

# **DRAFT**

## **OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL**

April 12, 2022

**6:30 p.m. Executive Session & Work Session  
7:30 p.m. Regular Meeting**

**Addison TreeHouse  
14681 Midway Rd., Addison, TX 75001**

The Addison City Council conducted its Regular Council Meeting on Tuesday, April 12, 2022, at the Addison TreeHouse with a quorum of the City Council physically present. Limited seating for members of the public was available using CDC recommended social distancing measures. The Town utilized telephone and videoconferencing to facilitate participation in the meeting. Interested parties were able to make public comments and address the Council via emailed comments submitted to the City Secretary at [iparker@addisontx.gov](mailto:iparker@addisontx.gov) by 3:00 pm on the meeting day. Members of the public were also entitled to participate remotely via Toll-Free Dial-in Number: 877.853.5247; Meeting ID: 409.327.0683 Participant ID: #. Detailed instructions on how to participate in this meeting were available on the Town's website on the Agenda Page. The meeting was live streamed on Addison's website at [www.addisontexas.net](http://www.addisontexas.net)

**Present:** Mayor Joe Chow; Mayor Pro Tempore Guillermo Quintanilla; Deputy Mayor Pro Tempore Paul Walden; Council Member Tom Braun; Council Member Lori Ward; Council Member Kathryn Wheeler; Council Member Marlin Willesen.

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**Call Meeting to Order:** Mayor Chow called the meeting to order.

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**Pledge of Allegiance:** Mayor Chow led the Pledge of Allegiance

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### **EXECUTIVE SESSION**

**Closed (Executive) Session of the Addison City Council pursuant to:**

**Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects:**

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- Discuss master developer proposals for the Town’s Transit Oriented Development Project

Mayor Chow closed the Open Session to convene the City Council into Closed Executive Session at 6:31 p.m.

**Reconvene into Regular Session: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.**

Mayor Chow reconvened the City Council into Open Session at 6:53 p.m.

No action was taken as a result of Executive Session.

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## WORK SESSION

### 1. **Present and Discuss the Council Calendar for May 2022.**

City Manager Wes Pierson reviewed that at the March 22<sup>nd</sup> City Council meeting the City Secretary presented a proposed planning/meeting calendar for the months of April through September 2022. The proposed calendars were approved with the exception of the month of May. Council requested Town staff look for alternative meeting dates due to the unavailability of some Council Members for the proposed dates.

City Manager Pierson advised that the May council meeting will be held on Monday, May 16<sup>th</sup> provided the Election Canvas results are received from Dallas County Elections by then. If not, that meeting will be cancelled with an alternate meeting date of May 24<sup>th</sup>. It was noted that two Council members would be absent for the 24<sup>th</sup>, including the Mayor. Mayor Chow advised that Mayor Pro Tempore Quintanilla will conduct the meeting if it is held on May 24<sup>th</sup>.

City Manager Pierson added that orientation for the newly elected Council Members is planned for Friday, May 13<sup>th</sup>.

***Editor’s Note:** Item 2. was discussed by the Council prior to Item 1.*

### 2. **Present and Discuss the Town’s Master Developer Selection Process and the Selected Master Developer for the Transit-Oriented Development Project in the Addison Circle Area.**

City Manager Wes Pierson read a prepared statement as follows:

*For more than three decades the Town has been anticipating the arrival of DART rail service in Addison. In preparation for its arrival, the Town has been patiently and strategically accumulating property and planning for how that property might be used as part of a transit-oriented development project.*

*Transit-oriented development is an urban planning concept which refers to a type of urban development that maximizes the amount of residential, business and leisure space within walking distance of public transportation.*

*As we will mention in tonight's presentation, much time and effort has gone into developing a vision and guiding principles for the future development of the area around the transportation nodes that are at the heart of this area.*

*With DART's Addison Transit Center, the busiest of its kind in the DART system, and the Silver Line rail station, both in Addison Circle, Addison is primed to create a transit-oriented development that is both best-in-class and uniquely innovative. Addison has been a pioneer in the creation of urban environments (a la Addison Circle) in Texas and we believe that this project will build upon that reputation.*

*Whether it's the unique co-developer arrangement, or the first-of-its-kind ground lease between the Town and DART to include DART's 5.5 acre property as part of the development, or the use of the 10+ acre Addison Circle Park as a green-space anchor, there are a number of features that will truly set Addison apart from other developments in the area in a way that will expand and solidify Addison's reputation as a premier regional destination.*

*We are pleased to share with the Council and community an overview of the Master Developer Selection Process for the Addison Circle Area transit-oriented development.*

Orlando Campos, Director of Economic Development and Tourism, presented this item. He reviewed that at the last Council meeting, AMLI Residential/Stream Realty Partners was selected by the City Council as the Master Developer for the transit-oriented development (TOD) on land owned by the Town and DART around the Addison Silver Line Rail Station. He provided a map of the development properties.

Mr. Campos reviewed the selection process for the Master Developer. In 2020, the Town engaged Cushman and Wakefield to serve as real estate advisors and brokers for the project. In October of that year, City Council also appointed Council Members Braun, Quintanilla, and Walden to a Selection Committee to guide the solicitation of qualified developers through a Request for Proposals (RFP) process. The Selection Committee used the vision and guiding principles of the Addison Circle Special Area Study to determine the basic requirements for any project that would be built on the property.

Mr. Campos advised that five developer proposals were received. He reviewed the accepted proposal from AMLI Residential/Stream Realty Partners that includes several phases. Office buildings, parking garages, multi-family buildings, and a hotel are included. Graphic depictions of the buildings and green spaces were provided.

Mr. Campos advised that an action item is included on today's Consent Agenda (Item 4) for approval of a Memorandum of Understanding (MOU) to adopt a concept plan and authorize the City Manager to continue negotiations with AMLI Residential/Stream Realty Partners. Mr. Campos summarized the key points included in the MOU, including financial components for each phase of the project and the responsibilities of the developer and the Town.

Mr. Campos advised that construction should commence in 2023 with an estimated completion of all phases in 2028. Members of the AMLI Residential/Stream Realty Partners development team offered comments of appreciation to the Town for this opportunity.

Mr. Pierson as well as several Council Members expressed appreciation to all involved in this project for their vision. This has been a multi-year project and should be credited to former and present staff, Council Members, and Mayors.

City Manager Pierson concluded this item with the following prepared statement:

*Today is a big first step towards making the vision for this area a reality. There is still much work to do to finalize all the agreements that this project will require, as well as the planning and zoning activities that are necessary to enable this project to come to fruition. There are bound to be highs and lows as we work to bring this significant project out of the ground.*

*As we move forward, there will be people that are for and against this project. When construction starts, it will be disruptive, and we will need to manage people's expectations. What will be important to remember is that this development is the realization of the efforts of many people over many years. This includes many City Councils led by many Mayors including Mayors: Redding, Spruill, Beckert, Wheeler, Meier, and Chow and, many members of Town Staff including former Director of Development Services Carmen Moran and former City Manager Ron Whitehead just to name two.*

*This is an exciting moment in Addison's history, and we are proud to honor Addison's past as we prepare to create something special for Addison's future.*

**Editors Note:** *Due to the historical nature of this item, the informational presentation as submitted by Director of Economic Development and Tourism Orlando Campos is included as a part of these minutes and attached hereto as "Exhibit A".*

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## REGULAR MEETING

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### **Announcements and Acknowledgements regarding Town and Council Events and Activities, Discussion of Events/Meetings.**

Mayor Chow read the following Proclamations: Earth Day, April 23, 2022, and Arbor Day, April 29, 2022. Proclamations were presented to Shawn Cheairs, Stormwater and Operations Manager.

City Manager Pierson announced future meetings and events.

**Public Comment:** *The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing starts. Citizen comments are limited to **three (3) minutes**, unless otherwise required by law. To address the Council, please fill out a **City Council Appearance Card** and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

The following individuals addressed the City Council:

- Curtis Redmon, 3522 Guadalupe Avenue, Dallas – Procure Services, LLC submitted Bid: 22-56 Rebid Trail Drainage and Amenity Improvements; requested the Town consider amending bid process.
- Marvin Perez, 14899 Towne Lake Circle; spoke against Case 1843-Z/JPI Addison Heights – stated there were too many apartments and crime rate was high.

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**Consent Agenda:** *All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will*

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*be pulled from the Consent Agenda and discussed separately.*

3. **Consider Action on the Minutes from the March 22, 2022 Regular City Council Meeting.**
4. **Consider Action on a Resolution Approving a Memorandum of Understanding (MOU) Between the Town of Addison and Co-Developers AMLI Residential and Stream Realty Adopting a Master Concept Plan and General Development Terms for the Addison Circle Area Transit Oriented Mixed-Use Development Project; Providing for Negotiation of Various Definitive Agreements that Will Set Forth the Specific Obligations of the Parties with Regard to the Project; and Authorizing the City Manager to Execute the MOU.**
5. **Consider Action on a Resolution Approving a Contract Agreement with J.B. & Co., LLC for the Winnwood Road Bridge Class Culvert Outlet Armoring Project and Authorizing the City Manager to Execute the Contract in an Amount Not to Exceed \$268,270.**
6. **Consider Action on a Resolution Approving Contract Services Agreements with North Texas Contracting, Inc. and Rey Mar Construction, LLC for On-Call Water and Sewer Line Repairs, Replacement and Rehabilitation Services (Bid Number 22-42) and Authorizing the City Manager to Execute the Agreements in a Total Amount Not to Exceed \$150,000.**
7. **Consider Action on a Resolution Approving a Professional Services Agreement with Hydromax USA for Annual On-Call Fire Hydrant Auditing, Inspecting, and Testing Services and Authorizing the City Manager to Execute the Agreement in an Amount Not to Exceed \$45,654 Plus a Contingency in an Additional Amount of \$15,000.**

Mayor Chow asked if there were any requests to remove an item from the Consent Agenda for separate discussion. There were none.

**MOTION:** Council Member Ward moved to approve Consent Agenda Items 3, 4, 5, 6, and 7 as submitted. Deputy Mayor Pro Tempore Walden seconded the motion. Motion carried unanimously.

**Resolution No. R22-020:** Memorandum of Understanding with AMLI Residential and Stream Realty Adopting a Master Concept Plan and General Development Terms for the Addison Circle Area Transit Oriented Mixed-Use Development Project

**Resolution No. R22-021:** Agreement with J.B. & Co., LLC for the Winnwood Road Bridge Class Culvert Outlet Armoring Project

**Resolution No. R22-022:** Agreements with North Texas Contracting, Inc. and Rey Mar Construction, LLC for On-Call Water and Sewer Line Repairs, Replacement and Rehabilitation Services (Bid Number 22-42)

**Resolution No. R22-023:** Agreement with Hydromax USA for Annual On-Call Fire Hydrant Auditing, Inspecting, and Testing Services

## Regular Items

8. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Rezoning a 3.2-Acre Property Located at the Southeast Corner of Addison Road and Airport Parkway, from Commercial-2 (C-2) to Planned Development (PD) District with modified Urban Center (UC) District standards, to allow a Multifamily Development Comprised of a Maximum of 287 Dwelling Units and Live/Work Units, and Approximately 5,000 Square Feet of Future Retail Space, and to Approve Related Development Plans. Case 1843-Z/JPI Addison Heights.**

Ken Schmidt, Director of Development Services, presented this item. He advised this rezoning request is for the Hope property, a 3.2-acre property located at the southeast corner of Addison Road and Airport Parkway. This property has been home to the Hope's family business, HWK Realty, for many years. The business office is situated on the south side of the site, and an agricultural exemption is maintained on the north side of the property. The applicant is JPI Real Estate, a DFW-based company that develops multifamily housing.

Mr. Schmidt advised that JPI is proposing to develop a five-story 287-unit, multifamily building with 5,650 square feet of "retail ready" space at the ground floor. The proposed development /site plan was reviewed including parking, pedestrian sidewalks, and landscaping. Conceptual renderings of the building were provided.

Mr. Schmidt reviewed the sizes and types of units proposed for this project. He noted that seven of the units are planned as "live/work units" that are multi-level. He added that the developer plans to include a public art installation. Details of proposed landscape components were provided.

Mr. Schmidt advised that the project complies with the Comprehensive Plan and the Addison Circle Special Area Study. Mr. Schmidt provided the results of a traffic impact study.

Mr. Schmidt reviewed that due to the constrained nature of this redevelopment site, the applicant has requested the following waivers from the Urban Center district standards and Town landscape ordinance:

- Landscape area and landscape buffer requirements of the Town's landscape ordinance:
  - 16.4 percent landscape area (inclusive of a shared use trail) in lieu of 20 percent landscape area.
  - Landscape buffers as defined in the Trail Master Plan in lieu of a uniform 20-foot buffer as defined in the Town's landscape ordinance.
- Planting of ornamental trees in lieu of shade trees at the streetscape where overhead electric utilities are present.
- 50 feet spacing for shade trees in lieu of 30 foot spacing.
- Elimination of the 10-foot building setback at Addison Road and Airport Parkway to reflect what is depicted in the development plans.

- Elimination of the one-half foot building setback for every foot over 50 feet for all portions of the building over 50 feet, with setbacks to be provided as depicted in the development plans.
- Satisfaction of dedicated public open space requirements to occur through the provision of publicly accessible private open space and sidewalks, and public trails consistent with the Town's Trail Master Plan.
- Reduction in masonry construction standards from 90 percent of all walls to 40 percent of the total exterior cladding and as depicted in the development plans.
- Minimum area per one bedroom dwelling unit reduced from 700 to 650 square feet where a private balcony is provided.
- Reduction in the minimum driveway setback at the southern property boundary to reflect what is depicted in the development plan.

Mr. Schmidt advised that the plan includes 872 caliper inches of tree removal that would not be mitigated with replacement plantings. As a result, the applicant would need to pay into the tree mitigation fund a total amount of \$152,600.

It was noted during discussion that this project is near the Addison Airport and across the street from the Addison Fire Station. It was clarified that the site is outside the 65 dBA noise contour and any applicable height restriction that would impact this building and Addison Airport.

Mr. Schmidt advised that ten (10) letters were sent to property owners. One response in opposition was received and one in support was received. The Planning and Zoning Commission voted 7-0 to approve this request.

Mayor Chow opened the public hearing.

JPI representatives provided information regarding the company and provided graphic depictions and video of other projects done by JPI. Representatives addressed the site plan, reviewed rental rates for the units and proposed amenities. An overview of the pedestrian connection to Addison Circle was provided. Renderings of the building were reviewed. The economic impact of such a project was briefly discussed. The JPI representative advised groundbreaking would be in the first quarter of 2023 with a 28-month construction timeline.

Several Council Members offered comments and posed general questions regarding access to the site and the future widening of Airport Parkway and Addison Road. In response to a question previously submitted from Council, Mr. Schmidt advised that the proposed "publicly accessible private open space" area would be zoned as such and could only be changed by replating and rezoning this portion of the property with P&Z and Council approval of a planned development amendment.

Mayor Chow closed the public hearing.

Mr. Schmidt reviewed the following conditions associated with this request which are included in the development plan.

- 1) Acquisition of emergency access and pedestrian access easement to a property to the southeast.

- 2) Sustainability features and interior construction standards.
- 3) Collaboration with the Addison Arbor Foundation on a public art installation at a publicly accessible location.
- 4) Waivers included in the ordinance.

**MOTION:** Council Member Wheeler moved to approve with conditions as stated. Council Member Ward seconded the motion. Motion carried unanimously.

**Ordinance No. O22-11:** Planned Development (PD) District with Modified Urban Center (UC) District Standards, Case 1843-Z/JPI Addison Heights

**9. Present, Discuss, and Consider Action on an Ordinance Granting a Meritorious Exception to Chapter 62 of the Code of Ordinances for Benihana, a Restaurant Located at 5000 Belt Line Road, Suite 600, in Order to Exceed the Maximum Letter Height for Attached Premise Signs. Case MR2022-04/Benihana.**

Ken Schmidt, Director of Development Services, presented this item. He advised that Benihana is a sushi and Japanese steakhouse that is currently remodeling the former Kobe Steaks Japanese Restaurant located in the Addison Walk retail center at 5000 Belt line Road, Suite 600. Benihana plans to open for business this summer and one of their remaining tasks for the project is to obtain permits for the installation of attached premise signage.

Mr. Schmidt reviewed that in January 2004, the Town approved a Special Sign District that established customized sign regulations for signage within the Addison Walk retail center. For attached premise signs, the Special Sign District established maximum letter heights based on the size and location of the storefront within the development. Benihana's lease space is one of the largest and most prominently situated storefronts in Addison Walk. The Special Sign District allows for a more prominent treatment of this space by permitting a maximum letter height of 3 feet for attached premise signs on this façade.

Mr. Schmidt advised that Benihana has requested a meritorious exception to the sign code in order to permit a maximum letter height of 4 feet for their proposed attached premise sign. They believe this request is appropriate because the lettering appears too small for the Benihana brand and their proposed sign accommodates less sign area than the signage of the previous tenant.

The applicant is pursuing a Meritorious Exception to the sign code in accordance with the code provisions stated below:

Town of Addison Code of Ordinances, Chapter 62 (Signs)

Section 62-33. – Meritorious exceptions.

- (d)(3) The council may consider appeals on the basis that such regulations and/or standards will, by reason of exceptional circumstances or surroundings, constitute a practical difficulty or unnecessary hardship or on the basis that the proposed improvement although falling under the definition of a "sign," constitutes art that makes a positive contribution to the visual environment.



Mr. Schmidt advised that staff does not believe that the hardship criteria of the Meritorious Exception requirements is applicable to this request. The Addison Walk Special Sign District already permits a letter height that is 6 – 12 inches taller than what would be permitted by applying the Town’s base sign regulations at this location. Approving larger lettering for this sign would result in a sign that is out of scale with all other attached premise signs in the well-established Addison Walk retail center, which currently accommodates attached premise signs ranging from 2 – 3 feet in letter height. Mr. Schmidt advised that staff is recommending denial of the meritorious exception.

Applicant Bob Hartman, Vice-President of Benihana, spoke in favor of this request. He advised that the building façade is large and would accommodate the 4-foot sign.

Council Member Braun advised that he feels the square footage of the sign is more important in this instance than the height. Mayor Chow and Council Member Ward spoke against granting the exception. Council Member Willesen expressed that he would like to see a photo of the area to see a visual of the scale of the sign as it compares to other signs.

**MOTION:** Deputy Mayor Pro Tempore Walden move to deny the request. Council Member Willesen seconded the motion. Motion carried with a vote of 6-1 with Council Member Braun voting against the motion.

*Editor’s Note: No ordinance number assigned since ordinance not approved.*

**10. Present, Discuss, and Consider Action on a Resolution Approving a Project Specific Agreement for Asphalt Repair Along Approximately Two Miles of Addison Road Between the Northern Dallas County Limit and Arapaho Road in Conformance with the Master Interlocal Agreement Between the Town of Addison and Dallas County for the Joint Funding of Transportation Improvements Within the City; Providing for a Total Project Budget of Approximately \$993,000 to be Jointly Paid by the City and Dallas County; Authorizing the City Manager to Execute the Agreement for the Receipt of Funding in an Amount Not to Exceed \$496,500.**

Todd Weinheimer, Assistant Director of Public Works and Engineering Services presented this item. He advised that this item is to authorize the City Manager to execute a Project Specific Agreement (PSA) with Dallas County to accept an amount not to exceed \$496,500 of Dallas County funds for maintenance costs on Addison Road.

In September 2017, Addison City Council approved a master interlocal agreement with Dallas County for transportation-related maintenance on certain designated roadways. Dallas County approved the master agreement by Commissioners Court Order 2017-159 on November 21, 2017. This master agreement allows the Town to enter into subsequent PSAs with Dallas County for funding of eligible road maintenance project costs.

In the Fiscal Year 2022 budget, Council allocated \$1M in additional funds to perform necessary repairs to Addison Road. Under the terms of this PSA, Dallas County will provide 50/50 matching funding for these repairs in an amount up to \$496,500 on a reimbursement basis. The construction

is anticipated to take 60-90 days to complete and will begin shortly after Dallas County executes the PSA.

Mr. Weinheimer briefly reviewed a list of other Dallas County PSA projects in the Town of Addison.

Mickey Maguire, Dallas County District Director for Commissioner J.J. Koch, addressed the Council regarding this project. He advised that following Council approval the agreement will be presented to the Dallas County Commissioners Court for approval.

**MOTION:** Council Member Ward moved to approve. Mayor Pro Tempore Quintanilla seconded the motion. Motion carried unanimously.

**Resolution No. R22-024:** Addison Road Asphalt Repair Reimbursement Agreement with Dallas County

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### **Adjourn Meeting**

There being no further business to come before the Council, Mayor Chow adjourned the meeting.

**TOWN OF ADDISON, TEXAS**


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Joe Chow, Mayor

**ATTEST:**

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Irma G. Parker, City Secretary

# Exhibit A

**Memorandum of Understanding for Development Around the Addison Silver Line Station**



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**Addison Silver Line TOD Developer Selection**



**Preferred Development Partner**

- The team of AMLI Residential/Stream Realty Partners has been chosen through a competitive RFP process as the master developer for land owned by the Town and DART around the Addison Silver Line rail station




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**Addison Silver Line TOD Developer Selection**



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**Addison Silver Line TOD Developer Selection**



**The Vision**

- Major step in the Town's vision to develop a distinctive and creative urban center to attract corporate offices, retail and restaurants and provide new residential options
- Town has strategically acquired properties in the area and worked with DART to include its property through a long-term ground lease
- Builds on the goals of the 2018 Special Area Study to expand the Addison Circle neighborhood, provide seamless connections from the rail station through Addison Circle Park and improve connectivity south to Belt Line Road

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## Addison Silver Line TOD Developer Selection



### 2018 Station Area Plan



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## Addison Silver Line TOD Developer Selection



### Developer Selection and Request for Proposals (RFP) Process

- Engaged Cushman and Wakefield as real estate advisors and brokers
- Councilmembers Braun, Quintanilla and Walden appointed as a Selection Committee to guide the RFP process and make recommendations to the City Council
- Committee determined the RFP requirements, evaluation criteria and selection process



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## Addison Silver Line TOD Developer Selection



### Request for Proposals

#### Basic Parameters

Based on the guidance and vision of the 2018 Special Area Study

- 300 Shared Parking Spaces for Special Events
- Minimum Building Height of 6 Stories
- Minimum Residential Density of 60 Units per Acre



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## Addison Silver Line TOD Developer Selection



### Evaluation Scoresheet

- Established both quantitative and qualitative factors based on the vision, urban design features and financial aspects important to the Town and DART
  - Financial Factors
  - Mobility Factors
  - Expand and Solidify Addison as a Premier Regional Destination

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## Addison Silver Line TOD Developer Selection



### **Financial Factors**

- Tax Revenue Generation
- Experience and Financial Capacity of Developer
- Financial Transaction – Purchase Price and Non-Refundable Deposit
- Estimated Incentives Needed from Town

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## Addison Silver Line TOD Developer Selection



### **Mobility**

- Increased DART Ridership
- Multiple Connections between Development and DART Station
- Walkability and Pedestrian/Bike Connections
- Shared Parking Spaces
- Accommodation of DART Rail and Bus Activities

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## Addison Silver Line TOD Developer Selection



### **Expand and Solidify Addison as a Premier Regional Destination**

- Imaginative Development Theme, Mix of Uses, High Quality and Distinctive Architecture
- Amenities (Landscaping, Hardscape, Lighting, Public Art)
- Project Density and Height
- Integration with Addison Circle and Expansion Southward
- Environmental Sustainability
- Increase in Residential Population Base

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## Addison Silver Line TOD Developer Selection



### **RFP Responses**

- RFP issued in April 2021
- Five Development Team Responses
- Narrowed to Two Finalists for Second Phase
- City Council has selected the team of AMLI Residential/Stream Realty Partners as the preferred master developer



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AMLI Residential/Stream Realty Partners Proposal



Phase I – Addison Road and Festival Way

- Six-story 150,000 square foot Class A office building
- 9,000 square feet of retail space
- 625 space parking garage

Phase I – “The Hub” – Facing Addison Circle Park

- Indoor-outdoor entertainment and dining venues oriented around a central green

Phase I – Quorum Drive, Festival Way and Arapaho Road

- Two multi-family buildings
  - High rise: 13 stories and 250 units with 10,000 square feet of retail space
  - Mid rise: 7 stories and 450 units with 5,000 square feet of retail space

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AMLI Residential/Stream Realty Partners Proposal



Phase II – DART Property at Quorum Drive and Arapaho Road

- 6 story 150,000 square foot Class A office building integrated with an 850-space parking garage
- Contains structured parking for DART riders and contemplates potential reconfiguration of bus, rail, and other mobility operations

Phase III – DART Property at Addison Road and Arapaho Road

- 120 room boutique hotel

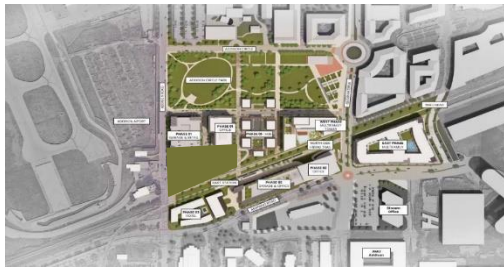
Project Timeline

- Construction commences in 2023
- Estimated project completion (all phases) in 2028

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Addison Silver Line TOD Developer Selection



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Addison Silver Line TOD Developer Selection



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## Addison Silver Line TOD Developer Selection



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## Addison Silver Line TOD Developer Selection



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## Memorandum of Understanding



### Memorandum of Understanding (MOU)

- Authorizes the City Manager to continue negotiations exclusively with AMLI/Stream Realty Partners
- States the basic financial and incentive terms for the project
- Incentives are for Phase I of the project; additional requests may be made for subsequent phases
- Establishes timelines for commencement and completion
- Allows the developers to begin due diligence for the property including surveying and geotechnical and environmental testing

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## Memorandum of Understanding



### Project Financial Information and Town Incentives

Phase I Cost -- \$344 million; All Phases -- \$472 million

#### Phase I – Stream Realty Partners Office Building and Parking Garage

- Town dedicates 2.3 acres of land (estimated market value of \$2 million)
- Stream Realty Partners commissions a parking study to determine proper number of parking spaces
- Town contributes \$6 million for construction of the parking garage
- Parking spaces are available for retail customers and nights and weekends for Addison Circle activities and special events

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## Memorandum of Understanding



### Phase I – Stream Realty Partners Office Building and Parking Garage

- Town commits to a 5-year lease for 60,000 square feet of space (40% of the building) at \$34.50 per square foot gross (\$2,070,000 per year)
- The lease obligation is reduced on a 50/50 basis until the obligation is removed when 120,000 square feet is leased
- Developer's off-site infrastructure obligation to not exceed \$500,000
- Development and building permit fees are capped at \$150,000

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## Memorandum of Understanding



### Phase I – AMLI Residential Multi-Family Buildings

- AMLI ground leases 10 acres from the Town for 99 years under the following terms:
  - AMLI pays \$2 million in pre-paid ground rent
  - Initial annual ground rent of \$500,000 will be adjusted annually at no more than 3% on a non-cumulative basis
  - Ground rent is reset after 10 years, then every 15 years based on the appraised value of land and improvements

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## Memorandum of Understanding



### Phase I – AMLI Residential Multi-Family Buildings

- AMLI commissions a Master Streetscape Plan for the general Addison Circle area
- Town funds any off-site infrastructure and streetscape improvement costs identified in the Master Streetscape Plan exceeding \$1 million
- To maintain the quality of the development, after 10 years the Town will provide an off-set in ground rent for improvements that exceed \$1 million, once every 10 years
- Town waives development and building permit fees over \$250,000
- AMLI contributes \$200,000 to the Addison Arbor Foundation to fund public art in the rights-of-way and public spaces

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## Memorandum of Understanding



### Phase I – “The Hub” Retail, Restaurant and Entertainment Venue

- Land is included in the AMLI ground lease
- Town will reimburse up to \$1.5 million for public infrastructure costs
- Town will provide a Chapter 380 sales tax sharing arrangement, capped at \$1.5 million or 10 years, whichever occurs first
- Sales tax will be shared at 75% for the developer and 25% for the Town based on actual sales tax receipts

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## Memorandum of Understanding



### Phases II and III – Office Building, Parking Garage and Hotel on DART Property

- Town incentives (if any) will be negotiated for Phases II and III in the future and based on the market dynamics and timeframe to develop at that time
- Subject to DART approval, rail and bus transit operations will be incorporated into the new development, for which Stream currently commits to a \$160,000 contribution, with definitive construction costs to be determined in future agreements
- Town, DART and Stream Realty Partners enter into a perpetual parking agreement that provides public parking for DART riders and retail patrons during the day and parking on nights and weekends and for special events

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## Memorandum of Understanding



### Other Provisions of the MOU

- A transfer fee of 25 basis points payable to the Town will be assessed on all subsequent sales of the property or improvements at the seller's expense
- DART's property will be subleased in accordance with the approved Interlocal Agreement
- The due diligence period ends on December 15, 2022 or when subsequent definitive agreements have been executed.
- The schedule for completion of all phases of the development are defined and may be modified or extended only by mutual agreement

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## Memorandum of Understanding



### Town's Participation – Stream, AMLI and The HUB

#### Phase I Incentive Requests (Estimated Value)

Office Land Contribution (2.3 acres)	\$ 2,000,000
Office Lease Commitment (Potential Cost over 5 years)	\$10,350,000
Office Parking Garage Contribution	\$ 6,000,000
Public Infrastructure Costs (The Hub)	\$ 1,500,000 reimbursement (if needed)*
Sales Tax Rebate (The Hub)	\$ 1,500,000 cap
Permit Fee Waivers (Developers Pay \$519,576)	\$ 1,560,302

**Total** **\$22,910,302**

\*The Town may have additional off-site infrastructure costs (TBD) for the office and multi-family that exceed the developers' commitment of \$1.5 million.

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## Addison Silver Line TOD Developer Selection



### Next Steps – 12-18 Months

- Developer begins site investigations and engineering/architectural studies
- Town and developer negotiate terms of financial transactions, development agreements, dart property sublease, economic development incentives and other definitive agreements
- Development team starts the rezoning process



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