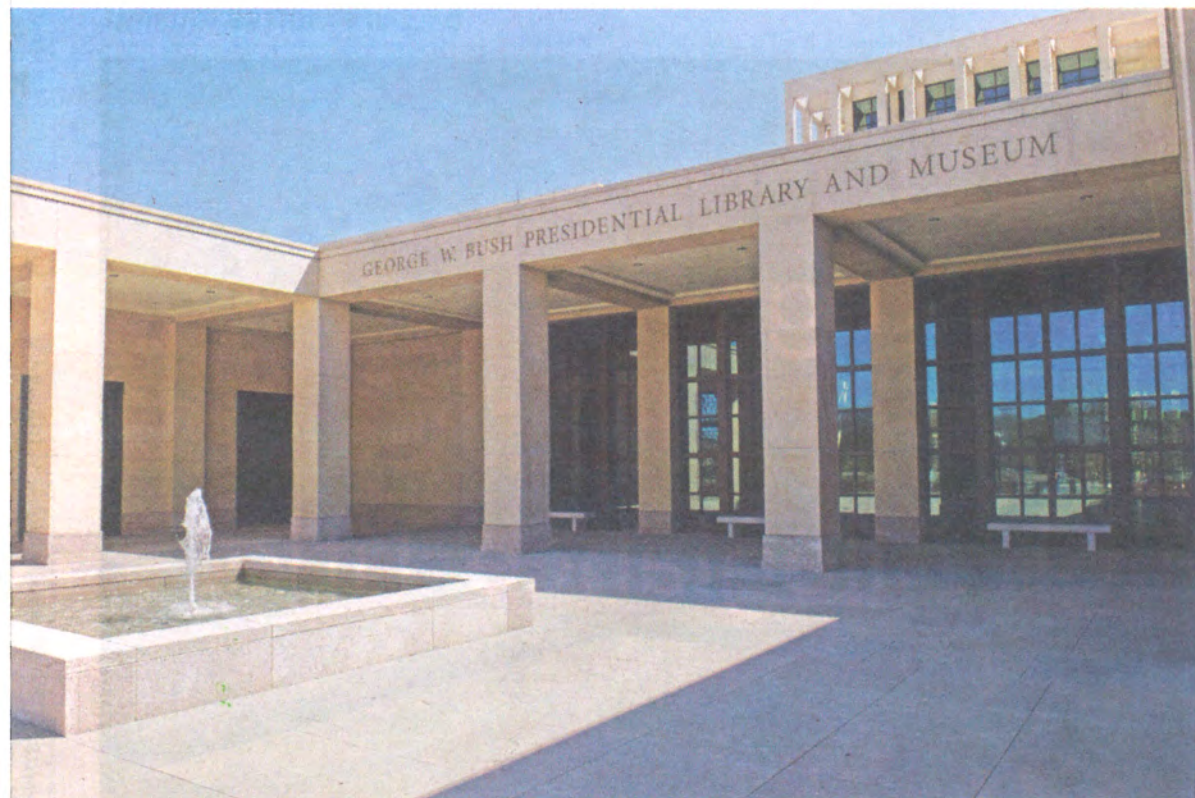


22ND ANNUAL
**BEST
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ESTATE
DEALS**
OF THE YEAR



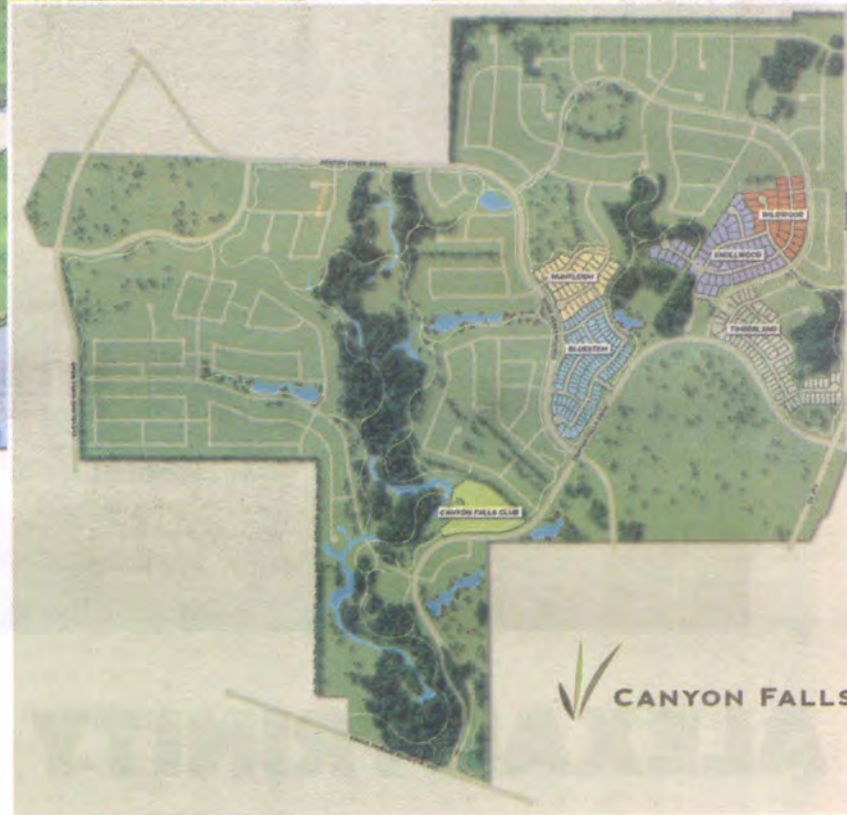
MAY 2-8, 2014 | SECTION B



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SINGLE-FAMILY/PLANNED COMMUNITY DEAL



SUBMITTED ART

CANYON FALLS

Once one of countless stalled projects left in the wake of the real estate collapse, the 1,200-acre development known as Canyon Falls promises to be a master-planned community that turns heads.

"If you study the Dallas Fort Worth area, there are several developments that stand out — Bridgewood in Flower Mound and Heritage in Fort Worth are examples — where everybody goes, 'Wow. What a great place to live.' We think Canyon Falls is going to fall right into that category," said local development partner Bret Pedigo of Southlake-based Manna Land. "Driving through the neighborhood, you're going to know it feels different. You can't quite put your finger on it, but you know it's something special."

Before the recession, the original developer had only begun the arduous process of getting infrastructure set up

in an area that spanned through three different cities when the real estate bust occurred.

The once promising community then became a distressed asset, sitting dormant before being purchased by Wheelock Street Capital in mid-2012.

Described as a "refined, rustic environment," the community will reserve 300 acres as open green space. But even with its enviable location and picturesque topography, many potential developers got cold feet after learning the project was a lot more complicated than it looked.

For one, the property crosses three municipal boundaries. While most developments fall within one jurisdiction, Canyon Falls straddles three towns: Flower Mound, Northlake and Argyle.

"There were issues with how to get water to the property and how basic

WINNER

infrastructure was going to occur," Pedigo said. It was viewed as a risky deal, and everybody was having a hard time getting their hands around it."

Working with Wheelock Street Capital, Pedigo put together a development plan.

"They've been buying properties all over the country and are really building a strong brand as a master-planned community developer," he said.

Adding to the complexity, the property is located within two separate school districts.

The community is set to be the home of a new Argyle high school campus, as well as an elementary school. Denton

County Precinct No. 4 is scheduled to begin construction of a new office in Canyon Falls this year.

"We wanted to combine school districts and cities with a big master plan so that you don't notice the different 'lines,'" he said. "I've had one or two situations that were similar to this, but not to this level of complexity. It's pretty rare that you have all these factors involved."

With infrastructure now complete and streets nearing completion, construction on the first homes will begin in April and are expected to be ready in 60 to 90 days.

A total of nine builders have signed on to Canyon Falls. At build-out, the community will boast 1,835 homes, about 300 apartment units and 50 acres of commercial and mixed-use space.

"It ended up being great timing in the market," Pedigo said.

KEYPLAYERS:

Mike Rafferty, Wheelock Communities; Bret Pedigo, Manna Land LLC; Aaron Duncan, Mesa Design Group; Allen Wise, IBC Bank; Kathy Koon, Koons Real Estate Law; Barbara Koenig, Koenig & Company; Lyda Akin, The Point Group; Manna Land LLC; Wheelock Street Capital; Jay Volk Consulting