

AT THE CROSSROADS

OF DALLAS-FORT WORTH

RE-DEVELOPMENT OPPORTUNITIES FOR
★ A POST-COWBOYS TEXAS STADIUM ★



Presented by:
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City of Irving
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PLANNED USE

URBAN RESORT

AT THE CROSSROADS

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**FROM THE MOMENT THE COWBOYS SELECTED
ARLINGTON IN THE SUMMER OF 2004**

**THREE PROPERTY OWNERSHIP GROUPS IN IRVING
BEGAN TO PLAN FOR THE POST-COWBOY ERA**

**THE GOAL: LEVERAGE THE BENEFITS OF THE
COWBOY ERA AND CREATE AN URBAN PLACE OF
WORLDCLASS DISTINCTION**

Joint Ownership Goals of City of Irving, the University of Dallas and Southwest Premier Properties

- *To create a range of planning scenarios and development "visions" to be taken to the marketplace*
- *To investigate the opportunities behind collaborative planning among the three primary property owners*
- *To leverage this opportunity to create a new legacy for the community and region at large*

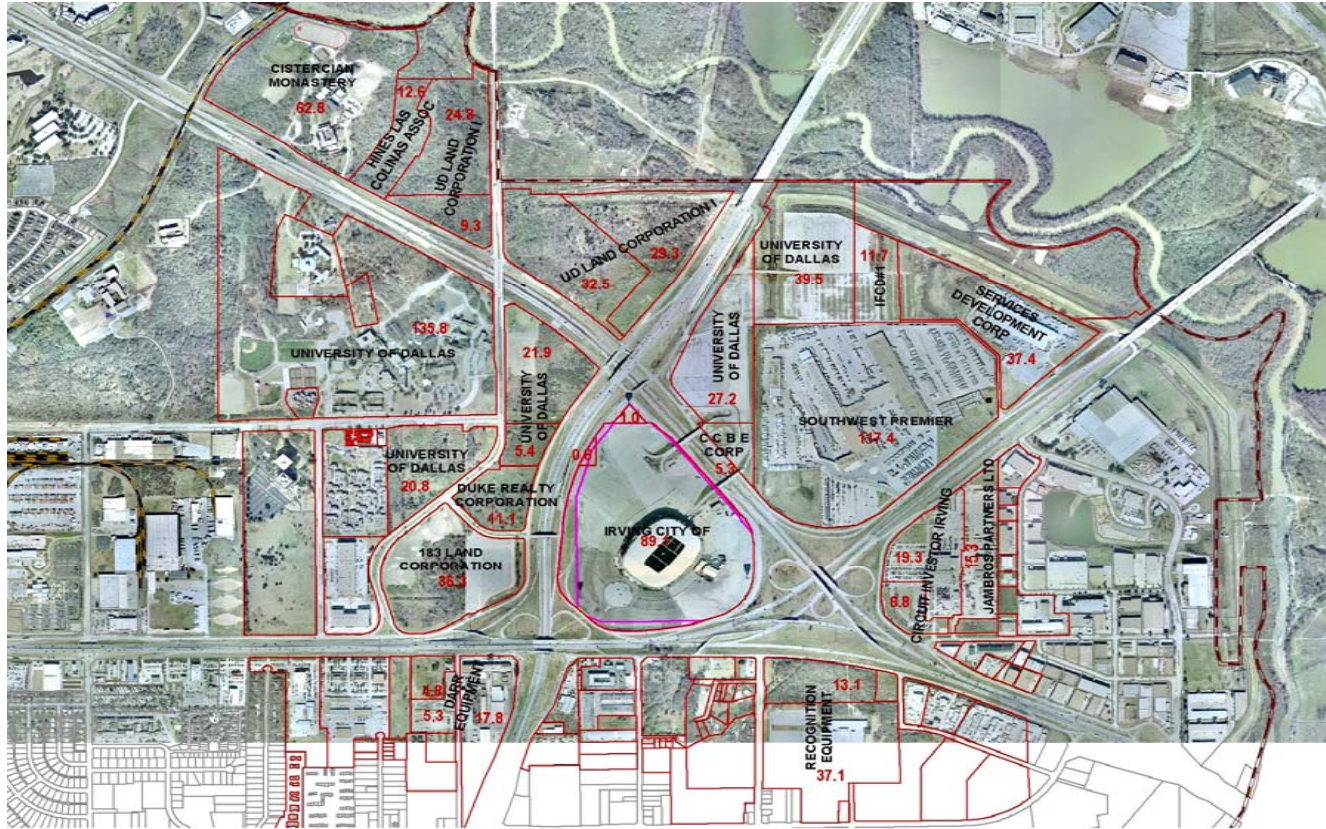


RTKL WAS RETAINED TO ASSIST THE OWNERS TO IDENTIFY AT LEAST THREE PLAUSIBLE DEVELOPMENT SCENARIOS

- *KEY PHYSICAL ASSETS WERE INVENTORIED*
- *SIGNIFICANT TRANSPORTATION INFRASTRUCTURE INITIATIVES WERE DOCUMENTED*
- *THE TOTAL AMOUNT OF DEVELOPABLE ACREAGE WAS IDENTIFIED*
- *SIGNIFICANT PLANNING POLICIES AND CRITICAL DECISIONS WERE IDENTIFIED AND ADDRESSED*
- *THREE CONCEPTUAL LANDPLANS WERE DEVELOPED AND TESTED*



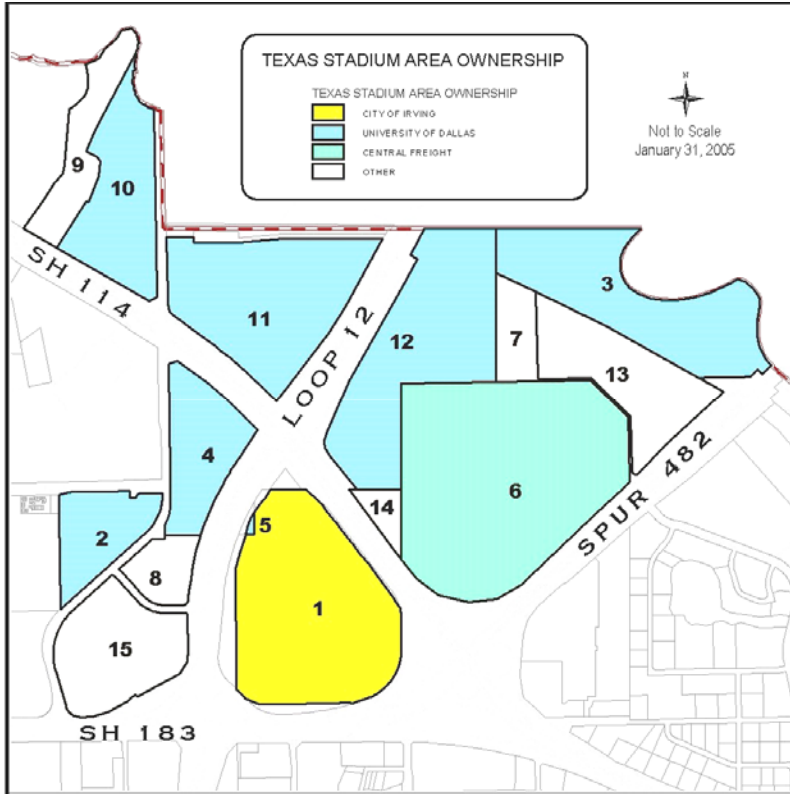
Land Ownership



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Land Ownership



Net Acreage Summary for Participating Landowners

| Owner | Parcel | Acreage |
|-------------------------------------|--------|--------------|
| City of Irving | 1 | 80.3 |
| Southwest Premier Properties | 6 | 117.4 |
| University of Dallas | 2 | 20.8 |
| | 3 | 56.5 |
| | 4 | 27.3 |
| | 5 | 0.3 |
| | 10 | 37.3 |
| | 11 | 61.8 |
| | 12 | 66.7 |
| | | <hr/> 270.7 |
| Total Developable Acreage | | 468.4 |

Sources: City of Irving Traffic/Public Works Department

NOTE: Texas Stadium property reflects proposed TxDOT Right-of-Way takes for interchange improvements. None of the other properties reflect proposed Right-of-Way.

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Texas Stadium Options



1. Stadium demolition and site redevelopment
2. Stadium re-use with site infill development
3. Stadium re-definition through site redevelopment

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Stadium Re-Definition through Site Redevelopment



Strategic Planning
for the *Texas Stadium Area*

SCHEME
ECO-COMMUNITY

AERIAL VIEW OF THE
SUSTAINABLE CORE

RTKL

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Stadium Re-Use with Site Infill Development



Strategic Planning
for the **Texas Stadium Area**

SCHEME
MIXED-USE VILLAGE
RENDER

AERIAL VIEW OF RECREATION
AND PARK

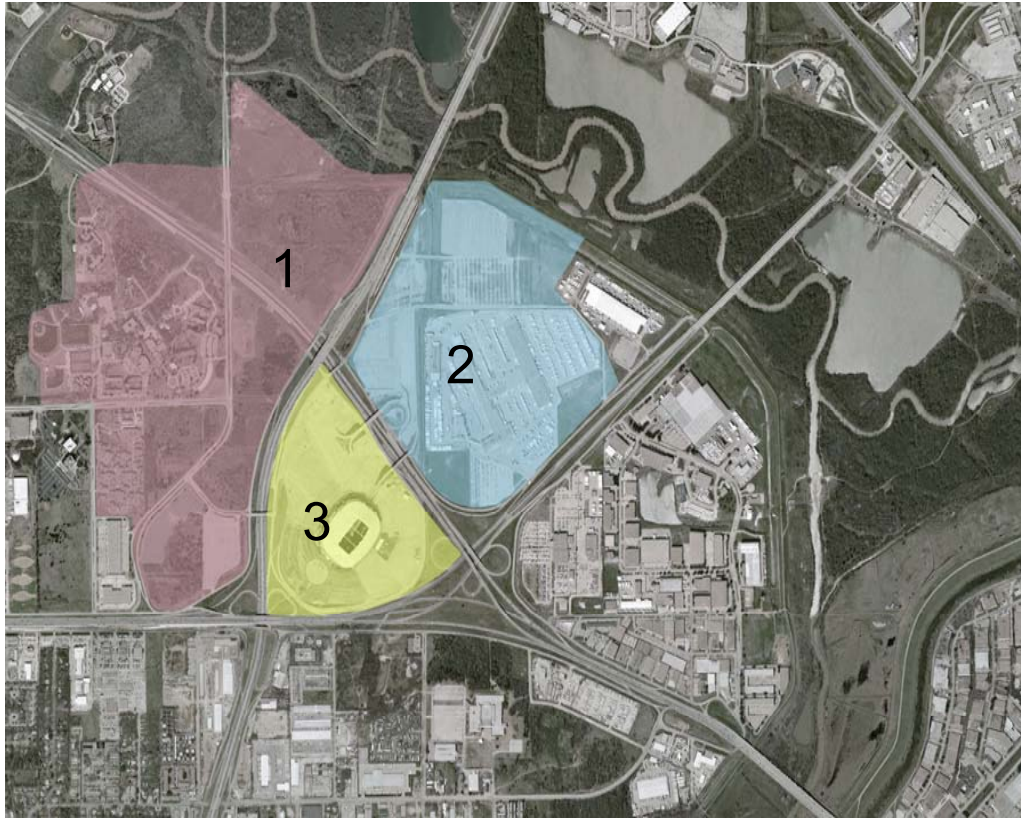
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Planning Districts



1. University of Dallas
Strategic place-making opportunities
2. Central Freight Property
The large and central property
3. City of Irving
Existing "brand" and identity

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Scale Comparisons



- Downtown Dallas
- *The site could easily accommodate the core of downtown Dallas from Griffin Street to St. Paul*

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Scale Comparisons



- Uptown Dallas
- *The planning area could also fit the core of the Uptown district*

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Proposed Presidential Library Site



- 1 of 3 sites on shortlist
 - Other contenders:
 - SMU (Dallas)
 - Baylor (Waco)
- 300+acre site
 - Largest under consideration
 - Jointly owned by UD (Irving) and City of Dallas
- DC Presentations Nov 16-17
 - Decision anticipated by Q1 2006

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Steps taken to date

- **Market Validation July 2005 - May 2006**

- *Provided broad market exposure to experienced, well-capitalized developers, investors and lenders as well as full service brokerage firms*
- *Presented development concepts in formal Plan Analysis sessions of the Fall Meeting of the Urban Land Institute in Los Angeles*
- *Solicited feedback from local community*

- **Integration of Related Analysis Currently Underway June 2006**

- *Seek legal advice on most desirable legal and development management options among current owners*
- *Integrate results of Convention Center analysis, Comprehensive Plan program and Transit-Oriented Development studies*



Steps taken to date

- **Resolution of Cowboy Lease and “Peaceful Surrender” of facilities on January, 2009**

- *Definitive global agreement reached in mid-January on all key deal points*

- *Agreement to paint roof prior to beginning of fall, 2006 season*
 - *Agreement to pursue uncontested “Brimer Bill” election providing for taxes on admissions and parking*
 - *Agreement that Irving will not make stadium available for NFL, college and high school tournament football games and other major events*
 - *Agreement to make stadium available for up to two additional seasons if necessary due to construction or other delays*

- **Conduct of Successful Election (passed by 87%-13% margin)**

- **Estimated to provide between \$10M-\$15M in net tax proceeds**

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Steps taken to date

- **Conducted Discussions regarding Alternative Disposition or Development Options Available to Ownership with Select Group of:**

- Investment Bankers
- Commercial Brokers
- and Real Estate Developers

- ***Obtained appropriate and sufficient expressions of interest from several major "developers of of interest"***

- ***The proposals are under active consideration at this time***



Developer Proposal Deal Structure

- Three owners appraise their land at current value and provide option to developer to purchase at appraisal plus preferred return at time of ultimate sale plus a percentage of profits
- Developer pays an upfront option fee, advances all costs for planning, engineering, legal during pre-development period
- Developer provides all additional equity and debt for project build-out



NEXT STEP

- **The three ownership groups should jointly evaluate the two development proposals that will be forthcoming shortly (assume receipt by mid-June)**
- **and make a determination of either is sufficiently attractive to enter into formal negotiations (allow 2-3 months)**
- **If one is attractive, pursue deal to conclusion (allow 3-6 months)**



Representation Issues

- A fee-based (not commission based) advisor may be needed to represent our joint interests during the negotiations
- Each owner needs to be individually represented by staff and outside counsel or advisors



A sale at this time does not appear to be prudent

- Virtually all parties (developers, brokers, bankers) argue that the current value of the acreage is \$2-3 per square foot
- Virtually all parties agree, however, that it will be worth 2 to 4 times that price once light rail is in place and the interchanges are completed in 2012
- Therefore, if the owners merely wait for five years we will potentially triple or quadruple our value.
- Unless the owner can get a better return elsewhere on the proceeds, it is best to hold the land



Therefore, a land bank jv strategy may be more productive

- If there is a large run-up in value, the upside is shared not lost
- Assuming a profitable development the overall return to the owners will be higher
- The character and quality of the development could be more satisfactory because urgency to develop is not as great



THE POINTS TO BE MADE:

- THE COMBINED PROPERTIES ARE WELL LOCATED, WELL SERVED AND WILL ONLY BECOME MORE ATTRACTIVE IN THE FUTURE
- THE OWNERSHIP UNDERSTANDS THE OPPORTUNITY AND IS BEING VERY PROACTIVE IN ADDRESSING IT



THE POINTS TO BE MADE:

- THERE IS STRONG AND GROWING MOMENTUM AND GENUINE INTEREST FROM THE DEVELOPMENT COMMUNITY IN THE DISTRICT
- IT DID NOT HAPPEN BY ACCIDENT
- THE ENTIRE IRVING COMMUNITY, LITERALLY, HAS JOINED FORCES TO HELP MOVE THIS PROGRAM FORWARD

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