



# **Approval of an Interlocal Agreement with the City of Garland Related to a Master Ground Lease for Implementation of a Transit-Oriented Development at the Lake Ray Hubbard Transit Center**

Board of Directors  
Development Subsection Committee  
September 24, 2024

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and Economic Development



# Today's Consideration

Approval of an Interlocal Agreement (ILA) with the City of Garland Related to a Master Ground Lease for Implementation of a Transit-Oriented Development (TOD) at the Lake Ray Hubbard Transit Center (TC)

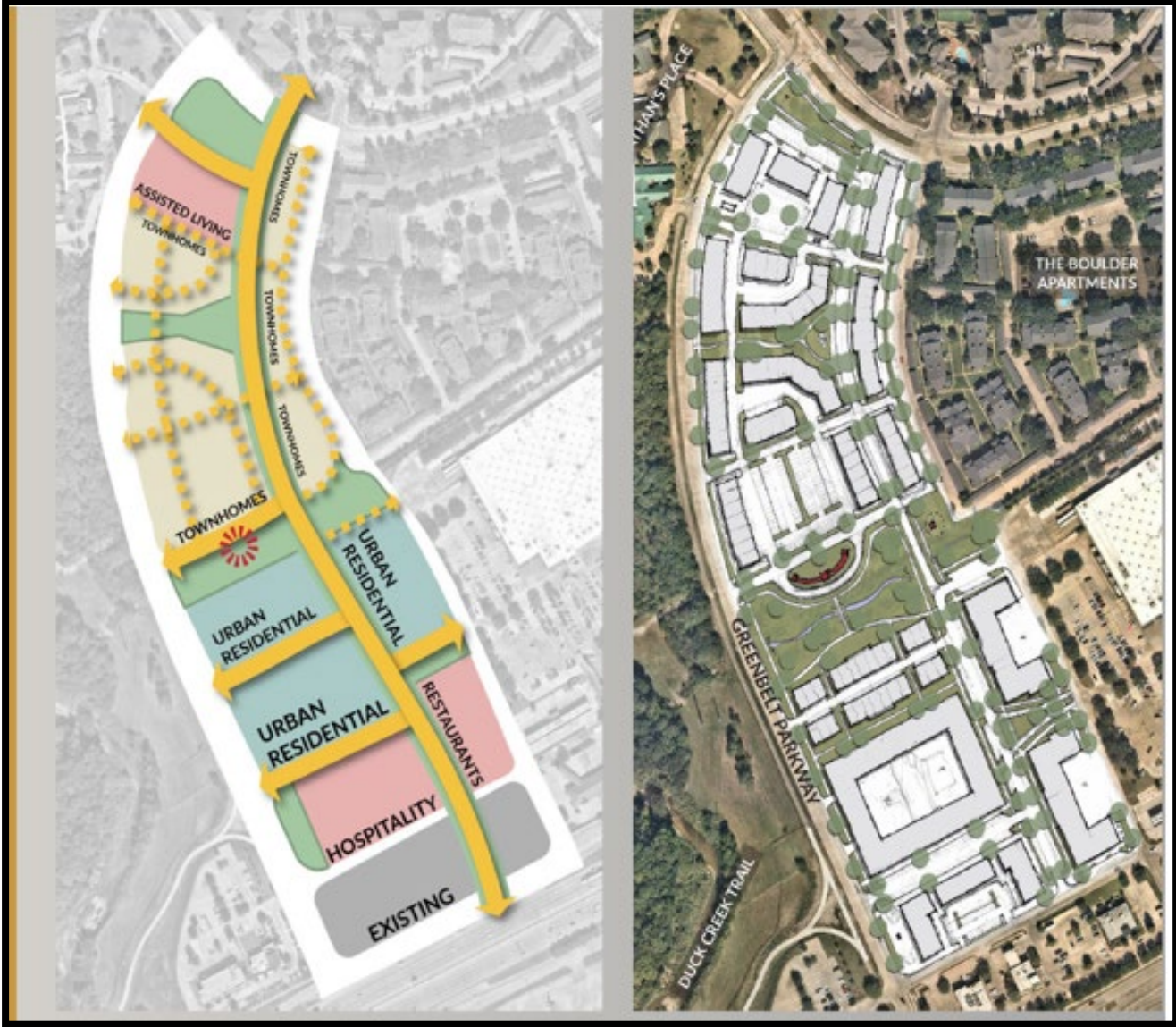
# Background

- 2021: DART and Garland entered into a MOU committing to collaborate for the creation of TOD
- Garland began planning a 27-acre TOD around Lake Ray Hubbard TC
  - 13 acres DART-owned; 14 acres owned by Lofts iThirty
  - Approx. 108,000 people reside in the 3-mile area around the Transit Center; employment rate of 96%
- 2022: Entire site was re-zoned for TOD
- 2023: Anthem Development began construction on the 14 acres owned by Lofts iThirty
  - 340 units, Class A multifamily
  - Ground floor is retail ready
- Lake Ray Hubbard Transit Center has 657 parking spaces; current usage is around 57/day

# Lake Ray Hubbard Transit Center TOD Site



# Garland's TOD Concept



# Lofts iThirty – under construction



# Lake Ray Hubbard TC TOD ILA

- Follows Template TOD ILA developed by outside counsel at Board's request to accelerate TOD projects by allowing the service area city to conduct the solicitation and negotiate a 2-party development agreement
- Board approved Template TOD ILAs with Town of Addison (Addison Center TOD) and City of Richardson (Arapaho Station TOD) in 2021
- ILA sets principal terms for a ground lease of DART's property to Garland; Garland will then sublease to the selected developer
  - 49-year initial term, two 25-year extension terms
  - Rent at Fair Market Value (FMV), as determined through appraisal process; reappraised every 10 years
  - Compliance with FTA requirements
  - No disruption to DART transit operations
- Garland must conduct the RFP process (with DART's participation) and negotiate the final form of the ground lease with DART within 2 years
- Selected proposal must comply with DART TOD Policy & Guidelines

# Recommendation

Approval of a resolution authorizing the President & CEO or her designee to:

1. Execute an ILA with the City of Garland Related to a Master Ground Lease for Implementation of a Transit-Oriented Development (TOD) at the Lake Ray Hubbard Transit Center; and
2. Execute the Master Ground Lease upon its completion, approval by the Federal Transit Administration (FTA), and legal review for consistency with the ILA and the DART TOD Policy.



**DART**

*let's go.*



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