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Briefings
CITY OF AUSTIN

AGENDA
DATE: 9/28/2006

#80

RECOMMENDATION FOR COUNCIL ACTION

Title: 092806 - Downtown Commission

Subject: Presentation by the Downtown Commission on their August 3, 2006 Report to the City Council concerning Downtown Development.

Amount and Source of Funding:

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For More Information: Michael Knox

Prior Council Action:

Boards and Commission Action:

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Bruce Willenzik
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Bob Woody
E. 6th Street Merchants and Residents

To: Mayor Will Wynn and Council Members

From: Downtown Commission

Date: August 3, 2006

**Re: Comments Concerning Downtown Development,
Resolution 20051415-056**

The Downtown Commission has followed with interest the Council's recent efforts to increase the residential density of downtown. **In particular, we are very encouraged by the goal established by Mayor Wynn to have 25,000 residents living downtown in 10 years. This is an ambitious goal, but one that we believe to be achievable if pursued enthusiastically.**

We believe the plan to hire a national consultant with downtown expertise to develop a Downtown Austin Plan and Ordinance is sound. We are concerned, however, that many plans for downtown Austin have been prepared, but not implemented.

The Downtown Commission was established by ordinance to advise the City on development downtown:

To act as an advisory board to the City Council, to work with the City Council's Downtown Subcommittee or its successor, and city staff, to help define appropriate development for downtown. The Commission shall provide review and comments to the Council and to city departments, boards and commissions concerning the consistency and/or appropriateness of proposed projects and planning initiatives, ordinances, and other relevant matters affecting downtown Austin as they relate to the R/UDAT IMPLEMENTATION REPORT, "A Call to Action," and the vision for downtown Austin contained therein. The Commission will also coordinate with the City Council, city departments and boards and commissions in addressing the planning needs for the areas of downtown not addressed by the R/UDAT Implementation Report.

Over the years, the Commission has supported increased density downtown. We subscribe to the notion that a vibrant region is anchored by a vibrant downtown. We also believe that any plan for increasing residency downtown must deal with an issue that concerns us – where to put the people. **As commission members, we routinely hear "experts" say downtown Austin has lots of developable space. This is simply not true.**

The enclosed maps, the first of which is entitled Downtown Sites and Development Potential, show that it will be very difficult if not impossible to meet the goal of 25,000 downtown residents without some significant

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changes in three main areas:

- CBD zoning
- Current restrictions to development, including those pertaining to Capitol View Corridors
- Mass transportation and bicycle/pedestrian transit

About the Maps

The attached maps were prepared by a committee of the Downtown Commission whose members have particular expertise in downtown development issues. This committee analyzed each block in the area described in the resolution with the intent of making a determination of whether that block was a likely candidate for redevelopment to accommodate some of the hoped-for new residents. The maps are also available online:

All Downtown

http://www.ci.austin.tx.us/downtown/downloads/Developability_Study_v6.pdf

CBD Only

http://www.ci.austin.tx.us/downtown/downloads/Developability_Study_v6-cbd_only.pdf

The analysis that produced the attached maps was done block-by-block and, in some cases, on a lot-by-lot basis. Blocks were evaluated “as improved” and “as if vacant.” If the committee’s subjective value of a block “as improved” was greater than \$300 per square foot (land), it was considered to be an unlikely candidate for redevelopment for the foreseeable future. This analysis would eliminate from consideration obvious blocks such as Block 39, (Hilton Hotel), Block 81 (Chase Bank), and other blocks that are intensely developed. The analysis would also eliminate some of the not-so-obvious blocks such as Block 28 in the warehouse district (219 West, Sullivan’s, etc.) and Block 16, which contains P. F. Chang’s, Fleming’s, Roy’s and Houlihan’s.

Some consideration was also given to the mix of uses on a given block. Some parcels were eliminated even though the entire block was not intensely developed, if the portion that was potentially available was small or had a difficult configuration. Therefore, there are some small sites that are candidates for redevelopment that are not identified as such on the map.

In addition to the economic analysis, the committee analyzed blocks for things such as historic structures, churches, parks, Capital View Corridors and other factors that might eliminate or limit redevelopment. In some cases, committee members had personal knowledge of other factors such as the existence of long-term leases and the personal interests of property owners that will prevent or inhibit redevelopment. There are numerous parks, significant historic structures, and churches in downtown Austin that make an invaluable contribution to its character. The Bremond Block will not be redeveloped, nor will St. David’s or St. Mary’s churches.

After the analysis, each block was color-coded on the map. Green blocks have no apparent development obstacles, red blocks are unlikely to be redeveloped soon, and yellows are “maybe’s.” The map also identifies

publicly owned parcels that appear to have redevelopment potential.

CBD Zoning

Downtown currently has a population of approximately 5,000, considerably less than its population of 12,560 in 1940. The 20,000 additional residents necessary to reach the goal using current development standards would require approximately 20 full city blocks. (Under existing CBD zoning, with an 8:1 Floor to Area Ratio or FAR, a typical city block that contains 76,176 square feet can accommodate 609,408 square feet of improvements. Depending on the size of units and the number of people per unit, a full city block of residential development will accommodate approximately 1000 people.) The single clearest outcome of our analysis of developable property is that there are not 20 full city blocks available for development with CBD zoning in downtown Austin.

Current Restrictions to Development

Capitol View Corridors comprise the single largest restriction to development in downtown Austin, particularly vertical development. While preserving views of the State Capitol is a worthy goal, their preservation undoubtedly directly conflicts with achieving greater density in downtown. Perhaps it is time to revisit some of the established View Corridors, particularly the multiple corridors along I-35 and the views that are obstructed.

Additionally, many of the parcels that have been identified as available for redevelopment are small or irregularly shaped tracts. These parcels will be difficult or expensive to redevelop as projects that will accommodate a significant number of residential units. Parking garages have certain size requirements and can be expensive to locate on small sites. Management and amenity costs cannot be spread enough on small projects. While the aggregate amount of land available for redevelopment might, in theory, provide sufficient supply to accommodate the goal, we consider it unlikely that these small parcels will attract significant development.

Mass Transportation and Bicycle/Pedestrian Transit

Unless transportation options are available, downtown will go into gridlock. If each downtown resident owns a car, the parking requirement by itself will be about 7,500,000 square feet, the equivalent of about 172 acres or about 10 city blocks of 10 levels each. Goods and services must be available in or close to downtown; and affordable, flexible, and reliable transportation must be available to get people where they are going and to move their furniture and the goods they cannot carry. Commuter rail and streetcars may be the wave of the future, but efficient transportation in the downtown area must have busses and Dillo's available immediately. Texans will not give up their cars or move into a space that won't accommodate a car based on a promise that there will be good transportation alternatives in the future. The City may need to supplement Capital Metro's efforts to provide transportation downtown. In addition, downtown should always be a pedestrian-oriented and bicycle-friendly area of the city. Consequently, the City should continue to pursue, if not expand upon, the Great Streets Program to improve the built environment for

pedestrians and cyclists, strongly encouraging these two modes of transit in and near downtown.

Additional Issues

There were a few additional issues that caused some concern among committee members as a result of our efforts. In particular, the area north of West 6th along Rio Grande, Nueces, and San Antonio represents a part of Austin that many people would like to retain in something close to its current makeup. Similarly, there is no sentiment to make significant changes in the Judges' Hill area. The committee does not offer an opinion as to whether the best policy is to make an effort to preserve any area or to allow it to redevelop. On the map, areas that can likely be redeveloped are colored green. This or future councils can make the policy decisions that will allow or prevent redevelopment of particular sub-districts.

The conclusion that the committee reached and that was ultimately adopted by the full Downtown Commission is that the Austin City Council will be facing some very difficult decisions as it attempts to move a mass of people roughly double the population of Fredericksburg or half of Galveston into an area of less than two square miles that is already fairly intensely developed. In addition to the population's own space requirements, it will bring its demand for goods, commercial and social services, entertainment, places of employment, and education all of which will also require space. Affordability, particularly for downtown workers, will be an ongoing concern. Most of the demand for additional goods and services will be supplied by vertical expansion, but a significant part will be horizontal. In particular, a market or other store for food and staples will be needed in order to support, at least, the residential projects near Lower Waller Creek. Changes in allowable density, removal of view corridors, relaxation of setbacks and other regulatory changes will allow some, but not all of the demand to be met within downtown's current boundaries.

In addition, all available real estate within downtown is not equally desirable or usable. There are still floodplains along Shoal and Waller creeks. IH-35 still generates noise. Homeless shelters, while necessary, have a negative effect on the development potential of adjacent properties.

Downtown is an island surrounded by neighborhoods that are actively concerned about how redevelopment downtown may affect them. As downtown grows, new vertical buildings will intrude into people's existing views, and the demands for horizontal space and transportation will place increased pressures for redevelopment of the adjacent neighborhoods and otherwise alter their past character.

Highly charged emotional disputes regarding redevelopment are inevitable. If the recent experience of the public hearing regarding the Spring Tower and the opposition to other dense redevelopment projects adjacent to downtown are any indication, the Council and citizens of Austin must be prepared to withstand opposition and criticism from those that see themselves as threatened by the redevelopment of downtown. The default alternative to resolute leadership on this issue is continued sprawl or paralyzing fights over individual infill projects. As Kirk Watson has said, "You cannot be against both sprawl and density."

Conclusion

The challenges are daunting, but not insurmountable. If one accepts the proposition that continued growth of the Austin area is inevitable, then there are three places that growth can be accommodated: around the edges, within existing neighborhoods, or at the center. To the extent that growth occurs at the center it can alleviate some sprawl at the edges and absorb some pressure for infill in existing neighborhoods.

As noted in the City Auditor's recent report on long-term planning, the city's fragmented approach to planning has not provided city staff and commission members with an updated and unified set of guidelines to follow when making decisions that affect the growth of the City. The Downtown Planning process provides an opportunity to provide such updated and unified guidelines for downtown and its adjacent neighborhoods.

As the body created to advise Council and other Boards and Commissions about downtown matters, we offer the following advice:

Require that the consultant selected for the Downtown Plan address the Austin-specific issues discussed above, including how to accommodate 20,000 more residents and their accompanying support services (and new retail, business, and office space) into the constrained space that is downtown Austin.

An abstract one-size-fits-all recitation of what has worked elsewhere is not sufficient. We are concerned that unless the consultant identifies the issue and the community is prepared for the hard choices that lie ahead, future councils may be discouraged by the inevitable negative reaction of the vocal opposition.

We again applaud you for your foresight and determination to make Austin one of the truly great urban centers in the U.S.