

# Update to Austin Economic Development Corporation (AEDC) Board of Directors

## South Central Waterfront

March 21, 2022



**Economic  
Development**  
CITY OF AUSTIN

# Agenda

- ❑ Key Ingredients for Implementation
- ❑ Austin's Past Experience  
Implementing Projects
- ❑ How Past Projects Inform AEDC Role
- ❑ City and AEDC Roles
- ❑ Governance
- ❑ Next Steps

# Key Ingredients for Vision Implementation

- ❑ **Governance and Organization**

- Creation of external development entity (AEDC)
- Dedicated City staff working group /leads

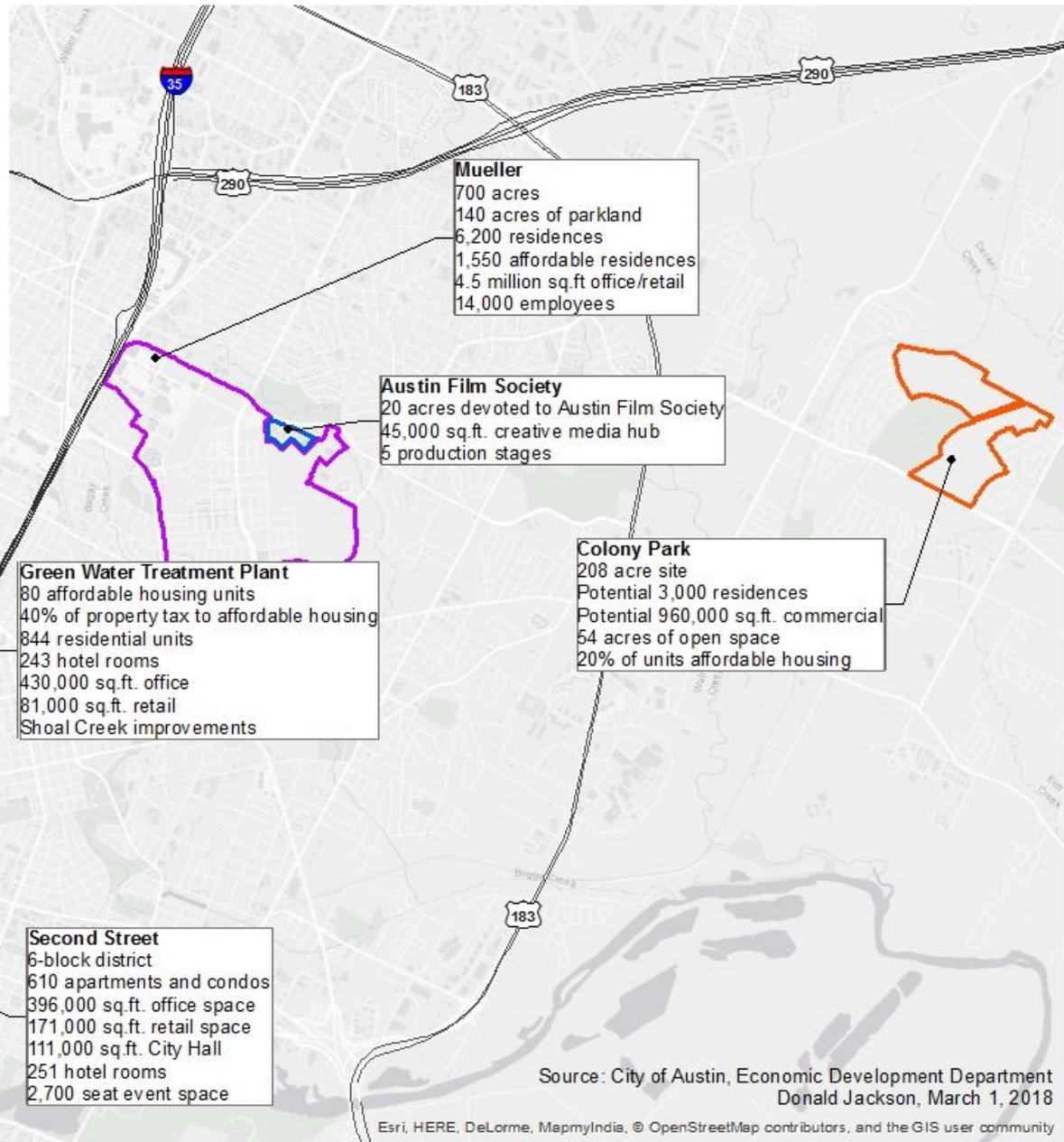
- ❑ **Physical Framework through Regulation**

- ❑ **Public Financing Tools (selected):**

- City capital improvements program (CIP)/ Voter approved bonds
- Redeveloping City-owned land (1 parcel: One Texas Center)
- Economic development agreements
- Tax Increment Reinvestment Zone
- Public Improvement District
- Affordable housing incentives
- Density bonuses / Transfer of Development Rights

# Redevelopment Projects

- Colony Park
- Mueller
- Mueller- Austin Film Society
- 2nd Street & City Hall
- Seaholm District
- Green Water Treatment Plant
- Poleyard at 300 West Ave

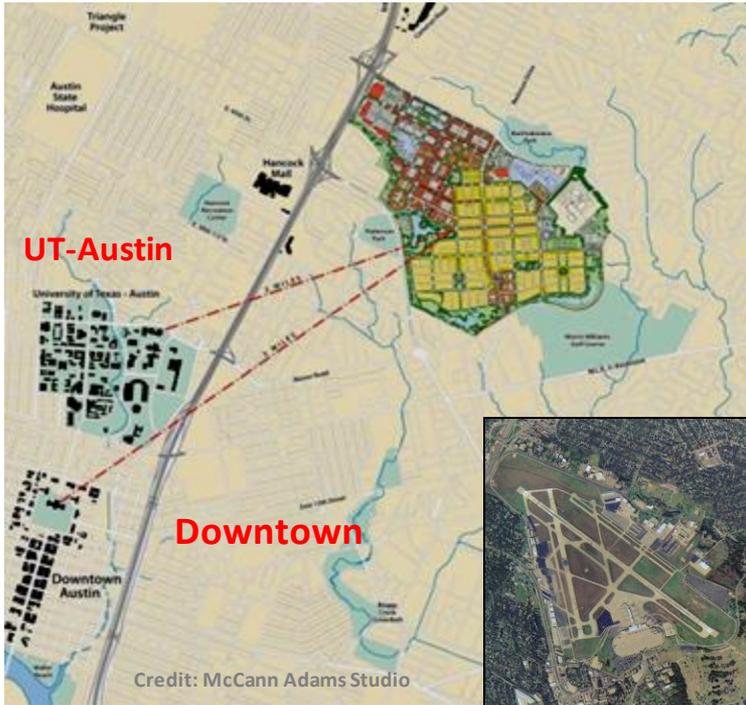


# SEAHOLM DISTRICT



- 1990s- 2004 City dialogue, planning, and studies to redevelop City owned parcels downtown, sites of major utility infrastructure Seaholm Power Plant and Green Water Treatment Plant
- 2004-2022 Seaholm and Green WTP redeveloped with Central Library, retail, housing, and offices
- Housing Components
  - 741 Ownership: The Independent (363); Austin Proper (98); Seaholm Residence (280)
  - 439 Rental at Northshore of which 50 affordable units (min. 10%)
- Generates \$5+ million annually in taxes
- Other Community Benefits: Great Streets, LEED/Green Building, public art (\$200,000 private), local business required (> 30%)

# Mueller Redevelopment Overview



700 acres, Former airport site  
 Long-term planning, citizen INPUT  
 Public private partnership  
 Mixed-use, mixed-income community  
 25% FOR-SALE and rental units in affordable homes program  
 20% PARKS AND OPEN SPACE



Residential    Commercial    Institutional    Retail    Greenspace    Infrastructure



# Mueller Development Program



Development Program	Complete/Under Construction	At Completion
Single and Multi-Family Residential Units	4,800	6,900
<i>Affordable Units</i>	<i>1,460</i>	<i>1,725</i>
Commercial/Institutional/Retail	3 M sf	5.5 M sf
Current Jobs	8,100	16,700
Parks/Open Space	125 acres	140 acres
Property Taxes	\$9.2 M TIF revenue (2020)	



# In Process: Colony Park Sustainable Community

## CREATING VALUE THROUGH LAND PLANNING



- ❑ 208 acres of City owned land (AHFC)
  - ❑ Town Center / Innovation District
  - ❑ Proposed Green Line TOD stop
  - ❑ +3,000 housing units
  - ❑ 20% affordable units
  - ❑ + 960,000 SF commercial
  - ❑ 46 acres open space
- ❑ Adjacent elementary school, 95 acre district park and recreation center
  - ❑ City Council adopts Plan and PUD 2014
  - ❑ Imagine Austin Comprehensive Plan amended to include Colony Park 2016
  - ❑ Master Developer RFQS/RFP solicitation: City Council consideration of selected master developer (**Catellus**) 10/4/2018

# SCW Unique Initiative of Past City “Projects”

Past Land Development Projects
Former City-owned land
City procures private sector partner(s) to implement plan over entire acreage
City puts in place land use regulations in partnership with development partner
TIRZ created after land use regulations in place
TIRZ only one of many public financing tools that makes up the funding "plan"
All public financing commitment in place to implement the plan
City - private developer master development agreement executes plan
No private development would occur without City Council action / inducement

South Central Waterfront
Many privately-owned parcels
City owns only 1 parcel out of entire 118 acres of property in district
Land use regulations in process of development
TIRZ initiated prior to regulatory plan adoption
TIRZ only one of many public financing tools that makes up the funding "plan"
City still in process of analyzing and establishing the entire funding plan
Many customized agreements with private property owners to do plan
Private development occurring

# Past Master Developer Obligations

Acquires land from City and contracts to build or builds directly:

- Infrastructure (City may pay / share cost)
  - Roads
  - Utilities
  - Detention ponds
  - Parks / amenities
- Vertical development (residential / commercial)



## AEDC as “Master Developer” per ILA for SCW

- ❑ Provides critical market intelligence and private sector perspective to inform City policy
- ❑ Provides private sector intelligence to creation and deployment of capital improvement plan
- ❑ Markets and engages private sector in partnering on implementing the Vision
- ❑ Negotiates incentives / resources to structure partnerships with private developers
- ❑ Administer tax increment reinvestment zone
- ❑ Take lease or ownership positions on specific real estate transactions
- ❑ Raise private sector funding

# Economic Development Department Overview

## South Central Waterfront Plan Implementation

The City Manager tapped Economic Development Department (EDD) to lead the City's effort to implement the SCW Vision Plan **October 1, 2021**. EDD has initiated a **two-step approach** to develop and coordinate essential components of Plan's success.

### Administrative Actions

- Administrator for AEDC ILA
- Dedicated staff position with management support
- SCW Advisory Board Oversight
- Interdepartmental Working Group with AEDC
  - Key task confirming City cost estimates

### Coordination with Key Departments and AEDC

- Regulating Plan – Housing & Planning Department lead
- Financial Tools, including TIRZ19 – Financial Services lead
- One Texas Center Redevelopment – Financial Services lead
- Implementation – AEDC per the Interlocal Agreement + EDD

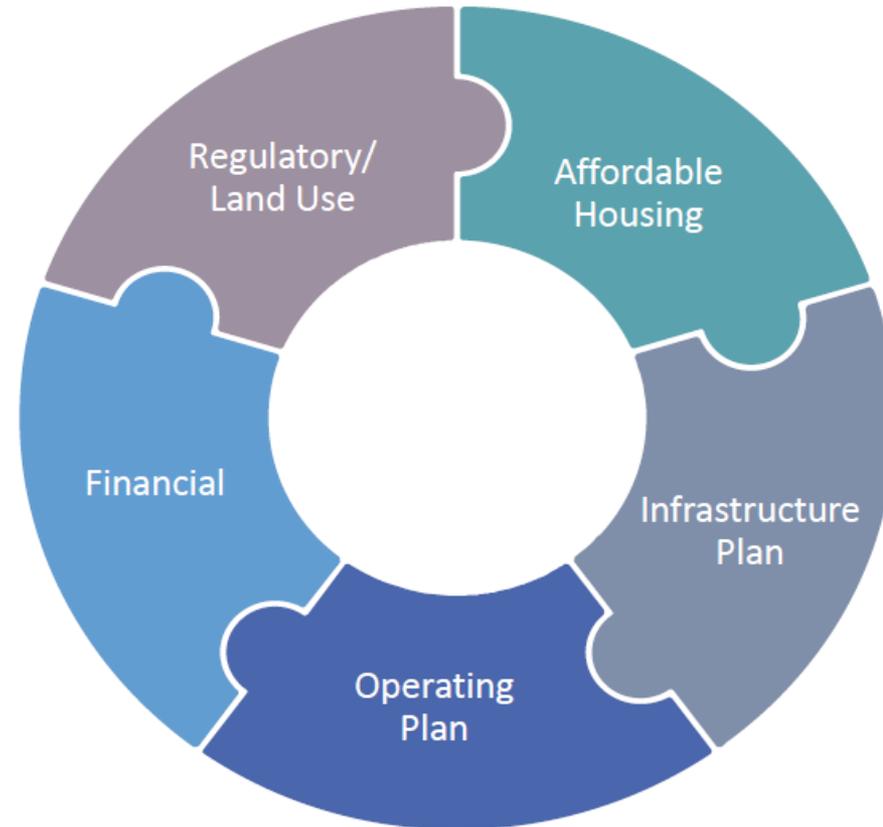
# City Role – Policy Formation informed by AEDC

## ❑ City responsible for obtaining Council-approved financing and land use policies

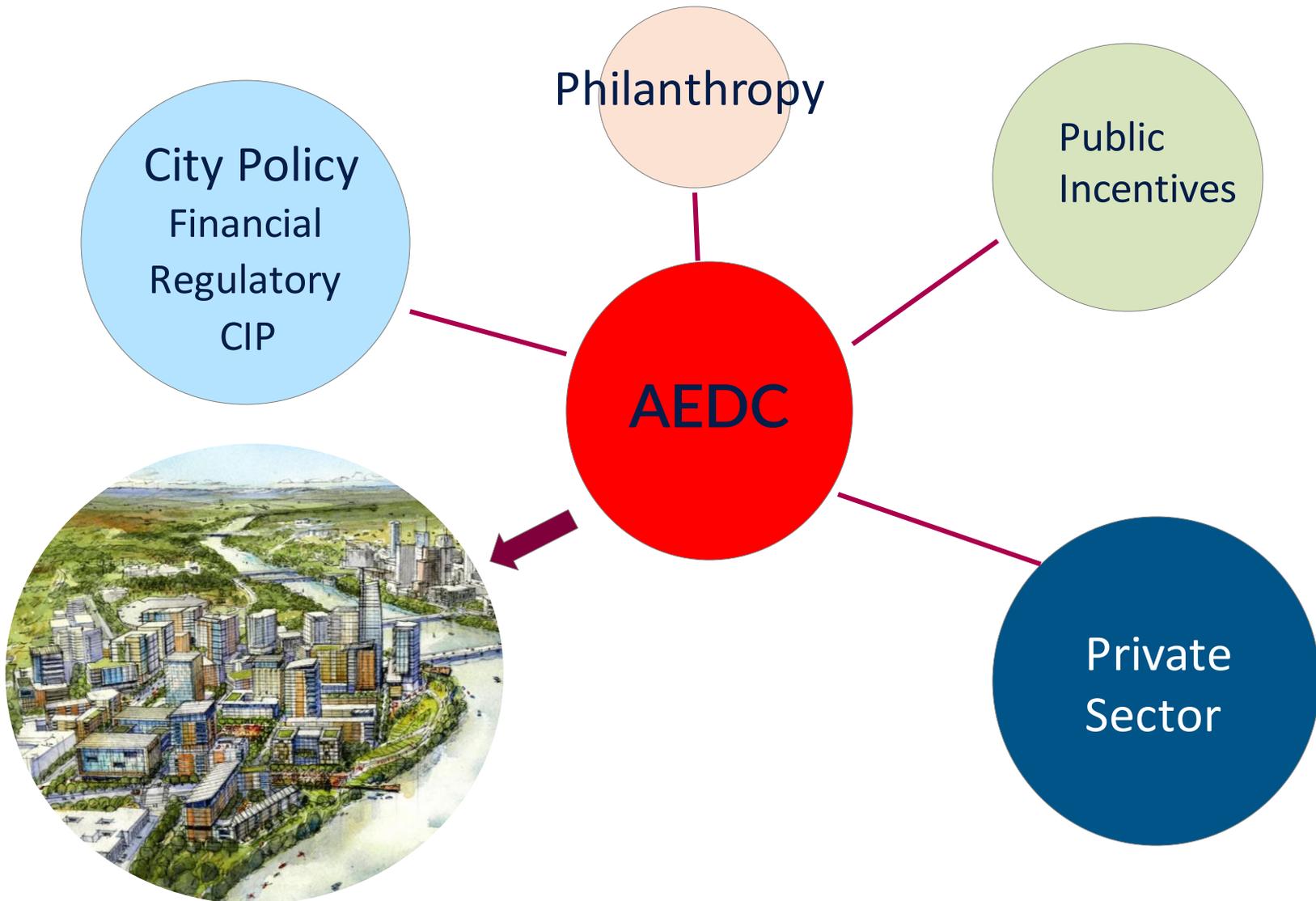
- **Financial Services (Financial):**  
Tax Increment Reinvestment Zone  
Public Improvement District  
Bonds
- **Housing & Planning (Regulatory):**  
Regulatory/ Land Use Plan  
Affordable housing incentives

## ❑ Utility departments outline capital improvements needed (CIP)

- Austin Transportation
- Public Works
- Austin Water
- Watershed protection
- Telecom. and Regulatory Affairs



# AEDC Operationalizes and Executes



# Governance

- ❑ City of Austin City Council
- ❑ AEDC Board  
(authority from City Council)
- ❑ South Central Waterfront Advisory Board  
(advises City Council)
- ❑ Tax Increment Reinvestment Zone Board  
(same members as City Council)
- ❑ Potential AEDC contract to administer TIRZ  
(Enabled and annually appropriated by City Council)

# Recent Implementation Actions

<u>Date</u>	<u>Key Milestones</u>
3/15/2021	<u>AEDC Presentation to SCWAB</u> <u>Matt Kwatinetz TIRZ and AEDC Briefing (Item 2c @ 42:00)</u>
6/10/2021	City Council unanimously approve <u>Interlocal Agreement (ILA)</u> Addenda 1 – 3 including South Central Waterfront (#3) <u>Council Work Session Presentation 6/8/2021</u>
9/2021	AEDC hires first full-time staff: Chief Transaction Officer (CXO)
10/1/2021	Housing and Planning transfer SCW initiative to Economic Development Department: <u>City Memo to SCWAB 8/11/2021</u> EDD organization and staffing changes + internal working group City Memo to Mayor and City Council October 21, 2021
10/21/2021	<u>Council Resolution 20211021-044</u>
11/16/2021	City Council <u>Work Session Briefing on TIRZ and SCW update</u>
12/20/2021	Council adopts <u>Ordinance 20211220-002</u> establishing TIRZ #19
02/01/2022	City Council <u>Work Session Briefing on SCW TIRZ #19 (Preliminary Project and Finance Plan)</u>
2/14/2022	EDD hires Project Manager for South Central Waterfront initiative

# Key Ingredients for Vision Implementation

## ❑ Governance and Organization

- Creation of external development entity (AEDC) [completed]
- Dedicated City staff working group /leads [completed]
- Governance coordination [in progress]

## ❑ Land Use Regulations [in progress]

## ❑ Public Infrastructure Plan [in progress]

## ❑ Affordable Housing [in progress]

## ❑ Public Financing Tools (selected):

- City capital improvements program (CIP)/ Voter approved bonds
- Redeveloping City-owned land (1 parcel: One Texas Center) [on hold]
- Economic development agreements
- Tax Increment Reinvestment Zone [in progress]
- Public Improvement District
- Affordable housing incentives
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# Near Term Actions

## SCW Vision Implementation Strategy

Month 1	Month 2	Months 3-6	Months 7-9	Implementation
Overall Plan	City Council: Governance			
Amended Prelim TIRZ Plan	Final TIRZ Plan			
			Approvals	Implementation
<b>Finance:</b> Financial Plan & Projections, Additional Financing Tools				Debt Issuances, Fund Mgmt, Projections, Reporting
<b>HPD:</b> Regulating Land Use Plan				EDD/HPD/ATD/Public Works/PARD: Implementation Support and Coordination, Policy
<b>HPD:</b> Affordable Housing Tools & Funding				
<b>EDD/AEDC:</b> Operations Plan, Additional Tools				Implementation, Oversight & Reporting
<b>AEDC:</b> Infrastructure Project Plan				
<b>AEDC:</b> TIRZ Administrative Budget				

# Questions?

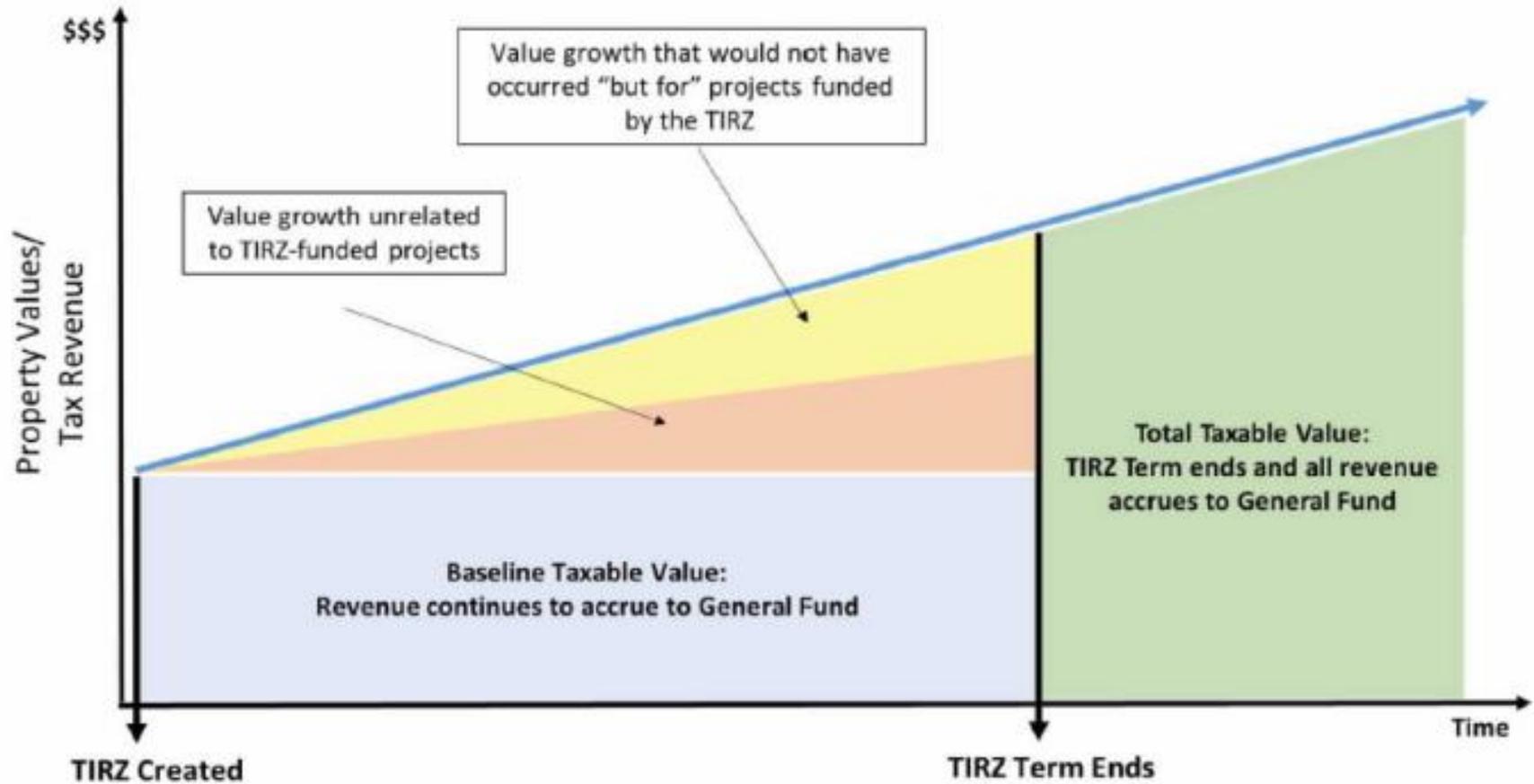
## Thank you.

**Christine Maguire**, AICP, EDFP  
Division Manager, Redevelopment  
Economic Development Department



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# Theoretical TIRZ Operation



# “But For” the TIRZ: Market Analysis

Capital Market Research (CMR)

Market analysis supports feasibility of SCW framework with development absorbed over 20-year period

South Central Waterfront Value Projections

