

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Nika Reinecke, Economic Development Director

DATE: October 15, 2018

SUBJECT: **Approval of an Economic Development Agreement Between the City of Lewisville and Trinsic Acquisition Company LLC and Authorization for the City Manager to Execute the Contract**

BACKGROUND

The City has been implementing the Old Town Development Plan since 2004. The goal of the plan is to revitalize Old Town and create a dynamic environment for living, dining and entertainment. A major focus of this plan has been to bring new residential developments to the area and develop new neighborhoods. The City purchased a 5.1 acre tract south of College Street and west of Railroad Street in close proximity and access to the DCTA Old Town Station in 2015. The purpose of the land purchase was to landbank a critical property and search for developers that would build a catalyst project at this location.

After discussions with over 10 developers, looking at various products and vetting the financial capabilities of each developer, the City agreed to allow Trinsic Acquisition Company to put the property under contract for purchase on June 25, 2018.

As you will note on Exhibit B – Site Plan, there is an immediate portion of adjacent DART right-of-way on the east of the project (Railroad Street). The City has requested the use of this area through DART for improvements that may include landscaping, park benches, bike racks, lighting, public art, public parking, sidewalks and underground utilities, and DART has responded with a letter of support. The City will formally partner with DART in the near future to secure this property for the abovementioned uses.

To this point, no formal illustrations or concepts have been submitted beyond the site plan, attached as Exhibit B-Site Plan.

Finally, the deal points of this project were discussed at the October 1, 2018 City Council executive session and direction to proceed was provided as outlined in the analysis below.

ANALYSIS

Trinsic Acquisition Company is a national development company for construction and management of high quality multi-family developments across the nation. Their plan is to invest over \$45 million on this property and provide the first new multi-family project in Old Town with a structured parking garage. This development, referred to as a *wrap*, where the residential units “wrap” around an above-grade parking structure, fits perfectly within the City’s transit-oriented-development master plan.

Considered a catalyst project for Old Town, the economic development agreement on this project provides for the following:

- Developer agrees to construct 315 residential units and a parking garage for 550 parking spaces, at a minimum investment of \$45 million, to be completed by December of 2022;
- Developer agrees to provide amenities including pools, parks and connection to the DCTA station;
- Developer agrees to pay for the developer's portion of improving Leonard street at \$125,000 and drainage improvements at \$25,000;
- City agrees to improve Leonard Street from College Street to Walters Street, as a portion of an existing TIF funded project estimated between \$275,000 and \$445,000;
- City agrees to provide a grant of maximum of \$500,000 for the parking garage;
- City agrees to waive all development fees for the project, estimated at \$480,000;
- City agrees to reimburse water and sanitary sewer impact fees, estimated at \$175,000; and
- City agrees to provide off-site utility and drainage improvements for the project, estimated between \$100,000 and \$155,000.

RECOMMENDATION

That the City Council approve the agreement and authorize the City Manager to execute the contract.