

DOMAIN COMPLIANCE REPORT

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

Table of Contents

I	Overview	1
II	Owner Obligations	
	A. Commencement of Project	2
	B. Support for Local Small Businesses	2
	C. S.M.A.R.T. Housing	5
	D. Employment Opportunities	6
	E. Financial Contributions	7
	F. Sales Tax Reports	7
	G. Permitting and Subdivision	7
	H. Minority/Women Owned Business Enterprises	7
III	Chapter 380 Payment	9
IV	Summary and Conclusion	11

Attachment 1	Chapter 380 Economic Development Agreement (EDA) between City of Austin and EGP Management, LLC
Attachment 2	Austin City Council Resolution 20030515-004
Attachment 3	Amendment 1 to Chapter 380 EDA
Attachment 4	Austin City Council Resolution 20040311-014
Attachment 5	Assignment of Chapter 380 EDA to The Domain Shopping Center, LP
Attachment 6	Letters of Intent #2, #3 and #4 from Simon Property Group to HC Beck, Ltd.
Attachment 7	Certificate of Occupancy for 2005-022303 BP, Building "A"
Attachment 8	Domain Fund Summary
Attachment 9	Redacted copies of Tenant Leases showing Term
Attachment 10	Statements from Domain Fund assisted Tenants certifying no repayment obligation for Domain Fund assistance
Attachment 11	Addendum to First Annual Report of the Domain Fund
Attachment 12	Domain Floor Plan and Listing of Retail and Restaurant Tenants; Photographs of Domain Fund Beneficiary Tenants

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

Table of Contents

Attachment 13	Correspondence from City of Austin Neighborhood Housing & Community Development Department concerning impact of reducing affordability level from 80% Median Family Income (MFI) to 65% MFI
Attachment 14	Summary of Employment Information from Domain Retail and Restaurant Tenants
Attachment 15	Communication with Texas Workforce Commission regarding Tenant Employment Reports
Attachment 16	Memorandum regarding sales tax reporting requirements
Attachment 17	M/WBE participation correspondence involving City of Austin Department of Small & Minority Business Resources
Attachment 18	Sales Tax Area Report
Attachment 19	City of Austin Address Point GIS Layer Map of Domain Phase 1
Attachment 20	Grand Opening Brochure and Media Coverage

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

I. Overview

The Chapter 380 Economic Development Agreement (Agreement”) between the City of Austin (“City”) and EGP Management, L.L.C. (Attachment 1) was executed June 13, 2003, having been authorized by Resolution 20030515-004 (Attachment 2). The First Amendment (Attachment 3) was executed April 2, 2004 after being authorized by Resolution 20040311-014 (Attachment 4). In July 2004 EPG Management L.L.C. assigned the agreement to The Domain Shopping Center, L.P. (“Owner”) (Attachment 5).

Each requirement in the agreement is identified in Part II of this report along with the City's findings regarding compliance:

- A. Commencement of Project,
- B. Support for Local Small Businesses,
- C. S.M.A.R.T. Housing,
- D. Employment Opportunities,
- E. Financial Contributions,
- F. Sales Tax Reports,
- G. Permitting and Subdivision and,
- H. Minority/Women Owned Business Enterprises.

Part III of this report details obligations of the Owner and the City regarding the Chapter 380 payments.

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

II. Owner Obligations

- A. Commencement of Project (§4.a)** *Owner must issue a notice to proceed to commence construction by June 13, 2007, and diligently pursue construction of the Project.*

Findings:

1. Letters of Intent #2, #3 and #4 between Simon Property Group & Beck Group (Attachment 6) demonstrate that approval to proceed with site preparation work was issued on or before May 4, 2005 and approval to initiate construction was issued on August 30, 2005.
2. The Domain Grand Opening brochure and collection of articles from the Austin American-Statesman, In Fact Daily, the Daily Texan and News 8 Austin (Attachment 20) demonstrate that the Domain opened to the public on March 9, 2007, three months ahead of the deadline to commence construction.

- B. Support for Local Small Businesses (§4.b)** *During the term, Owner is required to designate and allocate a \$1,000,000 Domain Fund from its construction budget to assist small, local businesses to locate at the Project.*

1. Obligation: *The Domain Fund was to be fully capitalized upon commencement of Project construction (§4.b.i).*

Finding: As demonstrated by the Simon Property Group's letter dated July 21, 2005 and the excerpt from Simon Property Group's Board of Directors' meeting of May 11, 2005 in §III(a) of the Domain Compliance Document, Simon Property Group's Board of Directors approved the Domain budget, including \$1,000,000 to be used for the purpose of assisting local tenants, on May 11, 2005. Letter of Intent #4 (Attachment 6) demonstrates that authorization to proceed with construction of the chilled water system was issued August 30, 2005.

2. Obligation: *The Domain Fund is to be used to attract and facilitate the presence of small, locally owned businesses to the Project from Travis, Hays & Williamson counties (§4.b.ii).*

Finding: Seven businesses, Bettysport Partners, L.L.C.; St. Thomas, Inc.; Tea Craft, dba The Steeping Room; Luxe Apothetique; Ks Home Designs dba Loft; Chocogelatier Austin Domain L.L.C. dba Viva Chcolato!; and Meridian Bliss signed statements certifying that they are locally owned businesses whose principal places of business are located in Travis, Hays or Williamson County (§III(b) of Domain Compliance Document).

3. Obligation: *Money from the Domain Fund is to be used for each endowment fund candidate in some or all of the following manners (§4.b.iii):*
 - a. *set aside for the cost of designing/constructing interior improvements of tenant's premises (§4.b.iii(a));*

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

- b. *set aside as security (collateral) for small business loans made to a tenant (§4.b.iii(b));*
- c. *used toward all or part of the cost of advertising for the new store location; and/or (§4.b.iii(c));*
- d. *subsidize the rental rate required by the Project over the term of the lease (§4.b.iii (d)).*

Findings:

- a. The Domain Fund Summary (Attachment 8) summarizes information in redacted copies of leases with Bettysport Partners, L.L.C.; St. Thomas, Inc.; Tea Craft, dba The Steeping Room; Luxe Apothetique; Ks Home Designs dba Loft; Chocogelatier Austin Domain L.L.C. dba Viva Chocolato!; and Meridian Bliss (§III (d) of Domain Compliance Document) showing Landlord's agreement to reimburse each tenant up to a stated amount for the cost of "Tenant's Work". These documents demonstrate that \$1,755,813.10 was set aside for the cost of designing and/or constructing interior improvements of tenants' premises as shown on the Domain Fund Summary.
- b. Copies of cancelled checks in §III(d) of Domain Compliance Document demonstrate that \$1,082,060.88 has been paid to five businesses as shown on the Domain Fund Summary (Attachment 8):
 - 1. Bettysport Partners, L.L.C.;
 - 2. St. Thomas, Inc.;
 - 3. Tea Craft, dba The Steeping Room;
 - 4. Ks Home Designs dba Loft and
 - 5. Chocogelatier Austin Domain, LLC dba Viva Chocolato!.
- 4. **Obligation:** *Terms of tenants' leases shall generally be for a period of five years (§4.b.iv).*

Finding: Redacted copies of leases between Simon Property Group and Bettysport Partners, L.L.C.; St. Thomas, Inc.; Tea Craft, dba The Steeping Room; Luxe Apothetique; Ks Home Designs dba Loft; Chocogelatier Austin Domain L.L.C. dba Viva Chocolato!; and Meridian Bliss (Attachment 9) confirm that each term is for a ten year period.

- 5. **Obligation:** *Funds used toward interior improvements, relocation costs and/or rent reduction will typically be advanced to the tenant without a repayment obligation (§4.b.v).*

Finding: Simon Property Group collected statements from Bettysport Partners, L.L.C.; St. Thomas, Inc.; Tea Craft, dba The Steeping Room; Luxe Apothetique; Ks Home Designs dba Loft; Chocogelatier Austin Domain L.L.C. dba Viva Chocolato!; and Meridian Bliss (Attachment 10). Each business certified that no repayment is expected in return for the funds provided by Simon Property Group to reimburse the cost of constructing their interior improvements at Domain.

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

6. Obligation: *Owner is required to provide annual reports to the City Manager and to the City's Economic Growth and Redevelopment Services Office (EGRSO) Director showing how the Domain Fund has been used the previous 12 month period. The report is to contain a performance report section including, but not limited to (§4.b.vii)):*
- *information on the current and long-term presence of local businesses in the Project by tracking which businesses remain in the Project and for what period of time;*
 - *a description of the distribution of the funds;*
 - *the balance of the funds;*
 - *analysis of performance results in terms of cumulative and long term presence of local small businesses at the Project;*
 - *the results of exit interviews with any small local business leaving the Domain and,*
 - *a description of advertising targeted to promote small business inclusion.*

Findings:

- a. The Domain Fund Allocation report in §III(c) of the Domain Compliance Document includes the opening date of each assisted business. (Meridian Bliss is scheduled to open in November 2008; the other six businesses have already opened.) Each assisted business that has opened remains open, and The Domain Fund Annual Report acknowledges that no exit interviews need to be conducted.
- b. The Domain Fund Allocation report in §III(c) of the Domain Compliance Document includes a description of the distribution of the funds.
- c. The Domain Fund Allocation report in §III(c) of the Domain Compliance Document includes the balance of the funds.
- d. The Domain Fund First Annual Report in §III (e) of the Domain Compliance Document states that "there are seven executed leases with local tenants"; that the businesses "are operating in first class tenant spaces with merchandise and service commensurate with the quality of the other retailers at The Domain"; and that "[l]ocal participation will be encouraged in other phases of our Projects but are not required" (sic).
- e. None of the businesses who benefited from the Domain Fund have left the Domain, therefore no exit interviews are required. On July 21, 2008 and again on September 9, 2008 the City photographed the six businesses that have opened (Attachment 12). Those six are Bettysport Partners, L.L.C.; St. Thomas, Inc.; Tea Craft, dba The Steeping Room; Luxe Apothetique; Ks Home Designs dba Loft and Chocogelatier Austin Domain L.L.C. dba Viva Chcolato!. The seventh, Meridian Bliss, is not open as of the date of this report.

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

- f. The Domain Fund Annual Report - First Revision - (Attachment 11) includes a description of solicitation efforts targeted to promote local business inclusion at the Domain.
7. Obligation: *Exit interviews are to be conducted with small local businesses leaving the Domain as long as there is a balance in the Domain Fund (§4.b.viii).*

Finding: The City confirmed on July 21, 2008 and again on September 9, 2008, and documented with date-stamped photographs (Attachment 12) that Bettysport, St. Thomas, The Steeping Room, Luxe Apothetique, Loft and Viva Choccolato! are still in business at the Domain.

C. S.M.A.R.T. Housing (§4.c): *Owner must issue a notice to proceed to commence by June 13, 2009 and diligently pursue construction of at least 300 residential units.*

1. Obligation: *The Project's residential units must comply with S.M.A.R.T. Housing guidelines with a potential exception of not meeting the ¼ mile minimum distance from the nearest transit route, provided Owner has used reasonable efforts to fully comply with all S.M.A.R.T. Housing requirements (§4.c).*

Findings:

- a. In a February 21, 2008 letter to Residences at the Domain, the City acknowledged that 390 housing units had been completed (§IV (a) of Domain Compliance Document).
- b. On September 14, 2007 the City confirmed that the 416 unit multifamily housing development at Domain met the S.M.A.R.T. Housing standards at the pre-submittal stage (§IV (b) of the Domain Compliance Document). The same document identifies the additional approvals needed and the phases at which they must be obtained in order to demonstrate compliance with Austin Energy's Green Building Program and with the S.M.A.R.T. Housing accessibility and transit-oriented standards. A copy of the project's three-star rating from the Green Building Program on June 12, 2007 is also included in §IV(b) of the Domain Compliance Document, as is a January 18, 2008 statement from the City that the initial 390 apartments passed final accessibility inspection.
- c. Correspondence from the City of Austin Neighborhood Housing and Community Development Department dated February 21, 2008 confirmed that Residences at the Domain is currently in compliance with applicable affordability requirements (§IV(a) of the Domain Compliance Document).
2. Obligation: *At least 10% of the housing units much be affordable for households at or below 65% of Median Family Income (MFI) who spend no more than 30% of their income on housing, provided sufficient economic development contributions are available from Travis County to reimburse Owner for economic impact or reducing affordability level from 80% MFI to 65% MFI and parties have agreed on the value of the economic impact (§4.c).*

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

Findings:

- a. Simon Property Group provided a copy of the Chapter 381 Economic Development Agreement between EGP Management, LLC and Travis County and the amendment to the agreement (§XI(b) of the Domain Compliance Document). According to the recitals in the amendment, EGP Management, LLC assigned the agreement to Simon Property Group. According to §7.1 of the agreement, Simon Property Group will receive contributions from Travis County up to the net present value of \$5,000,000 when discounted at an annual rate of 7.5%. According to §7.2, each annual payment will be equal to 50% of the difference between the Ad Valorem taxes paid on the Reimbursement Year value less the taxes paid on the Effective Date value, up to the maximum payment amount defined in §7.1.
- b. The City of Austin Neighborhood Housing and Community Development Department issued a July 16, 2008 statement (Attachment 13) concurring with Simon Property Group's calculation of the economic impact of reducing the affordability level from 80% MFI to 65% MFI at \$1,373,096.

D. Employment Opportunities (§4.d): *Owner is obligated to have created at least 1,100 permanent jobs at the Project upon completion of all phases of the project. If project is phased, full-time equivalent jobs are to be created on the basis of 0.0016 jobs per square foot constructed, exclusive of residential uses.*

Finding: Since the project is phased, the minimum number of FTE's required is based on the total area of retail and restaurant buildings constructed. According to the Tenant Employment Reports (TER's) in §V (b) of the Domain Compliance Document (summarized in Attachment 14), 1,791 employees were employed at Domain between March 2007 and January 2008. 7 of the 73 tenants who provided TER's were selected for comparison to Texas Workforce Commission (TWC) reports submitted for the period of the Tenant Employment Reports. These seven employers included one anchor tenant, four businesses with between 24 and 109 employees and two businesses with fewer than 20 employees.

Reports to the Texas Workforce Commission by four of the businesses supported their TER's, but reports by three of the tenants did not support the TER's because fewer employees were reported to the TWC for the period then was reported in the TER's. (See Attachment 15 for correspondence with TWC.) Three additional TER's were selected and the same request was made to TWC for the additional TERs.

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

- E. Financial Contributions (§5.d):** *Owner shall use reasonably efforts to seek contributions and grants from Capital Metro Transit Authority (CMTA) and Travis County.*

Findings:

1. The Chapter 381 Economic Development Agreement between Simon Property Group and Travis County is evidence that the Owner sought and received contributions from Travis County (§XI(b) of the Domain Compliance Document).
2. Simon Property Group also provided a copy of attorney David Armbrust's correspondence with Capital Metro Transit Authority on behalf of Simon Property Group (§XI(c) of the Domain Compliance Document), according to which, Simon met with CMTA and made a proposal for financial participation in the Domain.

- F. Sales Tax Reports (§6):** *Owner is required to report quarterly to the City, based on reports filed by Project tenants with the State Comptroller's Office, the amount of sales tax revenues generated from the Project for the previous calendar quarter.*

Finding: As evidenced by a July 23, 2008 memorandum (Attachment 16), the City relieved Simon Property Group of this requirement, after determining that the most efficient method of gathering the information would be to seek a report directly from the Texas Comptroller of Public Accounts.

- G. Permitting and Subdivision (§8):** *Prior to commencement of Project, Owner is required to identify the exact project boundaries, not to exceed 55 acres, through a subdivision plat application filed with City.*

Finding: According to January 22, 2007 correspondence to the City from David Armbrust, Domain was subdivided through two plats; however, as pointed out by the City in its February 14, 2007 response, the area of the two plats exceeded the maximum area established by the agreement. Therefore Simon initiated a resubdivision to reduce the project area to the allowable limit (§Vii (a) of the Domain Compliance Document). Simon Property Group provided a copy of the recorded Plat in §Vii (b) of the Domain Compliance Document; this document confirms that the project area is 53.16 acres.

- H. Minority/Women Owned Business Enterprises (M/WBE) (§9):** *Owner is required to use good faith efforts to cause its agents and contractors to comply with the spirit and intent of the City's M/WBE requirements and to retain a third party consultant specializing in outreach to qualified M/WBE contractors and consultants.*

Findings:

1. Simon Property Group provided a summary report of its Domain Outreach/Pre Bid Presentation meetings in §VIII(b) of the Domain Compliance Document, along with advertisement flyers and sign-in sheets from the three meetings. In §VIII(c) of the

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

- Domain Compliance Document, Simon provided a Summary Report for the Columbus Realty Outreach/Pre-Bid Presentation meeting along with an advertisement flyer and the sign-in sheets from that meeting. The four Pre-Bid Presentation meetings were attended by 69 individuals representing 49 businesses. The City attached correspondence involving the City's Department of Small and Minority Business Resources (DSMBR) (Attachment 17). DSMBR staff confirmed that Simon Property Group's construction contractor had provided bid packages as part of its M/WBE outreach. DSMBR also reviewed fax logs and other correspondence to verify that bid opportunity notices were sent to the M/WBE firms listed on DSMBR's availability list within a reasonable time frame.
2. Simon Property Group provided a copy of their agreement with Lopez-Phelps & Associates, a third party consultant specializing in outreach to qualified M/WBE contractors and consultants in §VIII(a) of the Domain Compliance Document. Inspection of the Scope of Work confirmed that the firm was hired to perform outreach to M/WBE contractors.

III. Chapter 380 Payment

- A. *For the period of five years beginning on the Sales Tax Effective Date, City shall pay Owner a Chapter 380 payment equal to 80% of the One Cent Sales Tax Revenues. The payment shall be based on the amount of sales tax collected by the City for the 12 month period ending the preceding April 30. For a period of 15 years following the initial five year period, City shall pay Owner a Chapter 380 payment equal to 50% of the One Cent Sales Tax Revenues. The payment shall be based on the amount of sales tax collected by the City for the 12 month period ending the preceding April 30 (§5.b.i.).*

Findings:

1. The City worked with Simon Property Group and the Texas Comptroller of Public Accounts to identify the sales tax accounts for all the retail and restaurant tenants at the Domain. It was found that three businesses combined their reporting for two or more locations; those were not included in the report. One other business was omitted because they had inadvertently declared their Domain store location "out of business" and reported sales tax from a different location. Simon Property Group agreed to forgo their portion of that business' tax revenue collected between September 2007 and April 2008.

Some businesses file quarterly, rather than monthly, sales tax returns, either because they prepay their taxes or because they collect less than \$500 per month in sales taxes. Tax revenue collected in the third quarter (July, August and September) of 2007 and in the second quarter (April, May and June) of 2008 was not included.

2. According to the Sales Tax Area Report received from the Texas Comptroller of Public Accounts (Attachment 18), the sum of the tax payments to the City of Austin for the filing period September 2007 through April 2008 for the remaining 66 Domain retail and restaurant tenants, whose tax revenue was captured in the report, is \$1,183,704.46. The first Chapter 380 payment to Simon Property Group will be 82% of \$1,183,704.46, or \$970,637.66. Within 15 days of receiving the first payment, Simon Property Group is required to remit 2% of \$1,183,704.46 or \$23,674.09 to the City for deposit to the Austin Housing Finance Corporation. The net payment to Simon Property Group will be 80% of \$1,183,704.46 or \$946,963.56.
3. Every business included in the Sales Tax Area Report (Attachment 19) is in the Domain and has a Domain address, as shown on the Map of Domain Phase 1 Address Point GIS Layer Map (Attachment 19).
4. The first Certificate of Occupancy for Domain was issued March 7, 2007 (Attachment 7). The Sales Tax Effective Date is defined in §2 of the agreement (Attachment 1) as the date which is 180 days after the first Certificate of Occupancy is issued. 180 days after March 7, 2007 is September 3, 2007, making September 3, 2007 the Sales Tax Effective Date.

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

- B. An additional 2% of the One Cent Sales Tax Revenue shall become part of the Chapter 380 payments, increasing the percentages to 82% during the first five years and 52% during years 6-20 (Additional Sales Tax Payment). Within 15 days of receipt, Owner shall remit the Additional Sales Tax Payment to the City (§5.b.ii).*

Finding: In the future, compliance will be verified for the previous payment received.

- C. For a period of 20 years beginning on the Ad Valorem Tax Effective Date, the City shall pay Owner a Chapter 380 payment equal to 25% of the increase in the Ad Valorem Tax over the ad valorem tax that would be due on the value of the Property and improvements as of May 1, 2003, which is deemed to be \$235,228 per acre (§5.c).*

Findings:

1. The Ad Valorem Tax Effective Date is defined in §2 of the agreement (Attachment 1) as the first January 1st following the issuance of a Certificate of Occupancy for the Project or first phase. The first Certificate of Occupancy for Domain was issued March 7, 2007 (Attachment 7), therefore January 1, 2008 is the Ad Valorem Tax Effective Date.
 2. Taxes on the January 1, 2008 valuation of the property are not due until January 2009. The first Chapter 380 payment will be based solely on sales tax revenue.
- D. The total Chapter 380 payments to be paid to Owner during the term of this agreement shall not exceed the equivalent of \$25 million calculated on a net present value basis when discounted at an annual rate of 7.5%. The payments shall be adjusted over time to reflect net present value of such amount as of May 1, 2003 so that Owner will receive an amount of money equivalent to the value of its Chapter 380 payments calculated in the year 2003. Except as set forth in §4.c, if Owner receives economic development contributions from Capital Metro Transit Authority and/or Travis County, the maximum payment amount shall be reduced accordingly by up to \$7,500,000, calculated on a net present value basis, using an annual discount rate of 7.5%. (§5.d).*

In accordance with (§4.c), Owner may recoup the economic impact of reducing the affordability level from 80% MFI to 65% MFI through economic development contributions from Travis County. Funds received from Travis County shall be applied first to this purpose then to reducing the maximum payment amount (§5.d).

Finding: No payment has been made to date. Beginning in 2009, the net present value of the payment made to date against the cap of the net present value of \$25 million less funds received from Travis County in excess of \$1,373,096, the agreed upon cost of reducing the affordability level from 80% MFI to 65% MFI will be calculated.

**Domain Mixed-Use Development
Compliance Report October 1, 2008
Year 1 of 20 for Chapter 380 Performance-Based Agreement**

IV. Summary and Conclusion

Compliance Status Summary

<u>Owner Obligation</u>	<u>Compliance Status</u>
Commencement of Project	Compliant
Support for Local Small Businesses	
Capitalization	Compliant
Attract small, locally owned businesses	Compliant
Use of Domain Fund	Compliant
Lease Terms	Compliant
No repayment obligation	Compliant
Annual reports	Compliant
Exit interviews	Not applicable
S.M.A.R.T. Housing	
Requirements	Compliant
Affordability	Compliant
Employment Opportunities	Compliant
Financial Contributions	Compliant
Sales Tax Reports	Compliant
Permitting and Subdivision	Compliant
Minority/Women Owned Business Enterprises	
Spirit and Intent	Compliant
Third party consultant	Compliant

Chapter 380 Payment

	<u>Effective Date</u>	<u>Date of 1st Chapter 380 Payment</u>
Sales Tax:	September 3, 2007	October 30, 2008
Ad Valorem Tax:	January 1, 2008	October 30, 2009

Conclusion: The City's compliance review finds that Simon Property Group is in compliance with all performance requirements.

ATTACHMENT 1

**CITY OF AUSTIN / ENDEAVOR REAL ESTATE GROUP,
or its affiliates**

CHAPTER 380

ECONOMIC DEVELOPMENT AGREEMENT

This Chapter 380 Economic Development Agreement ("Agreement") is made and entered into by and between EGP MANAGEMENT, L.L.C., a Texas limited liability company, its successors and assigns ("Owner") and the CITY OF AUSTIN, TEXAS, a home rule city and municipal corporation ("City").

RECITALS

WHEREAS, City has adopted Resolution No. 030515-04, attached as Exhibit "A" ("Resolution"), establishing and authorizing the City Manager to make economic development grants to Owner in recognition of the positive economic benefits to the City through Owner's efforts to develop approximately forty-two (42) acres not to exceed fifty five (55) acres of land out of the area more particularly described on the attached Exhibit "B" ("Property") as a mixed use project containing residential and non-residential uses; and

WHEREAS, the City desires to offer incentives to Owner over a period of time which will enable Owner to develop the Property in a manner proposed by Owner;

WHEREAS, such property is within City's Desired Development Zone, will provide rental units in compliance with the City's S.M.A.R.T. Housing Program, will assist small local businesses, will add significant new revenues to the City's tax base and will create jobs which will help stimulate the overall local economy; and

NOW, THEREFORE, in consideration of the mutual benefits and promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Owner agree as follows:

1. Authority. The City's execution of this Agreement is authorized by Chapter 380 of the Texas Local Government Code and the Resolution and constitutes a valid and binding obligation of the City. Owner's execution and performance of this Agreement constitutes a valid and binding obligation of Owner in the event Owner proceeds with the development of the Property. The City acknowledges that Owner is acting in reliance upon the City's performance of its obligations under this Agreement in making its decision to commit substantial resources and money to develop the Property.

2. Definitions.

"Ad Valorem Tax Effective Date" is the first January 1st following the issuance of a certificate of occupancy for the Project or the first phase if constructed in phases (defined below).

"Ad Valorem Tax Revenues" means the amount of property taxes collected by the City on real property owned or leased by Owner, a portion of which will be repaid to Owner in the form of Chapter 380 Payments. With respect to property leased by Owner, property tax revenues include that portion of annual tax, prorated on a daily basis, which is attributable to the period in which Owner was the lessee of such property.

"Chapter 380 Payment(s)" means the amount paid by the City to Owner under the Program (defined below).

"Effective Date" is the date this Agreement is signed by the City and Owner.

"One Cent Sales Tax Revenues" means that portion of Sales Tax Revenues (defined below) resulting from the imposition of a one percent municipal sales tax, such as that presently in effect pursuant to Texas Tax Code §321.101(a) and §321.103. If the City ever elects to charge less than a one percent (1%) sales tax but is allowed by law to collect a sales tax of one percent (1%) or more, then instead of being based on actual collections, One Cent Sales Tax Revenues attributable to sales tax collected shall be deemed to be computed as if the City did elect to charge a one percent sales tax.

"Program" means the economic development program established by the City pursuant to Texas Local Government Code Chapter 380 and under the Resolution to promote local economic development and stimulate business and commercial activity within the City.

"Project" is Owner's planned development of the Property which shall consist of a "Class A" urban village. The Domain Urban Village Project is anticipated to include approximately 500,000 – 670,000 square feet of some or all of the following uses: lifestyle shopping, restaurants, entertainment, grocery, medical office, hotel and/or recreation space and a minimum of 300 S.M.A.R.T. Housing units. The Project will include wide sidewalks in the retail-pedestrian areas (standard sidewalks along traffic thoroughfares where required), significant public open space with outside pedestrian amenities, such as: benches, landscape features, fountains or water features, dining areas and a combination of surface and structured parking.

"Project Area" is the area within the Property which will be developed for the Project.

"Sales Tax Effective Date" is the date which is one hundred eighty (180) days after Owner's receipt of the first certificate of occupancy for the Project or the first phase, if constructed in phases.

"Sales Tax Revenues" means the amount of sales tax collected by City arising from the Project, a portion of which will be paid to Owner in the form of Chapter 380 Payments. Sales Tax Revenues consist of two (2) components:

a. **"Sales Tax Collected"** – The City's share of all sales tax collected from or attributable to the Project; and

b. **"Sales/Use Tax Paid"** - Any sales/use tax paid by Owner which results in sales/use tax revenue to the City.

The term "Sales Tax Revenues" shall include any taxes authorized by the State in the future which are intended to replace sales or use tax revenues currently available to the City.

3. Term. This Agreement shall become enforceable upon execution by the City and Owner and shall be effective on the Effective Date. Owner and the City shall confirm the Effective Date in writing once it has occurred. This Agreement shall terminate upon the earlier to occur of (i) twenty (20) years after the Ad Valorem Effective Date or the Sales Tax Effective Date, whichever is later or (ii) Owner's receipt of the total Chapter 380 Payments equal to the Maximum Payment Amount (defined in Section 5d). In recognition of the fact that Chapter 380 Payments by necessity are calculated and paid after taxes have been assessed and paid to the City, and therefore always run in arrears, the term of this Agreement shall be deemed to include any payments otherwise due and payable to Owner which extend beyond the original term of the Agreement.

4. Owner Obligations. In consideration of the City's participation in the Program, if Owner proceeds with the Project, Owner agrees that the following performance guidelines shall be met:

a. Commencement of Project. Owner shall issue a notice to proceed to a contractor to commence construction of the Project no later than four (4) years after the Effective Date and shall diligently pursue such construction. In the event that Owner fails to commence construction of the commercial portion of the project within such four (4) year period, Owner shall reimburse City for any Chapter 380 Payments received by Owner prior to such date and this Agreement shall terminate and be of no further effect.

b. Support for Small Local Businesses. During the term of this Agreement, Owner will use One Million Dollars (\$1,000,000) of the total Chapter 380 Payments to assist small local businesses to locate at the Project. The small, local business fund for The Domain ("Domain Fund") will operate under the following parameters:

- i. The Domain Fund shall be fully capitalized upon commencement of construction of the Project.
- ii. The funds shall be used to attract and facilitate the presence of small, locally-owned businesses to The Domain from Travis, Williamson and Hays Counties.
- iii. The funds shall be generally used for each endowment fund candidate in some or all of the following manners:
 - * To be set aside for the cost of designing/constructing the interior improvements of a tenant's premises, and/or
 - * To be set aside as security (collateral) for small business loans made to a tenant, and/or
 - * To be used toward all or part of the cost for advertising the new store location, and/or

* To subsidize the rental rate required by the Project over the terms of the lease.

- iv. The terms of the leases shall generally be for a period of five (5) years.
- v. Funds used toward interior improvements, relocation costs and/or rent reduction will typically be advanced to the tenant without a repayment obligation.
- vi. Assessment of allocation of funds, credit risk, lease terms, tenant's use and compatibility within the project will be at the discretion of Owner.
- vii. The Domain Fund activities and performance measures/outcomes may be monitored by the City Manager for compliance with the above parameters. Owner shall provide an annual report to the City Manager and to the director for Economic Development showing how the Domain Fund has been utilized in accordance with iii above for the preceding twelve (12) month period. The annual report shall contain a performance report section including but not limited to, information on the current and long-term presence of local businesses in the Project by tracking which businesses remain in the Project and for what period of time, a description of the distribution of funds, a description of advertising targeted to promote small business inclusion and the balance of funds. The report shall include the results of exit interviews with any small local business leaving The Domain. Exit interviews shall be conducted so long as there is a balance in the Domain Fund. Performance results shall be analyzed in terms of cumulative and long-term presence of small and local businesses at the Project. Any balance remaining in the Domain Fund at the end of the term of this Agreement shall be returned to the City.

c. S.M.A.R.T. Housing. Owner shall issue a notice to proceed to a contractor to commence construction of a minimum of three hundred (300) residential units within six (6) years after the Effective Date and shall diligently pursue such construction. The Project's residential units will qualify under the City's current "S.M.A.R.T. Housing" guidelines, set forth on the attached Exhibit "C", with a potential exception of not meeting the 1/4th mile minimum distance from the nearest transit route. (Owner agrees to use reasonable efforts to fully comply with program, however not doing so in this area is not considered an event of default). At least ten percent (10%) of the units shall meet the affordability guidelines. In the event that Owner fails to commence construction of the S.M.A.R.T. Housing within such six (6) year period, Owner shall reimburse City for any Chapter 380 Payments received by Owner prior to such date and this Agreement shall terminate and be of no further effect.

In order to make the ten percent (10%) of the units that comply with the affordability guidelines even more affordable to lower wage earners, Owner shall further reduce the affordability index from eighty percent (80%) of the median wage to sixty-five percent (65%). Owner shall be allowed to recoup the economic impact on the Project resulting from this reduction through economic development contributions received from Travis County, if any. Any funds received from Travis County shall first be used for this purpose and then the remainder shall be applied to reduce the Maximum Payment Amount, subject to the provisions set forth in Section 5d. Owner shall not be obligated to make this reduction unless economic development contributions are available from Travis County in an amount sufficient to reimburse Owner for the economic impact of this reduction and the parties have agreed upon the value of the economic impact.

d. Employment Opportunities. Upon completion of all phases of the Project, at least eleven hundred (1100) permanent jobs will have been created at the Project. In the event the project is phased, full time equivalent jobs will be created on a basis .0016 jobs per square foot constructed, exclusive of residential uses.

5. Chapter 380 Payments.

a. Sharing of Tax Benefits. The City shall pay to Owner portions of the Sales Tax Revenues and Ad Valorem Revenues paid to the City from the Project in accordance with this Section. It is the intent of the parties that the Chapter 380 Payments represent a sharing of tax benefits which inure to the City as a result of Owner's development of the Property.

b. Sales Tax Revenues.

- i. For a period of five (5) years beginning on the Sales Tax Effective Date, eighty percent (80%) of the One Cent Sales Tax Revenues shall automatically become part of the Chapter 380 Payments due and payable to Owner. For a period of fifteen (15) years following the initial five (5) year period, fifty percent (50%) of the One Cent Sales Tax Revenues shall automatically become part of the Chapter 380 Payments due and payable to Owner. The Chapter 380 Payments with respect to the One Cent Sales Tax Revenues shall be paid by the City to Owner upon the earlier to occur of (i) thirty (30) days after the City receives Sales Tax Revenues from the State of Texas, or (ii) ninety (90) days following the final day of the month in which those sales taxes were generated.
- ii. In addition to the percentages of the One Cent Sales Tax Revenues set forth in Section 5bi, an additional two percent (2%) of the One Cent Sales Tax Revenues shall become part of the Chapter 380 Payments thereby increasing the percentage to eighty-two percent (82%) during the first five (5) years of the term of this Agreement and then fifty-two percent (52%) for years six (6) through year twenty (20) or the end of the term of this Agreement, whichever comes first ("Additional Sales Tax Payments"). Within fifteen

(15) days of receipt, Owner shall remit the Additional Sales Tax Payments to the City and the City shall deposit the funds in the Austin Housing Finance Corporation or a successor entity should it cease to exist. City and Owner acknowledge that Owner is merely a conduit for the collection of the Additional Sales Tax Payments and that such funds belong to the City in all respects. It is the intention of the parties that the collection and transmittal of the Additional Sales Tax Payments shall be revenue neutral to Owner and are not intended to cause Owner to incur tax liability of any nature. To the extent necessary to avoid any such tax liability in the future, Owner and City agree to amend this Agreement accordingly.

c. Property Tax Revenues. For a period of twenty (20) years beginning on the Ad Valorem Tax Effective Date, twenty-five percent (25%) of the incremental Ad Valorem Revenues shall automatically become part of the Chapter 380 Payments due and payable to Owner. "Incremental" means the increase in the Ad Valorem Tax over the ad valorem tax that would be due on the value of the Property and improvements as of May 1, 2003. The parties acknowledge that for the current tax year, the Property has been assessed as part of a larger parcel. For purposes of this Agreement, the value of the Property and the improvements is deemed to be \$235,228 per acre as of May 1, 2003. Owner shall notify the City in writing of any sums paid by Owner to the County tax collector in the form of city ad valorem taxes during the term of this Agreement, ("Ad Valorem Revenue Notice"). The Chapter 380 Payments with respect to the incremental Ad Valorem Revenues shall be based on the amount stated in the Ad Valorem Revenue Notice, which shall be verified by the City, and shall be repaid to Owner by the City on an annual basis for the preceding year on or before the first day of March following the tax year for which they were paid.

d. Payment Terms. The total Chapter 380 Payments arising during the term of this Agreement to be paid to Owner shall not exceed the equivalent of Twenty-Five Million Dollars (\$25,000,000) calculated on a net present value basis when discounted at an annual rate of seven and one-half percent (7.5%) ("Maximum Payment Amount"). The Chapter 380 Payments shall be adjusted over time, to reflect the net present value of such amount as of May 1, 2003, so that Owner will receive an amount of money equivalent to the value of its Chapter 380 Payments calculated in the year 2003, even though the Chapter 380 Payments will be made to Owner at a much later date. Except as set forth in Section 4c, if Owner receives economic development contributions with respect to the Project from the Capital Metropolitan Transportation Authority and/or Travis County, Texas, the Maximum Payment Amount shall be reduced accordingly; however, the maximum amount of the reduction to the Maximum Payment Amount shall be Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) calculated on a Net Present Value basis, using an annual discount rate of seven and one-half percent (7.5%). Any amounts payable to Owner over and above such amount by entities other than the City shall be retained by Owner. Owner shall use reasonable efforts to seek such contributions and grants.

e. Changes in Law. If, during the term of this Agreement, state law applicable to municipal taxation changes either in the form of sales taxes or ad valorem taxes, and as a result, the Chapter 380 Payments differ from the amount which would have been paid to

Owner under the laws in effect as of the Effective Date of this Agreement, then the parties agree to adjust the Chapter 380 Payments using whatever discretionary taxes and revenues that are legally available to the City which can be allocated to the Chapter 380 Payments. However, this section is not intended to require the City to use funds from other sources which are not within the City's discretion to allocate to the Project, so as to achieve the same economic benefits to both parties as would have resulted had the law not changed.

6. Sales Tax Reports. Owner shall report to the City on a quarterly basis the amount of sales tax revenues generated from the Project for the previous calendar quarter. Such reports shall be based upon reports filed by the Project's tenants with the State Comptroller's office. The City shall have the right to audit Owner's reports with reasonable notice; provided, however, such audits shall be performed in a manner to maintain the confidentiality of the information provided by the Project's tenants. The City shall not make or retain copies of the materials audited.

7. Mutual Assistance. City and Owner will do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement, and to aid and assist each other in carrying out such terms and provisions in order to put each other in the same economic condition contemplated by this Agreement regardless of any changes in public policy, the law or taxes or assessments attributable to the Property.

8. Permitting and Subdivision. The City shall work with Owner to expeditiously process permit applications. Prior to the commencement of construction of the Project, Owner shall identify the exact boundaries of the Project, not to exceed 55 (fifty-five) acres out of the Property through a subdivision plat application filed with the City.

9. Minority/Women Owned Business Enterprises ("MWBE"). Owner commits to use good faith efforts to cause its agents and contractors to comply with the spirit and intent of the City's MWBE requirements and to retain a third party consultant specializing in outreach to qualified minority/women business enterprise contractors and consultants.

10. Representations and Warranties. The City represents and warrants to Owner that the Program and this Agreement are within its authority, and that it is duly authorized and empowered to establish the Program and enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. Owner represents and warrants to City that it has the requisite authority to enter into this Agreement.

11. Default. If either the City or Owner should default in the performance of any obligations of this Agreement, the other party shall provide such defaulting party written notice of the default, and a minimum period of thirty (30) days to cure such default, prior to instituting an action for breach or pursuing any other remedy for default. If the City remains in default after notice and opportunity to cure, Owner shall have the right to pursue any remedy at law or in equity for the City's breach. If Owner remains in default after notice and opportunity to cure, the City's remedy shall be limited to a termination of the Chapter 380 Payments which have accrued after the date of such default. Any Chapter 380 Payment from City to Owner which is not timely paid by City shall incur interest at the highest rate per annum allowed by the applicable law of the State of Texas from the date such Chapter 380 Payment is due until paid.

12. Attorney's Fees. In the event any legal action or proceeding is commenced between the City and Owner to enforce provisions of this Agreement and recover damages for breach, the prevailing party in such legal action shall be entitled to recover its reasonable attorney's fees and expenses incurred by reason of such action, to the extent allowed by law.

13. Entire Agreement. This Agreement contains the entire agreement between the parties. This Agreement may only be amended, altered or revoked by written instrument signed by the City and Owner.

14. Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

15. Assignment. Except as provided, Owner may not assign all or part of its rights and obligations to a third party without prior written approval of the City, which approval shall not be unreasonably withheld or delayed. Notwithstanding anything to the contrary, Owner may assign all or part of its rights and obligations without the prior consent of the City to any party affiliated with Owner by reason of controlling, being controlled by, or being under common control, with Owner, to a subsequent owner of all or any part of the Project, to a tenant in the Project or to a third party lender advancing funds for the acquisition, construction or operation of the Project.

16. Termination. In the event Owner elects not to proceed with the Project as contemplated by this Agreement, Owner shall notify the City in writing, and this Agreement and the obligations on the part of both parties shall be deemed terminated and of no further force or effect. In addition, this Agreement shall terminate when Owner has been paid the Maximum Payment Amount in full.

17. Notice. Any notice and or statement required and permitted to be delivered shall be deemed delivered by actual delivery, facsimile with receipt of confirmation, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

Owner: Endeavor Real Estate Group
Attn: Bryce Miller and Kirk Rudy
1209 West Fifth Street, Suite 200
Austin, Texas 78703-5204
Ph: (512) 682-5500
Fx: (512) 682-5506
re: Domain 380 Agreement

with a copy to: Mr. David B. Armbrust
100 Congress Ave., Suite 1300
Austin, Texas 78701
Ph: (512) 435-2301
Fx: (512) 435-2360

City: City Manager
124 West 8th Street
Austin, Texas 78701
(P.O. Box 1088, Austin, Texas 78767)
Ph: (512) 499-2200
Fx: (512) 499-2832

with a copy to: City Attorney
114 West 7th Street, Fifth Floor
Austin, Texas 78701
(P.O. Box 1546, Austin, Texas 78767)
Ph: (512) 499-2175
Fx: (512) 499-2912

Either party may designate a different address at any time upon written notice to the other party.

18. Interpretation. Each of the parties have been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, however its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any party.

19. Applicable Law. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas and venue shall lie in Travis County, Texas.

20. Severability. In the event any provisions of this Agreement are illegal, invalid or unenforceable under present or future laws, and in that event, it is the intention of the parties that the remainder of this Agreement shall not be affected. It is also the intention of the parties of this Agreement that in lieu of each clause and provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

21. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

22. No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

23. Exhibits. The following Exhibits "A" - "C" are attached and incorporated by reference for all purposes:

Exhibit "A": Resolution No. _____

Exhibit "B": Property Description

Exhibit "C": S.M.A.R.T. Housing Guidelines

EXECUTED to be effective as of the 13 day of June, 2003.

EGP MANAGEMENT, L.L.C.
a Texas limited liability company

By: Kirk Rody
Printed Name: Kirk Rody
Title: E.V.P.

Date: June 13, 2003

CITY OF AUSTIN, TEXAS,
a home rule city and municipal corporation

By: Toby H. Sutherland
_____, City Manager,

APPROVED as to form:

David Lloyd
Asst, City Attorney

EXHIBIT A

RESOLUTION NO. 030515-04

WHEREAS, the development of a proposed mixed-use project containing residential and non-residential uses, known as "The Domain," generally bounded on the north by Duval Road, on the west by Loop 1, on the south by Braker Lane, and on the east by Burnet Road, will provide substantial economic benefits to the City by adding to the City's ad valorem tax base, attracting significant new sales tax revenues into the City, revitalizing an underdeveloped industrial/manufacturing area, creating a substantial number of new jobs, providing SMART Housing opportunities, and providing financial assistance to small local businesses and adding significant new tax revenues to Capital Metro and the Austin Independent School District; and

WHEREAS, the SMART Housing component of the project will include 10% of the residential units being made available as reasonably priced units, helping to maintain a base of housing within Austin that is available to Austin workers with a range of incomes; and

WHEREAS, mixed use development of the kind proposed in The Domain is unlikely to occur without a public/private partnership, and the proposed development is likely to attract business from inside and outside the Austin area; and

WHEREAS, the proposed incentives and estimated return of tax revenue are calculated and based solely on the commercial portion of the project; and

WHEREAS, a proposed \$1,000,000 assistance fund for small businesses to be located at the project will help to foster and maintain small businesses in the area; and

WHEREAS, The Domain is located in the City's Desired Development Zone; and

WHEREAS, the City Council has determined that the commercial impact of The Domain will be a catalyst for economic development benefiting the entire community, will promote local economic development, and will stimulate business and commercial activity in the municipality; and

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes local economic development programs, and the proposed incentives constitute an economic development program of the City, and promote the public purpose of economic development; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

1. The City Council adopts the above recitals as findings.

2. The City Manager is directed and authorized to negotiate and execute the Economic Development Agreement with the developer, Endeavor Real Estate Group or its affiliate ("Endeavor"), in substantially the form attached as Exhibit A to this resolution, under the authority of Chapter 380 of the Local Government Code, with additional provisions as follows:
 - a. The City Manager is directed to negotiate an additional provision requiring that Endeavor will use good faith efforts to cause their agents and contractors to comply with the spirit and intent of the City's Minority and Women Business Enterprise ordinance and retain a third party consultant specializing in outreach to Minority/Women Business Enterprise contractors and consultants.
 - b. The City Manager is directed to negotiate an additional provision to increase the annual sales tax revenue rebate by 2% for each year of the rebate, and require that the additional 2% be deposited with the Austin Housing Finance Corporation for use in providing affordable housing. This requirement is made with the goal of increasing the contribution of this economic development project to affordable housing in the city in order to promote the availability of housing to citizens with a range of incomes, which is a public purpose of the city and which promotes economic development by enabling workers of all incomes to live affordably in Austin.

- c. The City Manager is directed to negotiate a provision requiring that in order to make the ten percent (10%) of the units that comply with the affordability guidelines even more affordable to lower wage earners, Owner shall further reduce the affordability index from eighty percent (80%) of the median wage to sixty five percent (65%). The Owner shall be allowed to recoup the economic impact on the Project resulting from this reduction through economic development contributions received from Travis County, if any. Any funds received from Travis County shall first be used for this purpose and then the remainder shall be applied to reduce the Maximum Payment Amount, subject to the provisions set forth in Section 5d of the draft Economic Development Agreement. Owner shall not be obligated to make this reduction unless economic development contributions are available from Travis County in an amount sufficient to reimburse Owner for the economic impact of this reduction.
- d. The City Manager is directed to amend page 4, b. iii or vii of the draft Economic Development Agreement to require the annual report for monitoring the agreement to include the description of the distribution of funds, description of advertising targeted to promote small business inclusion and the balance of funds; and to include provisions to allow for an exit interview with any small and local business leaving the Domain project after having located there; and further page 4, No. vii, the fi

sentence should read, "The Domain Fund activities and performance measures/outcomes will be monitored by the City Manager for compliance with the above parameters. Performance results should be analyzed in terms of cumulative and long term presence of small and local business at the Domain."

ADOPTED: May 15, 2003

ATTEST: _____

Shirley A. Brown
City Clerk

L:\CLW\GC\GLA\ndrmisc\council\items\5-15-2003\1705 Domain final res

A DRAFT VERSION OF THE AGREEMENT IS ATTACHED
TO THE RESOLUTION 030515-04 FILED
AT THE CITY CLERK'S OFFICE, CITY OF AUSTIN, TEXAS

EXHIBIT B

67.473 ACRES
DOMAIN RETAIL
ENDEAVOR REAL ESTATE GROUP

FN NO. 03-111(MTH)
MAY 14, 2003
BPI JOB NO. 1000-37.97

DESCRIPTION

OF A 67.473 ACRE TRACT OF LAND OUT OF THE JAMES ROGERS SURVEY NO. 19, SITUATED IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN REMAINDER OF 234.762 ACRES OF LAND CONVEYED TO JER AUSTIN TECH, L.P. BY DEED OF RECORD IN DOCUMENT NO. 1999161226 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PORTION OF THAT CERTAIN 70.494 ACRES OF LAND CONVEYED TO MULTILAYER TEK, L.P. BY DEED OF RECORD IN VOLUME 13200, PAGE 157 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS; SAID 67.473 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a square head bolt found in the easterly right-of-way line of Mopac Expressway North (R.O.W. Varies), being the southwesterly corner of Lot 3 North Loop Business Park Section One-A, a subdivision of record in Book 85, Page 194C of the Plat Records of Travis County, Texas, same being the northwesterly corner of said Remainder of 234.762 acre tract and hereof;

THENCE, S62°17'19"E, leaving the easterly right-of-way line of Mopac Expressway North, along the southerly line of said Lot 3 North Loop Business Park Section One-A, being a portion of the northerly line of said Remainder of 234.762 acre tract and the northerly line hereof, a distance of 633.13 feet to a 1/2 inch iron rod with cap set at the common southerly corner of said Lot 3 and Lot 4 of said North Loop Business Park Section One-A, being the northwesterly corner of that certain Tract of land conveyed by Quitclaim Deed to Crow-Gottesman Buchanan #5, Ltd., by deed of record in Volume 9553, Page 416 of the Real Property Records of Travis County, Texas;

THENCE, leaving the common southerly corner of said Lot 3 and Lot 4, along the common line of said Quitclaim Deed and said 234.762 acre tract, for a portion of the northerly line hereof, the following two (2) courses and distances:

- 1) S28°06'25"W, a distance of 31.21 feet to a 1/2 inch iron rod found;
- 2) S62°13'48"E, a distance of 103.84 feet to the northeasterly corner hereof;

THENCE, leaving the southerly line of said Quitclaim Deed, over and across said Remainder of 234.762 acre tract, for a portion of the easterly line hereof, the following twelve (12) courses and distances:

- 1) S27°46'12"W, a distance of 41.58 feet to an angle point;

- 2) N64°14'12"W, a distance of 40.11 feet to the point of curvature of a non-tangent curve to the left;
- 3) Along said non-tangent curve to the left having a radius of 276.32 feet, a central angle of 26°23'12", an arc length of 127.25 feet and a chord which bears N79°50'29"W, a distance of 126.13 feet to the end of said curve;
- 4) S81°50'11"W, a distance of 442.19 feet to an angle point;
- 5) S76°56'42"W, a distance of 197.61 feet to an angle point;
- 6) S73°07'50"W, a distance of 126.14 feet to an angle point;
- 7) S68°40'38"W, passing at a distance of 161.62 feet a PK Nail with shiner set, and continuing for a total distance of 501.87 feet to a PK Nail with shiner set;
- 8) S58°29'31"W, a distance of 199.83 feet to a PK Nail with shiner set at the point of curvature of a tangent curve to the left;
- 9) Along said tangent curve to the left having a radius of 123.00 feet, a central angle of 41°03'48", an arc length of 88.15 feet and a chord which bears S37°57'37"W, a distance of 86.28 feet to a PK Nail with shiner set at the point of tangency;
- 10) S17°25'42"W, a distance of 423.81 feet to a PK Nail with shiner set;
- 11) S22°20'50"W, a distance of 293.35 feet to a PK Nail with shiner set;
- 12) S17°08'34"W, a distance of 993.78 feet to a 1/2 inch iron rod with cap set in the northerly line of said 70.494 acre tract, being the southerly line of said Remainder of 234.762 acre tract;

THENCE, S72°17'15"E, along the common line of said 70.494 acre tract and said Remainder of 234.762 acre tract, for a portion of the easterly line hereof, a distance of 431.35 feet to an angle point, from which a 1/2 inch iron rod found in said common line bears S72°17'16"E, a distance of 28.64 feet;

THENCE, S17°59'39"W, leaving the southerly line of said Remainder of 234.762 acre tract, over and across said 70.494 acre tract, passing at a distance of 21.51 feet a 1/2 inch iron rod found in the common line of said Remainder of 234.762 acre tract and said 70.494 acre tract, again passing at a distance of 478.39 feet a 1/2 inch iron rod found in said common line, and again leaving said common line, over and across said Remainder of 234.762 acre tract, continuing for a total distance of 567.30 feet to an angle point;

THENCE, N72°20'03"W, over and across said Remainder of 234.762 acre tract, passing at a distance of 63.16 feet a 1/2 inch iron rod found in the common line of said 70.494 acre tract and said Remainder of 234.762 acre tract, and continuing along said common line for a total distance of 324.86 feet to a 1/2 inch iron rod found;

THENCE, S17°59'46"W, along the common line of said 70.494 acre tract and said Remainder of 234.762 acre tract, a distance of 402.46 feet to the southeasterly corner hereof, from which a PK Nail found in said common line bears S17°59'46"W, a distance of 131.64 feet;

THENCE, N72°00'14"W, leaving the irregular southerly line of said Remainder of 234.762 acre tract, over and across said 70.494 acre tract, for the southerly line hereof, a distance of 816.84 feet to a point in the curving easterly right-of-way line of Missouri Pacific Railroad for the southwesterly corner hereof;

THENCE, along the non-tangent curving easterly right-of-way line of Missouri Pacific Railroad, being a portion of the westerly line of said 70.494 acre tract and hereof having a radius of 3854.86 feet, a central angle of 06°59'58", an arc length of 470.92 feet and a chord which bears N00°04'24"E, a distance of 470.63 feet to a 1/2 inch iron rod found at the common westerly corner of said 70.494 acre tract and said Remainder of 234.762 acre tract;

THENCE, continuing along the curving easterly right-of-way line of Missouri Pacific Railroad, being the westerly line of said Remainder of 234.762 acre tract and hereof, the following two (2) courses and distances:

- 1) Along a non-radial curve to the left having a radius of 3854.86 feet, a central angle of 03°05'26", an arc length of 207.94 feet and a chord which bears N04°12'36"W, a distance of 207.92 feet to a square head bolt found at the end of said curve;

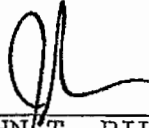
FN 03-111(MTH)
MAY 14, 2003
PAGE 4 OF 4

- 2) N04°57'01"W, a distance of 430.75 feet to a square head bolt found in the easterly right-of-way line of Mopac Expressway North;

THENCE, leaving the easterly right-of-way line of Missouri Pacific Railroad, along the easterly right-of-way line of Mopac Expressway North, being the westerly line of said Remainder of 234.762 acre tract and hereof, the following four (4) courses and distances:

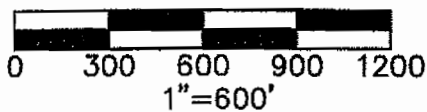
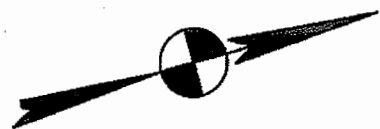
- 1) N39°34'07"E, a distance of 523.81 feet to a square head bolt found at the point of curvature of a tangent curve to the right;
- 2) Along said tangent curve to the right having a radius of 5699.58 feet, a central angle of 10°55'42", an arc length of 1087.12 feet and a chord which bears N45°01'57"E, a distance of 1085.47 feet to a square bolt found at the point of compound curvature of a non-radial curve;
- 3) Along said non-radial compound curve having a radius of 7404.44 feet, a central angle of 10°54'09", an arc length of 1408.96 feet and a chord which bears N55°55'05"E, a distance of 1406.83 feet to a PK Nail found at the point of compound curvature of a non-radial curve;
- 4) Along said non-radial compound curve to the right having a radius of 2261.83 feet, a central angle of 07°41'50", an arc length of 303.85 feet and a chord which bears N65°04'41"E, a distance of 303.63 feet to the POINT OF BEGINNING, containing an area of 67.473 acres (2,939,112 sq. ft.) of land, more or less, within these metes and bounds.

BURY & PARTNERS, INC.
ENGINEERS-SURVEYORS
3345 BEE CAVE ROAD #200
AUSTIN, TEXAS 78746


JOHN T. BILNOSKI, R.P.L.S.
STATE OF TEXAS NO. 4998

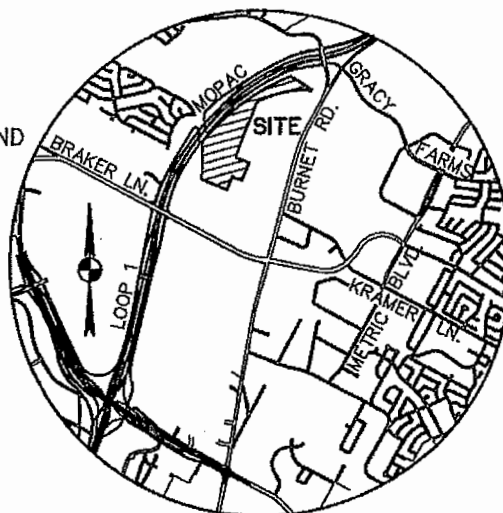
5/14/03



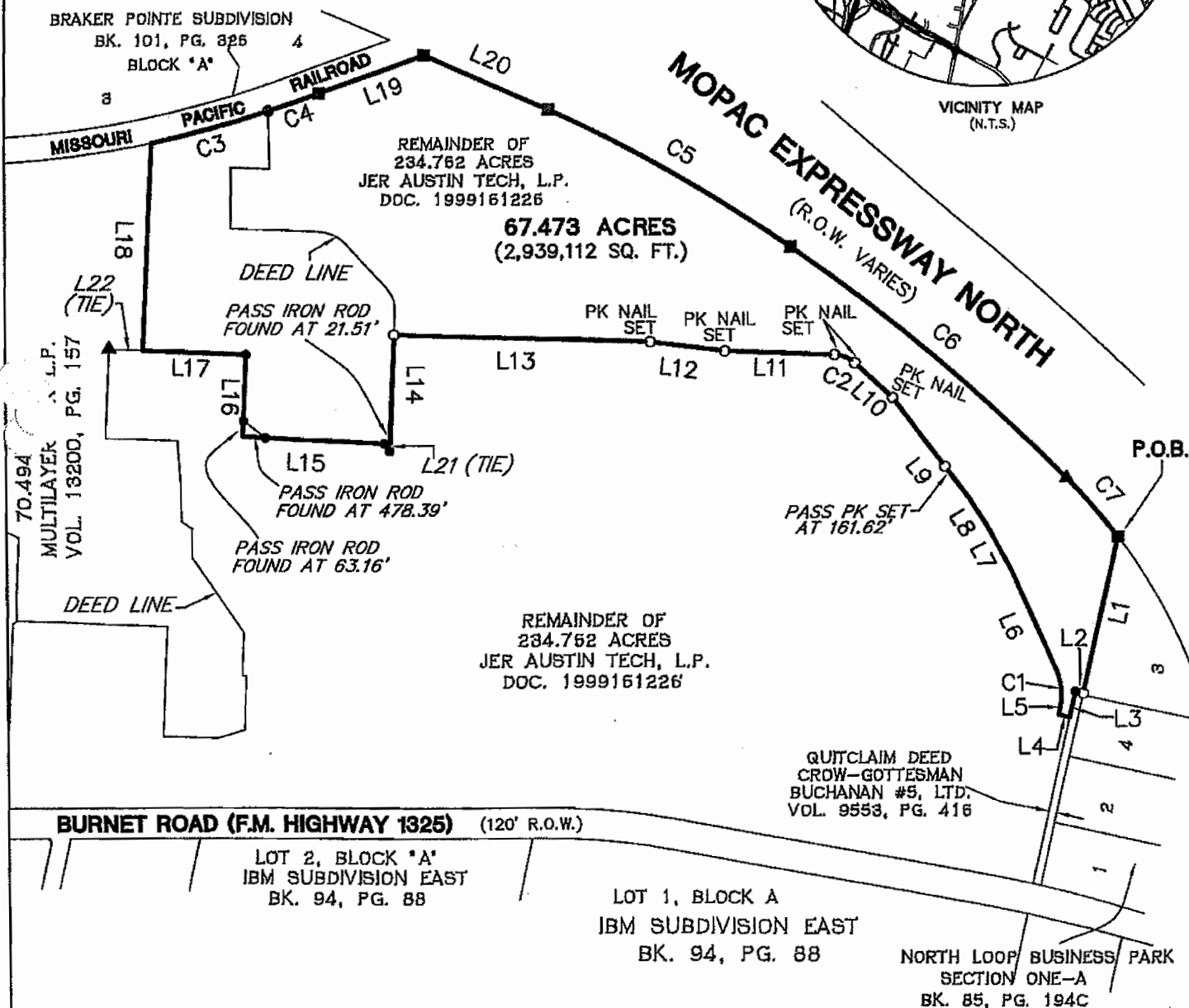


LEGEND

- 1/2" IRON ROD FOUND
- SQUARE HEAD BOLT FOUND
- ▲ P.K. NAIL FOUND
- 1/2 INCH IRON ROD SET
- P.O.B. POINT OF BEGINNING



VICINITY MAP
(N.T.S.)



SHEET 1 OF 2

Bury+Partners
Consulting Engineers and Surveyors
Austin, Texas - Tel 512/328-0011 Fax 512/328-0325
Bury+Partners, Inc. ©Copyright 2005

SKETCH TO ACCOMPANY DESCRIPTION

OF 67.473 ACRES OF LAND OUT OF THE JAMES ROGERS SURVEY NO. 19, SITUATED IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN REMAINDER OF 234.762 ACRES CONVEYED TO JER AUSTIN TECH, L.P. BY DEED OF RECORD IN DOCUMENT NO. 1999161226 OF THE OFFICIAL RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PORTION OF THAT CERTAIN 70.494 ACRES OF LAND CONVEYED TO MULTILAYER TEK, L.P. BY DEED OF RECORD IN VOLUME 13200, PAGE 157 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS

ENDEAVOR REAL ESTATE GROUP

DOMAIN RETAIL

CURVE TABLE

No.	Delta	Radius	Arc Length	Chord Length	Chord Bearing
C1	26°23'12"	276.32	127.25	126.13	N79°50'29"W
C2	41°03'48"	123.00	88.15	86.28	S37°57'37"W
C3	06°59'58"	3854.86	470.92	470.63	N00°04'24"E
C4	03°05'26"	3854.86	207.94	207.92	N04°12'36"W
C5	10°55'42"	5699.58	1087.12	1085.47	N45°01'57"E
C6	10°54'09"	7404.44	1408.96	1406.83	N55°55'05"E
C7	07°41'50"	2261.83	303.85	303.63	N65°04'41"E

LINE TABLE

No.	Bearing	Distance
L1	S62°17'19"E	633.13'
L2	S28°06'25"W	31.21'
L3	S62°13'48"E	103.84'
L4	S27°46'12"W	41.58'
L5	N64°14'12"W	40.11'
L6	S81°50'11"W	442.19'
L7	S76°56'42"W	197.61'
L8	S73°07'50"W	126.14'
L9	S68°40'38"W	501.87'
L10	S58°29'31"W	199.83'
L11	S17°25'42"W	423.81'
L12	S22°20'50"W	293.35'
L13	S17°08'34"W	993.78'
L14	S72°17'15"E	431.35'
L15	S17°59'39"W	567.30'
L16	N72°20'03"W	324.86'
L17	S17°59'46"W	402.46'
L18	N72°00'14"W	816.84'
L19	N04°57'01"W	430.75'
L20	N39°34'07"E	523.81'
L21	S72°17'16"E	28.64'
L22	S17°59'46"W	131.64'

SHEET 2 OF 2



Bury+Partners

Consulting Engineers and Surveyors
Austin, Texas Tel 512/328-0011 Fax 512/328-0325
Bury+Partners, Inc. ©Copyright 2003

SKETCH TO ACCOMPANY DESCRIPTION

OF 67.473 ACRES OF LAND OUT OF THE JAMES ROGERS SURVEY NO. 19, SITUATED IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN REMAINDER OF 234.762 ACRES CONVEYED TO JER AUSTIN TECH, L.P. BY DEED OF RECORD IN DOCUMENT NO. 1999161226 OF THE OFFICIAL RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PORTION OF THAT CERTAIN 70.494 ACRES OF LAND CONVEYED TO MULTILAYER TEK, L.P. BY DEED OF RECORD IN VOLUME 13200, PAGE 157 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS

ENDEAVOR REAL ESTATE GROUP

DOMAIN RETAIL

DATE: 05/14/03

FILE: H:\1000\37\100037x1.dwg

FN No.: FN03-111(MTH)

DRAWN BY: MTH

PROJ. No: 1000-37.97

EXHIBIT C



S.M.A.R.T. Housing Policy

Safe • Mixed Income • Accessible • Reasonably Priced • Transit Oriented

Resource Guide



Prepared by:

Neighborhood Housing and Community Development

City of Austin
P.O. Box 1088
Austin, Texas 78767
512/974.3100
www.cityofaustin.org/housing

January 2003



CITY COUNCIL

Gus Garcia
Mayor

Jackie Goodman
Mayor Pro Tem

COUNCIL MEMBERS

Raul Alvarez
Betty Dunkerley
Daryl Slusher
Danny Thomas
Will Wynn

CITY MANAGER

Toby Futrell

ACTING CHIEF OF STAFF

Chief Michael McDonald

NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

Paul Hilgers, Director

S.M.A.R.T. HOUSING GUIDE

TABLE OF CONTENTS

1. S.M.A.R.T. Housing Policy	4
<i>Overview.....</i>	<i>4</i>
<i>S.M.A.R.T. Housing Policy Initiative.....</i>	<i>5</i>
<i>S.M.A.R.T. Housing Certification Standards</i>	<i>7</i>
Safe	7
Mixed Income / Reasonably Priced Standards.....	7
Accessibility and Visitability Requirements	8
Transit-Oriented.....	10
Green Building.....	13
Standards for Projects Using HB 1704	14
Other Requirements.....	14
<i>S.M.A.R.T. Housing Benefits for Builders</i>	<i>15</i>
Fee Waivers	15
S.M.A.R.T. Housing Review	15
Advocacy	15
S.M.A.R.T. Housing Fees Eligible for Waiver	16
<i>The S.M.A.R.T. Housing Process.....</i>	<i>17</i>
Process Overview.....	17
S.M.A.R.T. Housing Process Flowchart	18
S.M.A.R.T. Housing Zoning Process	19
S.M.A.R.T. Housing Review and Building Permit Process.....	20
2. Building In Austin: Building Standards and Process	22
<i>Overview.....</i>	<i>22</i>
<i>All Building Projects: Before You Begin.....</i>	<i>23</i>
<i>Federal and State Standards.....</i>	<i>24</i>
3. Appendix.....	25
<i>S.M.A.R.T. Housing Process Checklist.....</i>	<i>25</i>
<i>S.M.A.R.T. Housing Application for Certification.....</i>	<i>27</i>
<i>S.M.A.R.T. Housing Residential Completeness Check.....</i>	<i>31</i>

1. S.M.A.R.T. HOUSING POLICY

Overview

The S.M.A.R.T. (Safe, Mixed-Income, Accessible, Reasonably-priced, Transit-Oriented) Housing Policy Initiative is designed to stimulate the production of housing for low and moderate income residents of Austin. The housing meets the City's Green Building standards and is located in neighborhoods throughout the City of Austin.

S.M.A.R.T. Housing staff work with developers and builders of new single-family and multi-family developments that meet S.M.A.R.T. Housing standards. The City of Austin provides fee waivers and S.M.A.R.T. Housing development review, typically significantly faster than conventional review. This initiative applies not only to new subdivisions but also to single lot, infill development.

The goals of S.M.A.R.T. Housing are to:

- ◆ Provide capital recovery fee; development review and inspection fee; and certain construction inspection fee exemptions to promote the development of S.M.A.R.T. Housing
- ◆ Use public resources to leverage private investment
- ◆ Stimulate the development of housing on vacant lots in new and existing subdivisions
- ◆ Promote the use of existing City infrastructure and services
- ◆ Promote the creation of alternative funding sources for the development of S.M.A.R.T. Housing (Safe, Mixed-Income, Accessible, Reasonably-Priced, and Transit-Oriented)
- ◆ Support the goals of the Sustainable Community Initiative

Thank you for your interest in S.M.A.R.T. Housing. For more information on this policy and other incentives for the new construction of reasonably-priced housing in Austin, please contact **Gina Copic, S.M.A.R.T. Housing Manager, City of Austin, Department of Neighborhood Housing and Community Development**, at (512) 974-3180 or regina.copic@ci.austin.tx.us.

S.M.A.R.T. Housing Policy Initiative

The S.M.A.R.T. Housing Policy Initiative has the following eight components:

1. It names the Austin Housing Finance Corporation (AHFC) as the lead agency to foster partnerships with the home building industry to develop, finance, construct, rehabilitate, relocate, and operate affordable housing in the City of Austin.
Result: Naming AHFC as the lead agency creates clear accountability for results.
2. It designates the Neighborhood Housing and Community Development Department (NHCD) as the lead agency on housing policy issues; the single point of contact to facilitate **S.M.A.R.T. Housing** developments; and the lead agency to foster partnerships with neighborhoods. The single point of contact designation empowers NHCD to assume the same type of leadership role that other City departments have accepted for major employers and school district developments. NHCD becomes responsible for working with other City departments who verify that **S.M.A.R.T. Housing** developments are sited in a manner consistent with applicable federal and city policies.
Result: Establishing a single point of contact for residents, builders, and city staff facilitates the development of S.M.A.R.T. Housing developments.
3. It provides the AHFC the right of first acceptance of any surplus city property to determine if **S.M.A.R.T. Housing** is a viable option for the site.
Result: By providing surplus city lands suitable for housing at below market prices, the city encourages construction of more reasonably priced homes. Developments must be consistent with adopted neighborhood plans. Affected neighborhood organizations are included in the stakeholder discussions on potential use of surplus city land for housing.
4. It allows full or partial fee waivers for developments that make a portion of their units reasonably priced (available to families who earn no more than 80% of median family income and who would spend no more than 30% of their family income on housing). Fee waivers for up to 1,000 living unit equivalents can be provided annually. Developments requesting **S.M.A.R.T. Housing** incentives for four or fewer housing units are required to be 100% reasonably-priced and meet all other **S.M.A.R.T. Housing** standards. Developments involving five or more housing units could receive full or partial waivers using the sliding scale listed below if all of the units meet **S.M.A.R.T. Housing** standards. The sliding scale creates incentives for "reasonably-priced" housing while addressing neighborhood concerns that all affordable housing developments not be concentrated in one neighborhood or one part of the city.

A builder provides

10% S.M.A.R.T. Reasonably Priced
20% S.M.A.R.T. Reasonably Priced
30% S.M.A.R.T. Reasonably Priced
40% S.M.A.R.T. Reasonably Priced

The City of Austin provides

25% Fee Waivers & Fast-Track Review
50% Fee Waivers & Fast-Track Review
75% Fee Waivers & Fast-Track Review
100% Fee Waivers & Fast-Track Review

The following types of fees are waived: Development Review and Inspection (Zoning, Subdivision, Site Plan, Building Plan Review and Permit); Water and Wastewater Capital Recovery; and Public Works Construction Inspection.

If the development is in the Desired Development Zone, fees are waived administratively unless the applicant claims full regulatory exemption pursuant to House Bill 1704. If the development is in the Drinking Water Protection Zone (DWPZ), fees are waived administratively unless the applicant requests an environmental variance or exemption pursuant to House Bill 1704. The City Council must approve fee waivers for any development requesting full 1704 exemption or a development requesting an environmental variance in the DWPZ. Existing housing governed by On-Site Sewage Facilities regulations would also be eligible for fee waivers under S.M.A.R.T. Housing eligibility guidelines.

Result: Builders who meet the S.M.A.R.T. Housing standards would receive full or partial waiver of Water and Wastewater Capital Recovery fees, Development Review and Inspection fees, and Public Works Construction Inspection fees based upon the amount of reasonably-priced housing provided.

5. It includes the adoption of housing rehabilitation guidelines as part of the simplified land development code. The City Council adopted single-family guidelines as part of the ordinance amending the Building Code on April 6, 2000.

Result: Adoption of rehabilitation guidelines as part of the City Code provides a clear policy direction that encourages homeowners and contractors to maintain and remodel existing housing stock that to meet city standards for safety and sanitation.

6. It supports rehabilitation code education for City of Austin employees and their customers.

Result: Reduced costs associated with failed inspections and re-do work, and the availability for homeowners to move forward with their home improvement projects.

7. It supports a code enforcement policy that addresses neighborhood concerns about code violations and unsightly and illegal practices in older neighborhoods.

Result: NHCD will assist in training neighborhood residents to conduct surveys identifying lots or buildings with code violations, and assist residents in communicating with their neighbors about these violations. Additionally, NHCD would route unresolved complaints to the appropriate city department for investigation and resolution.

8. Requires NHCD to catalogue opportunities for improvement identified during the review, construction, and inspection of S.M.A.R.T. Housing developments and requires collaboration among city departments in implementing these suggested improvements. *Result: The S.M.A.R.T. Housing Initiative recognizes that many stakeholders have commented that improved coordination among departments is critical if the goal of reasonably-priced housing is to be realized.*

S.M.A.R.T. Housing Certification Standards

The **S.M.A.R.T. Housing** Fee Waiver Initiative involves an application and certification process. **S.M.A.R.T. Housing** certification is available for the new construction of single-family and multi-family developments that meet the **S.M.A.R.T. Housing** standards of **safe, mixed-income, accessible, reasonably-priced, transit oriented and complies with Green Building minimum standards**. The following section will provide you with a detailed discussion of each of the criteria for **S.M.A.R.T. Housing**.

Safe

Safe means that the development complies with the Land Development Code and the adopted Building Codes for the City of Austin. For more information on development in Austin visit the City's website at <http://www.cityofaustin.org/development>.

Mixed Income / Reasonably Priced Standards

S.M.A.R.T. Housing is a mixed-income strategy to encourage the production of reasonably-priced housing throughout the City. Mixed-income means that the development includes at least 10% "reasonably-priced" housing units and all units meet applicable **S.M.A.R.T. Housing** standards.

Reasonably-priced means that a percentage of the units in the development must be available to families who earn no more than **80% of median family income** for the City of Austin and who would spend no more than 30% of their family income on housing (unless federal or state funding sources establish a different standard of affordability). A family meets the standard if its income is 80% MFI or below as established in federal, state or City guidelines. An applicant who sells or rents a home to a family at 80% MFI or below remains in compliance as long as an eligible family remains in the home for the five-year affordability period.

All designated "reasonably-priced" units must be "reasonably-priced" at initial occupancy and must remain "reasonably-priced" for at least five years. Failure to meet the requirements on "reasonably-priced" designated units during the 5-year affordability period will require repayment of all waived fees, with interest. Compliance for rental units may be monitored in accordance with tax credit or bond rules or state/federal monitoring standards. An increase in an eligible occupant's household income subsequent to original occupancy does not preclude the unit from being counted as one of the "reasonably-priced" units unless this income increase is a result of additional occupants with income moving into the unit.

Developments of four or fewer units: All units must be reasonably priced.

Developments of five or more units: Fees are waived according to the sliding scale below:

A builder provides

10% S.M.A.R.T. Reasonably Priced

20% S.M.A.R.T. Reasonably Priced

30% S.M.A.R.T. Reasonably Priced

40% S.M.A.R.T. Reasonably Priced

Owner/Applicant/Developer will be required to sign a note payable to the City for the amount

The City of Austin provides

25% Fee Waivers & Fast-Track Review

50% Fee Waivers & Fast-Track Review

75% Fee Waivers & Fast-Track Review

100% Fee Waivers & Fast-Track Review

of the exemptions received. This agreement will be secured by a deed of trust, lien, or a surety bond for an equivalent amount, which will be released by the Director of NHCD after the five-year affordability period.

For more information about available programs (such as Down Payment Assistance) targeted to families who earn 80% of median family income or less, visit the Austin Housing Finance Corporation website at <http://www.cityofaustin.org/ahfc>. AHFC's programs can make it easier for income-eligible tenants or homebuyers to afford homes in Austin.

Accessibility and Visitability Requirements

The federal government, the Texas Legislature, and the Austin City Council provide funding and other forms of assistance for reasonably priced housing. In addition, they have established standards when public funding or assistance is provided for housing for low and moderate-income families. Some of these standards are different than the development and occupancy standards that an owner or applicant would be required to meet if the development is funded only with private dollars.

Accessibility Standards for Persons with Disabilities

Federal and state requirements provide for people who are mobility-impaired, hearing-impaired, visually impaired, or who have been diagnosed with Acquired Immunity Deficiency Syndrome (AIDS) to have access to housing. These regulations are found in the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. Please be aware that Federal, State, and City accessibility standards will continue to change.

In addition to federal and state requirements for accessibility in new and existing housing and **S.M.A.R.T. Housing** accessibility standards, the City has adopted the Building Code and the Visitability Ordinance.

Multi-Family Accessibility Standards

Multi-family site and building plans must be reviewed for compliance with accessibility, transit-oriented, and green building standards prior to submittal for building permit approval.

The Building Code creates accessibility standards for multi-family apartments and common facilities on the site. **S.M.A.R.T. Housing creates additional standards.** Together, these standards include the following regulations:

- 25% of all multi-family units must be ground-floor-level units
- All ground-floor-level units must be adaptable
- 10% of all multi-family units must be accessible
- A certain number of parking spaces must be accessible
- An accessible route is required to connect the accessible parking spaces to the accessible and adaptable first floor units and the common areas
- Accessible entrances, doorways, and bathrooms are required in the accessible first floor units;
- Safe refuge areas are required for accessible units that are located above the first floor (particularly in buildings with elevators).

Multi-family design professionals are encouraged to consider using HUD's Fair Housing Act Design Manual or the 2001 supplement to the 2000 International Building Code as guides in preparing plans. Consult S.M.A.R.T. Housing to discuss which standards would apply to your development.

The Visitability Ordinance (Single-family, Duplex, Triplex)

The Visitability Ordinance (981007-A) establishes the following standards for new single-family homes, duplexes, or triplexes that receive federal, state, or city assistance. **All S.M.A.R.T. Housing single-family homes, duplexes, and triplexes must meet these standards:**

1. An accessible entrance door with a minimum width of 32 inches of net clear opening is required. The door must be served by a ramp or a no-step entrance, and must connect to an accessible route (such as a garage, carport, driveway, or sidewalk).
2. Interior doorways on the first floor must have a minimum net clear opening of 30 inches (except doors leading into closets less than 15 square feet in area).
3. Lever handle hardware on first floor interior doors and the accessible entrance door are required.
4. Hallways are to be at least 36" wide and have ramped or beveled changes at each door threshold
5. Bathroom walls are to be reinforced with wood blocking that is two inches by six inches or larger in nominal dimension, and the center line of the blocking must be 34 inches from the bathroom floor.
6. Each light switch, thermostat, or plug receptacle located on the first floor or outside the building must be at least 18 inches but not more than 42 inches above the floor.
7. Electrical panels located on the first floor inside the building must be no higher than 42" above the ground and no less than 18" above the ground and be adjacent to an accessible route.

Communicate These Standards to Your Contractor!

It is your responsibility to bring these standards to the attention of your contractor. Some contractors are unaware of **Federal** accessibility standards that apply to any multi-family construction, or the additional standards that apply to projects that receive federal funds. Most contractors are not familiar with the City's Visitability Ordinance, which applies to new single-family homes, duplexes, or triplexes that receive federal, state, or city assistance (including S.M.A.R.T. Housing).

Please make your contractor aware of the accessibility standards on the construction plans.

For more information about accessibility standards, please contact Stuart Hersh at (512) 974-3154, stuart.hersh@ci.austin.tx.us; or Gina Copic at (512) 974-3180, regina.copic@ci.austin.tx.us.



Transit-Oriented

REQUIRED for single-family residences and duplexes:

1. Coordination with Capital Metro – The proposed project must be within ¼ mile of an existing or proposed Capital Metro transit route with peak hour service every 20 minutes or less. The route must be in place by the time the development is completed (final certificate of occupancy issued).
2. Porches – Covered porches should be at least four feet deep and should be included on the street side of the house. While four feet is the minimum *required* depth, a porch area of 100 square feet with a depth of 6 feet is *recommended*.
3. Street Orientation – The front door of the house must face the street, unless the location of the front door must be changed to meet visitability requirements. For duplexes, at least one front door should face the street.

RECOMMENDED for single-family residences and duplexes:

1. Transit Amenities – For single-family subdivisions, Capital Metro bus stops serving the development should include shelters. Where new sidewalks are installed along a transit route, the applicant should coordinate with Capital Metro to include space(s) appropriate for a future bus shelter. Where roads on transit routes are installed, widened, or improved, the applicant should coordinate with Capital Metro to produce a transit improvements plan.
2. Sidewalks and Landscaping – Sidewalks built in the public right-of-way should be separated from the curb by a planting strip. The strip should include a combination of low-water native plants and shade trees. The sidewalk should be connected to a sidewalk on private property that leads directly to the front door of the house.



Examples of different styles of front porches (4' minimum required depth, 100 square feet recommended). The photo on the left includes a planting strip between the sidewalk and street (recommended feature).

REQUIRED for multi-family developments:

1. Coordination with Capital Metro – The proposed project must be within ¼ mile of a Capital Metro transit route with peak hour service every 20 minutes or less. The route must be in place by the time the development is completed (final certificate of occupancy issued).
2. Accessible routes to transit – Accessible sidewalks must connect the complex to nearby transit stops.



3. Site design – Internal parking areas and driveways should form a “network of interconnected streets” within the project to the greatest extent possible. Internal walkways should allow accessible travel throughout the complex.

4. Pedestrian and Vehicular Connections – Unless site characteristics or neighborhood concerns dictate otherwise, the project should provide direct access by the shortest route possible to adjacent destination development such as retail, civic, or recreational uses and should connect to all adjacent streets, sidewalks, trails, and greenbelts.

5. “Eyes on the street” – For those units that adjoin a street, at least one window per unit should face the street.

RECOMMENDED for multi-family developments:

1. Transit Amenities – For multi-family developments, Capital Metro bus stops serving the development should include shelters. Where new sidewalks are installed along a transit route, the applicant should coordinate with Capital Metro to include space(s) appropriate for a future bus shelter. Where roads are installed, widened, or improved, the applicant should coordinate with Capital Metro to produce a transit improvements plan.



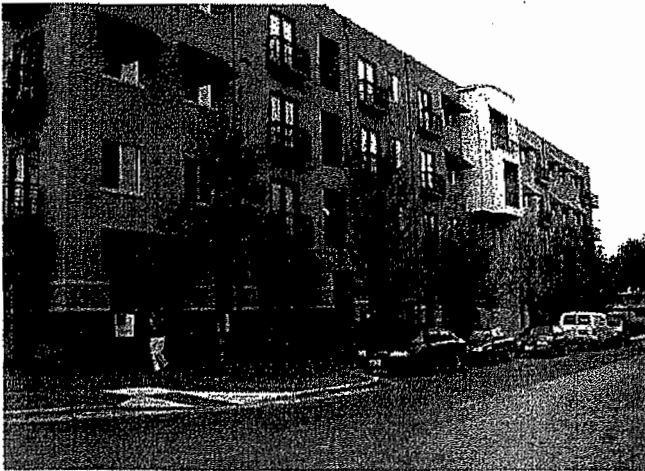
2. Street Presence – Buildings should be oriented to neighborhood streets and sidewalks (the buildings should not “turn their backs” to the street), and buildings should be constructed to be as near to the street as site development standards allow.

3. External Access – There should be vehicular connections to the street at least every 600 feet and pedestrian access at least every 300 feet.

4. Wide Sidewalks – Public sidewalks should be at least six feet wide, and eight feet wide where possible.

5. Location of Parking – Unless site characteristics dictate otherwise, off-street parking should not be located along the external boundaries of the project. On-street parking should be included where possible.

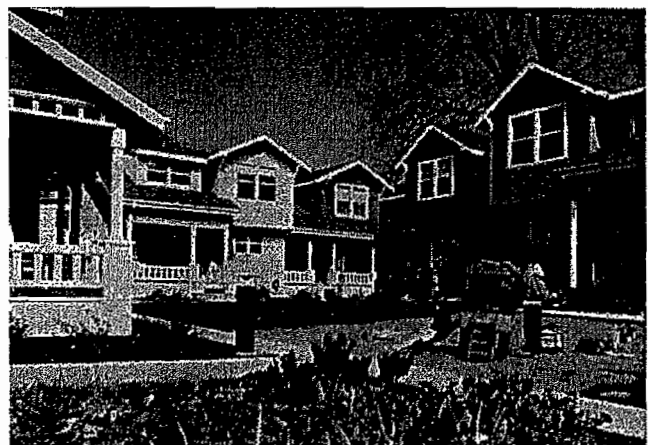
6. **Active Building Façade** – The street side of the buildings should include active design elements such as doorways, windows, porches, balconies, stoops, weather protection features such as awnings and overhangs, and other similar features. The façade of the building on the street-side should be divided into traditional 30-foot increments to provide human scale.
7. **Landscaping, Benches, and Lighting** – The project should incorporate landscaping (a minimum of three inch caliper native shade trees, spaced 30' on center, along all walkways in the complex), benches, and pedestrian scale lighting that promotes a pedestrian-friendly environment.
8. **Mixed Uses** – The project should incorporate appropriately scaled commercial uses for the convenience of local residents, where possible.
9. **Common Space** – The project should provide open public space with recreational facilities and public art.
10. **Fencing** – Solid fencing should not separate the buildings from the street. Open fencing or fencing less than four feet in height is acceptable. Gating the parking/entry area is acceptable, provided that residents in wheelchairs can enter and exit the complex.



Example of a multi-family development that includes many features recommended above:

- ✓ *Street presence*
- ✓ *Wide sidewalks*
- ✓ *On-street parking*
- ✓ *Active façade*
- ✓ *Landscaping*
- ✓ *Mixed uses*

Example of a townhouse-style development that includes open space for residents: a community garden and a children's play area.



Green Building

S.M.A.R.T. Housing requires that all units meet Austin Energy Green Builder minimum standards and obtain Austin Energy approval of plans and final inspection prior to occupancy. Contact Austin Energy Green Builder Program staff (below) for detailed information about Green Builder standards.

Contact the Green Building Program (GBP): Set up a meeting with your GBP contact to find out about the GBP requirements. Do this as early in the planning process as possible, so you can easily incorporate GBP requirements into your design and specifications with the least cost and difficulty.

For Single-Family:	Contact Nathan Doxsey	Phone (512) 505-3706
	Fax (512) 505-3711	E-mail nathan.doxsey@austinenergy.com
For Multi-Family:	Contact Dick Peterson	Phone (512) 322-6172
	Fax (512) 505-3711	E-mail dick.peterson@austinenergy.com

Conditional Green Building Approval: When your design and specifications are complete (including mechanical plan and Manual J for multi-family), fill out the GBP Rating. You must fulfill all of the Basic Requirements, plus a minimum of 40 points from the choice items (60 points if you are building under the Austin Housing Finance Corporation). You are advised to plan for a higher number of points as a safety cushion in case you are unable to qualify for all your choice items upon final inspection. Take all these documents to your GBP contact.

Upon reviewing your documents and GBP Rating, your contact will notify you and S.M.A.R.T. Housing staff of your project status: Conditional Approval, Incomplete, or Denied (and reasons if approval is not given). You will not be given S.M.A.R.T. Housing Certification without a Green Building Conditional Approval.

Construction Process and GB Inspections: Notify your GBP contact upon breaking ground. Call your contact at any time during construction if you have questions about GBP requirements and standards and whether you are meeting them. Your contact will make inspections as needed to verify that GBP requirements are being met.

Final Inspection and Approval: When you are at final mechanical stage, make any needed revisions to your GBP Rating, check the Final Submittal box, and e-mail, fax or mail the GBP Rating to your GBP contact. (To save paper work if you are doing multiple projects/units with one set of specifications, list all addresses to which these specifications apply on the last page of the GBP Rating form.) **Final Green Builder Inspection is required to secure a Certificate of Occupancy, and is separate from any other inspections required by the City of Austin or Austin Energy.**

Your GBP contact will review your GBP Rating and inspect your project as needed. The Green Building Program will send a notice of Final Approval to S.M.A.R.T. Housing staff and mail you an official GBP Rating Certificate for each project you build to GBP standards. This Certificate will serve as proof of your fulfillment of the Green Building component of S.M.A.R.T. Housing. If your project does not meet GBP standards, you will be notified of the reasons.

Standards for Projects Using HB 1704

Projects claiming HB 1704 exemptions should be reviewed by the 1704 Committee to confirm the 1704 status of the subject property. This determination should be complete before the pre-submittal meeting with S.M.A.R.T. Housing staff, development review staff, and the applicant. For more information about the 1704 Committee, contact Jennifer Mayer at (512) 974-2245 or jennifer.mayer@ci.austin.tx.us.

Applicants seeking certification for fee waivers and expedited review for S.M.A.R.T. Housing developments in the Drinking Water Protection Zone must receive City Council approval if they request either an environmental variance or 1704 exemption. S.M.A.R.T. Housing developments in the Drinking Water Protection Zone that do not require environmental variances or 1704 exemption may be approved administratively.

In the Desired Development Zone, S.M.A.R.T. Housing developments requiring environmental variances may be processed administratively if the variance is supported by the Environmental Officer, the Environmental Board, and the Planning Commission. Single-family S.M.A.R.T. Housing subdivisions may claim 1704 exemptions in the Desired Development Zone. Site plans requiring 1704 exemption will not receive certification unless they receive City Council approval.

Because the number of fee waivers are limited on an annual basis as are the resources available for expedited review, the Director of the Neighborhood Housing and Community Development Department will not support 1704 exemptions in the Drinking Water Protection Zone or 1704 exemptions for multi-family developments in the Desired Development Zone.

Other Requirements

Viable Land within City Limits: Developers must have site control of land/lots located within the city limits of Austin. If zoning is not in place, the applicant must contact registered neighborhood associations and address neighborhood concerns prior to filing a zoning application. Projects must be served by existing City infrastructure and services that will not require additional capital expenditures by the City.

Completed on Schedule: Single-family units on infill lots receiving fee exemptions must be completed, sold, and occupied within 15 months of the execution of a contract with the City and/or AHFC. Multi-family units and single-family units in new subdivisions must be completed, sold, and/or occupied within 24 months.

S.M.A.R.T. Housing Benefits for Builders

Fee Waivers

The City of Austin waives fees for developments that the Department of Neighborhood Housing and Community Development has certified as **S.M.A.R.T. Housing**. Fee waivers are limited and will be allocated on a first-come, first-serve basis. See the next page for a complete list of fees waived for developments that meet **S.M.A.R.T. Housing** standards.

How much does the average project receive in fee waivers? While the total fees waived will vary depending on the project (e.g. whether a rezoning is required), fees generally add up to:

Single-family infill: For a 1200 square foot single-family home on an infill lot, permit and water/wastewater capital recovery fees waived would total about \$1300.

Single-family subdivisions: The same fees as single-family infill, with the addition of about \$500 per lot in subdivisions that have not yet been approved and accepted for maintenance.

Multi-family: For the first two years of the **S.M.A.R.T. Housing** program, waived fees have averaged approximately \$580 per unit.

Please note that fee waivers are *not* available for:

- Remodeling of existing residential units (waivers available for new construction only)
- Owners with outstanding Housing Code violations on units or projects on which they are affiliated with the owning entity as a sponsor, partner, or partial owner.
- Owners with outstanding violations on accessibility issues on previously completed units or projects where they are affiliated with the owning entity.

S.M.A.R.T. Housing Review

Because **S.M.A.R.T. Housing** is a City priority, those developments that meet **S.M.A.R.T. Housing** standards are eligible for special **S.M.A.R.T. Housing** review, which is typically faster than the review time for conventional development projects. City staff will work with applicants to move projects through review and inspection as quickly and efficiently as possible.

However, the speed of this review period depends on the applicant's performance as well as staff's. Providing corrections, responding to comments, and ultimately securing an approval in a timely manner is a **shared responsibility of both staff and the applicant's design team**. **S.M.A.R.T. Housing** review will not be available if the applicant fails to respond in a timely manner to City review comments.

Advocacy

S.M.A.R.T. Housing staff will assist you in resolving development-related issues with other City Departments. Staff is available to facilitate discussions and to find solutions.

S.M.A.R.T. Housing Fees Eligible for Waiver

On April 20, 2000 the Austin City Council adopted Ordinance No. 000420-77 creating the **S.M.A.R.T. Housing Policy** and authorizing the administrative authority to waive fees for **S.M.A.R.T. Housing** developments. Fees listed in the ordinance are:

City Department		Fee Types
Water and Wastewater		Capital Recovery (Impact) Fee
Public Works		Construction Inspection Fee
Watershed Protection and Development Review		Development Assessment Fee
		Traffic Impact Analysis Fee
		Traffic Impact Analysis Revision Fee
	Zoning Fees	Regular Zoning Fee
		Interim to Permanent Zoning Fee
		Miscellaneous Zoning Fee
		Zoning Verification Letter Fee
		Board of Adjustment Fee
		Managed Growth Agreement Fee
		Planned Development Area Fee
	Subdivision Fees	Preliminary Subdivision Fee
		Final Subdivision Fee
		Final Without Preliminary Subdivision Fee
		Miscellaneous Subdivision Fee
	Site Plan Fees	Consolidated Site Plan Fee
		Miscellaneous Site Plan Fee
		Site Plan Revision Fee
		Site Plan – Construction Element Fee
	Building Plan Review, Permit, and Inspection Fees	Building Review Plan Fee
		Building Permit Fee
		Electric Permit Fee
		Mechanical Permit Fee
		Plumbing Permit Fee
		Concrete Permit Fee
		Demolition Permit Fee
		Electric Service Inspection Fee
		Move House Onto Lot Fee
		Move House Onto City Right-of-Way Fee

The S.M.A.R.T. Housing Process

Process Overview

For all projects, to begin the S.M.A.R.T. Housing process, contact S.M.A.R.T. Housing staff to have a preliminary discussion about your project. Afterward, meet with Green Builder staff to secure conditional approval for your project. The next step is to submit a completed S.M.A.R.T. Housing application with all required attachments. If your application is approved, staff will provide a letter stating that your project has been certified for S.M.A.R.T. Housing and is eligible to receive fee waivers and expedited review, if the project continues to meet S.M.A.R.T. Housing standards. In most cases, staff meets with the applicant again to review the process and anticipate any possible issues.

For single-family and duplex review, the applicant submits a S.M.A.R.T. Housing residential checklist (and attachments) to S.M.A.R.T. Housing staff. Complete applications are forwarded to the Residential Review staff, who will request corrections as needed. Building permits are issued, construction begins. The applicant notifies Green Builder staff upon breaking ground. Prior to certificate of occupancy, the applicant must contact S.M.A.R.T. Housing staff to obtain a final inspection for Green Building and Visitability compliance.

For multi-family site-plans and single-family subdivisions, S.M.A.R.T. Housing staff will schedule a Pre-Submittal meeting between the applicant, the applicant's design team and City reviewers. At this meeting, staff and applicant establish the S.M.A.R.T. Housing review timeline (typically faster than review times for conventional projects), including the design team's response timeline. Next, the applicant submits plans to S.M.A.R.T. Housing staff for accessibility review, and revises plans as necessary.

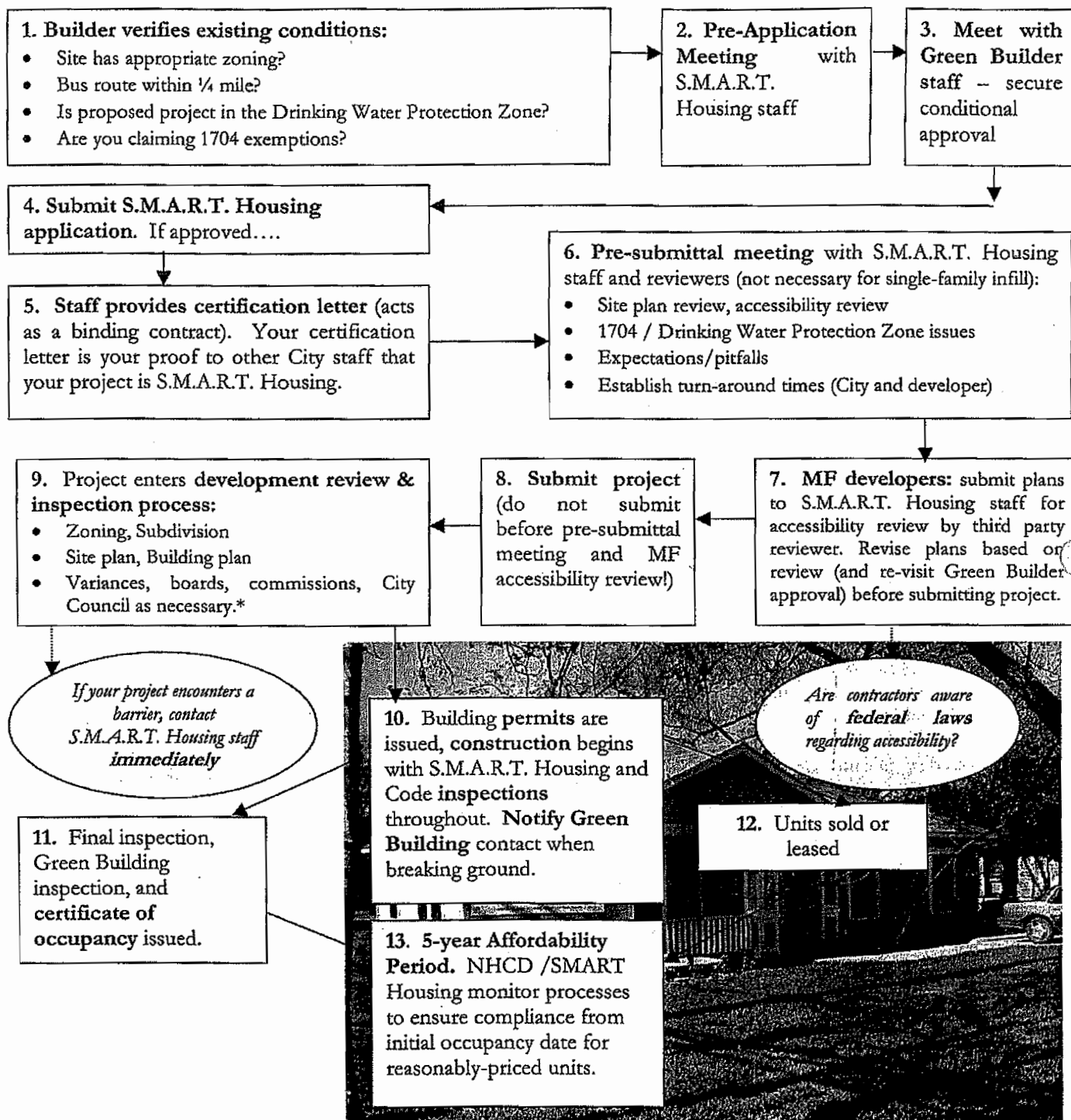
After the pre-submittal meeting and multi-family accessibility review, the applicant submits the project, and review process for subdivision, site plan, and building plan begins. City reviewers provide initial comments and the applicant returns comments within the time periods established during the pre-submittal meeting.

Building permits are issued, and construction begins. The applicant notifies Green Builder staff upon breaking ground. The project receives a final inspection for Green Building and either Visitability or Accessibility.

For all projects, at the time a home or rental unit is ready for occupancy, the S.M.A.R.T. Housing applicant must demonstrate compliance with "reasonably-priced" criteria. S.M.A.R.T. Housing staff will review income verification data for the eligible families at the initial stage of occupancy and throughout the five-year affordability period following initial occupancy. Failure to meet the income eligibility standards throughout the affordability period will result in the applicant being required to return fee waivers and possibly face a zoning rollback if a zoning change was associated with this S.M.A.R.T. Housing application.

Depending on the project's circumstances, other processes may be necessary, such as annexation, zoning, or variances. Applicants are encouraged to select land that is already zoned correctly, and to design projects in such a way as to avoid the need for variances.

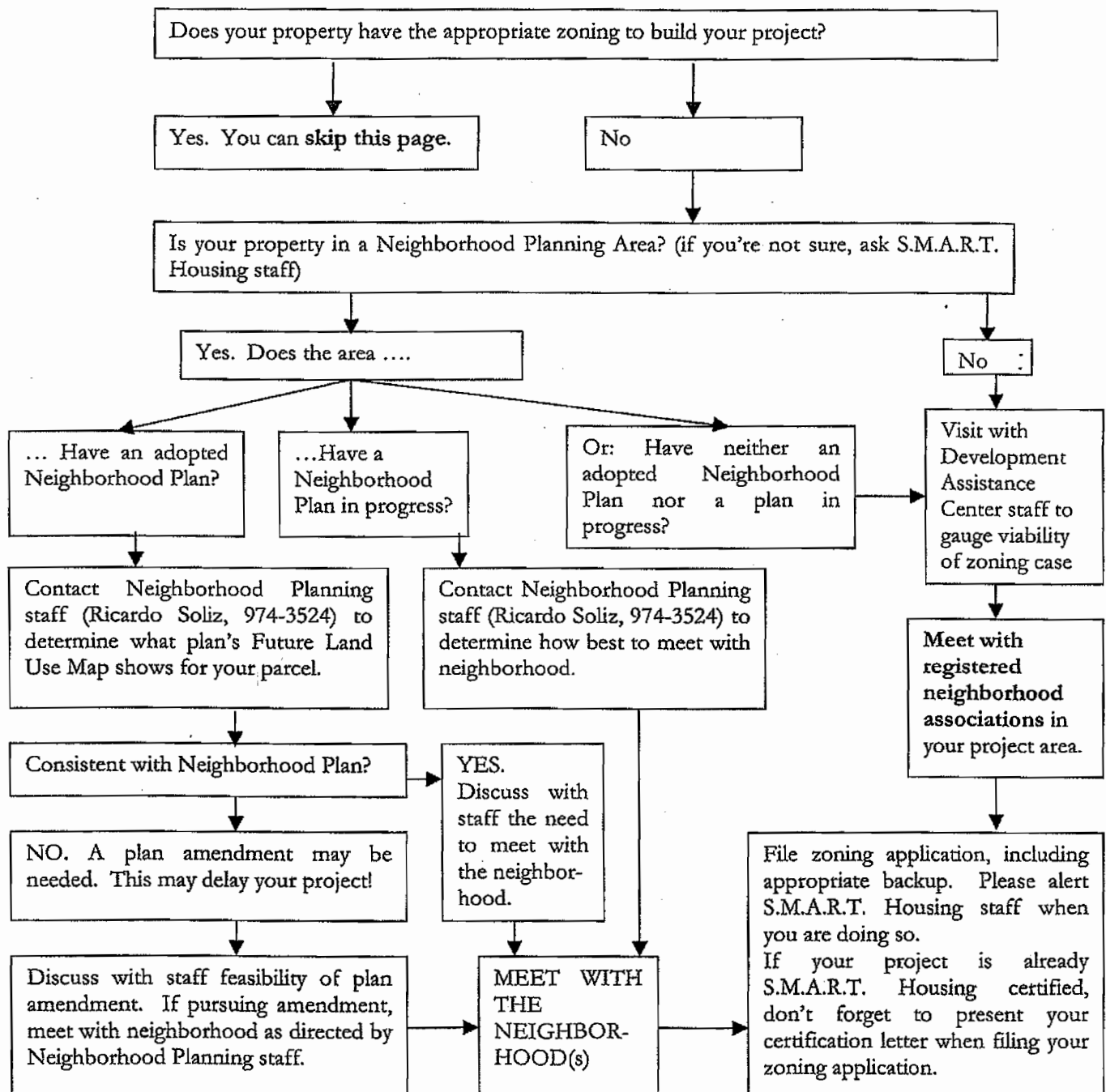
S.M.A.R.T. Housing Process Flowchart



* Staff's experience has been that variances can be a costly delay to projects. Applicants are strongly encouraged to design projects in such a way as to avoid the need for variances.

S.M.A.R.T. Housing Zoning Process

S.M.A.R.T. Housing staff will authorize the waiver of the zoning application fee and the 45-day processing of the zoning change request only after verifying that the applicant has responded to the legitimate concerns of the neighborhood residents. An applicant who proceeds without **S.M.A.R.T. Housing** staff authorization will not receive fee waivers for the zoning application or the 45-day processing.



S.M.A.R.T. Housing Review and Building Permit Process

All new buildings must comply with all codes in effect on the day the building permit application was filed. Detailed building permit application information can be found at <http://www.cityofaustin.org/development>. City staff can assist you in determining the viability of your project: for single family and duplex development, contact the Residential Zoning Review staff at 974-2380. For multi-family development, contact the Permit and License Center at 974-2747.

S.M.A.R.T. Housing Single-Family Building Permits

Participation in **S.M.A.R.T. Housing** provides the applicant with S.M.A.R.T. Housing review times (typically faster) and fee waivers. To achieve the special S.M.A.R.T. Housing review time, the builder must submit a completed single-family building permit application directly to S.M.A.R.T. Housing staff at the Department of Neighborhood Housing and Community Development (505 Barton Springs Rd, Suite 600) for completeness check and sign off. Requirements for S.M.A.R.T. Housing single-family building permit review are as follows:

1. The **S.M.A.R.T. Housing** Residential Completeness Checklist should be attached to your building permit application and plans. The Checklist should be completed and signed.
2. A copy of the **S.M.A.R.T. Housing** certification letter should be attached to the Checklist.
3. The following standard notes for compliance with the Visitability Ordinance must be placed on one page of the building plans you submit with your application for building permit:
 - ◆ An accessible entrance door with a minimum width of 32 inches of net clear opening is required. The door must be served by a ramp or a no-step entrance, and must connect to an accessible route (such as a garage, carport, driveway, or sidewalk).
 - ◆ Interior doorways on the first floor must have a minimum net clear opening of 30 inches (except doors leading into closets less than 15 square feet in area).
 - ◆ Lever handle hardware on first floor interior doors and the accessible entrance door are required.
 - ◆ Hallways are to be at least 36" wide and have ramped or beveled changes at each door threshold.
 - ◆ Bathroom walls are to be reinforced with wood blocking that is two inches by six inches or larger in nominal dimension, and the center line of the blocking must be 34 inches from the bathroom floor.
 - ◆ Each light switch, thermostat, or plug receptacle located on the first floor or outside the building must be at least 18 inches but not more than 42 inches above the floor.
 - ◆ Electrical panels located on the first floor inside the building must be no higher than 42" above the ground and no less than 18" above the ground and be adjacent to an accessible route.
4. Austin Energy should have reviewed and approved your plans for compliance with Green Building standards. They will perform site inspections to verify that the home meets the standards of your approved plans.
5. Your plans should demonstrate compliance with the Transit-Oriented features of **S.M.A.R.T. Housing**, and you must verify that Capital Metro will have a transit route within ¼ mile of your location prior to occupancy of your home(s).
6. Compliance with Green Building and the Visitability Ordinance will be required prior to receiving a certificate of occupancy.

Following these steps will allow the City to process your single-family permit application in an expedited manner.

S.M.A.R.T. Housing Multi-Family Development

In **S.M.A.R.T. Housing**, a multi-family development that has received zoning approval may require subdivision, site plan, and building plan approval before building permits are issued. At the pre-submittal meeting with subdivision and site plan reviewers, the review team establishes the S.M.A.R.T. Housing review timeline and the design team response timeline. If City site plan or subdivision review is required within 14 working days, then the applicant is required to submit revised plans within 14 working days as well. If City staff is required to review corrected plans within 7 working days, then the design team is required to submit revisions to rejected plans within 7 working days. Failure to meet these deadlines can result in loss of the expedited review incentive.

For building plan review, City reviewers return comments on the original plans within seven working days. The City's building plan review team will not begin its review unless the building and site plans incorporate the review comments from Austin Energy's Green Building reviewer, S.M.A.R.T. Housing's accessibility reviewer, and the S.M.A.R.T. Housing Guide's transit-oriented requirements. The applicant's design team must submit corrected plans within seven working days of when the customer receives building plan review comments. City building plan reviewers will review corrected plans within two working days, and the design team is required to submit final corrections within two working days. Failure to meet these deadlines can result in loss of the special S.M.A.R.T. Housing review times.

Because your proposed **S.M.A.R.T. Housing** multi-family development has been certified to receive **S.M.A.R.T. Housing** incentives, please ensure that your design team understands its responsibility to respond in a timely manner.

2. BUILDING IN AUSTIN: BUILDING STANDARDS AND PROCESS

Overview

When a development is funded only with private dollars, the owner and contractors are required to comply with development standards based upon whether the development is a new home or a multi-family building site; an addition; a relocated building; or a building that is repaired, rehabilitated or replaced. For developments located within the city, these development standards include land use regulations, building codes, and utility connection requirements.

Land use regulations prohibit construction if the zoning is not appropriate. A zoning change approved by the city council is required before plans can be approved, permits issued, and construction activity begins. If the site is in certain flood-prone areas, the housing may be required to be elevated, or not built at all unless the city council grants a variance. If the site is over a former landfill, special testing and design review and approval by a state agency may be required before the city approves the development plans. Subdivision regulations may establish minimum lot sizes, minimum house size, setbacks, height restrictions, use restrictions, or sidewalk location requirements that are different than those found elsewhere in the Land Development Code. These are not the only land-use issues that may surface, but they may delay a project until they are addressed.

Building codes establish minimum standards for new and existing buildings that may be used for housing. In single-family housing, these include the structural, electrical, mechanical (heating and air-conditioning), plumbing, exiting, and energy conservation features of the building. In multi-family housing, accessibility for mobility-impaired persons, fire-resistance and early-warning systems become part of plan preparation, reviews construction, and inspection processes.

Utility connection requirements link the land use and building code regulations to safety requirements for supplying electricity, natural gas, water, and sewer service when a building is ready for occupancy. The City of Austin provides electrical, water and wastewater services to most people who live inside the city limits; however, some residents receive service from other providers or on-site systems. The owner and contractor need to be aware of the service provider to the property and follow the regulations that may be unique to that particular utility.

Review Requirements for Historic Buildings and Historic Districts: The city reviews proposed demolitions, relocations, alterations or modifications, and new construction of buildings in historic districts and of those buildings designated as historic landmarks or if the building to be relocated or demolished is listed on a survey of historical resources. The City Historic Preservation Officer reviews all proposed demolitions, relocations to determine if the affected buildings are potential historic landmarks. If these are existing or potential landmarks, the Historic Landmark Commission, the Planning Commission, and the City Council may review the proposal as well.

Demolition: The City of Austin requires that you or your demolition contractor secure a permit before the demolition may begin. You may want to verify whether you can build your project before you tear down a building that cannot be replaced. For more information contact the Development Assistance Center at 974-6370 or visit the web site at: <http://www.cityofaustin.org/development>.

Before beginning, ensure that the building to be demolished is not a historic building or in a historic district. To find out the zoning on any property in the City of Austin or to determine if the property is in a historic district, contact the Map Sales Division at (512) 974-2213, -3347, or -2297.

All Building Projects: Before You Begin...

If you have a set of plans for your project, City reviewers will assist you in determining the viability of your project.

How do I figure out whether the lot is properly zoned for the house I want to build?

To find out the zoning on any property in the City of Austin, you can contact the Map Sales Division at (512) 974-2213, -3347, or -2297.

The basic questions to answer are:

- Is my lot in a flood plain or a Critical Water Quality Zone?
- Does the zoning on the lot allow for the proposed development or would I need a zoning change?
- Can I build development so that it will be far enough away from the front property, the rear property line; the side yards, easements, and protected trees?
- Can I build this house within the building coverage limits and impervious cover limits established in my zoning district?
- Can my home meet the height limitations of the zoning district?
- Does my lot meet the minimum width and area requirements?
- Is there a Board of Adjustment decision that governs construction on this site?
- Is the lot on which I plan to build the home historically significant, located in a historic district, listed in a city historic inventory, or recognized as historically significant by the state or federal government?

Other issues to consider are that there may be notes on your subdivision plat, a restrictive covenant, or your deed restrictions that provide additional limitations on how you can use your property. A title company or real estate appraiser can secure this information for you, and it is important to know this before you submit your plans for City review.

Other requirements are triggered if the building is located in the 100-year flood plain or the 25-year flood plain. The Development Assistance Center will assist you in determining your options if you are in a flood plain. You can check to see where the flood plain is by looking at the Internet Web site for the Development Process <http://www.cityofaustin.org/development> and clicking on "GIS - Geographic Information."

Most lots have standard legal descriptions such as Lot 1, Block 2, Fred's Subdivision. Others are described with less conventional descriptions that will raise questions about whether the tract complies with subdivision standards. The Development Assistance Center determines whether the lot or tract was legally subdivided or "grandfathered" or whether you would need to apply for and receive a subdivision approval administratively or from the Planning Commission before you could place any improvements on the lot. Like zoning, if a subdivision approval is needed, it must be obtained prior to the issuance of any building permits.

Federal and State Standards

In addition to City of Austin standards, federal and state agencies enforce additional requirements. Some of these standards govern all housing, while others are limited to specific types of development. Federal and state agencies may require compliance with additional environmental standards if federal or state funding is used.

The City of Austin has established purchasing, contract administration, and monitoring systems that include compliance with applicable regulations as well as standards of performance included in specific contracts. Regulatory requirements for publicly funded developments may include compliance with standards in the following areas: labor standards; payment for relocation of current residents; fair housing and equal opportunity; accessibility for persons with disabilities; property maintenance; historic preservation; environmental protection; and applicant eligibility based upon income. The City offers training for contractors and applicants on regulatory and performance requirements. This training is designed to eliminate problems that have arisen in the past when owners, contractors or applicants were not fully aware of their responsibilities. The City of Austin monitors compliance with all applicable regulations.

Labor Standards

Labor standards include federal and state workplace safety standards as well as provisions for minimum wages and other conditions of employment. Different funding sources bring with them specific labor standards, and these labor standards may be triggered when a development builds or rehabilitates a certain number of units or when a certain amount of federal funding is provided for the development. Contracts should include language that clarifies which labor standards govern a particular project, and provide details about when the owner or contractor will have to submit reports that establish compliance with the applicable labor standards.

Acquisition and Relocation Standards

Federal regulations establish the basis for fair treatment of residents who may be displaced or relocated when a property is bought, sold, or rehabilitated with federal funds. These standards supplement the City of Austin policies that may govern these activities if city funds are used in this activity as well.

Fair Housing and Equal Opportunity Standards

Federal regulations allow all people to have access to available services and assistance regardless of their race, color, religion, national origin, age or sex. The City of Austin investigates complaints of discrimination and takes appropriate action when violations are identified.

Environmental Protection

If the proposed S.M.A.R.T. Housing development receives federal assistance, the applicant must secure environmental approvals from both the City review staff and the agency supplying the funding prior to building permit issuance. These reviews may include review for compliance with flood plain regulations, redevelopment standards for former landfills, setbacks from pipelines and easements, noise mitigation and other environmental standards.

3. APPENDIX

S.M.A.R.T. Housing Process Checklist

- All Projects**
- ☐ Read the **S.M.A.R.T. Housing Guide**. Will your project meet **S.M.A.R.T. Housing** standards?
 - ☐ Verify existing conditions:
 - ☐ Does the property have the zoning needed for your project?
 - ☐ Is the property within City limits? If not, talk to **S.M.A.R.T. Housing** staff about voluntary annexation process.
 - ☐ Is there a bus route within ¼ mile with peak hour service every 20 minutes or less?
 - ☐ Is the property in the Drinking Water Protection Zone?
 - ☐ Are you claiming HB 1704 exemptions? If so, have you met with the City's 1704 Committee?
 - ☐ Have a Pre-Application Meeting with **S.M.A.R.T. Housing** staff, to identify any major issues related to subdivision or site plan approval
 - ☐ Have a meeting with Green Builder staff and secure Conditional Approval.
 - ☐ Submit **S.M.A.R.T. Housing** fee waiver application.
 - ☐ City staff reviews the application for completeness and verifies whether a zoning change is required for the proposed development.
 - ☐ City staff will provide the applicant a Certification Letter stating that certain fees will be waived.
 - ☐ Have a post-certification meeting with **S.M.A.R.T. Housing** staff to discuss **S.M.A.R.T. Housing** process and identify any potential issues.
- Single-Family and Duplex**
- ☐ **Single-Family and Duplex Plan Review:** The applicant submits the following information to **S.M.A.R.T. Housing** staff for review and approval.
 - ☐ A completed **S.M.A.R.T. Housing** Residential Checklist.
 - ☐ All of the attachments listed in the **S.M.A.R.T. Housing** Residential Checklist
 - ☐ A copy of the **S.M.A.R.T. Housing** Certification Letter
 - ☐ A Green Building Conditional Approval from Austin Energy
 - ☐ Plan details demonstrating compliance with transit-oriented and visitability standards
 - ☐ When accepted, the application will be reviewed by City zoning staff, who will approve or reject **S.M.A.R.T. Housing** applications within two working days of receipt. Applicants are expected to submit all corrections within two working days after requested by zoning review staff. Corrected plans are reviewed within two working days, and the applicant must correct rejected plans within two working days. Applicant failure to respond in a timely and complete manner will result in the discontinuation of **S.M.A.R.T. Housing** review, and review times will revert to a conventional pace.
- Sub-divisions and Multi-Family**
- ☐ **Subdivision and Site Plan Approval:** NHCD will schedule a Pre-Submittal Meeting between the applicant and City reviewers after the applicant has prepared conceptual plans and is preparing to enter completeness check stage of review. At this meeting, staff and applicant establish the review timeline, including the design team's response timeline.
 - ☐ (Multi-Family only): Submit plans to **S.M.A.R.T. Housing** staff for accessibility review. Revise plans based on review (and re-confirm Green Builder approval) before submitting project.
 - ☐ Submit project (not before pre-submittal meeting and multi-family accessibility review!). Development review & inspection process begins.
 - ☐ Variances, boards, commissions, Council as necessary. Applicants are strongly encouraged to design projects in such a way as to avoid the need for variances.

Subdivisions
and
Multi-Family

- ☐ If the applicant has not secured zoning, the subdivision or site plan approval must wait until the zoning is approved and the plans conform to any conditional overlays that may have been attached to the zoning approval.
- ☐ Respond to the review comments for **S.M.A.R.T. Housing** accessibility, transit-oriented design, and Green Building.
- ☐ City reviewers provide initial comments within 14 working days, and the applicant is expected to resubmit fully corrected plans with 14 working days. The City will review corrected plans within seven working days, and the applicant must resubmit final corrections within seven working days. The following circumstances will take the application out of the fast track review process, until issues are resolved:
 - A pending request for a zoning or parking variance before the Board of Adjustment
 - A request for an environmental variance not supported by the City's Environmental Officer
 - A pending request for a conditional use permit, compatibility waiver or environmental variance before the Planning Commission or the Zoning and Platting Commission.
 - A claim of House Bill 1704 exemption for the development.
 - A Service Extension Request to the Water and Wastewater Utility.
 - Failure of the applicant to respond timely and completely to the comments generated by City reviewers, or to comments related to **S.M.A.R.T. Housing** accessibility or transit-oriented review.
- ☐ **Building Plan Review (Multi-family only):** Building plan reviewers return comments to the applicant within seven working days of initial submittal. The applicant is expected to resubmit corrected plans within seven working days. The corrected plans will be reviewed within two working days, and additional corrections must be resubmitted to City reviewers within two working days.

All
Projects

- ☐ Building permits are issued, construction begins.
- ☐ If your project encounters a barrier, contact **S.M.A.R.T. Housing** staff immediately.
- ☐ Ensure that contractors build from approved plans, especially regarding accessibility/visitability standards. For multi-family, some accessibility standards are **federal law for all projects**.
- ☐ Notify Green Building staff when breaking ground.
- ☐ Notify **S.M.A.R.T. Housing** staff to request accessibility/visitability and transit-oriented inspection.
- ☐ Notify Green Building staff when project complete.
- ☐ Final inspection.
- ☐ Certificate of Occupancy issued.
- ☐ Lease or sell units.
- ☐ Five-year affordability period begins. At the time a home or rental unit is ready for occupancy, the **S.M.A.R.T. Housing** applicant must demonstrate compliance with "reasonably-priced" criteria. Applicants must not only make their income verification data available for City staff review at the initial stage of occupancy, but also throughout the five-year affordability period after initial occupancy. Applicant failure to meet the income eligibility standards throughout the affordability period will result in the applicant being required to return fee waivers and possibly face a zoning rollback if a zoning change was associated with this **S.M.A.R.T. Housing** application.

S.M.A.R.T. Housing Application for Certification

DEPARTMENT OF NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT APPLICATION FOR EXEMPTION FROM PAYMENT OF CAPITAL RECOVERY FEE, DEVELOPMENT REVIEW AND INSPECTION FEES AND CERTAIN SUBDIVISION CONSTRUCTION INSPECTION FEES

I, the undersigned duly authorized representative of _____ (the "Applicant"), the owner of the proposed residential development described in the S.M.A.R.T. Housing Application, do hereby make application to the Neighborhood Housing and Community Development Office (NHCD) as administrator of the City's S.M.A.R.T. Housing Program in accordance with the program guidelines for _____ residential units to be exempted from the payment of the Capital Recovery Fees and other available fee waivers, and I do hereby declare and represent as follows:

The applicant intends to construct _____ Single-family homes to be sold to qualified homebuyers or to construct and operate a _____ unit Multi-family rental residential development (the "Development") to be located within the City of Austin, Texas, and desires that the City exempt the development from the payment of Capital Recovery Fees and other available fees in accordance with the S.M.A.R.T. Housing Resolution.

The Applicant has received a copy of the S.M.A.R.T. Housing Guide and having read this document, hereby agrees to comply with all terms of the rules including meeting the minimum Green Building standards, the Accessibility and Visitability standards required by the S.M.A.R.T. Housing Resolution, and the Transit-Oriented standards in the S.M.A.R.T. Housing Guide.

The Applicant has submitted herewith a completed copy of the S.M.A.R.T. Housing Application. To the best of the Applicant's knowledge, the information contained therein is true and correct.

The Applicant, if awarded the exemptions, hereby agrees to execute a contract with NHCD for the receipt of the exemptions. The Contract will contain such provisions as are necessary to carry out the requirements of the Programmatic exemption included in the Land Development Code.

Before issuance of the Certificate of Exemption, the Applicant will execute a note or surety bond, payable to NHCD in the amount of the number of exemptions granted multiplied by the fees required for the particular project and a Deed of Trust and/or restrictive covenant as specified by the Ordinance sufficient to assure that any designated reasonably priced Unit receiving the exemption will be occupied by an eligible family with income at 80 percent or below the Median Family Income (MFI) and requiring an affordability period of at least five years. If the unit is not occupied timely of execution of the note, the Applicant will pay the required Capital Recovery Fee and other required fees and forward this payment to the Neighborhood Housing and Community Development Office (NHCD) for repayment to the respective City departments due the fees.

WITNESS MY HAND THIS _____ DAY OF _____, 20____.

(NAME OF APPLICANT)

BY: _____

TITLE: _____

S.M.A.R.T. Housing Application for Certification

APPLICANT AND DEVELOPMENT INFORMATION

1. Name and contact information for the Applicant; i.e., the entity that currently has site control and will build the units for which exemption from payment of Capital Recovery Fees; development review and inspection fees; and certain subdivision construction inspection fees are requested (referred to hereinafter as the "Development").

Name:	Telephone: (office) (mobile)
Organization:	Fax:
Address and Zip:	Email:

2. Form of Organization of the Applicant:

☐ Corporation ☐ Limited Partnership ☐ General Partnership
☐ Sole Proprietor ☐ 501(c)3 Nonprofit Corporation

3. If the Applicant is a corporation, identify its officers and indicate their titles. If the Applicant is a partnership, identify its general partner or general partners (include occupation, title, address and telephone number).

4. Contact information for the representative of the Applicant with whom staff should communicate.

Name:	Telephone: (office) (mobile)
Organization:	Fax:
Address and Zip:	Email:

5. List of street addresses and/or description of the Development site (Please attach a legal description of the Development and, if a single-family project, a list of the lots and addresses).

(Attachment No. 1: Legal description and list of lots and addresses).

6. Has the City of Austin accepted the subdivision for maintenance and can a building permit be secured? Yes ☐ No ☐
7. Does the project have site plan approval? Yes ☐ No ☐
8. Will the subdivision be developed in phases? Yes ☐ No ☐ If so, how many lots per phase? _____

9. What is the current zoning of the property? _____
If a rezoning is required, what zoning will be proposed? _____
10. If the Applicant presently owns the Development site, indicate: (Include copy of Title Commitment, Escrow Contract or other document sufficient to show site control). If an option, what is the option expiration date? _____

(Attachment No. 2: Proof of Site control such as contract, option, deed, dedicated plat, etc.)

11. If the applicant does not presently own the Development site, please describe any relationship that exists by virtue of common control or ownership between the Applicant and the present owner of the Development site. If none, please write "none."
- _____

12. Estimated date to begin building construction: _____

13. Estimated date of completion: _____

14. **Please attach** a map or diagram indicating the Development's proximity to public transportation, places of employment, public parks, libraries, EMS/fire station or police substations, community centers, schools, flood plains, railroad tracks, or former landfill locations. (A photocopied map with locations highlighted is sufficient)

(Attachment No. 3: Availability of Infrastructure: Site map with proximity to items listed above)

15. Describe any additional facilities to be included in the Development such as parking, laundry, office or recreational facilities.

16. Indicate which of the following, if any, tenants/owners will be required to pay on an individual basis.

_____ Electricity _____ Water and Sewer _____ Garbage Pickup _____ Gas

17. **Attach** a summary of prior development experience of the applicant or its principals, indicating date of project, size of project, type of project, and location of project. If a nonprofit, include name and experience of contractor who will build the units.

(Attachment No. 4: Experience and/or track record of developer – may be omitted if applicant has previously received exemptions under this program)

18. Indicate any subsidy, loan guarantee, Bond Financing, Issuer of Bonds, Low Income Housing Tax Credit, down payment assistance, or other subsidy for which the Applicant has received a commitment, has made, or intends to make, application with respect to the Development. If none, please write "none."

Indicate percentage and number of units of the project targeted to moderate income (families with income 80 percent of MFI or below), very low income (families with incomes at 50 percent or below MFI). If some or all units will be reserved for persons with special needs, and/or Section 8 families, please note this below.

____ % of the units will be sold or rented to families with income at ____ % MFI or below
 ____ % of the units will be sold or rented to families with income at ____ % MFI or below
 ____ % of the units will be sold or rented to families with income at ____ % MFI or below

19. Indicate if your organization is a Community Based Development Organization (CBDO), Community Housing Development Organization (CHDO) or other nonprofit.

20. Indicate the number of units, type (number of bedrooms), approximately size (square footage), and projected rents, or in the case of single family homes, projected selling price of the units. **If necessary, attach additional pages.**

(Attachment No. 5: Details of the development)

____ Number of Houses or Units with ____ bedrooms, ____ baths, ____ sq. ft. of living area

Land/Lot Cost:	Construction Cost:
Selling Price:	Monthly Rental (for rental developments):
Selling Price per Square Foot:	Monthly Rental per Square Foot:

For Single Family, will the development be:

☐ site-built, or ☐ manufactured homes, manufactured by _____ company
 (note: manufactured homes for single-family development must be installed on **permanent foundations**)

21. Are you considering applying for gap financing from NHCD/AHFC to complete your development?
Note: Some NHCD/AHFC federal funding sources have environmental, labor, and monitoring requirements beyond S.M.A.R.T. Housing requirements. ☐ Yes ☐ No

If yes, applicant must also complete and submit appropriate supplemental financing application.

Applicant hereby submits this completed Application for Fee Exemptions Questionnaire with the required attachments to Neighborhood Housing and Community Development for consideration.

Submitted this ____ day of _____, 20__.

 Applicant's Signature

Enclosures: Attachment No. 1 – Legal Description and List of lots and addresses
 Attachment No. 2 – Proof of site control
 Attachment No. 3 – Availability of infrastructure
 Attachment No. 4 – Experience and track record of developer/contractor (may be omitted if Applicant has previously received exemptions under the program)
 Attachment No. 5 – Details of the Development

S.M.A.R.T. Housing Residential Completeness Check

Address: _____

Name of development/S.M.A.R.T. Housing Applicant: _____

Neighborhood Planning Area (if applicable): _____

Zoning District for this site is: _____

	<u>Required</u>	<u>Proposed</u>
Setbacks:		
• Front yard	_____	_____
• Rear yard	_____	_____
• Interior side yard	_____	_____
• Street side yard, if applicable	_____	_____
Building coverage limit	_____	_____
Impervious coverage limit	_____	_____

The following items are included in this submittal:

- ___ Completed residential application
- ___ Copy of S.M.A.R.T. Housing Certification Letter for the development
- ___ Visitability Standards appear on one page of the building plans
- ___ Full legal description (including amended or resubdivision, section and phase number)
- ___ One original plot plan and 2 copies (no reduced or faxed copies) drawn to engineer's scale showing entire lot dimensions and dimensions of all proposed buildings. Pages no larger than 8 1/2 x 14.
- ___ Plot plan shows decks, balconies, exterior stairs, bay windows, overhangs, required sidewalks, all easements (as required by subdivision plat); and
 - Front, street side yard, interior side yard, rear yard setbacks
 - Location of storm sewer inlets (or note if none within 10' of side property lines)
 - Water meter locations
 - Location of manholes, transformers, and pull boxes
- ___ Floor plans match plot plan.
- ___ Elevations showing height dimensions of front, side, and rear.
- ___ Copies of any variances granted, easement releases, or any other approvals granted by City Boards, Commissions, or Council.
- ___ Septic system permit (if applicable), or waiver form with a copy of the Health Dept. application.
- ___ Documentation of a joint access agreement (if required to satisfy access requirements).

Signature of owner/agent

Date

Forwarded to Zoning Review by S.M.A.R.T. Housing

Time

Date

The AHFC and the City of Austin are committed to compliance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, as amended. Reasonable modifications and equal access to communications will be provided upon request. Please call (512) 974-3100 (voice) or Relay Texas at 1-800-735-2989 (TDD) for assistance.

The AHFC and the City of Austin do not discriminate on the basis of disability in the admission, access to, treatment, or employment in their programs and activities. Dolores Gonzalez has been designated as the City's Section 504/ADA Coordinator. Her office is located at 206 East 9th Street, 14th Floor. If you have any questions or complaints regarding your Section 504/ADA rights, please call Dolores Gonzalez at (512) 974-3256 (Voice) or (512) 974-2445 (TTY).

This publication is available in alternative formats. Please call (512) 974-3100 (Voice) or Relay Texas at 1-800-735-2989 (TDD) for assistance.

ATTACHMENT 2

RESOLUTION NO. 030515-04

WHEREAS, the development of a proposed mixed-use project containing residential and non-residential uses, known as "The Domain," generally bounded on the north by Duval Road, on the west by Loop 1, on the south by Braker Lane, and on the east by Burnet Road, will provide substantial economic benefits to the City by adding to the City's ad valorem tax base, attracting significant new sales tax revenues into the City, revitalizing an underdeveloped industrial/manufacturing area, creating a substantial number of new jobs, providing SMART Housing opportunities, and providing financial assistance to small local businesses and adding significant new tax revenues to Capital Metro and the Austin Independent School District; and

WHEREAS, the SMART Housing component of the project will include 10% of the residential units being made available as reasonably priced units, helping to maintain a base of housing within Austin that is available to Austin workers with a range of incomes; and

WHEREAS, mixed use development of the kind proposed in The Domain is unlikely to occur without a public/private partnership, and the proposed development is likely to attract business from inside and outside the Austin area; and

WHEREAS, the proposed incentives and estimated return of tax revenue are calculated and based solely on the commercial portion of the project; and

WHEREAS, a proposed \$1,000,000 assistance fund for small businesses to be located at the project will help to foster and maintain small businesses in the area; and

WHEREAS, The Domain is located in the City's Desired Development Zone; and

WHEREAS, the City Council has determined that the commercial impact of The Domain will be a catalyst for economic development benefiting the entire community, will promote local economic development, and will stimulate business and commercial activity in the municipality; and

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes local economic development programs, and the proposed incentives constitute an economic development program of the City, and promote the public purpose of economic development; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

1. The City Council adopts the above recitals as findings.

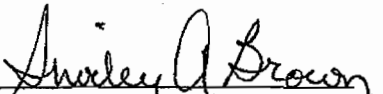
2. The City Manager is directed and authorized to negotiate and execute the Economic Development Agreement with the developer, Endeavor Real Estate Group or its affiliate ("Endeavor"), in substantially the form attached as Exhibit A to this resolution, under the authority of Chapter 380 of the Local Government Code, with additional provisions as follows:
 - a. The City Manager is directed to negotiate an additional provision requiring that Endeavor will use good faith efforts to cause their agents and contractors to comply with the spirit and intent of the City's Minority and Women Business Enterprise ordinance and retain a third party consultant specializing in outreach to Minority/Women Business Enterprise contractors and consultants.
 - b. The City Manager is directed to negotiate an additional provision to increase the annual sales tax revenue rebate by 2% for each year of the rebate, and require that the additional 2% be deposited with the Austin Housing Finance Corporation for use in providing affordable housing. This requirement is made with the goal of increasing the contribution of this economic development project to affordable housing in the city in order to promote the availability of housing to citizens with a range of incomes, which is a public purpose of the city and which promotes economic development by enabling workers of all incomes to live affordably in Austin.

- c. The City Manager is directed to negotiate a provision requiring that in order to make the ten percent (10%) of the units that comply with the affordability guidelines even more affordable to lower wage earners, Owner shall further reduce the affordability index from eighty percent (80%) of the median wage to sixty five percent (65%). The Owner shall be allowed to recoup the economic impact on the Project resulting from this reduction through economic development contributions received from Travis County, if any. Any funds received from Travis County shall first be used for this purpose and then the remainder shall be applied to reduce the Maximum Payment Amount, subject to the provisions set forth in Section 5d of the draft Economic Development Agreement. Owner shall not be obligated to make this reduction unless economic development contributions are available from Travis County in an amount sufficient to reimburse Owner for the economic impact of this reduction.
- d. The City Manager is directed to amend page 4, b. iii or vii of the draft Economic Development Agreement to require the annual report for monitoring the agreement to include the description of the distribution of funds, description of advertising targeted to promote small business inclusion and the balance of funds; and to include provisions to allow for an exit interview with any small and local business leaving the Domain project after having located there; and further page 4, No. vii, the first

sentence should read, "The Domain Fund activities and performance measures/outcomes will be monitored by the City Manager for compliance with the above parameters. Performance results should be analyzed in terms of cumulative and long term presence of small and local business at the Domain."

ADOPTED: May 15, 2003

ATTEST:


Shirley A. Brown
City Clerk

L:\CLW\GC\GLA\mdrmiscouncilitems\5-15-2003\#1705 Domain final res

EXHIBIT A TO COUNCIL RESOLUTION

DRAFT
5/14/03

CITY OF AUSTIN / ENDEAVOR REAL ESTATE GROUP,
or its affiliates

CHAPTER 380

ECONOMIC DEVELOPMENT AGREEMENT

This Chapter 380 Economic Development Agreement ("Agreement") is made and entered into by and between EGP MANAGEMENT, L.L.C., a Texas limited liability company, its successors and assigns ("Owner") and the CITY OF AUSTIN, TEXAS, a home rule city and municipal corporation ("City").

RECITALS

WHEREAS, City has adopted Resolution No. ____, attached as Exhibit "A" ("Resolution"), establishing and authorizing the City Manager to make economic development grants to Owner in recognition of the positive economic benefits to the City through Owner's efforts to develop approximately forty-two (42) acres not to exceed fifty five (55) acres of land more particularly described on the attached Exhibit "B" ("Property") as a mixed use project containing residential and non-residential uses; and

WHEREAS, the City desires to offer incentives to Owner over a period of time which will enable Owner to develop the Property in a manner proposed by Owner;

WHEREAS, such property is within City's Desired Development Zone, will provide rental units in compliance with the City's S.M.A.R.T. Housing Program, will assist small local businesses, will add significant new revenues to the City's tax base and will create jobs which will help stimulate the overall local economy; and

NOW, THEREFORE, in consideration of the mutual benefits and promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Owner agree as follows:

1. Authority. The City's execution of this Agreement is authorized by Chapter 380 of the Texas Local Government Code and the Resolution and constitutes a valid and binding obligation of the City. Owner's execution and performance of this Agreement constitutes a valid

and binding obligation of Owner in the event Owner proceeds with the development of the Property. The City acknowledges that Owner is acting in reliance upon the City's performance of its obligations under this Agreement in making its decision to commit substantial resources and money to develop the Property.

2. Definitions.

"Ad Valorem Tax Effective Date" is the first January 1st following the issuance of a certificate of occupancy for the Project or the first phase if constructed in phases (defined below).

"Ad Valorem Tax Revenues" means the amount of property taxes collected by the City on real and personal property owned or leased by Owner, a portion of which will be repaid to Owner in the form of Chapter 380 Payments. With respect to property leased by Owner, property tax revenues include that portion of annual tax, prorated on a daily basis, which is attributable to the period in which Owner was the lessee of such property.

"Chapter 380 Payment(s)" means the amount paid by the City to Owner under the Program (defined below).

"Effective Date" is the date this Agreement is signed by the City and Owner.

"One Cent Sales Tax Revenues" means that portion of Sales Tax Revenues (defined below) resulting from the imposition of a one percent municipal sales tax, such as that presently in effect pursuant to Texas Tax Code §321.101(a) and §321.103. If the City ever elects to charge less than a one percent (1%) sales tax but is allowed by law to collect a sales tax of one percent (1%) or more, then instead of being based on actual collections, One Cent Sales Tax Revenues attributable to sales tax collected shall be deemed to be computed as if the City did elect to charge a one percent sales tax.

"Program" means the economic development program established by the City pursuant to Texas Local Government Code Chapter 380 and under the Resolution to promote local economic development and stimulate business and commercial activity within the City.

"Project" is Owner's planned development of the Property which shall consist of a "Class A" urban village. The Domain Urban Village Project is anticipated to include approximately 500,000 – 670,000 square feet of some or all of the following uses: lifestyle shopping, restaurants, entertainment, grocery, medical office, hotel and/or recreation space and a minimum of 300 S.M.A.R.T. Housing units. The Project will include wide sidewalks in the retail-pedestrian areas (standard sidewalks along traffic thoroughfares where required), significant public open space with outside pedestrian amenities, such as: benches, landscape features, fountains or water features, dining areas and a combination of surface and structured parking.

"Project Area" is the area within the Property which will be developed for the Project.

"Sales Tax Effective Date" is the date which is one hundred eighty (180) days after

Owner's receipt of the first certificate of occupancy for the Project or the first phase, if constructed in phases.

"Sales Tax Revenues" means the amount of sales tax collected by City arising from the Project, a portion of which will be paid to Owner in the form of Chapter 380 Payments. Sales Tax Revenues consist of two (2) components:

a. "Sales Tax Collected" - The City's share of all sales tax collected from or attributable to the Project; and

b. "Sales/Use Tax Paid" - Any sales/use tax paid by Owner which results in sales/use tax revenue to the City.

The term "Sales Tax Revenues" shall include any taxes authorized by the State in the future which are intended to replace sales or use tax revenues currently available to the City.

3. Term. This Agreement shall become enforceable upon execution by the City and Owner and shall be effective on the Effective Date. Owner and the City shall confirm the Effective Date in writing once it has occurred. This Agreement shall terminate upon the earlier to occur of (i) twenty (20) years after the Ad Valorem Effective Date or the Sales Tax Effective Date, whichever is later or (ii) Owner's receipt of the total Chapter 380 Payments equal to the Maximum Payment Amount (defined in Section 5d). In recognition of the fact that Chapter 380 Payments by necessity are calculated and paid after taxes have been assessed and paid to the City, and therefore always run in arrears, the term of this Agreement shall be deemed to include any payments otherwise due and payable to Owner which extend beyond the original term of the Agreement.

4. Owner Obligations. In consideration of the City's participation in the Program, if Owner proceeds with the Project, Owner agrees that the following performance guidelines shall be met:

a. Commencement of Project. Owner shall issue a notice to proceed to a contractor to commence construction of the Project no later than four (4) years after the Effective Date and shall diligently pursue such construction. In the event that Owner fails to commence construction of the commercial portion of the project within such four (4) year period, Owner shall reimburse City for any Chapter 380 Payments received by Owner prior to such date and this Agreement shall terminate and be of no further effect.

b. Support for Small Local Businesses. During the term of this Agreement, Owner will use One Million Dollars (\$1,000,000) of the total Chapter 380 Payments to assist small local businesses to locate at the Project. The small, local business fund for The Domain ("Domain Fund") will operate under the following parameters:

i. The Domain Fund shall be fully capitalized ~~within twelve months of completion upon commencement~~ of construction of the first phase of the Project ~~with at least Five Hundred Thousand Dollars (\$500,000).~~

- ii. The funds shall be used to attract and facilitate the presence of small, locally-owned businesses to The Domain from Travis, Williamson and Hays Counties.
- iii. The funds shall be generally used for each endowment fund candidate in some or all of the following manners:
 - * To be set aside for the cost of designing/constructing the interior improvements of a tenant's premises, and/or
 - * To be set aside as security (collateral) for small business loans made to a tenant, and/or
 - * To be used toward all or part of the cost for advertising the new store location, and/or
 - * To subsidize the rental rate required by the Project over the terms of the lease.
- iv. The terms of the leases shall generally be for a period of five (5) years.
- v. Funds used toward interior improvements, relocation costs and/or rent reduction will typically be advanced to the tenant without a repayment obligation.
- vi. Assessment of allocation of funds, credit risk, lease terms, tenant's use and compatibility within the project will be at the discretion of Owner.
- vii. The Domain Fund activities may be monitored by the ~~Assistant~~ City Manager for compliance with the above parameters. Owner shall provide an annual report to the City Manager and to the director for Economic Development showing how the Domain Fund has been utilized in accordance with iii above for the preceding twelve (12) month period. Any balance remaining in the Domain Fund at the end of the term of this Agreement shall be returned to the City.

c. S.M.A.R.T. Housing. Owner shall issue a notice to proceed to a contractor to commence construction of a minimum of three hundred (300) residential units within six (6) years after the Effective Date and shall diligently pursue such construction. The Project's residential units will qualify under the City's current "S.M.A.R.T. Housing" guidelines, set forth on the attached Exhibit "C", with a potential exception of not meeting (i) ~~the full percentage of Handicap Accessibility units, and (ii) the 1/4th mile minimum~~ distance from the nearest transit route. (Owner agrees to use reasonable efforts to fully comply with program, however not doing so in ~~these two areas~~ this area is not considered an event of default ~~herein~~.)

At least ten percent (10%) of the units shall meet the affordability guidelines. In the event that Owner fails to commence construction of the S.M.A.R.T. Housing within such six (6) year period, Owner shall reimburse City for any Chapter 380 Payments received by Owner prior to such date and this Agreement shall terminate and be of no further effect.

d. Employment Opportunities. Upon completion of all phases of the Project, at least eleven hundred (1100) permanent jobs will have been created at the Project. In the event the project is phased, full time equivalent jobs will be created on a basis .0016 jobs per square foot constructed, exclusive of residential uses.

5. Chapter 380 Payments.

a. Sharing of Tax Benefits. The City shall pay to Owner portions of the Sales Tax Revenues and Ad Valorem Revenues paid to the City from the Project in accordance with this Section. It is the intent of the parties that the Chapter 380 Payments represent a sharing of tax benefits which inure to the City as a result of Owner's development of the Property.

b. Sales Tax Revenues. For a period of five (5) years beginning on the Sales Tax Effective Date, eighty percent (80%) of the One Cent Sales Tax Revenues shall automatically become part of the Chapter 380 Payments due and payable to Owner. For a period of fifteen (15) years following the initial five (5) year period, fifty percent (50%) of the One Cent Sales Tax Revenues shall automatically become part of the Chapter 380 Payments due and payable to Owner. The Chapter 380 Payments with respect to the One Cent Sales Tax Revenues shall be paid by the City to Owner upon the earlier to occur of (i) thirty (30) days after the City receives Sales Tax Revenues from the State of Texas, or (ii) ninety (90) days following the final day of the month in which those sales taxes were generated.

c. Property Tax Revenues. For a period of twenty (20) years beginning on the Ad Valorem Tax Effective Date, twenty-five percent (25%) of the incremental Ad Valorem Revenues shall automatically become part of the Chapter 380 Payments due and payable to Owner. "Incremental" means the increase in the Ad Valorem Tax over the ad valorem tax that would be due on the value of the Property and improvements as of May 1, 2003. The parties acknowledge that for the current tax year, the Property has been assessed as part of a larger parcel. For purposes of this Agreement, the value of the Property and the improvements is deemed to be \$235,228 per acre as of May 1, 2003. Owner shall notify the City in writing of any sums paid by Owner to the County tax collector in the form of city ad valorem taxes or assessments during the term of this Agreement, ("Ad Valorem Revenue Notice"). The Chapter 380 Payments with respect to the incremental Ad Valorem Revenues shall be based on the amount stated in the Ad Valorem Revenue Notice, which shall be verified by the City, and shall be repaid to Owner by the City on an annual basis for the preceding year on or before the first day of March following the tax year for which they were paid.

d. Payment Terms. The total Chapter 380 Payments arising during the term of this Agreement to be paid to Owner shall not exceed the equivalent of Twenty-Five Million Dollars (\$25,000,000) calculated on a net present value basis when discounted at an annual rate of ten seven and one-half percent (10 7.5%) ("Maximum Payment Amount"). The Chapter 380 Payments shall be adjusted over time, to reflect the net present value of such amount as of May

1, 2003, so that Owner will receive an amount of money equivalent to the value of its Chapter 380 Payments calculated in the year 2003, even though the Chapter 380 Payments will be made to Owner at a much later date. If Owner receives economic development contributions with respect to the Project from the Capital Metropolitan Transportation Authority and/or Travis County, Texas, the Maximum Payment Amount shall be reduced accordingly; however, the maximum amount of the reduction to the Maximum Payment Amount shall be Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) calculated on a Net Present Value basis, using an annual discount rate of ~~ten~~ seven and one-half percent (7.5%). Any amounts payable to Owner over and above such amount by entities other than the City shall be retained by Owner. Owner shall use reasonable efforts to seek such contributions and grants.

e. Changes in Law. If, during the term of this Agreement, state law applicable to municipal taxation changes either in the form of sales taxes or ad valorem taxes, and as a result, the Chapter 380 Payments differ from the amount which would have been paid to Owner under the laws in effect as of the Effective Date of this Agreement, then the parties agree to adjust the Chapter 380 Payments using whatever discretionary taxes and revenues that are legally available to the City which can be allocated to the Chapter 380 Payments. However, this section is not intended to require the City to use funds from other sources which are not within the City's discretion to allocate to the Project, so as to achieve the same economic benefits to both parties as would have resulted had the law not changed.

6. Sales Tax Reports. Owner shall report to the City on a quarterly basis the amount of sales tax revenues generated from the Project for the previous calendar quarter. Such reports shall be based upon reports filed by the Project's tenants with the State Comptroller's office. The City shall have the right to audit Owner's reports with reasonable notice; provided, however, such audits shall be performed in a manner to maintain the confidentiality of the information provided by the Project's tenants. The City shall not make or retain copies of the materials audited.

7. Mutual Assistance. City and Owner will do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement, and to aid and assist each other in carrying out such terms and provisions in order to put each other in the same economic condition contemplated by this Agreement regardless of any changes in public policy, the law or taxes or assessments attributable to the Property.

8. Permitting. The City shall work with Owner to expeditiously process permit applications.

9. Representations and Warranties. The City represents and warrants to Owner that the Program and this Agreement are within its authority, and that it is duly authorized and empowered to establish the Program and enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. Owner represents and warrants to City that it has the requisite authority to enter into this Agreement.

10. Default. If either the City or Owner should default in the performance of any obligations of this Agreement, the other party shall provide such defaulting party written notice of the default, and a minimum period of thirty (30) days to cure such default, prior to instituting

an action for breach or pursuing any other remedy for default . If the City remains in default after notice and opportunity to cure, Owner shall have the right to pursue any remedy at law or in equity for the City's breach. If Owner remains in default after notice and opportunity to cure, the City's remedy shall be limited to a termination of the Chapter 380 Payments which have accrued after the date of such default. Any Chapter 380 Payment from City to Owner which is not timely paid by City shall incur interest at the highest rate per annum allowed by the applicable law of the State of Texas from the date such Chapter 380 Payment is due until paid

11. Attorney's Fees. In the event any legal action or proceeding is commenced between the City and Owner to enforce provisions of this Agreement and recover damages for breach, the prevailing party in such legal action shall be entitled to recover its reasonable attorney's fees and expenses incurred by reason of such action, to the extent allowed by law.

12. Entire Agreement. This Agreement contains the entire agreement between the parties. This Agreement may only be amended, altered or revoked by written instrument signed by the City and Owner.

13. Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

14. Assignment. Except as provided, Owner may not assign all or part of its rights and obligations to a third party without prior written approval of the City, which approval shall not be unreasonably withheld or delayed. Notwithstanding anything to the contrary, Owner may assign all or part of its rights and obligations without the prior consent of the City to any party affiliated with Owner by reason of controlling, being controlled by, or being under common control, with Owner, to a subsequent owner of all or any part of the Project, to a tenant in the Project or to a third party lender advancing funds for the acquisition, construction or operation of the Project.

15. Termination. In the event Owner elects not to proceed with the Project as contemplated by this Agreement, Owner shall notify the City in writing, and this Agreement and the obligations on the part of both parties shall be deemed terminated and of no further force or effect.

16. Notice. Any notice and or statement required and permitted to be delivered shall be deemed delivered by actual delivery, facsimile with receipt of confirmation, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

Owner: Endeavor Real Estate Group
Attn: Bryce Miller and Kirk Rudy
1209 West Fifth Street, Suite 200
Austin, Texas 78703-5204
Ph: (512) 682-5500
Fx: (512) 682-5506

re: Domain 380 Agreement

with a copy to: Mr. David B. Armbrust
100 Congress Ave., Suite 1300
Austin, Texas 78701
Ph: (512) 435-2301
Fx: (512) 435-2360

City: City Manager
124 West 8th Street
Austin, Texas 78701
(P.O. Box 1088, Austin, Texas 78767)
Ph: (512) 499-2200
Fx: (512) 499-2832

with a copy to: City Attorney
114 West 7th Street, Fifth Floor
Austin, Texas 78701
(P.O. Box 1546, Austin, Texas 78767)
Ph: (512) 499-2175
Fx: (512) 499-2912

Either party may designate a different address at any time upon written notice to the other party.

17. Interpretation. Each of the parties have been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, however its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any party.

18. Applicable Law. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas and venue shall lie in Travis County, Texas.

19. Severability. In the event any provisions of this Agreement are illegal, invalid or unenforceable under present or future laws, and in that event, it is the intention of the parties that the remainder of this Agreement shall not be affected. It is also the intention of the parties of this Agreement that in lieu of each clause and provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

20. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

21. No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

22. Exhibits. The following Exhibits "A" - "C" are attached and incorporated by reference for all purposes:

Exhibit "A": Resolution No. _____
Exhibit "B": Property Description
Exhibit "C": S.M.A.R.T. Housing Guidelines

EXECUTED to be effective as of the ____ day of _____, 2003.

EGP MANAGEMENT, L.L.C.
a Texas limited liability company

By:
Printed Name:
Title:

Date:

CITY OF AUSTIN, TEXAS,
a home rule city and municipal corporation

By: _____, City Manager,

APPROVED as to form:

_____, City Attorney

Exhibit "A"

RESOLUTION NO. _____

Exhibit "B"

[Map, and Property Description- Owner shall prepare and provide a survey of the Property to be inserted here]

Exhibit "C"

SmartS.M.A.R.T. Housing Guidelines

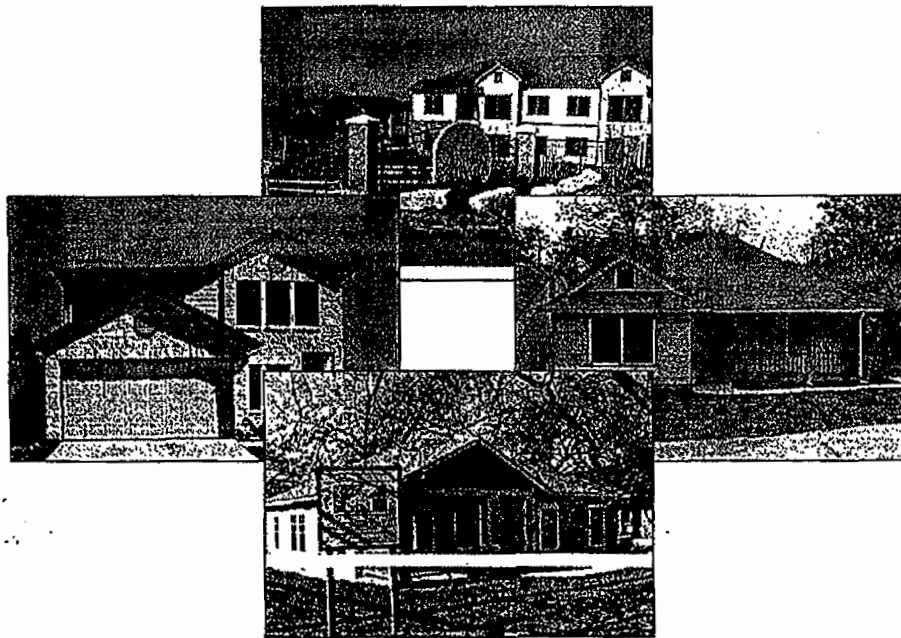
EXHIBIT C



S.M.A.R.T. Housing Policy

Safe • Mixed Income • Accessible • Reasonably Priced • Transit Oriented

Resource Guide



Prepared by:

Neighborhood Housing and Community Development

City of Austin
P.O. Box 1088
Austin, Texas 78767
512/974.3100
www.cityofaustin.org/housing

January 2003



CITY COUNCIL

Gus Garcia
Mayor

Jackie Goodman
Mayor Pro Tem

COUNCIL MEMBERS

Raul Alvarez
Betty Dunkerley
Daryl Slusher
Danny Thomas
Will Wynn

CITY MANAGER

Toby Futrell

ACTING CHIEF OF STAFF

Chief Michael McDonald

NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

Paul Hilgers, Director

S.M.A.R.T. HOUSING GUIDE

TABLE OF CONTENTS

1. S.M.A.R.T. Housing Policy	4
<i>Overview</i>	4
<i>S.M.A.R.T. Housing Policy Initiative</i>	5
<i>S.M.A.R.T. Housing Certification Standards</i>	7
Safe	7
Mixed Income / Reasonably Priced Standards	7
Accessibility and Visitability Requirements	8
Transit-Oriented	10
Green Building	13
Standards for Projects Using HB 1704	14
Other Requirements	14
<i>S.M.A.R.T. Housing Benefits for Builders</i>	15
Fee Waivers	15
S.M.A.R.T. Housing Review	15
Advocacy	15
S.M.A.R.T. Housing Fees Eligible for Waiver	16
<i>The S.M.A.R.T. Housing Process</i>	17
Process Overview	17
S.M.A.R.T. Housing Process Flowchart	18
S.M.A.R.T. Housing Zoning Process	19
S.M.A.R.T. Housing Review and Building Permit Process	20
2. Building In Austin: Building Standards and Process	22
<i>Overview</i>	22
<i>All Building Projects: Before You Begin</i>	23
<i>Federal and State Standards</i>	24
3. Appendix	25
<i>S.M.A.R.T. Housing Process Checklist</i>	25
<i>S.M.A.R.T. Housing Application for Certification</i>	27
<i>S.M.A.R.T. Housing Residential Completeness Check</i>	31

1. S.M.A.R.T. HOUSING POLICY

Overview

The S.M.A.R.T. (Safe, Mixed-Income, Accessible, Reasonably-priced, Transit-Oriented) Housing Policy Initiative is designed to stimulate the production of housing for low and moderate income residents of Austin. The housing meets the City's Green Building standards and is located in neighborhoods throughout the City of Austin.

S.M.A.R.T. Housing staff work with developers and builders of new single-family and multi-family developments that meet S.M.A.R.T. Housing standards. The City of Austin provides fee waivers and S.M.A.R.T. Housing development review, typically significantly faster than conventional review. This initiative applies not only to new subdivisions but also to single lot, infill development.

The goals of S.M.A.R.T. Housing are to:

- ◆ Provide capital recovery fee; development review and inspection fee; and certain construction inspection fee exemptions to promote the development of S.M.A.R.T. Housing
- ◆ Use public resources to leverage private investment
- ◆ Stimulate the development of housing on vacant lots in new and existing subdivisions
- ◆ Promote the use of existing City infrastructure and services
- ◆ Promote the creation of alternative funding sources for the development of S.M.A.R.T. Housing (Safe, Mixed-Income, Accessible, Reasonably-Priced, and Transit-Oriented)
- ◆ Support the goals of the Sustainable Community Initiative

Thank you for your interest in S.M.A.R.T. Housing. For more information on this policy and other incentives for the new construction of reasonably-priced housing in Austin, please contact Gina Copic, S.M.A.R.T. Housing Manager, City of Austin, Department of Neighborhood Housing and Community Development, at (512) 974-3180 or regina.copic@ci.austin.tx.us.

S.M.A.R.T. Housing Policy Initiative

The S.M.A.R.T. Housing Policy Initiative has the following eight components:

1. It names the Austin Housing Finance Corporation (AHFC) as the lead agency to foster partnerships with the home building industry to develop, finance, construct, rehabilitate, relocate, and operate affordable housing in the City of Austin.
Result: Naming AHFC as the lead agency creates clear accountability for results.
2. It designates the Neighborhood Housing and Community Development Department (NHCD) as the lead agency on housing policy issues; the single point of contact to facilitate S.M.A.R.T. Housing developments; and the lead agency to foster partnerships with neighborhoods. The single point of contact designation empowers NHCD to assume the same type of leadership role that other City departments have accepted for major employers and school district developments. NHCD becomes responsible for working with other City departments who verify that S.M.A.R.T. Housing developments are sited in a manner consistent with applicable federal and city policies.
Result: Establishing a single point of contact for residents, builders, and city staff facilitates the development of S.M.A.R.T. Housing developments.
3. It provides the AHFC the right of first acceptance of any surplus city property to determine if S.M.A.R.T. Housing is a viable option for the site.
Result: By providing surplus city lands suitable for housing at below market prices, the city encourages construction of more reasonably priced homes. Developments must be consistent with adopted neighborhood plans. Affected neighborhood organizations are included in the stakeholder discussions on potential use of surplus city land for housing.
4. It allows full or partial fee waivers for developments that make a portion of their units reasonably priced (available to families who earn no more than 80% of median family income and who would spend no more than 30% of their family income on housing). Fee waivers for up to 1,000 living unit equivalents can be provided annually. Developments requesting S.M.A.R.T. Housing incentives for four or fewer housing units are required to be 100% reasonably-priced and meet all other S.M.A.R.T. Housing standards. Developments involving five or more housing units could receive full or partial waivers using the sliding scale listed below if all of the units meet S.M.A.R.T. Housing standards. The sliding scale creates incentives for "reasonably-priced" housing while addressing neighborhood concerns that all affordable housing developments not be concentrated in one neighborhood or one part of the city.

A builder provides

10% S.M.A.R.T. Reasonably Priced
20% S.M.A.R.T. Reasonably Priced
30% S.M.A.R.T. Reasonably Priced
40% S.M.A.R.T. Reasonably Priced

The City of Austin provides

25% Fee Waivers & Fast-Track Review
50% Fee Waivers & Fast-Track Review
75% Fee Waivers & Fast-Track Review
100% Fee Waivers & Fast-Track Review

The following types of fees are waived: Development Review and Inspection (Zoning, Subdivision, Site Plan, Building Plan Review and Permit); Water and Wastewater Capital Recovery; and Public Works Construction Inspection.

If the development is in the Desired Development Zone, fees are waived administratively unless the applicant claims full regulatory exemption pursuant to House Bill 1704. If the development is in the Drinking Water Protection Zone (DWPZ), fees are waived administratively unless the applicant requests an environmental variance or exemption pursuant to House Bill 1704. The City Council must approve fee waivers for any development requesting full 1704 exemption or a development requesting an environmental variance in the DWPZ. Existing housing governed by On-Site Sewage Facilities regulations would also be eligible for fee waivers under S.M.A.R.T. Housing eligibility guidelines.

Result: Builders who meet the S.M.A.R.T. Housing standards would receive full or partial waiver of Water and Wastewater Capital Recovery fees, Development Review and Inspection fees, and Public Works Construction Inspection fees based upon the amount of reasonably-priced housing provided.

5. It includes the adoption of housing rehabilitation guidelines as part of the simplified land development code. The City Council adopted single-family guidelines as part of the ordinance amending the Building Code on April 6, 2000.
Result: Adoption of rehabilitation guidelines as part of the City Code provides a clear policy direction that encourages homeowners and contractors to maintain and remodel existing housing stock that to meet city standards for safety and sanitation.
6. It supports rehabilitation code education for City of Austin employees and their customers.
Result: Reduced costs associated with failed inspections and re-do work, and the availability for homeowners to move forward with their home improvement projects.
7. It supports a code enforcement policy that addresses neighborhood concerns about code violations and unsightly and illegal practices in older neighborhoods.
Result: NHCD will assist in training neighborhood residents to conduct surveys identifying lots or buildings with code violations, and assist residents in communicating with their neighbors about these violations. Additionally, NHCD would route unresolved complaints to the appropriate city department for investigation and resolution.
8. Requires NHCD to catalogue opportunities for improvement identified during the review, construction, and inspection of S.M.A.R.T. Housing developments and requires collaboration among city departments in implementing these suggested improvements. *Result: The S.M.A.R.T. Housing Initiative recognizes that many stakeholders have commented that improved coordination among departments is critical if the goal of reasonably-priced housing is to be realized.*

S.M.A.R.T. Housing Certification Standards

The S.M.A.R.T. Housing Fee Waiver Initiative involves an application and certification process. S.M.A.R.T. Housing certification is available for the new construction of single-family and multi-family developments that meet the S.M.A.R.T. Housing standards of safe, mixed-income, accessible, reasonably-priced, transit oriented and complies with Green Building minimum standards. The following section will provide you with a detailed discussion of each of the criteria for S.M.A.R.T. Housing.

Safe

Safe means that the development complies with the Land Development Code and the adopted Building Codes for the City of Austin. For more information on development in Austin visit the City's website at <http://www.cityofaustin.org/development>.

Mixed Income / Reasonably Priced Standards

S.M.A.R.T. Housing is a mixed-income strategy to encourage the production of reasonably-priced housing throughout the City. Mixed-income means that the development includes at least 10% "reasonably-priced" housing units and all units meet applicable S.M.A.R.T. Housing standards.

Reasonably-priced means that a percentage of the units in the development must be available to families who earn no more than 80% of median family income for the City of Austin and who would spend no more than 30% of their family income on housing (unless federal or state funding sources establish a different standard of affordability). A family meets the standard if its income is 80% MFI or below as established in federal, state or City guidelines. An applicant who sells or rents a home to a family at 80% MFI or below remains in compliance as long as an eligible family remains in the home for the five-year affordability period.

All designated "reasonably-priced" units must be "reasonably-priced" at initial occupancy and must remain "reasonably-priced" for at least five years. Failure to meet the requirements on "reasonably-priced" designated units during the 5-year affordability period will require repayment of all waived fees, with interest. Compliance for rental units may be monitored in accordance with tax credit or bond rules or state/federal monitoring standards. An increase in an eligible occupant's household income subsequent to original occupancy does not preclude the unit from being counted as one of the "reasonably-priced" units unless this income increase is a result of additional occupants with income moving into the unit.

Developments of four or fewer units: All units must be reasonably priced.

Developments of five or more units: Fees are waived according to the sliding scale below:

A builder provides

10% S.M.A.R.T. Reasonably Priced

20% S.M.A.R.T. Reasonably Priced

30% S.M.A.R.T. Reasonably Priced

40% S.M.A.R.T. Reasonably Priced

Owner/Applicant/Developer will be required to sign a note payable to the City for the amount

The City of Austin provides

25% Fee Waivers & Fast-Track Review

50% Fee Waivers & Fast-Track Review

75% Fee Waivers & Fast-Track Review

100% Fee Waivers & Fast-Track RevThe

of the exemptions received. This agreement will be secured by a deed of trust, lien, or a surety bond for an equivalent amount, which will be released by the Director of NHCD after the five-year affordability period.

For more information about available programs (such as Down Payment Assistance) targeted to families who earn 80% of median family income or less, visit the Austin Housing Finance Corporation website at <http://www.cityofaustin.org/ahfc>. AHFC's programs can make it easier for income-eligible tenants or homebuyers to afford homes in Austin.

Accessibility and Visitability Requirements

The federal government, the Texas Legislature, and the Austin City Council provide funding and other forms of assistance for reasonably priced housing. In addition, they have established standards when public funding or assistance is provided for housing for low and moderate-income families. Some of these standards are different than the development and occupancy standards that an owner or applicant would be required to meet if the development is funded only with private dollars.

Accessibility Standards for Persons with Disabilities

Federal and state requirements provide for people who are mobility-impaired, hearing-impaired, visually impaired, or who have been diagnosed with Acquired Immunity Deficiency Syndrome (AIDS) to have access to housing. These regulations are found in the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. Please be aware that Federal, State, and City accessibility standards will continue to change.

In addition to federal and state requirements for accessibility in new and existing housing and S.M.A.R.T. Housing accessibility standards, the City has adopted the Building Code and the Visitability Ordinance.

Multi-Family Accessibility Standards

Multi-family site and building plans must be reviewed for compliance with accessibility, transit-oriented, and green building standards prior to submittal for building permit approval.

The Building Code creates accessibility standards for multi-family apartments and common facilities on the site. S.M.A.R.T. Housing creates additional standards. Together, these standards include the following regulations:

- 25% of all multi-family units must be ground-floor-level units
- All ground-floor-level units must be adaptable
- 10% of all multi-family units must be accessible
- A certain number of parking spaces must be accessible
- An accessible route is required to connect the accessible parking spaces to the accessible and adaptable first floor units and the common areas
- Accessible entrances, doorways, and bathrooms are required in the accessible first floor units;
- Safe refuge areas are required for accessible units that are located above the first floor (particularly in buildings with elevators).

Multi-family design professionals are encouraged to consider using HUD's Fair Housing Act Design Manual or the 2001 supplement to the 2000 International Building Code as guides in preparing plans. Consult S.M.A.R.T. Housing to discuss which standards would apply to your development.

The Visitability Ordinance (Single-family, Duplex, Triplex)

The Visitability Ordinance (981007-A) establishes the following standards for new single-family homes, duplexes, or triplexes that receive federal, state, or city assistance. All S.M.A.R.T. Housing single-family homes, duplexes, and triplexes must meet these standards:

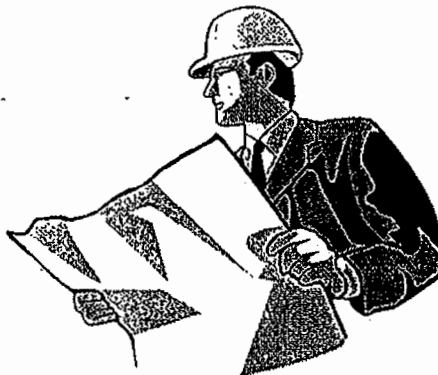
1. An accessible entrance door with a minimum width of 32 inches of net clear opening is required. The door must be served by a ramp or a no-step entrance, and must connect to an accessible route (such as a garage, carport, driveway, or sidewalk).
2. Interior doorways on the first floor must have a minimum net clear opening of 30 inches (except doors leading into closets less than 15 square feet in area).
3. Lever handle hardware on first floor interior doors and the accessible entrance door are required.
4. Hallways are to be at least 36" wide and have ramped or beveled changes at each door threshold
5. Bathroom walls are to be reinforced with wood blocking that is two inches by six inches or larger in nominal dimension, and the center line of the blocking must be 34 inches from the bathroom floor.
6. Each light switch, thermostat, or plug receptacle located on the first floor or outside the building must be at least 18 inches but not more than 42 inches above the floor.
7. Electrical panels located on the first floor inside the building must be no higher than 42" above the ground and no less than 18" above the ground and be adjacent to an accessible route.

Communicate These Standards to Your Contractor!

It is your responsibility to bring these standards to the attention of your contractor. Some contractors are unaware of Federal accessibility standards that apply to any multi-family construction, or the additional standards that apply to projects that receive federal funds. Most contractors are not familiar with the City's Visitability Ordinance, which applies to new single-family homes, duplexes, or triplexes that receive federal, state, or city assistance (including S.M.A.R.T. Housing).

Please make your contractor aware of the accessibility standards on the construction plans.

For more information about accessibility standards, please contact Stuart Hersh at (512) 974-3154, stuart.hersh@ci.austin.tx.us; or Gina Copic at (512) 974-3180, regina.copic@ci.austin.tx.us.



Transit-Oriented

REQUIRED for single-family residences and duplexes:

1. Coordination with Capital Metro – The proposed project must be within ¼ mile of an existing or proposed Capital Metro transit route with peak hour service every 20 minutes or less. The route must be in place by the time the development is completed (final certificate of occupancy issued).
2. Porches – Covered porches should be at least four feet deep and should be included on the street side of the house. While four feet is the minimum *required* depth, a porch area of 100 square feet with a depth of 6 feet is *recommended*.
3. Street Orientation – The front door of the house must face the street, unless the location of the front door must be changed to meet visitability requirements. For duplexes, at least one front door should face the street.

RECOMMENDED for single-family residences and duplexes:

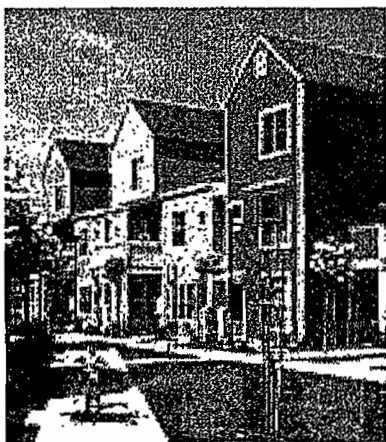
1. Transit Amenities – For single-family subdivisions, Capital Metro bus stops serving the development should include shelters. Where new sidewalks are installed along a transit route, the applicant should coordinate with Capital Metro to include space(s) appropriate for a future bus shelter. Where roads on transit routes are installed, widened, or improved, the applicant should coordinate with Capital Metro to produce a transit improvements plan.
2. Sidewalks and Landscaping – Sidewalks built in the public right-of-way should be separated from the curb by a planting strip. The strip should include a combination of low-water native plants and shade trees. The sidewalk should be connected to a sidewalk on private property that leads directly to the front door of the house.



Examples of different styles of front porches (4' minimum required depth, 100 square feet recommended). The photo on the left includes a planting strip between the sidewalk and street (recommended feature).

REQUIRED for multi-family developments:

1. Coordination with Capital Metro – The proposed project must be within ¼ mile of a Capital Metro transit route with peak hour service every 20 minutes or less. The route must be in place by the time the development is completed (final certificate of occupancy issued).
2. Accessible routes to transit – Accessible sidewalks must connect the complex to nearby transit stops.



3. Site design – Internal parking areas and driveways should form a “network of interconnected streets” within the project to the greatest extent possible. Internal walkways should allow accessible travel throughout the complex.
4. Pedestrian and Vehicular Connections – Unless site characteristics or neighborhood concerns dictate otherwise, the project should provide direct access by the shortest route possible to adjacent destination development such as retail, civic, or recreational uses and should connect to all adjacent streets, sidewalks, trails, and greenbelts.
5. “Eyes on the street” – For those units that adjoin a street, at least one window per unit should face the street.

RECOMMENDED for multi-family developments:

1. Transit Amenities – For multi-family developments, Capital Metro bus stops serving the development should include shelters. Where new sidewalks are installed along a transit route, the applicant should coordinate with Capital Metro to include space(s) appropriate for a future bus shelter. Where roads are installed, widened, or improved, the applicant should coordinate with Capital Metro to produce a transit improvements plan.



2. Street Presence – Buildings should be oriented to neighborhood streets and sidewalks (the buildings should not “turn their backs” to the street), and buildings should be constructed to be as near to the street as site development standards allow.
3. External Access – There should be vehicular connections to the street at least every 600 feet and pedestrian access at least every 300 feet.
4. Wide Sidewalks – Public sidewalks should be at least six feet wide, and eight feet wide where possible.
5. Location of Parking – Unless site characteristics dictate otherwise, off-street parking should not be located along the external boundaries of the project. On-street parking should be included where possible.

6. Active Building Façade – The street side of the buildings should include active design elements such as doorways, windows, porches, balconies, stoops, weather protection features such as awnings and overhangs, and other similar features. The façade of the building on the street-side should be divided into traditional 30-foot increments to provide human scale.
7. Landscaping, Benches, and Lighting – The project should incorporate landscaping (a minimum of three inch caliper native shade trees, spaced 30' on center, along all walkways in the complex), benches, and pedestrian scale lighting that promotes a pedestrian-friendly environment.
8. Mixed Uses – The project should incorporate appropriately scaled commercial uses for the convenience of local residents, where possible.
9. Common Space – The project should provide open public space with recreational facilities and public art.
10. Fencing – Solid fencing should not separate the buildings from the street. Open fencing or fencing less than four feet in height is acceptable. Gating the parking/entry area is acceptable, provided that residents in wheelchairs can enter and exit the complex.



Example of a multi-family development that includes many features recommended above:

- ✓ Street presence
- ✓ Wide sidewalks
- ✓ On-street parking
- ✓ Active façade
- ✓ Landscaping
- ✓ Mixed uses

Example of a townhouse-style development that includes open space for residents: a community garden and a children's' play area.



Green Building

S.M.A.R.T. Housing requires that all units meet Austin Energy Green Builder minimum standards and obtain Austin Energy approval of plans and final inspection prior to occupancy. Contact Austin Energy Green Builder Program staff (below) for detailed information about Green Builder standards.

Contact the Green Building Program (GBP): Set up a meeting with your GBP contact to find out about the GBP requirements. Do this as early in the planning process as possible, so you can easily incorporate GBP requirements into your design and specifications with the least cost and difficulty.

For Single-Family:	Contact Nathan Doxsey	Phone (512) 505-3706
	Fax (512) 505-3711	E-mail nathan.doxsey@austinenergy.com
For Multi-Family:	Contact Dick Peterson	Phone (512) 322-6172
	Fax (512) 505-3711	E-mail dick.peterson@austinenergy.com

Conditional Green Building Approval: When your design and specifications are complete (including mechanical plan and Manual J for multi-family), fill out the GBP Rating. You must fulfill all of the Basic Requirements, plus a minimum of 40 points from the choice items (60 points if you are building under the Austin Housing Finance Corporation). You are advised to plan for a higher number of points as a safety cushion in case you are unable to qualify for all your choice items upon final inspection. Take all these documents to your GBP contact.

Upon reviewing your documents and GBP Rating, your contact will notify you and S.M.A.R.T. Housing staff of your project status: Conditional Approval, Incomplete, or Denied (and reasons if approval is not given). You will not be given S.M.A.R.T. Housing Certification without a Green Building Conditional Approval.

Construction Process and GB Inspections: Notify your GBP contact upon breaking ground. Call your contact at any time during construction if you have questions about GBP requirements and standards and whether you are meeting them. Your contact will make inspections as needed to verify that GBP requirements are being met.

Final Inspection and Approval: When you are at final mechanical stage, make any needed revisions to your GBP Rating, check the Final Submittal box, and e-mail, fax or mail the GBP Rating to your GBP contact. (To save paper work if you are doing multiple projects/units with one set of specifications, list all addresses to which these specifications apply on the last page of the GBP Rating form.) Final Green Builder Inspection is required to secure a Certificate of Occupancy, and is separate from any other inspections required by the City of Austin or Austin Energy.

Your GBP contact will review your GBP Rating and inspect your project as needed. The Green Building Program will send a notice of Final Approval to S.M.A.R.T. Housing staff and mail you an official GBP Rating Certificate for each project you build to GBP standards. This Certificate will serve as proof of your fulfillment of the Green Building component of S.M.A.R.T. Housing. If your project does not meet GBP standards, you will be notified of the reasons.

Standards for Projects Using HB 1704

Projects claiming HB 1704 exemptions should be reviewed by the 1704 Committee to confirm the 1704 status of the subject property. This determination should be complete before the pre-submittal meeting with S.M.A.R.T. Housing staff, development review staff, and the applicant. For more information about the 1704 Committee, contact Jennifer Mayer at (512) 974-2245 or jennifer.mayer@ci.austin.tx.us.

Applicants seeking certification for fee waivers and expedited review for S.M.A.R.T. Housing developments in the Drinking Water Protection Zone must receive City Council approval if they request either an environmental variance or 1704 exemption. S.M.A.R.T. Housing developments in the Drinking Water Protection Zone that do not require environmental variances or 1704 exemption may be approved administratively.

In the Desired Development Zone, S.M.A.R.T. Housing developments requiring environmental variances may be processed administratively if the variance is supported by the Environmental Officer, the Environmental Board, and the Planning Commission. Single-family S.M.A.R.T. Housing subdivisions may claim 1704 exemptions in the Desired Development Zone. Site plans requiring 1704 exemption will not receive certification unless they receive City Council approval.

Because the number of fee waivers are limited on an annual basis as are the resources available for expedited review, the Director of the Neighborhood Housing and Community Development Department will not support 1704 exemptions in the Drinking Water Protection Zone or 1704 exemptions for multi-family developments in the Desired Development Zone.

Other Requirements

Viable Land within City Limits: Developers must have site control of land/lots located within the city limits of Austin. If zoning is not in place, the applicant must contact registered neighborhood associations and address neighborhood concerns prior to filing a zoning application. Projects must be served by existing City infrastructure and services that will not require additional capital expenditures by the City.

Completed on Schedule: Single-family units on infill lots receiving fee exemptions must be completed, sold, and occupied within 15 months of the execution of a contract with the City and/or AHFC. Multi-family units and single-family units in new subdivisions must be completed, sold, and/or occupied within 24 months.

S.M.A.R.T. Housing Benefits for Builders

Fee Waivers

The City of Austin waives fees for developments that the Department of Neighborhood Housing and Community Development has certified as S.M.A.R.T. Housing. Fee waivers are limited and will be allocated on a first-come, first-serve basis. See the next page for a complete list of fees waived for developments that meet S.M.A.R.T. Housing standards.

How much does the average project receive in fee waivers? While the total fees waived will vary depending on the project (e.g. whether a rezoning is required), fees generally add up to:

Single-family infill: For a 1200 square foot single-family home on an infill lot, permit and water/wastewater capital recovery fees waived would total about \$1300.

Single-family subdivisions: The same fees as single-family infill, with the addition of about \$500 per lot in subdivisions that have not yet been approved and accepted for maintenance.

Multi-family: For the first two years of the S.M.A.R.T. Housing program, waived fees have averaged approximately \$580 per unit.

Please note that fee waivers are *not* available for:

- Remodeling of existing residential units (waivers available for new construction only)
- Owners with outstanding Housing Code violations on units or projects on which they are affiliated with the owning entity as a sponsor, partner, or partial owner.
- Owners with outstanding violations on accessibility issues on previously completed units or projects where they are affiliated with the owning entity.

S.M.A.R.T. Housing Review

Because S.M.A.R.T. Housing is a City priority, those developments that meet S.M.A.R.T. Housing standards are eligible for special S.M.A.R.T. Housing review, which is typically faster than the review time for conventional development projects. City staff will work with applicants to move projects through review and inspection as quickly and efficiently as possible.

However, the speed of this review period depends on the applicant's performance as well as staff's. Providing corrections, responding to comments, and ultimately securing an approval in a timely manner is a shared responsibility of both staff and the applicant's design team. S.M.A.R.T. Housing review will not be available if the applicant fails to respond in a timely manner to City review comments.

Advocacy

S.M.A.R.T. Housing staff will assist you in resolving development-related issues with other City Departments. Staff is available to facilitate discussions and to find solutions.

S.M.A.R.T. Housing Fees Eligible for Waiver

On April 20, 2000 the Austin City Council adopted Ordinance No. 000420-77 creating the S.M.A.R.T. Housing Policy and authorizing the administrative authority to waive fees for S.M.A.R.T. Housing developments. Fees listed in the ordinance are:

City Department		Fee Types
Water and Wastewater		Capital Recovery (Impact) Fee
Public Works		Construction Inspection Fee
Watershed Protection and Development Review		Development Assessment Fee
		Traffic Impact Analysis Fee
		Traffic Impact Analysis Revision Fee
	Zoning Fees	Regular Zoning Fee
		Interim to Permanent Zoning Fee
		Miscellaneous Zoning Fee
		Zoning Verification Letter Fee
		Board of Adjustment Fee
		Managed Growth Agreement Fee
		Planned Development Area Fee
	Subdivision Fees	Preliminary Subdivision Fee
		Final Subdivision Fee
		Final Without Preliminary Subdivision Fee
		Miscellaneous Subdivision Fee
	Site Plan Fees	Consolidated Site Plan Fee
		Miscellaneous Site Plan Fee
		Site Plan Revision Fee
		Site Plan - Construction Element Fee
	Building Plan Review, Permit, and Inspection Fees	Building Review Plan Fee
		Building Permit Fee
		Electric Permit Fee
		Mechanical Permit Fee
		Plumbing Permit Fee
		Concrete Permit Fee
		Demolition Permit Fee
		Electric Service Inspection Fee
		Move House Onto Lot Fee
		Move House Onto City Right-of-Way Fee

The S.M.A.R.T. Housing Process

Process Overview

For all projects, to begin the S.M.A.R.T. Housing process, contact S.M.A.R.T. Housing staff to have a preliminary discussion about your project. Afterward, meet with Green Builder staff to secure conditional approval for your project. The next step is to submit a completed S.M.A.R.T. Housing application with all required attachments. If your application is approved, staff will provide a letter stating that your project has been certified for S.M.A.R.T. Housing and is eligible to receive fee waivers and expedited review, if the project continues to meet S.M.A.R.T. Housing standards. In most cases, staff meets with the applicant again to review the process and anticipate any possible issues.

For single-family and duplex review, the applicant submits a S.M.A.R.T. Housing residential checklist (and attachments) to S.M.A.R.T. Housing staff. Complete applications are forwarded to the Residential Review staff, who will request corrections as needed. Building permits are issued, construction begins. The applicant notifies Green Builder staff upon breaking ground. Prior to certificate of occupancy, the applicant must contact S.M.A.R.T. Housing staff to obtain a final inspection for Green Building and Visitability compliance.

For multi-family site-plans and single-family subdivisions, S.M.A.R.T. Housing staff will schedule a Pre-Submittal meeting between the applicant, the applicant's design team and City reviewers. At this meeting, staff and applicant establish the S.M.A.R.T. Housing review timeline (typically faster than review times for conventional projects), including the design team's response timeline. Next, the applicant submits plans to S.M.A.R.T. Housing staff for accessibility review, and revises plans as necessary.

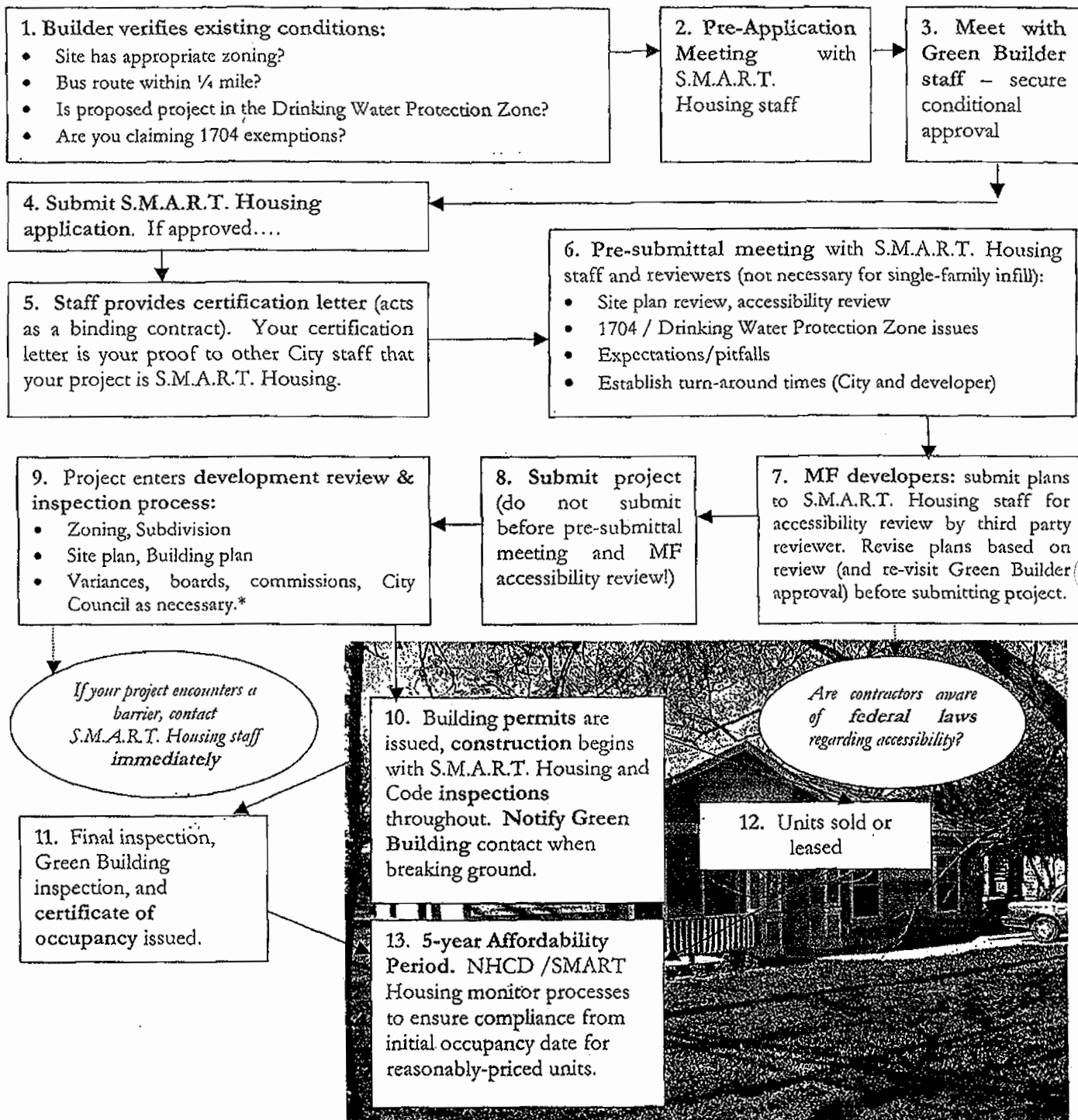
After the pre-submittal meeting and multi-family accessibility review, the applicant submits the project, and review process for subdivision, site plan, and building plan begins. City reviewers provide initial comments and the applicant returns comments within the time periods established during the pre-submittal meeting.

Building permits are issued, and construction begins. The applicant notifies Green Builder staff upon breaking ground. The project receives a final inspection for Green Building and either Visitability or Accessibility.

For all projects, at the time a home or rental unit is ready for occupancy, the S.M.A.R.T. Housing applicant must demonstrate compliance with "reasonably-priced" criteria. S.M.A.R.T. Housing staff will review income verification data for the eligible families at the initial stage of occupancy and throughout the five-year affordability period following initial occupancy. Failure to meet the income eligibility standards throughout the affordability period will result in the applicant being required to return fee waivers and possibly face a zoning rollback if a zoning change was associated with this S.M.A.R.T. Housing application.

Depending on the project's circumstances, other processes may be necessary, such as annexation, zoning, or variances. Applicants are encouraged to select land that is already zoned correctly, and to design projects in such a way as to avoid the need for variances.

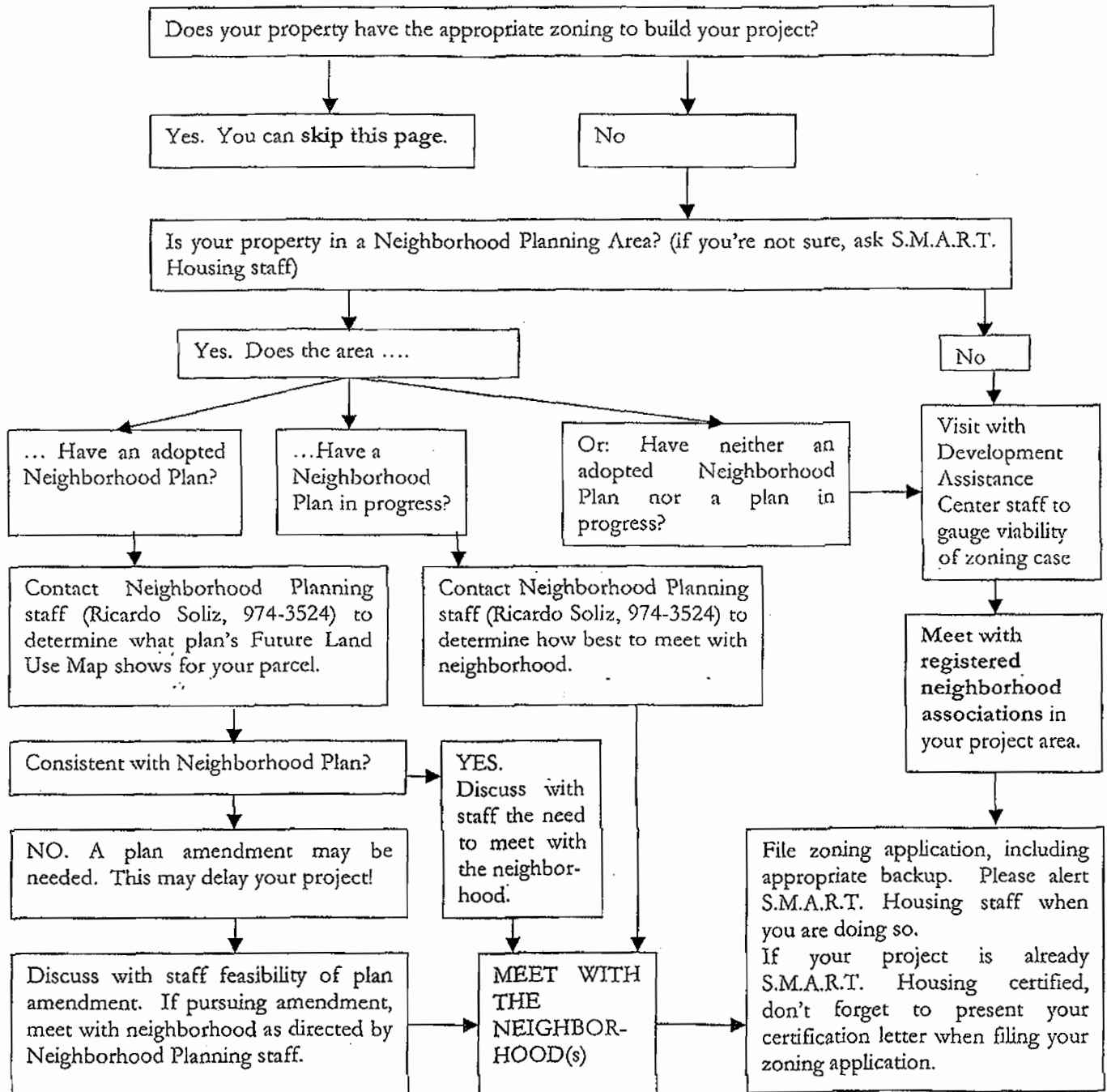
S.M.A.R.T. Housing Process Flowchart



** Staff's experience has been that variances can be a costly delay to projects. Applicants are strongly encouraged to design projects in such a way as to avoid the need for variances.*

S.M.A.R.T. Housing Zoning Process

S.M.A.R.T. Housing staff will authorize the waiver of the zoning application fee and the 45-day processing of the zoning change request only after verifying that the applicant has responded to the legitimate concerns of the neighborhood residents. An applicant who proceeds without S.M.A.R.T. Housing staff authorization will not receive fee waivers for the zoning application or the 45-day processing.



S.M.A.R.T. Housing Review and Building Permit Process

All new buildings must comply with all codes in effect on the day the building permit application was filed. Detailed building permit application information can be found at <http://www.cityofaustin.org/development>. City staff can assist you in determining the viability of your project: for single family and duplex development, contact the Residential Zoning Review staff at 974-2380. For multi-family development, contact the Permit and License Center at 974-2747.

S.M.A.R.T. Housing Single-Family Building Permits

Participation in S.M.A.R.T. Housing provides the applicant with S.M.A.R.T. Housing review times (typically faster) and fee waivers. To achieve the special S.M.A.R.T. Housing review time, the builder must submit a completed single-family building permit application directly to S.M.A.R.T. Housing staff at the Department of Neighborhood Housing and Community Development (505 Barton Springs Rd, Suite 600) for completeness check and sign off. Requirements for S.M.A.R.T. Housing single-family building permit review are as follows:

1. The S.M.A.R.T. Housing Residential Completeness Checklist should be attached to your building permit application and plans. The Checklist should be completed and signed.
2. A copy of the S.M.A.R.T. Housing certification letter should be attached to the Checklist.
3. The following standard notes for compliance with the Visitability Ordinance must be placed on one page of the building plans you submit with your application for building permit:
 - ◆ An accessible entrance door with a minimum width of 32 inches of net clear opening is required. The door must be served by a ramp or a no-step entrance, and must connect to an accessible route (such as a garage, carport, driveway, or sidewalk).
 - ◆ Interior doorways on the first floor must have a minimum net clear opening of 30 inches (except doors leading into closets less than 15 square feet in area).
 - ◆ Lever handle hardware on first floor interior doors and the accessible entrance door are required.
 - ◆ Hallways are to be at least 36" wide and have ramped or beveled changes at each door threshold.
 - ◆ Bathroom walls are to be reinforced with wood blocking that is two inches by six inches or larger in nominal dimension, and the center line of the blocking must be 34 inches from the bathroom floor.
 - ◆ Each light switch, thermostat, or plug receptacle located on the first floor or outside the building must be at least 18 inches but not more than 42 inches above the floor.
 - ◆ Electrical panels located on the first floor inside the building must be no higher than 42" above the ground and no less than 18" above the ground and be adjacent to an accessible route.
4. Austin Energy should have reviewed and approved your plans for compliance with Green Building standards. They will perform site inspections to verify that the home meets the standards of your approved plans.
5. Your plans should demonstrate compliance with the Transit-Oriented features of S.M.A.R.T. Housing, and you must verify that Capital Metro will have a transit route within ¼ mile of your location prior to occupancy of your home(s).
6. Compliance with Green Building and the Visitability Ordinance will be required prior to receiving a certificate of occupancy.

Following these steps will allow the City to process your single-family permit application in an expedited manner.

S.M.A.R.T. Housing Multi-Family Development

In **S.M.A.R.T. Housing**, a multi-family development that has received zoning approval may require subdivision, site plan, and building plan approval before building permits are issued. At the pre-submittal meeting with subdivision and site plan reviewers, the review team establishes the **S.M.A.R.T. Housing** review timeline and the design team response timeline. If City site plan or subdivision review is required within 14 working days, then the applicant is required to submit revised plans within 14 working days as well. If City staff is required to review corrected plans within 7 working days, then the design team is required to submit revisions to rejected plans within 7 working days. Failure to meet these deadlines can result in loss of the expedited review incentive.

For building plan review, City reviewers return comments on the original plans within seven working days. The City's building plan review team will not begin its review unless the building and site plans incorporate the review comments from Austin Energy's Green Building reviewer, **S.M.A.R.T. Housing's** accessibility reviewer, and the **S.M.A.R.T. Housing Guide's** transit-oriented requirements. The applicant's design team must submit corrected plans within seven working days of when the customer receives building plan review comments. City building plan reviewers will review corrected plans within two working days, and the design team is required to submit final corrections within two working days. Failure to meet these deadlines can result in loss of the special **S.M.A.R.T. Housing** review times.

Because your proposed **S.M.A.R.T. Housing** multi-family development has been certified to receive **S.M.A.R.T. Housing** incentives, please ensure that your design team understands its responsibility to respond in a timely manner.

2. BUILDING IN AUSTIN: BUILDING STANDARDS AND PROCESS

Overview

When a development is funded only with private dollars, the owner and contractors are required to comply with development standards based upon whether the development is a new home or a multi-family building site; an addition; a relocated building; or a building that is repaired, rehabilitated or replaced. For developments located within the city, these development standards include land use regulations, building codes, and utility connection requirements.

Land use regulations prohibit construction if the zoning is not appropriate. A zoning change approved by the city council is required before plans can be approved, permits issued, and construction activity begins. If the site is in certain flood-prone areas, the housing may be required to be elevated, or not built at all unless the city council grants a variance. If the site is over a former landfill, special testing and design review and approval by a state agency may be required before the city approves the development plans. Subdivision regulations may establish minimum lot sizes, minimum house size, setbacks, height restrictions, use restrictions, or sidewalk location requirements that are different than those found elsewhere in the Land Development Code. These are not the only land-use issues that may surface, but they may delay a project until they are addressed.

Building codes establish minimum standards for new and existing buildings that may be used for housing. In single-family housing, these include the structural, electrical, mechanical (heating and air-conditioning), plumbing, exiting, and energy conservation features of the building. In multi-family housing, accessibility for mobility-impaired persons, fire-resistance and early-warning systems become part of plan preparation, reviews construction, and inspection processes.

Utility connection requirements link the land use and building code regulations to safety requirements for supplying electricity, natural gas, water, and sewer service when a building is ready for occupancy. The City of Austin provides electrical, water and wastewater services to most people who live inside the city limits; however, some residents receive service from other providers or on-site systems. The owner and contractor need to be aware of the service provider to the property and follow the regulations that may be unique to that particular utility.

Review Requirements for Historic Buildings and Historic Districts: The city reviews proposed demolitions, relocations, alterations or modifications, and new construction of buildings in historic districts and of those buildings designated as historic landmarks or if the building to be relocated or demolished is listed on a survey of historical resources. The City Historic Preservation Officer reviews all proposed demolitions, relocations to determine if the affected buildings are potential historic landmarks. If these are existing or potential landmarks, the Historic Landmark Commission, the Planning Commission, and the City Council may review the proposal as well.

Demolition: The City of Austin requires that you or your demolition contractor secure a permit before the demolition may begin. You may want to verify whether you can build your project before you tear down a building that cannot be replaced. For more information contact the Development Assistance Center at 974-6370 or visit the web site at: <http://www.cityofaustin.org/development>.

Before beginning, ensure that the building to be demolished is not a historic building or in a historic district. To find out the zoning on any property in the City of Austin or to determine if the property is in a historic district, contact the Map Sales Division at (512) 974-2213, -3347, or -2297.

All Building Projects: Before You Begin...

If you have a set of plans for your project, City reviewers will assist you in determining the viability of your project.

How do I figure out whether the lot is properly zoned for the house I want to build?

To find out the zoning on any property in the City of Austin, you can contact the Map Sales Division at (512) 974-2213, -3347, or -2297.

The basic questions to answer are:

- Is my lot in a flood plain or a Critical Water Quality Zone?
- Does the zoning on the lot allow for the proposed development or would I need a zoning change?
- Can I build development so that it will be far enough away from the front property, the rear property line; the side yards, easements, and protected trees?
- Can I build this house within the building coverage limits and impervious cover limits established in my zoning district?
- Can my home meet the height limitations of the zoning district?
- Does my lot meet the minimum width and area requirements?
- Is there a Board of Adjustment decision that governs construction on this site?
- Is the lot on which I plan to build the home historically significant, located in a historic district, listed in a city historic inventory, or recognized as historically significant by the state or federal government?

Other issues to consider are that there may be notes on your subdivision plat, a restrictive covenant, or your deed restrictions that provide additional limitations on how you can use your property. A title company or real estate appraiser can secure this information for you, and it is important to know this before you submit your plans for City review.

Other requirements are triggered if the building is located in the 100-year flood plain or the 25-year flood plain. The Development Assistance Center will assist you in determining your options if you are in a flood plain. You can check to see where the flood plain is by looking at the Internet Web site for the Development Process <http://www.cityofaustin.org/development> and clicking on "GIS -- Geographic Information."

Most lots have standard legal descriptions such as Lot 1, Block 2, Fred's Subdivision. Others are described with less conventional descriptions that will raise questions about whether the tract complies with subdivision standards. The Development Assistance Center determines whether the lot or tract was legally subdivided or "grandfathered" or whether you would need to apply for and receive a subdivision approval administratively or from the Planning Commission before you could place any improvements on the lot. Like zoning, if a subdivision approval is needed, it must be obtained prior to the issuance of any building permits.

Federal and State Standards

In addition to City of Austin standards, federal and state agencies enforce additional requirements. Some of these standards govern all housing, while others are limited to specific types of development. Federal and state agencies may require compliance with additional environmental standards if federal or state funding is used.

The City of Austin has established purchasing, contract administration, and monitoring systems that include compliance with applicable regulations as well as standards of performance included in specific contracts. Regulatory requirements for publicly funded developments may include compliance with standards in the following areas: labor standards; payment for relocation of current residents; fair housing and equal opportunity; accessibility for persons with disabilities; property maintenance; historic preservation; environmental protection; and applicant eligibility based upon income. The City offers training for contractors and applicants on regulatory and performance requirements. This training is designed to eliminate problems that have arisen in the past when owners, contractors or applicants were not fully aware of their responsibilities. The City of Austin monitors compliance with all applicable regulations.

Labor Standards

Labor standards include federal and state workplace safety standards as well as provisions for minimum wages and other conditions of employment. Different funding sources bring with them specific labor standards, and these labor standards may be triggered when a development builds or rehabilitates a certain number of units or when a certain amount of federal funding is provided for the development. Contracts should include language that clarifies which labor standards govern a particular project, and provide details about when the owner or contractor will have to submit reports that establish compliance with the applicable labor standards.

Acquisition and Relocation Standards

Federal regulations establish the basis for fair treatment of residents who may be displaced or relocated when a property is bought, sold, or rehabilitated with federal funds. These standards supplement the City of Austin policies that may govern these activities if city funds are used in this activity as well.

Fair Housing and Equal Opportunity Standards

Federal regulations allow all people to have access to available services and assistance regardless of their race, color, religion, national origin, age or sex. The City of Austin investigates complaints of discrimination and takes appropriate action when violations are identified.

Environmental Protection

If the proposed S.M.A.R.T. Housing development receives federal assistance, the applicant must secure environmental approvals from both the City review staff and the agency supplying the funding prior to building permit issuance. These reviews may include review for compliance with flood plain regulations, redevelopment standards for former landfills, setbacks from pipelines and easements, noise mitigation and other environmental standards.

3. APPENDIX

S.M.A.R.T. Housing Process Checklist

- All Projects**
- ☐ Read the S.M.A.R.T. Housing Guide. Will your project meet S.M.A.R.T. Housing standards?
 - ☐ Verify existing conditions:
 - ☐ Does the property have the zoning needed for your project?
 - ☐ Is the property within City limits? If not, talk to S.M.A.R.T. Housing staff about voluntary annexation process.
 - ☐ Is there a bus route within ¼ mile with peak hour service every 20 minutes or less?
 - ☐ Is the property in the Drinking Water Protection Zone?
 - ☐ Are you claiming HB 1704 exemptions? If so, have you met with the City's 1704 Committee?
 - ☐ Have a Pre-Application Meeting with S.M.A.R.T. Housing staff, to identify any major issues related to subdivision or site plan approval
 - ☐ Have a meeting with Green Builder staff and secure Conditional Approval.
 - ☐ Submit S.M.A.R.T. Housing fee waiver application.
 - ☐ City staff reviews the application for completeness and verifies whether a zoning change is required for the proposed development.
 - ☐ City staff will provide the applicant a Certification Letter stating that certain fees will be waived.
 - ☐ Have a post-certification meeting with S.M.A.R.T. Housing staff to discuss S.M.A.R.T. Housing process and identify any potential issues.
- Single-Family and Duplex**
- ☐ **Single-Family and Duplex Plan Review:** The applicant submits the following information to S.M.A.R.T. Housing staff for review and approval.
 - ☐ A completed S.M.A.R.T. Housing Residential Checklist.
 - ☐ All of the attachments listed in the S.M.A.R.T. Housing Residential Checklist
 - ☐ A copy of the S.M.A.R.T. Housing Certification Letter
 - ☐ A Green Building Conditional Approval from Austin Energy
 - ☐ Plan details demonstrating compliance with transit-oriented and visitability standards
 - ☐ When accepted, the application will be reviewed by City zoning staff, who will approve or reject S.M.A.R.T. Housing applications within two working days of receipt. Applicants are expected to submit all corrections within two working days after requested by zoning review staff. Corrected plans are reviewed within two working days, and the applicant must correct rejected plans within two working days. Applicant failure to respond in a timely and complete manner will result in the discontinuation of S.M.A.R.T. Housing review, and review times will revert to a conventional pace.
- Sub-divisions and Multi-Family**
- ☐ **Subdivision and Site Plan Approval:** NHCD will schedule a Pre-Submittal Meeting between the applicant and City reviewers after the applicant has prepared conceptual plans and is preparing to enter completeness check stage of review. At this meeting, staff and applicant establish the review timeline, including the design team's response timeline.
 - ☐ (Multi-Family only): Submit plans to S.M.A.R.T. Housing staff for accessibility review. Revise plans based on review (and re-confirm Green Builder approval) before submitting project.
 - ☐ Submit project (not before pre-submittal meeting and multi-family accessibility review!). Development review & inspection process begins.
 - ☐ Variances, boards, commissions, Council as necessary. Applicants are strongly encouraged to design projects in such a way as to avoid the need for variances.

Subdivisions
and
Multi-Family

- ☐ If the applicant has not secured zoning, the subdivision or site plan approval must wait until the zoning is approved and the plans conform to any conditional overlays that may have been attached to the zoning approval.
- ☐ Respond to the review comments for S.M.A.R.T. Housing accessibility, transit-oriented design, and Green Building.
- ☐ City reviewers provide initial comments within 14 working days, and the applicant is expected to resubmit fully corrected plans with 14 working days. The City will review corrected plans within seven working days, and the applicant must resubmit final corrections within seven working days. The following circumstances will take the application out of the fast track review process, until issues are resolved:
 - A pending request for a zoning or parking variance before the Board of Adjustment
 - A request for an environmental variance not supported by the City's Environmental Officer
 - A pending request for a conditional use permit, compatibility waiver or environmental variance before the Planning Commission or the Zoning and Platting Commission.
 - A claim of House Bill 1704 exemption for the development.
 - A Service Extension Request to the Water and Wastewater Utility.
 - Failure of the applicant to respond timely and completely to the comments generated by City reviewers, or to comments related to S.M.A.R.T. Housing accessibility or transit-oriented review.
- ☐ **Building Plan Review (Multi-family only):** Building plan reviewers return comments to the applicant within seven working days of initial submittal. The applicant is expected to resubmit corrected plans within seven working days. The corrected plans will be reviewed within two working days, and additional corrections must be resubmitted to City reviewers within two working days.

All
Projects

- ☐ Building permits are issued, construction begins.
- ☐ If your project encounters a barrier, contact S.M.A.R.T. Housing staff immediately.
- ☐ Ensure that contractors build from approved plans, especially regarding accessibility/visitability standards. For multi-family, some accessibility standards are federal law for all projects.
- ☐ Notify Green Building staff when breaking ground.
- ☐ Notify S.M.A.R.T. Housing staff to request accessibility/visitability and transit-oriented inspection.
- ☐ Notify Green Building staff when project complete.
- ☐ Final inspection.
- ☐ Certificate of Occupancy issued.
- ☐ Lease or sell units.
- ☐ Five-year affordability period begins. At the time a home or rental unit is ready for occupancy, the S.M.A.R.T. Housing applicant must demonstrate compliance with "reasonably-priced" criteria. Applicants must not only make their income verification data available for City staff review at the initial stage of occupancy, but also throughout the five-year affordability period after initial occupancy. Applicant failure to meet the income eligibility standards throughout the affordability period will result in the applicant being required to return fee waivers and possibly face a zoning rollback if a zoning change was associated with this S.M.A.R.T. Housing application.

S.M.A.R.T. Housing Application for Certification

**DEPARTMENT OF NEIGHBORHOOD HOUSING AND COMMUNITY
DEVELOPMENT
APPLICATION FOR EXEMPTION FROM
PAYMENT OF CAPITAL RECOVERY FEE,
DEVELOPMENT REVIEW AND INSPECTION FEES
AND CERTAIN SUBDIVISION CONSTRUCTION INSPECTION FEES**

I, the undersigned duly authorized representative of _____ (the "Applicant"), the owner of the proposed residential development described in the S.M.A.R.T. Housing Application, do hereby make application to the Neighborhood Housing and Community Development Office (NHCD) as administrator of the City's S.M.A.R.T. Housing Program in accordance with the program guidelines for _____ residential units to be exempted from the payment of the Capital Recovery Fees and other available fee waivers, and I do hereby declare and represent as follows:

The applicant intends to construct _____ Single-family homes to be sold to qualified homebuyers or to construct and operate a _____ unit Multi-family rental residential development (the "Development") to be located within the City of Austin, Texas, and desires that the City exempt the development from the payment of Capital Recovery Fees and other available fees in accordance with the S.M.A.R.T. Housing Resolution.

The Applicant has received a copy of the S.M.A.R.T. Housing Guide and having read this document, hereby agrees to comply with all terms of the rules including meeting the minimum Green Building standards, the Accessibility and Visitability standards required by the S.M.A.R.T. Housing Resolution, and the Transit-Oriented standards in the S.M.A.R.T. Housing Guide.

The Applicant has submitted herewith a completed copy of the S.M.A.R.T. Housing Application. To the best of the Applicant's knowledge, the information contained therein is true and correct.

The Applicant, if awarded the exemptions, hereby agrees to execute a contract with NHCD for the receipt of the exemptions. The Contract will contain such provisions as are necessary to carry out the requirements of the Programmatic exemption included in the Land Development Code.

Before issuance of the Certificate of Exemption, the Applicant will execute a note or surety bond, payable to NHCD in the amount of the number of exemptions granted multiplied by the fees required for the particular project and a Deed of Trust and/or restrictive covenant as specified by the Ordinance sufficient to assure that any designated reasonably priced Unit receiving the exemption will be occupied by an eligible family with income at 80 percent or below the Median Family Income (MFI) and requiring an affordability period of at least five years. If the unit is not occupied timely of execution of the note, the Applicant will pay the required Capital Recovery Fee and other required fees and forward this payment to the Neighborhood Housing and Community Development Office (NHCD) for repayment to the respective City departments due the fees.

WITNESS MY HAND THIS _____ DAY OF _____, 20____.

(NAME OF APPLICANT)

BY: _____

TITLE: _____

S.M.A.R.T. Housing Application for Certification

APPLICANT AND DEVELOPMENT INFORMATION

1. Name and contact information for the Applicant; i.e., the entity that currently has site control and will build the units for which exemption from payment of Capital Recovery Fees; development review and inspection fees; and certain subdivision construction inspection fees are requested (referred to hereinafter as the "Development").

Name:	Telephone: (office) (mobile)
Organization:	Fax:
Address and Zip:	Email:

2. Form of Organization of the Applicant:

☐ Corporation ☐ Limited Partnership ☐ General Partnership
☐ Sole Proprietor ☐ 501(c)3 Nonprofit Corporation

3. If the Applicant is a corporation, identify its officers and indicate their titles. If the Applicant is a partnership, identify its general partner or general partners (include occupation, title, address and telephone number).

4. Contact information for the representative of the Applicant with whom staff should communicate.

Name:	Telephone: (office) (mobile)
Organization:	Fax:
Address and Zip:	Email:

5. List of street addresses and/or description of the Development site (**Please attach** a legal description of the Development and, if a single-family project, a list of the lots and addresses).

(Attachment No. 1: Legal description and list of lots and addresses).

6. Has the City of Austin accepted the subdivision for maintenance and can a building permit be secured? Yes ☐ No ☐
7. Does the project have site plan approval? Yes ☐ No ☐
8. Will the subdivision be developed in phases? Yes ☐ No ☐ If so, how many lots per phase? _____

9. What is the current zoning of the property? _____
If a rezoning is required, what zoning will be proposed? _____
10. If the Applicant presently owns the Development site, indicate: (Include copy of Title Commitment, Escrow Contract or other document sufficient to show site control). If an option, what is the option expiration date? _____

(Attachment No. 2: Proof of Site control such as contract, option, deed, dedicated plat, etc.)

11. If the applicant does not presently own the Development site, please describe any relationship that exists by virtue of common control or ownership between the Applicant and the present owner of the Development site. If none, please write "none."
- _____

12. Estimated date to begin building construction: _____

13. Estimated date of completion: _____

14. Please attach a map or diagram indicating the Development's proximity to public transportation, places of employment, public parks, libraries, EMS/fire station or police substations, community centers, schools, flood plains, railroad tracks, or former landfill locations. (A photocopied map with locations highlighted is sufficient)

(Attachment No. 3: Availability of Infrastructure: Site map with proximity to items listed above)

15. Describe any additional facilities to be included in the Development such as parking, laundry, office or recreational facilities.

16. Indicate which of the following, if any, tenants/owners will be required to pay on an individual basis.

_____ Electricity _____ Water and Sewer _____ Garbage Pickup _____ Gas

17. Attach a summary of prior development experience of the applicant or its principals, indicating date of project, size of project, type of project, and location of project. If a nonprofit, include name and experience of contractor who will build the units.

(Attachment No. 4: Experience and/or track record of developer – may be omitted if applicant has previously received exemptions under this program)

18. Indicate any subsidy, loan guarantee, Bond Financing, Issuer of Bonds, Low Income Housing Tax Credit, down payment assistance, or other subsidy for which the Applicant has received a commitment, has made, or intends to make, application with respect to the Development. If none, please write "none."

Indicate percentage and number of units of the project targeted to moderate income (families with income 80 percent of MFI or below), very low income (families with incomes at 50 percent or below MFI). If some or all units will be reserved for persons with special needs, and/or Section 8 families, please note this below.

____ % of the units will be sold or rented to families with income at ____ % MFI or below
 ____ % of the units will be sold or rented to families with income at ____ % MFI or below
 ____ % of the units will be sold or rented to families with income at ____ % MFI or below

19. Indicate if your organization is a Community Based Development Organization (CBDO), Community Housing Development Organization (CHDO) or other nonprofit.

20. Indicate the number of units, type (number of bedrooms), approximately size (square footage), and projected rents, or in the case of single family homes, projected selling price of the units. If necessary, attach additional pages.

(Attachment No. 5: Details of the development)

____ Number of Houses or Units with ____ bedrooms, ____ baths, ____ sq. ft. of living area

Land/Lot Cost:	Construction Cost:
Selling Price:	Monthly Rental (for rental developments):
Selling Price per Square Foot:	Monthly Rental per Square Foot:

For Single Family, will the development be:

☐ site-built, or ☐ manufactured homes, manufactured by _____ company
 (note: manufactured homes for single-family development must be installed on permanent foundations)

21. Are you considering applying for gap financing from NHCD/AHFC to complete your development?
Note: Some NHCD/AHFC federal funding sources have environmental, labor, and monitoring requirements beyond S.M.A.R.T. Housing requirements. ☐ Yes ☐ No

If yes, applicant must also complete and submit appropriate supplemental financing application.

Applicant hereby submits this completed Application for Fee Exemptions Questionnaire with the required attachments to Neighborhood Housing and Community Development for consideration.

Submitted this ____ day of _____, 20__.

 Applicant's Signature

Enclosures:

Attachment No. 1 – Legal Description and List of lots and addresses
 Attachment No. 2 – Proof of site control
 Attachment No. 3 – Availability of infrastructure
 Attachment No. 4 – Experience and track record of developer/contractor (may be omitted if Applicant has previously received exemptions under the program)
 Attachment No. 5 – Details of the Development

S.M.A.R.T. Housing Residential Completeness Check

Address: _____

Name of development/S.M.A.R.T. Housing Applicant: _____

Neighborhood Planning Area (if applicable): _____

Zoning District for this site is: _____

	<u>Required</u>	<u>Proposed</u>
Setbacks:		
• Front yard	_____	_____
• Rear yard	_____	_____
• Interior side yard	_____	_____
• Street side yard, if applicable	_____	_____
Building coverage limit	_____	_____
Impervious coverage limit	_____	_____

The following items are included in this submittal:

- ___ Completed residential application
- ___ Copy of S.M.A.R.T. Housing Certification Letter for the development
- ___ Visitability Standards appear on one page of the building plans
- ___ Full legal description (including amended or resubdivision, section and and phase number)
- ___ One original plot plan and 2 copies (no reduced or faxed copies) drawn to engineer's scale showing entire lot dimensions and dimensions of all proposed buildings. Pages no larger than 8 1/2 x 14.
- ___ Plot plan shows decks, balconies, exterior stairs, bay windows, overhangs, required sidewalks, all easements (as required by subdivision plat); and
 - Front, street side yard, interior side yard, rear yard setbacks
 - Location of storm sewer inlets (or note if none within 10' of side property lines)
 - Water meter locations
 - Location of manholes, transformers, and pull boxes
- ___ Floor plans match plot plan.
- ___ Elevations showing height dimensions of front, side, and rear.
- ___ Copies of any variances granted, easement releases, or any other approvals granted by City Boards, Commissions, or Council.
- ___ Septic system permit (if applicable), or waiver form with a copy of the Health Dept. application.
- ___ Documentation of a joint access agreement (if required to satisfy access requirements).

Signature of owner/agent

Date

Forwarded to Zoning Review by S.M.A.R.T. Housing

Time

Date

The AHFC and the City of Austin are committed to compliance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, as amended. Reasonable modifications and equal access to communications will be provided upon request. Please call (512) 974-3100 (voice) or Relay Texas at 1-800-735-2989 (TDD) for assistance.

The AHFC and the City of Austin do not discriminate on the basis of disability in the admission, access to, treatment, or employment in their programs and activities. Dolores Gonzalez has been designated as the City's Section 504/ADA Coordinator. Her office is located at 206 East 9th Street, 14th Floor. If you have any questions or complaints regarding your Section 504/ADA rights, please call Dolores Gonzalez at (512) 974-3256 (Voice) or (512) 974-2445 (TTY).

This publication is available in alternative formats. Please call (512) 974-3100 (Voice) or Relay Texas at 1-800-735-2989 (TDD) for assistance.

ATTACHMENT 3



Domain/900-
sent to
city clerk
4-14-04

Contract Reference Cover Sheet

<i>Responsible Department:</i>	Law Department
<i>Contact person in your office:</i>	David Lloyd
<i>Address:</i>	114 W 7 th Street, 2 nd Floor, Austin, TX 78701
<i>E-mail:</i>	David.lloyd@ci.austin.tx.us
<i>Telephone:</i>	(512) 974-2918
<i>Project Name & Description:</i>	First Amendment to City of Austin / Endeavor Real Estate Group Chapter 380 Economic Development Agreement
<i>Contractor/Vendor/Party:</i>	EGP Management, L.L.C. / City of Austin, Texas
<i>Contract Period:</i>	April 2, 2004 indefinitely
<i>Contract/Agreement Type:</i>	First Amendment to Economic Development Agreement
<i>Extension Options:</i>	N/A
<i>Reference No.:</i>	19069 / Construction, Land & Water Dept. Files
<i>Requisition No.:</i>	N/A
<i>Solicitation No.:</i>	N/A
<i>RX No.:</i>	N/A
<i>Agenda Item Number:</i>	Resolution No. 040311-14
<i>Date Approved by Council:</i>	March 11, 2004
<i>Date of Execution:</i>	April 2, 2004

NOTE:

Forward this document electronically to the Office of the City Clerk. It will be kept of file in the Office of the City Clerk and provided to customers seeking information regarding the contract/agreement

FIRST AMENDMENT TO CITY OF AUSTIN /

ENDEAVOR REAL ESTATE GROUP

CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO CITY OF AUSTIN / ENDEAVOR REAL ESTATE GROUP CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT (the "Amendment"), is entered into by and between EGP Management, L.L.C., a Texas limited liability company ("EGP") and the City of Austin, Texas, a Texas home rule city and municipal corporation ("City").

RECITALS

- A. EGP and City entered into that certain "City of Austin/Endeavor Real Estate Group, Chapter 380 Economic Development Agreement," dated effective June 13, 2003 (the "Agreement") relating to economic development grants regarding the development of a mixed use project consisting of between approximately forty two (42) acres and fifty five (55) acres of land, as more particularly described in the Agreement (the "Property").
- B. EGP and City desire to amend the Agreement as set forth below.

AGREEMENT

In consideration of the mutual covenants and agreements set forth herein, EGP and City agree to amend the Agreement as follows:

- 1. Amendment to Section 4. The first sentence of Section 4 of the Agreement is amended as follows:

Owner Obligations. In consideration of the City's participation in the Program, if Owner proceeds with the Project and accepts Chapter 380 Payments from the City pursuant to this Agreement, Owner agrees that the following performance guidelines shall be met:

- 2. Amendment to Section 4(b). The first sentence of Section 4(b) of the Agreement is amended as follows:

During the term of this Agreement, Owner will designate and allocate a One Million and No/100 Dollars (\$1,000,000) fund from its construction budget to assist small local businesses to locate at the Project.

3. Amendment to Sections 5 (a) and 5(b)(i). Sections 5(a) and 5 (b)(i) of the Agreement are deleted in their entirety and replaced with the following:

Chapter 380 Payments.

- a. Payments. The City shall pay to Owner grants based on the following formulas applied to the Sales Tax Revenues and Ad Valorem Revenues paid to the City from the Project.
- b. Sales Tax Formula.
- i. For a period of five (5) years beginning on the Sales Tax Effective Date, the City shall pay the Owner a Chapter 380 Payment equal to eighty percent (80%) of the One Cent Sales Tax Revenues. For a period of fifteen (15) years following the initial five (5) year period, the City shall pay the Owner a Chapter 380 Payment equal to fifty percent (50%) of the One Cent Sales Tax Revenues. The Chapter 380 Payments calculated with respect to the One Cent Sales Tax Revenues shall be paid by the City to Owner no later than October 30th of each year based upon the amount of sales taxes collected by the City for the twelve (12) month period ending with the preceding April 30th.

4. Amendment to Section 5 (c). The first sentence of Section 5(c) of the Agreement is amended as follows:

For a period of twenty (20) years beginning on the Ad Valorem Tax Effective Date, the City shall pay the Owner a Chapter 380 Payment equal to twenty-five percent (25%) of the Incremental Ad Valorem Revenues.

The sixth sentence of Section 5(c) of the Agreement is amended as follows:

The Chapter 380 Payments with respect to the Incremental Ad Valorem Revenues shall be based on the amount stated in the Ad Valorem Revenue Notice, which shall be verified by the City, and shall be repaid to Owner by the City on an annual basis for the preceding year on or before October 30th following the tax year for which they were paid.

5. Amendment to Section 5 (e). The first sentence of Section 5(e) of the Agreement is amended as follows:

If, during the term of this Agreement, state law applicable to municipal taxation changes either in the form of sales taxes or ad valorem taxes, and as a result, the Chapter 380 Payments differ from the amount which would have been paid to Owner under the laws in effect as of the Effective Date of this Agreement, then the City, in its sole discretion may adjust the Chapter 380 Payments using

whatever discretionary taxes and revenues that are legally available to the City which can be allocated to the Chapter 380 Payments.

6. Amendment to Section 5. Section 5 of the Agreement is amended to add the following subsection (f) as follows:

- f. Payments Subject to Future Appropriations. Although certain payments under this Agreement are calculated based on a formula applied to ad valorem and/or sales tax revenues, this Agreement shall not be construed as a commitment, issue or obligation of any specific taxes or tax revenues for payment to Owner. All payments by the City under this Agreement are subject to City's appropriation of funds for such payments in the budget year for which they are made. The payments to be made to Owner, if paid, shall be made solely from annual appropriations from the general funds of the City or from such other funds of the City as may be legally set aside for the implementation of Article III, Section 52a of the Texas Constitution or Chapter 380 of the Local Government Code or any other economic development or financing program authorized by statute or home rule powers of the City under applicable Texas law, subject to any applicable limitations or procedural requirements. In the event the City does not appropriate funds in any fiscal year for payments due under this Agreement, City shall not be liable to Owner for such payments, and the Owner shall have the right but not the obligation to rescind this Agreement. To the extent there is a conflict between this paragraph 5(f) and any other language or covenant in this Agreement, this paragraph 5(f) shall control.

7. New Section 24. A new Section 24 is added to read as follows:

No Joint Venture. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, its past, present and future officers, elected officials, employees and agents of the City, do not assume any responsibilities or liabilities to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.

8. Effect of Amendment. Except as specifically amended by this Amendment, the terms and provisions stated in the Agreement shall remain in full force and effect. This Amendment and the Agreement, including all exhibits to such documents, constitute the entire agreement between the parties and supersede all prior and contemporaneous agreements and understandings of the parties. In the event of any inconsistency, the terms and provisions of this amendment shall control over and modify the terms and provisions of the Agreement.

9. Execution. This instrument may be executed in any number of counterparts. Additionally, the (i) the signature pages taken from separate individually executed

counterparts of this instrument may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature shall be deemed to be an original signature for all purposes. All executed counterparts of this instrument shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement.

EXECUTED to be effective as of the 2nd day of April, 2004.

EGP: **EGP MANAGEMENT, L.L.C.,**
a Texas limited liability company

By: Kirk Rudy
Printed Name: Kirk Rudy
Title: E.V.P.

CITY:

By: Toby Hammett Futrell

Printed Name: TOBY HAMMETT FUTRELL

Title: City Manager

Approved as to form: David Lloyd
City of Austin Law Department

ATTACHMENT 4

RESOLUTION NO. 040311-14

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the City Manager is authorized to negotiate and execute a First Amendment to the City of Austin/Endeavor Real Estate Group Chapter 380 Economic Development Agreement, in substantially the form attached as Exhibit "A."

ADOPTED: March 11, 2004

ATTEST:

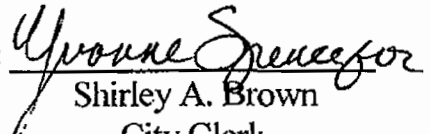

Shirley A. Brown
City Clerk

EXHIBIT A

FIRST AMENDMENT TO CITY OF AUSTIN /
ENDEAVOR REAL ESTATE GROUP
CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO CITY OF AUSTIN / ENDEAVOR REAL ESTATE GROUP CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT (the "Amendment"), is entered into by and between EGP Management, L.L.C., a Texas limited liability company ("EGP") and the City of Austin, Texas, a Texas home rule city and municipal corporation ("City").

RECITALS

- A. EGP and City entered into that certain "City of Austin/Endeavor Real Estate Group, Chapter 380 Economic Development Agreement." dated effective June 13, 2003 (the "Agreement") relating to economic development grants regarding the development of a mixed use project consisting of between approximately forty two (42) acres and fifty five (55) acres of land, as more particularly described in the Agreement (the "Property").
- B. EGP and City desire to amend the Agreement as set forth below.

AGREEMENT

In consideration of the mutual covenants and agreements, EGP and City agree as follows:

- 1. Amendment to Section 4. The first sentence of Section 4 of the Agreement is amended as follows:

Owner Obligations. In consideration of the City's participation in the Program, if Owner proceeds with the Project and accepts Chapter 380 Payments from the City pursuant to this Agreement, Owner agrees that the following performance guidelines shall be met:

- 2. Amendment to Section 4(b). The first sentence of Section 4(b) of the Agreement is amended as follows:

During the term of this Agreement, Owner will designate and allocate a One Million and No/100 Dollars (\$1,000,000) fund from its construction budget to assist small local businesses to locate at the Project.

3. Amendment to Sections 5 (a) and 5(b)(i). Sections 5(a) and 5 (b)(i) of the Agreement are deleted in their entirety and replaced with the following:

Chapter 380 Payments.

- a. Payments. The City shall pay to Owner grants based on the following formulas applied to the Sales Tax Revenues and Ad Valorem Revenues paid to the City from the Project.
 - b. Sales Tax Formula.
 - i. For a period of five (5) years beginning on the Sales Tax Effective Date, the City shall pay the Owner a Chapter 380 Payment equal to eighty percent (80%) of the One Cent Sales Tax Revenues. For a period of fifteen (15) years following the initial five (5) year period, the City shall pay the Owner a Chapter 380 Payment equal to fifty percent (50%) of the One Cent Sales Tax Revenues. The Chapter 380 Payments calculated with respect to the One Cent Sales Tax Revenues shall be paid by the City to Owner no later than October 30th of each year based upon the amount of sales taxes collected by the City for the twelve (12) month period ending with the preceding April 30th.
4. Amendment to Section 5 (c). The first sentence of Section 5(c) of the Agreement is amended as follows:
- For a period of twenty (20) years beginning on the Ad Valorem Tax Effective Date, the City shall pay the Owner a Chapter 380 Payment equal to twenty-five percent (25%) of the Incremental Ad Valorem Revenues.
- The sixth sentence of Section 5(c) of the Agreement is amended as follows:
- The Chapter 380 Payments with respect to the Incremental Ad Valorem Revenues shall be based on the amount stated in the Ad Valorem Revenue Notice, which shall be verified by the City, and shall be repaid to Owner by the City on an annual basis for the preceding year on or before October 30th following the tax year for which they were paid.
5. Amendment to Section 5 (e). The first sentence of Section 5(e) of the Agreement is amended as follows:
- If, during the term of this Agreement, state law applicable to municipal taxation changes either in the form of sales taxes or ad valorem taxes, and as a result, the Chapter 380 Payments differ from the amount which would have been paid to Owner under the laws in effect as of the Effective Date of this Agreement, then the City, in its sole discretion may adjust the Chapter 380 Payments using

whatever discretionary taxes and revenues that are legally available to the City which can be allocated to the Chapter 380 Payments.

6. Amendment to Section 5. Section 5 of the Agreement is amended to add the following subsection (f) as follows:

f. Payments Subject to Future Appropriations. Although certain payments under this Agreement are calculated based on a formula applied to ad valorem and/or sales tax revenues, this Agreement shall not be construed as a commitment, issue or obligation of any specific taxes or tax revenues for payment to Owner. All payments by the City under this Agreement are subject to City's appropriation of funds for such payments in the budget year for which they are made. The payments to be made to Owner, if paid, shall be made solely from annual appropriations from the general funds of the City or from such other funds of the City as may be legally set aside for the implementation of Article III, Section 52a of the Texas Constitution or Chapter 380 of the Local Government Code or any other economic development or financing program authorized by statute or home rule powers of the City under applicable Texas law, subject to any applicable limitations or procedural requirements. In the event the City does not appropriate funds in any fiscal year for payments due under this Agreement, City shall not be liable to Owner for such payments, and the Owner shall have the right but not the obligation to rescind this Agreement. To the extent there is a conflict between this paragraph 5(f) and any other language or covenant in this Agreement, this paragraph 5(f) shall control.

7. New Section 24. A new Section 24 is added to read as follows:

No Joint Venture. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, its past, present and future officers, elected officials, employees and agents of the City, do not assume any responsibilities or liabilities to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.

8. Effect of Amendment. Except as specifically amended by this Amendment, the terms and provisions stated in the Agreement shall remain in full force and effect. This Amendment and the Agreement, including all exhibits to such documents, constitute the entire agreement between the parties and supersede all prior and contemporaneous agreements and understandings of the parties. In the event of any inconsistency, the terms and provisions of this amendment shall control over and modify the terms and provisions of the Agreement.

9. Execution. This instrument may be executed in any number of counterparts. Additionally, the (i) the signature pages taken from separate individually executed

counterparts of this instrument may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature shall be deemed to be an original signature for all purposes. All executed counterparts of this instrument shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement.

EXECUTED to be effective as of the _____ day of _____, 2004.

EGP: **EGP MANAGEMENT, L.L.C.,**
a Texas limited liability company

By: _____

Printed Name: _____

Title: _____

CITY:

By: _____

Printed Name: _____

Title: _____

Approved as to form: _____
City of Austin Law Department

ATTACHMENT 5



Via Hand Delivery

June 22, 2004

Ms. Toby Futrell
City Manager
Municipal Building
124 West 8th Street, #103
Austin, Texas 78701

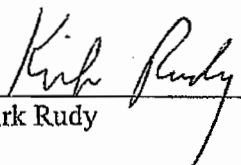
Re: Chapter 380 Economic Development Agreement for The Domain dated June 13, 2003, as amended (the "Agreement") between EGP Management, L.L.C., a Texas limited liability corporation ("EGP") and the City of Austin, a Texas home rule city and municipal corporation ("City")

Dear Ms. Futrell:

On behalf of EGP, we hereby request the City's consent for an assignment of the Agreement. Section 15 of the Agreement provides that EGP "may not assign all or part of its rights and obligations to a third party without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed." This letter is intended to serve as written notification that EGP intends to assign its rights and interests pertaining to the Agreement to The Domain Shopping Center, L.P., a Delaware limited partnership ("The Domain"), its successors and assigns. We hereby request the City's consent to such assignment. Enclosed is a copy of the proposed assignee's most recent annual report, stating its financial condition.

We would appreciate your concurrence to the proposed assignment by signing in the space provided below and returning an executed original to me. Thank you for your customary courtesy and assistance in this matter. Please call me if you have any questions.

Very truly yours,


Kirk Rudy

CITY HEREBY CONSENTS TO THE ASSIGNMENT
OF THE AGREEMENT FROM EGP TO THE DOMAIN
SHOPPING CENTER, L.P.

CITY OF AUSTIN, a
home rule city and municipal corporation

By: Toby H. Fulrell
Toby Fulrell, City Manager

Date: 7/20/04

The undersigned hereby assumes and agrees to perform all of the rights and obligations of EGP
under the Agreement.

THE DOMAIN SHOPPING CENTER, L.P., a Delaware limited partnership

By: SPG DOMAIN, LLC, a Delaware limited liability company,
its general partner

By: SIMON PROPERTY GROUP (TEXAS), L.P., a
Texas limited partnership, its sole member

By: GOLDEN RING MALL COMPANY LIMITED
PARTNERSHIP, an Indiana limited partnership,
its general partner

By: SIMON PROPERTY GROUP
(DELAWARE), INC., a Delaware
corporation, its general partner

By: David Simon
David Simon, Chief Executive Officer

Date: June 23, 2004

ATTACHMENT 6

Addendum

Authorizations to Proceed --
Limited Authorizations followed by
full contracts (Scope defined by
lists of attached, permitted CDs)

5/4/05	LOI #2	Grading/Utilities related
5/4/05	LOI #3	"
8/30/05	LOI #4	Chilled Water
8/16/05	Contract	Parking Decks
3/1/05	but signed Contract	Retention Basins
9/05		offsite
0/7/05	LOI #5	
3/22/06	Contract	Chilled Water
1/8/06	General Contract for full project (incorporates prior LOIs)	

15521

The Domain Shopping Center, L.P.
115 W. Washington Street
Indianapolis, IN 46204

TO: HC Beck, Ltd.
2305 Donley Drive, Suite 106
Austin, TX 78758

May 4, 2005

Re: Letter of Intent #2
Project: The Domain
Project numbers: 85001054

Dear Mr. Tracey:

This document is a formal Letter of Intent to evidence the mutual intention of HC Beck, Ltd. ("Contractor") and The Domain Shopping Center, L.P. ("Owner") to enter into a contract for the construction of certain improvements in connection with The Domain ("Project"). This letter confirms our verbal understanding and agreements, and authorizes you to commence performance to the extent set forth herein, subject to the following terms, conditions and limitations.

The parties intend to enter into a definitive construction contract for the Project based upon the Owner's standard construction contract form entitled "Agreement Between Owner and Contractor", our Form No. GC-1, subject to the approval of the lender ("Contract"). A copy of the standard construction contract form is enclosed. The Contractor's scope of work will include the construction of the Project, excluding full General Conditions (to be added).

The Contract will require that the work be substantially completed in accordance with a Project Schedule to be agreed upon at a later date. The Contractor will enter into written contracts with all subcontractors, material suppliers, and design professionals. The cost of design services will be included in the lump sum price, also to be agreed upon at a later date.

This Letter of Intent shall also confirm our agreement that the Contractor will begin interim work on this Project pending our finalization and execution of the Contract. The interim work to be performed by the Contractor under this Letter of Intent is described in the attached "Scope of Interim Work." This authorization to proceed is strictly limited to the specific items and do-not-exceed amounts described in that attachment. The Contractor shall not, without the Owner's written approval, perform any other or additional work or take any other actions that could increase or extend the Owner's obligations in connection with the Project beyond those described in the Scope of Interim Work attachment.

Upon execution of the Contract, the work performed by the Contractor (or any of its subcontractors or design professionals) pursuant to this Letter of Intent shall be deemed to have been performed pursuant to the Contract for all purposes and this Letter of Intent shall be of no further force or effect.

In the unlikely event negotiations break down, the Owner shall pay to you all actual costs expended in performing the interim work under this Letter of Intent. These costs shall consist of the actual "Cost of the Work" (as defined in the Owner's standard "cost-plus" construction contract form) incurred or expended by you and your subcontractors, material suppliers, and design professionals, plus 2.5% of the Cost of the Work as your fee for profit and plus actual approved overhead as listed, the aggregate of which shall not exceed the amounts stated in the Scope of Interim Work attachment. The Contractor shall neither receive nor claim entitlement to other compensation or fee for work in excess of the amounts stated, and

Letter of Authorization
(LOA) #010 PER

Grading & Site Work

shall not be entitled to anticipated profits in the event of termination of this Letter of Intent or the failure of the parties to execute the Contract.

Negotiations may be terminated by either party at any time. Upon receipt of written notice that negotiations have been terminated, the Contractor shall exercise reasonable good faith efforts to terminate any and all existing contractual obligations related to the Project and cease all work on the Project. The Owner shall compensate the Contractor for the amount due within thirty (30) days of receipt of a statement from the Contractor detailing the Cost of the Work, substantiated by such documentation as the Owner may require.

Once payment has been tendered by the Owner, it is agreed that all construction, design and other documents prepared by the Contractor and its subcontractors and design professionals in connection with the Project shall become the property of the Owner. The Owner shall be deemed the owner of such documents and shall be assigned all common law, statutory and other rights in such documents, including the copyright. The documents are for use solely with respect to this Project and shall not be used by the Owner on other projects.

Kindly countersign this letter below to confirm your agreement to the terms of this Letter of Intent and return the original to us at your earliest convenience.

"OWNER"

SPGIL DOMAIN, L.P.,

a Delaware limited partnership

By: SPGIL DOMAIN GP, L.L.C.,

a Delaware limited liability company

By: Virginia Properties, Inc.,

an Illinois corporation

By: 

Printed: Richard S. Sokolov

Title: President & Chief Operating Officer

AGREED

"CONTRACTOR"

H.C. Beck, Ltd.

By: 

Printed: Paul E. Higgins

Title: Managing Director

Date: 05/09/05

The Domain Shopping Center, L.P.
115 W. Washington Street
Indianapolis, IN 46204

TO: HC Beck, Ltd.
2305 Donley Drive, Suite 106
Austin, TX 78758

May 4, 2005

Re: Letter of Intent #3
Project: The Domain
Project numbers: 85001054

Dear Mr. Tracey:

This document is a formal Letter of Intent to evidence the mutual intention of HC Beck, Ltd. ("Contractor") and The Domain Shopping Center, L.P. ("Owner") to enter into a contract for the construction of certain improvements in connection with The Domain ("Project"). This letter confirms our verbal understanding and agreements, and authorizes you to commence performance to the extent set forth herein, subject to the following terms, conditions and limitations.

The parties intend to enter into a definitive construction contract for the Project based upon the Owner's standard construction contract form entitled "Agreement Between Owner and Contractor", our Form No. GC-1, subject to the approval of the lender ("Contract"). A copy of the standard construction contract form is enclosed. The Contractor's scope of work will include the construction of the Project, excluding full General Conditions (to be added).

The Contract will require that the work be substantially completed in accordance with a Project Schedule to be agreed upon at a later date. The Contractor will enter into written contracts with all subcontractors, material suppliers, and design professionals. The cost of design services will be included in the lump sum price, also to be agreed upon at a later date.

This Letter of Intent shall also confirm our agreement that the Contractor will begin interim work on this Project pending our finalization and execution of the Contract. The interim work to be performed by the Contractor under this Letter of Intent is described in the attached "Scope of Interim Work." This authorization to proceed is strictly limited to the specific items and do-not-exceed amounts described in that attachment. The Contractor shall not, without the Owner's written approval, perform any other or additional work or take any other actions that could increase or extend the Owner's obligations in connection with the Project beyond those described in the Scope of Interim Work attachment.

Upon execution of the Contract, the work performed by the Contractor (or any of its subcontractors or design professionals) pursuant to this Letter of Intent shall be deemed to have been performed pursuant to the Contract for all purposes and this Letter of Intent shall be of no further force or effect.

In the unlikely event negotiations break down, the Owner shall pay to you all actual costs expended in performing the interim work under this Letter of Intent. These costs shall consist of the actual "Cost of the Work" (as defined in the Owner's standard "cost-plus" construction contract form) incurred or expended by you and your subcontractors, material suppliers, and design professionals, plus 2.5% of the Cost of the Work as your fee for profit and plus actual approved overhead as listed, the aggregate of which shall not exceed the amounts stated in the Scope of Interim Work attachment. The Contractor shall neither receive nor claim entitlement to other compensation or fee for work in excess of the amounts stated, and

Letter of Authorization
(LOA) #011
Pat
Gradients & Site Work

shall not be entitled to anticipated profits in the event of termination of this Letter of Intent or the failure of the parties to execute the Contract.

Negotiations may be terminated by either party at any time. Upon receipt of written notice that negotiations have been terminated, the Contractor shall exercise reasonable good faith efforts to terminate any and all existing contractual obligations related to the Project and cease all work on the Project. The Owner shall compensate the Contractor for the amount due within thirty (30) days of receipt of a statement from the Contractor detailing the Cost of the Work, substantiated by such documentation as the Owner may require.

Once payment has been tendered by the Owner, it is agreed that all construction, design and other documents prepared by the Contractor and its subcontractors and design professionals in connection with the Project shall become the property of the Owner. The Owner shall be deemed the owner of such documents and shall be assigned all common law, statutory and other rights in such documents, including the copyright. The documents are for use solely with respect to this Project and shall not be used by the Owner on other projects.

Kindly countersign this letter below to confirm your agreement to the terms of this Letter of Intent and return the original to us at your earliest convenience.

"OWNER"

SPGIL DOMAIN, L.P.,

a Delaware limited partnership

By: SPGIL DOMAIN GP, L.L.C.,

a Delaware limited liability company

By: Virginia Properties, Inc.,

an Illinois corporation

By: 

Printed: Richard S. Sokolov

Title: President & Chief Operating Officer

AGREED

"CONTRACTOR"

H.C. Beck, Ltd.

By: 

Printed: Paul E. Higgins

Title: Managing Director

Date: 05/09/2005

SIMON™

17523

RECEIVED

OCT 04 2005

BY
BECK - AUSTIN

SPGIL DOMAIN, L.P.
115 W. Washington Street
Indianapolis, IN 46204

TO: HC Beck, Ltd.
1807 Ross Avenue, Suite 500
Dallas, TX 75201

August 30, 2005

Re: Letter of Intent – Chilled Water
Project: Domain LOI #4
Project numbers: 4735

Dear Andrew Dicus:

This document is a formal Letter of Intent to evidence the mutual intention of HC Beck, Ltd. ("Contractor") and SPGIL DOMAIN, L.P. ("Owner") to enter into a contract for the construction of certain improvements in connection with The Domain – Chilled Water System ("Project"). This letter confirms our verbal understanding and agreements, and authorizes you to commence performance to the extent set forth herein, subject to the following terms, conditions and limitations.

The parties intend to enter into a definitive construction contract for the Project based upon the Owner's standard construction contract form entitled "Agreement between Owner and Contractor", our Form No. GC-1, in the form negotiated by the parties for another portion of the work for the subject project and subject to the approval of the local utility having jurisdiction over the Project.

The Contract will require that the work be substantially completed in accordance with a Project Schedule agreed upon. The Contractor will enter into written contracts with all subcontractors, and material suppliers.

This Letter of Intent shall also confirm our agreement that the Contractor will begin interim work on this Project pending our finalization and execution of the Contract. The interim work to be performed by the Contractor under this Letter of Intent is described in the attached "Scope of Interim Work." This authorization to proceed is strictly limited to the specific items and do-not-exceed amounts described in that attachment. The Contractor shall not, without the Owner's written approval, perform any other or additional work or take any other actions that could increase or extend the Owner's obligations in connection with the Project beyond those described in the Scope of Interim Work attachment.

Upon execution of the Contract, the work performed by the Contractor (or any of its subcontractors pursuant to this Letter of Intent shall be deemed to have been performed pursuant to the Contract for all purposes and this Letter of Intent shall be of no further force or effect.

In the unlikely event negotiations break down, the Owner shall pay to you all actual costs expended in performing the interim work under this Letter of Intent. These costs shall consist of the actual "Cost of the Work" (as defined in the GC-1 construction contract form executed by Owner and Contractor for another portion of the subject project) incurred or expended by you and your subcontractors, material suppliers, and insurers, plus two and one-half percent (2.5%) of the Cost of the Work as your fee for profit, the aggregate of which shall not exceed the amounts stated in the Scope of Interim Work attachment. The Contractor shall neither receive nor claim entitlement to other compensation or fee for work in excess of the amounts stated, and shall not be entitled to anticipated profits in the event of termination of this Letter of Intent or the failure of the parties to execute the Contract.

Negotiations may be terminated by either party at any time. Upon receipt of written notice that negotiations have been terminated, the Contractor shall exercise reasonable good faith efforts to terminate any and all existing contractual obligations related to the Project and cease all work on the Project. The Owner shall compensate the Contractor for the amount due within thirty (30) days of receipt of a statement from the Contractor detailing the Cost of the Work, substantiated by such documentation as the Owner may require.

Once payment has been tendered by the Owner, it is agreed that all construction and other documents prepared by the Contractor and its subcontractors in connection with the Project shall become the property of the Owner. The Owner shall be deemed the owner of such documents and shall be assigned all common law, statutory and other rights in such documents, including the copyright. The documents are for use solely with respect to this Project and shall not be used by the Owner on other projects.

All insurance for the project shall be as set forth on Exhibit "B" attached hereto.

Kindly countersign this letter below to confirm your agreement to the terms of this Letter of Intent and return the original to us at your earliest convenience.

"OWNER"

SPGIL DOMAIN, L.P.

By: 

Printed: Richard S. Sokolov

Title: President & Chief Operating Officer

AGREED

"CONTRACTOR"

HCBECK, LTD.

By: Paul E. Higgins

Printed: Paul E. Higgins

Title: _____

Date: 9/15/05

SIMONTM

17522



SPG PROJECT #4735

DESIGN-BUILD AGREEMENT BETWEEN OWNER AND CONTRACTOR

AGREEMENT made as of August 16, 2005

Between the "Owner": SPGIL DOMAIN, L.P.
115 W. Washington Street
Indianapolis, IN 46204

and the "Contractor": HC Beck, Ltd.
1807 Ross Avenue, Suite 500
Dallas, TX 75201

for the "Project": The Domain – Parking Decks A & B
11701 Mopac Expressway North
Austin, TX 78759

SIGNATURES

By executing this Agreement, the Owner and the Contractor each represent that it has the necessary financial resources to fulfill its obligations under this Agreement and the necessary legal and corporate approvals to execute this Agreement.

OWNER:

SPGIL DOMAIN, L.P.



(Signature)

Richard S. Sokolov

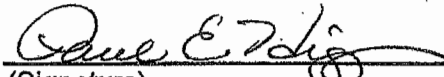
(Printed Name)

President & Chief Operating Officer

(Title)

CONTRACTOR:

HC BECK, LTD.



(Signature)

PAUL E. HIGGINS

(Printed Name)

MANAGING DIRECTOR

(Title)

JP

SIMON™

17520

RECEIVED

OCT 04 2005

BY
BECK - AUSTIN

SPG PROJECT #4735

AGREEMENT BETWEEN OWNER AND CONTRACTOR

AGREEMENT made as of March 31, 2005

Between the "Owner": SPGIL DOMAIN, L.P.
115 W. Washington Street
Indianapolis, IN 46204

and the "Contractor": HC Beck, Ltd.
1807 Ross Avenue, Suite 500
Dallas, TX 75201

for the "Project": The Domain - Retention Basin (off site)
11701 Mopac Expressway North
Austin, TX 78759

Contract - Retention Basin
C. Beck
9/21/05

If the Contractor fails to comply with these obligations, the Owner shall be entitled to move or request the bankruptcy court to reject this Agreement, declare this Agreement terminated and permit the Owner to pursue any other recourse available to the Owner.

10.3 Convenience Termination. The Owner may, at any time and for its convenience, terminate this Agreement. Upon receipt of written notice of termination, the Contractor shall cease operations as directed by the Owner in the notice, take actions necessary, or as the Owner may direct, for the protection and preservation of the Work, and terminate all existing subcontracts, purchase orders and agreements. If the Contractor is not in Default, the Contractor shall receive, as full compensation, the Cost of the Work plus the Fee for Work performed to the date of termination plus all reasonable costs required to demobilize the Contractor's, Subcontractors' and field offices, and equipment. The Contractor waives and relinquishes all other claims for payment and damages, including but not limited to anticipated or lost profits.

10.4 Termination by Contractor. If the Contractor terminates this Agreement on the basis of the Owner's material breach of this Agreement, and the Owner is held legally liable to the Contractor, the Contractor shall recover as its sole remedy payment for Work properly performed prior to the effective date of termination and for items properly and timely fabricated off the Site and delivered and stored in accordance with the Owner's instructions. The Contractor waives and relinquishes all other claims for payment and damages, including but not limited to anticipated or lost profits.


.....

SIGNATURES

By executing this Agreement, the Owner and the Contractor each represent that it has the necessary financial resources to fulfill its obligations under this Agreement and the necessary legal and corporate approvals to execute this Agreement.

SPGIL DOMAIN, L.P.:

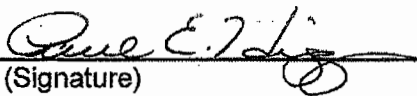
HC BECK, LTD.:



(Signature)
Richard Sokolov

(Printed Name)
President & Chief Operating Officer

(Title)

 9.20.05

(Signature)
Paul E. Higgins

(Printed Name)
Managing Director

(Title)

file copy

SPGIL DOMAIN, L.P.
115 W. Washington Street
Indianapolis, IN 46204

TO: HC Beck, Ltd.
1807 Ross Avenue, Suite 500
Dallas, TX 75201

October 7, 2005

Re: Letter of Intent – Phase II
Project: Domain LOI #5
Project numbers: 4735

Dear Andy Dicus:

This document is a formal Letter of Intent to evidence the mutual intention of HC Beck, Ltd. ("Contractor") and SPGIL DOMAIN, L.P. ("Owner") to enter into a contract for the construction of certain improvements in connection with The Domain – Phase II General Construction ("Project"). This letter confirms our verbal understanding and agreements, and authorizes you to commence performance to the extent set forth herein, subject to the following terms, conditions and limitations.

The parties intend to enter into a definitive construction contract for the Project based upon the Owner's standard construction contract form entitled "Agreement between Owner and Contractor", our Form No. GC-1, the standard construction contract form which has been negotiated by the parties for another portion of the work for the subject Project.

The Contract will require that the work be substantially completed in accordance with a Project Schedule agreed upon. The Contractor will enter into written contracts with all subcontractors and material suppliers.

This Letter of Intent shall also confirm our agreement that the Contractor will begin interim work on this Project pending our finalization and execution of the Contract. The interim work to be performed by the Contractor under this Letter of Intent is described in the attached "Scope of Interim Work." This authorization to proceed is strictly limited to the specific items and do-not-exceed amounts described in that attachment. The Contractor shall not, without the Owner's written approval, perform any other or additional work or take any other actions that could increase or extend the Owner's obligations in connection with the Project beyond those described in the Scope of Interim Work attachment.

Upon execution of the Contract, the work performed by the Contractor (or any of its subcontractors) pursuant to this Letter of Intent shall be deemed to have been performed pursuant to the Contract for all purposes and this Letter of Intent shall be of no further force or effect.

In the unlikely event negotiations break down, the Owner shall pay to you all actual costs expended in performing the interim work under this Letter of Intent. These costs shall consist of the actual "Cost of the Work" (as defined in the Owner's GC-1 contract form) incurred or expended by you and your subcontractors and material suppliers, plus two and one-half percent (2.5%) of the Cost of the Work as your fee for profit, the aggregate of which shall not exceed the amounts stated in the Scope of Interim Work attachment. The Contractor shall neither receive nor claim entitlement to other compensation or fee for work in excess of the amounts stated, and shall not be entitled to anticipated profits in the event of termination of this Letter of Intent or the failure of the parties to execute the Contract.

Negotiations may be terminated by either party at any time. Upon receipt of written notice that negotiations have been terminated, the Contractor shall exercise reasonable good faith efforts to

PCB

10/7/05

terminate any and all existing contractual obligations related to the Project and cease all work on the Project. The Owner shall compensate the Contractor for the amount due within thirty (30) days of receipt of a statement from the Contractor detailing the Cost of the Work, substantiated by such documentation as the Owner may require.

Once payment has been tendered by the Owner, it is agreed that all construction and other documents prepared by the Contractor and its subcontractors in connection with the Project shall become the property of the Owner. The Owner shall be deemed the owner of such documents and shall be assigned all common law, statutory and other rights in such documents, including the copyright. The documents are for use solely with respect to this Project and shall not be used by the Owner on other projects.

Kindly countersign this letter below to confirm your agreement to the terms of this Letter of Intent and return the original to us at your earliest convenience.

"OWNER"

SPGIL DOMAIN, L.P.

By: _____

Printed: Richard S. Sokolov

Title: President & Chief Operating Officer

AGREED

"CONTRACTOR"

HC BECK, LTD.

By: Paul E. Higgins

Printed: PAUL E. HIGGINS

Title: MANAGING DIRECTOR

Date: 10/12/2005

per

SIMON™

17520
17523

SPG PROJECT #4735

CONSTRUCTION AGREEMENT BETWEEN OWNER AND CONTRACTOR

AGREEMENT made to be effective as of March 22, 2006

Between the "Owner": SPGIL DOMAIN, L.P.
115 W. Washington Street
Indianapolis, IN 46204

and the "Contractor": HCBeck, Ltd.
1807 Ross Avenue, Suite 500
Dallas, TX 75201

for the "Project": The Domain - Chilled Water
11701 Mopac Expressway North
Austin, TX 78759

SIMON™

SIGNATURES

By executing this Agreement, the Owner and the Contractor each represent that it has the necessary financial resources to fulfill its obligations under this Agreement and the necessary legal and corporate approvals to execute this Agreement.

OWNER:

SPGIL DOMAIN, L.P.

By: _____
Name (print): _____
Title: _____

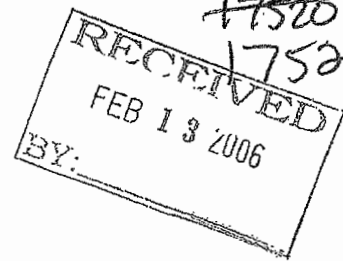
CONTRACTOR:

HCBECK, LTD.

By: Paul E. Higgins
Name (print): Paul Higgins
Title: Managing Director

dp

SIMON™



SPG PROJECT #4735

CONSTRUCTION AGREEMENT BETWEEN OWNER AND CONTRACTOR

AGREEMENT made as of Feb. 8, 2006

Between the "Owner": SPGIL DOMAIN, L.P.
115 W. Washington Street
Indianapolis, IN 46204

and the "Contractor": HCBeck, Ltd.
1807 Ross Avenue, Suite 500
Dallas, TX 75201

for the "Project": The Domain – GC-II
11701 Mopac Expressway North
Austin, TX 78759

JP


FINAL Contr Confirmed

SIGNATURES

By executing this Agreement, the Owner and the Contractor each represent that it has the necessary financial resources to fulfill its obligations under this Agreement and the necessary legal and corporate approvals to execute this Agreement.

OWNER:

SPGIL DOMAIN, L.P.

By: 
Name (print): Richard S. Sokolov
Title: President & Chief Operating Officer

CONTRACTOR:

HCBECK, LTD.

By: 
Name (print): Paul Higgins
Title: Managing Director

* 5 Add'l TREES
\$ 59,425.

* STARTS

ASAP
2/10/05 S. gr

LETTER OF AUTHORIZATION (LOA) #001 rev1

BECK

TO Steve Griggs - Simon Property Group
FROM Andy Dicus - Beck
DATE January 28, 2005
JOB the domain - LifeStyle Center
Austin, Texas
RE Tree Relocation Services

2305 Donley Drive
Suite 106
Austin, Texas 78758
512 997 5000
Fax 512 997 5009
beckgroup.com

- 1 Beck proposes that we enter into agreement with Capital Tree Relocators, LLC to perform Tree Relocation Services. This scope of work includes: excavation of root balls, hoisting and moving trees to a temporary staging area, protect and maintain trees until site is prepared for replanting, replant trees, post planting care and warranty for 1 year.

Budget Amount	\$ 600,000
✓ Capital Tree Relocators, LLC	\$ 260,642
Fill at building 63 basement	\$ 51,108
Prepare, maintain, and remove: temporary access roads and 4.5 acre staging area with erosion control, water source & usage	\$ 108,000
Buyout variance holding will be <u>increased</u> by	\$ 180,250

TOTAL: \$ 419,750

@ BOND

PART OF DOMAIN GRADING
NO PREVIOUS ALLOWANCE
MUST RECEIVE AUTHORIZATION
FOR TOTAL COST OVER
\$25,000

- 2 Bid Analysis, LOA Log, and Buyout variance recap attached for reference.
3 In order to maintain schedule we request decision by: February 1, 2005
4 We request time extension of 0 calendar days, provided decision is made by above noted date.

Please note that there were five (5) alternate trees priced in addition to the fifteen (15) reflected in this recommendation. Should trees, other than the base (15) be selected the price will change.

Please confirm your approval for Beck to proceed with this work by signing in the space provided and returning a copy for our files.

APPROVED
SIMON PROPERTY GROUP

BY [Signature]
DATE 2/3/05

. 1 YEAR YARD MAINTAIN
. 1 YEAR INGROUND MAINTAIN
. 2 YEAR WARRANTY
* MAY WANT TO ADD
TREES

Franz, Terry

From: joetracy@beckgroup.com
Sent: Monday, October 02, 2006 7:32 AM
To: Evins, Fred
Subject: Domain, Letter of Authorization
Attachments: LOA 001rev1.tree relocation 1.28.05 executed.pdf

Fred-

This is the first "formal" sign-off of work at the Domain Site between Simon & Beck. Please let me know if you need anything more specific or if this works.

Joe Tracy
Project Manager
Beck
11400-A Burnet Road
Austin, TX 78758
512-873-2900x202

Better Buildings, Better Built !

This e-mail may be privileged and confidential. If you are not the intended recipient, any distribution or other use is strictly prohibited. If you have received this e-mail message in error, please contact the sender immediately and delete this email from all computers.

ATTACHMENT 7

ARMBRUST & BROWN, L.L.P.

ATTORNEYS AND COUNSELORS

100 CONGRESS AVENUE, SUITE 1300
AUSTIN, TEXAS 78701-2744
512-435-2300

FACSIMILE 512-435-2360

AUG 29 2007
ECONOMIC GROWTH AND
REDEVELOPMENT SERVICES OFFICE

DAVID B. ARMBRUST
(512) 435-2301
darmbrust@abaustin.com

August 29, 2007

VIA HAND DELIVERY

City of Austin
301 West Second Street
Austin, Texas 78701
Attn: Toby Futrell, City Manager

Re: "City of Austin/Endeavor Real Estate Group Chapter 380 Economic Development Agreement" dated June 13, 2003 (as amended by that certain "First Amendment to City of Austin/Endeavor Real Estate Group Chapter 380 Economic Development Agreement" dated April 2, 2004, the "Agreement") by and between Simon Property Group, Inc. ("Simon"), successor in interest to EGP Management, L.L.C., and the City of Austin, Texas (the "City") relating to economic development grants regarding the development of the mixed use project known as The Domain (the "Domain").

Dear Ms. Futrell:


We represent Simon in connection with the above referenced Agreement. The Agreement provides that a portion of the sales taxes arising from the Domain will be payable to Simon beginning on the Sales Tax Effective Date, and that a portion of the ad valorem taxes arising from the Domain will be payable to Simon beginning on the Ad Valorem Tax Effective Date. Under the Agreement, the Sales Tax Effective Date is the date which is one hundred eighty (180) days after Simon's receipt of the first certificate of occupancy for the Domain, and the Ad Valorem Tax Effective Date is the first January 1st following the issuance of a certificate of occupancy for the Domain. The certificate of occupancy for the Domain was issued on March 7, 2007, and a copy of such certificate of occupancy is enclosed. Based on the date of such certificate of occupancy, we calculate the Sales Tax Effective Date to be September 3, 2007 and the Ad Valorem Tax Effective Date to be January 1, 2008. Please let us know if you disagree with our calculation of these dates. In the meantime, we are preparing a report which evidences Simon's compliance with the various performance standards set forth in the Agreement which we will provide to you under separate cover at a later date.

ARMBRUST & BROWN, L.L.P.

Page 2

Please feel free to call me with any questions.

Very truly yours,



David B. Armbrust

KM:joc

Enclosure

cc: David Lloyd, City Attorney's Office (via Hand Delivery)
Sue Edwards/Fred Evins (via Hand Delivery)
Kathy Shields (via email)
Kari Moore (firm)



City of Austin

CERTIFICATE OF OCCUPANCY

BUILDING PERMIT NO. 2005-022303 BP

ISSUE DATE: 03/07/2007

BUILDING ADDRESS: 11600 Century Oaks Ter

LEGAL DESCRIPTION:

PROPOSED OCCUPANCY: C- 327 Stores & Customer Services
New - New Shell (Retail/Restaurant) Building "A"

BUILDING GROUP / DIVISION: M

BUILDING AREA SQUARE FOOTAGE: 38988 SQ. FT.

OWNER:

CONTRACTOR: Hcbeck District Imprest

***** **CERTIFICATE OF OCCUPANCY** *****

THIS IS TO CERTIFY THAT THE BUILDING OR STRUCTURE AT THE ADDRESS LISTED ABOVE HAS BEEN INSPECTED FOR COMPLIANCE WITH THE REQUIREMENTS OF THE AUSTIN CITY CODE FOR THE GROUP AND DIVISION OF OCCUPANCY LISTED ABOVE.

NEITHER THE ISSUANCE OF THIS CERTIFICATE NOR THE INSPECTIONS MADE SHALL LESSEN THE RESPONSIBILITY OR LIABILITY OF ANY PERSON, FIRM OR CORPORATION OWNING, OPERATING, CONTROLLING OR INSTALLING ANY APPLIANCE OR MATERIAL UPON THE PREMISE, OR DOING ANY WORK WHATSOEVER ON SUCH PREMISE.

THE CITY OF AUSTIN DOES NOT ASSUME ANY RESPONSIBILITY OR LIABILITY BY REASON OF THE INSPECTION OR REINSPECTION OF THE PREMISE, OR THE ISSUANCE OF THIS "CERTIFICATE OF OCCUPANCY"; OR BY ANY REASON OF ANY APPROVAL OR DISAPPROVAL.

BUILDING CODE REVIEWER:

Janet Gallagher, Building Official

Evins, Fred

From: kshields@simon.com
Sent: Monday, March 19, 2007 4:00 PM
To: Evins, Fred
Cc: bhammer@simon.com; DArmbrust@abaustin.com
Subject: 380 Agreement Trigger Dates
Follow Up Flag: Follow up
Flag Status: Orange

Fred -- you had inquired about CO dates for the purposes of determining when the tax trigger date is hit in the 380 agreement.

We got a final sign - off on the pond on December 7th --- it was called a CO sign off -- but it doesn't relate to a building. So I'm not sure how that is counted from the City's perspective. That was the first of the final sign offs.

Garage TCOs were January 19th with the CO on March 7th.

Building TCOs (except H Office floors and G) were issued on February 9th with the CO on March 7th.

Basically, all structures were TCOed and COed in the first quarter of 2007. No building received a CO in 2006.

Kathy Shields
Phone (317) 263-7076
Fax (317) 685-7299

2/07 - 24 (Mar. 7)
4/07 - 30
5/07 - 31
6/07 - 30
7/07 - 31
8/07 - 31
9/07 - 3 (Sept. 3)

ATTACHMENT 8

Summary of Domain Fund as Reported by Simon Property Group in June 2008

Business	NTE Amount per Lease	Area in square feet		\$ * Area	NTE \$ Amt per Leases		NTE Amount as Reported by Simon		Amount Paid as Reported by Simon			Balance
		\$ per sf	feet				Check 1	Check 2	Check 3	Sum of Checks	Simon	
Betysport Partners, I.L.C.	\$162,830				\$ 162,830.00	\$ 162,830.00	\$160,057.53	\$ 2,000.00		\$ 162,057.53	\$ 162,057.00	\$ 772.47
St. Thomas, Inc.	\$85 per square foot	\$85.00	4819	\$409,615.00	\$ 409,615.00	\$ 409,615.00	\$204,807.50	\$189,807.50		\$ 394,615.00	\$ 394,614.00	\$ -
Tea Craft, dba The Sleeping Room	\$73 per square foot	\$93.00	1582	\$147,126.00	\$ 147,126.00	\$ 147,126.00	\$ 73,563.00	\$ 58,850.40	\$ 14,712.60	\$ 147,126.00	\$ 147,125.00	\$ -
Luxe Apothetique	\$235,250				\$ 235,250.00	\$ 235,250.00				\$ -	\$ -	\$ 235,250.00
Ks Home Designs dba Loft	\$60 per square foot	\$60.00	5010	\$300,600.00	\$ 300,600.00	\$ 300,600.00	\$287,270.25			\$ 287,270.25	\$ 287,720.00	\$ 13,329.75
Chocogelattier Austin Domain I.L.C. dba Viva Chocolate!	\$42.50 per square foot	\$42.50	2141	\$90,992.50	\$ 90,992.50	\$ 90,992.00	\$ 90,992.50			\$ 90,992.50	\$ 90,902.00	\$ -
Meridian Bliss	\$60 per square foot of C-20=239,400 + Amendment 1=170,000	\$60.00	3990	\$239,400.00	\$ 409,400.00	\$ 409,400.00				\$ -	\$ -	\$ 409,400.00
Total to date:					\$ 1,755,813.50	\$ 1,755,813.00				\$1,082,061.28	\$ 1,082,418.00	

ATTACHMENT 9

The Domain

LEASE

THIS LEASE made this 7th day of SEPTEMBER, 2006, by and between SPGIL DOMAIN, L.P., a Delaware limited partnership, FEIN 76-0819580 ("Landlord"), and BETTYSPOUT PARTNERS, LLC, a Texas limited liability company ("Tenant");

WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, such parties enter into the following agreement:

ARTICLE I

BASIC LEASE INFORMATION AND DEFINITIONS

Section 1.1. Basic Lease Information.

This Article I is an integral part of this Lease and all of the terms hereof are incorporated into this Lease in all respects. In addition to the other provisions which are elsewhere defined in this Lease, the following, whenever used in this Lease, shall have the meanings set forth in this Section:

- (a) Center: The Domain, situated in the City of Austin, County of Travis, State of Texas.
- (b) Premises: Room H-6. Landlord shall have the right to change the room designation upon written notice to Tenant.
- (c) Store Floor Area: 1,714 square feet.
- (d) Lease Term: commencing on the Commencement Date and continuing until the last day of ~~January next following the end of the tenth (10th) Lease Year.~~
- (e) Commencement Date: The earlier of (i) the date the Tenant opens for business, or (ii) the Required Completion Date.
- (f) Required Completion Date: the earlier of (i) the 120th day after the earlier of (a) the date Landlord has notified Tenant that the Premises are ready for commencement of Tenant's Work, or (b) the date specified in such notice as the date when Tenant can commence Tenant's Work; or (ii) the Grand Opening Date (hereinafter defined).

(g) Minimum Annual Rent:

Floor Area), payable in equal monthly installments, in advance upon the first day of each and every month commencing upon the Commencement Date and continuing thereafter through and including the last day of the third (3rd) Lease Year; and

A. Minimum Annual Rent

Lease Year of the Lease Term and continuing thereafter through and including the last month of the seventh (7th) Lease Year of the Lease Term; and

A. Minimum Annual Rent

Lease Year of the Lease Term and continuing thereafter through and including the last month of the eighth (8th) Lease Year of the Lease Term.

(h)

(i)

(j)

(k) Operating Costs Charge

The Domain

LEASE

THIS LEASE made this 17th day of AUGUST, 2006, by and between SPGIL DOMAIN, L.P., a Delaware limited partnership, FEIN 76-0819580 ("Landlord"), and TEA CRAFT INC., a Texas corporation ("Tenant");

WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, such parties enter into the following agreement:

ARTICLE I

BASIC LEASE INFORMATION AND DEFINITIONS

Section 1.1. Basic Lease Information.

This Article I is an integral part of this Lease and all of the terms hereof are incorporated into this Lease in all respects. In addition to the other provisions which are elsewhere defined in this Lease, the following, whenever used in this Lease, shall have the meanings set forth in this Section:

- (a) Center: The Domain, situated in the City of Austin, County of Travis, State of Texas.
- (b) Premises: Room C-8, *plus an outdoor patio area immediately adjacent thereto, not to exceed 500 square feet.* Landlord shall have the right to change the room designation upon written notice to Tenant.
- (c) Store Floor Area: 1,582 square feet, *plus the Outdoor Patio Area of 312 square feet (see Section 2.1).*
- (d) Lease Term: commencing on the Commencement Date and continuing until the last day of ~~January~~ *next following the end of the tenth (10th) Lease Year.*
- (e) Commencement Date: The earlier of (i) the date the Tenant opens for business, or (ii) the Required Completion Date.
- (f) Required Completion Date: the earlier of (i) the 120th day after the earlier of (a) the date Landlord has notified Tenant that the Premises are ready for commencement of Tenant's Work *so long as Tenant may commence Tenant's work on such date,* or (b) the date specified in such notice as the date when Tenant can commence Tenant's Work; or (ii) the Grand Opening Date (hereinafter defined), *provided possession of the Premises is given to Tenant by or before November 1, 2006. Notwithstanding anything contained herein to the contrary, in no event shall the Required Completion Date be deemed to have occurred prior to the Grand Opening Date.*

- (g) Minimum Annual Rent: A Minimum Annual

A Minimum Annual Rent of

A Minimum Annual Rent of

A Minimum Annual Rent of

LEASE

WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, such parties enter into the following agreement:

BASIC LEASE INFORMATION AND DEFINITIONS

This Article I is an integral part of this Lease and all of the terms hereof are incorporated into this Lease in all respects. In addition to the other provisions which are elsewhere defined in this Lease, the following, whenever used in this Lease, shall have the meanings set forth in this Section:

- (a) Center: The Domain, situated in the City of Austin, County of Travis, State of Texas.
- (b) Premises: Room **A-3**. Landlord shall have the right to change the room designation (*but not the location*) upon written notice to Tenant.
- (c) Store Floor Area: **4,819** square feet.
- (d) Lease Term: commencing on the Commencement Date and continuing until the last day of ~~January next following the end~~ of the tenth (10th) Lease Year.
- (e) Commencement Date: The earlier of (i) the date the Tenant opens for business, or (ii) the Required Completion Date.
- (f) Required Completion Date: ~~the earlier of (i) the 120th day after the earlier of (a) the date Landlord has notified Tenant that the Premises are ready for commencement of Tenant's Work, or (b) the date specified in such notice as the date when Tenant can commence Tenant's Work.~~ *or (ii) the Grand Opening Date (hereinafter defined). Landlord shall give such notice of delivery prior to June 15, 2006, and Landlord shall deliver possession of the Premises to Tenant not later than November 1, 2006. If Landlord does not deliver possession of the Premises to Tenant on or before May 1, 2007, Tenant may terminate this Lease upon notice to Landlord, and upon Landlord's receipt of such notice, this Lease shall become null and void and neither party shall have any liability or obligations to the other hereunder.*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) [REDACTED]

[REDACTED]

The Domain

LEASE

THIS LEASE made this 24th day of JANUARY, ²⁰⁰⁷~~2006~~ by and between SPGIL DOMAIN, L.P., a Delaware limited partnership, FEIN 76-0819580 ("Landlord"), and LUXE APOTHETIQUE LP, a Texas limited partnership ("Tenant");

WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, such parties enter into the following agreement:

ARTICLE I

BASIC LEASE INFORMATION AND DEFINITIONS

Section 1.1. Basic Lease Information.

This Article I is an integral part of this Lease and all of the terms hereof are incorporated into this Lease in all respects. In addition to the other provisions which are elsewhere defined in this Lease, the following, whenever used in this Lease, shall have the meanings set forth in this Section:

- (a) Center: The Domain, situated in the City of Austin, County of Travis, State of Texas.
- (b) Premises: Room K-4. Landlord shall have the right to change the room designation upon written notice to Tenant.
- (c) Store Floor Area: 4,405 square feet.
- * (d) Lease Term: commencing on the Commencement Date and continuing until the last day of ~~January next~~ following the end of the tenth (10th) Lease Year.
- (e) Commencement Date: The earlier of (i) the date the Tenant opens for business, or (ii) the Required Completion Date.
- (f) Required Completion Date: the ~~earlier~~ later of (i) the 90th day after the earlier of (a) the date Landlord has notified Tenant that the Premises are ready for commencement of Tenant's Work, or (b) the date specified in such notice as the date when Tenant can commence Tenant's Work; or (ii) June 1, 2007. ~~the Grand Opening Date (hereinafter defined).~~
- (g) Minimum Annual Rent: A Minimum [REDACTED]
[REDACTED] month commencing upon the Commencement Date and continuing thereafter through and including the last day of the fifth (5th) Lease Year; and
A Minimum Annual R [REDACTED]
[REDACTED] Lease Year of the Lease Term and continuing thereafter through and including the last month of the Lease Term.

- (i) [REDACTED]
- (k) Operating Costs Charge ("OC Charge"): [REDACTED]

The Domain

LEASE

THIS LEASE made this 14th day of JUNE, 2007, by and between SPGIL DOMAIN, L.P., a Delaware limited partnership, FEIN 76-0819580 ("Landlord"), and K2 HOME DESIGNS LLC, a Texas limited liability company ("Tenant");

WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, such parties enter into the following agreement:

ARTICLE I

BASIC LEASE INFORMATION AND DEFINITIONS

Section 1.1. Basic Lease Information.

This Article I is an integral part of this Lease and all of the terms hereof are incorporated into this Lease in all respects. In addition to the other provisions which are elsewhere defined in this Lease, the following, whenever used in this Lease, shall have the meanings set forth in this Section:

- (a) Center: The Domain, situated in the City of Austin, County of Travis, State of Texas.
- (b) Premises: Room H-1. Landlord shall have the right to change the room designation upon written notice to Tenant.
- (c) Store Floor Area: 5,010 square feet, *as calculated according to Section 2.1.*
- (d) Lease Term: commencing on the Commencement Date and continuing until the last day of ~~January next following the end~~ of the tenth (10th) Lease Year.
- (e) Commencement Date: The earlier of (i) the date the Tenant opens for business, or (ii) the Required Completion Date.
- (f) Required Completion Date: the ~~later~~ *earlier* of (i) the 105th day after the earlier of (a) the date Landlord has notified Tenant that the Premises are ready for commencement of Tenant's Work, or (b) the date specified in such notice as the date when Tenant can commence Tenant's Work; or (ii) *November 1, 2007.*
- (g) Minimum Annual Rent: ~~Minimum Annual Rent of \$100,000.00 per year, payable in advance on the first day of each and every month commencing upon the Commencement Date and continuing thereafter through and including the last day of during the second (2nd) Lease Year; and~~

A Minimum Annual Rent of ~~\$100,000.00~~

monthly installments, in advance upon the first day of each and every month ~~commencing upon the Commencement Date and continuing thereafter through and including the last day of during the second (2nd) Lease Year; and~~

A Minimum Annual Rent of ~~\$100,000.00~~

fourth (4th) Lease Year of the Lease Term; and

A Minimum Annual Rent of ~~\$100,000.00~~

continuing thereafter through and including the last month of the sixth (6th) Lease Year of the Lease Term; and

A Minimum Annual Rent of ~~\$100,000.00~~

The Domain

LEASE

THIS LEASE made this 23rd day of March, 2007, by and between SPGL DOMAIN, L.P., a Delaware limited partnership, FEIN 76-0819580 ("Landlord"), and CHOCOGLATIER AUSTIN DOMAIN, LLC ("Tenant");

WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, such parties enter into the following agreement:

ARTICLE I

BASIC LEASE INFORMATION AND DEFINITIONS

Section 1.1. Basic Lease Information.

This Article I is an integral part of this Lease and all of the terms hereof are incorporated into this Lease in all respects. In addition to the other provisions which are elsewhere defined in this Lease, the following, whenever used in this Lease, shall have the meanings set forth in this Section:

- (a) Center: The Domain, situated in the City of Austin, County of Travis, State of Texas.
- (b) Premises: Room E-2. Landlord shall have the right to change the room designation upon written notice to Tenant.
- (c) Store Floor Area: 2,141 square feet, *subject to adjustment as set forth in Section 2.1.*
- (d) Lease Term: commencing on the Commencement Date and continuing until the last day of ~~January next following the end of the tenth (10th) Lease Year.~~
- (e) Commencement Date: The earlier of (i) the date the Tenant opens for business, or (ii) the Required Completion Date.
- (f) Required Completion Date: *the later of (i) the 120th day after the earliest date at which Landlord has both (A) delivered possession of the Premises to Tenant for commencement of Tenant's Work and (B) Landlord has notified Tenant of its final approval of Tenant's Plans, or (ii) June 30, 2007. If Tenant does not submit Tenant's Plans to Landlord by April 16, 2007, Tenant shall be deemed to have waived that condition as it relates to the calculation of the Required Completion Date, and the Required Completion Date shall be the date that is 120 days after Landlord has delivered possession of the Premises to Tenant.*

- (g) Minimum Annual Rent: [REDACTED]

A Minimum Annual Rent of [REDACTED]

- (h) [REDACTED]

- (i) Sales Breakpoint: [REDACTED]

- (j) [REDACTED]

The Domain

LEASE

THIS LEASE made this 3rd day of July, 2007, by and between SPGIL DOMAIN, L.P., a Delaware limited partnership, FEIN 76-0819580 ("Landlord"), and MERIDIAN BLISS SPA AND WELLNESS, INC., a Texas corporation, d/b/a Meridian Bliss ("Tenant");


WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, such parties enter into the following agreement:


ARTICLE I

BASIC LEASE INFORMATION AND DEFINITIONS

Section 1.1. Basic Lease Information.

This Article I is an integral part of this Lease and all of the terms hereof are incorporated into this Lease in all respects. In addition to the other provisions which are elsewhere defined in this Lease, the following, whenever used in this Lease, shall have the meanings set forth in this Section:

- (a) Center: The Domain, situated in the City of Austin, County of Travis, State of Texas.
- (b) Premises: Room C-20. Landlord shall have the right to change the room designation (*but not the location*) upon *fifteen (15) days* written notice to Tenant.
- (c) Store Floor Area: *4,089 square feet ("Store Floor Area"), which includes 3,990 square feet in Room C-20, identified on Exhibit "A" hereto, plus 99 square feet in the location identified as the Spa Manager's Office on Exhibit "A-1". Said Spa Manager's Office shall be deemed a part of the Premises and Store Floor Area for all purposes hereunder, except for the calculation of Landlord's Contribution. Landlord shall not modify the layout of the first floor space as shown on Exhibit "A-1" in a manner that would unreasonably materially interfere with access to or visibility of the Spa Manager's Office. Landlord shall place no kiosks or push-carts in the Spa Manager's Office area as shown on Exhibit "A-1".*
-  (d) Lease Term: commencing on the Commencement Date and continuing until the last day of ~~January~~ *following the end of the tenth (10th) Lease Year.*
- (e) Commencement Date: The earlier of (i) the date the Tenant opens for business, or (ii) the Required Completion Date.
- (f) Required Completion Date: *the 120th day after the later to occur of (i) the date of delivery of the Premises with Landlord's Work, if any, substantially complete, or (ii) receipt by Tenant of any necessary governmental permits for Tenant's Work provided Tenant submits for such permits within ten (10) days after Landlord gives its final, unconditional approval of Tenant's Plans and diligently pursues same, and provided such permits are furnished to the Center management office within ten (10) days after receipt. Should Tenant delay in submitting or resubmitting Tenant's Plans, or in applying and pursuing its permits, Tenant shall be deemed to have waived that particular condition as it relates to the calculation of the Required Completion Date.*

(g) Minimum Annual Rent: 

A Minimum Annual Rent of 

A Minimum Annual Rent of 





ATTACHMENT 10

THE DOMAIN

TENANT CERTIFICATION REGARDING LANDLORD'S CONTRIBUTION FOR TENANT'S WORK

Name of Tenant: St. Thomas ("Tenant")

Certification Date: July 21, 2008

Tenant hereby certifies that pursuant to its lease (the "Lease") with SPGIL Domain, L.P. ("Landlord") by which Tenant leased space within that certain project known as The Domain, Tenant has received or is entitled to receive payment for Landlord's contribution for Tenant's Work (as defined in the Lease) in the amount of \$ 409,615.00, and Tenant has no obligation to repay any portion of such amount.

St. Thomas Domain

Name of Tenant

By:

Susan Sandlin

Printed Name:

Susan Sandlin

Title:

Admin

Date:

8/1/08

THE DOMAIN

TENANT CERTIFICATION REGARDING LANDLORD'S CONTRIBUTION FOR TENANT'S WORK

Name of Tenant: Luxe Apothetique ("Tenant")

Certification Date: July 21, 2008

Tenant hereby certifies that pursuant to its lease (the "Lease") with SPGIL Domain, L.P. ("Landlord") by which Tenant leased space within that certain project known as The Domain, Tenant has received or is entitled to receive payment for Landlord's contribution for Tenant's Work (as defined in the Lease) in the amount of \$ 235,250.00, and Tenant has no obligation to repay any portion of such amount.

Luxe apothetique
Name of Tenant
By: Robert Wilkerson
Printed Name:
Title: V. President
Date: 7-25-08

THE DOMAIN

TENANT CERTIFICATION REGARDING LANDLORD'S CONTRIBUTION FOR TENANT'S WORK

Name of Tenant: Viva Chocolato ("Tenant")

Certification Date: July 21, 2008

Tenant hereby certifies that pursuant to its lease (the "Lease") with SPGIL Domain, L.P. ("Landlord") by which Tenant leased space within that certain project known as The Domain, Tenant has received or is entitled to receive payment for Landlord's contribution for Tenant's Work (as defined in the Lease) in the amount of \$ 90,992.50, and Tenant has no obligation to repay any portion of such amount.

VIVA CHOCOLATO!
Name of Tenant
By: [Signature]
Printed Name: NINO DE FALCIS
Title: PRESIDENT
Date: 8/4/08

THE DOMAIN

TENANT CERTIFICATION REGARDING LANDLORD'S CONTRIBUTION FOR TENANT'S WORK

Name of Tenant: Steeping Room ("Tenant")

Certification Date: July 21, 2008

Tenant hereby certifies that pursuant to its lease (the "Lease") with SPGIL Domain, L.P. ("Landlord") by which Tenant leased space within that certain project known as The Domain, Tenant has received or is entitled to receive payment for Landlord's contribution for Tenant's Work (as defined in the Lease) in the amount of \$ 147,126.00, and Tenant has no obligation to repay any portion of such amount.

Tea Craft, Inc. dba The Steeping Room
Name of Tenant

By: Emily Morrison
Printed Name: Emily Morrison
Title: President
Date: 7/1/08

2 of 2

THE DOMAIN
TENANT CERTIFICATION REGARDING
LANDLORD'S CONTRIBUTION FOR TENANT'S WORK

Name of Tenant: Betty Sport ("Tenant")

Certification Date: July 21, 2008

Tenant hereby certifies that pursuant to its lease (the "Lease") with SPGIL Domain, L.P. ("Landlord") by which Tenant leased space within that certain project known as The Domain, Tenant has received or is entitled to receive payment for Landlord's contribution for Tenant's Work (as defined in the Lease) in the amount of \$ 162,830.00, and Tenant has no obligation to repay any portion of such amount.

BETTYSPORT
Name of Tenant
By: [Signature]
Printed Name: CRAIG STALEY
Title: OWNER
Date: 7-30-08

THE DOMAIN

TENANT CERTIFICATION REGARDING LANDLORD'S CONTRIBUTION FOR TENANT'S WORK

Name of Tenant: Loft ("Tenant")

Certification Date: July 21, 2008

Tenant hereby certifies that pursuant to its lease (the "Lease") with SPGIL Domain, L.P. ("Landlord") by which Tenant leased space within that certain project known as The Domain, Tenant has received or is entitled to receive payment for Landlord's contribution for Tenant's Work (as defined in the Lease) in the amount of \$ 300,600.00, and Tenant has no obligation to repay any portion of such amount.

LOFT
Name of Tenant

By: DA Schwartz
Printed Name: [Signature]
Title: President
Date: 7/22/08


THE DOMAIN

TENANT CERTIFICATION REGARDING LANDLORD'S CONTRIBUTION FOR TENANT'S WORK

Name of Tenant: Spa Reveil ("Tenant")

Certification Date: July 21, 2008

Tenant hereby certifies that pursuant to its lease (the "Lease") with SPGIL Domain, L.P. ("Landlord") by which Tenant leased space within that certain project known as The Domain, Tenant has received or is entitled to receive payment for Landlord's contribution for Tenant's Work (as defined in the Lease) in the amount of \$ 409,400.00, and Tenant has no obligation to repay any portion of such amount.

SPA REVEIL
Name of Tenant
By: LIDYA WATL 
Printed Name:
Title: PRESIDENT
Date: 7/29/2008

July 18, 2008

JUL 21 2008
ECONOMIC GROWTH AND
REDEVELOPMENT SERVICES OFFICE

Mr. Fred Evins
Economic Growth and Redevelopment Services
City Hall
301 West Second Street
Austin, TX 78701

Dear Fred:

In response to your 7/3/2008 request, I am submitting the following documents for inclusion in your compliance package. I have included 3 copies of everything for your binders.

Domain Fund Capitalization: You requested a copy of the budget that was approved by Simon's Board of Directors in May 2005. The form presented to the Board of Directors provided very detailed financial information which is proprietary in nature. However, I have included a summary level version of the budget which includes the \$1,000,000 Supplement for the Domain Fund.

Locally Owned Businesses: I have reissued the Annual Report and included the definition of local businesses that we used. We used the language that was included in the document which stipulated the counties where their businesses could be based. Restaurants like Jaspers, headquartered in Dallas, are regional, and so were not counted as local tenants because they are not based in Travis, Williamson or Hays counties.

Lease Terms for Recipients: Attached are redacted pages from the executed leases confirming the terms.

Repayment Obligation: I am circulating tenant certification forms regarding the "Landlord's Contribution Toward Tenant Work". As a party to all of those leases, I would think that a legally binding certification from Simon on this point would suffice. The definition of "Contribution" is clear in the lease.

Advertising: We did not use any of the funds allocated for the Domain Fund toward "advertising" tenant opportunities. Traditional media advertising is not an appropriate way to solicit tenant interest in a first class, mixed-use project. However, I have added extensive language to the Annual Report describing our solicitation efforts. Three copies have been reissued for your binders. There is a fourth copy that I have hi-lighted to show where changes were made.

Tiffany Employment Certification: Three copies of the Tiffany Employment Certification are enclosed.

Lilly Pulitzer: I believe someone suggested that Sales Tax Waivers for this tenant were missing. They are enclosed with this package.

Miscellaneous:

We owe you Sales Tax Waivers for Flemings (under construction but not yet open) and Cru (just opened this summer). Neither will be relevant to your first Sales Tax Reports.

With regard to your e-mail of 7/17/2008, I believe we have clarified all the points of discrepancy between the sales tax reporting information we provided and the Comptroller's list. The only discrepancy remaining is the Starbucks store which Terry agreed would just be left out of the first sales tax report.

We can certainly start recollecting employment certifications. We just submitted our Compliance Binders to the County at the end of June 2008. We expected that the quarterly cycle would require an update by September 30, 2008 and again at the end of the year. I would like to clarify whether or not tenant signed certification forms are required versus a Simon executed certification of the update. I can begin recollecting certifications, but I don't believe a July 30th date is realistic. Prior to your 7/18/2008 e-mail, the City had confirmed that no updates to certifications obtained closer to our opening would be necessary. We will see what we can do starting with the earliest certifications.

We will continue to coordinate next week. Thank you for your diligence.

Sincerely,

SIMON PROPERTY GROUP



Kathleen M. Shields
Senior Vice President – Development

KMS/pah

Enclosures

cc: David Armbrust
Bill Hammer
Dave DeWitt

ATTACHMENT 11

JUL 21 2008
ECONOMIC GROWTH AND
REDEVELOPMENT SERVICES OFFICE

July 18, 2008

Mr. Fred Evins
Economic Growth and Redevelopment Services
City Hall
301 West Second Street
Austin, TX 78701

Dear Fred:

In response to your 7/3/2008 request, I am submitting the following documents for inclusion in your compliance package. I have included 3 copies of everything for your binders.

Domain Fund Capitalization: You requested a copy of the budget that was approved by Simon's Board of Directors in May 2005. The form presented to the Board of Directors provided very detailed financial information which is proprietary in nature. However, I have included a summary level version of the budget which includes the \$1,000,000 Supplement for the Domain Fund.

Locally Owned Businesses: I have reissued the Annual Report and included the definition of local businesses that we used. We used the language that was included in the document which stipulated the counties where their businesses could be based. Restaurants like Jaspers, headquartered in Dallas, are regional, and so were not counted as local tenants because they are not based in Travis, Williamson or Hays counties.

Lease Terms for Recipients: Attached are redacted pages from the executed leases confirming the terms.

Repayment Obligation: I am circulating tenant certification forms regarding the "Landlord's Contribution Toward Tenant Work". As a party to all of those leases, I would think that a legally binding certification from Simon on this point would suffice. The definition of "Contribution" is clear in the lease.

Advertising: We did not use any of the funds allocated for the Domain Fund toward "advertising" tenant opportunities. Traditional media advertising is not an appropriate way to solicit tenant interest in a first class, mixed-use project. However, I have added extensive language to the Annual Report describing our solicitation efforts. Three copies have been reissued for your binders. There is a fourth copy that I have hi-lighted to show where changes were made.

Tiffany Employment Certification: Three copies of the Tiffany Employment Certification are enclosed.

Lilly Pulitzer: I believe someone suggested that Sales Tax Waivers for this tenant were missing. They are enclosed with this package.

Miscellaneous:

We owe you Sales Tax Waivers for Flemings (under construction but not yet open) and Cru (just opened this summer). Neither will be relevant to your first Sales Tax Reports.

With regard to your e-mail of 7/17/2008, I believe we have clarified all the points of discrepancy between the sales tax reporting information we provided and the Comptroller's list. The only discrepancy remaining is the Starbucks store which Terry agreed would just be left out of the first sales tax report.

We can certainly start recollecting employment certifications. We just submitted our Compliance Binders to the County at the end of June 2008. We expected that the quarterly cycle would require an update by September 30, 2008 and again at the end of the year. I would like to clarify whether or not tenant signed certification forms are required versus a Simon executed certification of the update. I can begin recollecting certifications, but I don't believe a July 30th date is realistic. Prior to your 7/18/2008 e-mail, the City had confirmed that no updates to certifications obtained closer to our opening would be necessary. We will see what we can do starting with the earliest certifications.

We will continue to coordinate next week. Thank you for your diligence.

Sincerely,

SIMON PROPERTY GROUP



Kathleen M. Shields
Senior Vice President – Development

KMS/pah

Enclosures

cc: David Armbrust
Bill Hammer
Dave DeWitt

July 11, 2008

Ms. Sue Edwards
Director of Economic Development
Assistant City Manager
City of Austin
City Hall
301 West Second Street
Austin, TX 78701

RE: The DOMAIN FUND
FIRST ANNUAL REPORT
-First Revision-

Dear Sue:

In accordance with Paragraph 4 (b) of the Chapter 380 Economic Development Agreement entered into by the City of Austin and the Owners of the Domain Project, I am pleased to submit our first Annual Report on The Domain Fund, a \$1,000,000 fund the Developer was required to establish to facilitate the inclusion of small, local businesses in the "Project". In accordance with paragraph 4 (b) (ii) small, locally-owned businesses were defined as having their business operations based in Travis, Williamson or Hays Counties. The form of the contribution was allowed to include non-reimbursable cash for design or construction of improvements, cash for relocation costs, rent/occupancy charge subsidies and/or assistance with marketing expenditures.

There was no requirement to spend the \$1,000,000 during the initial lease-up period. The document allows the Owner to spend the \$1 Million anytime during the 20 year term of our Agreement as long as we keep the City informed of our efforts to find suitable local tenants for the Project. However, we are happy to report that we have executed seven leases with local businesses, six of which are already open and operating at The Domain.

Solicitation of Local Tenants

In an effort to better reach out to the local business community, Simon Property Group hired a full time leasing representative for the project who resides in the Austin community. Throughout the duration of the project, he was based in Austin and continues to work out of the Domain offices. He established relationships with all of the area brokers who represent local tenants interested in exploring new concepts or expanding their businesses. A list of regional/local prospects was developed that included over 150 retail, service and restaurant concepts we felt might be appropriate for The Domain mix. While we ultimately concluded deals with seven tenants, extensive negotiations were conducted with at least five additional tenants that did not result in deals.

Our local leasing team attended the Austin Independent Business Alliance meetings (AIBA) in 2006 and 2007 to meet with the local retailers and discuss opportunities for the Domain and our

*Fred - for
your information
I have hi-lited the
changes made.*

Larky

other Austin projects. We also held several group meetings with local retailers in 2006. Simon routinely attended International Council of Shopping Centers (ICSC) sponsored events in Austin and in San Antonio through out the duration of our leasing activities. Within the industry, ICSC meetings and conventions are the established vehicle that developers use to "advertise" their properties to local and regional retailers and develop new leasing leads. These are very productive leasing sessions for both developers and retailers. While participation in these events and preparation of marketing materials are a cost to the project, we are not classifying any of these activities as expenditures against the Domain Fund.

Amounts Invested and Disbursed

To date, there are seven executed leases with local tenants and Simon has committed more than the required \$1,000,000 to include them in our Project. In aggregate, Tenant Allowances committed to offset the costs of design and construction of these seven stores total \$1,755,813. To date, \$991,516 has actually been paid out as evidenced by cancelled checks issued to the tenants. The balance of these allowances will be paid at the time final contractor documentation is submitted by the tenants to Simon Property Group with an invoice for payment of the allowance.

Additional assistance was provided to all of these tenants in the form of waived charge backs for landlord work performed in their spaces that is typically reimbursed by tenants when they take possession of the space, brokerage commissions paid by the landlord on behalf of the tenant, and a rent subsidy in the case of two tenants. While the Compliance Report only seeks to confirm payment of the required \$1 Million, our lease records indicate that a total of \$2,538,553 was spent to incentivize the local tenants that are currently operating or under construction at The Domain.

Attached is a tenant by tenant summary which confirms the amounts committed and paid in tenant allowance to these tenants for the design and construction of their stores, their size and the term of their leases (they were required to be at least 5 year terms). A site plan of the Project is included showing the location of the local tenants. It also indicates spaces where we pursued negotiations with other candidates but without a successful conclusion.

As part of the Compliance Document submitted to the City of Austin, we have included excerpts from the local tenant leases documenting the lease term, the amount of the tenant allowance, and clarifying that tenant allowances constitute landlord contributions to tenant work and are not subject to reimbursement. The Compliance Document also provides copies of cancelled checks evidencing payment to the local tenants. Cancelled checks will be provided to the City up to the amount of the required \$1,000,000.

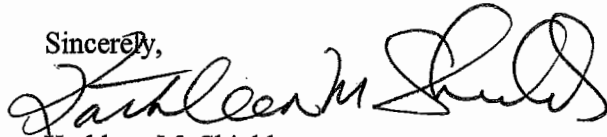
The balance remaining in the Domain Fund based on legally binding commitments made to tenants is \$0. The balance remaining in the Domain Fund for actual disbursement is \$8,484.

All of the open tenants are operating in first class tenant spaces with merchandise and service commensurate with the quality of the other retailers at The Domain.

Given that we have completely committed our Domain Fund obligations, this report contains no information on our ongoing solicitation/advertising efforts. Local participation will be encouraged in other phases of our Projects but are not required. There are no exit interviews to be conducted. While there is no requirement to report before the Second Annual Report, we will inform the City of any remaining disbursements from the Fund for tenant allowances still payable to local tenants.

If you have any questions regarding the local retailers at The Domain, please don't hesitate to call.

Sincerely,

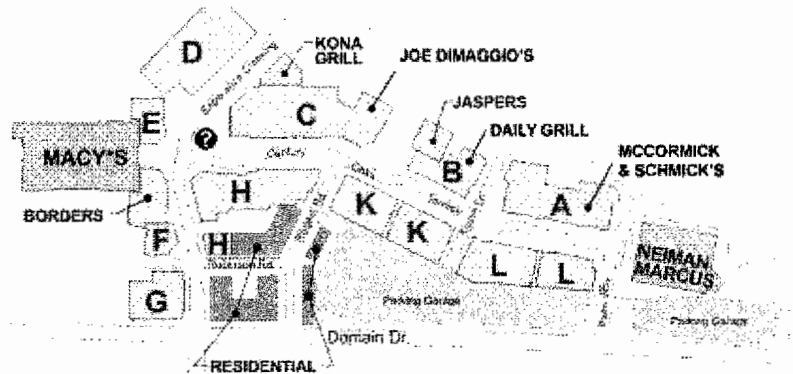
A handwritten signature in black ink, appearing to read 'Kathleen M. Shields', written in a cursive style.

Kathleen M. Shields
Senior Vice President

Cc: Fred Evins, Economic Growth and Redevelopment
Mark Ott, City Manager

The Domain Floorplan

Print this Page



Simon Guest Services

STORE

ALDO
 Anne Fontaine
 Apple Computer
 Bailey Banks & Biddle
 Banana Republic
 Barneys CO-OP
 BCBGMAXAZRIA
 bebe
 Ben Bridge Jewelers
 Betsey Johnson
 bettysport
 Borders Books & Music
 Brighton Collectibles
 Brookstone
 Burberry
 Cache
 California Pizza Kitchen
 CALYPSO
 Coach
 Cole Haan
 Cru - A Wine Bar
 Daily Grill
 David Yurman
 Diesel
 Fleming's Prime Steakhouse
 Free People
 INTERMIX
 J. Crew
 Jasper's
 Joe DiMaggio's Italian Chophouse
 Juicy Couture
 Kona Grill
 L'Occitane
 LACOSTE
 Lilly Pulitzer

LOCATION

H-14
 A-08
 C-06
 L-01
 C-07
 L-04
 K-14
 K-10
 E-05
 B-05
 H-06
 F-06
 K-01
 K-07
 B-06
 K-05
 E-01
 L-09
 L-03
 L-02
 C-15
 B-09
 A-05
 A-06
 H-8
 A-07
 K-02
 B
 L-06
 C-10
 H-05
 A-02
 K-08

PHONE

(512) 832-5754
 (512) 339-9353
 (512) 691-4800
 (512) 687-0650
 (512) 836-1112
 (512) 719-3504
 (512) 491-6867
 (512) 834-2323
 (512) 491-8014
 (512) 833-6111
 (512) 339-0011
 (512) 339-1352
 (512) 973-8050
 (512) 833-6125
 (512) 836-9900
 (512) 833-8595
 (512) 836-4400
 (512) 339-9963
 (512) 339-9994
 (512) 834-8222
 (512) 339-9463
 (512) 836-4200
 (512) 834-8700
 (512) 833-0655
 (512) 719-9909
 (512) 835-0110
 (512) 873-8659
 (512) 834-4111
 (512) 835-5633
 (512) 719-3840
 (512) 835-5900
 (512) 835-7404
 (512) 836-1900
 (512) 835-8200

ATTACHMENT 12

9/9/2008

betty'sport

09/09/2008

betty'sport



96

LOT 107

2300

09/09/2008

luxe

spa

The
salon & spa
at
apothetique

09/09/2008

apothetique

129



09/09/2008

129

ST. THOMAS

126

09/09/2008

the sleeping room

4110

SIMS

eat shop lounge

sleeping room
restaurant
activity room

09/09/2008

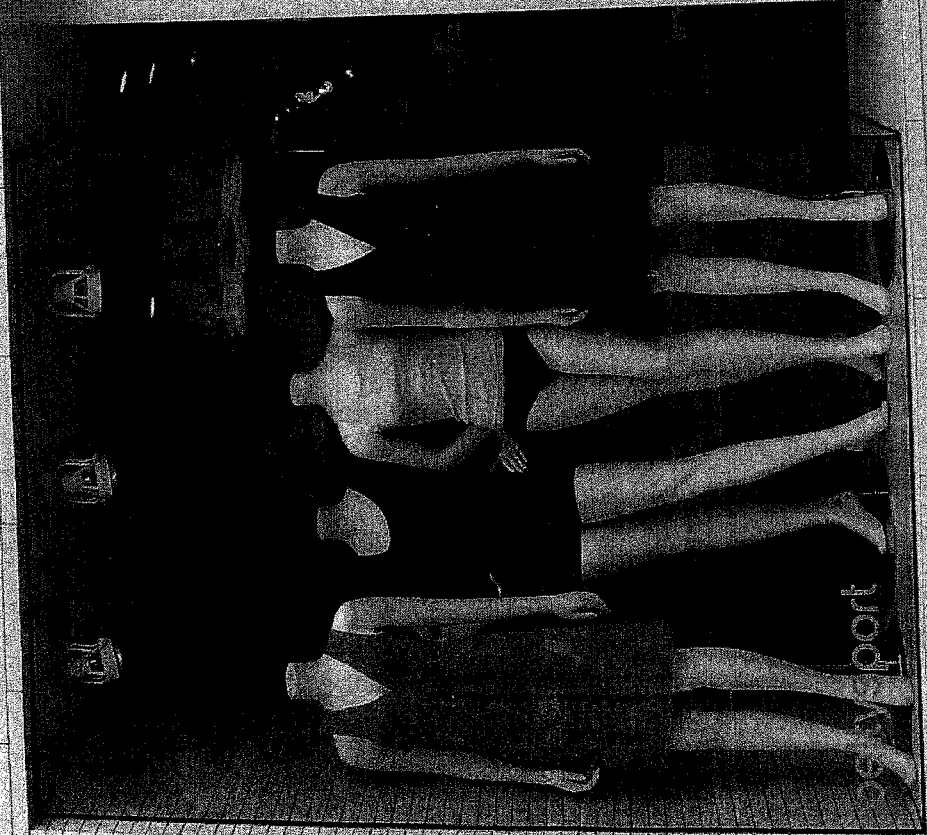


8007/60/60
09/09/2008

7/21/2008

• •

betty'sport



07/21/2008

LOFT

1306

2286

07/21/2008

luxe

spa

129

The
salon & spa
at
Capri Royale

07/21/2008



07/21/2008

luxe apollinaire



ST. THOMAS

120

07/21/2008

ST. THOMAS

128

CJ.

SALE
75% OFF

07/21/2008

Sleeping room

1141

ROOMS



McDonald's

McDonald's



07/21/2008



07/21/2008

Mia Chocolate!

Mia Chocolate!

07/21/2008



ATTACHMENT 13

Franz, Terry

From: Copic, Regina
Sent: Wednesday, July 16, 2008 9:41 AM
To: Franz, Terry
Subject: Domain Economic Impact

Terry:

The NPV of lost potential income is reasonable. Using their assumption of 3% annual escalation rate and their proposed discount rate, I calculated \$1,373,096.

They have used a somewhat high discount rate. Banks often use the 30 year Treasury Bond Rate which is currently 4.51 or prime rate which is currently 5%. Because they used a higher rate their NPV (and proposed economic impact) is actually lower than it could have been (the higher the rate the lower the NPV). Because they are willing to use the higher discount rate I am comfortable agreeing with the value of their economic impact.

Let me know if you need anything else.

Gina

Gina Copic, S.M.A.R.T. Housing Development Manager
Neighborhood Housing and Community Development
Austin Housing Finance Corporation
1000 East 11th, Suite 200, Austin, Texas 78702
Phone: 512/974-3180
Fax: 512/974-3161
email: regina.copic@ci.austin.tx.us

7/16/2008

Franz, Terry

From: Franz, Terry
Sent: Wednesday, July 09, 2008 12:24 PM
To: Copic, Regina
Cc: Domeracki, Diana
Subject: Domain
Attachments: AffordabilityLevel65Analysis.pdf

Hi Gina,

We are at the point where we are reviewing Domain and we need your help. The agreement requires that

"At least 10% of the housing units must be affordable for households at or below 65% of Median Family Income (MFI) who spend no more than 30% of their income on housing, provided sufficient economic development contributions are available from Travis County to reimburse Owner for economic impact or reducing affordability level from 80% MFI to 65% MFI and parties have agreed on the value of the economic impact."

Domain is getting economic development contributions from the County estimated at approximately \$5 million. What we need is evidence that 'the parties have agreed on the value of the economic impact'. Could you review the attached and let us know whether you agree with the value of the economic impact determined by Simon Property Group?

Please let me know if you have any questions.

Thanks,
Terry

Terry Franz
City of Austin, Economic Growth and Redevelopment Services Office
Office: 512.974.7871
Fax: 512.974.7825

Mailing address: PO Box 1088
Austin, TX 78767-1088

7/16/2008

DOMAIN PHASE I: Potential Revenue Loss due to Affordable Housing

2 Person Household

Median Income	\$56,875.00
80% Median Income	\$45,500.00
30% Allocated to Living Expenses	\$13,650.00
Monthly Living Expense Allotment	\$1,137.50
60% Median Income	\$36,968.75
30% Allocated to Living Expenses	\$11,090.63
Monthly Living Expense Allotment	\$924.22
Monthly Difference between 65% & 80% Median Income Allotment	\$213.28
Annual Difference between 65% & 80% Median Income Allotment	\$2,559.38
Number of Units Designated as Affordable Housing Units	42
Total Annual Gross Income Differential	\$107,493.75
Discount Rate Assigned to Determine NPV	7.50%

Escalation Rate (Rent / Median Income)	3%
--	----

Net Present Value (of lost potential income stream)	\$ 1,373,096
---	--------------

Year	CF with inflation	NPV of CF
1	\$107,494	\$99,994
2	\$110,719	\$95,808
3	\$114,040	\$91,798
4	\$117,461	\$87,955
5	\$120,985	\$84,273
6	\$124,615	\$80,746
7	\$128,353	\$77,365
8	\$132,204	\$74,127
9	\$136,170	\$71,024
10	\$140,255	\$68,051
11	\$144,463	\$65,202
12	\$148,796	\$62,473
13	\$153,260	\$59,858
14	\$157,858	\$57,352
15	\$162,594	\$54,951
16	\$167,472	\$52,651
17	\$172,496	\$50,447
18	\$177,671	\$48,335
19	\$183,001	\$46,312
20	\$188,491	\$44,373

Totals = \$2,888,397 \$1,373,096

ATTACHMENT 14

Reported Jobs Created by Domain Retail and Restaurant Tenants

July 2008

Bldg	Suite	Tenant	Address	Suite	Reporting Date	# Employees @ # Hours/Week				Total # Employees
						40+	25 - 39	15 - 24	1 - 14	
Anchor		Macy's	3311 Esperanza Crossing		9/14/2007	0	55	73	34	162
Anchor		Neiman Marcus	3400 Palm Way		3/31/2007	174	26	0	0	200
A	1	Mac Cosmetics	11600 Century Oaks Terrace	136	3/31/2007	2	4	4	0	10
A	2	Lacoste	11600 Century Oaks Terrace	132	3/31/2007	3	0	2	7	12
A	3	St. Thomas	11600 Century Oaks Terrace	128	3/31/2007	12	5	1	0	18
A	5	David Yurman	11600 Century Oaks Terrace	124	5/31/2007	9	0	0	0	9
A	6	Diesel	11600 Century Oaks Terrace	120	3/31/2007	4	1	2	2	9
A	7	Intermix	11600 Century Oaks Terrace	116	3/31/2007	7	0	1	1	9
A	8	Anne Fontaine	11600 Century Oaks Terrace	112	5/31/2007	2	2	0	0	4
A	9	Michael Kors	11600 Century Oaks Terrace	108	5/31/2007	2	2	2	1	7
A	10	Louis Vuitton	11600 Century Oaks Terrace	104	3/31/2007	5	0	2	0	7
A	11	McCormick & Schmicks	11600 Century Oaks Terrace	100	9/13/2007	28	65	13	2	108
B	1	North	11506 Century Oaks Terrace	124	1/15/2008	68	0	12	3	83
B	2	Sole Mio Sunglasses	11506 Century Oaks Terrace	120	9/13/2007	2	1	0	1	4
B	3	Tumi	11506 Century Oaks Terrace	116	3/31/2007	2	0	1	2	5
B	4	Tommy Bahama	11506 Century Oaks Terrace	112	3/31/2007	7	1	1	0	9
B	5	Betsy Johnson	11506 Century Oaks Terrace	108	3/31/2007	4	0	0	2	6
B	6	Burberry	11506 Century Oaks Terrace	104	9/13/2007	10	0	0	0	10
B	7	Jaspers	11506 Century Oaks Terrace	128	5/31/2007	93	0	16	0	109
B	9	Daily Grill	11506 Century Oaks Terrace	100	9/13/2007	6	30	32	6	74
C	2	Sur La Table	11410 Century Oaks Terrace	136	3/31/2007	4	3	2	3	12
C	3	Martin & Osa	11410 Century Oaks Terrace	132	3/31/2007	4	6	0	0	10
C	4	Victoria's Secret	11410 Century Oaks Terrace	128	3/31/2007	5	8	5	14	32
C	5	Ruehl	11410 Century Oaks Terrace	124	5/31/2007	4	0	13	22	39
C	6	Apple	11410 Century Oaks Terrace	120	3/31/2007	13	0	15	0	28
C	7	Banana Republic	11410 Century Oaks Terrace	116	3/31/2007	7	5	16	11	39
C	8	Steeping Room	11410 Century Oaks Terrace	112	3/31/2007	3	9	4	1	17
C	9	Starbucks	11410 Century Oaks Terrace	108	3/31/2007	1	0	18	0	19
C	10	Kona Grill	11410 Century Oaks Terrace	144	3/31/2007	15	38	20	10	83
C	11	Joe DiMaggio	11410 Century Oaks Terrace	100	1/15/2008	6	86	0	0	92
C	12	Nestle	3400 Esperanza Crossing		9/21/2007	4	4	0	3	11
E	1	California Pizza Kitchen	3401 Esperanza Crossing	100	9/21/2007	50	0	15	0	65
E	2	Viva Choccolato	3401 Esperanza Crossing	105	1/15/2008	5	1	8	0	14
E	5	Ben Bridge Jeweler	3401 Esperanza Crossing	106	3/31/2007	7	0	0	0	7
F	6	Borders Level One	3309 Esperanza Crossing	104	3/31/2007	10	22	7	4	43
F	10	Oakville (not in SPG smry)	3309 Esperanza Crossing	100	9/18/2007	14	0	28	0	42
H	1	Loft	3306 Esperanza Crossing	100	1/15/2008	2	1	0	1	4
H	4	Z-Gallerie	11401 Century Oaks Terrace	137	3/31/2007	2	8	7	0	17
H	5	L'Occitane	11401 Century Oaks Terrace	133	3/31/2007	1	0	4	0	5
H	6	Betty Sport	11401 Century Oaks Terrace	129	3/31/2007	1	1	3	3	8
H	8	Free People	11401 Century Oaks Terrace	125	9/13/2007	4	0	7	0	11
H	10	White House/Black Market	11401 Century Oaks Terrace	121	9/17/2007	2	2	3	3	10
H	12	Puma	11401 Century Oaks Terrace	117	3/31/2007	3	1	5	4	13
H	14	Aldo	11401 Century Oaks Terrace	113	3/31/2007	3	0	6	3	12
H	16	Shabby Chic	11401 Century Oaks Terrace	109	5/31/2007	5	0	0	0	5
H	17	Metropark	11401 Century Oaks Terrace	105	3/31/2007	2	1	4	5	12
H	18	Origins	11401 Century Oaks Terrace	103	3/31/2007	1	3	0	2	6
H	22	Lucky Brands	11401 Century Oaks Terrace	101	3/31/2007	3	0	3	4	10
K	1	Brighton Collectibles	11501 Century Oaks Terrace	141	3/31/2007	3	0	0	8	11
K	2	J. Crew	11501 Century Oaks Terrace	137	3/31/2007	5	0	9	10	24

Reported Jobs Created by Domain Retail and Restaurant Tenants

July 2008

Bldg	Suite	Tenant	Address	Suite	Reporting Date	# Employees @ # Hours/Week				Total # Empl.
						40+	25 - 39	15 - 24	1 - 14	
K	3	Sony Style	11501 Century Oaks Terrace	133	3/31/2007	9	0	4	0	13
K	4	Luxe Apothetique	11501 Century Oaks Terrace	129	9/13/2007	4	3	1	1	9
K	5	Cache	11501 Century Oaks Terrace	125	3/31/2007	3	1	1	1	6
K	6	Madewell	11501 Century Oaks Terrace	121	3/31/2007	3	5	2	1	11
K	7	Brookstone	11501 Century Oaks Terrace	117	9/13/2007	1	4	0	0	5
K	8	Lily Pulitzer	11501 Century Oaks Terrace	113	3/31/2007	2	1	1	8	12
K	10	Bebe	11501 Century Oaks Terrace	109	3/31/2007	3	1	5	3	12
K	12	Marciano's	11501 Century Oaks Terrace	105	9/13/2007	3	0	1	3	7
K	14	BCBG	11501 Century Oaks Terrace	101	3/31/2007	4	3	2	0	9
L	1	Bailey Banks & Biddle	11601 Century Oaks Terrace	133	3/31/2007	12	1	2	0	15
L	2	Cole Haan	11601 Century Oaks Terrace	129	3/31/2007	1	3	2	1	7
L	3	Coach	11601 Century Oaks Terrace	125	3/31/2007	2	3	3	3	11
L	4	Barney's Co-Op	11601 Century Oaks Terrace	121	9/15/2007	5	0	5	0	10
L	6	Juicy Couture	11601 Century Oaks Terrace	117	3/31/2007	6	0	4	1	11
L	7	Stuart Weitzman	11601 Century Oaks Terrace	113	3/31/2007	3	4	0	0	7
L	8	Polo Ralph Lauren	11601 Century Oaks Terrace	109	3/31/2007	9	1	1	1	12
L	9	Calypso	11601 Century Oaks Terrace	105	3/31/2007	2	0	0	0	2
L	10	Tiffany	11601 Century Oaks Terrace	101	3/31/2007	30	0	0	0	30
		Mall Management Office			3/31/2007	2	0	0	0	2
		IPC International Corp.			3/31/2007	12	1	0	0	13
		GFS Newmark Knight Frank			3/31/2007	15	0	2	0	17
		SPG The Domain Marketing			3/31/2007	3	0	2	2	7
		Residences at the Domain			2/21/2007	5	0	0	1	6
		AmeriPark, Inc.			3/31/2007	1	2	2	2	7

Total Domain Employees Reported: 764 424 404 199 **1,791**

ATTACHMENT 15

Franz, Terry

From: Young, John H [john.young@twc.state.tx.us]
Sent: Tuesday, September 16, 2008 4:07 PM
To: Franz, Terry
Cc: Matthew.Hanson@padgett-cpa.com
Subject: More Domain employment verification

Terry,

Please see the addendum below regarding the requested numbers. I hop to receive the e-mails before the end of the week. I contacted California Pizza Kitchen whose employee records are handled by Sheakley in Columbus, Ohio but the only numbers I could find were faxes. No local information was available. I'll keep looking. Daily Grill did verify that they hired 50 (not the anticipated 74).

Regards,

John Young
 Program Specialist I
 Texas Workforce Commission
 Workforce Solutions - Capital Area
 6505 Airport Blvd
 Austin, TX 78753
john.young@twc.state.tx.us
 512-597-7227
www.wfscapitalarea.com

CONFIDENTIALITY NOTICE: This email, including attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, or disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender immediately and destroy all copies of the original message.

From: Franz, Terry [mailto:Terry.Franz@ci.austin.tx.us]
Sent: Friday, September 05, 2008 3:35 PM
To: Young, John H
Cc: Hanson, Matthew
Subject: more Domain employment verification

Hi John,

I think I mentioned that an Padgett-Stratemann, an independent reviewer is verifying the results of our compliance reviews. Matthew Hanson of Padgett-Stratemann requested that I ask you to confirm the number of employees reported by each of the following stores in Domain shopping center:

Tenant	Address	Suite	Reporting Date	# Employees @ # Hours/Week				Total # Jobs
				40+	25 - 39	15 - 24	1 - 14	
David Yurman	11600 Century Oaks Terrace	124	5/31/2007	9	0	0	0	9 (e-mail)
Daily Grill	11506 Century Oaks Terrace	100	9/13/2007	6	30	32	6	74 (50)
California Pizza Kitchen	3401 Esperanza Crossing	100	9/21/2007	50	0	15	0	65 (no Info)
Puma	11401 Century Oaks Terrace	117	3/31/2007	3	1	5	4	13 (e-mail)
J. Crew	11501 Century Oaks Terrace	137	3/31/2007	5	0	9	10	24 (e-mail)

I've copied Matthew on this email; please copy him on your responses regarding these stores.

Thanks,
Terry

Terry Franz
City of Austin, Economic Growth and Redevelopment Services Office
Office: 512.974.7871
Fax: 512.974.7825

Mailing address: PO Box 1088
Austin, TX 78767-1088

Franz, Terry

From: Young, John H [john.young@twc.state.tx.us]
Sent: Thursday, September 04, 2008 11:49 AM
To: Franz, Terry
Subject: FW: Verification of initial hire numbers for March '07

Terry,

Here is the response from Neiman Marcus, corporate. I have not received any response from Banana Republic to date.

John Young
Workforce Solutions - Capital Area
6505 Airport Blvd
Austin, TX 78753

From: Marcy_Jordan@neimanmarcus.com [mailto:Marcy_Jordan@neimanmarcus.com]
Sent: Thursday, September 04, 2008 9:46 AM
To: Young, John H
Subject: Re: Verification of initial hire numbers for March '07

John,

show on our Multi-Worksite report to have **184** at that site in March '07;

Marcy Jordan, C.P.P. | Payroll Tax Accountant | Neiman Marcus
1201 Elm St, 20th Floor, Dallas, TX 75270

☎ 214.761.2535 | 📠 214.761.2568 | ✉ marcy_jordan@neimanmarcus.com

Marcy,

Thank you for your quick response.
What I am attempting to do is verify the initial number of hires made in March '07 at the Domain location.
Any information you can forward would be greatly appreciated.

Regards,

John Young
Program Specialist I
Texas Workforce Commission
Workforce Solutions - Capital Area
6505 Airport Blvd
Austin, TX 78753

9/4/2008

Franz, Terry

From: Young, John H [john.young@twc.state.tx.us]
Sent: Wednesday, September 03, 2008 10:47 AM
To: Franz, Terry
Subject: RE: Domain employment verifications

Terry,

I have been able to verify the wage records for the 2 employers listed below and also NoRTH restaurant:

Lacoste	March '07	21
Banana Republic	Mar '07	left message
NoRTH	Oct '07	107 (reported 83)
Neiman Marcus	Mar '07	left message

I hope to hear from Banana Republic & Neiman Marcus today.

Regards,

John Young
 Workforce Solutions - Capital Area
 6505 Airport Blvd
 Austin, TX 78753

rom: Franz, Terry [mailto:Terry.Franz@ci.austin.tx.us]
Sent: Wednesday, September 03, 2008 8:49 AM
To: Young, John H
Subject: Domain employment verifications

Hi John,

Since two of the Domain retailers reported fewer employees to TWC than to us, we have selected two more for review. Would you please let us know the number of employees reported by the following stores for the applicable report periods:

<i>Company:</i>	Lacoste	Banana Republic
<i>Address:</i>	11600 Century Oaks Terrace	11410 Century Oaks Terrace
<i>Suite:</i>	132	116
<i>Report Date:</i>	3/31/2007	3/31/2007
<i>Number of Employees Reported:</i>	12	39
<i>40+ hours/week:</i>	3	7
<i>25-39 hours/week:</i>	0	5
<i>15-24 hours/week:</i>	2	16
<i>1-14 hours/week:</i>	7	11

Thank you for your help with this.

Terry

Franz, Terry

From: Young, John H [john.young@twc.state.tx.us]

Sent: Wednesday, August 27, 2008 2:39 PM

To: Franz, Terry

Subject: Confirmation from Z Gallerie

Terry,

I just received a fax confirmation from Z Gallerie of their multiple site report for March 2007. The total for that month was **14.**

Regards,

John Young
Workforce Solutions - Capital Area
6505 Airport Blvd
Austin, TX 78753

Franz, Terry

From: Young, John H [john.young@twc.state.tx.us]
Sent: Friday, August 22, 2008 1:21 PM
To: Franz, Terry
Subject: RE: Employment Verification

Terry,

Do you have a list of all of the retail & restaurant tenants in the Domain?
If so could you share it with me? I am using the list to not only gather the information you need but to offer our services to these employers as they need to fill openings.
Many of them have never dealt with us before!

Thus far I have verified:

McCormick & Schmicks @ 119 for Sept 2007
Jaspers @ 102 for May 2007
Free People @ 19 for Sept 2007
Tiffany & Co @ 31 for March 2007

I have calls to Neiman-Marcus; Z-Gallerie & NoRth.

Thanks,

John Young
Manager Business services
Workforce Solutions - Capital Area
6505 Airport Blvd
Austin, TX 78753
512-597-7267

From: Franz, Terry [mailto:Terry.Franz@ci.austin.tx.us]
Sent: Thursday, August 21, 2008 12:03 PM
To: Young, John H
Subject: Employment Verification

Hi John,

Brian Hamilton forwarded me your contact information and said you may be able to confirm that some of the Domain tenants created the jobs they reported between March 2007 and January 2008. The shopping center opened in March 2007, but many stores opened later. Most of the Tenant Employment Reports we received were completed soon after the store opened; that explains the range of dates.

There are currently about 70 stores at Domain and we selected seven for review. The details of the seven businesses are in the attached spreadsheet. Are you able to confirm the numbers of jobs reported by these retail and restaurant tenants of Domain shopping center?

Please contact me if you have any questions or need additional information.

Thanks,
Terry

Terry Franz

8/28/2008

Franz, Terry

From: Franz, Terry
Sent: Thursday, August 21, 2008 12:03 PM
To: 'john.young@twc.state.tx.us'
Subject: Employment Verification
Attachments: DomainVerifyEmployment.xls

Hi John,

Brian Hamilton forwarded me your contact information and said you may be able to confirm that some of the Domain tenants created the jobs they reported between March 2007 and January 2008. The shopping center opened in March 2007, but many stores opened later. Most of the Tenant Employment Reports we received were completed soon after the store opened; that explains the range of dates.

There are currently about 70 stores at Domain and we selected seven for review. The details of the seven businesses are in the attached spreadsheet. Are you able to confirm the numbers of jobs reported by these retail and restaurant tenants of Domain shopping center?

Please contact me if you have any questions or need additional information.

Thanks,
Terry

Terry Franz
City of Austin, Economic Growth and Redevelopment Services Office
Office: 512.974.7871
Fax: 512.974.7825

Mailing address: PO Box 1088
Austin, TX 78767-1088

Company	Address	Suite	Date of Tenant Employment Report	Total # Jobs Reported	# Employees Reported @ # Hours/Week			
					40+	25 - 39	15 - 24	1 - 14
Neiman Marcus	3400 Palm Way		3/31/2007	200	174	26	0	0
McCormick & Schmicks	11600 Century Oaks Terrace	100	9/13/2007	108	28	65	13	2
North	11506 Century Oaks Terrace	124	1/15/2008	83	68	0	12	3
Jaspers	11506 Century Oaks Terrace	128	5/31/2007	109	93	0	16	0
Z-Gallerie	11401 Century Oaks Terrace	137	3/31/2007	17	2	8	7	0
Free People	11410 Century Oaks Terrace		9/13/2007	11	4	0	7	0
Tiffany & Co.	11601 Century Oaks Terrace	101	3/31/2007	30	30	0	0	0

ATTACHMENT 16



MEMORANDUM

TO: Terry Franz, Contract Compliance Specialist
Economic Growth and Redevelopment Services Office

FROM: Fred Evins, Redevelopment Project Manager
Economic Growth and Redevelopment Services Office

DATE: July 23, 2008

SUBJECT: Domain Economic Development Agreement
Sales Tax Reporting Responsibilities

The following is provided to clarify the current sales tax reporting responsibilities of The Domain Shopping Center, L.P. (Simon) under its Economic Development Agreement (EDA) with the City of Austin on the Domain project.

The EDA includes the following provision:

“6. Sales Tax Reports. [Simon] shall report to the City on a quarterly basis the amount of sales tax revenues generated from the Project for the previous calendar quarter. Such reports shall be based upon reports filed by the Project’s tenants with the State Comptroller’s office. The City shall have the right to audit [Simon’s] reports with reasonable notice; provided, however, such audits shall be performed in a manner to maintain the confidentiality of the information provided by the Project’s tenants. The City shall not make or retain copies of the materials audited.”

When the EDA was written, it contemplated that the developer (now Simon) would compile and submit quarterly sales tax reports based on data provided by project tenants, with the City retaining the right to audit the reports. Since that time, the City has adopted a policy of confirming sales tax information directly with the State Comptroller’s Office. In a January 16, 2008 meeting between the City and Simon, the City offered to secure sales tax information from the State for the use of both parties. The State’s report would supersede any data compiled and reported by Simon, so Simon was relieved of any reporting responsibility other than providing the City with the tenant information needed for it to secure an aggregate sales tax report from the State.

Let me know if you have any other questions.

ATTACHMENT 17

SIMON®

PROPERTY
GROUP, INC.

APR 07 2008
ECONOMIC DEVELOPMENT
REDEVELOPMENT SERVICES OFFICE

March 28, 2008

Mr. Edward Campos
Small & Minority Business Resources
City of Austin
4201 Ed Bluestein Blvd.
Austin, Texas 78721

Dear Ed:

Per your request, I am enclosing copies of the four binders which were submitted by Lopez-Phelps to demonstrate compliance with the Out Reach requirement for The Domain Phase I Retail and Residential projects. These reports were delivered to your office over a year ago and we were told that no further information was required. Just double checking. These are duplicate copies as your copies have probably since been sent to a Central File.

Also attached is information regarding the Out Reach effort conducted by Beck for Building P which is being built currently. Copies of their mailing labels and Out Reach correspondence is attached as well as the string of e-mails with the City that preceded the effort. The residential partner will separately conduct an Out Reach effort. Please let me know if you need a more formal report submitted by Beck for Building P.

There is a hotel that is expected to start construction within Phase I of the project sometime this summer. While Simon is a Joint Venture partner, White Lodging is the lead developer with Scott Travis as the primary contact. I have asked Scott to contact you directly regarding an Out Reach effort for the hotel. They are willing to conduct it themselves with the City's assistance. Or, if you prefer, we can retain another third party consultant. Amelia Lopez-Phelps is no longer available for this purpose. We would appreciate your help in identifying firms in Austin that are currently doing this type of work.

Please call with any questions. We appreciate your cooperation.

Thank you Ed.

Sincerely,

SIMON PROPERTY GROUP

A handwritten signature in black ink, appearing to read 'Kathleen Shields', written over the printed name.

Kathleen M. Shields
Senior Vice President – Development

KMS/pah

Enclosures

cc: Bryan Jones
Jeff Jones
Kent Collins
Scott Travis
Mark Hedegard
Fred Evins

Evins, Fred

From: Campos, Edward
Sent: Wednesday, January 30, 2008 10:47 AM
To: Evins, Fred
Cc: Carter, Elaine; Elkins, Stephen
Subject: RE: Domain Development

Fred, in response to your inquiry regarding whether or not the Beck Group met the requirements of item #9 listed in the Economic Development Agreement with the City of Austin, here are the activities that took place:

- ❖ The Beck Group secured the services of Lopez-Phelps (Amelia Lopez Phelps and staff)
- ❖ Beck Group identified various trades for possible MBE/WBE participation
- ❖ SMBR provided MBE/WBE availability lists of vendors for the scopes of work identified to Lopez-Phelps
- ❖ Notices were sent out identifying bid opportunities and date of outreach events
- ❖ Outreach events were periodically held at City Hall with our MBE/WBE vendors throughout the duration of the project (my records indicate five such outreach events)

I can not speak to what level of MBE/WBE participation that the Beck Group was able to obtain. DSMBR did not receive any reports outlining their results. Please let me know if you require any additional information.

Edward Campos
DBE Manager
Senior Business Development Counselor
Department of Small & Minority Business Resources
City of Austin
(512) 974-7603 (Office)
(512) 974-7601 (Fax)
edward.campos@ci.austin.tx.us

ATTACHMENT 18

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



August 8, 2008

Ms. Terry Franz
City of Austin
Economic Growth and Redevelopment Services Office
PO Box 1088
Austin, TX 78767-1088

Dear Ms. Franz:

Enclosed are the Sales Tax Area Reports that list the businesses that were identified in the area along with the total amount of local sales tax revenue they contributed to Austin's local tax allocation for the date range requested.

Amounts from reports filed for the third quarter, ending September 31, 2007, (073) or for report months prior to September 2007 (0709) have been excluded. Amounts for LOUIS VUITTON NORTH AMERICA INC and LCI HOLDINGS INC (Juicy Couture) have also been excluded since their reports had data problems and will allocate after the allocation date range requested.

There are two separate reports for the area. One report lists the businesses that file by the outlet method of reporting and one report lists the businesses that file by the city list method of reporting. Amounts for the list filers are determined by using a reasonable scientific method based on state data reported for that outlet.

You will need to add together the "TOTAL TAX PAID" amount from both reports (outlet and list) to get the "AGGREGATE TOTAL" amount of local sales tax revenue these businesses contributed to Austin's allocation for the date range requested. Total payment information cannot be released if there are less than four businesses on either report. In this case, you will receive a combined total for both reports.

If a business is missing from the report, it may be that they file quarterly or annually, and they will appear only during the months that they file. They could also be delinquent or may have gone out of business during this time period.

You will be responsible for monitoring the reports and notifying our office when businesses need to be added or deleted from the group. You may want to work with the mall or main street program manager to stay updated on changes of business. New businesses ARE NOT automatically added to the group unless you notify us to do so. We can provide you with zip code or new permit listings of businesses in the area to assist in keeping your report updated.

If you have any questions or need additional information, please contact me toll free at (800) 531-5441, ext. 5-0550. My regular number is (512) 475-0550. My e-mail address is: <shirley.kaatz@cpa.state.tx.us>

Sincerely,

Shirley Kaatz

Shirley Kaatz
Revenue Accounting Division
Tax Allocation Section

Enclosure

AUG 12 2008

ECONOMIC GROWTH AND
REDEVELOPMENT SERVICES OFFICE

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CONFIDENTIAL LOCAL TAX INFORMATION
AUSTIN - DOMAIN SHOP CTR - 2227016 - AUSTIN
ALLOCATION DATE RANGE NOV 2007 - JUN 2008
IDENTIFIED BY ICL TAXPAYER

TAXPAYER NO.	LOC NO/ TYPE	NAME ADDRESS	TOTAL TAX PAID
			\$681,952.52

DATE: 07/24/08
JOB : FALL980 B

PAGE: 3

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CONFIDENTIAL LOCAL TAX INFORMATION
AUSTIN - DOMAIN SHOP CTR - 2227016 - AUSTIN
ALLOCATION DATE RANGE NOV 2007 - JUN 2008
IDENTIFIED BY ICL TAXPAYER

TAXPAYER NO.	LOC NO/ TYPE	NAME ADDRESS
1-01-0375950-1	00010	COLE HAAN CO STORE 11601 CENTURY OAKS TERRACE STE 129, SP L02 AUSTIN TX 78758
1-04-3280787-2	00010	THE PUMA STORE 11401 CENTURY OAKS TER AUSTIN TX 78758-8699
1-11-3581776-2	00009	M A C COSMETICS INC 11600 CENTURY OAKS TERRACE SPA-01 AUSTIN TX 78758-3406
1-11-3599707-7	00033	ORIGINS 11401 CENTURY OAKS TERRACE #H18 AUSTIN TX 78758
1-13-1387680-4	00007	TIFFANY & CO - THE DOMAIN 11601 CENTURY OAKS TERRACE STE 101-L10 AUSTIN TX 78758
1-13-2673527-8	00008	BURBERRY LIMITED 11506 CENTURY OAKS STE 104 AUSTIN TX 78758-7759
1-13-3287757-7	00008	BAILEY BANKS & BIDDLE #12361 THE DOMAIN SHOPPING 11601 CENTURY OAKS TER STE 133 AUSTIN TX 78758-8689
1-13-3812582-3	00003	CALYPSO ST BARTH INC 11601 CENTURY OAKS TERRACE #105 AUSTIN TX 78759
1-13-3864308-0	00004	DIESEL U S A INC 11600 CENTURY OAKS TERRACE STE 120 AUSTIN TX 78758
1-13-3923200-8	00007	TOMMY BAHAMA 11506 CENTURY OAK TER AUSTIN TX 78758
1-13-3967572-7	00005	LACOSTE AUSTIN #372 11600 CENTURY OAKS TERRACE STE 132 AUSTIN TX 78758
1-13-4942980-0	00006	BARNEY'S NY CO-OP # 330 11601 CENTURY OAKS TERRACE STE 121 AUSTIN TX 78758
1-14-1736704-9	00032	ALDO 11401 CENTURY OAKS TERRACE AUSTIN TX 78758
1-14-1970374-6	00002	JASPER'S RESTAURANT AUSTIN, L.P. 11506 CENTURY OAKS TERRACE STE 128 AUSTIN TX 78758
1-20-1606649-5	00025	WHITE HOUSE BLACK MARKET #3329 11401 CENTURY OAKS TERRACE AUSTIN TX 78758
1-20-2558048-6	00005	STUART WEITZMAN AUSTIN 11601 CENTURY OAK TERRACE STE 113 AUSTIN TX 78758

DATE: 07/24/08
JOB : PALL980 B

PAGE: 4

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CONFIDENTIAL LOCAL TAX INFORMATION
AUSTIN - DOMAIN SHOP CTR - 2227016 - AUSTIN
ALLOCATION DATE RANGE NOV 2007 - JUN 2008
IDENTIFIED BY ICL TAXPAYER

TAXPAYER NO.	LOC NO/ TYPE	NAME ADDRESS
1-20-2604089-4	00005	KONA GRILL 11410 CENTURY OAKS TERRACE BLDG C UNIT 144 AUSTIN TX 7875
1-20-3705612-9	00002	LUXE APOTHETIQUE 11501 CENTURY OAKS TER STE 129 AUSTIN TX 78758-8693
1-20-4466582-1	00001	OAKVILLE GROCERY 3309 ESPERANZA CROSSING STE 100 AUSTIN TX 78758
1-20-4721167-2	00002	BETTYSPORT 11401 CENTURY OAKS TERRACE STE 129 AUSTIN TX 78758
1-20-4850172-5	00001	NORTH 11506 CENTURY OAKS TERRACE STE 124 AUSTIN TX 78758
1-20-4928609-4	00002	J CREW 11501 CENTURY OAKS TER STE 1 AUSTIN TX 78758-8692
1-20-8029960-0	00001	OAKVILLE GROCERY 3309 ESPERANZA CROSSING STE 100 AUSTIN TX 78758
1-20-8340210-2	00002	VIVA CHOCOLATO! 3401 ESPERANZA XING STE 105 AUSTIN TX 78758-8704
1-20-8496072-8	00001	JOE DIMAGGIO'S ITALIAN CHOPHOUSE 11410 CENTURY OAKS TER STE 100 AUSTIN TX 78758
1-20-8963789-1	00001	THE DAILY GRILL 11506 CENTURY OAKS STE 100 AUSTIN TX 78758-7759
1-22-1691409-8	00013	J CREW RETAIL 11501 CENTURY OAKS TER AUSTIN TX 78758-8692
1-22-3484322-0	00018	POLO RALPH LAUREN 11601 CENTURY OAKS TER STE 109 AUSTIN TX 78758-8689
1-22-3788542-6	00005	TUMI STORES INC 11506 CENTURY OAKS AUSTIN TX 78758
1-23-2708437-7	00006	LILLY PULITZER 11501 CENTURY OAKS TER STE 113 AUSTIN TX 78758-8693
1-26-0416377-9	00001	JOE DIMAGGIO'S ITALIAN CHOPHOUSE 11410 CENTURY OAKS TER AUSTIN TX 78758
1-26-0877020-7	00001	CRU DOMAIN 11410 CENTURY OAKS TER AUSTIN TX 78758-8694

DATE: 07/24/08
JOB : PALL980-B

PAGE: 5

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CONFIDENTIAL LOCAL TAX INFORMATION
AUSTIN - DOMAIN SHOP CTR - 2227016 - AUSTIN
ALLOCATION DATE RANGE NOV 2007 - JUN 2008
IDENTIFIED BY ICL TAXPAYER

TAXPAYER NO.	LOC NO/ TYPE	NAME ADDRESS
1-30-0255820-6	00002	RUEHL NO 925 (STORE # 128) 11410 CENTURY OAKS TERRACE STE 124 AUSTIN TX 78758
1-37-1537122-8	00001	MCCORMICK & SCHMICK'S SEAFOOD RESTAURANT 11600 CENTURY OAKS TER STE 100 AUSTIN TX 78758-8687
1-39-2051766-4	00001	NORTH 11506 CENTURY OAKS TERRACE SUITE 124 AUSTIN TX 78758
1-43-0398035-4	00073	MACYS RETAIL HOLDINGS INC 11701 N MO PAC EXPY AUSTIN TX 78759-3509
1-52-2242751-8	00026	COACH INC 11701 N MO PAC EXPY AUSTIN TX 78758
1-52-2454584-6	00005	MICHAEL KORS 11400 BURNET RD STE A AUSTIN TX 78758-3410
1-54-2170171-3	00075	VICTORIA'S SECRET STORES #1389 11410 CENTURY OAKS TERRACE AUSTIN TX 78758
1-54-3882285-8	00010	SEL RETAIL OPERATIONS INC-SONY STYLE-DOMAIN 11501 CENTURY OAKS TER STE 133 AUSTIN TX 78758-8693
1-59-1588181-5	00032	CACHE #516 11501 CENTURY OAKS TERRACE AUSTIN TX 78758
1-68-0605770-4	00002	MARTIN + OSA 11410 CENTURY OAKS TERRACE STE 132 AUSTIN TX 78758
1-74-3140787-7	00001	THE STEEPING ROOM 11410 CENTURY OAKS TERR STE 112 AUSTIN TX 78758
1-75-1726934-0	00006	HOFFMAN DALLAS CORP 11506 CENTURY OAKS TERRACE STE 128 AUSTIN TX 78758
1-75-2080834-0	00397	BAILEY BANKS & BIDDLE #2361 11601 CENTURY OAKS TERRACE STE 133 AUSTIN TX 78758
1-75-2489244-9	00012	CALIFORNIA PIZZA KITCHEN 3401 ESPERANZA CROSSING STE 100 AUSTIN TX 78758
1-75-2733692-3	00004	ANNE FONTAINE USA INC 11600 CENTURY OAKS TERRACE STE #112 AUSTIN TX 78758
1-81-0636659-6	00006	METROPARK 11401 CENTURY OAKS TER STE 105 AUSTIN TX 78758

DATE: 07/24/08
JOB : FALL980 B

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CONFIDENTIAL LOCAL TAX INFORMATION
AUSTIN - DOMAIN SHOP CTR - 2227016 - AUSTIN
ALLOCATION DATE RANGE NOV 2007 - JUN 2008
IDENTIFIED BY ICL TAXPAYER

TAXPAYER NO.	LOC NO/ TYPE	NAME ADDRESS
1-86-1137799-7	00002	LOFT 3306 ESPERANZA KING AUSTIN TX 78758
1-86-1148772-1	00002	BRIGHTON COLLECTABLES 11501 CENTURY OAKS TERRACE STE 141 AUSTIN TX 78767
1-91-0695728-5	00010	BEN BRIDGE-JEWELER #96 3401 ESPERANZA CROSSING STE 106 AUSTIN TX 78758
1-91-1325671-3	00467	STARBUCKS COFFEE #13331 11701 N MO PAC EXPY STE C09 AUSTIN TX 78759-3509
1-91-1643409-3	00008	SUR LA TABLE INC 11410 CENTURY OAKS TERRACE STE 136 AUSTIN TX 78758
1-94-3288284-3	00036	BANANA REPUBLIC #8424 11410 CENTURY OAKS TERRACE #116 AUSTIN TX 78759
1-95-3733816-2	00008	Z GALLERIE 11401 CENTURY OAKS TERRACE # 137 AUSTIN TX 78759
1-95-4040623-8	00009	CALIFORNIA PIZZA KITCHEN 3401 ESPERANZA CROSSINGS STE 100 AUSTIN TX 78758
1-95-4142747-2	00001	DAILY GRILL 11506 CENTURY OAKS STE 100 AUSTIN TX 78758-7759
1-95-4255942-2	00021	BCBG MAX AZRIA GROUP #712 11501 CENTURY OAKS TER STE 101 AUSTIN TX 78758-8693
1-95-4535666-9	00001	SHABBY CHIC 11401 CENTURY OAKS TERRACE SUITE 109 AUSTIN TX 78758
1-95-4660502-3	00029	MARCIANO 11501 CENTURY OAKS TERRACE SPACE 105 AUSTIN TX 78758
3-01140-4641-7	00001	ST THOMAS INC 11600 CENTURY OAKS TER STE 128 AUSTIN TX 78758-8687
3-20275-9875-7	00001	NESTLE TOLL HOUSE /PLANET SMOOTHIE 3400 ESPERANZA KING STE C12 AUSTIN TX 78758-8697
3-20334-5716-2	00005	BETSEY JOHNSON 11506 CENTURY OAKS TER STE 108 AUSTIN TX 78758-8691
3-20335-8394-2	00002	FREE PEOPLE #812 11410 CENTURY OAKS TER AUSTIN TX 78758-8694

DATE: 07/24/08
JOB : FALL980 B

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CONFIDENTIAL LOCAL TAX INFORMATION
AUSTIN - DOMAIN SHOP CTR - 2227016 - AUSTIN
ALLOCATION DATE RANGE NOV 2007 - JUN 2008
IDENTIFIED BY ICL TAXPAYER

PAGE: 7

TAXPAYER NO.	LOC NO/ TYPE	NAME ADDRESS
3-20345-3586-7	00107	ILORI 11506 CENTURY OAKS TER AUSTIN TX 78758-8690

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CONFIDENTIAL LOCAL TAX INFORMATION
AUSTIN - DOMAIN SHOP CTR - 2227016 - AUSTIN
ALLOCATION DATE RANGE NOV 2007 - JUN 2008
LIST FILERS IDENTIFIED BY ICL TAXPAYER

TAXPAYER NO.	LOC NO/ TYPE	NAME ADDRESS	TOTAL TAX PAID
			\$501,751.94

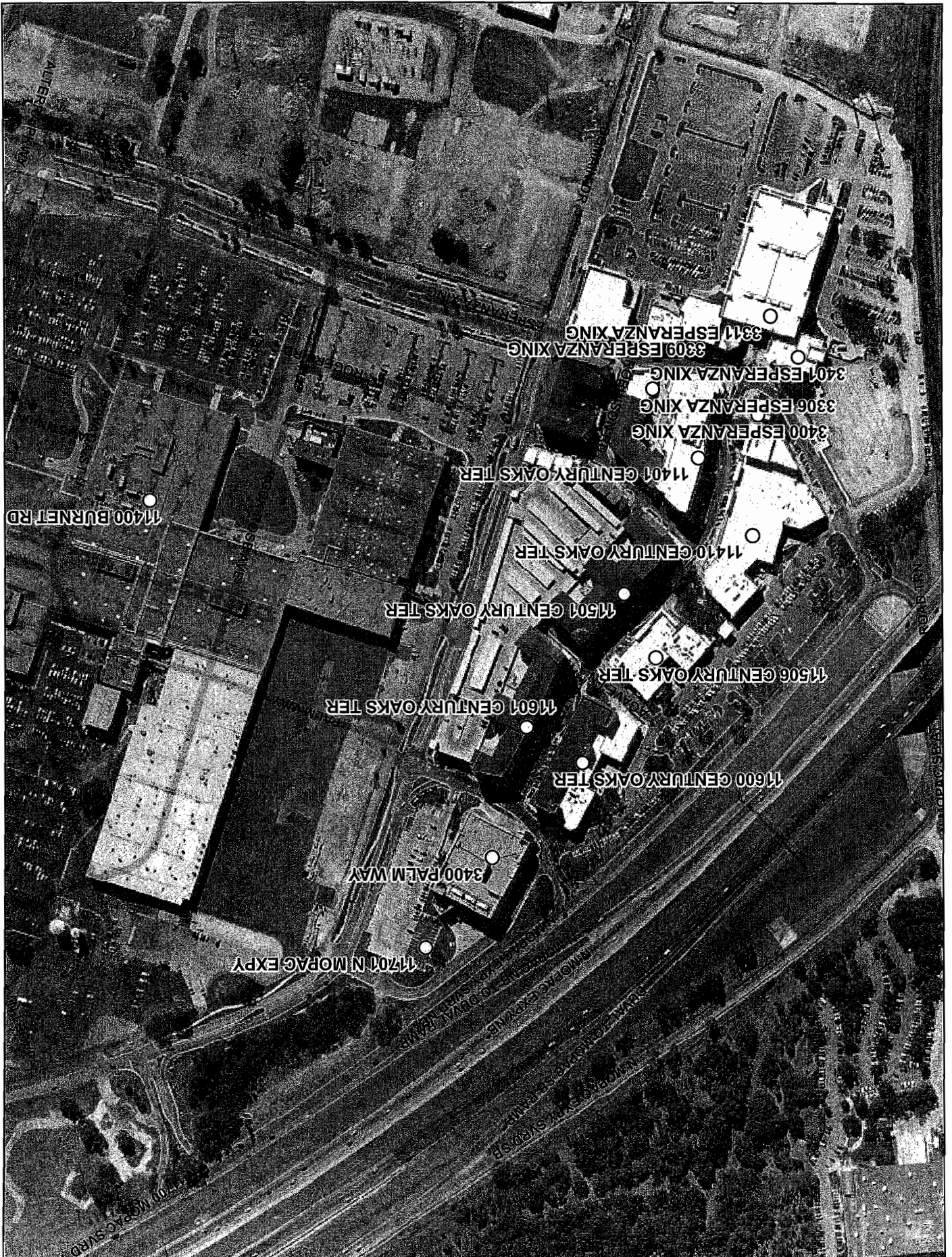
DATE: 07/24/08
JOB : FALL980 E

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CONFIDENTIAL LOCAL TAX INFORMATION
AUSTIN - DOMAIN SHOP CTR - 2227016 - AUSTIN
ALLOCATION DATE RANGE NOV 2007 - JUN 2008
LIST FILERS IDENTIFIED BY ICL TAXPAYER

PAGE: 1

TAXPAYER NO.	LOC NO/ TYPE	NAME ADDRESS
1-02-0482513-6	00061	BROOKSTONE STORES #31 11501 CENTRAL DR AUSTIN TX 78758
1-03-0581588-7	00002	DELAWARE INTERMIX LLC 11600 CENTURY OAKS TERRACE SUITE 116 AUSTIN TX 78758
1-11-3828946-4	00002	MARTIN & OSA 11410 CENTURY OAKS TER STE 132 AUSTIN TX 78758-8695
1-13-3287757-7	00008	BAILEY BANKS & BIDDLE #12361 THE DOMAIN SHOPPING 11601 CENTURY OAKS TER STE 133 AUSTIN TX 78758-8689
1-13-3906052-4	00132	SOLE MIO #05526 11506 CENTURY OAKS TER STE 120 AUSTIN TX 78758-8691
1-22-3687295-3	00015	LUCKY BRAND DUNGAREES STORES 11401 CENTURY OAKS TER STE 101 AUSTIN TX 78758-8700
1-26-0088812-2	00003	DAVID YURMAN 11600 CENTURY OAKS TER STE A05 AUSTIN TX 78758-8686
1-37-1537122-8	00001	MCCORMICK & SCHMICK'S SEAFOOD RESTAURANT 11600 CENTURY OAKS TER STE 100 AUSTIN TX 78758-8687
1-54-3882285-8	00010	SEL RETAIL OPERATIONS INC-SONY STYLE-DOMAIN 11501 CENTURY OAKS TER STE 133 AUSTIN TX 78758-8693
1-68-0606770-4	00002	MARTIN + OSA 11410 CENTURY OAKS TERRACE STE 132 AUSTIN TX 78758
1-94-2404110-1	00077	APPLE INC 11410 CENTURY OAKS TERRACE STE 120 AUSTIN TX 78758
1-94-2450490-0	00026	BEBE STORES INC #243 11501 CENTURY OAKS TERR BLDG K UNIT 109 AUSTIN TX 78758
1-95-4119509-5	00027	NEUMAN MARCUS 3400 PALM WAY AUSTIN TX 78758
1-95-4535666-9	00001	SHABBY CHIC 11401 CENTURY OAKS TERRACE SUITE 109 AUSTIN TX 78758
3-20335-8394-2	00002	FREE PEOPLE #812 11410 CENTURY OAKS TER AUSTIN TX 78758-8694
3-20345-3586-7	00098	SOLE MIO #05526 11506 CENTURY OAKS TER STE 120 AUSTIN TX 78758-8691

ATTACHMENT 19



ATTACHMENT 20

BEGINNING MARCH 9, YOU WILL FIND LUXURY

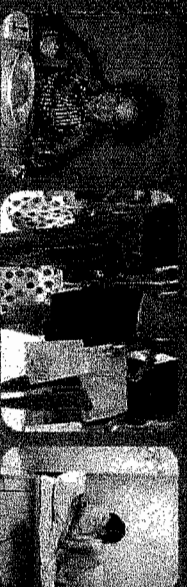


AT HOME AND RECEIVING VISITORS.



**THE DOMAIN. WHERE LUXURY LIVES.
GRAND OPENING MARCH 9-11**

SIMON
M A L L S
more choices®
THE DOMAIN



A Celebration of Style

Join us March 9–11 for the Grand Opening of Austin's most fashionable address. Visit The Grand Opening Pavilion presented by *Cadillac*, on Esperanza Crossing all weekend long for fashion events, great prize giveaways, celebrity appearances, and special demonstrations.

GREAT TASTE AT THE DOMAIN—FRIDAY, MARCH 9

Add some spice to your daily routine with tips on the latest in home trends including cooking and decorating demonstrations. And don't miss your chance to meet Katie Brown. In less than a decade she has become one of America's most beloved authorities on the home arts, with an appealing and imaginative approach that's a breath of fresh air for a new generation of homemakers. And she is bringing her unique style ideas for real people, showing how the art of home is in the heart of the home.



*All day long, you can register to win exceptional prizes from Domain retailers and restaurants with a minimum value of \$500, including a Vespa from Vespa of Austin and a \$2500 Simon Longhorn Giftcard.**

FASHION LIVE! MACY'S AT THE DOMAIN FEATURING MICHAEL KNIGHT

PRE-SHOW PARTY, 7:30 P.M., FASHION SHOW, 8:00 P.M.
Macy's and host Michael Knight, the fan favorite designer from *Project Runway*, invite you to a Fashion Live! Runway Show featuring the latest fashions from Macy's and a special "Evening Collection," designed by graduating seniors of the University of Texas Department of Human Ecology: Textiles & Apparel Division. All this and a high-energy performance by DJ Ravi Drums.



LUXURY STYLE AT THE DOMAIN—SATURDAY, MARCH 10

Get the latest style and beauty tips at special demonstrations from Domain retailers. Don't miss the fashion-savvy host of Style Network's *Fashion Police*, Robert Verdi, as he gives you the ultimate insider's guide to the hottest looks on the catwalk, as well as the latest in celebrity fashion, beauty and fun.



Register to win great prizes from Domain retailers and restaurants all day long, including a \$5000 Simon Giftcard.*

FRAMES OF FASHION AT THE DOMAIN FEATURING PETER CINCOTTI PRESENTED BY TexasMonthly

7:00 P.M.
Join us for a fashion presentation like nothing you've ever seen as Austin artist Kathy Womack's Women & Wine® series comes to life through luxury fashion. Featuring fashions from Barneys New York CO-OP, Betsey Johnson and St. Thomas Boutique and the exceptional music of jazz pianist and composer, Peter Cincotti, whom the *New York Times* named one of the most promising singer-pianists of the next generation.



HEALTHY LIVING AT THE DOMAIN SUNDAY, MARCH 11

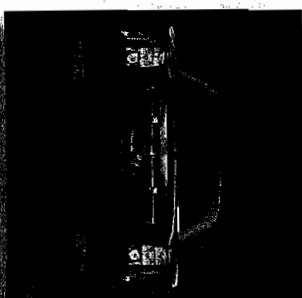
Learn how to make the most of your life at appearances by NBC's *Today* show fitness expert, Kathy Kaehler. A trainer of high-profile celebrity clients, Kathy believes everyone, at every age, should adopt a lifestyle that incorporates fitness, good nutrition, and a positive outlook—and she's ready to give you some great tips and techniques to staying healthy and happy. We'll also have cooking demonstrations.



*All day long, you can register to win great prizes from Domain stores and restaurants, including a \$2500 Simon Pink Ribbon Giftcard.**

GRAND PRIZE GIVEAWAY— 2007 CADILLAC ESCALADE

Come to The Domain on Sunday and you could drive home in a 2007 Cadillac Escalade! It's the ultimate luxury vehicle, compliments of the ultimate luxury address. Don't miss your chance to enter and win.*



*See entry form for complete contest rules. Giftcards awarded as prizes are subject to standard terms, conditions and fees applicable to the respective giftcard which are set forth on materials accompanying each card. For each Pink Ribbon Giftcard, Simon will pay \$1.00 to the Susan G. Komen Breast Cancer Foundation, with a minimum of \$200,000 going to the foundation for each year that Simon sells Pink Ribbon Giftcards. For each Simon Longhorn Giftcard, a portion of certain fees will go to support activities at the University of Texas at Austin.

**WELCOME TO THE DOMAIN, WHERE YOU'LL
DISCOVER AN AMAZING ARRAY OF THE WORLD'S
MOST RENOWNED RETAILERS. THE AREA'S ONLY
NEIMAN MARCUS. MACY'S. AND MORE.**

It's an open-air shopping experience of impeccable design—a fitting backdrop to fine clothing lines and luxury goods that will dazzle and delight. Here you'll also discover extraordinary restaurants to tempt your palate. And high-end living space you'll want to call home.

Visit These Fine Stores and Restaurants at The Domain, Where Luxury Lives. You'll Feel Right at Home.

Neiman Marcus	Laoste	White House Black Market
Macy's	Lilly Pulitzer	Z Gallerie
Aldo Shoes	L'Occitane	
Apple	Louis Vuitton	
Bailey Banks & Biddle	Lucky Brand Jeans	COMING SOON:
Banana Republic	MAC Cosmetics	Anne Fontaine
Barneys New York CO-OP	Madewell	Burberry
BOB's Max Azria	Martin + Osa	California Pizza Kitchen
bebe	Metopark	Daily Grill
Ben Bridge Jewelers	Origins	David Murman
Betsey Johnson	Puma	Hemming's Prime Steakhouse & Wine Bar
Bettysport	Ralph Lauren	Jasper's
Borders Books & Music	Ruehl	Joe Di Maggio's Italian Chophouse
Brighton Collectibles	Sole Mio	Loft
Brookstone	Sony Style	Luxe Apothecique
Cache	St. Thomas Boutique	Macriano
CALYPSO Christiane Belle	Starbucks Coffee	McComick & Schmick's
Coach	The Sleeping Room	Meridian Bliss
Cole Haan	Stuart Weitzman	Michael Kors
Diesel	Sur La Table	Nestle's Hollister Planet Smoothie
Intermix	Tiffany & Co.	North
J.Crew	Tommy Bahama	Oakville Grocery
Juicy Couture	Tumi	Shabby Chic
Kona Grill	Victoria's Secret	The Westin

SIMON | more choices®
M A L L S
THE DOMAIN



Located on North MoPac (Loop 1) between Braker Lane and Burnet Road. Shopping Line® 512.795.4230.

simon.com

ATTACHMENT 21

Evins, Fred

From: King, Amber
Sent: Friday, March 09, 2007 2:56 PM
To: EGRSO Employees; Huffman, Laura; 'arielyang@alumni.utexas.net'
Subject: News Clips March 3-9, 2007

Mastering Domain entries could be challenge But new mall will have multiple ways in and out, and motivated visitors

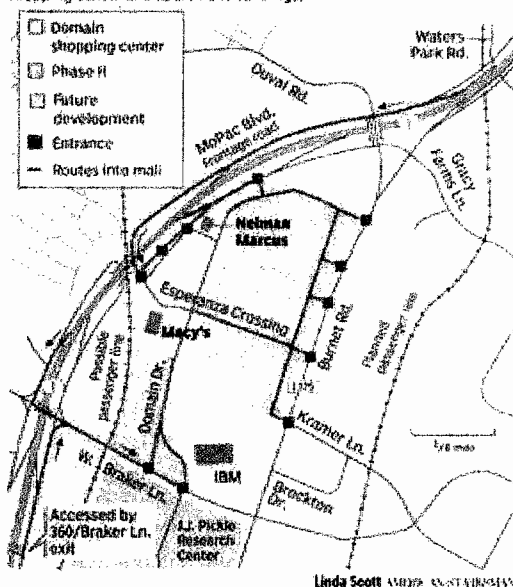
Statesman by Ben Wear

The crush of publicity over the opening this week of the Domain shopping center almost surely has generated considerable motivation for people to check it out.

Shoppers will need that motivation, and a bit of patience, to find the place, at least on their first visit or two.

Finding the Domain

Although the new Domain development will have 11 entry points, first-time visitors may still face a challenge finding their way in. Some could be fooled by a railroad track that breaks up MoPac Boulevard's frontage road, and the Braker Lane and Burnet Road entrances are far from the shopping center and apartment buildings.



The high-end retail and apartment development is clearly visible from MoPac Boulevard (Loop 1), is bounded by that highway and two other major roads and has no less than 11 entrances, but some oddities in the still-emerging development and the roads around it could lead people down a false path or two.

People on MoPac's northbound frontage road at Braker Lane, for instance, will probably spot the Macy's building ahead and confidently proceed north. But that frontage road is cut off by a railroad track before it reaches the Domain, looping under MoPac to send drivers back south to Braker.

"They definitely have to learn it, and will," said Kathy Shields, senior vice president for development with the Simon Property Group, which along with Endeavor Real Estate Group built the development.

She said the Texas Department of Transportation has agreed to put a sign on MoPac directing northbound drivers to the Duval/Burnet Road exit, which will feed people to the center's northernmost entrance.

"Braker is a major entrance as well," Shields said, referring to a spot with two openings on Braker several

hundred yards south of the existing buildings, "and I think a lot of people will use that."

Both the north entrance and the Braker entrance will have elaborate signage announcing the presence of the Domain. There are also five entrances on Burnet Road, but the current Domain development is obscured from most of them by existing industrial buildings.

Traffic engineers hired by the developer in 2004 estimate that cars will enter or leave the Domain about 31,000 times a day.

Domain Phase II, which Simon is building south of Macy's and expects to open in a couple of years, will add another estimated 18,500 car trips.

And the adjacent future mixed-use development, the first portions of which will open in the next two years, would throw in another 55,000 trips a day when complete.

That's another 100,000 or so cars in an area that currently has just over 200,000 vehicles a day on the major roads surrounding it.

Despite that boost, traffic impact analyses prepared by the developers and approved by the City of Austin indicated that if certain intersection improvements are made — principally adding extra turn lanes in various places — then traffic should remain tolerable even as the Domain grows.

"It definitely will get more crowded," said George Zapalac, a City of Austin traffic expert whose office reviews those impact analyses.

The Domain, whose several-day rollout begins with Macy's opening today, includes about 700,000 square feet of retail space, housing 10 restaurants (not all of them opening immediately) and 59 other retailers, among them such glittery names as Tiffany & Co., Louis Vuitton and Neiman Marcus. There will also be office space, about 390 apartments and, eventually, a hotel.

Shields said customers — despite what appears to be scarce parking, at least compared with traditional malls such as Barton Creek Square surrounded by acres of blacktop — will have plenty of room.

The first phase has just fewer than 3,500 parking spaces, about two-thirds of them in two six-story garages along Domain Drive as it slices north-south through the property.

Barton Creek Square, by comparison, has 7,500 spaces for its more than 200 shops, restaurants and other retail outlets.

Given the lack of parking on the development's western face along MoPac, where there will be something of a restaurant row, Shields said, there are plans for an extensive valet parking program there once all of the restaurants are open.

Swanky Domain complex to open its doors on Friday

In Fact News

The first stores in The Domain complex in Northwest Austin will open on Friday, with the City of Austin betting that its upscale retail outlets and restaurants will help maintain its share of sales tax revenue within the Central Texas region.

In order to spur retail development at the site — approved by Austin City Council members in 2003—the city agreed to provide a rebate on a portion of both the property and sales taxes. Travis County signed on too.

"There is a combined city-county financial participation in this project that totals \$25 million. It's 80 percent of the sales tax generated for the first five years, and then 50 percent thereafter until it hits a cap," said Kathleen Shields, Senior Vice President of Development for Simon Property Group. "Then it's 50 percent of the city property tax and 25 percent of the county again until it hits the cap. That is still in place. The project should over-generate what was promised in property taxes and sales taxes, so it's a win-win."

That tax rebate, said Shields, helped make the 75 stores and restaurants with their 1,900 jobs a reality. "The city

and county's participation in these things absolutely makes them happen, so we have both of them to thank," she said.

After Austin and Travis County agreed on the tax breaks, Austin businessman Brian Rodgers sued the city and Endeavor Real Estate, which later partnered with Simon on the development. Rodgers settled the suit with the city and Endeavor in June 2004. According to Rodgers, the provision of the deal between the city and Endeavor requiring the city to rebate sales and property taxes from the development then became strictly voluntary because Endeavor waived its right to sue for damages if the agreement were not upheld. City Attorney David Smith said at the time that the city would not be subject to suit for non-payment anyway.

Rodgers has recently told In Fact Daily that he plans to keep fighting the tax breaks for the Domain. However, the city will not be writing any rebate checks until after the taxes are collected.

The first phase of the Domain will also have nearly 400 apartments with rents ranging between \$900 and \$2,200 per month. Some of the apartments were also rented as affordable units at a lower rate.

"It's a very urban village-type environment that will have people in it 24 hours a day. The restaurants and cafes especially like having the people here," said Shields. "It keeps the streets very vibrant. And I think your average shopper as well likes that feeling of being in a mixed-use environment." Columbus Realty Partners developed the apartments. Leasing is already underway, and management of the property will be handled by Lincoln Property Company.

Grand opening celebrations for the shopping complex will begin at 9:30am Friday and will feature a performance by the Anderson High School Marching Band. While most of the tenants of the complex will be national retailers, the developers have worked to give the streetscape within the project an Austin touch. Works from local artists will be displayed throughout the complex, including two large murals and a 15-foot tall bronze and steel sculpture.

City leaders banking on the Domain Austin aiming to bolster its sales tax base Statesman by Shonda Novak

Austin lobbyist Andrea McWilliams travels regularly to Dallas and Houston for business, squeezing in trips several times a year to Neiman Marcus to buy suits for work and gowns for formal events.

Starting this week, McWilliams won't have to leave home to shop at Neiman Marcus, which opens Friday at the Domain, a 700,000-square-foot upscale retail center near MoPac Boulevard (Loop 1) and Braker Lane that has been five years in the making.



The Neiman Marcus at the Domain, seen here looking south, will be the retailer's first full-fledged outlet in Central Texas. It and the other upscale stores are expected to keep more area residents from having to go to Dallas or Houston for such high-end shopping.



A mosaic called 'Floating Down the Dream Stream,' being installed by Katherine Casey, is one of four that Terra Firma Studios has designed to add some color to the Domain.

"It's nice to know that my sales tax dollars will now stay right here in Austin and our community," said McWilliams, a mother of three who owns a governmental affairs consulting business.

McWilliams and shoppers like her are partly what the City Council counted on when it granted a 20-year package of tax breaks to the Domain in 2003.

At the time, critics said that it was unwise to give tax breaks to a mostly retail project.

But City Council Member Brewster McCracken said he'd vote the same way today because the project will help shore up a key source of city revenue, includes apartments as well as stores and will help revitalize what he says was an area on the verge of decline.

Compared to traditional retail, a project such as the Domain "produces much more in tax base, produces this tax base for a much longer period and contributes to making Austin a nicer place to live," McCracken said.

In 2003, city leaders were sweating as they watched sales tax collections miss forecasts month after month and Austin's share of the region's sales-tax dollars shrink as retail development accelerated in the suburbs.

Austin's share dropped from 58 percent in 2002 to 50 percent last year. And though the city's total rose 21 percent during that period, growth was far faster in nearby cities such as Round Rock, up 68 percent, and San Marcos, up 37 percent.

Sales taxes are a crucial source of revenue for the city, covering 28 percent of the operating budget.

Until the Domain, Austin had lacked the type of destination retail that can help keep tax dollars in the city and attract shoppers from outside the region.

The Domain will have almost 70 high-end stores and restaurants, including names such as Tiffany & Co. and Louis Vuitton, as well as a full-line Neiman Marcus and a Macy's.

The first new regional mall in a dozen years, it's also the first phase of three adjoining projects along MoPac that eventually will include almost 1.5 million square feet of space, including stores, 690 apartments and condominiums, offices and the area's first Westin hotel.

City officials say they have not estimated how much sales taxes the Domain will generate this year. But the center will be a rich source, retail experts say.

Stores at a typical mall have average sales of \$200 to \$250 a square foot, said Mark Stein, owner of Stein Planning and Management, a Dallas economic development consulting firm.

With the Domain's star-studded lineup, Stein said, "It wouldn't surprise me if the average were between \$350 or \$400 a square foot."

Other Central Texas cities have cashed in on destination retail projects.

Round Rock expects to get \$4 million in sales taxes a year from the Round Rock Premium Outlets, which opened in August. Buda saw a 50-percent increase in sales taxes between 2005 and 2006, thanks in part to the arrival of Cabela's, an outdoors equipment supplier that draws shoppers from hundreds of miles away.

Austin's sales tax picture has improved considerably since 2003, when the City Council approved \$37 million in sales and property tax rebates over 20 years to the Domain's developers. Endeavor Real Estate Group started the project; mall developer Simon Property Group later bought a majority interest.

Nordstrom opened at Barton Creek Square. More Wal-Mart Supercenters, Targets and Home Depots have opened. The city got a second Costco last year, and Southpark Meadows is adding 1.6 million square feet in South Austin.

The additional retail, plus a healthy local economy, has dramatically boosted the city's sales-tax coffers, city

budget director Greg Canally said.

Last year, the city collected a record \$139 million in sales taxes. This year, city officials project the total will be \$150.6 million, up more than 8 percent.

But the Domain will help keep the base solid and bring shoppers in from outside the area.

And for Austin residents, Canally said, the Domain "is an opportunity to shop within Austin and let their sales tax dollars stay in Austin and work for them. Sales taxes pay for core services, so it directly benefits you."

Canally said that, even after the tax rebates, Austin will take in about \$40 million in sales and property taxes over the 20 years of the incentive agreement.

Not everyone thinks incentives for retail projects is a good idea.

"Retail is a lousy investment in terms of bangs for the buck and, in our opinion, rarely merits being subsidized," said Greg LeRoy, founder and executive director of Washington-based Good Jobs First, a nonprofit advocacy group that studies incentive programs.

Many products on retail shelves are manufactured overseas. Retail jobs typically are on the lower end of the pay scale, and many are part-time and don't include health care and other benefits, LeRoy said.

Not only that, but such projects as the Domain "will pirate sales from other existing retail establishments in the metro area," LeRoy said. "At best, a project like this simply moves sales tax dollars around within a metro area. It's a zero-sum game."

At least Austin officials have been "intellectually honest" by acknowledging that their goal is to keep more sales tax dollars from going elsewhere, he said.

Stein, the consultant, said the package for the Domain "sounds to me to be within the standards of what other cities pay to get malls like this."

Work is just starting in Dallas on Park Lane, a large retail, residential and hotel project for which the city awarded \$20 million in property tax breaks.

Over 30 years, the project is expected to generate \$100 million in city sales taxes and a similar amount for Dallas' transit agency, Stein said.

Similarly, Stein said, the Domain "is going to be a net revenue generator for the city, even with those tax incentives."

"Over a horizon as long as 20 years, I think the city will definitely come out ahead financially," Stein said. "When you take the kind of sales tax generated by a regional mall, that's enormous."

The incentives are tied to certain benchmarks the developers are required to meet, including creating 1,500 construction jobs and 1,100 full-time permanent jobs, and offering 10 percent of the 390 apartments at below-market rents for people who make less than the area's median income.

The city also required Endeavor to set aside \$1 million to help small businesses become tenants in the project.

McCracken stands by his decision to support the incentives.

He said the retail Austin has added in the interim has been single-use centers, mostly on the edge of town, that have a typical life cycle of 10 to 15 years before they start to decline.

In contrast, the Domain "is a mixed-use infill project that combines office and residential with retail," McCracken said. "These projects tend to self-sustain for decades. So with the Domain, we weren't just buying a decade or two of sales tax. We were catalyzing the wholesale transformation of a decaying area."

Going forward, McCracken said, Austinites can expect the city to use tax breaks to encourage dense, mixed-use developments that include public benefits such as moderately priced housing and parks.

"I expect straight incentives for pure retail projects won't happen in Austin," he said.

Outdoor mall opens in Austin

Macy's, Tiffany & Co. bring upscale glitz to open-air complex

Daily Texan by Philip Jankowski

Austinites' options for shopping centers will expand even more today as the Domain, the new mall off of North Mopac Boulevard and Duval Road opens its doors to business.

The new retail area features more than 700,000 square feet of retail space and hosts 70 upscale retail stores such as Tiffany & Co. and Louis Vuitton. According to the city of Austin's Economic Growth and Redevelopment Services Office, the mall will add a total of 1,100 new full-time permanent jobs as well as 1,500 construction jobs and will generate \$25.9 million in city sales tax revenue, as well as \$14 million in city property tax revenue over 20 years.

The mall is anchored by two department stores: Macy's, which held its grand opening on Thursday, and the first-ever Neiman Marcus to serve the Austin area. Neiman's will open its doors on Friday along with the rest of the mall, including a Borders bookstore that relocated from its Arboretum-area location to the Domain.

The mall is the first of its kind in Austin, billed as an outdoor "lifestyle mall," said Amy Baemen, Macy's regional vice president for South Texas.

"When you have two major anchors like Macy's and Neiman Marcus, you really will draw more customers, and when you can get out into the mall area, you will feel the concept of an open-air mall versus a strip mall," said Baemen.

The Domain, owned by the Simon Property Group, will also lease space for residential and business use. The residential development will offer 390 units ranging from \$920 to \$2,244 per month to tenants looking for urban-style living outside of downtown Austin.

Simon Property Group also owns and manages Barton Creek Square, The Arboretum at Great Hills, Gateway Shopping Center, Lakeline Plaza and Lakeline Mall. Its worldwide holdings are estimated to be worth \$52 billion, according to a press release.

Macy's cut the ribbon on its fourth Austin area store on Thursday to a crowd of eager shoppers lined up bright and early.

The early birds were awarded \$10 gift cards that had a shot at increasing to \$200. They were greeted by rounds of applause from some of the 150-plus employees at the 140,000 square foot department store. Macy's will continue to award the gift cards to the first 200 customers each morning of the opening weekend.

Macy's will also host "Fashion Live!" Friday night, a fashion show contest showcasing apparel designed by 20 UT students. The show will be hosted and emceed by Michael Knight from Bravo's "Project Runway."

Students without transportation showed little interest in what the Domain can offer.

"I don't have a car, so I don't see myself ever going to there", said marine biology and geography sophomore Kate Napier.

Others are excited.

"It's about damn time," said business senior Rebecca Clem. "Austin should be able to have just as fine of things as Dallas. I'm sick of having to go home to shop."

Evins, Fred

From: King, Amber
Sent: Friday, March 09, 2007 2:56 PM
To: EGRSO Employees; Huffman, Laura; 'arielyang@alumni.utexas.net'
Subject: News Clips March 3-9, 2007

Affordable housing at the Domain almost gone

News 8 Austin

The Domain, Austin's latest urban development project, will open Friday in Northwest Austin.

While it's full of high-end luxury stores like Neiman Marcus and Tiffany's, some tenants didn't have to break the bank to live in Austin's newest neighborhood. The first phase of the Domain is turning 700,000 square feet acres at MoPac and Braker Lane into a planned upscale community with 75,000 square feet of office space and 390 apartments.

"It's a true mixed-use environment. Ten percent of the units are being made available to persons who make 60 percent of the median income," developer Kent Collins said.

Rental prices at one of the 390 apartments start at about \$1,000 a month for about 700 square feet. Apartments that are 1,100-square feet will go for about \$2,200 a month, and the most expensive apartment is a one bedroom, one bath for \$2,430 a month.

Because of an agreement with the city, single-income people who make \$32,000 can rent certain units for about \$750 a month.

"With the Domain, it was really more of ... we provided all of these incentives and so if we provide these incentives, then we would like some public benefit back," Paul Hilgers of the city of Austin's Neighborhood Housing and Community Development department said.

For the first phase, the affordable housing clause applies to 39 apartments – which are almost all rented out.

"We'll have people who are police men, firemen, teachers. One of our leasing agents has qualified for one of our affordable units," Collins said.

There are 38 floor plans to choose from, ranging from 488 square feet to a 1,519 square-foot townhouse.

"It makes a lot of sense for the community to understand that affordable housing isn't a cost, it's a value," Hilgers said.

The apartments come with a number of luxury features and finishes, but don't have washers and dryers.

Evins, Fred

From: King, Amber
Sent: Monday, March 12, 2007 2:31 PM
To: EGRSO Employees; Huffman, Laura; 'arielyang@alumni.utexas.net'
Subject: News Clips March 10-12, 2007

Domain opens a new level of luxury
After ribbon-cutting, shoppers find tree-lined streets, upscale stores
Statesman by Shonda Novak, Melanie Spencer

Domainia swept Austin on Friday as the city's first destination shopping center, lined with more than 60 high-end department stores and specialty retailers, opened in North Austin.

The first customers strolled the tree-lined streets in the \$245 million Domain, a joint venture between Austin-based Endeavor Real Estate Group LLC, which conceived the project five years ago, and Indianapolis-based Simon Property Group Inc., which later became a partner.

Several Simon executives, including CEO David Simon, Chairman Herb Simon and President Rick Sokolov, handled the ribbon-cutting chores as confetti rained down and a marching band boomed.

"If they ever kick us out of Indianapolis, we're coming to Austin," David Simon told the crowd.

Some people came out of curiosity about the outdoor center near MoPac Boulevard (Loop 1) and Burnet Road. The center is the first new regional mall in a dozen years and includes Austin's first Neiman Marcus store, its fourth Macy's and dozens of smaller shops that are new to Central Texas.

Others were on a mission.

At Neiman Marcus, Leigh Gambrell was hoping to find the perfect shoes for her May 12 wedding. She succeeded within an hour, purchasing a pair of rose-metallic Dolce & Gabbana pumps.

"It's nice to have an alternative to Saks (Fifth Avenue) for upscale lines," Gambrell said.

The Domain puts Austin in a new shopping league, with a level of luxury that Central Texas hasn't seen. The city is ready for that, said Bryce Miller, an Endeavor partner who helped lure Neiman Marcus.

"Austin is younger, hipper and highly educated, and that is a very strong demographic combination to enable us to support a project like the Domain," Miller said.

Miller said the shops and stores aren't all at the high-end but run a spectrum offering "a little something there for almost anybody."

Gambrell said she thinks that Austin can support such a center.

"I think we have a pretty affluent population," she said. "It's understated. It's not as ostentatious as Dallas, but there's a lot of money here and a lot of demand for upscale shopping."

Gina Faist, who moved to Austin a year and a half ago from The Woodlands, near Houston, said the Domain is similar to The Woodlands' upscale Market Street outdoor shopping center. "I'm loving it. I love the different architecture," she said. "It's not like a strip center."

Macy's, which opened Thursday, said it was pleased with the customer traffic at its store. But not everything went off without a hitch.

Some people had trouble finding their way to the shopping areas from the parking garages. And none of the restaurants was open in time for the center's debut.

3/22/2007

But Miller said the project "turned out the way we hoped and envisioned five years ago," when Endeavor began negotiations to purchase the land.

Miller said he and David Simon "had a very personal interest in the look, feel and quality of this project from the day (in 2003) we decided to move forward together. And today, we both acknowledged that our expectations had been exceeded. It's very satisfying."