



Land deal closing near D/FW



JAKE DEAN

IN THE ZONE: The recent rezoning of 194 acres just north of D/FW Airport made the land a good buy for Andrew Prime, left, and Steve Sanders, director of Texas investments for Stratford Land.

Purchase of 194 acres could lead to mixed-use development in Euless

BY CANDACE CARLISLE | STAFF WRITER

The acquisition of 194 acres of raw land near the Dallas/Fort Worth International Airport has spurred discussion of a destination-style, mixed-use development in Euless.

The land deal is scheduled to finalize April 29 through a joint venture comprised of Stratford Land and Realty Capital Corp. The purchase price was not released.

The site is at the northwest corner of State Highway 183 and State Highway 360.

Until about a month ago, the 194 acres of land was zoned for commercial use. The Euless City Council approved a plan to change the zoning to roughly 60 percent residential and 40 percent commercial.

Stratford Land typically buys and holds land for three to seven years through various market cycles, said Steve Sanders, director of Texas investments for Stratford Land, which will manage the asset.

The firm will likely hold onto the commercial section of the acreage until Stratford determines the best possible mix on the commercial use of the project, he

LAND: Location, rezoning make land attractive

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said.

Developers may break ground this year on 110 acres of residential development and 20 acres of multifamily development, officials said.

Commercial development on 64 acres of land — including restaurants, retail and office — will likely follow.

“We are already getting expressions of interest from potential buyers in the single and multifamily tracts that comprise 130 acres,” Sanders said. “The commercial may take longer to develop, but has significant potential with a location along two major freeways and next to the airport.”

Sanders declined to give the names of potential developers.



COLTART

Realty Capital Corp. brought the deal to Stratford Land because the group knew about the company's interest in acquiring high-potential assets in desirable areas, said Tim Coltart, vice president for development of the Dallas-based firm.

The Stratford Group's Andrew Prine aided in getting the deal to Stratford.

There's a trend of raw land development for mixed-use projects beginning with a single-family home component, said Ray Utley, president of the land division for Henry S. Miller Brokerage LLC.

“Rooftops drive the rest of the market,” Utley said. “The residential activity drives everything else.”

The joint venture will likely get the land into the hands of developers and build-

ers quickly to raise the value of the land, he said. Developers and builders are also looking for raw land amongst developed communities, he said.

“Builders are looking for the hole in the doughnut,” Utley said, adding it may help secure financing for the project. “The area is proven.”

There's market demand for residential communities in the Euless area, said Ted Wilson, a principal at Residential Strategies Inc., which tracks the housing market.

“That's a great location and is about as infill as you can get,” Wilson said. “The Hurst-Euless-Beford market is pretty well built out and there's a shortage of new lots in that market. It would be a successful community, if it was executed right.”

Other residential development projects in the immediate area are finishing construction and the parcels of residential development will likely have interest from developers and builders looking for properly zoned land, he said.

The project would likely find financing because of market demand, he said.

“We would expect that probably one of the larger developers would end up with the project,” he said.

Dallas/Fort Worth International Airport Board opposed the rezoning in a Feb. 15 letter addressed to Euless city planning and zoning officials. The letter stated the airport's traffic patterns could disrupt residential life.

The letter is fairly routine and part of Federal Aviation Administration guidelines that require airports to alert developers to the noise easement surrounding an airport and suggest architecture to lessen

the noise to residents, said Harvey Holden, the noise compatibility planner with the airport.

Other nearby cities have previously received similar letters when residential development projects arise in proximity to the airport, he said.

Mike Collins, Euless' director of planning and economic development, said building codes account for the easement.

The unanimous decision to rezone the site shows the city's strong support, Collins said.

“We see it as a live-work-play space for future residents and see it as all kinds of benefit to the city,” Collins said.

The idea of creating a destination-style commercial project has been previously presented to city officials. Riverwalk! at Euless would place restaurants and retail around a significant water feature.

Officials say plans could change based on market influences and developers.

Either way, the commercial portion of the development will leverage the freeway location and the site's proximity to the airport, Sanders said.

The location of the acreage was one of the reasons behind the property being a great piece of land, he said.

“I would anticipate to see dirt moving later this year,” Coltart said of residential development. “The commercial demand will only take a matter of time.”

“The site is incredibly central,” Coltart said. “That's a big advantage.”

The joint venture could begin to parcel out land to developers in the next three months to six months, he said.

Stratford wants more

BY CANDACE CARLISLE | STAFF WRITER

Dallas-based Stratford Land is looking to acquire acreage in the Dallas-Fort Worth area through a \$750 million real estate investment fund, said Steve Sanders, director of Texas investments for Stratford Land.

The Stratford Land Fund IV is more than half funded and will stop accepting investments by the end of the year.

Stratford will look to acquire property in the next two or three years that it later will sell to developers.

Sanders won't specify the type of land the firm is looking for, but said he's open.



SANDERS

“If it's land and it makes money, we'll do it,” Sanders said. “If it's infill in downtown Dallas or a residential land deal in Lewisville ... there is nothing we won't do.”

Previous acquisitions have included a joint venture with Legacy Capital Partners in purchasing about 622 acres off Southwest Parkway in Fort Worth in December.

Stratford plans to install \$15 million in road infrastructure, as well as water and wastewater infrastructure, he said. The landowner has identified 14 parcels of land to sell to developers, he said.

Stratford is open to large deals, co-investments and joint ventures, he said.

The firm is looking throughout the United States for real estate investment opportunities, but Sanders said he hopes Texas lands a good percentage of those investment dollars.

Stratford Land's first three land funds have invested more than \$450 million.