

Austin, Texas Smart Growth Initiative

Incentives within the Smart Growth Plan:

The Smart Growth Matrix Incentives

The Smart Growth Matrix is a tool to assist the City Council in analyzing development proposals within the Desired Development Zone. It is designed to measure how well a development project meets the City's Smart Growth goals such as: 1) the location of development; 2) proximity to mass transit; 3) pedestrian-friendly urban design characteristics; 4) compliance with nearby neighborhood plans; 5) increases in tax base, and other policy priorities.

If a development project, as measured by the matrix, significantly advance the City's goals, financial incentives may be available to help offset the high cost of developing in urban areas. These incentives may include waiver of development fees and public investment in new or improved infrastructure such as water and sewer lines, streets or streetscape improvements, or similar facilities. Incentives available under the Smart Growth Matrix require City Council review and approval. Please visit the Smart Growth Matrix site for more information.

Primary Employer Incentives

Primary Employer incentives are intended to guide large employers to build within the Desired Development Zone. In many cases, these types of employers generate significant levels of growth, both within their specific project and in the surrounding area, as new residences, commercial and retail services and other related businesses follow. By directing these employers to the DDZ the City can have a significant impact on long-term growth patterns.

A variety of incentives may be considered under the primary employer incentives. These include fee waivers, new water and sewer lines, transportation improvements and expedited processing of development application. All Primary Employer incentives require City Council review and approval. For more information contact Sue Edwards in the Redevelopment Services Department.

SMART Housing Incentives

SMART Housing stands for **S**afe, **M**ixed-Income, **A**ccessible, **R**easonably-Priced, **T**ransit-Oriented Housing. It is designed to stimulate the construction of affordable and reasonably priced housing within the City of Austin. Projects that provide affordable units may qualify for fee waivers from City of Austin development fees and receive expedited review for development permits. Please visit the S.M.A.R.T. Housing website or contact Stuart Hersh in the Neighborhood Housing and Conservation Department for more information.

The Smart Growth Matrix:

Overview

The Smart Growth Matrix is a tool that the City Council used to analyze development proposals within the Desired Development Zone.

It is designed to measure how well a development project meets the City's Smart Growth goals such as: 1) the location of development; 2) proximity to mass transit; 3) urban design characteristics; 4) compliance with nearby neighborhood plans; 5) increases in tax base, and other policy priorities.

If a development project, as measured by the matrix, significantly advances the City's goals, financial incentives may be available to help offset the high cost of developing in urban areas. These incentives may include waiver of development fees and public investment in new or improved infrastructure such as water and sewer lines, streets or streetscape improvements, or similar facilities. Incentives available under the Smart Growth Matrix require City Council review and approval.

The Smart Growth Matrix Process

Stage 1: Preliminary Review

- Applicant contacts city staff and obtains Smart Growth Matrix application packet.
- Applicant evaluates the project using the matrix and schedules a meeting with staff review team to present details of the project.
- After the initial meeting, city staff conduct a preliminary matrix review of the project to provide an assessment of how it meets the City's Smart Growth goals. Preliminary score is presented to applicant. City staff are available as needed.

Stage 2: Formal Review

- Upon receipt of Site Plan approval, the applicant submits the Matrix application with support materials to the Transportation, Planning, & Sustainability Department for formal review.
- The city review team formally scores the project and estimates the value of potential incentives.

Stage 3: Contract

- City staff presents proposed incentives to City Council for review and approval.
- After approval by the City Council, applicant and staff negotiate contract to implement incentive package.

Stage 4: Permits/Construction

- City staff processes fee waivers and reimburses fees already paid by applicant. As construction of the project occurs, city staff monitor the project for contract fulfillment.
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Smart Growth Matrix Scoring System and Incentive Levels

A maximum point value is assigned to each of the criteria in the Matrix. The final score for each project is dependent on how many of the criteria an individual project meets. There are four point levels, three of which may qualify a project for incentives.

0 to 225 points = No Additional Consideration

226 to 300 points = Projects scoring in this range may qualify for waiver of 50% of applicable City of Austin fees.

301 to 375 points = Projects scoring in this range may qualify for waiver of 100% of applicable City of Austin fees and city participation in certain infrastructure improvements. The total value of all incentives cannot exceed the net present value of the increase in property tax revenues generated by the project over 5 years (See examples below.)

376 to 635 points = Projects scoring in this range may qualify for waiver of 100% of applicable City of Austin fees and city participation in certain infrastructure improvements. The total value of all incentives cannot exceed the net present value of the increase in property tax revenues generated by the project over 10 years (See examples below)

Example of Calculations:

For projects that score in the two highest levels (greater than 301 points) the maximum value of potential incentives is tied to the increased property taxes generated by the new project. This is calculated as follows:

1. Multiply the estimated appraised value of the project by the current City of Austin tax rate to obtain the annual increase in property taxes.
2. The annual increase in property taxes is then multiplied by either 5 or 10 years, depending on the points that the project received, to obtain the total increase in property taxes.
3. The total increase in property taxes is then discounted for inflation and interest to obtain the net present value of the increase in property taxes.

Example of Calculation:

Estimated value of project at completion:	\$20,000,000
Less current assessed value	\$(500,000)
Net increase in assessed value	\$15,500,000
Annual COA property tax revenue	\$100,000
5 year net present value of property tax	\$375,000 revenue
10 year net present value of property tax	\$700,000 revenue

In this example, if a project scored between 301 and 375 points it could qualify for up to \$375,000 in fee waivers and infrastructure investments such as water and wastewater lines, sidewalks or similar improvements.

If the project scored between 376 and 635 points it could qualify for up to \$700,000 in fee waivers and infrastructure investments.

The Smart Growth Matrix Results:

The Smart Growth Matrix incentive program ended in June 2003. While in effect, Matrix incentives helped us move closer to Austin's Smart Growth goals by encouraging the construction of almost 400 new residences and over 550,000 square feet of retail, restaurant, and office space in Austin's urban core (away from sensitive watersheds and near ozone-reducing transit). Projects have incorporated livable features such as downtown residences and retail, mixed use, pedestrian-oriented development (street trees, wide sidewalks), and green building. In addition, these projects have added almost \$200 million to the tax roll.

SMART GROWTH CRITERIA MATRIX

City of Austin Transportation, Planning and Design Department

REVIEWER: _____
 MARK ONE: SELF SCORE
 PRELIMINARY SCORE
 FORMAL SCORE

DEVELOPMENT:		DATE OF REVIEW:									
GOALS	CATEGORY	ELEMENTS	CRITERIA	WEIGHT	VALUE	MAX. POINTS AVAILABLE	SCORE	COMMENTS	TOTAL Possible	TOTAL SCORE	
			Criteria based on information that is not complete or available for scoring								
	Eligibility	1. Neighborhood Plans	Project does not conflict with adopted Neighborhood Plan for the area.								
		2. Historic Review	Projects proposing demolition/modification of historically significant buildings require review.								
		3. Incentive Package	Project may not receive Smart Growth Zone Specific incentives.								
SMART GROWTH GOAL I: Determine How and Where Development Occurs	Location (87 points)	1. Smart Growth Zones (Eligible for only one zone - A,B, or C for a maximum possible 45 points)									
		A. Downtown	1. Anywhere	5	5	25				0	
			2. Within a 1 block radius of a CMTA bus stop	5	4	20					
		or B. Urban Core	3. Consistent with transit station area plan								
			1. Anywhere	4	3	12					
			2. Within one lot deep of a Smart Growth Corridor	4	4	16					
			3. Consistent with transit station area plan								
		or C. Desired Development Zone (DDZ) inside City Limits	1. Anywhere	3	1	3					
			2. Within one lot deep of a Smart Growth Corridor/park & ride	3	3	9				45	
			3. Consistent with transit station area plan								
		2. Location Risk	A. Focus on area of economic need	4	3	12				42	0
			B. A "Trail Blazer" in an untested market			30					
		Process (135 pts)	1. Neighborhood Planning (Choose A or B)	A. Requires dialogue and support by adjacent neighborhoods (Projects outside of Downtown)			75			75	0
				B. Downtown Projects			35				
			2. Design Commission (Choose A or B)	A. Presentation & endorsement of plans without conditions (Projects outside of Downtown)	5	2	10				50
			B. Downtown Projects			50					
		3. Historic Landmark Commission	A. Presentation & endorsement of plans without conditions	5	5	25			50	0	
			B. Historically zoned buildings or buildings within a historic district			50					
	Critical Mass (24 points)	1. Threshold Density	1. Meets minimum threshold to support transit (7 to 12 dua average w/in one lot deep of Proposed Smart Growth Corridors. 12-25 dua average in Downtown)	3	4	12					
		A. Population (DUA)	(Consistent with transit station area plan)								
		B. Employment (FAR)	2. Meets minimum threshold to support transit (Min. FAR of .35 w/in one lot deep of Proposed Smart Growth Corridors or min. FAR of .5 in Downtown)	3	4	12					
			(Consistent with transit station area plan)						24	0	
	Land Use (110 points)	1. Land Use Contribution (Eligible for only one-A,B, or C for a maximum possible 35 points)									
		A. Downtown Projects	1. Regional draw - retail (anchor retail), entertainment, or cultural center	5	3	15					
			2. Greater than 200 new housing units	5	4	20					
		or B. Urban Core Projects	1. Regional draw - retail (anchor retail), entertainment, or cultural center	4	3	12					
			2. Variety of housing types (apartments, rowhouses, SF)	4	3	12					
			3. Greater than 200 new housing units	4	1	4					
		or C. Traditional Neighborhood Projects	1. Meets TND codes and ordinances	3	3	9					
			2. Variety of housing types (rowhouses, gar. apts, sf)	3	3	9					
			3. Town Center with neighborhood retail	3	3	9			35	0	

GOALS	CATEGORY	ELEMENTS	CRITERIA	POINT SYSTEM			SCORE				
				WEIGHT	VALUE	MAX. POINTS AVAILABLE	SCORE	COMMENTS	TOTAL Possible	TOTAL SCORE	
			Criteria based on information that is not complete or available for scoring								
	Land Use Continued (110 points)	2. Land Use Compatibility	1. Part of a Downtown District Plan 2. Consistent with a Corridor Plan 3. Consistent with a Transit Node Plan						0	0	
		3. Mixed Use per Building (Min. 20% for each use - residential, retail, office)	A. Includes residential above 1st floor B. Street level pedestrian uses C. Includes 2 uses D. Includes 3 uses	5 5 5 5	4 3 3 5	20 15 15 25			75	0	
SMART GROWTH GOAL II: Improve Our Quality of Life	Urban Design (44 pts)	1. Building Facade Treatment	A. Division of facade into traditional 30' ± increments B. Variety of treatment and human scale details C. 50% or more of facade in glass at street level D. Well-defined entrances every 50' on street frontages	2 2 2 2	2 2 2 2	4 4 4 4			16	0	
		2. Compatibility with Surrounding Area	A. Appropriate or compatible massing B. Integration of height with abutting facades C. Rear building treatment D. Mechanical equipment screened where visible	2 2 2 2	2 2 1 1	4 4 2 2			12	0	
		3. Provision of Accessible Public Outdoor Space	A. Area greater than 500 ft ² B. Provides table and chairs C. Landscape, including trees D. Pedestrian scaled lighting, min. 3 footcandles E. Located adjacent to Greenway or Street F. Provision of outdoor public art	2 2 2 2 2 2	2 1 1 1 1 2	4 2 2 2 2 4			16	0	
	Multi-modal Transportation Elements (134 pts)	1. Transit Coordination	A. Project includes CMTA participation / coordination B. Provides facilities associated w/ bus to rail transfers	4	5	20			20	0	
		2. Building Location on Site	A. Oriented to pedestrian network B. No drive through facilities C. Buildings built up to right of way D. Parking in rear of lot behind building	3 3 3 3	1 1 4 2	3 3 12 6			24	0	
		3. Streetscape Treatment for Maximum Pedestrian Comfort	A. Street trees min. 4" caliper, 30' o.c. on all frontages B. Use of smaller scale pavement (pavers or scoring) C. Rain protection (awnings, arcades) D. Maintain existing alleys or extend walkable street grid plan E. First floor level at street level or within 18" F. On street parking along street frontages G. Min. 12' wide clear sidewalk along street frontage H. Provision of pedestrian scale street lighting I. Continuation of existing sidewalk networks J. Crossing treatment at street corners (bulb outs, crossings)	3 3 3 3 3 3 3 3 3 3	3 1 1 3 1 1 3 1 2 4	9 3 3 9 3 3 9 3 6 12			60	0	
		4. Alternative Pedestrian and Bicycle Access	A. Greenways 1. Access to and no interruption of greenbelt trails 2. Office, retail, or residential uses facing creek B. Internal Sidewalk Network 1. Pedestrian network linking buildings on site and to streetscape sidewalks	2 2 2	2 2 4	4 4 8			16	0	
		5. Bicycle Friendly	A. Bike racks (1:10), Bike Lockers (1:50) available B. Locker room facilities, showers and dressing room C. Bicycle linkages	2 2 2	3 2 2	6 4 4			14	0	
	Parking (36 pts)	1. Structured Parking	A. Structured and/or underground parking B. Ground floor of structured parking retail C. Provides for shared parking for adjacent businesses D. Division of facade into 30' ± increments & detailing	3 3 3 3	4 3 1 2	12 9 3 6			30	0	
		2. Driveway	A. Minimizes curb cuts along front property line	2	3	6			6	0	

GOALS	CATEGORY	ELEMENTS	CRITERIA	POINT SYSTEM			SCORE			
				WEIGHT	VALUE	MAX. POINTS AVAILABLE	SCORE	COMMENTS	TOTAL Possible	TOTAL SCORE
			Criteria based on information that is not complete or available for scoring							
	Housing (40 pts)	1. Reasonably Priced Housing	A. 20% of units for 80% (4 person) AMFI households B. 20% of units for 60% (4 person) AMFI households	5 5	3 5	15 25			40	0
	Local Economy (48 pts)	1. Neighborhood Stabilization	A. Traditional neighborhood retail uses B. Neighborhood supported uses	3 3	3 3	9 9			18	0
		2. Promote local business	A. Provision / retention of space for locally owned business B. Project supports or builds local music / film industry C. Use of local contractors and architects	3 3 3	4 4 2	12 12 6			30	0
	Sustainable Building Practices (35 pts)	1. Building Construction and Environmental Impact (Choose A or B)	A. Green Building Program Participation One star multi-family Two star multi-family / one star commercial Three star multi-family / two star commercial Four star multi-family / three star commercial Five star multi-family / four star commercial	5 5 5 5 5	1 2 3 4 5	5 10 15 20 25			25	0
			C. Green Choice Renewable Energy Program	5	2	10			10	0
SMART GROWTH GOAL III: Enhance Our Tax Base		1. Tax Base Enhancement	A. Meets AISD 60/40 Goal	4	3	12			12	
		A business case analysis for proposed developments seeking financial incentives is handled separately.				Check:	0			
								% of Total Points		
GOAL 1 Determine How and Where Development Occurs						50%		0.0	356	0
GOAL 2 Improve our Quality of Life						48%		0.0	337	0
GOAL 3 Enhance our Tax Base						2%		0.0	12	0
TOTAL						100%		0.0	705	0

MATRIX THRESHOLD LEVELS

0 to 250 points = No Additional Consideration

251 to 335 points = 50% of All Applicable COA Fees Waived (GF & Enterprise)

For projects that score in the two highest levels a business case analysis sets a not to exceed (NTE) value for the incentive package. The NTE value is based on the present value of the increase in property tax revenues generated by the project over a 5 or 10 year time period. The amount of the incentive package can include up to 100% of applicable COA fees, utility charges (at a 5 or 10 year break even level) and the cost of planned infrastructure accelerated in time for the project.

336 to 420 points = 5 Year Incremental Tax Value NTE

421 to 705 points = 10 Year Incremental Tax Value NTE