

Eastern Hills Country Club Redevelopment Study

City Council Briefing

August 17, 2015

Study Background and Purpose

Purpose of the Study

- To evaluate the potential of Eastern Hills Country Club and to facilitate discussions with stakeholders to create consensus on a redevelopment scenario satisfactory to the parties involved



Photo from Dallas Morning News

Outline of Planned Study Process

- Data Collection / Mapping / Analysis
- Community Information and Input
 - Stakeholder interviews – March, April
 - Advisory Committee Meetings – April, May, June
 - Community Open House – July
 - Meeting materials and notes posted on City of Garland website
- Development and Review of Alternative Scenarios – At / In preparation for Advisory Committee Meetings and Community Open House
- Selection of Preferred Scenario / Committee Recommendation – Planned for July
- Council Briefing on study process and findings

Property Background

- 178 acres
- 3000 block of Country Club Road
- Opened in 1954 as a private golf / country club
- Owners filed for bankruptcy 2013 after several reorganizations and attempts to keep the club in operation
- Golf course currently decommissioned
- Property sold to a real estate investor in 2014 (current DCAD value \$4.05 million)
- No zoning application has been filed to date



Trends in the Golf Industry – U.S. and DFW

- Many new subdivisions—particularly in the '90's—were developed as golf course communities to attract buyers and premium home prices
- 14,000 courses closed in the period 2001-2013
 - Since 2006, 643 courses closed and roughly 4 million fewer players
- The industry is struggling to reinvent itself
- Over-supply and declining demand have led to depressed green fees and lower revenues
 - 200+ golf courses in the DFW area, including 88 within 30-minutes of Garland
- Decommissioned golf courses can present a unique opportunity for redevelopment



Eastern Hills Property Conditions

- Preliminary evaluation conducted by City Staff in February 2014 indicated that:
 - The course needed attention
 - The clubhouse, ancillary buildings and associated facilities needed renovation or replacement
 - There were ADA compliance issues
 - Roofs and the parking lot were in poor condition
 - The swimming pool pump needed to be replaced and the pool brought up to code



Costs to Renovate and Operate

- Analysis by City Staff in 2014 indicated that in order to operate as a private or semi-public course, a significant increase in the number of rounds played, the number of memberships sold and the revenue from membership dues would be required to break even*



*This analysis assumed a much lower land acquisition cost than the property's actual 2014 sales price

Code Enforcement

- There have been several contacts between the property management company and Garland Code Enforcement since April / May 2014 regarding:
 - Mowing
 - Structural issues on vacant buildings
 - Trash
 - Graffiti
 - Fallen limbs in the “buffer zone” (100’ from developed residential property)
 - Stagnant swimming pool
 - Unsecured buildings
 - Trash
 - Improper storage
 - Unmaintained parking surfaces
- Success with compliance has been mixed

Eastern Hills Area Infrastructure

- City and private sector assessment indicates:
 - Existing sanitary sewer – Capacity available
 - Existing stormwater – No issues anticipated; can be designed to work with Lake Ray Hubbard
 - Existing water capacity – Supply available
 - Existing street capacity – Country Club Road currently operating under capacity; any new development will increase traffic volume
 - Existing access – Deficient; only one point of ingress / egress
 - School capacity – GISD is “Choice-of-School District;” children can attend any school; GISD indicates additional students (from 550 homes) can be accommodated
 - Parks and trails – Existing facilities and opportunities for trail connections

Findings from Stakeholder Interviews (March / April)

- General comments
 - Proposal needs to be well understood by all parties
 - Development must be economically feasible
 - Plan should be acceptable to the homeowners, developers, future users, City
 - Decision should be made in a timely manner

Findings from Stakeholder Interviews

- Specific concerns
 - Maintenance of property values and quality of the new development
 - Traffic
 - Safety
 - Preservation of natural areas
 - Maintaining a buffer between existing residential uses and new construction
 - Preserving / Enhancing the Eastern Hills “brand”

Findings from Stakeholder Interviews

- Possible users / uses
 - Empty nesters / Lock-and-leave buyers looking for living options with:
 - Less maintenance
 - High-end finish-outs and amenities
 - Smaller lots (potentially)
 - Assisted living developers (cottage-style or congregate units)
 - Active senior living (Del Webb style development)
 - Mix of units / housing options
 - Non-residential, destination uses (including restaurants, possibly recreational activities)
 - Trails, open spaces as part of the design

Advisory Committee Meetings

- Meeting #1 (April 8, 2015): Introduce the project; identify issues, criteria for evaluation and stakeholder objectives; review property assets and infrastructure
- Meeting #2 (May 13, 2015): Review the project and new information; present alternative scenarios by neighborhood, developer; Committee discussion of alternatives
- Meeting #3 (June 23, 2015): Review an evaluation of each scenario—existing entitlements, neighborhood’s plan, developer’s proposal; Committee discussion in hopes of arriving at a hybrid scenario to present at a Community Open House

Overview – Alternatives Analysis Process

Analysis Process

- Three scenarios analyzed –
 - Scenario 0: Existing Zoning / Entitlements
 - Scenario 1: The Preserve at Eastern Hills (Friends of South Garland)
 - Scenario 2: Eastern Hills Village (Property Owner & Henry S. Miller)
- Evaluation conducted at a high level – Results based on level of detail provided by Committee members representing each scenario
- Each scenario compared to the evaluation criteria identified in Advisory Committee Meeting #1
- Maps, exhibits used where possible to assist in understanding the evaluation of each scenario
- Performance of each scenario evaluated in relation to the Strategic Objectives agreed upon by the Advisory Committee in Meeting #1

Description of Alternative Scenarios

Evaluation of Each Scenario

Name of Scenario	
Target Markets	Who will be the future users of the development?
Public Investment	What, if any, investment is expected from the City of Garland?
Economic Value	What will create a reasonable return on private investment on the site?
Compatibility	How will the scenario relate to the surrounding neighborhoods & the Garland community?

Scenario 0 – Existing Zoning and Entitlements

Summary of Scenario #0: Issues

Existing Zoning / Entitlements	
Target Market	Homebuyers seeking large lot living
Public Investment Expected	Undetermined
Economic Value	Undetermined
Compatibility	Low-density single-family residential development under existing Agriculture zoning regulations* Two-acre minimum lots, 1,100 square foot minimum house size No specific requirement for preservation of open space or provision of buffering except minimum setbacks Quality of development would be established with the adoption of a permanent zoning category for the site

*Other potential uses under Ag zoning include churches, day camps, farms, ranches, orchards, riding academy, stables, public or private schools

Existing Zoning and Entitlements



Scenario 1 – Submitted by Friends of South Garland

Summary of Scenario #1: Issues

The Preserve at Eastern Hills	
Target Market	All in the Eastern Hills area, South Garland and surrounding area
Public Investment Expected	No monetary investment
Economic Value	Economic return from membership dues (rates not yet determined) and revenue from the non-residential / recreational uses listed above.
Compatibility	“A destination providing great long term benefits to the surrounding area and will increase property values in surrounding area. It will be totally compatible with what people in the area are wanting and need.”

The Preserve at Eastern Hills



Scenario 2 – Submitted by Property Owner and Henry S. Miller



Summary of Scenario 2: Issues

Eastern Hills Village	
Target Markets	Singles, married couples, married with kids, empty nesters, retired home buyers The existing community as members of the pool and amenity center
Public Investment	None
Economic Value	Return on housing sales, taxes on the property values of the homes
Compatibility	“A signature living destination for the City of Garland that will enhance and grow retail and commercial development around the area.”

Eastern Hills Village



HSM DALCON, INC / PROVIDENT REALTY, INC



DOWDEY, ANDERSON & ASSOCIATES, INC.

EASTERN HILLS VILLAGE

GARLAND, TX / DALLAS COUNTY



Analysis of Alternative Scenarios

Definition of Alternatives

Topic	Scenario 0 (Existing Zoning)	Scenario 1 (Friends of South Garland)	Scenario 2 (Property Owner & Henry S. Miller)
Definition of Alternatives			
Name or Theme	Existing Site Entitlements	The Preserve at Eastern Hills	Eastern Hills Village
Intent	Reflect development allowed by existing Agriculture zoning and entitlements.	"A green space offering the perfect balance of tranquility and activity."	New residential community focused on green buffers / amenities instead of golf.
Residential Summary	80 Units (+/-). Two-acre lot minimum, 1,100 square feet minimum house size.	0 units.	550 single-family detached units. Detailed breakdown shown below.
Non-Residential / Recreational Summary	None required. Current entitlements allow churches, day camp, farms, ranches, orchards, riding academy, stables, public and private schools.	18 hole, par 3 golf course; swim and tennis clubs; trails; other activities listed below. Available to members only.	Amenity center for community residents; trails for use by anyone.
Details	2 acre lots (80); minimum house size 1,100 square feet	The Vista – two-level event center; The Nurtury at The Vista – classroom / workshop space; The Fresh Approach – gardens funded and maintained by neighbors; The Gathering – neighborhood deli; Tea on The Hillside – tea room / gathering place; The Farm Patch – farmer’s market; The Miniature Golf Course – mini-golf.	8,400 sq. ft. lots (66); 6,600 sq. ft. lots (278); 5,500 sq. ft. lots (154); 5,000 sq. ft. lots (52).
Density (residential units / total acres)	0.46	0.00	3.09

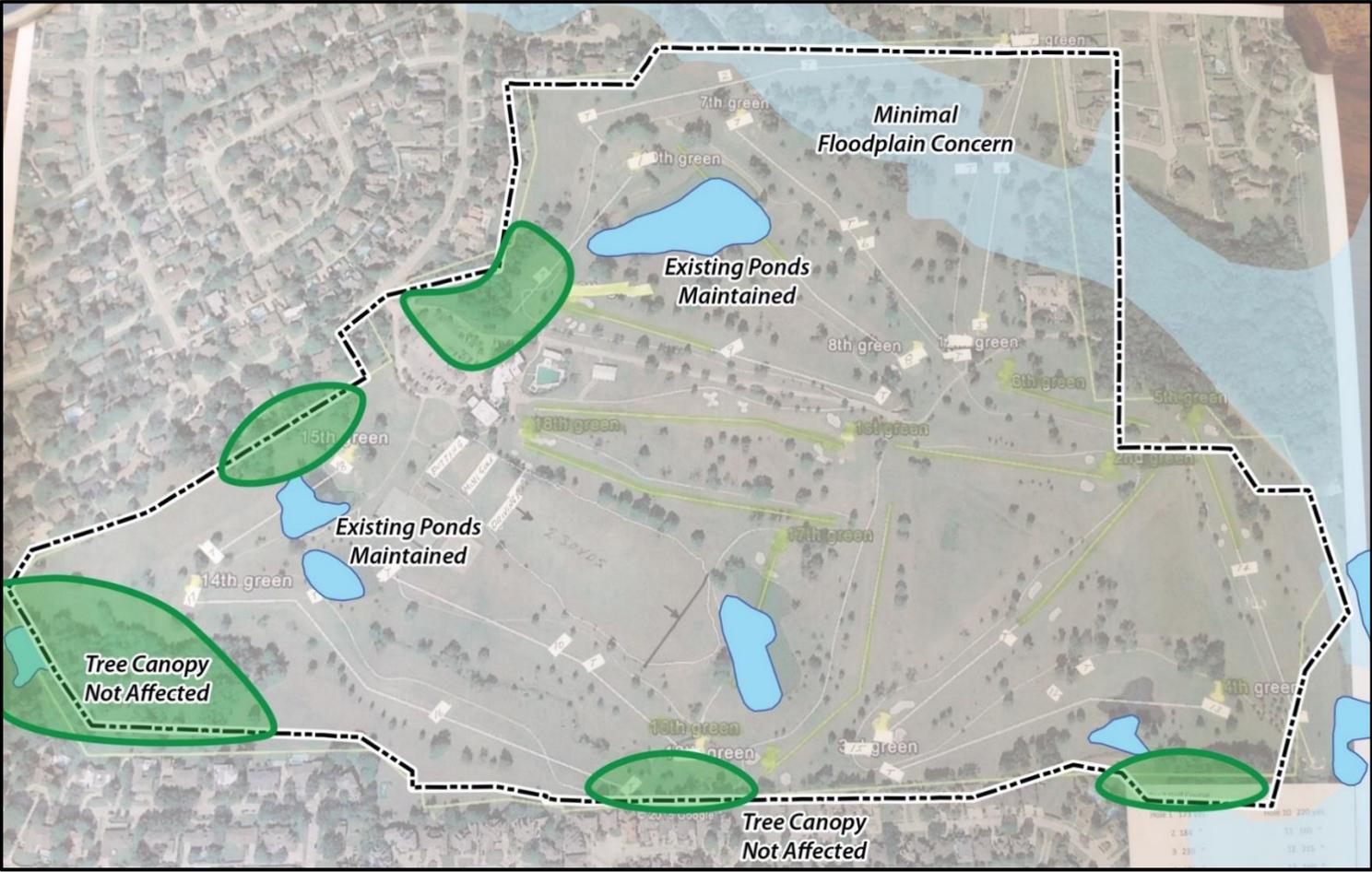
Physical Development Compatibility

Topic	Scenario 0 (Existing Zoning)	Scenario 1 (Friends of South Garland)	Scenario 2 (Property Owner & Henry S. Miller)
<i>Can the public service demands be met by existing City of Garland and GISD infrastructure, facilities and staffing levels?</i>	Additional water and wastewater needs can be accommodated. GISD can accommodate students from 80 homes.	No significant new impacts on water and wastewater infrastructure. No impact on GISD.	Additional water and wastewater needs can be accommodated. GISD can accommodate students from 550 homes.
<i>How are the site's natural features and assets protected?</i>	Would be relatively easy to preserve.	Dense tree canopy, ponds and floodplain protected.	Most dense tree canopy and ponds protected. Exception is tree canopy at southwest corner of site and floodplain.
<i>What are the impacts to public safety with this scenario?</i>	Minimal impacts anticipated. No indication that public safety impacts would be different for this subdivision than for any other of a similar size.	Minimal impacts anticipated.	Minimal impacts anticipated. No indication that public safety impacts would be different for this subdivision than for any other of a similar size.
<i>Physical constraints to desired development</i>	None.	None.	Floodplain / topography.
<i>Implications for traffic congestion</i>	960 additional Vehicle Trips per Day.	1,150 additional Vehicle Trips per Day.	5,600 additional Vehicle Trips per Day.
<i>Connections to and through site for walkability</i>	Trails could be accommodated.	Trails envisioned - for members only.	Basic sidewalks envisioned - accessible to surrounding community.

Physical Development Compatibility – Natural Features



Physical Development Compatibility – Natural Features – Scenario 1



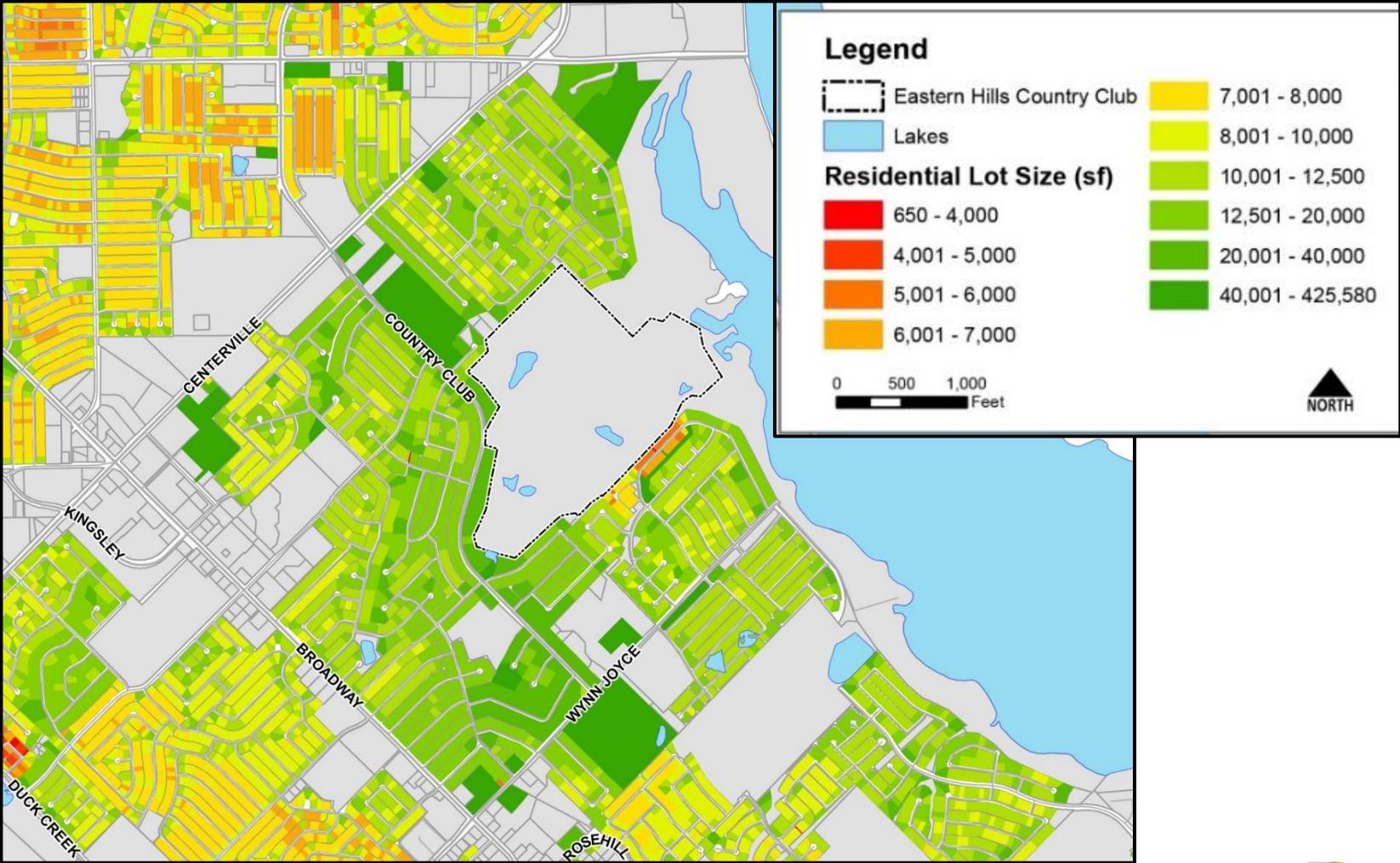
Physical Development Compatibility – Natural Features – Scenario 2



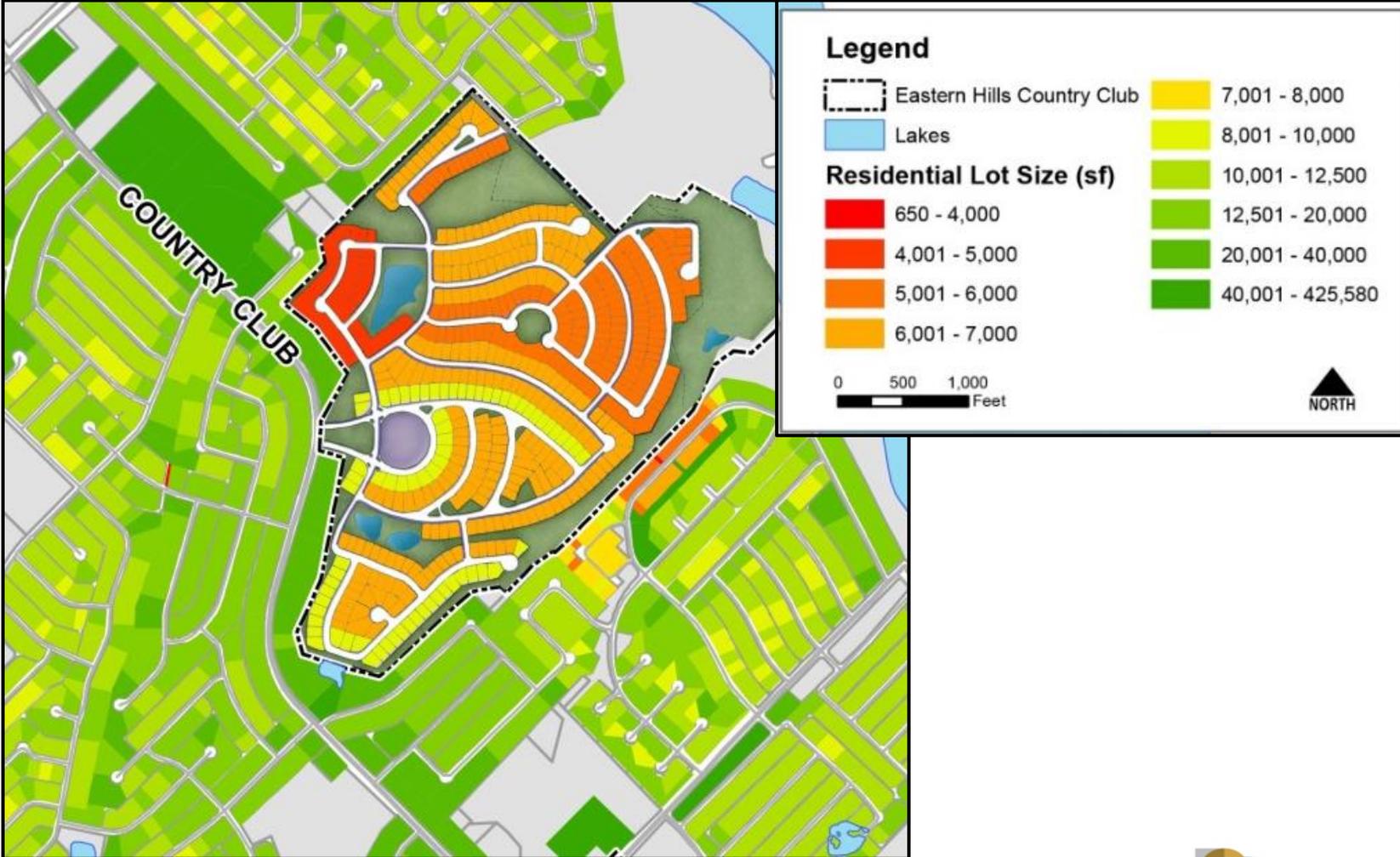
Development Form and Character

Topic	Scenario 0 (Existing Zoning)	Scenario 1 (Friends of South Garland)	Scenario 2 (Property Owner & Henry S. Miller)
Development Form and Character			
<i>How compatible is this scenario with the surrounding neighborhoods?</i>	Lower density residential development provides some level of compatibility.	Site vision is in alignment with previous uses providing compatibility.	In most cases, residential densities are higher than on existing adjacent single family lots.
<i>How effective are the buffers between this site and existing neighborhoods?</i>	No buffering requirements.	Existing natural buffers maintained.	Mixed, some areas provide good buffering, others do not.
<i>Areas for landscaping, walls, buffers</i>	No buffering requirements - 30' rear setback.	Majority of site being retained as recreational / open space.	Retaining walls needed to address site topography. Landscape buffers minimal in some areas. Landscaping to focus on entry / clubhouse area. Ponds being retained.
<i>Consumption of limited resources (water and energy)</i>	Dependent on individual homeowners. Required to meet current water conservation and energy efficiency standards.	Water: primarily for landscape irrigation. Energy: for recreational operations.	Dependent on individual homeowners. Required to meet current water conservation and energy efficiency standards.
<i>Resilience: ability to repurpose buildings as market changes in the future</i>	Few options. Difficult to repurpose single-family homes to meet new future market demands.	Few structures; most likely would be removed rather than repurposed to meet new future market demands.	Few options. Difficult to repurpose single-family homes to meet new future market demands.
<i>Support for local people and businesses</i>	Homes could provide a small number of customers for nearby commercial businesses. Non-residential uses could provide opportunities for local businesses.	Various activities support local people and businesses.	More homes could provide additional customers for nearby commercial businesses and improve the variety and quality of services.

Development Form and Character – Development Densities – Scenario 1



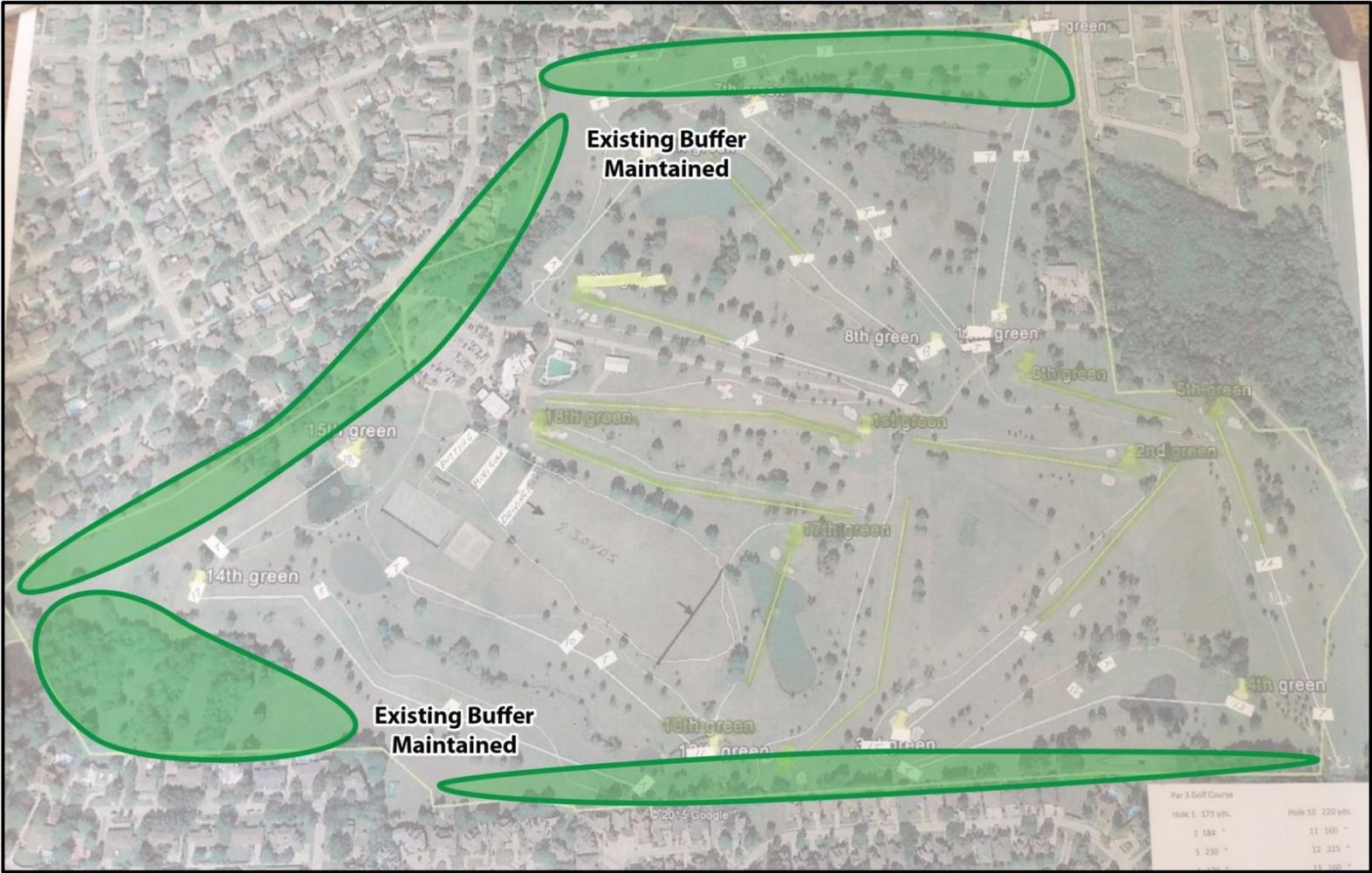
Development Form and Character – Development Densities – Scenario 2



Development Form and Character

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Development Form and Character – Buffers – Scenario 1



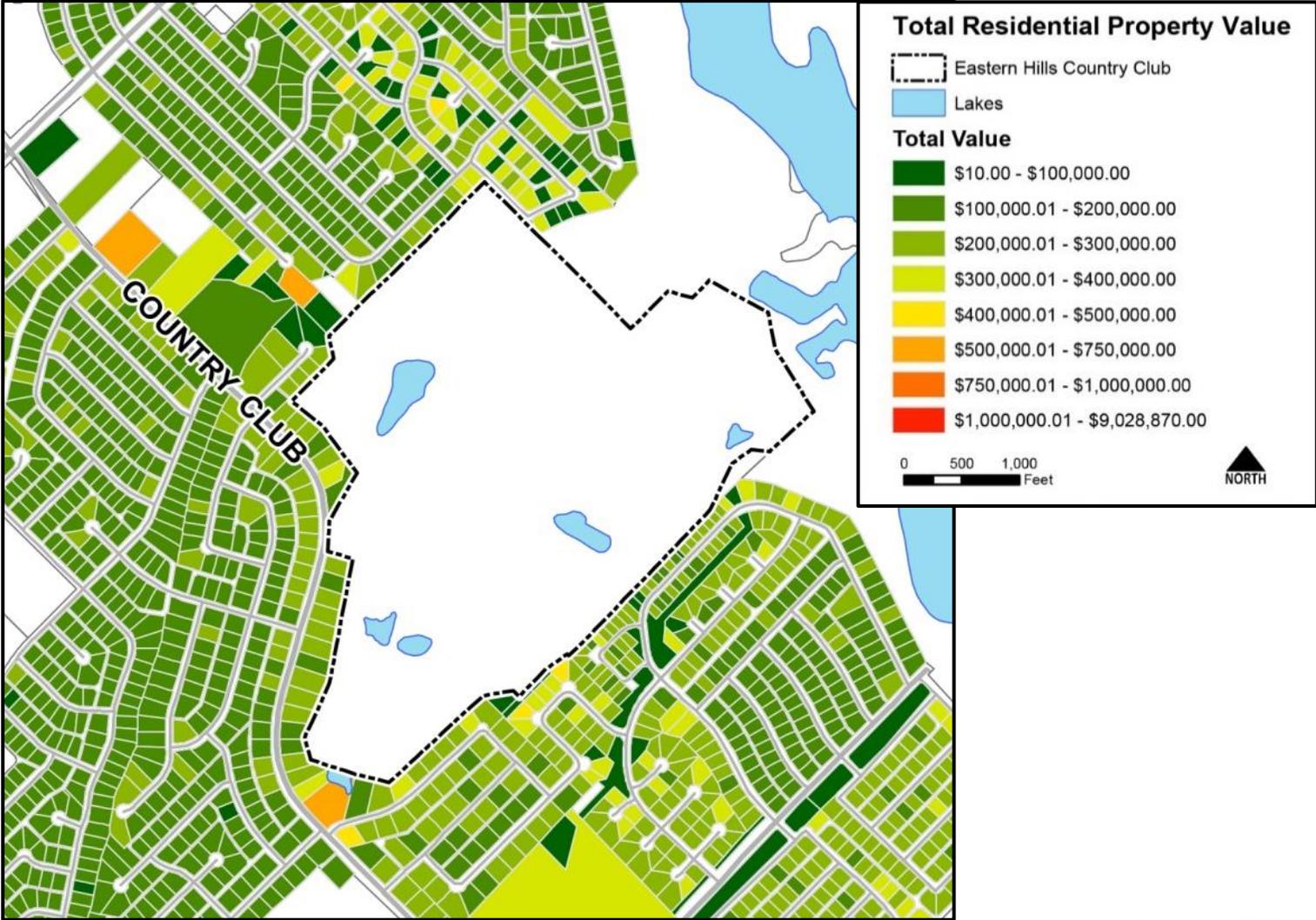
Development Form and Character – Buffers – Scenario 2



Economic / Fiscal

Topic	Scenario 0 (Existing Zoning)	Scenario 1 (Friends of South Garland)	Scenario 2 (Property Owner & Henry S. Miller)
<i>Does the scenario appear to be supported by the market?</i>	Land and site development costs would likely require larger, higher priced homes than surrounding neighborhood. The sales price of homes may not be supported by market.	Interviews with golf course operators / pros indicate lack of market support for traditional 18-hole course, but par 3 course may have limited market potential. Information received and evaluated by the consultant to date does not indicate market support for tennis club, restaurant and mini golf.	Developer's market study indicates market support.
<i>Does the scenario appear to be economically viable?</i>	Information received and evaluated by the consultant to date does not support economic viability.	Information received and evaluated by the consultant to date does not support economic viability.	Developer's market study indicates economic viability.
<i>How does the scenario affect property values in adjacent neighborhoods?</i>	Unknown - Large lots are required, but the minimum home size is only 1,200 sf.	No changes anticipated. Scenario maintains previous development approach related to adjacent uses / views.	Sales price for new homes targeted at \$240K - \$350K. Current values of adjacent properties generally range from \$200K - \$400K. The current layout would likely have a negative impact on the value of properties immediately adjacent due to loss of views / proximity of development to existing homes.

Economic / Fiscal – Property Values - DCAD 2014 Appraised Values



Strategic Objectives - Neighborhood

Topic	Scenario 0 (Existing Zoning)	Scenario 1 (Friends of South Garland)	Scenario 2 (Property Owner & Henry S. Miller)
<i>N1: Create a development that maintains / enhances the value of existing homes.</i>	Maybe.	Yes.	Maybe.
<i>N2: Ensure that infrastructure and public service needs can be met with existing facilities and resources.</i>	Yes.	Yes.	Yes.
<i>N3: Retain current levels of neighborhood safety.</i>	Generally. No significant changes in public safety anticipated, but increase in traffic generated by development could be a safety issue.	Generally. No significant changes in public safety anticipated, but increase in traffic generated by development could be a safety issue.	Generally. No significant changes in public safety anticipated, but increase in traffic generated by development could be a safety issue.
<i>N4: Maintain a buffer of open space between the surrounding homes and future development, possibly with an activity that generates revenue</i>	Maybe. Not required.	Yes. Smaller golf course provides a buffer and some revenue potential.	Somewhat. Buffers in several areas are very small or non-existent and unlikely to provide adequate space or screening between existing homes and future development. No revenue potential identified beyond the sale of the homes.

Strategic Objectives – Property Owner

Topic	Scenario 0 (Existing Zoning)	Scenario 1 (Friends of South Garland)	Scenario 2 (Property Owner & Henry S. Miller)
<i>P1: Make a profit</i>	No information available at this time.	No. Available information on economic / fiscal impact does not demonstrate profitability.	Yes; however, available information does not indicate whether a less intense development would also be profitable.
<i>P2: Get along with neighbors</i>	Maybe.	Yes.	No.

Strategic Objectives - Developer

Topic	Scenario 0 (Existing Zoning)	Scenario 1	Scenario 2
D1: Create a quality, sustainable and market-supported development	Maybe. Highly dependent on the actual mix of uses developed.	Somewhat. Information has not been provided as to quality aspects. No evidence that it would be sustainable or market-supported.	Somewhat. Development quality would depend on City requirements and individual builders. Project supported by existing market. Proposal would include single-family homes, the same use found in surrounding areas. Proposed density is higher than surrounding neighborhoods, so it is less compatible from that standpoint. Since single-family homes in a typical subdivision layout are a dominant use in this area, this project may not be distinct enough from other developments to be sustainable over the long term.
D2: Create a development that is appropriate to the location	Somewhat. Residential uses are appropriate, considering the surrounding development. It is less appropriate in terms of the most effective use of a key location within Garland.	Somewhat. The development is appropriate from the standpoint of retaining activities similar to those that existed in the past. It is less appropriate in terms of the most effective use of a key location within Garland.	Somewhat. Residential uses are appropriate, considering the surrounding development. It does less to create a distinctive identity or retain key focal points. It is less appropriate in terms of the most effective use of a key location within Garland.
D3: Consider developing a project with features that could be enjoyed by the surrounding neighborhood	Maybe.	Somewhat. Neighbors would need to join the clubs to use the facilities.	Somewhat. Neighbors would be able to use trails / paths for free, but not amenity center.

Strategic Objectives – City of Garland

Topic	Scenario 0 (Existing Zoning)	Scenario 1 (Friends of South Garland)	Scenario 2 (Property Owner & Henry S. Miller)
C1: Enhance the Garland community	Maybe.	Somewhat. Open space would be an amenity. Unclear if a significant share of Garland residents will use the activities envisioned.	Somewhat. New homes can enhance the value in the near term. Adding a single-family detached subdivision, provides a new product for the market in this part of Garland, but over the long term, building more single-family homes may be a missed opportunity to create a more unique project that is differentiated from surrounding areas.
C2: Increase the City's tax base	New residential units increase tax base slightly.	Minimal tax base increase from the commercial activities on the site.	New residential units increase tax base.

Consultant Team's Conclusions

Summary of Consultant Team's Evaluation of Alternatives

Alignment of each scenario with the Strategic Objectives identified at Advisory Committee Meeting #1:

- Existing Entitlements Scenario – could meet some of the objectives—maintain area property values, provide open space (though not required), satisfy neighbors—but market viability seems improbable
- The Preserve – could meet several of the objectives—maintain area property values, provide open space, satisfy neighbors; economic feasibility seemed unlikely, but not all information was available
- Eastern Hills Village – could meet developer's profitability objectives and maintain property values, but few of the others
- All scenarios – could provide support for local people and businesses; should retain levels of neighborhood safety; would generate additional traffic (levels vary by scenario); should increase the City's tax base (will vary by scenario)
- None of the scenarios – seem to take good advantage of the unique opportunity that the property could offer; would involve structures that could be repurposed to respond to changes in the market; rely on public investment

Questions

Eastern Hills Country Club Redevelopment Study

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