MEMORANDUM

To: Mayor and Council Members

CC: Elaine Hart, Interim City Manager

From: Mike Trimble, Director, Corridor Program Implementation Office

Date: February 15, 2017

Subject: Item 56: Thornton Road Working Group Summary and Recommendations

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In January 2017, key stakeholders were invited to participate in a working group to comprehensively evaluate and establish a vision for future development on the commercially-zoned properties on Thornton Road. This process was initiated because two of the four CS-zoned properties have come before Council with a zoning change request within the last twelve months.

In evaluating options, the working group participants agreed the end goal they are working toward is to: **balance land use, scale and infrastructure in order to retain/create a comfortable, safe, and enjoyable environment for everyone who lives, works, visits or travels through the area, and property owners are able to ensure an economically viable project.**

In trying to achieve this goal, given that the surrounding single-family and small scale multi-family land uses are unlikely to change, and that even with the recommended improvements Thornton Road will still only be designed for relatively low traffic volumes, the **neighbor's ideal vision** includes:

1. **Compatible land uses:** Acceptable land uses include single family housing, multifamily housing and other uses such as: park/open space, art workshops, performance spaces, afterschool programs, live/work, retirement housing, affordable housing, plant nursery, and/or other neighborhood-serving retail/office uses.
2. **Diversity of uses:** Ensuring a mix of uses across the four properties.
3. **Match to existing scale:** Remain similar to surrounding context, mostly considered smaller scale.
4. **Infrastructure priorities:**
    a. Street improvements so that street/intersection design best matches expected traffic volumes (low volume design, small-scale uses) to improve pedestrian and bicycle safety in addition to traffic flow.
    b. Stormwater drainage system designed to accommodate flows without flooding; new development does not adversely affect off-site flows.

The working group supports preservation of existing creative arts uses such as the music schools and would like to see them be protected under the "agent of change" principle if the land uses around them change.

The property owners and developers participating in the working group agreed with the general vision for the area, with the exception of needing a larger scale of development than the surrounding area in order to achieve the goal of ensuring an economically viable project. There is no desire by property owners to limit currently allowable uses of CS-zoned properties in the absence of a property owner-initiated zoning change.

Because of significant challenges and constraints in the area, the working group concluded there is no clear-cut zoning and infrastructure investment strategy to ensure that the desired vision is achieved in terms of both use and scale as new development in response to market demand/feasibility is proposed or changes over time. The Thornton Road visioning process resulted in the following recommendations:

1. Any zoning change request or proposed development along Thornton Road should consider the compatible land uses, diversity of land uses, scale, and infrastructure priorities components in the neighbor's ideal "Vision" identified within this document.
2. Trade-offs between Vision components should occur if the ideal vision is not achievable through an economically viable project for the property owner. Potential zoning options and trade-offs outlined in Appendix A: Summary Report should be used as a starting point for consideration.
3. Identified community concerns and existing challenges of Thornton Road should be considered when deliberating policy decisions during mapping of zoning categories through CodeNEXT and any other related planning initiatives that may affect this area in the future

Applicability to 2413 Thornton Road:

The working group explored ideas for trade-offs for the active zoning case on 2413 Thornton Road relative to the vision for the area, but did not reach agreement on a specific zoning category and trade-offs. It should be noted that the intent of this process was not to facilitate agreement on this case, but rather to reach clarity about the vision for the area and potential trade-off considerations which could be used for further discussion about any site specific development or zoning proposals on the CS-zoned sites.

For additional details regarding the working group process, vision or associated recommendations, see attached Summary Report. Please feel free to contact me with any questions you may have.

Cc: Greg Guernsey, Director, Planning and Zoning Department
Jerry Rusthoven, Assistant Director, Planning and Zoning
Rob Spillar, Director, Austin Transportation Department
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Jose Guerrero, Assistant Director, Watershed Protection Department
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Thornton Road Land Use Evaluation Working Group

Process Summary Report

Introduction:

In January 2017, key stakeholders were invited to participate in a working group to comprehensively evaluate and establish a vision for future development on the commercially-zoned properties on Thornton Road. This process was initiated by City Council because two of the four CS-zoned properties have come before Council with a zoning change request within the last twelve months. Given existing conditions and limitations of Thornton Road, the working group's objective evolved into identifying a vision for the commercially-zoned properties on Thornton Road and determining strategies and recommendations for consideration during future potential zoning decisions.

The Thornton Road Working Group process was led by City staff from the Corridor Program Implementation Office, Public Information Office and Public Works Department, with support from the Planning and Zoning Department, Austin Transportation Department, Watershed Protection Department, and Economic Development Department. Working Group participants included residents along Thornton Road, commercial property owners and their representatives, creative arts tenants, City staff, and an aide from Councilmember Kitchen's office.

City staff provided working group participants with information about existing conditions, recommended street and intersection improvements, and the likelihood of city investments. Staff also provided a draft staff evaluation of the degree to which different land uses and scales of development cumulatively could address their identified areas of concern. The working group used this evaluation to identify a vision and discuss potential strategies to implement the desired vision based on existing identified constraints in the area.

Because of significant challenges and constraints in the area, there is no clear-cut zoning and infrastructure investment strategy to ensure that the desired vision is achieved in terms of both use and scale as new development in response to market demand/feasibility is proposed or changes over time. Trade-offs will need to be made in considering any new development or zoning proposal. This memo provides a summary of key information about the area, the neighbor's long-term vision, and zoning strategies and trade-offs to consider when making site-specific zoning decisions in this area. This is intended to document the working group discussions, vision, and trade-offs to inform and provide certainty for other future property owner/developer proposals and Council decisions.

Part I – Relevant background info/facts

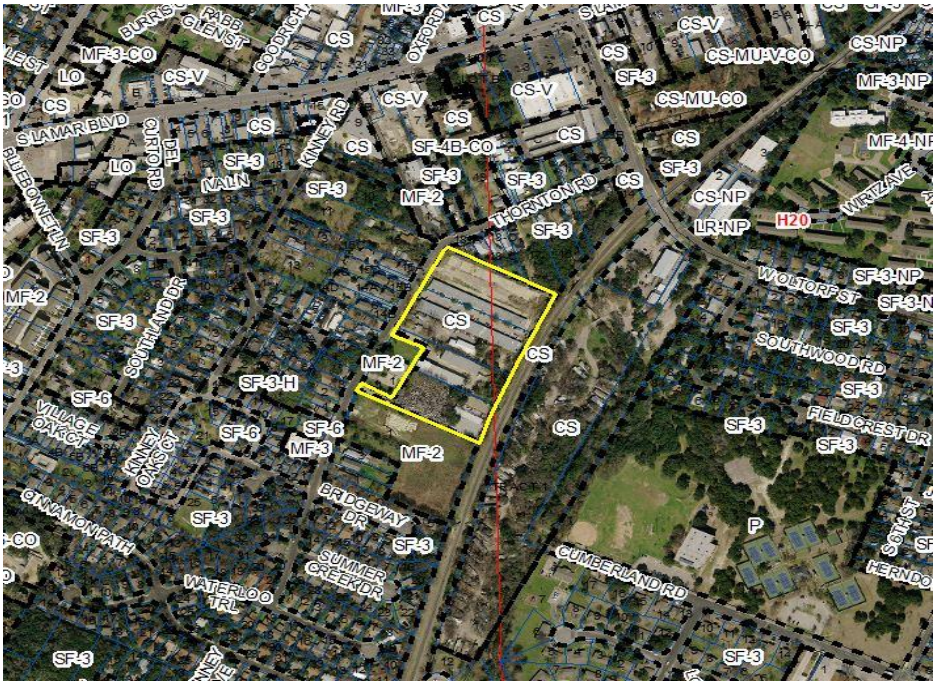
Within the past year, two zoning change requests have come before City Council, ultimately raising the question of what a desired vision for potential redevelopment of the four CS properties would be.

Information about Thornton Road:

- Thornton Road is located south of W. Oltorf Street and east of South Lamar.
- Properties on the east side of Thornton Road back up to West Bouldin Creek and the Union Pacific Railroad line (see aerial photo below for reference).
- The east side of Thornton Road contains four properties zoned Commercial Services (CS).
- The surrounding context of these properties includes predominantly single-family and small-scale multifamily housing, generally 1-2 stories in height; with the exception of one recently completed higher-density multifamily development south of the four CS-zoned properties.
- Existing uses on the CS-zoned sites include a variety of professional creative uses (arts studios, musical education), light industrial uses such as a restaurant equipment supply lot, auto repair services, and professional office space.
- An active site plan for the currently vacant property at 2307 Thornton would construct additional business/park warehouse facility, similar to the existing development where Thornton Road Studios is currently located.
- Thornton Road is in the middle third of the West Bouldin Creek Watershed
    - Any redevelopment would be required to ensure no adverse stormwater impacts to downstream roadways or structures. The South Lamar Mitigation Plan applies to properties on this road, which requires all new development to reduce detention peak flows by 10% or more, and to ensure no adverse impact to downsteam roadways or structures.
    - A West Bouldin Creek Watershed Master Plan Assessment is underway to recommend improvements to mitigate current flooding situations, and the Del Curto Storm Drain Improvements are currently in the design phase. Del Curto Storm Drain Improvements will help alleviate overland stormwater flows along Thornton Road north of the CS-zoned sites that occur during large storm events due to the current inadequacies of the stormdrain system upstream.
- Thornton Rd. is a residential collector street, with a recommended desirable range of less than 1,800 vehicle trips per day
    - Thornton Road currently experiences ~2,600 average daily vehicle trips.
    - The Oltorf/Thornton intersection is currently operating at a level of service (LOS) F during the afternoon (PM) peak hour.
- A sidewalk will be constructed on the east side of Thornton Road this spring.
- Transportation improvements recommended by the Austin Transportation Department (ATD) based on a Neighborhood Traffic Analysis in order to improve current conditions include:
    1. Widening of Thornton Road within 200 ft of West Oltorf Street to allow one inbound lane from West Oltorf and two outbound turn lanes from Thornton Road.
    2. Installation of a traffic signal on Oltorf/Thornton Road intersection.
    3. Completing the sidewalk on the west side of Thornton Road.
    4. Restricting parking to one side of Thornton Road and implementing Residential Parking, if desired by the residents.

- Even with these improvements, the average daily trips on Thornton Road will continue to exceed the "desirable range" for a residential collector, although the parking restrictions will help with traffic flow and sidewalks will improve pedestrian safety. The addition of turn lanes and a signal would improve intersection operations.

The map below illustrates the portion of commercially-zoned properties (in a yellow boundary), and the existing surrounding zoning classifications.



Part II – Objective/Process

The working group's process objective was to evaluate the opportunities and challenges that may occur with redevelopment of multiple commercial sites on Thornton Road, in order to inform discussions about site-specific re-zoning decisions. The group was charged with the following:

1. Evaluate the cumulative ability of different land use options to meet community and landowner interests regarding roadway and infrastructure functionality, land use compatibility, promotion/retention of creative arts, and other aspects as multiple CS properties on Thornton Road consider redevelopment.
2. Evaluate the feasibility of public investments to address identified key interests where redevelopment land use options cannot collectively achieve the desired result.
3. Working Group discussion to articulate vision, goals, and recommended land use/zoning parameters and trade-offs.

The Working Group, comprised of ten people from a variety of stakeholder perspectives, met with an inter-departmental City staff team four times over the course of three and a half weeks. The group had full or partial participation from two property owners.

Given the areas of concern identified by working group members in the first meeting, City staff completed a draft evaluation of how different land uses/scales of development would affect

(improve/degrade) the areas of interest, and the likelihood of public investment to make improvements. Presented in the second meeting, the evaluation also identified the degree to which each stakeholder group is able to control or influence an outcome in an identified area of concern. This information led to a process of identification of strategies to move forward. There were several working group discussions about what is important for stakeholders to see as the CS properties develop over time, their key interests and concerns for the area, and brainstorming strategies to meet their vision and interests given the challenges and constraints of the area. Participants were asked to participate in a survey; results of the survey were presented in the third meeting, and were used to craft a vision which found general agreement among the neighborhood representatives in the working group. The meeting concluded with the translation of the vision to acceptable zoning categories, and the identification of associated trade-offs.

Part III – The Vision

After extensive facilitated discussion, brainstorming, and assessing a variety of acceptable land uses and associated trade-offs, the identified end goal that all working group participants would like to work toward is to: **balance land use, scale and infrastructure in order to retain/create a comfortable, safe, and enjoyable environment for everyone who lives, works, visits or travels through the area, and property owners are able to ensure an economically viable project.**

In trying to achieve this goal, given that the surrounding single-family and small scale multi-family land uses are unlikely to change, and that even with the recommended improvements Thornton Road will still only be designed for relatively low traffic volumes, the **neighbor's ideal vision** includes:

1. **Compatible land uses:** Acceptable land uses include single family housing, multifamily housing and other uses such as: park/open space, art workshops, performance spaces, afterschool programs, live/work, retirement housing, affordable housing, plant nursery, and/or other neighborhood-serving retail/office uses.
2. **Diversity of uses:** Ensuring a mix of uses across the four properties
3. **Match to existing scale:** Desire to remain similar to surrounding context, mostly considered smaller scale.
4. **Infrastructure priorities:**
    a. Street improvements so that street/intersection design best matches expected traffic volumes (low volume design, small-scale uses) to improve pedestrian and bicycle safety in addition to traffic flow.
    b. Stormwater drainage system designed to accommodate flows without flooding; new development does not adversely affect off-site flows.

The working group supports preservation of existing creative arts uses such as the music schools and would like to see them be protected under the "agent of change" principle if the land uses around them change. Under the Agent of Change principle, music venues would still be required to operate within codified sound levels. However, should the permitted and codified sound levels be unacceptable or incompatible with a new development within proximity of an established music venue, the new development would be responsible for sound mitigation measures.

The property owners and developers participating in the working group agreed with the general vision for the area, with the exception of needing a larger scale of development than the surrounding area in order to achieve the goal of ensuring an economically viable project. However, there is no desire by property owners to limit currently allowable uses of CS-zoned properties in the absence of a property owner-initiated zoning change.

Part IV – Zoning Strategies and Trade-offs for Implementing the Vision

The degree to which the neighbor's vision will be implemented over time will be determined by a combination of zoning and other regulations setting the parameters for development, market-demand/feasibility for the type and scale of development, and future infrastructure investments.

Existing Conditions and Planned Improvements

Existing conditions currently meet the neighbor's vision in terms of scale of development and having a diversity of uses. However, some of the existing land uses more directly achieve the vision for compatible uses (e.g. creative arts uses), while others are less compatible (e.g. restaurant equipment scrap yard). As noted previously, infrastructure priorities for the area have not been met yet. Thornton Road capacity and intersection operations are exceeding established criteria and the stormdrain infrastructure in the area is inadequate. The sidewalk that is currently in process of being built this Spring on the east side of Thornton, combined with a resident application and partnership with the Austin Transportation Department to implement Residential Parking Permits (RPP) will greatly improve current safety conditions on Thornton Road. The planned Del Curto stormdrain infrastructure improvements and West Bouldin Creek Watershed Study are working to address the existing flooding issues in the neighborhood.

Challenges with new development meeting the vision

As new development is proposed, neighbors would like it to be in line with the vision to the extent possible. Although neighbors have a fairly clear vision of what they would like to see or retain in terms of balancing land uses, scale, and infrastructure as the commercial properties change over time with new development proposals, there are some clear challenges to implementing that vision. Some of the more notable challenges are:

1. Existing high level of entitlements with CS zoning – A range of land uses and large-scale development are allowed on the properties by right. In addition, property values and property owner expectations for economically viable projects are linked with the high amount of development and land use flexibility allowed currently under CS zoning. This makes the ability for the property owner to achieve economically viable projects with smaller scale uses more challenging.
2. Limitations on road capacity – Even if the recommended road improvements were constructed, traffic volumes would exceed the "desirable range" for a residential collector with any new development. The recommendations for improvements will help mitigate some of the effects of this, but it will likely continue to exceed neighbor's comfort levels.
3. Creative arts uses – Some creative arts uses that currently operate in the area, and that some neighbors would like to see continue, are only allowed in CS zoning (e.g. welding, kilns). There is

a desire to retain these uses, but concerns about the potential large scale of development also allowed under CS zoning should those properties redevelop.

4. Needs for public infrastructure investments outweigh funding availability – Ability for public investment is limited by available funding. City programs adhere to methodology and criteria to objectively prioritize infrastructure investments throughout the city based on condition of the infrastructure asset. Funding is spread across maintenance and upkeep of existing assets, for extension or expansion of services to areas experiencing growth, as well as for implementation of Council-adopted policies and plans. At this point in time, infrastructure priorities of Thornton Road neighbors are not elevated as the highest priority when compared to infrastructure asset conditions and urgent needs across the city, based on funding that is currently available.

Because of these challenges there is no clear-cut zoning and infrastructure investment strategy to ensure the vision is achieved as new development in response to market demand/feasibility is proposed or changes over time. Trade-offs will need to be made in considering new development proposals.

Zoning Options/Trade-offs

In the last working group meeting, the group evaluated: ***to what extent can different zoning options allow and/or ensure development gets closer to meeting various components of the vision?***

In translating the vision to evaluate a variety of zoning categories and consider associated trade-offs, the working group evaluated the following zoning categories:

- Multifamily Residence Moderate-High Density (MF-4)
- Multifamily Residence Low Density (MF-2)
- Commercial Services (CS – current zoning)
- Commercial Services – Mixed Use (CS-MU)
- Commercial Services – Mixed Use – Vertical (CS – MU – V)
- Community Commercial - Mixed Use (GR-MU)
- Neighborhood Commercial – Mixed Use (LR-MU)

Each of these have different abilities to affect components of the vision. Based on working group discussions and given the unique set of constraints on Thornton Road, the following conclusions and trade-offs should be considered when making future zoning decisions:

1. **Compatible land uses** – any future development or zoning proposals should consider land uses listed in the neighbor's vision statement provided in the previous section.
    - Several zoning categories would allow these uses: CS, CS-MU, CS-MU-V, GR-MU, LR-MU, MF-4, MF-2, as well as others not evaluated by the working group.
    - **Note**: CS, CS-MU, CS-MU-V and GR-MU -zoning also allows many other uses that in the survey neighbors identified as "can't live with", and that would significantly increase vehicle trips.
    - What will ultimately develop on the property, however, is largely dictated by market demand and there is no indication of when those uses will be marketable.
    - A key consideration of the neighbors when identifying acceptable land uses is the amount of vehicle trips that would be generated when combined with the scale of development proposed.

2. **Diversity of uses** – A mix of land uses is important across all properties. Neighbors would like to retain the existing creative arts and other neighborhood oriented uses, however if new development is proposed:
    - When making zoning decisions on one property, the diversity of uses allowed on the remaining CS properties should be taken into consideration. Individual site zoning decisions should not result in the cumulative effect of only allowing a single use across all properties.
    - Although adding a –mixed use (-MU) to zoning categories further allows a mix of uses by adding residential as an option to commercial zoning categories, it should not be relied upon to ensure a mix of uses. Likewise, though CS-MU-V requires retail on the ground floor, beyond that, the zoning category alone cannot ensure a mix of uses.
3. **Match to Existing Scale** – Neighbors would like to see future development or zoning proposals similar to existing context
    - MF-2 and LR-MU or other less intensive zoning categories would restrict development to a similar scale as the existing context.
    - MF-4, CS-MU and CS-MU-V without any conditional overlays do not match the existing surrounding or desired scale.
        - CS-MU-V is intended for core transit corridors due to scale and level of density allowed, and is most appropriate on streets with supported transit service. Due to these limitations and the identified Vision, the zoning category CS-MU-V does not match the desired scale of future development.
    - Concerns regarding zoning categories that allow larger scale of development center around their addition to traffic volumes on a street that already exceeds its desirable operation level.
    - Concerns also include the height of the building frontage on the street as well as over adjacent smaller-scale properties.
4. **Infrastructure Priorities –** Neighbors would like for roadway and intersection improvements to help address existing deficiencies and safety concerns, as well as address any additional traffic added to the system with new development. In the absence of City plans to fund improvements, neighbors would like to see new development contribute to the improvements to the maximum extent possible in proportion to the scale of development and the additional vehicle trips added.
    - Concerns regarding potential subsequent safety issues remain, which neighbors feel is dependent on the redevelopment of different properties and particular land uses permitted on each property.
    - Regardless of improvements that can be made to address safety concerns and alleviate time spent waiting to turn out of or gain access to Thornton Road, Thornton Road will continue to function as a residential collector road, and be meant to accommodate a lower number of vehicle trips than are currently experienced.
    - Although the amount of funding that could be put toward traffic improvements would increase with the scale of the redevelopment project, there is a limit to the effect of improvements if the scale of developments cumulatively far exceed the capacity of the roadway even after the improvements are made. The amount of increase in scale of development which could amount to a significant contribution toward road improvements may be in conflict with the ideal scale identified above.

Ability to Ensure Economically Viable Projects: Because of the challenges listed in the previous section and the property owners' expectation of ensuring economically viable projects, trade-offs will need to be made between the various components of the vision. For example, a development proposal for a use not listed as a preferred use in the vision, should try to meet other components of the vision such as proposing a small scale development, contributing to a mix of uses in the neighborhood and contributing to infrastructure improvements to the extent feasible. Similarly, developments exceeding the scale of development identified in the vision should consider limiting the scale to only that which will make it market feasible, providing a preferred land use, ensuring there remains a mix of uses in the area, and contributing to infrastructure improvements to the extent feasible.

Applicability to the active zoning case for 2413 Thornton Road:

The working group explored ideas for trade-offs for the active zoning case on 2413 Thornton Road relative to the vision for the area, but did not reach agreement on a specific zoning category and trade-offs. It should be noted that the intent of this process was not to facilitate agreement on this case, but rather to reach clarity about the vision for the area and potential trade-off considerations which could be used for further discussion about any site specific development or zoning proposals on the CS-zoned sites. The Planning and Zoning Department staff recommendation in this case is for multifamily residence-low density (MF-2) district zoning due to surrounding existing scale and existing infrastructure conditions along Thornton Road. Additional information and recommendations about the case can be found on the City of Austin website.

Although MF-2 or LR-MU zoning categories were identified by the working group neighbors as the most compatible with the neighbor's vision in both scale and land uses, the developer for 2413 Thornton Road has indicated that these zoning categories would not allow the necessary entitlements in terms of scale of development for an economically viable project. Including retail on this property would also not be an economically viable option for the developer.

For this reason, the working group explored other trade-offs using the currently active zoning case as an example. The working group found:

- Since MF-4 development exceeds the scale of surrounding development and would add additional traffic to the roadway, the working group explored some possible trade-offs with other components of the vision which could be considered:
    - **Scale:** Limit the scale to only that necessary to ensure market feasibility. A conditional overlay to restrict scale of the property to 70 units would also limit the associated vehicle trips. The concern remains that this scale of development would set a precedent for the other properties and add traffic to the roadway which is already over capacity. Neighbors would like to see methods to reduce traffic volumes and ensure this precedent is not set.
    - **Compatible Land Uses:** The multi-family use is within the neighbor's vision for the area. In addition, the applicant has offered seven two-bedroom units of affordable housing units to be included within the 70 desired units. The ability to include neighborhood access to any parks or open space provided on the property could be also be considered.
    - **Diversity of Uses:** There continues to be concerns that this zoning classification would set a precedent for the potential redevelopment of other CS properties on Thornton Road for a

single use development type which would not meet their vision. Neighbors would like to see methods to ensure this precedent is not set.

- **Infrastructure Priorities:** Because of the increase in scale above the preferred vision, neighbors would like to see investment in the road such as installation of a turn lane onto Oltorf St by the developer. If this could be achieved within the rough proportionality contribution limit for the development, it would help address the infrastructure priorities portion of the neighbors' vision. However, neighbors are concerned about the precedent this could set for the scale of development on other properties and that the associated increase in traffic would exceed the ability to be addressed through infrastructure improvements.

Other zoning option trade-offs considered by the working group include CS-MU-CO and GR-MU-CO

- The development proposed on 2413 Thornton Road could be completed with CS-MU zoning. However, this zoning category allows a lot more uses and larger scale of development than the neighbor's vision, so trade-offs need to be considered:
  - **Scale:** Limit the scale to only that necessary to ensure market feasibility with a conditional overlay to restrict scale of the property to 70 units, which would also limit the associated vehicle trips. Like with the MF-4 option, there continues to be concerns that this scale of development would add more traffic and set a precedent for the other properties. Neighbors would like to see methods to reduce traffic and ensure this precedent is not set.
  - **Compatible Land Uses:** The multi-family use allowed in CS-MU-CO is within the neighbor's vision for the area. Like with MF-4 the ability to include affordable housing and neighborhood access to any parks or open space provided on the property could be considered. Although CS-MU allows creative arts uses, this zoning also allows a lot of additional other uses, many of which the neighbors would not like to see in their neighborhood.
  - **Diversity of Uses:** Although this zoning category would allow a diversity of uses, it would not ensure it. Neighbors continue to be concerned about the desire to preserve existing uses on current CS-zoned properties, and the possibility of one development setting a precedent that leads to uniformity across other currently CS-zoned properties.
  - **Infrastructure Priorities:** Like with MF-4 zoning, neighbors would like to see improvements to the roadway to help mitigate the additional traffic, such as installation of a turn lane onto Oltorf St by the developer. If this could be achieved within the rough proportionality contribution limit for the development, it would help address the infrastructure priorities portion of the neighbors' vision. However, neighbors are concerned about the precedent this could set for the scale of development on other properties and the associated increase in traffic would exceed the ability to address through infrastructure improvements.
- GR-MU zoning would have similar trade-offs and neighbor concerns as CS-MU, since it also allows a greater scale of development than surrounding neighborhood. GR-MU allows less development than CS-MU, however, it would not allow some of the creative arts uses that are allowed under CS or CS-MU zoning.

Recommendations/Strategies:

The Thornton Road land use evaluation/visioning process resulted in the following recommendations:

1. Any zoning change request/proposed development along Thornton Road should consider the compatible land uses, diversity of land uses, scale/traffic generation, and infrastructure priorities components in the neighbor's ideal "Vision" identified within this document.
2. Trade-offs between Vision components should occur if the ideal vision is not achievable through an economically viable project for the property owner. Potential zoning options and trade-offs outlined in this report should be used as a starting point for consideration.
3. Identified community concerns and existing challenges of Thornton Road should be considered when deliberating policy decisions during mapping of zoning categories through CodeNEXT.
    - With emphasis on balancing compatibility of scale, a mix of acceptable uses, infrastructure priorities in order to achieve the goal of a comfortable, safe, and enjoyable environment for everyone who lives, works, visits or travels through the area, and property owners are able to ensure an economically viable project.