

January 9, 2023

Development Planning  
City of Sugar Land  
2700 Town Center Blvd. North  
Sugar Land, TX 77479  
Attn: Development Review Coordinator

Subject: Final Development Plan Application for 6.5 Acre Multifamily Urban Planned  
Development District (PD)

Dear City Staff:

We are pleased to submit an application for an urban-styled PD on 6.4566 acres in the peninsula of Lake Pointe Town Center (“LPTC”) for “Pearl Lake Pointe”. Pearl is a luxury-branded Class A urban multifamily project to be constructed, owned and operated by the Morgan Group of Houston. Morgan is a vertically integrated, 3<sup>rd</sup> generation family-owned business with over 60 years of experience having built or acquired over 23,000 units. Morgan currently owns and/or manages 50 communities from coast to coast with over 17,000 units, and their history includes \$4.5 billion in projects built or acquired.

Pearl Lake Pointe will be Morgan’s 19<sup>th</sup> Pearl project including locations in City Centre, Downtown Houston, Midtown Houston, Greenway and River Oaks. Pearl Lake Pointe will include 370 luxury apartments as well as 5 live/work units. Additionally, Pearl will include approximately 9,600 sf of flex office co-working space for lease adjacent to a 4,425 sf meeting space fronting Creek Bend Drive. Pearl also includes upscale amenities such as a resort-inspired pool, state-of-the-art fitness center with yoga/spin room, gaming facilities, conference rooms and an upscale “sky lounge” with great lake views. Pearl will also include a 2000 sf café/coffee shop and co-working business lounge open to the public on the southwest (plan view) corner of the ground floor adjacent to the plaza. The Pearl resident is typically a high-income young professional or a “lock and leave” empty nester with greater disposable income. Pearl Lake Pointe will be the premier multifamily residence in our city.

Pearl Lake Pointe will be located at the entry to the peninsula area of LPTC on Creek Bend South. LPTC is identified in the City’s 2018 Land Use Plan as one of the five Regional Activity Centers (“RAC’s”). LPTC is uniquely qualified as the largest RAC in the City with the greatest mix of land uses, and the highest total taxable value. This PD will be designed and implemented

to support the sustainability of the Lake Pointe Town Center RAC. The existing land uses in the RAC include: 1) 332 residential units including 20 live/work townhomes in a residential PD, 2) 1,550,000 square feet of office, 3) 428,000 square feet of medical office/clinics, 4) 250,000 square feet of retail and restaurants, 5) a hospital, 6) two hotels, 7) conference space, 8) 115,000 square feet of fitness and recreation facilities, and 9) approximately 65 acres of lakes, trails, and outdoor parks. This rich mix of uses is connected by a highly utilized pedestrian trail system around Brooks Lake with connectivity to all the various uses and a pedestrian bridge across Brooks Lake providing access to the restaurants and retail.

This submittal includes the existing plats, a survey with metes and bounds, and the Final Development Plan with 18 exhibits addressing the 80-plus provisions in Section 2-133 of the Development Code. The TIA and school impact studies are being updated for the most recent changes to the plan, and those will be submitted once received.

Section 2-133 C.3.a. calls for a maximum building setback of 15'; however, the setbacks on the west and south sides are 35' and a proposed 20', respectively. These larger setbacks are necessary to provide enough space for on-street parking, 10' wide sidewalks, street trees and an enhanced pedestrian realm adjacent to the non-residential spaces at street level. The plat and restrictions for the north and east sides allow for a 15' building setback; however, due to existing (north) and proposed (east) overhead power easements, the building cannot be closer than 21.5' from the property line on the north and east sides. This is the only deviation from the code that we have identified, and the result still complies with the intended results to provide an enhanced pedestrian realm. In other regards, Pearl Lake Pointe meets or exceeds the code requirements and the spirit and intent of the Land Use Plan.

We understand that there has been considerable focus on the particular provision in Table 2-133-2 which calls for a vertical mix of uses within proposed urban multifamily buildings. Pearl Lake Pointe complies with this code provision by providing 9,600 sf of ground-level flex office co-working space for lease. This co-working space is immediately adjacent to a 4,425 sf meeting space which can be scheduled for use by either the office tenants or the Pearl residents and their respective guests. Other non-residential uses include approximately 4,000 sf of professional office space on the ground floor of the project with 5 live/work units. Additionally, Pearl includes another 12,000 square feet of fitness and gaming facilities, leasing offices, conference space and the café/coffee shop integrated with a co-working business lounge adjacent to the ground floor plaza. **Incidentally, the Pearl site is also deed restricted against retail use as is the entirety of Tract "C" in the peninsula, so the live/work units and the adjacent office space are exclusively for office uses.**

There is no provision in the code that guides the quantity or specific uses in a vertical mixed-use building, so compliance is subjective and warrants that careful consideration be given to the total composition of the RAC. The Land Use Plan and the Development Code have identified Sugar Land Town Square as the model that RAC's should emulate. As the developer of both Town Square and Lake Pointe, PCD has unique insight into the similarities/differences and the

pros/cons of these two RAC's. Respectfully, we submit to staff and City officials that the focus on vertical mixed-use in a given multifamily building is somewhat over-emphasized and should be de-emphasized in evaluating this PD due to the significance of the **horizontal** mixed use throughout Lake Pointe.

For example, the Lake Pointe Village shopping center (Whole Foods) has higher rents and greater occupancy than Town Square. This results not from any vertically mixed-use buildings in Lake Pointe Town Center, but rather from the robust mix of residential, office and medical uses located in horizontal relationship to Lake Pointe Village. The vertical mixed-use provision should be evaluated in the context of its overall intent in the Land Use Plan and the resulting Development Code which was to 1) encourage walkability through an enhanced pedestrian realm, 2) create an architecturally desirable streetscape, and 3) create an economically sustainable mix of uses. Pearl Lake Pointe should be evaluated in the context of Lake Pointe Town Center's unique position as the most mixed-use RAC, the most economically sustainable RAC and one of the most sustainable active pedestrian realms in the city. Pearl Lake Pointe should be evaluated as though it were but a single 6.5-acre parcel within a proposed 300-plus acre mixed-use PD that includes the robust mix of uses that happens to already exist in Lake Pointe Town Center.

Pearl will fulfill a key missing component by providing Lake Pointe with Class A rental residential owned and managed by a first-class company. New Class A multifamily is important to Sugar Land's ability to continue attracting and retaining companies who are attempting to attract and retain young professionals who are renters by choice. Increased residential density is also critical to sustaining our retail and our restaurants which improve our quality of life and provide sales tax revenues which help reduce the City's need for ad valorem taxes.

We look forward to working with City staff, Planning & Zoning and City Council to bring Pearl Lake Pointe to fruition.

Sincerely,

Les A. Newton  
PCD

Nick Laettner  
Morgan Group