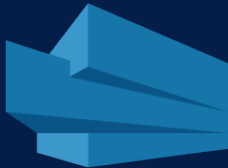


# City of Austin – Aspen Heights Partners Conceptual Plans for Redevelopment of 1215 Red River Street & 606 and 614 East 12<sup>th</sup> Street (former HealthSouth property)

Design Commission  
January 23, 2023



**Economic  
Development**  
CITY OF AUSTIN

**ASPEN  
HEIGHTS**  
—PARTNERS—



# BACKGROUND

Nov 18, 2016	City purchases leasehold interest in site.
2017-18	City Council debates redevelopment options.
Oct 4, 2018	<b>Resolution 20181004-042</b> directs City Manager to initiate solicitation for site redevelopment for mixed-income housing with an emphasis on multiple-bedroom housing for households earning at or below 60% of MFI and address City obligations on site.
Nov 18, 2019 – April 23, 2021	Request for Proposals issued & closed. Four proposals received after 278 vendors notified, including affordable housing developers.
January 27, 2021	Council authorizes staff to negotiate and execute an Exclusive Negotiating Agreement (ENA) with <b>Aspen Heights Partners</b> .
May 17, 2021	City and Aspen Heights Partners execute ENA and negotiate terms of a proposed Master Development Agreement (MDA).
Sep 28, 2022	Council authorizes further negotiations to develop a MDA under final revised term sheet and directs City Manager to gather public comment prior to Council consideration of MDA for execution.

For detailed info, visit project website: <https://www.austintexas.gov/department/1215-red-river-606-east-12th>

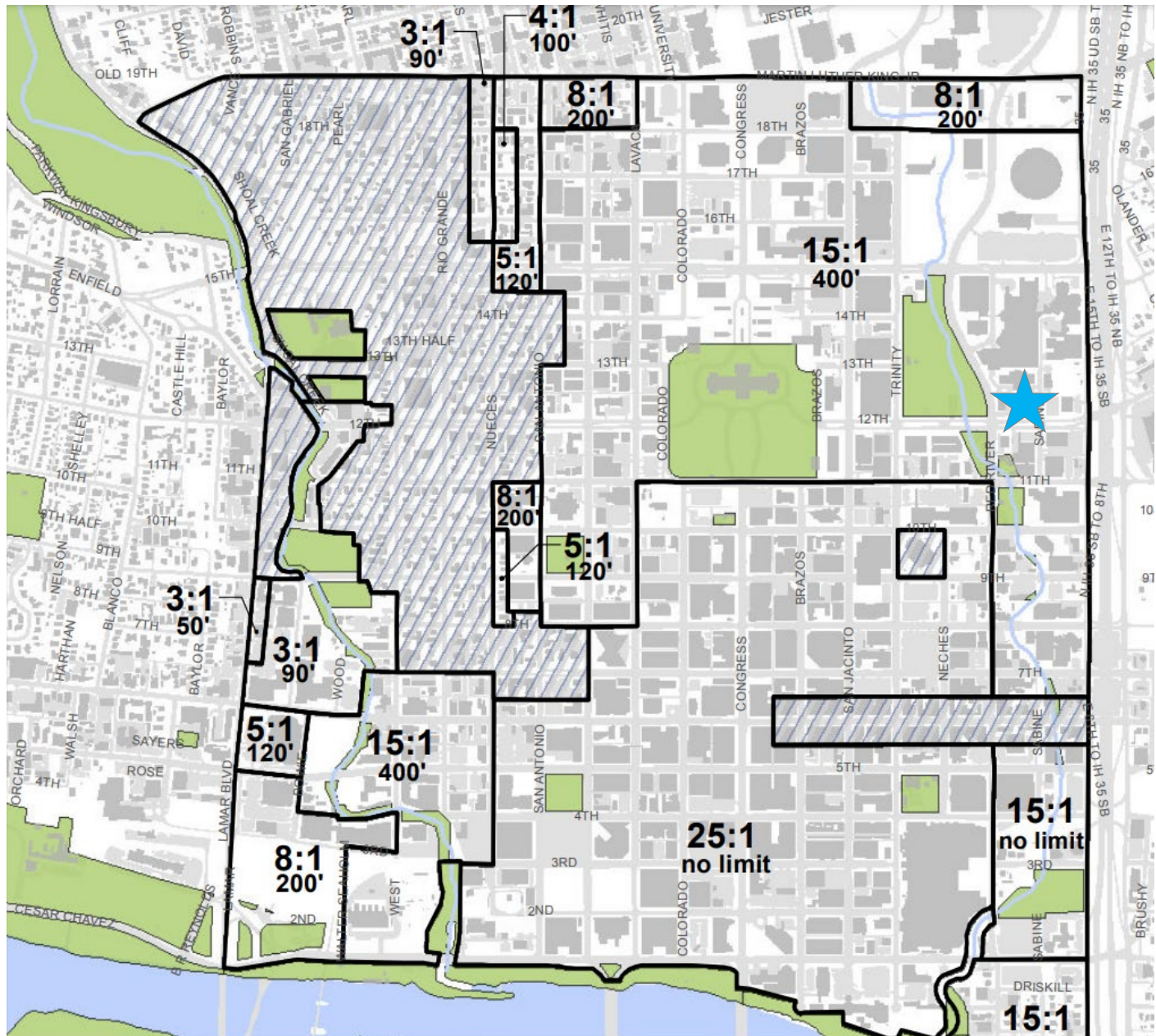
# PROJECT TEAM

## City Negotiating Team

- Housing & Planning
- Financial Services - Real Estate Services
- Law
- Economic Development
- Consultants
  - Outside counsel
  - Financial adviser

## Local Development Team

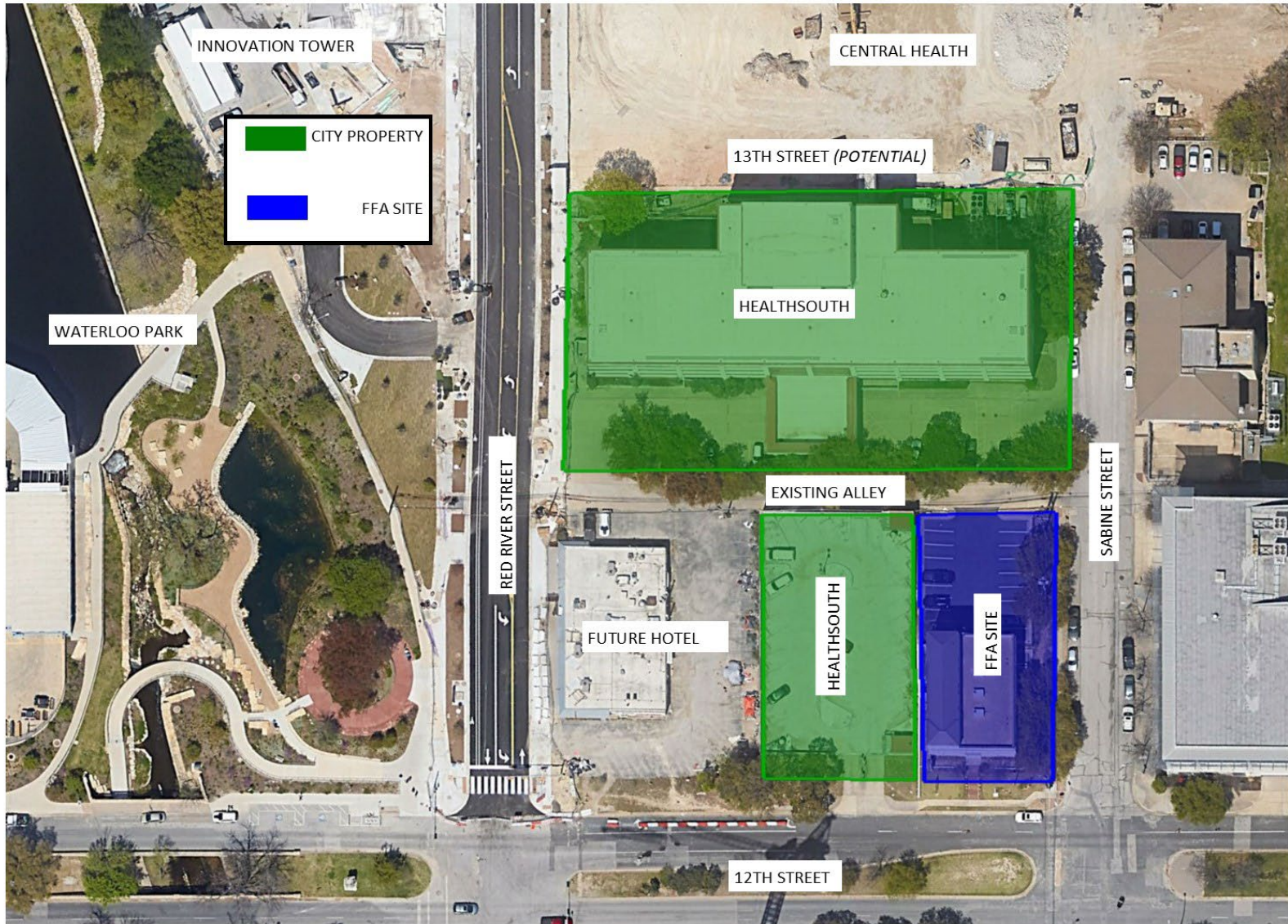
- Aspen Heights (Developer)
- NHP Foundation & Capital A (Affordable Housing Developers)
- STG Design (Architect)
- Civilitude (Civil Engineer)
- Studio Balcones (Landscape Architect)
- Drenner Group (Entitlements)



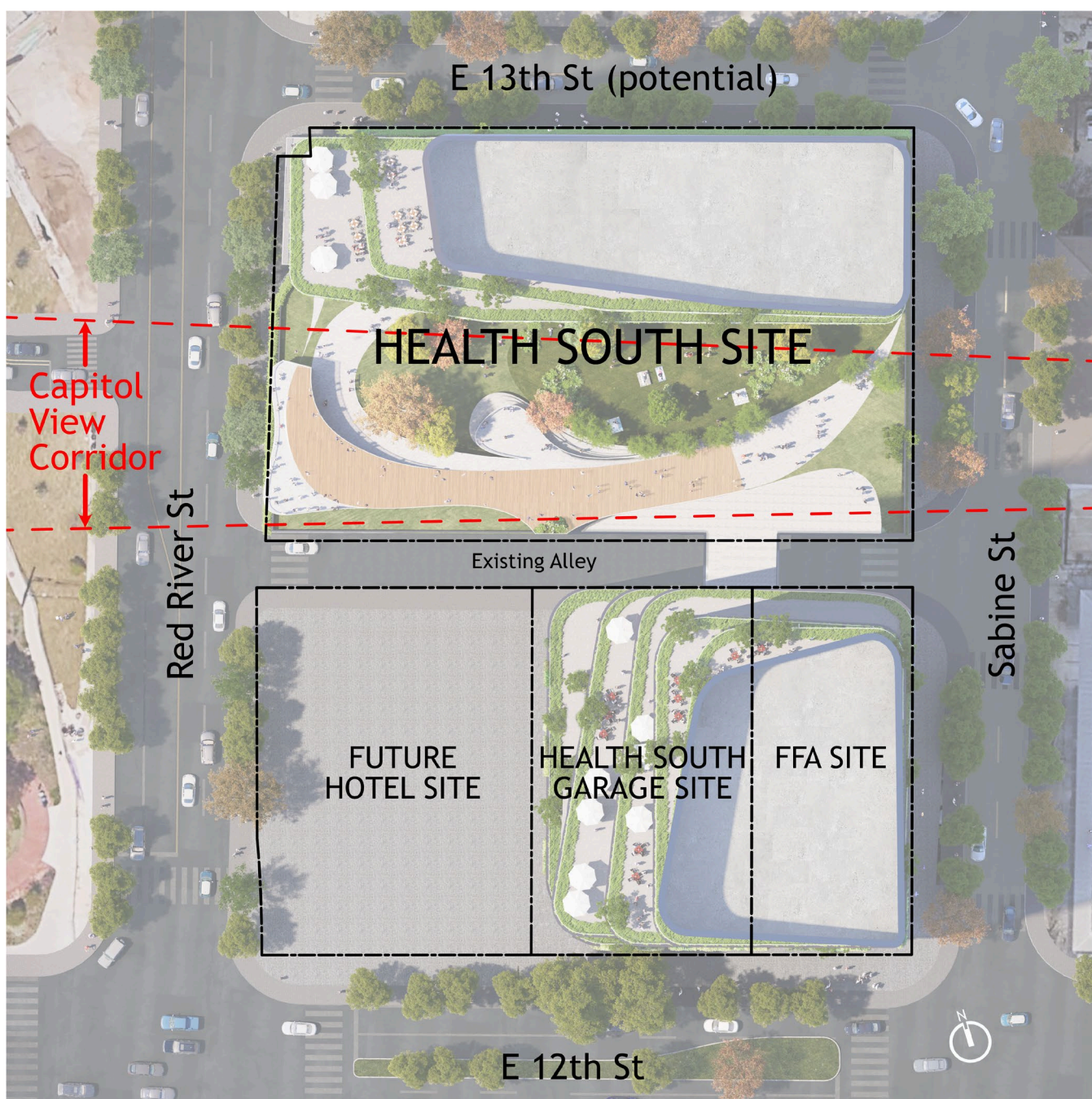


# HEALTHSOUTH

## CITY PROPERTY + ASPEN HEIGHTS FFA SITE







# SITE CONSTRAINTS

- 12<sup>th</sup> Street Capitol View Corridor bisects site
- Connectivity
  - To east, Sabine is narrow street.
  - To south, alley separates parcels; substandard width does not serve large trucks.
  - To west, new Red River realignment restores original grid.
  - To north, alley proposed and seek to explore creation of potential 13<sup>th</sup> Street.
- Trees located throughout site (some likely heritage).
- Utilities & Drainage
  - Substantial upsizing and rerouting is necessary.
  - Existing storm sewer crosses site.
  - Overhead electrical lines







# ASPEN HEIGHTS BEST & FINAL OFFER (BAFO): 12<sup>TH</sup> & RED RIVER OVERVIEW

Two mixed-use for-rent residential towers connected by public plaza:

- ✓ North Tower: 49,720 SF site footprint
    - ✓ 37-story market-rate tower (573 units)
    - ✓ Live music & arts venue
    - ✓ Food hall
    - ✓ Public parking
  - ✓ South Tower: 29,710 SF site footprint\*
    - ✓ 37-story mixed-income tower (348 units)
    - ✓ Childcare center
    - ✓ Ground floor retail
    - ✓ Public parking
  - ✓ 30,000 sf Public Plaza protects Capitol View Corridor
  - ✓ One-time, upfront payment to City of \$12.2M for ground leases
- \*Includes adjacent property (614 E12<sup>th</sup> at Sabine) in order to achieve BAFO.

# ASPEN HEIGHTS BAFO HOUSING BREAKDOWN

921 Total Housing Units, 25% affordable developed and managed by affordable housing development partner.

## North Tower

- 573 total market-rate apartments
- Studios, one, two and three- bedroom units

## South Tower (348 total)

- 116 market-rate apartments
- 232 affordable units (67% of tower)
  - 117 units renting at or below 50% MFI
  - 115 units renting at or below 60% MFI
  - 35 studios; 84 one-bedroom units; 90 two-bedrooms units; and 23 three-bedroom units.
- Compliance with City standards (tenant protections, source of income, etc.)
- Affordability term tied to ground lease (99 years)
- South Tower built first or simultaneous with North Tower, expected Summer 2027 yet dependent on when MDA executed



# ASPEN HEIGHTS BAFO COMMUNITY BENEFITS

- Affordable Housing: 232 apartments (25% of total units) rented to residents earning at/ below 50% & 60% median family income (MFI) for 99 years.
- Childcare Center: onsite center serving 75 children with allowance for tenant improvements and reduced rent throughout 99-year lease term.
- Public Art: onsite public mural.
- Sustainability: strive for 4-star Green Builder or LEED Gold.
- Live music venue: Commercial space with allowance for tenant improvements and reduced rent for 99-year lease. Good faith efforts to serve historically disenfranchised operators.
- Commercial/Retail: 35,000+ sf of retail space with good faith efforts to lease at least 30% to local businesses and with 500-800 sf leased at reduced rent throughout 99-year lease term.

# ASPEN HEIGHTS BEST & FINAL OFFER (BAFO) PLACE MAKING & ACTIVATION

- Red River Street: Activation of Red River with pedestrian-oriented uses and streetscape improvements.
- Alleys: Improvements to south alley and new alley to north to provide pedestrian / bike connectivity.
- Public Plaza: 30,000 sf open space/plaza protecting Capitol View Corridor & designed for flexible programming, including live music and family-friendly activities.
- Commercial & retail spaces for childcare, live music/art venue and opportunities for local businesses.
- Parking: Public parking available in both garages.



# PROPOSAL MEETS URBAN DESIGN GUIDELINES: ENHANCES CONNECTIVITY & PEDESTRIAN EXPERIENCE

- Creates reasonably dense development on a key site to activate Northeast quadrant of downtown
- Adds mixed uses – residential with strong retail, entertainment, and food services
- Ties together key area components: State Capitol complex, UT Medical Center & Campus, Innovation District, Waterloo Greenway & Park, and East Austin
- Enhances Red River Cultural District with live music /arts venue, plaza programming & public mural
- Celebrates Capitol View Corridor with large public plaza to protect views of Texas Capitol and complement Waterloo Park & Greenway
- Meets Great Streets standards with activated pedestrian improvements
- Incorporates sustainability with Austin Energy Green Building strategies





# POTENTIAL

E. 13TH ST.





# PUBLIC PLAZA



**A destination for all -- families, workers, tourists & Austin residents.**





# REQUEST

Respectfully request a favorable recommendation from Design Commission on the conceptual plans reflecting Aspen Heights' Best and Final Offer to Council based on the Urban Design Guidelines and community benefits.

This project will come before the Commission for recommendation on Downtown Density Bonus at the time of Site Development Permit.

# NEXT STEPS

- Discussion and possible action at Downtown Commission and Community Development Commission on proposed MDA terms & conceptual site plans.
- Conduct additional stakeholder and public engagement.
- Present proposed MDA with public comment to Council late Spring / early summer 2023.