

Special Report

Travis County: Block 126 Redevelopment



Technical Assistance Panel | September 20, 2017

ABOUT THE URBAN LAND INSTITUTE



The mission of the Urban Land Institute (ULI) is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is committed to:

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices
- Fostering collaboration within and beyond ULI's membership through mentoring, dialogue and problem solving;
- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both built and natural environments;
- Sharing knowledge through education, applied research, publishing and electronic media; and
- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Established in 1936, the Institute today has more than 40,000 members from 90 countries, representing the entire spectrum of the land use and development disciplines. Professionals represented include developers, builders, property owners, investors, architects, public official, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

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The Austin District Council of the Urban Land Institute is organized to carry forward the mission of the national organization with a greater understanding of the unique regional issues and relationships fostered by it's over 750 members in the Austin area.

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ABOUT ULI ADVISORY SERVICES

The goal of ULI's Advisory Services Program is to bring the finest expertise in land use to bear on complex land use planning and development projects, programs and policies. Since 1947, this program has assembled well over 750 ULI member teams to help sponsoring organizations find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

ULI offers two services under this program, an Advisory Service Panel (ASP) and a Technical Assistance Panel (TAP). Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel. Both a TAP and ASP have similar components. However, an ASP is a more in depth and intense approach requiring additional hours, research and funding than a TAP.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academicians, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Technical Assistance Panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.



Figure: Austin Skyline, Courtesy of Innes International Images

CURRENT SITUATION

The County of Travis (County) owns Block 126 near the Texas State Capitol. Bounded on the north by 11th Street, on the south by 10th Street, on the west by Guadalupe Street, and on the east by Lavaca Street. Block 126 lies within the Capitol View Corridor (CVC).

CVC height requirements restrict construction on the central portion of the Block to 9.24 feet above grade. The County wishes to explore innovative redevelopment options for Block 126 to meet parking and/or civil courthouse needs generated in part by the planned demolition of a 350-space parking garage on the west side of Wooldridge Park.

Additionally, the County wishes to consider ideas for the highest and best uses of the parcel that will better serve the surrounding area and more fully activate Wooldridge Park and the adjacent civic zone. More than 1,000 County employees work in the area, yet this demographic presently enjoys limited options for shopping, dining, and other amenities. Low pedestrian traffic makes the area somewhat of a dead zone.

ULI PANEL ASSIGNMENT

ULI Austin was hired by Travis County to consider options for the redevelopment of Block 126 with the goals of:

1. Replace the County employee parking that will be lost when a nearby parking garage is demolished.
2. Activate Wooldridge Park and the adjacent civic zone. The purpose of the Panel was to receive input and ideas from urban planning experts and other relevant community stakeholders, including law enforcement, County and City of Austin staff, and downtown residential and office representatives.
3. Explore ideas for the best and highest use of the Block that would be market-driven and realistic, including plans that would leverage private investment and reduce the need for County expenditures in the redevelopment of the site.
4. Consider projects that would deliver some community benefit such as public parking or affordable housing.



Travis County established the following objectives for this TAP:

- The Panel will review the constraints for redeveloping Block 126, generate options for redeveloping the Block within those constraints and, if feasible, make a recommendation for a specific best usage. The Panel was also asked to review options for the adjacent Block 108, also owned by Travis County, if time permitted, which it did not.
- The Panel will explore recommendations for overcoming constraints to redevelopment.
- The Panel will focus on options and/or recommendations that fulfill needs for the County's downtown campus, activate Wooldridge Park and the civic zone, and provide community benefit.

The Panel operated under the following assumptions:

- There is little or no likelihood that CVCs will change or that a variance would be granted.
- According to the most recent CVC determination, provided in 2017, corridor limitations for Block 126 is 9 feet. However, the adjacent Block 108, also owned by Travis County, would allow for construction up to 544 feet.
- As noted in the 2016 Massing Diagram, Block 126 can potentially accommodate 520,000 square feet of redevelopment, but only 83,400 square feet would be CVC compliant. Thus, some 436,600 (84%) square feet cannot be developed.
- If the County is set to lose 350 (16%) parking spaces, these must be replaced.
- Parking will remain a need if it is free for all County employees, and demand will stay high.
- Block 126 is in a currently low residential density district; however, there are more than 1,500 employees within two blocks of Block 126. It has high activity between the hours of 8 am and 5 pm, when there can be between 3,000 and 4,000 visitors per day. After 5 pm, the area becomes a "dead zone."
- Redevelopment options must incorporate ideas for activating Wooldridge Park.

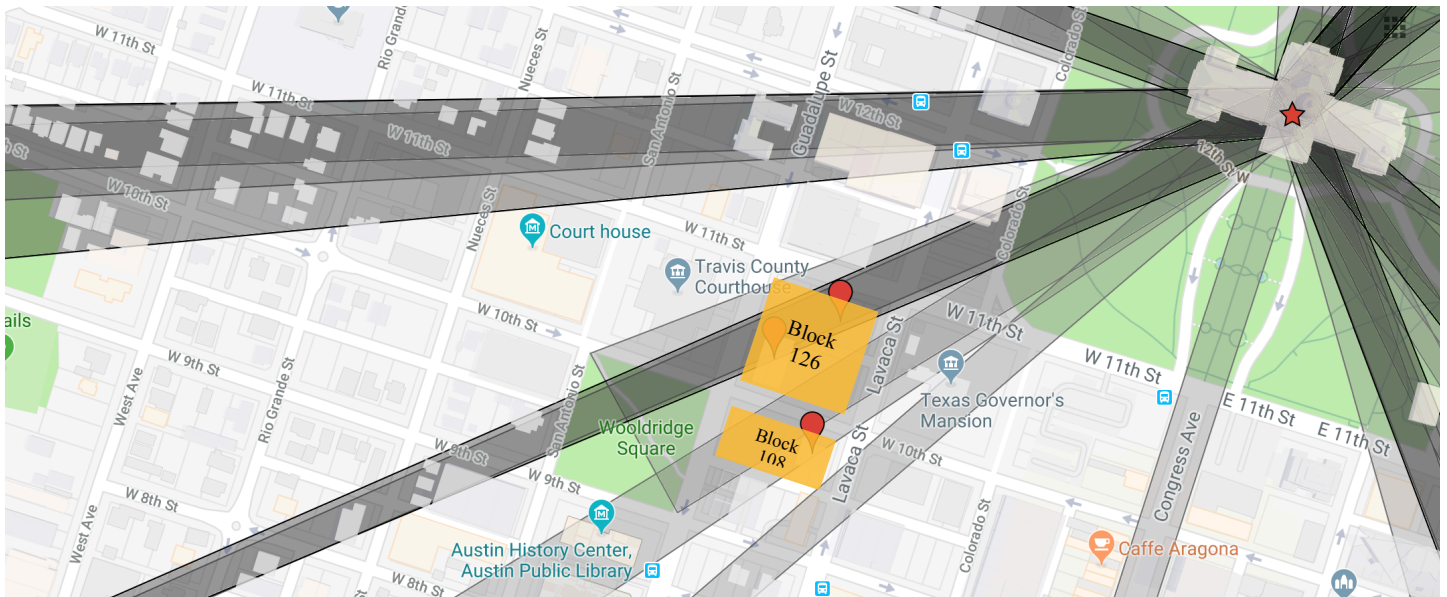


Figure: Overview of Capitol View Corridors (CVC) of Block 126 and the adjacent Block 108. (Red pin marks indicate existing buildings owned by Travis County.) Dark grey bands indicate overlapping CVC's.

Note on Block 126 (Primary focus of the Panel): Block 126 is zone CBD (Central Business District) which does not have a specified height limit. However, the Capitol View Corridors (CVC) imposes building height limits between 9.24 and 29.37 depending on the location within Block 126. The following CVC's intersect with Block 126.

CVC 3 – Woolridge Park
CVC 9 – Barton Creek Pedestrian Bridge
CVC 32 – Barton Creek Pedestrian Bridge

Note on Block 108: Block 108 is zone CBD (Central Business District) which does not have a specified height limit. However, the Capitol View Corridors imposes building height limits of 59.79 and 62.23 depending on the location within Block 108. The following CVC's intersect with Block 108.

CVC 3 – Woolridge Park
CVC 5 – Lamar Bridge

PANELISTS

The Urban Land Institute Technical Assistance Panel brought together five industry experts to explore and address issues related to redevelopment opportunities for Block 126:

Panel

Dave Stauch (*Panel Chair*)
Capital Project Management
Austin, TX

David Hartman
Smith|Robertson
Austin, TX

Tim Pellowski
STG Design
Austin, TX

Megan Shannon
Momark Development
Austin, TX

Rodney Gonzales
City of Austin, Development Service Department
Austin, TX

*Additional input was provided by **David Steinwedell**, who was Executive Director of ULI Austin at the time of the Panel. Information on these Panelists may be found on the back inside cover of this Report.*

ACKNOWLEDGEMENTS

ULI Austin would like to thank the leadership of Travis County for inviting the Urban Land Institute to provide independent, objective expert advice on the potential to develop Block 126.

We would also like to thank the stakeholders who participated in the background interview session for providing their insight to augment the multiple decades of on-the-ground experience represented among the ULI panel members. Additional community leaders were invited, but declined the invitation to participate. Contact ULI Austin for a list of all invited. The following key stakeholders participated:

- Tina Cannon, Austin Chamber of Commerce
- Randy Scott, Austin Parks & Recreation
- Charles Heimsath, Capitol Market Research
- Mike Clark-Madison, Congress for New Urbanism, Central Texas
- Diana McIver, DMA Companies
- Molly Alexander, Downtown Austin Alliance
- Chris Riley, Downtown Austin Neighborhood Association
- Margaret Shaw, City of Austin, Economic Development Department,
- Brendan Wittstruck, Evolve Austin
- Mike Martinez, Kasita
- Elliott Smith, Travis County
- Lisa Rush, Travis County
- Major Shane Poole, Travis County Sheriff's Office
- Major Wes Priddy, Travis County Sheriff's Office
- Margaret Terronez, Travis County
- Mark Gilbert, Travis County

The findings and recommendations provided in this report are based on the collective expertise of the panel, along with the provided briefing materials and stakeholder interviews and discussions conducted during the panel's day long effort.

EXECUTIVE SUMMARY

Due to CVC height restrictions, Block 126 cannot be conventionally redeveloped to its highest and best use, and none of the options advanced and explored by the experts and stakeholders consulted during the TAP will meet all County needs.

Redevelopment ideas considered by the Panel include a public transit station, underground courthouse with public space and retail at ground level, affordable housing and retail above underground parking with 350 spaces, an active destination space, two levels of parking with ground level retail, and a simple surface parking lot. Additionally, Panelists weighed the possibilities of retaining and repurposing the existing structures on the Block and endorsing the 2009 Master Plan calling for five stories of office space, retail, and parking.

Interviewees during the TAP stressed specific concerns, such as the preference that any redevelopment consider security needs during the project's early planning stages. Others expressed a desire that the area's historic structures, both existing and lost, and their purposes and usages be considered in near-future and long-term planning.

Each of the options considered presents advantages and disadvantages, but none appear to offer ideal solutions.

ANALYSIS OF OPTIONS FOR BLOCK 126 REDEVELOPMENT

The Panel reviewed all redevelopment options for Block 126. Travis County provided the Panel their top priorities when redeveloping Block 126. These priorities are as follows:

- Fulfill needs for the County's downtown campus. To execute other critical justice projects in the area, the County needs to demolish a structured parking garage with about 350 parking spaces. This at a minimum needs to be replaced elsewhere in the area. Block 126 is the prime candidate. Parking would not necessarily need to be free of charge.
- Activate Wooldridge Park and the civic zone. This area has low pedestrian traffic and the adjacent park is not well used. There are also over 1,000 county employees with limited options for dining, shopping, etc. The area would benefit from diversification of uses to bring it to life.
- Ensure feasibility. Plan should be market-driven and uses need to be realistic. Need to emphasize leveraging private dollars to execute the project and reduce demand on the County to redevelop it with its own funds.
- Provide a community benefit. Public access parking, affordable housing, etc. should all be considered.



Detail of Redevelopment Options

Surface parking. Retaining surface parking on the Block would be the least expensive option, and it would meet immediate parking needs after the parking structure on the west side of Wooldridge Park is demolished. Surface parking would not, however, advance the County's goals, nor would it enhance the area's urban design.

Two level open parking (structure with ground level retail). This option would be fairly inexpensive and would meet all parking needs after demolition of a current parking structure. As of March 2017, the median construction cost for a new parking structure is \$19,700 per space and \$59.06 per square foot. The addition of retail would provide a community benefit, help to activate the area, and generate revenue. This option does not significantly advance the County's goals, nor does it particularly enhance the urban design. One level would have to be three to four feet below grade to allow for the second level to stay below the CVC.



Figure: View of Block 126

Destination, such as a museum, event space, or sculpture garden. Creating a destination environment on Block 126 could activate the area, generate nighttime traffic, and more effectively link Wooldridge Park with the Capitol's green space. Such redevelopment would also provide community benefits and enhance the area's urban design. A museum, event space, sculpture garden, or other destination use would not, however, address County parking needs or meet other County needs. Any of these redevelopment options would also require ongoing financial support.

2009 Master Plan, five story office and retail above 1,200 space parking. The redevelopment of Block 126 outlined in the 2009 Master Plan would meet all parking needs and provide maximum parking revenue potential. It would also meet some of the County's office needs, though it does not address or begin to meet Courthouse needs. Panelists felt this option would provide full development potential within CVC constraints. It would, however, be very expensive and the parking and retail could exceed market and County needs.

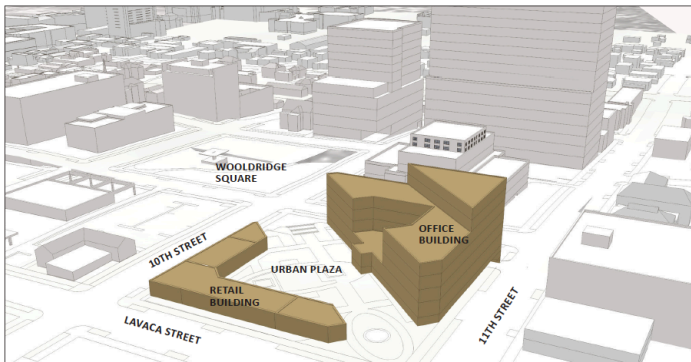


Figure: Rendering of 2009 Master Plan

Affordable housing and retail above 350 spaces of parking (one level). This redevelopment of Block 126 would provide considerable community benefit. Affordable housing for downtown service industry employees is becoming hard to find without requiring an extensive commute to the CBD. Retail would also help to activate the area and generate revenue. This plan would meet some parking needs, though only 225 spaces could be provided to Travis County since 75 spaces would serve the housing units. Affordable housing would require significant subsidy and would only provide 75 units, limiting efficiency. Additionally, this option does not meet County needs for Courthouse or office expansion.

Mixed use of above and underground Courthouse, with public space and retail. This option would meet some County needs, but it would be quite expensive and provides no parking.

Retain and repurpose existing buildings. This option represents a good interim step with a short turnaround time. It could accommodate some retail and County services, and it is also grandfathered regarding the CVC. It would, though, be expensive with relocation costs. It also doesn't meet most of the County parking needs and other goals. It would not necessarily activate Wooldridge Park or connect the park with Capitol green space.

Overview of Redevelopment Options

Option	Pros	Cons
Surface Parking	<ul style="list-style-type: none"> Least expensive Meets some immediate parking needs once structured parking is demolished 	<ul style="list-style-type: none"> Doesn't advance County's goals Doesn't enhance urban design of area
Two Level Open Parking Structure (with ground level retail)	<ul style="list-style-type: none"> Fairly inexpensive Meets most immediate parking needs once structured parking is demolished Adds retail 	<ul style="list-style-type: none"> Doesn't advance County's goals Doesn't enhance urban design of area
Destination (Museum/event space/ sculpture garden)	<ul style="list-style-type: none"> Enhances community benefits and urban design Activates space and provides night time traffic 	<ul style="list-style-type: none"> Doesn't address parking needs Doesn't meet other County goals Needs extensive financial support
2009 Master Plan (5 story office, retail above 1,200 space parking)	<ul style="list-style-type: none"> Meets some of County's office needs Meets all parking needs and provides max parking revenue potential Full development potential within constraints 	<ul style="list-style-type: none"> Parking and retail could be excessive/beyond market and County need Doesn't meet Courthouse needs Very expensive
2009 Master Plan (5 story office, retail above 1,200 space parking)	<ul style="list-style-type: none"> Meets some of County's office needs Meets all parking needs and provides max parking revenue potential Full development potential within constraints 	<ul style="list-style-type: none"> Parking and retail could be excessive/beyond market and County need Doesn't meet Courthouse needs Very expensive
Affordable Housing (Retail above 1 level of public parking)	<ul style="list-style-type: none"> Meets community needs, engages public space Meets some parking needs 	<ul style="list-style-type: none"> Doesn't meet County needs for Courthouse or office Only provides 225 parking spaces Affordable housing would need significant subsidy Provides only 75 units which limits efficiency
Mixed use of above and underground Courthouse (with public space and retail)	<ul style="list-style-type: none"> Meets some stated needs 	<ul style="list-style-type: none"> Very expensive No parking
Retain and repurpose existing buildings	<ul style="list-style-type: none"> Can accommodate some retail and County office and services Grandfathered from CVC Good interim step/short turnaround time 	<ul style="list-style-type: none"> Doesn't meet most of parking needs Doesn't meet other County goals Expensive with relocation costs

CONCLUSION

The Panel determined that while there are many options available to Travis County, achieving all four of the County's goals is cost prohibitive. The County should select their main priority, which in itself may need to have the scope narrowed to be achieved.

These goals (also stated on page 2) were:

- The County needs to demolish a structured parking garage with about 350 parking spaces, which need to be replaced elsewhere in the area.
 - Activate Wooldridge Park and the civic zone.
 - Ensure feasibility. Plan should be market-driven and uses need to be realistic.
 - Provide a community benefit.
-

BIOGRAPHIES OF PANELISTS

Dave Stauch (Panel Chair)

David Stauch has more than 30 years of experience in the Central Texas construction industry, providing direct leadership on many of Austin's most high-profile and complex projects including the historic restoration and extension of the Texas State Capitol, the redevelopment of the Seaholm Power Plant, the relocation of Concordia University and the construction of the Sematech research center. He is currently representing the owner of The Independent, the tallest residential building west of the Mississippi River.

Rodney Gonzales

Rodney is the Director of the Development Services Department for the City of Austin and has over 21 years of experience in municipal leadership positions over finance, economic development, and redevelopment. He has led several major economic development and redevelopment projects resulting in significant job creation and revitalization. Rodney was a Fellow for the Urban Land Institute Rose Center for Public Leadership Class of 2013.

David Hartman

David Hartman has a diversified land use and real estate development practice, including experience in a broad range of land development permitting, entitlement, and natural resource issues. His practice focuses on the representation of clients in the areas of zoning, planning, and entitlements law, including representation before city councils, boards, commissions, and other governmental entities. David is active in Austin with organizations such as ULI, the State Bar Association, The Real Estate Council of Austin, The Congress for New Urbanism, the Homebuilders Association and the Texas Land Trust Council.

Tim Pellowski

Tim Pellowski has been a registered architect for over 30 years. As a principal in the Austin office of STG Design, Tim is responsible for navigating clients and leading multi-disciplinary design teams through all phases of the design and construction process for private development, corporate and institutional projects. Recent projects include 8611 MoPac Centre, the Seaholm Redevelopment, the Lower Colorado River Authority's Dalchau Office Center, and National Instrument's MoPac Campus.

Megan Shannon

Megan Shannon is a project manager at Momark. After receiving a degree in Environmental Studies in 2008 from Lewis & Clark College, Megan managed several million dollars of ARRA funded transportation and energy project grants in New England. Her favorite project was a regional Energy Action Plan, which wove together renewable energy, creative financing, and community engagement. She has a Masters in Community and Regional Planning from the University of Texas. Her focus was in sustainable land use patterns and housing for the critical workforce. Megan is an active member of the APA, CREW Austin, Real Estate Council of Austin and ULI.



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