



Recommendation for Action

File #: 23-3088, **Agenda Item #:** 2.

10/5/2023

Posting Language

Approve a proposed multifamily and commercial development at 800 E. St. Johns Avenue (formerly 7309 and 7211 N. IH-35) under Texas Local Government Code Chapter 303 (Public Facility Corporations) and authorize options to repurchase the property after 60 years or to extend the tax exemption incentives related to affordability requirements.

Lead Department

Economic Development.

Fiscal Note

There is no fiscal impact.

Prior Council Action:

20060824-006: 2006 General Obligation Bonds are approved and include funding for a new public safety facility. The former Home Depot and former Chrysler Dealership tracts (7309 & 7211 N IH-35), also known as the St. Johns Site, are purchased using these funds.

201204026-100: NP-2011-0029 is adopted by City Council on second and third reading, amending the Austin Tomorrow Comprehensive Plan to adopt the St. Johns/Coronado Hills Combined Neighborhood Plan (SJCH).

Resolution 20171207-058: Council directs the City Manager to work with the St. Johns community to create a new vision for the St. Johns Site that honored the history of the St. Johns neighborhoods while taking into consideration future opportunities for affordable housing, local business, recreation spaces, non-profit partnerships, and governmental facilities.

Resolution 20190606-098: Austin City Council approved an Interlocal Agreement (ILA) with the University of Texas Center for Sustainable Development to assist in community engagement and test fitting for the St. Johns Site.

Resolution 20200729-117: Austin City Council affirmed the new community vision for the St. Johns Site and initiated a competitive Request for Proposal (RFP) process that ensures the development will achieve community priorities.

Resolution 20210729-026: Austin City Council authorized negotiation and execution of an exclusive negotiation agreement with Greystar Development Central, LLC, for terms governing a master developer contract for the redevelopment of the St. Johns Site.

Resolution 20220616-088: Council reaffirms commitment to move forward with the redevelopment of the St. John Property in a manner that honors the rich Black and Hispanic history of the neighborhood, supports the community's vision resulting from several years of community input, and enhances the quality of life of the community through critical investments that achieve a significant amount of affordable housing and other community-vetted benefits. The Resolution also affirmed the sale of the St. John Property to a public facility corporation (PFC) controlled by the Housing Authority of the City of Austin (HACA) and directed the City

Manager to pursue a sale of the St. John Property to a PFC controlled by HACA with the City reserving and retaining the right to repurchase the St. Johns Property for a nominal sum of \$1 at the end of the PFC lease term.

December 08, 2022, Regular Council Meeting approval of Item #8 (Term Sheet and Concept Plan), Item #37 (Contract for legal services), and Items #98 & #99 rezoning the properties from public-neighborhood plan (P-NP) combining district, limited office-mixed neighborhood plan (LO-MU-NO) combining district, and general commercial services-mixed use-neighborhood plan (CS-MU-NP) combining district to general commercial services-mixed use-vertical mixed use building-neighborhood plan (CS-MU-V-NP) combining district, and FLUM changes from Civic to Mixed Use land use.

For More Information:

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Council Committee, Boards and Commission Action:

10/04/2022: Briefing to the African American Resource Committee on the current framework for the redevelopment.

Additional Backup Information:

On June 16, 2022, Austin City Council approved the sale of the St. John site to a Public Facilities Corporation (PFC) controlled by the Housing Authority of the City of Austin (HACA), which is granted a tax exemption by Chapter 303 of the Local Government Code. In the Spring of 2023, the Texas State legislature set the tax exemption period for PFC at 60 years with the ability to renew at the end of this period. Previous to the 2023 amendments the statute did not provide a set tax exemption period. This item is requesting approval of the redevelopment of the St. John Site under the Term Sheet approved by Council on December 08, 2022, amended to include the now required 60-year tax exemption period. At the end of the 60-year tax exemption period, future Council will have the following options:

- 1) City renews the tax-exempt status of the property through the PFC controlled by the Housing Authority of the City of Austin (HACA) or other tax-exempt entity such as Austin Housing Finance Corporation (AHFC), which extends the affordability period through the full 99-year term of the ground lease and the City can buy the property back at the end of the 99-year ground lease term for \$1;
- 2) City can purchase the property and improvements at Fair Market Value at the end of the 60-year tax-exemption period;
- 3) If the City cannot or chooses not to exercise options 1 or 2, the property reverts to market rate for the remainder of the 99-year ground lease term (39 years) with no affordability component, at the end of which the City can buy the property back for \$1.

The redevelopment of the St. John site under the community vision, is predicated on the sale of the site to a PFC controlled by HACA (Resolution 20220616-088). Approval of this item allows the continued negotiation and execution of a master development agreement and related agreements with Greystar Central LLC and its partner HACA under the 2023 amended Chapter 303 of the Texas Local Government Code by setting the initial period for tax exemption at 60 years with the ability to renew after 60 years. The term of affordability will mirror the term of the tax exemption with the ability to renew after 60 years. If this item is not approved, the master development agreement cannot be negotiated under the amended Chapter 303 statute.

For additional information on project process and chronology: www.austintexas.gov/departments/st-johns.

