



Imagine Austin Comprehensive Plan

FISCAL IMPACT ANALYSIS OF MIXED-USE REDEVELOPMENT ALONG SOUTH CONGRESS AVENUE

November 16, 2011

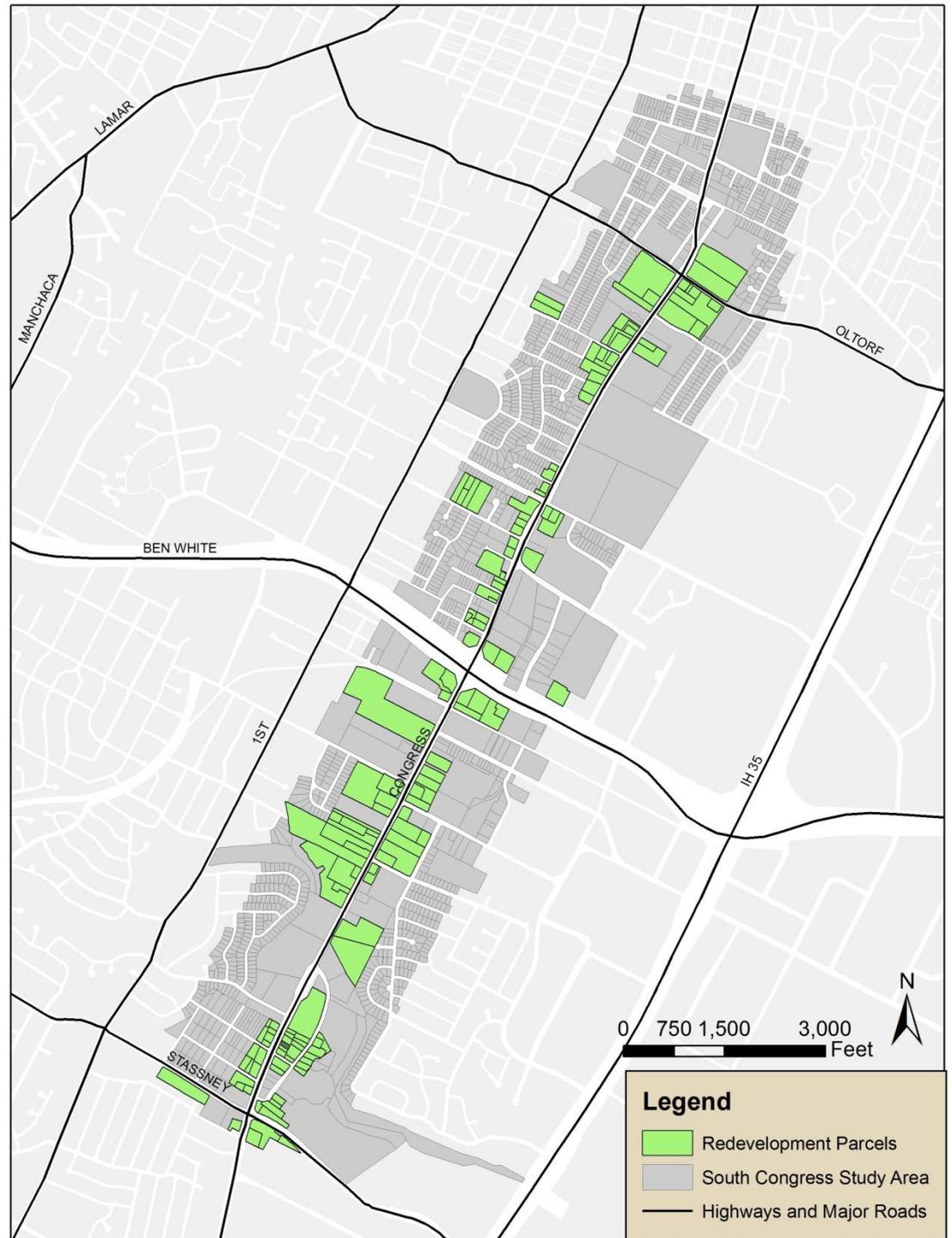
This report analyzes the fiscal impacts of mixed-use redevelopment that is anticipated to occur along the South Congress Avenue Corridor.





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Executive Summary

INTRODUCTION

The City of Austin and the broader Central Texas region have enjoyed strong economic growth for several decades. The Austin metropolitan region is consistently regarded as one of the top urban areas for economic opportunity thanks to its diverse employer base, its high quality of life, and its well-educated, entrepreneurial population. This rapid growth has also created significant challenges for the region's physical infrastructure, its natural environment, its local governments, and its citizens.

In August 2009, the City of Austin began a wide-reaching, multi-year effort to engage its citizens, and public and private sector leaders in the development of a new comprehensive plan that will guide the city's future development. AngelouEconomics, an Austin-based economic development and site-selection firm, is part a multi-disciplinary consultant team that is guiding the process of creating Austin's new comprehensive plan, led by Wallace, Roberts and Todd, a Philadelphia-based urban planning/design, landscape architecture, and architecture firm.

The Austin-Round Rock-San Marcos metropolitan statistical area (MSA) is expected to grow by more than 2,000,000 people in the next 30 years, with over 750,000 new residents in the City of Austin and its ETJ (Extra Territorial Jurisdiction) alone. A large portion of that growth will likely be accommodated in the city's urban corridors in the form of mixed-use redevelopment. AngelouEconomics has developed this report in order to provide the City of Austin with a better understanding of the fiscal impacts of mixed-use redevelopment along one of the City's most well-known urban corridors, South Congress Avenue.

Strategic Considerations

This report will provide support to public policy formulation, economic development recommendations, and implementation strategies for the City of Austin Comprehensive Plan. The analysis in this report is primarily focused on addressing the following question:

- *What are the fiscal impacts of mixed-use redevelopment along the South Congress Avenue corridor?*

This report will also address other related questions including:

- *What are the additional impacts of mixed-use redevelopment along the South Congress Avenue corridor beyond fiscal impacts?*
- *What are the potential impacts of mixed-use redevelopment for the entire City of Austin, particularly in other urban corridors that share many similarities to South Congress Avenue?*

It is important to note that this report does not constitute a full "cost-benefit" analysis of mixed-use redevelopment.



Executive Summary

METHODOLOGY

AngelouEconomics has analyzed the existing conditions of the South Congress Avenue study area and has produced a fiscal impact model that estimates the fiscal impacts of mixed-use redevelopment on properties within the study area that are likely to be redeveloped based on their existing land use and Improvement to Land Value Ratio*. This fiscal impact analysis estimates the following:

- Total valuation of the redevelopment in the study area;
- Retail sales that will occur within the redevelopment on the sites;
- Retail sales that will occur due to new households or employees that live or work in proposed development sites; and
- New sales tax and property tax revenue that will result within the City of Austin due to the redevelopment.

The calculations performed by AngelouEconomics are intended to serve as guidelines to assist in planning and implementation efforts related to the Imagine Austin Comprehensive Plan. The model uses industry-standard multipliers and assumptions in addition to local information from existing developments within the study area to produce the best estimate of the future building products expected on properties that may be redeveloped. Private land owners and developers will ultimately determine the exact types of projects that will be constructed. The figures presented here should be viewed as guidelines rather than specific land-planning recommendations.

* The Improvement to Land Value Ratio is explained in detail on Page 6.

Basic Assumptions

The South Congress Avenue study area is designated as a mixed-use corridor on the Imagine Austin Growth Concept Map. The underlying assumptions of the fiscal impact model, which are based on citywide projections and the direction set by the Growth Concept Map, include the following:

- *The South Congress Avenue corridor (between East Oltorf Street and Stassney Lane) is estimated to gain a total of 4,977 new jobs and 14,931 new residents by 2040.*

AngelouEconomics relies on its in-house, proprietary economic impact model to perform the analysis in this report. A more detailed description of the assumptions used in the analysis is provided on pages 14-17.

A photograph of the Austin skyline, featuring several prominent skyscrapers and a traffic light intersection in the foreground. The text 'Existing Conditions and Redevelopment Trends' is overlaid in white on the image.

Existing Conditions and Redevelopment Trends

EXISTING CONDITIONS AND REDEVELOPMENT TRENDS

The following section of the report provides an overview of the character of the study area and a summary of redevelopment trends and projections within the study area and nearby neighborhoods. This section also includes a case study of a recent mixed-use redevelopment within the study area and several examples of recent mixed-use projects in neighborhoods near the study area.



STUDY AREA: SOUTH CONGRESS AVENUE FROM EAST OLTORF STREET TO STASSNEY LANE



Shopping center at South Congress Avenue and East Oltorf Street – northeast corner of intersection, viewing east



South Congress Avenue just north of Stassney Lane, viewing north

Character of Study Area

- The study area is generally the South Congress Avenue corridor (including parcels ¼ mile east and west of South Congress Avenue) between East Oltorf Street and Stassney Lane.
- There have been several mixed-use and urban residential developments built in or near the study area within the last decade, demonstrating the potential for further redevelopment, but the predominant development pattern along South Congress Avenue consists of low-density, single-use commercial and industrial properties.
- The redevelopment potential of the study area remains largely untapped.
- The study area is an urban, “inner-city” corridor, but is beyond the reach of Austin’s CBD (Central Business District). Therefore, the findings of this report provide a good case study of the potential impacts of mixed-use development along many of Austin’s urban corridors that share similarities with the South Congress Avenue corridor including:
 - North Lamar Boulevard: from Guadalupe Street to Highway 183
 - South Lamar Boulevard: from Barton Springs Road to Loop 360
 - Burnet Road from West 45th Street to Anderson Lane
 - East Riverside Drive: from South Lakeshore Boulevard to Highway 183



Bel Air Lofts apartments: On South Congress Avenue halfway between Ben White Boulevard and Stassney Lane. Completed 2008. Includes 89 apartment units.



SoCo Lofts mixed-use development: On South Congress Avenue just north of Ben White Boulevard. Completed 2008. Includes 383 apartment units and over 20,000 square feet of retail space. A case study of this development is provided on the following page.

Redevelopment is assumed primarily on properties where land values are higher than the value of existing improvements. Some high-density mixed-use redevelopment has occurred within and near the study area, but most properties adjacent to South Congress Avenue currently have low-density, single-use buildings, which are expected to transition to a more urban, mixed-use development pattern.

- As part of the comprehensive planning process, the South Congress Avenue corridor underwent an investigation to see how new residents and jobs could be accommodated through redevelopment, while respecting existing height limits, FAR standards, and other zoning regulations.
- New residential, office, retail, and hotel space in the South Congress Avenue corridor will generate additional revenue for the City of Austin from property taxes, sales and use taxes, and hotel taxes. The fiscal impacts of the assumed redevelopment are detailed later in this report.

ILR (Improvement Value to Land Value Ratio)

The ILR (Improvement Value to Land Value Ratio) is determined by dividing the appraised value of improvements on a parcel by the appraised value of the land on that parcel. Each parcel with a land value that exceeds the improvement value is considered likely to be redeveloped based on the theory that land owners will seek to maximize their investment in the land by developing or redeveloping when the value of the improvements are less than the value of land.

The ILR value was calculated for each parcel within the study area (single-family residential neighborhoods). Parcels with an ILR value of less than 1.0 were assumed likely to be redeveloped. Several other strategically located parcels with an ILR value of more than 1.0 were also assumed likely to be redeveloped because of their location at a key intersection or they connect several parcels with an ILR value of less than 1.0, allowing for a much larger contiguous land area available for redevelopment.



CASE STUDY OF RECENT MIXED-USE REDEVELOPMENT PROJECT IN STUDY AREA

The SoCo Lofts mixed-use redevelopment is concrete evidence of the market viability of large-scale mixed-use projects in the study area. Built in 2008, SoCo Lofts sits near the geographic center of the study area (just north of Ben White Boulevard) and includes 383 apartment units and 22,260 square feet of street-level retail space. This development achieves a very high level of density (57 residential units per acre) thanks in part to an internal parking garage that is hidden from South Congress Avenue.

SoCo Lofts has been a major success, with high occupancy levels in both the apartments and the retail spaces. The development also provides a significant fiscal benefit to the City of Austin (the development is estimated to generate more than \$1.25 million annually in property taxes) in addition to creating a more walkable urban landscape along this portion of South Congress Avenue. Multiple factors make the SoCo Lofts project a good example of the type and scale of mixed-use redevelopment that is assumed will take place along the South Congress Avenue corridor including:

- The project’s central location within the study area makes it a good proxy of property values for the entire corridor, balancing higher land values closer to downtown with lower land values in the southern portion of the corridor;
- The project is mixed-use, providing examples of both residential and retail space;
- The residential portion of the project is market-rate apartment units, which will be the predominant type of housing unit built in redevelopment areas along the corridor;
- The project was completed within the past five years and has been successful, giving the most realistic window into the types of redevelopments that can be expected in the near future.

Based on these factors, AngelouEconomics has included some of the parameters of the SoCo Lofts project in its assumptions for the fiscal impact analysis. Additional examples of large-scale mixed-use redevelopments near the study area are shown on the following page, most of which have been constructed in the last five years.

SoCo Lofts Mixed-Use Redevelopment	
Land Area	6.77 acres
Square Feet of Building Space	388,104 sq ft
Square Feet of Residential Space	365,844 sq ft
Square Feet of Retail Space	22,260 sq ft
Number of Residential Units	383
Average Square Feet of Residential Unit	955 sq ft
Gross Residential Density (Units/Acre)	57
Appraised Value of Improvements	\$50,601,548
Appraised Value of Land	\$3,786,711
Total Appraised Value	\$54,388,259
Estimated Annual Property Tax Revenue	\$1,260,122

Mixed-use Redevelopment Around Study Area



Bridges on the Park



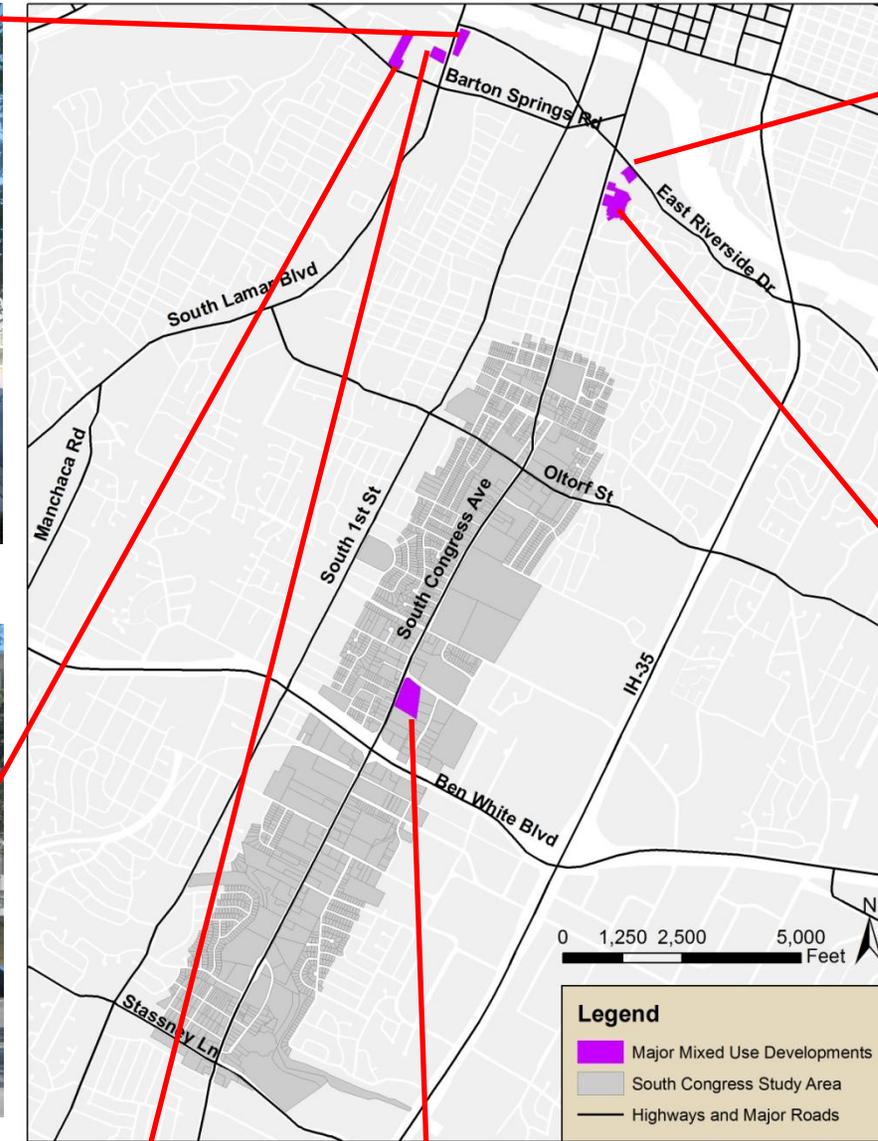
Barton Place



300 Lamar Boulevard South



SoCo Lofts



Crescent Austin



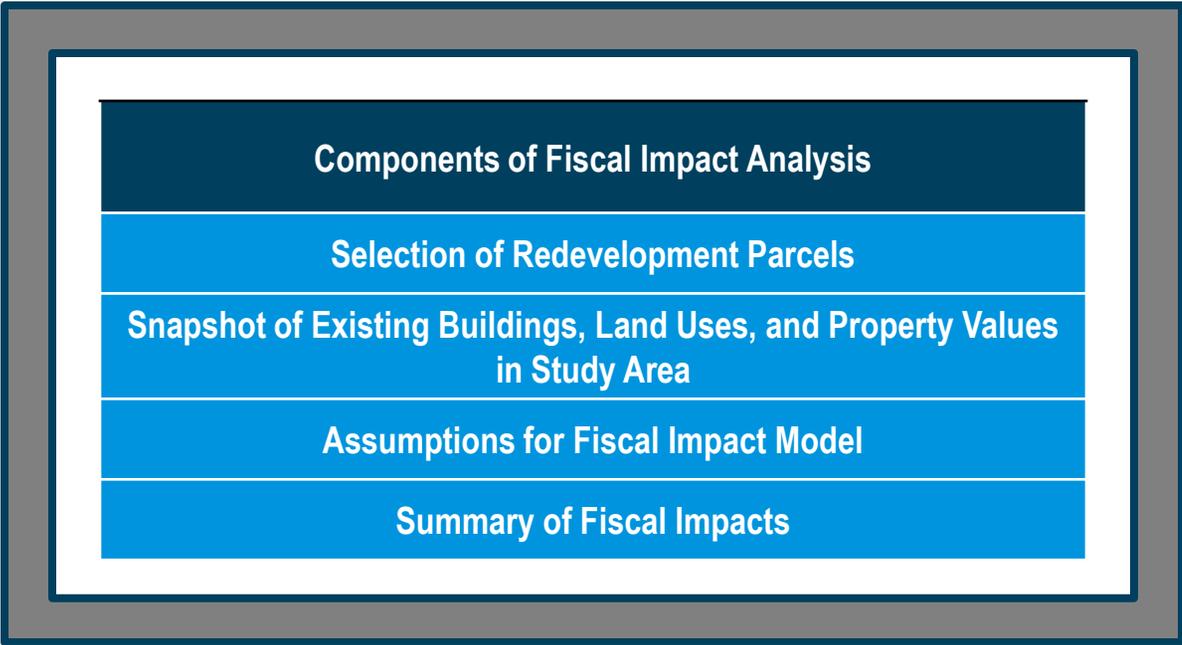
Camden South Congress



Fiscal Impact Analysis

FISCAL IMPACT ANALYSIS

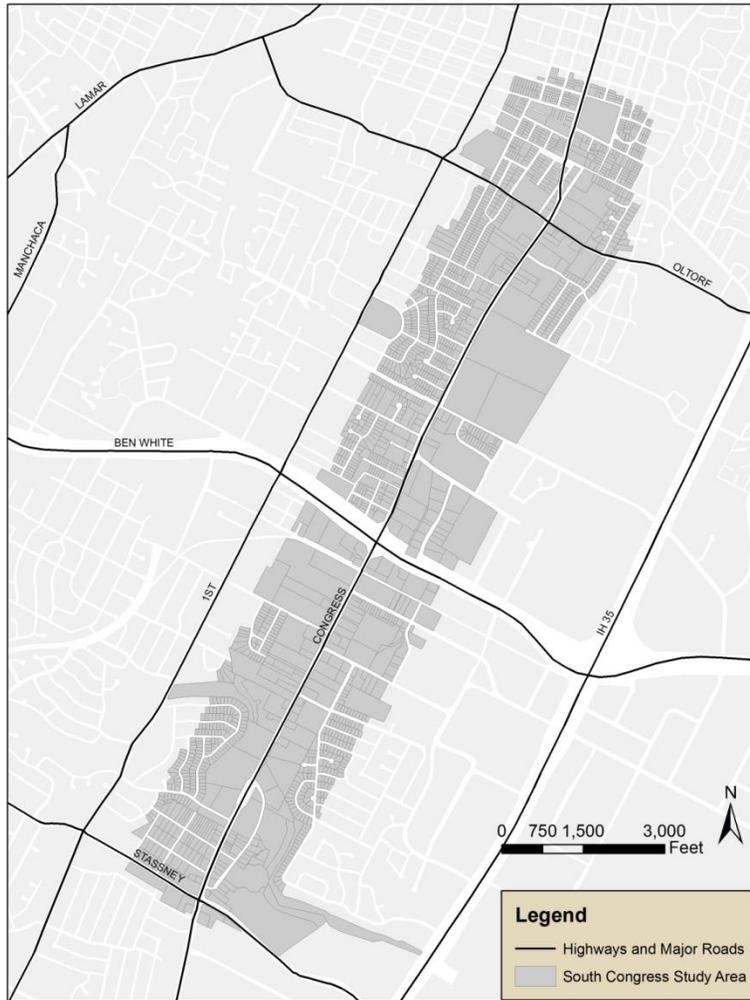
The following section of the report is the fiscal impact analysis of mixed-use redevelopment along the South Congress Avenue corridor. Below is a summary of the main components of the fiscal impact analysis.



The final section of the report includes a discussion of non-fiscal impacts of mixed-use redevelopment along the South Congress Avenue corridor and citywide.

Selection of Redevelopment Parcels

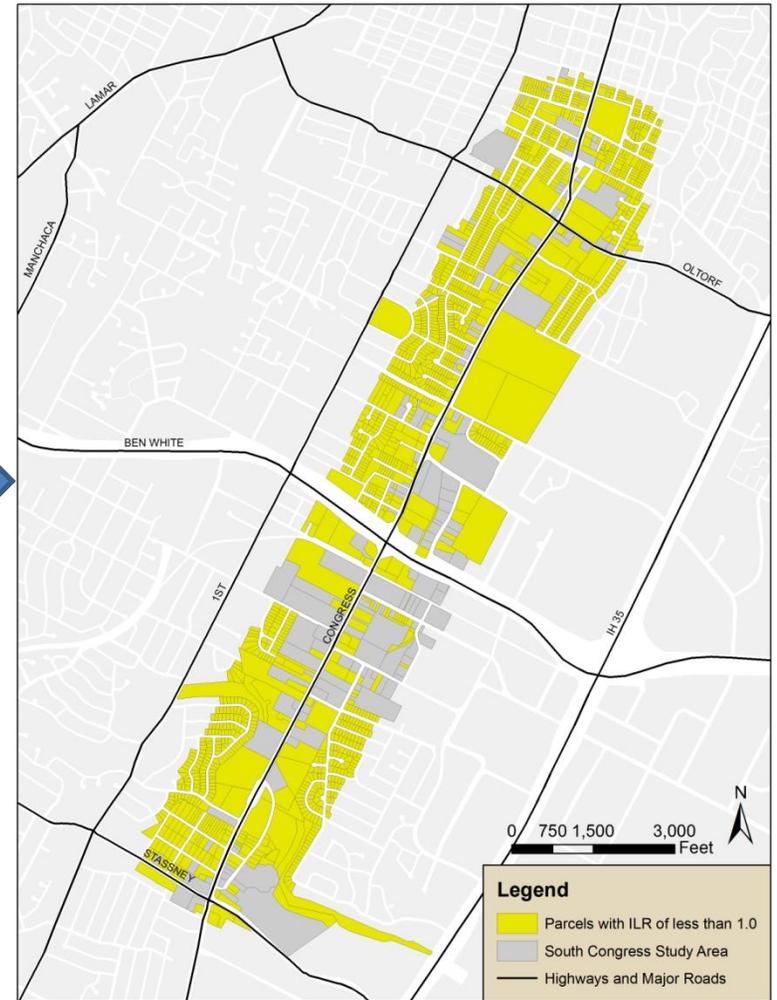
Step 1)



All parcels within study area were selected.

- 1,754 parcels
 - 100% of study area
- 910 acres
 - 100% of study area
- \$ 836,223,201 total appraised value
 - 100% of study area

Step 2)



ILR values were calculated for all parcels within the study area. All parcels within study area with ILR value of less than 1.0 were selected.

- 1,602 parcels
 - 91.3% of study area
- 685 acres
 - 75% of study area
- \$ 505,715,761 total appraised value
 - 60.4% of study area

Selection of Redevelopment Parcels

Step 3)



All parcels in single-family residential neighborhoods were excluded from the analysis. The resulting parcels are assumed as likely to be redeveloped based on their ILR values and their location outside of neighborhoods.

- 258 parcels
 - 14.7% of study area
- 151 acres
 - 16.7% of study area
- \$ 86,440,229 total appraised value
 - 10% of study area

Step 4)



Strategically located parcels with an ILR value of more than 1.0 were selected. These include large parcels at key intersections and small parcels that connect several large parcels, creating larger contiguous areas for redevelopment.

- 29 parcels
 - 1.6% of study area
- 32 acres
 - 3.5% of study area
- \$ 25,567,660 total appraised value
 - 3% of study area

Selection of Redevelopment Parcels

Step 5)



The results of Step 3 and Step 4 were combined. The resulting parcels include all parcels likely to be redeveloped within the study area.

- 154 parcels
 - 8.7% of study area
- 183 acres
 - 20.1% of study area
- \$ 112,007,889 total appraised value
 - 13.0% of study area



The total existing value of all properties in the study area is \$836,223,201. The total value of properties in the Redevelopment Parcels is \$111,506,259.

- The ILR value of the entire study area is 1.23
 - \$461,631,949 improvement value
 - \$374,591,252 land value
- The ILR value of the Redevelopment Parcels is 0.68, signaling a strong potential for redevelopment
 - \$45,079,025 improvement value
 - \$66,427,234 land value
- The majority of the Redevelopment Parcels are commercial, making redevelopment easier due to limited residential displacement.

SNAPSHOT OF EXISTING IMPROVEMENTS AND PROPERTY VALUES IN STUDY AREA

Land Use	Redevelopment Parcels							Entire Study Area						
	Building Square Feet	% of Total	Value of Improvements	Land Square Feet	% of Total	Value of Land	Total Value	Building Square Feet	% of Total	Value of Improvements	Land Square Feet	% of Total	Value of Land	Total Value
Utilities	0	0.0%	\$6,558	9,588	0.1%	\$17,424	\$23,982	31,528	0.4%	\$1,155,119	39,522	0.1%	\$117,654	\$1,272,773
Undeveloped	80,320	7.5%	\$932,402	587,485	7.4%	\$3,466,877	\$4,399,279	85,960	1.2%	\$1,472,121	3,061,760	7.7%	\$13,294,810	\$14,766,931
Transportation	560	0.1%	\$84,933	177,469	2.2%	\$1,136,692	\$1,221,625	560	0.0%	\$92,385	208,191	0.5%	\$1,640,027	\$1,732,412
Single-Family Residential	40,811	3.8%	\$1,130,041	531,742	6.7%	\$2,745,639	\$3,875,680	2,032,176	28.0%	\$164,334,638	12,451,526	31.4%	\$192,231,211	\$356,565,849
Multi-Family Residential	80,434	7.5%	\$2,338,095	389,824	4.9%	\$5,660,292	\$7,998,387	1,747,144	24.1%	\$133,571,255	4,665,318	11.8%	\$37,779,697	\$171,350,952
Mobile Homes	17,749	1.7%	\$210,436	189,127	2.4%	\$457,275	\$667,711	87,108	1.2%	\$1,713,389	549,627	1.4%	\$1,703,401	\$3,416,790
Mixed-Use	0	0.0%	\$0	0	0%	\$0	\$0	92,750	1.3%	\$13,734,555	82,335	0.2%	\$1,235,055	\$14,969,610
Industrial	80,579	7.5%	\$1,675,875	332,733	4.2%	\$2,720,451	\$4,396,326	1,548,610	21.3%	\$57,933,496	2,263,780	10.6%	\$18,230,805	\$76,164,301
Commercial*	682,369	63.8%	\$28,360,616	4,749,989	59.7%	\$42,478,708	\$70,839,324	1,298,395	17.9%	\$62,658,771	7,270,411	18.3%	\$63,258,412	\$125,917,183
Civic	5,500	0.5%	\$385,641	56,179	0.7%	\$443,128	\$828,769	31,788	0.4%	\$1,799,856	5,303,650	13.4%	\$31,956,564	\$33,756,420
Office	80,549	7.5%	\$9,954,428	934,171	11.7%	\$7,300,748	\$17,255,176	303,272	4.2%	\$23,166,364	1,813,293	4.6%	\$13,143,616	\$36,309,980
TOTAL Residential Improvements	138,994	13.0%	\$3,678,572	1,110,694	14.0%	\$8,863,206	\$12,541,778	3,866,428	53.3%	\$299,619,282	17,666,470	44.6%	\$231,714,309	\$531,333,591
TOTAL All Improvements**	1,068,871	100%	\$45,079,025	7,958,308	100%	\$66,427,234	\$111,506,259	7,259,291	100%	\$461,631,949	39,658,717	100%	\$374,591,252	\$836,223,201

* Commercial includes hotel and retail

** Includes a trivial amount of improvement and land value in parcels classified as "Streets and Roads" and "Open Space".

Assumptions for Fiscal Impact Model

NET NEW RESIDENTS AND JOBS IN STUDY AREA	
Net New Jobs by 2040	4,977
Net New Residents by 2040	14,931

Underlying Assumptions

NEW RETAIL SPACE	
New Retail Space in Redevelopment Area	765,550 sq ft
Square Feet per Retail Employee	450
New Retail Jobs in Redevelopment Area	1,699



NEW OFFICE SPACE	
New Office Space in Redevelopment Area	810,000 sq ft
Square Feet per Office Employee	200
New Office Jobs in Redevelopment Area	4,050



NEW HOTEL SPACE	
New Hotel Space in Redevelopment Area	400,000 sq ft
Square Feet per Office Employee	1,000
New Hotel Jobs in Redevelopment Area	400



EXISTING COMMERCIAL AND OFFICE SPACE	
Existing Commercial and Office Space in Redevelopment Area	682,369 sq ft
Existing Jobs in Redevelopment Area	1,172



4,977 Net New Jobs

NEW RESIDENTIAL SPACE	
New Residential Space in Redevelopment Area	6,638,967 sq ft
Average Size of New Residential Unit in Redevelopment Area	926.22 sq ft
New Units in Redevelopment Area	7,168
Average Household Size Per New Unit in Redevelopment Area	2.19
New Residents in Redevelopment Area	15,698



EXISTING RESIDENTIAL SPACE	
Existing Residential Space in Redevelopment Area	138,994 sq ft
Existing Residential Units in Redevelopment Area	350
Existing Residents in Redevelopment Area	767



14,931 Net New Residents

The underlying assumptions for the fiscal impact model were provided by the City of Austin. The remainder of the assumptions are based on a wide range of public and private sources, including AngelouEconomics' proprietary economic impact model.

New Employment and Resident Assumptions

NET NEW EMPLOYMENT BY LAND USE	
New Retail Employees in Study Area	827
New Office Employees in Study Area	3,850
New Hotel Employees in Study Area	300



NET NEW RETAIL EMPLOYMENT	
Total Employment	827
Average Annual Salary	\$30,286
Total Annual Wages	\$25,046,522



NET NEW HOTEL EMPLOYMENT	
Total Employment	300
Average Annual Salary	\$25,401
Total Annual Wages	\$7,620,300



NET NEW OFFICE EMPLOYMENT*	
Total Employment	3,850
Average Annual Salary	\$62,197
Total Annual Wages	\$239,458,765



TOTAL NET NEW EMPLOYMENT	
Total Employment	4,977
Average Annual Salary	\$62,197
Total Annual Wages	\$272,125,587

* A more detailed breakdown of the office employment is provided in Appendix A.

NET NEW RESIDENTS	
New Residents	14,931
New Households	6,818
Median Household Income	\$83,135

Sales and Use Tax Assumptions

Overall Spending Assumptions						
Total Local Sales Tax Rate	% of Income Spent on Retail	% of Retail Spent in Austin by Residents	% of Retail Spent in Austin by Retail Employees	% of Retail Spent in Austin by Hotel Employees	% of Retail Spent in Austin by Office Employees	% of Retail That is Taxable
2%	45%	75%	60%	85%	85%	75%

NEW RETAIL EMPLOYMENT		NEW HOTEL EMPLOYMENT		NEW OFFICE EMPLOYMENT		NEW HOUSEHOLDS	
New Jobs	827	New Jobs	300	New Jobs	3,850	New Households	6,818
Average Annual Salary	\$30,286	Average Annual Salary	\$25,401	Average Annual Salary	\$62,197	Median Household Income	\$83,135
Average Taxable Retail Spending per Employee	\$10,222	Average Taxable Retail Spending per Employee	\$8,573	Average Taxable Retail Spending per Employee	\$20,991	Average Taxable Retail Spending per Household	\$28,058
Average Taxable Retail Spending in Austin per Employee	\$8,688	Average Taxable Retail Spending in Austin per Employee	\$7,287	Average Taxable Retail Spending in Austin per Employee	\$12,595	Average Taxable Retail Spending in Austin per Household	\$21,044
Average Annual Sales Tax Revenue Per Employee	\$174	Average Annual Sales Tax Revenue Per Employee	\$146	Average Annual Sales Tax Revenue Per Employee	\$252	Average Annual Sales Tax Revenue Per Household	\$421
Total Annual Sales Tax Revenue	\$143,898	Total Annual Sales Tax Revenue	\$43,721	Total Annual Sales Tax Revenue	\$969,807	Total Annual Sales Tax Revenue	\$2,870,378

NEW GROSS RETAIL SALES IN ESTABLISHMENTS IN STUDY AREA	
New Gross Annual Retail Sales	\$350,621,269
New Gross Annual Taxable Retail Sales	\$262,965,952
New Annual Sales and Use Tax Revenue	\$5,259,319

\$9,287,123 in New Annual Sales and Use Tax Revenue

CURRENT AND FUTURE PROPERTY TAX REVENUES					
	REDEVELOPMENT AREA ONLY			ENTIRE STUDY AREA	
	CURRENT	FUTURE		CURRENT	FUTURE
Appraised Value of Improvements	\$45,079,025	\$1,133,133,040		\$461,631,949	\$1,549,685,964
Appraised Value of Land	\$66,928,864	\$102,612,480		\$377,910,934	\$546,980,746
Total Appraised Value	\$112,007,889	\$1,235,745,520		\$839,542,883	\$2,096,666,709
Annual Property Tax Revenue	\$2,595,111	\$28,630,988		\$19,451,369	\$48,577,671

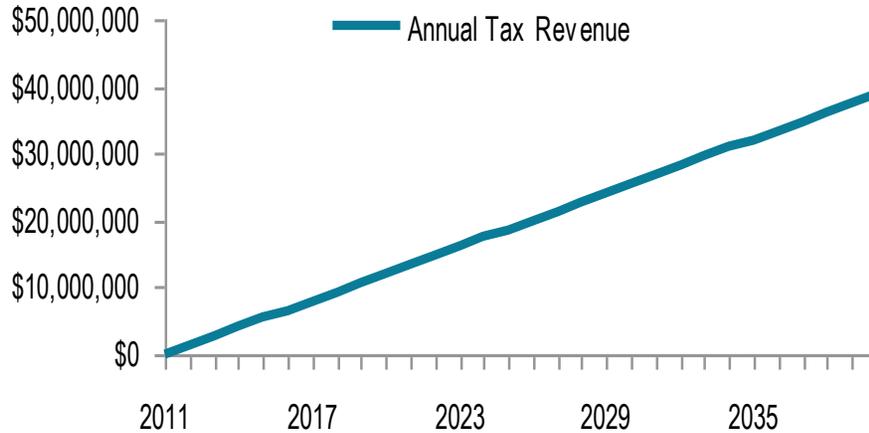
\$29,126,302 in New Annual Property Tax Revenue

NEW HOTEL SALES IN STUDY AREA	
New Hotel Rooms	300
Annual Sales per Hotel Room	\$15,439
City of Austin Hotel Tax	9%
New Annual Hotel Tax Revenue	\$416,843

\$416,843 in New Annual Hotel Tax Revenue

ANNUAL NEW TAX REVENUE GENERATED IN STUDY AREA, 2011-2040

TOTAL NEW PROPERTY, SALES AND USE, AND HOTEL TAX REVENUE GENERATED IN STUDY AREA, 2011-2040



TOTAL NEW ANNUAL TAX REVENUE AT BUILD-OUT (2040)	
Total New Annual Property Tax Revenue	\$29,126,302
Total New Annual Sales and Use Tax Revenue	\$9,287,123
Total New Annual Hotel Tax Revenue	\$416,843
Total New Annual Tax Revenue	\$38,830,268

TOTAL CUMULATIVE NEW TAX REVENUE AT BUILD-OUT (2011-2040)	
Total Cumulative New Property Tax Revenue	\$436,894,530
Total Cumulative New Sales and Use Tax Revenue	\$139,306,845
Total Cumulative New Hotel Tax Revenue	\$6,252,645
Total Cumulative New Tax Revenue	\$582,454,020

Overview of Fiscal Impacts

- Mixed-use redevelopment along the South Congress Avenue corridor is expected to generate nearly \$39 million in new annual tax revenue (in 2011 dollars), providing a significant boost to Austin’s tax base.
 - This analysis does not consider in detail the potential impacts of mixed-use redevelopment throughout the City of Austin; however, several other urban corridors have comparable opportunities for mixed-use redevelopment (North and South Lamar Boulevard, East Riverside Drive, Burnet Road, and others).
 - For example, if a similar mixed-use redevelopment pattern occurred along 10 to 12 urban corridors in Austin similar to South Congress Avenue, a total of \$400 million in new annual tax revenue would be added to Austin’s tax base. To illustrate the significance of this potential tax revenue, this would represent an amount equal to 50% of the City of Austin’s total annual revenues for 2010 of about \$800 million.
- Assuming a complete build-out by 2040, the cumulative new tax revenue from 2011 to 2040 is projected to be over \$582 million.
 - The majority (75%) of the total tax revenue is expected to be generated from property taxes.
 - 24% of the total tax revenue is expected to come from sales and use taxes generated by retail spending at new establishments within the study area and by retail expenditures throughout the City by new employees and residents.
 - A very small percentage (1%) of the total tax revenue is expected to be generated by new hotel taxes.

* Tax revenue is for all applicable local taxing jurisdictions in Study Area: City of Austin, Austin ISD, Travis County, Travis County Healthcare District, Austin Community College District, Capital Metro

Summary – Fiscal Impacts by Local Taxing Jurisdiction

NEW ANNUAL AND CUMULATIVE PROPERTY TAX REVENUES BY LOCAL TAXING JURISDICTION			
Taxing Jurisdiction	2010 Property Tax Rate	New Annual Property Tax Revenue	Cumulative New Property Tax Revenue at Build-Out (2040)
Austin ISD	1.2270%	\$15,424,909	\$231,373,641
City of Austin	0.4571%	\$5,746,313	\$86,194,695
Travis County	0.4658%	\$5,855,683	\$87,835,242
Travis County Healthcare District	0.0719%	\$903,872	\$13,558,080
Austin Community College District	0.0951%	\$1,195,525	\$17,932,871
TOTAL	2.3169%	\$29,126,302	\$436,894,530

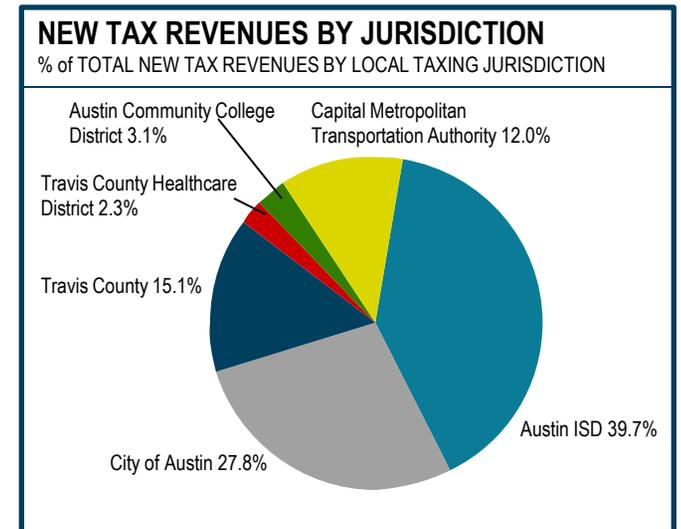
NEW ANNUAL AND CUMULATIVE SALES AND USE TAX REVENUES BY LOCAL TAXING JURISDICTION			
Taxing Jurisdiction*	2010 Sales Tax Rate	New Annual Sales Tax Revenue	Cumulative New Sales Tax Revenue at Build-Out (2040)
City of Austin	1.0%	\$4,643,562	\$69,653,423
Capital Metropolitan Transportation Authority	1.0%	\$4,643,562	\$69,653,423
TOTAL	2.0%	\$9,287,123	\$139,306,845

* Tax revenue is only for local taxing jurisdictions and does not include State of Texas sales and use tax and hotel tax.

NEW ANNUAL AND CUMULATIVE HOTEL TAX REVENUES BY LOCAL TAXING JURISDICTION			
Taxing Jurisdiction*	2010 Hotel Tax Rate	New Annual Hotel Tax Revenue	Cumulative New Hotel Tax Revenue at Build-Out (2040)
City of Austin	9.0%	\$416,843	\$6,252,645

* Tax revenue is only for local taxing jurisdictions and does not include State of Texas sales and use tax and hotel tax.

TOTAL NEW ANNUAL AND CUMULATIVE TAX REVENUES BY LOCAL TAXING JURISDICTION		
Taxing Jurisdiction	New Annual Tax Revenue	Cumulative New Tax Revenue at Build-Out (2040)
Austin ISD	\$15,424,909	\$231,373,640
City of Austin	\$10,806,718	\$162,100,763
Travis County	\$5,855,683	\$87,835,242
Travis County Healthcare District	\$903,872	\$13,558,080
Austin Community College District	\$1,195,525	\$17,932,871
Capital Metropolitan Transportation Authority	\$4,643,562	\$69,653,423
TOTAL	\$38,830,268	\$582,454,019



Non-Fiscal Impacts

- This report focuses on analyzing the fiscal impacts of mixed-use redevelopment within the South Congress Avenue study area on Austin’s tax base; however, it is important to note the non-fiscal impacts, both costs and benefits, that would result from the expected redevelopment.
 - Costs
 - Increased costs for locally-provided services such as schools, police, fire protection, and others.
 - Infrastructure investments (roads, public transportation, water/wastewater, parks/streetscapes).
 - Increased property values will likely make it more difficult to preserve existing affordable housing or construct new affordable housing within the study area.
 - Benefits
 - Land consumption – High-density infill development provides a much more efficient and sustainable alternative to new greenfield developments in suburban locations.*
 - Transit usage – The addition of a large amount of jobs and housing along South Congress Avenue, which is already one of Capital Metro’s highest bus ridership corridors, would greatly improve the cost-effectiveness and the overall image of public transportation within the study area.
 - Walkability/Aesthetics/Environment – Though difficult to quantify the benefits enhanced walkability and visual appeal, the construction of mixed-use developments along South Congress Avenue, with street-level retail and multiple floors of apartments and office space, would be a catalyst for the creation of attractive, walkable neighborhoods along sections of the corridor that are currently dominated by land uses that are not conducive to vibrant street life and pedestrian activity.
 - Street trees/Environmental benefits – The Redevelopment Parcels along South Congress Avenue currently generally do not have streetscapes or street trees. A cost-benefit analysis of trees conducted by Wallace, Roberts and Todd for the City of Philadelphia showed that trees (mostly those in city parks or along streets) provide a \$1.5 million benefit to the city through improvements to air quality, watersheds, and energy efficiency of buildings. The anticipated development of large mixed-use projects fronting South Congress Avenue would likely yield new street tree plantings, helping to improve environmental conditions within the study area.

** A map comparison illustrating the land consumption benefits of mixed-use redevelopment is provided in the Appendix.*

Additional Consideration

Transportation Access - Major public transportation investments, such as the planned MetroRapid bus route along South Congress Avenue, would greatly improve the development potential of the entire study area. The planned MetroRapid route would improve transportation access for residents and employees and would likely raise land values along the corridor. Opportunities for transit-oriented development near MetroRapid stations could lead to significantly higher amounts of redevelopment than is assumed in this report.



Appendix A – Office Employment Detail

NEW OFFICE EMPLOYMENT BREAKDOWN BY INDUSTRY

INDUSTRY	Professional and Business Services	F.I.R.E.*	Information	Other Services	TOTAL
Total Employment	2,141	820	416	473	3,850
Average Annual Salary	\$64,051	\$66,013	\$74,285	\$36,543	\$62,197
Total Annual Wages	\$137,146,754	\$54,151,506	\$30,887,569	\$17,272,935	\$239,458,765

This analysis represents a conservative estimate of the fiscal impacts of mixed-use redevelopment along the South Congress Avenue corridor due to the following limitations:

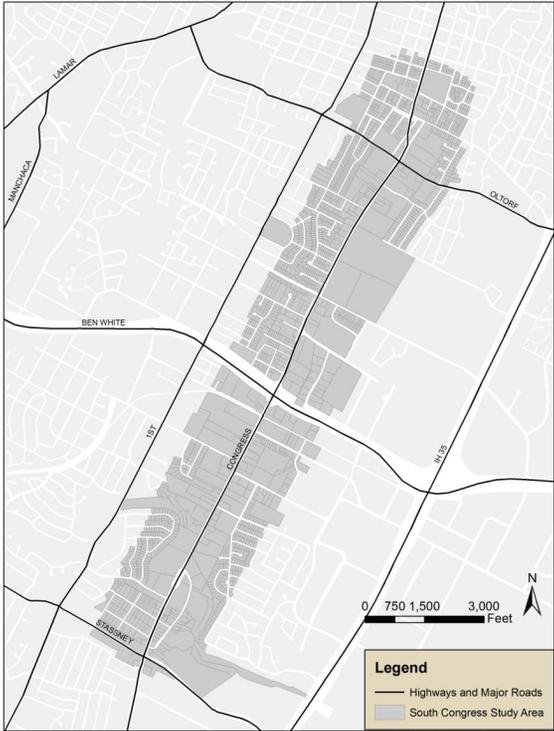
- The impacts of construction employment created by the redevelopment is not considered.
- The impacts of Capital Metro’s planned MetroRapid bus route, which could unlock greater development potential, are not considered.
- Properties outside of the Redevelopment Parcels, many of which could redevelop, are not assumed to be redeveloped in the fiscal impact model.



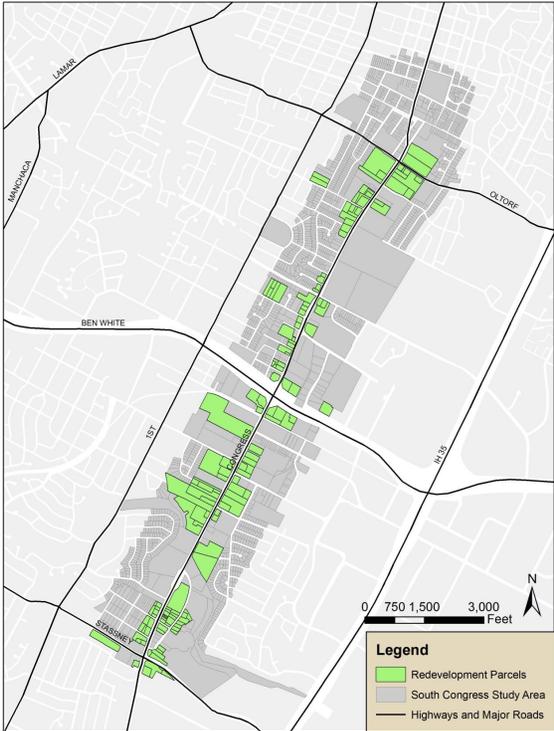
The mixed-use redevelopment scenario that is assumed for the Redevelopment Area is highly efficient in terms of land consumption.

- Accommodating the same amount of new jobs (4,977) and new residents (14,931) using a typical suburban development pattern would require about 11 times as much land as the mixed-use scenario (1,995 acres compared to 183 acres).
- The suburban development pattern would consume an area of land more than twice the size of the 910-acre study area.

Study Area

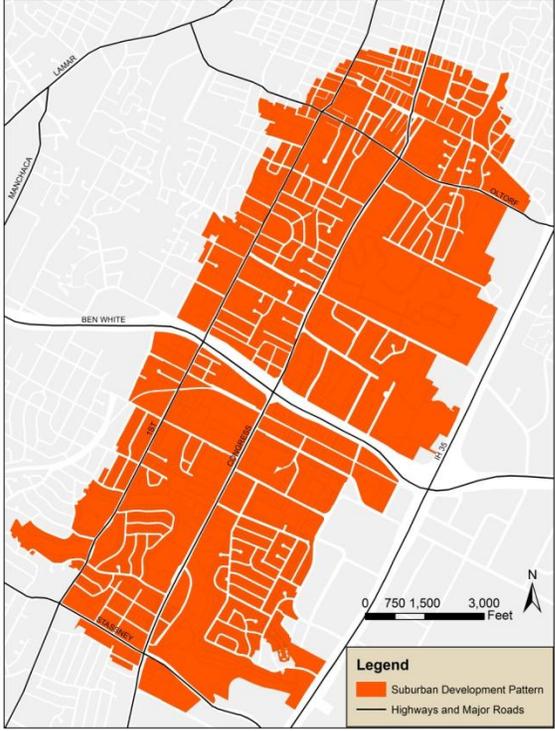


Mixed-Use Scenario



The Redevelopment Area accommodates 14,931 new residents in 6,818 new housing units and 4,977 new jobs in 1,974,550 square feet of new retail, office, and hotel space in only 183 acres.

Suburban Development Pattern



Nearly 2,000 acres would be consumed to accommodate the same amount of new jobs and new residents in a typical suburban development pattern, assuming:

- 200 acres of retail/office/hotel space
- 1,795 acres of residential space at a residential density of 4 units/acre



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AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities. Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development. As a result, AngelouEconomics' clients are able to diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract 'new economy' companies.

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