

1. **What is justification for Applicant not using Paseo to meet their parkland dedication requirements? Would this development still be viable if the Paseo design is altered to exclude auto access and meet parkland dedication requirements?**

The appellants are local developers who have owned this site for over 20 years and have extensive experience building locally in Austin. As longtime local developers, their ultimate goal is not simply to transact and develop property, but rather to build projects that reflect well on their ability to deliver quality urban design.

To that end, the appellant has put extensive effort into designing a high-quality ‘complete streets’ vision. They pushed for – and received – Texas Department of Transportation (TXDOT) approval to allow bike lanes and street trees on Koenig Lane, despite initial TXDOT resistance. And they designed the paseo streetscape to provide a “compact and connected” grid, with safe multi-modal and vehicular access as well as street trees, planter areas, and parallel parking. Because Koenig Lane is TXDOT ROW, ATD’s TIA is subservient to TXDOT’s TIA.

The appellant designed the paseo in this way in order to contribute to an overall gridded street network (improving overall system operations, which benefits future residents as well as the broader community) while also ensuring multi-modal comfort and safety. This design also supports the viability of the envisioned ground-floor retail space by providing a small number of parallel parking spaces that can directly serve retail uses and it reduces vehicular strain on 56th Street by locating the leasing office within the paseo area.

In terms of city policies, the Austin Strategic Mobility Plan identifies this gridded-street strategy as one its “top strategies,” as follows: “We should strategically add capacity for vehicles and multimodal travel and improve connectivity in our street grid to better distribute trips across the community in a way that preserves safety in the public right of way.” The neighborhood, as well, has indicated that they had similar priorities of obtaining new retail space and of distributing vehicular activity rather than focusing it along Avenue F. The appellant’s design produces better outcomes in both of these areas.

From a purely technical perspective, redesign of all streetscapes, including replacing the paseo area with parkland, is possible – though the appellant believes strongly that doing so will produce worse overall outcomes and yield a suboptimal project with which the appellant would not want to be associated. In that scenario, the appellant would likely opt to simply maximize the site plan unit yield and sell the site. However, given their longstanding connection to the site – and their strong belief that the overall urban design implements the city’s own planning vision – the appellant wanted to first seek a resolution through this appeals process.

1. **Would applicant be willing to seek subsidies in order to build under the Affordability Unlocked ordinance which would provide more housing, market and affordable, and more parkland? If not, please provide justification.**

Different developers specialize in different types of development – and not all of them are interchangeable. Subsidized affordable housing development is a specific subset of development with different regulations, funding sources, and development strategies. In this case, the appellant is not a non-profit entity and does not have experience financing, building, or otherwise navigating the regulatory environment related to subsidized projects. Of note, much

like seeking a compatibility waiver from BOA, government subsidies require discretionary approvals. If Affordability Unlocked was truly a realistic option for the appellant, they would have already pursued it, given that it would theoretically have allowed them the ability to double their height and waive compatibility. The fact that the appellant did not pursue such an extensive expansion of entitlements is indicative of the fact that it is not a realistic option for this developer.

However, in recognition of the conversation around the constraints imposed by compatibility and the trade-offs between vertical and horizontal development, the appellant last week made an additional compromise offer to the Parks and Recreation Department (PARC). Under this compromise, PARC would agree to accept the appellant's proposed parkland design *contingent upon* the appellant applying – with PARC support – for a Board of Adjustment (BOA) variance from compatibility in order to allow up to 60 ft. of height across the project (as would otherwise be allowed by the base zoning). If the appellant is able to prevail at BOA and receives 60 ft. of height across the project, they will be able to achieve enough additional vertical units to feasibly reduce their overall building footprint and provide at least 0.5 acres in the Button Park and 0.5 acres in the Pocket Park. If BOA does not approve the 60-ft. compatibility waiver request, then PARC would agree to move forward with the appellant's proposal parks vision.

While compatibility variances are very difficult to obtain, the appellant believes that support from both PARC and the North Loop Neighborhood Association could help the appellant make their case. As of yet, PARC has not responded to this proposed compromise.

- 2. Please explain why PARC's proposed parkland alignment is only depicted as impacting housing and not parking and private courtyards? Please explain in terms of code requirements for parking and private open space.**

The appellant's impact analysis of PARC's proposed alignments *does* incorporate parking and courtyard considerations. First, as noted above, the appellant's interest in this site is not simply to transact and develop property, but rather to build projects that deliver quality urban design in their hometown.

Beyond that, however, the appellant's analysis specifically configured PARC's proposed alignments in a manner that incorporated the courtyard space as parkland acreage. Including this courtyard space in the parks area produced the *lowest* estimated impact to units for each configuration. In other words, it *lowered* the overall unit loss estimates, making the projected losses *more conservative* than they would be otherwise (as the estimates would otherwise affect a greater number of unit stacks).

From a purely technical perspective, redesign of courtyard space is possible – though that scenario produces an outcome in which decisions are based on a need to minimize financial impact by maximizing units at the expense of most other urban design considerations, rather than an outcome in which decisions are based on a desire to meet a high standard of urban design. The appellant believes that we can accomplish all of these goals in tandem, and thus strongly prefers the latter outcome (a high standard of urban design) and would likely sell the site if the only option is the former (threatening financial feasibility and thus forcing the maximization of unit yield in ways that sacrifice the higher standard of overall urban design).

The appellant considered impacts to parking, as well – as a developer’s vision for a site is ultimately limited by their ability to actually obtain the financing needed to build their project.

To this end, parking ratios in Austin are driven largely by lenders. In short, the market demand dictate to developers what level of parking they must provide, based on the lender’s analysis of what level of parking the market is demanding within the project’s subdistrict area. This is the reason why many projects in Austin do not yet fully maximize allowable parking reductions. Reducing parking below market demand and thus lender-required thresholds threatens the project’s financing and thus its feasibility.

Additionally, parking structure yield is limited further by design needs. The project utilizes a standard double-loaded parking design, which yields *no* north/south spatial gains in PARD’s proposed alternatives (as the reduced unit levels do *not* change the north/south area needed to for navigation and parking spaces). There are marginal, limited east/west gains that have been considered and still ultimately produce the problematic outcomes described above and throughout the appeals process. For example, parts of the ground floor in the western parking structure include the riser room, main data room (telecoms), mail room, bicycle storage, and emergency egress; these areas are still required in a reduced unit count and limit square footage yield.