



MEMORANDUM

TO: Mayor and City Council

FROM: Gregory I. Guernsey, AICP, Director
Planning and Zoning Department

DATE: March 19, 2018

SUBJECT: Agenda Item #92
Zoning Case: C14-2017-0001
Address: 425 West Riverside PUD

A Planned Unit Development (PUD) for 425 W. Riverside is scheduled for a Council public hearing on March 22, 2018 (Item # 92). This is the first property in the South Central Waterfront (SCW) district to seek redevelopment approval since the Council adopted the [South Central Waterfront Vision Framework Plan](#) (SCW Framework Plan) in June 2016.

The SCW Framework Plan promotes a vision and recommends the adoption of implementation tools to guide redevelopment in this area to deliver a great public realm and hundreds of units of affordable housing. Since the implementation measures recommended in the SCW Framework Plan have not yet been fully developed and adopted, staff has reviewed this PUD proposal as the only way currently available to enact the goals of the SCW Framework Plan. The PUD review has aimed to grant the entitlements and to secure the community benefits as called for under the SCW Framework Plan.

Staff and Planning Commission, as well as other boards, have recommended the PUD, but only with conditions that actions are taken by Council which would implement financial tools as called for in the SCW Framework Plan. Specifically, the recommendations include establishing a restricted Public Improvement District (PID) fund, and to commence development of a Tax Increment Reinvestment study/ordinance (TIF) for Council consideration.

To understand the recommended conditions associated with approval of this PUD, this memo highlights the background and current activity with implementation the SCW Framework Plan.

Overview of the SCW Framework Plan. The [SCW Framework Plan](#) was the [culmination of many years of work](#) and [vigorous public engagement](#) to develop a roadmap to guide redevelopment of a [118 acre area](#), comprising 32 private properties and one city-owned property (One Texas Center), along the shores of the lake just south of Downtown. The SCW Framework Plan established a conceptual framework for allowing site-specific building enhancements in exchange for on-site and districtwide community benefit contributions. The SCW Framework

Plan sets a path to create a districtwide network of connected green streets, parks, trails and public open spaces (approximately 20 new acres), as well as achieving 20% new affordable housing units (over 500 units). Analysis forecasts that implementing the SCW Framework Plan will unleash \$2 billion of private investments over the next 15 years.

Implementing the SCW Framework Plan. The SCW Framework Plan recommends a series of implementation measures including development of regulations, adoption of innovative financial tools, fostering public-private partnerships, leveraging the single city property at One Texas Center for affordable housing, and capital improvement investments in infrastructure. Since the SCW Framework Plan's adoption, PAZ staff has continued to coordinate numerous implementation activities including: staffing a newly-created [South Central Waterfront Advisory Board](#) (SCW Advisory Board), developing a [draft SCW Regulating Plan](#) for the district, and coordinating with partners in order to advance other strategies which are essential to implementation and interrelated with the regulating plan, including exploration of innovative funding mechanisms for affordable housing and infrastructure.

[SCW Advisory Board](#) was established by City Council in July 2017 and is charged to advise Council on the SCW Framework Plan's implementation and on development projects in the district. The SCW Advisory Board reviews monthly progress on the [implementation measures](#). The key implementation items now in progress include:

Draft SCW Regulating Plan – A [draft SCW Regulating Plan](#) has been developed with support from consultants, and is under review by the SCWAB (latest draft reviewed at [March 19, 2018 meeting](#)). The SCW Regulating Plan will provide the opt-in regulations for properties to gain enhanced development entitlements in exchange for required community benefits.

After reviews from the SCW Advisory Board, staff will engage property owners and public, and proceed with reviews from other boards and commissions this spring. The goal is to present the SCW Regulating Plan to Council for potential approval in tandem with adoption of a new Land Development Code (CodeNEXT) which contains the South Central Waterfront Overlay Zone text that empowers the SCW Regulating Plan.

Adopting the SCW Regulating Plan in tandem with adoption of CodeNEXT will establish the regulatory framework for properties to opt-in to the SCW Framework Plan (thereby avoiding the need for doing PUDs). The adoption of these regulations unlocks an estimated \$2 billion of private redevelopment potential that would fuel the tax revenues which provide most of the financing for the realization of the SCW Framework Plan's vision.

SCW Tax Increment Finance – The SCW Framework Plan modeled that the tax revenues which would be generated from the South Central Waterfront vision would be 300% above what tax revenues would be under status quo redevelopment (redevelopment under existing zoning). With the potential approval of the 425 W. Riverside PUD and, more important, with the potential adoption of the SCW Regulating Plan, the South SCW Advisory Board sent a [Resolution to Council on October 30, 2017](#) which recommends that the Council instruct the City Manager to commence the Tax Increment Finance study/draft ordinance, as recommended in the SCW Framework Plan. The attachments to this resolution include excerpts from the [SCW Framework Plan](#) and [SCW Appendix](#) which outline the extensive preparatory work that has already been accomplished to create the TIF ordinance for this district. Now that the SCW Regulating Plan has been drafted, the TIF study may proceed.

SCW Amenity Fund and SCW Public Improvement District – The SCW Framework Plan calls for an opt-in system through the SCW Regulating Plan whereby developers could receive additional zoning entitlements by adhering to the standards and provisions of the proposed South Central Waterfront Overlay Zone. One of the required community benefit provisions include that a developer pays a Community Amenity Fee which would be held in a restricted South Central Waterfront Community Amenity Fund. Monies collected in this Fund would be used to help finance public realm improvements and fund gap financing for affordable housing within the district.

Additionally, the SCW Framework Plan calls for properties to join a Public Improvement District which would collect annual assessment fees to support ongoing operations, management and maintenance for an ever expanding and improved public realm in the district.

In response to these needs, the Downtown Austin Alliance ([DAA](#)) [provided a letter](#) to the SCW Advisory Board which proposes support for including properties in the district to the Downtown Austin PID.

The conditions for recommending the 425 W. Riverside PUD include: (1) requiring that the PUD petition to join the Downtown Austin Public Improvement District; and (2) recommends creating a restricted South Central Waterfront Community Amenity Fund which would hold funds for implementing SCW Framework Plan improvements and affordable housing goals. The Downtown Austin Alliance (DAA) provided a letter which offers to assist with both of these items. Potentially, this proposal could serve an immediate need for the PUD and for the long-term need of the SCW Regulating Plan.

If you have any questions or need additional information, please contact Alan Holt, Principal Planner, Planning and Zoning Department, at 512-974-2716 or via email at alan.holt@austintexas.gov; or Greg Guernsey at 512-974-2387 or via email at greg.guernsey@austintexas.gov.

cc: Spencer Cronk, City Manager
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