City Council Work Session Handouts

February 4, 2013

I. Review and Discuss the 2011-2012 Comprehensive Annual Financial Report (CAFR) Presentation

II. Review and Discuss the Baseline Market Analysis, Arapaho/Collins Enhancement/Redevelopment Study

III. Review and Discuss the Neighborhood Vitality Program Project Implementation

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cutting through complexity

City of Richardson

Bill Hanley, Partner
Stewart Berkinshaw, Senior Manager

Meeting with the Audit Committee

February 4, 2013

Agenda

- Responsibilities
- Required communications (see separate communication With Those Charged With Governance)
- Audit process
- Reports issued
- Results of audit
- Use of others
- Internal control and business observations
- Other matters
- New accounting standards and their application to the City
- Questions and comments

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Responsibilities

Management is responsible for:

- Adopting sound accounting policies
- Fairly presenting the financial statements in conformity with generally accepted accounting principles
- Establishing and maintaining effective internal control over financial reporting
- Identifying and confirming that the City complies with laws and regulations applicable to its activities
- Making all financial records and related information available to the auditor
- Providing the auditor with a letter confirming certain representations made during the audit that includes, but are not limited to management's:
  - disclosure of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize, and report financial data; and
  - acknowledgement of their responsibility for the design and implementation of programs and controls to prevent and detect fraud

The Audit Committee is responsible for:

- Oversight of the financial reporting process and internal control over financial reporting

Management and the Audit Committee are responsible for:

- Establishing and maintaining internal controls to prevent, deter, and detect fraud
- Setting the proper tone and creating and maintaining a culture of honesty and high ethical standards

The audit of the financial statements does not relieve management or the Audit Committee of their responsibilities.

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Responsibilities (continued)

KPMG is responsible for:

- Forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Audit Committee are presented fairly, in all material respects, in conformity with generally accepted accounting principles
- Planning and performing the audit to obtain reasonable – not absolute – assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error. Because of the nature of audit evidence and the characteristics of fraud, we are able to obtain reasonable, but not absolute, assurance that material misstatements will be detected.
- Evaluating:

  (a) whether the City's controls sufficiently address identified risks of material misstatement due to fraud; and

  (b) controls intended to address the risk of management override of other controls
- Communicating to you in writing all significant deficiencies and material weaknesses in internal control identified in the audit and reporting to management all deficiencies noted during our audit that are of sufficient importance to merit management's attention
- Conducting our audit in accordance with professional standards
- Complying with the rules and regulations of the Code of Professional Conduct of the American Institute of Certified Public Accountants, and the ethical standards of relevant CPA societies and relevant state boards of accountancy
- Planning and performing our audit with an attitude of professional skepticism
- Communicating all required information, including significant matters, to management and the Audit Committee

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Required communications

Statement on Auditing Standards (SAS):

- SAS 114 – See separate report on Communication With Those Charged With Governance

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Audit Process

Performed risk assessment interviews and tests of internal controls

Key Areas of Substantive Testing:

- Cash and Investments
- Receivables
- Capital Assets
- Accrued Liabilities (OPEB, Pension, Compensated Absences)
- Debt
- Major Revenue and Expenditure/Expense Items
- Financial Reporting (Post-closing entries and GASB 34 conversion entries)

OMB Circular A-133 Procedures:

- Control testing over major program (Energy Efficiency and Conservation Block Grant - ARRA)
- Compliance testing over major program in accordance with OMB Compliance Supplement and Grant Agreements, including the American Recovery and Reinvestment Act (ARRA)

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Reports issued

Reports Issued:

- Comprehensive Annual Financial Report (CAFR)
- OMB Circular A-133 Reports

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Results of audit

- Unqualified "Clean" Opinions
- No deficiencies in internal control identified
- No uncorrected audit misstatements and no corrected audit misstatements
- Open and Effective Communication with Management
- Other Significant Transactions –
  - The City issued $14.8M in General Obligation Refunding Bonds, which will result in a cash flow savings of $2.1M. The City also issued $6.6M in Certificates of Obligation ($865k in Solid Waste and $5.8M in Capital Fund) for various construction and improvement projects and capital asset purchases. The City issued $275k in Taxable Certificates of Obligation for the demolition of dangerous structures.
  - The City acquired properties for future economic development in 2012 with a net realizable value of $2,495,127.
- Changes in Estimates –
  - None noted

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Use of others

Use of KPMG Specialists:

- KPMG Actuary review of Retiree Health Plan (OPEB) and Pension Plan every three years or when new actuarial study is performed with significant changes in underlying assumptions. KPMG Actuary reviewed the OPEB and Pension Plan in fiscal year 2011.

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Internal control and business observations

- Positive control environment and proactive attitudes
- No deficiencies in internal control
- No compliance findings in audit of federal or state awards expended

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Other Matters

Going Concern	None noted
Related Party Transactions	None noted, except for the Richardson Improvement Corporation (RIC). The RIC is a nonprofit corporation that serves the citizens of the City by improving municipal parks and recreational facilities through land acquisition and the development of parks. The City provides all financial support to RIC and all members of its governing board are appointed by City Council.
Litigations, Claims, and Assessments	None noted with a material financial statement impact
Illegal Acts or Fraud	None noted
Non-compliance with Laws and Regulations	None noted

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Other Matters (continued)

Other Information in Documents Containing Audited Financial Statements	**Required Supplementary Information**: management discussion and analysis, budgetary information, and schedules of funding progress **Other Information**: introductory section, combining financial statements, and statistical section
Significant Difficulties Encountered During the Audit	No matters to report
Disagreements with Management	No matters to report
Management's Consultation with Other Accountants	No matters to report
Significant Issues Discussed, or Subject to Correspondence, with Management	No matters to report
Alternative Accounting Treatments Discussed with Management	No matters to report
Other Findings or Issues Relevant Regarding Oversight of the Financial Reporting Process	No matters to report
Communications with the Firm's National Office	No matters to report

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New accounting standards and their application to the City

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 15 and No. 34* – modifies requirements for financial reporting presentation of component units. Requires that entities that were blended with the primary government due to structure of the governing body, also meet the criteria related to financial benefit/burden and/or operational responsibility. This Statement will be effective for the City in the fiscal year ending September 30, 2013.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* - provides guidance for reporting deferred outflows of resources and deferred inflows of resources outside of total assets and liabilities. Additionally, the Statement requires a new Statement of Net Position to replace the current Statement of Net Assets. Only requires reporting of deferred inflows/outflows for derivative instruments (GASB 53) and service concession arrangements (GASB 60). This Statement will be effective for the City in fiscal year ending September 30, 2013.

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New accounting standards and their application to the City

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* – the objective of the Statement is to determine whether certain balances currently reported as assets and liabilities should continue to be reported as such or instead be reported as: a deferred outflow of resources or an outflow of resources (expense/expenditure); a deferred inflow of resources or an inflow of resources (revenue). This Statement will be effective for the City in the fiscal year ending September 30, 2014, with early adoption allowed.
- GASB Statement No. 66, *Technical Corrections – 2012* – the objective of this Statement is to resolve conflicting accounting and financial reporting guidance that resulted from the issuance of GASB Statement Nos. 54 and 62 (both adopted in FY 2011 for the City). The Statement supersedes the requirement in GASB No. 10 that an entity's risk-financing activities be accounted for in either the general fund or internal service fund and amends the following topics in GASB No. 62: operating lease payments that vary from straight-line; purchase of loans or groups of loans; and servicing fees on sales of mortgage loans. This Statement is effective for the City in the fiscal year ending September 30, 2014, with early adoption allowed.
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - requires employers to report the difference between the actuarial total pension liability and the fair value of the legally restricted plan assets as the net pension liability on the statement of net position. Previously, a liability was only recorded if the actual contributions made to the plan were less than the actuarial calculated contributions for the year. Additionally, the Statement requires the use of the entry age actuarial cost method to calculate the pension liability. This Statement will be effective for the City in the fiscal year ending September 30, 2015, with early adoption allowed.

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Questions and comments

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East Arapaho/Collins Redevelopment Study

City Council Presentation| February 4, 2013

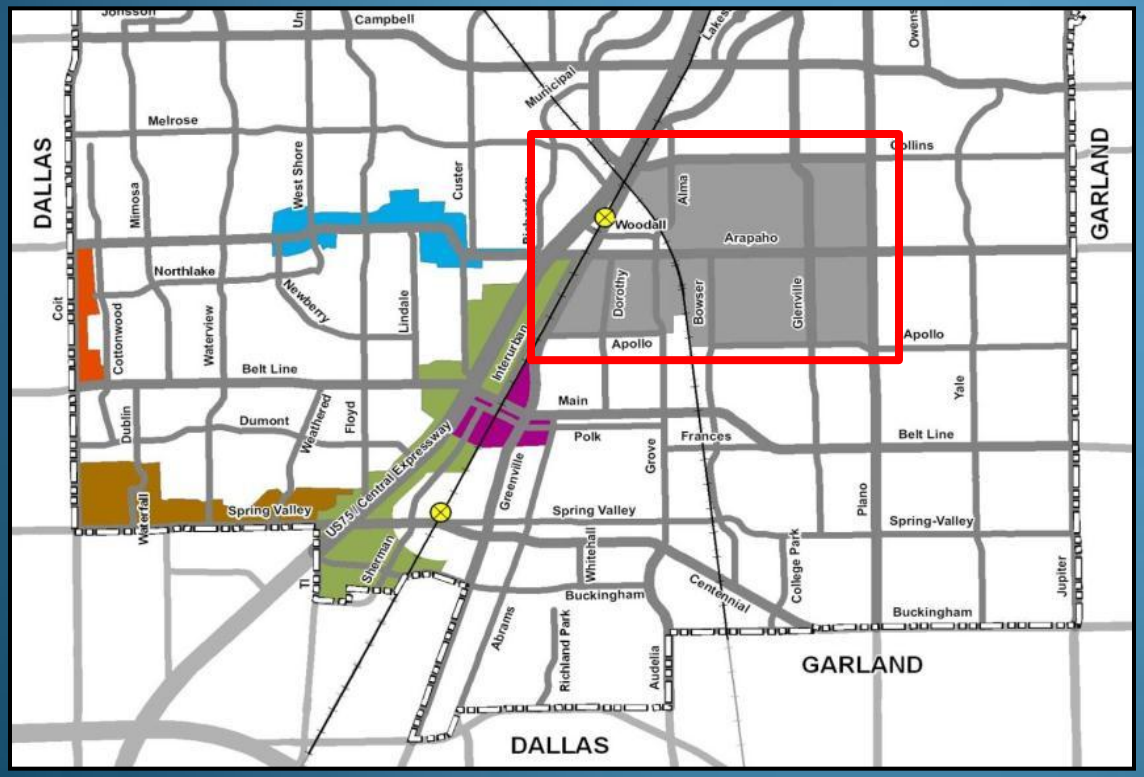
Arapaho/Collins

Presentation Outline

- Comprehensive Plan
- Study area boundaries
- Existing conditions
- Flex space
- Purpose
- Consultant team
- Study approach and schedule
- Discussion

Arapaho/Collins
Comprehensive Plan

- West Spring Valley (complete)
- Old Town/Main Street (*underway*)
- Central (*underway*)
- East Arapaho/Collins *(underway)*
- West Arapaho
- Coit



Reflect the challenges of a first-tier suburb—aging development and infrastructure; under-performing properties; evolving demographics

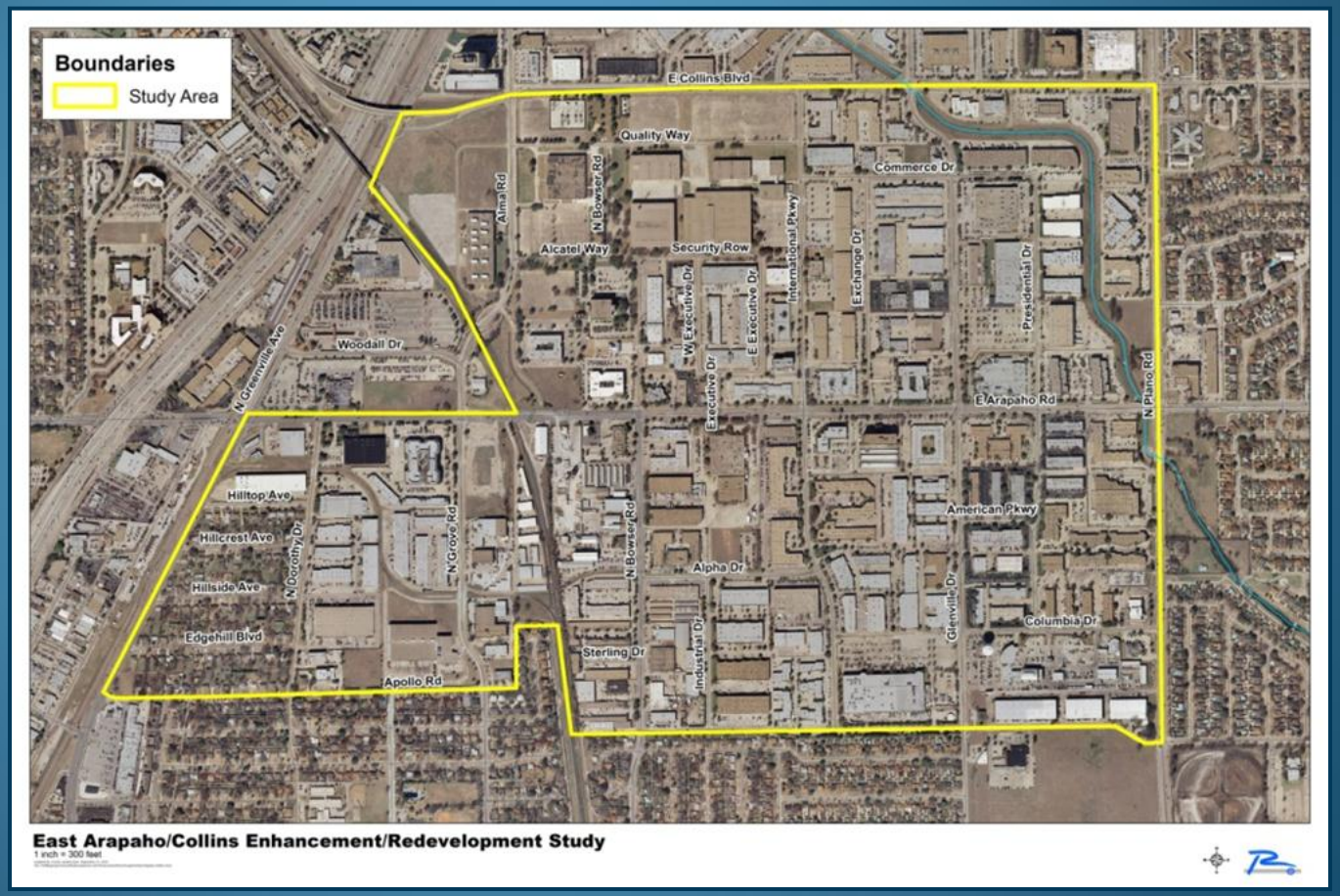
Reinvestment, redevelopment encouraged after further, detailed study to determine redevelopment potential

Arapaho/Collins

Study Area Boundaries - Comprehensive Plan

- West: Greenville Avenue (generally)
- North: Collins Boulevard
- East: Plano Road
- South: Apollo Road

- 699 acres
- 299 parcels



Purpose of the Study

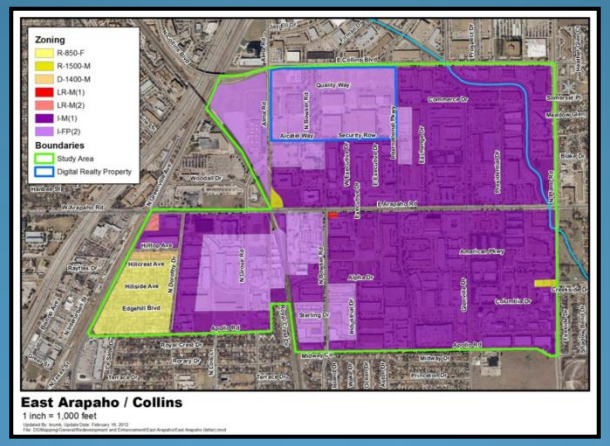
- Develop a strategy for addressing the underperforming flex space in the study area
- Use the resources of
  - City
  - Richardson Economic Development Partnership
  - Consultants
  - Stakeholders
    - Key Informants
      - Property owners
      - Real estate brokers
      - Business owners/representatives
      - Chamber
      - UTD
      - DART
    - Community

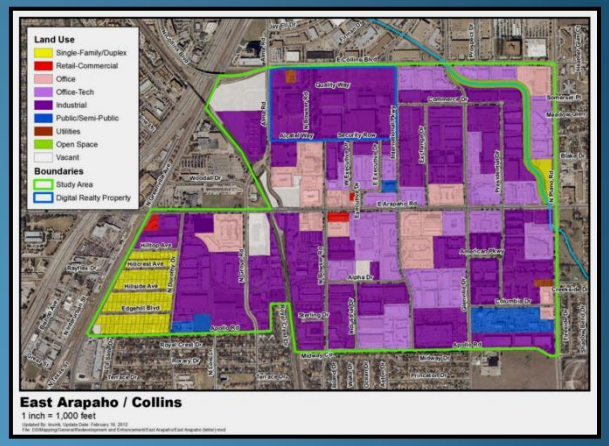
Arapaho/Collins
Flex Space

- Definition:
  - Flexible/versatile in design to allow for a variety of office, research and development, quasi-retail sales, industrial processing, high tech (or combinations) in a single space
- Building characteristics :
  - One or two story height
  - Some percentage of space (usually at least half) designed for office layout
  - Ceiling heights of up to 16 feet (to allow for racking of inventory; ceilings can be dropped for office users)
  - Overhead door delivery options (grade level, dock high)

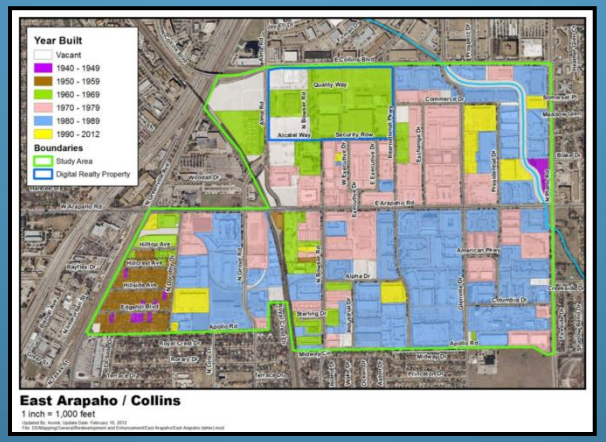
Arapaho/Collins
Existing Conditions

- 86% zoned Industrial
- 75% used for industrial, office tech; 10% used for office





- 81% of improvements built 1970-1989
- No construction 2000-2009
- Since 2010, new construction/uses include data centers, call centers



Arapaho/Collins
Study Approach

- Baseline Market Analysis
  - Confirm study area boundaries
  - Obtain input and local market insight from key informants
  - Provide a preliminary assessment of land use, traffic/ transportation and infrastructure
  - Identify sites susceptible to change
- Identify the market potential and opportunities/constraints of the study area

Arapaho/Collins
Tentative Schedule

Task	Approximate Schedule
✓ Inventory existing conditions	February-March 2012
✓ Select and hire consultant	July-August 2012
✓ Key informant interviews	September-October 2012
✓ Evaluate baseline market data	November-December 2012
• Present baseline market report	January-February 2013
• Create reinvestment/ redevelopment strategy and implementation plan	2013
• Begin implementation	2013

SB Friedman Development Advisors

HDR

East Arapaho/Collins Redevelopment Study

VISION | ECONOMICS | STRATEGY | FINANCE | IMPLEMENTATION

Our Team

SB Friedman
Development Advisors

- **Steve Friedman**, AICP, CRE, President- *Project Director*
- **Ranadip Bose**, AICP, Senior Project Manager- *Project Manager*
- **Fran Lefor**, Associate Project Manager- *Market Analysis*

HDR

- **Doug Bisson**, AICP, Vice President- *Urban Designer and Planner*
- **Troy Henningson**, Land Planner
- **Jordan Everhart**, Community and Transportation Planner

Project Outline

1 Existing Conditions

- Connectivity, Infrastructure and Building Characteristics
- Challenges to Marketability

2 Market Potential

- Supply Analysis
  - Modern Flex
  - Value Office
  - Class A Office
  - Data Centers
- Demand Analysis
  - Modern Flex
  - Value Office

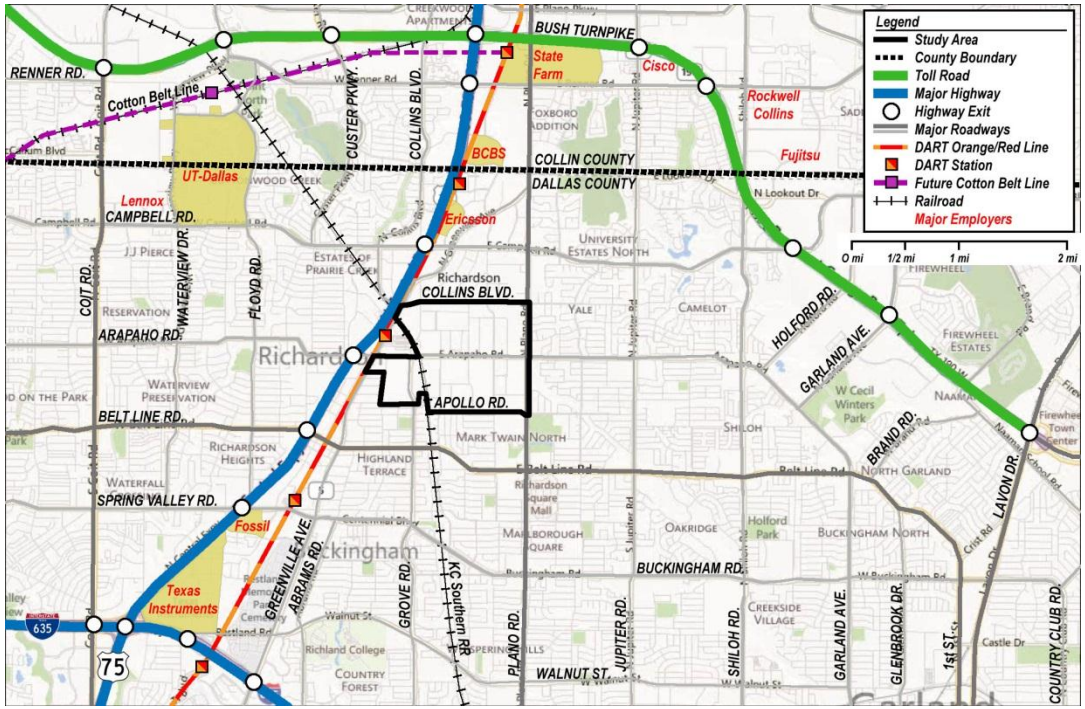
3 Preliminary Economics of Redevelopment

4 Redevelopment Assets, Challenges and Potential Strategies

1. Existing Conditions:

Connectivity, Infrastructure and Building Characteristics

Regional Context and Connectivity



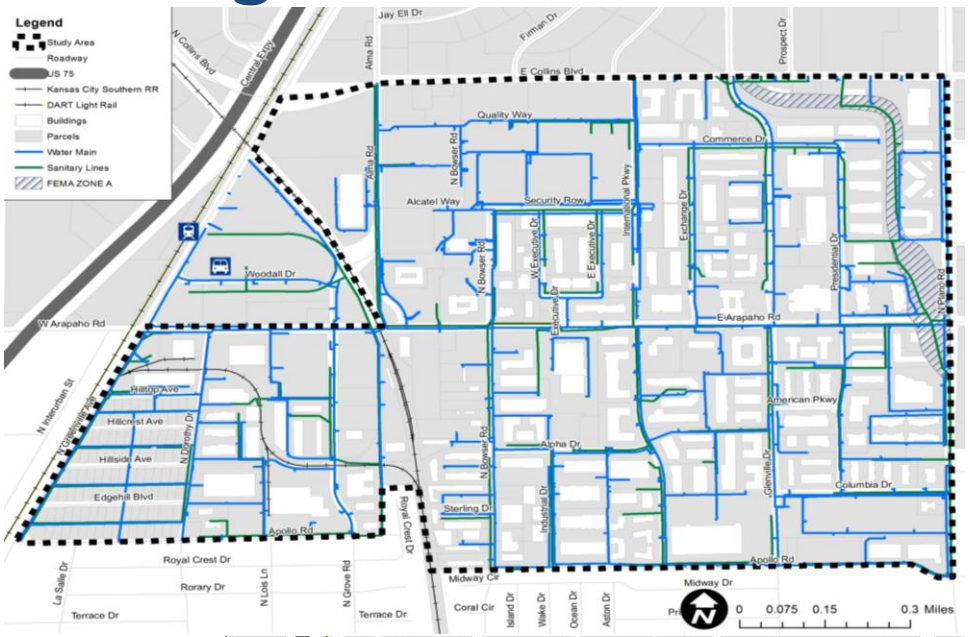
- Good Regional Transportation Connections
- Near UTD and Major Employers
- Strong Transportation Network
  - Public Transit – Rail and Buses
  - Arterial Streets
  - Generally Pedestrian Friendly

Public Transit

Roadway

Pedestrian & Bicycle

Existing Infrastructure



Water and Wastewater

- Meets capacity
- Large new buildings may require installation of booster pumps to meet water pressure demands

Stormwater and Environmental

- Some stormwater lines at capacity
- No known hazardous waste spills or contamination
- Soil bearing capacities adequate

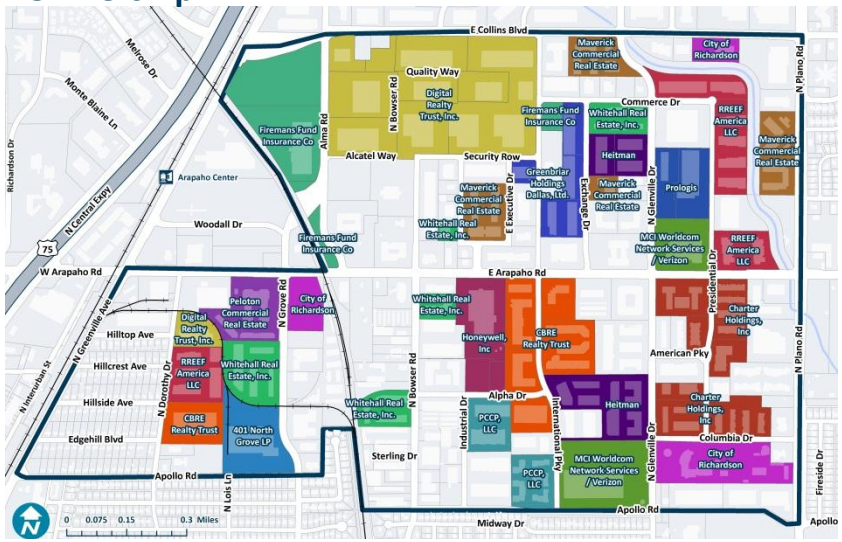
Building Use, Ownership, Vacancy

Building Use

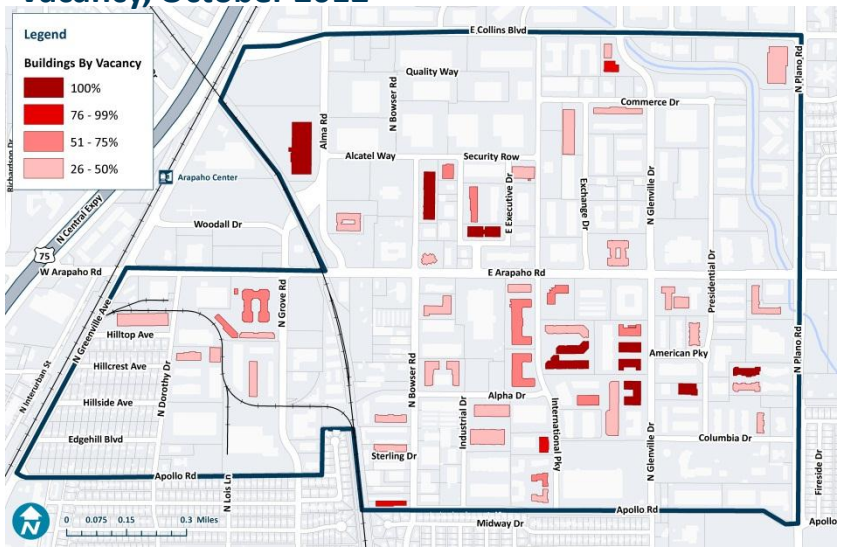
Product	Rentable SF	Vacant SF (3Q 2012)	Vacancy Rate
Flex	3,870,300	932,400	24%
Industrial	2,703,200	398,100	15%
Office	1,207,700	297,600	25%
All Product [1]	**7,781,300**	**1,628,100**	**21%**

FLEX: Versatile space. May be used for office, R&D, quasi-retail sales, light manufacturing. CoStar flex definition: > 50% of spaced used for office.

Ownership [2]

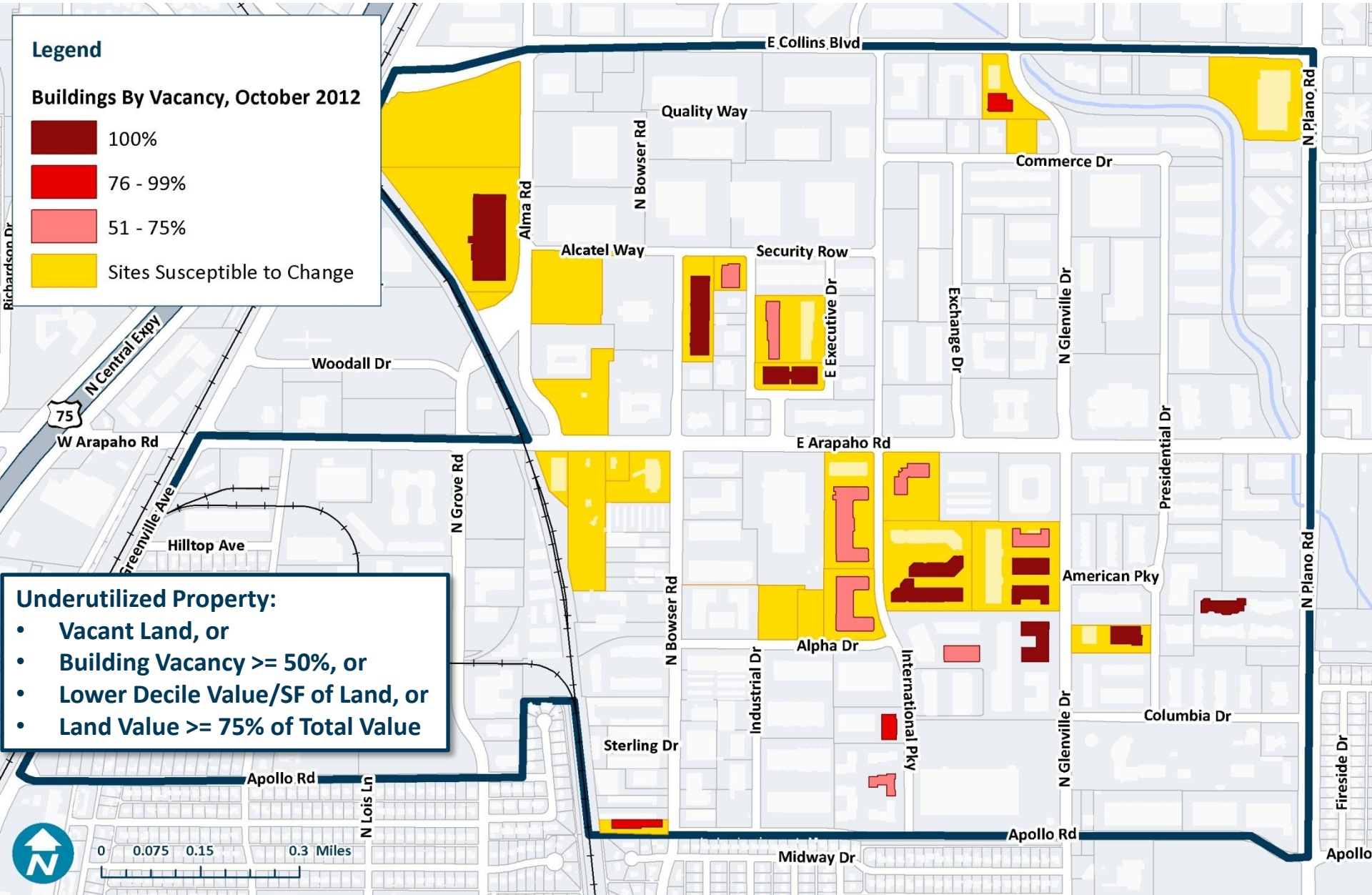


Vacancy, October 2012



[1] Excluding Digital Realty data centers. [2] Displaying only owners with 10 or more acres of property in Study Area. Owners identified through CoStar and Appraisal District data and refined through broker interviews. Source: CoStar, Richardson Chamber of Commerce, Appraisal District, broker interviews, *SB Friedman*.

Sites Susceptible to Change



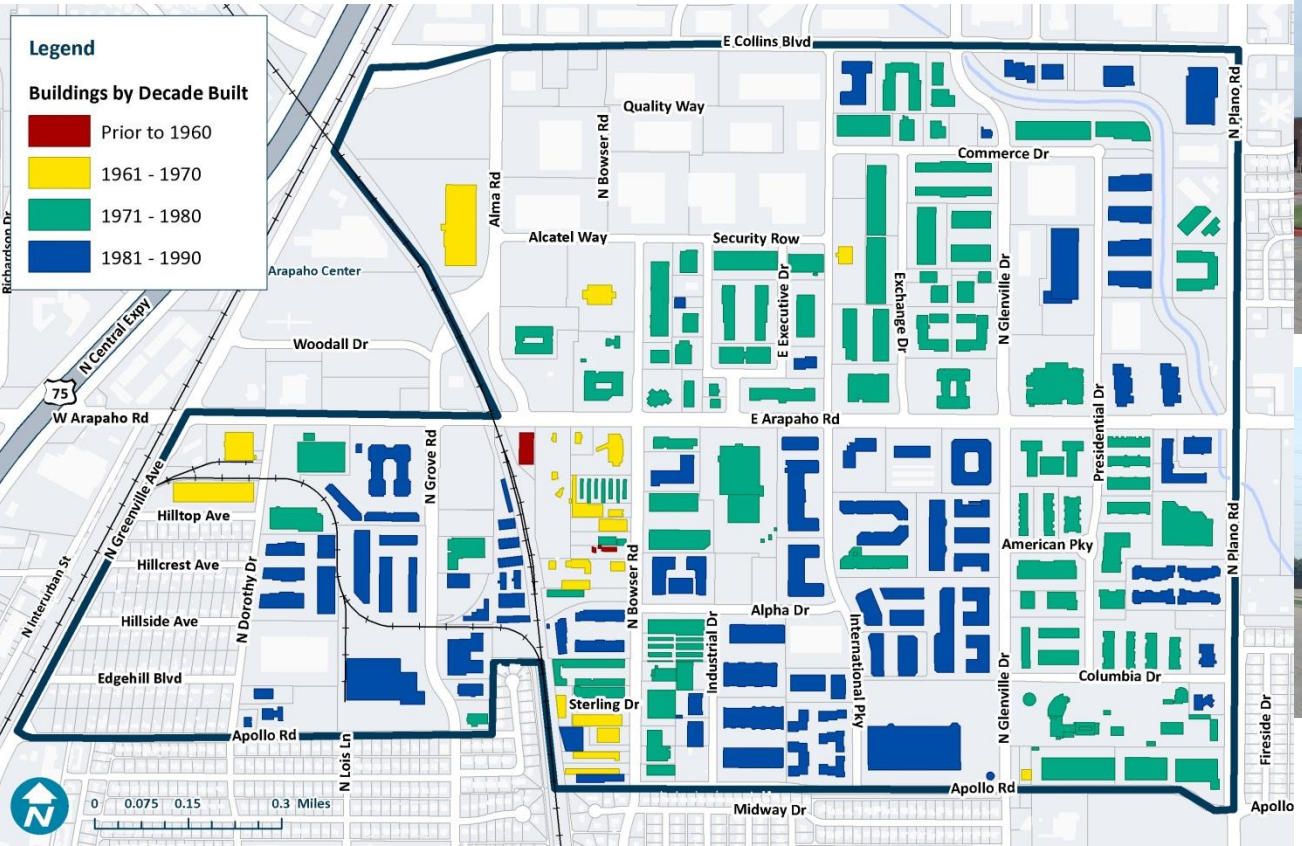
Underutilized Property:

- Vacant Land, or
- Building Vacancy >= 50%, or
- Lower Decile Value/SF of Land, or
- Land Value >= 75% of Total Value

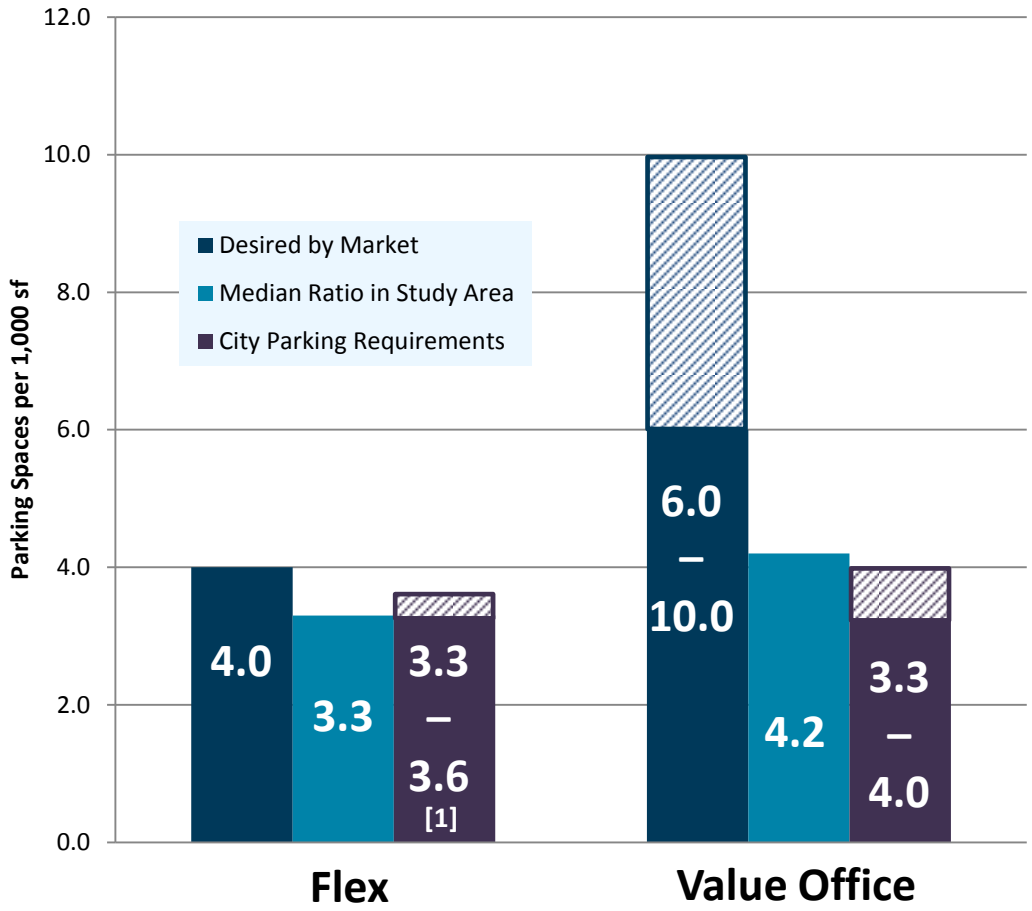
1. Existing Conditions:
Challenges to Marketability

Perception of Obsolescence

- Many buildings appear dated and obsolete
- Over 50% built before 1980
- Median flex building is 32 years old



Low Parking Ratios



City Parking Requirements

Minimum Number of Spaces per 1,000 sf by Use

Assembly / Manufacturing / Research Lab	2.5
Showroom / Warehouse	1.0
Office (75,000+ sf)	3.3
Office (Below 75,000 sf)	4.0

Greater than 70% of space in the Study Area *does not meet* parking ratio desired by tenants

- 72% of flex space
- 78% of value office

[1] Flex space is estimated to be 50-75% office with assembly, manufacturing, and research labs occupying the remaining space

Source: CoStar, Richardson Chamber of Commerce, broker and developer interviews, *SB Friedman*.

Greenspace Comparison

PLANO
- Parking/drives prohibited between building and street
- Design overlay district
  - Minimum tree count/sf of street frontage, parking space
  - More stringent landscaping requirements

	ROW Width	Sidewalks	Total Greenspace	Avg. Greenspace Depth	Avg. Bldg. Setback
COMPARISON	110'	One Side	3.26 Acres	41'	62'
	104'	Both Sides	1.85 Acres	22'	65'

RICHARDSON
- Similar setbacks, but parking lots front on streets
- No greenspace required on street frontage
- Less stringent landscaping for parking areas (properties developed under older codes)

Availability of Lower-Cost, High-Speed Internet

AT&T
- Primary provider for Study Area
- Availability of services tested at 5 locations [1]

TIME WARNER
- Serves Richardson
- Study Area is "off network" – > 1 mi. from nearest connection

VERIZON
- Not available here
- FiOS service in Plano, other cities

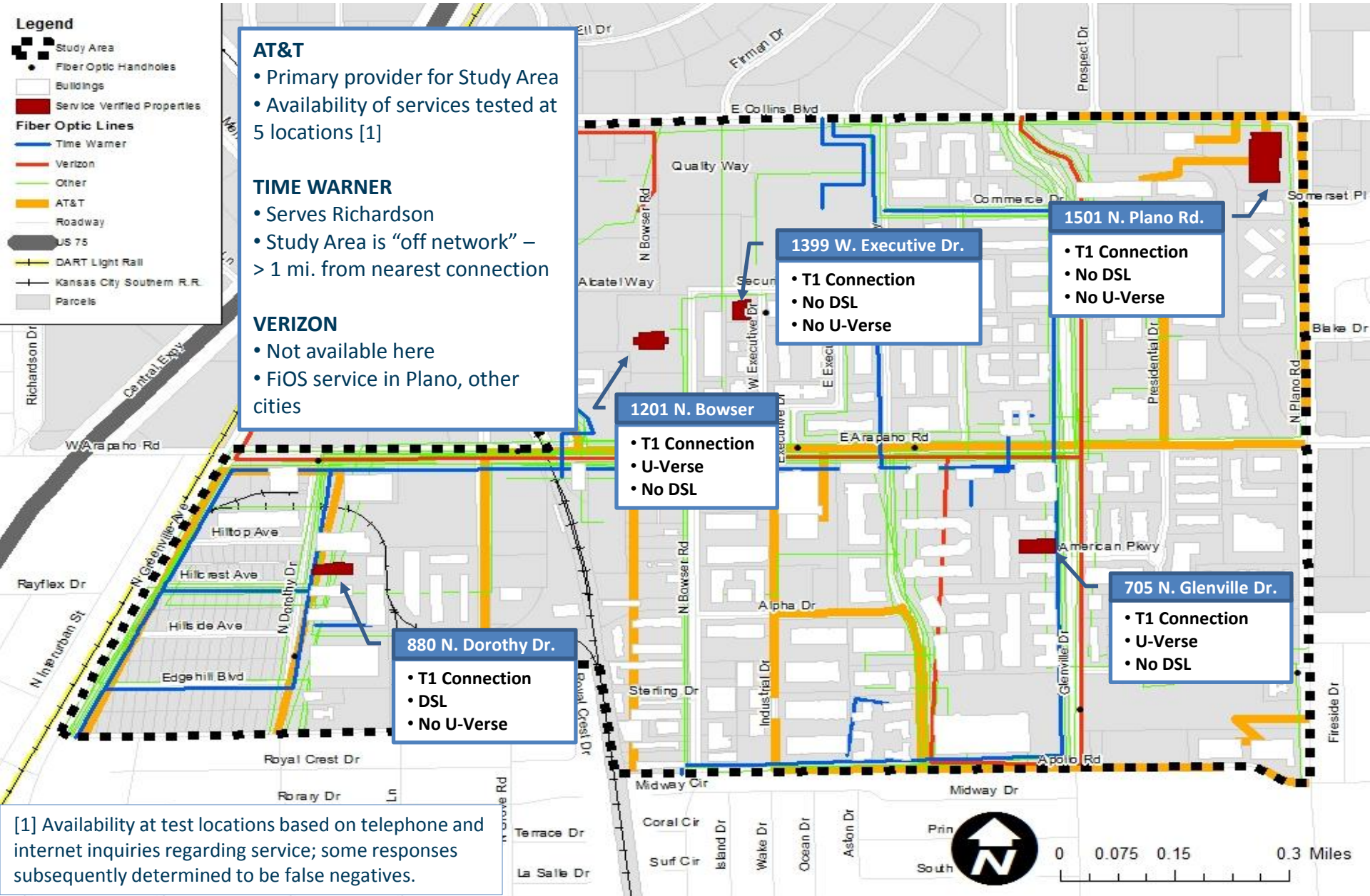
1399 W. Executive Dr.
- T1 Connection
- No DSL
- No U-Verse

1501 N. Plano Rd.
- T1 Connection
- No DSL
- No U-Verse

1201 N. Bowser
- T1 Connection
- U-Verse
- No DSL

880 N. Dorothy Dr.
- T1 Connection
- DSL
- No U-Verse

705 N. Glenville Dr.
- T1 Connection
- U-Verse
- No DSL



[1] Availability at test locations based on telephone and internet inquiries regarding service; some responses subsequently determined to be false negatives.

Existing Conditions Conclusions

- Good connectivity and access via highways and public transit
- Existing infrastructure generally sufficient
- Perception of obsolescence due to older building stock
- Lower parking ratios and greenspace than competitive parks
- Lower-cost internet availability problematic for smaller users
- Clustered vacancy and institutional ownership present redevelopment opportunities and challenges

2. Market Potential

Supply Analysis

Real Estate Products Tested

Modern Flex

Value Office

Class A Office

Data Centers

2. Market Potential

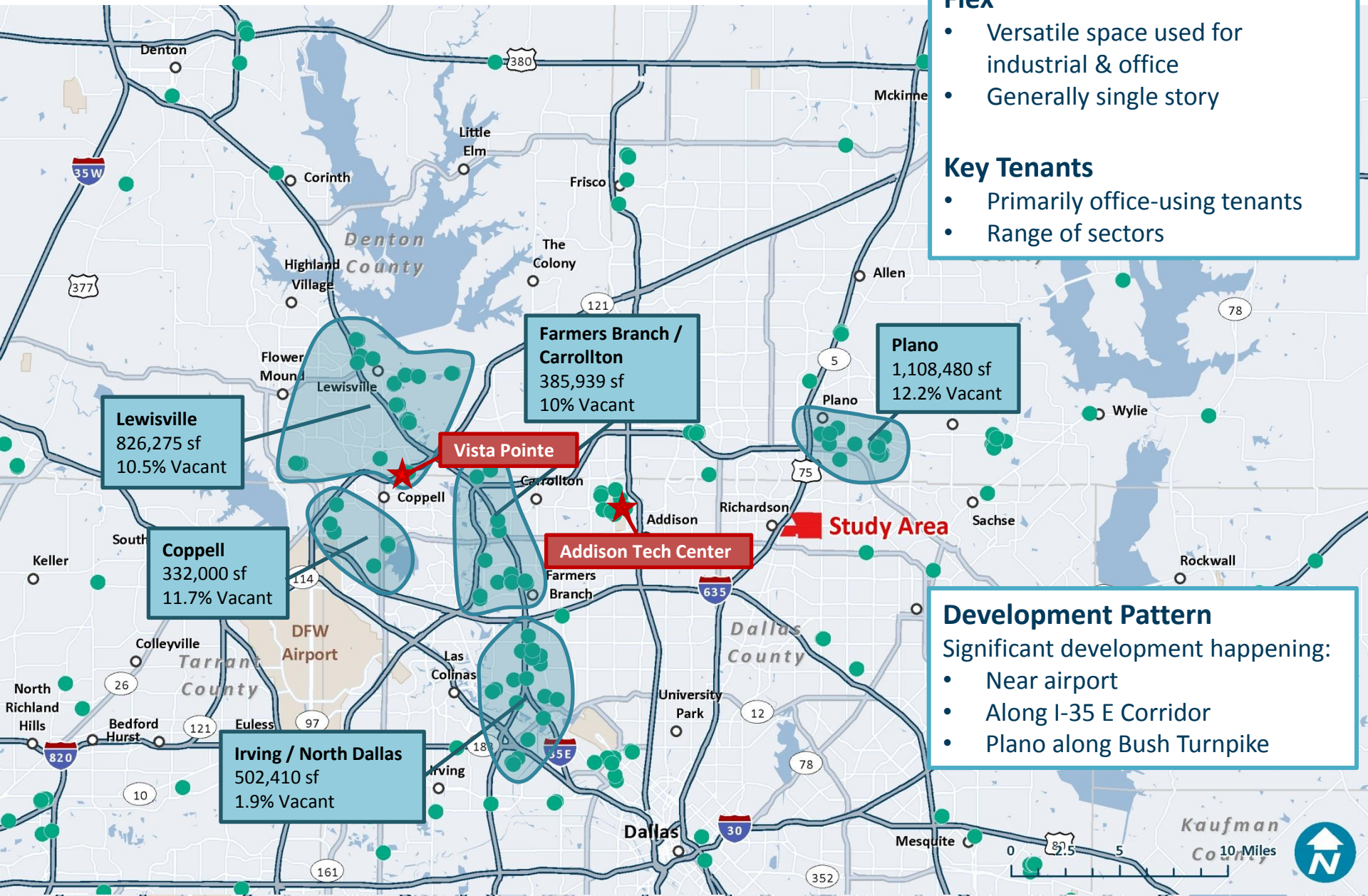
Supply Analysis: Modern Flex

Comparative Analysis of Flex Submarkets

	Study Area [1]	Rest of Richardson	Plano	Carrollton / Addison
Total Rentable Building Area (RBA)	3,870,331	5,367,376	5,111,511	10,787,937
Vacancy (Q3 2012)	24%	19%	16%	15%
Average Annual Absorption (square feet - sf) 10 Years	(55,829)	53,225	54,418	42,947
New Construction (sf) 10 Years	0	226,160	357,717	326,786
Capture of New Flex Development in Metroplex 10 Years	0.0%	3.5%	5.5%	5.0%

Source: CoStar, Richardson Chamber of Commerce, *SB Friedman*
[1] Excluding Digital Realty data center buildings.

New Flex Product (2002-2012)



Flex

- Versatile space used for industrial & office
- Generally single story

Key Tenants

- Primarily office-using tenants
- Range of sectors

Development Pattern

Significant development happening:

- Near airport
- Along I-35 E Corridor
- Plano along Bush Turnpike

Comparative Analysis of Flex

	Study Area Flex	Vista Pointe	Addison Tech Center
Year Built	n/a	2000-2007	2001
Total RBA	n/a	288,200	228,400
Vacancy (3Q 2012)	24%	10%	5.2%
Median Floorplate (sf)	26,100	30,200	45,600
Median Parking Ratio	3.3	4.0	4.5
Avg. Weighted Rent	$8.42	$11.00	$9.75

Vista Pointe

Addison Tech Center

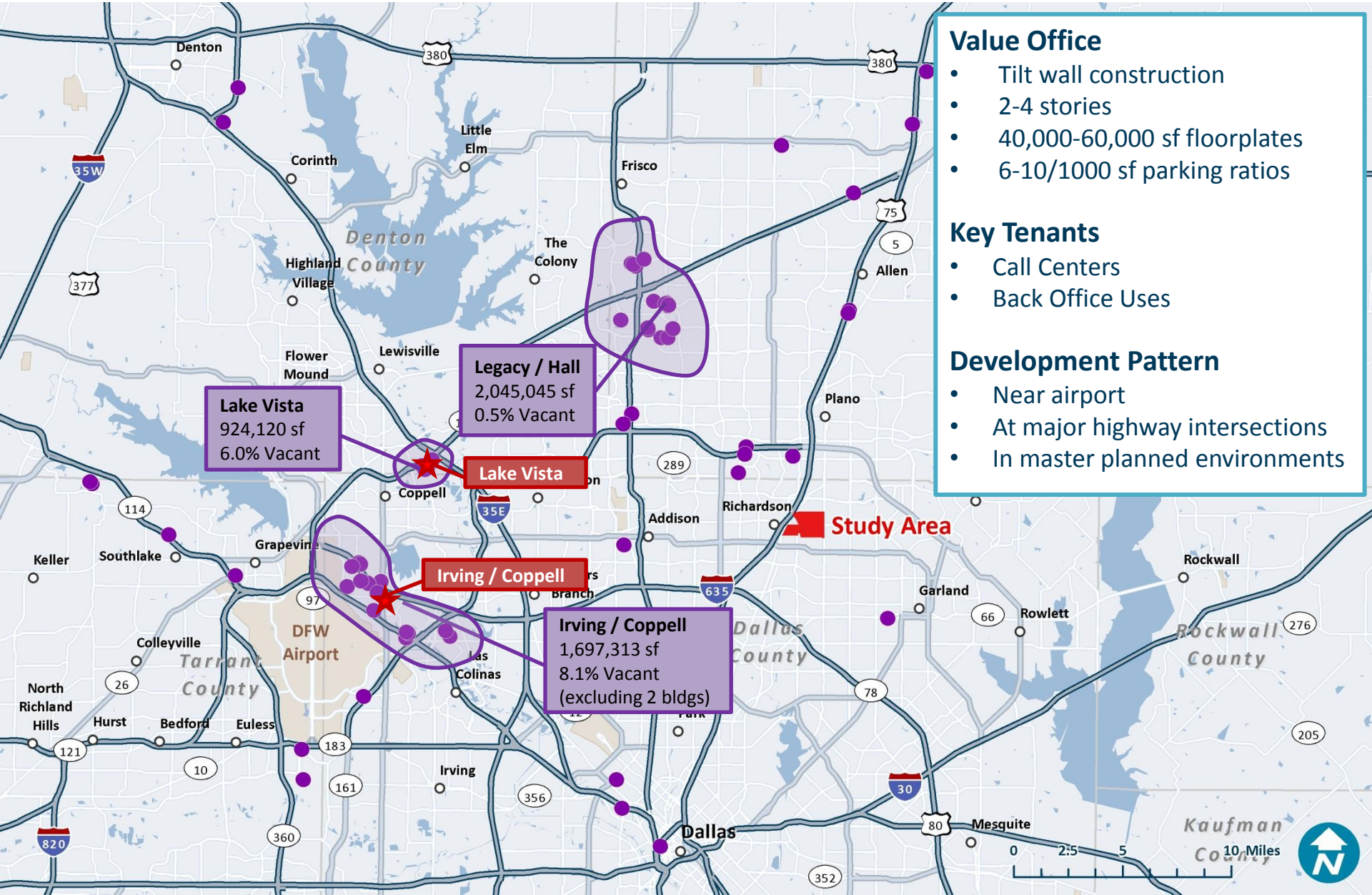
Key Differences in New Flex Product:
- Parking ratios of 4+/1000 sf
- Larger floorplates
- Higher ceilings
- Modern facilities

Source: Jackson Shaw, Bing, SB Friedman

2. Market Potential

Supply Analysis: Value Office

New Value Office (2002-2012)



Value Office

- Tilt wall construction
- 2-4 stories
- 40,000-60,000 sf floorplates
- 6-10/1000 sf parking ratios

Key Tenants

- Call Centers
- Back Office Uses

Development Pattern

- Near airport
- At major highway intersections
- In master planned environments

Comparative Analysis of Value Office

	Study Area Office [1]	Lake Vista	Irving / Coppell
Year Built	n/a	2001-2008	2003-2009
Total RBA	742,136	924,120	1,697,303
Vacancy (3Q 2012)	29% [2]	6.0%	8.1%[3]
Median RBA (sf)	57,200	122,000	112,250
Median Floorplate (sf)	23,600	61,000	38,400
Median Floor Area Ratio (FAR)	0.34	0.28	0.27
Median Parking Ratio	4.2	6.0	6.0
Avg. Wtd. Rent	$12.61	$20.00	$18.95

Key Differences in New Value Office:
- Parking ratios of 6+/1000 sf
- Larger floorplates
- Adjacent to retail and restaurants
- Often in master planned developments

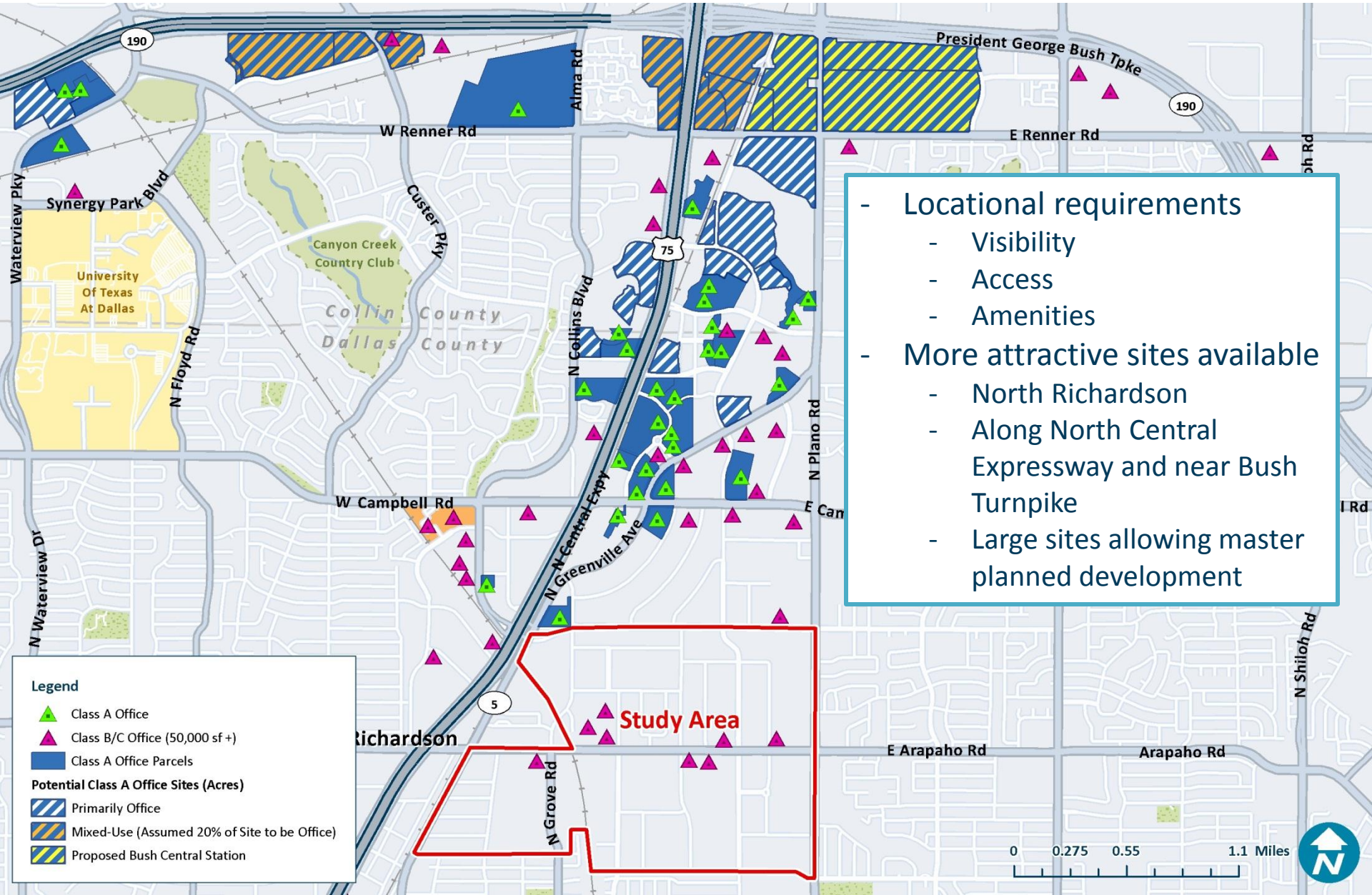
Source: CoStar, Richardson Chamber of Commerce, InfoUSA, Holt Lunsford Commercial, *SB Friedman*

[1] 2-4 stories
[2] Without Peloton building; 45% with Peloton
[3] Excludes two 100% vacant buildings

2. Market Potential

Supply Analysis: Class A Office

Potential Class A Office Sites



- Locational requirements
  - Visibility
  - Access
  - Amenities
- More attractive sites available
  - North Richardson
  - Along North Central Expressway and near Bush Turnpike
  - Large sites allowing master planned development

Class A Office Alternative Sites Analysis

Richardson Alternative Sites Analysis	
Median FAR of Existing Class A Office	0.59
Potential Class A Office Development [1]	
Primarily Office Sites	214 acres
Mixed-Use Sites (assumed 20% office)	155 acres
Total Potential Class A Office sf [2]	7,187,000
Avg. Annual Square Footage Delivered (last 20 years)	341,000
Years of Class A Development Capacity at Available Richardson Sites	21

[1] Based on current zoning and assuming 20% Class A office for mixed-use developments.
[2] Based on proposed 1.5 million sf at Bush Central Station and Median FAR for remaining parcels.

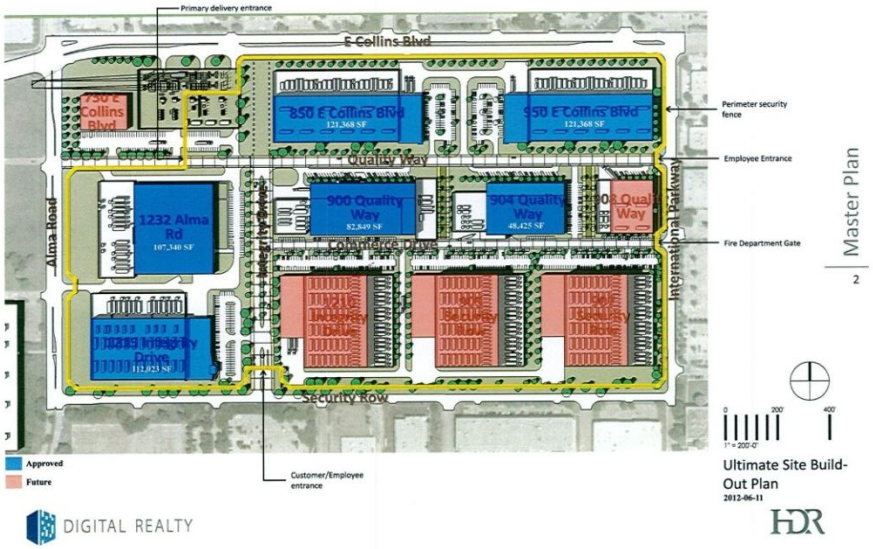
Source: CoStar, Dallas and Collins County Assessment Data, SB Friedman

2. Market Potential

Supply Analysis: Data Centers

Data Centers – Location Dynamics

- Location Requirements
  - Reliable, adequate and relatively inexpensive electricity
  - High fiber density with access to multiple carriers
  - Urban location/proximity to large metro areas
  - Low probability for natural disaster



- Richardson Appears to Meet All Location Requirements, but so do Other Locations in Metroplex
  - Power access and capacity is critical – dedicated substations preferred
  - Buildings must be able to withstand high wind speeds, so not all buildings can be retrofitted
  - Few developers want to assemble multiple parcels or do one-off buildings, so assembled sites are attractive (e.g., Digital Realty Trust purchased former Alcatel site)

Source: Interviews with Experts, Digital Realty Trust, SB Friedman

2. Market Potential

Demand Analysis

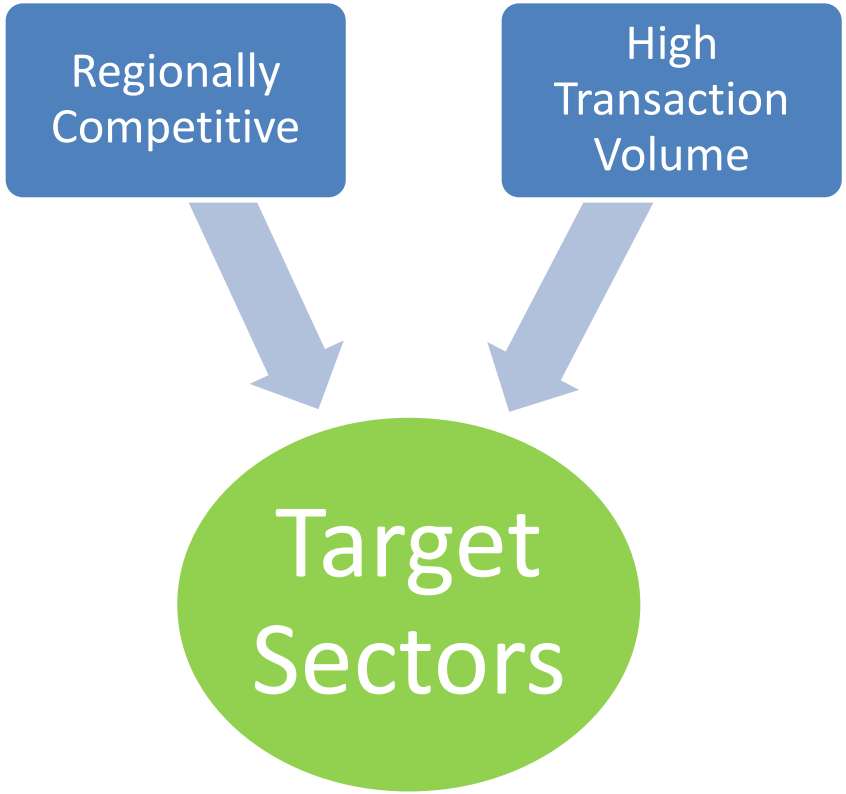
Tenant and Sector Analysis

Modern Flex

Value Office

Demand Analysis – Flex and Value Office

- Highly concentrated in region
- Outperforming national economy
- High employment growth
- Likely to be located in flex and value office space



- Sectors with greatest share of flex and value office transactions in last 5 years

FLEX	VALUE OFFICE
High Tech Manufacturing	Finance and Insurance
IT – Computer Systems Design	Professional Services
Merchant Wholesalers	Administrative and Support

Tenant Profiles

Modern Flex

- Smaller tenants
  - 75 percent lease less than 13,250 sf

Value Office

- Larger tenants
  - More employees
  - Lease entire buildings or larger spaces
- Headquarter firms tend to prefer:
  - DFW airport proximity
  - Concentrated retail and restaurant amenities
  - Campus-like environments

Flex tenants who have moved in past 5 years in NE Dallas submarket. Value office tenants in competitive new value office developments.
Source: CoStar, Richardson Chamber of Commerce, Google, Bing, SB Friedman

Market Analysis Conclusions for Study Area

Modern Flex

- More office-like tenants
- High-tech with light manufacturing/distribution
- Smaller multi-tenant spaces
- Parking ratios of 4+/1000 sf

Value Office

- Back office, call centers in high-growth sectors
- Need retail amenities and business support services
- Parking ratios of 6+/1000 sf

Data Centers

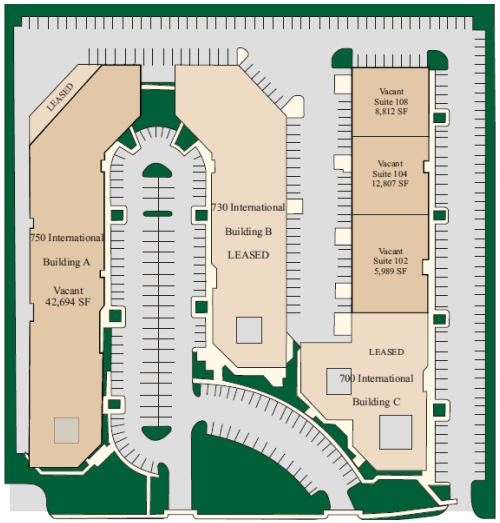
- Meet basic location criteria
- Power access and capacity is critical
- “Wild Card” use

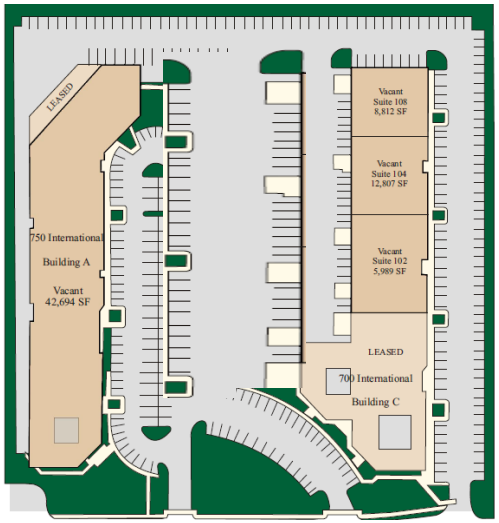
Class A Office

- Other better Richardson sites can absorb demand for many years

3. Preliminary Economics of Redevelopment

Redevelopment/Rehabilitation





Existing Layout

Building Area Acquired (sf): 126,645

Purchase Price/sf Building: $25

Asking Study Area Rents: up to $9.50/sf

Layout After One Building Demolished to Provide Additional Parking

Building Area Available (sf): 92,816

Purchase Price/Remaining sf Building: $34

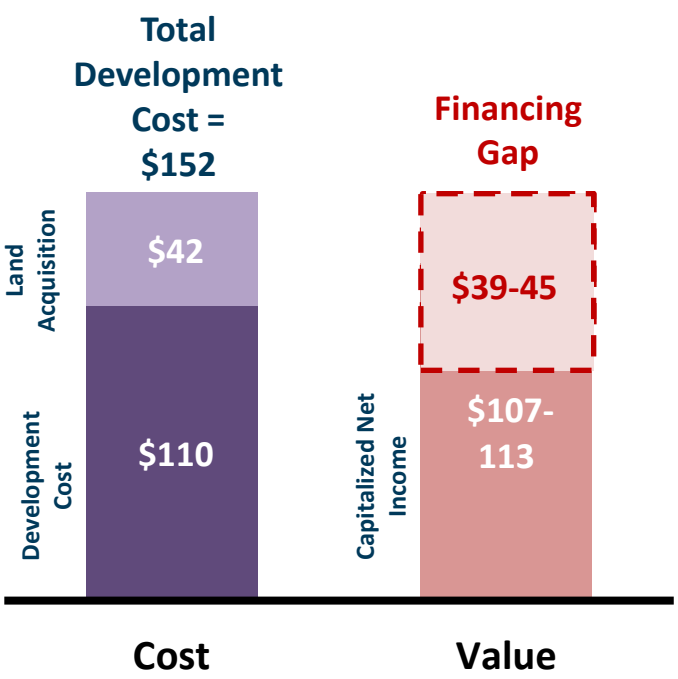
Required Rents to Cover Costs of Rehabilitation: $9 - 10.50/sf

Rehab may be Economically Feasible, Depending on Extent of Required Tenant Improvements

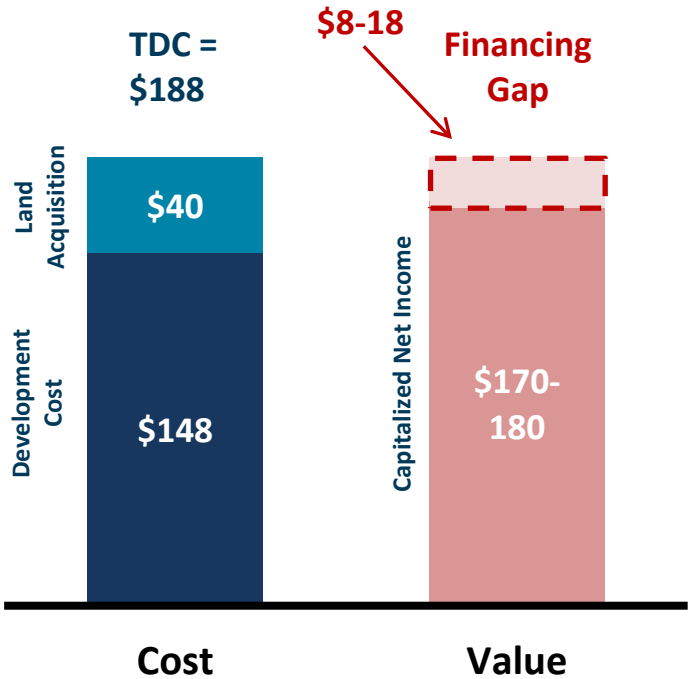
Source: Broker and Developer Interviews, *SB Friedman*

New Construction

Modern Flex



Value Office



- High Acquisition Costs Drive Financing Gap for New Construction
- Modern Flex Likely to be Difficult Economically
- Value Office Appears to Have Greater Feasibility

Preliminary Conclusions

- High Acquisition Cost Results in Financing Gap
- Within Striking Distance of Feasibility
  - Rehabilitation: Garden office, flex, value office buildings
  - New construction: Value office buildings

4. Redevelopment Assets, Challenges and Potential Strategies

Redevelopment Assets

- Access to regional labor force via mass transit and regional roadways
- Proximity to UTD and major employers
- Existing high-tech manufacturing and IT economic base
- Relatively lower-cost space available
- Basic infrastructure in place
- City of Richardson and Chamber business-friendly attitudes

Redevelopment Challenges

- Attractiveness to Potential Tenants
  - More smaller tenants in need of multitenant space and low-cost, high-speed internet
  - More office users with higher parking needs
  - Lack of curb appeal compared to alternatives
- Redevelopment Challenges
  - Airport and master planned developments have greater market appeal
  - Economics challenging compared to greenfield development
- Ownership Expectations
  - Effective current value of buildings lower than owner expectations, limiting potential for transfers of property
  - Institutional owners *appear* reluctant to:
    - Write down value of investment properties
    - Respond to small tenant market

Potential Redevelopment Strategies

Maintain and Strengthen Linkage to UTD

- Maintain Dialogue with UTD
- Explore Opportunities to Attract UTD Incubator "Graduates" to Study Area

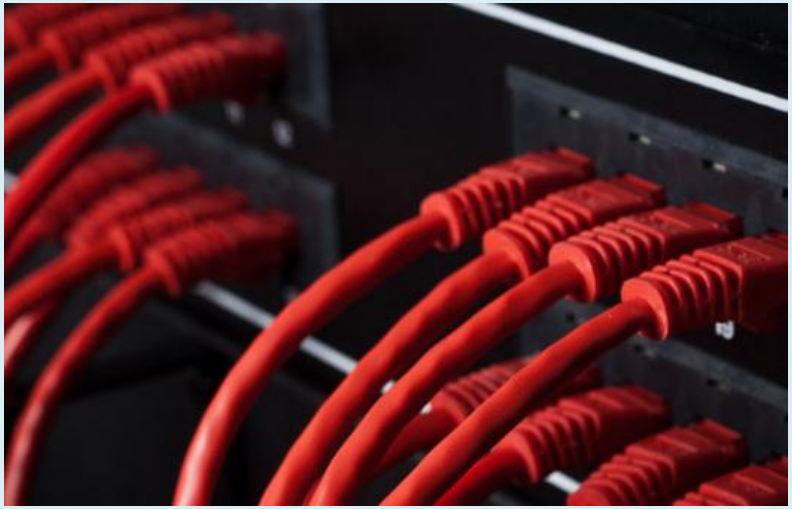
University of Iowa Research Park Coralville, Iowa

- Technology Innovation Center (collaborative space for tech ventures)
- BioVentures Center (wet lab, R&D incubator)
- Research Park supported with TIF, direct business assistance from City

Source: UIRP

Improve Internet Service

- Ensure Basic Lower-Cost Internet Service is Available for Small Users
- Explore Opportunities to Enhance Internet Network

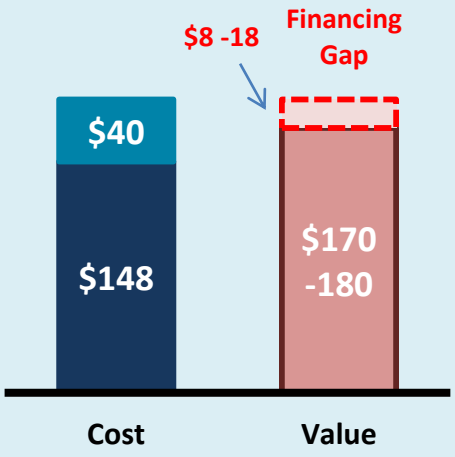


Targeted Redevelopment of Opportunity Sites

- Identify Potential Rehab/Redevelopment Projects
- Create and Test Development Concepts
- Conduct More Detailed Analysis on Financial Gap Associated with Rehab/Redevelopment

Identify Strategic Redevelopment Parcels

Preliminary Economics of Value Office Development



Consider Establishing City Financial Assistance Program for Building Rehab and New Development

- Explore Available Tools for Financial Gap Assistance
- Define Program and Criteria for Use of Incentives in Study Area

Building partnerships Growing Milwaukee

- TIF; Second Mortgage Program; Façade Grants; Milwaukee Energy Efficiency (ME^2) Program; Retail Investment Fund
- TIF Performance Criteria:
  - Underwriting based on demonstrated financing gap
  - Job creation/retention
  - Disadvantaged contractor participation
  - Design review
  - Sustainability

Attract Support Services and Amenities

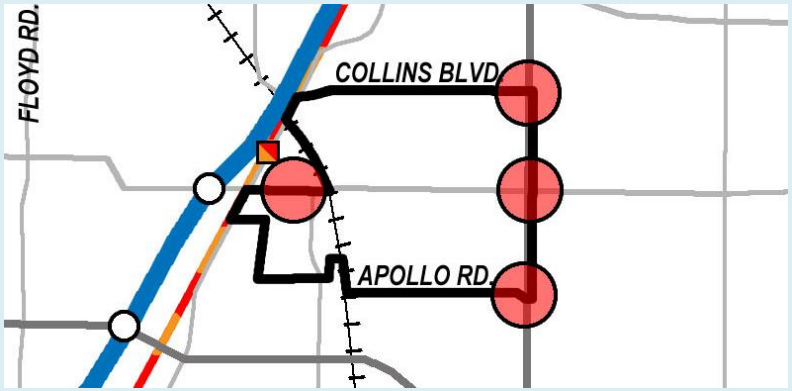
- Identify Appropriate Sites
  - High traffic volume
  - Accessible and visible
- Estimate Latent Demand Potential for Businesses and Employees in Study Area
- Work with Property Owners and Brokers to Develop Marketing Materials to Attract:
  - Restaurants
  - In-line retail
  - Business support services

Source: CoStar

Enhance Curb Appeal – Public Improvement Program

- Identify and Design Gateway Opportunities, Landscaping, Streetscaping Amenities
- Identify Public Financing Sources for Streetscape Enhancements
- Enhance Arapaho Road Streetscape

Potential gateway locations



Enhanced landscaping in center median

Enhance Curb Appeal – Design Guidelines for Private Improvements

- Create Design Guidelines or an Overlay District
- Apply New Regulations to Building Rehabilitations, Redevelopment and New Development

Buildings addressing the street, parking behind, pedestrian enhancements, etc.

Long term strategy to improve functionality and enhance curb appeal

Consider Re-Branding Study Area

- Explore New Branding Opportunities as Other Strategies are Implemented
- Create an Identity for the District
- Implement a Branding and Marketing Campaign through the City, Chamber, Brokerage Community, etc.

Gateway and identification signage, lighting, banners

Arapaho/Collins

Consultant Recommendations

- Maintain and strengthen linkage to UTD
- Improve internet service
- Further analyze opportunity sites
- Consider establishing a financial assistance program for rehab/new development
- Attract support services/amenities
- Enhance curb appeal
  - Public improvements
  - Guidelines and standards for private improvements
- Re-brand/(Brand) the Study Area

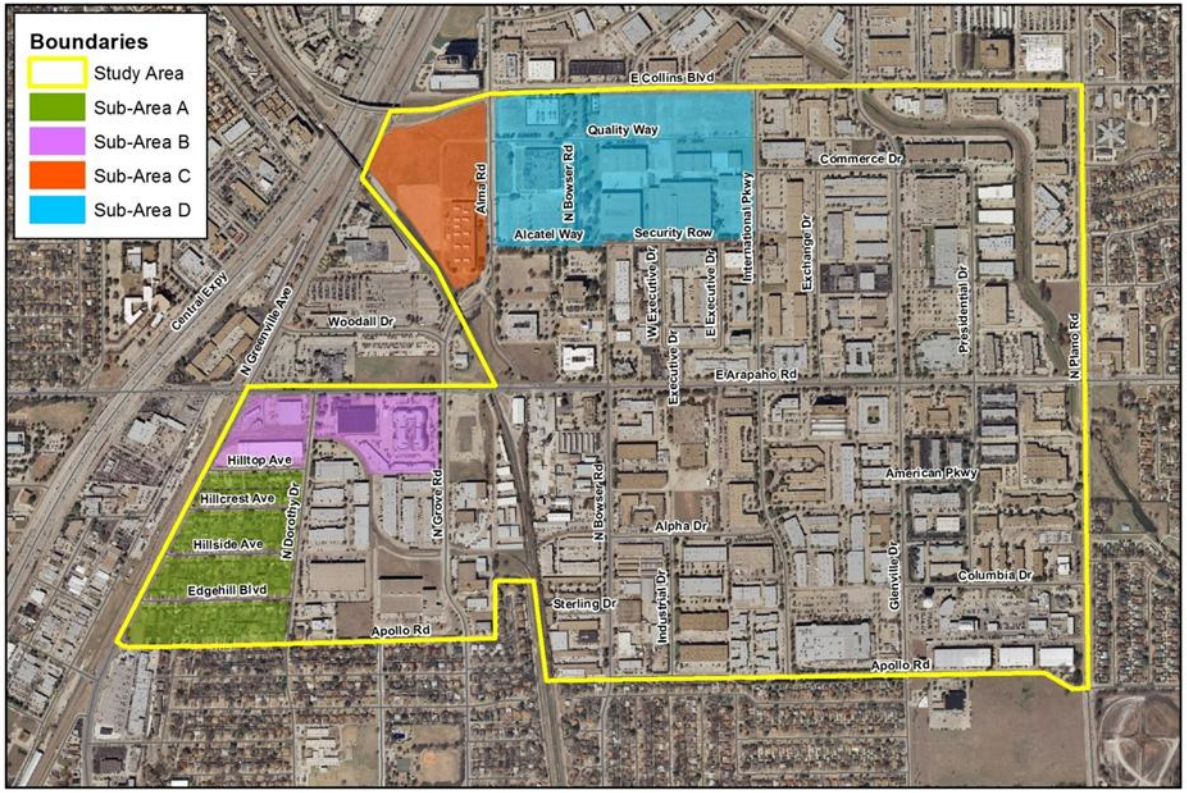
Staff Recommendation (consultants agree)

- Revise Study Area boundaries

Arapaho/Collins
Revised Study Area Boundaries

- Delete Sub-Areas A, B, C, D

- A – Unlike the remainder of the Study Area
- B and C – Study in the context of TOD
- D – Already under redevelopment



East Arapaho/Collins Enhancement/Redevelopment Study

1 inch = 1,000 feet

Updated By: krumk, Update Date: January 30, 2013
File: DS/Mapping/General/Redevelopment and Enhancement/East Arapaho/East Arapaho (letter).mxd

Arapaho/Collins

Possible Future Study/Work Elements

- Establish a means/vehicle for working with UTD on issues of mutual interest regarding this project
- Determine what actions, if any, the City can take to address the internet issue
- Select and refine preferred plans and catalyst site concepts, including a financial analysis
- Review codes and ordinances and make recommendations (revising regulations will be a separate step)
- Create a plan for improving the identity of the Study Area

Arapaho/Collins

Potential Implementation Actions

- Amend zoning requirements and other standards to support reinvestment/redevelopment
- Plan, fund and construct necessary infrastructure improvements
- Meet with UTD on a regular or as-needed basis to discuss issues of mutual interest
- Develop a marketing and recruitment plan
- Investigate public/private partnership opportunities

Arapaho/Collins
Tentative Schedule

Task	Approximate Schedule
✓ Inventory existing conditions	February-March 2012
✓ Select and hire consultant	July-August 2012
✓ Key informant interviews	September-October 2012
✓ Evaluate baseline market data	November-December 2012
✓ Present baseline market report	January-February 2013
• Contract to continue the study and undertake future study elements	2013
• Refine and prioritize implementation strategies	2013
• Begin implementing high priority strategies	2014

Discussion

2010 NEIGHBORHOOD VITALITY PROGRAM UPDATE

City Council:
February 4, 2013

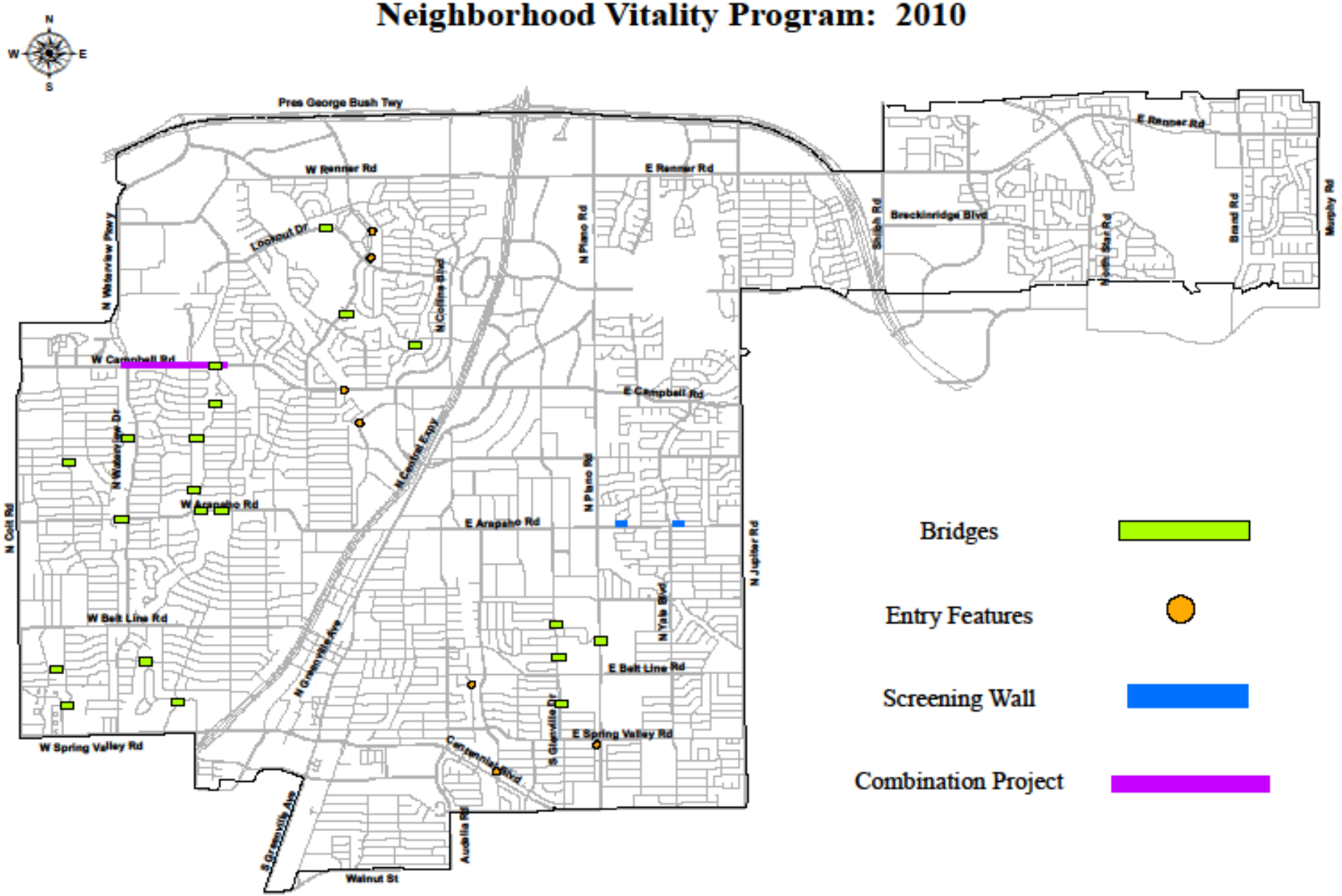
2010 NEIGHBORHOOD VITALITY PROGRAM

- The 2010 Bond Program allocated $2,000,000 for Neighborhood Vitality Program projects
- In addition, $1,000,000 of savings and interest earnings from the 2006 Neighborhood Vitality Program was made available
- Project selection was based on a Calls for Projects in the Fall of 2010 in which 25 neighborhoods submitted more than $10.7 million in requests
- On January 24, 2011, City Council passed Resolution 11-01 finalizing the project selection process

2010 PARTICIPANTS

- Arapaho
- Canyon Creek
- Canyon Creek Condo's
- College Park
- Cottonwood Heights
- Duck Creek
- Estates of Prairie Creek
- Greenwood Hills
- Mark Twain
- North College Park
- The Pinery
- Reservation
- Richardson Heights
- Town North Park
- Woodhaven Townhouse
- Yale Park

Neighborhood Vitality Program: 2010



March 3, 2011
X:\LindseyTurman-Gregory\GIS\Vitality\Vitality2010

DESIGN & CONSTRUCTION PROCESS

1. Initial Design Meeting with HOA
2. Preliminary Design Prepared and Presented to HOA
3. Modify Design Based on Feedback
4. Letters of Intent for Easements Signed
5. Final Design Prepared and Presented to HOA
6. Acquire Easements
7. Prepare Construction Documents
8. Bid and Award Project
9. Utility Relocation
10. Project Construction and Completion

PROJECT GROUP 1

NORTH COLLEGE PARK, DUCK CREEK, MARK TWAIN

NORTH COLLEGE PARK

NORTH COLLEGE PARK

NORTH COLLEGE PARK

DUCK CREEK

DUCK CREEK

DUCK CREEK

MARK TWAIN - EXISTING

MARK TWAIN

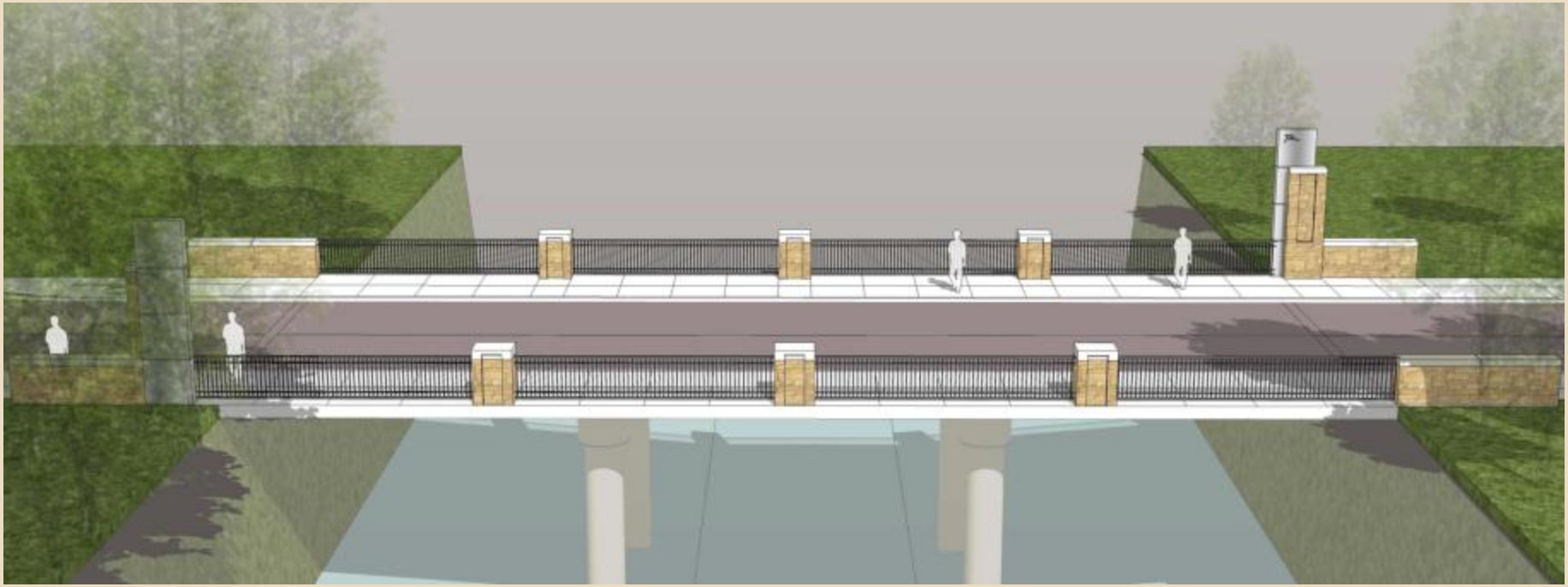
MARK TWAIN

MARK TWAIN

COTTONWOOD HEIGHTS

DUMONT BRIDGE - EXISTING CONDITION

DUMONT BRIDGE - ELEVATION



DUMONT BRIDGE - PERSPECTIVE

DUBLIN CULVERT - EXISTING CONDITION

DUBLIN CULVERT - ELEVATION

DUBLIN CULVERT - PERSPECTIVE

WEATHERRED CULVERT - EXISTING CONDITION

WEATHERRED CULVERT - ELEVATION

WEATHERRED CULVERT - PERSPECTIVE

DUMONT CULVERT - EXISTING CONDITION

DUMONT CULVERT - ELEVATION

DUMONT CULVERT - PERSPECTIVE

CANYON CREEK

LOOKOUT BRIDGE – EXISTING CONDITION

LOOKOUT BRIDGE - ELEVATION

LOOKOUT BRIDGE - PERSPECTIVE

W. PRAIRIE CREEK – EXISTING CONDITION

W. PRAIRIE CREEK - ELEVATION

W. PRAIRIE CREEK - PERSPECTIVE

CUSTER PARKWAY – EXISTING CONDITION

CUSTER PARKWAY - ELEVATION

CUSTER PARKWAY - PERSPECTIVE

THE RESERVATION

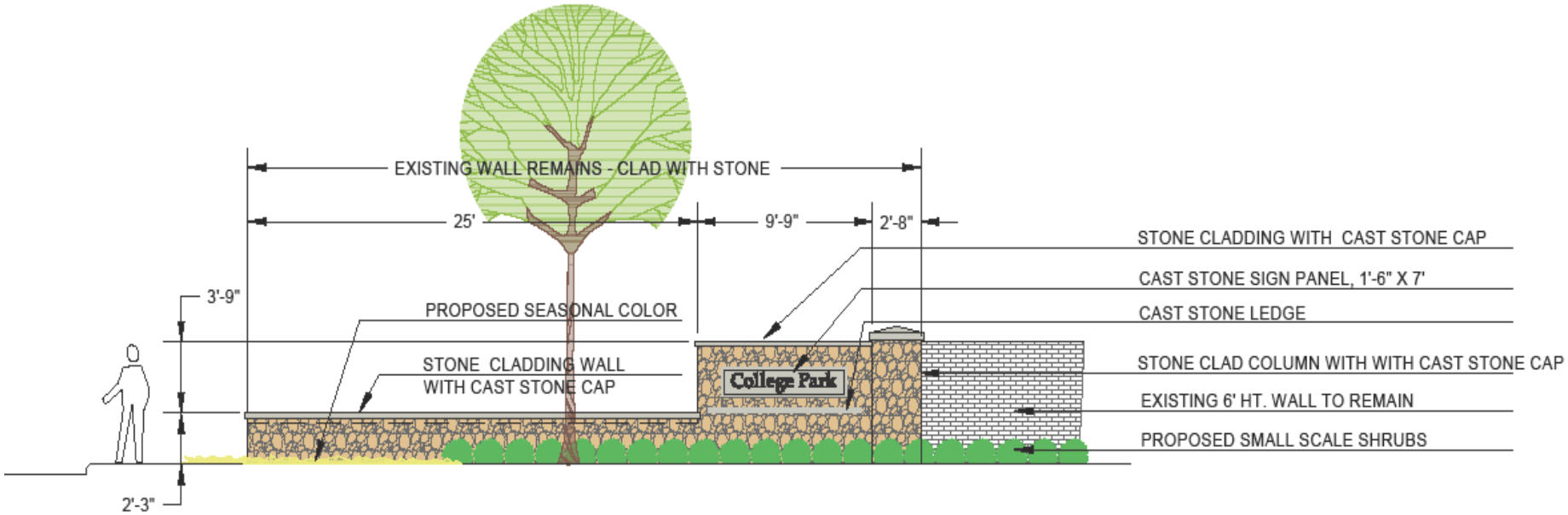
MIMOSA DRIVE

MELROSE DRIVE

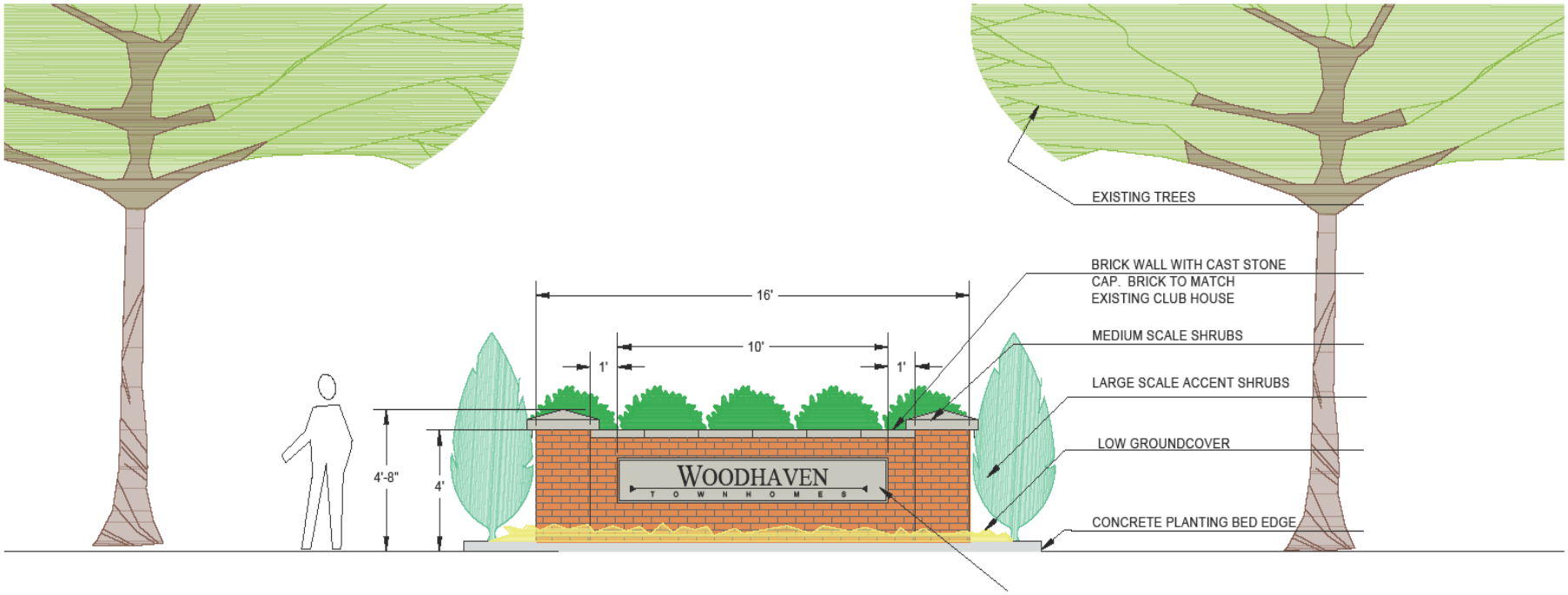
PROJECT GROUP 2

COLLEGE PARK, WOODHAVEN TOWNHOMES, TOWN NORTH PARK, CANYON CREEK RIDGE, THE PINERY, ESTATES OF PRAIRIE CREEK,

COLLEGE PARK



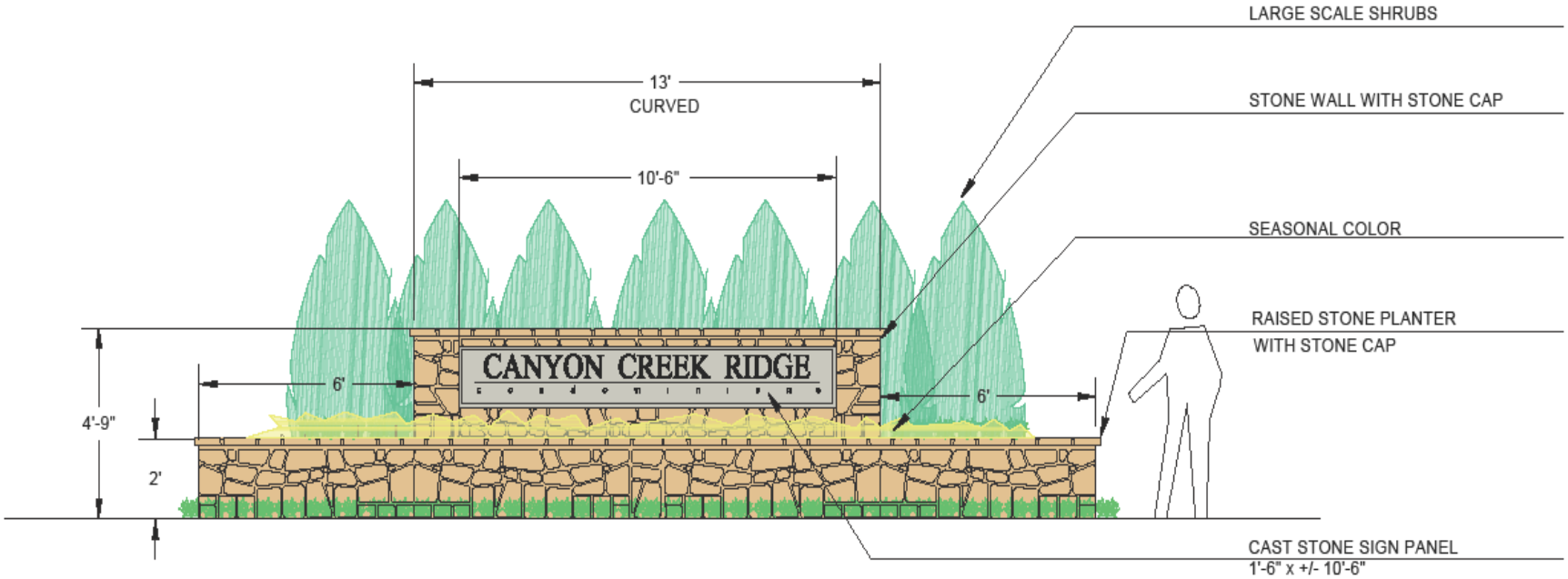
WOODHAVEN TOWNHOMES



ELEVATION VIEW

SCALE: 3/8" = 1' - 0"

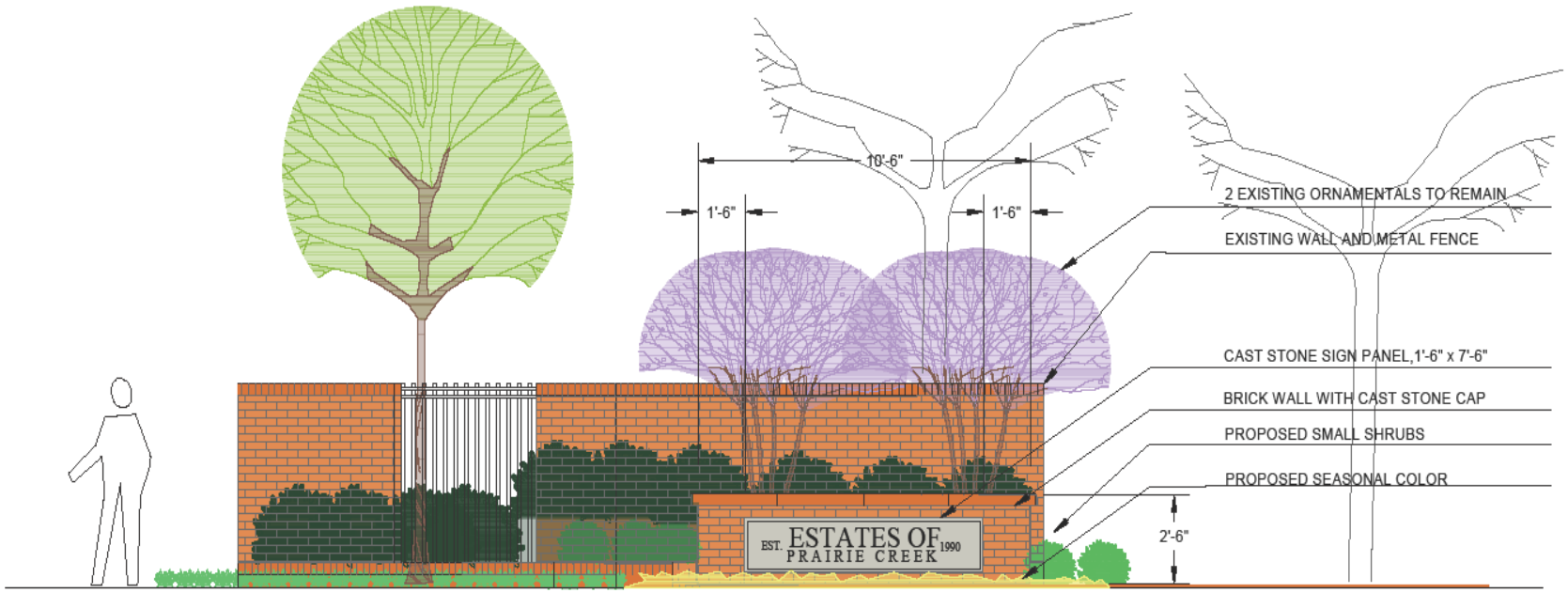
CANYON CREEK RIDGE



ELEVATION VIEW

SCALE: 3/8" = 1' - 0"

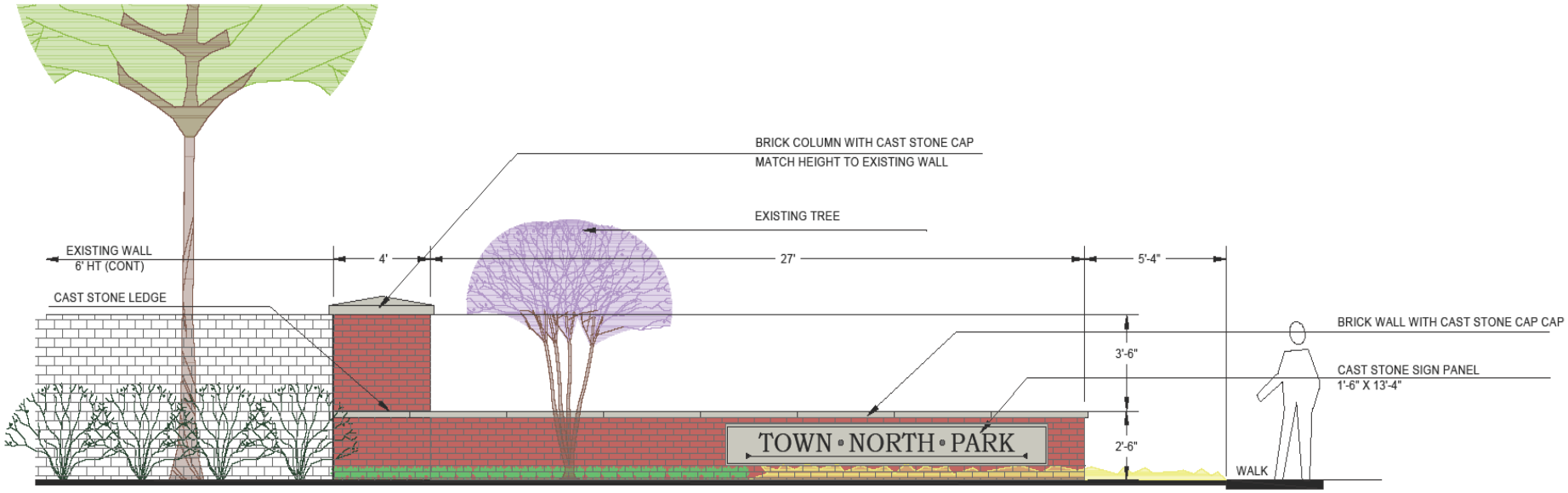
ESTATES OF PRAIRIE CREEK



ELEVATION VIEW

SCALE: 3/8" = 1' - 0"

TOWN NORTH PARK



ELEVATION VIEW

SCALE: 3/8" = 1' - 0"

STATUS OF PROJECTS

Neighborhood	Project Scope	Status
North College Park	1 bridge	Construction complete
Duck Creek	1 bridge	Construction 50% complete
Mark Twain	2 bridges	Construction will commence this week
Cottonwood Heights	4 bridges (1)	Construction will commence in March
Canyon Creek	3 bridges	Preparing to go to bid in May
The Reservation	2 bridges	Concept finalized, preliminary engineering
Greenwood Hills	3 bridges (2)	Preliminary engineering
Greenwood Hills/JJ Pearce	2 bridges (3)	March kick off meeting
Arapaho Road	3 bridges (4)	March kick off meeting

(1) The Dumont Culvert will be constructed in conjunction with the Dumont Road Rehab Project, which is scheduled to go to bid in February. Culvert redesign and aesthetics.
(2) Campbell just west of Floyd and Campbell just west of Waterview. Aesthetics only.
(3) Brentwood just west of Wisteria Way; Melrose, just west of Wisteria Way; Westshore at Wisteria Way. Culvert redesign and aesthetics.
(4) Arapaho just west east of Briarwood; Arapaho just east of West Shore; Arapaho just west of Heights Recreation Center. Aesthetics only.

STATUS OF PROJECTS

Neighborhood	Project Scope	Status
College Park	End cap enhancements	Developing construction documents
Town North Park	Entry feature	Developing construction documents
Woodhaven Townhomes	Entry feature	Developing construction documents
Canyon Creek Ridge	Entry feature	Developing construction documents
Estates of Prairie Creek	Entry feature	Developing construction documents
The Pinery	Entry feature	Finalizing concept
Yale Park	Leave out screening wall	Developing construction documents
Greenwood Hills	Leave out screening wall	Developing construction documents

2010 NEIGHBORHOOD VITALITY PROGRAM UPDATE