

Mike McHone

Real Estate

Michael Wilson
Planning Commissioner
City of Austin
Via email: wilson@gice.us

Re: University Neighborhood Overlay District Land Development Code Amendment Request

Dear James,

In 2004 the University Neighborhood Overlay District (UNO) was created as a part of the Combined Central Austin NP. The height district map was inserted into the LDC (see attached UNO Height Map) City staff has informed me that to change the allowed maximum height of a property wanting to build in excess of the maximum set forth by that map that a LDC amendment is required rather than a zoning change.

I represent the buyers of 2100-02 Rio Grande and 702 W. 21st Street. These 3 lots are located on the NW corner of 21st Street and Rio Grande. The east side of Rio Grande Street is in the 175 ft Inter West Campus sub-district of UNO. The west side is in the 90 ft Outer West Campus sub-district (one block north the 175 district extend one additional block to the west).

The Buyer needs to change the maximum height to 175 ft. to make their UNO project financially feasible.

The buyer is CAPSTONE COLLEGIATE COMMUNITIES (information attached). They have hired Rhode Partners as the architect and his massing study of the site are attached. Also attached is a perspective photograph inserting this building into a GOOGLE Earth photo showing surrounding buildings.

The site is located directly west of the 21 Rio project which received a LDC height change in 2006 to increase the height to 220 ft.

Although this site extends across Rio Grande it is up against an existing condominium project and an alley to the north. An aerial photo of the block shows the exiting land uses on the block.

The project would follow all the UNO requirements and as a consideration of the increase in the height allowed, Capstone would provide the additional neighborhood enhancements:

1904 Guadalupe "On the Drag" • ph: 512-481-9111 • fax: 512-481-1002 •
mchone1234@sbcglobal.net
mailing address: P.O. Box 8142, Austin, TX, 78713

1. Reimburse the City of Austin for its cost of installing the streetscape on Rio Grande (green area)
2. Provide the funds for the COA to install the UNO Streetscape from site to Pearl (orange area)
3. Pay for the installation of a 10 bike B Bike Station at 21st Street
4. Provide lighting in the alley to the north from Rio Grande to Pearl Street (21st in one way east, Which creates a problem for west bound bike traffic)
5. Provide an additional 10% affordable housing (which would be 20% of total bedrooms or units)
6. Pay \$1.00 per sq ft of NRS of building residential into the UNO Housing Trust Fund

One of the primary benefits of granting this request is the amount of affordable housing. Capstone has done some massing studies of providing the affordability at 90 ft and 175 ft.

The 90ft building could yield 361 bedrooms or 36 affordable bedrooms and \$1.00 per sf/ \$ 132,740

The 175 ft building as proposed would yield 575 bedrooms 58 bedrooms required plus the 10%

Additional 116 affordable bedrooms and \$1.00 per sq ft/ \$ 209,649.

Included is 4 pages from the August 2004 Central Austin Combined Neighborhood Plan in which the goal is to establish a "dense, vibrant, mixed-use and pedestrian oriented community". Page 58 has a "Figure 11" which shows the "Buffer Area" of San Gabriel to 24th and west to Leon/Robbins Place and to MLK to buffer the UNO area from the West University single family area.

The UNO District has had several LDC amendments through its 11.5 year of existence. These have been:

1. Overall height from 60 ft to 65 ft
2. Height at 900 W. 26th to 120 ft
3. Height at 2101 Rio Grande to 220 ft
4. Height at 1901 Pearl to 85 ft
5. Increased the "local uses"
6. Clarified the "hotel" area and its requirements
7. Clarified the "commercial use district to include "civic uses"
8. Codified and adopted the design standards
9. In February 2014, changed the Affordability to 40 years from 15, allowed by the bedroom rental, Lowered the affordable rental rate from 80% and 65% to 60% and 50% of median, clarified the Income verification, and increased the fee in lieu to \$1.00 per NSF and have annual adjustment

Finally, I have included some information on Capstone Collegiate Communities.

I hope you can sponsor the LDC height increase request and would be happy to answer your questions.

Sincerely,



Michael R. McHone
Cell: 512-554-8440

University Neighborhood Overlay Height Districts

This map illustrates the University Neighborhood Overlay, detailing various height districts. The map includes a legend for building heights in feet, ranging from 40 to 220. The districts are color-coded and patterned according to the legend. The map also shows major roads, including Preston, Garton, Claire, Gabriel, Pearl, 29th Half, 28th Half, 27th Half, 26th Half, 25th Half, 24th Half, 23rd, 22nd, 21st, 20th, 19th, 18th, 17th, 16th, 15th, 14th, 13th, 12th, 11th, 10th, 9th, 8th, 7th, 6th, 5th, 4th, 3rd, 2nd, 1st, and 0th. The map also shows the University of North Carolina at Chapel Hill, including the UNC-Chapel Hill campus, the UNC-Chapel Hill Medical Center, and the UNC-Chapel Hill Law School. The map also shows the UNC-Chapel Hill Research Triangle Park, the UNC-Chapel Hill Research Triangle Park, and the UNC-Chapel Hill Research Triangle Park.

Legend
Building Height in Feet

40
45
50
65
70
75
90
120
175
220

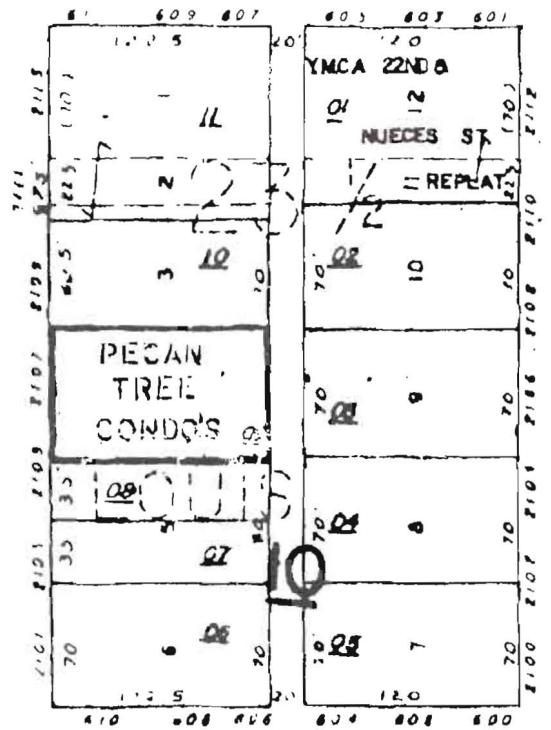
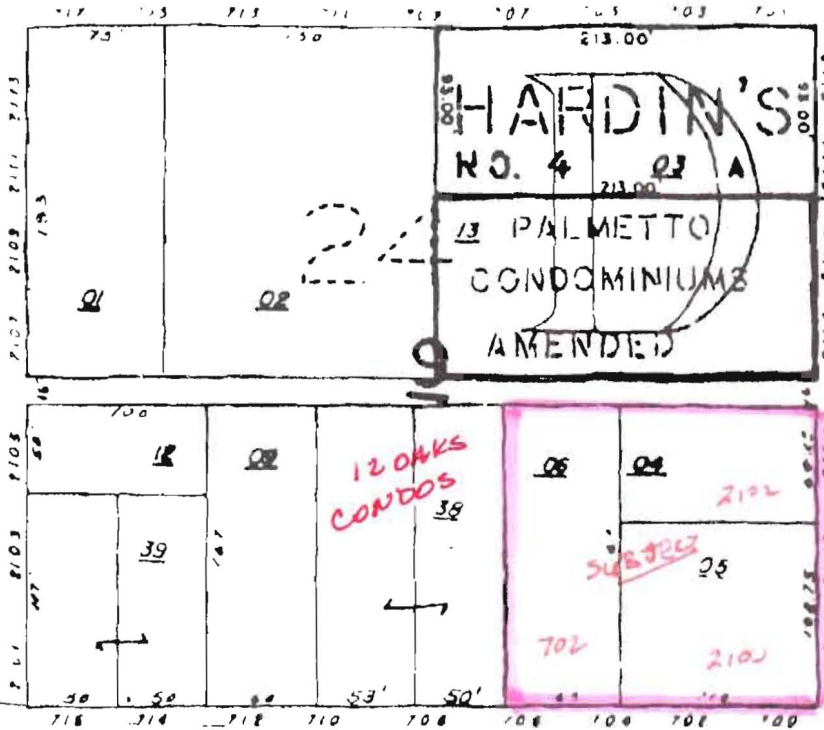
Map labels include: PRESTON, GARTON, CLAIRE, GABRIEL, PEARL, 29TH HALF, 28TH HALF, 27TH HALF, 26TH HALF, 25TH HALF, 24TH HALF, 23RD, 22ND, 21ST, 20TH, 19TH, 18TH, 17TH, 16TH, 15TH, 14TH, 13TH, 12TH, 11TH, 10TH, 9TH, 8TH, 7TH, 6TH, 5TH, 4TH, 3RD, 2ND, 1ST, 0TH, SHAL CREEK, LONGVIEW, LEON, CLIFF, DAVID, VANCE ROBBINS, GABRIEL, PEARL, 18TH, 17TH, 16TH, 15TH, 14TH, 13TH, 12TH, 11TH, 10TH, 9TH, 8TH, 7TH, 6TH, 5TH, 4TH, 3RD, 2ND, 1ST, 0TH, SEION, NUES, ANTONIO, WHITIS, KETON, WICHITA, UNIVERSITY, MALL UT, INNER CAMPUS, MARTIN LUTHER KING, LAMARCA, UNIVERSITY, WHITIS, ANTONIO, NUES, GRANDE, WEST, 16TH, 17TH, 18TH, 19TH, 20TH, 21ST, 22ND, 23RD, 24TH, 25TH, 26TH, 27TH, 28TH, 29TH, 30TH, 31ST, 32ND, 33RD, 34TH, 35TH, 36TH, 37TH, 38TH, 39TH, 40TH, 41ST, 42ND, 43RD, 44TH, 45TH, 46TH, 47TH, 48TH, 49TH, 50TH, 51ST, 52ND, 53RD, 54TH, 55TH, 56TH, 57TH, 58TH, 59TH, 60TH, 61ST, 62ND, 63RD, 64TH, 65TH, 66TH, 67TH, 68TH, 69TH, 70TH, 71ST, 72ND, 73RD, 74TH, 75TH, 76TH, 77TH, 78TH, 79TH, 80TH, 81ST, 82ND, 83RD, 84TH, 85TH, 86TH, 87TH, 88TH, 89TH, 90TH, 91ST, 92ND, 93RD, 94TH, 95TH, 96TH, 97TH, 98TH, 99TH, 100TH, 101ST, 102ND, 103RD, 104TH, 105TH, 106TH, 107TH, 108TH, 109TH, 110TH, 111ST, 112ND, 113RD, 114TH, 115TH, 116TH, 117TH, 118TH, 119TH, 120TH, 121ST, 122ND, 123RD, 124TH, 125TH, 126TH, 127TH, 128TH, 129TH, 130TH, 131ST, 132ND, 133RD, 134TH, 135TH, 136TH, 137TH, 138TH, 139TH, 140TH, 141ST, 142ND, 143RD, 144TH, 145TH, 146TH, 147TH, 148TH, 149TH, 150TH, 151ST, 152ND, 153RD, 154TH, 155TH, 156TH, 157TH, 158TH, 159TH, 160TH, 161ST, 162ND, 163RD, 164TH, 165TH, 166TH, 167TH, 168TH, 169TH, 170TH, 171ST, 172ND, 173RD, 174TH, 175TH, 176TH, 177TH, 178TH, 179TH, 180TH, 181ST, 182ND, 183RD, 184TH, 185TH, 186TH, 187TH, 188TH, 189TH, 190TH, 191ST, 192ND, 193RD, 194TH, 195TH, 196TH, 197TH, 198TH, 199TH, 200TH, 201ST, 202ND, 203RD, 204TH, 205TH, 206TH, 207TH, 208TH, 209TH, 210TH, 211ST, 212ND, 213RD, 214TH, 215TH, 216TH, 217TH, 218TH, 219TH, 220TH, 221ST, 222ND, 223RD, 224TH, 225TH, 226TH, 227TH, 228TH, 229TH, 230TH, 231ST, 232ND, 233RD, 234TH, 235TH, 236TH, 237TH, 238TH, 239TH, 240TH, 241ST, 242ND, 243RD, 244TH, 245TH, 246TH, 247TH, 248TH, 249TH, 250TH, 251ST, 252ND, 253RD, 254TH, 255TH, 256TH, 257TH, 258TH, 259TH, 260TH, 261ST, 262ND, 263RD, 264TH, 265TH, 266TH, 267TH, 268TH, 269TH, 270TH, 271ST, 272ND, 273RD, 274TH, 275TH, 276TH, 277TH, 278TH, 279TH, 280TH, 281ST, 282ND, 283RD, 284TH, 285TH, 286TH, 287TH, 288TH, 289TH, 290TH, 291ST, 292ND, 293RD, 294TH, 295TH, 296TH, 297TH, 298TH, 299TH, 300TH, 301ST, 302ND, 303RD, 304TH, 305TH, 306TH, 307TH, 308TH, 309TH, 310TH, 311ST, 312ND, 313RD, 314TH, 315TH, 316TH, 317TH, 318TH, 319TH, 320TH, 321ST, 322ND, 323RD, 324TH, 325TH, 326TH, 327TH, 328TH, 329TH, 330TH, 331ST, 332ND, 333RD, 334TH, 335TH, 336TH, 337TH, 338TH, 339TH, 340TH, 341ST, 342ND, 343RD, 344TH, 345TH, 346TH, 347TH, 348TH, 349TH, 350TH, 351ST, 352ND, 353RD, 354TH, 355TH, 356TH, 357TH, 358TH, 359TH, 360TH, 361ST, 362ND, 363RD, 364TH, 365TH, 366TH, 367TH, 368TH, 369TH, 370TH, 371ST, 372ND, 373RD, 374TH, 375TH, 376TH, 377TH, 378TH, 379TH, 380TH, 381ST, 382ND, 383RD, 384TH, 385TH, 386TH, 387TH, 388TH, 389TH, 390TH, 391ST, 392ND, 393RD, 394TH, 395TH, 396TH, 397TH, 398TH, 399TH, 400TH, 401ST, 402ND, 403RD, 404TH, 405TH, 406TH, 407TH, 408TH, 409TH, 410TH, 411ST, 412ND, 413RD, 414TH, 415TH, 416TH, 417TH, 418TH, 419TH, 420TH, 421ST, 422ND, 423RD, 424TH, 425TH, 426TH, 427TH, 428TH, 429TH, 430TH, 431ST, 432ND, 433RD, 434TH, 435TH, 436TH, 437TH, 438TH, 439TH, 440TH, 441ST, 442ND, 443RD, 444TH, 445TH, 446TH, 447TH, 448TH, 449TH, 450TH, 451ST, 452ND, 453RD, 454TH, 455TH, 456TH, 457TH, 458TH, 459TH, 460TH, 461ST, 462ND, 463RD, 464TH, 465TH, 466TH, 467TH, 468TH, 469TH, 470TH, 471ST, 472ND, 473RD, 474TH, 475TH, 476TH, 477TH, 478TH, 479TH, 480TH, 481ST, 482ND, 483RD, 484TH, 485TH, 486TH, 487TH, 488TH, 489TH, 490TH, 491ST, 492ND, 493RD, 494TH, 495TH, 496TH, 497TH, 498TH, 499TH, 500TH, 501ST, 502ND, 503RD, 504TH, 505TH, 506TH, 507TH, 508TH, 509TH, 510TH, 511ST, 512ND, 513RD, 514TH, 515TH, 516TH, 517TH, 518TH, 519TH, 520TH, 521ST, 522ND, 523RD, 524TH, 525TH, 526TH, 527TH, 528TH, 529TH, 530TH, 531ST, 532ND, 533RD, 534TH, 535TH, 536TH, 537TH, 538TH, 539TH, 540TH, 541ST, 542ND, 543RD, 544TH, 545TH, 546TH, 547TH, 548TH, 549TH, 550TH, 551ST, 552ND, 553RD, 554TH, 555TH, 556TH, 557TH, 558TH, 559TH, 560TH, 561ST, 562ND, 563RD, 564TH, 565TH, 566TH, 567TH, 568TH, 569TH, 570TH, 571ST, 572ND, 573RD, 574TH, 575TH, 576TH,

2100 = 2102 Rio Grande @ 702 W. 21st 90ft to 175ft.



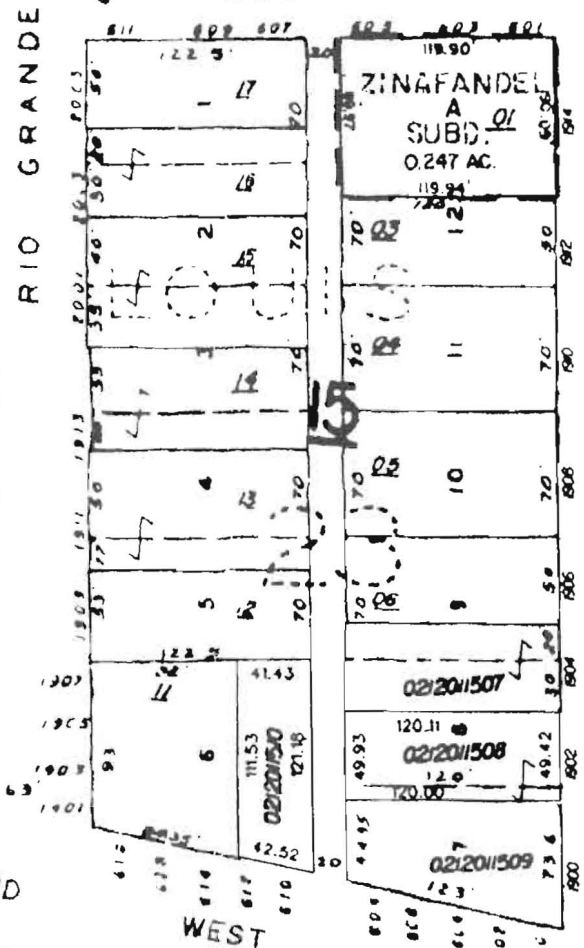
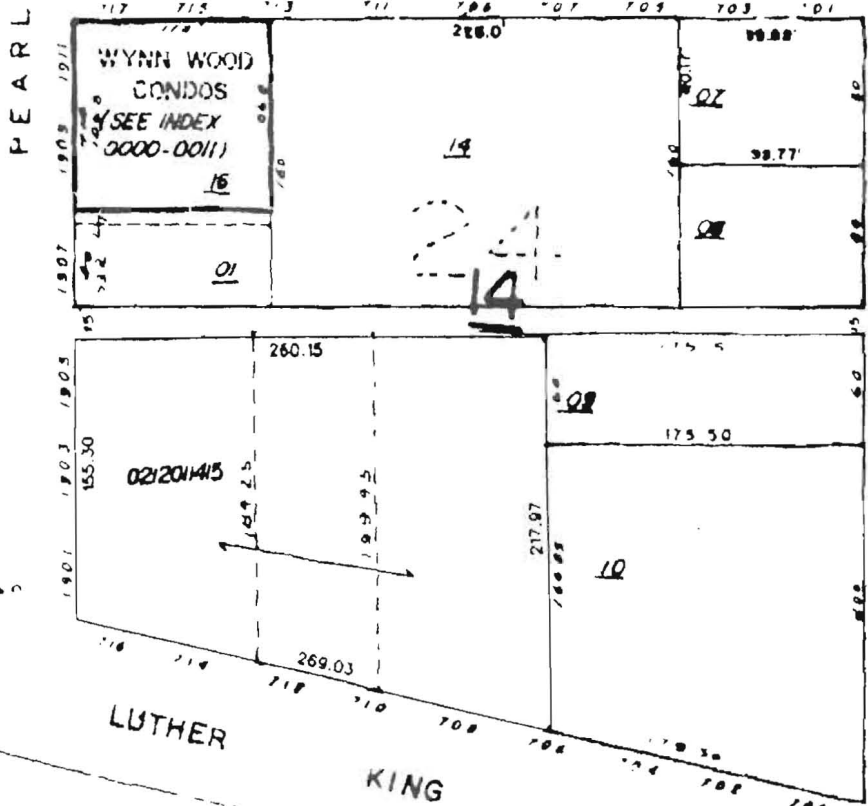
STREET

WEST



WEST 21ST STREET

WEST



LUTHER

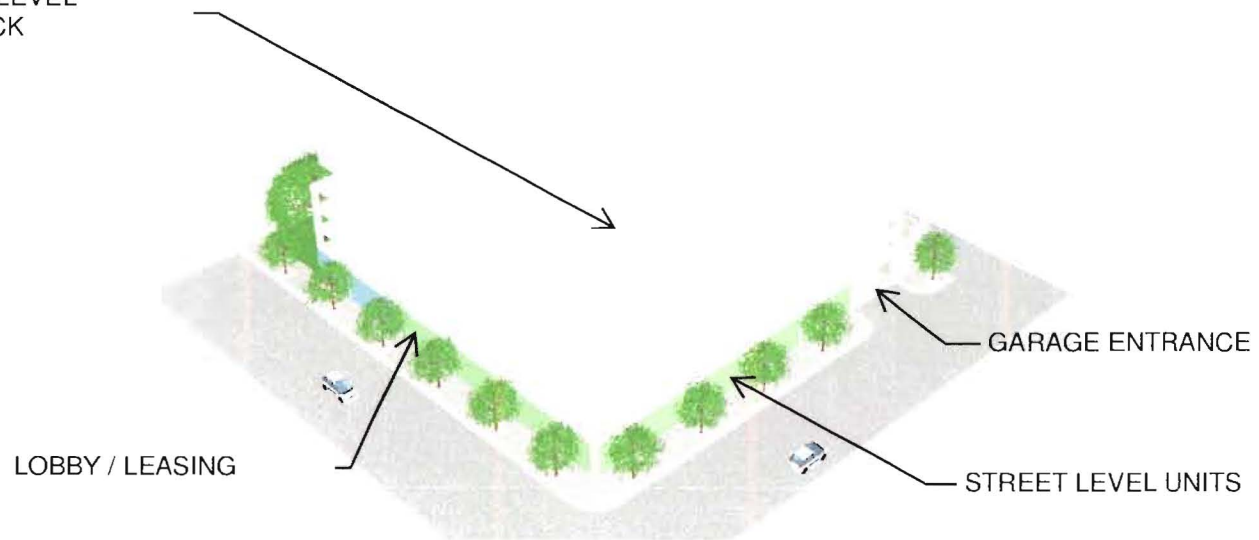
KING

JR.

BOULEVARD

WEST

AMENITY LEVEL
POOL DECK

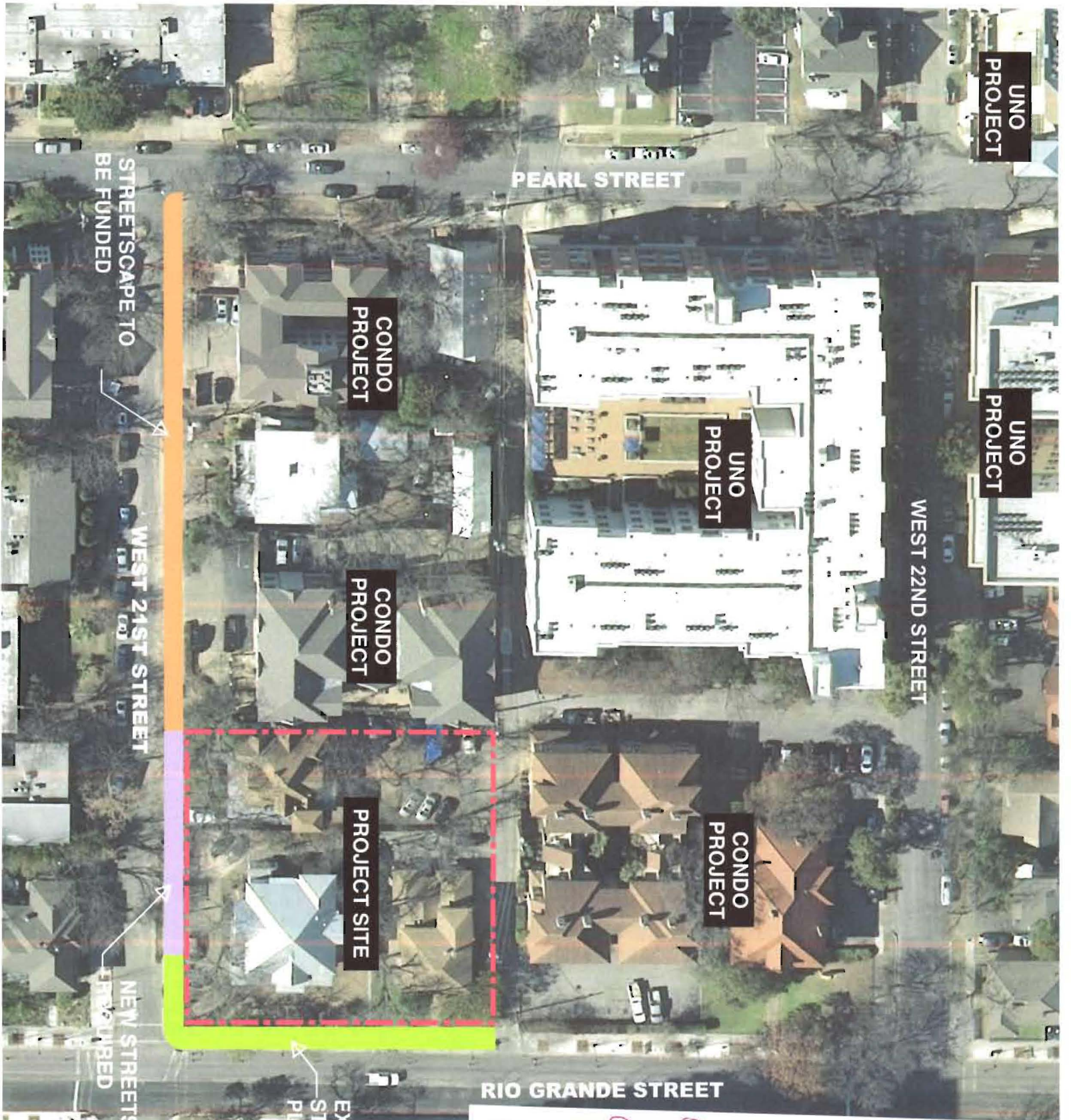


CAPSTONE - AUSTIN



Rio Grande Street

21st Street



Reacost -
Project site from
901 to 175,
Developer will:
① Reimburse CoA
cost of 200' of
CIP Rio Grande
Street SCAP
② install B cycle
at 21st & Rio Grande
③ provide funds
to EXISTING from
STREETSCAPE from
PROJECTS - WEST LINE
to provide lighting
④ provide from
10' attribute to Pearl
Rio Grande addition
⑤ provide additional
10' site
175' = 575 BDC = 116
90' = 361
⑥ PAY \$1000 to
Housing Trust funds
per line

21mo

CAPSTONE COLLEGIATE COMMUNITIES

2100 Rio Grande Street
Area and Parking Summary

EXAMPLE ONLY
NOT FINANCIALLY FEASIBLE

175 ft Scheme B			1.5 LEVELS BELOW GRADE PARKING		9'-0" UNIT CEILING HEIGHT TYPICAL			V1.0	
Residential Unit Type	Description	%	Unit SF	Unit Sub-Total	Bedroom Sub-		Pkg Spaces/Unit (COA)	Pkg Spaces Sub-Total (COA)	
					Total	SF Sub-Total			
A1	1BR 1BA	7.00%	534	14	14	7,476	1.5	21	
A2	1BR 1BA	6.50%	577	13	13	7,501	1.5	20	
A3	1BR 1BA	0.50%	590	1	1	590	1.5	2	
B1	2BR 2BA	14.00%	803	28	56	22,484	2.0	56	
B2	2BR 2BA	7.00%	838	14	28	11,732	2.0	28	
C1	3BR 3BA	6.50%	982	13	39	12,766	2.5	33	
C2	3BR 3BA	0.50%	986	1	3	986	2.5	3	
C3	3BR 3BA	0.50%	1062	1	3	1,062	2.5	3	
C4	3BR 3BA	14.00%	1071	28	84	29,988	2.5	70	
C5	3BR 3BA	7.00%	1076	14	42	15,064	2.5	35	
D1	4BR 4BA	14.00%	1315	28	112	36,820	3.0	84	
D2	4BR 4BA	6.50%	1379	13	52	17,927	3.0	39	
D3	4BR 4BA	7.00%	1409	14	56	19,726	3.0	42	
D4	4BR 4BA	7.00%	1423	14	56	19,922	3.0	42	
D5	4BR 4BA	2.00%	1557	4	16	6,228	3.0	12	
					Total Units	Total Bedrooms	Total Unit NSF	Avg Unit Size	Total Base Parking Req. (COA)
					200	575	210,272	1051	488

	EFF	1BR	2BR	3BR	4BR	
Unit Mix	0.00%	14.0%	21.0%	28.5%	36.5%	
Avg SF	0	555	815	1042	1378	
Amenity SF	2,938					
Total Min Required Parking Per COA (40% Reduction Per COA Code)						293

PARKING PROVIDED		Required Per COA	Actual Proposed
Resident Parking (Multi-Family)	Standard	285	285
	Compact	0	18
	Accessible	8	8
	Total	293	311
Residential Unit Parking Ratio (excluding Accessible Spaces)			1.52
Residential Bedroom Parking Ratio (excluding Accessible Spaces)			0.53
Staff / Visitor Parking		0	5
TOTAL PARKING PROVIDED			316

FAR CALCULATION	LOT	LAND AREA	TOTAL ZONING GSF	FAR
	All Lots	29,327	255,731	8.7

FLOOR	GSF	NRSF	PKG SPACES	EFFICIENCY
Level -2 - Tenant Parking	27,263	0	35	
Level -1 - Tenant Parking	27,263	0	83	
Level 1 - Lobby / Leasing / Mech / Units	27,419	8,200	12	
Level 2 - Tenant Parking	27,263	0	83	
Level 3 - Tenant Parking	27,263	0	83	
Level 4 - Tenant Parking	27,263	0	20	
Level 5 - Amenity / Units	16,308	11,701		72%
Level 6 - Units	16,308	14,596		90%
Level 7 - Units	16,308	14,596		90%
Level 8 - Units	16,308	14,596		90%
Level 9 - Units	16,308	14,596		90%
Level 10 - Units	16,308	14,596		90%
Level 11 - Units	16,308	14,596		90%
Level 12 - Units	16,308	14,596		90%
Level 13 - Units	16,308	14,596		90%
Level 14 - Units	16,308	14,596		90%
Level 15 - Units	16,308	14,596		90%
Level 16 - Units	16,308	14,596		90%
Level 17 - Units	16,308	14,596		90%
Level 18 - Units	16,308	14,596		90%
Level 19 - Roof	0	0		0%
TOTAL GSF	337,520			
TOTAL GSF/NSF (EXCLUDING GARAGE)	255,731	209,649	316	

CAPSTONE COLLEGIATE COMMUNITIES

2100 Rio Grande Street
Area and Parking Summary

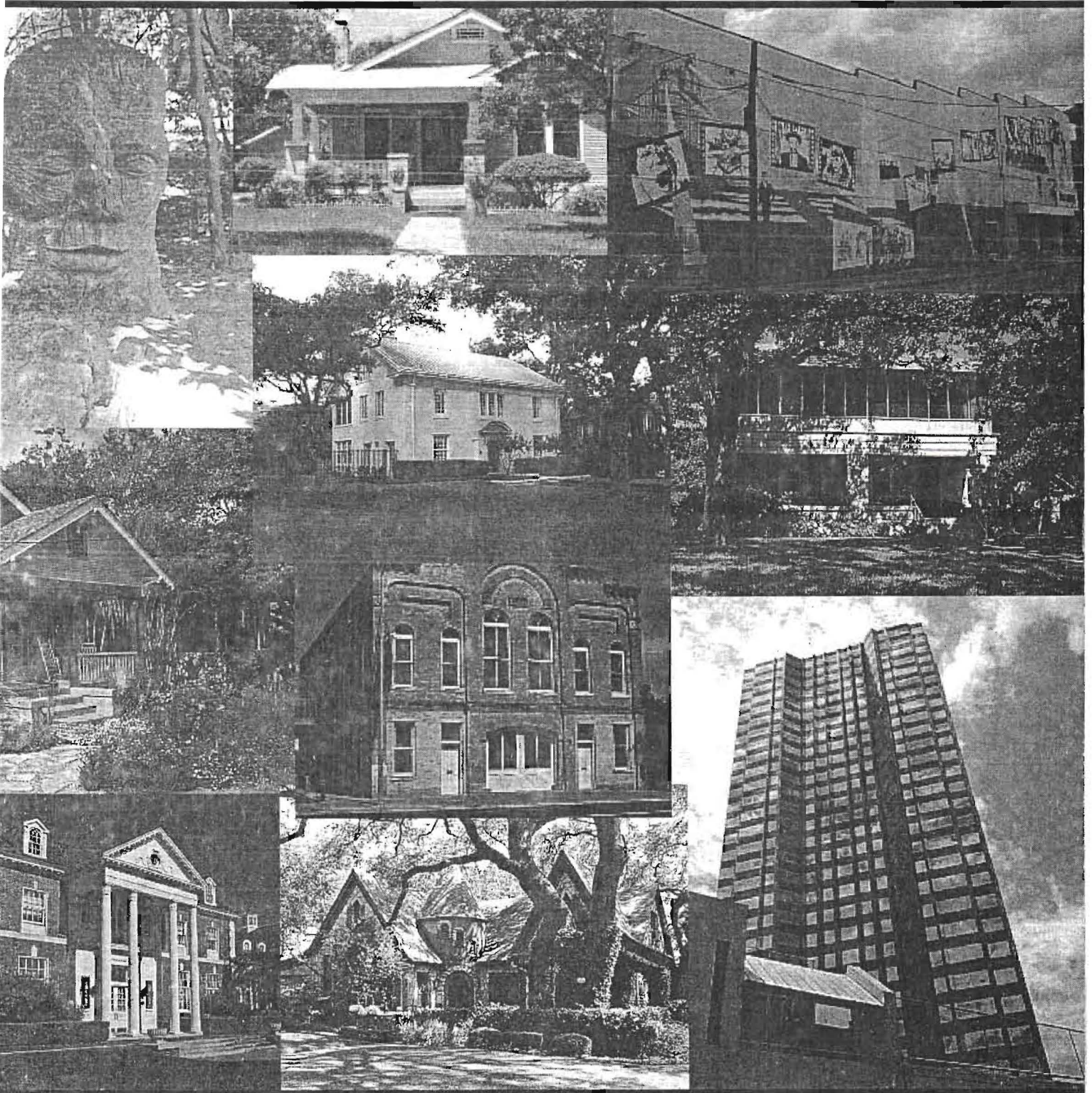
90 ft Scheme A			2.5 Levels Below Grade Parking		9 Story Concrete or 8 Story LGMF Over 1 Story Podium		9'-0" UNIT CEILING HT TYP		V1.0														
Residential Unit Type			Description		%		Unit SF		Unit Sub-Total		Bedroom Sub-Total		Total		SF Sub-Total		Pkg Spaces/Unit (COA)		Pkg Spaces Sub-Total (COA)				
A1			1BR 1BA		7.46%		507		10		10		5,070		1.5		15						
A2			1BR 1BA		7.46%		575		10		10		5,750		1.5		15						
B1			2BR 2BA		10.45%		796		14		28		11,144		2.0		28						
B2			2BR 2BA		8.96%		816		12		24		9,792		2.0		24						
B3			2BR 2BA		8.96%		838		12		24		10,056		2.0		24						
B4			3BR 3BA		2.24%		866		3		9		2,598		2.0		6						
C1			3BR 3BA		8.96%		924		12		36		11,088		2.5		30						
C2			3BR 3BA		8.96%		981		12		36		11,772		2.5		30						
C3			3BR 3BA		8.96%		1071		12		36		12,852		2.5		30						
D1			4BR 4BA		0.75%		1295		1		4		1,295		3.0		3						
D2			4BR 4BA		7.46%		1326		10		40		13,260		3.0		30						
D3			4BR 4BA		0.75%		1341		1		4		1,341		3.0		3						
D4			4BR 4BA		0.75%		1356		1		4		1,356		3.0		3						
D5			4BR 4BA		5.97%		1368		8		32		10,944		3.0		24						
D6			4BR 4BA		5.97%		1438		8		32		11,504		3.0		24						
D7			4BR 4BA		5.97%		1585		8		32		12,680		3.0		24						
										Total Units		Total Bedrooms		Total Unit NSF		Avg Unit Size		Total Base Parking Req. (COA)					
										134		361		132,502		989		313					
			EFF		1BR		2BR		3BR		4BR												
Unit Mix			0.00%		14.9%		30.6%		26.9%		27.6%												
Avg SF			0		541		819		992		1416												
Level 1 Lobby/Leasing SF			3,000																				
Level 2 Amenity SF			2,550																				
Total Min Required Parking Per COA (40% Reduction Per COA Code)																		188					
PARKING PROVIDED																		Required Per COA		Actual Proposed			
Resident Parking (Multi-Family)			Standard														183		172				
			Compact														0		15				
			Accessible														5		5				
			Total														188		192				
Residential Unit Parking Ratio (excluding Accessible Spaces)																		1.40					
Residential Bedroom Parking Ratio (excluding Accessible Spaces)																		0.52					
Staff / Visitor Parking																		0		5			
TOTAL PARKING PROVIDED																		197					

FAR CALCULATION	LOT	LAND AREA	TOTAL ZONING GSF	FAR
	All Lots	29,327	0	0.0

FLOOR	GSF	NRSF	PKG SPACES	EFFICIENCY
Level -3 - Parking	27,644	0	30	
Level -2 - Parking	27,644	0	82	
Level -1 - Parking	27,644	0	72	
Level 1 - Lobby / Leasing / Mech / Units / Parking	27,644	5,520	13	
Level 2 - Amenity / Units	21,700	17,500		
Level 3 - Units	19,073	17,500		
Level 4 - Units	17,532	15,370		88%
Level 5 - Units	17,532	15,370		88%
Level 6 - Units	17,532	15,370		88%
Level 7 - Units	17,532	15,370		88%
Level 8 - Units	17,532	15,370		88%
Level 9 - Units	17,532	15,370		88%
Level 10 - Roof	0	0		0%
TOTAL GSF	256,541			
TOTAL GSF/NSF (EXCLUDING GARAGE)		132,740	197	

The Central Austin Combined Neighborhood Plan

West University/North University/Hancock



August 2004



Top Ten Priorities

The top ten priorities for the Central Austin Combined Neighborhood Plan were determined by the results of the Final Survey and the Final Workshop.

1. Rezone multi-family-zoned property that is used as single-family to single-family zoning.
2. The City of Austin should enact an ordinance to create local historic districts to protect and preserve historic neighborhoods through design standards for new construction and significant remodeling projects.
3. Stop the incursion of new commercial and office uses into residential areas.
4. Establish an overlay (University Neighborhood Overlay [UNO]) for the West Campus area that allows denser, pedestrian-oriented commercial and multi-family development.
5. Buffer the predominantly single-family neighborhoods (West University and Shoal Crest) adjoining West Campus by limiting the mass, height, and scale of new multi-family development bordering these neighborhoods.
6. Establish a Neighborhood Conservation Combining District (NCCD) for North University that will foster the preservation of the neighborhood's original development patterns while respecting the different land uses in different parts of the neighborhood.
7. Institute a residential parking permit program throughout the neighborhoods of the combined planning area to address the negative effects of non-resident parking.
8. New houses should be of a similar scale and massing as the existing houses.
9. Identify areas where mixed use would enhance the livability of the neighborhoods and rezone accordingly.
10. New multi-family development outside of West Campus should be compatible with surrounding historic single-family houses by using similar setbacks, roof forms, ridge heights, materials, and colors.

Central Austin Combined Neighborhood Plan

“hard edge” to prohibit incursions into the neighborhood.

Objective 1.5: Students should be more aware of neighborhood concerns. Although most students live quite peacably with their neighbors there are some who do not.

Recommendation 7 Work with The University of Texas to develop orientation materials that educate students on how some behaviors adversely affect their neighbors' quality of life.

West University Neighborhood

The population of the West University neighborhood, like many of the neighborhoods in CACNPA, is composed of children, retirees, University of Texas faculty and staff, state employees, lawyers, architects, bed and breakfast owners, and students. The variety of people contributes to a community feel that the neighborhood wants to preserve.

The major goal of the residents of the West University neighborhood (see page 5 for a map of the neighborhoods in the CACNPA) is to preserve the historic single-family character of their neighborhood. Over sixty percent of the 106 structures in the neighborhood are over fifty years old. Of these, almost half were built before 1930. One strategy to preserve the

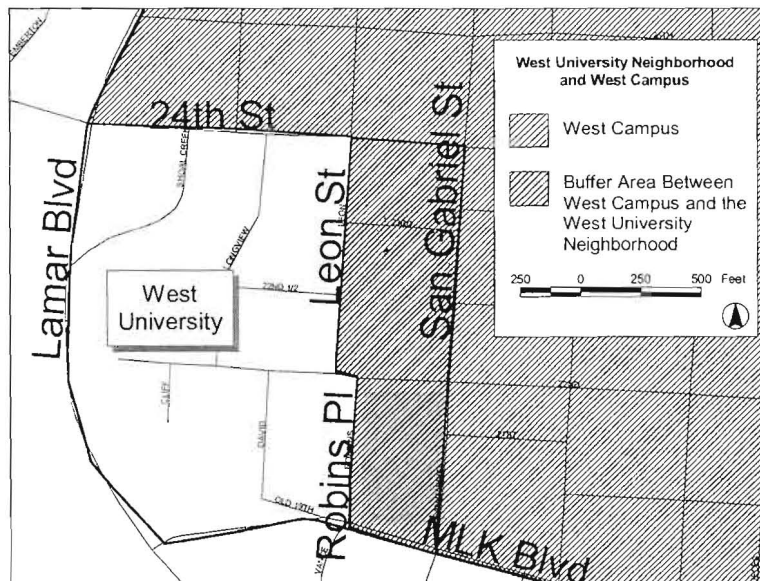


Figure 11
Buffer Zone Between West Campus and the West University Neighborhood

Goal Four

West Campus should become a dense, vibrant, mixed-use and pedestrian oriented community

West Campus and The University of Texas at Austin

The University of Texas at Austin currently has the largest single-campus student population in the United States and does not have enough on-campus housing to meet the needs of most of its student body—particularly underclassmen. This has led to problems in the single-family neighborhoods around the school. To accommodate the demand for housing convenient to the University many developers and property owners have built large and small-scaled multi-family projects, large-scaled duplexes, and converted single-family homes into duplexes and apartments. In many cases these developments have significantly altered the predominant single-family character of the neighborhoods. The long-term goal of the University is to locate as many students as possible on or near campus. However, due to legislative constraints, the University cannot use money from the Permanent University Fund to finance on-campus student housing. The institution is slowly working to increase the availability of on-campus housing but the process will take many years. In the interim, development pressures in the surrounding neighborhoods for student housing will continue.

While many students live in West Campus, many more live throughout the city. Bringing many of these students back to the University area will require

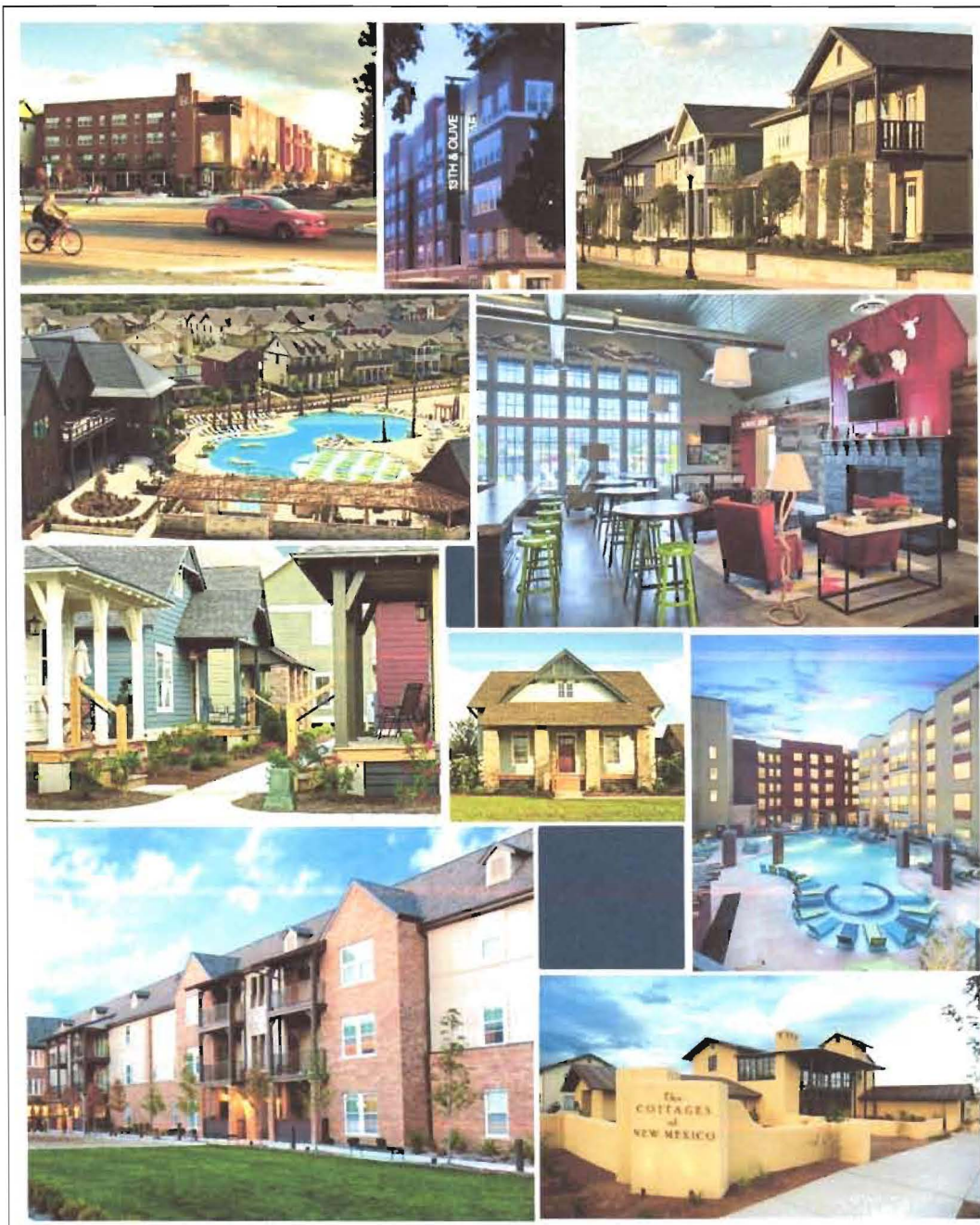
- Increased housing opportunities
- New residential units with expected amenities
- A retail and land use environment that allows these students to attend to everyday needs without getting into their cars
- Space to accommodate/store the cars, trucks, and sport utility vehicles they will bring with them.

Through the Central Austin Combined Neighborhood Plan (CACNPA) development process, stakeholders identified West Campus as an area where increased density would be appropriate. Currently this area is the densest residential neighborhood in Austin; however, there are few local amenities that promote a pedestrian-friendly environment. These amenities should include

- Shaded, contiguous, and sufficiently wide sidewalks
- Convenience retail—such as a small-scale grocery store—and services within easy walking or biking distance
- Pedestrian-oriented retail that is readily accessible the sidewalk

CAPSTONE

COLLEGIATE COMMUNITIES



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STUDENT LIVING *Redefined*



EXPERIENCE

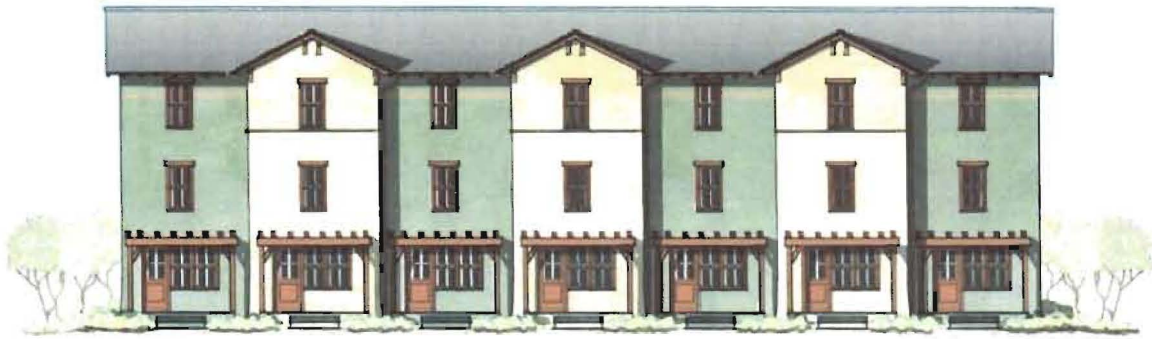
C3's total portfolio includes 50 communities with over 32,000 beds and \$1.3 billion dollars in development costs.

Since 2007, C3 Principals have developed the following Lodge, Loft & Cottage communities, representing close to \$1 billion in total development costs and 16,551 beds:

- Creekside of Auburn (Auburn, AL)
Awarded MFE'S "Student Project of the Year" in 2008
- The Retreat of Clemson (Clemson, SC)
- Cottage Grove at Gainesville (Gainesville, FL)
- The Cottages of Hattiesburg (Hattiesburg, MS)
- The Cottages of Columbia (Columbia, MO)
- The Cottages of Lubbock (Lubbock, TX)
- The Cottages of Norman (Norman, OK)
- The Cottages of Baton Rouge, Phase 1 & 2 (Baton Rouge, LA)
Awarded "Best New Development – Innovator Awards" by SHB in 2011
- The Cottages of Lakeshore (Birmingham, AL)
Certified LEED® Gold & Awarded MFE'S "Community Service" award in 2011
- The Lofts of Kennesaw (Kennesaw, GA)
- The Cottages of College Station, Phase 1 & 2 (College Station, TX)
- The Cottages of Durham (Durham, NH)
- The Lodges of East Lansing, Phase 1 & 2 (East Lansing, MI)
- The Cottages of Boone (Boone, NC)
- 13th and Olive, Phase 1 & 2 (Eugene, OR)
- The Lofts at City Center, Phase 1 & 2 (Tuscaloosa, AL)
- The Cottages of New Mexico (Albuquerque, NM)
- The Capstone Cottages of San Marcos (San Marcos, TX)
- The Lodges of Colorado Springs (Colorado Springs, CO)
- Hannah Lofts & Townhomes (East Lansing, MI)
- Northpoint Crossing, Phase 1 (College Station, TX)

In addition, we currently have the following communities **under construction**, representing more than **\$115 Million in total development costs and 1,632 beds.**

- The Cottages of Tempe (Tempe, AZ)
- Northpoint Crossing, Phase 2 (College Station, TX)



While the principals of C3 have managed over 13,000 beds on multiple occasions since 2000, Capstone Properties currently **manages 13 communities** with **11,026 beds:**

- Cottage Grove of Gainesville (Gainesville, FL)
- The Cottages of Hattiesburg (Hattiesburg, MI)
- Valentine Commons (Raleigh, NC)
- The Cottages of Boone (Boone, NC)
- 13th and Olive (Eugene, OR)
- The Lofts at City Center (Tuscaloosa, AL)
- The Summit on College, (Fort Collins, CO)
- The Cadence, (Tucson, AZ)
- The Cottages of New Mexico (Albuquerque, NM)
- The Capstone Cottages of San Marcos (San Marcos, TX)
- The Lodges of Colorado Springs (Colorado Springs, CO)
- Northpoint Crossing (College Station, TX)
- The Cottages of Tempe (Tempe, AZ)

C3 CONTACT INFO

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Careers

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March 4, 2016

City of Austin
Planning and Zoning Department
Attn: Victoria Haase
2006 East 4th Street
Austin, Texas 78702
tori.haase@austintexas.gov

RE: Case Number: C14-85-027(RCA)
Letter Opposing Termination of Restrictive Covenants

Dear Ms. Haase:

Principal Real Estate Investors, LLC is aware that the Drenner Group, as representative of the owner (“Applicant”) of 2102 Rio Grande Street, Austin, Texas, Travis County (“Property”), has submitted an application (“Application”) to the Austin Planning and Zoning Department (“Department”) to terminate the restrictive covenant imposed on the Property (“Restrictive Covenant”).

Principal Real Estate Investors, LLC (“Principal”), as agent for and on behalf of (1) 2101 Rio Grande Property Owner, LLC, owner of the property located 2101 Rio Grande Street; (2) Quarters West Campus Phase II, LLC, owner of the properties located 714 22nd Street, 2300 Nueces Street, and 2222 Rio Grande Street; (3) SV Hardin House, L.P., owner of the property located at 2206 Rio Grande Street; and (4) West Campus Partners, L.P., owner of the properties located at 709 W 22nd Street and 2707 Rio Grande Street (collectively, the “Principal Properties”), is writing this letter to express its opposition to the termination of the Restrictive Covenant.

The Restrictive Covenant provides, among other things, that the buildings on the Applicant’s Property “shall comply in all respects with the Austin City Code of 1891, as amended from time to time.” Chief among the Austin City Code’s (“Code”) requirements is that all properties within the University Neighborhood Overlay (“UNO”), the neighborhood in which the Property and Principal Properties are located, comply with building height restrictions via the University Neighborhood Overlay Height District, a copy of which is attached hereto as Exhibit A (“UNO Height District”). Given the close proximity of the Applicant’s Property to the Principal Properties, Principal has a strong interest in the Application and the Department’s decision.

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Principal opposes termination of the Restrictive Covenant and thus the height restrictions imposed by the UNO Height District for several reasons. First, the height restrictions provide the benefit for individuals residing in properties surrounding the Property, including the Principal Properties, of aesthetically pleasing views of the neighborhood. Terminating the Restrictive Covenant, which would inevitably lead to the construction of taller structures in the UNO, including one on the Property, would materially alter the UNO neighborhood character and interrupt the cosmetic continuity enjoyed by UNO residents and the City of Austin and its residents at large. The main purpose of any such height restrictions imposed on a particular area by a city is the pleasing cosmetic continuity it affords that particular neighborhood's residents; thus, terminating the Restrictive Covenant would be inconsistent with the City of Austin's principal purpose in imposing the UNO Height District.

Second, to permit a termination of the Restrictive Covenant and the height restrictions imposed by the UNO Height District would deny surrounding landowners, including owners of the Principal Properties, of the benefit of their bargain in respect of the purchase, development and continued maintenance of their properties by termination of the publicly-filed and publicly-known agreement (i.e. the Restrictive Covenant) concerning the aesthetic and developmental nature of properties within the UNO. When businesses and individuals consider purchasing a particular piece of property, the decision-making process is undoubtedly affected by the nature of surrounding properties and any limitations, via restrictive covenants or otherwise, imposed on surrounding properties regarding what they can and can't do on a going forward basis. Further, a landowner relies on limitations, via restrictive covenants or otherwise, on surrounding properties when making decisions on the nature and extent of continued development and investment in a property. Thus, terminating the Restrictive Covenant undoes the expectations surrounding landowners within the UNO had when those landowners originally purchased their properties and when they made ongoing development and investment decisions. Put another way, terminating the Restrictive Covenant would be changing an important and fundamental rule after the game has started. As a result, the negative precedent set by a decision to terminate the Restrictive Covenant could discourage future development and investment in other property districts given that potential and existing property owners would have to factor in unpredictable planning and zoning modifications. This would be contrary to sound public policy.

Third, if the Restrictive Covenant and the height restrictions imposed by the UNO Height District are terminated, there may well be a significant loss in market value of properties surrounding the Property, including the Principal Properties. It is manifestly unfair to individuals and businesses that have invested significant capital in properties located within the UNO to incur financial losses because one property owner gets to void the rules and restrictions imposed by the Restrictive Covenant for its development project. If the Restrictive Covenant is

Ms. Haase
Page 3
March 4, 2016


terminated, the Department would be socializing all of the financial burdens associated therewith and concentrating the financial benefit.


As a result of the foregoing, Principal respectfully requests that the Department reject the Applicant's request to terminate the Restrictive Covenant.

Sincerely,

Principal Real Estate Investor, LLC,
as agent for and on behalf of:

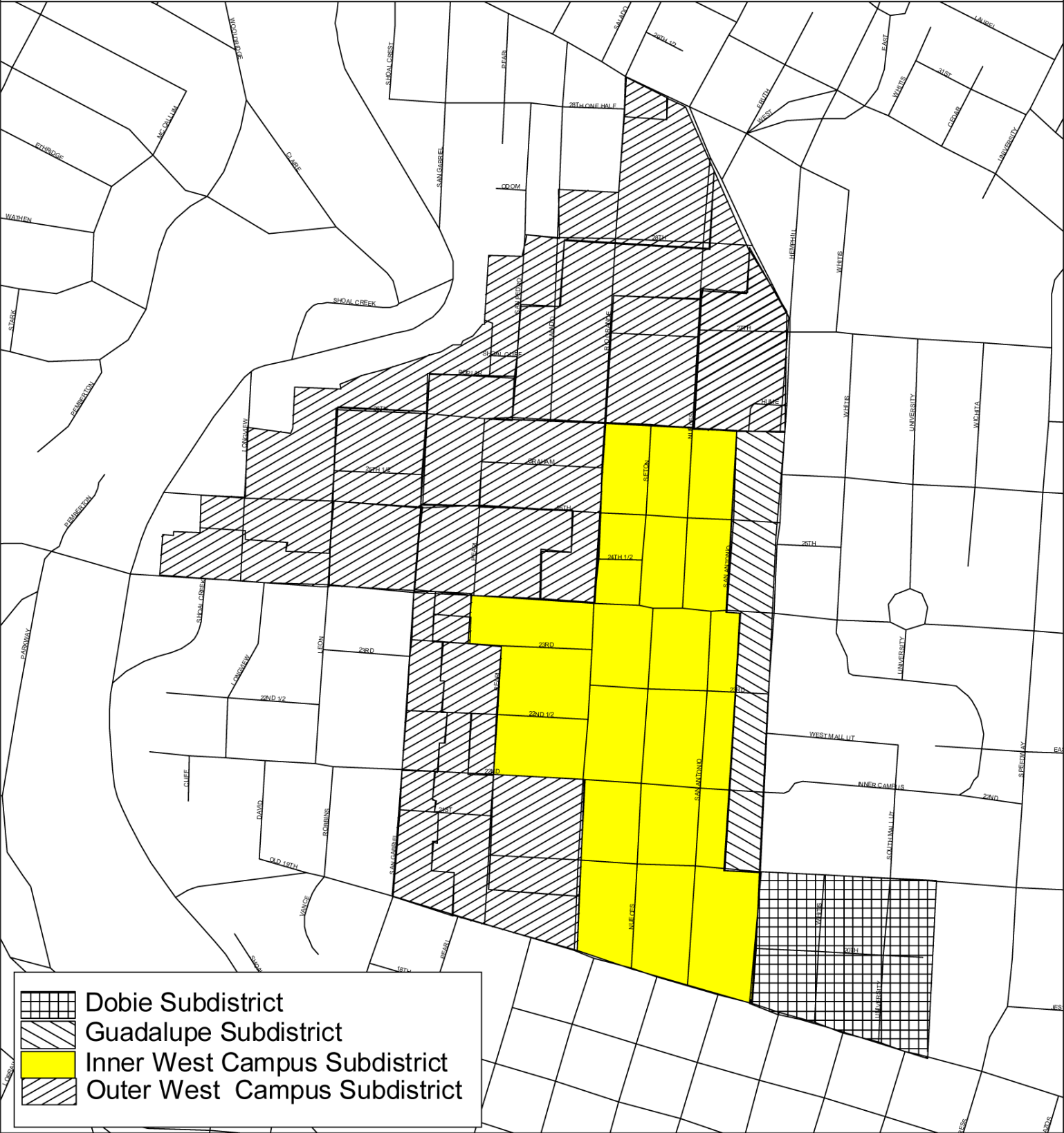
2101 Rio Grande Property Owner, LLC
Quarters West Campus Phase II, LLC
SV Hardin House, L.P.
West Campus Partners, L.P.

By: 
Name: _____
Title: **Kevin Welsch**
Senior Asset Manager

By: 
Name: _____
Title: **ALAN P. KRESS, Counsel**

University Neighborhood Overlay Subdistrict Boundaries

CURRENT CODE



CURRENT CODE

