

**Third 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 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 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 2024
- Estimated project completion (all phases) in 2028

# Third Amended Memorandum of Understanding

ADDISON



# Third Amended Memorandum of Understanding

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

## **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 Amended Memorandum of Understanding



## 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).



# Third Amended Memorandum of Understanding

ADDISON

## 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.





# Third Amended Memorandum of Understanding

- Modification to allow the Town to negotiate with a developer or co-developer to replace either of the co-developers 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)

	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
	<b>\$ 27,310,302</b>	<b>\$ 36,910,712</b>

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

## 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?**