



CARROLLTON
TEXAS

Where Connections Happen

2017 Economic Review

City of Carrollton, Texas
Office of Economic Development

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2017 Economic Review

Carrollton's economy continued to grow by a sustainable 3%+ in 2017 as the DFW Market continued to be a preferred choice for business location and expansion. Carrollton's strategic location, transportation links, quality of life, access to a quality workforce, low crime rate, and low tax rate continued to make Carrollton a competitive location for corporate business investment. Expansion in all sectors of the Carrollton economy (Industrial; Office; and Retail) grew steadily, with Carrollton's large industrial base continuing to generate more tax revenues, enabling Carrollton to sustain its high quality city services at a low cost.

ECONOMIC INDICATORS

In 2017, Carrollton's population grew to **133,351** and its assessed value (value of real and personal property) grew to over **\$13 billion** with industrial/commercial valuations continuing to represent a larger percentage of the overall valuation, as compared with residential valuations. Currently, over 14,000 businesses (large and small) call Carrollton home.

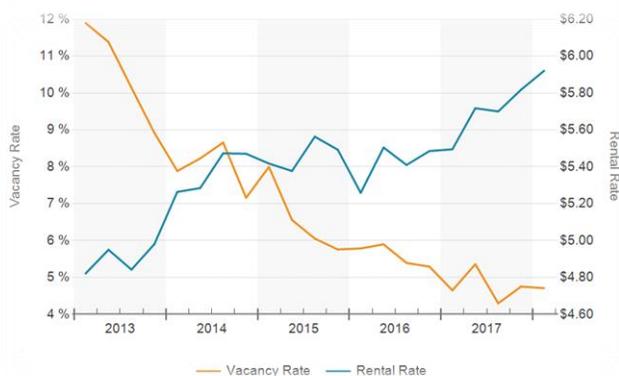
As of 2017Q3, total employment for Carrollton was **86,339**, a **3.1% increase** over the previous year. Average annual wages increased by **4.3%** during the past year, with the average worker in Carrollton earning wages of **\$62,568**. This is higher than the U.S. average wage of \$54,666. Home values also increased in Carrollton in 2017, with the mean home value rising to **\$246,565**, a **9.82%** increase from the 2016 value of \$224,512.

The largest industry sector in Carrollton is **Administrative and Support and Waste Management and Remediation Services**, employing 14,295 workers. This sector consists of companies performing routine support activities for the day-to-day operations of other organizations such as staffing, security and surveillance, business support services, etc. The next largest sectors are **Manufacturing and Construction**, employing 10,018 and 7,976 people, respectively.

Metal and product manufacturing is the industry cluster in Carrollton with the highest relative concentration. 1,906 people are employed in this industry in Carrollton with an average salary of \$52,490. The location quotient is 2.95 (national average is 1.0), indicating a large concentration of metal and product manufacturing workers compared to the rest of the U.S.

MARKET SECTORS

Industrial: Carrollton's Industrial Sector, represented by 691 industrial and flex buildings, grew to 43,269,014 SF with a vacancy rate of only 4.7% and an average lease rate of \$5.96 (NNN). This chart indicates the historical trend of Carrollton's industrial product, with rent currently at an all-time high and **vacancy at an all-time low**, down from the peak of 17% in mid-2010.



As a mature inner-ring suburb of Dallas, Carrollton has limited remaining space for new industrial development, so unique redevelopment opportunities are key. In 2016, **Prologis** began developing **Valwood Corporate Center** in Valwood Industrial Park, a four-building industrial complex on a 54-acre tract previously occupied by an outdated, 850,000-square-foot microchip manufacturer.

The first two buildings were completed in 2016 and are fully leased. The third building was completed in 2017 and already has a confirmed tenant. The fourth building will be completed this year and serves as a prime candidate for a large manufacturing or distribution company considering the North Texas market. When fully built-out, the development will house nearly 1-million square feet of state-of-the-art industrial/warehouse/flex space and will be home to over 450+ new employees.

D Magazine reported that three of DFW’s largest industrial deals of 2017 were in Carrollton. **Reynolds Consumer Products (Presto Products)** renewed its lease for 410,000 SF on Belt Line Rd. **Illes Seasonings and Flavors**, a 90-year-old company that manufactures dry spices and liquid seasonings, more than doubled its operations in Carrollton. The company has renewed the lease on its current operation on Luna Rd. and took an additional 81,912 SF of industrial space nearby at 2022 McKenzie Dr. This brings its total footprint in Carrollton to 155,496 SF. Records management and document shredding company **Iron Mountain** renewed a lease for 147,610 SF on Country Club Dr.

ROMCO Equipment, one of the largest, family-owned construction, mining, and paving equipment distributors in Texas, relocated its corporate headquarters, along with its primary leasing, sales, and maintenance operations to a new, \$7-million facility located at 1515 W Belt Line Rd. in Valwood Industrial Park. **DHL** constructed its new 50,000-square-foot, \$6.2-million Dallas Service/Distribution Center at 1600 Kelley Blvd. in order to serve its international shipping customers.

Parks Coffee, a family-owned office coffee service provider established in Carrollton in 1986, is completing the construction of its new 40,000-square-foot roaster office/display/warehouse facility at 1401 MacArthur Drive.

Additionally, **Marquez Brothers Foods**, a California-based producer and distributor of Mexican style dairy products, meat items, and canned goods, occupied 66,984 SF at 1405 N IH 35E; **Viva Railings**, on Inc. 5000’s List of Fastest Growing Companies in America, expanded into an 18,000-square-foot design and fabrication facility located at 1420 Halsey Way; and **Kellen Flooring Solutions** purchased an office/distribution facility located at 1410 Vinylex Dr.

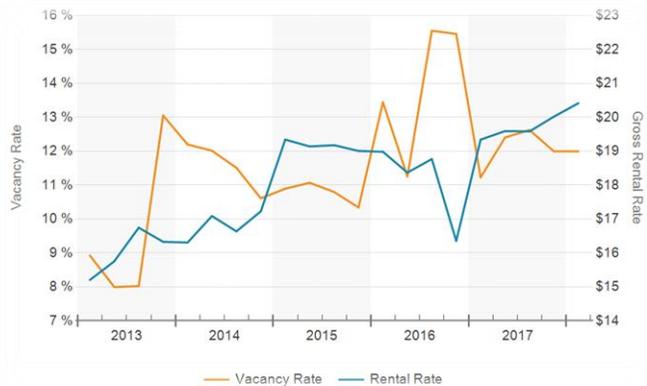
Office: Carrollton’s Office Sector, represented by 226 buildings, grew slightly to 3,853,359 SF, with a vacancy rate of 12.0% and an average lease rate of \$20.54 (NNN).

Carrollton logged the second largest office lease in DFW in 2017 when **AmerisourceBergen Corp.** signed a 300,000-square-foot lease for its new build-to-suit campus at Austin Ranch. Phase I of the project is currently under construction, and AmerisourceBergen plans to be fully functional in their new facility by Spring 2019.

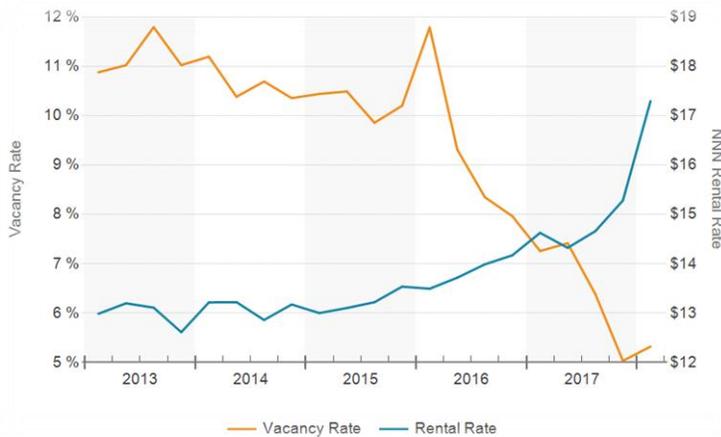
Carrollton also welcomed global insurance company **Elephant Insurance Services** in 2017. In its first expansion into the Texas market, Elephant selected Carrollton for its 43,000-square-foot operations center at International Business Park.

Finally, **CyrusOne**, one of the largest data center operators in the US, built out an additional 140,000 SF at its 700,000-square-foot Carrollton facility located at 1649 West Frankford Rd.

Office activity remains stable throughout the City and across all size, age, and classes of our existing office product.



Retail: Carrollton's Retail Sector continued to grow moderately to 6,626,146 SF with vacancy rates trending downward to 5.2% and an average lease rate of \$15.24 (NNN). The vacancy rate is down 2.0% from last year, and over 11.0% from a high of 16.5% in mid-2010.



Restaurants such as **Front Porch Pantry, El Pollo, Sing Box/YasiYang, Musiro Korean Cuisine, Too Thai Street Food, New Taste of Korea, Yoon Koean BBQ**, and many others located or expanded in 2017.

Also, **Sam Pack's Five Star Chevrolet** constructed its new 60,000-square-foot automotive dealership near Downtown.

The City's ongoing efforts to encourage the redevelopment of older shopping centers through judicious usage of its Retail Rehab Facade Improvement Grant Program continue to generate results, with a number of new retail leases signed at the redeveloped **Northcrest Village Shopping Center** (147,000 SF), **Carrollton Town Center** (229,000 SF), and the **Shops at Old Denton** (353,000 SF).

The new **Winco Foods** grocery store broke ground at the **Trinity Valley Shopping Center** and is expected to open in the early summer of 2018.

Hospitality, Medical and Residential: 2017 continued to show significant growth in the hospitality, medical, and residential markets in Carrollton.

The much anticipated 155-room **Marriott Courtyard Hotel and Conference Center** opened mid-2016 and has seen room night occupancies steadily increase along with special events within its 20,000-square-foot conference space.

Carrollton's medical industry is thriving, with several ancillary businesses locating around the periphery of **Baylor Scott & White Medical Center**, but also throughout the City within various offices and even retail centers (including laboratories, physician's offices, minor emergency rooms, etc.), as providers work to be close and accessible to their patients. The recently completed 20,000-square-foot **Medical Parkway Center** located at 4221 Medical Parkway directly across from the hospital is now completely leased. Also, land is being prepped for a new, 40,000-square-foot medical office building, **Carrollton Medical Village**, at 4724 Plano Pkwy.

Additionally, several senior/assisted living and memory care centers are being developed, such as the 183-unit **Overlook at Prestonwood Senior Living Complex** currently being completed at 3033 E Hebron Pkwy.

The Billingsley Company completed construction of **Sloane Street**, an upscale, mixed-use residential and retail development at Midway and Park adjacent to **International Business Park** in north Carrollton.

Most remaining greenfield sites are being developed, with the addition of 2,800+ homes planned. Additionally, the City is annexing nearby unincorporated land, which will house hundreds of new homes in far North Carrollton in the future.

DOWNTOWN DEVELOPMENT

Carrollton's Historic Downtown continues to see much interest and activity. The completion of the construction/reconstruction of I-35E, along with the reconfiguration of the E Belt Line Rd./I-35 E Interchange (Downtown's "Front Door") was a confirmation to those who had already invested in Downtown that their investment was a sound one, as well as a signal to others that they should take a close look at establishing a presence there.

As a visible indication that Downtown was open for business, Trammel Crow began construction on the 353-unit Phase III of **The Union at Carrollton Square**, resulting in a total of 650+ units in this urban, upscale apartment development within walking distance to shops, retail, restaurants, and Carrollton's Downtown DART Station. The development, a public/private partnership with the City of Carrollton, began in 2012 and served as the primary catalyst for future downtown development and redevelopment. Also, construction has begun on **The Switchyard**, another upscale apartment community which will result in an additional 234 units on Broadway just north of the Downtown Square.

LOOKING FORWARD

Carrollton's population is projected to continue its steady 3-4% growth rate next year to nearly 140,000, which should align with the timing of additional housing units (single-family homes; townhomes; and apartments) currently under construction and coming to the market (see Hospitality, Medical and Residential above).

Employment in Carrollton is projected to expand by **1,473 jobs** next year and will soon top **90,000**. The fastest growing sector is expected to be **Health Care and Social Assistance**. This industry is currently experiencing a 3.4% year-over-year growth rate. The fastest growing occupation group is **Healthcare Support Occupations** at 3.5% year-over-year projected growth. These statistics provide our community and education partners valuable insight into what types of degrees and skill sets are in demand for our future workforce.

The City of Carrollton continues to utilize the public/private partnership model which has been very successful over the past 15 years in the development/expansion of its Retail, Industrial, Office, and Multi-Family sectors, and has several major development/redevelopment projects moving forward in 2018:

- **Trinity Mills TOD Redevelopment:** A 26+ acre mixed-use (office, retail, hotel, housing) project in partnership with DART (Dallas Area Rapid Transit) and Integral Developers (Master Developer) to transform former parking lots and other commercial land acquired by the City into an "urban village" that will spur further investment around the Trinity Mills DART station and the Broadway corridor to Downtown. The multi-million dollar project begins in 2018 and will be developed over an 8-10 year timeframe.
- **Thomas Park Residential Redevelopment:** A 24+ acre area on the east side of Denton Dr. in close proximity to Downtown and the Downtown DART station designed as a Planned Development District with single-family homes and townhomes. The City has partnered with Arcadia Realty and conceptual plans are moving forward.
- **Crosby Gardens Residential Infill Redevelopment:** A 34-acre site in close proximity to Historic Downtown Carrollton and the Downtown DART station surrounding the City's Crosby Recreation Center. The site will be developed for upscale single-family homes and townhomes. Drainage and geotechnical studies are currently being completed and an RFP will go out in the next few months seeking a private development partner.

Monthly updates from the Economic Development Department are available on the Economic Development page of the City of Carrollton web site:

<http://www.cityofcarrollton.com/departments/departments-a-f/economic-development/economic-development-update>.