

Overview on Redevelopment Planning and Process for City-Owned Property at 6909 Ryan Drive

In accordance with [Resolution No. 20181101-024](#), Economic Development Department staff provides this report to update the Austin City Council on the planning and public engagement efforts to prepare the 6909 Ryan Drive site for redevelopment in accordance with community goals through a Request for Proposals process. This report summarizes the public engagement process, provides an overview of considered scenarios, and identifies baseline criteria for the Request for Proposals.

Background

Austin Energy purchased a 5.5-acre property at 6909 Ryan Drive in 1997 to accommodate its operations in the area. Austin Energy used the site for several years for reclamation operations, as a substation, and for general storage.¹ In 2013, the Austin City Council asked staff to perform site analyses and engage the community to explore new uses for this strategically located site adjacent to Crestview Station. City staff and community members explored ways in which the site could be repurposed as a community asset. The Austin City Council issued [Resolution No. 20181101-024](#) in November 2018 directing staff to issue a Request for Proposals for the site that would prioritize the following:

- Transit-oriented, mixed-use development;
- Quality parkland;
- Family-friendly, affordable housing;
- Affordable and flexible creative space;
- Pedestrian and bicycle amenities, including rail connectivity;
- Energy efficiency and innovative water strategies; and
- Family-friendly design and amenities.

The resolution also directed staff to consider potential redevelopment together with adjacent parcels to maximize community benefits.

These priorities were largely the product of extensive work performed by community members from several surrounding neighborhoods who gathered input from a diverse group of residents. Their online 30-question survey received 664 responses. Their work, completed in April 2018, is summarized in the [Ryan Drive Working Group Report](#). In accordance with the Resolution No. 20181101-024, City staff will include this document as an appendix to the Request for Proposals.

The Ryan Drive Working Group Report became the foundation for additional engagement and analysis to refine and validate the vision for the site and the area. Economic Development Department staff began work with its consulting team in August 2019 to explore options to achieve City Council and community objectives. The consulting team, which included Economic and Planning Systems Inc. (Economic and Financial Analysis), Civiltude (Engineering), Adisa Communications (Public Engagement), and McCann Adams Studio (Planning), provided staff with expert knowledge to explore a variety of site redevelopment options that would be economically and technically feasible. To achieve this, the team performed

¹ Austin Energy is currently working with the Office of Real Estate Services to acquire a new site for its operations to make the site available for redevelopment. Staff will coordinate to ensure timelines allow for their relocation prior to construction.

environmental due diligence, a comprehensive market study, and a zoning review and site fit analysis. This information allowed for the development of site redevelopment scenarios that could be reviewed by internal and external stakeholders to determine the relative pros and cons of different alternatives, which are discussed further in the following section.

The scenario development and refinement process, as well as the process to develop and finalize minimum development criteria for the site, were heavily guided by a robust and inclusive community and stakeholder engagement process. Meetings #1 and #2 were held at the United Methodist Church in Crestview, and online surveys were distributed to all city neighborhoods through the web and NextDoor, a popular application to connect neighbors. Table 1 below describes that process and major planning milestones.






















Table 1. Community and Stakeholder Engagement Overview

Milestone Date	Activity	Participants	Results
10/1/2019-10/3/2019	Stakeholder Meetings	-	Initial stakeholder meetings with City departments, partner entities (Capital Metro), and community working group.
10/28/2019	Open House #1	31	Attendees reviewed project history and provided their input on the types of site uses they would like to see as part of the redevelopment. Among the most popular were housing, open space, transit access, and community space.
11/12/2019-12/4/2019	Online Survey #1	214	Participants reviewed project history and provided their input on the types of site uses they would like to see as part of the redevelopment. Among the most popular were housing, open space, transit access, and community space.
02/19/2020-02/20/2020	Stakeholder Meetings	-	Second round of stakeholder meetings to review scenarios with City departments, partner entities (Capital Metro), and community working group.
02/20/2020	Open House #2	31	Attendees reviewed five project scenarios and provided their input on the pros and cons of each option and ranked how well each scenario meets the project goals.
02/27/2020-03/13/2020	Online Survey #2	95	Participants provided their input on the pros and cons of each option and ranked how well each scenario meets the project goals.
05/22/2020-06/14/2020	Final (Interactive) Meeting #3	109	Review work and input received to-date and assess level of support for the draft development criteria for the forthcoming Request for Proposals.
July 2020	Final Report Review	-	Report review by the Economic Development Department, Neighborhood Housing and Community Development, Real Estate Services, Parks and Recreation, City Attorney, Financial Services, Public Works, Austin Water, Watershed Protection, Development Services, Austin Energy, and Capital Metro.

Scenarios Overview

Following the results of community and stakeholder input from Fall 2019, the team began developing viable redevelopment project options. In February 2020, the project team unveiled five distinct scenarios that each featured the uses identified as highly desirable by both City Council (as indicated in Resolution No. 20181101-024) and stakeholders: housing, open space, transit connections, and community space. Transit connectivity, community space, and parking ratios were relatively constant across scenarios to focus on the trade-offs in the amount of open space and housing provided by the project. Table 2 below offers a visual comparison of the elements of the five different scenarios.

Table 2. Scenario Comparison Chart

	SCENARIO 1	SCENARIO 2	SCENARIO 3	SCENARIO 4	SCENARIO 5
	Base Zoning	Affordability Unlocked with Maximum Housing	Affordability Unlocked with Maximum Open Space	Affordability Unlocked with Balanced Housing and Open Space	Affordability Unlocked with Ryan Drive Realignment
DEVELOPMENT DETAILS					
Total Housing Units	 247	 455	 280	 371	 390
% Affordable Housing Units	at least 20%	above 50%	above 50%	above 50%	above 50%
 Commercial or Community Space (SqFt)	10,000	10,000	10,000	10,000	7,000
Parking Spaces	 262	 480	 300	 375	 300
Maximum Height (feet)	 48	 81	 70	 70	 81
Park Area (acres)	 .5	 .5	 2	 1.5	 1.36
IMPLEMENTATION					
Assumed Sources of Affordable Housing Subsidy	AHFC	LIHTC & AHFC	LIHTC & AHFC	LIHTC & AHFC	LIHTC & AHFC
Degree of Coordination among Departments	LOW <small>(EDD, AHFC)</small>	MODERATE <small>(EDD, AHFC, PARD)</small>	MODERATE <small>(EDD, AHFC, PARD)</small>	MODERATE <small>(EDD, AHFC, PARD)</small>	HIGH <small>(EDD, AHFC, PARD, ATD)</small>
Potential Delay Factors	LOW <small>(Housing Financing)</small>	MODERATE <small>(Housing Financing)</small>	MODERATE <small>(Housing Financing)</small>	MODERATE <small>(Housing Financing)</small>	HIGHER COSTS <small>(Housing Financing; Road Realignment)</small>

LIHTC = Low Income Housing Tax Credits
EDD = Austin Economic Development Department
AHFC = Austin Housing Finance Corporation

PARD = Austin Parks and Recreation Department
ATD = Austin Transportation Department

The scenarios were presented with significant detail during the second stakeholder meeting and survey in February and March 2020. Stakeholders commented on what they liked and disliked about different scenarios and how well they found the core project objectives related to housing, open space, transit connectivity, and community space. Three of the five scenarios received strong community and stakeholder support (Scenarios 3, 4, and 5). Additional detail is provided on each of these three scenarios below.

SCENARIO 3: Affordability Unlocked with **MAXIMUM OPEN SPACE**



Scenario 3	
Affordable Housing Requirements	
Units	320
40% AMH	128
30% AMH	96
20% AMH	64
10% AMH	32
Market Rate	256
Public	32
Fee	\$1.5M
Soft Costs	\$2.5M
Net Dev Cost	\$4.5M
Revenue	\$10M
Profit	\$5.5M
Value Added	\$15.5M
Jobs	100
Equity	\$25M
LEED	4
Greenhouse Gas	150 tons
Water	100,000 gal
Construction	12 months
Construction	150,000 sq ft
Construction	150,000 sq ft
Construction	150,000 sq ft



City of Austin
Surplus Property at Ryan Drive

SCENARIO 3 sought to maximize open space on the site while still providing a significant amount of housing. This was a popular scenario among respondents.

SCENARIO 4: Affordability Unlocked with **BALANCED HOUSING & OPEN SPACE**



Scenario 4	
Affordable Housing Requirements	
Units	320
40% AMH	128
30% AMH	96
20% AMH	64
10% AMH	32
Market Rate	256
Public	32
Fee	\$1.5M
Soft Costs	\$2.5M
Net Dev Cost	\$4.5M
Revenue	\$10M
Profit	\$5.5M
Value Added	\$15.5M
Jobs	100
Equity	\$25M
LEED	4
Greenhouse Gas	150 tons
Water	100,000 gal
Construction	12 months
Construction	150,000 sq ft
Construction	150,000 sq ft
Construction	150,000 sq ft



City of Austin
Surplus Property at Ryan Drive

SCENARIO 4 focused on balancing both housing and open space. This was also a popular scenario among respondents.

SCENARIO 5: Affordability Unlocked with RYAN DRIVE REALIGNMENT



SCENARIO 5 considered a more extensive redevelopment that included the realignment of Ryan Drive to split the site and separate the housing development from the park space. This was also a popular scenario with respondents.

The input provided on all five scenarios and the support demonstrated for three of the scenarios provided sufficient direction to the team for the creation of minimum development criteria. While the final design and layout of the redevelopment project will depend on the creativity of the successful development partner, the project team looked for commonalities across the three popular scenarios to establish base criteria for inclusion in the Request for Proposals.

Final Development Criteria for the RFP

The project team created draft development criteria that was presented to stakeholders in May 2020 through an interactive presentation. Stakeholders strongly supported the criteria and indicated that such a project would represent a success. The project team finalized these criteria after evaluating community input.

The proposed development criteria include the following:

1. At least 300 housing units at the site, of which at least 50% must be affordable. The housing should be provided in a manner consistent with the City's Affordability Unlocked Program;
2. At least 1.25 acres of the site should be dedicated to park/open space;
3. At least 7,000 square feet should be built and allocated for creative, community commercial, and/or multi-purpose community space; and
4. Site development must prioritize bicycle and pedestrian accessibility and provide direct access to Crestview Rail Station to Justin Lane and/or Ryan Drive.

Applicants will need to meet all the criteria described above. Those that can exceed the minimum criteria will be scored more favorably. In addition to these core criteria, the Request for Proposals will use scoring to incentivize the remaining City Council and community priorities. Scoring will provide additional points to applications that can demonstrate the following:

- A commitment to sustainability through enhanced energy efficiency and water management strategies; and
- A family-friendly focus (e.g. a higher number of multi-bedroom housing options; on-site childcare; family-oriented site amenities).

To address the City Council's final priority, *consider potential redevelopment together with adjacent parcels to maximize community benefits*, the Request for Proposals will enable the private market to evaluate the potential to leverage adjacent parcels as part of a proposal.

Additional Request for Proposal Requirements

In addition to the development criteria described above, the Request for Proposals will require the successful respondent to deliver \$2,884,903 to the City for the purposes of repaying Austin Energy for its 1997 bond purchase of the site. This is critical to meet statutory requirements set by the Public Utility Commission of Texas. Finally, the successful respondent will also be required to reimburse predevelopment costs incurred by the Economic Development Department to sustain the department's site repositioning program.

Next Steps

As directed by Resolution 20181101-024, Economic Development Department staff will release a Request for Proposals for the 6909 Ryan Drive site to include the minimum criteria described above and established through the stakeholder engagement process. Working with the Purchasing Office and Law Department, the Request for Proposals will be issued in the coming months. This will allow for the selection of a developer and bringing forward a recommendation to Council for consideration in mid-2021. A Development Agreement may be reached sometime next year if negotiations are successful, paving the way for design and construction of this community-enhancing redevelopment project.