Agenda item 3a

Green Water Treatment Plant Redevelopment

Environmental Board &
Urban Forestry Board
July 18, 2012

Topics

- Development agreement process for former Green Water Treatment Plant (GWTP) and Energy Control Center (ECC) properties
  - Project concept development
  - Request for Proposals (RFP) preparation, issuance and evaluation
  - Master Development Agreement (MDA) negotiations and Council action
- Land development status

Project Concept Development

- 2000-2002: Seaholm District Master Plan

Project Concept Development

- 2005: Council Resolutions to decommission and demo GWTP, extend Nueces and 2nd Streets, relocate ECC, and reduce Seaholm substation area
- 2007: Council Resolution designated "Seaholm Development District," began rezoning of GWTP and ECC properties to CBD-CURE, and eliminated FAR restrictions while requiring compliance with Waterfront Overlay and Capital View Corridors.

RFP Development

- January 2008 – Draft of Council Resolution on redevelopment RFP presented to Design, Downtown, and Community Development Commissions
- February 2008 – Council Resolutions providing vision and policy principles for sale and redevelopment of GWTP & ECC tracts, and RFP evaluation criteria
  - *Maximize taxpayer value, and encourage and ensure maximum scale*
  - Property appraisals prepared

RFP Issuance & Evaluation

- March 2008 – Request for Proposals issued for GWTP & ECC tracts
- April 2008 – Proposals received
- May 2008 – Council presentations from qualified proposers
- June 2008 – Council authorized negotiation and execution of Exclusive Negotiating Agreement with TC Austin Development, Inc. (developer) and negotiation of agreement for sale and redevelopment of GWTP & ECC tracts

Negotiations

- Exclusive Negotiating Agreement executed
- ECC Master Development Agreement
  June 2008 - October 2010
- GWTP Master Development Agreement
  June 2008 – June 2012
- Until negotiations completed
  - Negotiations confidential
  - Developer communication with Council restricted

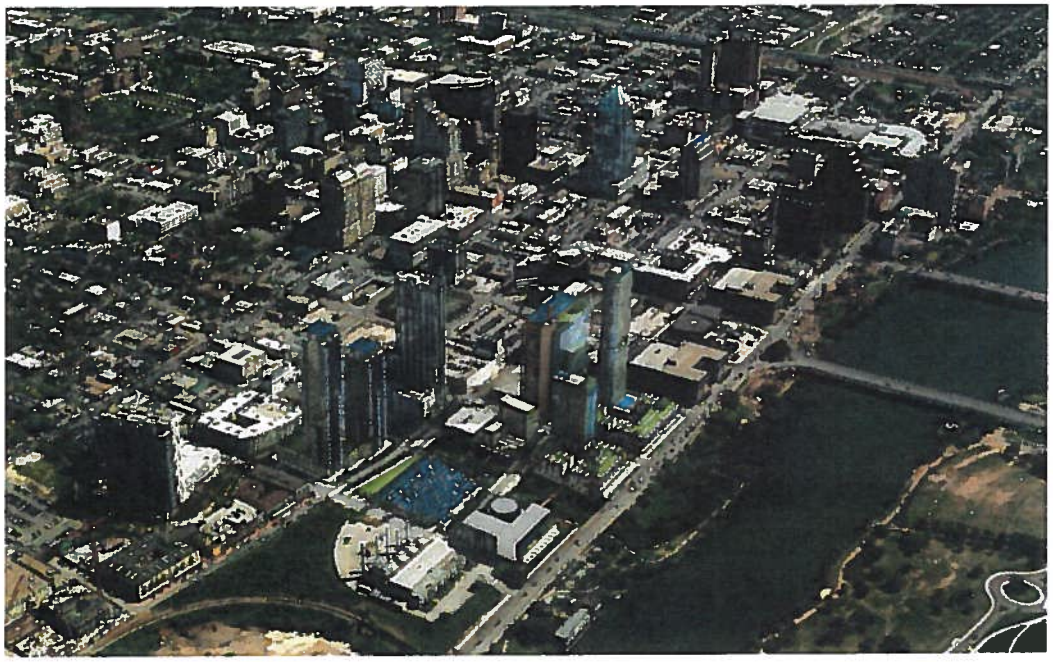
Mandatory Proposal Elements

- Minimum Purchase Price
  - GWTP - $41 million
  - ECC - $14.5 million
- Compliance with
  - Waterfront Overlay District
  - Downtown Creek Overlay
  - Capitol View Corridors
    [GWTP not impacted]
  - Downtown (Urban) Design Guidelines
- Great Street Standards

GWTP Trees

- GWTP Property Description in RFP
  - "Also, several mature trees will be left on the GWTP properties to the extent not impacted by the [deconstruction] excavation. The Successful Proposer will be responsible for meeting the requirements of the tree mitigation ordinance, if the proposed development requires tree removal."

GWTP Trees



- Developer's initial proposal included1.8 million square feet of development with Great Streets street trees, but no existing trees preserved

GWTP Trees

- During negotiations
  - City Arborist consulted on
    - Tree health
    - Preservation in place
    - Transplant candidates
    - Mitigation options
  - Conceptual design alternatives pursued
  - Economic impact analysis performed

Economic Impact Analysis

- Preservation in place for all trees
  - Total Lost Density – Approx. 600,000 SF
  - Total Lost Parking Spaces – Approx. 633 Spaces (many underground)
  - Total Lost Multifamily Units – 311 Units
    - Total Lost Affordable Units – 31 (10% of total)
  - Total Lost Retail – 20,500 SF (mostly on Cesar Chavez)
  - Office Tower Infeasible – Approx. 460,000 SF

GWTP Trees

- Findings
  - Loss of development density would make project infeasible at land price, if other MDA requirements remained in place
  - Minimum land purchase price and other mandatory proposal elements could not be altered without compromising integrity of contract procurement process
  - Heritage Tree Ordinance (HTO) enacted after RFP, but project not grandfathered

GWTP Trees

- Developer held to HTO mitigation standards
  - One tree transplanted, approx. $54,000
    - Other candidates to be evaluated further
  - Payment for public trees removal
    - PARD appraisal $58,632
  - 300% caliper mitigation for remaining trees
    - 414 caliper inches planted off -site
  - Total developer mitigation approx. $423,000
- Great Streets street trees adding approx. 600 caliper inches more
- Approx. 1,000 caliper inches of new trees total

Council Action

- May 2012 – Authorized negotiation and execution of MDA with developer
  - Waived HTO variance requirements
  - Developer to work with the City arborist to determine whether or how the heritage trees on the site might be incorporated into the design of the project

Land Development Status

- ECC redevelopment awaiting relocation of operations and site environmental before land sale
- GWTP
  - Zoning and subdivision completed
  - Site plan applications
    - None filed
    - Will be subject to normal Board & Commission processes, except HTO variance process

Conclusion

- GWTP RFP, proposal and MDA consistent with Council's 2008 guiding vision and policy principles
- Process and alternatives considered by Council
- Sharing lessons learned – HTO impact on downtown development
- Questions?