



Annual Internal Review

This report covers the time period of 7/1/2022 to 6/30/2023

Robert Mueller Municipal Airport **Plan Implementation Advisory Commission**

The Board/Commission mission statement (per the City Code) is:

Advise the City Council on implementation of the Robert Mueller Municipal Airport Master Plan, the 1996 Robert Mueller Municipal Airport Process and Goals Task Force Report, and other redevelopment issues at Robert Mueller Municipal Airport, including proposed amendments to the Master Plan, land disposition strategy, traffic, urban design and zoning issues, demolition of existing facilities; and at the request of the City Council, make recommendations on amendments to the Master Plan and other matters related to Robert Mueller Airport redevelopment. Section 2-1-169 of the City Code.

The Robert Mueller Municipal Airport (RMMA) Plan Implementation Advisory Commission (PIAC) was created in 2000 to provide oversight at a time when the Redevelopment and Reuse Plan for Mueller had been accepted, and the City was preparing to seek a master developer. In 2002 the master developer, Catellus, was selected and approved by City Council, and in December of 2004, the Master Development Agreement (MDA) between the City of Austin and Catellus was approved and executed by City Council. Because the MDA contractually obligates the City and Catellus to develop the property per the provisions in the agreement, the practical role of the PIAC has evolved to encompass the following:

- Advise Council on items that come before Council, including those needing formal approval, such as proposed zoning revisions;
- Advise Council on any items that require Council approval stipulated in the MDA, such as selling land within the Mueller boundary to another governmental entity;
- Advise Council on bigger picture topics that may impact the ability to implement the plans as fully anticipated, such as, but not limited to, transit or Interstate 35 improvements; and
- Serve as a venue for the master developer and City staff to report progress, hear concerns and receive feedback. This last role is paramount and provides a unique opportunity to problem-solve as Catellus, together with the community and City staff, work to implement the Mueller vision.

Background

In 1996, a Council-appointed 16-member task force representing a broad spectrum of Austin interests called for the creation of a compact, pedestrian-oriented, and mixed-use community. The plans to redevelop the airport were guided by a vision and goals developed with extensive community input.

The task force challenged the City to create a district that would be a model for responsible urban development - an alternative to land-consumptive and automobile-dependent development patterns throughout the region that could influence the form and pattern of growth within Austin as it entered the new millennium. With this vision, the task force and the City Council articulated six clear goals, stating the redevelopment of RMMA must marshal long-term market forces through an effective public-private partnership to promote:

- **Fiscal Responsibility:** Redevelopment must create a positive revenue stream that will fund on-site infrastructure and increase the City's tax base for the benefit of all citizens.
- **Economic Development:** The project should serve to reinforce Austin's role in an increasingly global marketplace and create a wide range of employment opportunities for a diversity of the community's citizens.
- **East Austin Revitalization:** The project must promote economic development opportunities within East Austin, giving local residents a direct stake in redevelopment.
- **Compatibility with Surrounding Neighborhoods:** Development must maintain and enhance the quality of life in adjacent neighborhoods, providing complementary linkages, land uses and transportation patterns.
- **Diversity:** Redevelopment must offer a wide range of housing choices in order to create a new community of socially and economically diverse residents.
- **Sustainability:** Development should be planned in a way that promotes energy and water efficiency, environmental quality, reduced auto dependency, watershed protection and green space preservation.

In 1997, the City initiated the redevelopment master planning process that included comprehensive public participation at all stages of the work. Specific planning principles were established that became the structuring elements of the master plan to support a vision of a new community within a community – one that is welcoming, diverse and inclusive, that complements and extends the surrounding neighborhoods and that becomes an integral part of the urban and social fabric of Austin.

Redevelopment of the airport was also intended to achieve broader public objectives for economic development and revitalization, helping to overcome the perceptual barrier of the IH-35 freeway, and providing an alternative to the outward expansion of the City.

In 2000, the City Council accepted the "Robert Mueller Municipal Airport Redevelopment and Reuse Plan" and directed implementation of it, which subsequently led to the solicitation for a Master Developer for Mueller. Today, the Mueller Design Book serves as the Master Plan and encompasses and incorporates the 2000 Redevelopment and Reuse Plan along with refinements that have been made to the Plan since its adoption.

1. Describe the board's actions supporting their mission during the previous calendar year. Address all elements of the board's mission statement as provided in the relevant sections of the City Code.

- A. The Commission received a staff briefing on the status of the Mueller Parking and Transportation Management District (PTMD) at the June 13, 2023 meeting. City officials discussed the expansion of paid parking in Mueller, potential projects to be implemented with PTMD funds, and the goal to implement a hybrid paid parking and residential permit parking system in Mueller.
- B. The Commission received an update at the October 11, 2022 meeting on the status of Minority and Women-Owned Business Enterprise (MBE/WBE) activities to meet Mueller project goals. As of May 31, 2022, more than 90 minority and women-owned businesses had been awarded contracts worth \$51.15 million. The contracts represent 24% of the total contracts awarded by Catellus since the inception of the Mueller project. Hispanic American businesses received 42% of the contracts. Women-owned businesses received 31% of the contracts and African American business owners were awarded 25% of the contracts. The remaining contracts were divided between Asian Pacific American contractors (2%) and Native American businesses (0.03%). MBE/WBE contractors also participated in several Mueller vertical projects, including the new AISD middle school. The contract totals are substantially unchanged from the previous reporting period that ended on May 31, 2021.
- C. The Commission received a briefing from the Economic Development Department on the financing of the Mueller development during the February 14, 2023 meeting. The Mueller financial report indicates the annual (2021) TIF revenue of \$9.5 million exceeds the project's \$4.7 million annual debt service. City Economic Development Department officials noted the project's property and sales tax revenue is still strong despite slower economic growth on the state and national level. The Mueller TIF debt total of \$59.6 million will be repaid by 2032.
- D. The Commission also received an update during the November 15, 2022 meeting by representatives from Community Wheelhouse and the Mueller Foundation regarding the status of the Affordable Housing program. At the time of the presentation, the Foundation had 560 affordable homes in its portfolio that represent 25.4 percent of all for-sale homes and condos. The Foundation acknowledged it has released 35 homes for sale at market rate prices since the program's inception. In addition, Catellus reported Mueller has 863 affordable apartments that represent 27.1% of all rental units. In response to prior public testimony and questions from PIAC commissioners, Foundation officials discussed steps being taken to protect program integrity. The steps include the issuance of annual compliance letters and the option of enforcement actions for failure to meet program occupancy requirements.
- E. The Commission received updates from RVi Landscape and Architecture during the August 9, 2022 and March 14, 2023 meetings respectively on plans for the new park adjacent to Zach Scott Street and Mueller's northeast trails, including the Tannehill

Creek trail and trail behind the school. Construction of the new Zach Scott Street park and over four miles of trails is projected to begin in August 2023 with anticipated completion in the summer of 2024. This trail is also part of a 13-mile system of trails in Mueller. City officials are still negotiating details regarding the transfer of the perimeter greenways (Northwest, Southwest, and Southeast) to the City of Austin. Also, at the August 9, 2022 meeting, McCann Adams Studio provided Commission an update on the new neighborhood park to be located in Section 11, currently under construction now. And at the June 13, 2023 meeting the Commission received an update from Studio Balcones on the design for the new plaza to be built around the Control Tower later this year.

- F. Austin Independent School District staff briefed the Commission at the April 11, 2023 meeting on the construction of the Dr. General Garwood Marshall Middle School at Mueller. AISD discussed the final actions needed before the all-gender school opens in August 2023 with approximately 260 sixth grade students. During the presentation, commissioner questions and public testimony focused on student safety, transportation and curriculum issues. The 10-acre school has the capacity to serve 800 students.
- G. City staff discussed administrative amendments to the Mueller PUD at the November 15, 2022 meeting. One amendment clarified the ability of row house owners to build Accessory Dwelling Units (ADU) on their property. Other amendments would authorize the reallocation of 173 housing units from the Town Center section to other sections of the Mueller development.
- H. At the September 13, 2022 Commission meeting, representatives from Austin Energy provided updates to the Commission on the new Austin Energy headquarters in Mueller that was completed through a public-private partnership in 2021 and updates on the green building and sustainability achievements of the new headquarters and Mueller project overall.

2. Determine if the board's actions throughout the year comply with the mission statement.

The briefings on affordable housing options and the Mueller Foundation Affordable Home program support the Master Plan goal of affordability and diversity. The briefing on the Mueller project's financial status supports the goal of fiscal responsibility. The briefing on Minority and Women-Owned Business Enterprise outreach efforts supports the goals of economic development, East Austin revitalization and diversity. The various presentations on Mueller parks and greenways support the goals of sustainability and compatibility with surrounding neighborhoods.

The Commission submitted two recommendations to Council during the 12 months covered by this report. During the February 14, 2023 meeting, commissioners approved a recommendation in support of removing the residency requirement for membership on the Mueller Commission (contained in Ordinance 20150507-203). The resolution was approved on a 7 to 1 vote.

The commissioners also unanimously approved a recommendation urging Council to evaluate the long-term viability of Mueller affordable housing initiatives. It included a recommendation to establish a formal reporting structure to the City on affordability activities, and the Council is urged to explore potential ordinances to ensure the sustainability of affordable apartment and home units following the completion of the MDA.

3. List the board's goals and objectives for the new calendar year.

The Term of Agreement for the Master Development Agreement (MDA) between the City of Austin and Catellus Austin, LLC for the redevelopment of the former Robert Mueller Municipal Airport site will end on December 2, 2024, which will also be the end date of the RMMA PIAC. Thus, the Commission's focus for the next eighteen months will be to make recommendations to ensure an effective continuation of governance that maintains fidelity to the six Mueller Redevelopment Goals to see that this project continues to be a positive development model for Austin and its east side communities, and identify ways that the City of Austin could continue to support Mueller's goals well beyond the MDA's conclusion.

We have used the goals adopted by the City Council in the 2000 Mueller Redevelopment and Reuse Plan (adding Affordability to the Diversity goal) to organize our goals for the future.

Fiscal Responsibility:

Redevelopment must create a positive revenue stream that will fund on-site infrastructure and increase the City's tax base for the benefit of all citizens.

The Commission will request updates from the Economic Development and Financial Services Departments regarding Mueller's Tax Increment Financing (TIF), seeking assurance that:

- The TIF continues to protect the City of Austin from financial risk.
- The TIF still provides an adequate revenue stream to fund on-site infrastructure.
- Mueller will benefit the City's tax base once its TIF debt is retired.
- As the December 2, 2024 expiration of the Master Development Agreement (MDA) approaches, the Commission will seek assurances of
 - the financial stability of the Mueller Property Owners Association (POA), and
 - the continued accessibility and maintenance of Mueller parks and other amenities open to the public for civic uses with well-defined responsibilities between the City and the Mueller POA.

Economic Development:

The project should serve to reinforce Austin's role in an increasingly global marketplace and create a wide range of employment opportunities for a diversity of the community's citizens.

We will request that Catellus share their plans towards effectively transitioning out of Mueller's governance from declarant (developer) control to property owner control, and to report on any key milestones to be reached in the interim. The Commission may request

updates on that transition process, and/or concerns as Catellus prepares to complete the MDA responsibilities.

The Commission will ask for staff updates from pertinent City Departments (i.e. Economic Development, Housing and Law Department) on items considered critical to closing out the MDA.

East Austin Revitalization:

The project must promote economic development opportunities within East Austin, giving local residents a direct stake in redevelopment.

Early in Mueller's redevelopment discussions, the surrounding neighborhoods expressed the desire to preserve Mueller's iconic Control Tower and historic Hangar, a sentiment now also embraced by Mueller residents. The Commission will continue to ask for updates on the future of the Tower and Hangar, their possible reuse, and/or their disposition. We will continue to encourage Catellus and the City to seek public input for the programming and planning for those structures and their surroundings.

The Commission may request the Economic Development Department to consider establishing a City-led socio-economic strategy to support training programs targeting businesses located within Mueller that would offer the east side communities potential business and employment opportunities. This vision includes reaching out to the Austin Independent School District high schools serving Mueller, along with Austin Community College, Houston-Tillotson University, the University of Texas, and others, to establish a partnership with the Mueller businesses and the City in creating job training programs.

Compatibility with Surrounding Neighborhoods:

Development must maintain and enhance the quality of life in adjacent neighborhoods, providing complementary linkages, land uses and transportation patterns.

The Commission supports Mueller land uses that are complementary to adjacent neighborhoods and that are accessible to the larger community via safe, multi-modal means. We may request updates from the City's Transportation Department and others regarding:

- East 51st Street Mobility Project
- Airport Boulevard improvements
- A traffic impact analysis of Mueller's perimeter roadways
- Impacts of the proposed IH-35 redesign on access to Mueller
- Any other proposed transit or transportation developments affecting or improving Mueller's accessibility.

Though many aspects of the University of Texas' Mueller campus fall outside of Commission purview, the Commission may request an update from University of Texas staff regarding the status of their plans for UT's Mueller campus, on their proposed build-out schedule, and any new information on proposed buildings, services and programs that may provide direct benefits to the community.

Diversity & Affordability:

Redevelopment must offer a wide range of housing choices in order to create a new community of socially and economically diverse residents.

With the impending end of oversight provided by Catellus, some assurance is needed that the affordable homes program established by Catellus and meeting the MDA requirements for at least 25% of all housing be affordable, evenly dispersed throughout the site, and generally evenly distributed between owned and leased units with no more than a 60/40% mix of either, will continue long-term in the future.

Currently the assurance for single-family homes to be maintained in the affordable program is in place through restrictive covenants and purchase options and right of first refusals with the non-profit Mueller Foundation. It is recommended that a long-term, sustainable, legal mechanism to maintain housing stock in the affordable program via public oversight be explored by the City prior to the end of the MDA.

We will request additional information regarding the mechanisms that securely hold rental units within the affordable housing program, including the agreement with owners of rental properties to provide a certain number of units in the affordable program, and to ensure a wide range of rental housing choices are available during the affordability period for each development.

This year, the Commission will request that Catellus and Economic Development review the impact of rising costs, such as fee increases associated with the POA and higher rental rates, on lower-and-middle-income populations.

Sustainability:

Development should be planned in a way that promotes energy and water efficiency, resource protection, reduced auto dependency, watershed protection and green space preservation.

The Commission may request Catellus, the City, Austin Energy, Austin Water, or other entities to report on sustainability goals and milestones met at Mueller, including its overall impact on Austin's environment compared to other development.