

Legislation Text

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CC MEETING: April 7, 2020

DATE: March 17, 2020

TO: Erin Rinehart, City Manager

FROM: Ravi Shah, Director of Development Services,
Robert Winningham, Director of Economic Development,
Marc Guy, Assistant City Manager

Consider A **Resolution Authorizing the City Manager To Negotiate And Execute A Development Agreement With KOA Partners Regarding The Development Of A Class ‘A’ Office Building At Trinity Mills Station.**

BACKGROUND:

On November 5, 2019, City Council approved the Master Developer Agreement (MDA) between DART and Trinity Mills Urban Village Partners, LLC. Together, the City of Carrollton and DART own approximately 24.6 acres. As part of the MDA, the developer has provided a proposal for the design, construction and operation of a mixed-use development on the property owned by the City and DART, known as Trinity Mills Station. The MDA includes a Program Plan of anticipated development that is to occur on the site’s seven (7) tracts of land.

The MDA explicitly states that construction is expected to commence within twenty-four (24) months after the execution of the MDA. Phase IA includes tract 1 - a five-story, mixed-used residential building with structured parking and approximately 10,000 square feet of retail, and an esplanade or ‘park’. Phase IB includes tract 4a - a four-story office/retail building with a floor area of at least 80,000 square feet.

The City Council has always envisioned this site to be a robust, high-density, high-quality mixed-used transit-oriented development. To this point, the City desires that the first office building on this site be of a size and scale appropriate for such high-density development and one that could attract a major office tenant.

KOA Partners, Inc. has proposed to construct a 6-story, 125,000 square foot Class ‘A’ office building that includes 10,000 square feet of ground floor retail and a parking garage that will accommodate 500 parking spaces. The building’s design will be a scaled-up quality project that will include glass and modern façade materials. KOA will have \$11.4 million of equity in the project.

KOA Partners has advised the City that a contributing factor that would induce them to construct the Class ‘A’ office building would be an agreement wherein the City commits \$2.8 million to lease up to fifty percent (50%) of the building for a two (2) year period. This 50% commitment will diminish commensurately as the building is leased or pre-leased over the two-year period. The terms and conditions would be set forth in a Development Agreement between the City and KOA Partners.

IMPACT ON COMMUNITY SUSTAINABILITY:

The City Council's strategic TOD objectives are to create sustainable, vibrant, livable districts with a variety of high-density residential, office, and retail uses, incorporating enhanced pedestrian amenities, and supporting transit ridership.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends City Council approval of the attached resolution authorizing the City Manager to negotiate and execute a Development Agreement with KOA Partners for the purpose of developing a 6-story, 125,000 square foot Class 'A' office building at Trinity Mills Station.