



Hampton Road Corridor

DESOTO, TEXAS

February 2022



ACKNOWLEDGMENTS

Thanks to the City of DeSoto's elected and appointed officials, the City staff, and Steering Committee who provided knowledge, assistance and insight throughout the process of developing these plans.

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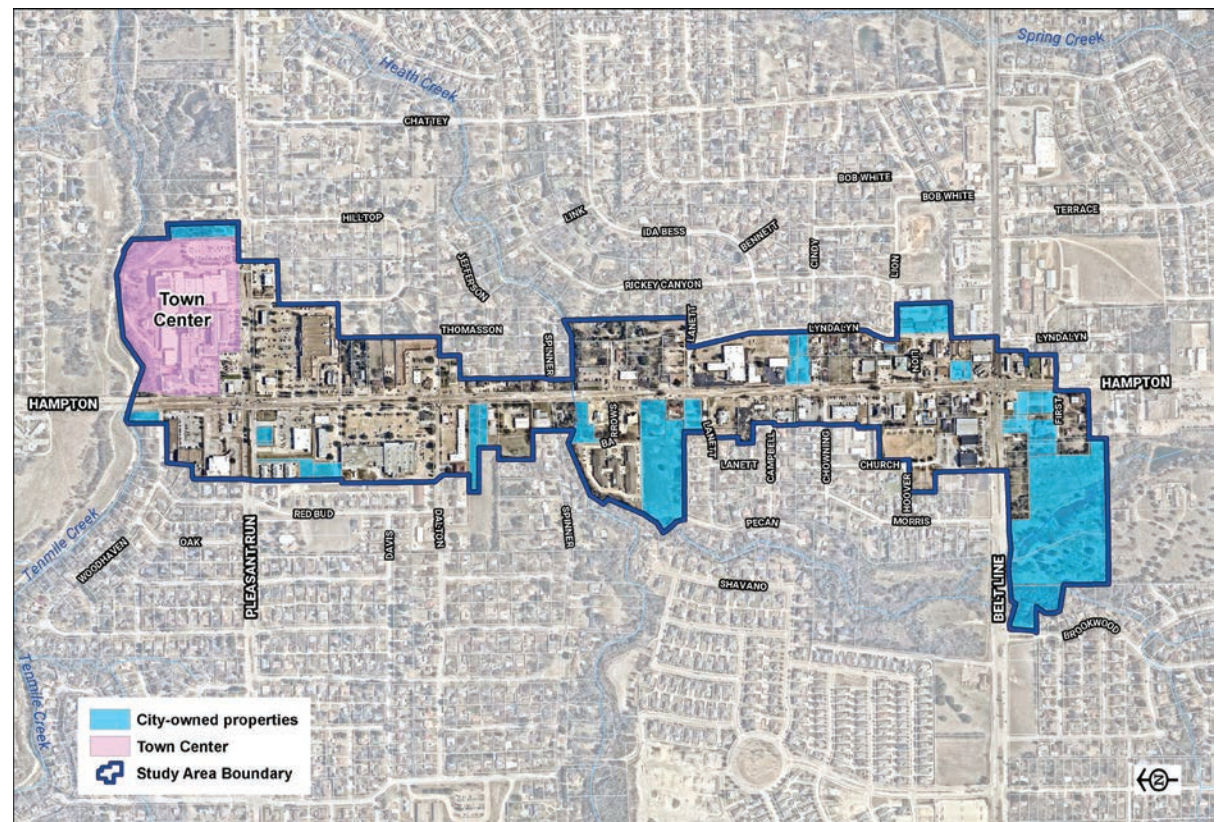


Envision Hampton Road

Hampton Road functions as the Main Street of DeSoto. For the majority of its history, Hampton has functioned as a route for personal automobiles, and the development along either side of the Hampton Road corridor has reflected this reality. With the construction of Town Center at Hampton and Pleasant Run, DeSoto began the process of transformation along this critical stretch. The City is following through on this investment with a reconstruction of Hampton Road itself, taking it from a facility that serves only cars to a multi-modal urban street with more space for pedestrians and a different character.

Through collaboration with stakeholders along the corridor, the City engaged in the process of imagining a new Hampton Corridor. As the Main Street of DeSoto, the mile-long stretch between Belt Line Road and Pleasant Run is envisioned as a destination-oriented, mixed-use environment where public and private spaces each work to foster an economically and culturally-vibrant place.

The following pages provide a look into how the vision came about and how Hampton can be changed for the better.



Map 1. Hampton Road Study Area

Case Studies

To envision what Hampton Corridor aspires to be, it's instructive to look at the transformation of other successful areas. These should be areas that not only have the right mixture of buildings, uses, and activities, their success must also be physically and financially replicable along Hampton. For many reasons, constructing Times Square or Uptown Dallas along Hampton Road would be an inappropriate goal. But Hampton has the opportunity to grow into something special due to its location and its diverse attributes.

Hampton is actually aided by its setting between three major highways. While the corridor is not directly adjacent to either IH-35, IH-20, or US 67, it can be easily reached from each of these highways. And being off of the highway allows Hampton to maintain its charm and foster a village-like setting. These attributes are what set apart many destinations, such as the Bishop Arts District in the Oak Cliff neighborhood of Dallas.

Oak Cliff / Bishop Arts District

The Bishop Arts neighborhood was once “Dallas’ busiest trolley stop” according to the Bishop Arts District Merchants Association. In the 1980s, after the district had lost much of its former vibrancy and appeal, Jim Lakes Co. purchased several blocks and worked with the City of Dallas to upgrade Davis Boulevard and the surrounding streets and change parking requirements to encourage economic development. Gradually, more businesses and restaurants began to return to the area.

In 2014, the Bishop/Jefferson sub-district of the Oak Cliff Gateway Tax Increment Reinvestment Zone (TIRZ) was created to promote the redevelopment, growth, and stabilization of the area. Within two years, the Bishop Arts/Jefferson sub-district had grown its assessed tax value by 29% over its base value. And with the completion of Davis Boulevard improvements in 2019, the area has returned to its walkable roots and become one of the most vibrant corridors in Dallas.



Bishop Arts District Alley



Bishop Arts District Retail Street



Bishop Arts District Mural

Fort Worth “Six Points” Urban Village

In 2007, the area along Race Street in Fort Worth was included as one of several “urban villages” across the City to direct City funds towards redevelopment. A vision plan was created to guide capital planning and private development. After the plan was created, Fort Worth executed the recommendations by combining a reconstruction of the roadway with a mixed-use rezoning initiative to allow for context-sensitive housing. As part of the street reconstruction, sidewalks were widened and crosswalks installed, a mixture of native landscaping and xeriscaping was established, and overhead utilities were buried to create a more inviting streetscape. Since then, the area has seen significant redevelopment with new housing units, local businesses, cafes, and coffee shops replacing dilapidated strip retail along Race Street.



Race Street Urban Village Conceptual Render



Race Street Urban Village Build-out

Downtown Grapevine

Another success story can be found in the Tarrant County city of Grapevine. Unlike the Bishop Arts area, downtown Grapevine is not simply one neighborhood, it forms the historic and cultural heart of the city. In fact, Grapevine was the first “Main Street City” in Texas. Along Main Street, the City maintains a careful approach to blending its history with progress by investing in “Quality of Life” capital projects and diversifying revenue sources, including sales tax, alcoholic beverage tax, and hotel occupancy taxes along with user fees. While Hampton Road lacks Grapevine’s inventory of historic pre-war buildings, it plays a similar role within the community context and has the potential to replicate much of the success of Downtown Grapevine.

One of the keys to Downtown Grapevine’s success is the blending of public and private spaces to work together seamlessly, including the convention and visitor’s bureau building, the farmer’s market square, and the \$100 million Grapevine Main development, which opened in 2020 and includes Harvest Hall with restaurant and entertainment destinations, an outdoor plaza, and a boutique hotel. By taking a careful approach to redevelopment and prioritizing diverse streams of funding to its Main Street, Grapevine is now a tourist attraction within North Texas.



Grapevine Main Public Private Partnership



Grapevine Main Street Public Investment



Grapevine Main Street Redevelopment

TAX INCREMENT FINANCING DISTRICTS

Tax increment financing (TIF) is a financing method local government can use to pay for improvements that will draw private investment to an area. Tax increment financing isn't a new tax; instead, it redirects some of the ad valorem tax from property in a geographic area designated as a Tax Increment Reinvestment Zone (TIRZ) to pay for improvements in the zone.

When a municipality or county creates a TIRZ, it records the total taxable value of all real property within the zone. It's like a snapshot in time of what the property values are at that specific moment. That snapshot is the zone's base value. Each year, property taxes collected in the zone on base value continue to go into the municipality's or county's general fund, as most property taxes do.

But as property in the TIRZ develops and becomes more valuable, a portion of the taxes collected on property above the base value is deposited into a tax increment fund. Revenue deposited in the tax increment fund can only be used to finance projects within the zone, including infrastructure, facade programs, landscaping, streetscaping or practically any type of public enhancement. Tax Increment Reinvestment Zones generally last 20 to 25 years, but some last longer. The return on the investment in infrastructure isn't going to come overnight or even in one or two years. When a local government makes the commitment to create a TIRZ, it's a long one. A TIF project jump-starts development to get things moving a bit faster and, ultimately, to generate new tax revenue.

Benefits of a TIRZ

- Builds needed public infrastructure in areas lacking adequate development to attract businesses;
- Encourages development, thereby increasing property values and long-term property tax collections; and
- Reduces the cost of private development by providing reimbursement for eligible public improvements.

Creation of a TIRZ

1. Prepare a Preliminary Financing Plan
2. Publish Notice of a Public Hearing
3. Hold a Public Hearing
4. Designate a Reinvestment Zone
5. Prepare a Project Plan and a Financing Plan
6. Contribution to the Tax Increment Fund by other Taxing Units
7. Implement Tax Increment Financing

<https://comptroller.texas.gov/economy/local/ch311/tirz-process.php>

FINANCIAL INCENTIVES

Chapter 380 Economic Development Agreements

Chapter 380 of the Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity.

In order to provide a grant or loan, a city must establish a program to implement the incentives. Before proceeding, cities must review their city charters or local policies that may restrict a city's ability provide a loan or grant.

Tax Abatements

A tax abatement is a local agreement between a taxpayer and a taxing unit. It exempts taxes for all or part of the increase in the value of real property and/or tangible personal property for 10 years or less. A tax abatement is an economic development tool that cities, counties and special districts use to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions.

Sales and Use Tax

Voters in most Texas cities have the option of imposing a local sale and use tax to help finance their community's economic development efforts. A Type A or B sales tax can be levied in increments of 0.125% if the total rate does not exceed the 2% cap for all local sales tax rates combined.

Type A and Type B corporations are authorized to pay administrative expenses (including staff) to implement the corporation's projects. These may include administrative expenses for acquisition, construction, improvement, expansion and financing of projects. Cities that perform some of the administrative functions for the corporations may seek reimbursement for administrative expenses related to projects overseen by city staff. Additionally, corporations may contract with private corporations or other entities to carry out industrial development programs or objectives.

Sales tax generated by both Type A and Type B is primarily intended to promote manufacturing and industrial development; Type B corporations may fund some quality of life projects, and efforts to retain primary jobs.

Economic Analysis & Market Demand

In February 2021, Catalyst Urban Development conducted a market analysis of the area surrounding the Hampton Road corridor. The analysis examined current demand for goods and services based on a 10 minute drive time radius to Hampton Road at Pleasant Run. Within this radius, information on current and available retail and commercial space was used to determine the level of demand for restaurants, shopping, and office space within the corridor, along with supporting market factors in the south Dallas county market as a whole.

It was determined through this analysis that much of the demand for auto-oriented retail and restaurants is already met along the IH-35 corridor in DeSoto and Lancaster, the US 67 corridor in Duncanville and Cedar Hill, and the IH-20 corridor in Dallas. The Hampton corridor has competitive disadvantages because of a lack of visibility and high traffic counts compared to surrounding freeway corridors.

If development in the corridor were reliant solely on market factors, around 65,000 square feet of commercial retail space could be absorbed over the next ten years. The quality of space will depend in large part on the environmental factors along Hampton. A Hampton corridor that is largely devoted to moving automobiles will be reflected by convenience-based development similar to what exists today. If a more urban form is pursued for Hampton with narrower and fewer lanes for cars and more room for pedestrians, there will be a greater opportunity for more local businesses such as specialty retailers, clothing boutiques, and food and beverage stores that cater more to destination shoppers rather than pass-through traffic.

These types of retailers, along with local or homegrown restaurant spaces, should be “un-Amazonable” to weather the market shift towards curbside and home delivery of goods, including food items. This can be done in several ways, including emphasis on experiential elements,

homegrown connections with the surrounding community, and connection with natural and open spaces. Creating a corridor with a more authentic look and feel that is accessible not only by car but by foot or bicycle, will help to create the appropriate environment for lasting retail success that doesn’t follow the cars to other locations.

Similarly, office programming can support roughly 130,000 square feet of absorption over the next ten years, primarily geared towards local businesses that require smaller floorplates and benefit from integration with surrounding retail and neighborhoods.

For both retail and office users, it’s important to note that businesses which tend to be successful in a more walkable, destination-oriented environment tend to induce demand for addition space. This in turn leads to a greater demand for new construction that increase the critical mass and sense of place. This is important, as the 2019 Pegasus study of the Hampton Corridor noted that current rents along

Hampton do not provide the market justification for additional construction.

Residential demand can be broken into two segments: owner-occupied and renter-occupied. Current demand within the Hampton Road trade area is approximately 650-700 units of for-lease housing and 325-375 units of for sale housing within the corridor over ten years. Currently, most zoning along Hampton does not allow for the construction of residential units, which artificially suppresses the value of these properties. While the demand for commercial space is limited, demand for housing throughout DFW remains strong. This is not to suggest that housing should be allowed everywhere in the corridor, nor that it should be allowed in any form. The type of housing that is constructed along Hampton plays a vital role in enhancing its character and level of activity. High-value, characterful housing that contributes to the destination look and feel of Hampton should be emphasized. This should come in many forms, including small lot detached homes with common areas, townhomes, and small apartment buildings, as well as mixed-use residential integrated with commercial and office. Until the zoning mechanisms are in place to guide the development of housing, the City should resist approving any residential zoning along Hampton.



MARKET SQ. FOOTAGE

Retail/Restaurant - 65,000 SF

- Small specialty, clothing, home goods and food / beverage stores
- Restaurants only if part of mixed-use destination
- Experience-based

Office - 130,000 SF

- Health & professional services
- Small tenant format as part of walkable districts
- Provides daytime anchoring

Residential - 1065 Units

- 50-700 lease units, in 2-3 development phases of market, workforce and senior types
- 325-375 units of for-sale housing in attached and small lot types

The Vision

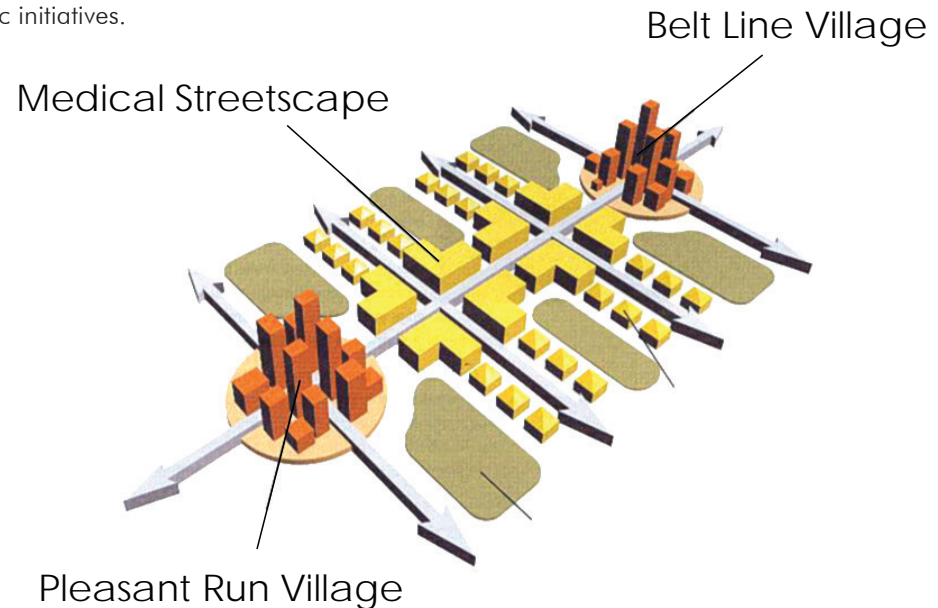
The Hampton plan represents a potential redevelopment scenario for Hampton that fully leverages the City's investment in reconstructing the road itself. Since this is a mile-long corridor, the plan is broken up into three focus areas: the northern approach centered around Ten Mile Creek and the Pleasant Run intersection, the area centered around Heath Creek and the emerging medical district to the south, and the southern approach centered around the Belt Line Road intersection.

The plan demonstrates how the market demand described in the previous section can be absorbed through developing or redeveloping parcels along Hampton. A combination of strategies and approaches similar to those undertaken in the case studies should be utilized to facilitate redevelopment, including public-private partnerships, establishment of a Tax Increment Reinvestment Zone, a Public Improvement District, future City capital and general fund expenditures, and City incentives based on specific redevelopment metrics, such as creation of mixed-use development with a housing component,

growth of local businesses, and job creation. These strategies should also be used in concert with regulatory changes such as a zoning overlay or implementation of mixed-use zoning that the City has already adopted.

The vision plan merely articulates a possible scenario and should be approached as a flexible guide to allow the City to pursue opportunities that fit with both the overall vision and the City's other adopted strategic initiatives.

Focus areas within the Corridor include the major intersections of Pleasant Run/Ten Mile Creek and Belt Line as well as the Heath Creek crossing. Each of these areas should develop with a unique feel and energy while taking advantage of features specific to their location.



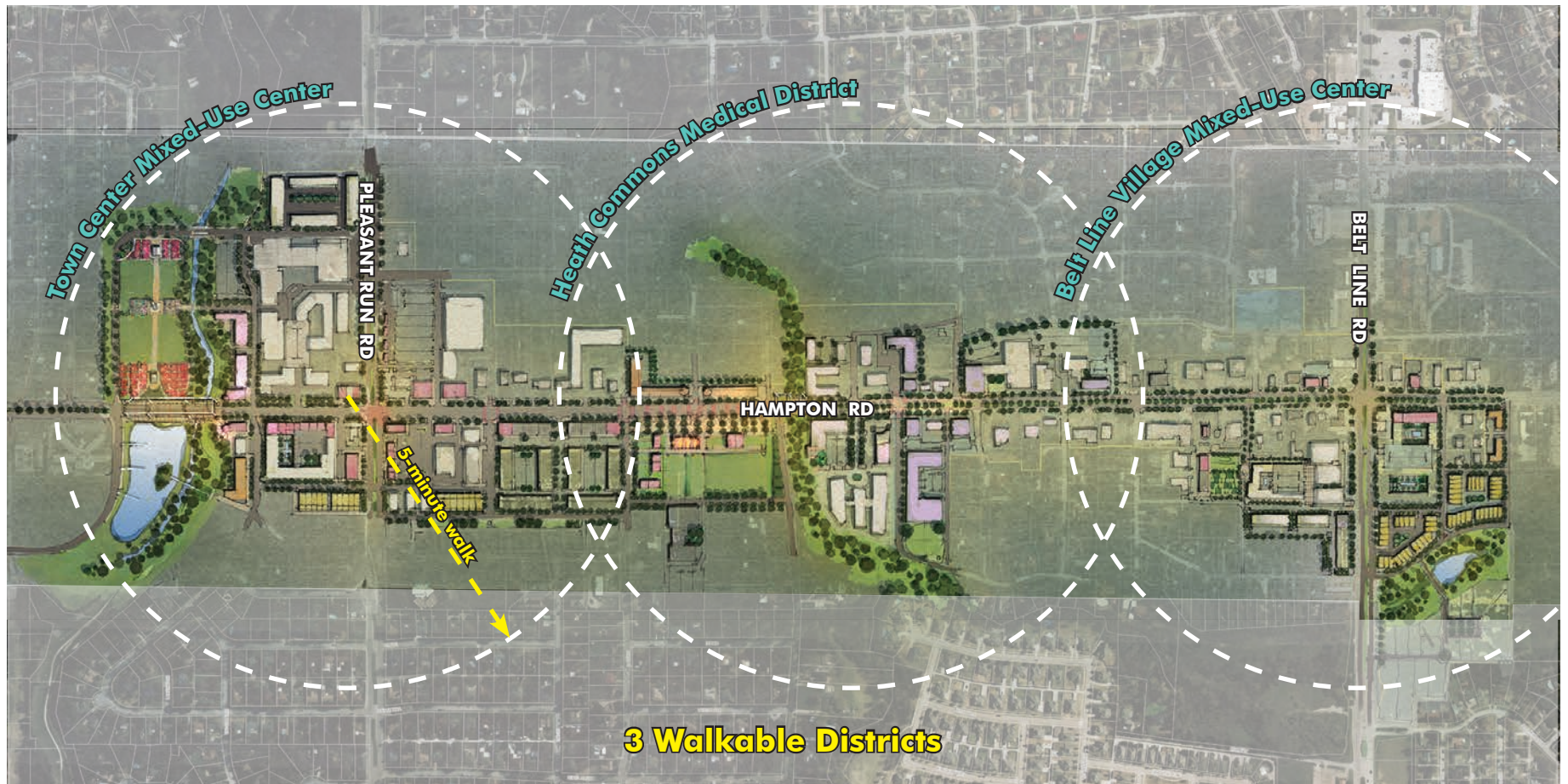


Figure 1. Hampton Road Illustrative Plan



Town Center Pleasant Run and Ten Mile Creek

This area should develop as an extension of the City's current investments in Town Center and the Ten Mile Creek Trail to create a mixed-use destination hub with additional context-appropriate residential in the form of mixed-use housing and townhomes that share structured parking with street-lining retail. The design of Hampton Road in this area should facilitate the development of retail and restaurants by providing on-street parking and traffic calming to encourage pedestrian activity.

Ten Mile Creek should continue to be developed with unique natural features that provide recreation and aesthetic benefits and enhance the northern gateway into the Corridor. A fishing pond with a pier would be appropriate in this location, along with trails and gardens.

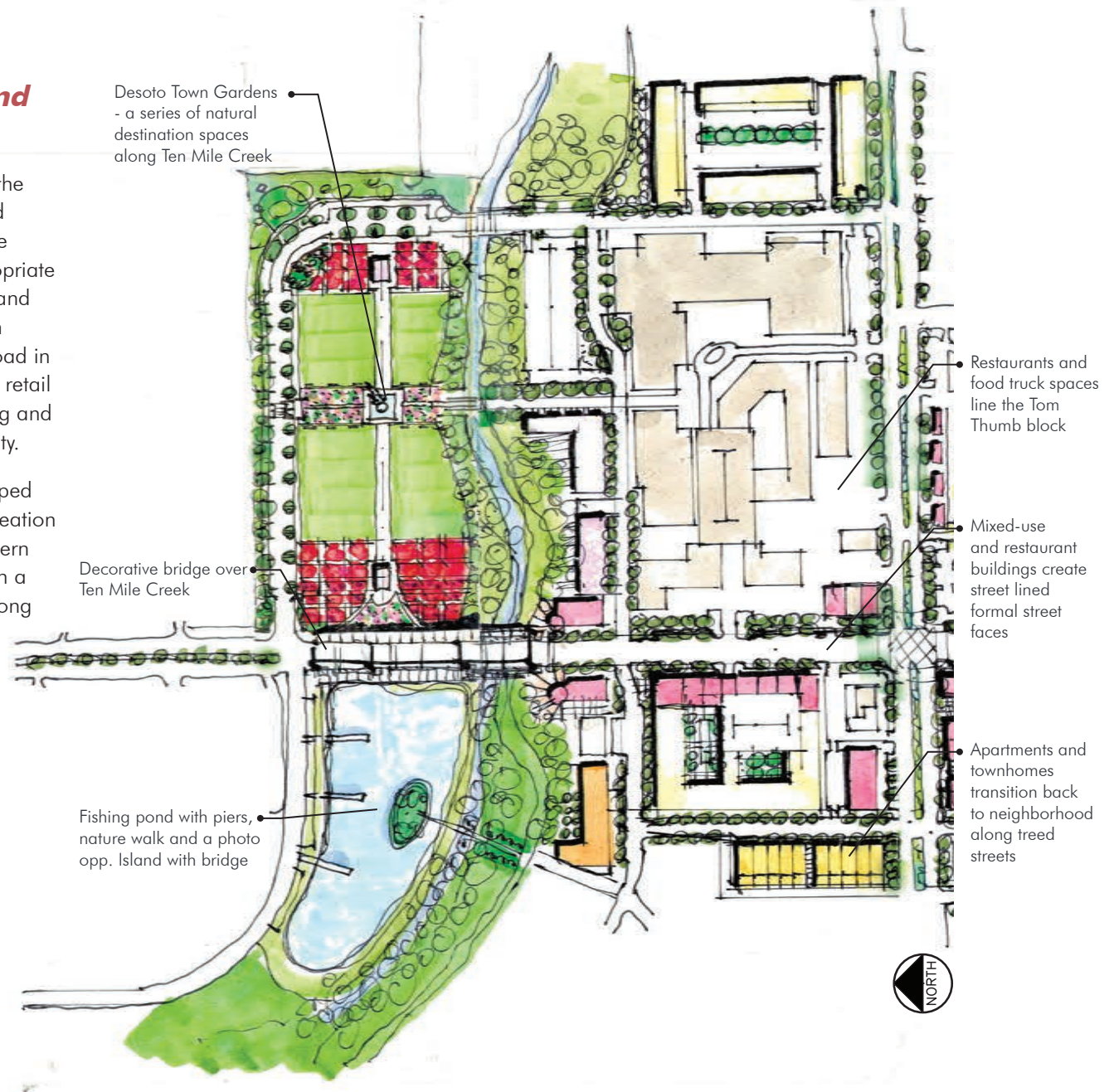
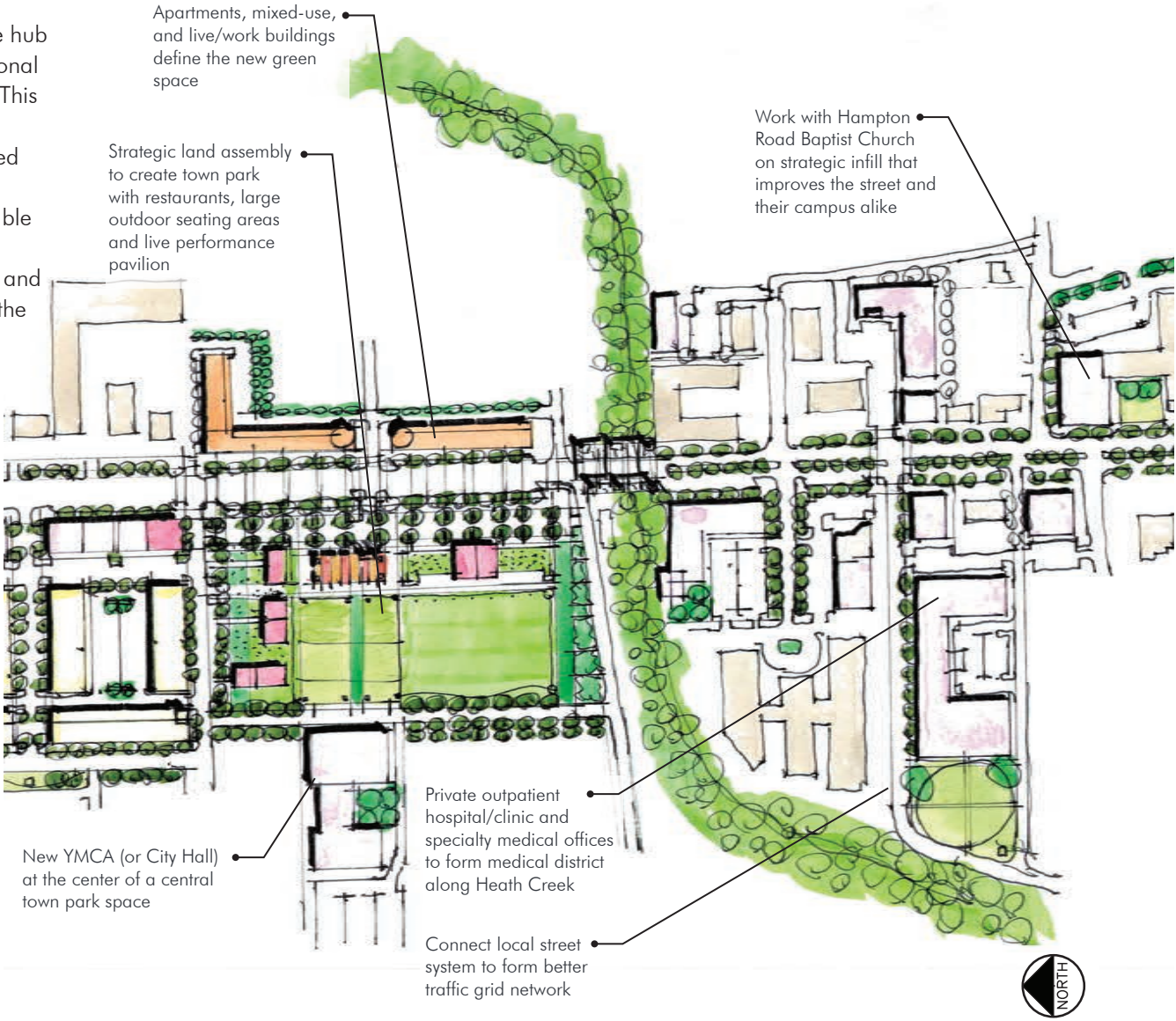




Figure 2. Conceptual Rendering - Intersection of Hampton Road and Pleasant Run Road (Looking northwest)

Heath Commons

This area is already emerging as a health-care hub with the development of the Methodist Transitional Care Center and the potential for even more. This area should be different in character from the two major intersections and leverage city-owned properties to create a central gathering space with boutique shops and restaurants that are able to benefit from both the daytime employment generated by medical and office development and nighttime traffic generated through the use of the gathering space for events and festivals.



Belt Line Village

This area functions as the southern gateway for both the Corridor and all of DeSoto. Development should be scale appropriately to create an impact with multi-story mixed use buildings on the southwest corner utilizing shared structured parking. Further west of Hampton, housing density should gradually decrease and provide a diversity of housing options, including townhomes and single-family development with a recreation focus around the existing pond.

The design of the intersection itself should reflect its importance in the Corridor by employing special features such as enhanced pavement design, crosswalk art, enhanced signals and lighting, and special signage.





Figure 3. Conceptual Rendering - Intersection of Hampton Road and Belt Line Road (Looking southwest)



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