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July 21, 2026

Mayor Kirk Watson
City Hall
301 W. 2nd Street
Austin, TX 78701

Dear Mayor Watson,

I represent, and this letter is written on behalf of, Endeavor, the owner of the Dog's Head development. The purpose of this letter is to document certain amendments and proposals that have been discussed and agreed to in connection with the TIRZ Preliminary Financing Plan (the "Agreements"). These Agreements were reached after you conveyed questions and comments from yourself and your colleagues on the City Council prior to consideration of the TIRZ on July 23, 2026. If the TIRZ is approved on July 23, it is intended that these Agreements be incorporated as conditions of the approval.

ENVIRONMENTAL CONSIDERATIONS

The Dog's Head Development Agreement will be amended as follows:

(1) Decrease the permitted impervious cover from 100% of the gross site area to 79% of the gross site area. This is less than the impervious cover allowed under the current City requirements for development in commercial areas.

(2) Increase the Critical Water Quality Zone adjacent to the Colorado River from a static 200 feet to a minimum of 200 feet from the ordinary high-water mark but, where there is 100-year floodplain (post FEMA LOMRs), the CWQZ shall be increased so that the average CWQZ will be equal to or greater than 300 feet. This results in a CWQZ that will be a minimum of 200 feet, but in some instances will exceed 400 feet.

(3) As part of the initial phase of future public infrastructure which would be eligible for reimbursement under the TIRZ (Patton Lane improvements), enhanced design and construction will include elements which improve the existing floodplain condition within the Carson Creek watershed. These elements will be included and implemented in the first phase of infrastructure at an estimated increased cost of approximately $2 million. The permit for these improvements shall be submitted to the City within one week of the approval of the TIRZ on July 23. This will improve existing stormwater management in the Carson Creek/Montopolis Tributary area.

FINANCIAL CONSIDERATIONS

The Dog's Head Development Agreement will be amended as follows:

(1) The City property and sales tax increment included in the Preliminary Project and Financing Plan for the TIRZ shall be reduced from the contemplated 80% to 75% for the first 20 years and further reduced to 66% in years 21 through 35. This results in an increase in general fund revenue to the City which will not be encumbered by future reimbursement of public infrastructure.

OTHER CONSIDERATIONS

(1) For work associated with public infrastructure that will be reimbursed by the TIRZ, Endeavor agrees to, and commits to implement, the elements contained in the email from Jeremy Hendricks on behalf of Labor and its allies dated July 13 addressed to the City Council. It includes prevailing wage, OSHA safety training, workers' compensation coverage, registered apprenticeships and on-the-job training, and support and utilization of the Austin Infrastructure Academy for the construction of the Dog's Head infrastructure.

(2) Endeavor agrees to fund up to $100,000 for a Displacement and Needs Assessment study for the Dog's Head and immediately surrounding area. The study will be initiated and administered solely by the City. Endeavor will fund its contribution to the study within 18 months of the approval of the Final Project and Financing Plan. The $100,000 will be paid to the City by Endeavor and is not an expense reimbursable by the TIRZ.

The above elements are intended to address input we have received from you, your Council colleagues and the public testimony at various public hearings. If the TIRZ and related items are approved on July 23rd, Endeavor will incorporate these elements into the appropriate documentation.

Thank you for all your efforts to coordinate the discussions on this important phase of Austin's growth and prosperity.

Very truly yours,

Richard T. Suttle, Jr.

cc: Dr. Eric A. Johnson
Patricia Link
Kimberly Olivares