



SHOPPING CENTER ASSESSMENT AND RETAIL STRATEGY



CARROLLTON
TEXAS

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EXECUTIVE SUMMARY

PURPOSE & NEED

The purpose of this study is to conduct a retail assessment and strategy for the city of Carrollton in order to improve retail quality and retail health. Retail generates jobs, sales tax, and property taxes and also contributes to the overall fiscal health of the city. With over 27% of the city's revenue coming from sales tax (includes tax from business services, taxable goods and retail sales), enhancing Carrollton's retail sector adds to the economic vitality of the city. Attractive retail amenities can assist in corporate attraction, add to neighborhood values, and provide a high quality of life for residents, workers, and visitors.

Retail is one of the most important brand elements for a community. In addition to providing a consistent revenue source, retail supports revitalization and sustainability, if tailored to the needs and interests of the local consumers.

The goal of this initiative is to identify opportunities to improve retail quality through various actions. This memorandum sets forth analysis on the market and documents some of the key initiatives that can be linked and leveraged for implementation.

Background

The Mayor and city council have taken bold steps in the role of retail success. This includes the redevelopment of downtown and the redevelopment of several aging shopping centers within Carrollton.

As a result, the city is experiencing growth in downtown and significant private investment in several shopping centers. For example, downtown has several new urban residential projects, an upgraded Downtown Square, and attraction of many destination tenants including, Cane Rosso, Monkey King Noodle Co., Twisted Root, and

Babe's Chicken.

Also, there have been several very successful public/private redevelopment projects in a number of Carrollton's largest shopping centers. For example, with the assistance of the City, a local developer purchased and renovated the Shops at Old Denton (the largest center in Carrollton), NewQuest Properties purchased and renovated the new Carrollton Town Center with 99 Ranch Grocery as a new anchor, Zerby Interests purchased and is renovating the Northcrest Village Shopping Center, and The Weitzman Group is demolishing the former Target Store at Trinity Valley Shopping Center and will be constructing a new WinCo Foods.

Given the importance of retail to a community's tax base and impact to quality of life, Catalyst has compiled an assessment of Carrollton's current retail climate. To complete this assessment, a number of steps were involved, including internal and external interviews, a review of existing city data, a physical review of Carrollton's retail, and an analytical analysis of various districts.

Approach

While Carrollton's retail statistics overall, are consistent to retail in the region, certain districts have greater vacancy and are producing lower rents than comparable areas. While some variation in performance is normal, the concentration of certain underperforming conditions can be attributed to factors that can be mitigated.

To evaluate retail conditions in smaller geographies, Catalyst divided the city into smaller separate retail districts. These areas include:

1. Hebron at 121
2. Old Denton at Hebron
3. Rosemeade at Old Denton

4. Frankford Corridor
5. Josey at Rosemeade
6. Josey at Hebron
7. Trinity Mills at Midway
8. President George Bush Turnpike at Josey
9. President George Bush Turnpike at Old Denton
10. Keller Springs at Josey
11. Downtown Carrollton
12. Belt Line Corridor

Summary of Findings

In review of retail performance across the districts, several factors stood out. First and foremost, age has the biggest impact on retail performance. Most of the impact from aging retail is due to lack of reinvestment, not solely the age of the center. While the city of Carrollton does have programs for facade improvements and redevelopment to address aging conditions, several interviews revealed that incentives did not provide enough return on investment to justify the investment. Finding a solution to address aging centers should be a high priority because as centers decline, they not only affect fiscal impact to the city, but also affect adjacent neighborhood values.

Other issues that were prominent include poor tenant quality, vacancy due to poorly configured space, and landscaping. Research also showed that surrounding neighborhood quality, location attributes, and concentration of retail make significant impacts. While a number of factors may be harder to change, the shopping center quality and tenant mix is either preventable or can be improved.

District Approach

This analysis found that the Hebron at 121 District contains some of the highest performing retail in Carrollton, in terms of rent. The only area which has greater rents is on Hebron near Willow Bend

Mall, which have rents in excess of \$30.00 per square foot. Overall, this area is well positioned and performing well. This district could benefit from overall marketing efforts, potential incentives on a case-by-case basis to high value tenants and support as needed.

The Old Denton at Hebron District is well located and contains high quality retail. This area contains Walmart, Kohl's and Kroger and other anchors. Hebron and Old Denton are both strong thoroughfares and offer commuter traffic benefits. Several new tenants have located in the district, including Pets Plus. The area would benefit from a targeted effort to identify under supplied categories to mitigate the few vacancies remaining.

Rosemead at Old Denton is a neighborhood oriented retail district. The major center is Rosemeade Heights Plaza which is anchored by a CVS pharmacy. Although the population ranks in the middle compared to other districts, the workforce numbers in that area are lower than the majority of other districts.

The Frankford Corridor District contains several older shopping centers. The district is mainly anchored by value-oriented tenants and is affected by lower rents and above average vacancy, although the district sits within strong income levels. New activity includes Ace Hardware, which signed a lease in the former grocery space at Northcrest Village. This should help draw traffic and improve tenant mix. This district could benefit from increased marketing and outreach, incentives for facade improvements and upgraded landscaping at Frankford and Old Denton.

The Josey at Rosemeade district contains Rosemeade Plaza and Rosemeade Shopping Village. The retail in this district contains a wide

mix of formats and higher percentage of medical services. While vacancy is generally low, this area could benefit from improved retail quality and upgrade to several shopping centers. This is a potential targeted area for investment and could likely benefit from façade grants, landscaping and targeted recruitment.

The Josey at Hebron District is well located and contains some of the highest performing centers in Carrollton. This area is well positioned near new residential growth and benefits from strong retail and income. This area has some of the lowest vacancy and best tenants in Carrollton.

The Trinity Mills and Midway District has some of the lowest rents and highest vacancy rates in Carrollton. While the centers are well positioned, they have functional challenges including two-story retail, which is difficult to lease. This district has a large amount of retail for the local population base, and could benefit from increased investment, targeted retail strategy and perhaps a long-term redevelopment strategy.

The PGBT at Josey District, although built in the mid 1970's performs well. This district benefits from its position along the PGBT Tollway and central position within Carrollton. While the district has suffered from the loss of Target, the majority of the area has maintained good occupancy. WinCo will be a good addition to the Trinity Valley Shopping Center.

The PGBT at Old Denton District is one of Carrollton's best performing district. This area is dominated by Asian oriented formats, but has regional attraction and maintains strong rental rates and low vacancy. The area is anchored by 99 Ranch, Daiso, and HMart. This is a great example of public/private success which has contributed to the revitalization of several shopping centers in this district. A

specialized merchandising strategy could reinforce the ethnic oriented district, but overall this district is well tenanted and has improving performance.

The Keller Springs at Josey District is located in the southern section of Carrollton and has strong anchors such as Home Depot and Albertson's. The Josey Ranch shopping center is the largest center within the district and is well maintained. Across the street is the Plaza at Josey Ranch. This center is two story, but has maintained low vacancy due to its location and strong tenant mix. This district could benefit from enhanced landscaping and shopping center improvements, but is generally performing well.

Downtown Carrollton has emerged into a regional first-class destination. Since 2010, the City has been investing in Downtown Carrollton. Improvements include Main Street, Pioneer Park, additional surface parking, a parking garage, the Union at Carrollton Square, and the newly renovated Downtown Square. This has resulted in the attraction of new residential and regional destinations such as Twisted Root, Cane Rosso and Monkey King Noodle Company. The city should continue to support attraction of unique destination oriented restaurants and continue incentives and other public/private partnerships. Additional opportunities would be to continue land banking properties that are aligned with the downtown master plan that can be repositioned to developers with catalytic projects.

Our findings show that the Belt Line Corridor is one of the lower performing districts in Carrollton. Belt Line serves as a major east/west thoroughfare and there are a number of major employers that this district serves. However, the district has large vacancies, low rents, value-oriented tenants, intermittent landscaping, and aging retail buildings. This district would be a strong target for a refined corridor plan and redevelopment. In addition, this

area should be a target for greater incentives and updated zoning to address certain issues.

Potential Retail Goals

1. Retail Benchmarking - Integrate regional retail benchmarks to underscore and monitor performance and set priorities on resources and other incentive programs.
2. Establish Targeted Investment Areas - Consider adopting a policy to create Targeted Investment Areas ("TIA's"), which could allow for greater funding, incentives, investment and other resources. For each TIA, a custom strategy can be tailored to the needs of individual districts.
3. Develop a program to increase awareness and outreach to local brokers and developers to address various opportunities, educate on new policies, or emerging trends, proposed or new developments, capital improvements planned, and neighborhood activity which could affect retail.
4. Develop a list of quality ethnic brands. Carrollton should explore secondary databases available or develop a proprietary database of quality ethnic concepts that may be a fit for Carrollton. This information can help identify strategic uses that can take advantage of changing demographics.
5. Participate in regional and national retail association events and activities. The city should continue to explore participation in retail association activities and events to gain visibility for the community among retail developers and brokers as well as the retailers and restaurant owners who attend these functions. Panel discussions, retail-related speakers and social sessions also provide opportunities for elected

officials and staff to engage with a wide variety of retail contacts.

6. Create a corporate retail committee. Explore creating a partnership with major employers and manufacturers to identify business needs and identify how retail can serve as a greater amenity for corporate attraction.
7. Create a retail recruitment program. Retail recruitment is one of the most effective economic development initiatives to improve retail. The city, through the economic development department, should engage a retail recruiter to support the site selection process.
8. Create a committee of property owners.
9. Develop a list and committee of largest land and building owners to discuss local issues, trends and give market input to Carrollton's economic development team.
10. Explore updating the marketing policy. Set up a local task force and meet with regional brokers, tenants, and shopping center owners on the existing signage policies.
11. Create an internal task force. The city of Carrollton, through the Economic Development Department, should explore setting up an internal task force consisting of city leaders, the planning department, parks, police and code enforcement to discuss issues impacting retail.

INTRODUCTION

Introduction

Retail Assessment

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EXISTING CONDITIONS

Three major thoroughfares including President George Bush Turnpike (US190), Sam Rayburn Tollway (US 121) and IH35E extend through the City of Carrollton with high through-traffic volume and high visibility; two key elements important to retail development.

Given that a community's residential population and income are the dominant sources supporting retail, Carrollton's large residential base helps support a large amount of retail within the city. Furthermore, Carrollton is home to a number of large employers and strong daytime population base which creates additional purchasing power and demand for retail and restaurant activity. The 2015 daytime population in Carrollton is 66,722.

According to Costar, Carrollton has over 6,643,120 square feet of retail, with approximately 700,000 square feet of vacancy, or 10.8%. As of 2016, the average lease rate is \$13.54, which is close to the Dallas/Fort Worth average rent per square foot.

Population

According to ESRI, Carrollton's estimated 2015 population is 124,048, up from 119,097 in 2010 (4.1% growth since 2010). The population is estimated to grow to 132,146 by 2020, a total projected growth of 6.5%, over 5 years. As the population increases, it is vital to align a community's retail merchandising with the population base to prevent leakage and maintain sales tax and property tax revenue.

Household Characteristics

ESRI estimates approximately 45,388 households within Carrollton as of 2015. Of these households, 60.1% are owner-occupied and 35.1% are renter-occupied with the remaining 4.8% recorded as vacant. By 2020, Carrollton is estimated to have 48,538 households, with an annual household growth rate of 1.3%.

HOUSEHOLD INCOME BY RANGE (ESRI)

Income Range	Carrollton
\$0 - \$24,999	11.6%
\$25,000 - \$49,000	18.0%
\$50,000 - \$74,999	18.6%
\$75,000 - \$99,999	15.9%
\$100,000 - \$149,999	21.1%
\$150,000+	14.8%

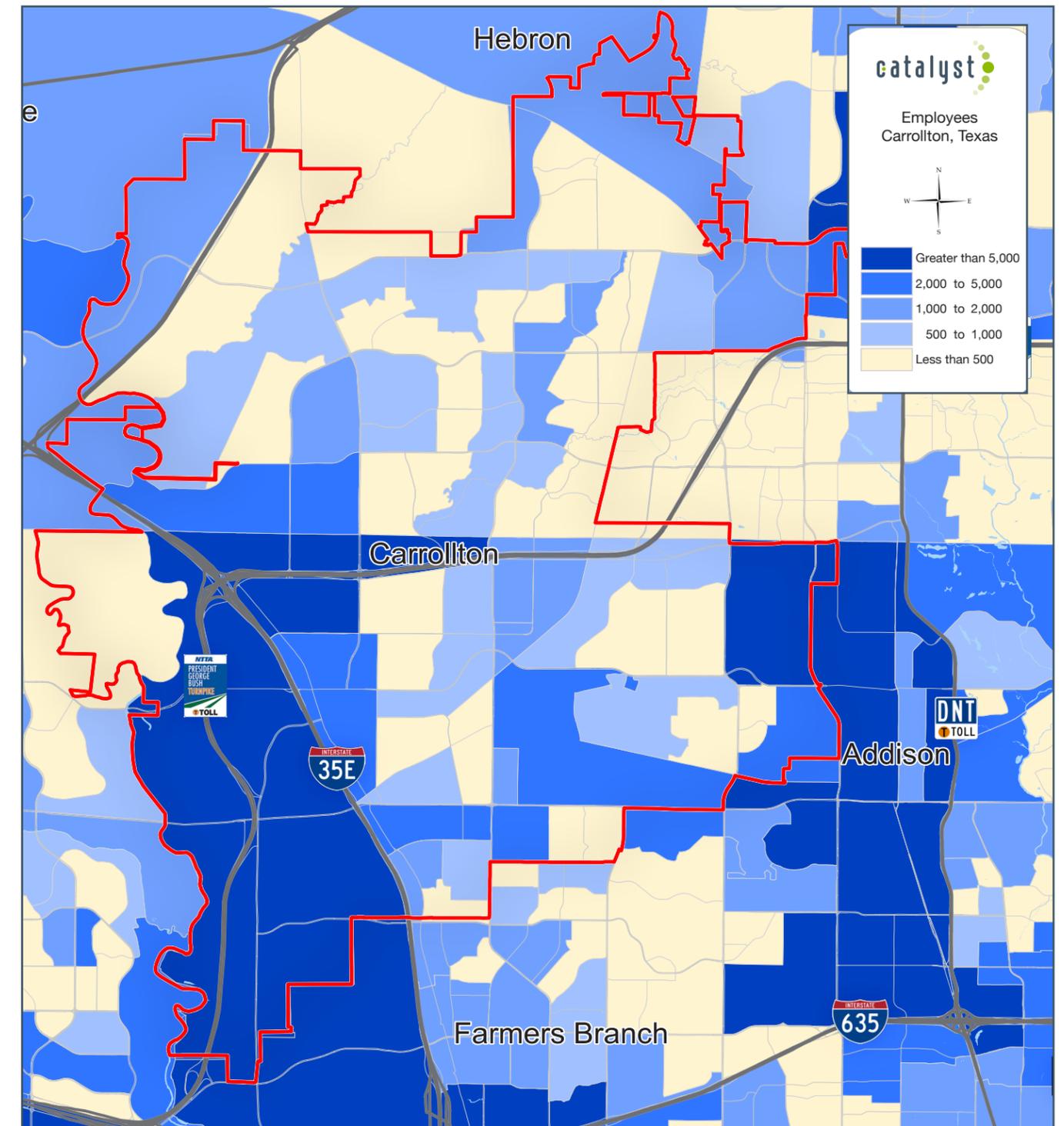
The median household income in Carrollton as of 2015 is estimated at \$77,092, and is projected to increase by 13% by 2020 to a total of \$87,019. Breaking down household incomes in Carrollton into quintiles from less than \$25,000 to greater than \$100,000, the largest percent of households in Carrollton earn more than \$100,000 annually (36% of all households). Alternatively, just under 12% of households earn less than \$25,000 city wide. The 2015 median home value in Carrollton is \$242,471, and expected to increase to \$260,132 by 2020.

Purchasing Power

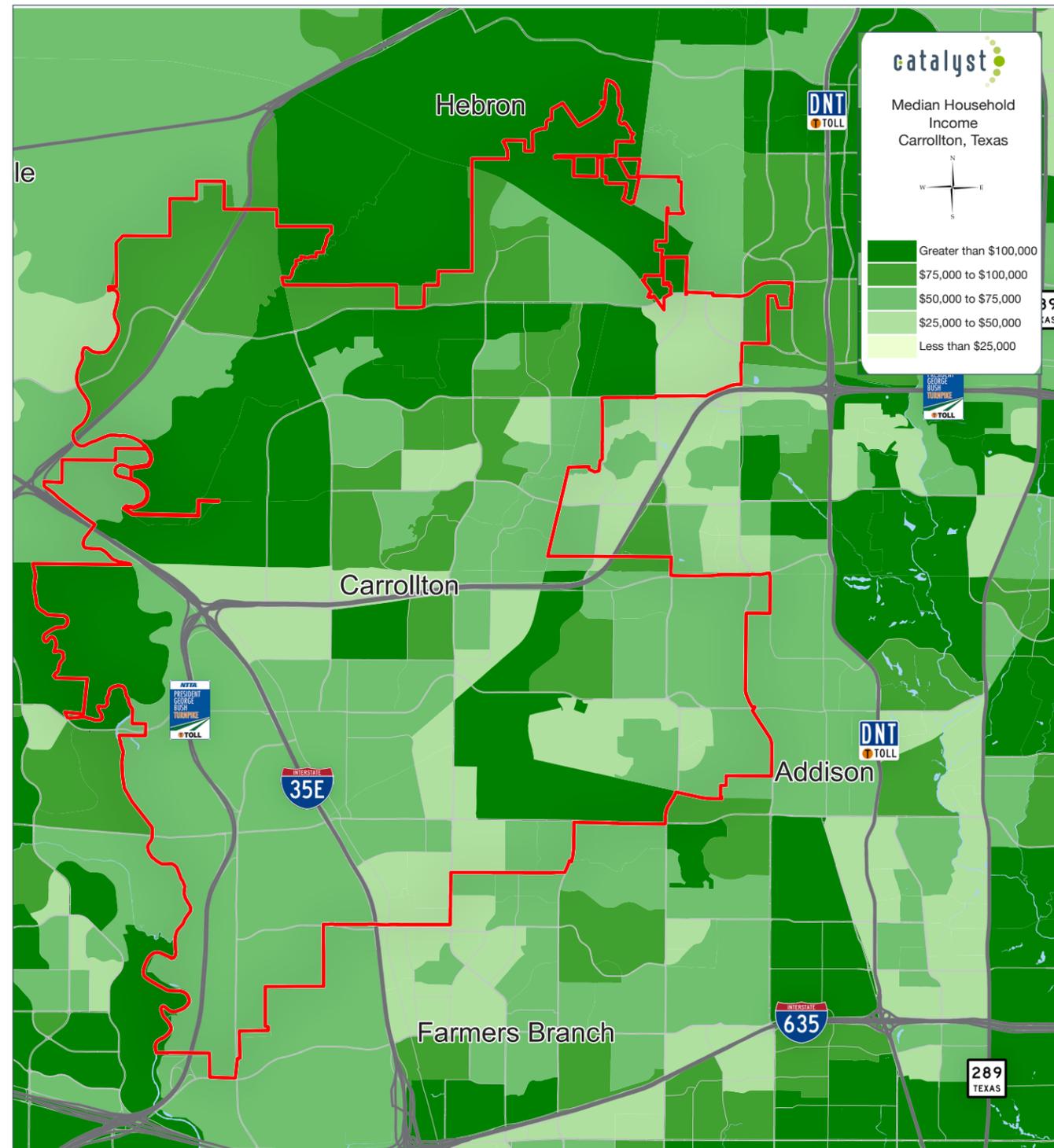
Understanding income levels is crucial for communities with regards to an appropriately nuanced retail strategy. As higher household incomes typically translate to greater levels of disposable income, retail goods and services tailored to fit this greater disposable income are appropriate in suitable areas. Likewise, lower household incomes have a greater propensity for value-oriented goods and services.

When analyzed together, this is referred to as purchasing power. While certain areas in Carrollton may have lower income levels, the housing density can offset the loss of income/purchasing power. However, income levels have a significant impact on disposable income, therefore the merchandising of retail must align with not only the retail capacity but also with the needs of the neighborhood. As areas are located near major transportation nodes or areas

CARROLLTON, TEXAS EMPLOYMENT DENSITY



CARROLLTON, TEXAS MEDIAN HOUSEHOLD INCOME



of major employment, these factors can have less of an impact due to the offset in workforce spending or commuter dollars.

Generational Distribution

Understanding the generational distribution of an area is also important from a retail merchandising standpoint. Customizing retail strategies to fit the generational needs and interests of nearby populations can help drive further retail potential.

- *Generation X (ages 35-54) is the largest % of the total population*
- *Millennials (ages 15-34) are 2nd*
- *Generation Z (ages 0-14) is 3rd*
- *Baby Boomers (ages 55-74) are 4th*
- *Silent Generation (age 75+) is the smallest*

Race

Carrollton is an extremely diverse city. As such, understanding the distribution of race/ethnicity throughout the city at a granular level becomes increasingly important with regards to retail. Esri data shows the racial make-up of Carrollton, as of 2015, is 60% White, 15.2% Asian, 9.3% Black, with 15.4% reporting as Other/Two or More races.

Ethnicity

Approximately 31.3% of the city is of Hispanic ethnicity, and the balance is comprised of non-Hispanic.

Carrollton's diversity is also shown at the block group level by the Ethnicity Map. The diversity map shows the dominant ethnicity of individual block groups, represented by the % of that ethnicity within the block.

Implications of Changing Demographics

The DFW Metroplex has seen tremendous population growth over the past 20 years: from approximately 3.8 million to over 7 million. Although

the City of Carrollton remains relatively suburban, its proximity to rapidly growing communities creates an opportunity for Carrollton to capture the highly mobile population that surrounds the city.

The development of the tollways (190 and 121) in addition to the increasing volume of traffic on other arterials such as Josey Lane, Midway Road, Keller Springs and Old Denton Road, has in effect shifted Carrollton's position from being near the northern apex of the Mextroplex to being closer to Dallas' central core. As such, the role and the type(s) of retail has also evolved and will continue to evolve in the coming years. One of the ways Carrollton's retail has evolved in recent years is the increase of ethnic brands within the city.

Carrollton features sizable Asian and Hispanic populations, with both of these population expected to experience growth in the coming years. By 2020, the Asian and Hispanic populations in Carrollton are expected to grow by 2.2% and 1.2%, respectively. By 2020, the Asian population

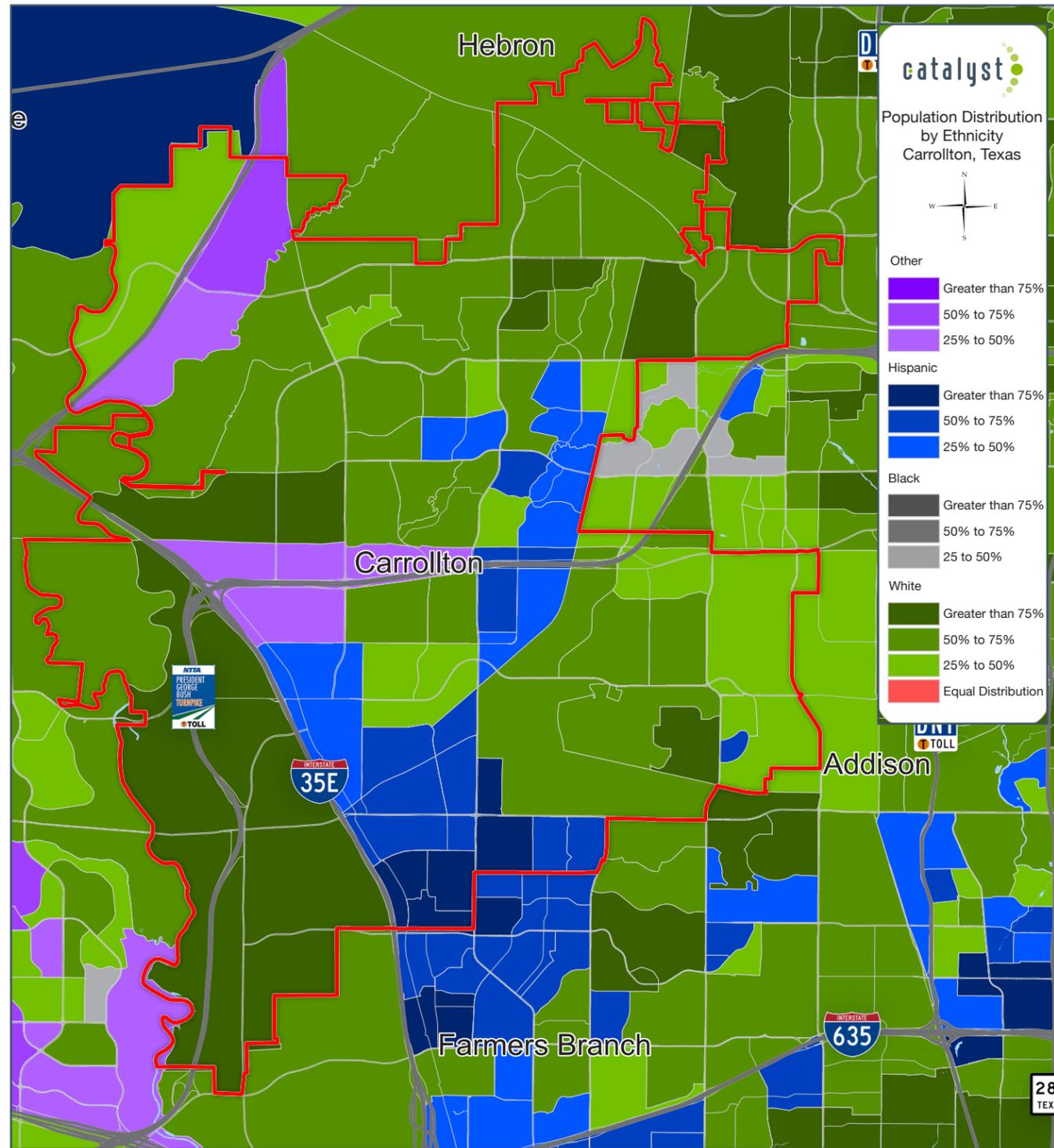
RACE/ETHNICITY DISTRIBUTION (ESRI)

Race	Carrollton
White	60.0%
Black	9.3%
Asian	15.2%
Other/Two or More Races	15.4%
Total	99.9%

Ethnicity

Hispanic Ethnicity (Any Race)	31.3%
Non-Hispanic	68.7%

CARROLLTON ETHNICITY MAP



will be approximately 18,867 and the Hispanic population will make up roughly 38,888 of Carrollton's population.

As of 2016, there are approximately 52 million Hispanics in the U.S., which represents 16% of the total U.S. population. By 2050, Hispanics will exceed 130 million and comprise roughly 30% of the U.S. population base. By comparison, Texas will be approximately 40% Hispanic by 2050. Currently, 31.3% of Carrollton's population base is Hispanic (ESRI).

The Hispanic impact on retail is significant in regard to retail spending trends. Currently, Hispanics have over a \$1.2 trillion impact on the national economy, which is expected to increase to \$1.7 trillion by the year 2017. This economic opportunity should be embraced by the city of Carrollton in its retail efforts. Carrollton is well positioned to be competitive; both in terms of its position in the Dallas/Fort Worth market and in terms of its diversity.

Recent research shows that Hispanics spend more per trip per capita at grocery stores, general merchandise stores, and supercenters. In addition, Hispanic shoppers spend \$175 more on fresh foods annually at traditional grocery stores, than the national average, and the typical Hispanic customer spends 1.4 times more at convenience stores. This is likely why concepts like WinCo are taking advantage of valuable existing space in Carrollton. Hispanics also spent \$366 more on clothing and \$214 more on footwear than the average U.S. shopper¹. Hispanics also represent almost 10% of the total dollars spent on home improvement related goods.

As the spending trends in both of these groups continues to expand, this diverse consumer mix will certainly impact merchandising of retail formats and shopping centers. "Overall, Hispanic consumers spend more on total basket than non-Hispanics, reaffirming the growth opportunity this group represents for consumer packaged goods manufacturers and retailers. U.S.-born Hispanic homes lead this spending, as they shop more frequently than their foreign-born and non-Hispanic counterparts."¹

The evolving demographics in and around Carrollton demonstrate the need to further examine and understand the interests of the consumers within the various ethnic groups. It will also be important to explore the dynamics of the generational groups as the city takes the next steps in making improvements to the retail component of its economy.

1 Univision

Psychographics

Psychographics are useful in market analyses because psychographics merge standard demographic data into psychological/consumer preferences of various segments. Psychographics provide an insight into individual values, attitudes, interests, behaviors, and product preferences. Exploring the psychographic characteristics by neighborhood segmentation highlights the unique characteristics of Carrollton's population base. This type of information is important because interests, preferences, and lifestyles can be identified to prepare a retail strategy based upon local characteristics.

Today's site selection professionals and researchers rely on psychographic profiles and neighborhood segmentation to locate their target consumers, formulate targeted site selection strategies and make location decisions.

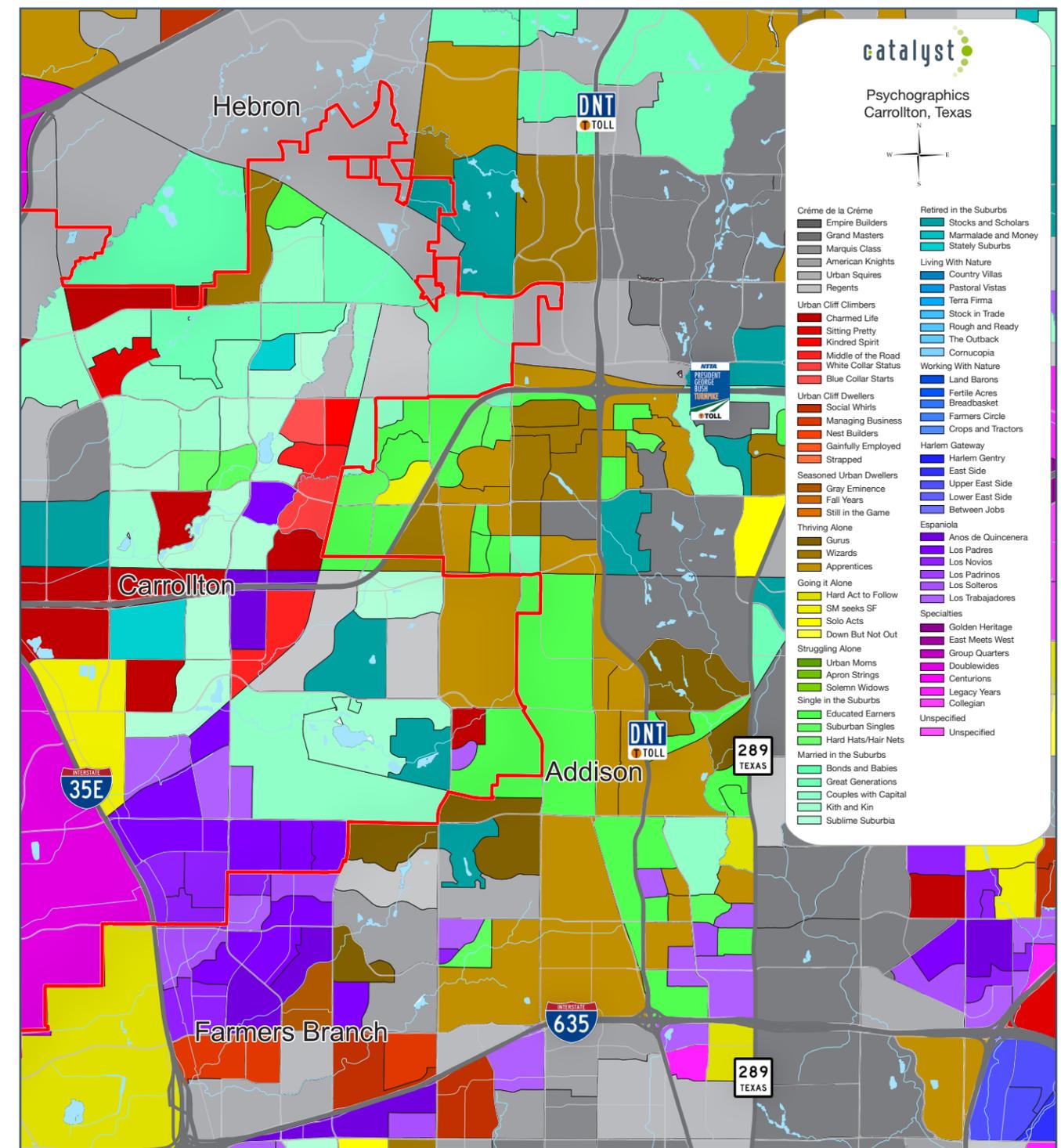
Catalyst used data from Synergos Technologies Inc. (STI). STI developed psychographic data called Landscape to identify the psychographic profile of neighborhood segments. Landscape neighborhood segmentation uses STI proprietary methodology to create psychographic segmentation at the census block and block group level. Catalyst used Landscape data at the block group level to identify the psychographic profile for the city of Carrollton.

STI data includes neighborhood segmentation across 72 categories (neighborhood segments) defined by STI. These neighborhood segments are groups of people who share similar psychographic characteristics and are statistically different from other population segments. The 72 neighborhood segments are based on national data and are distinct from districts referenced in this report. Each of these 72 neighborhood segments are grouped into 15 summary neighborhood categories.

The following chart shows the most dominant psychographic segments within Carrollton represented by the percent of total households belonging to each of the psychographic segments. A description of these psychographics can be found in the appendix.

Distribution of Carrollton Psychographic Neighborhoods	
Segment (Category in Parenthesis)	Percent of Households
Couples with Capital (Married in the Suburbs)	8.4%
Sublime Suburbia (Married in the Suburbs)	8.4%
Charmed Life (Urban Cliff Climbers)	7.1%
Los Trabajadores (Española)	6.5%
Wizards (Thriving Alone)	6.5%
Great Generations (Married in the Suburbs)	6.2%
Los Padres (Española)	5.6%
Los Novios (Española)	5.4%
American Knights (Creme de la Creme)	5.3%
Kith and Kin (Married in the Suburbs)	4.9%
Stocks and Scholars (Retired in the Suburbs)	4.3%
Regents (Creme de la Creme)	4.2%
Apprentices (Thriving Alone)	3.7%
Percent of All Carrollton Households	76.5%

CARROLLTON PSYCHOGRAPHIC DOMINANCE



RETAIL ASSESSMENT

ANALYTICAL APPROACH TO ADDRESS CARROLLTON'S DYNAMIC MARKET

Catalyst evaluated Carrollton's retail centers by individual retail districts based on location, character and typology. The districts are named by the closest intersection or other dominant factors associated with the area. The districts have also been grouped by their dominant retail format such as "Big Box", "Neighborhood" or "Grocery-Anchored."

As districts were outlined, the following quantitative metrics of the centers within the district were evaluated:

1. Vacancy %
2. Gross leasable area (GLA)
3. Shopping center age
4. Asking rental rate
5. Estimated gross sales volume
6. Sales per square foot.

Demographic characteristics were also assessed using a 1 mile and 3 mile ring from the center of the district. The following demographic components were utilized in the assessment:

1. Population
2. Workforce (within 1 and 3 mile radius of retail district)
3. Income
4. Race/Ethnicity
5. Purchasing power (within 1 and 3 mile radius of retail district)

Within each district, individual centers were evaluated by their qualitative metrics, such as visibility, tenant quality, mix and appearance.

A map showing each of the districts and key centers within each of the districts is on page 12 and details on selected centers within each district are on page 16.

Summary

This retail assessment explores retail quality in Carrollton by evaluating Carrollton's shopping centers, within each retail "district."

This process revealed that Carrollton's shopping centers are affected by a number of factors, including size, tenant mix, quality, character of district, age of shopping center, and location relative to nearby amenities. Although the majority of these factors are quantitative in nature, qualitative factors were also assessed using a physical review of major shopping centers.

Generally speaking, most retail was found to be in good condition. In many cases, these centers are well anchored and performing well. In districts that exhibit lesser quality, somewhat minor interventions such as façade and/or signage improvement would be "quick wins" that could significantly increase the quality of the district. In other cases, a more detailed retail strategy would likely be a necessary avenue for retail district/shopping center improvement.

An important note to be made regarding shopping centers in Carrollton is that there are key lessons to be learned specifically regarding two districts. Both the Belt Line Corridor and the President George Bush Turnpike (PGBT) at Old Denton retail districts are highly trafficked districts that exhibit a substantial draw primarily due to one factor: alignment of merchandising with local demographics.

In the case of the Belt Line Corridor district, the primary driving mechanism for the district's success is the ability to leverage the nearby Hispanic population by offering merchandise that is tailored to the Hispanic population. Although this is one of Carrollton's strongest districts, it should be simultaneously mentioned that the aging centers located within the district may be in need of façade and structural improvements (e.g. improved parking

lots) to mitigate the risk of these retailers locating elsewhere.

The PGBT at Old Denton district is another retail district that serves as an example of how quality merchandising can create a regional draw. This district's array of merchandise geared towards nearby Asian populations has created a strong retail district that is highly beneficial for Carrollton.

In summary, minor improvements may be enough to help increase the quality of many of Carrollton's retail districts. There are a few shopping centers in the city that may be in need of more extensive interventions, but with an appropriate strategy these districts can be improved.

Retail District Summaries

To better understand the quality of the 12 retail districts, Catalyst reviewed the following factors:

- Gross leasable area (GLA)
- Average year built
- Vacancy
- Rental rates
- Estimated sales volume
- Sales per square foot (sales/SF)
- The number of employees within one mile of the retail district
- The number of employees within three miles of the retail district
- 1 mile purchasing power (determined by multiplying median household income times the number of households within one mile of the district)
- 3 mile purchasing power (determined by multiplying median household income times the number of households within three miles of the district)

Retail District 1: Hebron at 121

Hebron at 121 features a mix of fast-good and full service restaurants with strong traffic counts. Key

shopping centers include West Hebron Plaza and Hebron Parkway. Some areas of this district are becoming less accessible during high traffic times. The district is one of the least populated areas both in residential and workforce, but it is the fastest growing district in the city with a high median household income.

Retail District 2: Old Denton at Hebron

This district is anchored by Kroger and Walmart and other associated neighborhood retail. Key centers include Hebron Heights Shopping Center and Hebron Parkway Plaza. This area has some existing vacancies and population and workforce are relatively low compared to other districts. Like Hebron at 121 District, the median household income is high.

Retail District 3: Rosemeade at Old Denton

This is a neighborhood oriented retail district. The major center is Rosemeade Heights Plaza which is anchored by a CVS pharmacy. Although the population ranks in the middle compared to other districts, the workforce numbers in this area are lower than the majority of other districts.

Retail District 4: Frankford Corridor

This is a grocery-anchored district with neighborhood retail. Major centers are Northcrest Village, Woodlake Square and Frankford Village Shopping Center. Frankford Corridor is one of the most densely populated districts with a moderate workforce level, but it also has a high level of retail vacancies comparative to other districts.

Retail District 5: Josey at Rosemeade

This is a neighborhood retail district. The major retail center is Rosemead Plaza. This is the most densely populated district with sizable purchasing power, but its potential hasn't been developed because of the aging centers and signage issues. Proximity to

nearby dense residential and high traffic roadways make it a good candidate for quality redevelopment.

Retail District 6: Josey at Hebron

Grocery-anchored district with Neighborhood retail. Key Centers are Josey Oaks Crossing and The Market at Hebron. Its desirable demographic characteristics have created a high quality, strong performing district that can serve as an example of how a quality retail district can be created within the city.

Retail District 7: Trinity Mills at Midway

This is a neighborhood retail district. Major retail centers are Bent Tree Plaza and Midway Mills. Due to its high visibility and the significant workforce within the area, there is a lot of potential for retail recruitment by leveraging the nearby workforce and utilizing the existing vacancies within the district.

Retail District 8: President George Bush Turnpike (PGBT) at Josey

This is a neighborhood oriented district with major big box retailers. Major retail centers include Trinity Valley and Trinity Plaza. The proximity to the PGBT provides a sizable amount of daily traffic for drawing potential consumers, although the visibility from PGBT is not ideal. The district could benefit from improved signage and the proposed WinCo Foods will help reduce vacancies as well as increase customer traffic in district in the near term.

Retail District 9: President George Bush Turnpike (PGBT) at Old Denton

Grocery-anchored and box retail. This district is a prime example of how an appropriate merchandising strategy can create an excellent retail district. The mixture of big-box retail alongside grocery-anchored centers has created a high quality regional retail node.

Retail District 10: Keller Springs at Josey

This district contains grocery-anchored, neighborhood retail and large format anchors. This is one of the newer retail districts. Although the population numbers are somewhat low relative to some of the other retail districts, there is potential for the district to become a high performing area as retail density increases.

Retail District 11: Downtown Carrollton

The district's incorporation of historic infrastructure and the attraction of newer niche restaurants as well as its retention of long-standing retailers in the area, has created a destination retail node that is evolving in to a regional destination.

The city's active role in leveraging public projects to spur private investment in downtown has been successful, however, it should be noted that further catalytic projects will be required to stabilize the downtown market area and continue attracting and sustaining ancillary retail uses that create this unique environment.

Retail District 12: Belt Line Corridor

Belt Line Corridor is a neighborhood retail district. This District benefits from Belt Line's high traffic and good visibility along Belt Line. Although some of the retail is under utilized, the district has potential to be transformed into a major gateway and support corporate needs, commuters and adjacent neighborhoods.

CARROLLTON AERIAL RETAIL DISTRICTS

RETAIL DISTRICT 1
Hebron at 121
 #20) West Hebron Plaza,
 #21) Hebron Parkway Retail Center

RETAIL DISTRICT 2
Old Denton at Hebron
 #15) Hebron Heights Shopping Center,
 #16) Hebron Parkway Plaza

RETAIL DISTRICT 3
Rosemeade at Old Denton
 #22) Rosemeade Heights Plaza

RETAIL DISTRICT 4
Frankford Corridor
 #5) Northcrest Village,
 #12) Woodlake Square,
 #14) Frankford Village Shopping Center

RETAIL DISTRICT 5
Josey at Rosemeade
 #18) Rosemeade Plaza

RETAIL DISTRICT 6
Josey at Hebron
 #13) Josey Oaks Crossing,
 #19) The Market at Hebron

RETAIL DISTRICT 7
Trinity Mills at Midway
 #4) Bent Tree Plaza,
 #7) Mills Pointe,
 #8) Briarwyck Shopping Center,
 #9) Midway Mills Crossing

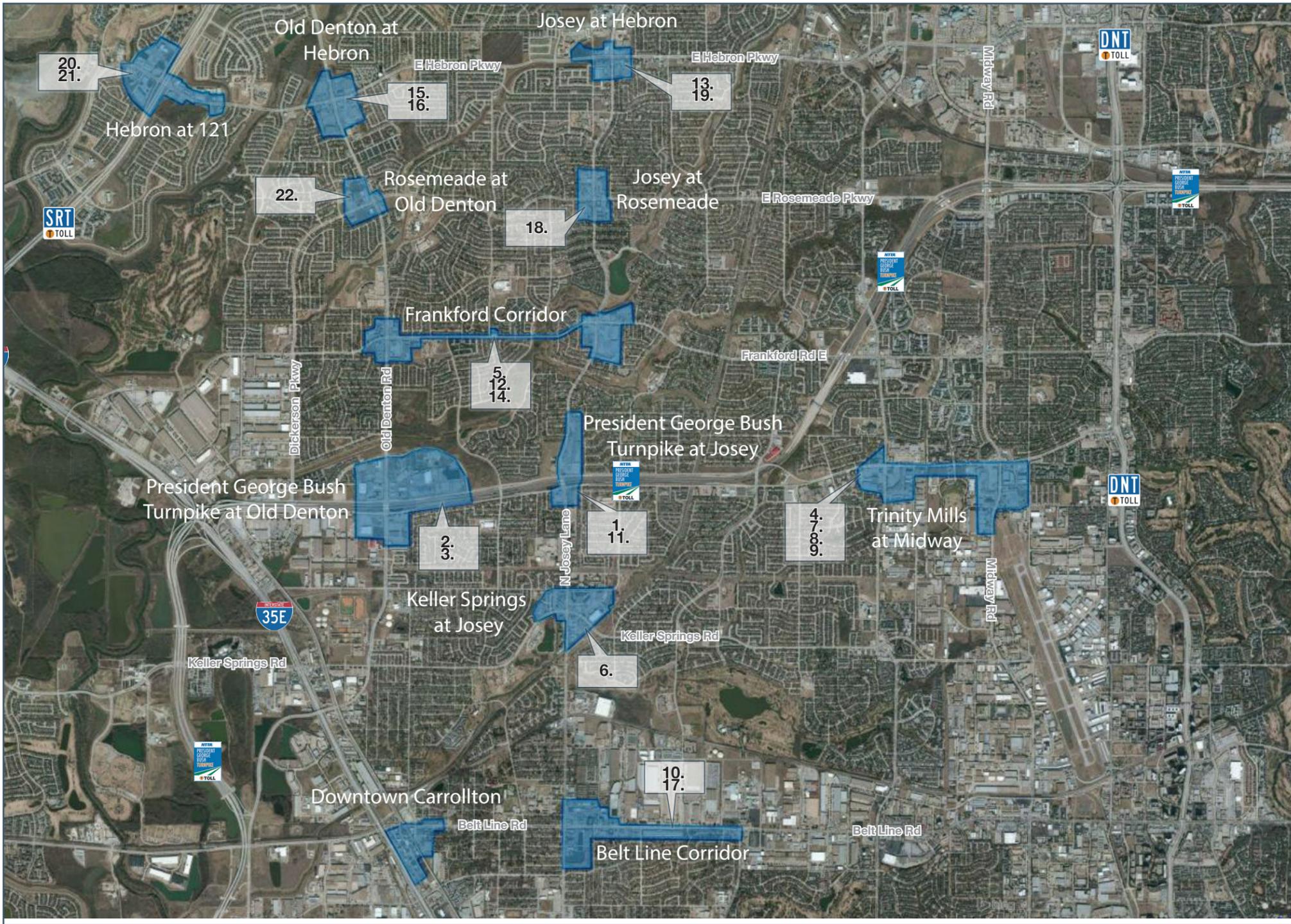
RETAIL DISTRICT 8
President George Bush Turnpike at Josey
 #1) Trinity Valley,
 #11) Trinity Plaza

RETAIL DISTRICT 9
President George Bush Turnpike at Old Denton
 #2) Shops at Old Denton,
 #3) Carrollton Town Center Phase I

RETAIL DISTRICT 10
Keller Springs at Josey
 #6) Josey Ranch

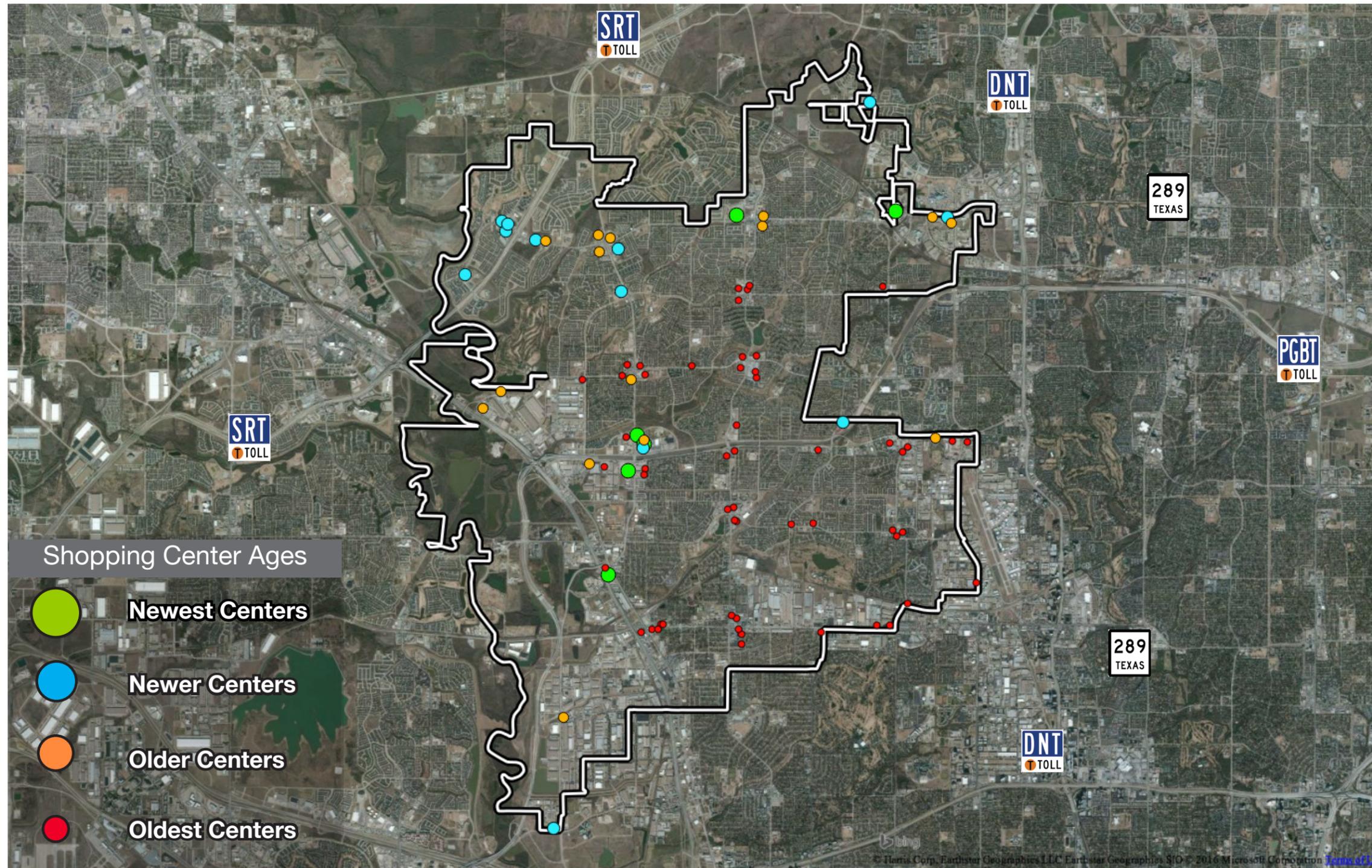
RETAIL DISTRICT 11
Downtown Carrollton

RETAIL DISTRICT 12
Belt Line Corridor
 #10) Carrollton Park Shopping Center,
 #17) Carrollton Park Village



REGIONAL FACTORS

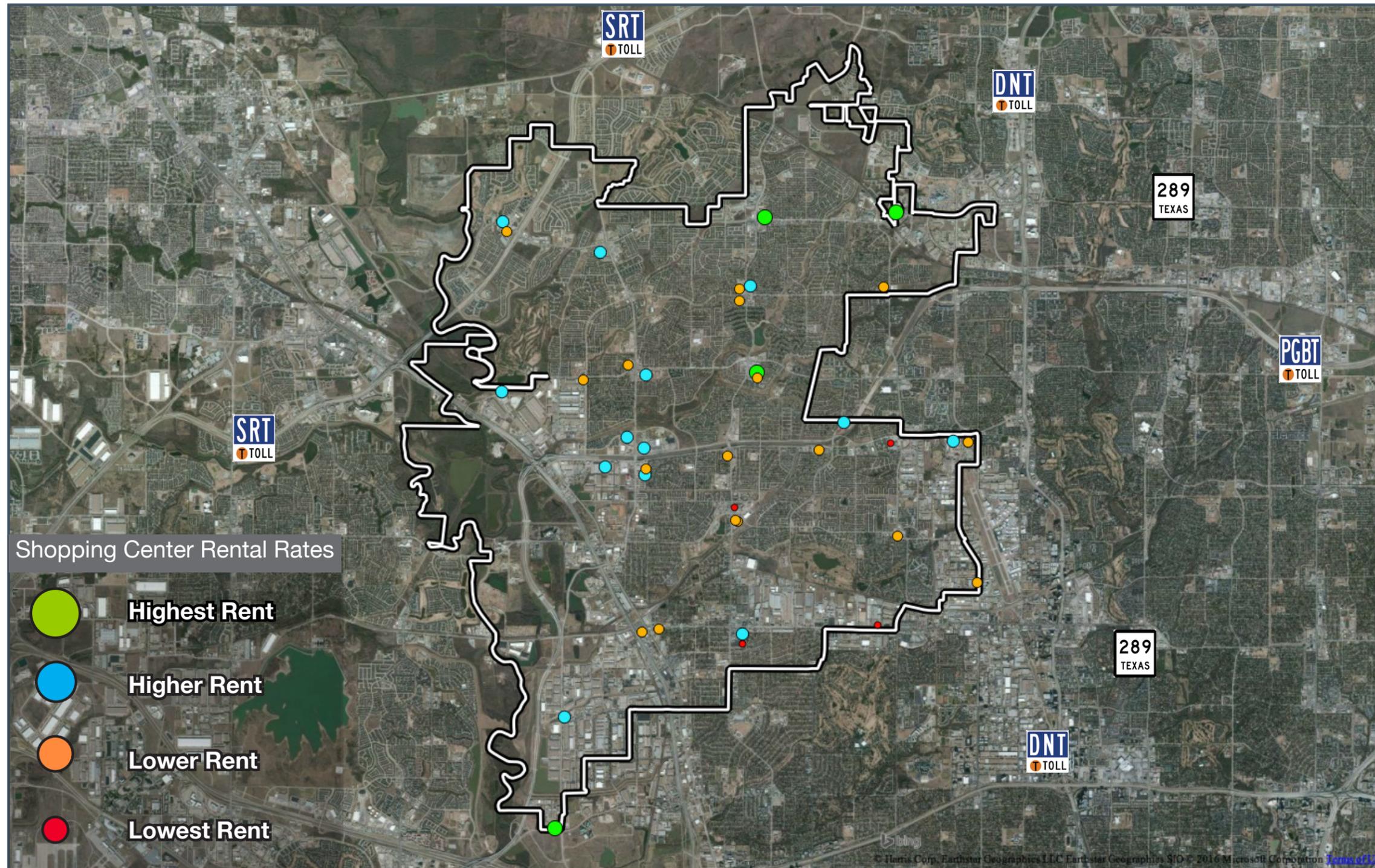
CARROLLTON SHOPPING CENTERS BY AGE



AGE

The retail age map shows shopping centers in Carrollton scored by the age of the facility. Standard “four corners” retail (i.e. neighborhood oriented retail) centers are located in the center of the city and are found near major north/south and east/west thoroughfares. The newest retail centers (green dots represent the newest centers and blue dots represent the newer centers) are typically located in the eastern portion, or far north Carrollton. Older centers (represented by orange dots as older centers, and red dots as the oldest) are primarily located within areas that can be best defined as “four corners” neighborhood-oriented areas.

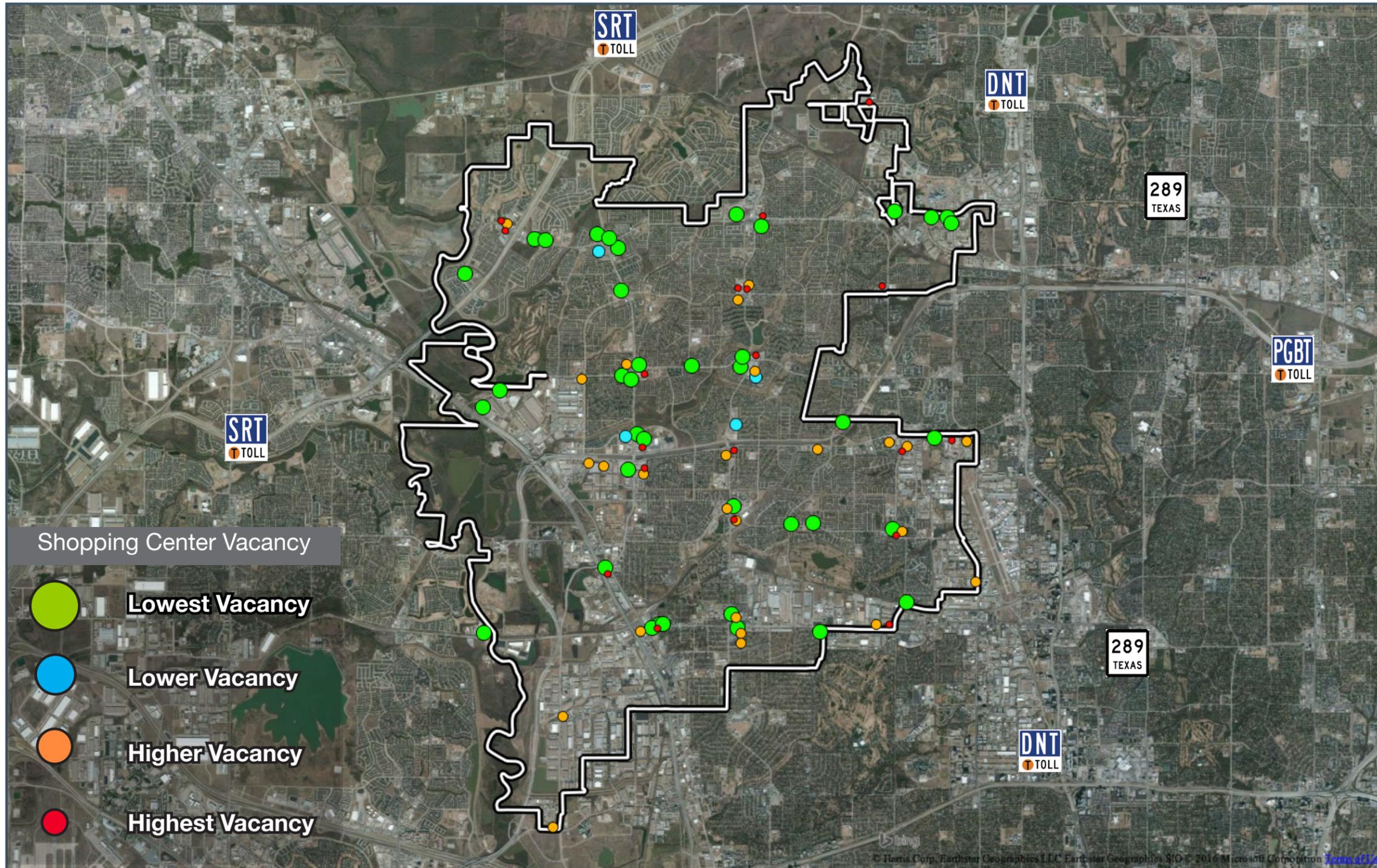
CARROLLTON SHOPPING CENTERS BY RENTAL RATES



RENT

The retail rent map shows Carrollton shopping centers ranked based on their rent. Centers with the lowest rental rates are represented by red dots. Centers with lower rental rates are shown by orange dots. Centers with higher rents are represented by blue dots. Centers achieving the highest rental rates in Carrollton are represented by green dots. Centers with the highest rents are primarily located north of PGBT and near the Josey/Old Denton Road intersection.

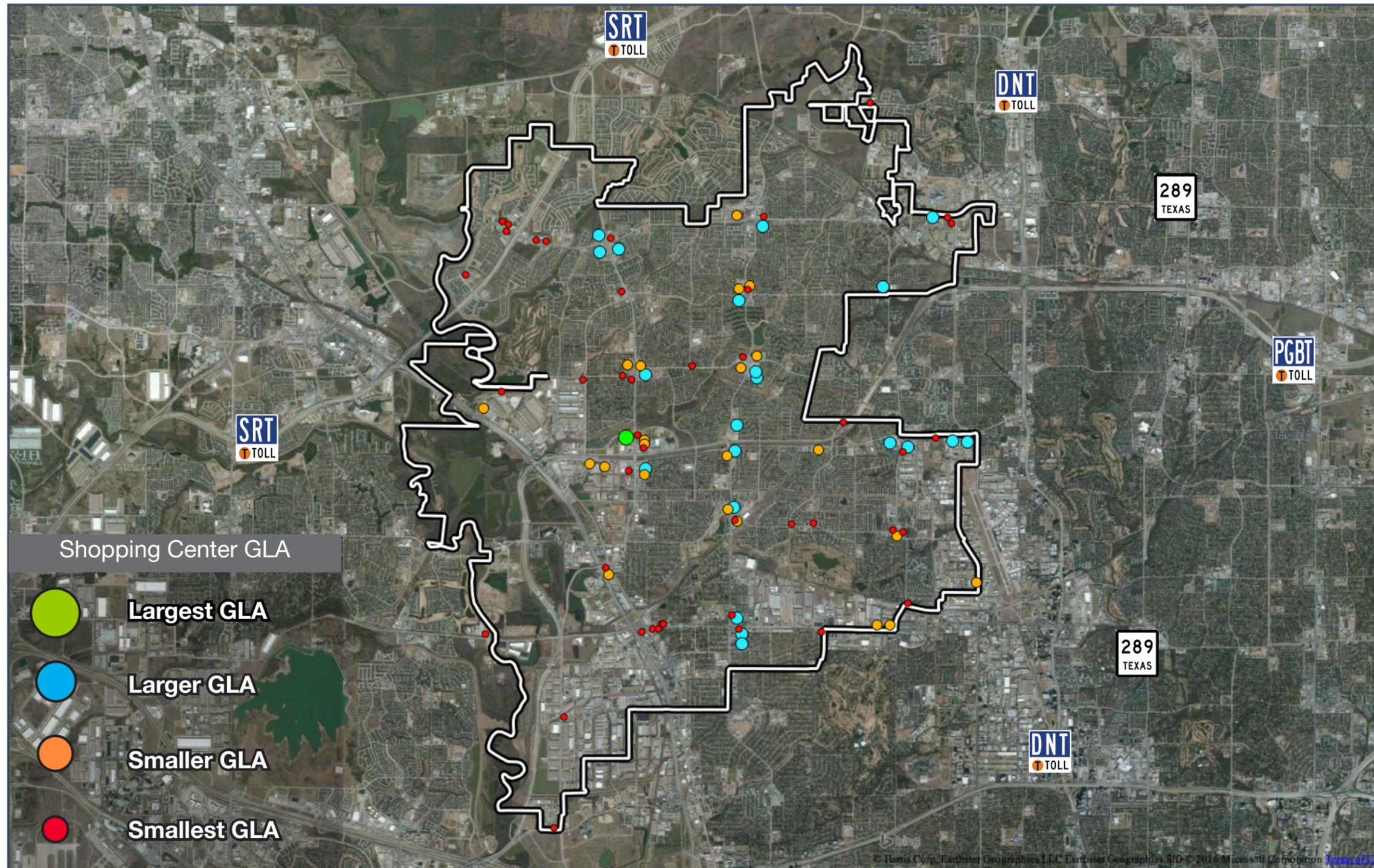
CARROLLTON SHOPPING CENTERS BY VACANCY



VACANCY

The retail vacancy map exhibits the vacancy scores based on their vacancy percentage. Centers with high vacancies are represented by red dots. Centers with lower vacancy rates are shown with blue dots, and centers with higher vacancy rates are shown by orange dots. Generally speaking, green dots (i.e. centers with the lowest vacancies) tend to cluster nearby indicating that low vacancy centers are typically close in proximity.

CARROLLTON SHOPPING CENTERS BY GROSS LEASEABLE AREA (GLA)



GLA

The retail GLA map shows Carrollton retail centers scored by the total gross leaseable area (GLA) of the center. The largest centers in Carrollton are scattered throughout the city, while smaller centers are located in the southern and northwestern portions of the city. The Josey corridor bifurcating Carrollton indicates that Carrollton's largest centers are located near the thoroughfare, with some large centers located near Midway Road and Trinity Mills, and a cluster of large centers in northwest Carrollton.

SHOPPING CENTER ANALYSIS

CARROLLTON SHOPPING CENTERS BY DISTRICT

District #	Distict	Map Ref. #		Center GLA	Year Built	Center Vacancy	Center Vacancy (%)	Asking Rent
#1	Hebron at 121	20	West Hebron Plaza	19,692	2007	1,600	8%	\$22.50
		21	Hebron Parkway Retail Center	18,150	2007	-	0%	\$20.00
#2	Old Denton at Hebron	15	Hebron Heights Shopping Center	62,673	2000	2,765	2%	\$20.00
		16	Hebron Parkway Plaza	115,847	2005	7,565	4%	\$20.00
#3	Rosemead at Old Denton	22	Rosemeade Heights Plaza	10,500	2008	-	0%	\$13.00
#4	Frankford Corridor	5	Northcrest Village	147,026	1986	36,317	21%	\$16.00
		12	Woodlake Square	43,572	1976	-	0%	\$7.50
		14	Frankford Village Shopping Center	67,297	1985	9,225	8%	\$16.00
#5	Josey at Rosemeade	18	Rosemeade Plaza	60,452	1980	6,500	11%	\$10.00
#6	Josey at Hebron	13	Josey Oaks Crossing	91,173	1995	-	0%	\$18.50
		19	The Market at Hebron	32,436	2011	-	0%	\$22.50
#7	Trinity Mills at Midway	4	Bent Tree Plaza	154,245	1985	54,539	22%	\$15.00
		7	Mills Pointe	126,089	1985	28,355	15%	\$16.50
		8	Briarwyck Shopping Center	84,406	1985	6,147	3%	\$10.00
		9	Midway Mills Crossing	71,928	1986	7,820	11%	\$12.00
#8	PGBT at Josey	1	Trinity Valley	188,875	1979	15,996	9%	\$18.00
		11	Trinity Plaza	64,968	1975	12,089	14%	\$16.00
#9	PGBT at Old Denton	2	Shops at Old Denton	352,698	1983	2,200	1%	\$15.00
		3	Carrollton Town Center Phase I	222,238	1986	22,370	4%	\$10.50
#10	Keller Springs at Josey	6	Josey Ranch	292,614	1985	10,050	0%	\$11.00
#11	Downtown	N/a	Downtown					
#12	Belt Line Corridor	10	Carrollton Park Shopping Center	111,121	1965	17,966	16%	\$17.50
		17	Carrollton Park Village	96,036	1976	12,678	13%	\$18.50

Source of data: Costar, Xceligent, Catalyst
Page updated: November, 2016

Introduction

Retail Assessment

Retail Goals

Implementation

Appendix

SWOT ANALYSIS

	Strengths	Weaknesses	Opportunities	Threats
Trinity Valley	One of Carrollton's largest centers Planned WinCo Foods (Q1 2017) will improve the tenant mix Josey Lane - one of Carrollton's most heavily trafficked roads - provides significant traffic counts (i.e. visibility) for the center	Although accessible from President George Bush Turnpike, the lack of frontage along the roadway creates the need for better signage. Existing vacancies	Opportunity to leverage the incoming WinCo Foods, as the grocery will provide steady traffic for other tenants. Wenco expansion may improve parking lot issues.	Maintenance on the parking lot will need to be completed to mitigate some issues (e.g. cracks in the pavement) Shift of choice retail customers to Colony, Grapevine. Wenco restrictions may limit some merchants.
Shops at Old Denton	Arguably the highest gravity shopping center in Carrollton A strong tenant mix alongside appropriate merchandising has helped make Shops at Old Denton a regional center	None	Apply Shops at Old Denton as a regional case study	Other regional centers in northern DFW counties may present competition for this center in the future Choice customers leave for newer retail
Carrollton Town Center Phase I	High occupancy and tenants such as Daiso and 99 Ranch Market have helped to revitalize this center and attract other new tenants	None	An intervention/strategic framework to improve the center was completed, and can provide a great opportunity for the city to use as an example of effective P3. Leveraging the nearby Shops at Old Denton to create an even more significant regional node for tenants geared towards Asian populations	It will become important to retain viable tenants and to quickly replace any vacancies that arise
Bent Tree Plaza	Location along Midway and Trinity Mills creates a large amount of traffic flow near the center Highest three mile workforce relative to other Carrollton centers Strong visibility	The center suffers from poor visibility coming from Midway Road (heading southbound) due to the car wash on the property's corner Vagrants affecting perception of safety	Another one of Carrollton's centers that can be improved through an intervention/strategic framework plan that seeks to understand how to provide a quality tenant mix	Some updates to the center (e.g. façade improvements, with cohesive signage) may be needed to prevent the center from aging too quickly (built in the mid 1980s)
Northcrest Village	Aldi's helps the center to diversify its tenant mix and Ace Hardware will soon add to the gravity of this center	The layout of the center is not ideal for some tenants located in the property's southeastern corner (not completely visible from the road). Aldi restrictions may limit some uses.	Leverage new national tenants which can improve the attractiveness and mix of the center.	The landscaping on the property (specifically, trees) blocks signage from Old Denton Road for some tenants, as well as the center's sign along Old Denton
Josey Ranch	Significant workforce population within three miles (3rd highest in Carrollton relative to other centers)	Low rental rates at the property (in the lowest quartile relative to other Carrollton shopping centers)	Nearby workforce can be leveraged to increase gravity for the center.	Declining tenant quality could continue to erode income.
Mills Pointe	The center is near both single family and multifamily residential, although the center would likely appeal more to the single family residential	Signage for much of the center is sub-par	Given there are three large fitness centers in close proximity, a tenant mix that leverages these users may improve the center's sales volume	Although an opportunity (if done appropriately), three large fitness centers in such close proximity may be saturating this area
Briarwyck Shopping Center	Center vacancy is in the lowest quartile relative to other Carrollton centers (less than 5% vacancy)	Rental rate is in the lowest quartile relative to other Carrollton centers, suggesting below market rental rates at the center	Given there are three large fitness centers in close proximity, a tenant mix that leverages these users may improve the center's sales volume, increase rental rates	Although an opportunity (if done appropriately), three large fitness centers in such close proximity may be saturating this area

	Strengths	Weaknesses	Opportunities	Threats
Midway Mills Crossing	Location along Midway and Trinity Mills creates a large amount of traffic flow near the center Highest three mile workforce relative to other Carrollton centers	Two story retail centers have historically been difficult to maintain low vacancy Second story users are difficult to fill, appropriately merchandise	Increasing the quality of Midway Mills Crossing may have a transitive improving effect on Bent Tree Plaza directly across Midway Road, creating a high gravity neighborhood retail district	The two story layout of the retail center will be difficult to adequately merchandise
Carrollton Park Shopping Center	The merchandising strategy at Carrollton Park (and along Belt Line Road) is strong, and creates a high gravity for the Hispanic population in Carrollton	The center is aging and is in need of some maintenance and aesthetic improvements required with older centers	Opportunity to continue to leverage the Hispanic merchandising strategy of the center, especially with Fiesta Mart	The appearance of the center (i.e. center's aging) may become increasingly problematic with tenant attraction, although the center appears to be performing fairly well with users such as Fiesta Mart
Trinity Plaza	Location near President George Bush Turnpike helps create significant traffic volume for the center	Center is aging, although a remodel is ongoing Lack of frontage along PGBT creates need for increased/improved signage	Center is undergoing a full remodel which will likely help tenant attraction/retention	Trinity Valley (located just north of President George Bush Turnpike) may draw away from Trinity Plaza. However, if appropriately done, the two centers could leverage each other creating a larger draw
Woodlake Square	Carrollton Plaza Supermarket nearby helps create additional gravity for center	Tenant mix is not cohesive Some façade improvements for the center needed to help increase tenant attraction/retention	High purchasing power within one mile of the center means a strong neighborhood oriented retail mix appealing to nearby residential could help create a quality neighborhood retail node	While low quality anchor tenants improve vacancy rate, the lack of strong anchors will eventually be detrimental to the center overall
Josey Oaks Crossing	Large local workforce numbers can be leveraged if appropriately done	Lack of highly visible signage along Josey	Utilizing the large local workforce statistics can create a highly trafficked center and increase sales volume - particularly in lunch hours	None
Frankford Village Shopping Center	Carrollton Plaza Supermarket nearby helps create additional gravity for center	Tenant mix is not cohesive Some façade improvements for the center needed to help increase tenant attraction/retention	High purchasing power within one mile of the center means a strong neighborhood oriented retail mix appealing to nearby residential could help create a quality neighborhood retail node	While low quality anchor tenants improve vacancy rate, the lack of strong anchors will eventually be detrimental to the center overall
Hebron Heights Shopping Center	Facades on the center are high quality	Lack of cohesive merchandising strategy Poor signage makes the center difficult to see from the road	North Carrollton - particularly along Hebron/Sam Rayburn - is growing quickly with high quality residential, and a strong vision/strategy for this center can leverage this growth	Creating a strong vision for this center likely needed before center quality begins to deteriorate
Hebron Parkway Plaza	One and three mile daytime population totals are high for Hebron Parkway Plaza Walmart Neighborhood Market is high gravity and aesthetically pleasing	None	Opportunity to capture both high daytime population and the high quality nearby residential	Maintaining the high quality appearance of the center will be key moving forward

	Strengths	Weaknesses	Opportunities	Threats
Carrollton Park Village	Hispanic oriented merchandising strategy is creating a significant draw for the center	The center's quality in terms of appearance and upkeep is lackluster. With the center drawing as much as it is, it's important that these issues are mitigated sooner rather than later	Creating a high gravity Hispanic oriented retail node that appeals to and draws Carrollton's significant Hispanic population Filling in some of the lower quality users with appropriately nuanced merchandise will benefit the center	The center's quality is lackluster and if tenants are able to find higher quality space for a competitive rental rate, tenants may consider relocating
Rosemeade Plaza	Vacancy within the center is low	Rosemeade Plaza is one of Carrollton's lowest performing relative to rental rates and age Poor signage and the layout of the center is difficult to see from the road	Some revitalization of the shopping center may be possible by leveraging the medical offices nearby	The center is already struggling, and unless there is an intervention the center may begin to lose tenants (although vacancy is currently low)
The Market at Hebron	One of Carrollton's newest and highest performing shopping centers High quality appearance of the shopping center	None	Continuing to leverage the high quality of the center - particularly the Sprouts Market	None
West Hebron Plaza	Another of Carrollton's newest centers	None	High traffic counts and high quality nearby residential mean this center could have the potential to become a highly valued asset with regards to Carrollton's retail climate	Understanding an appropriate merchandising strategy to leverage the high quality of the center
Hebron Parkway Retail Center	Although smaller than some of the other centers listed within this matrix, the Hebron Parkway Retail Center is performing well on a number of metrics, including rental rates (3rd quartile), vacancy (no vacancy), etc.	None	The center has potential to create an even more impressive restaurant node	None currently, but understanding the value of appropriately merchandised tenants will continue to be important moving forward
Rosemeade Heights Plaza	Significant nearby residential	Smaller than other centers listed in this matrix, although this is only a weakness if not appropriately merchandised	The center has potential to be a good quality neighborhood retail node	Lack of a merchandising strategy is currently holding the center back from realizing its full potential

RETAIL GOALS

As part of this process, Catalyst evaluated various factors which could have the greatest impact on retail vitality and retail performance. While some areas are being affected by general factors (i/e aging shopping centers), most of the districts are unique and may require custom strategies. As this process unfolded, there were several emerging themes that helped shape the proposed retail goals. The following activities would enhance retail health and vitality:

1. Develop And Monitor Retail Benchmarking

The city of Carrollton should integrate a citywide set of regional retail benchmarks. Of a minimum, this should include:

1. Population
2. Income
3. Gross Leasable Area (GLA)
4. Vacancy
5. Building Permits
6. Leasing Absorption
7. Traffic Counts
8. Retail Demand

Additional factors could measure crime, reinvestment, neighborhood values, economic output, and retail quality.

2. Establish Targeted Investment Area (TIA's) Strategy

The city of Carrollton should consider adopting a policy to create Targeted Investment Areas (TIA's), which could allow for greater funding, incentives, investment and other resources. For each TIA, a custom strategy can be tailored based upon the needs of each district.

3. Develop Outreach Program To Brokers, Developers And Owners

Increase awareness and outreach program to local brokers and developers to address

opportunities, educate on new policies, or emerging trends, proposed or new developments, capital improvements planned, and neighborhood activity which could affect retail.

4. Develop A Targeted List Of Ethnic Brands

Carrollton should explore secondary databases available, or develop a proprietary database of quality ethnic concepts which may be a fit for Carrollton. This information can help identify strategic uses that can take advantage of changing demographics.

5. Participate in a Regional Retail Committee

Participate in regional and national retail association events and activities. The city should continue to explore participation in retail association activities and events to gain visibility for the community among retail developers and brokers as well as the retailers and restaurant owners who attend these functions. Panel discussions, retail-related speakers and social sessions also provide opportunities for elected officials and staff to engage with a wide variety of retail contacts.

6. Create A Corporate Retail Committee To Address Workforce Needs

Explore creating a partnership with major employers and manufacturers to target business needs and identify how retail can serve as a greater amenity for corporate attraction.

7. Develop A Targeted Retail Recruitment Strategy

Retail recruitment is one of the most effective economic development initiatives in improving retail mix. As the retail decision process has become more complex and competitive, the economic development department can play an instrumental role in influencing the process and facilitating

public/private partnerships. The city, through the economic development department, can be proactive in the tenants that are recruited and help support the site selection process with local data, property owner contacts, history of success, and other information to support retail attraction. In addition, the city can maintain data regarding retail performance and trends which can create greater awareness of opportunities to compete with the demand for credible information that can be used in retail committee approvals. The city, in partnership with a recruiter, can help promote opportunities in the district or provide regional awareness of issues, that a owner or broker may not have. The city can also play a part in marketing various opportunities and promote retail availability via the city website, social media and events.

8. Create A Committee Of The Largest Property Owners.

Develop a list and committee of largest land and building owners (l/e "REAL Group") to discuss local issues, trends and give market input to Carrollton's economic development team.

9. Update Policy For Marketing Shopping Centers

Set up a local task force and meet with regional brokers, tenants, and shopping center owners on property signage. Explore registration through the property management companies, and/or owners to ensure compliance and enforcement.

10. Set Up An Internal Task Force On Retail Issues

The city of Carrollton, through the Economic Development Department, should explore setting up an internal task force consisting of city leaders, planning department, parks, police and code enforcement to discuss issues impacting retail, including safety, enhancing access and parking,

physical conditions, potential regulatory and land use changes, and enforcement of code violations.

IMPLEMENTATION

As part of this process, Catalyst outlined a potential implementation process based upon the findings of this retail initiative. As a next step, Catalyst will invite property owners within the following districts to review the findings and further refine implementation based upon tenant restrictions, operating covenants, physical constraints, owner resources, and retail readiness of existing property. Following interviews, Catalyst will begin facilitating implementation for the Belt Line Corridor. As work is completed, and subject to available resources, Catalyst will coordinate implementation and retail recruitment for the remaining districts in Carrollton. The following is proposed implementation framework for the priority corridors:

BELT LINE CORRIDOR

The Belt Line corridor is located on Belt Line between Webb Chapel and Josey Lane. A majority of the retail is located on individual tracts along the southside of Belt Line. Many of these parcels are less than 500' deep, which creates physical constraints for larger uses. The core retail is located on Belt Line and Josey, and includes Carrollton Park Village and Carrollton Park Shopping Center. As part of this initiative, a targeted strategy should include the following:

- *enhanced landscaping,*
- *redevelopment of under-utilized parcels, better identification of the corridor with stronger gateways, and*
- *recruitment of target uses which can elevate the quality of the district.*

An important element in the creation of place is the visual experience. To this end, it is important to consider stronger signage that can create an iconic identity for the Carrollton Park/Belt Line Corridor. While this district has small entrance signage, the city should consider incorporating stronger community gateways/landmarks at the intersection of Belt Line

at Josey and at the eastern border of the study area which underscores the to-be-designed branding of the individual district.

Since Belt Line is primarily auto-oriented in nature, the corridor is appropriate for some convenience oriented uses, pad sites and large big-box uses. However, many of the existing uses are auto service, check cashing and low quality retail buildings. The city should explore design guidelines to establish minimum standards for building orientation and building frontage and minimize low quality uses.

The city should explore partnering with the owners of Carrollton Park Shopping Center in a façade improvement and landscaping program. The city of Carrollton participated in economic incentives for the Carrollton Park Village shopping center. The total cost was approximately \$1.6M and the city investment was approximately \$168,000. As a result, Carrollton Park is achieving a \$6 premium over Carrollton Park shopping center to the north.

As a larger initiative, the city should explore landscaping improvements within the right-of-way along North Josey, and along Belt Line within the district and consider participating via incentives for additional landscaping on private property, within the district. All landscaping should have irrigation systems and adhere to guidelines and standards to ensure quality.

This district contains several large employers. The city should explore enhanced pedestrian improvements, including sidewalk widening, crosswalks, potential mid-block signals to encourage access to retail from major employers and neighborhoods.

Belt Line Road contains numerous curb cuts and lack of connections between parcels. The city should seek ways to improve cross access between parcels to increase safety and minimize the number

of curb cuts on Belt Line.

The City's Josey-Belt Line Redevelopment Overlay, combined with the Josey-Belt Line Property Rehabilitation Grant Program provides an excellent opportunity to help address signage, landscaping, parking lot issues, building standards and other improvements and provides a framework in building a vision for the district. As part of our implementation efforts, Catalyst will work with the city to identify owners that would be candidates to utilize the program.

The city could explore a TIF District to aid in long-term reinvestment. For initial funding on larger projects, the could issue G.O. Bond and then leverage public-private partnerships for smaller projects as a short-term strategy.

Potential targets for Josey/Belt Line include national retailers, local and regional restaurants and mom and pop retailers with strong credit.

TRINITY MILLS AND MIDWAY DISTRICT

Trinity Mills and Midway is located just north of Addison airport and the northern boundary is shared with the city of Dallas. The district includes Marsh and Midway along Trinity Mills. This district contains Bent Tree Plaza, Mills Pointe, Briarwyck Shopping Center and Midway Mills. The area has strong demographics with over 20,000 people in one mile and over 13,000 employees and household income greater than \$70,000.

Briarwyck is anchored by 24 Hour Fitness and the remainder is mainly service tenants or value oriented uses. The center has very limited landscaping and dated façade. In exchange, the city could explore allowing additional pad sites along Trinity Mills to offset some of the redevelopment costs. Briarwyck has low vacancy, so targeted efforts should be to

keep quality tenants and work with the landlord in upgrading tenants as leases expire to improve the NOI and fiscal impact to the city.

The Mills Pointe shopping center is located at the southeast corner of Trinity Mills and Marsh. The center has a quality exterior, decent landscaping and good tenant mix. As a result, the center achieves a better-than-district-average rental rates. However Mills Pointe has significant in-line vacancy.

The owner is planning a facade improvement and updated pylon signage which will significantly enhance the attractiveness and decrease the in-line vacancy. The next step will be to meet with the ownership and understand the condition and physical constraints of each vacancy. The largest vacancy reported in the shopping center is 11,329 square feet and next largest is 6,567 square feet. This center has a low percentage of food venues, and could accommodate almost all restaurant categories, excluding Asian and Tex-Mex.

Midway Mills Crossing is located at the southeast corner of Midway and Trinity Mills. This center has mixed retail consisting of auto supply, credit union, fitness, dance, salons, and other services. A majority of the vacancy is located on the second floor. The city should explore working with the owner in upgrading tenants as leases expire and increase landscaping along Trinity Mills and Midway. Additional improvements could include extending landscaping and connections to the east to make stronger access from eastern neighborhoods. A targeted merchandising strategy could strengthen the quality of pad users and retail vacancy. A large impact would be to source an anchor for the largest vacancy.

Bent Tree Plaza is located on the southwest corner of Midway and Trinity Mills. This center has mature landscaping along Midway, and good quality tenants.

IMPLEMENTATION

The largest vacancy is attributed to the physical configuration of the in-line space in the corner of the shopping center. The city could explore partnering with the landlord on upgraded signage, modifying landscaping along the perimeter and enhanced recruitment efforts on the remaining vacancies. The owner also commented on the perception of safety with vagrants in the parking lot, which could be addressed with greater police presence.

KELLER SPRINGS AT JOSEY DISTRICT

This district is centrally located in Carrollton. This area is just south of city hall and has anchors such as Home Depot, McDonalds and Albertsons. The largest shopping center is Josey Ranch Shopping Center, which is anchored by Albertsons. Josey Ranch has a little over 9,000 square feet available, but most of the space is smaller in-line space that is non-contiguous. Josey Ranch Plaza is on the northwest corner and is anchored by 7-11. This center has minimal landscaping and a two-story design. A majority of its vacancy is on the second floor. Josey Ranch could benefit from upgraded unified signage and additional landscaping.

Retail recruitment efforts for this district should target smaller in-fill tenants that compliment existing tenants. Another strategy would be to explore if Albertsons would convert the brand to a United Market. This could enhance tenant attraction and improve retail quality. A broader approach would be to conduct a regional assessment to create mixed-use format, leveraging city hall and integrating additional housing options and new retail.

FRANKFORD CORRIDOR

This district is located in north central Carrollton. This area has anchors such as Aldi, Harbor Freight Tools and Dollar Tree. The largest shopping center is Northcrest Village, which is unanchored and has 49,000 square feet vacant. Excluding the 35,000 square foot anchor, a large portion of the space is smaller in-line space which is non-contiguous.

Woodlake Square is on the corner of Josey and Frankford and is anchored by Dollar Tree and Harbor Freight. Woodlake Square was built in 1979 and has approximately 83,697 square feet of gross leasable area. This center is 85% occupied but has below market rents. The demographics are favorable with a five mile income of \$99,335 and population of over 271,000. The largest opportunity for this center would be to source a tenant for the 9,500 square foot vacancy. However, this space is narrow and deep and may serve a service tenant such as a spa, massage, or personal care due to the configuration.

Northcrest Village is located on the southeast corner of Josey and Old Denton. This center is challenged with a large vacant anchor space. A targeted effort should be made to identify potential tenants. Further research is needed to identify operating restrictions, but potential uses could include fitness, such as Ufit, or sporting goods such as Hibbett. The space could also accommodate fashion such as Beall's or Burkes outlet or a specialty grocer.

Retail recruitment efforts for this district should target smaller in-fill tenants which compliment existing tenants.

