

# Transit Oriented Development Master Development Agreement

September 9<sup>th</sup>, 2025

Director of Economic Development, Wayne Emerson



# Updated TOD Plan



**Phase 1:** Entertainment facility, full-service restaurant and / or retail facilities containing a minimum of 30,000 square feet for restaurant / retail use, farmer's market, public park, pickleball courts, and surface parking – **\$22M minimum investment.**

**Phase 2:** Full-service restaurant and / or general retail facilities to be located on DART parcel containing a minimum of 12,000 square feet for restaurant and / or general retail use – **\$8M minimum investment.**

**Phase 3:** Class A mass timber office building containing a minimum of 155,000 square feet for office use, a separate building containing 5,000 square feet for retail use, and a public parking structure supporting the office and retail uses – **\$79M minimum investment.**

**Phase 4:** Boutique hotel (being a minimum 140-key hotel similar in type to a 'collection' or 'lifestyle' brand with upper upscale quality), a potential future convention center, and a supporting parking structure – **\$81M minimum investment.**

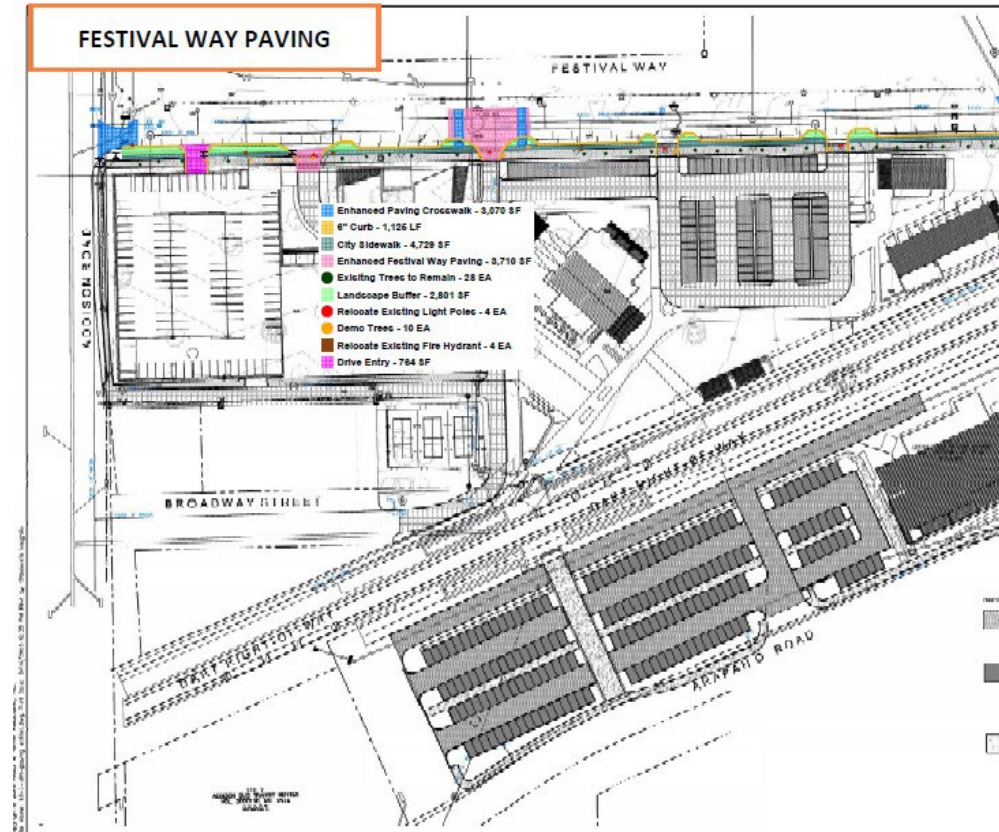
## QIP to act as Construction Manager for public facilities:

- Infrastructure
- Parking garages
- Future definitive agreement: construction management agreement for public facilities

**Town to fund Infrastructure through Certificate of Obligations as part of the incentive package.**

## Public Infrastructure

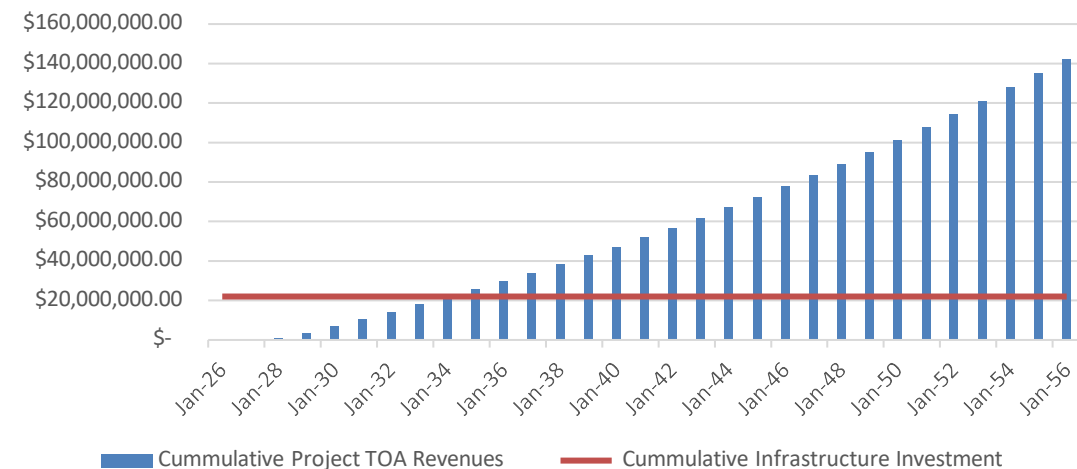
- Festival Way
- Pickleball courts
- Park site arrival from trail and transit center
- Entertainment plaza
- Temporary surface parking lot
- Farmers Market open space





- Estimated cost: **\$15.5M-\$22.2M**
- Payback period (low-range): **6.4 Years**
- Payback period (high-range): **8.2 Years**
- 30-year projected revenues minus infrastructure investment: **\$120.0M**
- 30-year net present value: **\$47.2M**

## Infrastructure Investment Payback (High Range Scenario)



# Entertainment and DART Parcel

- Developer shall construct **\$22 million** in minimum investment consisting of the following improvements on the Entertainment Parcel:
  - Park and Pickleball Courts
  - Entertainment Facility – *Van Buren's Beer Garden*
  - Farmer's Market – The targeted uses will be an urban grocer, wine cellar, bike shop and similar retail and restaurant uses.
  - 240 garage stalls and temporary surface parking. The parties acknowledge that this surface parking is intended to be temporary and will be subject to alteration, expansion, or removal by the Town in connection with the future development of the Project and the area surrounding the Project Site.
- **Definitive Agreement:** 99-year ground lease. The initial annual rent under the Entertainment Parcel Lease when combined with the initial annual rent under the Hotel Parcel Lease, shall not be less than **\$500,000**. The rent shall further be subject to an escalator provision.
- Subject to Developer's execution of a ground lease with DART, Developer shall construct **\$8 million** in minimum investment a full-service restaurant and / or general retail tenant(s) with approximately 12,000 square feet of usable space – *The Hanger*

# Entertainment: Van Buren's

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# Entertainment: Farmer's Market

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# Entertainment: The Hangar

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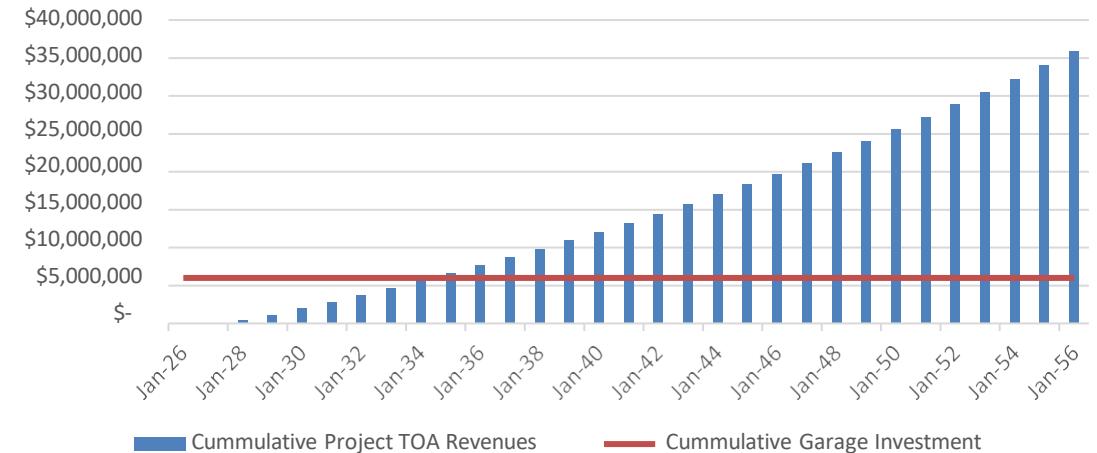


# Entertainment and DART Parcel

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- Development Plan: **42,000 SF**
  - Van Buren's & Farmers Market: **30,000 SF**
  - The Hangar: **12,000 SF**
- Town participation: **\$6M retail garage portion\***
  - 240 (min) stalls parking garage
- Payback period: **8.3 Years**
- 30-year projected revenues minus garage investment: **\$29.9M**
- 30-year net present value: **\$11.8M**

## Retail Garage Investment Payback



*\*Estimated portion of shared retail and hotel garage.*



# Office Building and Garage

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# Office Building and Garage

- Developer shall construct a Class A mass timber office building containing a minimum of 155,000 square feet of leasable area for office use and 5,000 square feet of leasable area for retail use on the office parcel.
  - Minimum Investment: **\$79 million**
- Developer shall construct the office parking garage as depicted on and in conformance with the approved Development Plans.
- The Town will be responsible for the total construction costs for both the office and hotel parking garages up to an aggregate maximum amount of **\$19 million**, which the parties will mutually agree to divide between the two garages prior to the commencement of construction for the office parking garage.
  - Estimated **\$9M** for office parking garage.
- The Town agrees to convey fee simple title to the office parcel to Developer by special warranty deed in conformance with the definitive Purchase and Sale Agreement to be negotiated in good faith by the parties.
- **Definitive Agreement:** Prior to the commencement of construction of the office parking garage, the parties will execute a definitive Parking Management Agreement whereby the Developer (or a third-party by mutual agreement) shall assume all responsibility for the operation and maintenance of the garage.

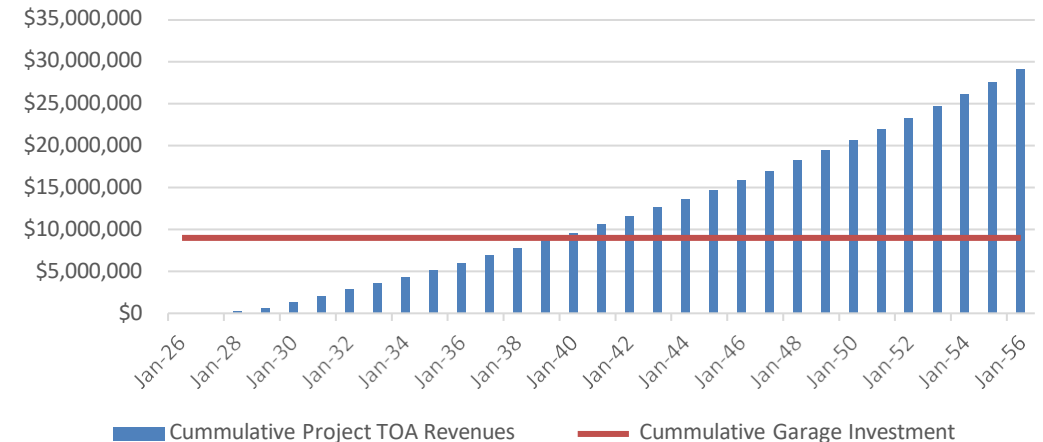
# Office Building and Garage

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- Development Plan: **155,000 SF** Class A mass timber
  - Retail Building: **5,000 SF**
  - 465-stall parking garage
- Town participation: **\$9M for office garage\***
- Payback period: **13.4 Years**
- 30-year projected revenues minus garage investment: **\$20.1M**
- 30-year net present value: **\$5.3M**

*\*Estimated office portion of garage incentive*

## Office Garage Investment Payback



# Hotel

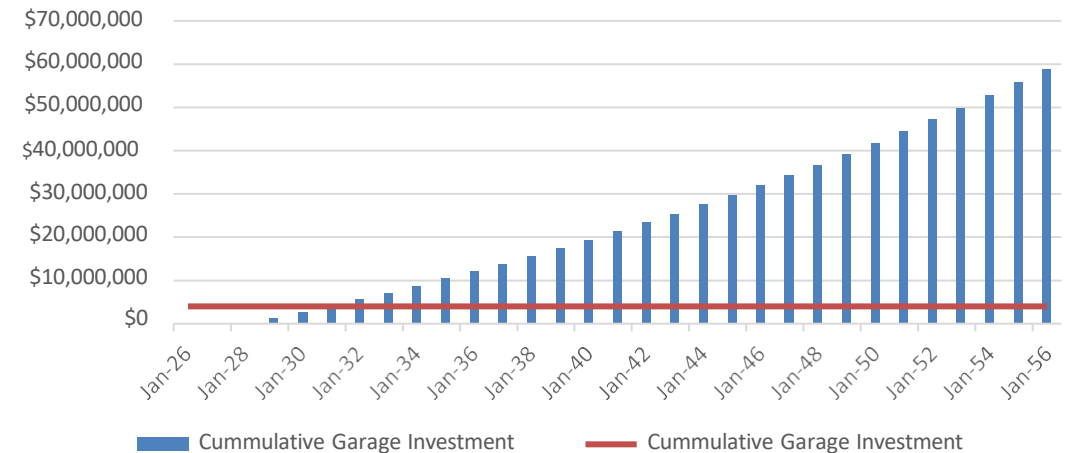




- Developer shall construct a Boutique hotel (being a minimum 140-key hotel similar in type to a ‘collection’ or ‘lifestyle’ brand with upper upscale quality), a potential future convention center, and a supporting parking structure.
  - Minimum investment: **\$81 million**
- **Definitive Agreement:** 99-year ground lease. The initial annual rent under the Entertainment Parcel Lease, when combined with the initial annual rent under the Hotel Parcel Lease, shall not be less than **\$500,000**. The rent shall further be subject to an escalator provision.
- **Garage Incentive:** The Town will be responsible for the total construction costs for both the office and hotel parking garages up to an aggregate maximum amount of **\$19 million**, which the parties will mutually agree to divide between the two garages prior to the commencement of construction for the office parking garage.
  - Estimated **\$4 million** for hotel portion of the garage.
- **Convention Center:** The parties shall work together in good faith to seek legislation during the 90th Texas legislative session to entitle the hotel, convention center, and ancillary facilities related there to all state hotel occupancy tax, sales tax, and mixed beverage tax rebates.

- Development Plan: **140 room boutique hotel**
  - Collection or lifestyle brand with upper scale quality.
  - Retail building: **5,000 SF**
  - Parking garage with one stall per room (minimum)
- Town participation: **\$4M for hotel garage portion\***
- Payback period: **4.9 Years**
- 30-year projected revenues minus garage investment: **\$54.8M**
- 30-year net present value: **\$24.8M**

## Hotel Garage Investment Payback



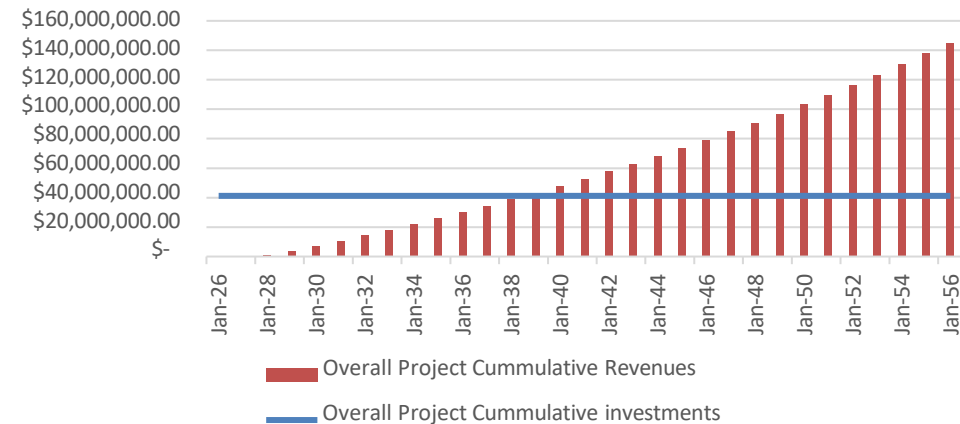
*\*Estimated portion of shared retail and hotel garage*

# Overall Project Investment & Payback

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- Infrastructure investment: **\$15.5M-\$22.2M**
- Town participation: **\$19M for parking garages**
- Payback period: **12.5 Years**
- 30-year projected revenues minus Town investments (high-range infrastructure estimate): **\$104.3M**
- 30-year net present value (high-range infrastructure estimate): **\$30.2M**

## Overall Investment Payback



Town Participation	Amount
Complete Site Infrastructure Investment	\$15,540,000-\$22,200,000
Office Parking Garage Contribution	\$9,000,000
Retail Parking garage Contribution	\$6,000,000
Hotel Parking Garage Contribution	\$4,000,00
Total	\$34,540,000-\$41,200,000



# Participation Comparison – AMLI / QIP vs Current

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## Town Participation (Estimated Value)

	AMLI / QIP	Current Proposal	Change
Office parking garage contribution	\$ 9,500,000	\$ 9,500,000	\$ -
Retail parking garage contribution	\$ 5,500,000	\$ 5,500,000	\$ -
Hotel parking garage contribution	\$	\$ 4,000,000	\$ 4,000,000
Permit fee waivers	\$ 1,560,302	\$ -	\$ -1,560,302
Multi-Family AV Tax Grant	\$ 8,000,000	\$ -	\$ -8,000,000
Infrastructure cost *	\$ 20,540,000 – \$ 27,200,000	\$ 15,540,000 – \$ 22,200,000	\$ -9,000,000
<b>Total Town Participation</b>	<b>\$ 51,760,302**</b>	<b>\$ 41,200,000***</b>	<b>\$ -14,560,302</b>

\* Estimate of high-range infrastructure includes 30% contingency.

\*\* Previous estimates of infrastructure were understated based on scope of the project.

\*\*\* Assumes high-range infrastructure cost.

# Funding Sources and Uses



## Town Participation (Estimated Value)

Funding Uses	Current Proposal	Funding Sources
Office parking garage contribution	\$ 9,500,000	Cash funded (General Fund, Self-Funded Projects Fund, IIF, or Streets Self-Funded Projects Fund) and repaid by the TIRZ.
Retail parking garage contribution	\$ 5,500,000	\$3M General Obligation Bonds from 2012 Bond Election and \$2.5M in CO's – all repaid by the TIRZ.
Hotel parking garage contribution	\$ 4,000,000	Hotel Tax Revenue Bonds, Hotel Fund reserves or a combination of both.
Infrastructure Cost*	\$ 15,540,000 – 22,200,000	<b>Street Infrastructure</b> - CO's repaid by TIRZ Park Improvements - Cash Funded repaid by TIRZ <b>Water / Sewer Infrastructure</b> - Utility Fund CO's or Cash Funded by Utility Fund <b>Stormwater Infrastructure</b> - Stormwater CO's or Cash Funded by Stormwater Fund
<b>Total Town Participation</b>	<b>\$ 41,200,000**</b>	<b>** Assumes high-range infrastructure cost.</b>

# Tax Increment Refinancing Zone

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## PROPOSED TIRZ BOUNDARIES



Taxing Jurisdictions	Total Taxes Generated
Town of Addison	\$294,104,957
Dallas County	\$102,122,118
Dallas ISD	\$473,930,163
Dallas College	\$50,183,413
Dallas Area Rapid Transit	\$4,290,580
<b>Total</b>	<b>\$924,631,231</b>

Town of Addison	Total Taxes Generated
Growth of the Base	\$149,989,299
New Development	\$144,115,658
<b>Total</b>	<b>\$294,104,957</b>



# Economic Impact

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Impact	Employment	Labor Income	Output
1 - Direct	1,170	\$123,167,016	\$198,365,771
2 - Indirect	264	\$23,284,533	\$58,418,801
3 - Induced	186	\$14,466,982	\$40,876,507
<b>Total</b>	<b>1,619</b>	<b>\$160,918,531</b>	<b>\$297,661,080</b>

- Impacts are estimated using Bureau of Economic Analysis (BEA) industry data and economic multipliers, based on project assumptions.
- Results reflect forecasts for Year 1 after project stabilization.
- \$297.6M represents a 2.7% increase in total output for Addison.

## Types of Impact

- **Direct:** Jobs and income created directly by the project (hotel staff, office tenant employees).
- **Indirect:** Jobs and spending generated at suppliers that support project tenants (B2B sales, restaurant suppliers).
- **Induced:** Jobs and income supported when workers spend their earnings in the local economy (restaurants, shops, housing).

# Economic Impact: Spillover Effect Comparison

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## Toyota Music Factory

- Delivered 2018
- 167,000 square feet of office
- 350 room hotel
- 150,000 square feet of retail

## Taxable Value of Pre-Existing Buildings within 0.25 Miles

- Marriot Hotel: 101.4% increase in value
  - 50.5% increase in room revenues
- Las Colinas Urban Center Office: 15.3% increase in value
- Three oh One Apartments: 50% increase in value

## New Projects within 0.25 Miles

- 425,000 square foot Wells Fargo regional HQ office
  - \$455M capital investment
- 455,000 square foot Christus Health HQ office



Image: Corgan

# Timeline

Task	Start Date	Duration (Days)	End Date
Define and Negotiate Definitive Agreements	9/08/2025	150	1/31/2026
Off-Site Infrastructure Planning and Civil Permitting	9/08/2025	300	6/30/2026
Submittal of Building Permits	30 Days After Off-Site Infrastructure Completion	-	-
Construction Start	30 Days After Permit Receipt	-	-
On-Site infrastructure Construction Start	30 Days After Building Construction Start	-	-
Estimated Special Event Facility Building Construction Duration	4/26/2027	360	4/20/2028
Estimated Office Building Construction Duration	9/23/2027	540	3/16/2029
Estimated The Hangar Building Construction Duration	9/23/2027	360	9/17/2028
Estimated Hotel/Convention Building Construction Duration	7/27/2027	720	7/16/2029

Staff recommends that the City Council approve and authorize the City Manager to enter into the Master Development Agreement with Quadrant Investment Properties for the Addison Circle Transit-Oriented Development Project.



# Questions?

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