



South Central Waterfront Advisory Board

Recommendation No. xxx

Date: May 20, 2019

Subject: Budget Recommendation to include funding to engaging Consultant Services to Complete South Central Waterfront Implementation

Motioned By:

Seconded By:

Recommendation

The South Central Waterfront Advisory Board (SCWAB) recommends that the City Council allocate funds in the FY 2020 budget to engage consultant services to assist Staff efforts in completing key implementation tools that are recommended in the 2016 South Central Waterfront Vision Framework Plan.

Description of Recommendation to Council

The South Central Waterfront Advisory Board (SCWAB) voted unanimously (9-0) at their April 15, 2019 meeting to recommend to City Council, budget allocation in FY 2020 to engage consultant services to assist Staff efforts to complete implementation tools, including financial analysis, project costs, regulatory requirements, and district management, to implement the 2016 South Central Waterfront Vision Framework Plan. This recommendation has been submitted as part of Boards and Commissions recommendation for FY 2020 budget considerations.

This recommendation is in alignment with the Economic Opportunity & Affordability, Mobility, and Health & Environment Strategic Outcomes of the City's Strategic Direction 2023. Within the Economic Opportunity & Affordability outcome, this recommendation addresses key indicators around cost of living compared to income, and housing availability and affordability. Within the Mobility outcome, this recommendation addresses key indicators around traffic congestion, accessibility to transportation choices, and condition of transportation-related infrastructure. Within the Health & Environment outcome, this recommendation addresses key indicators around accessibility to quality parks, trails, and recreational opportunities, environmental quality, and climate change and community resilience.

Rationale

The City Council adopted the South Central Waterfront Vision Framework Plan (SCW Plan) in 2016. The SCW Plan established a vision to leverage redevelopment to retrofit a new compact and connected public realm into a patchwork of private properties, creating a districtwide network of green streets, parks, trails and public open spaces (approximately 20 new acres), as well as achieving 20% new affordable housing units in the district (estimated to be over 500 units). To realize the vision, the SCW Plan recommends a series of interdependent implementation measures including development of opt-in zoning regulations (i.e. Regulating Plan), adoption of innovative financial tools (most importantly, creating a Tax Increment Finance Zone, or TIF), researching district management entities which could negotiate and foster public-private partnerships with redeveloping parcels, leveraging the single city property at One Texas Center for affordable housing, and strategic capital investments in infrastructure. In order to develop these implementation measures for Council consideration and potential adoption, Staff will need to engage consultant services for financial and real estate development analysis, preliminary engineering and cost estimation, urban design, and other professional services.

The need to engage consultant services to build upon and complete work started is urgent. For example, recent financial analysis completed by Capitol Market Research (CMR) in 2018 confirms that the market will support the South Central Waterfront to triple in density, to 8.5 million SF by 2040, as envisioned in the SCW Plan. The 2018 CMR study concluded: “Assuming a 5% annual rate of inflation, the South Central Waterfront taxable value is projected to be \$6,696,977,686 in 2040. This is an increment in taxable value of \$5,869,977,228 over the 2017 base year. Using the current City of Austin tax rate of 0.4480 **the potential tax revenue from the South Central Waterfront would be \$322,529,308, a majority of which would be incremental revenue available to fund infrastructure improvements in the district.**”¹

Implementing the SCW Plan’s financial, regulatory and district management toolkits could capture hundreds-of-millions of dollars between 2020 and 2040 to secure the community benefits envisioned in the SCW Plan. Consultant support will be required for Staff to provide the Council with the information and the suite of financial, regulatory, and management toolkits for adoption if the City is to take advantage of this redevelopment potential.

The SCW Plan was developed with four-years of community engagement. During that planning stage, the City conducted over 30 public events, engaging over 1600 citizens. The public consistently expressed their highest aspirations for the future of this district: Increased waterfront connections and park spaces; walkable, green streets; beautiful public spaces; and affordable housing options. Those continue to the key community aspirations that the South Central Waterfront Advisory Board hears about. Timing is critical if the City is to meet the aspirations of the community and the goals of the SCW Plan, and consultant support is needed to develop the implementation tools in time to keep pace with impending redevelopment.

¹ *South Central Waterfront Tax Increment Reinvestment Zone (TIRZ) Analysis, Capitol Market Research, September 19, 2018. Page 71.*

Vote

For:

Against:

Abstain:

Absent:

Attest: Samuel Franco, Chair

DRAFT