

**Addison Silver Line TOD
Ground Leases of Town-Owned
Properties
City Council Meeting**

April 23, 2024



ADDISON

Addison Silver Line TOD Ground Leases

A blue circular logo with the word "ADDISON" in white, uppercase letters.

- In April 2022, the Town entered into a Memorandum of Understanding (MOU) with AMLI Residential and Stream Realty Partners as co-developers of a transit-oriented development (TOD) around the future Addison Silver Line Station. The MOU addressed the public incentives, various development agreements, ground leases and minimum development standards required for the project
- In January 2024, the sixth amended and final MOU was approved. That MOU replaced Stream Realty Partners with Quadrant Investment Partners as the office co-developer.
- On April 12, 2024 the Planning and Zoning Commission approved the Development Plan for the Addison Circle Station TOD.

Development Partners

- The Town is partnering with AMLI Residential and Quadrant Enterprises, LLC to develop land owned by the Town adjacent to the Addison Silver Line rail station
- Phase I of the proposed development will include a Class A office building, high and mid-rise multifamily, a retail/restaurant/entertainment node and associated parking garages



Proposed Development

- Southeast Corner of Addison Road and Festival Way - 160,000 square foot (150,000 leasable area) office building with 650 space parking garage
- Southwest Corner of Quorum Drive and Festival Way – 15, 7 and 5 story multi-family tower with 290 units and parking garage
- Northeast Corner of Quorum Drive and Arapaho Road - 7 story multi-family podium with 400 units and parking garage
- South Side of Festival Way – 18,000 sf retail/restaurant/entertainment node between the office building and multi-family tower

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Ground Leases

- This Agenda -- Ground leases with AMLI Residential LLC for the two multi-family developments and the retail/restaurant/entertainment node
- Future Consideration:
 - Master Development Incentive Agreement
 - The sale of property for the office building and parking agreement with public use of the office parking garage



General Provisions of the Tower, Podium and Retail Ground Leases

- 99 year lease term
- Initial annual rent with methodology for annual increases
- Responsibility for utility payments, taxes, maintenance and insurance
- Prohibition of certain uses
- Compliance with plan approval and commencement of construction deadlines
- Provisions for assignment of the lease and subleases
- Prohibition on subordination of the town's fee simple ownership through a mortgage or lien
- Repair and restoration after damage or destruction
- First right of refusal should the city decide to sell the property

Specific Provisions of the Tower Ground Lease

- Initial annual rent of \$200,000
- AMLI provides \$2 million deposit as pre-paid ground rent, which is non-refundable if a default occurs or construction and completion of the retail/restaurant/entertainment component does not occur in a timely manner. However, the deposit may be refundable between April 1, 2025 and September 30, 2025 if AMLI has submitted infrastructure plans and a building permit application but does not receive internal approval for the project

Specific Provisions of the Podium Ground Lease

- Initial annual rent of \$250,000

Specific Provisions of the Retail/Restaurant/Entertainment Ground Lease

- Initial annual rent of \$50,000
- AMLI may sublease to a qualified retail developer with the capacity and experience to operate and manage retail/restaurant/entertainment venues

Deposit Refund Period & Requirements



*Deadline is contingent upon completion of infrastructure and availability of parking

QUESTIONS?