

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Called Council Meeting

April 18, 1979
2:00 P.M.

Municipal Auditorium

The meeting was called to order with Mayor McClellan presiding.

Roll Call:

Present: Mayor McClellan, Mayor Pro Tem Goodman, Councilmembers
Cooke, Himmelblau, Mullen, Snell, Trevino

Absent: None

Mayor McClellan stated that this was a Special Called Council Meeting, for the presentation of Phase I, Central City Revitalization Plan by American City Corporation.

Mayor McClellan addressed the audience by saying "We have been speaking for some time about having 24-hour activity in our central city with people working and playing together there. If there has ever been any doubt about our having a revitalization of the central city, I believe the Phase I report from our consultant who has been working with us will dispel those doubts. Today's announcement will not be the last. This is Phase I, it is real, here and today."

City Manager Davidson stated "We have a day of opportunity and achievement for the City of Austin. You are going to witness a policy adopted by the Austin City Council called the revitalization of the central city. In 17 months this Council has achieved what many have attempted over a 20-year period. A viable plan that can be accomplished will be described to you. In December, 1977 the City Council adopted a resolution calling for a definite economic development program to benefit Austin's central core. On February 9, 1978 Council requested a report as to the feasibility of creating an Economic Development Program. On March 23, 1978 the Council authorized preparation of a schematic plan for the central city and Council approved an Economic Development budget for the first time. October 12, 1978,

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the City Council awarded a contract to the American City Corporation. They were selected as the city's development advisor to develop a strategy that can be used to renovate the central city. Throughout the entire policy making process of public/private partnership the City Council has stressed the predicate that anything that results must truly benefit all citizens of Austin.

Mr. Davidson then extended his compliments to the City Council for the courage required to undertake a project of this scope. He also complimented Mr. Jim Miller, Assistant City Manager, for coordinating the city staff effort required to help carry out the Council's policy; and the American City Corporation, as our development advisors, who just since October has been able to conceive a very realistic and feasible plan that can actually be accomplished in downtown Austin.

MR. DAVID NESBITT, Senior Project Manager, American City Corporation, appeared before Council and auditorium audience to give his report on Phase I, Central City Revitalization Plan. He stated that the plan centers on an area from Guadalupe to Brazos Street, and First to Third Streets, and another area from Brazos to Interstate 35 along Town Lake, and developers are waiting for the appropriate time to begin.

The plan includes a core area bounded by Lavaca Street, Congress Avenue, First and Third Streets. Included in the four-square-block area will be three office buildings; a 300 room hotel; a two-level glass roofed mall will include 22 restaurants, clubs or shops; and two levels of underground parking for 2,000 cars. The closing of Second Street between Lavaca and Congress would enable the core area to be established.

There will be a new municipal complex at the present site of the Municipal Annex, and a five-level 1,000 car parking lot across from Second Street from the new municipal building.

An area bounded by Congress, Brazos, First and Third will contain a fourth office building, a 450 car parking garage, a health facility and racquetball club and a condominium.

In an area from Brazos and First Streets, along Town Lake to I-35, two mid-rise condominiums are planned; additionally, garden apartments and townhouses. Mr. Nesbitt explained that none of the offices or dwelling buildings would exceed 16 stories.

Mr. Nesbitt said that today's presentation is not about the proposed convention center but it is proposed somewhere near Municipal Auditorium on the south shore of Town Lake. However, included in the proposal is a "people mover"....an elevated tram to shuttle people across Town Lake using the First Street and Congress Avenue bridges, between the convention center area and the hotel and entertainment center. Later, the tram can be extended through downtown to the state complex and the University of Texas area.

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As Mr. Nesbitt pointed out, this is only the first phase in an overall 20-year Austin revitalization program. The Town Lake phase will tie into current Waller Creek development and an East Austin phase, the French Legation Park. It is expected the plan will double Austin's capability to cater to conventions and hopefully solve one of the main problems of not being able to get people out of their cars to walk.

Private and public investment will be required for the plan, with \$120 million in private investment and public investment of \$51.6 million. Mr. Nesbitt explained the \$51.6 million public investment would be a net of \$43.4 million because the city would realize \$8.2 million through land sales. He also said the parking facilities would cost \$18.6 million in public funds, but could be financed with revenue from garage operators. Tax increment bonds could finance \$12 million for land acquisition, \$5 million for public improvements and \$8 million for the tram. The approval of the method and amount of tax increment would be decided by Austin voters. Such bonds are repaid using tax revenue from the planned development. Only the proposed \$8 million convention center was proposed, by Mr. Nesbitt, for financing with general obligation bonds, which are repaid with tax money from throughout the city. This would re-establish a tax base downtown and would not cost the public any money in revenue, except for the convention center.

Mr. Nesbitt concluded his presentation by saying that there is one concern and that is a key issue in relation to the major corridors to downtown. He said he would advise they be re-thought and studied in connection with the economic development plan.

Mayor McClellan thanked Mr. Nesbitt for his presentation and said it pointed the way to a very specific public/private relationship that will result in a \$120 million investment for the private sector and a \$50 million from the public sector. She has had meetings with various people in the community regarding the plan and response has been enthusiastic and strongly supportive of the direction their efforts are taking. Investors locally and around the nation are looking to Austin as a promising community for the future. She said that soon Rousseau Properties, Inc. intends to build an office building on the west side of IH 35 between 10th and 11th streets. In addition to the office building and parking garage, they will construct 50 low rise condominiums overlooking Waller Creek with views of the Capitol and downtown. Details, she said, will be announced in a few weeks.

The Mayor then told Council that the City Manager should be instructed to place a resolution on the April 26, 1979 agenda designating today as a redevelopment area.

Councilmember Cooke stated this development, with the Council as a catalyst, complements what is happening in our community. He feels the plan presented is attainable with the first phase being a 4-7 year phase ...a part of a total 20 year program. The past 17 months has been an effort by a lot of people which he has found very stimulating. The business community and neighborhoods are also enthusiastic about this endeavor in the central city. The total plan addresses seven specific areas, but, he pointed out, today's presentation addresses the first two. There are five more to go to fill out the 20 year time frame. Mr. Cooke said the American

City Corporation's economic presentation is sound and attainable and to him is the most stimulating aspect of the project presented today. He commended Mr. Nesbitt; also Mr. Jim Rouse who owns and is chairman of the board of the Rouse Corporation, who is receiving accolades across the nation for making urban centers we can all be proud of. One of his first endeavors in the sun belt is Austin and Mr. Cooke feels this is exciting, and when we look back in the future, it will have been a historic day for Austin.

Councilmember Himmelblau expressed her amazement that so much has evolved in such a short time frame. She commented on the remodeling of the Littlefield Building, and the Paramount Theater which was the first restoration project along with the Driskill Hotel.

Councilmember Mullen said he is happy to be a member of the present Council and get some credit for the city's revitalization. But, he pointed out, the Mayor and Lee Cooke are the two people that really led the charge on this. He said Mr. Cooke had traveled around the United States looking at other city revitalization projects and the Mayor has had a tremendous amount of interest in it.

Mayor Pro Tem Goodman pointed out that later on there will be public hearings as consideration is made to the establishing of the development district. He said if the dollars aren't there the investors won't be there, and if they don't have the people behind them, they won't have the dollars from investors. He also said he is not convinced of the necessity for a new city hall complex, and particularly at that location. It is something no one has made a commitment to yet and is not an integral part of the overall development plan. He also said increment financing has definite advantages and on the whole he is enthusiastic about a whole new community, not only in the development of this area, but in expanding it to other areas.....for example, east of IH 35, which so far has been neglected and the plan has its definite drawbacks...."that's where we're going to need public input the most." It doesn't directly impact our total bonded indebtedness, but it does have an indirect impact on the taxpayers in many ways and we have to put a fine line to those dollar figures and find out what the impact is and what the benefits will be.

Councilmember Trevino stated, "You have seen outlined before you the commitment this Council has made and the commitment of the private sector in the downtown area, but again I want to stress the commitment doesn't stop at West Avenue or the river or the Capital complex. The commitment goes far beyond that but there has to be a beginning and we are seeing it now. As it begins to develop then I think you will see further commitment on the part of this Council and hopefully future Councils far beyond the downtown area, into the periphery and beyond that too."

Councilmember Snell complimented Mr. Nesbitt for his presentation and said it is a very good presentation...one that the entire city can be proud of and also complimented the audience that attended the Special Council Meeting. He said they have representation from all sections of Austin.

Mr. Snell noted that these things will not happen over night, it will take time, therefore we must not become weary or discouraged or think that Phase I is the entire program. He said there will be other phases which will include all sections of Austin.

Mayor McClellan asked for any comments or questions from the public. No one appeared to be heard. She indicated that regular public hearings will be held on every aspect of the development.

Motion

Councilmember Cooke moved that the Council instruct the City Manager to place on the agenda for April 26, 1979, a resolution designating the area from Guadalupe to Brazos Street, and from First to Third Streets; and the area from Brazos to Interstate 35 along Town Lake, as areas for redevelopment. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Pro Tem Goodman, Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Councilmember Cooke
Noes: None

ADJOURNMENT

Council adjourned its Special Called Meeting at 2:55 P.M.

APPROVED

Carole Zeeton McClellan
Mayor

ATTEST:

Grace Monroe
City Clerk