

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

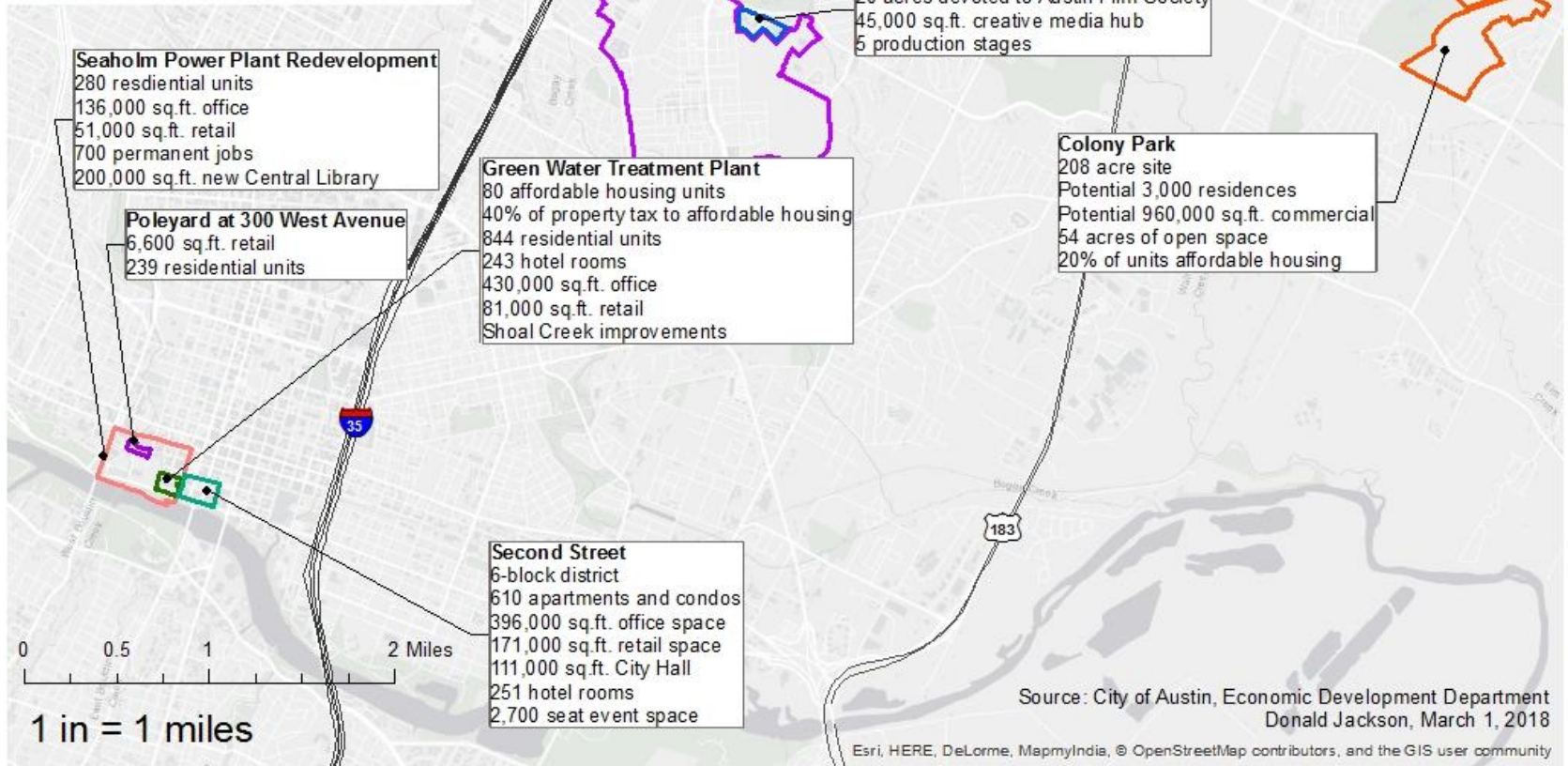
❑ Physical Framework through Regulation

❑ 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

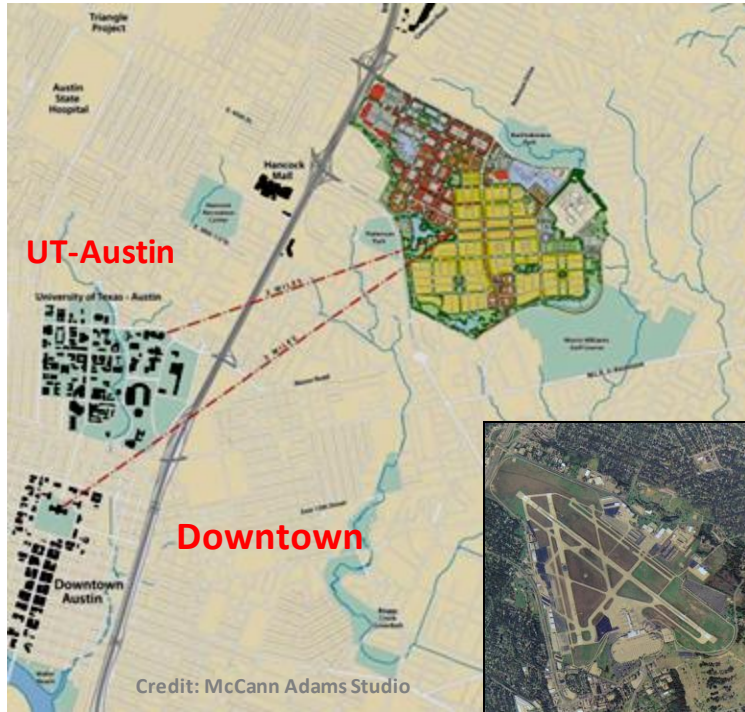


SEAHOLM DISTRICT



- 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	South Central Waterfront
Former City-owned land	Many privately-owned parcels
City procures private sector partner(s) to implement plan over entire acreage	City owns only 1 parcel out of entire 118 acres of property in district
City puts in place land use regulations in partnership with development partner	Land use regulations in process of development
TIRZ created after land use regulations in place	TIRZ initiated prior to regulatory plan adoption
TIRZ only one of many public financing tools that makes up the funding "plan"	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 still in process of analyzing and establishing the entire funding plan
City - private developer master development agreement executes plan	Many customized agreements with private property owners to do plan
No private development would occur without City Council action / inducement	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

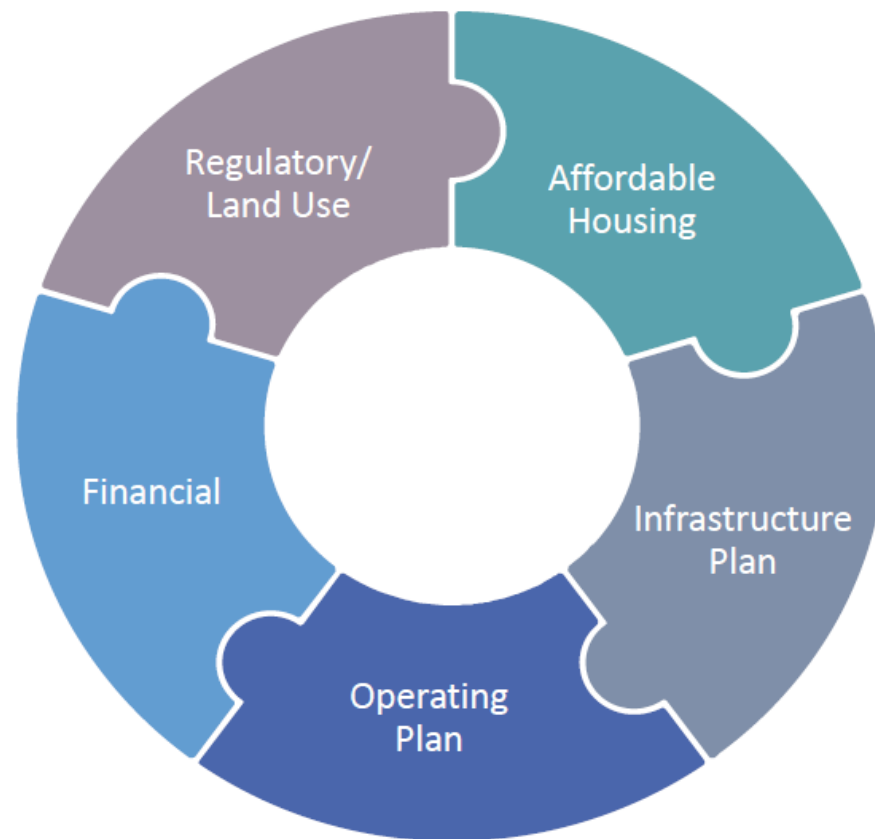
City Role – Policy Formation informed by AEDC

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

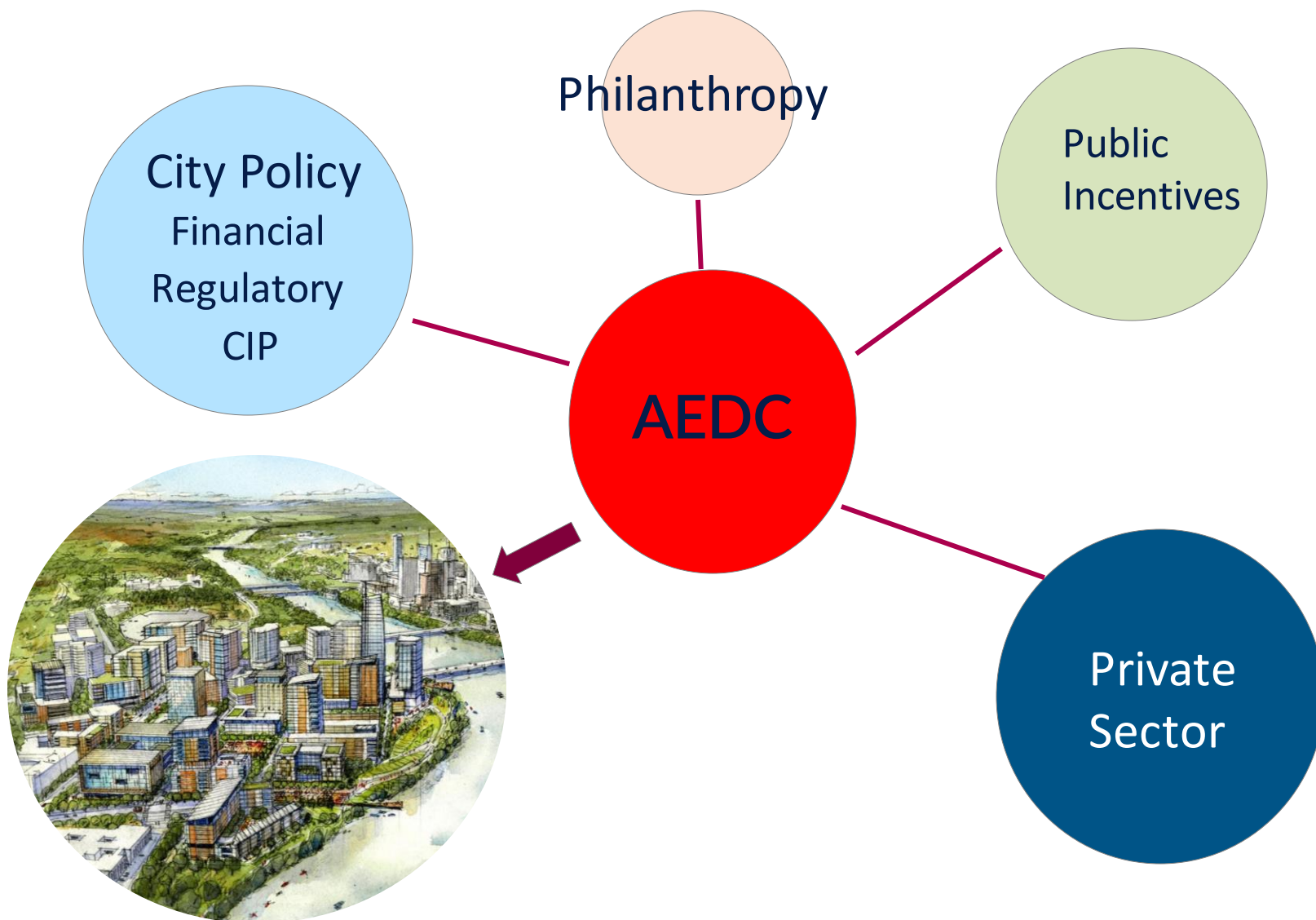
- **Financial Services (Financial):**
Tax Increment Reinvestment Zone
Public Improvement District
Bonds
- **Housing & Planning (Regulatory):**
Regulatory/ Land Use Plan
Affordable housing incentives

❑ 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

Date	Key Milestones
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]

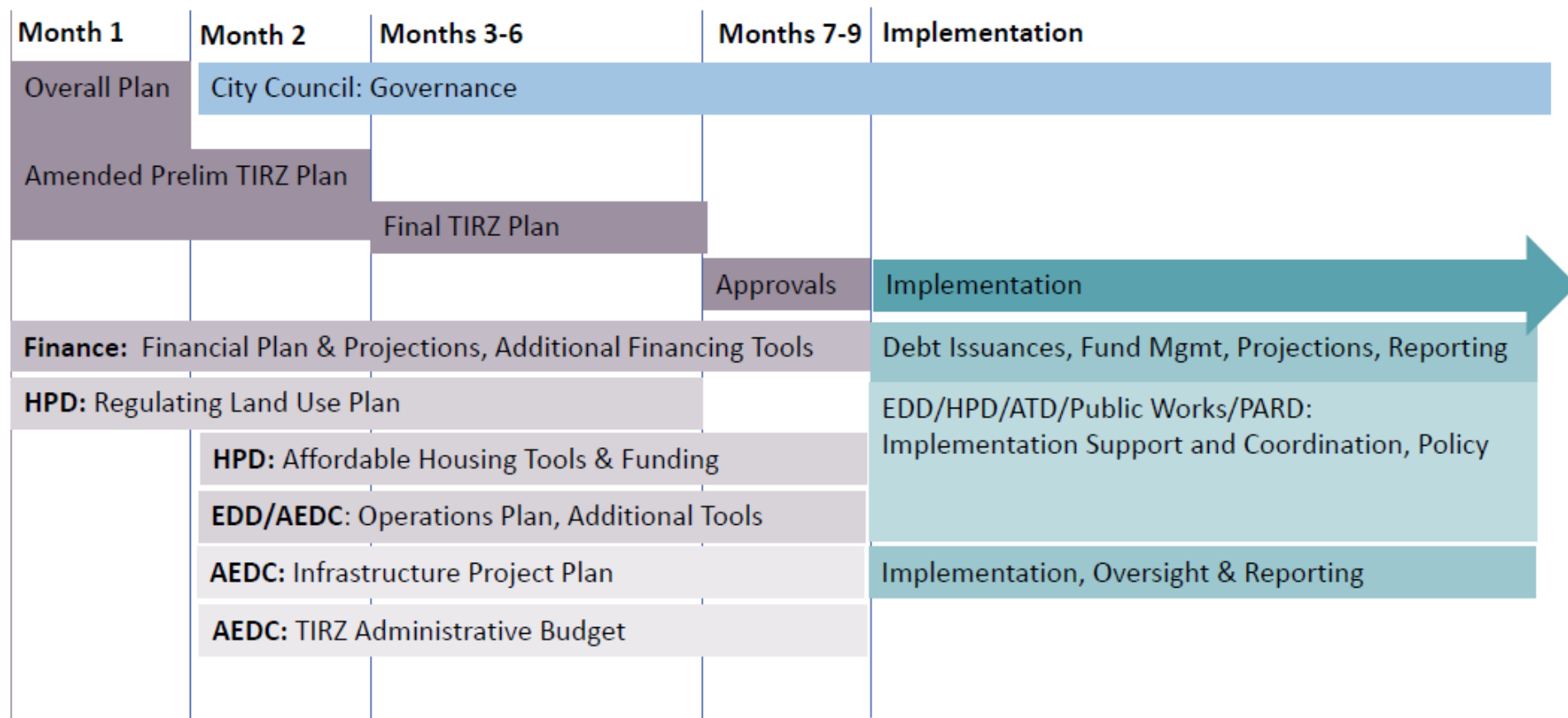
❑ Affordable Housing [in progress]

❑ 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
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Near Term Actions

SCW Vision Implementation Strategy



Questions?

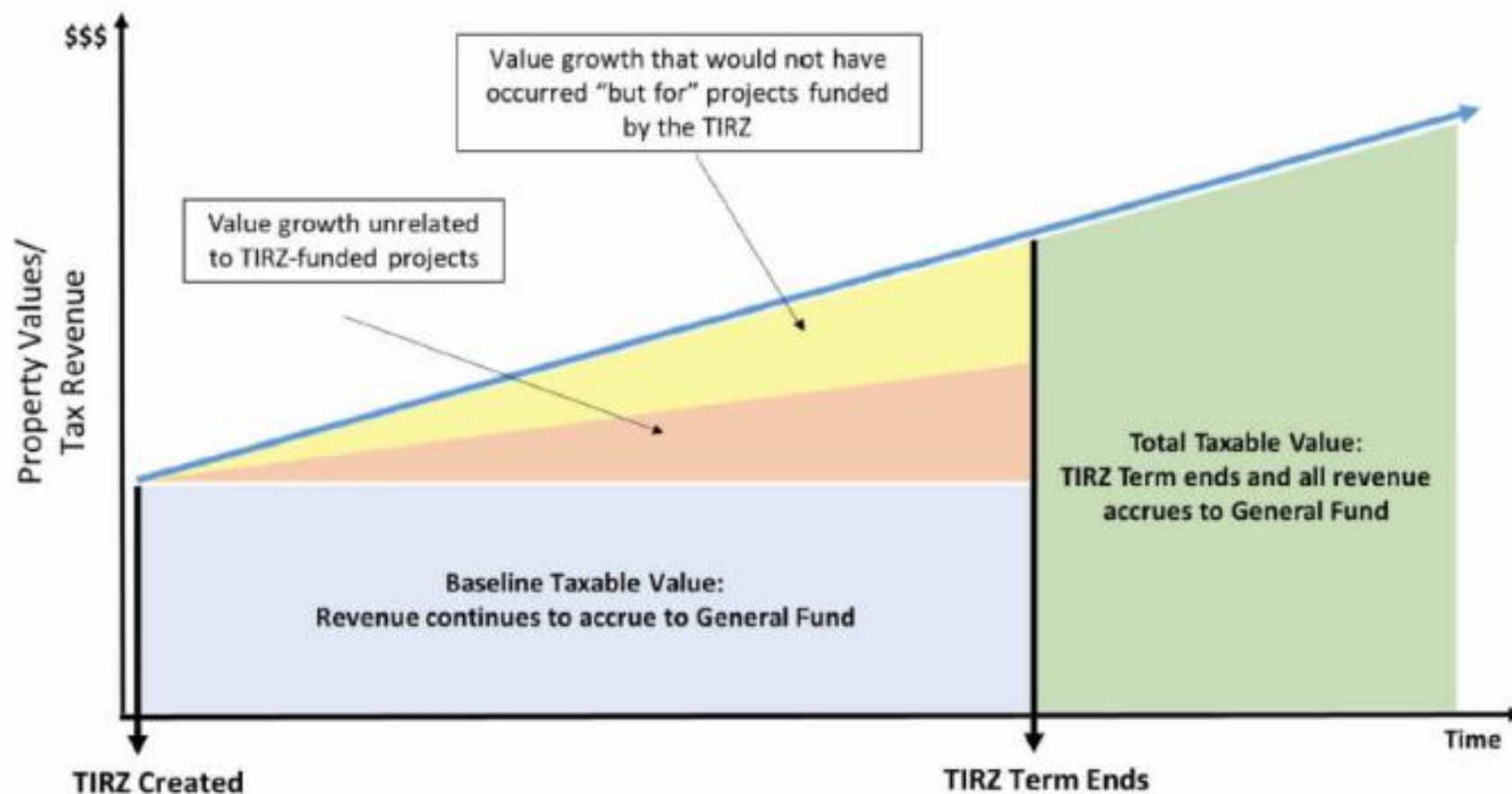
Thank you.

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



**Economic
Development**
CITY OF AUSTIN

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

