

Date: July 11, 2019

To: Mark D. Israelson, City Manager
Jack Carr, Deputy City Manager

From: Peter J. Braster, Director of Special Projects

Subject: Collin Creek Mall Development Agreement

For more than ten years, the Collin Creek Mall has been in a slow and steady decline. It has now reached a point where its rescue will need City participation to ensure its long-term vitality. Centurion American has stepped in to shepherd the 99-acre mall site's redevelopment, by purchasing most of the mall properties. Centurion American has formed Collin Creek Development, LLC (Developer) to own and construct the mall property. The redevelopment plan has already been approved by the Planning and Zoning Commission and City Council.

The attached Development Agreement, is the framework for a public private partnership that makes the City, not just part of the revitalization, but a major component to ensure the revitalization can be accomplished. Staff does not believe the mall's redevelopment can occur without the City's participation.

The agreement outlines both the responsibilities of the Developer and the City of Plano. Detailed with cost estimates, service plans, and assessment plans for the two public improvement districts will be brought to Council for consideration at the August 26, 2019 meeting. They will be part of a separate "Funding Agreement" that will be provided to Council on August 26, 2019 for their consideration. The Funding Agreement will have the draft project plan and draft finance plan for the tax increment reinvestment zone. Final versions of those documents, as well as the creation of TIRZ#4, will be brought to Council for consideration at the September 23, 2019 meeting.

The following is a summary of the Development Agreement:

Article I: Defines the terms used in the agreement.

Article II: Ties the agreement to the site plan approved with the zoning.

Article III: Outlines the formation of two public improvement districts (PID's). The agreement does not approve either of the PID's, it simply provides City Council's concurrence with initiation of the process to establish the PID's and the agreement to use the PID funds for the sale of bonds for the following two areas:

Collin Creek East (commercial area) PID is expected to support bonds up to \$140 M.

Collin Creek West (residential area) PID is expected to support bonds up to \$32 M.

The bonds will be paid by levies against each parcel within the respective District. The City will not be responsible for the bond payments. Council will consider the formation of each PID after a public hearing, currently scheduled for August 26, 2019.

Article IV: This article outlines the City's intention to form a tax increment reinvestment zone (TIRZ). Again, the agreement does not approve the formation of a TIRZ. Council will consider the formation of the TIRZ after a public hearing, currently anticipated to be held on September 23, 2019. Preliminary estimates show the TIRZ will generate approximately \$109 million over 36 years (from the 99 acres of mall property). The City recommends increasing the size of the TIRZ to include perimeter properties to address other public improvements as revitalization of the mall occurs. Collin County has indicated that they would consider participating in the TIRZ. A detailed financial plan will be presented to Council in September.

Article V: This article outlines additional funding sources that have been set aside for the mall's revitalization. Specifically, \$10 million in GO bond funds, approved by voters in 2013. Approving the development agreement will approve of the expenditure of these funds for public improvements on the mall site.

This article also contemplates improvements to the culvert system that carries Spring Creek through the mall property. The culverts have always been the City's responsibility. The culverts have reached a point where rehabilitation or reconstruction is needed. The work will be needed regardless of the mall's redevelopment. Depending on the solution, the cost of the work could be in excess of \$50 million. The specific costs will be provided in the Funding Agreement.

This article also outlines a mechanism for the PID's to fund portions of two large parking garages. The public portions of the parking garages will provide parking for the remaining shopping mall, restaurants, and open spaces/parks. A local government corporation, owned by the City, will allow PID funding, and other potential regional funding, to be accepted.

Articles VI thru XVI: These articles cover standard provisions of development agreements.

Location Map

