

## Late Backup

**MEMORANDUM**

**TO:** Mayor and City Council

**FROM:** Jim Robertson and Michael Knox, Co-Project Managers – Downtown Austin Plan

**DATE:** 6 October 2011

**RE:** Downtown Austin Plan

We would like to provide additional information regarding two issues that arose at the Council work session on October 4<sup>th</sup>.

1. On the topic of density bonuses and CURE, the Council sought additional information about the zoning cases in the last few years whereby projects were awarded additional height and/or density via CURE. Attached is a spreadsheet that provides information about several (but not all) of the CURE cases since the passage of the "interim" Downtown Density Bonus Program in 2008. With regard to each case, the spreadsheet provides the following information (where available):

- Project name and location.
- CURE Ordinance Number.
- Base (previous) zoning.
- Entitlements granted via CURE.
- Community benefits provided by the project (where information available).
- Built height and FAR.

In the coming weeks, we will provide Council with an expanded spreadsheet that provides (where the data is available) the same information on all CURE cases approved since the passage of the interim Downtown Density Bonus Program.

Two other requests for information came from the October 4<sup>th</sup> Council work session:

- Estimate of the affordable housing benefits that each CURE project might have provided if it had gone through the proposed Downtown Density Bonus Program instead of CURE.
- Estimate of the additional tax base (beyond the tax base that would have been generated if the project had been built using its base entitlement) that the project could or did produce via CURE.

We have not been able to assemble that information in the two days since the Council work session, but we will add that information to the updated spreadsheet that we will provide to Council.

2. Another set of questions concerned the City's policy of contributing a portion of the increased property tax revenue from redeveloped City land to affordable housing. Council Resolution No. 000907-72 directed the City Manager to dedicate to the Housing Trust Fund (HTF) 40% of all

incremental tax revenues derived from developments that were built on city-owned property located in the Desired Development Zone and that were not on the Travis Central Appraisal District property tax rolls on June 1, 1997. A number of Downtown parcels have contributed to the HTF in accordance with that directive, including:

- Blocks 2 and 4 (known as the CSC developments)
- Post West (now known as Gables West Avenue)
- Schneider Building (on Block 2)
- Block 21 (W Hotel)
- Block 22 (AMLI)

Attached is a spreadsheet ("Housing Trust Fund (HTF) History") that shows the contributions from each of these parcels to the Housing Trust Fund.

cc: Marc A. Ott, City Manager  
Sue Edwards, Assistant City Manager  
Greg Guernsey, Director, Planning and Development Review Department  
George Adams, Assistant Director, Planning and Development Review Department

Summary of Recent CURE Rezoning in Downtown

Case Number	Project Name	Address	Rezoning from	Rezoning to	Community Benefits Offered by Applicant	Area in square feet	Approved FAR	Difference in FAR with additional entitlements from base district	Difference in square footage allowed	
1	C14-2008-0038	1705 and 1715 Guadalupe Street	1705 and 1715 Guadalupe St	DMU	DMU-CURE	Great Streets improvements at owner's expense; All residential development shall comply with Austin Energy Green Building Program - 2 Star rating. If a building is constructed to a height that exceeds 170 feet, then 20 percent of the gross floor area shall be allocated for residential uses	28,401 sq. ft.	12.5 to 1	7.5	213,007.5 sq. ft.
2	C14-2008-0143	The Project at 6th and Congress	121 E. 6 <sup>th</sup> Street	CBD-CURE	CBD-CURE	Great Streets improvements at owner's expense	44,157 sq. ft.	20 to 1	12	529,884 sq. ft.
3	C14-2008-0144	The Project at 6th and Congress West	501 Congress Avenue	CBD-CURE	CBD-CURE	Great Streets improvements at owner's expense	22,081 sq. ft.	20 to 1	12	264,972 sq. ft.
4	C14-2008-0159	3rd and Colorado Hotel	311 Colorado St.	CBD	CBD-CURE	Great Streets improvements at owner's expense if property develops with a hotel-motel use exceeding an FAR of 8:1; All development to be built to LEED Silver Level	29,442 sq. ft.	12 to 1	4	117,768 sq. ft.
5	C14-2009-0079	Austin Hotel Holdings LLC	201 W. 5th St.	CBD	CBD-CURE	Great Streets improvements at owner's expense if property develops with a hotel-motel use exceeding an FAR of 8:1; All development to be built to LEED Silver Level	23,553 sq. ft.	12 to 1	4	94,212 sq. ft.
6	C14-2009-0091	3rd and San Jacinto Quarter Block	213 E. 3rd St.	CBD	CBD-CURE	Great Streets improvements at owner's expense	17,694 sq. ft.	12 to 1	4	70,776 sq. ft.

## Housing Trust Fund (HTF) History

The Fiscal Year (FY) indicates when the property taxes were collected. The 40% transfer for each year occurs in the following fiscal year.

List of Sites (Parcels)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
CSC Block 2 - Parcel #02050105060003	\$ 64,818	\$ 128,164	\$ 78,932	\$ 57,271	\$ 87,721	\$ 139,415	\$ 163,122	\$ 163,897	\$ 171,945	\$ 174,385
CSC Block 2 - Parcel #02050105060000	\$ 27,582	\$ 36,282	\$ 31,889	\$ 28,667	\$ 28,667	\$ 29,666	\$ 29,005	\$ 28,846	\$ 33,780	\$ 45,023
CSC Block 4 - Parcel #02050107070001	\$ 28,042	\$ 131,934	\$ 95,002	\$ 71,553	\$ 99,151	\$ 144,712	\$ 166,610	\$ 167,383	\$ 175,602	\$ 182,914
CSC Block 4 - Parcel #02050107070000	\$ 27,582	\$ 34,668	\$ 37,164	\$ 33,409	\$ 33,409	\$ 34,573	\$ 33,802	\$ 33,618	\$ 35,269	\$ 47,007
Subtotal CSC	\$ 148,024	\$ 331,048	\$ 242,987	\$ 190,900	\$ 248,948	\$ 348,365	\$ 392,539	\$ 393,744	\$ 416,596	\$ 449,329
TIF Reduction *	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total CSC Available Payment	\$ 48,024	\$ 231,048	\$ 142,987	\$ 90,900	\$ 148,948	\$ 248,365	\$ 292,539	\$ 293,744	\$ 316,596	\$ 349,329
Post West - Parcel #01070013050000	\$ 25,674	\$ 25,674	\$ 27,523	\$ 22,268	\$ 22,268	\$ 27,653	\$ 27,036	\$ 26,889	\$ 28,209	\$ 35,741
Post West - Parcel #01070013050001	\$ 68,605	\$ 91,480	\$ 116,168	\$ 102,016	\$ 102,016	\$ 130,707	\$ 133,985	\$ 138,601	\$ 117,524	\$ 112,817
Post West - Parcel #01070013110000 **	\$ 19,652	\$ 19,652	\$ 19,466	\$ 17,499	\$ 17,499	\$ 34,745	\$ 46,072	\$ 211,704	N/A	N/A
Total Post West Payment	\$ 113,931	\$ 136,807	\$ 163,156	\$ 141,782	\$ 141,782	\$ 193,104	\$ 207,093	\$ 377,194	\$ 145,733	\$ 148,558
Schneider Bldg. - Parcel #02050105090000	\$ -	\$ 3,059	\$ 1,115	\$ 1,002	\$ 1,002	\$ 1,051	\$ 1,027	\$ 1,022	\$ 1,559	\$ 1,693
Total Schneider Bldg. Payment	\$ -	\$ 3,059	\$ 1,115	\$ 1,002	\$ 1,002	\$ 1,051	\$ 1,027	\$ 1,022	\$ 1,559	\$ 1,693
Block 21 - Parcel #02050102020000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 679	\$ 14,251	\$ 14,174	\$ 14,870	\$ 29,067
Block 21 - Parcel #02050102010000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 679	\$ 14,251	\$ 14,174	\$ 27,497	\$ 370,978
Total Block 21 Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,358	\$ 28,502	\$ 28,348	\$ 42,367	\$ 400,045
AMLI Block 22 - Parcel #02050101010000										
30% of Total Taxes***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,605	\$ 8,558	\$ 8,979	\$ 9,751
Total AMLI Block 22 Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,605	\$ 8,558	\$ 8,979	\$ 9,751
3rd and Lamar - Parcel #01070012150000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,512	\$ 2,809	\$ 2,947	\$ 3,201
Total 3rd. and Lamar Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,512	\$ 2,809	\$ 2,947	\$ 3,201
<b>TOTAL TAX PAYMENTS MADE</b>	<b>\$ 161,955</b>	<b>\$ 370,914</b>	<b>\$ 307,258</b>	<b>\$ 233,684</b>	<b>\$ 291,732</b>	<b>\$ 443,878</b>	<b>\$ 539,278</b>	<b>\$ 711,675</b>	<b>\$ 518,181</b>	<b>\$ 912,577</b>
<b>40% TRANSFER</b>	<b>\$0</b>	<b>\$64,782</b>	<b>\$148,366</b>	<b>\$122,903</b>	<b>\$93,474</b>	<b>\$116,693</b>	<b>\$177,551</b>	<b>\$215,711</b>	<b>\$284,670</b>	<b>\$207,272</b>
<b>ADJUSTMENTS</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$18)</b>	<b>(\$6,225)</b>	<b>(\$3,642)</b>	<b>\$0</b>	<b>(\$32)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTALS</b>	<b>\$0</b>	<b>\$64,782</b>	<b>\$148,348</b>	<b>\$116,678</b>	<b>\$89,832</b>	<b>\$116,693</b>	<b>\$177,519</b>	<b>\$215,711</b>	<b>\$284,670</b>	<b>\$207,272</b>
<b>ACTUAL TRANSFER</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$139,051</b>	<b>\$90,474</b>	<b>\$116,693</b>	<b>\$177,280</b>	<b>\$202,624</b>	<b>\$281,247</b>	<b>\$350,248</b>
<b>DIFFERENCE</b>	<b>\$100,000</b>	<b>\$35,218</b>	<b>(\$148,348)</b>	<b>\$22,373</b>	<b>\$642</b>	<b>\$0</b>	<b>(\$239)</b>	<b>(\$13,087)</b>	<b>(\$3,423)</b>	<b>\$142,976</b>

\* The TIF (Tax-Increment Financing) Reduction is \$100,000 annually for maintaining the plazas, streetscapes and other public improvements constructed within the Reinvestment Zone

\*\* An audit of properties in 2010 determined Post West - Parcel #01070013110000 should not have been included in this calculation.

\*\*\* AMLI Block 22 - the 40% transfer only applies to 30% of total taxes of this parcel as the City only owned approximately 30% of the land at the time of the HTF Ordinance

Amendment to the Austin Tomorrow Comprehensive Plan			
Motion #	Action	Planning Commission Recommendation	Staff Recommendation
1	Adopt the Downtown Austin Plan, including the staff-recommended amendments, as an amendment to the Austin Tomorrow Plan.	To approve staff's recommendation to endorse the Downtown Austin Plan with proposed modifications made by Staff, recommending to City Council that the Downtown Austin Plan be adopted as an amendment to the Austin Tomorrow Plan; recommending to City Council that City Staff be directed to implement the Downtown Austin Plan consistent with the recommendations in the Plan. Please see Exhibit F "Staff Recommended Changes."	Recommended
2	Direct the City Manager to initiate the code amendments as recommended in the Plan, including but not limited to: 1) Regulating Plan that implements Downtown-specific development standards; 2) Creation of new zoning districts; 3) Downtown Density Bonus Program; 4) Downtown-specific compatibility framework	Recommended	Recommended
3	Direct the City Manager to initiate the re-zonings as recommended in the Plan.	Recommended	Recommended
4	Direct the City Manager to include implementation projects identified in the Downtown Austin Plan as part of the City's comprehensive capital project needs assessment and prioritization and identify possible funding strategies for these elements of the Plan; and	Recommended	Recommended
5	Direct the City Manager to develop a detailed plan, including the steps and schedule, for creating a Central City Economic Development Corporation and present that plan to City Council for consideration and possible action	Recommended	Recommended
<b>For alternative Consideration:</b>			
6	Adopt the Downtown Austin Plan, including the staff-recommended amendments, as an amendment to the Austin Tomorrow Plan except for the plan as it applies to the Northwest District.	N/A	N/A
7	Adopt the Downtown Austin Plan, including the staff-recommended amendments, as an amendment to the Austin Tomorrow Plan as it applies to the Northwest District.	N/A	N/A