DISCOVER
DIVISION

PUBLIC MEETING 1

DIVISION STREET CORRIDOR STRATEGY

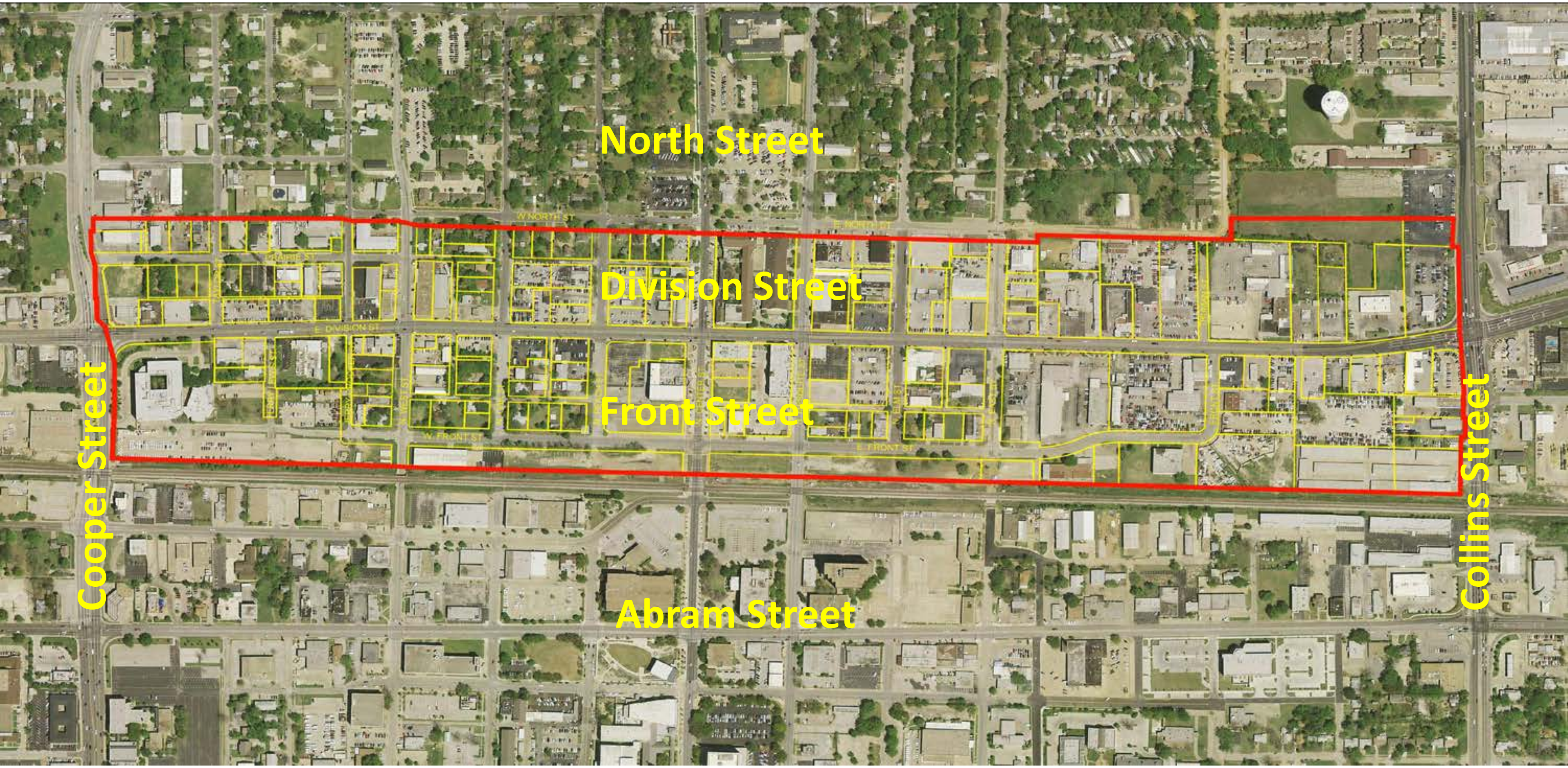
March 29, 2012

Project Purpose

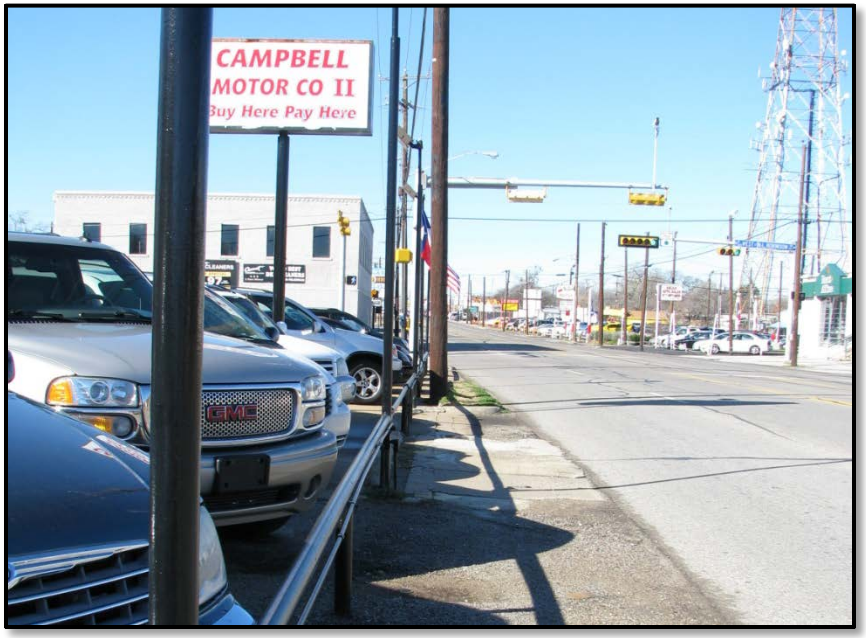
- Identify action steps to **support private investment** that will **provide jobs** and **increase property values**
- Provide an important **link** between Downtown, UT Arlington and the Entertainment District
- Implementation of lasting, valuable change in the **appearance, character** and **economic function**

Study Area

- 124 Acres, One mile long, 178 parcels
- 4 lane minor arterial per current Thoroughfare Development Plan




Cost Plus Auto Sales
817-261-7253


CAMPBELL
MOTOR CO II
Buy Here Pay Here
GMC


CENTER
VANDERGRIFF
DOWNTOWN

Approach

- Approach to combine:
  - Previous planning efforts
  - Proven market-driven strategies
- Catalyst projects
- Realistic and feasible options
- Focused on revitalization and implementation
- Public involvement

DISCOVER DIVISION

Division Corridor Advisory Committee

DISCOVER DIVISION

	First Name	Last Name	Interest
1	Joan	Bergstrom	NRSA Board
2	Bill	Biesel	Property Owner Representative
3	Joe	Bruner	Corridor Property Owner
4	Charles	Clawson	First United Methodist Church
5	Patricia	Flynt	Cannon Florist
6	Jacquelyn	Flynt	Cannon Florist/Flynt Law Firm
7	John	Hall	UTA
8	Clete	McAlister	Planning and Zoning Commission
9	Don	Mebus	Corridor Property Owner
10	Rick	Merritt	Corridor Property Owner
11	Geraldine	Mills	Knapp Heritage Park
12	Cliff	Mycoskie	Downtown Arlington Management Corporation
13	Becky	Orander	Arlington Life Shelter
14	Katie	Qualls	Chamber of Commerce
15	Tony	Rutigliano	Downtown Arlington Management Corporation
16	Ralph	Shelton	Corridor Property Owner
17	Victor	Vandergriff	Corridor Property Owner
18	Gary	Walker	Corridor Property Owner

Public Input to Date

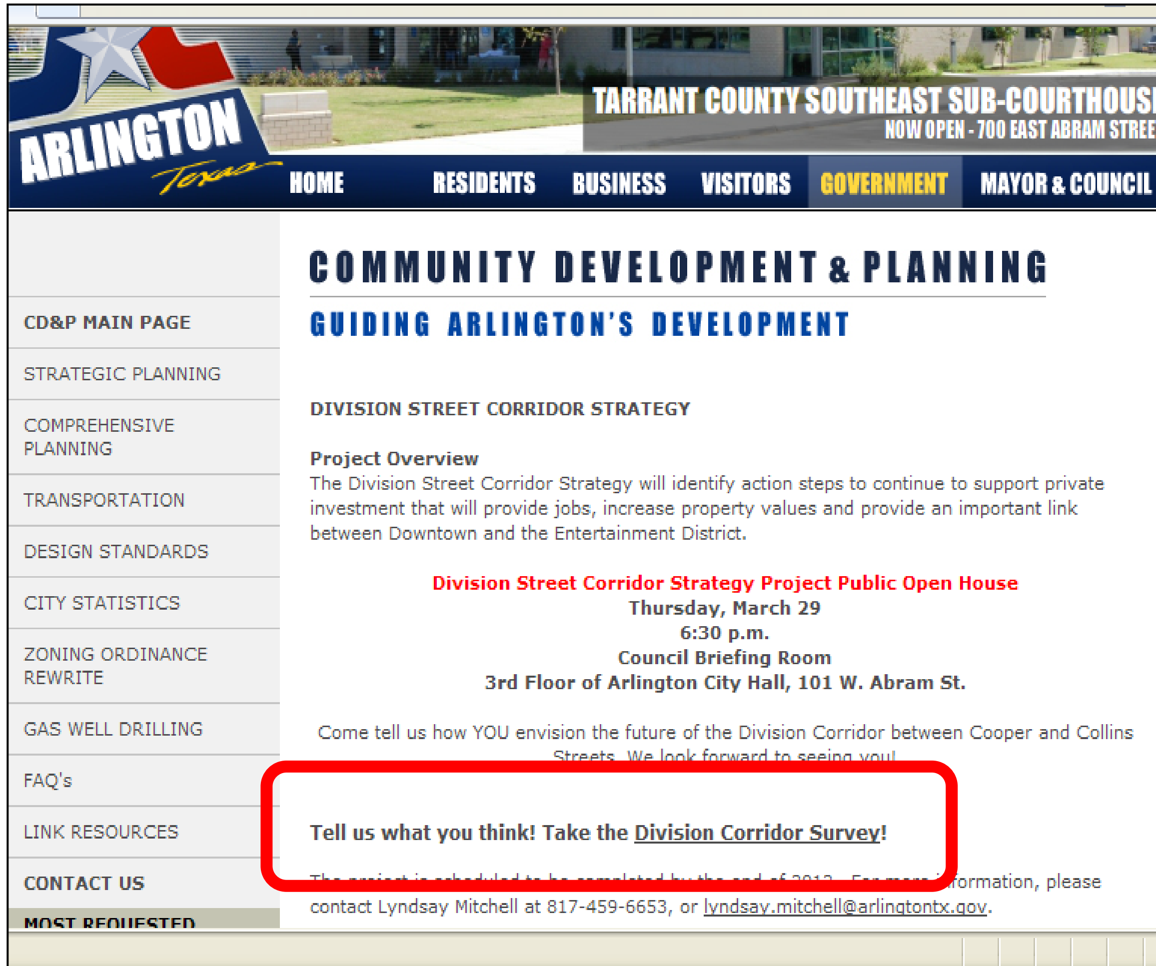
- 2 Division Corridor Advisory Committee meetings along with walking tour
- Stakeholder meetings
  - Utilities
  - Property/Business Owners
  - UTA
- Tonight's public meeting

Division Street Website

- Project Website

www.arlingtontx.gov/planning/divisionstreet.html

- Online Survey Link



Market Assessment

- We believe this market assessment serves three purposes:
  - Address/challenge existing perceptions of the Division Street Corridor
  - Provide an understanding of the area's market opportunities
  - Derive a program for economic development in the Corridor

Macro Market

POPULATION FORECASTS

DISCOVER DIVISION

Job Growth by MSA

City	2007 2011 Percent Change
Houston-Baytown-Sugar Land	-0.4%
Seattle-Tacoma-Bellevue	-5.6%
Boston-Cambridge-Quincy	-1.2%
Phoenix	-6.6%
Dallas-Ft Worth-Arlington	-1.9%
Minneapolis-St. Paul-Bloomington	-4.2%
Pittsburgh	-0.8%
New York City	-1.5%
Warren-Farmington Hills-Troy	-5.9%
Detroit-Warren-Livonia	-6.3%
Tampa-St. Petersburg-Clearwater	-4.6%
Miami-Fort Lauderdale-Pompano Beach	-4.2%
San Diego-Carlsbad-San Marcos	-4.9%
Santa Ana-Anaheim-Irvine Metro Div	-8.1%
Cleveland-Elyria-Mentor	-5.5%
St. Louis	-3.1%

DFW MSA Population Forecast

2000	5,161,544
2005	5,826,170
2010	6,606,727
2015	7,520,708
2020	8,585,596
2025	9,829,216
2030	11,269,335
2035	12,925,209
2040	14,817,002

Source: Texas State Data Center

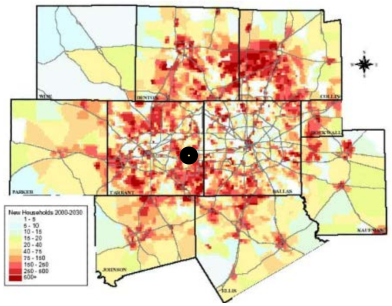
Top 5 economy in the United States…

Top 5 population in the United States…

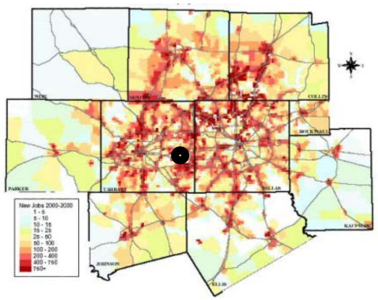
Macro Area

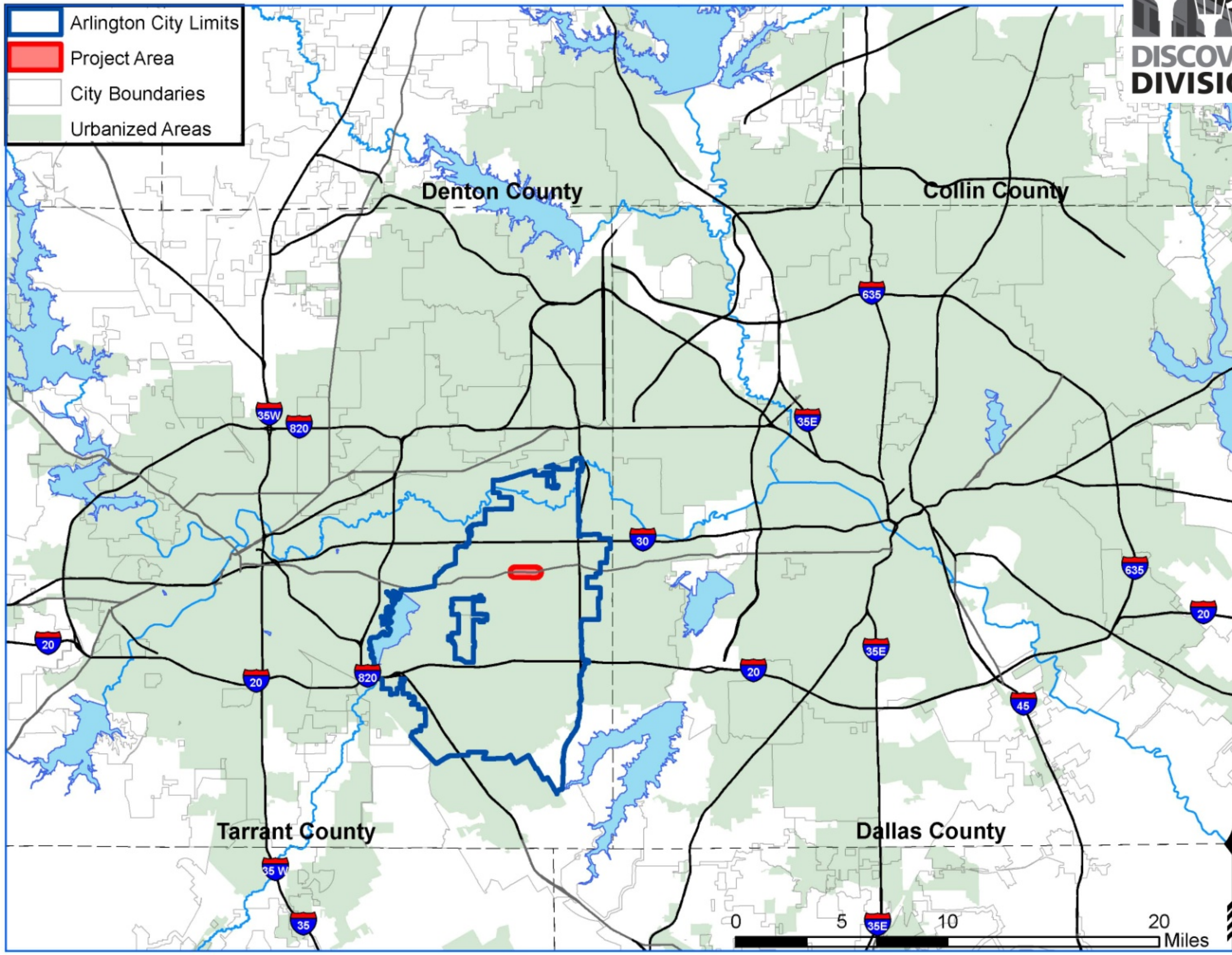
STUDY AREA

2030 Household Growth



2030 Employment Growth



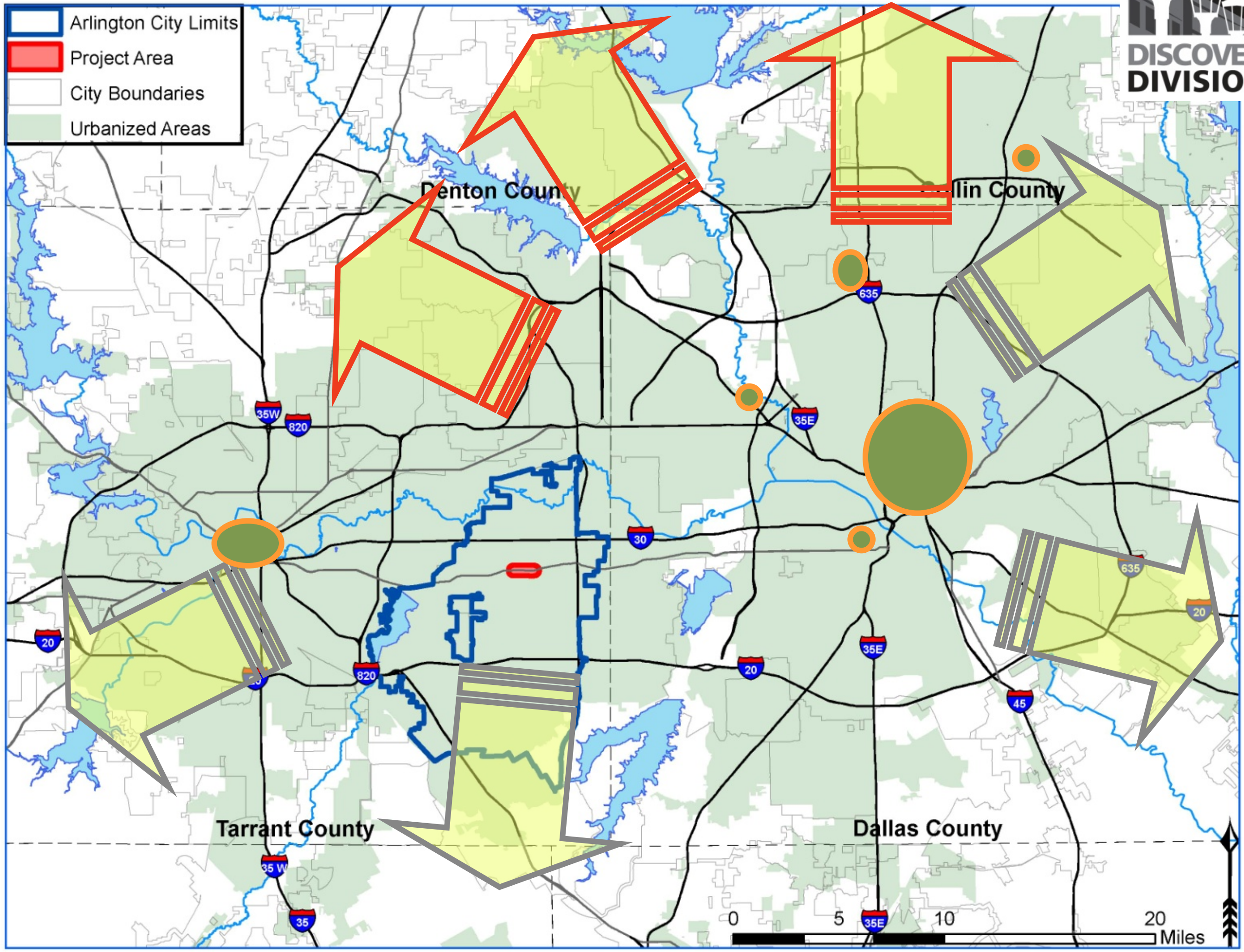


Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- The study area exists as a regional suburban infill location
- This context requires a non-traditional real estate strategy

Macro Area

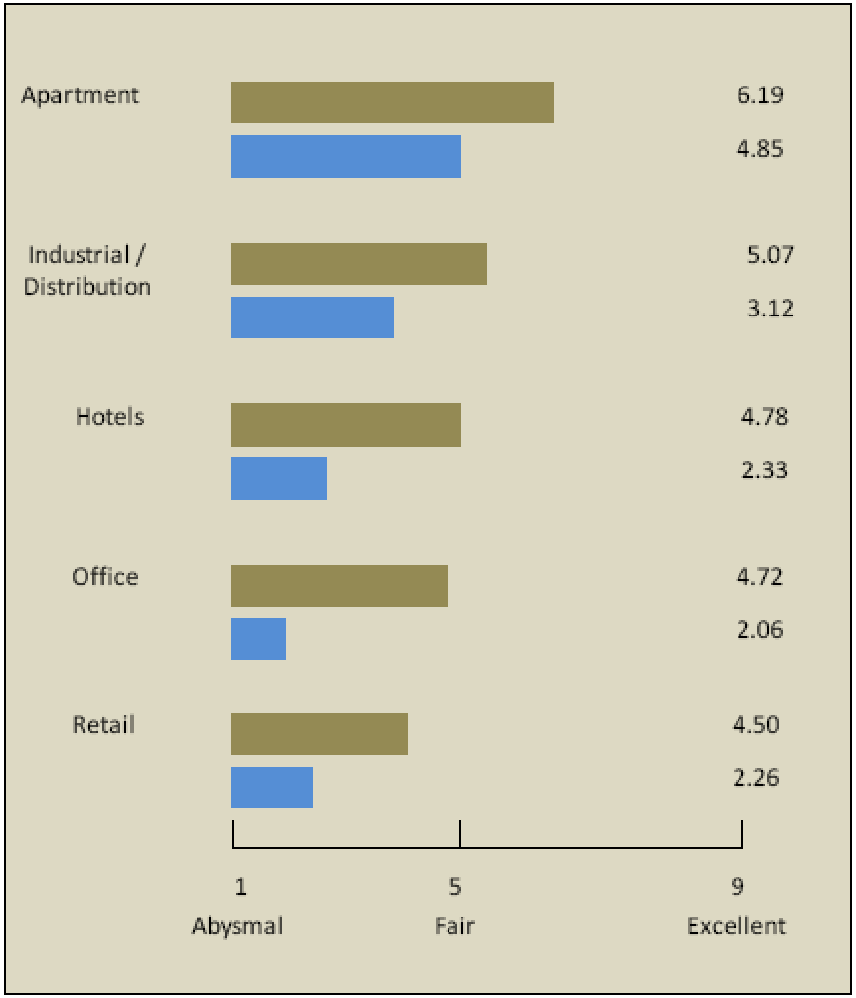
GROWTH AREAS



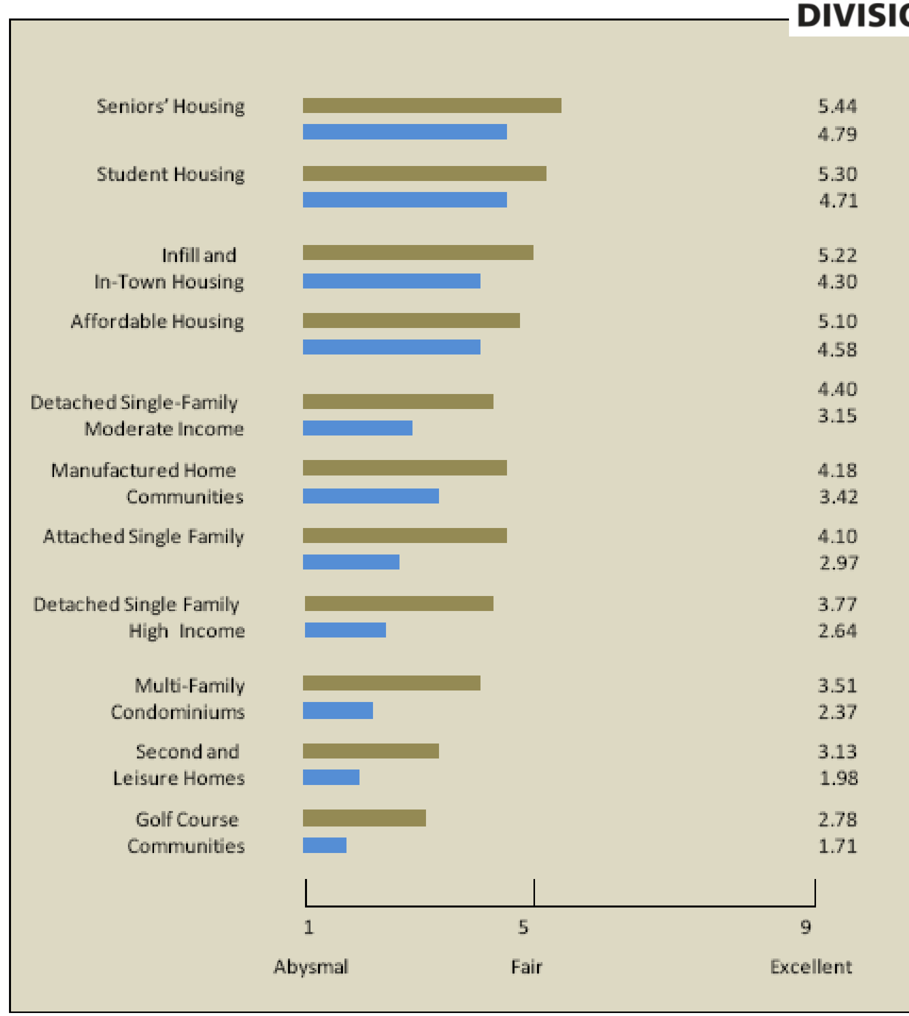
Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- The study area is not within the regional growth corridors (primarily suburban/ex-urban).
- The study area is not within market-aware urban redevelopment areas
- This requires a strong vision and PR strategy to attract investment.

Macro Market – *Investment Prospects*



Commercial & Multifamily



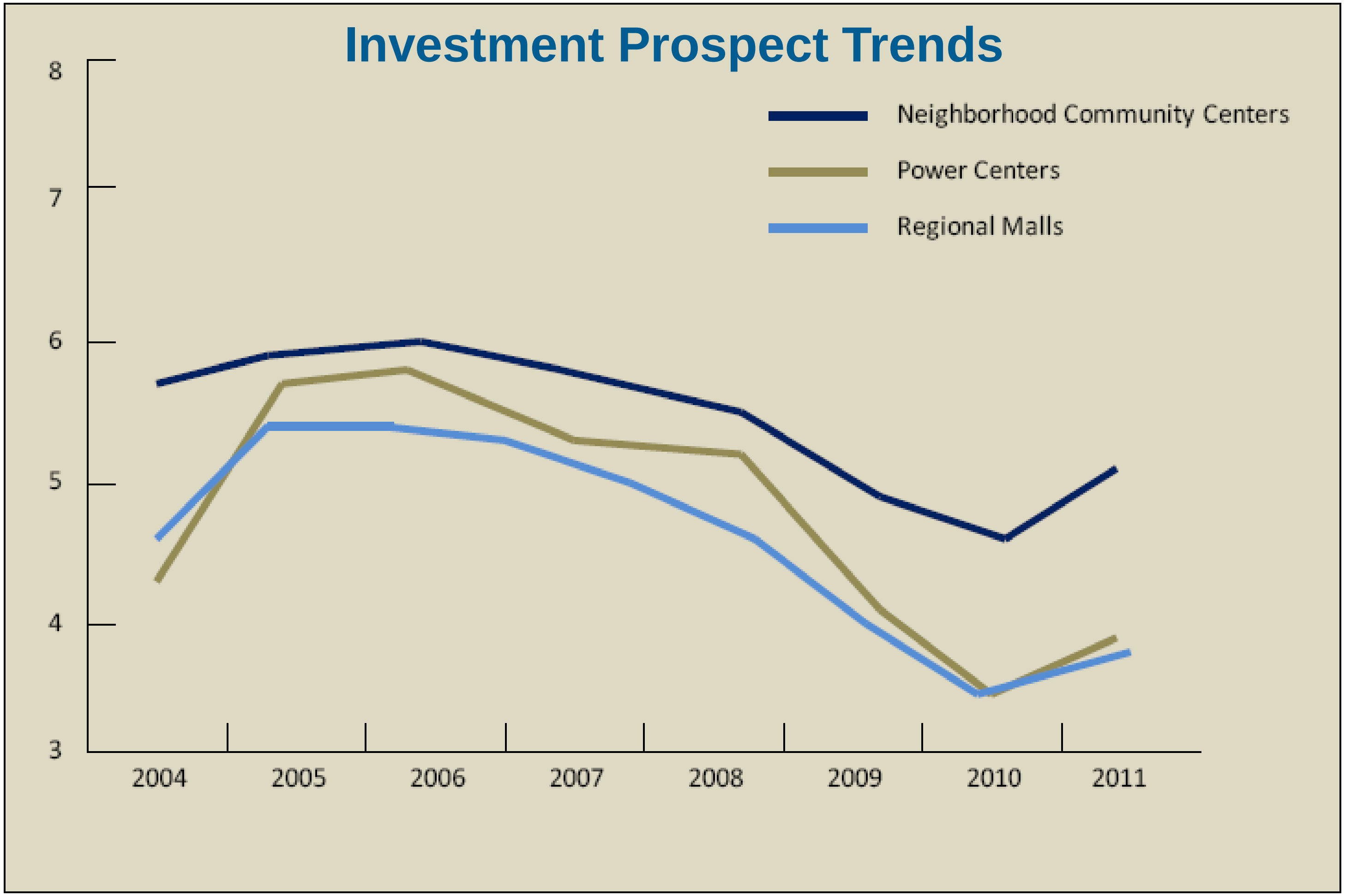
Residential Property Types

Investment Prospects

Development Prospects

Source: Emerging Trends in Real Estate 2011 Survey

Macro Market -- *Retail*



Source: Emerging Trends in Real Estate 2011 survey

3 – Poor 4 – Modestly Poor 5 – Fair 6 – Modestly Good 7 -- Good

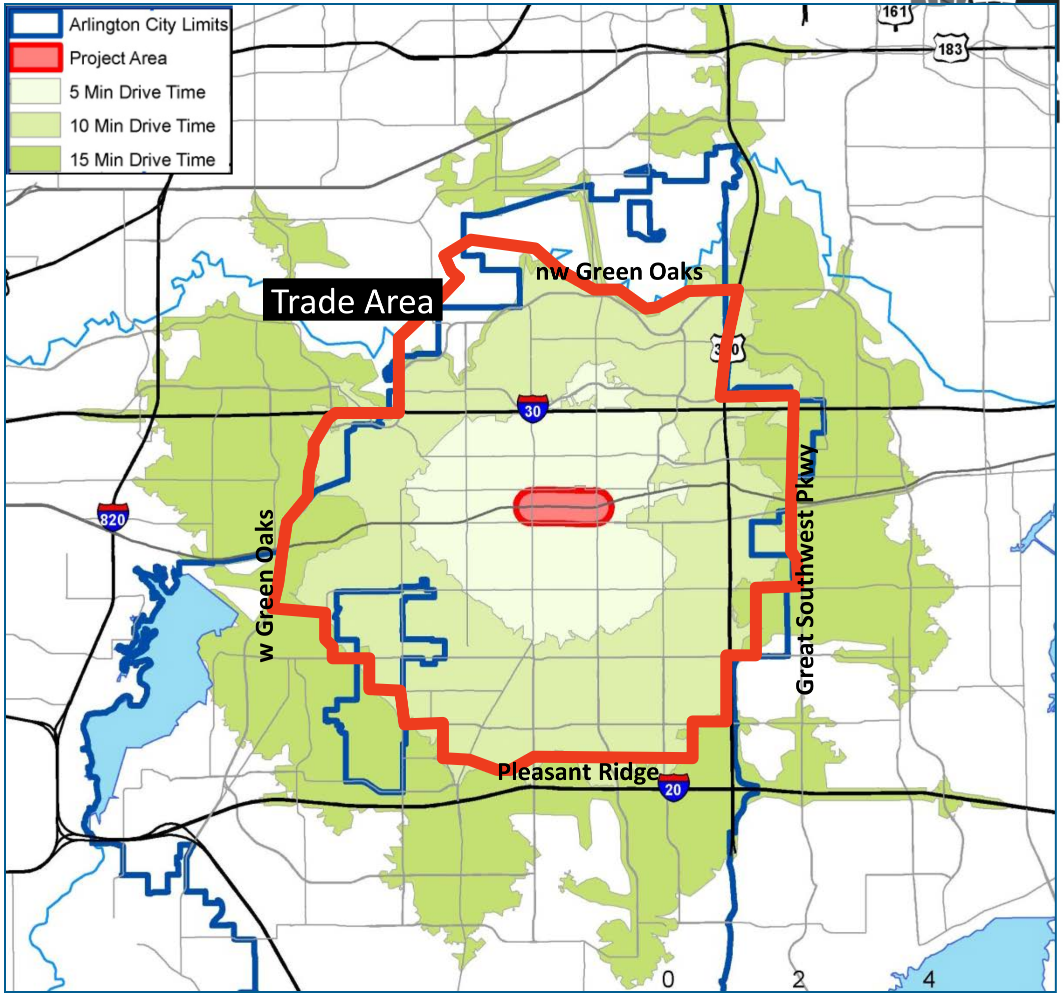
Macro Market

RETAIL TRADE AREA

The trade area for retail is roughly defined by a ten-minute drive time. Within this area however, there are other retail and entertainment choices available. This creates a competitive supply condition that is shown in the retail supply diagram and retail sales leakage analysis to follow.

Summary

2010 Population	297,646
2010 Households	110,501
2010 Median Disp. Income	$42,455
2010 Per Capita Income	$22,917



Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

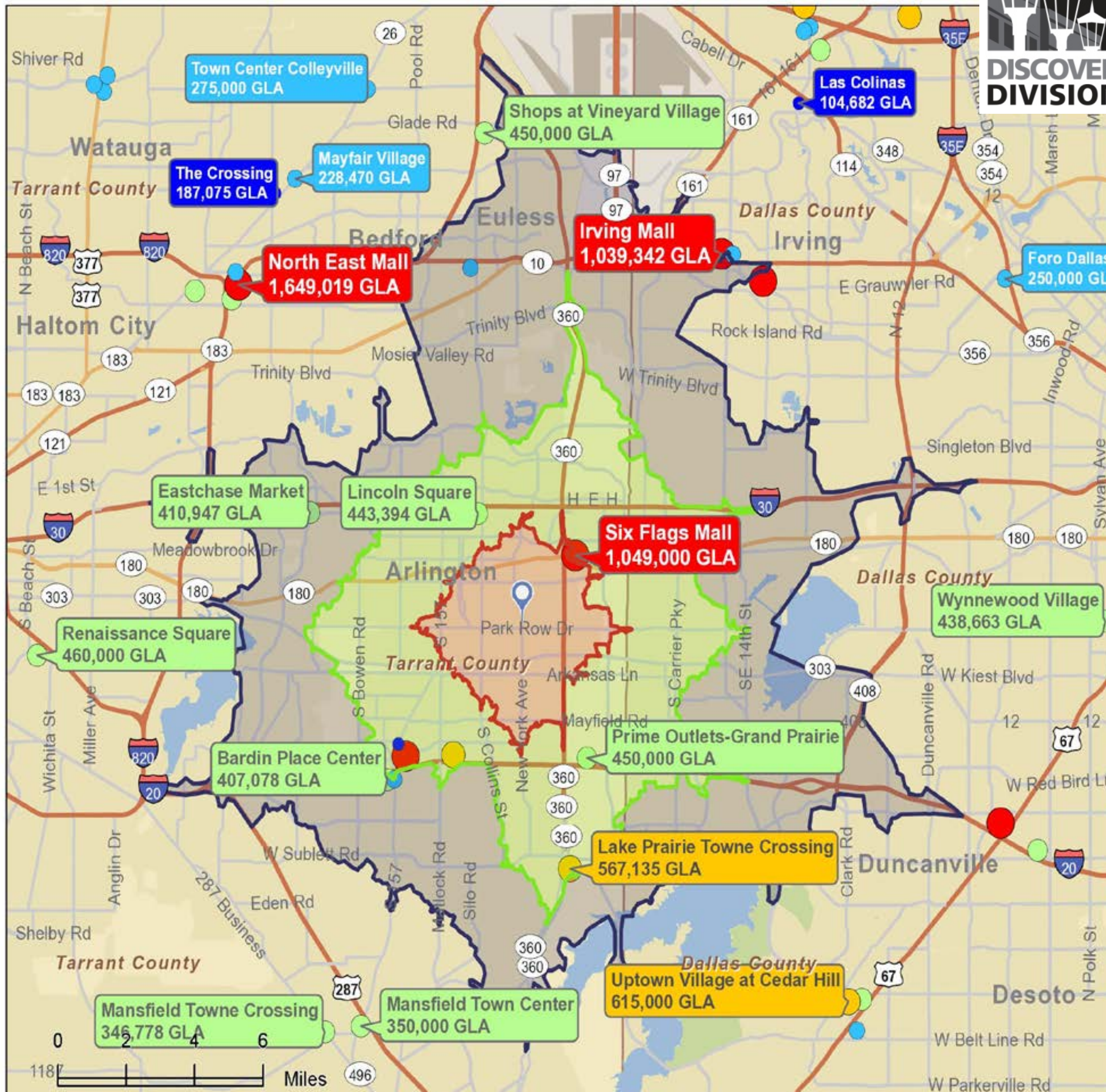
Macro Market

RETAIL AREA SUPPLY

There are a number of large retail developments within the five, ten and fifteen minute drive times of the study area. This supply greatly limits the existing conventional opportunity for new construction in the study area. As such, any new retail will require a strategic, project-focused programming strategy.

Gross Leasable Area

- Less than 200,000 sf
- 200,001 – 300,000
- 300,001 – 500,000
- 500,001 – 800,000
- More than 800,000



Source: ESRI and Catalyst Group

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Programming

RETAIL SALES LEAKAGE

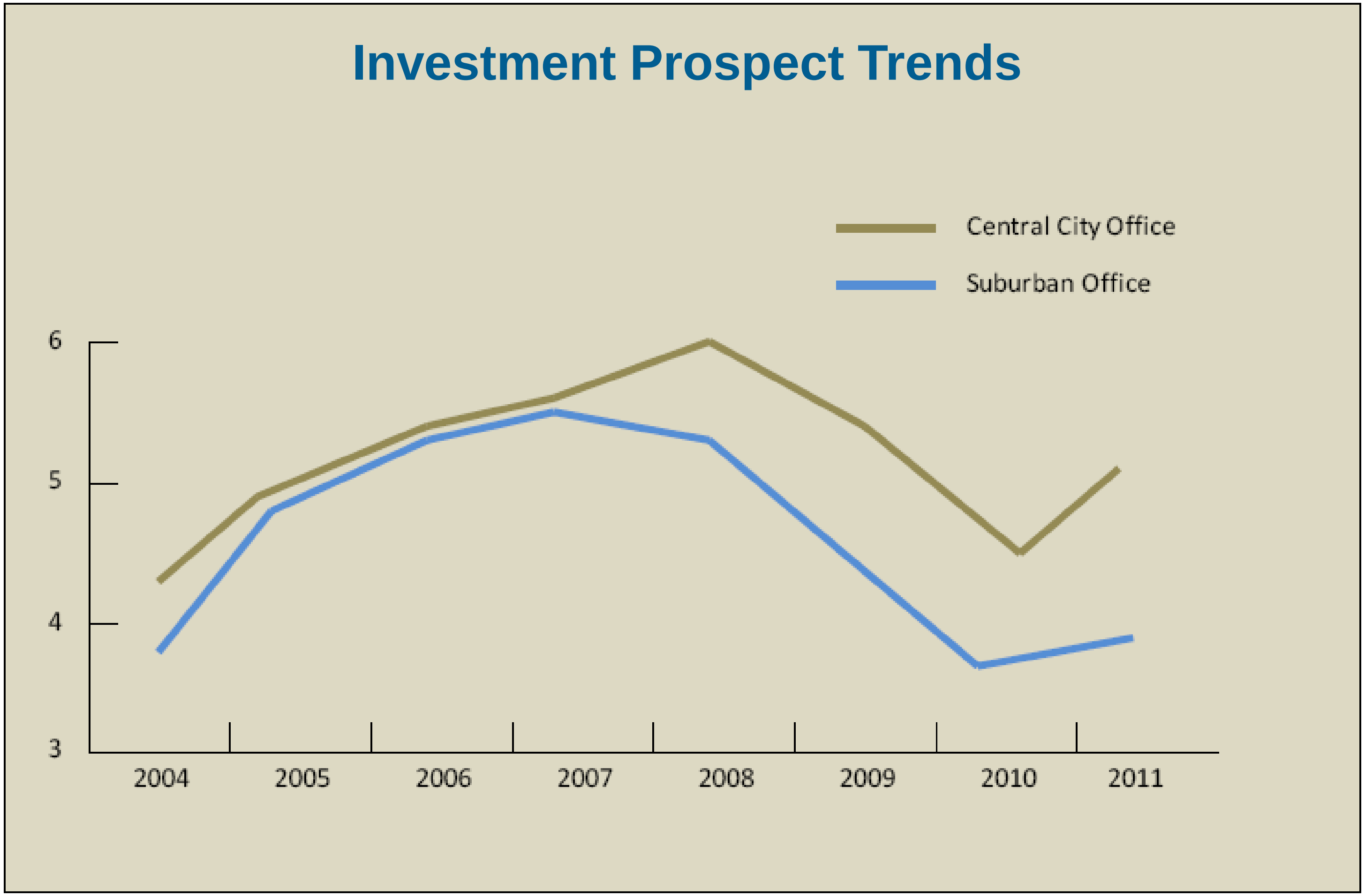
The analysis of retail sales leakage identifies opportunities for new retail construction based on the amount of surplus sales by retail category generated by the trade area demographics. It is the conventional strategy the retail delivery market utilizes in analyzing a site area.

The analysis performed for the Division Street trade area recognizes the fact that substantial retail across all categories currently satisfies the demographics of its population. This analysis shows that new retail and restaurant space should be tied to growth of new uses in the study area itself rather; resulting in more incremental additions.

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
Motor Vehicle & Parts Dealers (NAICS 441)	$530,379,419	$1,118,594,365	-$588,214,946
Automobile Dealers (NAICS 4411)	$456,341,124	$999,833,889	-$543,492,765
Other Motor Vehicle Dealers (NAICS 4412)	$36,396,128	$59,850,823	-$23,454,695
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	$37,642,167	$58,909,653	-$21,267,486
Furniture & Home Furnishings Stores (NAICS 442)	$69,984,260	$129,588,854	-$59,604,594
Furniture Stores (NAICS 4421)	$47,447,681	$80,544,588	-$33,096,907
Home Furnishings Stores (NAICS 4422)	$22,536,579	$49,044,266	-$26,507,687
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	$70,572,997	$91,057,377	-$20,484,380
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	$82,371,957	$97,937,776	-$15,565,819
Building Material and Supplies Dealers (NAICS 4441)	$75,948,943	$93,794,342	-$17,845,399
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	$6,423,014	$4,143,434	$2,279,580
Food & Beverage Stores (NAICS 445)	$430,595,199	$530,707,961	-$100,112,762
Grocery Stores (NAICS 4451)	$398,256,189	$516,144,046	-$117,887,857
Specialty Food Stores (NAICS 4452)	$13,106,062	$11,784,229	$1,321,833
Beer, Wine, and Liquor Stores (NAICS 4453)	$19,232,948	$2,779,686	$16,453,262
Health & Personal Care Stores (NAICS 446/NAICS 4461)	$72,219,222	$138,667,215	-$66,447,993
Gasoline Stations (NAICS 447/NAICS 4471)	$353,996,786	$428,714,323	-$74,717,537
Clothing and Clothing Accessories Stores (NAICS 448)	$96,599,990	$171,423,867	-$74,823,877
Clothing Stores (NAICS 4481)	$76,655,836	$133,136,890	-$56,481,054
Shoe Stores (NAICS 4482)	$10,180,683	$19,864,458	-$9,683,775
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$9,763,471	$18,422,519	-$8,659,048
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	$37,371,642	$105,552,350	-$68,180,708
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	$21,794,174	$82,303,064	-$60,508,890
Book, Periodical, and Music Stores (NAICS 4512)	$15,577,468	$23,249,286	-$7,671,818
General Merchandise Stores (NAICS 452)	$340,125,976	$439,056,491	-$98,930,515
Department Stores Excluding Leased Depts. (NAICS 4521)	$131,859,723	$166,834,995	-$34,975,272
Other General Merchandise Stores (NAICS 4529)	$208,266,253	$272,221,496	-$63,955,243
Miscellaneous Store Retailers (NAICS 453)	$31,894,008	$60,125,993	-$28,231,985
Florists (NAICS 4531)	$3,002,390	$5,079,403	-$2,077,013
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	$11,575,516	$22,926,635	-$11,351,119
Used Merchandise Stores (NAICS 4533)	$3,184,943	$8,513,510	-$5,328,567
Other Miscellaneous Store Retailers (NAICS 4539)	$14,131,159	$23,606,445	-$9,475,286
Nonstore Retailers (NAICS 454)	$65,232,426	$114,417,426	-$49,185,000
Electronic Shopping and Mail-Order Houses (NAICS 4541)	$46,090,537	$11,979,217	$34,111,320
Vending Machine Operators (NAICS 4542)	$5,581,403	$13,892,797	-$8,311,394
Direct Selling Establishments (NAICS 4543)	$13,560,486	$88,545,412	-$74,984,926
Food Services & Drinking Places (NAICS 722)	$384,305,971	$624,670,376	-$240,364,405
Full-Service Restaurants (NAICS 7221)	$149,589,527	$217,830,304	-$68,240,777
Limited-Service Eating Places (NAICS 7222)	$198,585,691	$339,798,777	-$141,213,086
Special Food Services (NAICS 7223)	$23,378,052	$27,154,738	-$3,776,686
Drinking Places - Alcoholic Beverages (NAICS 7224)	$12,752,701	$39,886,557	-$27,133,856

Source: ESRI Business Analyst

Macro Market -- *Office*



Source: Emerging Trends in Real Estate 2011 survey

3 – Poor 4 – Modestly Poor 5 – Fair 6 – Modestly Good 7 -- Good

Macro Market -- *Office*

RECOGNIZED DFW OFFICE SUBMARKETS

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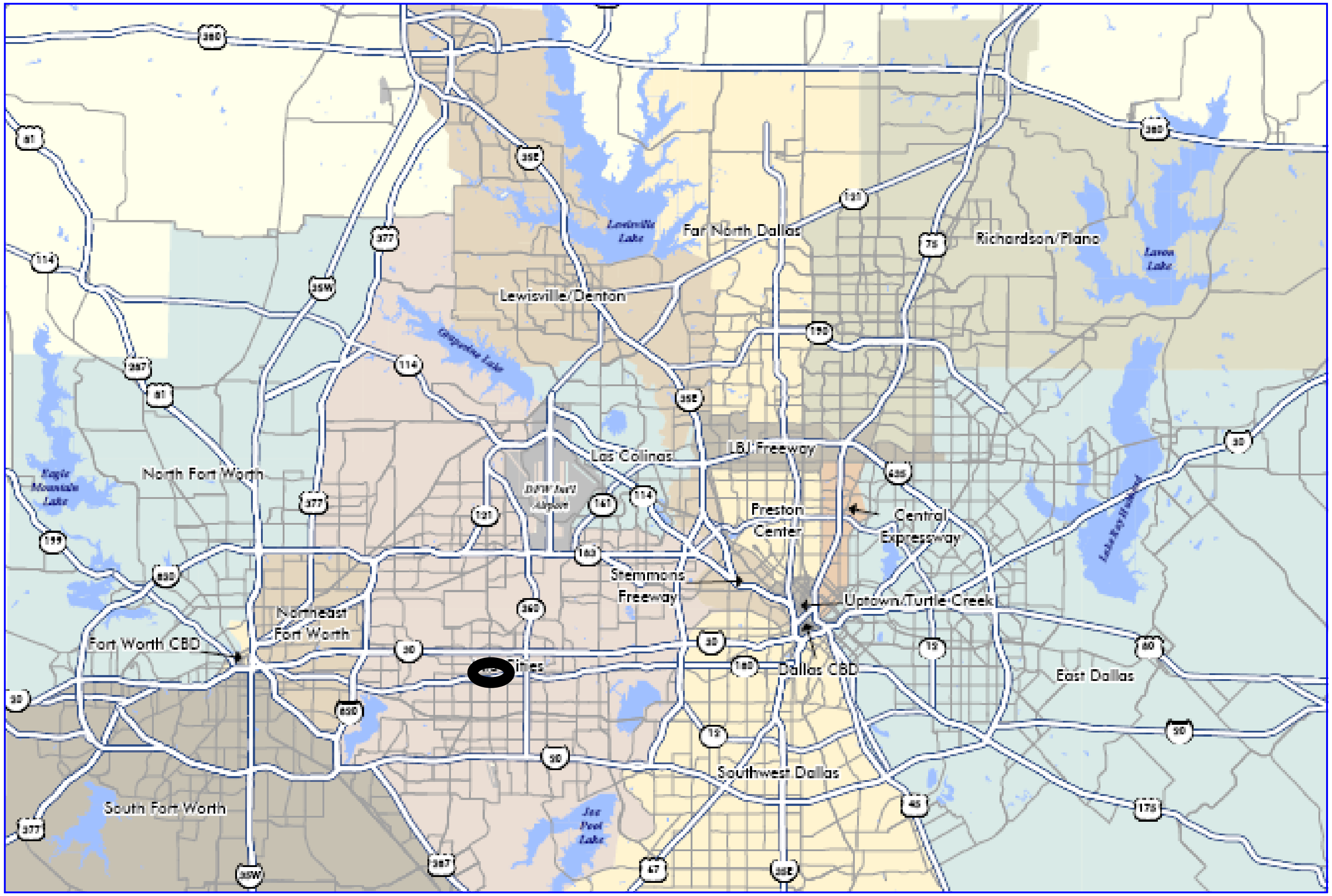

Source: CB Richard Ellis

- The study area is not in a well-defined office submarket ("Mid-Cities")

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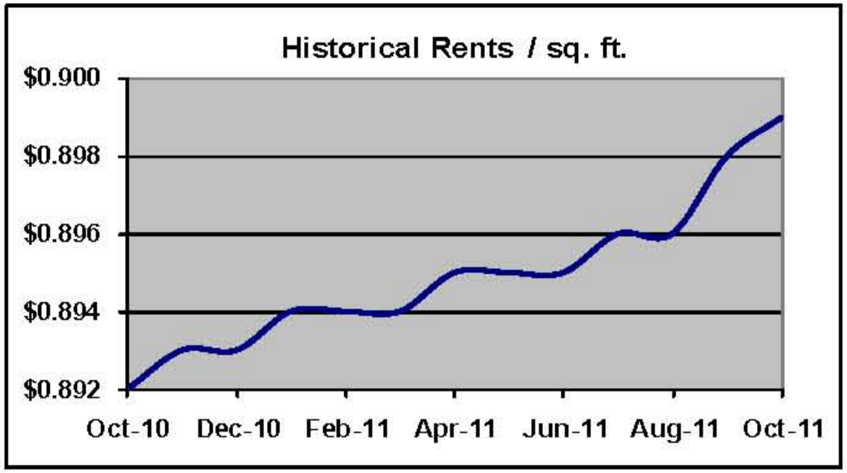
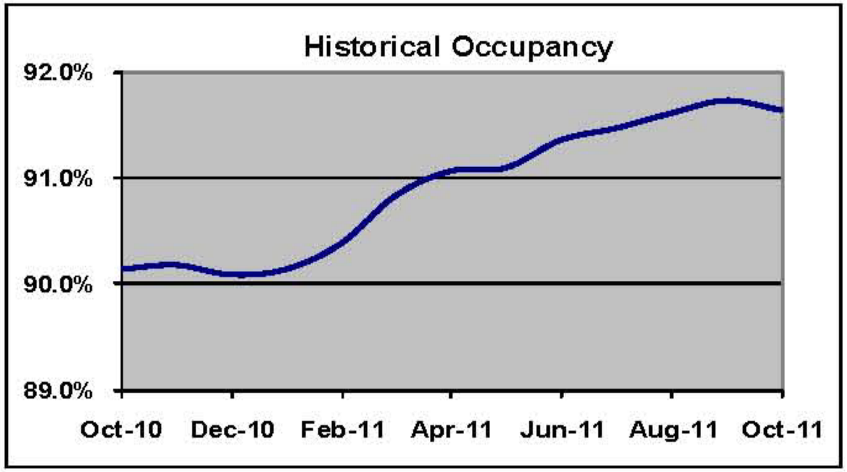
Macro Market -- *Multifamily*

DFW MARKET UPDATE – 10/2011





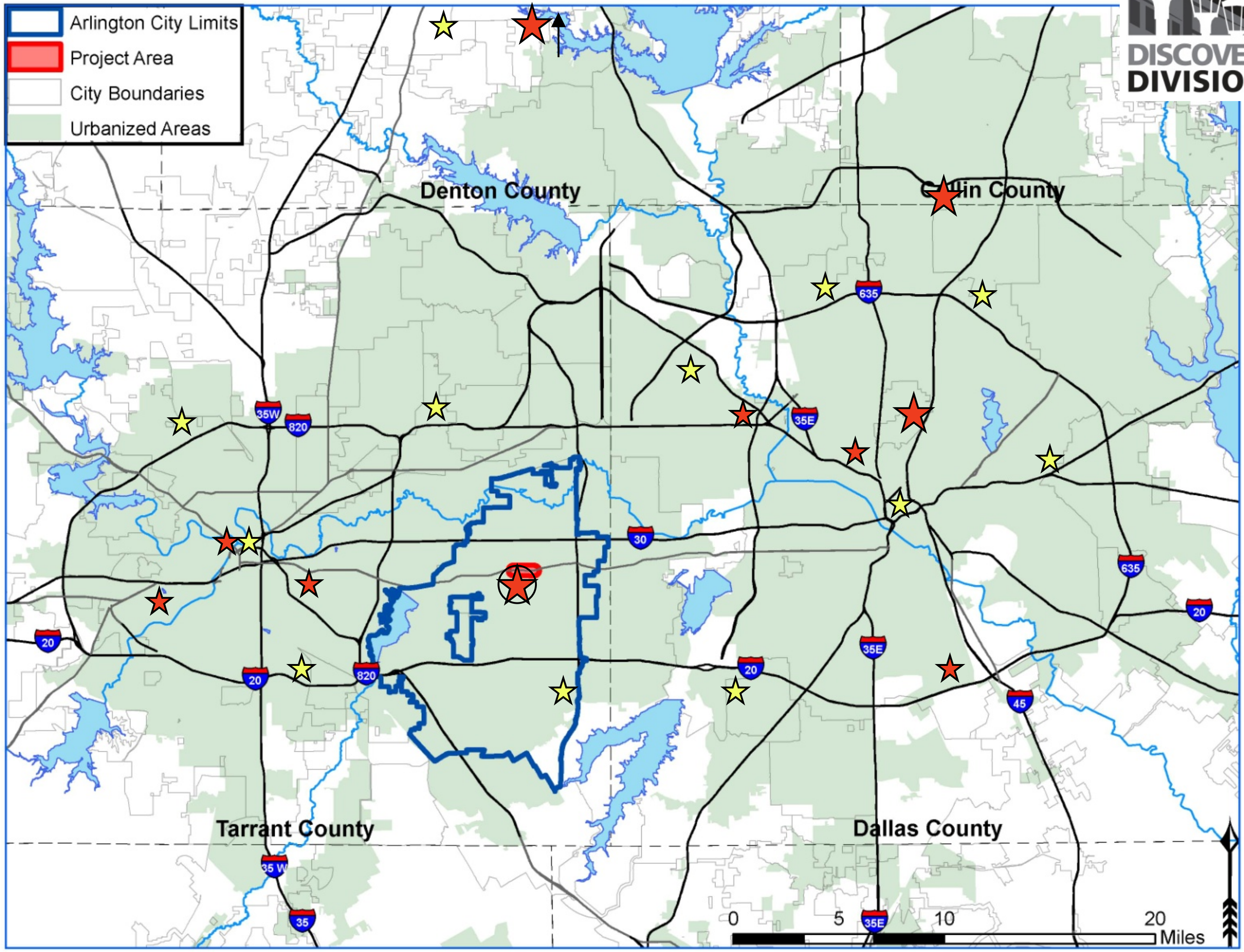
Dallas/Ft. Worth Apartment Market Key Metrics					
Occupancy	**91.63%**	**Rent / Unit**	**$769.88**	**Rent / SF**	**$0.899**
Monthly Change	-0.09%	Monthly Change	+$1.56	Monthly Change	+$0.001
Annual Change	1.49%	Annual Change	+$6.63	Annual Change	+$0.007

- Market climate strong for quality urban apartments in DFW

Source: O'Connor and Associates

Macro Area

HIGHER EDUCATION



Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- The study area is adjacent to UTA, one of the largest universities in North Texas. This proximity should be capitalized upon as it is the most market-differentiating feature.

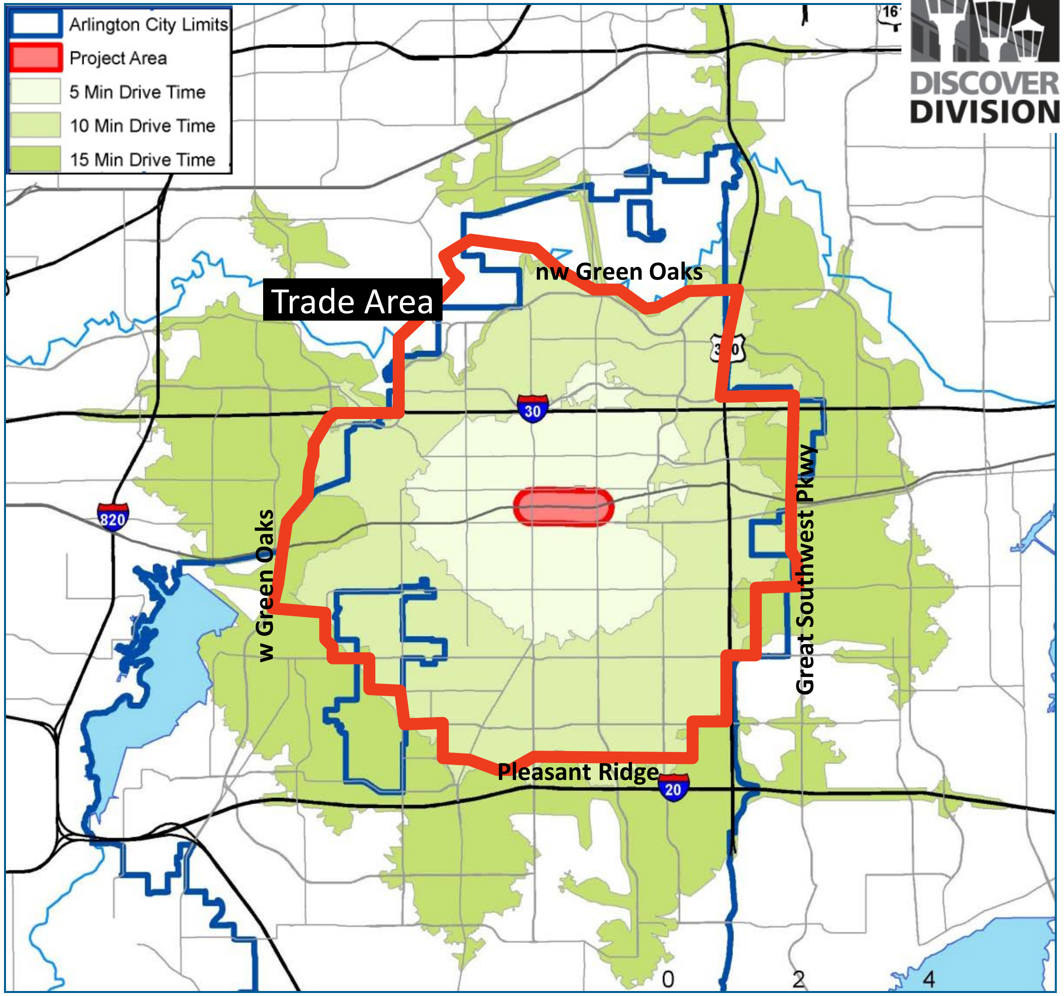
Market Area

TRADE AREA

Summary

2010 Population	297,646
2010 Households	110,501
2010 Median Disp. Income	$42,455
2010 Per Capita Income	$22,917

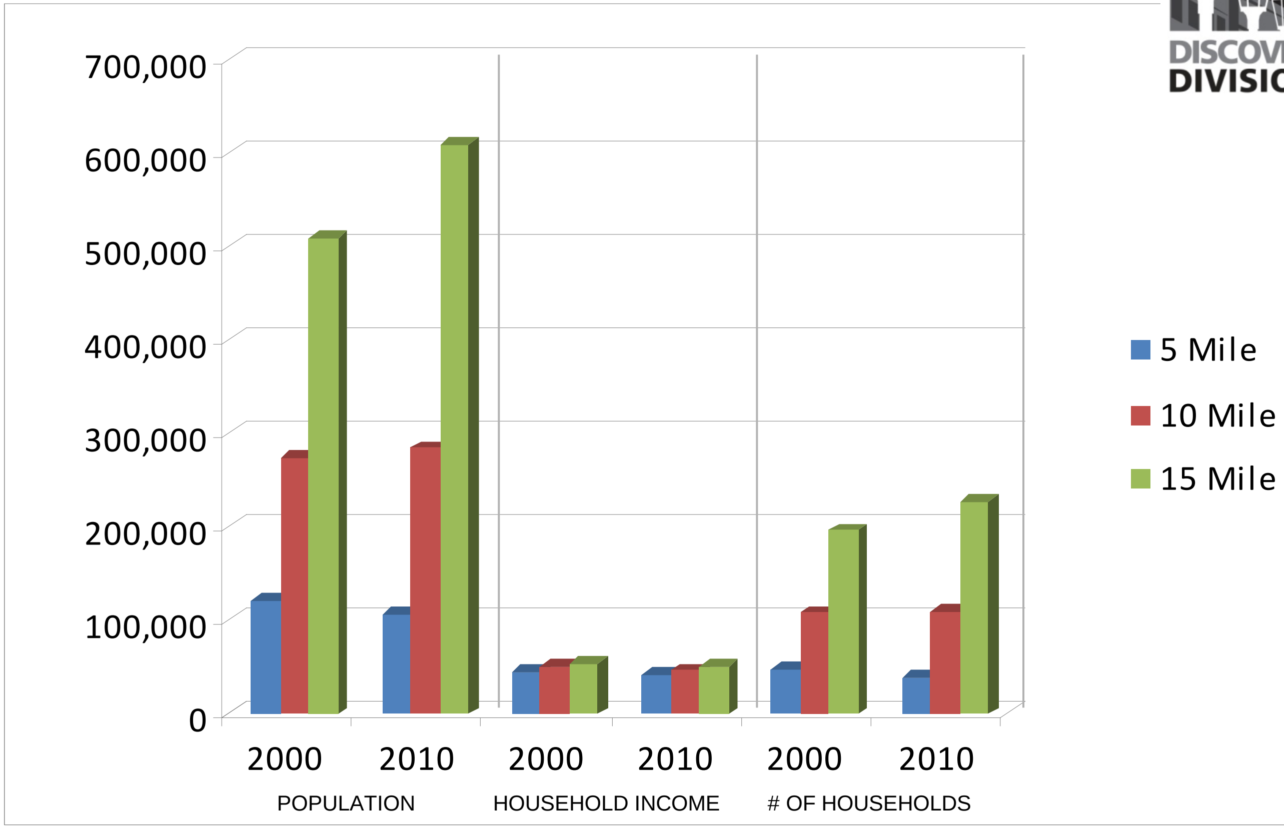
- Macro Market Analysis shows the existing real estate dynamics do not cater to the traditional investment mindset.
- The key to unlocking new opportunities is understanding the demographic trends in process and capitalizing on the potential they bring.



Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

Market Area

POPULATION AND INCOME TRENDS

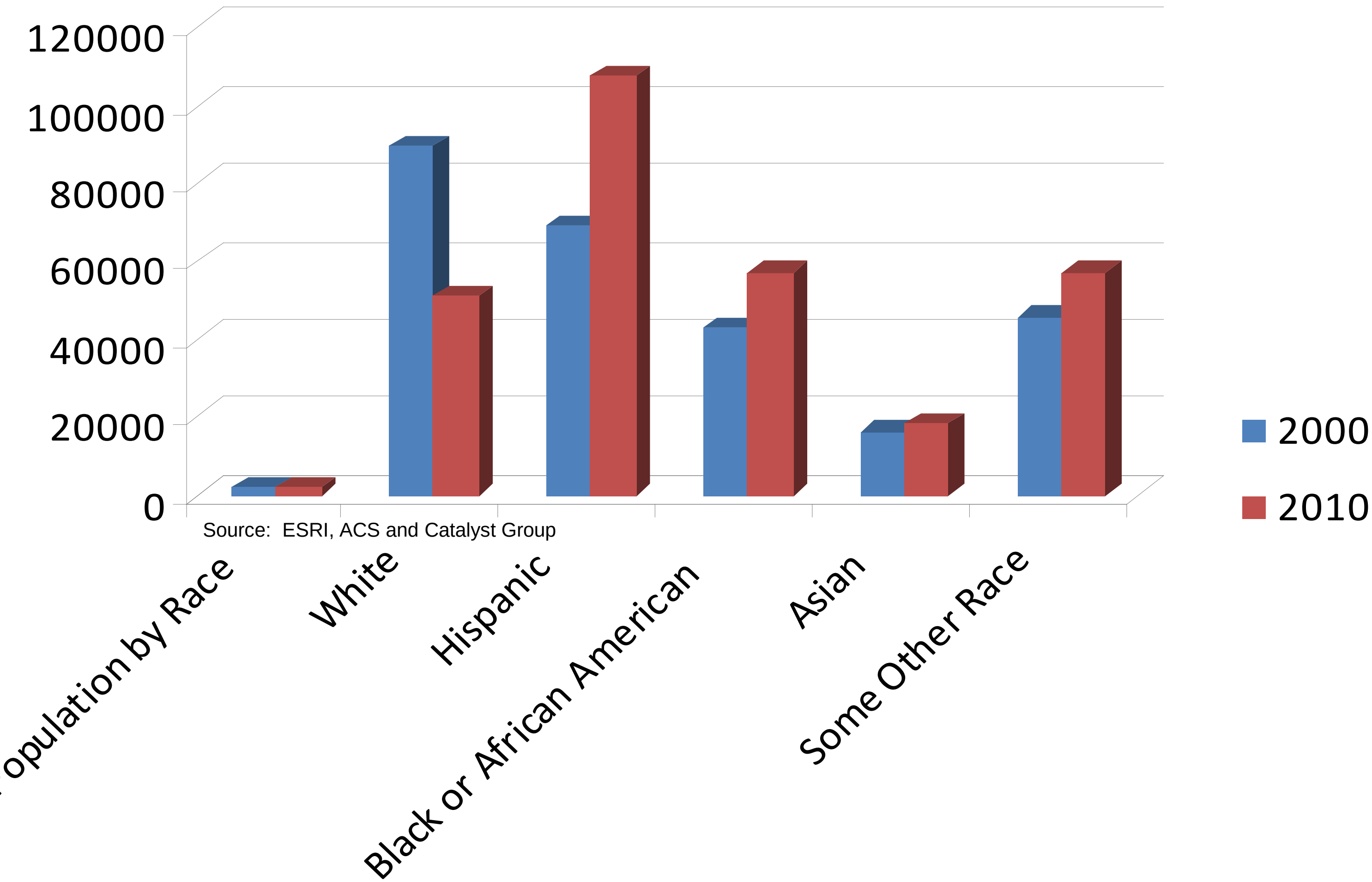


Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- Immediate populations have had slight growth; while distant population has grown substantially.
- Household incomes have been primarily stagnant.
- Immediate populations' number of households have been mainly stagnant, while those in distant populations have grown somewhat.

Market Area

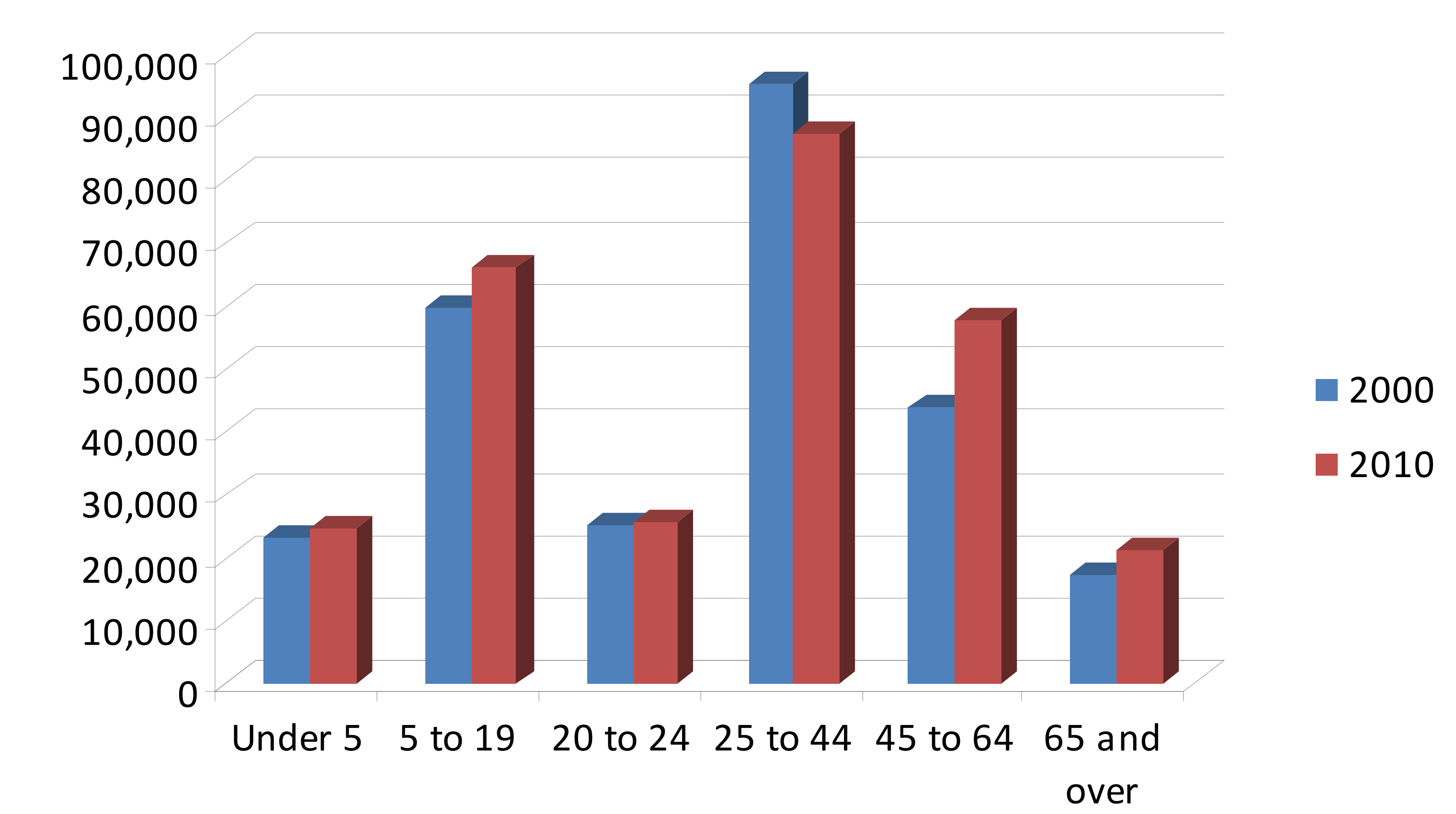
RACE AND ETHNICITY TRENDS



- Caucasian population is declining as age increases.
- Hispanic population is increasing with broader immigration trends.

Market Area

AGE DISTRIBUTION TRENDS

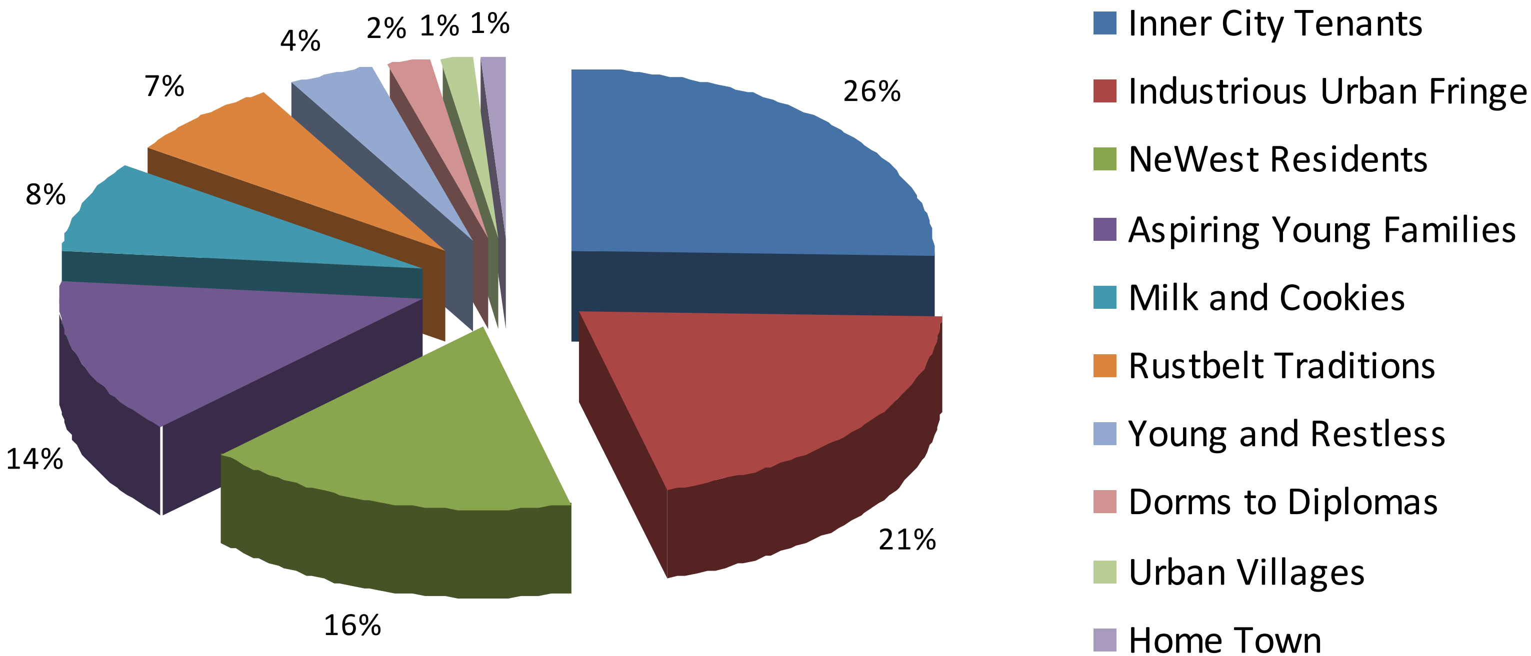


Source: ESRI, ACS and Catalyst Group

- 25-44 continues to be highest age range
- Area getting older

Market Area

CURRENT TAPESTRY SEGMENTATION (PSYCHOGRAPHIC) PROFILE



Source: ESR and Catalyst Group

Top Tapestry Segments

"Inner City Tenants" (26% of Trade Area)

Demographic

- A ***microcosm of urban diversity*** with median age of 27.8 years
- Population turnover is high (enrolled in colleges and work part-time)
- These neighborhoods are also ***stepping-stones for recent immigrants***

Socioeconomic

- Median household income is $34,041
- ***Earning a college degree is at the forefront of their goals***
- Many work part- and full-time to fund their college education
- ***Twice the national average who work in the food services industry***
- Most rent economical apartments in mid-rise/high-rise buildings
- Average commute to work of 25 minutes
- Frequently eat at fast-food restaurants

"Industrious Urban Fringe" (21% of Trade Area)

Demographic

- Family is central with low median age of 29 years
- ***Fifty-four percent are married-couple*** families; ***more than half have children***
- Multigenerational households are relatively common.
- ***More than 25% are foreign born and bring rich, diverse cultures to these neighborhoods***

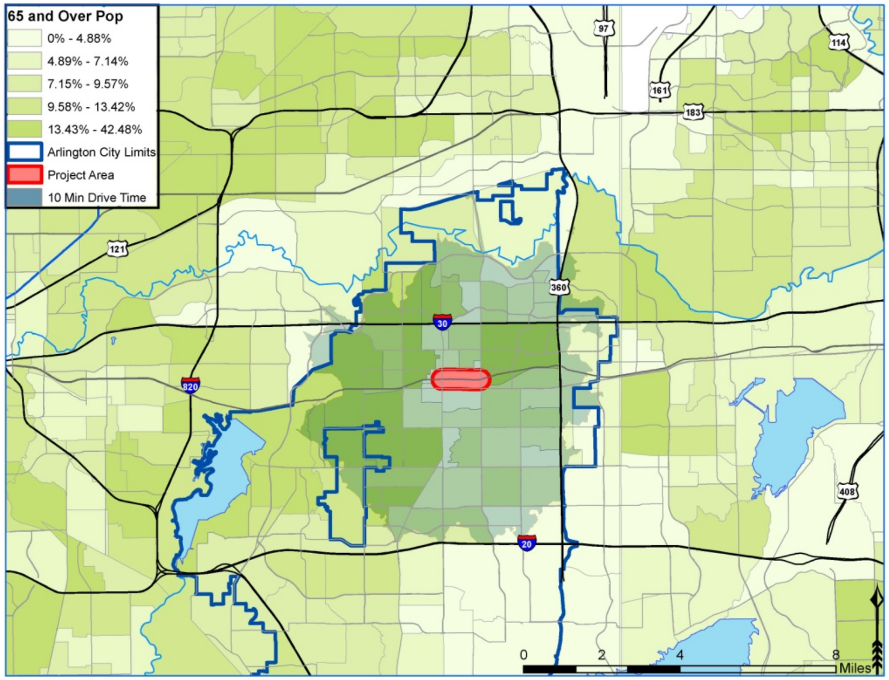
Socioeconomic

- Median household income is $45,118
- Large average household size of 3.45 lowers discretionary income
- Most job opportunities in the ***manufacturing, construction, retail trade, and service industries***
- The ***unemployment rate is higher than the US level***, and education attainment is lower.

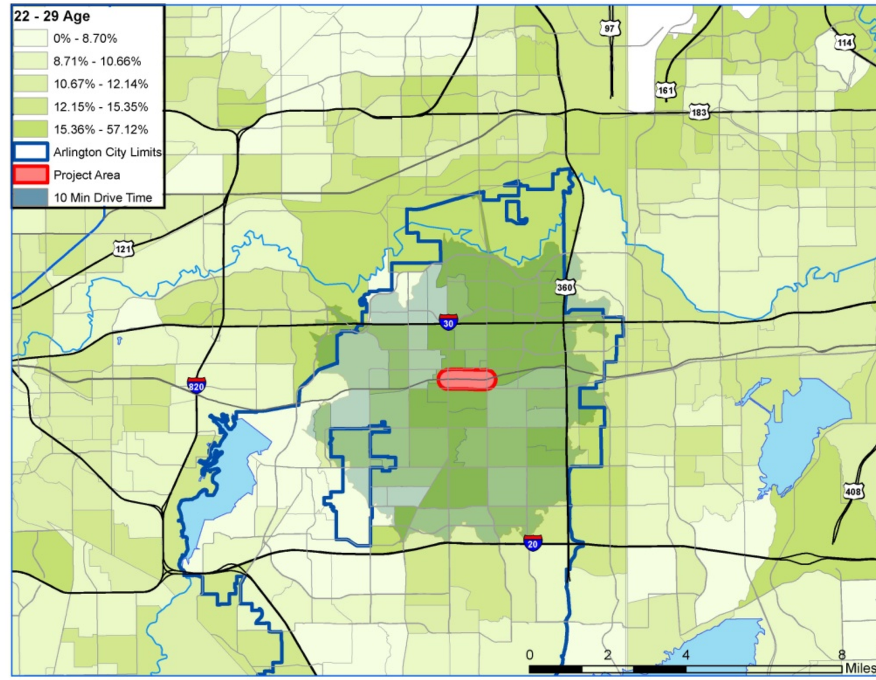
Market Area

DISCOVER DIVISION

CURRENT BABY BOOMER POPULATION



CURRENT GEN Y POPULATION



Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- (Boomer) Study area bounded on west by large grouping of 65+ .

  These groupings will begin to transition in ownership and drive change over next cycle.

- (Gen Y) Study area in close proximity to large grouping of 22-29 year olds, a population well-suited to urban density and amenities.

  This population tracks with the current areas of higher rental density.

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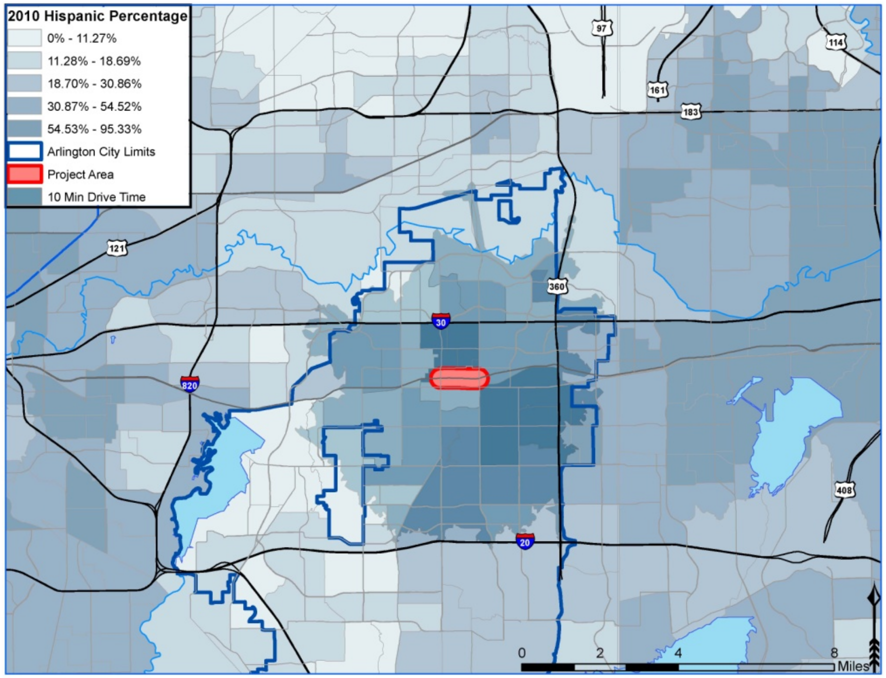
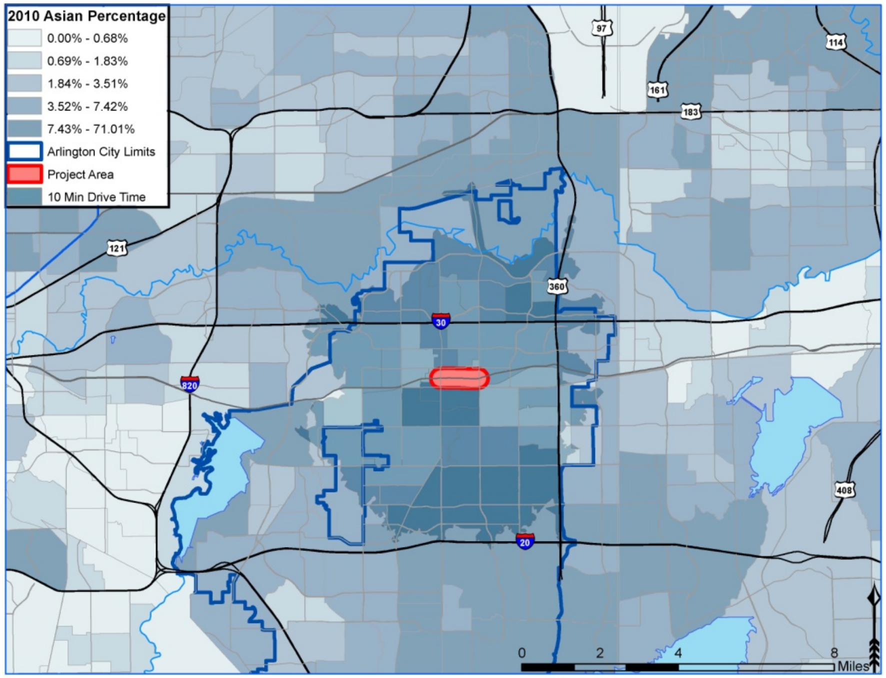
Market Area

CURRENT HISPANIC POPULATION



CURRENT ASIAN POPULATION



Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- (Hispanic) Study area is bounded to north and southeast by large Hispanic groupings.
  This provides the study area with ethnic programming and consumer loyalty potential.

- (Asian) Study area is bounded on the south by larger Asian groupings, generally consistent with the UTA campus area.
  This may provide additional opportunities for ethnic programming and loyalty.

Market Area

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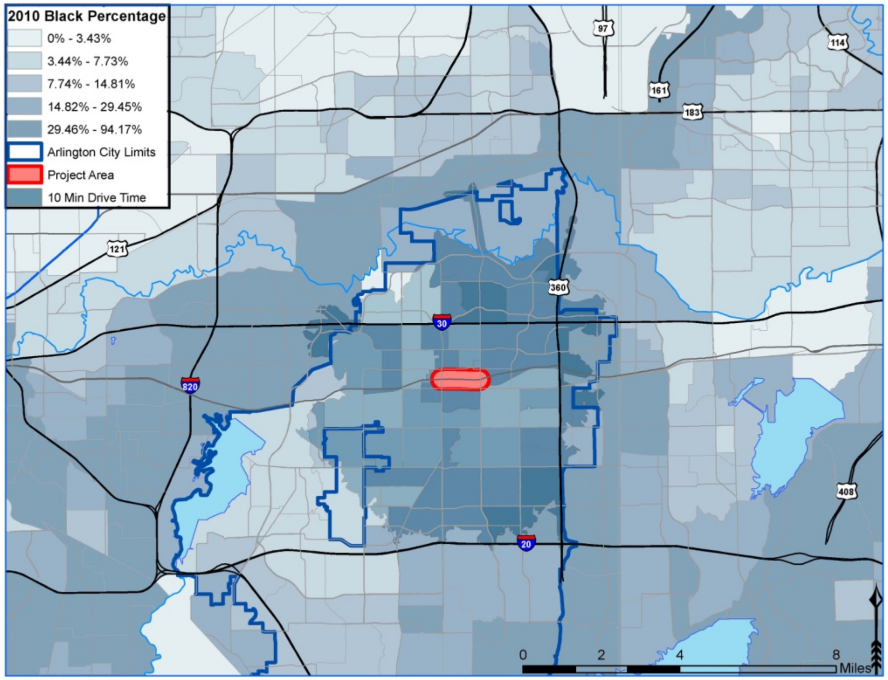
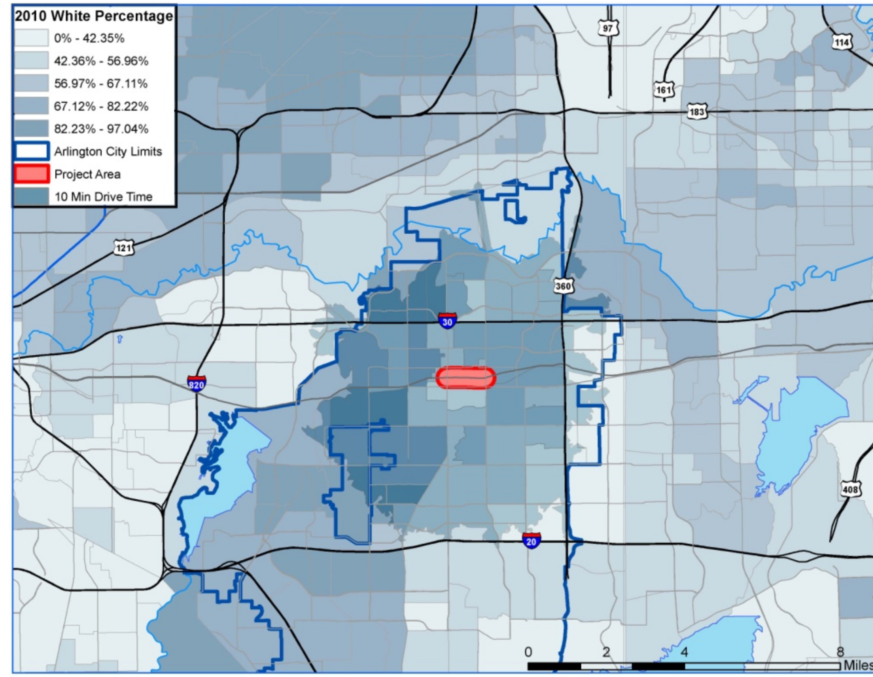
CURRENT AFRICAN AMERICAN POPULATION



CURRENT CAUCASIAN POPULATION



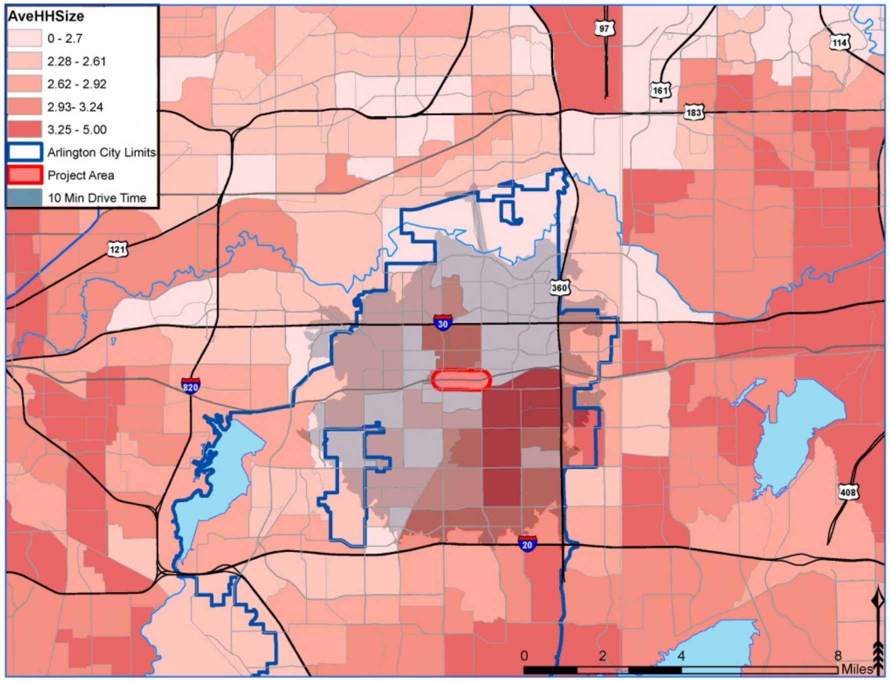
Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- (African American) A large population exists to the west of the City (east Fort Worth). Smaller demographic clusters exist to the north/northeast of the study area.
  This population has grown over the past 10 years (2nd only to Hispanic growth).

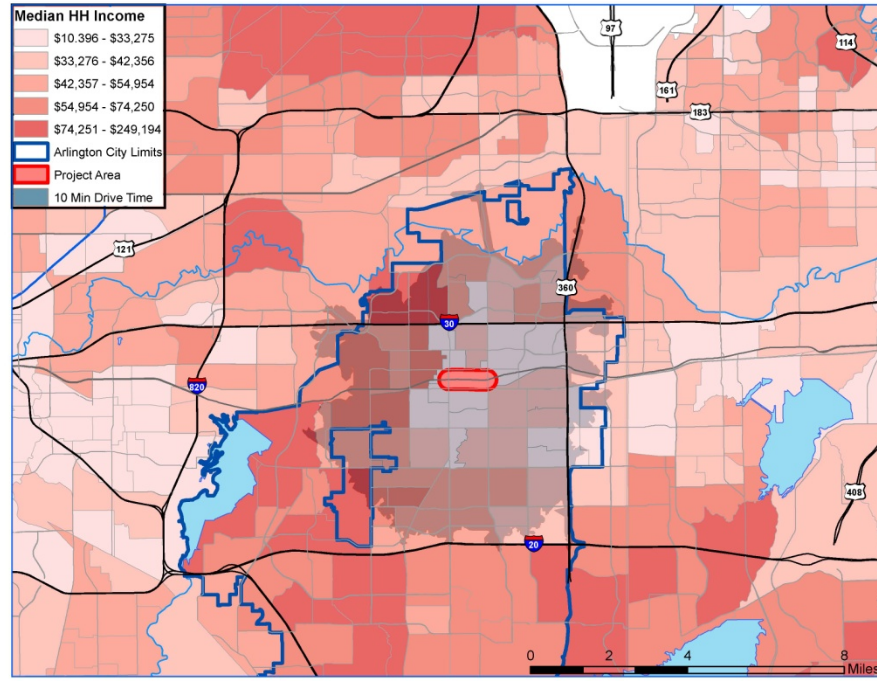
- (Caucasian) Study area bounded on west by large Caucasian population, generally following patterns of age and higher income.
  This population has decreased substantially over the past 10 years.

Market Area

CURRENT HOUSEHOLD SIZE



CURRENT HOUSEHOLD INCOME

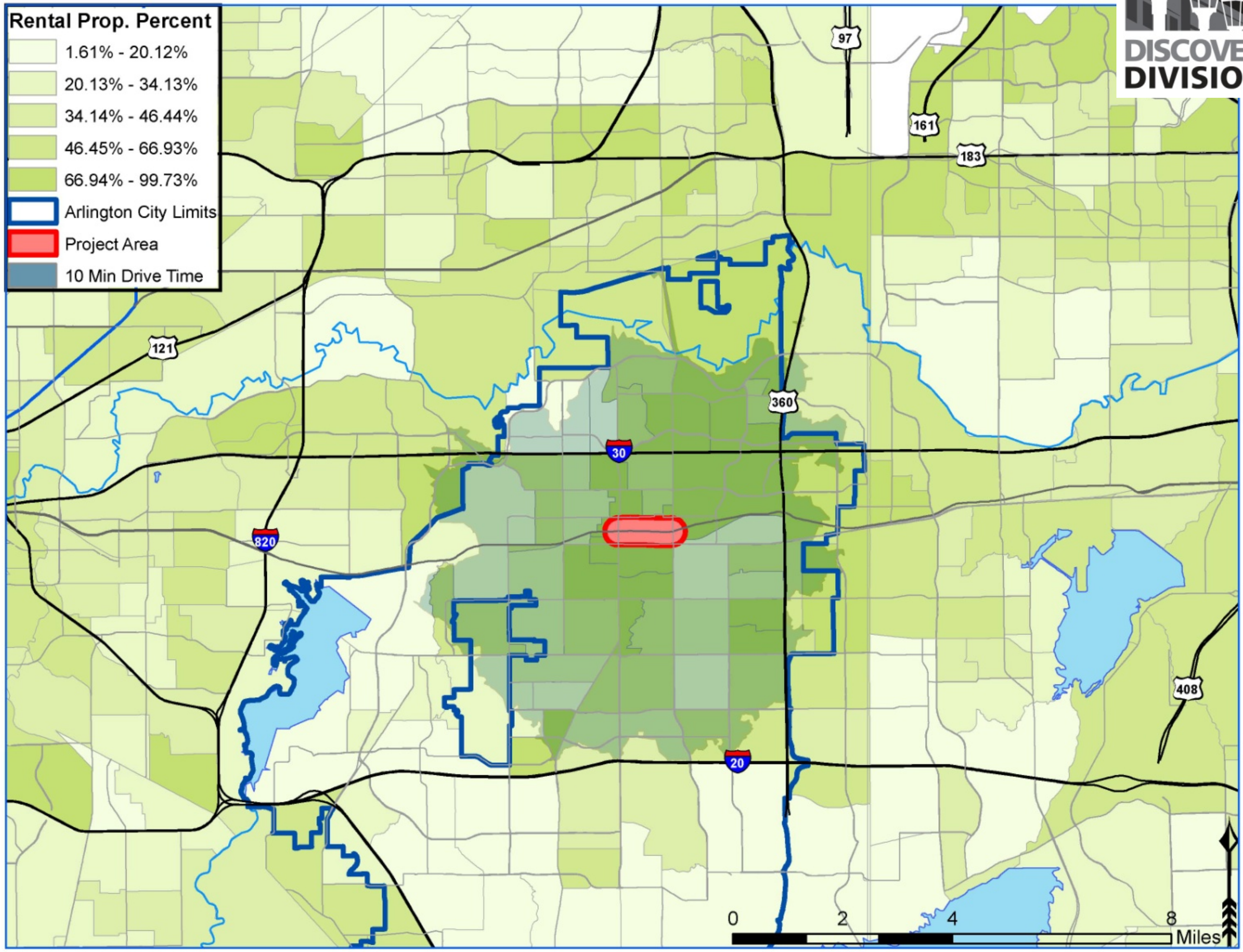


Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- (HH Size) Communities of higher household size bind the study area on the north and southeast, generally following Hispanic population pattern.
  This may provide the study area with opportunities for family programming.
- (HH Income) Study area bounded on west by the highest incomes in trade area, but elsewhere bounded by lower incomes.
  Higher incomes associated with aging population and lower incomes associated with growing population. This poses a market challenge.

Market Area

CURRENT RENTAL VS. OWNERSHIP LOCATION



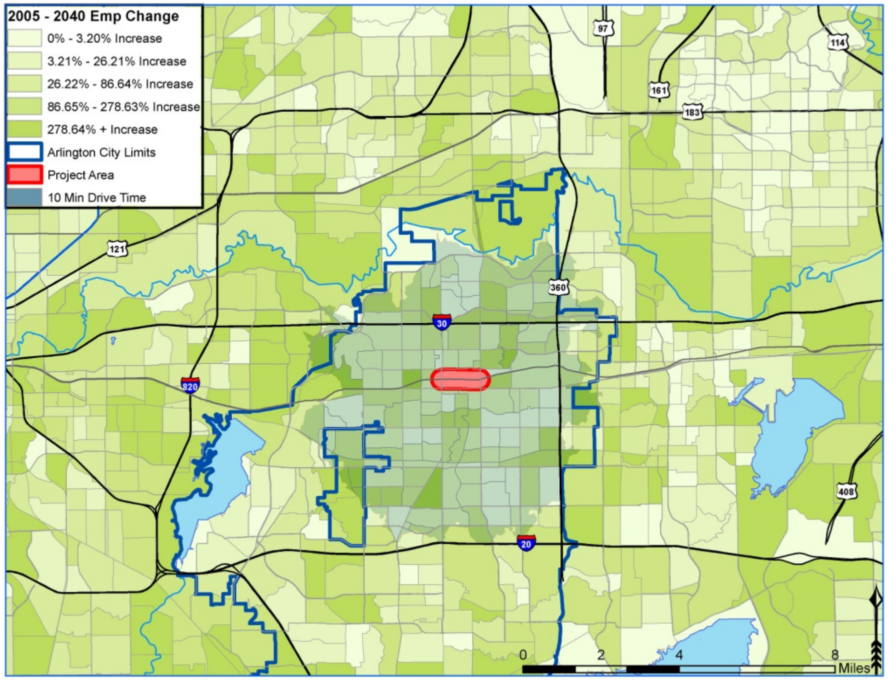
Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- Adjacent to large areas of density and rental populations.
- This is a more urban environment in gross density than most of DFW, but the age and form of the existing building stock poses challenges.

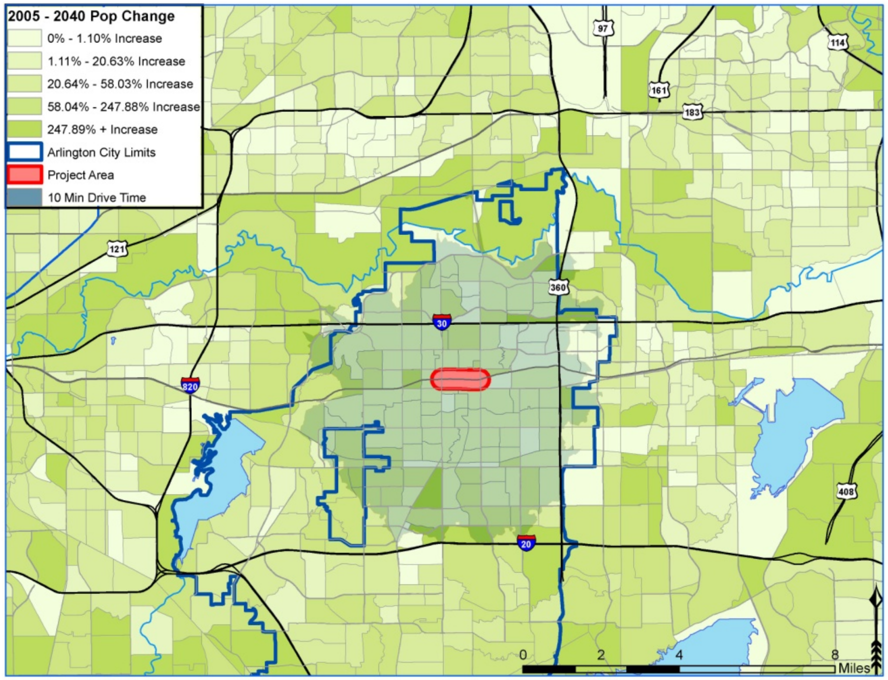
Market Area

DISCOVER DIVISION

PROJECTED EMPLOYMENT GROWTH



PROJECTED POPULATION GROWTH



Source: North Central Texas Council of Governments, ACS, US Census Bureau, Catalyst Group

- (Employment) Small pockets of projected higher employment growth occur around the study area (UTA and Stadium area).

  Remainder areas projected to be areas of lower growth (a market challenge).

- (Population) Study area in the midst of a large area with little population growth.

  This is a challenge to attract traditional market investment.

UTA Plan

UTA is Currently Implementing their Strategic Plan:

Mission: Become a Major National Research University; Achieve Key Recognition from 2010 - 2020

- Plan to Increase Research Funding and Productivity
- Plan to Improve Undergraduate Education
- Plan to Enhance Doctoral Programs
- Plan to Improve Faculty Development
- Plan to Improve Student Development
- Plan to Capitalize on Other Resources
- Plan to Increase National and International Visibility

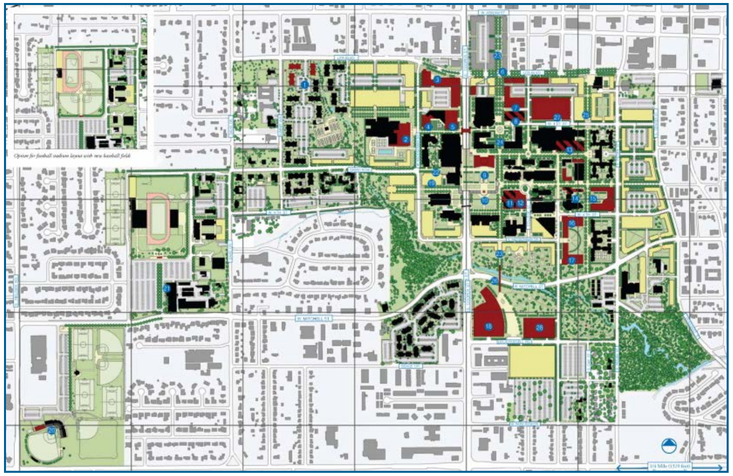
Increase population from 33,000 to 40,000+/- students

Increase faculty from 635 to 900 t/tt

Opportunity: This Plan adds nearly 10,000 people to the immediate Trade Area and the following opportunities:

- **Growth centered in Gen Y, X+ and "Creative Class"**
- **Add or lease 100,000 to 200,000 sf research space**
- **Doubles on-campus housing** (only 15-20% of total students)
- **Creates opportunity for new off-campus new housing** (for approximately 8,000 people)

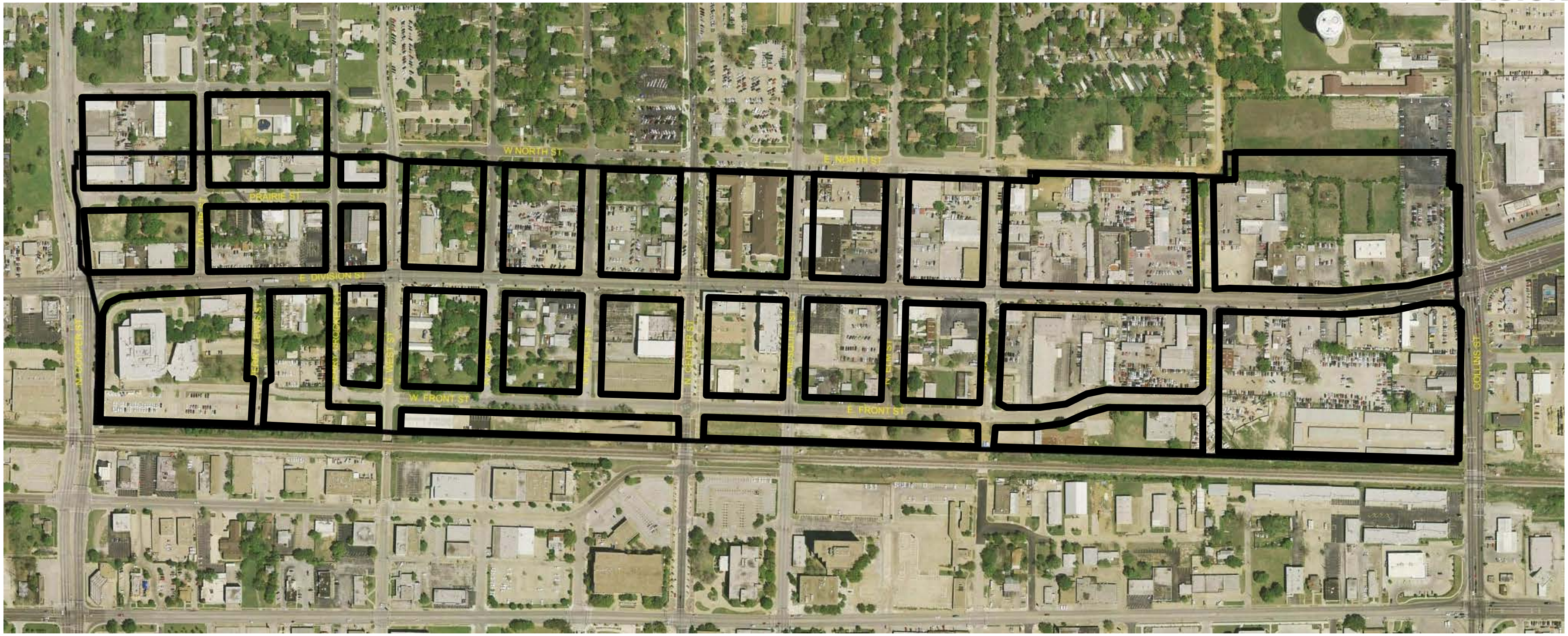
Urban village character of the UTA Master Plan vision



UTA Campus Master Plan -- 2020

Source: University of Texas at Arlington 2020 Strategic Plan and Master Plan, and Catalyst Group

Study Area – *Existing Framework*



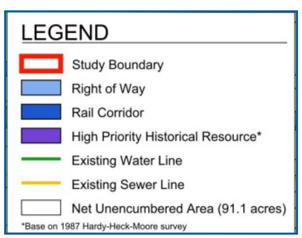
Source: Freese and Nichols

- The study area exists as a collection of older suburban buildings, parking lots, and some single family structures.
- There is a lack of pedestrian-friendly infrastructure and landscape presence.
- The existing block pattern is small and (somewhat) scaled for urban infill
- Front Street, the rail and the skinny blocks to the south create a large “disconnect” between the study area and the rest of downtown.

DISCOVER DIVISION

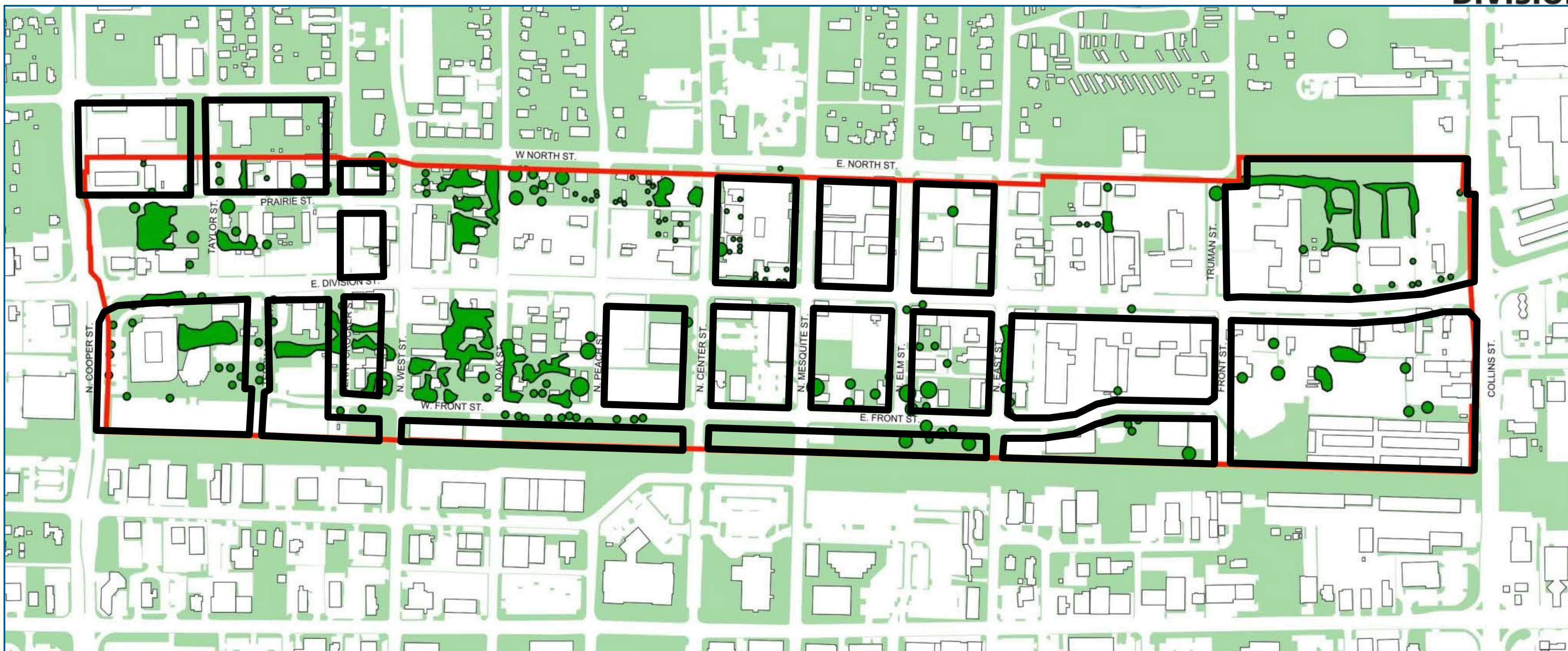
Study Area – *Property Encumbrances*

Source: Freese and Nichols



- A few historic properties in the area may present some challenges to redevelopment or larger land assembly efforts.
- The existing blocks may be too small for certain contemporary infill approaches. In any event, existing alleys may need to be incorporated in new infill development.
- This existing pattern, if larger assemblages do not occur, will direct new investment in smaller development patterns.

Study Area – *Green and Natural Areas*



Source: Freese and Nichols

- Existing green and natural areas occur mainly in existing rear yards of single family and small structures.
- There are no large existing natural features to maintain, and there is a lack of a pedestrian-oriented green network that creates a softer, more visually appealing identity.

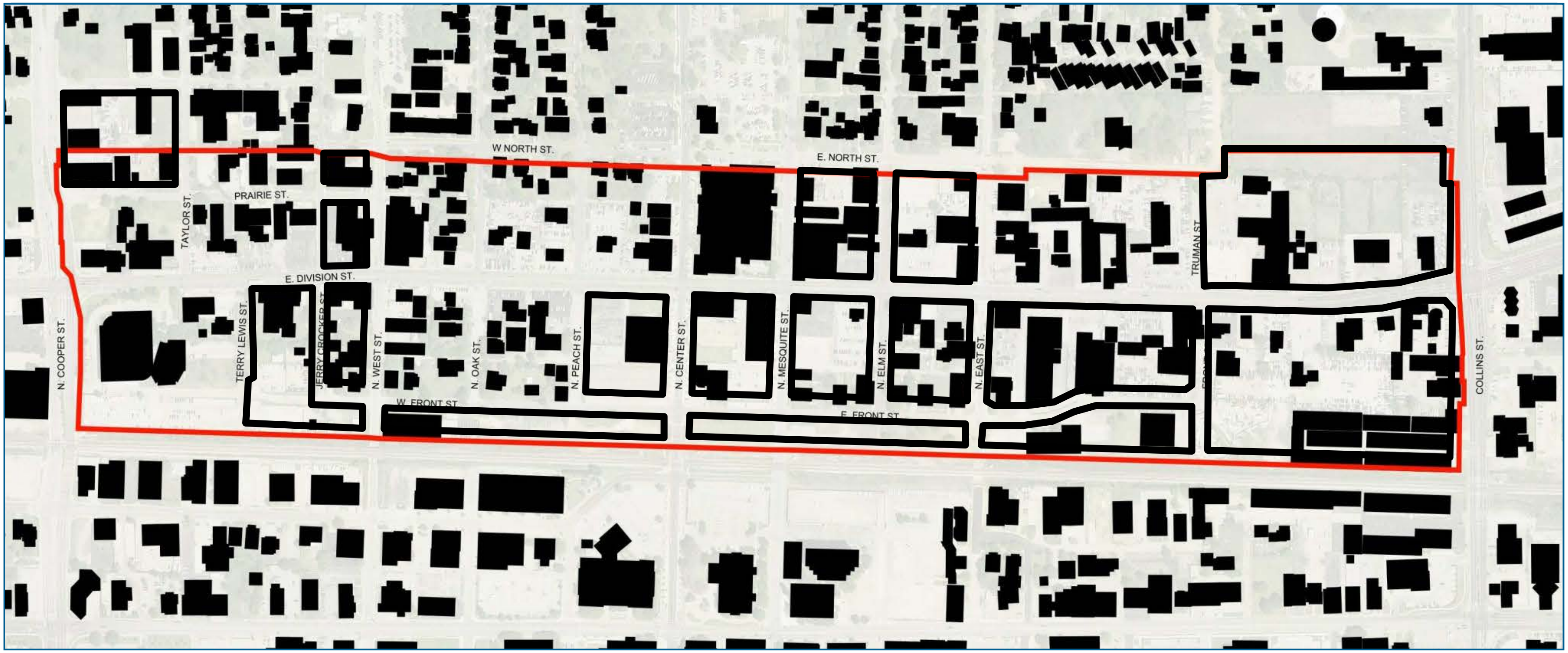
DISCOVER DIVISION

Study Area – *Auto Pavement*

Source: Freese and Nichols

- As this analysis shows, most of the study area is dedicated to the needs of the automobile – parking, pavement, drives, etc.
- This priority has created an identity defined by auto hardscape and lacks any pedestrian-friendly identity.

Study Area – *Urban Form*

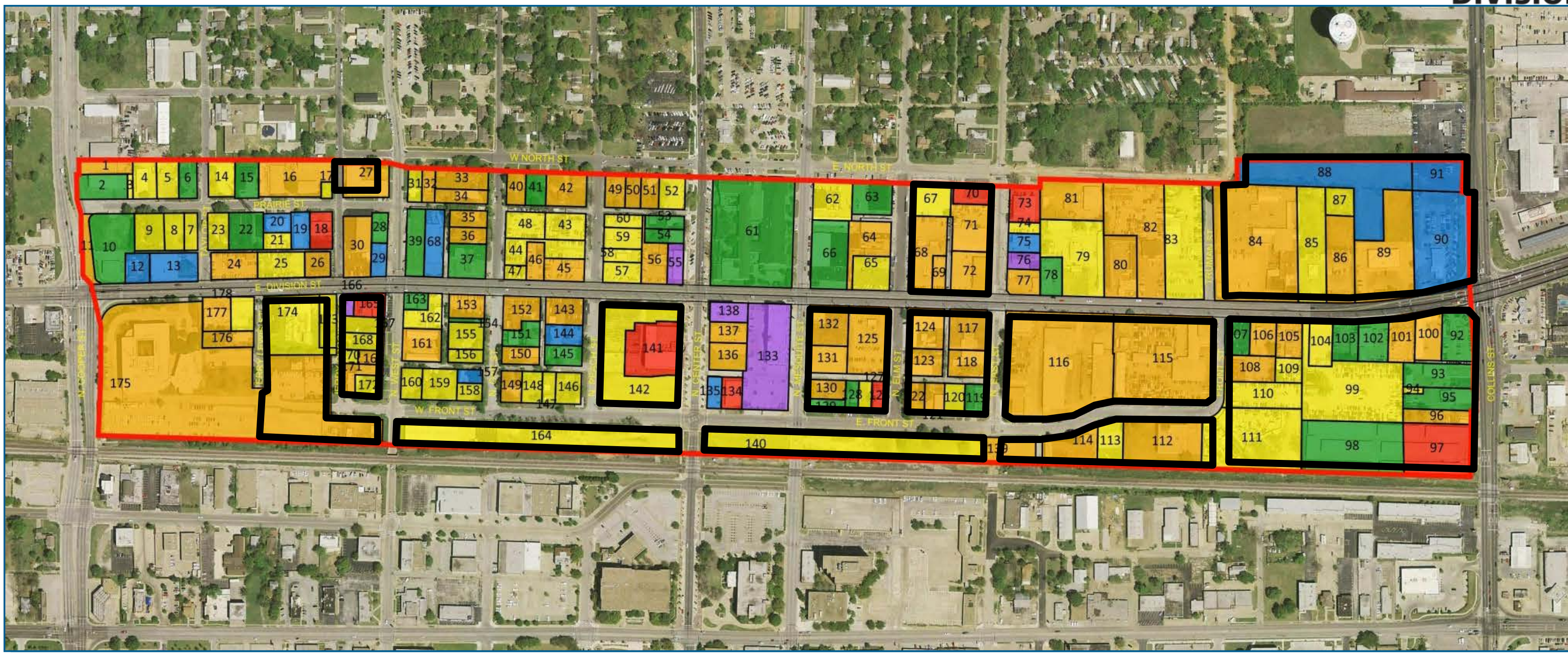


Source: Freese and Nichols

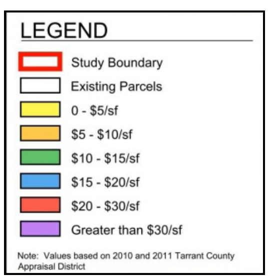
- The "urban form" of the corridor is not well defined.
- The corridor's buildings do not present a unified development concept, create visual continuity, or generate pedestrian-oriented urban spaces.
- As such, the identity of the corridor is defined only by the quality of its individual buildings and infrastructure – all of which are aging and mostly outdated.

Study Area -- *Land Values*

DISCOVER DIVISION

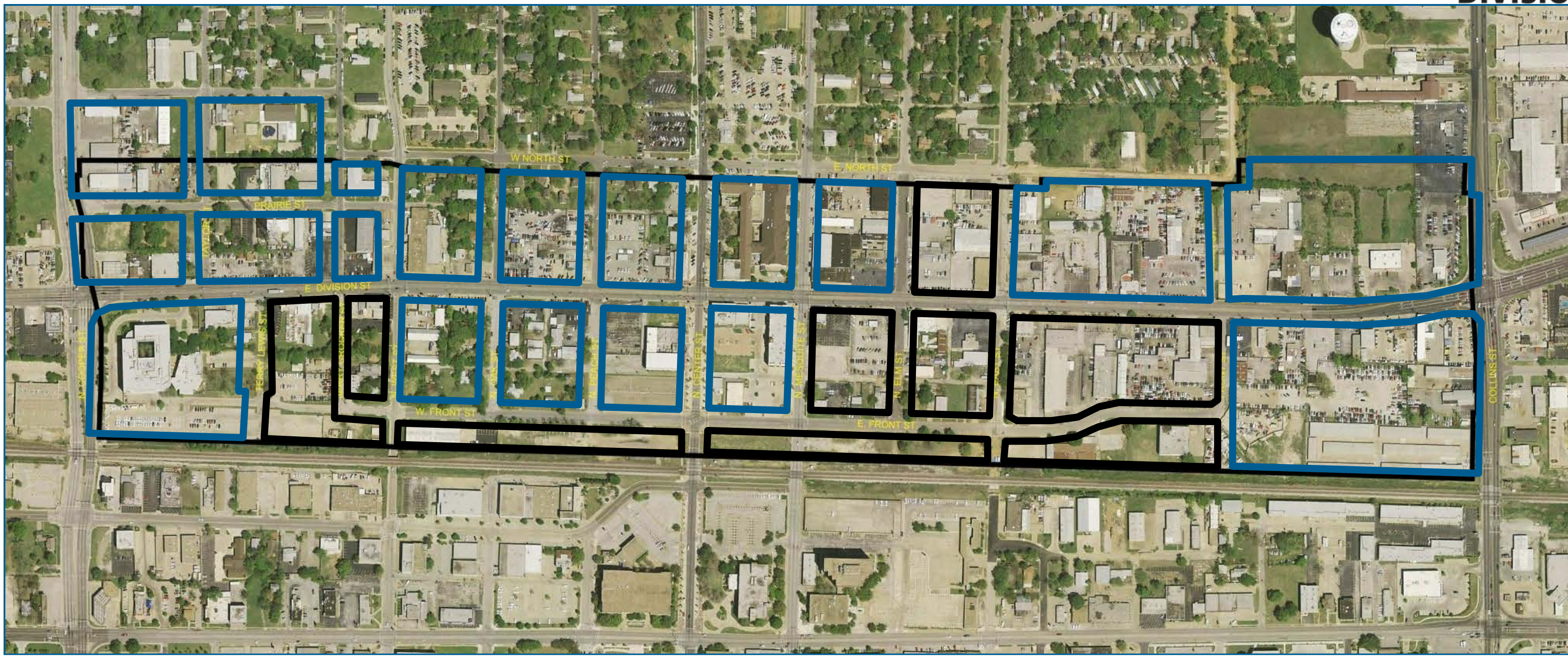


Source: Freese and Nichols



- Yellow and orange areas provide opportunities for redevelopment as they reflect lower land acquisition costs (on per/sf basis)
- There is a difference between assessed value and market value which may cause these amounts to be higher due to owner’s expectations.

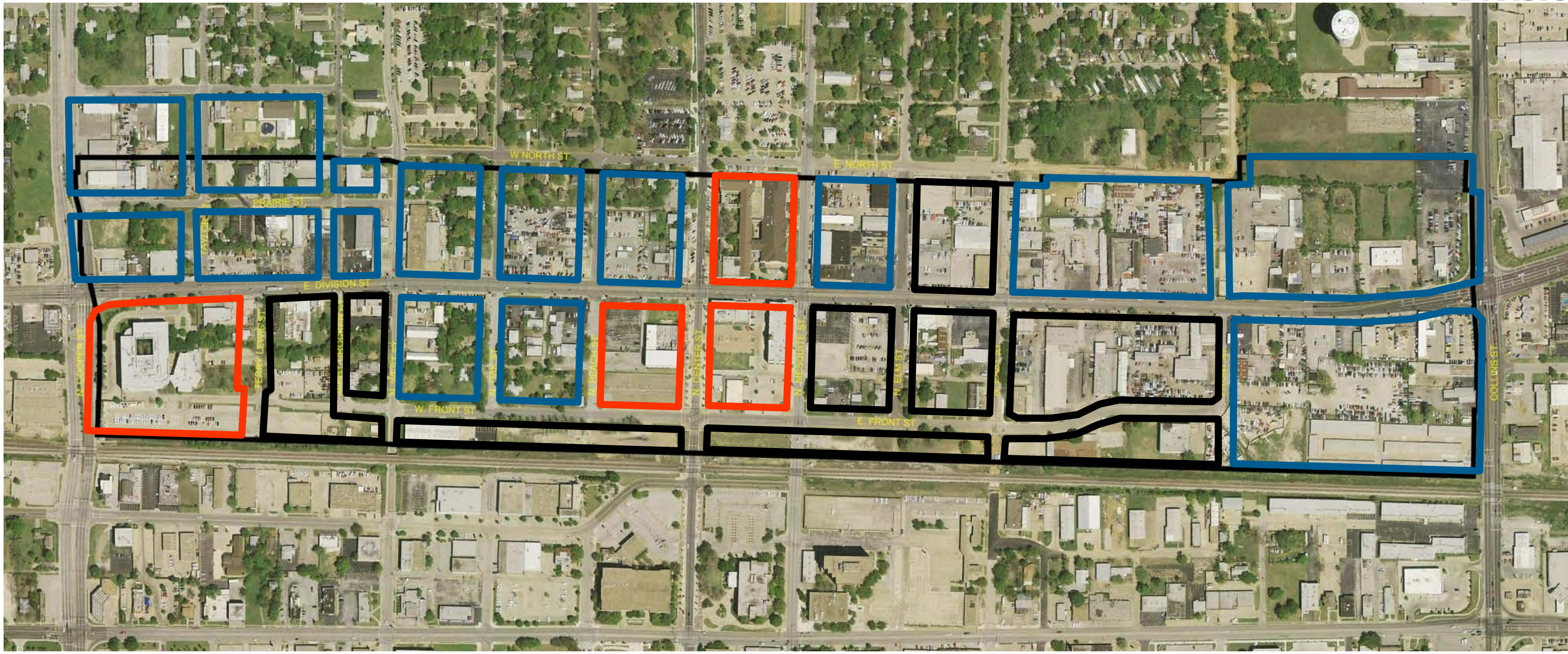
Study Area – *Composite Results*



Source: Freese and Nichols

- Blocks in ***black*** reflect sites most likely positioned for new infill redevelopment.
- Blocks in ***blue*** reflect sites most likely positioned for reinvestment.

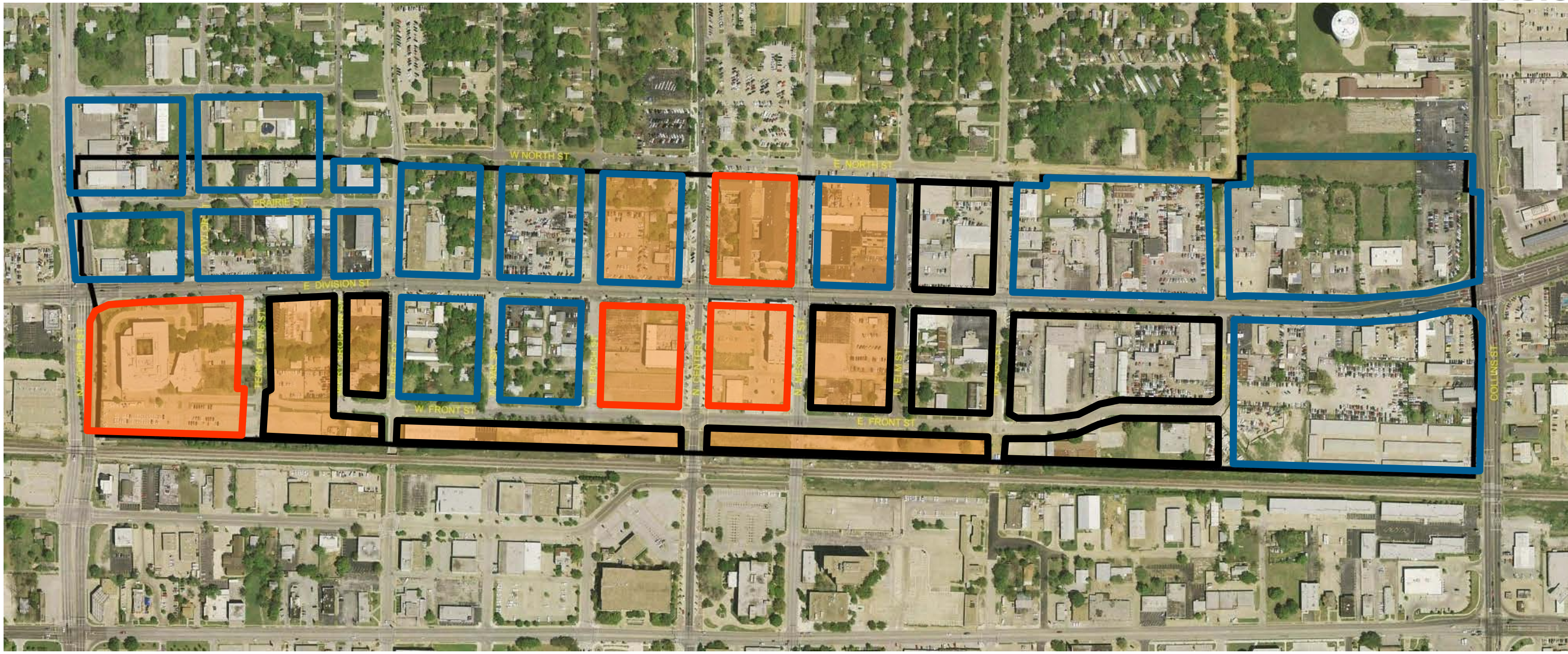
Study Area *– Composite Results*



Source: Freese and Nichols

- Blocks in ***black*** reflect sites most likely positioned for new infill redevelopment.
- Blocks in ***blue*** reflect sites most likely positioned for reinvestment.
- Blocks in ***red*** reflect sites that have strongest current investment and identity

Study Area – *Composite Results*



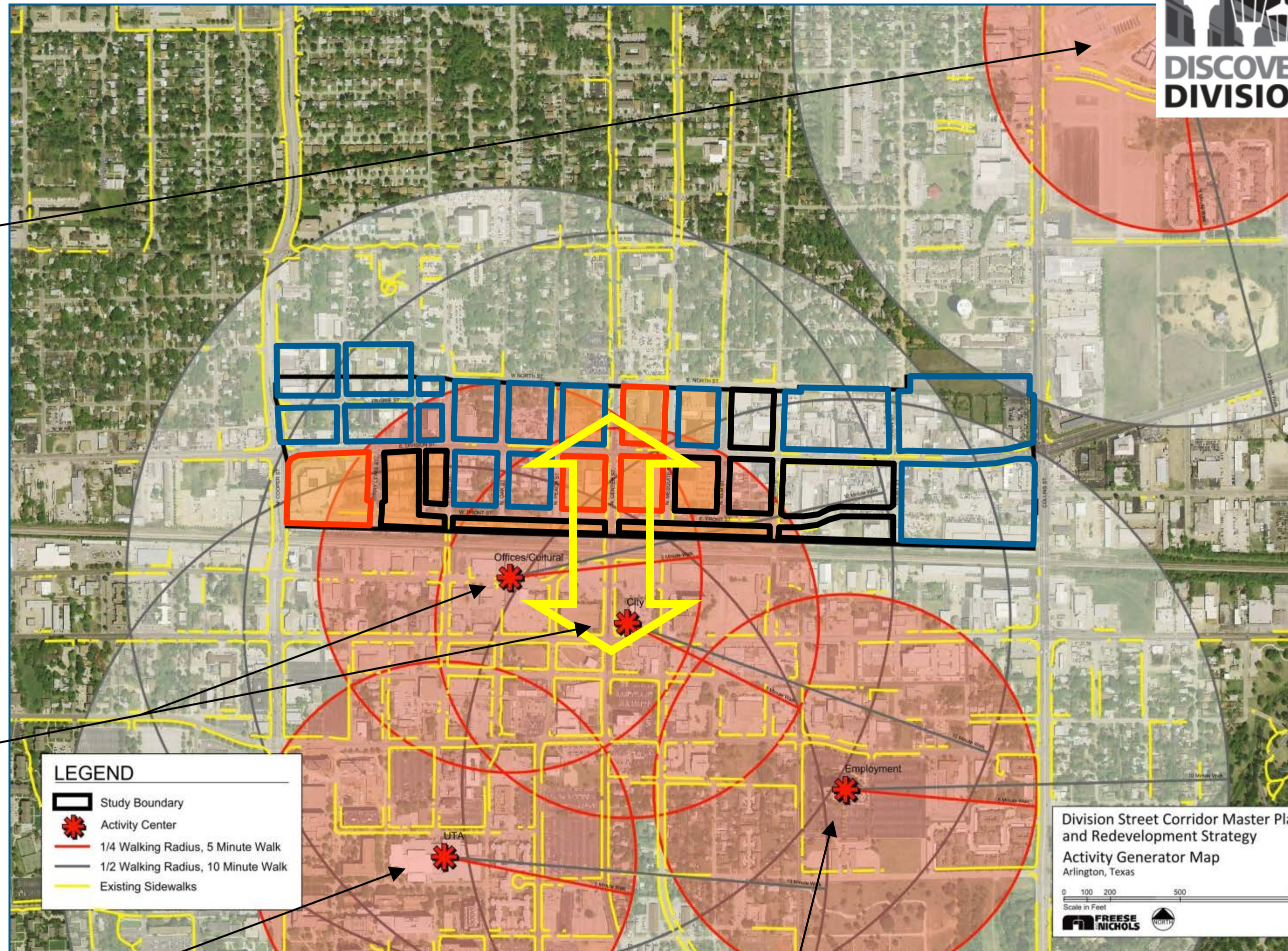
Source: Freese and Nichols

- Blocks in ***black*** reflect sites most likely positioned for new infill redevelopment.
- Blocks in ***blue*** reflect sites most likely positioned for reinvestment.
- Blocks in ***red*** reflect sites that have strongest current investment and identity
- Blocks shaded in ***orange*** reflect sites that should be analyzed for project potential
- ***These are not absolutes…as location and programming strategy may point to redevelopment or renovation on other blocks (including outside of study area).***

DISCOVER DIVISION

Programming

DEMAND GENERATORS



Source: Freese and Nichols

Cowboys Stadium:

5 min walk radius:
- Retail
- Restaurants
- Hotel
- Housing

10 min walk radius:
- Restaurants
- Housing

City of Arlington:

5 min walk radius:
- Retail
- Restaurants
- Housing

10 min walk radius:
- Housing

UTA:

5 min walk radius:
- Retail
- Restaurants
- Entertainment
- Faculty Office
- Housing

10 min walk radius:
- Entertainment
- Housing

Office:

5 min walk radius:
- Retail
- Restaurants
- Housing

10 min walk radius:
- Housing

CATALYST | GROUP
Intelligent. Urban. Community.

Public Meeting Discussion

1. What are some of the Division Street area's greatest characteristics?
2. What are some of the things you would change about the Division Street area?
3. How would you preserve and promote the Division Street area's distinct character?
4. How important is UT Arlington to the Division Street area?
5. How would you enhance the economic environment on Division Street?
6. Feel free to ask other questions!