



Legislation Text

File #: 22-474, Version: 1

STRATEGIC PRIORITY: Economic Development
AGENDA DATE: February 23, 2022
COUNCIL DISTRICT(S): 14
DEPARTMENT: Office of Economic Development
EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize a development agreement and all other necessary documents with Trammell Crow Company Development, LLC and/or its affiliates in an amount not to exceed \$29,000,000.00, payable from current and future TOD TIF District funds, in consideration of the Mockingbird Station East mixed-income and transit-oriented development project on property currently addressed at 5465 East Mockingbird Lane in Tax Increment Financing Reinvestment Zone Number Seventeen (TOD TIF District) - Not to exceed \$29,000,000.00 - Financing: TOD TIF District Fund (subject to annual appropriations from tax increments)

BACKGROUND

Trammell Crow Company Development, LLC (“Developer”) is proposing the Mockingbird Station East mixed-income and transit-oriented development project on property currently addressed at 5465 East Mockingbird Lane within the Mockingbird/Lovers Lane Sub-District of the TOD TIF District.

The Project under consideration for TOD TIF funding on a portion of the site will consist of an approximately 429-unit mixed-income multi-family residential building with its own integrated structured parking garage along with public infrastructure and streetscape improvements. In addition, separate and apart from consideration of the TIF Subsidy, a new public parking garage (approximately 500 spaces, 3-levels, below grade) is planned to be constructed by the Developer and owned/operated by DART.

In October 2016, DART issued a Request for Proposal (RFP) for the Project site located at 5465 Mockingbird Lane. In January 2018, following a selection process, the DART Board selected Developer and a non-binding term sheet to negotiate a ground lease and development agreement. The agreement was approved by the DART Board in November 2019.

The Project site is owned by DART, and Developer is working in partnership with DART through a 99-year ground lease to redevelop the 16-acre site into a mixed-use transit-oriented development. The current use is primarily a 725-space surface parking lot. The focus of the development plan has been to fulfill the needs and goals of DART and the TOD TIF District vision through place-making, good urban design, higher and better land uses, increased DART ridership, and mixed-income housing.

The total Project cost (excluding the DART parking garage) is estimated at \$117,342,796.00 comprised of the following components: (i) site acquisition cost of \$1,421,729.00 (ii) demolition and infrastructure improvements of \$12,800,081.00, (iii) hard costs of approximately \$81,738,763.00, (iv) professional fees of approximately \$5,706,520.00, (v) soft costs of approximately \$4,059,118.00, (vi) contingency of approximately \$8,056,450.00, and (vi) developer fee of approximately \$3,560,135.00.

The Project was reviewed by the City’s Urban Design Peer Review Panel (“Panel”) April 2020, and the Developer made changes to the Project’s design to accommodate recommendations by the Panel.

The Office of Economic Development engaged an independent outside underwriter to extensively review the Project and the Developer’s incentive application along with subsequent revisions in the Project scope. Staff, in consultation with the underwriter, structured the proposed City Subsidy as gap financing to make the Project financially feasible. The Office of Economic Development negotiated a detailed Letter of Intent with the Developer for an amount not to exceed \$29,000,000.00 (“TIF Subsidy”), payable upon completion of the Project and Developer’s satisfaction of all terms and conditions in the agreement. On November 9, 2021, the Developer agreed to and executed the Letter of Intent. The Resolution accompanying this agenda item contains detailed terms and conditions of the agreement.

Staff’s recommended TIF Subsidy of \$29,000,000.00 will be deployed from the TOD TIF District budget as follows (i) environmental remediation and demolition, \$90,000.00; (ii) public infrastructure improvements \$11,791,642.00; (iii) grants for high density projects, \$7,638,774.00; and affordable housing, \$9,479,584.00.

City Council’s approval of this item will authorize the City Manager to execute a development agreement as well as any other related documents.

ESTIMATED SCHEDULE OF PROJECT

Begin Construction	December 2024
Complete Construction	December 2026

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 10, 2008, City Council held a public hearing and authorized the establishment of Tax Increment Financing Reinvestment Zone Number Seventeen, the TOD TIF District by Resolution No. 08-3392; Ordinance No. 27432, as amended.

On April 14, 2010, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the TOD TIF District by Resolution No. 10-0915; Ordinance No. 27854, as amended.

On January 21, 2022, the TOD TIF District Board of Directors reviewed the Project and recommended City Council authorization of a development agreement with Trammell Crow Company Development, LLC and/or its affiliates in an amount not to exceed \$29,000,000.00.

The Economic Development Committee was briefed regarding this matter on February 7, 2022.

FISCAL INFORMATION

Fund	FY 2021	FY 2022	Future Years
TOD TIF District Fund	\$0.00	\$0.00	\$29,000,000.00

OWNER/DEVELOPER

Trammell Crow Company Development, LLC

Joel Behrens, Senior Vice President

MAP

Attached