

TEDC 2023 CEDA APPLICATION

All Applications Must Be Received by August 25, 2023

The 2023 CEDA nominations will be judged in each of the five categories that have made the most significant contribution to economic development in their community and the State of Texas.

AWARD CATEGORIES

The CEDA will be given to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying.

- Population less than 10,000 _____
- Population 10,001 to 20,000 _____
- Population 20,001 to 50,000 _____
- Population 50,001 to 100,000 _____
- Population 100,001 to 250,000 _____
- Population 250,001 and above _____

NOMINATION:

Name of Community: _____

TEDC Member Name: _____ (individual member, not organization)

Telephone #: _____

Email Address: _____

Community Population (as currently marketed): _____

Application Submitted By: _____

Email Address: _____

Media Contacts: [optional]

Organization: _____ Contact Name: _____

Email Address: _____

Organization: _____ Contact Name: _____

Email Address: _____

TEDC – Community Economic Development Award application

The Farm in Allen, *submitted by Allen EDC*

The Allen Economic Development Corporation (AEDC) was instrumental in spearheading a multifaceted incentive package to kick off The Farm in Allen – a premiere 135-acre mixed-use development located in the heart of Collin County, just north of Dallas. The AEDC was faced with the challenge of kicking off this significant large mixed-use project that required \$25 million in infrastructure for just the first 55-acre phase of development.

The project has not been previously nominated for a CEDA and its first component, The HUB food hall and entertainment facility, opened in November 2022.

The AEDC began in 2017 by obtaining the PD zoning necessary for this complicated mixed-use project. Then, AEDC recruited JaRyCo Development, who amended the PD zoning in 2019 to implement form-based code and incorporate new codes to better facilitate corporate office recruitment. JaRyCo partnered with the Johnson family (who had owned the property since the 1960s) to secure lending and equity investment to kick off the project, using portions of the land as collateral.

With the zoning in place, the AEDC then completed an economic impact for the full project based on the anticipated capital investment of \$958 million for the full build-out. This showed total taxes of over \$215 million being paid to the City of Allen over the next 30-years, with additional direct taxes of over \$500 million being paid to other taxing entities (Allen ISD, Collin County, and Collin College).

The AEDC then negotiated a multi-tiered incentive package to kick-off The Farm project, which included:

COMPONENT ONE: INFRASTRUCTURE AND PARKING GARAGE INCENTIVES

- A. Allen EDC funding to match a percentage of the developer investment in “private” infrastructure items: **\$2 million incentive.**
- B. City of Allen funding to match up to 30% of developer investment in “public” onsite infrastructure items: **\$3 million incentive.**
- C. City and AEDC support for a 475-car, shared parking garage needed to bring employees and citizens to the development: **\$3.8 million incentive.**
- D. TIRZ District and TIF Agreement to specifically support the long-term maintenance of the extensive private road network within the project: **10% of real property taxes** contributed starting 10 years in the future.

With the above incentives in place, the developer kicked off the project which will include:

- 1.6 million square feet of corporate office space to support 6,400 anticipated jobs.
- 200,000 square feet of retail and restaurant space
- 150-300 hotel rooms
- 112 townhomes
- 2,400 urban residential apartment units
- \$958 million capital investment

The project broke ground in Spring 2021 and the infrastructure delivered in late 2022 and early 2023, including the 475-car parking garage, a 1.5-acre lake with boardwalk restaurants, more than 2.5 miles of hike and bike trails, a 16-acre greenbelt along Watters Creek and additional park areas.

With the infrastructure under construction, the Allen EDC then realized that quality of life (entertainment) amenities were the next critical component. Why should residents come to the project? Why should employers want to locate there, especially when they are primarily concerned about encouraging their employees to return to the office? With those questions in mind, the Allen EDC partnered with the Allen Community Development Corporation (ACDC) to directly incentivize unique, destination-driven entertainment facilities to anchor The Farm project. These projects include:

COMPONENT TWO: QUALITY OF LIFE / ENTERTAINMENT INCENTIVES

- **The HUB Food Hall & Entertainment Facility (ACDC Grant of \$2.5 million)**
 - Opened in Nov 2022
 - 23,000 SF indoor/outdoor food hall with 12 restaurants and multiple bars
 - Event lawn space and plaza
 - 15,000 SF, 2-story covered dining pavilion
 - 25' LED screen
 - Capital investment of \$20 million and projected annual taxable sales of \$12 million
- **High Five Entertainment (ACDC grant of \$500,000)**
 - Breaking ground in Fall 2023
 - Austin-based family entertainment chain
 - 24 bowling lanes & lounge, 2-story laser tag arena, ax throwing, escape rooms, miniaturized golf course, etc.
 - Unique architecture with patios, event spaces and a from-scratch restaurant.
 - Capital investment of \$18 million a projected annual taxable sales of \$9 million
- **Chicken N Pickle (ACDC grant of \$1,500,000)**
 - Breaking ground in Fall 2023
 - Indoor/outdoor entertainment complex including a casual chef-driven restaurant & sports bar and yard games
 - Focused around multiple pickleball courts – a unique regional draw
 - Founded in Kansas City, MO in 2016
 - Rooftop dining, corporate and social event spaces
 - Capital investment of \$15 million and projected annual taxable sales of \$12 million

With the “placemaking” component of the project in motion, the AEDC proceeded to facilitate construction of the first office building in the project. The recruitment of corporate office is indeed the “bread and butter” of the AEDC and our main mission (recruiting primary jobs). However, it could not occur effectively until (a) infrastructure and (b) quality of life was already in place.

COMPONENT THREE: AEDC SPEC OFFICE INCENTIVES

In the competitive DFW office market, it is nearly impossible to recruit an office tenant if you don't have an existing “speculative” office building already constructed and ready. Corporations simply do not allow enough lead time in their decision-making process to allow 14-18+ months for the construction of an office building. Hence, the AEDC needed to facilitate the construction of a spec, Class A office building. The private market will not allow for construction of an unleased, “spec” building because lenders require at least 50-60% pre-leasing in order to ensure the building has sufficient income in order to cover its debt.

The AEDC stepped in with a Master Lease Agreement of up to \$1.75 million for an 18-month term to ensure the office building would be constructed. The master lease is not paid on a per-square-foot basis but is a stop-gap to cover the difference between the NOI generated by the building and the amount

needed to cover the cost of servicing the debt for the building over its first 18 months. The AEDC also covered a portion of the cost of the office parking garage.

These master leases are creative incentives that have been highly successful for the AEDC. In this case, the incentive spurred the construction of FarmWORKS One, a 102,000-SF, 3-story Class A office building with amenities and structured parking, which broke ground in Summer of 2023 and is expected to deliver in 2024. The AEDC already has strong interest from corporate relocations and anticipates the building will generate 400-500 jobs when fully leased.

Innovativeness

The Farm is innovative in its focus on sustainability. These features include bioswales for drainage, bicycle maintenance and EV charging stations, native landscaping, wildlife designated areas and smart irrigation systems. The Farm is honoring the past, while looking to the future. A thoughtful layout creates a walkable spine across the entire project, providing an amenity area within 1-1/2 blocks of any portion of the development. Nine planned points of entry/exit will make it easy to get in and out of the development, a model that is sure to be emulated in future mixed-use projects.

It's clear that The Farm would be a unique development, no matter where it was located. But it's also special in that it is the first mixed-use development to open in Allen along SH 121. This 121 Corridor has become Allen's 'final frontier' and largely been left vacant as the rest of the city has built out in recent decades. Now is the time for that frontier to start its growth. Including The Farm, the 121 Corridor in Allen is zoned for six large mixed-use projects that will account for 686 acres and include more than 10 million square feet of office space, nearly 1 million square feet of retail/restaurant/entertainment, and more than 1,200 hotel rooms.

The Farm is leading the pack.

In 2022, the development was named *Best Mixed-Use Real Estate Project* by the Dallas Business Journal. At the time, the project had barely scratched the surface in its construction and was being praised for its 'big ideas' along the 121 Corridor.

This project is truly innovative in terms of the combination of incentives employed. The City issued Certificate of Obligation (CO) bonds for public infrastructure, utilized cash reserve funds for a shared garage, and partnered with the AEDC to fund a percentage of private infrastructure items, all while requiring the developer to pay for the majority of the overall infrastructure expenses.

Transferability

The Farm's form-based zoning allows the development to grow organically, just as a new community would, rather than conforming to strict geographic pockets for each designated use. This also allows for a more urban feel in the residential and office areas while maintaining lower density and more open design in the Central district's dining, shopping and entertainment areas. Form-based zoning has also been implemented in the other large mixed-use projects planned along the SH 121 Corridor.

The Farm is also great example of how public-private partnerships can be created in Allen to the mutual benefit of citizens and developers. The City of Allen contributed funds toward the shared parking garage and public infrastructure. Allen EDC supported a portion of the private infrastructure and the office building. And finally, the City's Community Development Corporation (Type B) supported the project's 'quality of life' entertainment portions.

Utilizing the Type A, Type B, and City incentives in a coordinated manner is a truly transferable economic development methodology. So often these types of entities operate without coordinating. By starting with creative form-based code zoning, layering in the correct infrastructure package, adding a public parking garage to support density, recruiting strategic entertainment project, and lastly propping up the spec Class A office market, Allen has demonstrated that a coordinated approach to a project is a winning long-term strategy to bring high quality jobs and development to your community.

Community Commitment

The HUB is a Texas-sized (three times as large as the original) version of a popular open-air destination in the Seaside (30A) region of Florida. Daily programming ensures that visitors to the HUB will find something going on every day of the week. The HUB has hosted dance parties, karaoke nights, animal adoption events, vintage markets, food festivals and art camps (taught by in the summer by Allen ISD teachers), business happy hours and community club meetings. It's a community-powered approach that's been popular in Allen, a one-high school town that still feels small despite our population which is now in six digits.

Coming to the Farm's entertainment district in 2024 are Chicken N Pickle, an indoor/outdoor entertainment complex with a casual chef-driven restaurant and pickleball courts, and High Five Entertainment, an Austin-based family entertainment facility with outdoor miniature golf, bowling, laser tag, axe throwing, escape rooms and event spaces. Both venues will offer preferred rates for Allen citizens and are new to Collin County.

Measured Objectives and Secondary Benefits

The AEDC completed an economic impact for the full project based on the anticipated capital investment of \$958 million for the build-out of the full project. This showed total taxes of over \$215 million being paid to the City of Allen over the next 30-years, with additional direct taxes of over \$500 million being paid to other taxing entities (Allen ISD, Collin County, and Collin College).

This study was highly detailed and market based. We also measured the individual tax impacts of The HUB (based on...), High Five (...), and Chicken N Pickle. The AEDC also partners with Impact Datasource to measure the economic impacts of each and every corporate tenant relocating to the project.

Summary

In the 1960s, Highway 121 was a two-lane blacktop road used primarily to travel to Ft. Worth. Today, the vital SH 121 Corridor has eight lanes of elevated concrete highway. With high-quality developments like The Farm, and the other mixed-use projects planned for the years to come, it will continue to be a place where people want to gather to work and enjoy family and friendship.

It takes many years to bring an upscale, dense, walkable mixed-use project to fruition. In particular, many things (zoning, infrastructure construction, entertainment, parks, placemaking, etc.) must occur before the "table is set" and prepared for the recruitment of corporations and primary jobs.

It took over 6 years from the original zoning application to complete all the various components that lead to commencement of construction in 2021 and the completion of the initial phase of the project in 2023/2024. It took a coordinated effort amongst the AEDC, ACDC and City of Allen to bring the correct incentives to bear on each component of the project.