

Legislation Text

File #: 2754, **Version:** 1

CC MEETING: August 2, 2016

DATE: July 27, 2016

TO: Leonard Martin, City Manager

FROM: Krystle Nelinson, Development Program Manager

Consider A **Resolution Authorizing The City Manager To Negotiate And Enter Into A Disposition And Development Agreement With TCC High Street Development For A Mixed-Use Development In Downtown Carrollton And Establishing A Program Of Grants** In An Amount Not To Exceed \$1,500,000.00.

BACKGROUND:

In July 2011, the City Council approved a Disposition and Development Agreement (DDA) with TCC High Street Development (TCC) for the *Union at Carrollton Square* in Downtown Carrollton. The first phase of the catalyst mixed-use development consisted of 179 apartment units, 4,658 square feet of retail space (leased to the Twisted Root Burger Company), and a structured parking garage providing 464 parking spaces, including 127 spaces available to the public for free parking.

In September 2012, the City Council approved TCC to proceed with the development of Phase II. The second phase development consisted of a 3-story apartment building containing 132 apartment units.

The proposed DDA would provide a contractual roadmap for the planning and construction of the *Union at Carrollton Square*, Phase III. The attached resolution authorizes the City Manager to negotiate and enter into a DDA with TCC based on the terms and conditions that were presented to the TOD Sub-Committee on July 26, 2016. The Sub-Committee unanimously recommended approval of the DDA.

A summary of the DDA terms and conditions is as follows:

TCC High Street Development agrees to:

- Assign the land contracts for 1206 and 1208 Carroll Avenue to the City;
- Purchase the subject property from the City for a \$1,000,000 purchase price with a 10-year payment structure;
- Develop a mixed-use project including:
 - Minimum of 300 apartment units;
 - Minimum of 3,000 square feet of retail/commercial flex space; and
 - Multi-level structured parking garage, similar in design and execution as Phase I;
- Maintain architecture on Phase III equal to or better than Phases I and II;
- Commence construction no later than 10 calendar months following the submission of a building permit

application to the City; and

- Receive an apartment temporary Certificate of Occupancy no later than 30 calendar months following issuance of a building permit.

The City agrees to:

- Close on the 1206 and 1208 Carroll Avenue land contracts;
- Provide TCC with a \$1,000,000 purchase contract with a 10-year payment structure;
- Deliver a development-ready pad site and provide infrastructure reimbursement in the not to exceed amount of \$1,500,000 for:
 - Infrastructure improvements on Belt Line Road and Myers Street;
 - Relocation of Carroll Avenue, including utilities;
 - Environmental assessments and remediation, as necessary;
 - Demolition of existing buildings;
- Allow for 8 reserved head-in parking spaces along Main Street for future resident parking.

FINANCIAL IMPLICATIONS:

The estimated cost to close on 1206 and 1208 Carroll Avenue is \$524,160. The 10-year payment structure for the \$1,000,000 purchase would be provided interest-free to TCC High Street Development. The \$1,500,000 infrastructure reimbursement would be exclusively receipt-reimbursable.

IMPACT ON COMMUNITY SUSTAINABILITY:

This Disposition and Development Agreement will build on the success of the Union at Carrollton Square project and provide for re-development of a blighted area of the Belt Line Road corridor near Downtown Carrollton.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends City Council approval of the attached resolution authorizing the City Manager to negotiate and enter into a Disposition and Development Agreement with TCC High Street Development for a mixed-use project in Downtown Carrollton and establishing a program of grants in an amount not to exceed \$1,500,000.00.