

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

**Downtown Commission
February 15, 2023**



**Economic
Development**
CITY OF AUSTIN

**ASPEN
HEIGHTS**
—PARTNERS—

AGENDA

Background

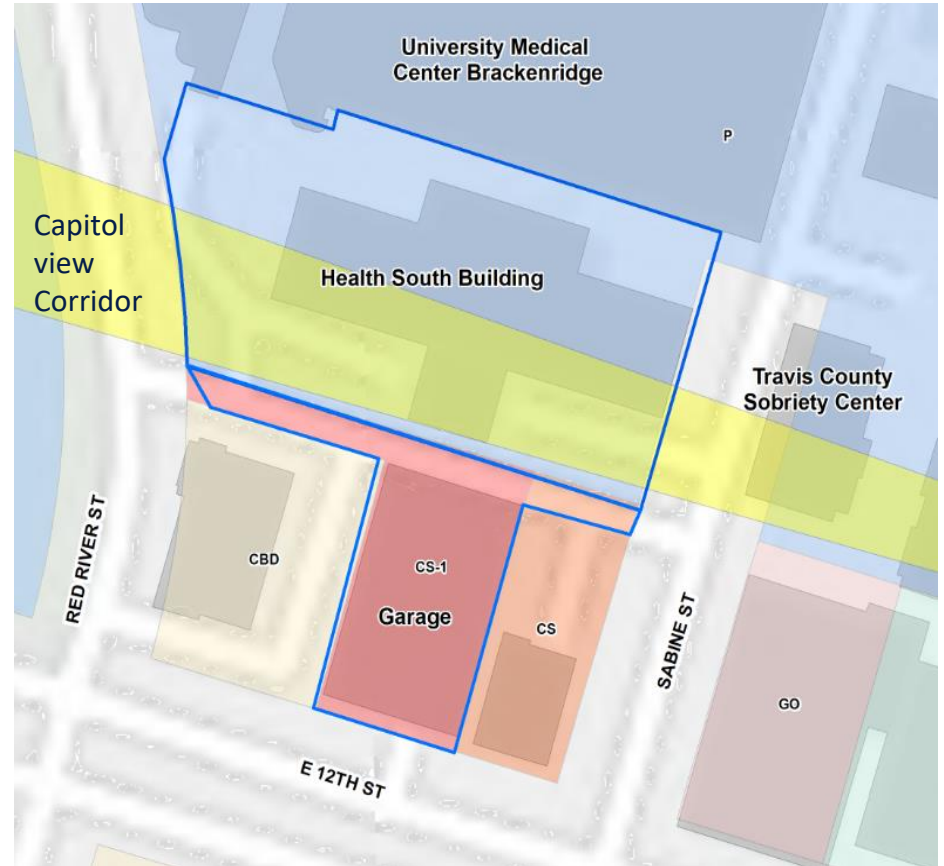
Overview

- Negotiating Teams
- Conceptual Site Plans
- Best and Final Offer / Term Sheet for Master Development Agreement (MDA)

Request for Recommendation

Next Steps

Discussion



BACKGROUND – Major Milestones

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

Nov 18, 2016	City purchases leasehold interest in site.
2017-18	City Council debates redevelopment options.
Oct 4, 2018	Resolution 20181004-042 directs City Manager to initiate solicitation to redevelop site with mixed-income housing, emphasis on multiple-bedroom housing for households earning at or below 60% of MFI & address City obligations on site.
Nov 18, 2019 – April 23, 2020	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 Aspen Heights Partners .
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 the MDA under final revised term sheet and directs City Manager to gather public comment prior to Council consideration of MDA for execution.
Dec 8, 2022	Resolution 20221208-065 initiates rezoning properties.

PROJECT TEAM

City Negotiating Team

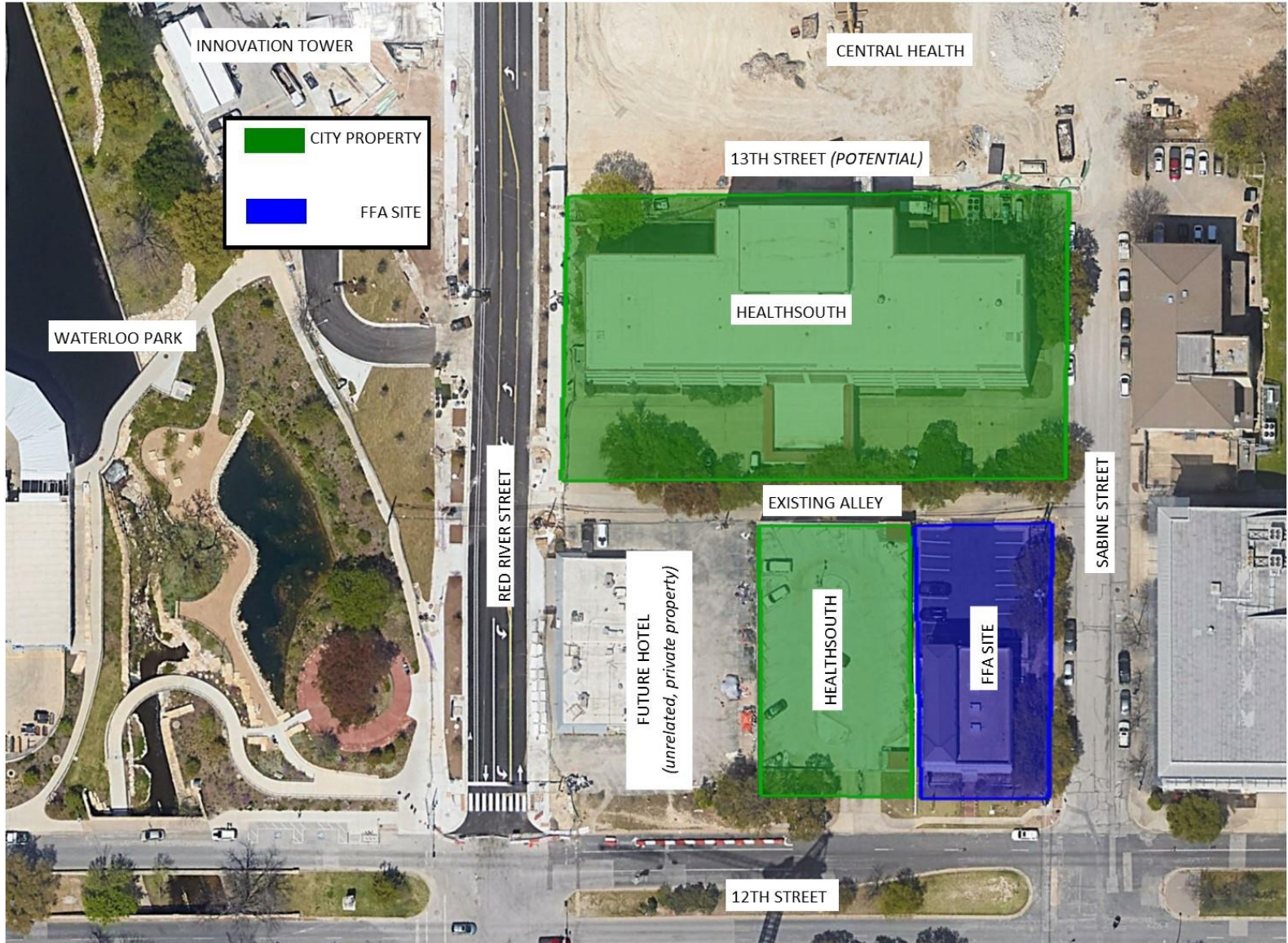
- Housing & Planning
- Financial Services -
Real Estate Services
- Law
- Economic
Development
- Consultants
 - Outside counsel
 - Financial adviser

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)

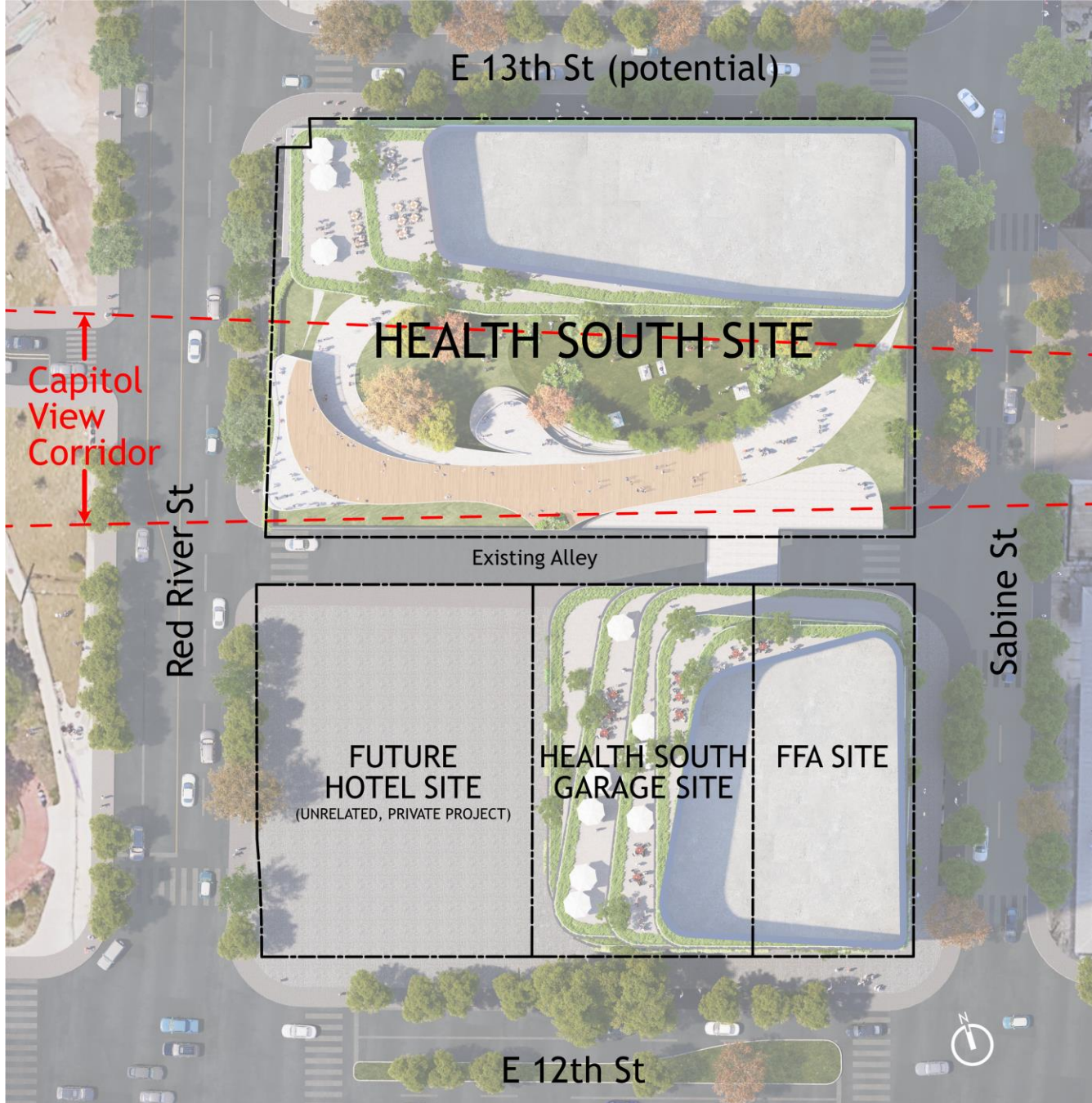
HEALTHSOUTH

CITY PROPERTY + ASPEN HEIGHTS FFA SITE



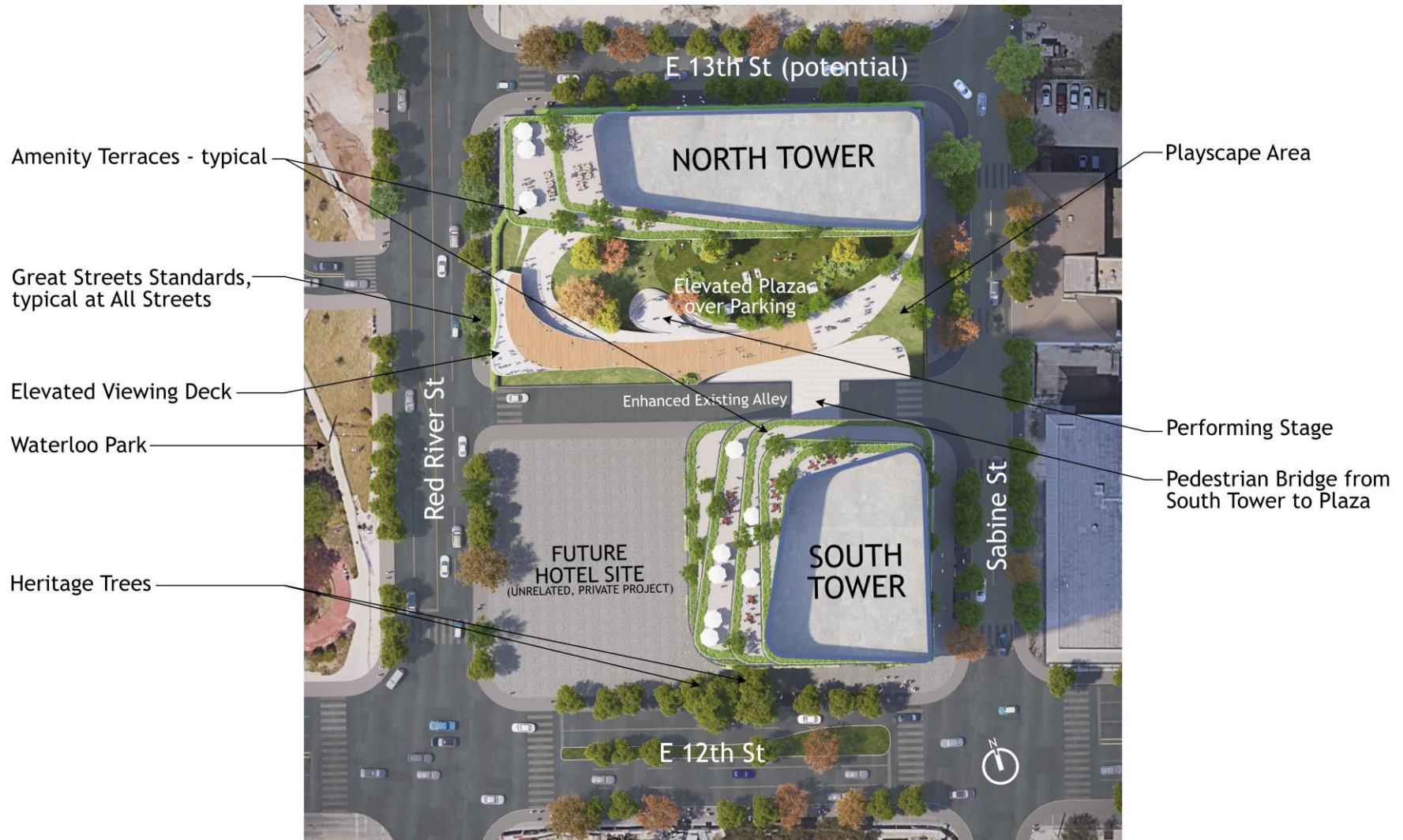
SITE CONSTRAINTS

- 12th 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, seek to explore creation of potential 13th Street.
- Trees located throughout site (some likely heritage).
- Utilities & Drainage
 - Substantial upsizing and rerouting is necessary.
 - Existing storm sewer crosses site.
 - Overhead electrical lines





ENHANCES CONNECTIVITY & PEDESTRIAN EXPERIENCE



PUBLIC PLAZA



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

ASPEN HEIGHTS BEST & FINAL OFFER (BAFO): 12TH & 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 E12th 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.
- Streets: Improvements to south alley and potential new 13th Street 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.

DESIGN COMMISSION RECOMMENDATION

Conceptual plans comply with Urban Design Guidelines



DESIGN COMMISSION RECOMMENDATION 20230123-2

Date: January 31, 2023

Subject: Conceptual Redevelopment Plans for 1215 Red River and 606 and 614 East 12th Streets

Motioned By: Commissioner Coleman Seconded By: Vice Chair Meiners

Recommendation

The City of Austin Design Commission recommends that the conceptual plans for redevelopment for 1215 Red River and 606 and 614 East 12th Streets presented comply with the Urban Design Guidelines.

Rationale:

Dear Honorable Mayor & City Council,

The conceptual design presented indicated a strong mixed-use program in the building and public plazas. Additional streetscape is added on the northside of the building, creating new pedestrian activity. All right of ways seem to enhance pedestrian activity through materials, landscape, and dynamic activations. Additional consideration for the proposed building's adjacency to Waterloo Greenway may enhance the park experience for residents and park visitors alike. Design Commissioners look forward to reviewing the fully development site plan and program at a future date.

Vote 9-0-2

For: Chair Weaver, Vice Chair Meiners, Commissioner Salinas, Commissioner Henao-Robledo, Commissioner Taniguchi, Commissioner Rollason, Commissioner Coleman, Commissioner Whatley, Commissioner Luckens

Against: n/a

Abstain: n/a

Absent: Commissioner Franco

Recused: Commissioner Carroll

Attest:

A handwritten signature in black ink that reads "Jennifer Weaver".

Jen Weaver, Design Commission Chair



REQUEST

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

NEXT STEPS

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

Thank you.



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