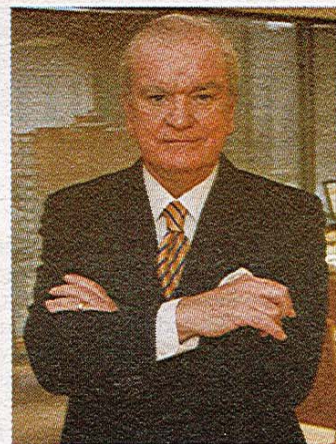


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Dallas Business Journal

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Donald Godwin of Dallas-based Godwin Ronquillo calls the case 'the most demanding and complex litigation I've been involved with in my 38 years.'
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DFW's largest law firms

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\$6

Deal sparks \$1 billion project

Realty Capital, Hillwood partnership readies 1,000-acre development

BY CANDACE CARLISLE | STAFF WRITER

A \$1 billion mixed-use master-planned development in Denton County — one of the largest residential projects to get under way in four years — is scheduled to start this summer.

The 1,000-acre development called Belmont would bring up to 3,500 homes to the northwest corner of FM 407 and Interstate 35W in Argyle and Northlake, as well as over 100 acres of mixed-use development including retail, restaurants and office buildings.

The catalyst for the project: A partnership between Dallas-based Realty Capital Management, and new partner Dallas-based Hillwood Communities, a residential land developer and subsidiary of Ross Perot's Hillwood Properties. It closed on Dec. 28.

"This is a natural extension of Alliance-Texas," said Fred Balda, president of Hillwood Communities. "It was a strategic decision to get involved because we know the area."



THE PLAYERS: The Belmont project team includes, from left, Angie Mastrocola of Hillwood Communities, Richard Myers of Realty Capital Management, Tim Woliver of Hillwood and Tim Coltart of Realty Capital.

BELMONT, P10

This will be the next big master-planned development.”

Balda worked with Hillwood Communities' Angie Mastrocola and Tim Woliver on the partnership.

Hillwood Communities and Realty Capital went through a year-long courtship before deciding to partner on the joint venture.

The project was compelling for a partnership, Balda said, because Realty Capital, which has worked on the site for six years, has had the site zoned and prepared the land's utilities.

The \$22 million sewer line — paid for by Realty Capital, the developers of Canyon Falls, along with the Flower Mound, Northlake, Argyle and Corral City municipalities — is scheduled for completion by Trinity River Authority in April. That sewer line will allow developers to tap into a desirable submarket.

“We've already got some of the top home builders interested,” said Richard Myers, managing director of Realty Capital. “There's a great amount of demand from families with kids in the submarket because of the Argyle school district.”

The venture has given Argyle

Independent School District property to develop an elementary school on 12 acres and a middle school on 24 acres. The school district would be responsible for developing the schools.

Myers' worked with Tim Coltart, managing director of Realty Capital, on the partnership.

“The beauty of developing an area that's been without utilities is that there is significantly less than a two-year supply of lots,” Coltart said. “It's an untapped market.”

Belmont's initial phase will include about 250 homes and potentially a small retail center. The homes will be moderately priced in the \$200,000 to \$400,000 range.

The developers will begin horizontal development on Belmont following the completion of the sewer line this summer. Subcontractors for the horizontal development, such as earthwork, sewer and water lines, street work, light poles and landscape installers will be needed for the project.

Hillwood Communities plans to contract with home builders for the development in the next 60 days. Lots are scheduled to be delivered to home builders by early 2013.

Belmont's first phase could

begin housing residents by spring 2013. The entire development is expected to take 10 to 15 years to finish.

“We want to fast track it,” Balda said. “The market is ready for the community.”

A long road

The economic downturn hindered Belmont's development, as it did other residential projects in North Texas, Myers said.

Myers and his team at Realty Capital spent more than \$25 million on the project during the six years of readying the 1,000-acre tract.

The Belmont project is one of the few significant residential projects announced in the past four years, said Ted Wilson, principal at Dallas-based Residential Strategies Inc.

“The lot supply in north Fort Worth is really tight today, and residential development moving up the Interstate 35W corridor is attractive,” Wilson said.

“The development will capture some Flower Mound buyers and compete for buyers with other master-planned communities, such as Lantana and Trophy Club (developments).”

The development options are limited in north Fort Worth, with



ON THE MAP:

At 1,000 acres, Belmont aims to be the next hot master-planned community, on par with Lantana and those in Trophy Club. The first phase will include about 250 homes in the \$200,000 to \$400,000 price range.

a flood plain area north of Grapevine and little access to utilities, he said. The Belmont site is one of the last large tracts of developable land in the upper Interstate 35W corridor, he said.

“There are only a handful of developers that have the wherewithal to do these kind of developments,” Wilson said. “This was a deal worked out in the last cycle that was waiting for new sponsorship to go forward.”

A new deal

Hillwood Communities is finishing building home lots for its Heritage project, a 2,300-acre master-planned community in north

Fort Worth.

Balda says the partnership will review Belmont’s community design, branding, land plan and landscaping to put Hillwood’s design on Realty Capital’s master plan.

“Realty Capital has done a wonderful job, and we want to take what they’ve done and enhance and refine it further and put the Hillwood stamp on it before we take it to the marketplace,” he said.

“The last few years have been strained, and we’re excited to start a new deal.”