

06-12-2019 Town Council Meeting
Responses to Council Questions #1

ITEM #12: Open a Public Hearing and Consider a Glen Lennox Performance Incentive Agreement

Council Question: On page 375 of the packet, paragraph 5 notes 488,000 sq. ft. of office space and an increase of tax value of \$420,000,000. This works out to a tax value of about \$860/sq. ft. I don't believe that this is correct.

Staff Response: *That is a mistake, it was taken from a larger spreadsheet that calculated value for all use types and that total should be newly added office value. This is the correct chart that will be used Wednesday night and reflects a projected office valuation of \$122,000,000.*

	2021	2022	2023	2024	2025	TOTAL
Office	103000	135000	135000	115000	488000	488000
Previous year		103000	238000	373000		
TOAL	103000	238000	373000	488000	488000	
Value Added						
Office added	\$ 25,750,000	\$ 33,750,000	\$ 33,750,000	\$ 28,750,000	\$ 122,000,000	
Office total	\$ 25,750,000	\$ 59,500,000	\$ 93,250,000	\$ 122,000,000	\$ 122,000,000	
PROJECTED TOWN TAX	\$ 135,960	\$ 314,160	\$ 492,360	\$ 644,160	\$ 644,160	\$ 2,230,800

Council Question: I did not notice anything in the agreement as to whether it would survive a sale (I assume it would). Is such a provision necessary?

Staff Response: *Yes. Under TERMS, Section 3, second sentence: "The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to the Town and its successors in interest and to the Developer Owners, its affiliates owning any portion of the Property as of the date hereof, and their successors and assigns in title."*

Council Question: In listing the uses a building could accommodate, no mention is made of possible ground floor retail. Is this something we would consider incentivizing?

Staff Response: *In previous discussions with the Council Committee on Economic Sustainability the interest in the Incentive was solely around incenting office and therefore the Incentive Agreement is targeted to new office developed.*

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Responses to Council Questions #2

ITEM #12: Open a Public Hearing and Consider a Glen Lennox Performance Incentive Agreement

Council Question: Will this building only include office space?

Staff Response: *Based on information shared by Grubb Properties, their office buildings are pure office without any mix of uses.*

Council Question: Can a tax revaluation done during the course of this agreement affect the projected amount property taxes paid by Glen Lennox over the life of this agreement?

Staff Response: *Yes, but the Incentive is targeted to a total amount of office space to be constructed, 488,000SF, and maximum value of the Incentive award, \$2.2 million.*