

Ervey Corridor Revitalization

Center for Leadership mTAP
Spring 2021



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Meet the CFL Team



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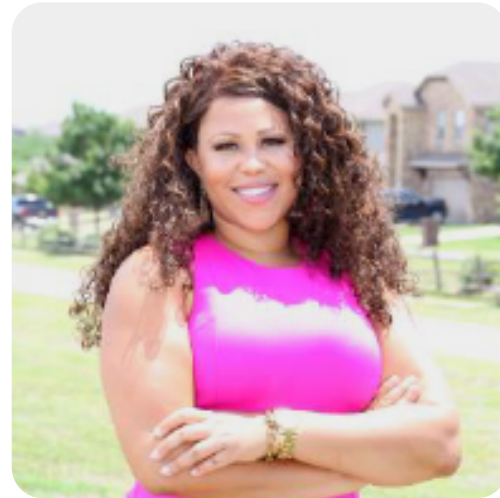
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Our Client : The CNA

The Cedars Neighborhood Association's (CNA) mission is to monitor and improve the quality of life in the Cedars community by actively managing matters such as land use, traffic control, social functions, environmental protection, public services, and other topics that may become a concern for the Association and the neighborhood.

The association covers the entire Cedars neighborhood, stretching from the Trinity River on the west, I-45 on the east, I-30 to the north, and Al Lipscomb to the south.

78 Active Members



Location & Context

Ervay Street is one of the key north-south thoroughfares in the Cedars.

Ervay is a main connection point to Downtown Dallas CBD to its north.

The corridor boasts several unique attractors including Dallas Heritage Village, Cedars Union, Four Corners Brewery and The Mac.

It possesses historical landmarks like the Gulf Cone Building and the Ervay Theater ripe for adaptive reuse along with other urban infill opportunities.

It has tremendous potential to be a *mixed-use corridor destination* in Dallas.



Project Scope

Includes:

The section of South Ervay Street between I-30 to Corinth Street.

This corridor is just over ½ mile in length.

Identified as most well-positioned street to spark positive change in The Cedars neighborhood.



Project Goals

1

Propose a comprehensive strategy to activate South Ervay and adjacent properties that encourages future land development and economic development while staying true to the soul and character of The Cedars.

2

Create a sense of place for the corridor, establishing South Ervay as the heart of The Cedars and distinguishing it as a destination in Dallas, breathing new life into the area in the process.

3

Establish a Complete Street Plan to improve streetscape conditions, increase appeal to pedestrians, incorporate multimodal and ability-inclusive enhancements improve neighborhood connectivity, and provide new neighborhood greenspace opportunities.

Process

Analyze

Analyzed existing conditions (market, stakeholders, zoning, roadway design, city plans, upcoming projects.)

Survey

Conducted a survey of CNA members to learn more about what they would like to see on the corridor.

Evaluate

Evaluated the corridor's strengths, weaknesses, opportunities, and threats(SWOT).

Feedback

Presented preliminary findings to client for immediate feedback and comment. Pivot plan as needed.

Recommend

Provide final recommendations corridor, both short-term: marketing and activation Strategies long-term: roadway design and land-use recommendations.

Test

Test and model likely multifamily development opportunity of a site along the corridor.

Quick Take

Ervay has the potential to be a mixed-use destination corridor through road diet initiatives and increased density.

Corridor Analysis



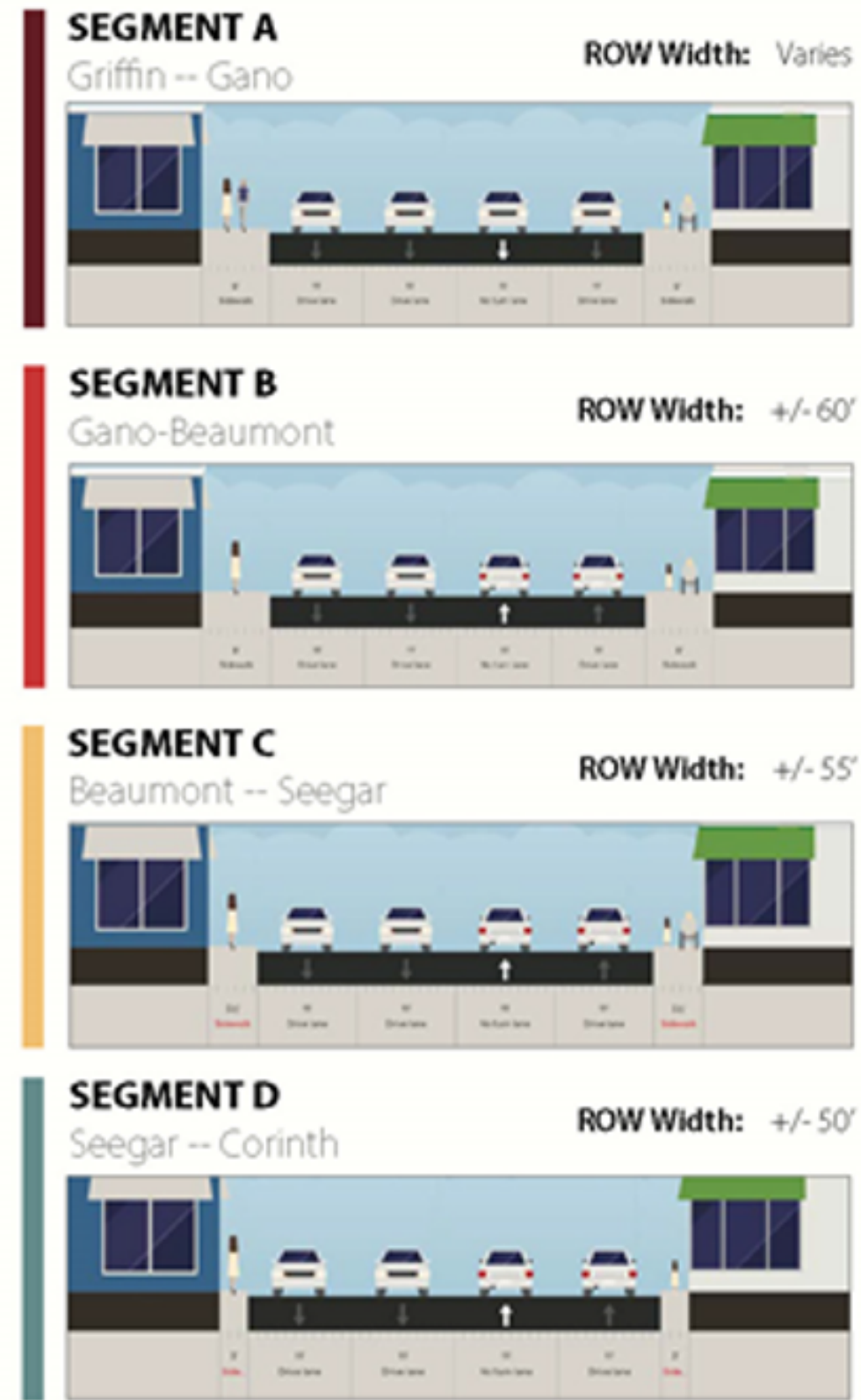
Existing Roadway

The existing roadway right-of-way varies between 50'-60' wide.

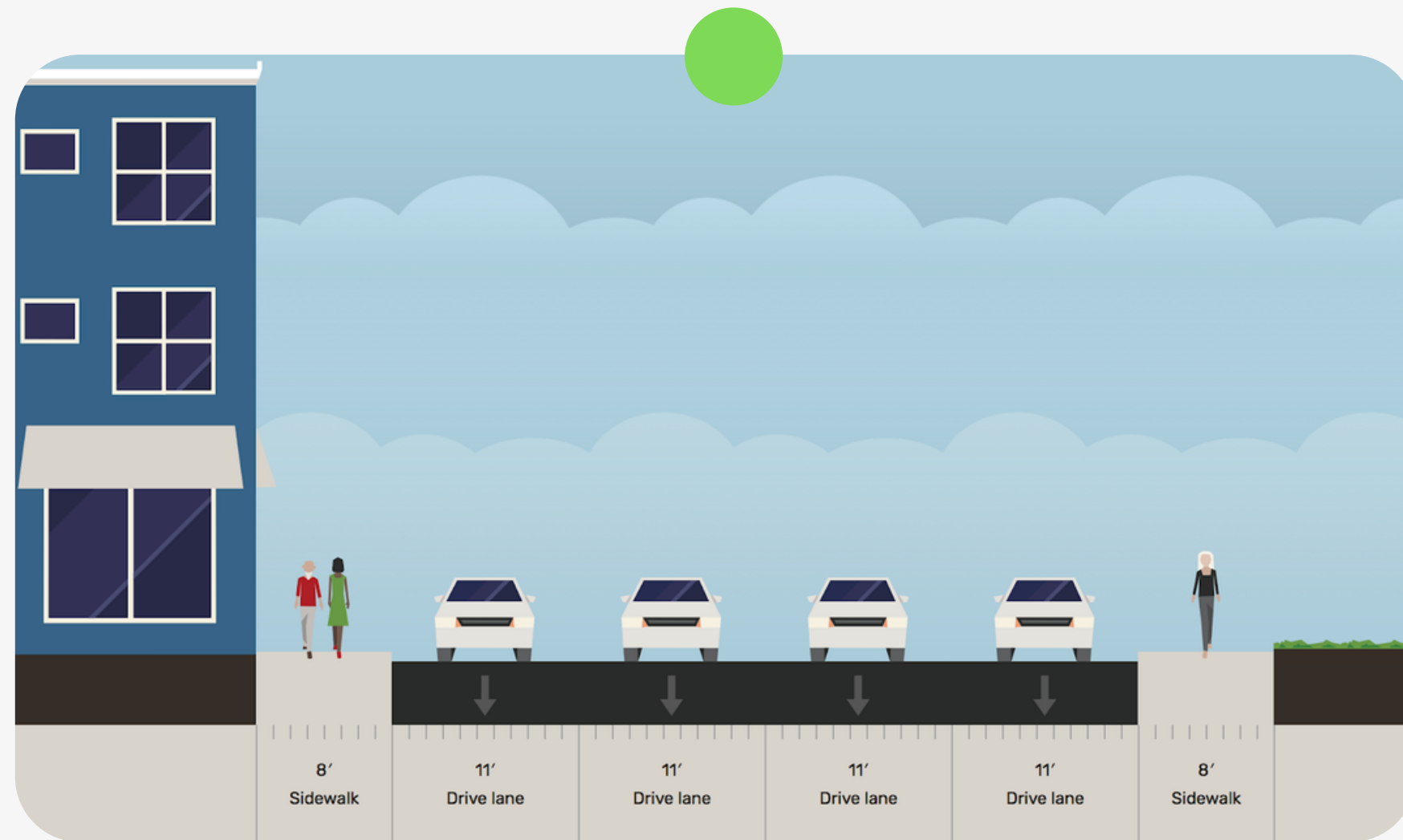
Ervay exists as a one-way, four lane road north of the St. Paul intersection (pin.) South of St. Paul it is a four lane road way with two lanes in each direction.

Due to the lack of on-street parking, lack of traffic signals between Corinth and I-30, and low traffic volumes, traffic speeds are fast and pedestrian conditions are poor.

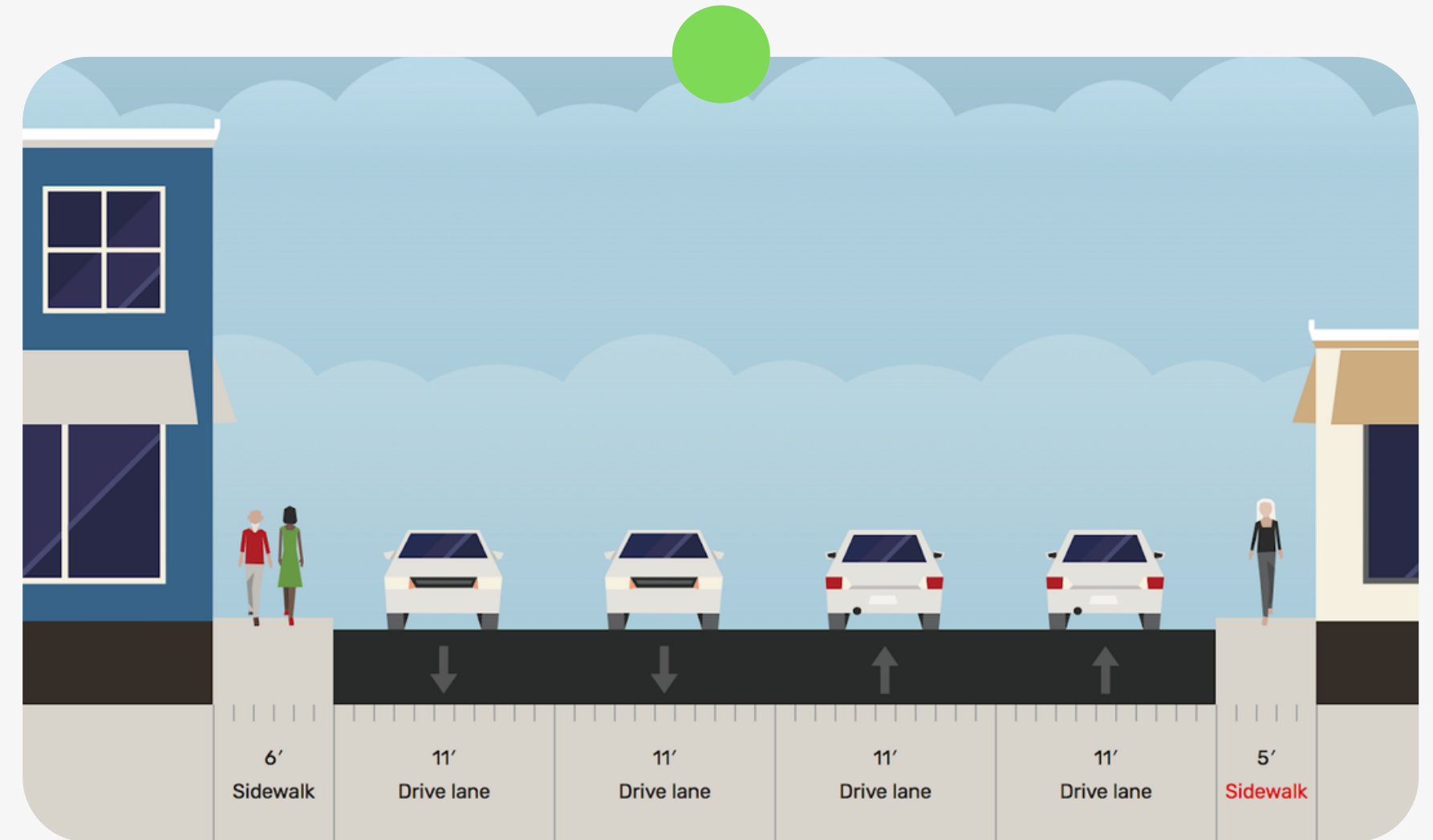
Sidewalks are in poor condition and are even non-existent in some locations.



Existing Traffic Cross Sections

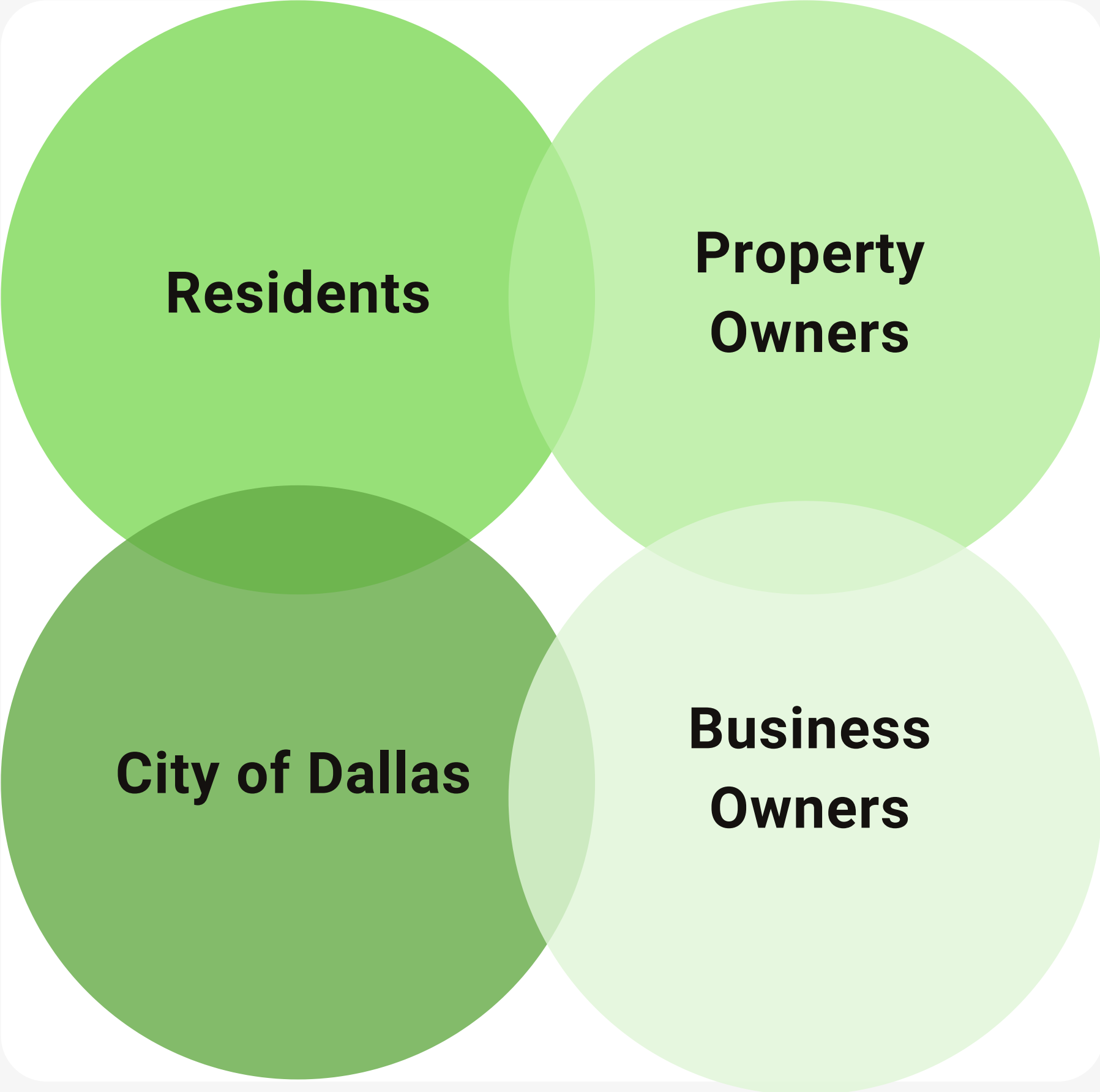


S. Ervay Between I-30 and Gano
60' ROW



S. Ervay Between Gano and Corinth
50'-55' ROW

Major Stakeholders



Corridor Zoning

PD 317 Approved February 2021

Land Use Element Goals

- Align land use strategies with economic development priorities.
- Provide equitable opportunities for Dallas residents
- Coordinate planning activities to balance transportation, land use, infrastructure and the environment

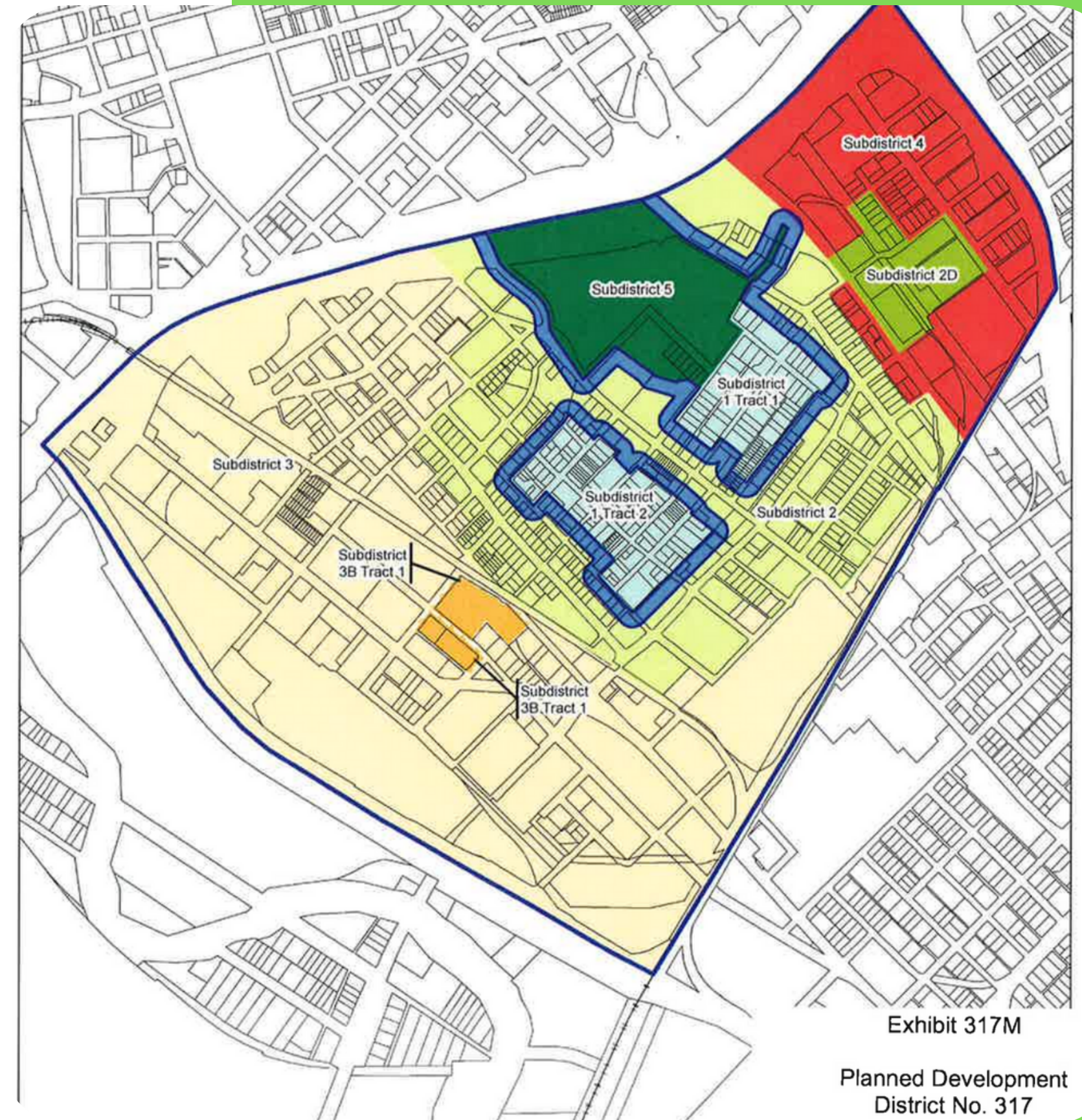
Economic Element Goals

- Build a dynamic and expanded downtown

Urban Design Element Goals

- Promote a sense of place, safety, and walkability

Net Change: Upzones & ↓ parking req

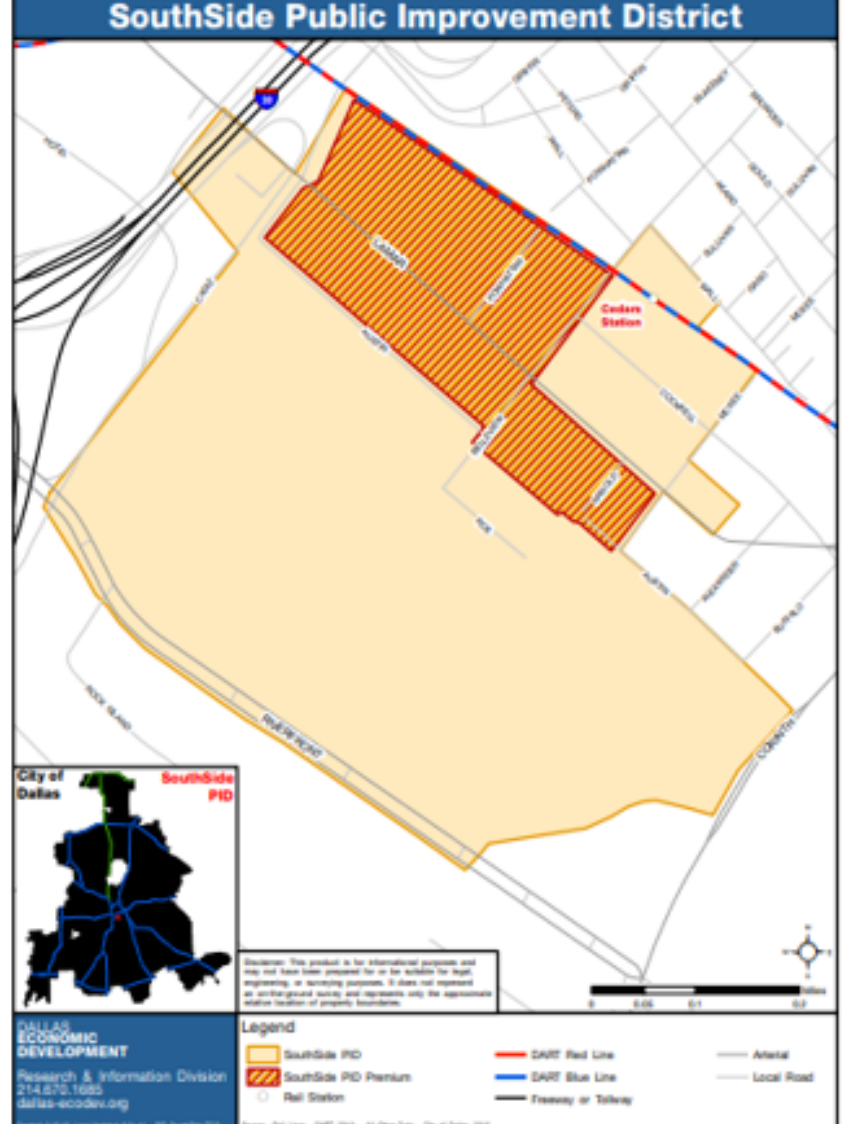


Economic Incentives

S. Dallas- Fair Park PID



Southside PID



Cedars TIF District



City Plans

360 Plan 2017

Downtown Dallas and surrounding area plan organized around the idea of creating a complete and connected City Center by Advancing Urban Mobility, Building Complete Neighborhoods, and Promoting Great Placemaking. Identifies the Cedars as a Catalytic Development area.

Connect Dallas 2019

Dallas' strategic mobility plan covering the entire city to develop a multimodal transportation system that supports the City's housing, economic, equity and sustainability goals.

forwardDallas! 2006

Comprehensive city plan to strengthen its future land use vision and policies through strategic implementation to improve the quality of life for all.

Project & City Goals Align



Upcoming Development

Public & Private Projects

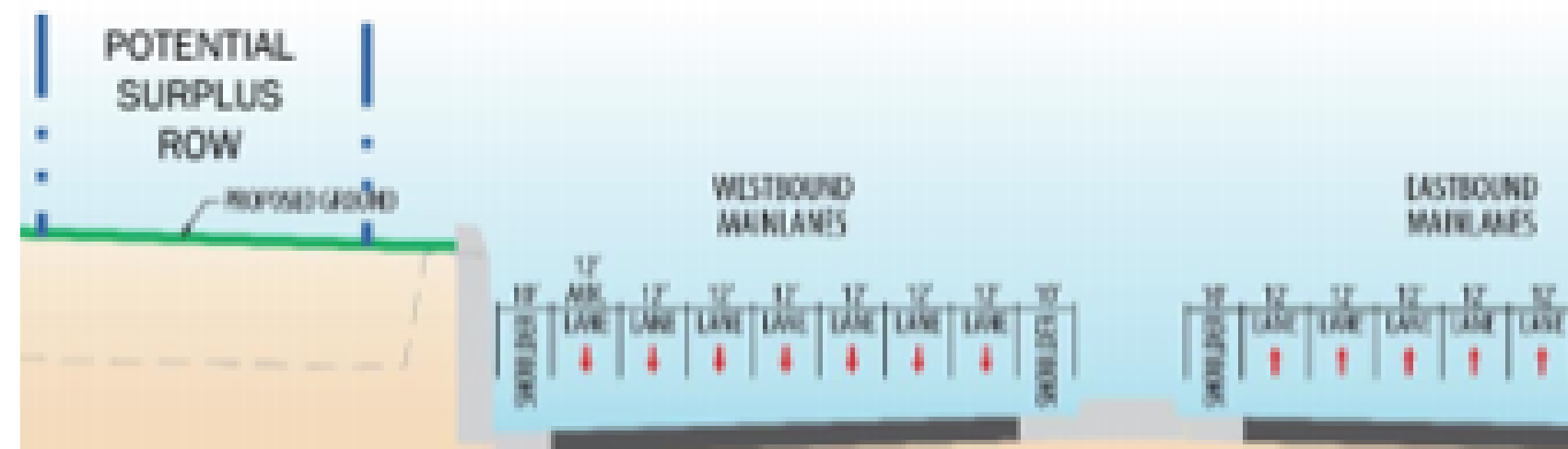
I-30 canyon reconstruction and deck parks.

High-speed rail station near Lamar.

NewPark (Hoque Global) new mixed use development on 20-acre site between the convention center and the Dallas Farmers Market, shown in red.

SoGood (Hoque Global) new innovation district on 15 acre site along Hickory Street between Good-Latimer Expressway and Cesar Chavez Boulevard in the Cedars.

Large Catalytic Projects



Proposed I-30 Typical Section
(Looking East near St. Paul St.)

Strengths

Location (proximity to downtown, I-30, I-45, Farmers Market)
Organized neighborhood association
Key Anchors: Four Corners Brewing, Cedars Union
Significant investments in Lamar
Experienced RE investors
New residential

Weaknesses

Current roadway design, high speed
Blight/vacant properties
Speculative investment driving prices, hard to develop
Parking requirements even with new PD
Small lots, assemblage difficult
Lack of Foot Traffic
Lack of retail

SWOT

Opportunities

I30 Canyon Project/Deck Park
Ambassador Hotel Project
Sense of history
Architecturally significant buildings
Tax credits
Infill opportunity
Connection to Lamar, Harwood, Farmers Market
Interest from the city/appetite for public projects

Threats

Owners unwilling to sell/develop
Timing on I30 project
Market conditions, overbuild apartments
Crime/perception of safety
Uncertainty in sale of Ambassador site
Neighborhood hesitancy/resistance to development/MF

Community Feedback

A short online survey was shared with CNA members to collect feedback from residents and stakeholders related to specific improvements they would like to see on Ervay.

49 responses were collected.

- 1 Please rank your priorities for improvements you would like to see on Ervay.

- 2 What other improvements would you like to see on Ervay?

- 3 What is the most prominent issue that you notice along Ervay?

- 4 When you travel by foot in this area, where are you walking to? (select all that apply)

- 5 When you travel by bike in this area, where are you biking to? (select all that apply)

- 6 What would make you more likely to frequent points of interest along Ervay?

- 7 What types of development would you like to see along Ervay in the future? (select all that apply)

- 8 What is your favorite characteristic about the Ervay corridor?

What We Heard

Top Priorities

1. Wider Sidewalks
2. More Street Trees
3. Bike Lanes

Desired Land Uses

1. Restaurants
2. Neighborhood-Service Retail
3. Grocery/Pharmacy

By the Numbers

50% of people said they walked along Ervay going to other locations in the Cedars

41% of people said they never bike on Ervay

41% of people said they bike on Ervay to go Downtown

40% of people believe more places to frequent on Ervay would make them more like to visit

38% of people believe better pedestrian amenities on Ervay would make them more like to visit

31% of people believed that vacant businesses was the most prominent issue on Ervay

Short Term Strategies



Short Term Strategies

What

Tactical Urbanism

Vacant Lot Activation

Neighborhood Art

Gateway Improvements

Messaging/Marketing



Why

Engages the community

Increases foot traffic

Gets the attention of developers

Enhances/reinforces neighborhood character

An architectural rendering of a large, multi-story brick building. The building has a classic industrial or institutional style with many windows and a prominent entrance. The words "GULF CONE CO. INC" are visible on the upper part of the facade. The building is surrounded by lush greenery, including trees and a lawn. In the foreground, there are some smaller structures and what appears to be a parking area with a few cars. The overall scene is presented in a sketch-like, artistic style.

Long Term Strategies



Long Term Strategies

Establish a vision for land use along the corridor to promote mixed uses.

Use the land use vision to inform infrastructure and roadway improvements along Ervay.

Explore redevelopment of key opportunity sites along the roadway.



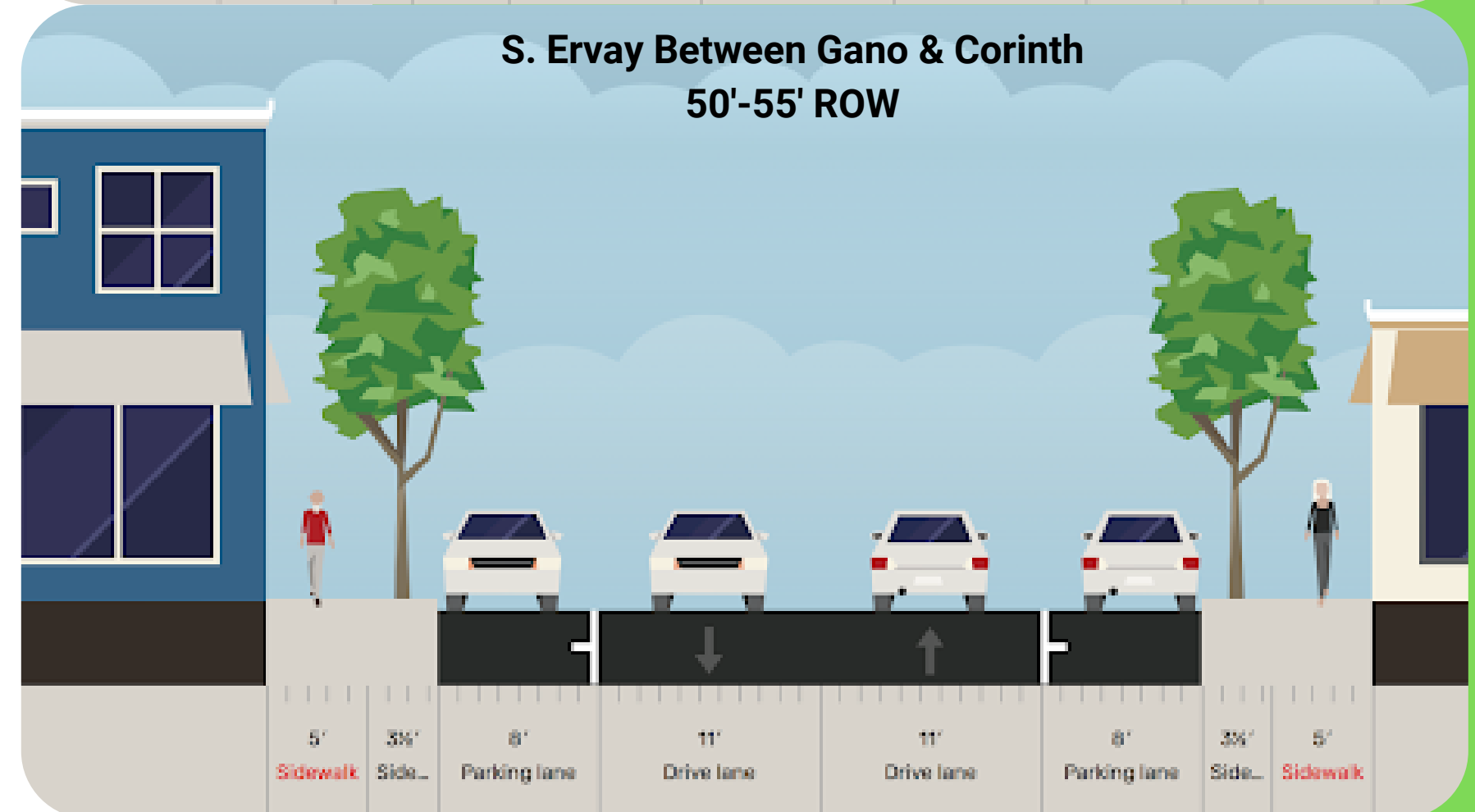
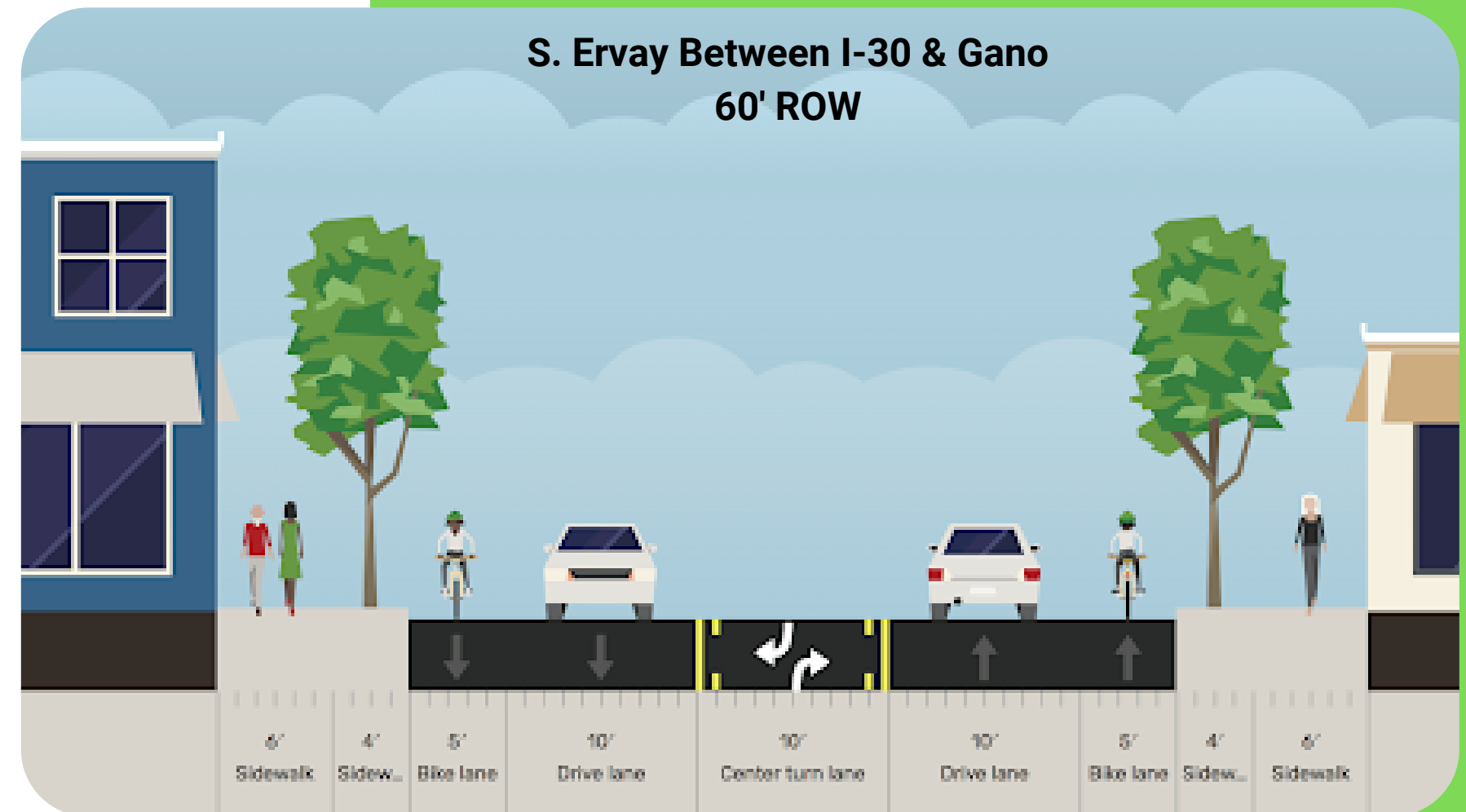
New Road Cross Sections

Full reconstruction of the roadway between I-30 and Corinth.

Provide bike lanes between I-30 and Bellevue to join bike lanes planned by the city from I-30 heading north.

Between Bellevue and Gano, provided widened sidewalks and planting areas.

Between Gano and Corinth provide 8' sidewalks incorporating tree wells.



Redevelopment Opportunities

We have selected the Texas Brand Bank site (circled) as a prime site for redevelopment.

- Site's owner has flexibility with leases and is willing to develop.
- Site's location is central along Ervay will spur additional development along the corridor.
- Site's size is large enough (3 Acres) and efficient enough (square) for large scale commercial/residential development and would not require assemblage.
- Site's zoning allows for significant height increase over the existing building.

We believe this site will serve as a prime mixed-use building site (retail/residential) that will provide the density necessary to bring foot traffic and people to this corridor.



Financial Analysis

Intent

The financial analysis intends to illustrate the apartment rents necessary to encourage speculative development given the high price of land and investors' current return expectations for undertaking such risk.

Two Scenarios

Tower
Apartments

Wrap Style

Assumptions

3 acre lot
(130680 sf)
Land cost \$90psf

Retail 20k sf at
\$40 Rent \$50 TI,

Investor return req 6%
(operating income/
total project cost)

Financial Analysis



Tower Apartments

Comp: Case Building
Deep Ellum 832sf
\$1,791 -to \$2,241

General Assumptions

Lot Size	3 AC	130,680 SF
Lot Coverage	30%	39,204 SF
Stories		15
Total Building Square Footage		588,060 SF
Rentable %		75%
Total Rentable Square Footage		441,045 SF
Total Retail Square Footage		20,000 SF
Total Apartment Square Footage		421,045 SF
Avg Unit Size		832 SF
Total Apartment Units (Approximate)		510 Apts

Development Budget

Building Cost	\$ 200.00 PSF x	441,045 RSF	\$ 88,209,000
Retail - Tenant Improvement Allowance	\$ 50.00 PSF x	20,000 RSF	\$ 1,000,000
Retail - Commissions	6%		\$ 480,000
Soft Costs	20% of Building Costs		\$ 17,641,800
Contingency	5%		\$ 5,366,540
Land Cost	\$ 90.00 PSF x	130,680 SF	\$ 11,761,200
Total Project			\$ 124,458,540

Income Analysis

<u>Residential Revenue</u>			
Rent	\$ 2.69 /Mo		\$ 13,591,333
Vacancy	10%		\$ (1,359,133)
Residential - Effective Rent			\$ 12,232,199

<u>Retail Revenue</u>			
Rent	\$ 40.00 RSF x	20,000	\$ 800,000
Recoverable Expenses	\$ 10.00 RSF x	20,000	\$ 200,000
Vacancy	0%		
Retail - Effective Rent			\$ 1,000,000

Total Effective Rent			13,232,199
Operating Expenses	40% of Total Rent		\$ (5,756,533)
NOI			\$ 7,475,666.30

Return on Cost 6.01%

1 BR \$ 2.69 /Mo x 832 SF \$ 2,238.08

Conclusion: Investors will need to lease a 1 bedroom apartment (832SF) for \$2,238 to meet their return criteria

Financial Analysis



Wrap Apartments

Comp: Cortland Farmers
760sf
\$1,562 – \$1,915

General Assumptions

Lot Size	3 AC	130,680 SF
Lot Coverage	90%	117,612 SF
Parking Garage Footprint		25,000 SF
Stories		5
Total Square Footage w/Garage		588,060 SF
Parage Garage Square Footage		125,000 SF
Total Building Square Footage		463,060 SF
Rentable %		80%
Total Rentable Square Footage		370,448 SF
Total Retail Square Footage		20,000 SF
Total Apartment Square Footage		350,448 SF
Avg Unit Size		760 SF
Total Apartment Units (Approximate)		460 Apts

Development Budget

Building Cost	\$ 160.00 PSF	x 370,448 RSF	\$ 59,271,680
Retail - Tenant Improvement Allowance	\$ 50.00 PSF	20,000 RSF	\$ 1,000,000
Retail - Commissions	6%		\$ 480,000
Soft Costs	20% of Building Costs		\$ 11,854,336
Contingency	5%		\$ 3,630,301
Land Cost	\$ 90.00 PSF	x 130,680 SF	\$ 11,761,200
Total Project			\$ 87,997,517

Income Analysis

<u>Residential Revenue</u>			
Rent	\$ 2.38 /Mo		\$ 10,008,795
Vacancy	10%		\$ (1,000,879)
Effective Rent			\$ 9,007,915
<u>Retail Revenue</u>			
Rent	\$ 40.00 RSF	x 20,000	\$ 800,000
Recoverable Expenses	\$ 10.00 RSF	x 20,000	\$ 200,000
Vacancy	0%		
Retail - Effective Rent			\$ 1,000,000
Total Effective Rent			10,007,915
Operating Expenses	40% of Total Rent		\$ (4,323,518)
NOI			\$ 5,684,397.44
Return on Cost	6.01%		
1 BR	\$ 2.38 /Mo	x 760 SF	\$ 1,808.80

Conclusion: Investors will need to lease a 1 Bedroom Apartment (760ft) for \$1808 to meet their return criteria

The CNA

Action Plan

next steps y'all



Steps Taken



Rezoning

of PD 317



Engage

ULI Center for Leadership

North Section of Ervay Corridor



Action Plan : Short Term

- 1. Capitalize on I-30 reconstruction to install gateway signage at Ervay and I-30**
 - Explore opportunities to leverage TIF funds, new private development, and/or private donations to install signature signage/art at I-30/ South Ervay intersection.
 - Consider using Cedars-based artists to design artwork to capture neighborhood characteristics.
 - Improvements for I-30 are slated to begin construction in the next 2-3 years.
-
- 2. Leverage City TIF funds and the I-30 project to complete Belleview extension between Browder and Ervay as a part of the rehabilitation of the Cone Building in conjunction with the abandonment of St. Paul between I-30 and Ervay.**
 - St. Paul has already been abandoned from the City's thoroughfare plan (as a part of the defunct Ambassador Hotel project).
 - St. Paul bridge will not be constructed across I-30 as a part of new design.
 - The redesign of the Belleview/Ervay/St.Paul intersection should "T" Belleview into Ervay to create new public realm space in front of the Cone Building/ Four Corners.
 - The redesign should provide two-way traffic on Ervay between Gano and Downtown.
 - Redesign should also provide a bike lanes north between Belleview and Downtown.

Action Plan : Short Term

3. Activate newly created public realm spaces

- The extension of Belleview and redesign of Belleview/Ervay/St. Paul will create 20,000 sf + of new public realm space.
 - This space should be designed to be public plaza/gathering space, or be abandoned and acquired by adjacent development to be utilized as private patios.
 - If spaces remain public, Cedars should work with the City to permit food trucks and other vendors in these spaces to further activate them and provide more dining options for the neighborhood.
-

4. Capitalize on street improvements through social media and marketing strategy.

- The Cedars Neighborhood Association should build off the momentum created by new gateway signage, potential new deck parks by Dallas Heritage Village, and new public realm activation at Belleview/Ervay.
 - Neighborhood marketing should consider utilizing new light pole signage and other corridor identity branding to establish the area as a district.
-

5. Explore creating a new Public Improvement District (PID) for Ervay

- Working with the City to create a PID will help generate a revenue source that will help pay for public realm improvements at Belleview/Ervay and help pay for future improvements along the corridor in the future.

Action Plan : Long Term

1. Work with City to improve remainder of Ervay corridor in future City Bond Improvements

- Improvements on Ervay between Gano and I-30 will help establish a new roadway cross-section for Ervay.
 - Building off the momentum of the Belleview/Ervay improvements, the Cedars should advocate with their Councilmember to include the remainder of the corridor in an upcoming bond to construct the desired street section for the remainder of the corridor.
 - Complete reconstruction will likely cost \$8-12M+
-

2. Leverage corridor improvements to incentivize new mixed-use development

- Roadway improvements, new neighborhood activation, and the new deck park will help create excitement for new development on the corridor.
 - The Cedars Neighborhood Association should work to market remaining vacant sites to ensure that quality mixed-use development is constructed that increases residential density, enhanced activity on the corridor, and provides retail and commercial spaces desired by the community.
-

3. Establish a CNA Economic Development Committee

- A specialized task within CNA that can focus create a corridor plan to be included with neighborhood plan, work with city on economic incentives, pursue other funding and outreach to developers.

Q&A





We appreciate the opportunity to serve the Cedars.

Thank You