

POLYTECHNIC/WESLEYAN

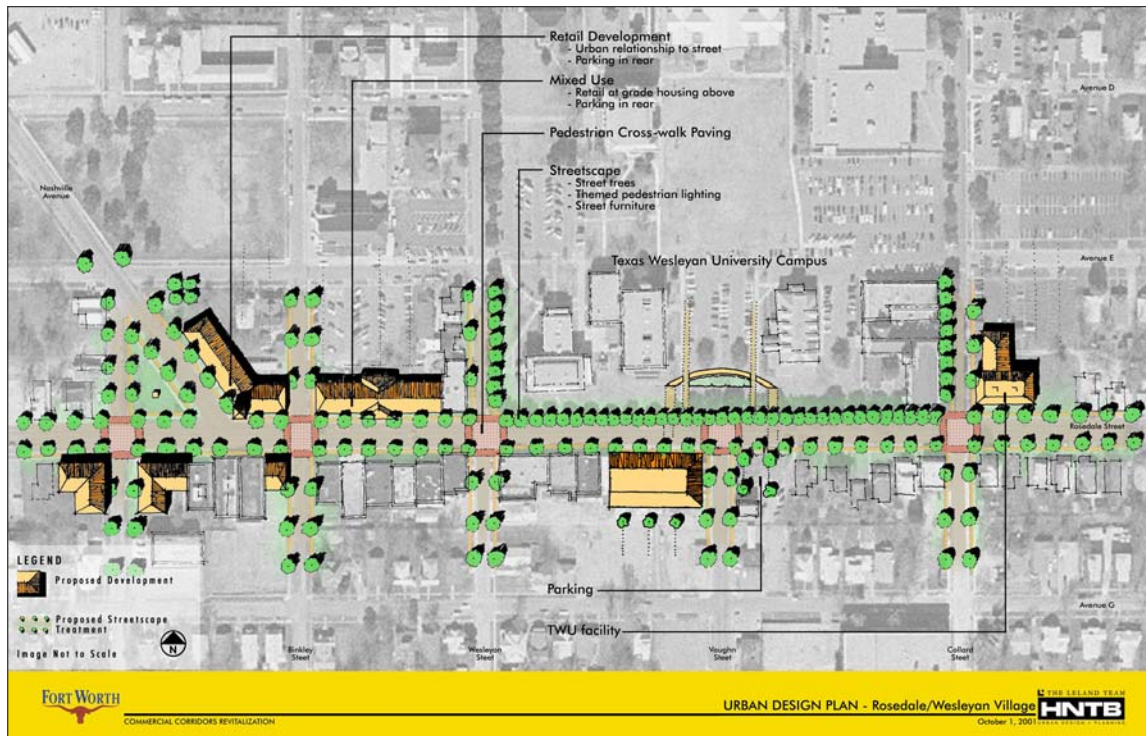
THE VILLAGE

The village is located along the East Rosedale Corridor between Collard Street and Polytechnic High School and is anchored by Texas Wesleyan University and Polytechnic High School. The neighborhood also includes the Boys & Girls Club, area churches, a community center, and various commercial and industrial businesses.

Land uses include educational institutions, locally-owned retail establishments, single-family homes, small-scale civic facilities, and vacant lots. Local property owners and residents expressed support for “main street” improvements along Rosedale, with university-serving retail in a clean and safe environment. Stakeholders also support a more diverse housing stock, with rental and ownership opportunities, and stronger pedestrian connections between residential and commercial areas.

URBAN DESIGN ELEMENTS AND PLAN

- Low-intensity (1-2 story with the potential for stepped-back 2-3 story) mixed-use development characterizes this urban environment.
- Streetscape enhancements connect vibrant residential neighborhoods and Texas Wesleyan University to the main street corridor. The historic brick pavement underlying the asphalt is utilized. Historic buildings are preserved.
- Surface parking is situated behind the commercial buildings. On-street parking is improved.
- East Rosedale retains its main street character by maintaining the existing right-of-way width.
- Traffic calming and traffic control measures are used to increase pedestrian safety.



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INVESTMENT CHALLENGES

- Higher insurance rates for residential and commercial properties in the central city can be a significant deterrent to revitalization. Higher rates increase the costs of development (and redevelopment), maintenance, and business operations. Although illegal, this practice is widespread in many of Fort Worth’s corridors, including the area surrounding the Polytechnic Wesleyan Village. Neighborhood advocacy organizations should monitor insurance rate practices and help address any inequities. Another solution is participation by the public sector, through low-interest loans or grant money, to offset cost impacts.
- As is typical in many older commercial corridors, much of the village’s zoning is inconsistent with prevailing market conditions that favor pedestrian-oriented urban environments. With Council adoption of the *Commercial Corridors Revitalization Strategy*, the City should utilize the petition-based rezoning process in order to allow and encourage redevelopment as depicted in the village plans.
- Legislation and past practices prevent the rapid release of both City-owned and City-maintained properties, presenting a unique challenge to the City of Fort Worth. Within the Rosedale Corridor and Polytechnic Wesleyan village, City-properties have delayed land assembly, particularly in commercial areas adjacent to the university. As in the other corridors, these properties will need to be returned to the private sector as quickly as possible.

MARKETING OPPORTUNITIES

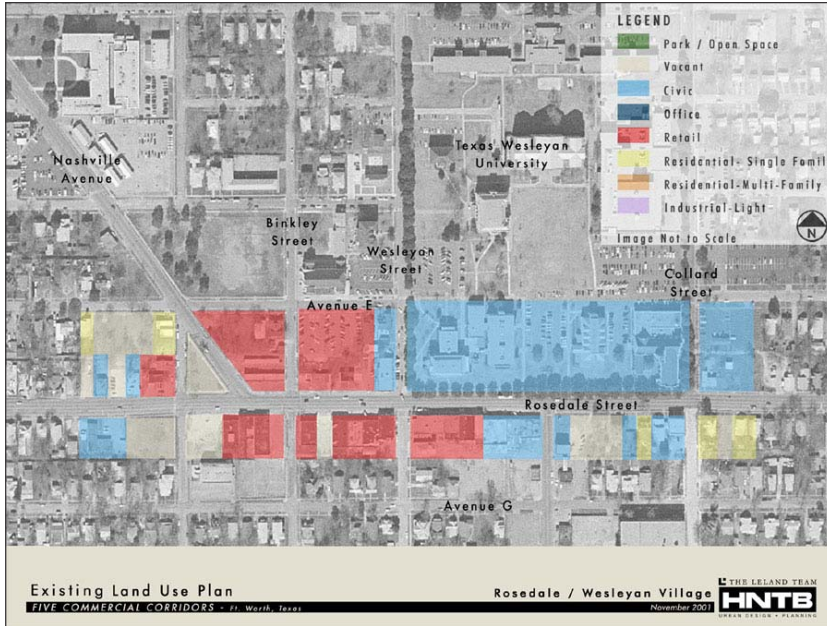
| | short-term 1-5 years | long term 5-10 years |
|---------------------------|-------------------------|-------------------------|
| Housing | | |
| Rental | ■ | |
| Ownership (Mid/Hi-rise) | ■ | |
| Senior | ■ | |
| Retail | | |
| Neighborhood-Serving | ■ | |
| Destination/Entertainment | | ■ |
| Specialty | ■ | |
| Office | | |
| Class A/B | | ■ |
| Service/Boutique | ■ | |
| Incubator Space | ■ | |
| Other | | |
| Hotel | | ■ |
| Public | ■ | |
| Transit Station | | ■ |
| Parking | ■ | |

DEVELOPMENT STRATEGY

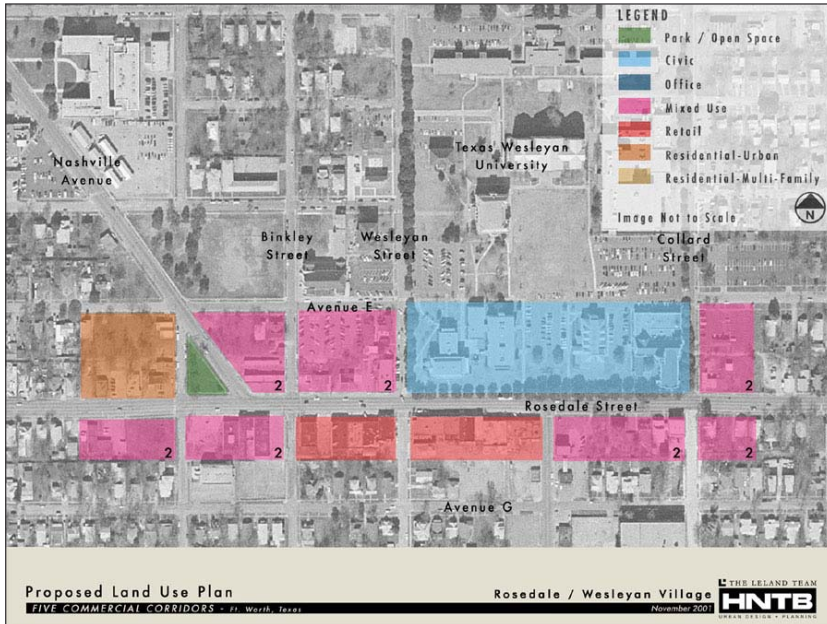
Located in the heart of one of the City’s most historic neighborhoods, this mixed-use village will create an urban university environment. With housing for faculty and students, and upper floor apartments along the Rosedale corridor, the Polytechnic Village will provide the residential density to support neighborhood- and university-serving retail. Streetscape enhancements will contribute to the “main street” character, and should encourage pedestrian activity throughout the village.

With the presence of such a preeminent institution, the revitalized village should attract residents of surrounding neighborhoods and visitors from throughout the city. Annual income for temporary jobs created by the project (during construction) is projected to yield nearly \$1.9 million, and annual income for permanent jobs within the village (at build-out) is projected to yield \$14.2 million.

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Existing land use



Proposed land use

ECONOMIC ANALYSIS

Estimated Project Value

| | |
|--|--------------------|
| Total Office/Retail Rentable SF | 50,000 |
| Rent/SF* | \$13.00 |
| Total Residential Rentable SF | 40,500 |
| Rent/SF* | \$10.00 |
| Gross Income | \$1,055,000 |
| Occupancy | 90% |
| Effective Gross Income | \$949,500 |
| Operating Costs | \$181,000 |
| Net Operating Income | \$768,500 |
| Capitalization Rate | 10% |
| Project Value – Office/Retail/Residential | \$7,685,000 |
| Total Housing Units | 0 |
| Sales Price/Unit | \$150,000 |
| Gross Revenue | \$0 |
| Less Marketing Costs | \$0 |
| Project Value – Ownership Housing | \$0 |
| Total Project Value | \$7,685,000 |

Development Cost Estimate

| | |
|--|----------------------|
| Property Purchase (Acquisition/Demolition) | \$650,000 |
| On-Site Improvements (Parking) | \$800,000 |
| Building Construction Costs | \$6,800,000 |
| Construction Contingency | \$700,000 |
| Soft Costs (% of Hard Costs) | \$1,300,000 |
| Total Project Cost | \$10,250,000 |
| Total Project Value | \$7,685,000 |
| Project Margin/"Gap" | (\$2,565,000) |

* Rates based on triple net lease.

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JOB CREATION AND ECONOMIC IMPACT SUMMARY

| | short-term 1-5 years |
|---------------------------------------|-------------------------|
| Permanent Employees | 237 |
| Annual Income/Permanent Employment | \$14,229,000 |
| Construction Employees | 185 |
| Annual Income Construction Employment | \$1,845,000 |

PUBLIC INVESTMENT LEVERAGE SUMMARY

| | short-term 1-5 years |
|---------------------------------|-------------------------|
| Development SF | 90,500 |
| Project Value | \$7,700,000 |
| Project Cost | \$10,300,000 |
| Margin/"Gap" | (\$2,600,000) |
| Public Investment Required | \$2,600,000 |
| Private Investment Leveraged | \$7,700,000 |
| Private/Public Investment Ratio | 3.0 |

PUBLIC INVESTMENT ESTIMATE

Funding/Time Period

| | 0-2 Years | 3-5 Years |
|----------------------------|-------------|-------------|
| Investment Required: | | |
| Streetscape Improvements* | \$1,100,000 | \$1,100,000 |
| Utility Improvements | \$100,000 | \$100,000 |
| Street/Access Improvements | \$0 | \$0 |
| Parks/Open Space | \$50,000 | \$50,000 |

* Include pedestrian enhancements (e.g., special paving, lighting, etc.)

PRIVATE DEVELOPMENT PROGRAM CATALYST PROJECT

| | short-term 1 - 5 years |
|-----------------------------------|---------------------------|
| Housing | |
| Rental | 45 units |
| Office | 15,000 sq. ft. |
| Retail | 20,000 sq. ft. |
| Mixed-Use (Housing/Retail) | 20/15,000 sq. ft. |
| Library | 20,000 sq. ft. |
| Parking – Surface | 320 spaces |

| COMMERCIAL CORRIDORS REINVESTMENT STRATEGIES | | | |
|---|---|---|---|
| POLYTECHNIC/WESLEYAN | | | |
| Regulatory | Financial | Market | Physical |
| | | <p>Immediate (1)</p> <p>Work with the University to attract developers interested in building turn-key facilities which could be co-managed and marketed (particularly relevant for housing projects) (1)</p> <p>Partner with existing CDC to undertake supportive development efforts (1)</p> | |
| <p>Near Term (2)</p> <p>Initiate education process to solicit interest in establishment of a Public Improvement District (PID) (2)</p> <p>Establish land-swap program with area property owners – gain public control of land in the village (2)</p> | <p>Near Term (2)</p> <p>Establish a task force, with lender and insurance company representation, to discuss rate differentials (lending and insurance redlining) and provide public commitments to off set impacts on operating cashflow (2)</p> <p>Establish urban renewal district (consider using eminent domain to acquire and retrofit commercial strip adjacent to campus) (1)</p> <p>Identify entities to assemble and hold property during phased development by private sector (2)</p> <p>Aggressively implement sales tax sharing (rebate) as an incentive; adjust statute where necessary (2)</p> | | <p>Near Term (2)</p> <p>Require parking lot owners (including auto dealers) to landscape around parking lots – “park in a park” (tie to permit request) (2)</p> |
| <p>Long Term (3)</p> <p>Retain the services of a code violation monitoring entity to track performance of establishments with liquor licenses; develop an Intergovernmental Agreement (IGA) with County placing a cap on the number of liquor licenses (restrictions) issued for businesses with revenues from alcohol sales above a certain threshold (3)</p> | | | |

Source: Leland Consulting Group, HNTB & Interstar

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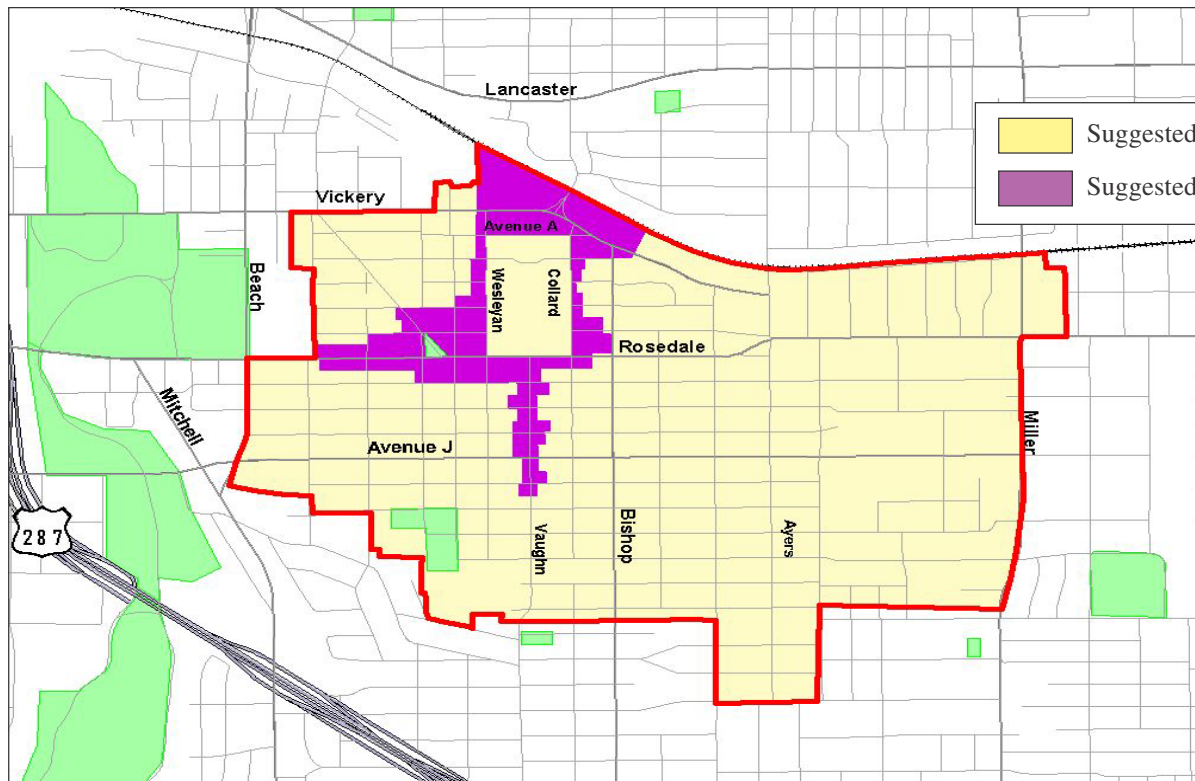


Current Project

Daedalus and other property owners,
mixed-use

Public Funding Secured

Pending
\$1.0 million EDI



Neighborhoods

El Poly Pyramid
Polytechnic Empowerment

Suggested NEZ

| | |
|-------------------------|----------------|
| Population | 5,937 |
| Land Area | 0.94 Sq. Miles |
| Percent in Central City | 100% |
| Percent CDBG Eligible | 100% |