



Colony Park Sustainable Community ENA Phase 1 Report

Catellus Development Corporation

May 25, 2021

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EXECUTIVE SUMMARY

Catellus Development Corporation, in partnership with the City of Austin Economic Development Department, has included a report of observations and recommendations during the Exclusive Negotiating Agreement (ENA) period. The ENA period allows for due diligence and negotiations of the Master Development Agreement (MDA). Further due diligence and refinements will be needed before moving forward with entitlement, zoning and site plan changes. Note that this final version contains revisions requested by the City of Austin to the original document that was delivered on October 10, 2020.

Project History

The Colony Park Sustainable Community (Colony Park) is a community-led effort to develop 208 acres of City-owned property in northeast Austin. When complete, the project on Loyola Lane between Johnny Morris Road and Decker Lane, is expected to feature a mix of housing types, retail and office space, a possible transit center (i.e. Green Line proposed by Capital Metro), and Central Health's health and wellness center in the Loyola Town Center.

The Colony Park Sustainable Community Initiative began in 2012 as a three-year master planning process supported through a \$3 million U.S. Department of Housing and Urban Development Sustainable Communities Challenge Grant. Through this process, the City engaged hundreds of community stakeholders through community meetings, workshops and family-focused events to create a community vision for the project.

The City of Austin Economic Development Department (EDD) began a Request for Qualifications (RFQ) and Request for Proposal (RFP) process in 2017. Ultimately, Catellus Development Corporation (Catellus) was selected in 2018 as the master developer for Colony Park. The Exclusive Negotiating Agreement was signed between EDD and Catellus on May 12, 2020 ending the procurement process and commencing the due diligence for the negotiation of the Master Development Agreement. Importantly, Catellus could engage with the community and begin reviewing the existing Colony Park Planned Unit Development (PUD) and 2014 Illustrative Plan adopted by City Council (2014 Illustrative Plan).

EDD tasked Catellus with goals for the first phase of the ENA period summarized in this report of recommendations submitted to City Council for guidance on future phases. These tasks were to:

- Improve the efficiency of the Development Plan [PUD and 2014 Illustrative Plan];
- Increase the yield of developable land at the Site;
- Decrease the cost of public infrastructure; and
- Adhere to the original tenants of the Master Plan and 8 Pillars of need desired by the Community.

Project Context

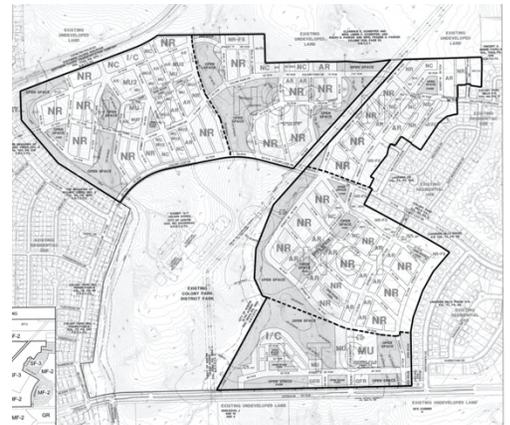
Colony Park is located approximately eight miles northeast of Downtown Austin. The Colony Park Sustainable Communities Initiative 2014 Illustrative Plan focused on the 208-acre City-owned tract but was planned within a larger context of the surrounding five-census tract area extending south to Martin Luther King Boulevard, north to US 290, west to US 183 and east to Walter E. Long Metropolitan Park. Since the completion of the 2014 Illustrative Plan, this context has undergone significant change:

- Planned communities on previously undeveloped land to the north of Colony Park have introduced a significant number of new homes. These new communities include Wildhorse Ranch, Whisper Valley and Parker Station immediately adjacent to Colony Park.
- The community has long advocated for a district park resulting in the 93-acre Colony Park District Park, immediately south and west of Colony Park, which broke ground in 2016 in partnership with the Austin Parks Foundation, the City of Austin Parks and Recreation Department and the St. David's Foundation. The park includes 50 acres of land previously identified in the Colony Park planning area. The park (opened March 2020) includes trails, sports fields and a pool complex (scheduled to open in 2021).
- RBI Austin, a non-profit devoted to youth baseball and softball, acquired 33-acres of land just south of Colony Park with the intent of "creating a sports complex that looks to engage and develop inner-city Austin youth athletically, academically and spiritually, empowering them to lead the transformation of their communities".
- Neighborhoods to the south, including Agave, have experienced significant growth since 2014.
- Walter E. Long Park has undergone a major master plan effort in 2018 calling for significant improvements while the County and Austin Rodeo have continued discussions with the City of Austin regarding the redevelopment of the Expo Center immediately east of Colony Park.
- Tesla's plans for a 2,000-acre manufacturing facility and "giga-factory" just beyond the five-census tract area to the southeast will result in up to 5,000 new jobs.

While these changes present new opportunities for Colony Park and the Eastern Crescent of Austin, challenges remain. The closest major grocery store is more than two miles away from Colony Park and there are no significant health care facilities east of US 183. In reviewing the Colony Park 2014 Illustrative Plan, Catellus and the City have taken these challenges and the changing context into consideration, focusing on addressing the community's Eight Pillars of Need. The Draft MDA Illustrative Plan builds on the fundamental goals of the 2014 Illustrative Plan, while striving to improve its economic viability.

Preliminary Proposed Modifications

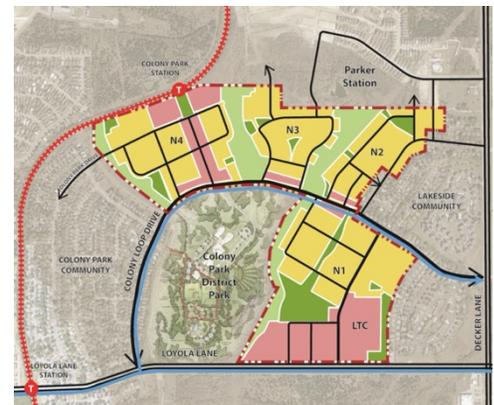
The preliminary proposed modifications to the 2014 Illustrative Plan and PUD identify opportunities for efficiencies in the plan to generate more revenue and reduce the total cost of the project. These efficiencies plan for the highest and best use of land area – which creates more marketable sites for homebuilders, developers, employers and retailers – and accommodates other community benefits such as the Central Health Wellness Center and a potential full-service grocery store. Additionally, the comprehensive review of the PUD and 2104 Illustrative Plan resulted in identified public financing needs. Many of these proposed revisions are placed in the context of the identified *8 Pillars of Community Need* for Colony Park.



1. Improve mobility, connectivity, and safety of community

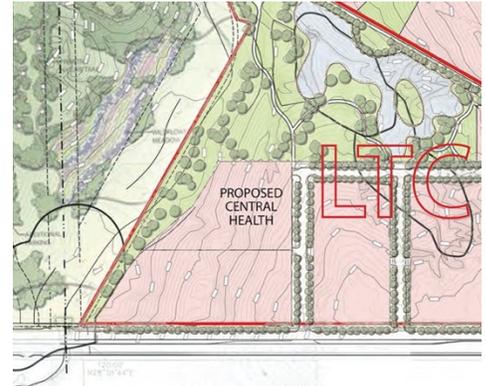
The Right of Way dedicated to roadways and the number of street sections were reduced in the Draft MDA Illustrative Plan; however, the same level of mobility, connectivity, and safety are maintained. Additionally, the 2014 Illustrative Plan and PUD were revisited to:

- Ensure connectivity to adjacent neighborhoods (Colony Park, Lakeside and Parker Station);
- Ensure connectivity to the proposed Cap Metro Green Line Commuter Rail Line, and to provide connectivity on Colony Loop Drive for future Purple Line Bus Rapid Transit Line;
- Ensure sufficient street width is available for fire lane safety;
- Maintain protected bike lanes on the planned major connector roads; and to
- Create trails and bike paths that are woven throughout the community and connect with pedestrian pathways and several entrance points to the Colony Park District Park and the future Central Health site.



2. Improve access to health care resources and services

The community, EDD, Catellus and Central Health have worked in partnership to identify a site for Central Health’s proposed Community Health and Wellness Center at Colony Park. This site will allow the facility to be built before and/or independently of the implementation of the Colony Park Draft MDA Illustrative Plan.



The Central Health Site Plan also allows for complementary commercial uses such as a pharmacy, a public library and public health offices. The Loyola Town Center may accommodate future expansion for Central Health on nearby parcels, if desired and agreed by various parties. Parking requirements will need refinement to reach market standards in the PUD zoning to ensure flexibility for Central Health and other potential commercial uses.

3. Improve access to open spaces and activate parks

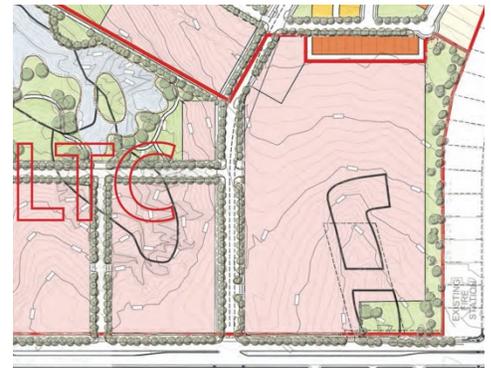
Catellus and the City worked with the land planner, civil engineer and biologist to review the boundaries of the critical environmental features onsite with the goal of increasing the quality and purpose of the planned open space. While overall open space and right-of-way acreage were reduced, improved park land increased to provide higher levels of amenities to future residents, employees and neighbors. Additionally, a central lake park is under consideration (subject to regulatory approval) as a main gathering space that will connect to Colony Park District Park.



Catellus and EDD are exploring utilizing undeveloped portions of the Colony Park District Park to achieve a greater sustainability effort and strengthen connections between wetlands and critical environmental features on and off-site. Trails, bike paths and protected bike lanes are planned to be woven throughout the community and connect with Colony Park District Park and surrounding neighborhoods. The proposed trail system will encompass approximately 2.6 miles.

4. Improve access to healthy food resources

The Loyola Town Center site plan was revised to allow greater flexibility and opportunity to attract a full-service grocery store and/or other ancillary neighborhood retail options (i.e. restaurants, financial institution, pharmacy, dry cleaners, etc.). Additionally, interim uses, including but not limited to, mobile services, food vendors and CSA delivery are under consideration.

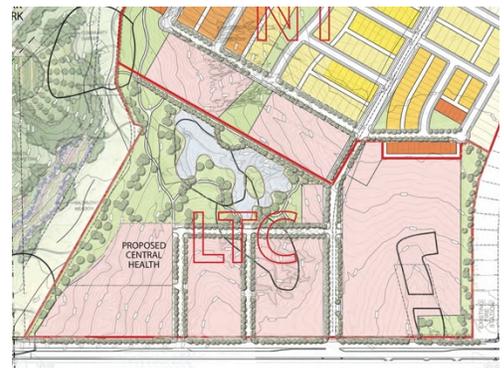


5. Improve access to economic vitality of community

The Loyola Town Center site plan is under revision to provide greater flexibility and opportunity to attract employers and institutions that can provide goods and services, local jobs, and/or training opportunities. The revised concept would require modifications to the PUD’s treatment of certain critical environmental feature setbacks. We will continue to study this with environmental consultants and work with City staff to identify the best solutions. Alternatives to the 2014 Illustrative Plan and PUD near the proposed Cap Metro Green Line also include commercial and retail opportunities.

6. Improve educational opportunities

The site identified for Central Health’s Health and Wellness Center is large enough to accommodate other community-serving uses. Additionally, Catellus will seek opportunities in existing facilities and future facilities to support education as planning continues. The City, Catellus and consultants continue to support community-driven efforts such as the Back to School Bash and school supply drives for schools in the LBJ vertical team.



7. Improve equal access to workforce housing

Preliminary land planning concepts illustrate a wide variety of housing types to address the need for workforce housing. Housing types will include multi-story, mixed-use multi-family development options, as well as attached (rowhomes/townhomes) and detached single-family residential.

Specifics of workforce housing will be identified in Master Development Agreement, but there is a continued commitment to provide 20% of all housing as income qualified. Future planning will include best practices and lessons learned to increase access to workforce housing particularly to historically disadvantaged and displaced residents.



8. Improve quality of life through accessing available City/County resources

Onsite and offsite improvements to infrastructure are under review including Capital Improvement Projects. Major thoroughfares (Wilmington and Colony Loop Drive) will be designed to accommodate Cap Metro buses for expansion of their high-capacity bus route. Catellus and the City will continue engagement efforts with the community and potential partner organizations such as Austin Public Library, Austin Public Health and Neighborhood Housing and Community Development. Additionally, Catellus will research city, county and nonprofit support for existing residents in the area.

Financial Overview

On September 22, 2015 Economic & Planning Systems (“EPS”) provided a memo to Austin NHCD identifying an approximately over \$100 million financial gap for delivering the infrastructure needed for Colony Park project. Catellus’ proposal submitted to EDD May 8, 2018 approximated this gap at \$127.4 million.

After this initial review of the 2014 Illustrative Plan and PUD, Catellus’ proposed plan changes have reduced infrastructure costs and increased land revenue. This narrowed the financial gap to approximately \$103.2 million. Closing this financial gap will require various funding mechanisms such as a Public Investment District (PID), Tax Increment Reinvestment Zone (TIRZ), and Capital Improvement Projects which are further explored in the *Preliminary Proforma and Economic Feasibility* section.

LAND PLANNING MODIFICATIONS AND RECOMMENDATIONS

Catellus engaged McCann Adams Studios for master planning, Civiltude for civil engineering and Ecosystem Design Group for environmental analysis. These consultants worked in conjunction with the City of Austin consultant team including Dunaway and Associates and Economic Planning Systems. The review process focused on site, environmental, financial and market constraints while working to deliver a revised Illustrative Plan focused on the 8 Pillars of Community Need. Exhibits are attached in the Appendix to this report to provide additional information for the land planning efforts include:

- Illustrative Plan
- Neighborhood Plan
- Parks and Open Space Plan
- Trails & Bikeways
- Cut and Fill Exhibit
- Construction Phasing Plan
- Ecologist Memo

Loyola Town Center



Located along the Loyola Lane frontage, the Loyola Town Center has the greatest opportunity for commercial and institutional services. Because of its location and impact to the Colony Park project, the Loyola Town Center was an early focus for the plan review.

The 2014 Master Plan envisioned the Town Center as a focal point of community gathering and Innovation Center providing economic growth and jobs in a part of the City that had not shared in Austin's dramatic economic expansion. Two significant changes are proposed for the Town Center:

- Discussions between the City of Austin and Central Health have been successful in identifying a site within the Loyola Town Center for a Wellness Center, which will include a *CommUnityCare* health clinic and other services that will cater to the health needs of the community. The ~2.2-acre site could support up to 55,000 square feet of floor area that in addition to the Wellness Center could accommodate offices for Austin Public Health, a branch Library and a childcare facility.
- The Illustrative Plan for the Town Center has been reconfigured to allow for a 10-acre parcel along Loyola Lane that could be suitable for a full-service grocery store. This parcel could also include street-oriented commercial uses (restaurants, retail shops and offices) that would help to enhance the Town Center as an attractive and lively destination for the surrounding communities. While the Plan provides for a grocery store parcel, it is acknowledged that one will still need to be attracted to the site; failing that, this parcel could still include a mix of other commercial, multifamily and community-serving uses.

The parcels were resized and reconfigured into a gridded pattern of streets and blocks to allow maximum flexibility for potential users. These reconfigurations will promote a mix of uses including multi-family residential that would make the Town Center a more viable day and nighttime destination. These changes have resulted in a rethinking of the design and treatment of the adjoining open space and the associated critical environmental features (CEFs). Though more discussions with environmental consultants and the City’s Watershed Department are necessary, this open space is envisioned as both a place for community recreation and as a protected area of ecological value.

Maximizing Housing Choices

Consistent with the 2014 Master Plan, the proposed plan will have the same four neighborhoods, each framed by the “green fingers” of open space and trails that provide connections to the Loyola Town Center, Colony Park District Park and Overton Elementary School. Within these neighborhoods, the Illustrative Plan calls for a wide range of housing choices to serve different family sizes, walks-of-life and socio-economic groups. These housing choices will include:

- Single-family detached homes on lots that range in size from 1,600 to 4,000 square feet, with one, two- and three-story homes that could include two to four bedrooms;
- Accessory dwelling units on the larger detached single-family home lots that could include studio and one-bedroom units;
- Attached “row houses” oriented to streets or to housing courts on lots that range from 1,100 to 2,000 square feet, supporting two- to three-story homes of two to three bedrooms;

- Apartments or condominiums in multifamily complexes fronting onto the open space of the Loyola Town Center and adjacent to the planned Green Line rail station in the northwest quadrant of the community.

All of the housing will be designed with a positive orientation to streets and open spaces to promote a safe and engaging neighborhood environment. Garages will be located along service alleys or embedded within multifamily buildings allowing streets and sidewalks to be lined with porches and stoops that promote pedestrian-friendly interaction among neighbors. The Plan anticipates approximately 1,000 “fee-simple” lots of home ownership and another 1,000 apartment or condominium units.

Density

Through its Project Connect program, the City of Austin and Capital Metro have planned for a significant public transit investment in Northeast Austin and Colony Park. The plan calls for the expansion of commuter rail service along the Green Line that will terminate in a first phase at Colony Park, with future extensions to Manor and Elgin. In addition, *MetroRapid* bus service (with 10-minute frequencies) are planned along both Loyola Lane and Colony Loop Drive. Together these investments will ensure that all existing and future residents of Colony Park will be within a convenient ten-minute walk of high capacity transit.

In order to reinforce this public investment, the Illustrative Plan concentrates the highest-density housing adjacent to or in close proximity to these transit facilities. For example, row houses will front Colony Loop Drive and multifamily apartments are proposed within the Loyola Town Center and adjacent to the planned Green Line rail station.

Grading

The proposed streets generally follow the existing topography preserving the hilltop characteristics for each of the neighborhoods. Most proposed street slopes reach a 4% maximum to maintain walkability throughout the community while minimizing grade drop across the lots to attract wide range of homebuilders. The eastern edge of Neighborhood 2 does reach a slope close to 10% in order to tie back to the existing streets (Valleyfield Dr.). Proposed grading by the Parker Station project to the north was studied to verify feasibility of the street connections shown in Illustrative Plan.



Four out of five proposed street connections between Colony Park Sustainable Community and Parker Station are feasible. The fifth connection (Wheatgrass Path) in Neighborhood 2 has a grade difference of over 15 feet between the two sites. To close this gap, significant fill would need to be added and the slope of several north-south streets be increased to 10-13%. This street connection only affects two lots on the Parker Station side. As a result, this connection is not recommended due to added fill cost, reduction in pedestrian connectivity and reduction in marketability of the lots due to high street cross slope.

Preliminary cut and fill studies were performed to validate street connections, assess the true limit of disturbance into green space and quantify the cost impact of the proposed grading strategies. Neighborhood 2 and 4 are closely balanced within their boundaries. The Town Center and Neighborhood 1 are cut positive by design so they can utilize the excess soil from the Mueller project. The quality fill soil was transported from Mueller and is currently stockpiled at the Colony Park site. This saves cost and provides Colony Park access to quality fill soil. Neighborhood 3 is fill positive partly to catch up to the grading at Parker Station as discussed above. This is where it became clear that eliminating the east-west vehicular streets between Neighborhoods 2, 3 and 4 creates several benefits to the project.

Eliminating these connections reduces encroachment into the critical environmental area as well as allows the grading of each neighborhood to be more efficient. A street connection between Neighborhoods 3 and 4 would require a bridge that spans at least 100 feet in length and drops almost 30 feet from one end to the other. The alternative would be to raise the grading of Neighborhood 4 which, in turn, affects its connection back to the existing neighborhood to the west and the walkability within. Our recommendation is to provide east-west pedestrian and bike connections between the neighborhoods rather than vehicular.

Along the edges of each neighborhood, especially the ones next to the “green spines”, concrete masonry unit (CMU) block walls with geogrid fabrics are anticipated to be used to retain the soil. This design is intended to enhance stability along the creek banks while minimizing the amount of grading that happens closer to the creek centerline. This design will add more critical green space to the CEF buffer and allow more of the natural soil and vegetation along the creek to be restored as recommended by ecological studies.

CEF Mitigation

In order to enhance the land use plan and fulfilling the eight community pillars, we believe careful study and adjustments to the original critical environmental feature (CEF) setbacks in the existing 2014 PUD are essential in setting up the project for success. Note that while our proposed high-level strategies deviate from the 2014 PUD, we believe they remain superior to the standard setbacks in the base line codes. Our goal is to continue to develop finer details with our ecologist and land planner to balance environmental benefits with the social needs in subsequent phases as the project moves forward.



The proposed land use plan will impact one wet land feature at Neighborhood 3 and headwater CEF setbacks at three other areas – Town Center near future Central Health site and potential grocery site, and neighborhood 4 near the railroad. Our key strategies to mitigate this impact are: creating and widening continuous north-south green spines between Colony Park and adjacent sites; enhancing drainage and incorporating shallow, diverse, wetland features within these green spines; restoring and enhancing existing wetland features as well as creating potential opportunities for new wetlands; finally, incorporating design elements such as rainwater capture elements and other low impact development techniques into commercial sites and parks upstream.

Specifically, to the restoring and enhancing wetland features strategy, in conjunction with our ecologist, the design team has conducted several site visits to update the 2014 environmental resource inventory and develop multiple design approaches. The intent is to achieve reestablishment of ecological function and related physical, chemical, and biological linkages between terrestrial and aquatic ecosystems. This approach is not limited to replacing a few species here and there, but rather, protecting and rebuilding complex landscapes. Further details can be found in the ecologist’s report attached in the Appendix and studies will be further developed as the project moves forward.

PRELIMINARY PROFORMA AND ECONOMIC FEASIBILITY

In a 2015 memo from Economic & Planning Systems to Neighborhood Housing and Community Development (NHCD), a \$100 million funding gap was identified based on the 2014 approved Colony Park Sustainable Community Initiative Master Plan. It was contemplated that a Tax Increment Financing (TIF) district, Public Improvement District (PID) and other form of subsidies would be needed to make the project financially feasible.

In Catellus’ 2018 RFP response, Catellus identified an approximately \$127 million funding gap that was contemplated to be bridged by a TIF, PID and other funding sources. Since the date the Exclusive Negotiation Agreement (ENA) was executed, Catellus and the City’s key focus has been to identify areas for modification from a planning perspective so a more efficient land use plan can help to increase density and reduce costs while adhering to the original tenets of the Master Plan and the identified 8 Pillars of Community Need for Colony Park.

With a more efficient design for street connections and open space including revisiting the Critical Environmental Features (CEFs), the current proposed land use plan resulted in a 15.9-acre increase of developable land for residential and commercial uses. As a result, compared with the 2018 Catellus RFP response, which was based on Catellus’ lotting plan derived from the 2014 approved Master Plan, residential homes increased from 1,672 homes to 1,903 homes, a net increase of 231 units.

For the commercial spaces including office, retail and institutional, the planned uses increased from 127,500 square feet to 359,650 square feet, a net increase of 232,150 square feet.

PROGRAM COMPARISON	2018 RFP*	Sep-20	Sep 20' vs. 2018 RFP
Single Family Detached	644	654	10
Single Family Attached	202	418	216
Total Single Family (units)	846	1,072	226
Multifamily	826	831	5
Total Residential (units)	1,672	1,903	231
Retail	45,000	130,000	85,000
Office / Institution	82,500	229,650	147,150
Total Commercial (sq.ft.)	127,500	359,650	232,150

*Based on Catellus lotting plan derived from 2014 Master plan

Our current financial analysis is based on the updated land use plan and comparable market transactions. The infrastructure costs were developed based on a May 2018 estimate with

certain unit pricing increased by 2.7%. Also, a 3% annual inflation is applied to both sources and uses. Below is the summary of the sources and uses comparison between 2018 RFP submission and current analysis:

	2018 RFP	Sep. 2020	Sep. 2020 vs. 2018 RFP
SOURCES			
Residential	78,443,509	101,337,345	22,893,836
Commercial (Office, Retail & Institutional)	3,602,590	4,059,494	456,904
Total Land Sales Revenue	82,046,099	105,396,839	23,350,740
USES			
Infrastructure Hard & Soft Costs	169,567,723	163,167,728	(6,399,994)
Development Costs	23,762,387	24,901,513	1,139,126
Other Costs	16,133,266	20,576,287	4,443,020
TOTAL COSTS	209,463,377	208,645,528	(817,849)
FUNDING GAP	127,417,277	103,248,688	(24,168,589)

Per the table above, the land sales revenue increased by approximately \$23.4 million due to higher density and improved land value assumption per recent market comps. Total uses of funds (i.e., costs) held relatively steady and the total funding gap decreased by approximately \$24.2 million from \$127.4 million to \$103.2 million, a 19.0% reduction.

Catellus engaged with home builders, commercial developers and real estate brokers to understand the current market values for various product types contemplated for Colony Park. This information is incorporated in the underlying land values. In addition, Catellus engaged with contractors, landscape architects, engineers and other professionals to determine the cost of implementing the Illustrative Plan attached to this report. The land values and costs are reflected in the proforma.

Primary Funding Sources for the Funding Gap

Due to the size of the funding gap, the City of Austin, with support from Catellus, will need to explore various funding mechanisms for the feasibility of this project. There are three significant funding sources identified to address the funding gap:

	2018 RFP	Sep. 2020	Sep. 2020 vs. 2018 RFP
Potential PID (paid by Property Owner)	25,679,903	15,420,718	(10,259,185)
Public financing & Other Funding Sources			
Potential TIRZ from COA Participation	30,111,660	39,659,186	9,547,526
Other Funding Sources	71,625,714	48,168,785	(23,456,929)
Total Public Financing & Other Funding Sources	101,737,374	87,827,971	(13,909,403)
TOTAL POTENTIAL FUNDING SOURCES	127,417,277	103,248,689	(24,168,589)

- 1. Public Improvement District (PIDs)** which allows the city to issue bonds based on additional assessments to be collected from property owners of the project to lower the cost of capital and to offset infrastructure costs. PIDs provide critical funding necessary during the early stages of the development. In the proforma, Catellus updated the PID assumptions to conform with the latest city issued PID policy which resulted in an approximately \$10.3 million reduction in PIDs proceeds from \$25.7 to \$15.4 million. The PID does allow for upfront financing at a lower cost of capital which reduces Catellus’ peak equity. Exploring potential variances to the City PID policy could expand available funds for the Project (e.g., extending the term of the PID to 25 or 30 years).
- 2. Tax Increment Reinvestment Zone (TIRZ)** which allows the city to issue bonds based on incremental property tax value generated from the project to fund infrastructure costs. Since this is normally based on the value in place at the time of the TIRZ debt issuance, the TIRZ financing provides reimbursement financing for project costs, but does not address the “gap” in the up-front funding that is necessary during the early construction phases of the development. Assuming the full bonding capacity of the project, with 3% annual inflation, the bonds could generate approximately \$39.7 million in TIRZ funding based on the sole participation of City of Austin, which is \$9.5 million higher than what was in the 2018 proposal from Catellus. The TIRZ is beneficial to the project as a reimbursement tool, however it requires capital from Catellus to fund the project initially, which comes at a higher cost of capital.
- 3. Other Funding Sources.** The combination of the PID and TIRZ does provide a significant portion of the necessary funding but does not fully fund the currently projected financing gap. Additional funding mechanisms to consider could include: (A) expanding the geographic area of the TIRZ; (B) requesting participation from Travis County in the TIRZ; (C) participation from the City for select Capital Improvement Projects (CIP); and (D) potential fee waivers.

Potential TIRZ from Travis County Participation	\$33,053,170
Potential CIP	43,350,463
<i>Colony Loop Drive</i>	5,303,940
<i>Wilmington Street</i>	4,353,931
<i>Offsite Regional Detention and Water Quality Pond</i>	1,901,273
<i>Offsite Wastewater Improvements</i>	4,664,276
<i>Parks & Open Space</i>	27,127,044
Potential Reimbursement & Fee Waiver	10,376,810
<i>Austin Energy Work Request Charges</i>	5,420,484
<i>Traffic Impact Fee</i>	553,245
<i>City of Austin Site and Subdivision Inspection Fees</i>	2,732,801
<i>Texas Gas Reimbursements</i>	1,670,280
Total Potential Other Funding Sources	\$86,780,444

- A. **Expanded TIRZ** could include potential expansion of the TIRZ boundary beyond the 208 acres to including the larger surrounding area. Also, as shown in the table above it could include potential participation of the County in the TIRZ.
- B. **The City’s request to Travis County for TIRZ participation** could generate additional \$33.1 million beyond the amount that the City’s tax revenues could support utilizing full bonding capacity of the project.
- C. **Capital Improvement Project (CIP)** funding could include funding for up to \$43.4 million of identified eligible projects such as:
- **Colony Loop Drive:** Design and construct a 650 LF public road segment of Colony Loop Drive between Loyola Lane and Decker Lane.
 - **Wilmington Drive:** Design and construct an 1888 LF public road segment between Colony Loop Drive and Loyola Lane.
 - **Offsite Regional Detention and Water Quality Pond Improvements:** Design and construct the modifications to two existing detention and water quality ponds located offsite on the AISD / Overton MS Colony District Park to facilitate upstream development, including Colony Park.
 - **Offsite Wastewater Improvements:** Design and construct the replacement of 6620 LF of an existing offsite public wastewater line to facilitate upstream developments, including Colony Park.
 - **Parks and Open Space:** Provide funding to facilitate the design and construction of 19.8 acres of public Parks and 32.1 acres of public Open Space.
- D. **Other potential fee waivers or reimbursement** could provide up to \$10.4 million including:

- **Austin Energy Work Request Charges:** Waive charges associated with Austin Energy's primary distribution cable and equipment Work Requests.
- **Traffic Impact Fees:** Waive Traffic Impact Fees associated with the Colony Park PUD.
- **City of Austin Site and Subdivision Inspection Fees:** Waive Site and Subdivision Inspection Fees.
- **Texas Gas Reimbursements:** Texas Gas typically reimburses developers who install their facilities.

PROJECT PHASING

Development of residential subdivisions is currently taking approximately 20-24 months in the City of Austin: 8-10 months for design/permitting and 12-14 months for construction. Catellus will expect to begin development work on Colony Park upon the execution of the MDA, which would mean the first phase of Colony Park could be in place 20-24 months after execution of the MDA and proper entitlements/amendments being put in place.

Based on the current proposed land use plan, the first phase of development will include construction of 316 single family residential lots in Neighborhood 1, which will be connected to Loyola Lane with a new entrance roadway. Neighborhood 1 will be constructed in three phases. Phase 1A will include 123 single family lots, Phase 1B will include 94 single family lots and Phase 1C will include 99 single family lots. The construction of the next phase will generally follow the completion of the prior phase.

Development of Neighborhoods 2, 3 and 4 will follow in generally the same pattern as Neighborhood 1, with the construction of each phase beginning upon the completion of the prior phase. Development of the three phases of Loyola Town Center will be responsive to market conditions.

Construction of neighborhood parks and open space will begin at the appropriate time for each phase.



RECOMMENDATIONS FOR FUTURE ENA PHASES

Significant changes to the PUD are needed to implement the proposed Draft MDA Illustrative Plan. After meeting with various City departments, Catellus recommends filing for a new PUD. A new PUD will take equal, if not less, time than amending the current PUD. The new PUD will adhere to the 8 Pillars of Need, honor the original vision and create flexibility to accommodate commercial users, new home styles and connections to development that has occurred since the original 2014 Illustrative Plan and PUD.

At the conclusion of Phase 1, Catellus is recommending a Phase 1 Extension which will include future outreach efforts and meetings with City departments to identify where improvements can be made to deliver community benefits not only for the 208 acres, but also the surrounding neighborhoods, while the City of Austin secures the financial commitments to close the funding gap. Catellus will support the City of Austin during the ENA Phase 1 Extension, which is estimated to take up to six (6) months, or the necessary time to procure public financing and CIP commitments to bridge the \$103.2 million funding gap.

Additionally, Catellus will continue community engagement to refine the Draft MDA Illustrative Plan and receive input on future MDA items. To maintain safe social distancing, engagement events will be planned virtually until it is safe to host events or meetings. Topics for these virtual meetings could include items for the MDA and general topics such as workforce housing, parks programming, streets/trails/bike lanes, zoning, the Loyola Town Center, retail and services, healthcare, and community partnerships.

Future ENA phases are estimated to commence after the recommended Phase 1 Extension. Such tasks include, but are not limited to, finalizing the Draft MDA Illustrative Plan and preparing to file for new PUD zoning. In preparation of this next step, Catellus will continue meeting with various City departments in efforts to obtain approvals for the changes contemplated in the Draft MDA Illustrative Plan.

[Attached]

ECOSYSTEM DESIGN GROUP

TEN EYCK LANDSCAPE ARCHITECTS

MEMO

DATE	September 3, 2020
PROJECT NAME	Colony Park
MAIN CONTACT	Catellus, Civilitude
SUBJECT	CEF mitigation

OVERVIEW

The Ecosystem Design group performed a rapid ecological assessment of Colony Park in Austin Texas in July of 2020 to document existing conditions¹. The goal of the assessment was to develop an understanding of the site that could be used to help the design team develop rough strategies for protecting and enhancing ecological function within the constraints of the development's current design. This memo outlines those potential strategies.

Edits to the original master plan intended to accommodate the social and financial needs of the project resulted in loss of previously defined CEFs, which include headwaters and a wetland. We suggest several strategies to mitigate this loss. The primary strategies are greater protection and functional enhancement of the central drainage and incorporation of shallow, diverse, wetland features within this green spine. Wetland enhancement will combine protection and restoration of existing features as well as creation of new features to offset losses. Function here includes hydrologic function, nutrient cycling, energy capture and wildlife habitat. The goal of restoration is to restore ecosystem processes, not simply to replace components. Secondary strategies include incorporating water capture elements such as cisterns and raingardens into commercial properties feeding drainage areas.

¹ Complete findings documented in the 2020 Colony Park Ecological Site Assessment Report

CURRENT CONDITIONS

Soils

- Soils are highly erodible and significant erosion was noted in drainages and in some upland areas, even with high vegetative cover in the immediate area. It is evident that some overland flow and in-channel flow are high energy. These factors combine to demonstrate the necessity for healthy setbacks, both around the existing drainages and CEFs.

Drainages/wetlands

- Drainages and wetlands retain diverse communities and much of the site is stabilized by these communities, though some areas are experiencing significant erosion.
- Stream restoration can include stabilization of the banks and streambed, addition of large woody debris, rock and vegetation to increase complexity and cover. However, focusing solely on bank stability can result in poor ecological condition. Connection to the floodplain and uplands should be considered.
- Small mesic benches are scattered along the central drainage and should be protected and enhanced.

Uplands

- Upland areas are diverse, with many remnant prairie grasses including Indiangrass (*Sorghastrum nutans*) and little bluestem (*Schizachyrium scoparium*) which were common throughout the site. These species' density on the Colony Park site is a rarity. They have been greatly reduced due to overgrazing, brush invasion and invasive species expansion. There is great potential to harvest these grasses to provide local genotypes in restoration efforts on and off site.

STRATEGIES

Greater protection and enhancement of central drainage

- Protect 100' buffer prescribed by COA from all construction impacts. Expand buffer beyond 100' where possible to provide connection to floodplain and uplands.
 - Protect 100' buffer from all construction impacts – Exclude heavy machinery except for defined crossing areas. Plan to actively restore crossing areas following construction. Active restoration includes soil repair, revegetation with diverse, appropriate, communities and temporary irrigation to facilitate establishment.
 - Soil and material laydown areas should be located a reasonable distance from preservation/protection areas
- Restore buffer and channel to reduce flow velocity, improve water quality and provide habitat
 - In areas not directly impacted by construction, this will entail increasing species diversity with additional facultative wetland species in the riparian area and appropriate species in uplands.
 - Areas impacted by construction will need soil restoration/stabilization along with revegetation efforts coupled with temporary irrigation, combined live planting and seeding, and invasive management during establishment
 - Limit soil import into buffer areas
- Restoration efforts should be based on the reestablishment of ecological function and related physical, chemical, and biological linkages between terrestrial and aquatic ecosystems. This

approach is not limited to replacing a few species here and there, but rather, protecting and rebuilding complex landscapes.

- Consider raising streambed elevations and increasing channel roughness. Water can be slowed in channel by creating pool and riffle sequences with rock or large woody debris. The team will need to develop a sound strategy ensuring adequate water movement while slowing non-significant events. The strategy may need to accommodate moderate amounts of meander.
- Buffering of drainage will need to be combined with upland catchment strategies as well as downstream retention to maintain hydrograph as well as reasonable ecological function within protected drainages and wetlands.
 - Consider tying in with COA efforts to increase upland catchment with cisterns/slow release on properties feeding to CEFs
 - Consider protecting and incorporating strategic upland areas for water quality and habitat reasons. Healthy uplands will slow water movement and delay peak flow within the drainages.
 - Reduce construction impacts within drainage and wetland buffer areas.
 - Restore CEF areas so that they represent historic climax conditions or plant communities that optimize hydrologic function

Mitigation for loss of shallow wetland and catchment area

- Incorporate equivalent area of shallow wetland into the edge of wet-pond. Incorporate a series of small wetland features along drainage., either through protection or creation
- Vegetate with diverse, appropriate, communities

Mitigation for eastern headwater, slated for grocery store.

- Onsite water capture and slow release – size cistern for significant capture
- Parking lot capture and filtration
- Consider a green roof to replace some pollinator habitat and provide some storm pulse buffering. Consider salvage of upland plants from adjacent savanna for use in green roof/parking lot LID features, and green buffer to east.

Mitigation for western headwater

- Upland capture on commercial property
- Protection of remaining headwater
- Enhanced buffer and protection of central drainage.
- Appropriate downstream catchment

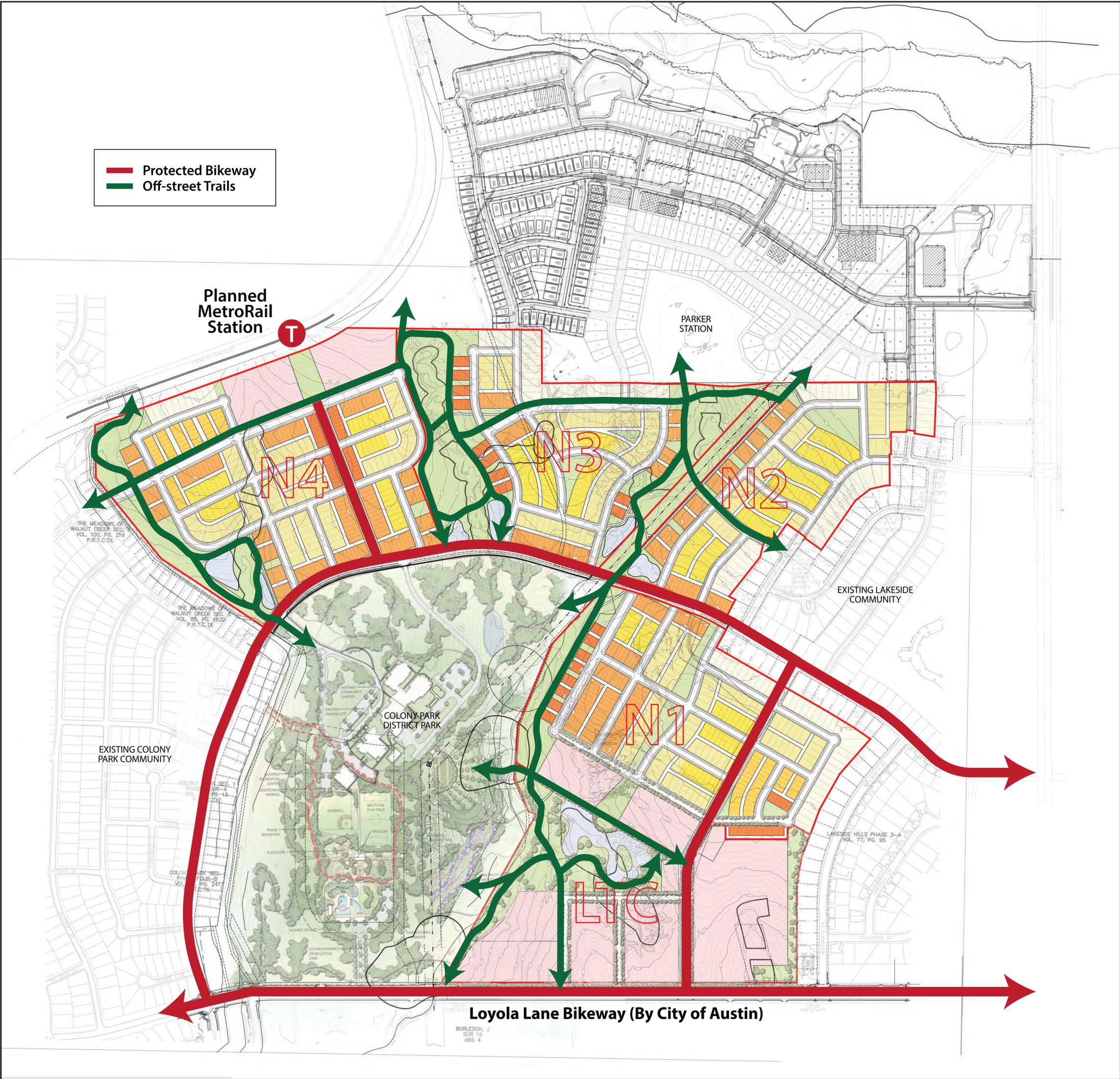


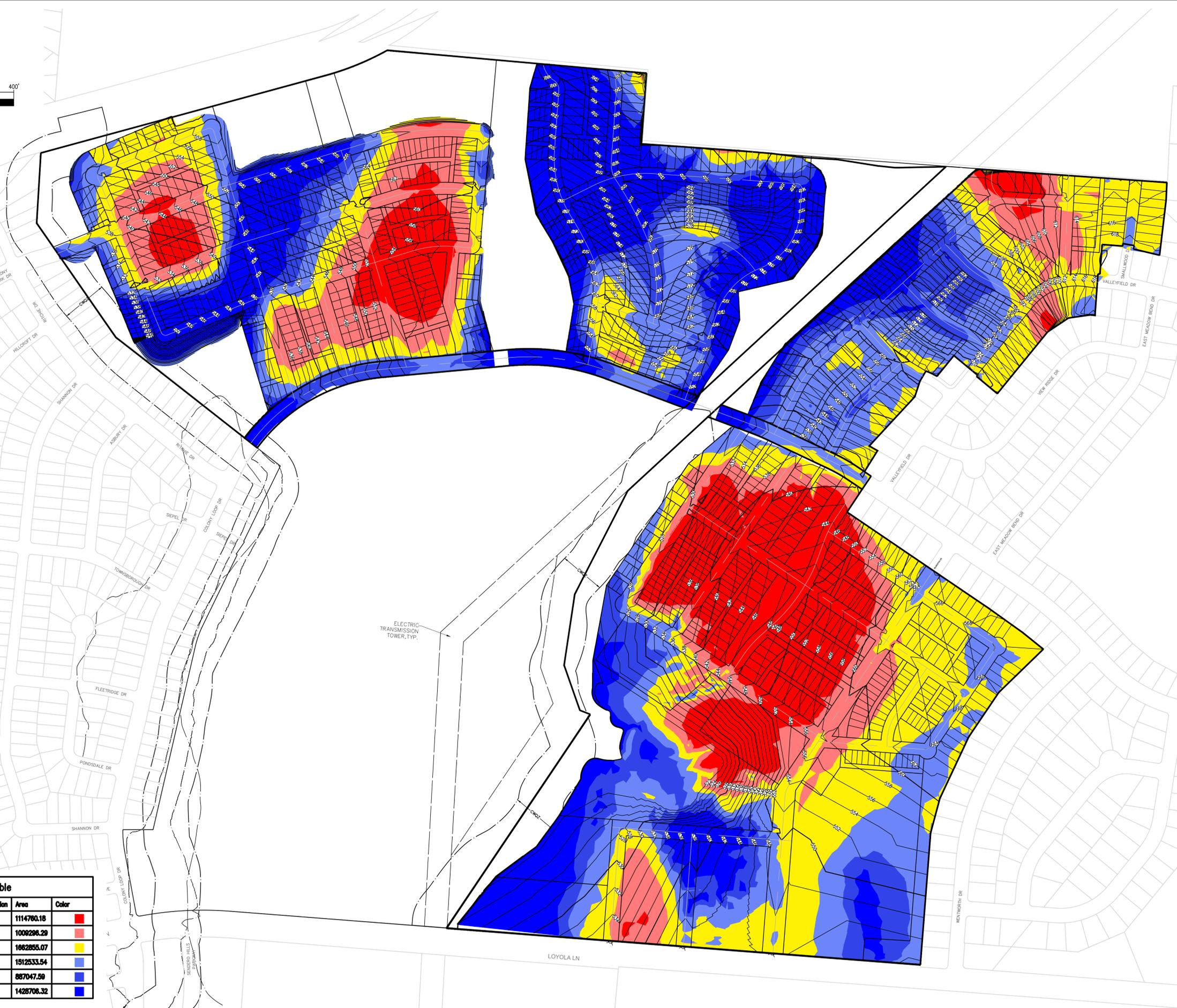
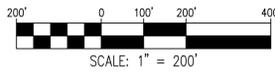


Detached Fee-Simple	
	38' x 100'
	37' x 90'
	30' x 90'
	26' x 60'
Attached Fee-Simple	
	22.5' x 80' - 90'
	22.5' x 50' - 60'
	Commercial Mixed Use
	Public Open Space



— Protected Bikeway
— Off-street Trails





Elevations Table				
Number	Minimum Elevation	Maximum Elevation	Area	Color
1	-21.00	-8.00	1114760.18	Red
2	-8.00	-4.00	1008296.29	Light Red
3	-4.00	0.00	1662855.07	Yellow
4	0.00	4.00	1512533.54	Light Blue
5	4.00	8.00	867047.59	Blue
6	8.00	33.00	1426706.32	Dark Blue

NO. DATE REVISIONS
 THE LOCATION OF EXISTING UNDERGROUND UTILITIES ARE SHOWN IN AN APPROXIMATE WAY ONLY. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ALL EXISTING UTILITIES BEFORE COMMENCING WORK. HE AGREES TO BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES WHICH MIGHT BE OCCASIONED BY HIS FAILURE TO EXACTLY LOCATE AND PRESERVE ANY AND ALL UNDERGROUND UTILITIES.

A120 COLONY PARK



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SCALE: _____ DGN. BY: NMH
 JOB NO. A120 DWN. BY: CSW

SHEET NO.
 OF

