



South Central Waterfront Advisory Board

October 25, 2018

RE: Development Corporation for the South Central Waterfront

To the Mayor and City Council:

The South Central Waterfront district, comprised of 35 properties, across from downtown Austin, is on the brink of wholesale redevelopment. The South Central Waterfront Vision Framework Plan, adopted by Council in 2016, sets a path to leverage redevelopment to retrofit a network of green streets and blocks, open spaces and trails, and public plazas across the district, and to create hundreds of units of affordable housing. To realize this Vision for the South Central Waterfront, the Plan recommends a series of implementation steps which include creating new development regulations, adopting innovative financial tools, leveraging the city property at One Texas Center for affordable housing, and establishing a governance entity that can coordinate funding and foster public-private partnerships.

The City Council established the South Central Waterfront Advisory Board (SCWAB) in 2017. Our key charge is to work with stakeholders and staff to advise Council on Plan implementation. Over the past few months the SCWAB has sent recommendations to Council to commence the recommended Tax Increment Finance (TIF) study, which has potential to provide public funds to promote the South Central Waterfront Vision. And last month, the SCWAB forwarded a recommendation to Council to fund the completion of the opt-in regulating plan, which has the potential to leverage private funds for the Vision.

Now that the SCWAB has studied and forwarded recommendations to Council on the two most important funding components that are called for in the South Central Waterfront Plan, our attention has turned to the next critical implementation item. Namely, the establishment of a South Central Waterfront Development Corporation (aka: local government corporation). As stated in the Plan,

“A development corporation could provide the [South Central Waterfront] district with a suite of predevelopment and development services to assist the execution of both public and private projects within the district. This development corporation could facilitate and advocate for necessary public approvals, champion city-building infrastructure to support development, and package a range of incentives and funding tools necessary to achieve the aspirations of the South Central Waterfront Vision. A development corporation can be structured as a public entity, a non-profit or private entity, and can include public and private partners in either option. Upon adoption of the [South Central Waterfront] Plan, the City should take the necessary steps to research the feasibility and potential of structuring a South Central Waterfront Development Corporation. Recommendations and an ordinance should be returned for City Council consideration as soon as possible.”

As the SCWAB recently turned its attention and research to the need of a development corporation, we discovered that the City Council passed a resolution (20170216-040) which cited the South Central Waterfront Plan's recommendation. This Council resolution calls for staff to bring forward "specific proposals on creating an entity that could support development of affordable housing, redevelopment, revitalization and other priority projects and goals of the City" and "also capable of structuring public-private partnerships." Those Council instructions are in complete alignment with the recommendations from the South Central Waterfront Plan and of the SCWAB.

The SCWAB also recently discovered that Economic Development Staff has been working on responding to this Council resolution. In a memo dated August 17, 2018 to Council (Update on Resolution 20170216-040: Economic Development Corporation Report), Rebecca Giello, Interim Director of the Economic Development Department, indicated that the EDD is currently working on a report that will address the Council's resolution and that this report will be completed by October 31, 2018.

While the SCWAB is pleased that a report is pending to Council that will address a key recommendation from the South Central Waterfront Plan, **we are also concerned that our board has not been involved or consulted in the preparation of this report.** Nonetheless, we view the Council resolution and the pending report as a timely opportunity to further the implementation of the South Central Waterfront vision.

Therefore, the South Central Waterfront Advisory Board voted 7-0 (2 absences) at its October meeting to send a letter to request:

- That the Economic Development Department (EDD) present the draft report at the November meeting of the SCWAB so that the SCWAB can provide input to be incorporated into the final report; and
- That the EDD address the findings and recommendations in their report as it relates to the South Central Waterfront Plan, particularly as to the role that a Development Corporation might serve to coordinate public funds from the potential SCW TIF, which is now under study, and private funds that could be secured from the pending SCW Regulating Plan.

Thank you for your consideration.

Brooke Bailey
Chair, South Central Waterfront Advisory Board

cc: Spencer Cronk, City Manager
Joe Pantaloni, Assistant City Manager
Rebecca Giello, Interim Director, Economic Development Department
Greg Canally, Deputy Chief Financial Officer
Alex Gale, Interim Director, Office of Real Estate
Greg Guernsey, Director, Planning and Zoning
Rolando Fernandez, SCWAB ex officio representing Finance Department
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