

# South Central Waterfront Briefing

## Austin Economic Development Corporation (AEDC)

### Task 3: Presentation on Organizational Development Plan



**Matthew Kwatinetz**

**Q Partners**

April 2020

# Agenda

- Scope for Creating a new Economic Development Organization
- Update: Austin Economic Development Corporation
- Proposal: South Central Waterfront
- Next Steps

Scope:

Creating an EDO for Austin

# Timeline and Scope Review: SOW

- **Task 1: Engagement Kick-off and Team Formation (Dec)**
  - Review of Materials
  - Interviews
- **Task 2: Research and Benchmarking (Dec-Jan)**
  - Expanded precedent document review and broad research
  - Benchmarks nationally and in Texas
- **Task 3: Initial Proposal to Staff, Stakeholders and Leadership (March)**
  - Initial Proposal (“Straw Person”) to kick-off discussion (this presentation)
  - Refined Proposal based on Staff, Council Member and Project Team feedback
- **Task 4: Presentation and Recommendations (April/May)**

# Task 1: Kick-Off Meetings (40+ interviews)

*Most meetings were conducted Dec 9, 10, and 11 in Austin's City Hall. Council member meetings were delayed due to LDC conversations and conducted via phone in January.*

- **City of Austin Elected Officials and/or Policy Staff:** CM Tovo, CM Alter, CM Pool, CM Kitchen, CM Flannigan, CM Casar, Mayor Pro Tem Garza, Mayor Adler
- **City of Austin Department Staff:** City Manager, Asst. CM; Economic Development Department; EDD Cultural Arts Division; Redevelopment Division; EDD Strategy & Int'l; EDD Music & Entertainment Division; Planning and Project Group EDD; COA Planning; Neighborhood Housing & Community Development (AHCD) and AHFC; Real Estate & Finance; Law Department
- **Inter-Governmental:** County Commissioner Travillion, Office of the Judge of Travis County, County Commissioner Shea, University of Texas, Capital Metro, CAMPO, Austin Community College, Austin Independent School District, State Senator Watson, Texas Council on Economic Development, City of San Antonio
- **Stakeholders and Anchors:** Capital City Innovation, Downtown Austin Alliance, Red River Cultural District, Austin Cultural Alliance, Greater Austin Chamber of Commerce, Urban Land Institute, Perkins+Will, Austin Community Foundation, Affordable Central Texas, Housing Authority of the City of Austin ("HACA") with HACA, AAHC, NHCD, AHFC

# Task 2 & Task 3

- Precedent document review and broad research (Dec – Feb)
- Benchmarks Nationally & Peer Cities (Jan – Feb)
- Texas Case Studies and Texas Law Review (Jan – Feb)
- Initial “Straw Person” Briefings with COA and Council (Feb-Mar)
- Follow-up Stakeholder Meetings (Feb – Mar)
- EDD, CMO, Council and Mayoral Briefings (Mar – April)
- Stakeholder Proposals (Now)

# Austin Economic Development Corporation

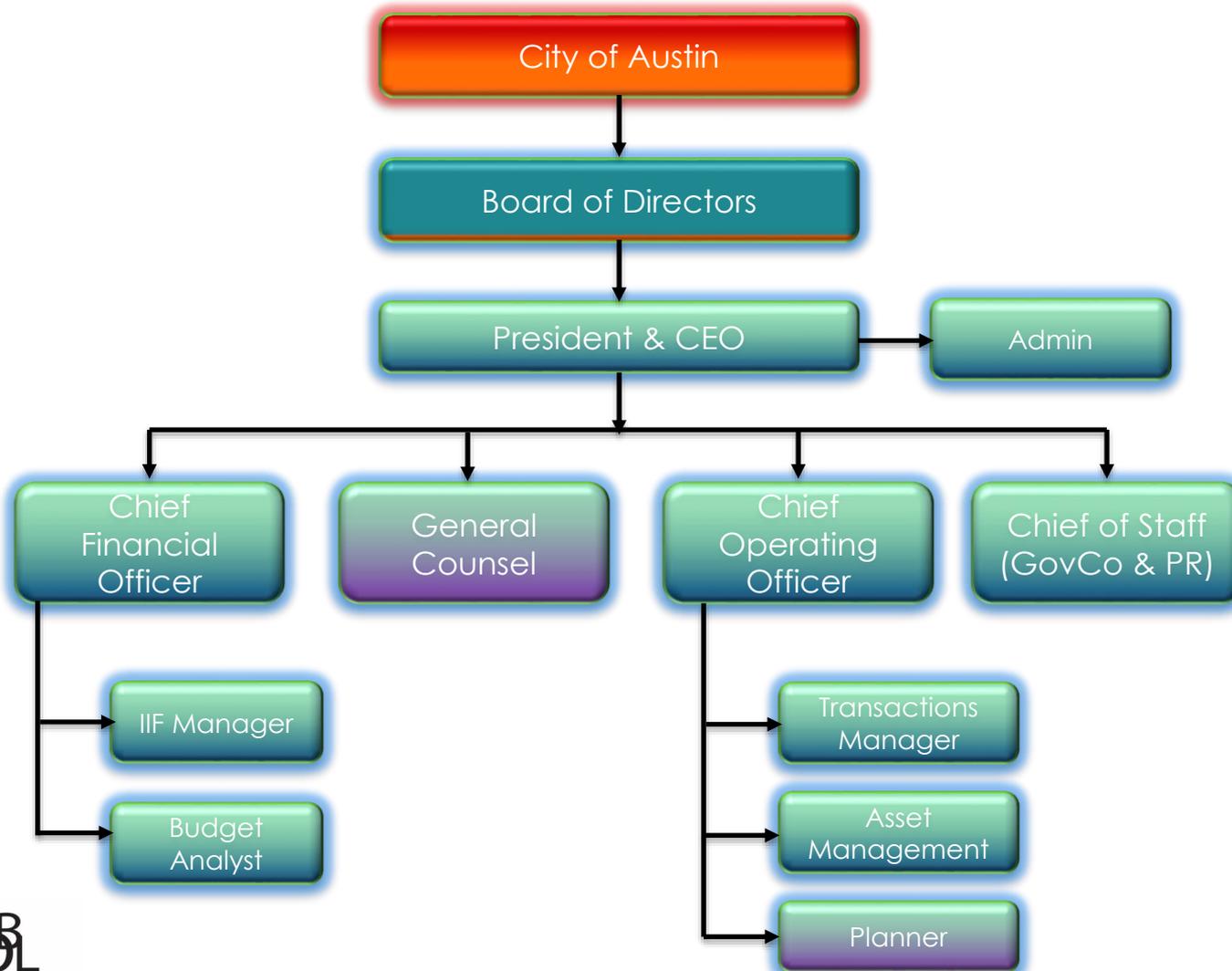


# Organizational Structure: Powers & Controls

- **Austin Economic Development Corporation**
  - *A new Local Government Corporation* with federal charitable status - 501(c)3
  - A board appointed by and controlled by City Council (see next slide)
  - Can accept charitable donations
  - Can manage private investment dollars
  - Can own and operate real estate
  
- **Austin Industrial Development Corporation**
  - *An existing Development Corporation* formed by Council in 2015 as a financing conduit
  - Development Corporation authorized by Section 501 (TX LGC)
  - Board is composed of the City Council, who must approve any financing
  - The CFO of AEDC serves as the President of AIDC
  
- **City of Austin Economic Development Department**
  - Oversight and management of AEDC
  - Director of EDD should serve as the initial Interim President of AEDC

# Organizational Structure (3): Org Chart

*Purple roles can be initially outsourced. Orange roles not compensated by the organization itself.*



# Three Year Staffing Up Plan

Below, yellow highlights the first year each position is paid in the organization. After the first year of full employment, 5% raises assumed.

A “1” indicates 100%, Full-Time, exempt employment. A “0.5” indicates Half-Time, exempt employment.

Austin Economic Development Corporation				
4/3/20 by MK				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
IIF Manager (Executive Director, AIDC)	0.5	1	1.05	1.1025
Executive Assistant	0.5	1	1.05	1.1025
Financial Analyst	0.5	1	1.05	1.1025
President / CEO	0	0.5	1	1.05
Chief Financial Officer	0	0.5	1	1.05
Chief Operating Officer	0	0.5	1	1.05
Chief of Staff	0	0.5	1	1.05
Transactions Manager	0	1	1.05	1.1025
Asset Management Head	0	0.5	1	1.05
Associate, Transactions	0	0	0	0.25
Associate, Asset Management	0	0	0	0.25
Planning Manager	0	0	0	0.25
General Counsel	0	0	0	0.25
Press Agent / PR	0	0	0	0.25
Associate, Government & Community Relations	0	0	0	0.75

**Additional Notes:**

In the first year, the CEO, CFO and COS all will be temporarily filled by current full time City of Austin employees who will retain their existing jobs and serve as interim heads of those roles with minimal responsibilities. The primary work will be done by the IIF Manager, Budget Analyst and Executive Assistant with the help of an interim COO that could be a transferred COA employee or consultant.



# Proposed Projects

## Initial List

- Major Projects
  - South Central Waterfront
  - Huston-Tillotson District Planning
  - Cultural Trust
  - International Investment Fund
  
- Ongoing City-Wide Projects
  - Transaction support on P3 negotiations
  - Public Owned Sites Pipeline
    - Includes support of Affordable Housing and Homelessness pipeline
    - Includes support of inclusive growth around TODs, as applicable
  - Asset Management on public owned sites
  - District (and emerging PID) support
  
- Other Priority Projects as Directed by Council
  - COVID-19 Response and Recovery (potential)

# South Central Waterfront Proposal

# South Central Waterfront

## Manage P3 Negotiations, Regulating Plan and TIF/TIRZ



Stephanie Bower | Architectural Illustration

Multiple South Central Waterfront plans have called for the creation of a dedicated entity to manage the implementation of the plan and serve as a steward for the project over the next 20 years. This is the perfect “anchor” project for the EDO. Similar to the Navy Yard in Philadelphia, the Beltline in Atlanta and the 42<sup>nd</sup> Street Project in NYC.

# South Central Waterfront: March Tour

## Tour with COA Departments and EDO Consultant

**MARCH 5, 2020: SCW BUS TOUR  
ECONOMIC DEVELOPMENT  
DEPARTMENT/ECONOMIC  
DEVELOPMENT ENTITY DISCUSSION**

The South Central Waterfront Vision Framework Plan (SCW Plan) promotes a vision to guide redevelopment over the next 20 years. The SCW Plan is based on a district-wide, public/private partnerships model to transform the district by:

- Retrofitting 17 new acres of connected parks, trails, plazas and open spaces across a patchwork of properties.
- Adding over 2 miles of new green streetscapes, expand the street grid, and promote transportation options to create a lively, walkable district.
- Enhancing connections and open spaces to and along the waterfront.
- Incentivizing new affordable housing units to ultimately equal 20% of the district's new residential units.

To secure the vision, the City must enact the key financial, regulatory, and governance programs that the Plan calls for. Developing an Economic Development Entity is one of the essential recommendations. Doing so will empower the City to be a full partner in providing a financially feasible, predictable, and sustainable transformation for the district.

1. One Texas Center
2. Trail @ Texas School for the Deaf
3. Green Connector
4. Statesman Site

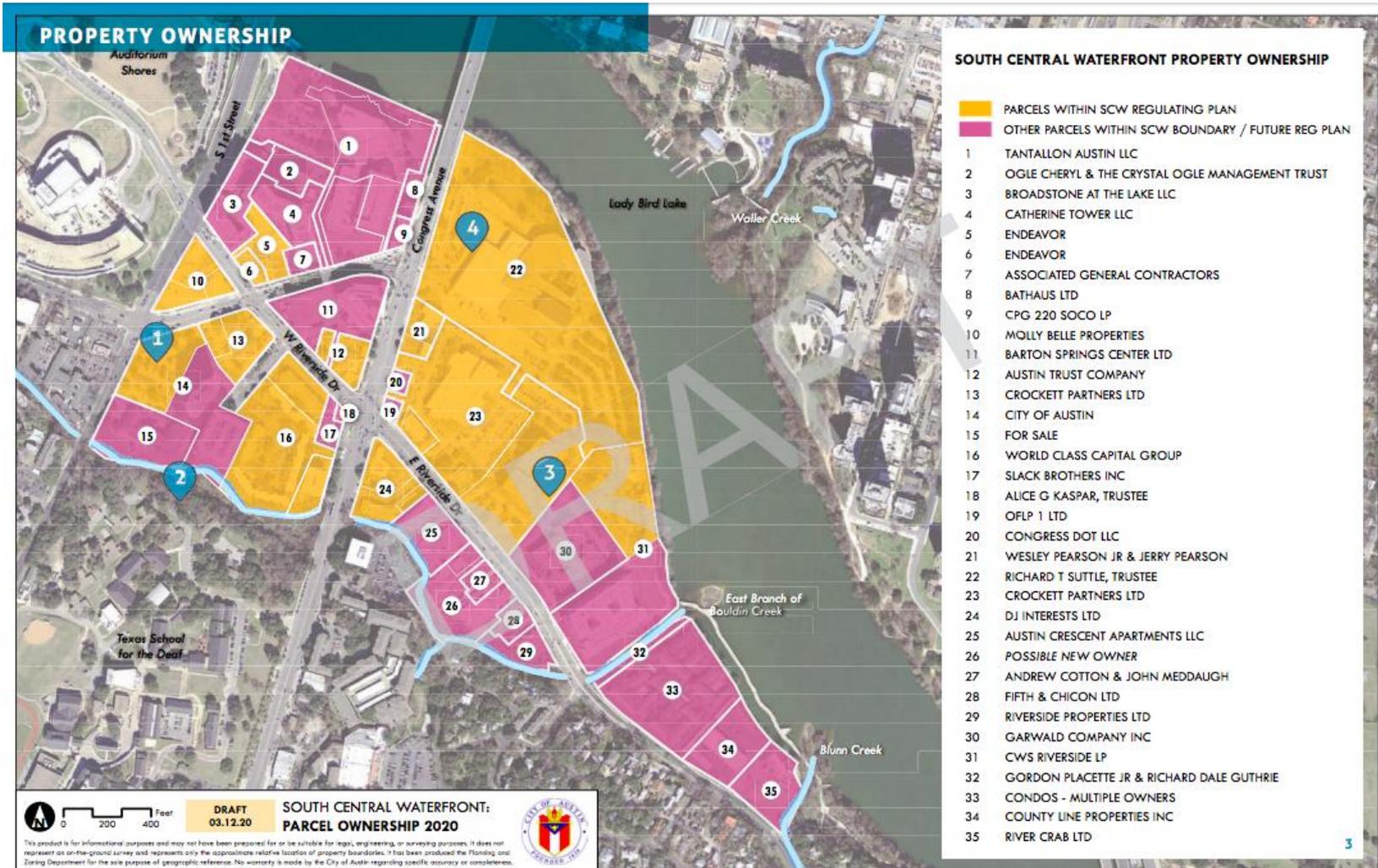
# South Central Waterfront

## Proposal: AEDC as LGC/Lead Agency Contemplated in Vision Framework

- **Lead Agency**
  - Support SCWAB proposed district management tools
  - Coordinate strategic capital investments (including 2018 bonds)
  - Coordinate affordable housing plan with partner agencies
  - **Push forward the adoption of the regulating plan for entire district**
  
- **Financial tools & funding options**
  - Increased entitlements to landowners
  - Public Improvement Districts (PIDs): Negotiation with DAA
  - Transfer of Development Rights (TDRs)
  - **Lead the adoption of TIF district and management**
  
- **Negotiation of specific private-led P3 deals**
  - **Statesman**
  - **One Texas Center RFP**
  - **Trail Funding, Public realm funding and O&M**

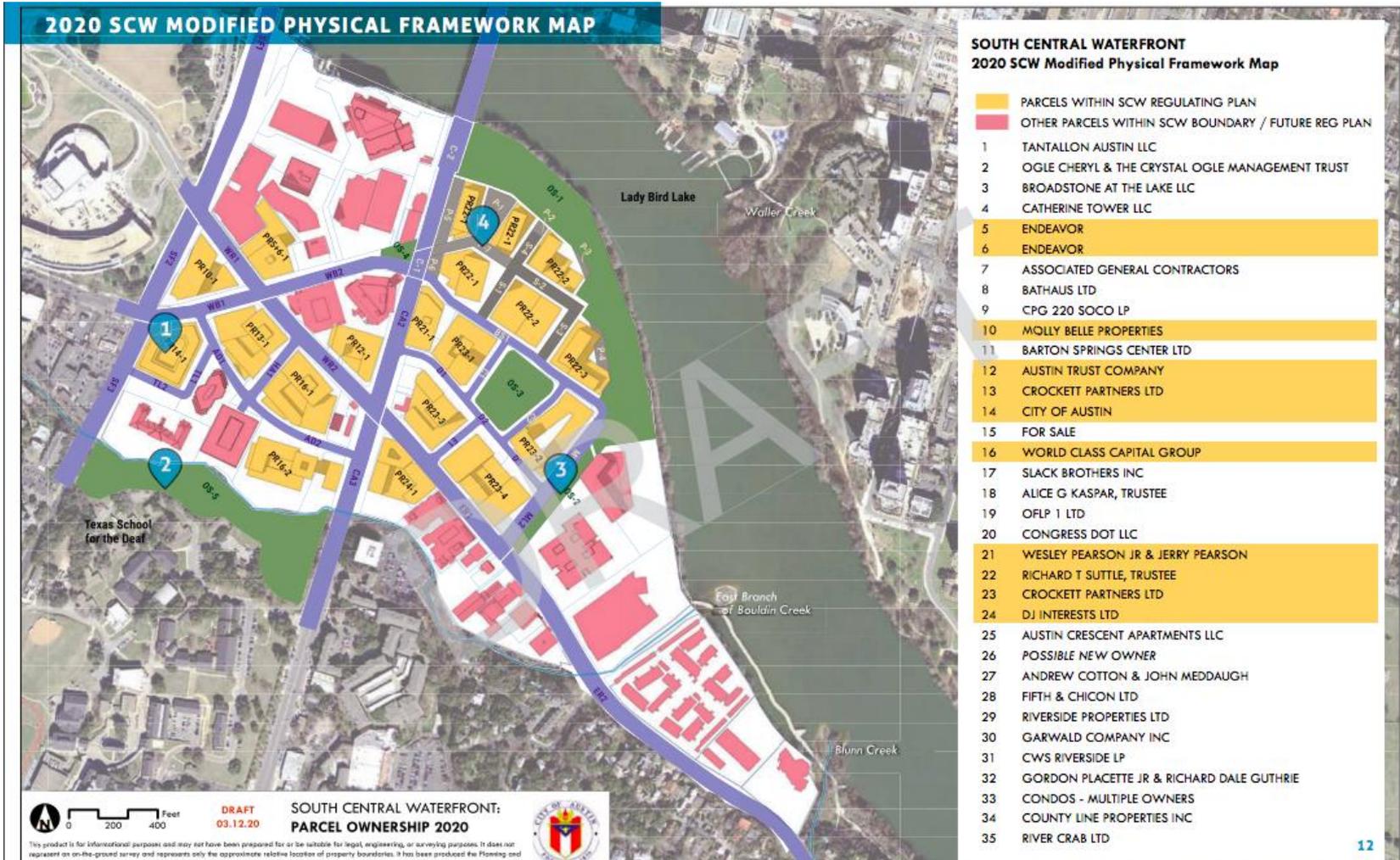
# Regulating Plan Expansion and Adoption

## Task 1



# Establishment of TIF District

## Task 2



# Statesman Site Negotiation Support

## Task 3

### 4. STATESMAN SITE - 2020 MODIFIED PHYSICAL FRAMEWORK

#### South Central Waterfront Vision

- Largest property of 35 (19 acres, 20% of District area)
- Provides 56% of the District's 17 acres of new open spaces
- Barton Springs extension - significant new public serving street

#### Implementation Update

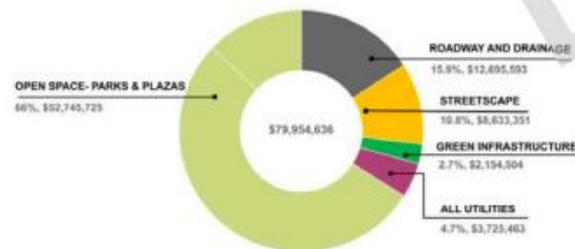
- PAZ updating physical framework costs (March 2020)
- PAZ updating financial modeling (April 2020)
- PAZ draft regulating plan (May 2020)
- **Applicant filed PUD (Summer 2019 - in process)**



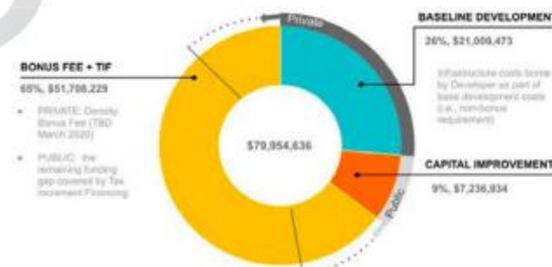
Image from Statesman PUD Proposal



SCW Key Map with Endeavor Buildings



Statesman Site Only - Scenario 2 - Draft Physical Framework Costs - March 2020 (32% of total District costs)



Statesman Site Only - Scenario 2 - Draft Financial Framework - March 2020

# Trail & Texas School for the Deaf

## Task 4

### 2. TRAIL @ TEXAS SCHOOL FOR THE DEAF



#### South Central Waterfront Vision

- .25 mile trail/bridge connector between South First Street and South Congress
- Bridge connections to properties across creek to OTC and/or World Class Properties
- Water quality and riparian restoration of creek
- Bouldin Creek Neighborhood connections to South Congress, and TSD's connections to the City

#### Implementation Update

- State of Texas facilities master plan for the TSD references and includes the SCW recommendations for the trail
- Updated project costs in 2020



South Central Waterfront Plan



Texas Facilities Commission - 2016 Campus Master Plan



# One Texas Center RFP & Management

## Task 5

### 1. ONE TEXAS CENTER (OTC)



#### South Central Waterfront Vision

- 60' height (of entitled 180')
- 150 Affordable Housing Units
- Family-friendly ownership units
- 80% MFI



South Central Waterfront Plan

#### Implementation Update

- Strategic Facilities Governance Team considering alternatives for One Texas Center
- 2/20/20 Council resolution to provide recommendations for the redevelopment of One Texas Center including a range of community benefits by June 2020
- SCW Consultant currently modeling alternative affordable housing options for OTC. (see below)

#### Potential Partners

- COA (NHCD, Finance, Real Estate, etc.)
- Non-profit and for profit housing developers
- Other developing properties in the district

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ONE TEXAS CENTER  
REDEVELOPMENT OPTIONS  
Draft: McCann Adams Studio  
September 25, 2019

		OPTION A 4 over 2 - 60' Max	OPTION B 5 over 3 - 85' Max	OPTION C Tower - 170' Max
RESIDENTIAL	GSF	163,750	200,750	309,000
	DU <sup>1</sup>	142	175	269
RETAIL	GSF	7,900	7,900	5,575
PARKING	Spaces	120	180	310
	Levels Up	1	3	3
	Levels Down	1	0	2
BUILDING HEIGHT	Feet	58	84	168
	Floors	5	7	15

NOTES

1. Unit Mix is Assumed to be 20% Studios, 50% 1BR, 25% 2BR and 5% 3BR. Net to gross is assumed at 80% with an allocation of 1150 gsf per unit.

# South Central Waterfront: Resources Needed

## Funding and Staffing

- **Funding**
  - TIF Management
  - Potential PID contribution from DAA
  - Contract for start-up services from City of Austin
  - Developer fees (including bonus and transaction fees)
  - Bond fees for managing capital projects
  - Asset Management fees (One Texas Center and any public land)
  
- **Full Time Employee for SCW**
  - Planning, negotiations and transaction expertise
  - District experience
  
- **EDO Support:** Executive, CFO, Transactions, Analyst
- **COA Support:** NHCD, Planning, Parks, EDD
- **Partners:** SCWAB, DAA, TSD, Texas Facilities Commission, Trail Foundation, CapMetro...to start!

# South Central Waterfront

## Immediate Next Steps

- Review existing studies and emerging work (including EcoNW)
  - Following up on meetings with EcoNW, MAS
- Negotiate relationship with COA, SCWAB, and DAA
- Obtain contract for services for COA: Regulating plan, TIF
  - Verify Regulating plan and get approvals from COA Council
  - Establish TIF
  - Identify affordable housing strategy
  - Identify affordable commercial strategy
- Create 10 year capital plan
  - Include streetscape, sustainability and parks projects
- Site Negotiations Planning

# Next Steps

# Next Steps: Scope

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# AEDC can be started as quickly as Council Desires

## **Call to Action: Request Council to Expedite AEDC for SCW Support**

- A vote of Council would establish the entity.
- Funding would need to be allocated for staff.
- An immediate call for donations could go out. Applications for government monies could begin immediately, including as pass-through for local businesses and non-profits through the CARE Act and Federal Reserve.
- Experienced staffing would need to be allocated as noted in the budget and staffing slides herein.
- A new EDO could immediately begin work on COVID response
- **A new EDO could immediately begin work on SCW Implementation.**

# Questions