Greenway Commons
Houston, Texas

Quick Facts	
Location:	Houston, TX
Type:	Retail and Residential
Size:	250,000 SF of Retail, two pad sites and 530 multifamily units
Project Start:	Summer 2004
Const Comp:	Fall 2008

CASE STUDY

OPPORTUNITY

In 2003, the Houston Independent School District (HISD) put their 24 acre headquarters site on the market through a public bidding process. Located inside Loop 610, the property represented a unique opportunity to control a large tract of land for urban-infill redevelopment in the most densely populated and affluent area on the west side of Houston.

CHALLENGE

To gain advantage over other bidders in the process, Trammell Crow Company joined forces with another independent bidder, The Morgan Group, a multi-family housing developer. Together, the partnership attracted the backing of Prudential Real Estate Investments.

The complexity of the project, from both a deal and physical perspective, required months of negotiations with the two major tenants and the contractors to ensure that the high-density retail center came together seamlessly. Having a tenant on their roof was a first for the main anchor tenant, Costco, and the amenities of a first-class fitness facility, including a swimming pool and basketball court, provided unique design challenges that had to be overcome.

The intricate financial structure of the $160 million deal provided an additional layer of complexity to the project, requiring the coordination of Prudential's endorsement with traditional construction financing through a commercial lender.

STRATEGY

The purchase contract was awarded to the TCC/Morgan/Prudential group in mid-2004. However, due to HISD's desire to not vacate the property until construction of their new headquarters facility was complete, the purchase did not close until June, 2006.

Taking advantage of the two-year wait, considerable effort was expended to ensure the partnership would utilize this unique site in the optimal manner. After exploring a variety of mixed-use options, TCC and Morgan proceeded to conceptualize a high-density urban retail execution to include a 164,000 sf Costco as the major anchor with a 45,000 sf L.A. Fitness located on Costco's roof, a four-level garage, a two-story, multi-tenant retail building providing 40,000 sf of small shop space, two pad sites and 530 multi-family units.

RESULTS

After completing asbestos abatement, demolition of the former HISD headquarters building commenced in August, 2006. Construction of Greenway Commons began in June, 2007 and has a targeted fall 2008 completion. The multi-family portion of the project commenced construction in early 2008.

The integration of a big-box retailer into a dense urban environment is a first for the Houston area and has received considerable interest in the market.