

# Inside BUSINESS COLLIN COUNTY

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Stimulating Business for a Stronger Community

Issue 112

## Unique equity fund offered by Silver Tree

One of DFW's fastest growing real estate investment and development firms, Silver Tree Partners, has announced that it will soon begin offering outside investor participation through its private real estate equity fund. Over the last few years, the Addison-based firm has acquired and developed some of North Texas' premier retail, office and industrial properties. While Silver Tree Partners has used its own capital to fund its acquisitions and development to date, the company is making its real estate investments available for the first time to outside interests including fund managers, institutions and accredited individual investors.

Silver Tree will be offering investor's participation through the company's \$25 million private real estate equity fund. The fund offers an attractive investment alternative to traditional real estate limited partnership structures that are established on a "deal by deal" basis. Silver Tree's private real estate equity fund is a true hybrid fund, offering both the stability of the real estate industry and the potential for the higher risk-adjusted returns of a venture equity

offering. Silver Tree's new fund will target compounded annual returns net to investors of 25 percent or greater. The new fund will focus on acquisition and development of over \$50 million in commercial real estate. Silver Tree's partners will continue to co-invest in all acquisitions and development.

Although private equity investors have tightened their pocketbooks over the last couple of years, real estate investments have provided an appealing alternative to stocks, bonds and venture capital funds. The lack of relative volatility in the real estate industry combined with the tangible assets underlying this type of real estate equity fund greatly mitigates risk for investors. While most asset classes have experienced significant portfolio declines during the last few years, Dallas real estate development has experienced positive investment returns despite our challenging economy.

For more information, please contact Silver Tree Partners at 972-669-9955 or visit the company's website at [www.silvertreepartners.com](http://www.silvertreepartners.com).

COVERING THE  
DALLAS-FORT WORTH  
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# Dallas Business Journal

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## Baptists to build in Grapevine

By **MICHAEL WHITELEY**  
Tarrant/ Denton Editor

GRAPEVINE—Five years after pulling away from the state's Baptist General Convention, the Southern Baptists of Texas Convention is building a \$3 million headquarters in what has become a growing office corridor west of Dallas/Fort Worth International Airport.

The group, which has grown from 120 churches to 1,300 churches since its philosophical split with the Baptist General Convention in Texas in 1998, hopes to move to a 30,000-square-foot, two story headquarters at 4500 State Highway 360 in April.

The 4-acre tract, purchased from Silver Tree Partners early this year, is a rectangle with frontage on both roads just back from the corner.

Garland-based C.D. Henderson Inc. broke ground on the \$3 million project July 11, said Chris Bell, Henderson's head of project management. HLM Designs, of Dallas, is the architect.

The convention now occupies leased space in the Regent Place Building in Las Colinas, where the staff has grown to fill a floor of the building. Gary Ledbetter, the convention's communications director, said the organization's 25 full-time staff members will make the move next spring

with plans to increase to 50 employees eventually.

He said the facility also will offer conference and meeting space. In the past, the convention has used local hotels near its Irving headquarters for conferences.

"We're projecting that this will handle our needs for at least 10 years into the future," Ledbetter said.

Ledbetter said the convention began scouting for land last year and focused on the area around Dallas-Fort Worth International Airport.

"There is the central location and we liked Grapevine," Ledbetter said. "We've got employees all over the Metroplex. We wanted to be not too far from where we are right now, and we wanted to be convenient to transportation lines."

Frank Bullock, of Dallas-based Presidio Realty, represented the Baptists. Brett Williams of Silver Tree Partners, Inc. in Dallas represented Silver Tree's real-estate joint venture in the deal. Williams said Silver Tree Partners, Inc. bought the land several years ago, targeting an area that's primed for new owner-occupied office space and not prone to retail growth.

Bell said the structure features tilt-wall construction with a twist. Instead of being painted, the tilt walls will feature brick veneer.



**NEW BEGINNINGS:** The Southern Baptists of Texas Convention, which has grown from 120 churches to 1,300 churches since its philosophical split from the Baptist General Convention in Texas in 1998, plans to build a headquarters office in southern Grapevine.

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# Inside BUSINESS COLLIN COUNTY

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Stimulating Business for a Stronger Community

Issue 106

## Silver Tree takes extra steps to add value to developments

By Jack Bick  
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Any developer wants to derive the maximum return for money invested. Silver Tree Partners knows the way to accomplish that objective is to get top dollars for the portions of the development that normally are sold last.

Selling from the back to the front adds value for everyone especially if the back end user is a high visibility, high traffic and destination type tenant. And so it's that the Coit Center, \$100 million development at Coit Road and President George Bush Turnpike will be a success for all.

It all began when the partners saw a piece of land in a desirable location sitting vacant. The site was originally zoned for office buildings but that market was slowing because of an increasing vacancy rate and the beginning of the economic downturn. The 100-acre site actually includes a portion of land south of the turnpike fronting on Frankfort Road.

With the cooperation of the city of Plano, the site was rezoned for mixed use to take advantage of the retail giants across Coit, Wal-Mart and Sam's Club. With over 100,000 affluent and well-educated people within a five minute radius of the location, additional retail was a given. The location was also easily accessible from high-density corporate employment centers such as the Richardson Telecom Corridor and Legacy Park, giving the location the opportunity to draw customers during the day and during rush hour. The city saw the opportunity for a quality development and high sales-tax receipts.

Alan Moore, one of the founders of Fossil, Inc. and 20-year real estate veteran Paul Gardner, formed Silver Tree Partners

in 1999 after doing some deals over the previous four years. Their method of operation is to develop apartments, retail and office sites by taking extra step to provide quality so that quality tenants will be drawn to the enterprise. One of the extra steps is to plan the center with advantageous



“view corridors” from the roadways so that all the tenants, even those in the rear, have visibility

This was the case with Coit Center, which first attracted Central Market, a trendy grocery concept of San Antonio based H-E-B. The deal was kept quiet for a year while everything fell into place. Central Market would draw people from a large radius with its interesting concept, unique product offerings and clever marketing. Best of all they built a 75,000 square foot eye-catching barn-style building at the back end of the retail phase of the property closest to the turnpike.

Lincoln Property was brought in to lease the stores adjacent to the Central Market and the pad sites at the front of the development facing Coit. They are attracting

retailers that cater to an upscale lifestyle and fit into the “village concept” that would allow for consumers to enjoy two to three hour shopping excursions in the center. That took care of Phase I.

The remainder of the property is divided into Phase II, III and IV. Phase LL is under contract to Leland Medical Center, a 45,000 square-foot ambulatory care hospital that will close in June. Phase LLL lies between the hospital and Coit and will consist of office condos developed by Silver Tree and local developer, Jerry Huffman. Handling that aspect for Silver Tree is Brett Williams, a third equity partner. Retail will most likely occupy the frontage on Coit.

Phase III will not be developed until the turnpike is completed from I-35 to I-635 which will put a direct connection from Collin County and Richardson to the D/FW International airport. This phase id planned to be a hotel but could also be developed as office condos if that concept is successful.

Phase IV lies south of the turnpike and north of Frankfurt Road that soon will be widened. Frankfurt was part of the recently passed city of Dallas bong package. There is a contract on one and one-half acres of the ten-acre tract, according to Williams. He added that there is a buyer very interested in another six to seven acres.

“This is a major project for our company and we intend for every phase to be high quality,” said Williams, the son of a prominent real estate attorney. Williams said that he had the opportunity to bond with his father and learn the real estate business while taking Saturday drives to post zoning change signs.

COVERING THE  
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METROPLEX

# Dallas Business Journal

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## Dirt flying on Coit-Bush Turnpike project

### Coit Center to include retail, medical offices and movie theater

BY SANDRA ZARAGOZA / STAFF WRITER

A small Addison-based developer and investment firm is tackling North Texas in a big way.

Silver Tree Partners and its principals, Paul A. Gardner, Alan Moore and Brett H. Williams, are developing Coit Center, a \$100 million mixed-use development in Plano. And they just acquired land for a \$15 million to \$20 million mixed-use center in Denton and are launching a follow-up real estate investment fund.

Williams says that Dallas-based Silver Tree Partners is filling out its "trophy property" Coit Center with a new 16-screen Harkins Theatres movieplex, 60,000 to 70,000 square feet of medical offices, and an additional 250,000 square feet of retail for upscale merchants and restaurants. The medical offices are under construction, while the retail is expected to open in spring 2006.

Coit Center is adjacent to Market Plaza, a shopping center anchored by H.E.B.'s Central Market. Silver Tree also is in talks with a fitness facility and potential hotel, which would be positioned behind Market Plaza, Williams said.

About five years ago, Silver Tree acquired the 83-acre site on the northeast corner of Coit Road and State Highway 190 when it was more prairie than commercial property. It subsequently sold a portion of the land to Central Market, which built its first Dallas location there in 2001.

Central Market has already made Market Plaza a regional draw, and now Williams



**NORTH TEXAS FOCUS:** From left, Alan Moore, Paul A. Gardner and Brett H. Williams of Silver Tree Partners are flexing their financial muscle with several new projects.

KENETH BROOK

expects the medical office space and the new theater to be heavy traffic generators.

Phoenix-based Harkins Theatres will build a 73,394-square-foot multiplex with 16 screens, an on-site day care and upscale fixtures like granite floors. It is expected to open in 2006. A high-end fitness facility is negotiating a 43,500-square-foot location, and hotel developers are also interested in 4 acres behind Central Market, Williams said.

### Denton project

In another move, Gardner, a 20-year real estate veteran, recently closed on 17 acres on Mayhill Road in Denton that fronts Interstate 35. The company plans to build a 100,000-square-foot mixed-use center with office, retail and a hotel.

Gardner says that the Denton shopping center is a prime example of the company's mission "to fill the gaps in overlooked markets."

"That area of Denton is growing, and there is a void for neighborhood services such as a bank, a hotel and restaurants," Gardner said. The project, which is next to Denton Regional Medical Center and Sally

Beauty Company Inc.'s new headquarters, will begin construction in the next few years.

### New investment vehicle

Moore, who controls the partnership's financial arm, also is pumping up the company's fiscal strength with the launch of a follow-up fund that will finance future real estate projects.

He established Silver Tree Partners in 1998 with proceeds from his stake in Fossil Inc., a maker of accessories such as watches and purses. Moore co-founded Fossil. In 2003, he launched Silver Tree Realty Fund, LP, which has financed multiple real estate developments including retail, residential and office.

"We have invested about 70% of the first fund," Moore said.

Moore said the company's strategy behind the fund is to quickly react to opportunities in the market without having "to raise funds for each individual transaction."

Moore is optimistic about the return of investment that Coit Center will have when it is finished out.

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