



Interlocal Agreement and Ground Lease to Implement Transit Oriented Development (TOD) Opportunities

Planning and Capital Programs Committee
March 9, 2021

Jack Wierzenski, Director Economic Development



TOD Opportunity – ILA Proposal

- Develop a Public/Public/Private Partnership with a municipality to develop a TOD on DART Property
- DART would enter into an Interlocal Agreement(ILA) with a municipality which would detail lease business terms and Transit Oriented Development performance requirements reflected in DART's 2020 TOD Policy and 2020 TOD Guidelines

TOD Opportunity – ILA Proposal (continued)

- Each City would initiate a Request For Proposal (RFP) process which would result in a Master Development Agreement and sub-lease with the selected developer
- The City would have up to 24 months to complete this process with one 12-month extension if needed
- Require FTA coordination, review, and approval

TOD ILA Lease Terms

- Lease requirements would be defined within the ILA securing economic rent and market rate statutory obligations with escalations as development occurs
- DART would enter into a long term lease with each city for the respective DART owned property
- At the Commencement Date rent is set at Consumer Price Index plus 150 basis points times the greater of appraised Fair Market Value (FMV) or land value based on 15% the total improved value of all commercial structures existing at the time.

TOD Opportunity – Lease Terms (continued)

- Rent commencement date TBD
- Adjustments will be undertaken every 9th year to reflect additional commercial income generating real estate expansions
- DART participation in the “upside” and future development rents TBD
- Future Land use and incorporation of required DART Facilities on the DART property and future DART review TBD

TOD Opportunity – Lease Terms (continued)

- Reduction in appraised value due to DART improvements TBD
- Points of DART review of lease and sub-lease TBD

TOD Opportunity – Next Steps

- Continue meeting with Addison and Richardson to finalize ILA and lease business terms
- Bring back draft ILA to the Committee for consideration



let's go.



DART.org