



## Recommendation for Action

**File #:** 19-1360, **Agenda Item #:** 7.

3/7/2019

### Posting Language

Approve a resolution objecting or not objecting to Travis County's creation of the Velocity Crossing Public Improvement District (PID).

### Lead Department

Financial Services

### Fiscal Note

There is no fiscal impact.

### Prior Council Action:

**April 4, 2016 Item 9 - Council action to approve Ordinance No. 20160414-009 for C14-2015-0117 - Velocity Crossing - District 2** on second and third readings amending City Code Chapter 25-2 by zoning and rezoning property locally known as 3311 South FM 973 Road and 3326 East SH 71 Eastbound (Onion Creek Watershed; Colorado River Watershed) from interim-rural residence (I-RR) district zoning, development reserve (DR) district zoning and general commercial services-conditional overlay (CS-CO) combining district zoning to limited industrial services-planned development area (LI-PDA) combining district zoning, with conditions. First Reading approved on March 24, 2016. Vote: 10-0, Council Member Gallo was off the dais. *Owner/Applicant: SH 71-130 Holdings, LP (Karl Koebel). Agent: Metcalfe, Wolff, Stuart & Williams, LLP (Michele Rogerson Lynch). City Staff: Wendy Rhoades, 512-974-7719.* **Ordinance No. 20160414-009 for limited industrial services-planned development area (LI-PDA) combining district zoning with conditions was approved on Council Member Zimmerman's motion, Council Member Garza's second on an 11-0 vote**

**March 26, 2016 Item 30 - Public Hearing - C14-2015-0117 - Velocity Crossing - District 2** - Conduct a public hearing and approve an ordinance amending City Code Chapter 25-2 by zoning and rezoning property locally known as 3311 South FM 973 Road and 3326 East SH 71 Eastbound (Onion Creek Watershed; Colorado River Watershed) from interim-rural residence (I-RR) district zoning, development reserve (DR) district zoning and general commercial services-conditional overlay (CS-CO) combining district zoning to limited industrial services-planned development area (LI-PDA) combining district zoning, with conditions. Staff Recommendation: To grant limited industrial services-planned development area (LI-PDA) combining district zoning. Zoning and Platting Commission Recommendation: To grant limited industrial services-planned development area (LI-PDA) combining district zoning. *Owner/Applicant: SH 71-130 Holdings, LP (Karl Koebel). Agent: Metcalfe, Wolff, Stuart & Williams, LLP (Michele Rogerson Lynch). City Staff: Wendy Rhoades, 512-974-7719.* **The public hearing was held and the motion to close the public hearing and approve the ordinance on first reading only for limited industrial services-planned development area (LI-PDA) combining district zoning, was approved on consent on Council Member Zimmerman's motion, Council Member Renteria's second on a 10-0 vote. Council Member Gallo was absent.**

### For More Information:

Elaine Hart, Deputy City Manager and Chief Financial Officer, 512-974-2283; Belinda Weaver, Interim City Treasurer, Financial Services, 512-974-7885; Mary Marrero, Assistant City Attorney IV, Law Department, 512-

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974-2526; Andrew Linseisen, Assistant Director Development Services Department, 512-974-2239.

**Additional Backup Information:**

This resolution relates to Travis County's creation of the Velocity Crossing Public Improvement District (PID), located in eastern Travis County (Precinct 4) within the City of Austin's corporate limits (District 2), occupying the southwest corner of the intersection of State Highway 71 and State Highway 130. The PID is located within a federally designated Opportunity Zone and includes approximately 324.695 acres for a mixed-use commercial development with plans for office, medical, retail, and entertainment space as well as multifamily uses and/or a hotel.

On February 12, 2019, the Travis County Commissioners Court approved a resolution to create the Velocity Crossing PID. Travis County received a petition for the PID's creation on September 27, 2018 from the petitioner/land owner, **SH 71-130 Holdings, LP**. Pursuant to Texas Local Government Code Chapter 372, a PID may be created only after a governing body holds a public hearing on the advisability of the proposed improvements. A public hearing was opened by the Travis County Commissioners Court on January 29, 2019 and held open until closed on the date of its action to create the PID.

Pursuant to Texas Local Government Code § 372.003(d), the City Council has **thirty days from the date of the PID creation** by the county to object to its creation. If the City Council objects prior to March 14, 2019, the PID may not be established. This resolution **provides for the City Council to fill in a blank space to indicate that it either "objects" or "does not object" to creation** of the Velocity Crossing PID.

The Velocity Crossing PID meets the City's PID Policy stated objective that creation of a PID should be to support superior development in the Desired Development Zone. Because using a PID to finance public improvements benefits private development, the City's policy requires that such development must confer extraordinary benefits within the PID and to the community, in exchange for the PID bond financing.

City staff has met with Travis County staff and representatives of the petitioner/land owner, **SH 71-130 Holdings, LP**. City staff has also reviewed the Travis County posted action item and related backup, which are attached. These documents provide a description of the PID planned development and public improvements, area map, consultant's report on the PID real estate assumptions, and Travis County staff's analysis of expected community benefits to be derived from the PID.

**Velocity Crossing PID**

The Velocity Crossing PID is located in eastern Travis County (Precinct 4) within the City of Austin's corporate limits (District 2), occupying the southwest corner of the intersection of State Highway 71 and State Highway 130. The PID is located within a federally designated Opportunity Zone and includes approximately 324.695 acres for a mixed-use commercial development with plans for office, medical, retail, and entertainment space as well as multifamily uses and/or a hotel.

This PID's location within the City of Austin's corporate limits which means that many, if not all, of the public improvements will be dedicated to the City, not the County. The PID improvements will be subject to the City's usual development, permitting, and inspection process.

Velocity Crossing PID is the second PID that Travis County has created in the City's full-purpose annexed area. The first one was the WildHorse Ranch PID created on August 9, 2016.

Velocity Crossing PID is unique among the PIDs created by Travis County -- it is a commercial development, not a residential development. The Velocity Crossing PID's public improvements include certain infrastructure that will facilitate the development of an HEB grocery store. **The HEB parcel is adjacent to the PID**

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**boundary, but is not part of the PID.** Road infrastructure within the PID will provide access to the new Austin Community College (ACC) campus located immediately south of the PID. ACC's 124-acre campus will serve as a new career and technical education center that will replace the heavily used facilities at ACC's Riverside campus.

Public improvements that this PID will facilitate include, but are not limited to:

- improvement of the public roadway network,
- park space and trail connection to the Onion Creek Greenway, and
- extension of water and wastewater services from the City of Austin's water utility farther into southeastern Travis County.

The estimated total cost of the PID's proposed public improvements is approximately \$70,000,000 (plus issuance and other financing costs), which may be modified to conform to actual expenses. These public improvement costs will be paid by special assessments on the property owners within the PID. Travis County will incur no costs for the proposed improvements. Any remaining costs of the proposed improvements, as well as any other infrastructure required for the PID, will be paid from sources other than Travis County.

#### **State Statutes for PIDs**

Texas Local Government Code Chapter 372 authorizes the creation of special purpose districts **by a city or county** in the City's corporate limits or extraterritorial jurisdiction (ETJ) to fund public improvements and/or services in a defined geographic area such as a Public Improvement District (PID). PIDs are created only at the land owners' request via a petition of more than 50% of owners of taxable real property liable for the PID assessment. The City or County establishes a PID by adoption of a resolution after a public hearing.

PIDs are an economic development tool that permits the financing of qualified public improvement costs that confer a special benefit on a definable part of the City, including both its corporate limits and extra-territorial jurisdiction. A PID can finance capital costs and fund supplemental services to meet community needs. The costs of the capital improvements and/or supplemental services are paid by special assessments apportioned and levied on the PID's property owners that benefit from the public improvements and/or services -- equal shares of cost are imposed on property similarly benefitted.

Pursuant to Texas Local Government Code § 372.003(d), the City Council has **thirty days from the date of the PID creation** by the county to object to its creation. If the City Council objects prior to the thirty day timeframe, the PID may not be established.