







REDEVELOPING CITY- OWNED PROPERTIES IN ST. JOHN



JULY 28, 2020



PROSPERITY FOR ALL PEOPLE · PROSPERITY FOR BUSINESS · PROSPERITY FOR COMMUNITIES

 <p>Cultural Arts CITY OF AUSTIN ECONOMIC DEVELOPMENT</p> <p>Executes programs and initiatives that integrate arts into economic development, tourism, community development and commercial neighborhood revitalization strategies.</p>	 <p>Global Business & Expansion CITY OF AUSTIN ECONOMIC DEVELOPMENT</p> <p>Increases jobs and investment in Austin through business attraction and by assisting local businesses with international expansion and trade.</p>	 <p>Heritage Tourism CITY OF AUSTIN ECONOMIC DEVELOPMENT</p> <p>Provides leadership and management for programs aimed to attract tourists and convention delegates and to derive economic, business, and community benefits associated with honoring and preserving Austin as a place of personal heritage.</p>	 <p>Music & Entertainment CITY OF AUSTIN ECONOMIC DEVELOPMENT</p> <p>Develops and executes initiatives that accelerate the growth of Austin's music & entertainment industry by focusing on job creation, talent export, trade development, and industry revenue growth.</p>	 <p>Redevelopment CITY OF AUSTIN ECONOMIC DEVELOPMENT</p> <p>Facilitates innovative partnerships and projects to re-invigorate Austin's existing built environment, binding neighborhoods and business hubs into civic urban villages.</p>	 <p>Small Business CITY OF AUSTIN ECONOMIC DEVELOPMENT</p> <p>Provides opportunities, programs and resources to Austin's local businesses and entrepreneurs, helping them expand their opportunities at home and throughout the world.</p>
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Redevelopment Division

Reposition underutilized and/or surplus City property into the private sector in a manner that delivers community-beneficial projects.

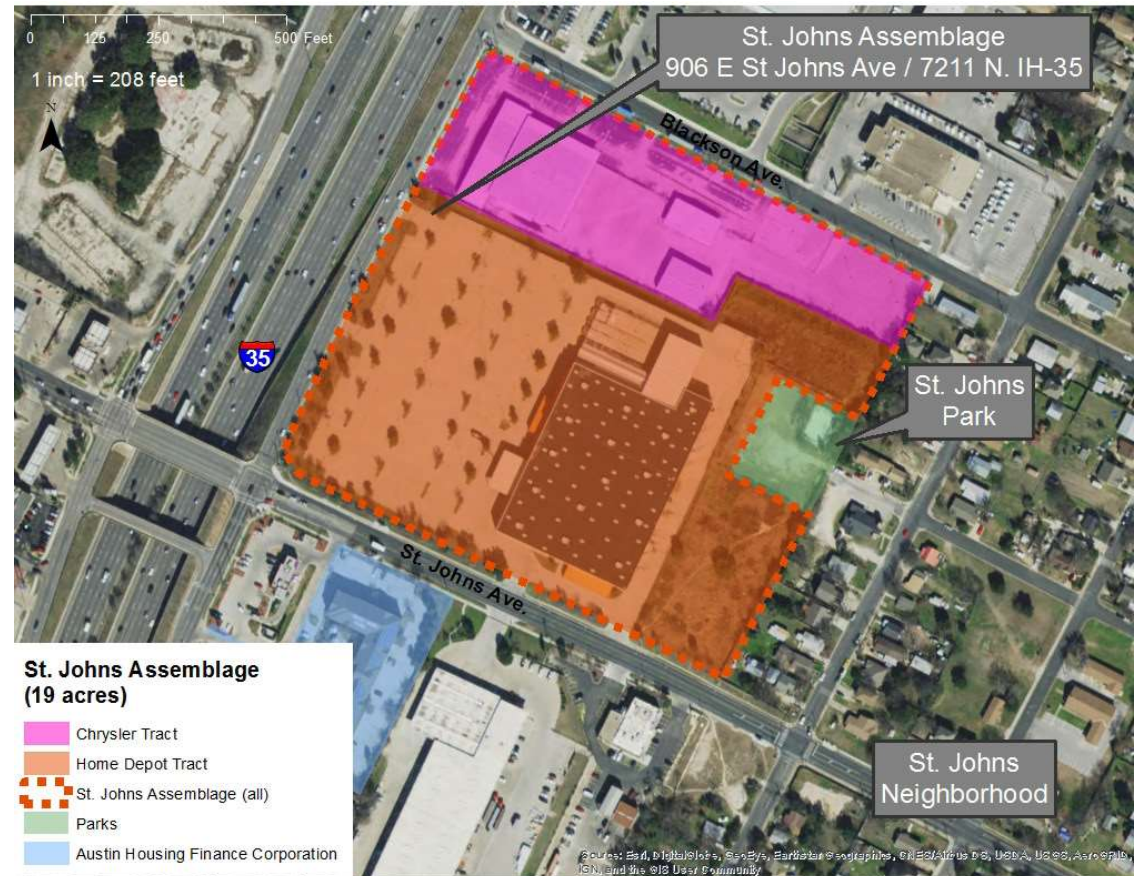
- Grounded in adopted City Council policy
- Guiding community vision is informed by existing conditions
- Partnerships are structured for resiliency over time
- Public sector and private sector risks, rewards and expertise align through legal agreements, land use controls and regulations
- Community benefits achieve City Council's 2023 Direction



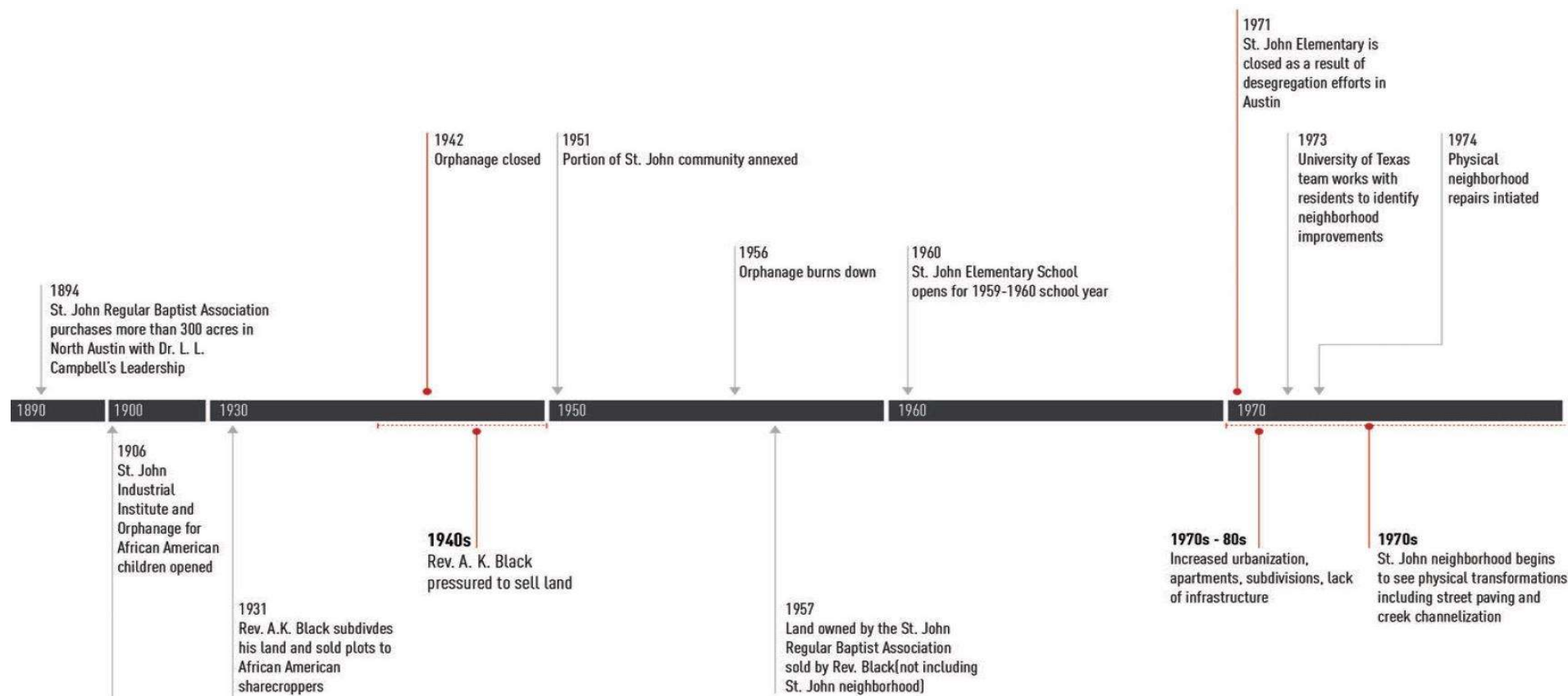
St. John Site Facts

Two properties (District 4)

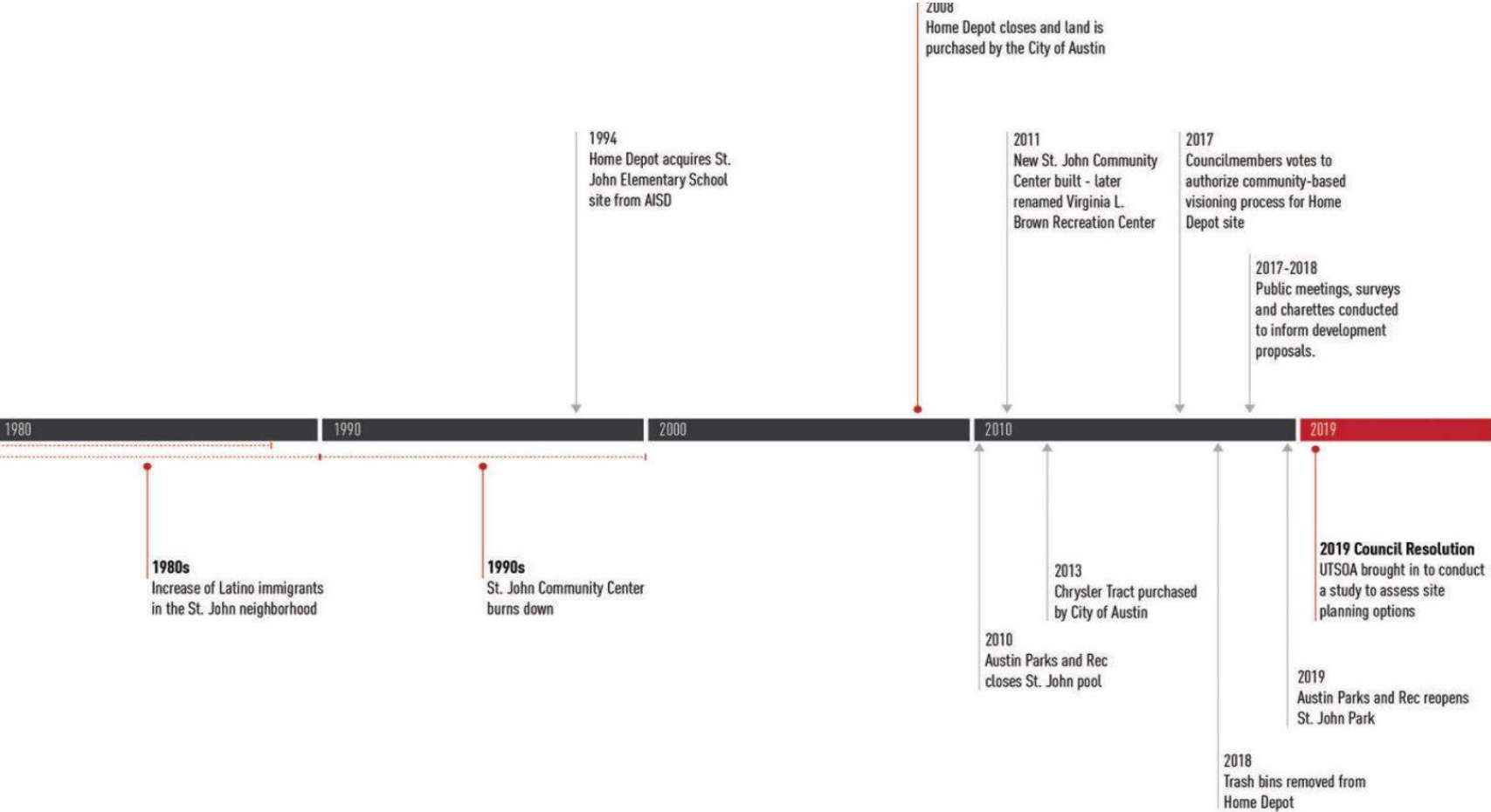
- Home Depot Tract: 13.7 acres
- Chrysler Tract: 5.3 acres
- Zoning: Public (Home Depot Tract) & Commercial Services (Chrysler Tract)
- Public Safety facilities bond (2006)
\$12.4 M
- Highway and frequent service bus route access
- Park deficient area
- UT “Uprooted” classification:
Early (Type 1)
- TxDOT Interchange Improvements



Site History



Site History



Council Resolutions



Resolution 20171207-058 directed the City Manager to work with the community on a new vision for the properties and present results and financing options with Council (*completed June 2020*).

Resolution 20190606-098 directed the City Manager to negotiate an agreement with UT-Austin to support the planning and analysis work needed to create a new community vision with sufficient information to support a successful Request for Proposals (RFP) (*completed February 2020*).

Community Engagement



SEPTEMBER 4, 2019



NOVEMBER 4, 2019



MARCH 9, 2020

Scenario Development

The UT-Austin team created 5 redevelopment scenarios, 4 of which received significant community support (shown here).

All 4 of these scenarios featured **mixed-income housing**, increased **open space**, new public **infrastructure** (roads, sidewalks, parkland), and **flexible commercial/public service space**.



Redevelopment
CITY OF AUSTIN
ECONOMIC
DEVELOPMENT

Scenario B.1



Scenario B.2



Scenario C.1



Scenario C.2



Transforming the Sites: Current



Vacant Former Home Depot



Vacant Former Car Dealership

Transforming the Sites: Goal



Mixed-Income Housing, Community Retail, Public Plazas, Green Space

Financial Requirements

- UT Report estimates a funding gap of roughly **\$40 to \$70 million**
 - Infrastructure – new street pattern
 - Expanded open space (park/other)
 - Income restricted affordable housing
 - Tenants that provide community-beneficial services (below market-rate / not profit maximizing)
- Public Safety Bond debt on site will need to be paid off upfront by the developer, leaving little residual land value for the developer
- City will need to commit additional funds to realize the community vision for site beyond those generally available to the development community
- The Final Report details those financing options, which may include:
 - New bond debt for public infrastructure (roads, sidewalks, utilities)
 - Existing bond debt for parks and affordable housing acquisition
 - Tax-Increment Financing through a new Reinvestment Zone
 - Parkland dedication fees, affordable housing fee waivers

Other City Redevelopment Projects that will need City financial support



Colony Park Sustainable Community



- 208 acres of City owned land
- Proposed Green Line TOD stop

Approved Master Plan + PUD (12/2014)

- +3,000 housing units
- 20% affordable units
- + 960,000 SF commercial
- 46 acres open space

Executed an Exclusive Negotiation Agreement with Catellus Development (5/15/2020)

Interlocal Agreement with Central Health for 2.2 acres for a Health and Wellness Center 8/22/2019

Estimated Gap : ~\$100 Million

- Increase density through PUD amendment
- Lower infrastructure costs
- City participation (CIP / value capture mechanism)

Other City Redevelopment Projects that will need City financial support



South Central Waterfront Vision Framework Plan



- 118-acre district – 34 Private Properties, 1 City Property (One Texas Center)
- Proposed Blue Line & Orange Line TOD stops

Adopted Vision Framework Plan (06/2016) – Updated summer 2020

- **\$252 million Infrastructure Plan** – expanded street grid, 2+ miles of new and refurbished sidewalks, and ~17 acres of parks, plazas, and trails
- **20% affordable units**; ~ 2300 market units & ~575 affordable units by 2040
- **+6.4 million SF buildout** – new residential, office, retail, and hotel by 2040
- **\$6.7 billion** in projected taxable value by 2040

Critical Implementation Next Steps:

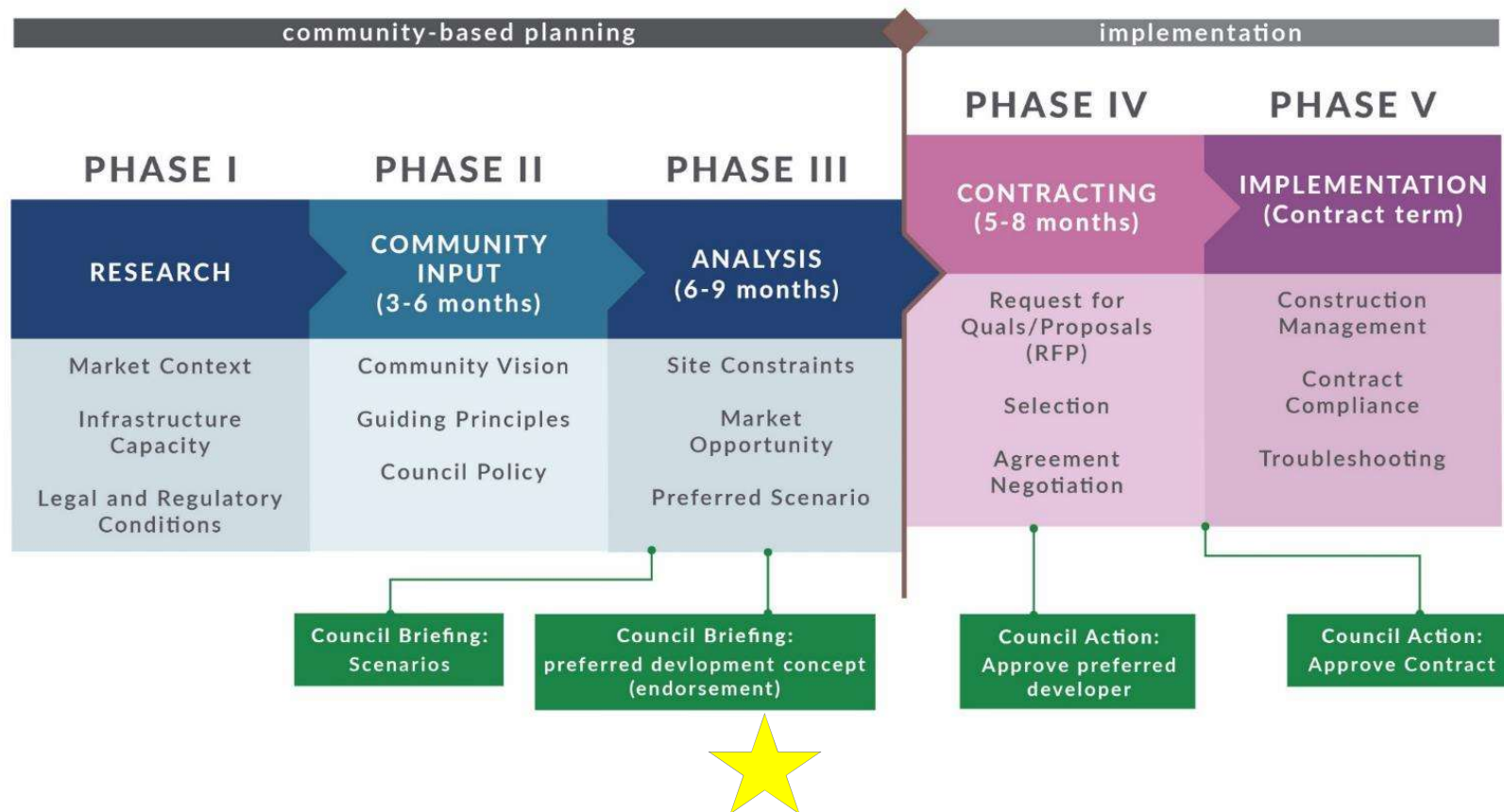
- Establish a **Tax Increment Reinvestment Zone (TIRZ)**
- Create a **District Governance Entity** (such as a Local Governance Corporation)
- Adopt the **SCW Regulating Plan**

Financial Toolkit:

- **Private Funding Sources:** Development Bonus Fees, Public Improvement District, Philanthropy (Conservancy),
- **Public Funding Sources:** Tax Increment Financing, CIP, Parking Funds, Affordable Housing (AHTF, tax credits), Other
- **Estimated Gap** (*actual gap will vary based on Council Policy Decisions)
 - Off-site Benefits: infrastructure & affordable housing: ~\$100 M
 - *On-site Benefits: infrastructure, affordable housing & feasibility: \$300 - \$500 M



Redevelopment Process and Timeline



Next Steps



Proposed Item From Council on July 29

- Council Action indicating level of financial support for the redevelopment
- Council Action stating which financing options will be seriously considered to realize the new community vision
- Council Action to initiate rezoning of the sites, which are currently under three different zoning categories, in order to facilitate redevelopment consistent with the new community vision

Request for Proposals

- Staff issuance of a memorandum outlining scoring criteria to secure the community vision
- Staff then issues the RFP (August or September 2020)

CITY COUNCIL WORK SESSION 7-28-2020

QUESTIONS AND GUIDANCE

THANK YOU

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