



MEMORANDUM

TO: Mayor and City Council

FROM: Greg Guernsey, Director
Planning and Development Review Department

DATE: December 10, 2014

RE: Austin Energy Site – 6909 Ryan Drive

This memorandum provides an update on City staff efforts regarding the Austin Energy-owned parcel at 6909 Ryan Drive, located in the Lamar/Justin Transit Oriented Development District, and identifies options and considerations for possible Council action.

General Background

In January 2013, the City Council directed the City Manager to:

- Evaluate and outline issues associated with redeveloping the City-owned property located at 6909 Ryan Drive and report back to City Council.
- Conduct community outreach and provide significant opportunities for meaningful dialogue with and input from residents and business owners in adjacent neighborhoods and other stakeholders before moving forward with any long-term plans for this tract.

Council Resolution No. 20130117-054

In May 2013, City staff responded to the Council Resolution with the “Development Scenario Report” (available at:

http://austintexas.gov/sites/default/files/files/Housing/Reports_and_Publications/City_Reports/Lamar_Justin_Lane_Final_Combined_Report_May_10_2013.pdf). As directed by the Council Resolution, the report examined different redevelopment scenarios:

- One scenario under which the entire site would be redeveloped as a park.
- Two mixed-use scenarios under which the tract would be redeveloped with multi-family housing (including affordable housing), a neighborhood park, and potentially a small amount of

commercial space. The difference between these two scenarios was that the denser one leaned more towards residential development with a smaller park; the other, less-dense scenario leaned towards less residential development and slightly more parkland.

Subsequent to submitting the report to City Council, and in response to Council direction, City staff conducted additional stakeholder and public input in the fall of 2013. The City's Office of Community Engagement facilitated this effort. The stakeholders identified a number of desired values for the neighborhood including:

- Improved connectivity, enhanced walking and biking facilities, and better access to the Crestview MetroRail station.
- Affordable housing.
- More and better neighborhood parkland, including family-friendly elements.

But when it came to identifying a favored redevelopment scenario for this particular parcel, the nearby neighborhoods expressed a very strong preference for an all-parkland redevelopment scenario.

Regulatory Background

The Ryan Drive parcel is located in the Council-adopted Lamar/Justin Transit-Oriented District (TOD) Station Area Plan. As such, it is subject to the TOD Zoning Regulating Plan developed for that station area, also approved by Council. Here are some key implications of that Regulating Plan for the Ryan Drive parcel:

- The parcel is located in the "TOD Mixed Use" sub-district. "TOD Mixed-Use" is the Regulating Plan's most intensively developed land use zone and – reflecting its very close proximity to high-capacity transit service – is intended to be built out as high density residential with active ground floor uses such as retail. Because it provides such a complementary land use to the high-capacity transit, this land use designation is concentrated near the Crestview Metro Rail station and along primary streets that lead to it. It is worth noting that the "TOD Mixed Use" sub-district at the Lamar/Justin TOD is also served by the MetroRapid bus service.
- While there is no minimum density for the Ryan Drive tract, there is a two-story minimum for any development. The maximum density is 45 dwelling units per acre, but that can be increased with a density bonus.
- The Station Area Plan identified the development of additional parkland as a high priority of the community, and thus the Regulating Plan imposes on this site a requirement that a minimum of half of the total parkland dedication ordinance requirements be fulfilled on-site. Further, the Station Area Plan and Regulating Plan identified the Ryan Drive site as the location for a pocket park with a minimum area of 0.5 acres.
- Other general site development standards include:
 - Impervious Cover: 95%.
 - Floor-to-Area Ratio: 2:1, but can be waived with a Density Bonus.
 - Maximum building height: 60'.

- Parking: Entitled to a 40% reduction of the Land Development Code Appendix A requirement.
- Stormwater: Minimum 75% of required Water Quality Volume (WQV) must be treated on-site using green infrastructure.
- Open Space: Minimum of 2% of net site area shall be devoted to private common open space or pedestrian amenities.

Parkland Background

The Austin City Council passed a resolution in 2009 identifying a goal that all residents living in the urban core should live within ¼ quarter mile walking distance of a publicly accessible and child friendly park. As part of the needs analysis used to assess recreational service delivery, the Austin Parks and Recreation Department (PARC) performed a “gap analysis” using its Geographic Information System, which identified the area of the Austin Energy owned property at 6909 Ryan Drive as being “park deficient” by those standards. That assessment was echoed by the neighborhood during City staff’s community outreach efforts.

City Council Next Steps and Alternative Development Scenarios

Any next steps with regard to the Ryan Drive site must be initiated by City Council.

While Austin Energy is well aware of and has been involved in the discussions regarding the future of the tract, it will require a Council action to initiate the process for relocating the functions currently conducted on the tract and vacating the tract. The most recent fair market appraised value of the parcel is \$5,380,000.

A. Development by Austin Housing Finance Corporation

If the City Council directed Austin Energy to divest itself of the parcel and declared the site as “surplus property,” then per City of Austin Ordinance No. 20071129-100, the Austin Housing Finance Corporation (AHFC) would have a right of first refusal to acquire the parcel for development of SMART Housing (Safe, Mixed-Income, Accessible, Reasonably-Priced, and Transit-Oriented).

The following paragraphs summarize the basic approach that AHFC would take if it were to exercise its right of first refusal.

The City Council first would need to approve the sale of the property to the Austin Housing Finance Corporation and either: (a) allocate and approve funding equal to the total land purchase amount; or (b) direct Austin Energy to provide AHFC with a loan for the total purchase amount with a multi-year repayment period; funds would need to be allocated annually for this repayment.

In collaboration with PARC, AHFC would purchase the site from Austin Energy to create an energy efficient, family friendly, mixed-income, and mixed-use development including public park open space and neighborhood amenities.

AHFC would consider a number of factors in determining an appropriate development scenario for the site. AHFC typically hires professional design consultants to lead the planning and design process including public outreach and conceptual development scenarios. The planning and design process

would address questions related to the economic feasibility of different development scenarios, ideal mix of uses, opportunities for a mix of market rate and affordable housing choices, and opportunities to maximize publicly accessible open space.

The Council's 2005 Transit Oriented Development Ordinance (Ordinance No. 20050519-008) set a goal for at least 25% of new housing in each TOD to serve households at or below 80% median family income for home ownership housing and at or below 60% median family income for rental housing. This goal can be met through both private and public development of on-site affordable housing. Further, AHFC would be subject to the TOD regulations and recommendations that apply to the parcel (summarized above in "Regulatory Background"), including the recommendation for at least 0.5 acre of parkland and/or open space. AHFC would work with the community and the Parks and Recreation Department to maximize opportunities to promote open space and other amenities to enhance the development and the neighborhood.

AHFC ownership would provide an opportunity for a joint-venture partnership with a private sector development firm that would allow AHFC to maintain ownership of the land and ground lease the property back to the development partnership. Such a partnership would support long-term affordable housing options, allow for a mix of incomes, increase opportunities for neighborhood oriented commercial development, and potentially provide opportunities to finance some of the costs associated with park development and maintenance.

Through such a public-private development partnership AHFC would seek to further Imagine Austin goals and priorities related to:

- Developing and maintaining household affordability through the co-location of housing and transit options.
- Investing in a compact and connected city.
- Fostering mixed-use, mixed-income neighborhoods with a range of housing and transportation choices.
- Connecting housing to jobs, services, and amenities by directing growth to sites appropriate for transit oriented development.
- Protecting neighborhood character by directing growth to designated redevelopment areas, such as transit oriented development districts.

City Council's March 2014 Resolution (20140327-037) is pertinent to the Council's decision-making for the Austin Energy parcel. In that Resolution, which created the "Housing+Transit+Jobs Action Team," the Council "reaffirm[ed] its commitment to the Imagine Austin Comprehensive Plan by recognizing the opportunity presented through the nexus of housing affordability, economic development, and transit." The H+T+J Action Team presented its recommendations and action plan to Council's Comprehensive Planning and Transportation Committee in September 2014. Those recommendations are very consistent with Council's vision for the Austin Energy parcel (as stated in Resolution No. 20130117-054) as an "affordable, and family-friendly multi-family development and neighborhood pocket park."

B. Parkland-Only Scenario

If AHFC did not choose to exercise its right of first refusal, other development options would become available, including the redevelopment of the parcel exclusively as parkland.

The Parks and Recreation Department has limited funding to contribute towards property acquisition and parkland development costs. Therefore the purchase of the parcel and the capital improvements for park amenities would be contingent upon City Council allocating sufficient funds.

In terms of process, PARD would engage the community and general public in the design and development process for the park. Parkland Dedication Funds could be applied towards development of the park. Maintenance and operations costs would vary depending on the level of amenities and service, and possible “adopt-a-park” services or funding provided by the neighborhood.

C. Evaluation of Scenarios

A full and detailed economic evaluation of different development scenarios is not possible at this time because the particulars of the scenarios are not known. We have, however, included on the following pages the three “Opportunities/Challenges” charts from the May 2013 staff report, and their general observations remain valid.

Summary and Conclusion

City staff has responded to the January 2013 Council resolution by conducting community outreach and evaluating different redevelopment scenarios. The City Manager will await further direction from City Council on the future of this parcel.

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Scenario A – All Park:

Opportunities	Challenges
Meet Crestview Neighborhood ¼ mile park needs.	The size of park and lack of connectivity could require a large amount of the site to be used as surface parking.
Provides one large parcel of land to avoid buying up several individual parcels to create a park.	Large cost: acquisition, capital, maintenance.
Less impervious cover.	Loss of opportunity to create affordable housing near a fixed transit system.
Regional water detention/water quality control opportunities.	Limited financial/development partners.
Can provide a wider variety of amenities that require larger parcels, i.e. basketball courts, tennis courts, soccer fields, etc.	Not consistent with the vision illustrated in the adopted Lamar-Justin Station Area Plan.
	Loss of tax revenue for the City of Austin.

Scenario B – Mixed-Use, More Dense:

Opportunities	Challenges
More opportunity to provide goods and services to the TOD	Range of programming for the park is limited.
Structured parking is financially viable at this density	Amenities requiring more acreage are omitted
Could serve as example of compact urban Pocket Park for Austin	More impervious cover
Possible agreement with private development to maintain parkland	Less opportunity for regional water detention
Public/Private Partnership to provide recommended street to connect Crestview Station with Crestview neighborhood	
Consistent with adopted Lamar-Justin Station Area Plan vision	
Meets Crestview Neighborhood ¼ mile park needs	
Opportunity for greatest amount of affordable housing	
Development can provide tax revenue for the City	
Mixed-Use and Retail are more viable at this density	

Scenario C – Mixed Use, Less Dense:

Opportunities	Challenges
Parkland can serve as transition to neighborhood	Reduces density near a fixed transit station
Balances parkland with development to the greatest extent possible while still keeping affordability a viable option.	Reduces the number of affordable units provided on site
Possible agreement with private development to maintain parkland	While larger than a pocket park, larger amenities would still be omitted from the programming.
Meets Crestview Neighborhood ¼ mile park needs	Provides less diversity in housing types
Development can provide tax revenue for the City	Reduces the visibility of uses from Lamar (Core Transit Corridor) making retail less viable