



RECOMMENDATION

South Central Waterfront Advisory Board

Recommendation Number: 20180208-3b

***Brief Description:** The South Central Waterfront Advisory Board (SCWAB) held a public hearing on February 8, 2018 to consider a Planned Unit Development (PUD) proposal for 425 W. Riverside Drive. The SCWAB passed this resolution which recommends that the City Council approve this PUD, pending detailed conditions of approval. The rationale, recommendation and the conditions of approval are contained in the resolution below:*

WHEREAS, the South Central Waterfront Vision Framework Plan (SCW Plan) has been adopted by the City Council as an amendment to Imagine Austin; and

WHEREAS, the SCW Plan established a conceptual framework for allowing site-specific entitlement enhancements in exchange for on-site-and-districtwide community benefit contributions; and

WHEREAS, the SCW Plan forecasts that this conceptual framework could achieve the SCW Vision of creating a districtwide network of connected green streets, parks, trails, and public spaces (approximately 20 new acres), as well as 20% new affordable housing (approximately 530 units); and

WHEREAS, the SCW Plan recommends a series of implementation steps that include development and adoption of regulations and financial tools which will provide pathways to achieve the SCW Plan Vision; and

WHEREAS, the implementation steps listed above have not yet been adopted by the City of Austin, and

WHEREAS, the 425 W. Riverside Planned Unit Development (PUD) is the first major redevelopment project within the SCW district, has already been initiated and is currently seeking recommendations from the various City Commissions prior to seeking approval from City Council, and

WHEREAS, the applicant (Stream Realty) intends to use the SCW Plan as the basis of this PUD proposal in order to both pursue the additional building height entitlements that is projected for this site, as well as to provide the community benefits contributions that are intended; and

WHEREAS, generally throughout the district, the SCW Plan envisions raising the criteria for onsite water quality treatment and higher environmental and landscaping standards for all projects, and

WHEREAS, the PUD proposes to provide higher onsite standards for water quality treatment, and environmental and landscape standards, in line with the SCW Plan Vision, and

WHEREAS, specific to this site, the SCW Plan envisions that this development would contribute \$3.1 M to a SCW district fund (SCW Public Improvement District) which would restrict monies for use in the SCW district for mobility and green infrastructure improvements (including bike lanes, rain gardens, open space, greening of existing arterials, building new green streets, etc), as well as for gap financing for future affordable housing in the district; and

WHEREAS, the PUD proposes to provide \$3.1 M for community benefits, either by building those district improvements directly (which provides an in-kind contribution) or by providing a balance payment into a fund that is restricted for use for the district, as intended in the SCW Plan's proposed SCW Public Improvement District; and

WHEREAS, the PUD proposes to provide a higher parking ratio than required to address neighborhood concerns; and

WHEREAS, the South Central Waterfront Advisory Board (SCWAB) was established by the City Council, as recommended in the SCW Plan, in order to provide the City Council with recommendations on development projects within the SCW district and to provide the City Council with recommendations for implementing the SCW Plan;

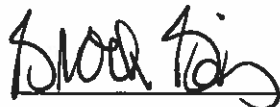
NOW THEREFORE BE IT RESOLVED, that the South Central Waterfront Advisory Board (SCWAB) passed a recommendation that the City Council approve the 425 W. Riverside Planned Unit Development (PUD) with the following conditions:

1. The \$3.1 M contribution is secured, either in-kind or in payment.
 - a. Any in-kind contribution must advance the physical framework vision of the SCW Plan, (i.e, build mobility or green infrastructure within the district) and those in-kind contributions are appropriately valued by staff review.
 - b. Any payment contributions (balance due from \$3.1 M after deducting in-kind contributions) must be deposited in a fund that is restricted in use for the SCW District until the SCW Public Improvement District can be established.
 - c. The proposed, estimated \$1.4 M contribution for affordable housing (the final number will be based on final bonus square footage @ site plan submittal @ \$6/SF) must be restricted for use in the SCW district, as required by the SCW Plan.
2. The City Council directs the City Manager to provide recommendations and a proposal for enacting the SCW Public Improvement District (SCW-PID) as part of the Downtown Austin PID within 60 days. The applicant/owner must submit a petition to join the Downtown Austin PID as a condition of approval.¹
3. The City Council directs the City Manager to commence necessary studies and prepare a draft ordinance to create the SCW Tax Increment Finance District (SCW-TIF) within 180 days.
4. Power lines on the boundary of the site will be buried by developer.
5. Incorporate the recommendations of the Small Area Planning Joint Committee, and the Environmental Commission as the project moves through the Site Development Permit Process.

Date of Approval: February 8, 2018 on a 5-2 vote (2 absent)

Record of the vote: 5 yes (Bailey, Casias, Godfrey, Guerrero, Schissler)
2 no (Franco, Todd)

Attest:



Brooke Bailey, Chair, South Central Waterfront Advisory Board

¹ This particular condition of approval (#2) references a proposal contained in the Downtown Austin Alliance (DAA) letter to the SCWAB, dated February 5, 2018. The DAA letter is attached, hereafter.

February 5, 2018

South Central Waterfront Advisory Board
P.O. Box 1088
Austin, Texas 78767

Chair Bailey and Members of the South Central Waterfront Advisory Board,

The Downtown Austin Alliance recognizes the unique and growing needs of the South Central Waterfront district. We participated as stakeholders in the creation of the South Central Waterfront master plan and supported its adoption and implementation. The Downtown Austin Alliance has considered the need created by the first district project since the plan was adopted, and we are pleased to offer this proposal to assist the South Central Waterfront.

Overview of a Public Improvement District's Role for the South Central Waterfront

The South Central Waterfront Vision Framework Plan (SCW Plan) provides a financially feasible roadmap for transforming this 118-acre district into a new model for sustainable urban redevelopment. The SCW Plan forecasts that the City, in partnership with private property owners, can create a network of connected green streets, parks, trails, and open spaces (approximately 20 new acres) and achieve that 20% of the new housing units districtwide are affordable (approximately 530 affordable units).

The SCW Plan calls for creating an opt-in system whereby developers can receive additional zoning entitlements by adhering to the standards and provisions of a proposed SCW Overlay Zone. One of the provisions of the SCW Overlay Zone includes that developers pay a Community Amenity Fee which would be held in a restricted SCW Fund. Monies that are collected in this fund would be used to support the public realm improvements and/or affordable housing units within the SCW district, as called for in the plan.

Functions of a PID in the South Central Waterfront

The South Central Waterfront Master Plan calls for the creation of a Public Improvement District (PID) as a critical component to the implementation and success of the plan.

The PID would support the SCW Plan implementation in two ways:

First, the PID would collect an annual assessment fee from properties. This ongoing funding stream would be used to provide management for programs, district services, and additional maintenance of the ever-expanding and improving SCW public realm.

Second, a restricted SCW Fund would be set up to collect the one-time Community Amenity Fee that a development would pay by exercising the opt-in entitlements associated with the SCW Overlay provision. Monies collected in the SCW Fund would be used to cover a portion of the public realm and affordable housing costs for the district.

Option 1: Creating a new Public Improvement District Establishing a new PID in this area would take the majority of the property owners to agree and sign legal petitions authorizing its creation. The process is time consuming and can take more than a year to create, authorize, and approve, and then only if the owners agree to its creation. This route is also complicated since several properties in the SCW district are already in the Downtown Austin PID, which raises issues of how two adjacent PIDs would coordinate to achieve the SCW plan.

Option 2: Expanding the existing Public Improvement District Six properties in the South Central Waterfront area are already in the Downtown Austin PID, which is managed by the Downtown Austin Alliance. These six properties comprise approximately 32 acres, or about a third of the acreage for all properties in the SCW district.

One way to address the creation of the PID functions as called for in the SCW Plan would set up a system where property owners not in the current PID could individually petition to join the Downtown Austin PID as a condition to opting in to the South Central Waterfront Overlay provision. This arrangement could meet the two-fold PID function as envisioned by the SCW Plan in this fashion:

First, upon joining the Downtown PID, property owners would pay the annual assessment fee which would be used, in part, to expand operations, management and maintenance services for an ever-expanding and improved public realm in the SCW district.

Second, the Downtown Austin Trust could create a corporation that could serve the functions of the South Central Waterfront Fund, as explained further below.

More Details regarding the Operations and Maintenance functions of the PID

The Downtown Austin Alliance recognizes the unique and growing needs of different areas and districts in the Downtown Austin PID boundaries. We recognize the dilemma of creating a new PID that intersects with the existing PID and would like to offer a way to achieve the goals of the master plan. Properties contiguous to the Downtown Austin PID can file a petition for inclusion. This process is simple and requires City Council action to adopt the petition. At the time owners join the PID, their properties become liable for assessment (10 cents per \$100, with the first \$500,000 in value exempt). Revenues collected pay for clean, safe and hospitality services, including graffiti removal, supplementary cleaning and trash pick-up, Downtown Ambassador patrol, and other services of the Downtown Austin Alliance. As the South Central Waterfront is developed, the needs of this district may be different from other areas of downtown, and the Downtown Alliance is prepared to work with the stakeholders of this area to prioritize services to meet its unique needs.

More Details regarding the SCW Fund function

In addition to expanding the boundaries of the Downtown Austin PID, the Downtown Austin Alliance is open to helping solve for the opt-in Community Amenity Fee requirements of the SCW Overlay provisions. In 1999, the Downtown Alliance created the Downtown Austin Trust, a 501(c)(3) organization with a separate board of directors, to accomplish downtown goals that are outside the

purview of the public improvement district. We also have the ability to create separate entities to act as fiscal agents for downtown projects. For example, in 2016 the Downtown Austin Alliance created Downtown Austin Parks LLC, as an arm of the Downtown Austin Trust to operate, manage and raise funds for the ongoing operations of Republic Square. Downtown Austin Parks, LLC has a management agreement with the City of Austin to operate the park, as well as a separate board of directors to help raise funds, provide fiscal oversight and ensure the marketing, programming and operations meet the vision and mission of Republic Square.

While historically the Downtown Alliance received the majority of its funding from PID contributions, we are now poised to make better use of the Downtown Austin Trust to build philanthropic and community contributions that help us achieve the goals of the downtown vision—from the creation of active parks and open space or workforce housing, to the preservation of cultural assets.

As it pertains to the South Central Waterfront, the Downtown Austin Alliance can provide the following:

1. Support for Downtown PID expansion in the South Central Waterfront area for any contiguous properties that submit a petition for inclusion in the PID.
2. A separate South Central Waterfront LLC 501(c)(3) could be created as a subsidiary of the Downtown Austin Trust, to be the fiscal agent for the district and hold the affordable housing and amenity fees.
3. A South Central Waterfront board of directors could be created to manage and oversee the LLC and its funds.
4. A management agreement could be created between the South Central Waterfront LLC and the City to play a larger development role for the parks, open space, infrastructure, affordable housing, etc.

Best regards,

A handwritten signature in black ink, appearing to read 'Dewitt Peart', with a large, stylized flourish extending to the right.

Dewitt Peart
President and CEO