

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

The logo for Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that has a white diagonal line running from the top-left to the bottom-right, creating a triangular shape on the right side of the page.

## Preferred Development Partner

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



## **Phase I – Addison Road and Festival Way**

- Six-story 160,000 square foot Class A office building
- 3,800 square feet of retail space
- 466 space parking garage

## **Phase I – Retail/Restaurant/Entertainment – Facing Addison Circle Park**

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

## **Phase I – Quorum Drive, Festival Way and Arapaho Road**

- Two multi-family buildings
  - High rise: 14 stories and 270 units with 10,000 square feet of retail space
  - Mid rise: 7 stories and 412 units with 5,000 square feet of retail space

## **Phase II – DART Property at Quorum Drive and Arapaho Road**

- Six-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**

- Phase I construction commences in 2025
- Estimated project completion (all phases) in 2028

# Fourth Amended Memorandum of Understanding



## **Changes to Phase I Plan (Will require amending the PD zoning)**

- **Stream Office Building and Parking Garage**
  - 150 parking spaces for retail/restaurant/entertainment node moved to AMLI tower garage
- **AMLI Multi-Family Tower and Parking Garage**
  - Height of tower increases from 13 stories to 14 stories
  - Western part of building steps down to 7 stories and then 5 stories
  - Parking garage changed from podium design to a wrap design with the addition of 150 retail parking spaces
  - Trash and service area for retail/restaurant/entertainment tucked under building



# Fourth Amended Memorandum of Understanding

The logo for Addison, featuring the word "ADDISON" in white capital letters inside a blue circle.

## **Original Memorandum of Understanding (MOU)**

- Approved on April 12, 2022

## **First amendment to the MOU**

- Approved on November 8, 2022
- Updated project schedule and due diligence period

## **Second amendment to the MOU**

- Approved on January 10, 2023
- Included minor modifications to:
  - office and restaurant / retail /entertainment square footage
  - number of multifamily residential units, associated parking, and site improvements
  - refinements to project schedule
  - set conditions for developer team to pursue a new partner for the retail / restaurant / entertainment node at the core of the project



## Third amendment to the MOU

- Approved on April 25, 2023
- Modified the following Stream economic development incentives:
  - Town financing for the parking structure, with Stream to pay all debt service costs in excess of \$6 million Town contribution, and allocation of parking spaces between public and tenants.
  - Reduction in term of Towns' proposed Office Master Lease from 5 years to 3 years but retaining the same level of investment (\$10.35 million).



## Third amendment to the MOU

- Modified the following AMLI economic development Incentives:
  - Allow pre-paid ground rent to be refundable provided AMLI meets specific plan submittal deadlines.
  - Annual ad valorem tax incentive for AMLI, up to \$6.5 million cumulatively, if needed to address a projected gap in the required and actual Return on Costs (ROC) for the project.
  - Conversion of proposed 10-year, \$1.5 million sales tax rebate to infrastructure reimbursement grant.



## Fourth Amendment to the MOU – Stream

- Reduce parking garage incentive from \$6 million to \$4.1 million in response to retail parking being moved to AMLI tower garage
- Reduce the Master Office Lease value from \$10,350,000 to \$8,625,000 and change term from 3 years to 2.5 years.



# Fourth Amended Memorandum of Understanding

ADDISON

## Fourth Amendment to MOU – AMLI

- Town contributes \$3.4 million in bond funding for inclusion of the retail parking spaces in the tower parking garage. The retail parking spaces must be open to the public.
- Annual ad valorem tax incentive increased from 5 years to 6 years and from \$6.5 million to \$8 million cumulatively, if needed.
- \$1.5M retail sales tax incentive is applied to tax incentive instead.
- Town to reimburse for multi-family off-site infrastructure costs.



# Town's Participation – Stream, AMLI and Retail Node



## Phase I Incentive Requests (Estimated Value)

	Original MOU	Third Amended MOU	Current Proposal
Office Land Contribution (2.0 acres)	\$ 2,000,000	\$ 2,000,000	\$ 1,700,000
Office Lease Commitment (Potential Cost over 3 years)	\$ 10,350,000	\$ 10,350,000	\$ 8,625,000
Office Parking Garage Contribution	\$ 6,000,000	\$ 6,000,000	\$ 4,100,000
Retail Parking Garage Contribution			\$ 3,400,000
Public Infrastructure Costs (Retail Node) (If Needed)	\$ 1,500,000	\$ 3,000,000	\$ 1,500,000
Sales Tax Rebate (Retail Node) Cap	\$ 1,500,000	\$	\$
Permit Fee Waivers (Developers Pay \$519,576)	\$ 1,560,302	\$ 1,560,302	\$ 1,560,302
AV Tax Grant Max (If Needed)		\$ 6,500,000	\$ 8,000,000
Infrastructure Reimbursement*	\$ 4,400,000	\$ 7,500,000	\$ 9,000,000
	<b>\$ 27,310,302</b>	<b>\$ 36,910,302</b>	<b>\$ 37,855,302</b>

\*Current estimate of infrastructure reimbursement could range from \$5M - \$10M

# Project Timeline

## Phase 1

- **Revisions to PD Zoning Approved by City Council** **October 30, 2023**
- **Execution of All Definitive Agreements** **October 30, 2023**
- **AML I Submits Infrastructure Plan** **April 15, 2024**
- **Stream Submits Office/Parking Garage Building Permit Application** **October 30, 2024**
- **AML I Submits Tower Building Permit Application** **October 30, 2024**
- **Stream Starts Construction on Office/Parking Garage** **March 2025**
- **AML I Starts Construction on Tower** **March 2025**
- **AML I Starts Construction on Podium** **May 2026**

## Short Term

- Town and developers to finalize terms of financial transactions, development agreements, economic development incentives and other definitive agreements, by October 31, 2023.
- Developer to submit revised PD zoning request.
- Town and DART to finalize master lease for DART property.

## Long Term

- Developers to submit detailed construction plans and building permits to commence construction.



**QUESTIONS?**