redevelopment shares many of the opportunities and constraints of these successful case studies and has its own unique challenges as well as noted in the summary of lessons learned.

Stapleton/Central Park

Stapleton is a major new urbanist master planned community built on the site of the former Stapleton International Airport in Denver, Colorado. The airport closed in 1994 and a master plan was completed in 1995 under the aegis of the Stapleton Development Foundation, a group of Denver civic leaders. The Stapleton Development Plan (often referred to as the "Green Book"), which called for integration of jobs, housing, open spaces, into a new mixed-use residential neighborhood fully tied into the existing city street grid and development pattern.


Stapleton aerial looking west

One of the largest redevelopment projects in the country, the 4,700-acre site was planned for 8,000 housing units, 4,000 apartments, 3.9 million square feet of retail, and 10 million square feet of office and industrial space. The project contains over 1,200 acres of regional parks and open space which together with the neighborhood parks accounts for more than one-third of the total site.

Development History

In 1995, the City and Denver Urban Renewal Authority (DURA) created the non-profit Stapleton Development Corporation (SDC) to maintain and lease the property and the authority to sell land consistent with the Plan. The SDC ability to initiate development was impeded by a lawsuit with the FAA over environmental remediation, demolition, and other disposition costs. Due to these and other challenges, the SDC in 1998 entered into a process to select a master developer for the project and chose Forest City Enterprises, Inc. to be its development partner. Forest City entered into an Exclusive Right to Negotiate (ENR) with SDC and finalized an agreement to purchase the remaining 2,935 acres for $123.4 million or approximately $1.00 per square foot over a 15-year time period. As part of the purchase agreement, the City agreed to complete the environmental remediation and demolition of remaining airport runways and facilities.

The residential portion of the project is nearing completion with over 7,500 completed for-sale homes in 15 neighborhoods with 15 schools and 50 parks. Brookfield (the current developer who acquired Forest City in 2018) has also completed 2,500 multifamily apartments, 2.6 million square feet of retail, 3.3 million square feet of industrial and flex, and 400,000 square feet of office space. In 2020, the community voted to change its long-standing name from Stapleton to Central Park.

Development Financing

The development agreement included a substantial public investment. Forest City advanced the front-end financing for regional infrastructure to be repaid by an innovative TIF agreement through DURA. During the first five years of development, 100 percent of the property tax increment was committed to Stapleton redevelopment costs. In each five-year period thereafter, the percentage of the total tax increment (sales and property) retained by the city increased to help pay for the rising operating costs associated with new residents for city services, such as police, fire, roadways, and utilities. The City's retained portion of the tax increment reaches 53 percent in Year 20 and 100 percent when the TIF agreement expires in Year 25 which is 2023. To date, DURA has issued $462 million in bonds to help finance regional infrastructure improvements such as roads, parks, fire stations, schools and other public projects.

The City also allowed Forest City to establish a series of Title 32 Metropolitan Districts (similar to PIDs in Texas) and levy 50 mills in property tax on all new development to help pay for the local infrastructure costs. Although Colorado property taxes are relatively low, the additional 50 mills represent a 70 percent increase over the total combined mill rate of 72 mills within the City including the school district.

Relevance to Hensley Field

Stapleton/Central Park has been phenomenally successful in creating a new neighborhood district in the city distinct from the surrounding land uses with its own diverse mix of residents from young families to empty nesters. When the project started, it was adjacent to lower income neighborhoods experiencing disinvestment in the City of Denver to the west and similar neighborhoods in Aurora to the south, as well as industrial and warehouse development to the east. Two development components were identified as contributed to its success, its innovative school development program and its major parks, trails, and open space facilities.

The project has attracted a substantial number of families with school age children due to the high quality of the on-site public schools. SDC partnered with Denver Public Schools to build neighborhood schools on site at an early date before there were sufficient households on site to populate them. An initial neighborhood elementary school and a Denver School of Science and Technology (DSST) served both Stapleton and the surrounding neighborhoods. Tax increment funds were used to help fund these facilities. Hensley Field will have an ability to capitalize on its location in the Grand Prairie Independent School District, which is recognized as a highly regarded district that would increase its market appeal to young families with school-age children.

The substantial parks and open space system were also an important amenity. The residential development is built in a traditional historical Denver urban pattern with small lots, alleys, detached sidewalks and home built to relate to the street. These higher densities are offset by the number of parks, open space and trails that is superior to many projects in other suburban locations.

Fitzsimons Medical Campus

The Fitzsimons Medical Campus is an example of a former military facility converted to primarily institutional uses. The 577-acre Fitzsimons Army Medical Center (FAMC) was closed in 1995 as part of the BRAC process. The site is located at I-225 and Colfax Boulevard in Aurora, Colorado, which is Denver's largest suburb with a population of 375,000.

Anschutz Medical Campus at Fitzsimons

Development History

The City of Aurora created the Fitzsimons Redevelopment Authority (FRA) to manage the redevelopment and property acquisition process and develop a master plan for the property, which was completed in 1997. Because the site was in a relatively depressed area, the plan prioritized attracting a catalyst use to anchor the site and to create a market for the remaining property. The opportunity to attract the University of Colorado Health Sciences Center (UCHSC) to locate on the site with a branch campus emerged as this catalyst use.

UCHSC was previously located on a 30-acre site in the 9th and Colorado medical district in central Denver. The University had initially expressed interest in leasing the existing main hospital building at FAMC for administration uses as its existing medical school campus and hospital in Denver was built out with no room for expansion. As part of the redevelopment planning process, UCHSC became interested in a larger presence, and acquired 186 acres at the front door of the site for a more extensive second campus. In 1998, UCHSC and University of Colorado Hospital completed a joint master plan for its property that would relocate all of its education, research, service, and patient care programs from the central Denver site to Fitzsimons over a 12-year period.

In 2000, the University built a $170 million outpatient hospital and Cancer Pavilion partially funded by a grant from the Anschutz Foundation. Over the next five years, CU accelerated its relocation from the 9th and Colorado medical district, building new medical, nursing, and pharmacy schools at Fitzsimons as well as additional medical research facilities and specialty outpatient clinics. The University also agreed to sell 37 acres of its campus to Children's Hospital, which also moved from the 9th and Colorado medical district and built a new $400 million 270-bed hospital and medical center in 2003 and a $230 million 10-story East Tower in 2012. Fitzsimons medical campus was renamed Anschutz Medical Center in 2006, in recognition of the $91 million donated by Philip Anschutz and the Anschutz Foundation.

The FRA acquired the remaining 391 acres of FAMC land and buildings from the Army in 1998 under an economic development conveyance (EDC). The development of FRA property included 15 acres for a state veterans' home that was one of the first property sales in 1998. It also included additional medical related uses including 30 acres sold for a Veteran's Administration Hospital that ultimately cost over $2.0 billion and was completed in 2018 after extensive delays.

The redevelopment master plan approved by the city called for the development of a 160-acre Fitzsimons Life Science District on the golf course property at rear of the site to attract private medical and science companies with relationships or synergy with the University's research facilities and staff. The FRA has built two incubator buildings for medical and science startups and other technology transfers from the University's research operations. It has been less successful attracting larger private companies and has recently repositioned the Life Science District property as an Innovation Park allowing for a wider range of uses.

Development Financing

Under the BRAC process, the University of Colorado was able to acquire its 186-acre site under a public benefit conveyance (PBC) for no cost. The FRA was able to purchase the remaining 391 acres from the Army under an economic development conveyance (EDC) for a nominal $1.85 million in 1998. The FRA has also received EDA grants for the construction of the two bioscience incubator buildings on the Innovation Campus site.

The City of Aurora has prioritized the revitalization of the arterial streets and neighborhoods surrounding the Anschutz campus. An urban renewal area was established in 2001 that included the Fitzsimons campus as well as commercial properties to the south of Colfax and to the west of Peoria. The Fitzsimons Urban Renewal Area assisted with the redevelopment at key intersections surrounding the campus with private development uses including the City's Hyatt Regency Hotel and Conference Center and mixed-use TOD near the light rail station serving the campus. However, in 2014, halfway through the 25-year TIF financing period, it was apparent that additional funding would be needed to complete planned redevelopment projects surrounding the campus, so the original TIF district was bisected to create a new Fitzsimons II TIF district in order to extend the financing period for an additional 25 years.

Relevance to Hensley Field

The Anschutz Medical Center is an example of how a major institutional use can establish the viability of a redevelopment site for a mix of development uses not previously present in the market area. The University Medical School, hospital, and research institutes attracted other like uses including Children's Hospital, VA Hospital, and State Veteran's Home. The institutional anchors also spurred commercial and residential development on campus and in the surrounding urban renewal area.

Mueller

Mueller is a Texas example of a successful airport redevelopment into a mixed-use infill community. The former 700-acre Robert Mueller Municipal Airport (RMMA) located in east-central Austin closed in 1999 after the City voted to build a new airport in the site of the former Bergstrom Air Force Base on the city's east side.

The City of Austin completed the RMMA Redevelopment Master Plan and created the RMMA Plan Implementation Advisory Commission in 2000. The City's goals for the Mueller Master Plan were to leverage the value of the land for economic development, environmental sustainability, and housing affordability. The community's goals were the development of an inclusive and walkable mixed-use district. The Plan anticipated a mix of residential, commercial and retail developments, along with designated parks and green space. The RMMA Plan proposed 4,600 housing units, 4.2 million square feet of institutional and employment space, 650,000 square feet of retail uses, and 140 acres of open space.


Mueller aerial

Development History

The City then selected Catellus Development Group as a master developer (Catellus Austin LLC) and began negotiations on the Mueller Master Development Agreement that was completed in 2004 along with zoning to implement the plan. A regional retail center was planned and built in 2005 on the northwest corner of the property next to I-35 as a first phase of development to jump start the project and to generate revenues for infrastructure and other redevelopment costs. The center is anchored by a number of retailers including The Home Depot, Best Buy, Olde Navy, and PetSmart.

Although not anticipated in the redevelopment plan, Ascension Seton Medical Center approached the City in 2003 about acquiring 32 acres of land at Mueller to build a 248-bed Children's Medical Center. The Dell Children's Medical Center opened in 2007 as one of the first commercial uses on the site. The hospital has attracted additional medical and institutional uses to the site including a Seton Administration Building that consolidated its administrative and executive employees at Mueller in 2008 and a 30-room Ronald McDonald House completed in 2011. A 14-acre University of Texas Research campus is under development to the north of the Medical Center with a Dell Pediatric Research Institute as its first tenant building.

The first residential development began in 2007. Currently, there have been over 5,000 homes completed in a range of product types and densities that exceeds the original estimate of 4,600 homes at buildout. Overall development is about 75 percent complete with (in addition to the housing) over 5 million square feet of commercial space and 140 acres of parks and open space having been built.

Approximately 25 percent of the housing is expected to be part of an affordable housing program based on shared equity and fixed appreciation rates available to households earning less than 80 percent of AMI for single family for sale housing and 60 percent of AMI for rental.

The project began development of a community oriented commercial center called the Market District in 2013 anchored by a new H-E-B Grocery Store. A pedestrian oriented commercial district is now in development along Aldrich Street close to Lake Mueller Park that includes an Alamo Drafthouse Cinema, The Thinkery Children's Museum, and several restaurants.

Mueller is recognized by the U.S. Green Building Council as the world's largest and Texas' first LEED-ND, Gold neighborhood. The project has also attracted an impressive group of arts and cultural facilities that add to the richness of the community. The Thinkery Children's Museum was one of the first tenants of the Mueller Town Center, and the Austin Independent School District built a performing arts complex in 2014 to serve the entire district including a 1,200-seat auditorium and 250-seat black box theater.

Development Financing

In 2003, the City created the Mueller Local Development Corporation (LDC) as a non-profit development to assist Catellus Austin LLC with infrastructure and other redevelopment costs. In 2006, the City approved a Chapter 380 Economic Development and Grant Agreement with the LDC to provide funding for the debt financing. The City agreed to commit $1.2 million per year up to an overall maximum of $23.1 million over a 20-year period ending in 2026. The primary source of funds was locally generated sales taxes from the Mueller regional commercial center backed as necessary with General Fund revenues.

The Austin City Council also created TIRZ #16 to finance the construction of public improvements that are necessary for the redevelopment of the 700-acre Mueller property. The tax increment from the City's property tax was the sole dedicated funding source. The TIF funds flow to the LDC, which uses both the TIRZ tax increment and Chapter 380 sales tax revenues, to pay for the debt service on the infrastructure bonds.

Relevance to Hensley

The Mueller Redevelopment was identified by the City as an example of a successful mixed-use redevelopment that could serve as a model for the Hensley Field Master Plan. Both projects are of a similar size. The Mueller site, although in the dynamic and fast-growing Austin market, was at the time in an area of the city that had not experienced significant new development and therefore needed to create its own market attraction. Keys to the development's success include:

- Attraction of the Dell Children's Hospital as an initial institutional anchor and on-site employer.
- Creation of a balanced community with a range of housing products and pricing, community serving retail, an attractive parks and open space system, and community and cultural facilities all contributed to the project's development success.
- Selection of Catellus, a national development firm with a significant redevelopment expertise, as master developer to manage all aspects of implementing the plan.

The City's commitment to provide TIF as well as a sales tax shareback as revenue sources for debt financing to build the trunk infrastructure needed to support vertical development.

Alameda Point

The former 1,560-acre Naval Air Station Alameda was closed in 1997 under the BRAC process. The property is located largely on reclaimed land on Alameda Island in San Francisco Bay. The Navy reached an agreement for the transfer of the land to the City of Alameda for $108 million in 2006. The agreement obligates the Navy to complete environmental clean up to residential standards by 2022.

Alameda Point looking west towards San Francisco

Development History

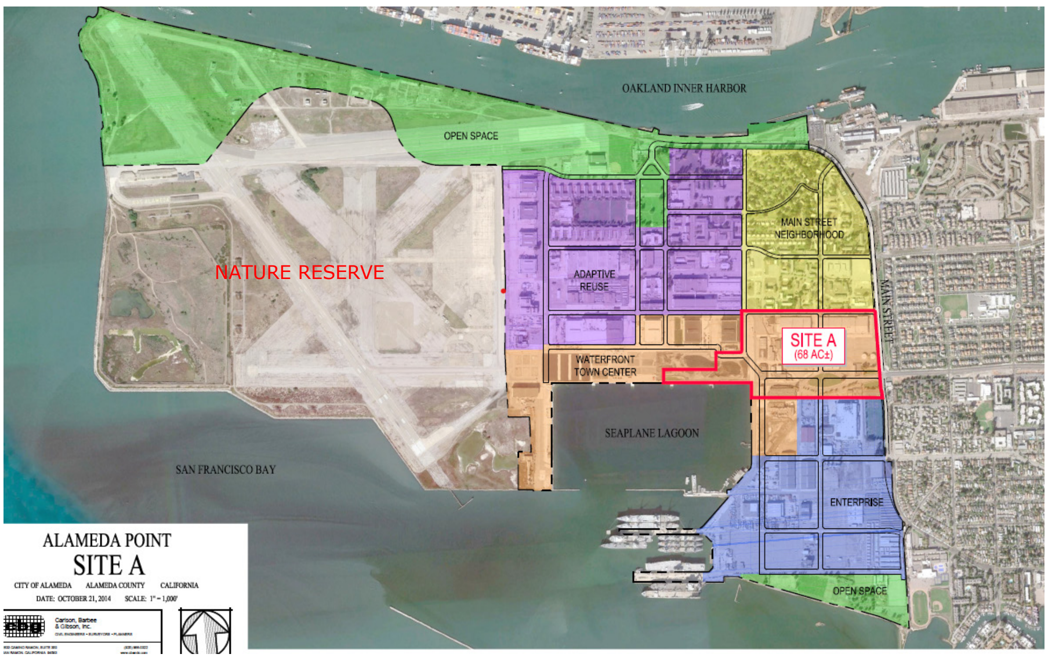
The Project was set within a redevelopment zone administered by the Alameda Reuse and Redevelopment Authority (ARRA). The City through ARRA firs selected Alameda Point Community Partners (APCP) in 2001 as the master developer for a preliminary development concept calling for 1,700 housing units on the site. In 2006, APCP decided not to move forward with the plan concept and withdrew from the project. In 2007, SunCal Companies was chosen as a master developer for a smaller 770-acre phase of development and entered into an ENR towards a development agreement. However, the ENR was terminated by the City in 2010 based on a lack of progress as well a rejection by the voters of an initiative that would allow for the development of multifamily housing contained in the master plan.

After some delays, the City scaled-down its development plans for the site. The site includes more than 700 acres dedicated for open space including a 512-acre National Wildlife Refuge created on the former runways on the outer portion of the site jutting into the bay. The project is now envisioned as a seamless extension of the city with mixed use employment, residential, commercial, and recreational uses. Initial development has included re-use of existing hangar buildings to accommodate more than 70 businesses.

In 2014, the City completed a Town Center and Waterfront Precise Plan for a 150-acre site along the main entry and the waterfront land surrounding the historic Seaplane Lagoon. The primary goal of Plan is to create a compact, transit-oriented, mixed-use urban core that will leverage the existing assets and allow for

future incremental development. Development broke ground on a 68-acre Phase I portion of the Town Center and Waterfront parcel in 2018 shown as Site A in **Figure 23**. Alameda Point Partners, led by Trammell Crow Residential, is building 637 housing units including 130 affordable units developed by Eden Housing, Inc.

Figure 23. Alameda Point Site Plan



Development Financing

A redevelopment area was created early in the redevelopment effort to incorporate the entire base area in order to allow tax increment financing, tapping the values created by having existing uses added to the tax base, and to capture the tax revenues generated by new development. The revenues produced by interim or long-term reuse of existing hangars and industrial buildings also provided the City with a cash flow to fund ongoing disposition efforts and some improvements. Negotiations with selected master developers sought to use private capital as much as feasible, and land values were calculated as residuals of development proformas, with provisions for compensation tied to the success of development. In addition, the City created an infrastructure financing impact fee based on allocated shared cost of site and infrastructure development. The fee was approximately $1,000,000 per acre. This proved to be an impediment to development and was rescinded and replaced by a phase-by-phase infrastructure financing plan to be negotiated with developers of each phase.

Relevance to Hensley Field

Alameda Point is a former Naval Air Station with significant water-related amenities. Nevertheless, redevelopment has been protracted and challenging for several reasons:

- The base is located on an island and comprises about a third of the land area of the small City of Alameda, which had very little new development for decades. It was a heavy lift for the City.
- Due to the limited access to the island, and restriction imposed by the Navy under the terms of an Economic Development Conveyance, residential development was constrained, depriving the redevelopment effort of a strong sector of the market.
- Hensley Field does not share these particular constraints.
- The scale of project and the significant cost of early phase infrastructure and site improvements proved to be too daunting for a single master developer.
- Breaking the site down into smaller disposition phases while maximizing interim reuse has proved to be a more viable strategy. It remains to be determined if this will be the case with Hensley.

Fort McPherson

The 485-acre Fort McPherson Army Base ("Fort Mac") was designated for closure in 2005 under the BRAC process, and ultimately ceased operations in 2011. The property is located on US-29 in south central Atlanta, about halfway between downtown and Atlanta Hartsfield Airport.

Development History

In 2007, the McPherson Planning Local Redevelopment Authority (MPLRA) completed a redevelopment plan that called for a 127-acre science and technology park with a mix of complementary residential, retail, and office development, and preservation of the golf course as open space. In 2009, the Governor reformed the redevelopment authority as the McPherson Implementing LRA to acquire the property from the Army under an Economic Development Conveyance (EDC), and selected Macauley Investments as a master developer through a RFQ process. The property was planned to be sold to the LRA for $26 million.

In 2013, McCauley indicated it wished to withdraw from the project because it was unable to implement the proposed science and technology research park as its partners were not able to secure financing through the recession. The LRA then sought other investors in the project in order to pay for the property. In 2014, Atlanta Mayor Kasim Reed introduced Tyler Perry Studios (TPS) to the Fort Mac LRA as a potential investor and was able to renegotiate the purchase of the site from the Army with 330 acres being acquired by TPS for a film studio for $30 million and the remaining 145 acres retained by the LRA.

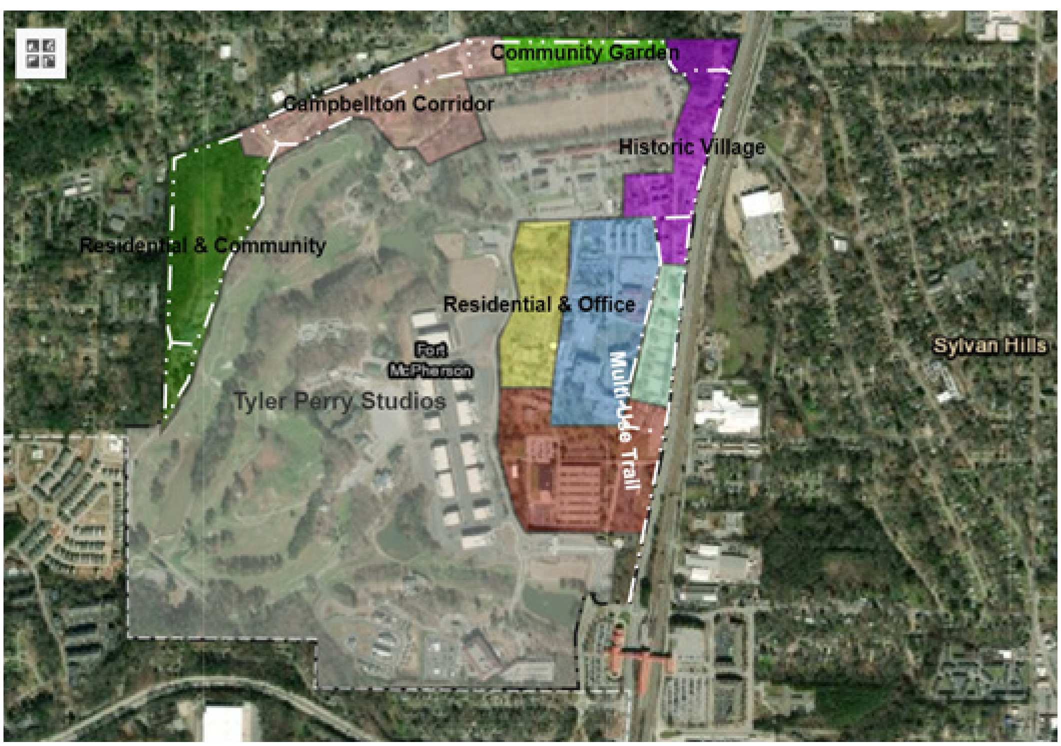
Actor/Producer Tyler Perry opened the $250-million Tyler Perry Studios in 2019, which is one of the largest production facilities in the country. It is located in the interior of the Fort Mac site that includes 40 buildings on the National Register of Historic Places, 12 purpose-built sound stages, 200 acres of greenspace and a diverse backlot.

The LRA continues to negotiate with developer Stephen Macauley for development of the remaining land. A part of the former base, the Forces Command Building, has been sold to be redeveloped for a new home for the US Food and Drug Administration (FDA) Atlanta offices. The LRA will sell the existing building to Easterly Government Properties, which will in turn renovate and lease to the FDA for both laboratory and office space.

Development Financing

The LRA and the Army agreed to a $26 million EDC for the property in 2009; however, the Great Recession slowed development interest and the selected master developer Stephen Macauley was unable to complete leases with a number of anticipated major tenants. As a result, he was unable to raise the funds needed for the property. The LRA was then faced with defaulting on the purchase agreement or finding new investors. Tyler Perry agreed to pay $30 million for 330 acres for the studio property which essentially gave the LRA the remaining 145 acres at no additional cost as shown in **Figure 24**.

Figure 24. Fort McPherson Site Plan



Relevance to Hensley Field

The Fort Mac project is one of a number of large-scale redevelopments that have attracted interest for film and production studios and sound stages. The existing hangar facilities at Hensley Field may prove attractive for this reuse option as well. With a low basis in the land, the property can also be made available to a major anchor user at a discounted rate in exchange for the potential economic development returns.

Mission Bay

Mission Bay is a 303-acre former Southern Pacific/Santa Fe Railyard (SPRR) on San Francisco Bay that closed in 1998. Catellus Corporation, a spinoff of SPRR, served as the master developer for the project on behalf of the railroad that retained ownership. The City commissioned the Mission Bay Project, a master plan for the site that envisioned a transit-oriented mixed-use community integrated into adjacent downtown San Francisco.

Development History

The University of California San Francisco (UCSF) acquired 43 acres in 2003 for medical research facilities. The medical campus includes the California Institute for Biomedical Research and Helen Diller Family Cancer Research Center. The medical center was expanded to include the UCSF Medical Center in 2015, with 289 beds serving three separate hospitals, UCSF Benioff Children's Hospital San Francisco, UCSF Betty Irene Moore Women's Hospital, and UCSF Bakar Cancer Hospital and Cancer Medicine Building.

Mission Bay Site in foreground

UCSF served as major catalyst for the redevelopment of the surrounding area. The site is now a nationally recognized bioscience cluster. Alexandria, a private developer, has built over 300,000 square feet of biomedical space occupied by over 50 biotech companies including Bayer and Nektar Therapeutics. Development to date includes: 5,800 housing units, 2.6 million square feet of commercial space, 40-acres of parks, Mission Bay Conference Center, and the recently completed 18,000 seat Chase Center, the home of the NBA Warriors.

Relevance to Hensley Field

Mission Bay is a large redevelopment site in a hot market setting and could therefore be developed for a diverse mix of products. The City's Mission Bay Project Plan called for a mixed use community of employment, housing, and community uses, including parks and open space. The project's strong bioscience focus was largely the result of the UCSF Medical Campus that attracted significant private sector biomedical uses as well. It benefited further from the development of San Francisco Giants waterfront baseball park, just north of the site, the area's proximity to downtown San Francisco, light rail transit service, and several large scale waterfront redevelopment projects. Improved transit access and the improvement of Hensley's underutilized waterfront as an amenity will be assets to its redevelopment. The attraction of a major catalytic use, such as UCSF in the case of Mission Bay, could also be significant in repositioning the site in the larger metro market.

Conclusions

The selected projects reviewed above have a wide range of development programs based on the community vision and the specific market context and attributes of each site and location. There are, however, a number of 'lessons learned' that can be applied to the Hensley context.

- The larger projects reviewed (500 acres or more) have a size and scale to be able to create a unique and project specific development program separate and distinct from surrounding land uses.
- Attracting an institutional or large employer anchor as a first phase of development can provide a stimulus to creating an agglomeration of like type development. This was a major factor in the success of Fitzsimons and Mission Bay.
- Alternatively, development or sale of a large portion of the site to an individual user can create challenges for developing the remainder of the site. Fort McPherson sold 330 acres and existing facilities for a film and production studio in the center of the project that compromised the marketability of the remaining 145 acres.
- In some cases, a unique package of community amenities is needed to change or overcome prevailing area market conditions. The unique school development program and expansive open space amenities were a key to Stapleton's early success. With its location in Grand Prairie ISD, Hensley Field has an opportunity to partner with the District to develop an educational development program that increases the project's appeal to young families.
- All of the large-scale redevelopment projects required public financing or land write-downs to address extraordinary redevelopment, remediation, and/or infrastructure development costs. These sites, including Mueller, Stapleton, Mission Bay, Fitzsimons, and Alameda Point had a financing plan as part of the initial development agreement.