

NEIGHBORHOOD PLAN AMENDMENT REVIEW SHEET

NEIGHBORHOOD PLAN: South Congress Combined Neighborhood Plan

CASE#: NPA-2019-0020.04 **DATE FILED:** February 28, 2019

PROJECT NAME: 600 Industrial

PC DATES: August 27, 2019

ADDRESS/ES: 600 Industrial Boulevard

DISTRICT AREA: 3

SITE AREA: Approx. 4.2619 acres

APPLICANT/OWNER: KC 600 Industrial LLC

AGENT: David Hartman; Smith Robertson, L.L.P. (512)225-1704

TYPE OF AMENDMENT:

Change in Future Land Use Designation

From: Industry **To:** Mixed Use

Base District Zoning Change

Related Zoning Case: C14-2019-0082

From: LI-NP **To:** LI-PDA

NEIGHBORHOOD PLAN ADOPTION DATE: August 18, 2005

PLANNING COMMISSION RECOMMENDATION: Pending, to be reviewed September 24, 2019.

August 27, 2019 – Item postponed at planning staff's request to September 24, 2019
[APPROVED BY COMMISSSIONER SHIEH, SECONDED BY COMMISSIONER SCHNEIDER ON A VOTE OF 11-0]

STAFF RECOMMENDATION: Recommended with request for further study of industrial areas in Austin.

BASIS FOR STAFF'S RECOMMENDATION:

This 4.26-acre tract is located in the middle of a viable industrial and manufacturing district. Long Range Planning staff recognizes that properties immediately north and east of 600 Industrial Boulevard were zoned LI-PDA-NP in 2005 as a part of the South Congress Combined Neighborhood Plan process. Over the past five years, the industrial district where this site is located has undergone and is experiencing change. During this time, there have been seven approved zoning change requests to allow mixed use and dense residential development. While these requests were mostly in alignment with the *South Congress Combined Neighborhood Plan*, they are probable precursors of development that will change the fundamental heavy commercial/industrial character of the area. Although most of these were along or within a quarter mile of South Congress Avenue, the 600 Industrial Boulevard zoning case and associated plan amendment (.4 miles from South Congress Avenue) is another indicator of this change. For these reasons, as well as those mentioned in the associated zoning case staff report (C14-2019-0082), staff is recommending the FLUM change from Industry to Mixed Use with the additional request to further study the remaining industrial areas in the City of Austin.

As the need for more housing continues, there has been an increase of zoning cases across Austin to convert industrial-zoned sites to residential. In some industrial areas increased property tax assessments are driving the conversion to residential as owners and tenants cannot afford their higher tax bills. This trend can lead to undesirable outcomes. The intrusion of residential uses into industrial areas can impose health and safety issues on these residents, particularly if they live proximate to hazardous chemical locations. Additionally, allowing residential units near industrial or intense commercial sites can place a burden on those uses as future residents adversely react to the sounds, smells, vibrations, and heavy traffic inherent to these areas. As these industrial areas within the city shrink and disappear, there is broader risk to the economy. These areas are a key component to a diverse job base and to maintaining a diverse working population within the city limits. The *City of Austin's Master Community Workforce Plan* (June 2017) has a goal to "make Austin more affordable by improving economically disadvantaged residents' access to better economic opportunities". The plan's priority is to provide access to "middle-skill jobs." Replacing viable and thriving industrial and warehouse districts with market rate housing and service-oriented uses reduces the opportunity for the middle-skill job sector.

To address this issue, the Planning and Zoning Department recommends conducting a study to identify the numerical and geographic scope of these conversions and develop recommendations to address the issue.

Land Use (excerpts from neighborhood plan)*Goals*

GOAL ONE: Preserve and enhance the existing single-family neighborhoods and retain the affordability of these neighborhoods.

GOAL TWO: South Congress Avenue should become a more vibrant, accessible mixed-use corridor and a destination for nearby residents and the citizens of Austin.

GOAL THREE: Focus mixed-use development and commercial uses along major commercial corridors and in specialized districts.

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The St. Elmo Industrial District

The St. Elmo Industrial District is becoming eclectic and more diverse. The wide variety of home improvement and music industry-oriented businesses makes it a vibrant district. Within a half-mile, there are twenty-two construction supply houses of various types and five plumbing supply houses. This area is also home to several light manufacturing concerns. Throughout the planning process, it was noted that this area is an asset and is one of the few districts of its kind functioning well in the City. Although traffic is a concern, this area should continue to be utilized as a commercial and industrial district.

Objective 3.12 – The St. Elmo Industrial District should be preserved and enhanced where appropriate.

Objective 3.1: Encourage quality redevelopment along the eastbound frontage road of Ben White Boulevard.

Recommendation 1: Allow mixed-use and commercial land uses along the frontage road of Ben White Boulevard west of South Congress Avenue to give flexibility to property owners and developers.

Recommendation 2: Allow greater heights and a wider variety of commercial and mixed-use land uses along Ben White Boulevard from South Congress Avenue to Interstate 35 and on Interstate 35 from Ben White Boulevard to St. Elmo Road.

The intent of allowing more intense and a greater variety of land uses is to encourage development that more fully utilizes the highway frontage road lots. As the upgrade of Ben White Boulevard and the Interstate 35 interchange nears completion, pressure increases behind redeveloping this segment of the highway as part of a gateway into Austin. Potential redevelopments could include hotels that cater to business conventions, office towers with ground floor services, and other projects that demand heights

appropriate along highways and that benefit from their proximity to both the airport and downtown.

GOAL FOUR: Improve the accessibility, convenience, and safety for all forms of transportation.

GOAL FIVE: The public open spaces should be preserved and enhanced.

LAND USE DESCRIPTIONS

EXISTING LAND USE ON THE PROPERTY

Industrial

Areas reserved for manufacturing and related uses that provide employment but are generally, not compatible with other areas with lower intensity use. Industry includes general warehousing, manufacturing, research and development, and storage of hazardous materials.

Purpose:

1. To confine potentially hazardous or nuisance-creating activities to defined districts;
2. To preserve areas within the city to increase employment opportunities and increased tax base;
3. To protect the City's strategic advantage as a high-tech job center; and
4. To promote manufacturing and distribution activities in areas with access to major transportation systems.

Application:

1. Make non-industrial properties in areas with a dominant industrial character compatible with the prevailing land use scheme;
2. Where needed, require a buffer area for industrial property that abuts residentially used land;
3. Industry should be applied to areas that are not appropriate for residential or mixed use development, such as land within the Airport Overlay;
4. In general, mixed use and permanent residential activities are not appropriate in industrial areas. An exception may be the edge of an industrial area along the interface with an area in which residential activities are appropriate. Such exceptions should be considered case by case, with careful attention to both land use compatibility and design;
5. Industry should not be either adjacent to or across the road from single family residential or schools;
6. Use roadways and/or commercial or office uses as a buffer between residential and industry; and
7. Smaller scale "local manufacturing" districts may be appropriate in some locations to preserve employment opportunities and cottage industries of local artisans. In these areas, hazardous industrial uses (i.e. basic industry, recycling centers, and scrap yards) should be prohibited.

PROPOSED LAND USE ON THE PROPERTY**Mixed Use**

An area that is appropriate for a mix of residential and non-residential uses.

Purpose:

1. Encourage more retail and commercial services within walking distance of residents;
2. Allow live-work/flex space on existing commercially zoned land in the neighborhood;
3. Allow a mixture of complementary land use types, which may include housing, retail, offices, commercial services, and civic uses (with the exception of government offices) to encourage linking of trips;
4. Create viable development opportunities for underused center city sites;
5. Encourage the transition from non-residential to residential uses;
6. Provide flexibility in land use standards to anticipate changes in the marketplace;
7. Create additional opportunities for the development of residential uses and affordable housing; and
8. Provide on-street activity in commercial areas after 5 p.m. and built-in customers for local businesses.

Application:

1. Allow mixed use development along major corridors and intersections;
2. Establish compatible mixed-use corridors along the neighborhood's edge
3. The neighborhood plan may further specify either the desired intensity of commercial uses (i.e. LR, GR, CS) or specific types of mixed use (i.e. Neighborhood Mixed Use Building, Neighborhood Urban Center, Mixed Use Combining District);
4. Mixed Use is generally not compatible with industrial development; however, it may be combined with these uses to encourage an area to transition to a more complementary mix of development types;
5. The Mixed Use (MU) Combining District should be applied to existing residential uses to avoid creating or maintaining a non-conforming use; and
6. Apply to areas where vertical mixed-use development is encouraged such as Core Transit Corridors (CTC) and Future Core Transit Corridors.

IMAGINE AUSTIN PLANNING PRINCIPLES

1. Create complete neighborhoods across Austin that provide a mix of housing types to suit a variety of household needs and incomes, offer a variety of transportation options, and have easy access to daily needs such as schools, retail, employment, community services, and parks and other recreation options.
 - ***The property is located in an area primarily comprised of commercial and industrial uses. The sidewalk network is non-existent on Industrial Blvd and on Terry O Lane just east of the property. There are no existing bike lanes on Industrial Blvd or on Terry O Lane. The project would introduce sidewalks, retail, recreation, and housing opportunities in the area.***
2. Support the development of compact and connected activity centers and corridors that are well-served by public transit and designed to promote walking and bicycling as a way of reducing household expenditures for housing and transportation.
 - ***The property is located approximately 0.39 miles directly east of South Congress Blvd, which is an Imagine Austin Activity Corridor with several bus routes including the 1 and 486 CapMetro bus lines and the St. Elmo 801 MetroRapid Bus line. The property is 0.09 miles directly south of East Ben White Blvd. and the 310 CapMetro bus line.***
3. Protect neighborhood character by ensuring context-sensitive development and directing more intensive development to activity centers and corridors, redevelopment, and infill sites.
 - ***This property is not on an Activity Corridor or in an Imagine Austin Activity Center. There are currently no residential uses immediately surrounding the property. The surrounding Industrial and Commercial uses would make the project fall outside of the immediate area's context. However, there are nearby projects such as St. Elmo Brewing Company and St. Elmo Market and Lofts provide similar uses. The properties immediately north and to the west were rezoned to LI-PDA-NP as part of the South Congress Combined Neighborhood Plan in 2005. There are several Vertical Mixed Use zonings on South Congress that point to a change in the local use and character of the area.***
4. Expand the number and variety of housing choices throughout Austin to meet the financial and lifestyle needs of our diverse population.
 - ***The applicant's estimated 400 market rate rental units will provide additional housing choices for the area and the city. There are discussions to set aside 10% of those units at 80% MFI.***
5. Ensure harmonious transitions between adjacent land uses and development intensities.
 - ***Mixed Use land use may be considered a buffer between industrial uses and residential uses, but not necessarily between industrial and commercial uses.***
6. Protect Austin's natural resources and environmental systems by limiting land use and transportation development over environmentally sensitive areas and preserve open space and protect the function of the resource.

- *The property is not in an environmentally sensitive area.*
7. Integrate and expand green infrastructure—preserves and parks, community gardens, trails, stream corridors, green streets, greenways, and the trails system—into the urban environment and transportation network.
 - *The applicant plans on creating a small recreation area and dog park, rain gardens and new planted trees.*
 8. Protect, preserve and promote historically and culturally significant areas.
 - *Not applicable.*
 9. Encourage active and healthy lifestyles by promoting walking and biking, healthy food choices, access to affordable healthcare, and to recreational opportunities.
 - *The project aims to connect via a future sidewalk network to South Congress Avenue.*
 10. Expand the economic base, create job opportunities, and promote education to support a strong and adaptable workforce.
 - *The project will bring in new retail and hospitality (brewery and beer garden) jobs to the area. The project will be, however, displacing several industrial based businesses that were formerly tenants. As noted in the reasons for staff's recommendation, as these industrial areas within the city shrink and disappear, there is broader risk to the economy. These areas are a key component to a diverse job base and to maintaining a diverse working population within the city limits. The City of Austin's Master Community Workforce Plan (June 2017) has a goal to "make Austin more affordable by improving economically disadvantaged residents' access to better economic opportunities". The plan's priority is to provide access to "middle-skill jobs." Replacing a viable and thriving industrial and warehouse districts with market rate housing and service-oriented uses reduces the opportunity for the middle-skill job sector.*
 11. Sustain and grow Austin's live music, festivals, theater, film, digital media, and new creative art forms.
 - *Not applicable*
 12. Provide public facilities and services that reduce greenhouse gas emissions, decrease water and energy usage, increase waste diversion, ensure the health and safety of the public, and support compact, connected, and complete communities.
 - *Not applicable*

BACKGROUND: The application was filed on February 28, 2019.

The applicant proposes to change the land use designation of this property on the future land use map (FLUM) from Industrial to Mixed Use in order to allow for residential uses on the 4.2619 acre site. The parcel is one block south of Ben White Blvd. The site currently houses industrial and warehouse uses.

The applicant proposes to change the zoning from LI-NP (Limited Industrial Service – Neighborhood Plan) to LI-PDA (Limited Industrial Service – Planned Development Area Combining District) to allow for construction of residential uses. For more information on the zoning request, please see the case report for case number C14-2019-0082.

PUBLIC MEETING: The ordinance required plan amendment meeting was held on August 7, 2019. Approximately 88 meeting notices were mailed to property owners and renters located within 500 feet of the subject property. Additionally, an email was sent notifying the Montopolis neighborhood contact team of this meeting. Six (6) project team members affiliated with the property were in attendance along with one planning department staff member. There were six (6) members of the public in attendance. The meeting began at 7:00pm and the project agent David Hartman introduced the project and the project team before beginning their presentation.

The property agent and design team presented to the gathered community members. The presentation included aspirational images as well as answers to previous concerns raised by the Neighborhood Plan Contact Team including sidewalk construction, streetscape design, drainage issues, parking concerns, security concerns, prohibited uses, and the possibility of including some affordable housing. The applicant is proposing the construction of 400 units, 12,850 sq. ft. retail space, and 5,236 sq. ft. brewery and beer garden.

Q&A

Comment 1: Appreciative of project staff's responsiveness to concerns raised by the neighborhood contact team. Generally, don't like big developments, but understand things are changing.

Question 1: How many car trips are expected to be generated by this project? What is the timeline for project completion?

Answer 1: Conservative estimate is 12-18 months from ground break to completion.

Question 2: Is it possible to have the utilities be underground? Is that an option?

Answer 2: We have no precedent for that. We are looking into it. No clear indication that this is feasible. That would normally be a larger project and larger area type of action.

Question 3: What types of street closures might be expected during construction?

Answer 3: We will try to minimize impacts on surrounding streets. Don't see closures being necessary. We will need the roads open for construction crews.

Question 4: Where will construction crews park?

Answer 4: There are sections of the site that won't require construction, should have plenty of space for crews to park on-site. We are open to talking during construction phase should issues arise.

Comment 2: We have had issues with construction crews in the area parking in front of fire hydrants. We could not find or get a hold of the construction contractor.

Answer: We will make sure there is enough parking for work crews. We will make sure to establish channels of communication with contractors and introduce chief crew members to contact team.

Question 5: You talked about sidewalk improvements during your presentation. How will that work?

Answer: Will need to coordinate with the city to leverage available transportation funds.

Question 6: Will the units be for rent or ownership?

Answer: The units will be rentals.

Question 7: What will your new tenants think of the fire at the Recycling Center across the street last week?

Answer: As far as we know there were no hazardous materials of concern burned during the fire. It appears to have been caused by something that was not supposed to be at the recycling center.

Question 8: How many businesses will be displaced due to this project?

Answer: There are 3 current tenants on site whose leases we are working with.

Question 9: What are the costs for the sidewalks that need to be built to connect the site with South Congress?

Answer: \$200,000.

Comment: Would it not benefit the project to pay for those sidewalks?

Answer: This item is being discussed. The sidewalks in front of the site will be built. We can pay into a fund, but we would not construct those sidewalks.

Question 10: In your presentation you had designs to straighten Terry O. Lane. Why?

Answer: To make it easier for drivers (especially new visitors and residents) to have a clear notion of whose right of way it is at any given time.

Comment: Lots of big trucks take that S-curve. It was constructed to get big trucks to slow down.

Answer: The new alignment design gives a reason to reconstruct the currently crumbling streets.

Question: Is there funding for that?

Answer: There will be some necessary coordination but not like coordinating with 12 property owners to get sidewalks built. The city could do so as part of transportation improvements.

Comment: Locals know how to navigate that S-curve safely. It's also the fastest way in and out of the neighborhood.

Question 11: On affordable housing, any thoughts or possibility on dropping the MFI affordability on the 10% of units you're setting aside as affordable?

Answer: Our peer projects in the area do not have any affordability restrictions or commitments.

Question 12: How will you manage those affordable units?

Answer: We would go through the City of Austin or a non-profit.

Comment: Property taxes keep going up. You saw the business owner leave during the meeting. It's hard for businesses to keep up with rising property taxes. People are frustrated. This is what we're seeing in the area. We are trying to find that balance. Is there any way to diminish that?

Answer: It's a matter of how to implement change with the best use of that change in mind. A lot of these older metal buildings are being left vacant. The state sets the tax burden on neighbors. This is a City-wide issue. We need more tools. Property and business owners are feeling the push of taxes even without this new project.

Question 13: Why did you choose this property over another?

Answer: Property costs have gone up. Taxes have increased. What does the city need instead of expensive vacant property? Our tenants came to us asking when they could see a break in rising rents. So, it was our tenants who came to us.

Comment: So, you're the original owner?

Answer: Yes. The idea is to match the surrounding FLUM and Zoning.

Comment: The loss of specialized businesses that have been in this area for a long time is a big concern for the community. It's a hard balance. We need to ensure that what is promised will be delivered. That's what the Neighborhood Plan Contact Team must deal with. We want to know that the community and citizens are getting something back.

Answer: The city needs major infrastructure investments. This is a way to help with that. What is the next form for a 50-year-old metal building? If upgrades are made to that building, those pressures would still exist and be passed down to the tenants and there would be no upgrades to the area infrastructure.

Question 14: The City is focused on the homeless problem. Is anything happening in the City?

Answer: They are going district by district.

Question: Is there any sense of the same type of urgency to address the infrastructure problem?

Comment: I would really like to see 60% MFI on the affordable units.

CITY COUNCIL DATE: October 17, 2019

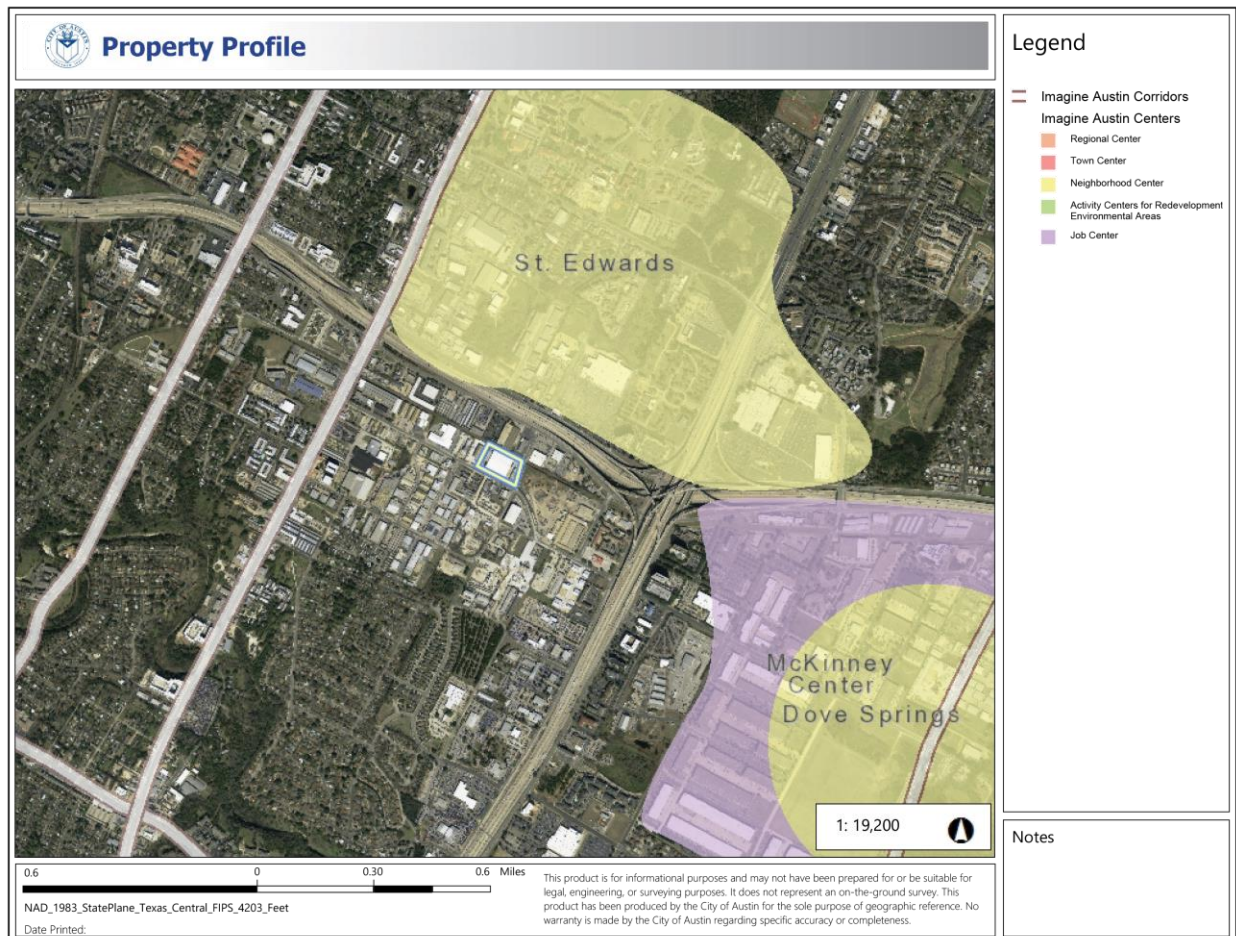
ACTION: Pending

CASE MANAGER: Jesse Gutierrez

PHONE: 512-974-1606

EMAIL: jesse.gutierrez@austintexas.gov

Imagine Austin Centers and Corridors



IMAGINE AUSTIN GROWTH CONCEPT MAP***Definitions***

Neighborhood Centers - The smallest and least intense of the three mixed-use centers are neighborhood centers. As with the regional and town centers, neighborhood centers are walkable, bikeable, and supported by transit. The greatest density of people and activities in neighborhood centers will likely be concentrated on several blocks or around one or two intersections. However, depending on localized conditions, different neighborhood centers can be very different places. If a neighborhood center is designated on an existing commercial area, such as a shopping center or mall, it could represent redevelopment or the addition of housing. A new neighborhood center may be focused on a dense, mixed-use core surrounded by a mix of housing. In other instances, new or redevelopment may occur incrementally and concentrate people and activities along several blocks or around one or two intersections. Neighborhood centers will be more locally focused than either a regional or a town center. Businesses and services—grocery and department stores, doctors and dentists, shops, branch libraries, dry cleaners, hair salons, schools, restaurants, and other small and local businesses—will generally serve the center and surrounding neighborhoods.

Job Centers - Job centers accommodate those businesses not well-suited for residential or environmentally- sensitive areas. These centers take advantage of existing transportation infrastructure such as arterial roadways, freeways, or the Austin-Bergstrom International airport. Job centers will mostly contain office parks, manufacturing, warehouses, logistics, and other businesses with similar demands and operating characteristics. They should nevertheless become more pedestrian and bicycle friendly, in part by better accommodating services for the people who work in those centers. While many of these centers are currently best served by car, the growth Concept map offers transportation choices such as light rail and bus rapid transit to increase commuter options.

Corridors - Activity corridors have a dual nature. They are the connections that link activity centers and other key destinations to one another and allow people to travel throughout the city and region by bicycle, transit, or automobile. Corridors are also characterized by a variety of activities and types of buildings located along the roadway — shopping, restaurants and cafés, parks, schools, single-family houses, apartments, public buildings, houses of worship, mixed-use buildings, and offices. Along many corridors, there will be both large and small redevelopment sites. These redevelopment opportunities may be continuous along stretches of the corridor. There may also be a series of small neighborhood centers, connected by the roadway. Other corridors may have fewer redevelopment opportunities, but already have a mixture of uses, and could provide critical transportation connections. As a corridor evolves, sites that do not redevelop may transition from one use to another, such as a service station becoming a restaurant, or a large retail space being divided into several storefronts. To improve mobility along an activity corridor, new and redevelopment should reduce per capita car use and increase walking, bicycling, and transit use. Intensity of land use should correspond to the availability of quality transit, public space, and walkable destinations. Site design should use building arrangement and open space to reduce walking distance to transit and destinations, achieve safety and comfort, and draw people outdoors.

9. 5

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The applicant seeks to change the Future Land Use Map of the South Congress Combined Plan from Industry to Mixed Use.

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Letter of Recommendation from the Neighborhood Plan Contact Team
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DATE: August 26, 2019

TO: City of Austin Planning Commission
Council Member, Pio Renteria-District 3
Mayor, Steve Adler
City Council Members

CC: City of Austin Zoning Case Files
Wendy Rhoades Wendy.Rhoades@austintexas.gov
David Hartman dhartman@smith-robertson.com

FROM: South Congress Combined Neighborhood Plan Contact Team – SCCNPCT

RE: Letter Not to Support: Zoning Case No. C14-2019-0082 600 Industrial Blvd.

Dear Planning Commissioners and Council Member, Pio Renteria,

This is to inform you all that the property owner's representative has been working with the South Congress Combined Neighborhood Plan Contact Team (SCCNPCT) for rezoning the above mentioned property.

This case, No. C14-2019-0082 600 Industrial Blvd., will be on the agenda before planning commission on August 27, 2019 so that the applicant's file may remain alive.

While the SCCNPCT has had meetings with the developer and the opportunity to express a number of our neighbor's concerns, with negotiations still ongoing, we cannot support rezoning for this development at this time.

We, the SCCNPCT, maintain Austin's affordability as a main priority so true affordable housing is provided for families and children living within the contact team area and in all of Austin, Texas.

Please ensure this letter is added to the above case file to serve as the SCCNPCT's letter not to support re-zoning of the above property, Zoning Case No. C14-2019-0082.

SCCNPCT's concerns and requests, below, include:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Affordable Housing • Onsite Pet area • Air Quality analysis for concerns for residents potentially living within the industrial area. • AFD Austin Fire Department approval. • Flood Mitigation within the area - cost to be provided by developer • Parking and Overflow Parking for businesses • Emergency evacuation procedure for residents • Security • Trees • A contact person during construction | <ul style="list-style-type: none"> • Outdoor lighting, specifically from garage areas • Road closures and parking for contractors during construction – provide a contact person. • Sidewalk improvement costs to be provided by developer • Straighten existing roads Terry O Lane and St. Elmo • 400 apartment units projected • Displacement • Increased taxes • Impact on neighbors/businesses |
|--|--|

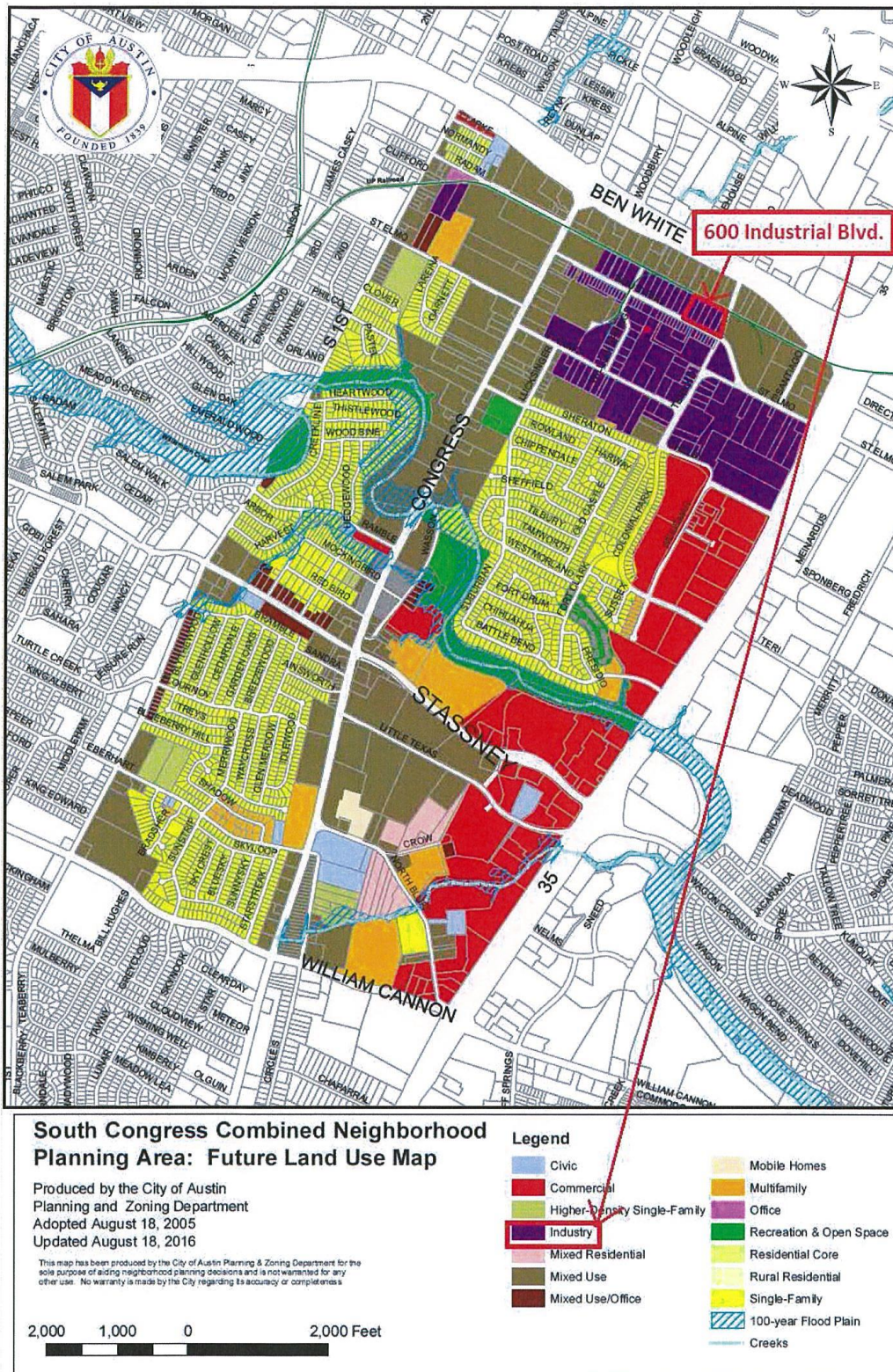
Please contact us if there are any questions. Thank you.

Respectfully,
SCCNPCT
Mario Cantu - Keena Miller - Michael Fossum

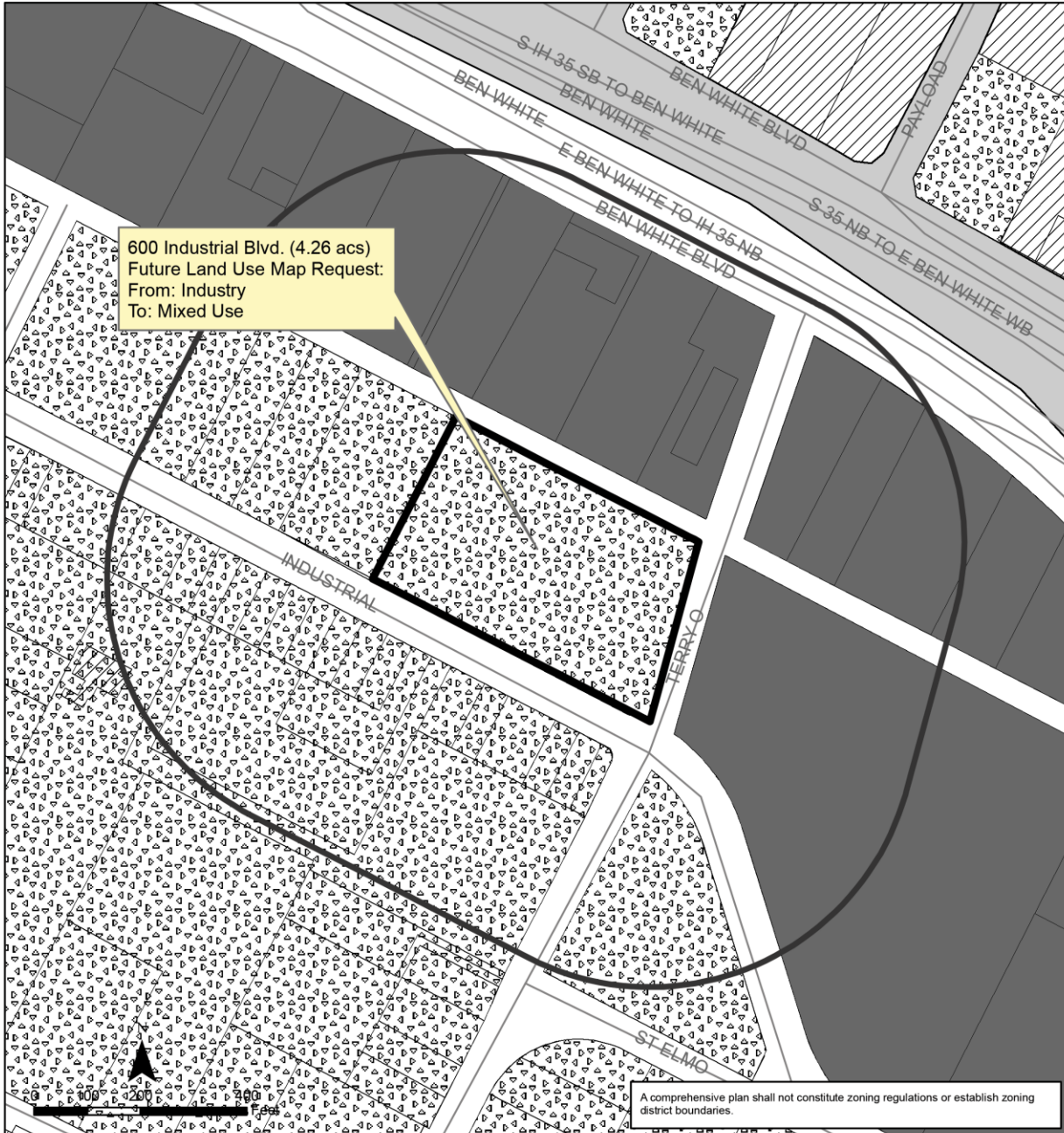
Correspondence from Property Owner(s)

None at the time this report was submitted.

FUTURE LAND USE MAP (Neighborhood Plan)



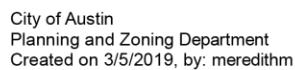
FUTURE LAND USE MAP



**South Congress (East Congress) Combined Neighborhood Planning Area
NPA-2019-0020.04**

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

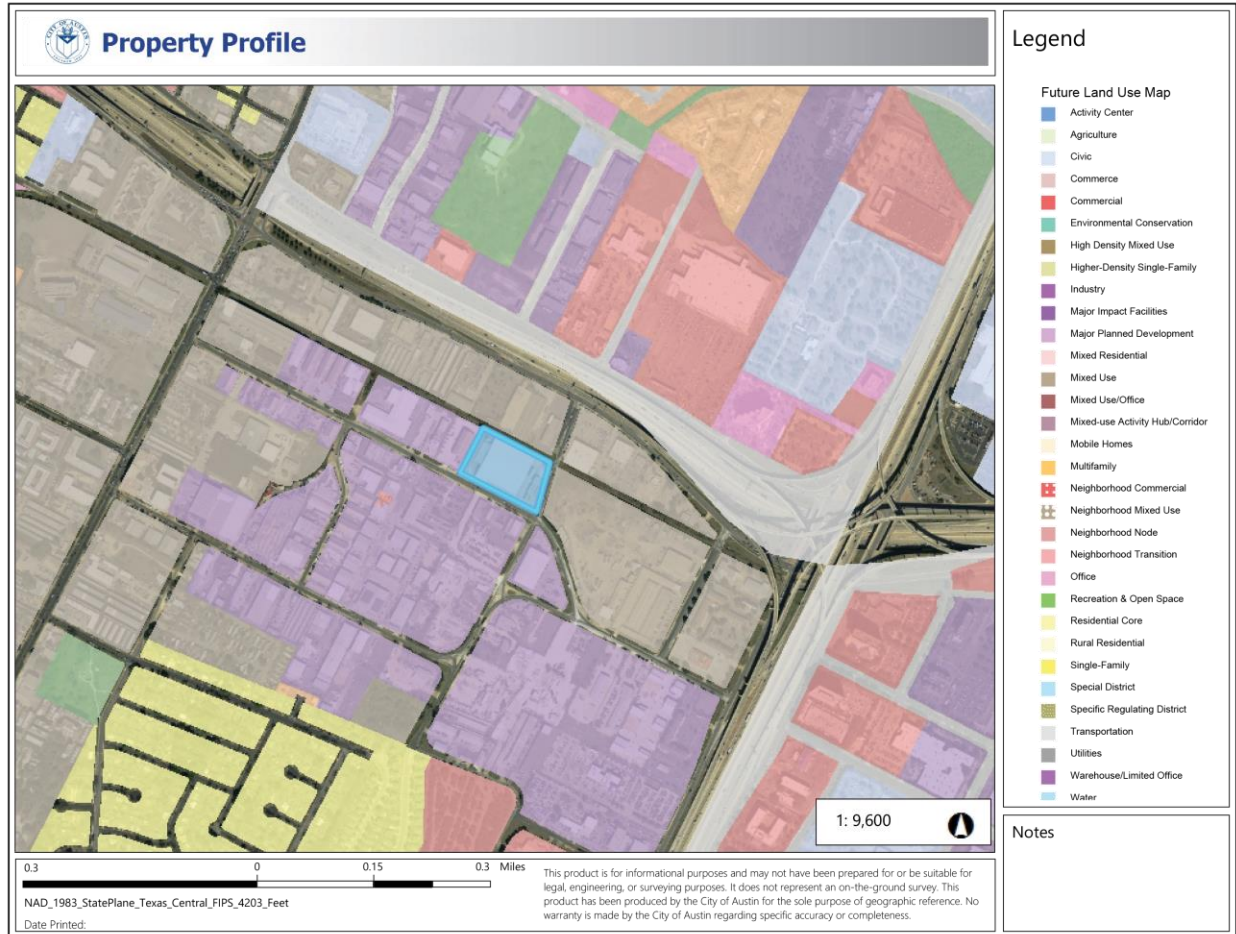
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Future Land Use

- | | | | | | |
|---|-------------------------|---|------------------|---|-------------------------|
|  | 500 ft. notif. boundary |  | Subject Property |  | Office |
|  | |  | Single-Family |  | Industry |
|  | |  | Multi-Family |  | Civic |
|  | |  | Commercial |  | Recreation & Open Space |
|  | |  | Mixed Use |  | Transportation |

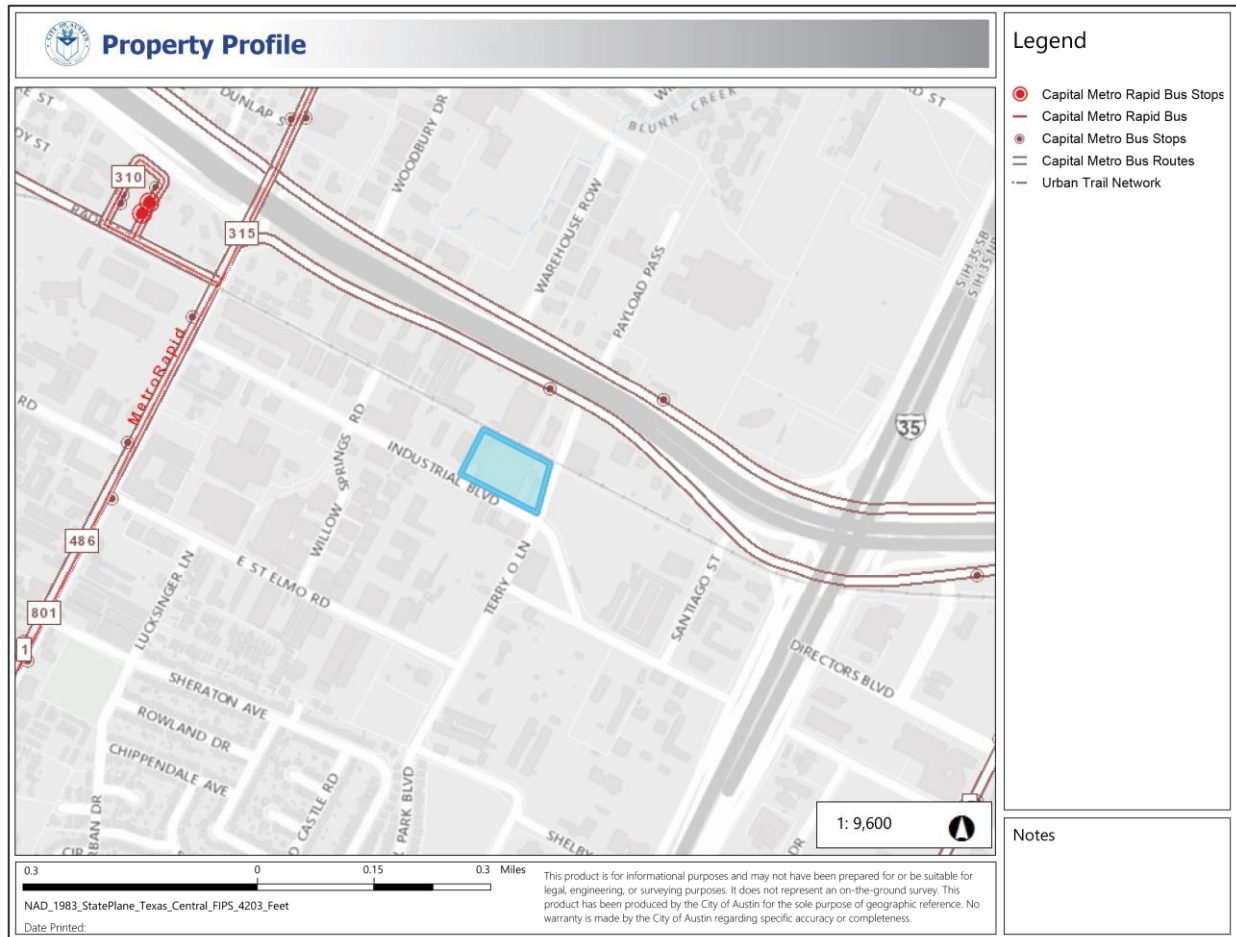
FUTURE LAND USE MAP DETAIL



ZONING



TRANSIT ACCESS



PARKS AND OPEN SPACE

