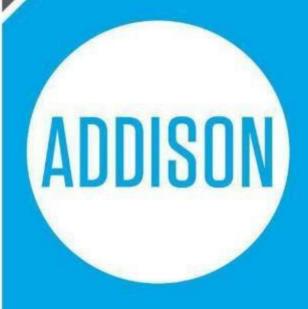
Third Amendment to the Memorandum of Understanding for Development Around the Addison Silver Line Station





Preferred Development Partner

 The team of AMLI Residential/Stream Realty Partners were 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.





Phase I – Addison Road and Festival Way

- Six-story 160,000 square foot Class A office building
- 3,800 square feet of retail space
- 623 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: 13 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 850space 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 2024
- Estimated project completion (all phases) in 2028







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



Substantive Changes to Agreement Between Town & Co-Developers:

- Increased Phase I investment from \$344 million to \$371 million.
- The Town to fully finance construction of parking structure, and Stream to pay all debt service costs in excess of negotiated \$6 million Town contribution.
- Language reinforcing that public financing of Stream office parking structure requires spaces to be open to the public, with limited spaces reserved for private use by office and retail tenants.
- Reduction in term of proposed Office Master Lease executed by the Town from 5 years to 3 years, while accommodating the same level of previously proposed investment (\$10.35 million).





Modifications to Terms of AMLI Economic Development Incentives:

- Clarification that pre-paid ground rent to be refundable until
 September 30, 2024, provided AMLI meets specified plan submittal requirements associated with deadline.
- Proposed ad valorem tax incentive for AMLI, which may result in no more than five consecutive annual grants up to \$1.6 million annually (\$6.5 million cumulatively). The purpose is to address a projected gap in the required and actual Return on Costs (ROC) for the project.
 - Incentive payments only made if gap exists. Town protected if market improves.
- Conversion of proposed 10-year, \$1.5 million sales tax rebate to infrastructure reimbursement grant.







- Modification to allow the Town to negotiate with a developer or co-developer to replace either of the codevelopers during the due diligence period.
- Extension of due diligence period and deadline for completion of definitive agreements to June 30, 2023.
- Refinement of project schedules to reflect an October 2024 construction commencement for the multifamily tower, office building, and parking structure.







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

Phase I Incentive Requests (Estimated Value)

	Ori	Original MOU		Current Proposal	
Office Land Contribution (2.4 acres)	\$	2,000,000	\$	2,000,000	
Office Lease Commitment (Potential Cost over 5 years)	\$	10,350,000	\$	10,350,000	
Office Parking Garage Contribution	\$	6,000,000	\$	6,000,000	
Public Infrastructure Costs (Retail Node) (If Needed)	\$	1,500,000	\$	3,000,000	
Sales Tax Rebate (Retail Node) Cap	\$	1,500,000	\$	-	
Permit Fee Waivers (Developers Pay \$519,576)	\$	1,560,302	\$	1,560,302	
AV Tax Grant Max If Needed			\$	6,500,000	
Infrastructure Reimbursement*	\$	4,400,000	\$	7,500,000	
	\$	27,310,302	\$	36,910,712	
*Current estimate of infrastructure reimbursement could range from \$5M - \$10M					

Next Steps



Short Term

- Town and developers to finalize terms of financial transactions, development agreements, economic development incentives and other definitive agreements.
- 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?