

Implementation of South Central Waterfront Plan

Presentation by Key Partners:

Sylvia Holt-Rabb, Director: City of Austin Economic Development Department

Theresa Alvarez, President and CEO: Austin Economic Development Corporation

South Central Waterfront Advisory Board

August 15, 2022



Agenda

Background

Unique Initiative of Past City Projects

Master Developer Role Comparative Examples

City and AEDC Roles

SCW Plan Governance & Oversight

SCW Plan Infrastructure Costs

Next Steps



BACKGROUND

PURPOSE

- To establish conceptual framework to allow site-specific building enhancements in exchange for on-site and citywide community benefits.
- Lays out set of tools to guide area redevelopment for next 20 years

HISTORY

- **1960-70s:** Creation of Lady Bird (Town) Lake & beautification efforts led by First Lady of Texas
- **1980s:** Town Lake Corridor Study & Waterfront Overlay Combining District
- **2012-13:** Sustainable Places Design Assessment
- **2014-16:** Stakeholder Meetings & Council Briefings
- **2016:** 'Greening of SCW Report' outlines vision
- **2016:** Council adopts SCW Vision Framework Plan as amendment to Imagine Austin
- **2020:** Modified Physical Framework updated costs

South Central Waterfront Vision Plan 2016 & 2020



Credit: Project Connect

Vision Framework Plan (Adopted 2016, Updated 2020)*

SCW District includes 118 acres with 34 privately-owned parcel & 1 City parcel.

*Project Connect's major mobility improvements in area were not yet determined.

- **Build New Infrastructure (\$252M):** expand street grid, add miles of sidewalks and approximately 17 acres of parks, plazas, and trails
- **Promote Density:** add 6.4+ million square feet of new residential, office, retail, and hotels by 2040
- **Make 20% of housing affordable:** add 575 units by 2040
- **Increase Values:** est. \$6.7 billion in taxable value by 2040

Multiple Sources for Financial Toolkit

- **Private Funding:** Development Bonus Fees, Public Improvement District, Philanthropy (Conservancy)
- **Public Funding Sources:** Tax Increment Financing, Capital Improvement (bonds), Parking, Affordable Housing Subsidies, Other
- **Estimated Gap estimated \$400-600M (based on 2020 assumptions)**
 - Off-site Benefits: infrastructure & affordable housing: ~\$100 M
 - On-site Benefits: infrastructure, affordable housing & feasibility: \$300 - \$500M

SCW Essential Components & Variables

Essential Components

- 305 South Congress (Statesman) PUD sets entitlements for prominent parcels
- SCW Regulating Plan sets vision by subdistricts, allowing owners to evaluate options
- Tax Increment Reinvestment Zone 19 offers dedicated revenue stream for District activities
- Downtown Public Improvement District funds Downtown Austin Alliance

Variables

- Project Connect will impact portions of waterfront subdistricts.
- Regulatory tools are set for district & subdistrict goals; no legal path for parcel-by-parcel planning.
- Private owners' participation is voluntary with multiple options, making TIRZ revenue uncertain.
- Infrastructure & operations plans depend heavily on market participation and coordination.
- Lack of City-owned land in SCW district; City only owns One Texas Center tract in district.

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

Comparative Examples: Master Developer Role

- Examples: Mueller, 2nd Street District, Seaholm District, Colony Park
- Developer acquires land from City and contracts to build or builds directly:
 - Infrastructure (City pays its share of costs) – Roads, Utilities, Detention Ponds, Parks / Amenities
 - Vertical development (residential / commercial)



Roles & Responsibilities

City and Austin Economic Development Corporation

SCW Vision Component	City of Austin	Austin Economic Development Corporation
Regulating Plan	HPD leads, until adopted, then all Departments provide support, as needed	AEDC advises HPD on market feasibility during drafting, then leads implementation.
Streets, infrastructure & utilities	EDD facilitates AEDC coordination with relevant departments on needed improvements	AEDC coordinates with relevant City departments on needed improvements
Affordable Housing	HPD prepares regulatory and financial tools required to achieve 20% affordability goal, including tapping GO Bonds, Housing Trust Fund, Public Finance Corporation and existing programs	Advise on market feasibility. Market program to encourage participation.
Other Community Benefits	EDD coordinates with relevant departments on regulatory and financial tools needed to achieve other community benefits	Advise on market feasibility. Market program to encourage participation.
Financial Tools	FSD leads efforts with relevant departments to identify financial tools and funding, such as CIP, General Fund, GO Bonds, TIRZ19, PID(s)	Advise on market feasibility of financials tools. Market program to encourage participation.
One Texas Center redevelopment	SFGT with support from HPD and BSD lead; redevelopment to include affordable housing and municipal office buildings	Advise as needed.

City of Austin Role SCW 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**, transferring project from Housing and Planning Department.

EDD 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 including AEDC

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

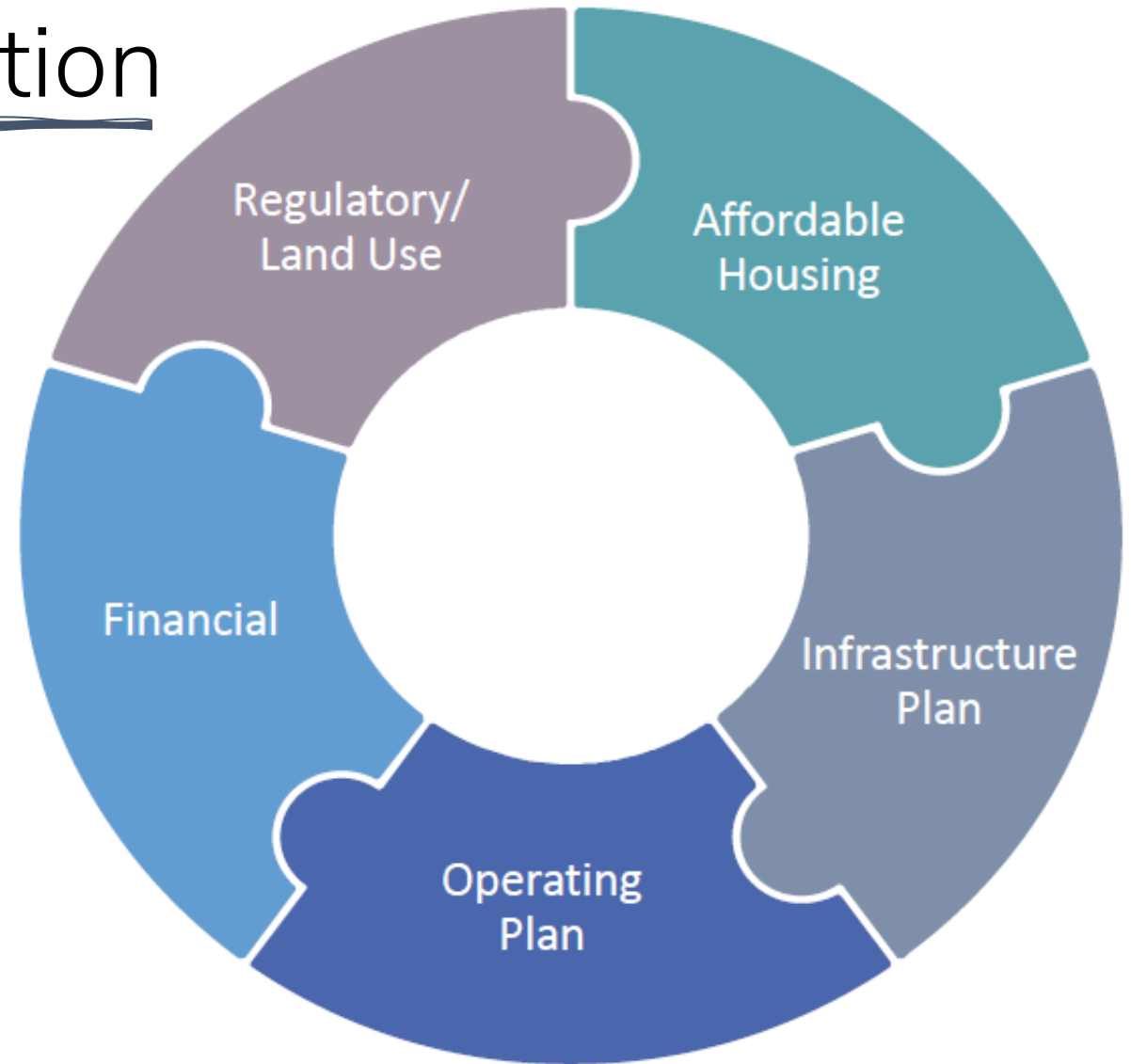
City of Austin Role SCW Plan Implementation

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 as “Master Developer”



*Per the Interlocal
Development Agreement
(ILA)*



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



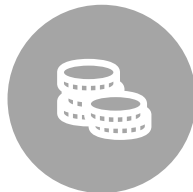
Negotiates incentives /
resources to structure
partnerships with private
developers



Administer tax increment
reinvestment zone

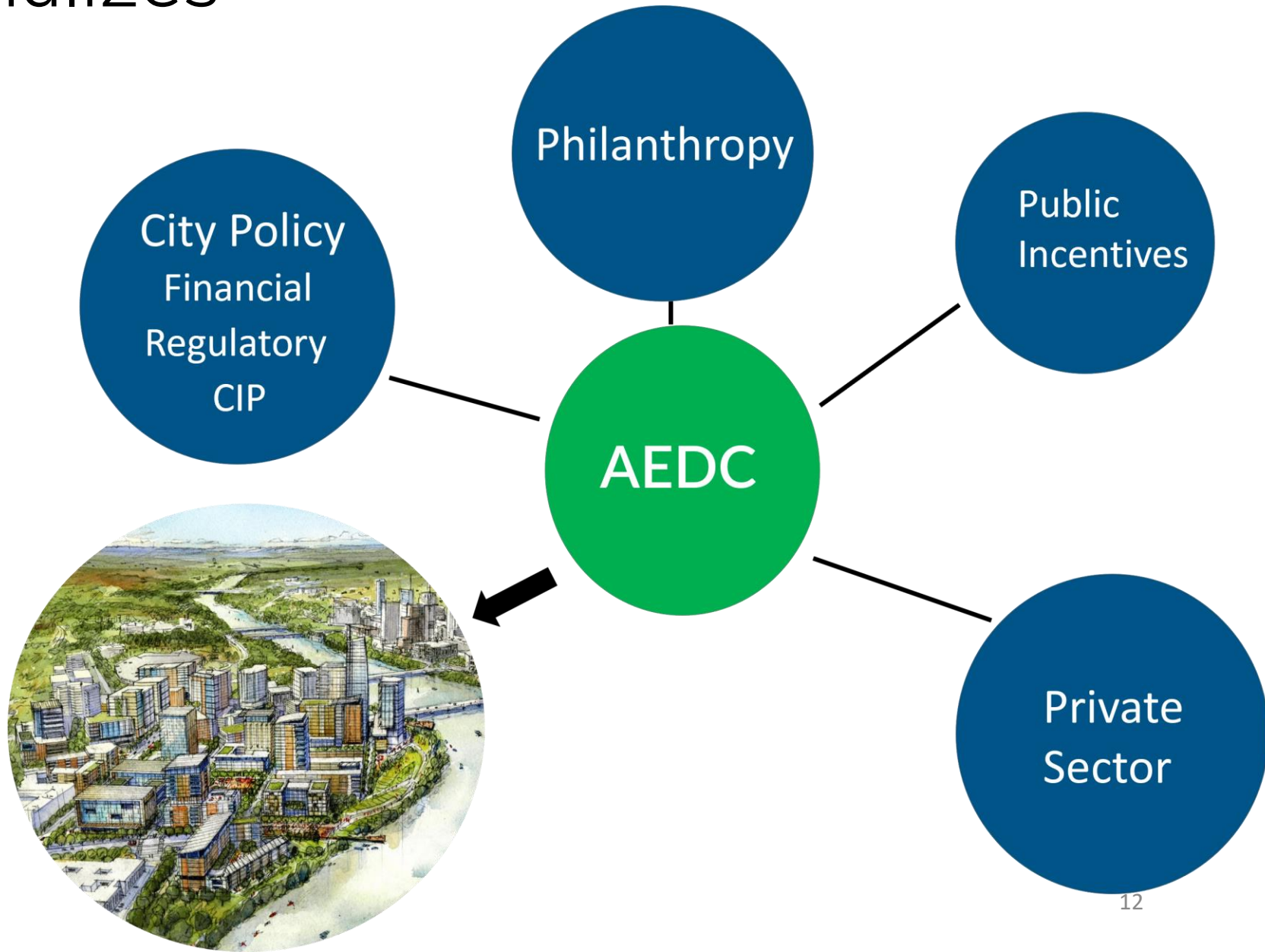


Take lease or ownership
positions on specific real
estate transactions



Raise private sector
funding

AEDC Operationalizes and Executes



SCW Plan Governance & Oversight

City of Austin City Council

AEDC Board
(Authority from City Council)

South Central Waterfront Advisory Board (Advises
City Council per Ordinance 20170216-034)

Tax Increment Reinvestment Zone Board
(Same members as City Council)

Potential AEDC contract to administer TIRZ
(Enabled and annually appropriated by City Council)

SCW Plan: Infrastructure Costs

- Latest estimates released in 2021, using 2020 figures.
- Do not include AEDC administrative expenses, affordable housing, or operations and maintenance of amenities.
- *Using 2022 market factors reflecting 30% cost increases from 2020, the \$277 million estimate rises to \$330M.*

Public Benefit	Description	Cost Estimates* (\$ in millions)
Open Spaces	Parks, trails, plazas (+/-17 acres)	\$93.7
Roadway & Drainage	New (0.6 miles) & refurbished (0.8 miles) streets, including Barton Springs extension	\$83.4
Streetscapes	Sidewalks, street trees	\$56.3
Utilities	Water, wastewater, electric, gas, and telecommunications network	\$35.7
Green Infrastructure	Water quality rain gardens within right of way	\$5.5
Reclaimed water	--	\$2.4
	TOTAL	\$277.0

*Modified Framework 2020 estimates adjusted for projected cost escalation on 11/2/2021.

An aerial sketch of a waterfront development. The foreground shows a dense cluster of modern, multi-story buildings with various architectural styles, including glass facades and flat roofs. The buildings are interspersed with green spaces and trees. In the background, a body of water is visible, with a bridge crossing it. The sky is blue with some light clouds.

Next Steps

South Central Waterfront District Regulating Plan

- *September – November 2022: Staff will work on the regulating plan and present it to boards and commissions for consideration*

Tax Increment Reinvestment Zone (TIRZ) 19

- *December 2022 – January 2023: Staff will update the TIRZ to reflect the approved regulating plan as well as changes to market conditions.*

South Central Waterfront Plan

- *Post-January 2023: With an approved regulating plan and TIRZ plan, a revised SCW Vision “Funding Gap” will be known. Staff and consultants will seek ways to reduce the gap, including but not limited to reducing the project scope of the SCW Vision.*

Questions and Discussion