

# DRENNER GROUP

December 22, 2014

Joyce Statz  
President  
Northwest Austin Civic Association

Via Electronic Mail

Re: Austin Oaks Planned Unit Development

Dear Joyce:

Pursuant to our discussions with neighborhood leaders from Allandale Neighborhood Association, Balcones Civic Association, North Shoal Creek Neighborhood Association, and Northwest Austin Civic Association, our firm is pleased to provide additional detailed information on the updated proposal for the Austin Oaks Planned Unit Development (referred to herein as, "Austin Oaks" or the "Project"). In direct response to the constructive input we have received from interested parties, we have formulated the following proposals to address several concerns, including increased traffic, school overcrowding and other school needs, and the need for additional neighborhood amenities, including parkland and restaurant/retail space.

Please find attached detailed information on the following topics: **(1) Traffic Improvements**; **(2) Pedestrian Safety Improvements**; **(3) Direct Financial Assistance to Schools**; **(4) Offsite Parkland Improvements at Doss Park/Doss Elementary School**; and **(5) Onsite Parkland**.

**1. Traffic Improvements.** It is clear from the Traffic Impact Analysis (TIA) Report that even without traffic from the Project, there is a need for traffic improvements in and around the immediate area of the Project. The TIA describes numerous traffic improvements to mitigate additional traffic from the Project. Such traffic improvements (totaling approximately \$1,000,000) will not only mitigate new traffic from the Project, but will also serve to alleviate traffic congestion in the area of the Project that would exist without the Project. Finally, we have requested neighborhood input to prioritize possible additional traffic improvements (over and above the TIA-required improvements) for which our client may be able to provide funding assistance in the range of \$400,000.

**2. Pedestrian Safety Improvements.** In addition to the proposed traffic improvements, we have listened to the concerns about pedestrian safety on area roadways, particularly with respect to school children crossing Far West Boulevard at various locations. First, our client may be able to provide financial assistance to increase pedestrian safety at designated crossings along Far West Boulevard by facilitating pedestrian hybrid beacons, rapid flashing beacons, or similar infrastructure options to ensure that students can walk or bike to school in the safest possible way.

Additionally, by proposing to make changes that facilitate pedestrian and bicycle use in and around the 30+ acres of the Project, we aim to convert existing vehicle trips to pedestrian or cycling as local residents access the public amenities within and around the Project, including parks, playgrounds, and a running/walking trail, as well as the much-needed retail and restaurant spaces within the Project. The updated proposal also preserves the bike lanes on Hart Lane.

Finally, we are interested in receiving feedback from neighbors regarding specific intersections or problem areas where pedestrian or traffic improvements would increase overall pedestrian and bike safety in the general area of the Project.

**3. Direct Financial Assistance to Schools.** In response to neighborhood concerns regarding area schools, and in order to assist with much-needed infrastructure and capital improvements on area campuses, our client has proposed a very unusual and creative way to marry the success of the Project with direct financial assistance to area schools. To do so, our client has proposed the formation of a trust under the name "Austin Oaks School Assistance Trust" to receive, for a designated period of time, proceeds equal to .2% of the ad valorem value of the property that is redeveloped pursuant to the terms of the PUD. For discussion purposes, examples of the uses for which the Austin Oaks School Assistance Trust could benefit area schools include (i) capital improvements and infrastructure renovations, (ii) academic initiatives, (iii) direct classroom support, and (iv) other purposes ancillary thereto. Our client would maintain one seat on the board for the Trust, with all other seats to be determined by the neighborhood and campus leaders.

Based on projected increases in the ad valorem value of the property redevelopment pursuant to the terms of the PUD, the Austin Oaks School Assistance Trust is projected to provide approximately \$9,000,000 to benefit area schools by the year 2032. The benefit to area schools would be capped at \$9,000,000, but the time period to reach that amount would not be limited. The final terms of this agreement would be recorded in a restrictive covenant on the Project and enforceable by area neighborhood associations.

Understanding the significant need for infrastructure and facilities to serve the existing and potential school population, the Austin Oaks School Assistance Trust is aimed at providing access to funds over and above the current level of state and local funding available to these schools. It will allow campus leaders the ability to determine and address the specific needs of their campuses. There is one precedent for this type of trust arrangement, and an example is attached hereto for your reference.

**4. Offsite Parkland Improvements.** According to our research, the Northwest Hills area, where this Project is located, has the fewest acres of parkland and green space of any similar Austin area. In response to this statistic and expressed concerns from neighbors regarding the need for parkland in the area, our client is proposing to pay for improvements to the playground and park area located on the Doss Elementary School campus. This location was selected based both on expressed need by neighbors as well as the joint ownership arrangement with Austin Parks and Recreational Department.

Due to the recent addition of new portable classroom buildings on the north side of the campus along Far West, the running/walking track at Doss Elementary has been impeded and modified, creating a need for additional school and community recreational space. In addition, the playground area located on the south side of the campus along North Hills Drive at Doss Elementary is in need of improvement and renovation.

As shown on the attached Doss Elementary Concept Plan, our client is prepared to contribute over \$150,000 to address the following specific improvement needs of this local park and school: (i) new exercise trail, including inner and outer loop; (ii) new fitness station with multiuse equipment; (iii) shade canopies over existing play equipment; (iv) new benches at play areas; (v) replacement of play surfaces on existing playground; and (vi) resurfacing of sport court.

**5. Onsite Parkland Improvements.** We have also heard from many neighbors who have expressed their desire for usable green recreational space within the Project. In response, we have proposed two additions to our initial plan.

First, we have added a trail system running throughout the site, which would be available for use by neighbors as well as the occupants within the Project. For an illustration of what this could look like at Austin Oaks, we have attached an example of a popular trail system within another local mixed-use development in Austin.

Second, and in addition to the onsite trail system, we have also proposed to develop over two acres of the Project as a community park in order to serve an even broader group of neighbors with varying recreational needs. We have attached a preliminary concept plan for the Austin Oaks Community Park, which could include an amphitheater, open lawn, and related recreational space surrounded by retail shops and restaurants. It is our vision that this will be a much-utilized neighborhood amenity that will fulfill a need within the neighborhood and offer schools and community groups an additional outdoor location for events or programs. We have requested and are open to neighborhood input regarding the programming of this space. Please note that by redesigning the Project to include an onsite park, we have deleted approximately one-half of the proposed multifamily units (as noted in Paragraph 7 below) and we are able to preserve an additional four heritage trees.

In addition to the aforementioned neighborhood-focused improvements and financial assistance, the following changes are also being proposed in response to

neighborhood feedback: **(6) Guaranteed Restaurant Square Footage**; **(7) Decrease in Multifamily Units**; **(8) Reduction in Building Height**; and **(9) Decreased Density**.

**6. Guaranteed Restaurant Square Footage.** According to feedback received from neighborhood leaders, there clearly appears to be a need for additional restaurant options in this area. In an effort to provide uses that will address neighborhood needs, we have proposed a PUD provision to guarantee a minimum of 90,000 square feet of retail and restaurant space, of which 60,000 square feet would be reserved for restaurants within the Project.

**7. Decrease in Multifamily Units.** As recognized above, the current enrollment levels at Doss Elementary School, Murchison Middle School and Anderson High School are of concern to many neighbors. In response, we are proposing to decrease the original number of multifamily units within the Project by over one-half, lowering the maximum from 610 units to 300 units. According to Austin Independent School District's formula for estimating student(s)/unit, 300 units would yield between 69 and 120 students (elementary, middle school and high school students).

**8. Reduction in Height.** Our updated proposal reduces the maximum building height from 225 feet to 200 feet. This is equivalent to lowering the tallest building by two (2) stories.

**9. Decreased Density.** In addition to decreasing the height of the tallest buildings within the Project, the updated proposal also decreases the overall Project density by approximately 200,000 square feet (from 1.6M sf to 1.4M sf). In decreasing the density by 12.5%, we have also decreased the traffic trips attributable to the Project.

Furthermore, it has come to our attention that there is a great deal of misinformation being shared about the City of Austin's PUD Ordinance, in general, and with regard to this Project, specifically. In order to clarify some of that information, we have also attached a document, **(10) Truth About PUDs**, summarizing and correcting some of the misinformation. In addition, we are also providing a chart, **(11) Conventional Zoning vs. PUD Zoning**, comparing side-by-side the specific provisions of the Austin Oaks PUD, as originally submitted, versus the requirements under conventional zoning.

As we hope you will see, in order to utilize the City of Austin's PUD Ordinance, Austin Oaks must agree in advance to many development superiority requirements, above and beyond the requirements of traditional zoning categories, including increased environmental standards, heightened design standards, and affordable housing requirements. In addition, PUDs are subject to greater scrutiny and additional approval processes than conventional zoning cases. Further, once approved, the PUD designation on a property may be changed only through the same public zoning process as conventional zoning categories. Finally, through the PUD

process, development details are specifically noted and recorded in the Project's PUD zoning ordinance, therefore interested parties have greater assurance that a project will be developed pursuant to those such details that the parties have mutually agreed upon.

Finally, the question has been asked: why not redevelop under the current zoning regulations on the property? The answer is, it does not make financial sense to replace the approximately 450,000 square feet of density that exists today with the same amount of density. In fact, given site development regulations that govern development today and that did not exist when the 450,000 square feet was built, a redevelopment of the site under current zoning regulations would likely not even achieve 450,000 square feet. In short, redeveloping the site without a zoning change is not feasible and will not be pursued by our client.

Please do not hesitate to contact me if you have any questions. We look forward to working with you.

Yours truly,

A handwritten signature in blue ink that reads "Steve". The signature is fluid and cursive, with the first letter being a large, stylized 'S'.

Stephen O. Drenner

cc:

Debora Bailey – President, Balconies Civic Association  
Kata Carbone – President, Allandale Neighborhood Association  
Kevin Wier – Liaison, North Shoal Creek Neighborhood Association