



FINANCIAL SERVICES DEPARTMENT

Colony Park Sustainable Community Financing Plan

City Council Briefing
October 25, 2022



Today's Discussion



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- Resolution No. 20220324-056
- Colony Park Site and History
- Colony Park Sustainable Community Plan
- Financing Plan - TIRZ #20 Framework
- Next Steps

Resolution No. 20220324-056



Resolution No. 20220324-056 Direction

- Bring financing plan for Colony Park to Council no later than the end of 2022 (Today)
- Bring forward the Master Development Agreement to Council for consideration
- Provide Council an update on the Colony Park project no later than June 30, 2022 (Complete)
- Submit a formal request to Travis County and Austin Transit Partnership to participate in the TIRZ (Complete)
- Request City departments to identify capital improvement projects in the area (Complete)
- Consider any actions to facilitate the recommendations contained in the Phase 1 report
- Collaborate with other entities to develop “holistic, transformative and equitable programs and strategies” for existing adjacent neighborhoods to create a sustainable framework of displacement mitigation and new housing and business development

Colony Park Site and History

Colony Park Site and History



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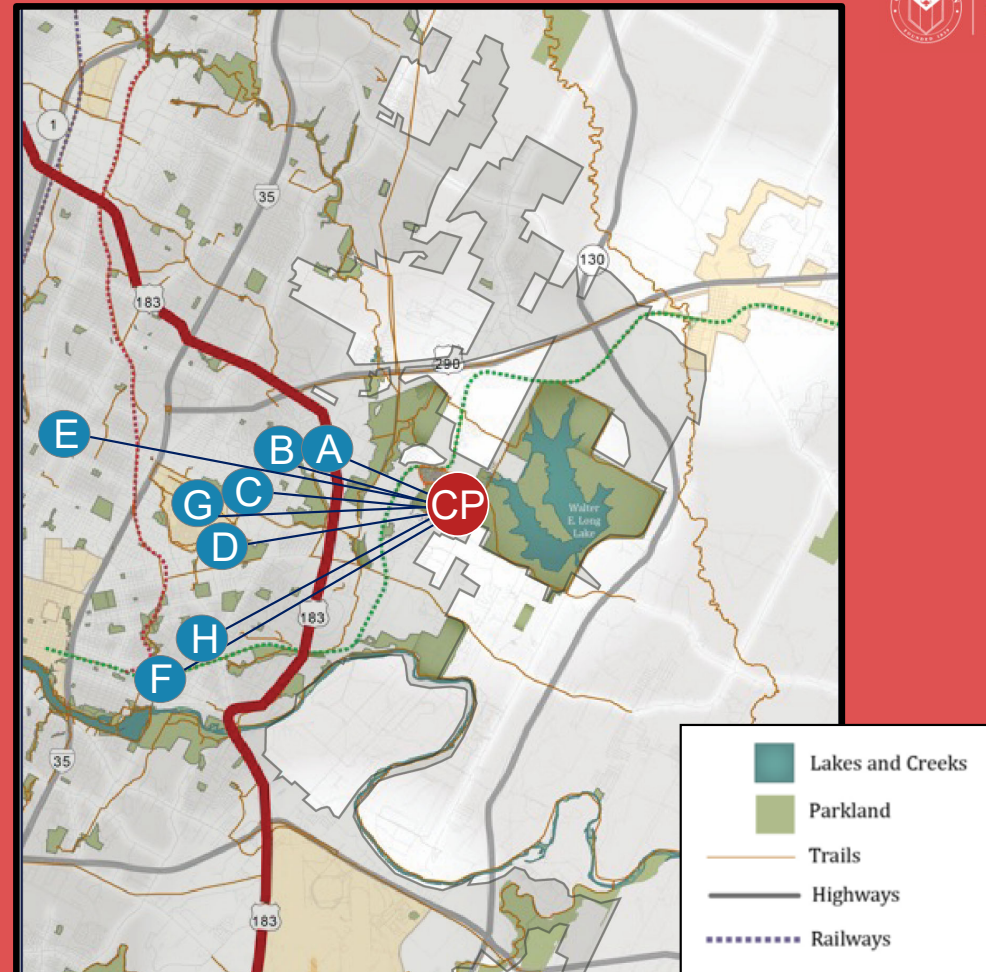
- 1973: Annexed by the City of Austin
- 2001: Austin City Council purchased 258 acres with goal of providing affordable housing
 - *50 acres dedicated to existing adjacent parkland to create the 93-acre Colony Park District Park; 208 acres remain undeveloped*
- 2004-2007: Turner-Roberts Recreation Center & Volma Overton Elementary School built on 93-acre park
- 2012-2013: Turner-Roberts Recreation Center Multi-Purpose Building built while the original gym was closed for structural repairs.
- 2012-2014: Master Planning by Neighborhood Housing & Community Development
- 2015-2017: Transitioned to Economic Development Department
- 2018: Bond passed funding the Colony Park District Pool with construction anticipated to begin 2023/early 2024

Resource Gaps



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- A** University Hills Branch Library
2.5 miles, Car = 8 min, Bus = 25 min
- B** HEB Grocery at Springdale & 183
2.8 miles, Car = 9 min, Bus = 28 min
- C** HEB Grocery at Mueller
5 miles, Car = 14 min, Bus = 51 min
- D** FastMed Urgent Care
5.5 miles, Car = 12 min, Bus = 39 min
- E** Seton Medical Center
9.2 miles, Car = 20 min, Bus = 76 min
- F** Rosewood Zaragosa Health Center
7.5 miles, Car = 16 min, Bus = 64 min
- G** Frost Bank
5.7 miles, Car = 15 min, Bus = 48 min



Distance and Travel Time from Turner Roberts Recreation Center – 7201 Colony Loop Drive, Austin, Texas 78724

Colony Park Sustainable Community Plan

Colony Park Sustainable Community Project Overview



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- 208 acres of City-owned land in northeast Austin/Travis County
- Council approved Master Plan/PUD in 2014 for mixed-use & mixed-income residential and commercial development
- 10+ years of strong community stakeholder partnership for equitable development and improved services
- City selected Catellus as Master Development partner
 - ❑ 2017: City issues a solicitation for a master developer for Colony Park Sustainable Community
 - ❑ 2018: Council approves staff to negotiate and execute an exclusive negotiation agreement with Catellus Development Corporation (“Catellus”) for the master development
 - ❑ 2020 - 2021: ENA executed and Catellus completes preliminary due diligence: ENA Phase 1 Report Recommendations
 - ❑ 2021 – 2022: Proposed Funding and phasing plan framework (Summarized in today’s presentation)

Planning and Engagement Process



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- **2012:** U.S. Department of Housing & Urban Development (HUD) awards \$3 million Sustainable Communities Challenge grant to the City of Austin
- **2012-2014:** Colony Park Team conducts robust community outreach & engagement in & around the Colony Park Neighborhood
- **2013-2014:** Master Plan visioning & development through capacity building
- **2014:** City Council adopts the Colony Park Master Plan & Design Guidelines, Planned Unit Development (PUD) Zoning District, & Amendments to Imagine Austin Plan
- **2017-2018:** Following community engagement, City issues Request for Qualifications/Proposal
- **May 2020-2022:** City and Catellus work with Colony Park Core Team for input on implementing the Master Plan, accounting for the Eight Pillars of Need, current market context and more detailed engineering and planning



Robust community engagement throughout project.



Core Team, Consultants, & City Staff celebrate selection of Colony Park Master Developer.

Colony Park: Eight Pillars of Need



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Food Access

Find opportunities for full-service and small-scale grocers.



Healthcare Services

Create an inviting Central Health campus and opportunities for health service retailers.



Mobility, connectivity and safety

Create new roads, paths, bike lanes and improve existing connections to nearby neighborhoods.



Open spaces and activate parks

Thoughtfully plan and connect new improved parks and existing open space.



Economic Vitality

Create new construction jobs, full time employment and services.



Education

Connect with schools while looking for opportunities to bring new student/adult education services.



Affordable workforce housing

Create a robust program for the planned 20% workforce housing that serves the existing community.



City & County Resources

Create new partnerships to bring services to existing and future residents and businesses.

ENA Phase 1 Report: Refreshed Draft Master Plan



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- Increase density
- Lower infrastructure costs
- Leverage City participation (CIP / value capture mechanism)
- Result: reduce approx. \$25M in public infrastructure costs
- Requires rezoning

Proposed Colony Park Land Use Program



208 ACRES

Land (Total)



230,000 SF

Office/Institutional



130,000 SF

Retail



831

Apartments*



1,072

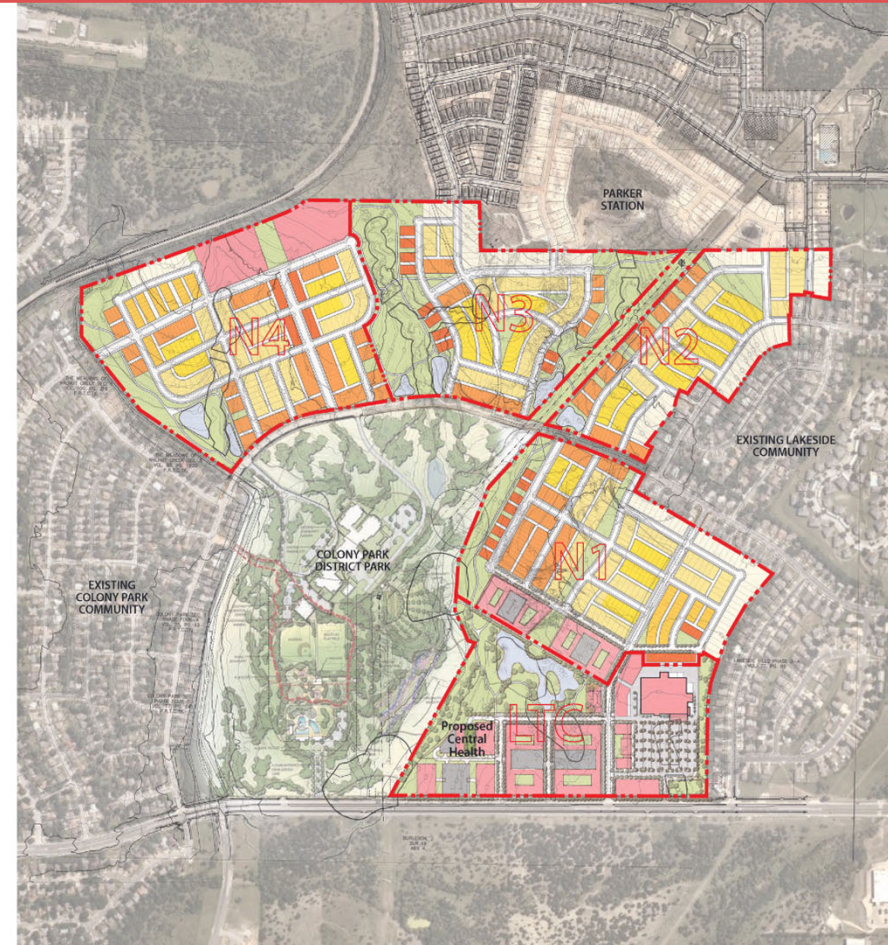
Single-Family Lots*



53.3 ACRES

Parks/Open Space

- 20% of apartments and single family homes will be income restricted and provided as workforce housing



Colony Park Phase 1



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Community Benefits

Phase 1 Improvements with City and Colony Park Revenue Funds



New Homes

Provide for a diverse mix of housing styles, size and price points



Roadway Connectivity

Complete long-awaited infrastructure needs for the existing communities and will support multi-model



Parks & Open Space

Provide community members with outdoor amenities for families to enjoy



Food Access

Unlocks a commercial site for Catellus to pursue a grocery store and other commercial businesses



34.2 ACRES

Developable Land



230,000 SF

25- 55k SF Central Health & 175k Office / Commercial



125,000 SF

Retail/ Commercial



428

Apartments



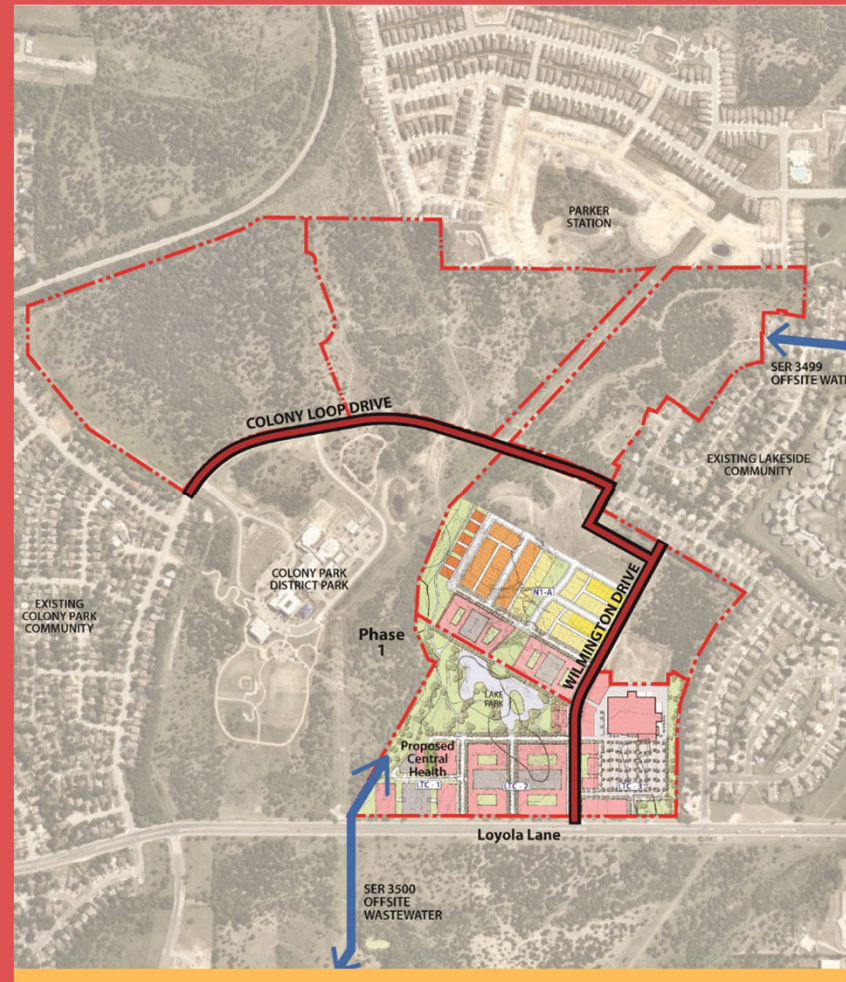
123

Single-Family Lots



19.4 ACRES

Parks/Open Space



Estimated Economic and Community Benefits



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- **Equitable Housing**

- Market Rate Housing – 1,522
- Affordable Workforce Housing – 381

- **Jobs**

- Construction Jobs – 2,900
- Permanent Jobs – 1,200

- **Environment**

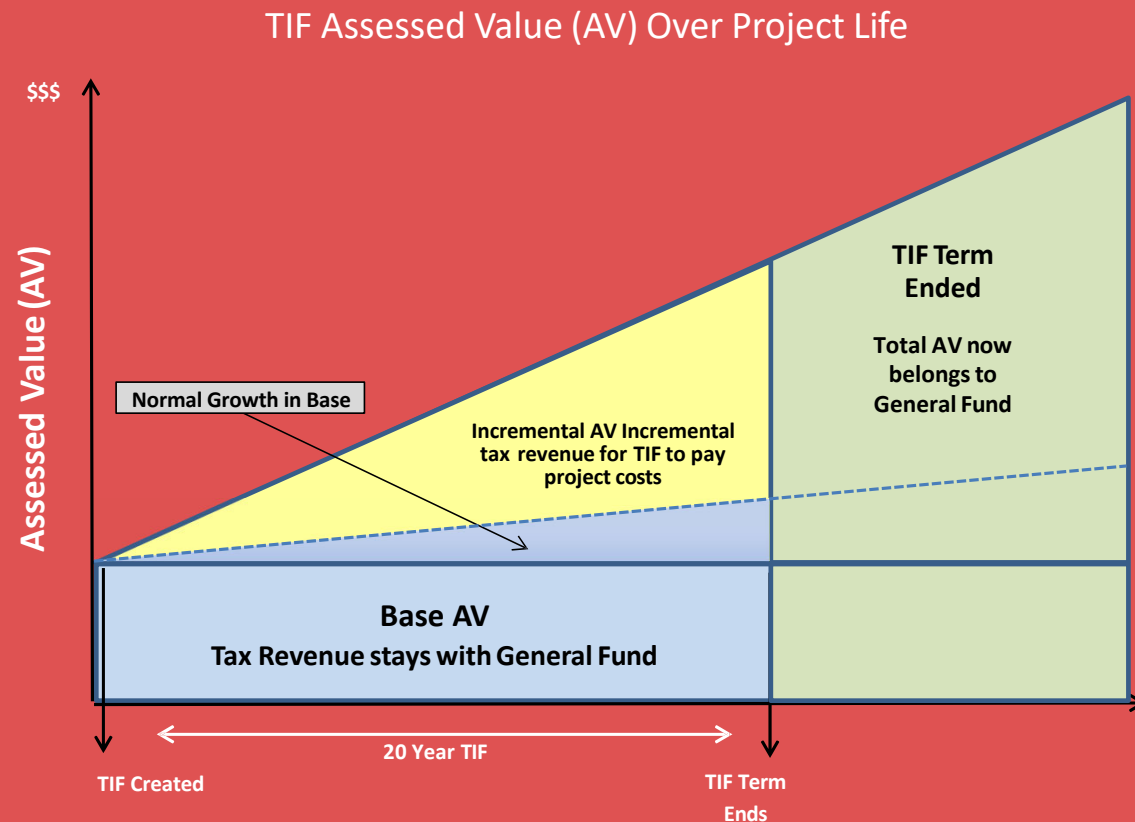
- Parks, Open Space, Trails – 53+ acres
- Green Building Standards – 100%

Financing Plan – TIRZ #20 Framework

Tax Increment Financing: a “101”



- Financing tool enabled by Texas Tax Code to encourage economic development within a defined geographic area or zone
- Future real property tax revenue from zone assessed value (AV) growth in excess of zone base AV “frozen” at creation is captured
- Use some or all increment to promote new private development in zone, typically by investing in public infrastructure
- When zone’s term ends, all real property tax revenue (base plus increment) returns to local government for its general purposes
- In Texas, a city or county may designate a reinvestment zone





Statutory TIF Requirements

- Must verify a clear and significant “but for” criterion whereby development or redevelopment within the zone would not occur solely through private investment *but for public investment*.
- Criterion includes, but is not limited to:
 - Area’s present condition substantially impairs growth
 - Substandard or deteriorating structures
 - Inadequate sidewalks or street layout
 - Unsanitary or unsafe conditions, conditions that endanger life or property
- Once all project costs have been paid or the debt associated with the TIRZ has been retired and the term of the TIRZ ends, all property tax revenue returns to the City for general purposes

Council Adopted TIF Policy



- Major provisions
 - Project/finance plans must include participation by the private sector and/or other tax entities
 - City must conduct a rigorous “but for” analysis demonstrating development/redevelopment within the zone would not occur solely through private investment
 - Any housing developing that is part of the TIF project plan must provide for at least 20% of the units to be affordable to households at or below 60% MFI for rental and 80% MFI for ownership
 - Bonds issued to fund TIF development are subject to coverage tests, debt service reserve requirements, and must mature on or before the termination date of the zone

Colony Park TIRZ #20

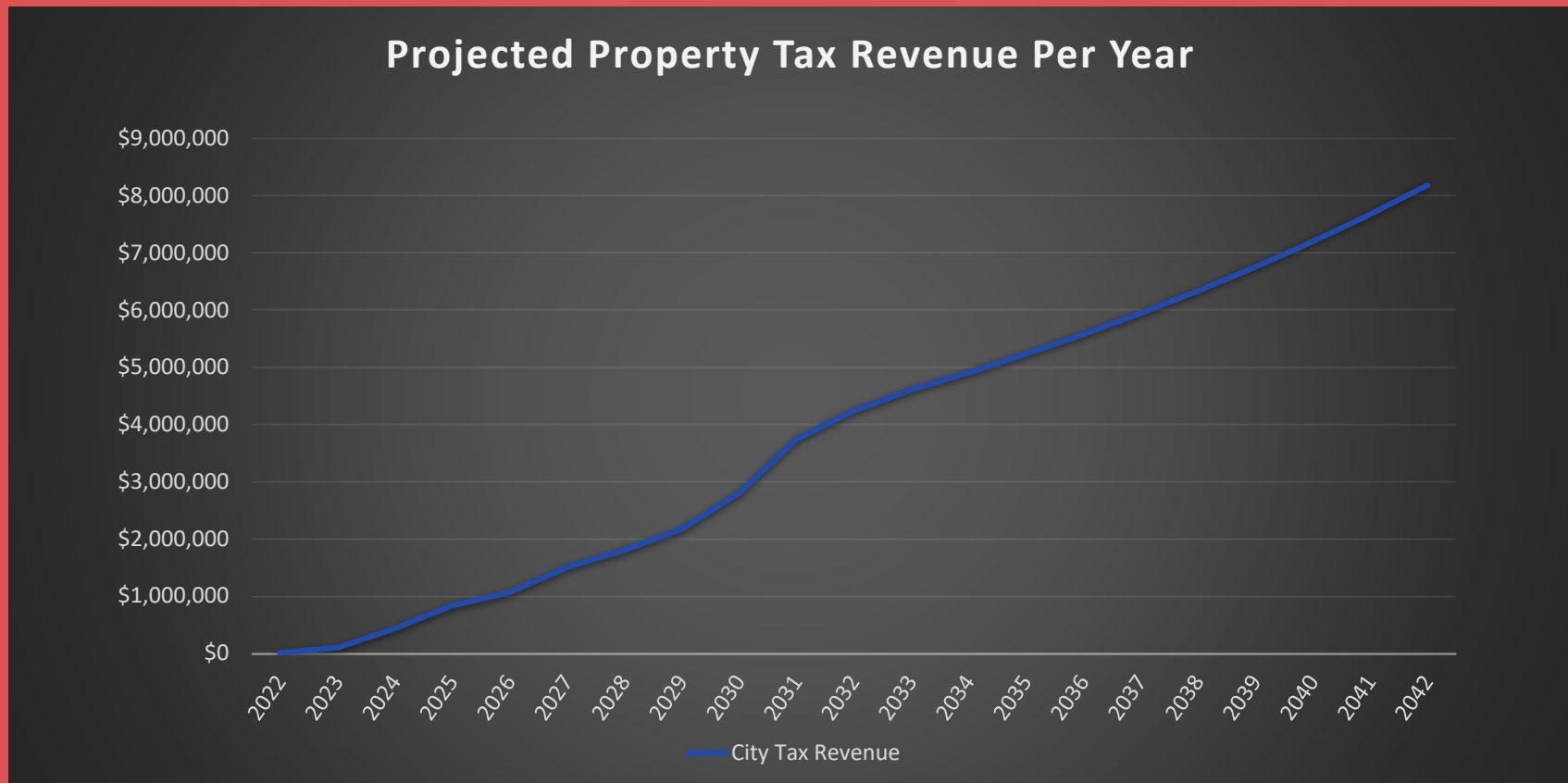


- Key Components of TIRZ
 - Base year - 2022
 - Termination date – 2043
- Affordable Housing
 - In compliance with City TIF Policy, development will provide 20% affordable housing
- Projected value growth
 - Base Value- \$0
 - Upon zone termination - \$987,719,086
- Cash reimbursement, no debt, to fund infrastructure investments
 - 90% increment
 - \$81 million in revenue

Colony Park Projected Property Tax Revenue



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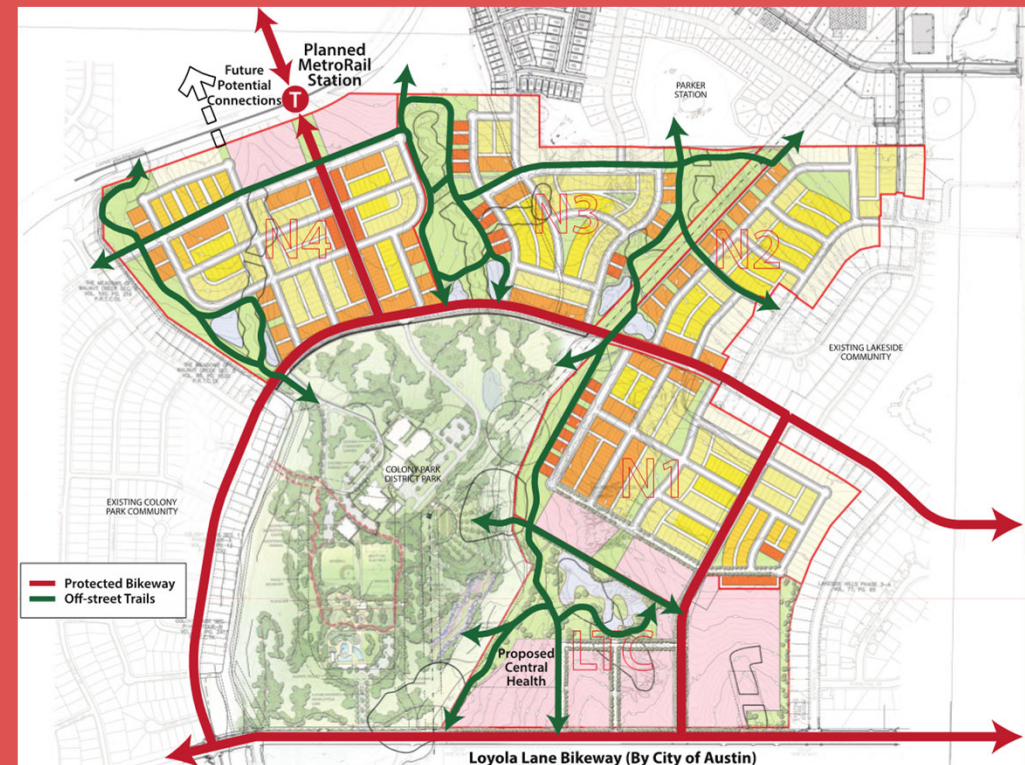


Capital Stack: Sources & Uses of Funds



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Sources of Funds	
Land Sale Revenue	\$155M
Tax Increment Financing (90%)	\$81M
Affordable Housing Bond*	\$5M
Department Capital Budgets	\$6M
Public Improvement District (Developer)	\$10M
TOTAL	\$257M
Uses of Funds	
Roadways, Sidewalks, Bike Lanes	\$35M
Parks, Trails, Open Space	\$33M
Electrical Utility, Street Lighting	\$34M
Drainage Utility	\$8M
Water/Wastewater Infrastructure Upgrades	\$34M
Gas Utility	\$3M
Land Preparation, Permits & Fees	\$55M
Development Expenses	\$55M
TOTAL	\$257M



*Pending November 2022 election and project approval process. Staff will keep Council informed of any required funding adjustments.

Colony Loop Drive Current



Colony Loop Drive Proposed



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Multi-modal street serving recreation center, elementary school, park, & healthcare in existing neighborhoods.



Complete street improvements and enhanced crossings for existing/missing sections .

Next Steps



Next Steps/Council Action

- October 25th
 - Council Briefing
- November 3rd
 - TIRZ #20 Actions
 - Conduct Public Hearing
 - Adopt ordinance to establish TIRZ, appoint Board, approve Preliminary Project and Financing Plan
 - Approve Exclusive Negotiating Agreement (ENA) Amendment
 - Extends term to allow MDA negotiations with Catellus
 - Continues pre-construction and due diligence tasks by Catellus
 - Initiates Planned Unit Development (PUD) Rezoning
 - Approve outside legal counsel contract

Questions?

Rodney Gonzales
Assistant City Manager

Kimberly Olivares
Deputy Chief Financial Officer

Sylvia Holt-Rabb
Director, Economic Development



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