



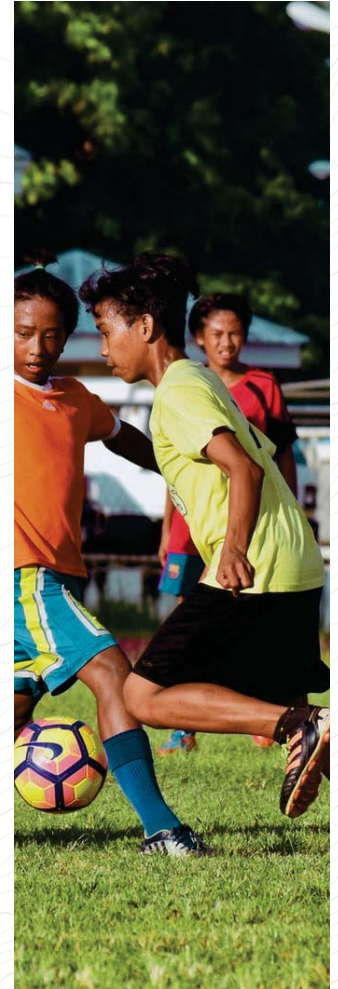
VISION



COMMUNITY



STEWARDSHIP

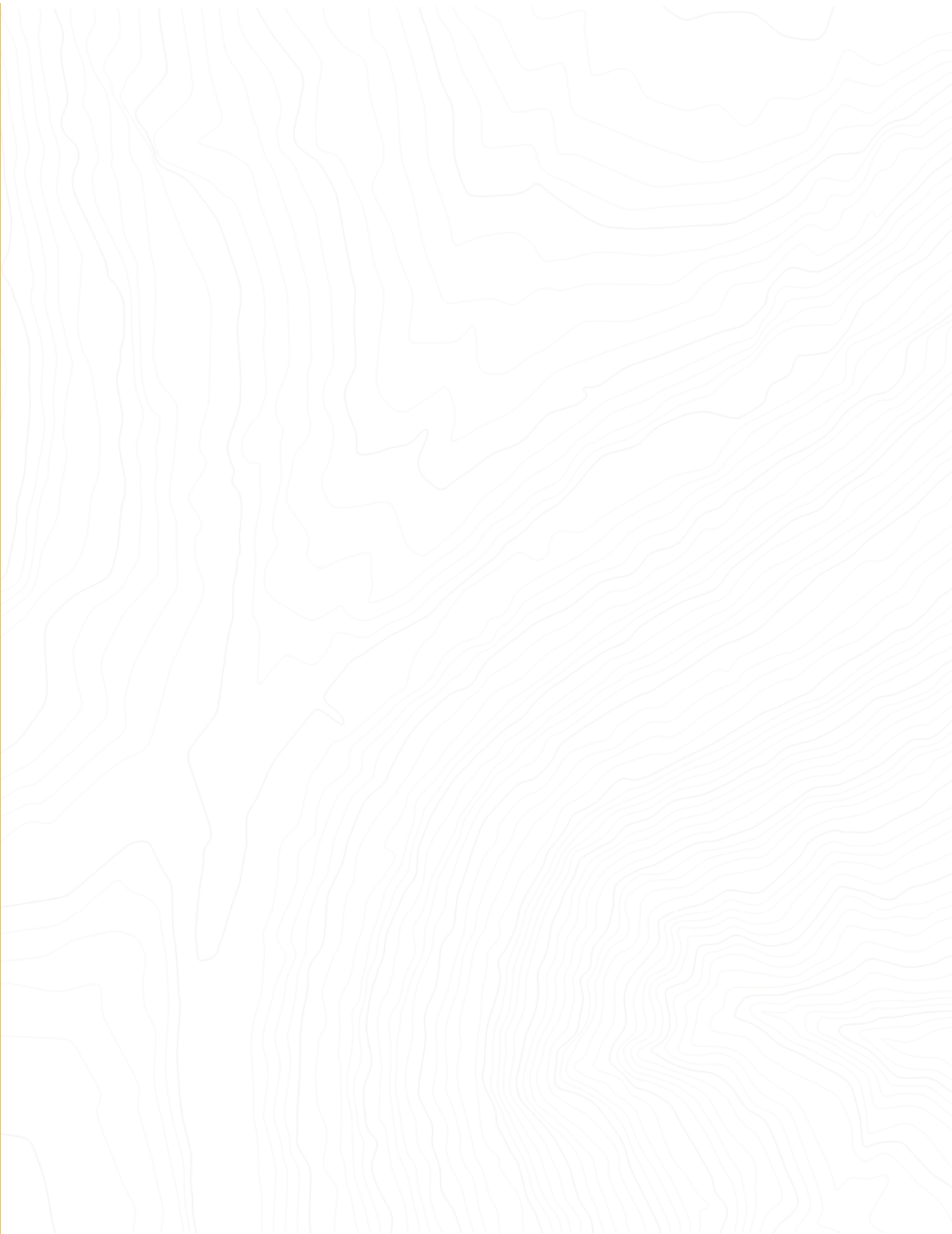


OPPORTUNITY

# NORTH BURNET IMPROVEMENT DISTRICT

## McKalla Station...an urban oasis

A Proposal for Planning, Design, Implementation and Management  
Submitted by Our McKalla Station, August 3, 2018



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Well managed, productive farmland



*"An analysis by Joseph Minicozzi in Asheville, North Carolina, shows that on a per-acre basis, dense, mixed-use development far outstrips the value of lower density, single-use development — even profitable big box stores."*

*Joseph Minicozzi  
Better! Cities & Towns Online*

## North Burnet Improvement District : Executive Summary

### Vision

Our task in responding to the opportunity put forth by the City of Austin is to present an overall vision for a key 25 acre tract of land in the North Burnet/Gateway Redevelopment area. This tract of land was identified for potential redevelopment in the NB/G Master Plan adopted by the city in 2006. We believe our team are fiduciaries that represent a number of constituencies: first and foremost the land, secondly, the City of Austin, thirdly, the game of soccer and the values embedded in the games foundation, and fourth, our fellow citizens. Our proposal devotes a significant amount of money to build and maintain community based soccer facilities located throughout Austin and available to all. Our goal is to deliver to the City of Austin a well implemented, community-based program that will uphold Austin's values of stewardship of the land and the environment, and be an integral part of Austin's growth of soccer.

There are many factors to consider when the term "world class" is used. In real estate development inevitably, land is the foundation of every great community. Ideally, the land is well located, with good access, ample utilities to meet the probable density and service by many forms of transportation. All these characteristics are available at the McKalla tract. "City officials tend to think of tax yield on a parcel-by-parcel basis. That's like analyzing agricultural yield "per farm." When analyzed per acre, the differences in types of urban development become very clear, says Minicozzi.

The team that is chosen to develop the land is as critical as the land itself. We believe a team that understands the potential yield of the land and how best to reinvest it for the future health and prosperity of the community, are also the best stewards of the land. These planners, designers and community builders understand that great places must be diverse, connected, energetic, and sustainable. They choose solutions that are flexible over time as market and user needs evolve. Buildings must be able to adapt with reasonable ease. They create streets and passages at the ground plane which provide an interesting and pleasant walking environment and are connected by multiple modes of transport. All these decisions enhance the livability and longevity of the community.

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Envision a new place for Austin that re-invigorates its soccer community and serves as the centerpiece for a revitalized North-Central Austin. Envision a space that provides billions of dollars in community benefits and becomes home for thousands of Austinites. Envision a place that makes Austin more affordable while welcoming cutting-edge businesses. Envision a place that supports innovative non-profits and local artists yet respects its neighbors and breaks new ground in environmentally conscious development.

This is the future of McKalla Station, and our proposal for it is better for soccer and much better for Austin. It's a vision that captures the full diversity and vibrancy of Austin and ensures that McKalla Station's enormous potential is fully realized. It makes sure that the benefits of a responsibly developed McKalla Station go right where they belong – to the greater Austin community, not out-of-state private business interests. Our plan will create a modern, mixed-use neighborhood that serves as a model for community-based urban development.

Our development team is local – we are long-time Austinites and we love this city. Our development team has the expertise to ensure that this project succeeds – after all, we helped develop the North Burnet/Gateway Master Plan, the comprehensive redevelopment plan including the McKalla Place neighborhood that was commissioned and approved by the City Council after years of public input. We know this city and this property, and we want its enormous potential to be fully realized for the benefit of the Austin community.

Our proposed development will potentially generate \$3.5 billion or more in levy revenues through a widely-used Special District model over the course of a committed 80 year lease with the City. The majority of this enormous funding stream will be distributed by an advisory board that is ultimately controlled by the Austin City Council to ensure that community benefits are wisely and widely shared throughout Austin. By supporting dozens of worthy non-profits around the City of Austin focusing on a wide range of projects and causes, McKalla Station will become the catalyst of an Austin community revitalization. Within the first 40 years alone, McKalla Station District will disburse \$985 million to worthy local causes, with benefits including hundreds of new affordable housing units and over one hundred new soccer and sports fields. That is more than twenty times the sum of all community benefits that Precourt offers to those outside its in-house academy.

Our proposal is simply better for soccer and better for Austin.

### Stewardship

The site is visually in accessible and underutilized at best. We agree with the leaders of Austin that there is good reason to make the land more fruitful. Our stewardship approach strives to marry ecologically sound concepts for land development coupled with the best mixture of uses to provide a destination showcasing current and future best practices for water harvesting, storm water management and urban forestry.

### Opportunity

In partnership with various soccer and affordable housing advocates we can add to the string of successes enjoyed by Austin with an exemplary project. Properly conceived, built and operated our proposal for the McKalla Station neighborhood embodies most of the goals set out in the NB/G Master Plan. As explained later herein our concept embraces, diversity, community benefits and innovation.

Our goal is to provide the opportunity to all young people in Austin to learn the game of soccer and if they are fortunate enough to excel that they would be in a system that recognizes their talent and is organized to support their growth in the game. This access should be not only color blind and gender neutral it should also be financially accessible to all Austinites.

Precourt's proposal is out of touch with Austin and flies in the face of our City Council's established vision. A tax-exempt stadium would impede redevelopment of a key site in the North Burnet/Gateway planning area, a district City staff have acknowledged "is intended for redevelopment into a higher density urban mixed-use neighborhood that ... takes advantage of ... the area's key position in the urban core", based upon maximum density entitlements akin to Austin's CBD, "which is why the area has been referred to as 'Austin's 2nd Downtown'." It would also effectively steal billions of dollars of community benefits and potentially create millions of dollars of public liabilities. The speculative benefits promised by Precourt pale in comparison to the tax breaks they stand to receive and the wealth they want to extract from our community. Precourt wants Austin to sacrifice billions of dollars of guaranteed community benefits for less than a hundred million in speculative benefits. The stadium's supposed benefits sound good, but they disguise massive opportunity costs that would be borne by the people of Austin – opportunity costs the City itself has previously said should be carefully considered.

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*"The Creative Class is ... the key force that is shaping our geography, spearheading the movement back from outlying areas to urban centers and close-in walkable suburbs."*

*Richard Florida  
The Rise of the Creative Class Revisited*



## Our Proposal

We have essentially assumed a *pari passu* arrangement with the City, relative to the Precourt deal terms, but with minor variations that substantially benefit the City's residents with a much higher degree of certainty.

**Lease:** The City and our Group will agree to a "public purpose" lease of McKalla Station for a fixed 80-year term, removing all economic and use uncertainties associated with shorter leases that involve renewals. We will pay more than \$50 million over this lease term in guaranteed annual rent – \$600,000 per year during years 6 through 20, and \$700,000 per year after that. The City will own assets built on-site in substantially the same manner as it would under Precourt's plan, but without the risks of loss associated with any purchase option. The City and our Group will similarly work together to facilitate development of public transit stops (including a MetroRail Station) that serve McKalla Place. We will adhere to all of the same economic inclusion and labor practices standards that Precourt promises to follow. The City will provide the same infrastructure assets and services on the same time frame, offer the same expedited zoning modification and permitting processes, and allow the same construction-related tax, fee and other charge waivers. Unlike Precourt, we won't ask the City to give up its right to finance and incentivize the development of professional MLS, USL and other soccer venues at more appropriate places in Austin.

**Budget & Planning:** Our McKalla Station Group will, at its sole risk, construct 6.7 million square feet of office, retail, residential, hotel, sports field, parking and other public and green spaces on-site at a cost of about \$1.5 billion, in keeping with the North Burnet/Gateway Master Plan. Unlike Precourt's speculative budget, which does not account for known forces that will soon dilute Precourt's local market, our financial assumptions are conservatively based on proven metrics consistent with those for similar developments across the Austin area and our team's decades worth of personal experience planning and managing some of those same comparable mixed-use spaces.

**Special District:** We and the City will work together to create a Special District for economic development of the property. The Special District will have authority to collect an ad valorem style levy that fully funds infrastructure build-out and maintenance, capital repairs and district operation costs; unlike Precourt, we won't ask the City to pay millions of dollars to a capital repairs reserve. This levy will also create large revenue streams inuring to the benefit of affordable housing producers and other non-profits in exponential multiples of that proposed by Precourt. In the process, we will also relieve the City of millions of dollars in security and other expenses, including the very real potential liability of an aged or abandoned stadium burdened with massive demolition costs.

**Guaranteed Public Benefits:** Through the levy, with oversight by an advisory Board primarily selected by the City Council, guaranteed benefit commitments will be funded during the first 40 years alone that are exponentially greater than what Precourt offers. Distributions in years 1-40 for open/green spaces and among other groups would resemble the following:

	PRECOURT	OUR GROUP
Affordable Housing Programs	\$4.8 million	\$537.0 million
Community/Youth Soccer (non-elite)	\$10.8 million	\$181.5 million
McKalla/Other Green Spaces	\$12.8 million	\$87.0 million
Many other Community Non-profits	\$19.5 million	\$268.5 million
Total Benefits:	\$47.9 million	>\$1 Billion

The nature of this guarantee is that our commitments will be paid as and when levy revenues allow, so if the site is developed and spaces absorbed more quickly than projected, the Special District may pay in 20 years what we are projecting over 40 years. Conversely, if development and absorption occur at a more modest pace, the Special District may require 30 or more years to pay what we are projecting within 20 years. But the essential point remains – these first-priority commitments will be paid as this top-shelf property is built out and as District levies are collected. Once these guaranteed commitments are satisfied and soccer field and open spaces are substantially built out around Austin, the distributions in later years will be more heavily weighted toward additional affordable housing, and a material portion of the several billion in available levy revenues will be redirected to bolster the City's General Fund, AISD, the TCHD and other worthy causes.

### COMMUNITY-CONSCIOUS DEVELOPMENT

We believe in soccer in all its forms – amateur and professional, youth and adult, "pick-up" and organized. We are fans of bringing MLS soccer to our city, and we want Austin to be an oasis of soccer democracy, where all who want to play can play. This requires development of a large number of safe, accessible places where children and others can play spontaneous as well as organized soccer matches. Developing McKalla Station wisely can do just that. At McKalla Station, we will develop 6.7 million square feet of state-of-the-art structures over an 8 to 12 year time frame, including:

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- More than 2.6 million square feet of contemporary office space for the innovative, high-profile companies that Austin is attracting;
- At least 100,000 square feet of modern ground-floor retail and shop space that will also facilitate uses by civic and community groups;
- A cutting-edge 250-room hotel to accommodate guests in style and comfort at a sustainable rate; and
- More than 7,000 structured parking spaces, for residents, customers, tenants, and visitors.

At the center of our effort is an expansive “green space” initiative that will create a welcoming, community-focused environment for Austinites and their guests. Not only will our project include a centralized multi-purpose field large enough to host youth soccer tournaments, it will feature other squares, parks and plazas, urban farms and green-roofs on parking structures, as well as an iconic water tower for rainwater harvesting. In short, we will deliver an exemplary place for prosperity, health and wellness in Austin while respecting community and environmental concerns and creating a massive funding mechanism to support soccer programs and other causes.

### **BUILDING A BETTER AUSTIN, SOCCER INCLUDED, TOGETHER**

We are not against soccer, MLS or otherwise; we are against multi-million-dollar giveaways to out-of-state interests who will eventually leave behind public liabilities in the form of an old, unused stadium. By developing McKalla Station to its fullest potential, we will give thousands of Austinites the chance to safely play soccer and other sports, and potentially many dozens of new, neighborhood soccer fields all across Austin are just the start of benefits we will provide. The construction of a tax-exempt stadium at McKalla, primarily for the benefit of outsiders who could easily do to Austin what they’re doing to Columbus, Ohio, would result in the wrong venue and deal structure for this site, and it’s not Austin’s best option – not by a long shot. After all, Precourt is abandoning its soccer-specific stadium in Columbus because it is outdated, only 19 years after it was built – does anyone believe Precourt wouldn’t hesitate to do it again after 20 years in Austin?

Our proposal shows the enormous potential of this neglected site. McKalla Station can become a beloved Austin space that generates exponentially greater benefits for a deeper and broader range of the Austin community. Our proposal is better for soccer, and billions of dollars better for Austin.



*“It is quite possible to have streets that accommodate the automobile and are still charming, as long as you observe some elementary rules, respect the presence of humans, and pay attention to details.”*

*James Howard Kunstler*

# OUR VISION

## Context and Concept Solution

### Our project approach is based on the following understanding:

- The City has invited interested parties to offer a redevelopment vision for approximately 25 acres of land in the North Burnet/Gateway area.
- The community at large has a significant interest in the project but a general lack of knowledge about the area and some uncertainty about its potential uses.
- A soccer club from out of state has submitted a proposal to the City to develop and operate an MLS stadium on the city owned land..
- The city has made significant investment in the planning for future growth in the North Burnet/Gateway Master Plan.

### Concept Approach:

We believe in the commitment made by the City to entitle the NB/G District as stated in the Staff response to Austin City Council Resolution 20180322-99 “for redevelopment into a higher density urban mixed-use neighborhood that is more pedestrian friendly and take advantage of the links to commuter rail transit and the area’s key position in the urban core.”

The site is currently un-zoned since it is city owned. Based on the staff input above and the entitlement granted in the North Burnet/Gateway Regulating plan our concept is based on the TOD Gateway Zone entitlement which allows a floor-to-area ratio of up to 8:1 and a building height of 30 stories with Public Benefit Bonuses. Our concept vigorously pursues all key elements of th NB/G Master Plan and adopted Regulating Plan.

Our Plan substantiates many other smart growth and sustainable initiatives by the City of Austin.



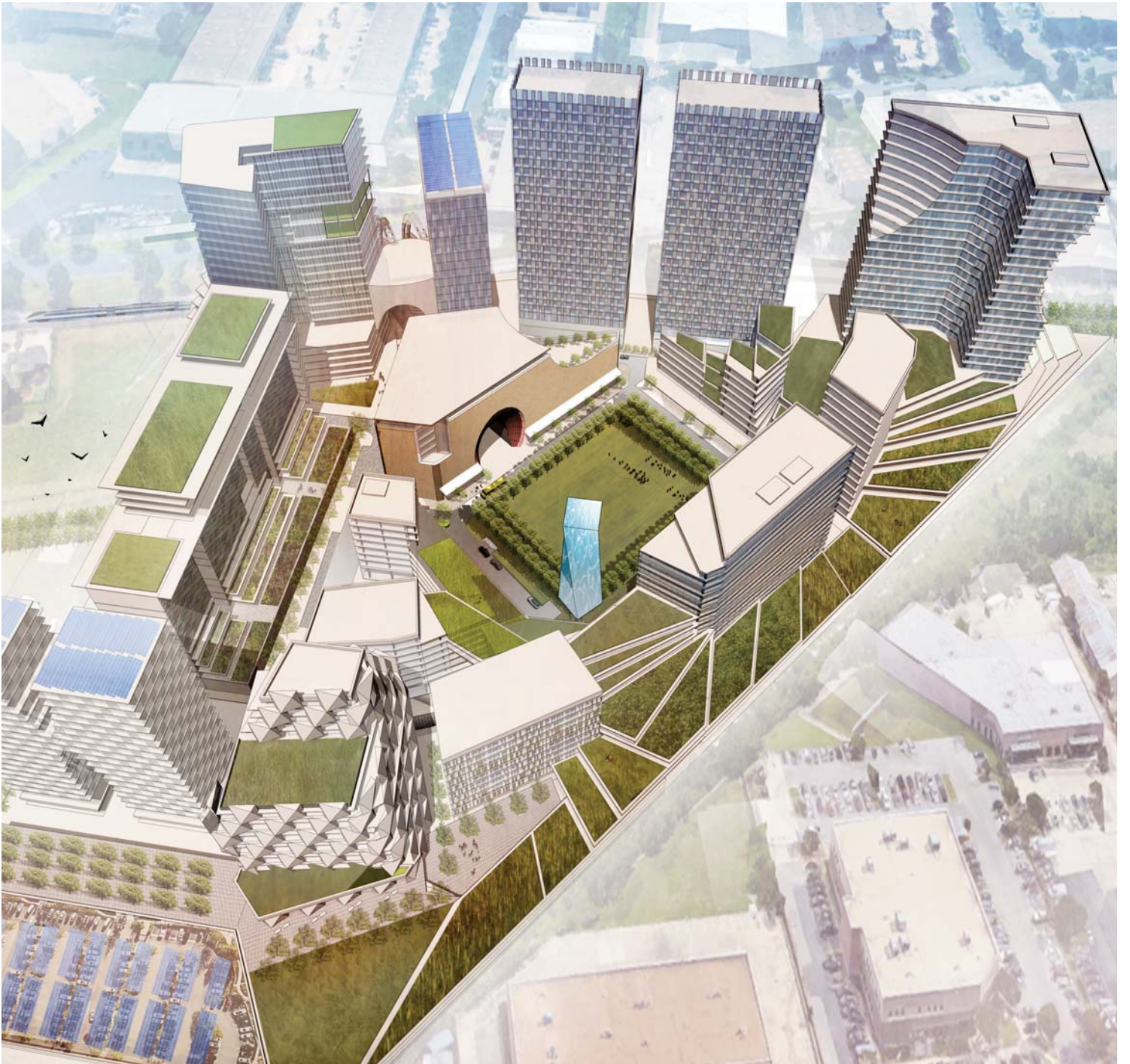
8 Our Vision

Right: This aerial view indicates an arrangement of buildings that increase in density and height from center to edge. This allows the neighborhood green in the center to be sunlit during most of the day and provides a pedestrian scale at the heart of the neighborhood.

Ample green space is provided through street level parks and squares; mezzanine level ‘landscaped connectors’ and roof garden on many of the buildings.

Left: Our team is enthusiastic about creating a truly ‘mixed-use’ place. To accomplish this we have included an array of primary uses which are augmented by those services and conveniences commonly found in an urban neighborhood.





**Aerial View from the West**

## Site Plan Narrative

### Building Types and Uses

Buildings are arrayed on the site to form a screen along the train tracks. This effectively keeps noise generated by the commuter rail from invading the site. From the primary view along Burnet Road the tallest buildings form a backdrop for the rest of the neighborhood. The public park in the center of the site is surrounded by shorter residential buildings containing market rate and affordable housing. The civic building that fronts on the park provides an opportunity to enliven the district with significant destination such as a museum, reinforcing the sense that this indeed a 'second downtown'.

### Connectivity

The site is well located and easily connected to the larger transportation network in the NB/G District. We will construct a new rail station on the eastern edge of the site with a design that gives it the presence deserving of a transit station on a major rail line.

Connecting at the train station will be our District Shuttle which connects the McKalla Station neighborhood to the Domain, IBM's redevelopment and other future destinations as the NB/G District develops over time.

McKalla Station will also offer its residents the option to use a fleet of short term rental vehicles to allow the paring down of dependence on automobiles. At the neighborhood level residents, guests, workers and patrons will all enjoy shaded walks that allow traversing the site in about five minutes.

### Green Space and Urban Farms

At the street level there are parks, squares and greens within two to three minutes of all buildings. These urban oases will serve as gathering areas for patrons to enjoy cafes, restaurants, coffee shops and the like. There are also plentiful 'shop spaces' to house the local goods and services needed by urban dwellers. Neighborhood scale grocers and a regularly scheduled farmers market will sell fresh produce from the urban farms on site.

Bio-filters will be incorporated into the green spaces and roof gardens to attenuate and filter storm water runoff.

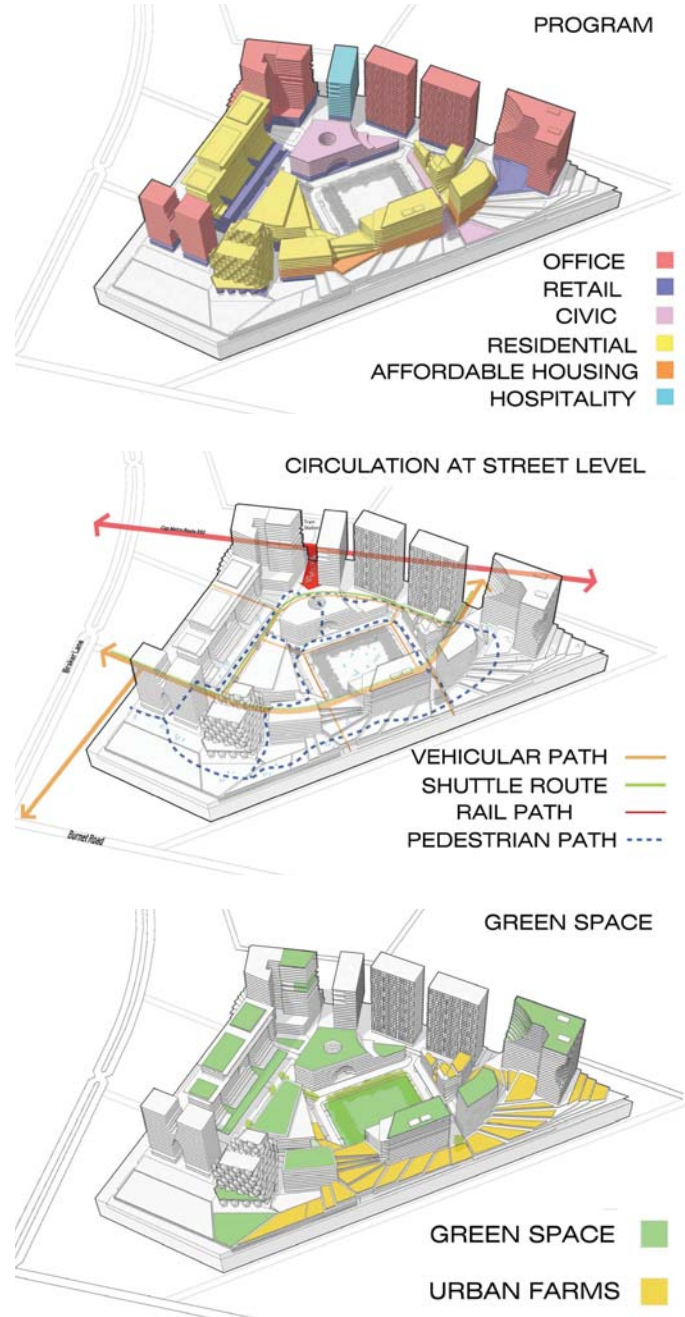
### Affordability

McKalla Station commits to significant percentage of affordable dwelling units on site in our Community Benefits, detailed later. Additionally, our commitment extends to working with established, local affordable housing providers to significantly add to the affordable housing stock at large in the community.

It should be noted, as stated in the NB/G Master plan, that true affordability should be measured as follows:

$$\text{AFFORDABILITY INDEX} = \frac{\text{HOUSING COSTS} + \text{TRANSPORTATION COSTS}}{\text{INCOME}}$$

The ability for McKalla Station residents to live with one less car not only increase their economic reach but also lessens the need for storing cars on site.







View along Restaurant Row



View at Train Station





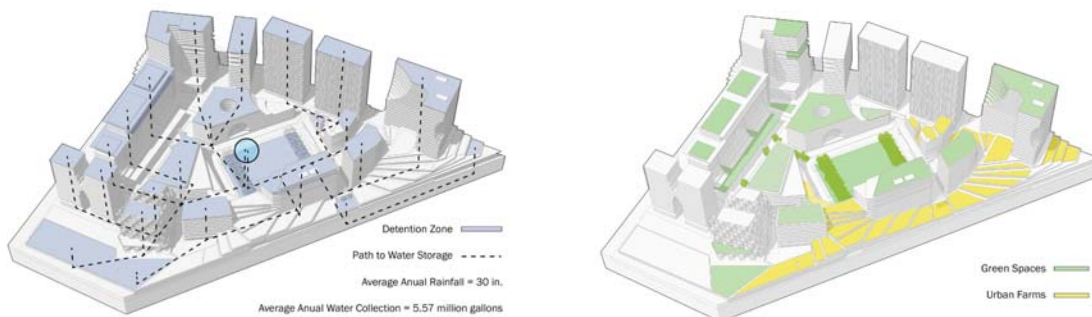
The Central Commons will become a venue for special occasions, celebrations and seasonal gatherings.

It will also anchor and orient the frequent user or occasional visitor as a landmark in the neighborhood.

## Central Commons

The two acre neighborhood park becomes the central organizing feature of McKalla Station. It is a venue for day to day recreation and gatherings. Twice a week it will become the home to a robust farmers market providing fresh produce and staple to local residents and visitors. On special occasions the youth size soccer field will host local and regional tournaments. The civic building en-fronting the east side of the park could be a venue for museum, library, public services and/or a destination for performing and visual arts.

The architecture surrounding park will have generous balconies overlooking for mezzanine levels making it perfect for viewing the goings on. The park will also be visible from the higher balconies of the office building and hotel.







A vibrant new neighborhood in the North Burnet District will serve as a model to strengthen Austin's reputation as an exciting and dynamic city for both residents and visitors.





## Community Benefits Analysis

### Economic Benefits

The analysis below compares the total economic benefit which would be derived from the total eighty year lease term for McKalla Station. It assumes a special district is formed to allow the collection of district levies from private sector development for the life of the term. Each 20 year tranche is broken out and the cumulative total is compared to the economic benefits being offered by the MLS stadium project. The variables used to calculate the levy amount are as follows:

1. Traditional real estate property taxes are exempted due to the cities ownership of all facilities, but the McKalla Station district will collect comparable ad velorem levies.
2. Initial district levy rates are based on each taxing entity's current tax rate (AISD, COA,TC,TCH and ACC)
3. A one and one-half percent annual increase in taxable value is applied.

This analysis clearly shows the significant benefits increase by pursuing a development pattern recommended in the NB/G Master Plan rather than a single purpose, infrequently used facility. By treating the fallow McKalla site like farmland with a diverse, rich and productive crop (building stock) it is easy to see the wisdom. The City should consider the opportunity cost of 'planting a single crop' and pursuing it to depletion. At the end of the stadium lease it is likely that the City will have a tremendous liability to deal with in the cost of razing a worn out stadium whereas at the end of the lease on McKalla Station they will have a productive asset for many years to come.

EIGHTY YEAR LIFE OF DISTRICT ~ ECONOMIC BENEFITS COMPARISON							
DISTRIBUTIONS	Our McKalla Station					Precourt	Multiple
	Yrs 1 to 20	Yrs 21 to 40	Yrs 41 to 60	Yrs 61 to 80	80-year Total	Years 1 to 25	
Affordable Housing & Homelessness Services	\$ 174,282,631	\$ 362,674,165	\$ 537,316,467	\$ 657,897,612	\$ 1,732,170,874	\$ 4,769,720	363.2
Non-elite (non-Academy) Soccer & Sports Initiatives	\$ 108,926,644	\$ 72,534,833	\$ 48,846,952	\$ 65,789,761.19	\$ 296,098,190	\$ 10,794,211	27.4
Public Access & Green Space Initiatives	\$ 32,677,993	\$ 54,401,125	\$ 68,385,732	\$ 92,105,665.66	\$ 247,570,516	\$ 12,812,120	19.3
Other Community Non-profit Organizations	\$ 87,141,315	\$ 181,337,083	\$ 244,234,758	\$ 394,738,567.13	\$ 907,451,722	\$ 19,458,407	46.6
	<b>\$ 403,028,583</b>	<b>\$ 670,947,205</b>	<b>\$ 898,783,908</b>	<b>\$ 1,210,531,606</b>	<b>\$ 3,183,291,302</b>	<b>\$ 47,834,458</b>	<b>66.5</b>
Infrastructure and Debt	\$ 21,785,329	\$ 27,200,562	\$ 39,077,561	\$ 52,631,809	\$ 140,695,261		
District Operations	\$ 10,892,664	\$ 27,200,562	\$ 39,077,561	\$ 52,631,809	\$ 129,802,597		
<b>TOTAL DISTRIBUTIONS</b>	<b>\$ 435,706,576</b>	<b>\$ 725,348,330</b>	<b>\$ 976,939,030</b>	<b>\$ 1,315,795,224</b>	<b>\$ 3,453,789,160</b>		
Ground Lease (years 6 through 80)	\$ 9,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 51,000,000	\$ 8,250,000	6.2
<b>TOTAL LEVY AND GOUND LEASE COLLECTIONS</b>	<b>\$ 444,706,576</b>	<b>\$ 739,348,330</b>	<b>\$ 990,939,030</b>	<b>\$ 1,329,795,224</b>	<b>\$ 3,504,789,160</b>	<b>\$ 56,084,458</b>	<b>62.5</b>



View of transit hub



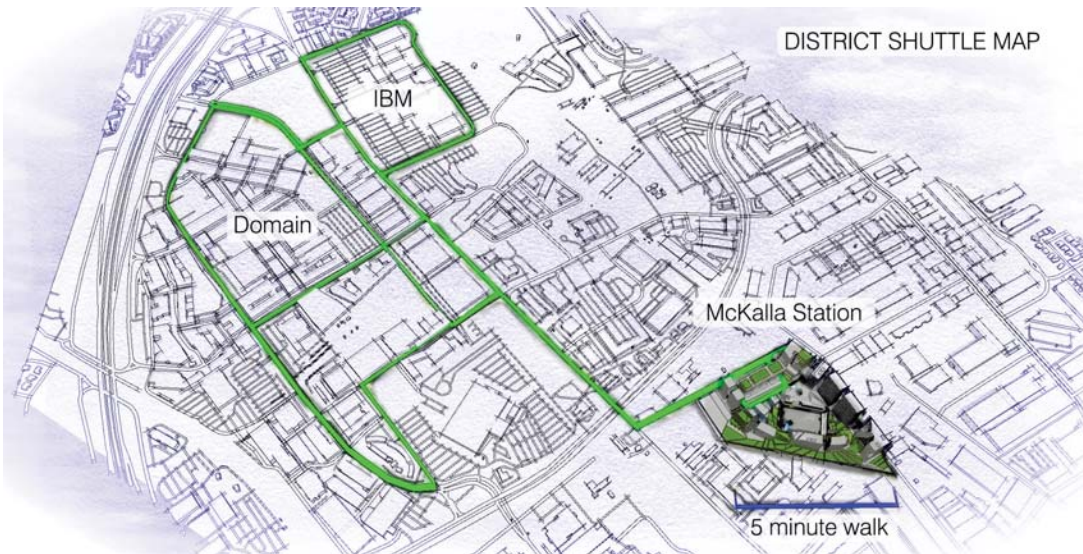
## Community Benefits Analysis

### Transportation Equity

One of the key attributes of the NB/G Master Plan is the presence of commuter rail and the notion that over time Austinites would change their habits and rely more on trains, streetcars, buses or other form of transit. The lack of density in the NB/G District has rendered the manifestation of public transit anemic at best. Transit generally fall into one of the following categories:

1. High speed/High Capacity/Low frequency such as Heavy Commuter Rail
2. Moderate speed/High Capacity/Moderate frequency such as Light Commuter Rail (the Red Line)
3. Moderate speed/Moderate Capacity/Moderate frequency such as Cap Metro Buses
4. Low speed/Low Capacity/High frequency such as Airport shuttles

The NB/G Master Plan suggested the district shuttle could be a way to develop ridership for those people who would live, work and shop in the district. Our Concept Plan includes the beginning of District Shuttle service to connect McKalla Station with The Domain and the likely redevelopment of the IBM Campus. The Plan below illustrates the proposed service route.



In addition to the proposed Shuttle service McKalla Station will offer residents, workers and patrons a fleet of on demand vehicles for short term rental. The fleet will be housed in a public parking structured near the Cap Metro train Station and near the primary shuttle stop. This nexus of convenient modes of transport will stimulate greater ridership and less dependence on personal autos.

All these motorized versions of transport when combined with pleasant walkways and dedicated bike lanes will combine to make McKalla station a model neighborhood by NB/G Master Plan standards. The annual cost of funding the Shuttle system is included in the benefits to be funded by the district levies in the early years. Ultimately our modeling shows that a per trip cost of about a dollar is possible. More importantly this transit rich environment allows residents of McKalla Station to enjoy life with one less car to purchase, maintain, insure and replace.

The compact size of the McKalla Station neighborhood makes it ideal for walking as it can be traversed in most any direction in about five minutes.



**Shuttles will vary from five to fifteen passengers based on demand.**

**Ultimately the shuttle fleet could be autonomous.**

## Community Benefits

### Side by Side Comparison

A representative allocation of 'Minimum Guaranteed' plus Additional Distributions to Community Beneficiaries is outlined below. This analysis is based on first 40 years of McKalla Station District Levy collections, relative to PSV's 25-year commitments. All amounts are in millions of dollars.

AFFORDABLE HOUSING & HOMELESSNESS SERVICES	McKalla Station	PSV	OTHER COMMUNITY NON-PROFIT ORGANIZATIONS, cont.	McKalla Station	PSV
Foundation Communities	\$102.0	\$4.8	LifeWorks Austin	\$2.0	\$0
Mobile Loaves & Fishes (Community First! Village)	\$25.0	\$0	Spirit of East Austin Initiative	\$2.0	\$0
Habitat for Humanity	\$20.0	\$0	Austin Volunteer Fire Dept.	\$2.0	\$0
Caritas of Austin	\$20.0	\$0	Sustainable Food Center	\$2.0	\$0
Salvation Army	\$20.0	\$0	<b>ARTS &amp; ENTERTAINMENT</b>		
Mary Lee Foundation	\$10.0	\$0	Health Alliance for Austin Musicians	\$5.0	\$0
Foundation for the Homeless	\$10.0	\$0	SIMS Foundation	\$2.0	\$0
Ending Community Homelessness Coalition	\$10.0	\$0	MusiCares Sober Jam	\$1.0	\$0
<b>Minimum Guaranteed Cause-specific Grants:</b>	<b>\$217.0</b>	<b>\$4.8</b>	Austin Youth Orchestra	\$1.0	\$0
Additional Funding Available for Above and Other Housing & Homelessness Initiatives	\$320.0	\$0	Girls Rock Austin	\$1.0	\$0
<b>Total Available for Housing &amp; Anti-Homelessness:</b>	<b>\$537.0</b>	<b>\$4.8</b>	Texas Youth Wind Symphony	\$1.0	\$0
<b>NON-ELITE (Non-Academy) SOCCER &amp; SPORTS INITIATIVES</b>			Art Alliance Austin	\$1.0	\$0
Field construction, renovation & upkeep (at least 100 to 200 fields)	\$50.0	\$1.3	Artists ATX	\$1.0	\$0
Youth Soccer Camps & Clinics	\$25.0	\$3.6	Austin Art Therapy Collection	\$1.0	\$0
Youth Club Scholarships	\$10.0	\$2.4	Creative Action Youth Development	\$1.0	\$0
Equipment & Gear Donations	\$5.0	\$1.6	Creative Arts Society	\$1.0	\$0
Game-ticket Donations (MLS/USL) for Youth Soccer Groups	\$6.5	\$1.9	<b>K-12 EDUCATION &amp; SUPPORT</b>		
<b>Minimum Guaranteed Soccer-related Grants:</b>	<b>\$96.5</b>	<b>\$10.8</b>	E3 Alliance	\$10.0	\$0
Additional Funding Available for Above and Other Youth/Adult Soccer Initiatives	\$85.0	\$0	Communities in Schools	\$10.0	\$0
<b>Total Available for Soccer Fields and Programs:</b>	<b>\$181.5</b>	<b>\$10.8</b>	STEM Scouts	\$5.0	\$0
<b>PUBLIC ACCESS AND GREEN SPACE INITIATIVES</b>			Supplemental stipends for Austin-metro teachers at Title 1 schools	\$100.0	\$0
Upkeep of Parks and Other Public Sites	\$45.0	\$4.8	<b>ANIMAL WELFARE</b>		
Public-comp Use of Facilities	\$8.0	\$8.0	Austin Animal Center	\$3.0	\$0
<b>Minimum Guaranteed Upkeep &amp; Public-Use Grants:</b>	<b>\$53.0</b>	<b>\$12.8</b>	Austin Pets Alive	\$3.0	\$0
Additional Funding Available for Above and Other Public/Green Space Initiatives	\$34.0	\$0.0	Austin Humane Society	\$3.0	\$0
<b>Total Available for Upkeep &amp; Public-Use Grants:</b>	<b>\$87.0</b>	<b>\$12.8</b>	SPCA	\$3.0	\$0
<b>OTHER COMMUNITY NON-PROFIT ORGANIZATIONS</b>			<b>OTHER ORGANIZATIONS</b>		
<b>HEALTH, WELLNESS AND SAFETY</b>			Boys & Girls Club	\$5.0	\$0
SAFE Alliance (t/k/a Safe Place)	\$7.0	\$0	Girl Scouts	\$3.0	\$0
Central Texas Food Bank	\$5.0	\$0	Boy Scouts	\$2.0	\$0
CASA of Travis County	\$5.0	\$0	YMCA of Austin	\$2.0	\$0
Whole Kids Foundation	\$2.0	\$0	Austin Area Urban League	\$2.0	\$0
Latinitas	\$2.0	\$0	United Way for Greater Austin	\$2.0	\$0
Central Health/Community Care/Integral Care	\$2.0	\$0	Goodwill of Central Texas	\$2.0	\$0
Austin Recovery	\$2.0	\$0	<b>Minimum Guaranteed Cause-specific Grants:</b>	<b>\$204.0</b>	<b>\$0.0</b>
			"In-kind" & Fund-Raising Opportunities	\$19.5	\$16.3
			Additional Funding Available for Above and Other Non-profit Initiatives	\$45.0	\$3.2
			<b>Total Available for Other Community Non-Profits:</b>	<b>\$268.5</b>	<b>\$19.5</b>
			<b>TOTAL DISTRIBUTIONS BY OUR MCKALLA STATION (over 40 years)</b>	<b>\$1.074 B</b>	
			<b>TOTAL DISTRIBUTIONS BY PSV (over 25 years)</b>		<b>\$47.9 m</b>



## Appendix A

### Community Soccer Efforts

To build, grow and support Austin's vibrant soccer community, we will generate more than \$185 million for field construction and maintenance and community soccer programs during the first 40 years alone. At an average of roughly \$200,000 each over time, we could build and maintain up to 500 fields all around Austin and still have \$80 million left for scholarships, equipment and gear, ticket subsidies and other program support – more than eight times what Precourt allocates in these same areas. Locations exist right now that will enable us to make immediate progress toward this goal; for example, fields can be built or improved and soccer programs benefiting our potential partners named below can be maintained at public lands that currently have excess space (e.g., AISD facilities) and other City-owned places like the following:

#### South Austin

- Slaughter Creek
- Moore's Crossing
- Bauerle Ranch Park
- Mabel Davis Park

#### North Austin

- Dottie Jordan Park
- Oertli Park
- Walnut Creek
- Riata Park

#### East Austin

- Springdale Park
- Colony Park
- Daffin Gin Park
- Trevino Park



### Potential Community Development Partners

- |                                 |                                |                                  |
|---------------------------------|--------------------------------|----------------------------------|
| • Upper Ninety                  | • Austin Women's Soccer League | • Austin Mens Soccer Association |
| • Lonestar Soccer Club          | • North Austin Soccer Alliance | • Soccer Assist                  |
| • Latinitas                     | • Austin Coed Soccer           | • Soccer Zone                    |
| • United Way for Greater Austin | • Austin Area Urban League     | • Austin Soccer Federation       |

Where feasible, we will also pursue this goal by re-purposing previously overlooked or obsolete sites to fill a void of available soccer practice fields and make them available for other recreational uses year-round. For example, some of Austin's several hundred public and private tennis courts are underutilized and in disrepair; they are readily convertible into "mini-pitch" facilities strategically located across Austin with long-lasting features that are easily maintained and foster a safe practice environment and new wellness element in the community. Although designed for soccer, these mini-pitches will remain free to the public and can be used for any number of sports and activities beyond soccer.





## Appendix B

### Affordable Housing Efforts

Our development plan and team are committed to supporting affordable housing initiatives in and around Austin. For that reason, our Special District will emphasize residential affordability, both on- and off-site. At least fifteen percent (15%) of our on-site residential units – 225 apartments – will be reserved exclusively for affordable housing at a weighted average of 72% MFI. Over time, thousands more will find homes in affordable units built around Austin. In the first 40 years alone, we will provide \$547 million to support affordable housing non-profits like the following representative groups:



## Appendix C

### Special District

Under our plan, the McKalla Station property will become a Special District for economic development that produces funding for community benefits, on the property and all across Austin, in excess of \$3.0 billion over the 80-year lease term. Our Special District model will:

- Create public benefits exponentially greater than those currently contemplated;
- Increase the value of surrounding private properties as well as that of this public site;
- Respect environmental concerns like those for Little Walnut Creek headwaters; and
- Alleviate the City and its residents of potentially large costs, liabilities and risks.

As with Precourt, the McKalla site land will be exempt from traditional property taxes, but our Special District will collect an ad valorem levy. This levy, based on the value of structures built on-site, will replace conventional property taxes in order to fund asset development and create a large revenue stream that substantially inures to the benefit of affordable housing programs, sports and health organizations, green spaces, public wellness spaces and other worthy non-profits. But unlike with traditional taxes, at least 85% of our District's levies will be committed on a guaranteed basis to designated community beneficiaries (after conservatively reserving 15% of the levies for open/green space and infrastructure build-out and maintenance, capital repairs, district administration and other similar expenses).

Distribution of these funds will be overseen through an advisory Community Benefits Board selected by the City Council and other community representatives to ensure the broadest possible consensus on how to responsibly spend this multi-billion-dollar levy pool. This Board will have full and final authority over the allocation of distributions and will consist of seventeen members. Eleven of them will be appointed by the City Council with advice and consent of the Mayor, two will be appointed by our management group and one by Foundation Communities as an affordable housing representative. These appointed members, in turn, will interview and select three more Board members to represent the interests of Sports/Health & Wellness groups, Arts & Entertainment groups, and K-12 Education groups.

The Special District will primarily, if not exclusively, use private funding to finance the site's development. The levy will service any related debt and fund community benefits in and around Austin. Over the first 40 years alone, the levy will generate more than \$1.1 billion in gross revenues; conservatively reserving the 15% "overhead" allowance described above, we will still have more than \$985 million in levy revenues available to support:

- \$537 million in affordable housing ventures;
- More than \$181 million in soccer field construction and maintenance and/or other community soccer ventures; and
- More than \$268 million to support other non-profits or community-building programs.

Just during those first 40 years, our cash distributions will dwarf by twenty times or more the \$47 million in speculative benefits Precourt promises to deliver to outside interests. Over our 80-year lease term, the levy-funded cash benefits distributed will run into many tens or even hundreds of millions of dollars in each of these categories, shifting toward affordable housing and other non-profits after sports fields and open spaces are substantially built out.

This approach is not speculative or novel – "special purpose districts" are common in Austin. For example, Downtown Austin, East Sixth Street and South Congress Avenue each have established special districts to collect revenues for public development and community improvement. Other growing Texas cities, including Dallas, Houston, San Antonio and many smaller municipalities, use equivalent special districts for similar purposes. There are, in fact, upwards of 2,000 special purpose districts now utilized for civic improvement around Texas. Our McKalla Station district is novel only in terms of its scope.

For more general information on special purpose districts in Texas, please see:  
[https://senate.texas.gov/\\_assets/srcpub/Spotlight\\_Special\\_Purpose\\_Districts.pdf](https://senate.texas.gov/_assets/srcpub/Spotlight_Special_Purpose_Districts.pdf).



## Appendix D

### Employment and Safety Guarantees

Our Team will cooperate with the following organizations and policies to ensure a safe and healthy work environment during development and wholesome working and living spaces for future tenants and residents of McKalla Station:



**Workers Defense Project**  
*Proyecto Defensa Laboral*



## Appendix E

### Precourt's Proposed Terms

*"Team owners and sports leagues during the past 30 years have proven themselves masters of plundering the public coffers. America's mayors and governors need to catch up."*

We agree with many others that professional soccer should have a home in Austin. But Precourt's "deal" is just one more example of rich, out-of-state owners taking advantage of a city's generosity. Precourt plans to make millions while placing most of the costs and the risks squarely on the backs of Austinites. For a host of reasons, the Precourt deal is bad for Austin:

- Precourt plans to lease McKalla Place for less rent per year than we or others will pay, and only for an initial 20-year term, while holding out the prospect that it might not exercise one of several renewals. This structure allows Precourt to hold Austin hostage to spending millions more in stadium improvements after 20 years – like it tried to do to Columbus after just 19 years. Given its recent track record, Precourt will almost certainly threaten to relocate again and abandon Austin unless the City pays for large capital improvements to modernize the aging stadium.
- Precourt wants the City to bear the costs of site remediation and millions of dollars in ongoing capital repairs. Site remediation alone may cost millions more given legitimate community concerns about rainwater runoff and changing floodplains.
- Precourt has at times demanded a non-competitive right after 20 years to buy McKalla Place at "market value", knowing the aged stadium would be a liability that could substantially devalue the property. In cutting its maximum lease term from 80 to 50 years, Precourt implicitly admits that modern stadiums simply don't last a long time. The average age of NFL/MLB stadiums in use today is just 26 years old. Repurposed NFL/MLB venues have an average total lifespan of only 47 years, and owners routinely threaten to leave town if even 20-year old venues are not modernized or replaced. When teams do leave for new stadiums, the old venues are almost always demolished at a public cost of many millions of dollars. An old stadium is a liability, not an asset.
- Precourt's parking proposals are woefully insufficient, including just 1,000 on-site parking spaces for a 20,500-person stadium. According to Precourt, those spaces are reserved for high-rollers ensconced in Club, Loge and Suite seating. That leaves the overwhelming majority of General Admission patrons to the second-class experience of hoofing it in from remote lots and leaves neighbors to cope with the traffic congestion.
- Precourt's transit plan is similarly lacking. Precourt assumes that around 7,500 patrons will transit to and from events using ridesharing, buses, or light rail. The ridesharing proposal assumes that vehicles will drop-off and pick-up users far from the stadium at an isolated industrial loop off Metric Boulevard, leaving users with a long and unpleasant walk. The Cap Metro bus routes along Burnet Road would similarly require riders to use lengthy, tortured pedestrian routes, and at least one such proposed route cuts through the heart of an existing commercial building. While Cap Metro's Red-Line light rail sounds like a better solution, Precourt remains unwilling to pay for an on-site station, and it is unclear whether the existing system could handle dramatic spikes in usage at the Kramer station upon which Precourt relies.
- Half of Precourt's supposed "community" benefits accrue to a single, elite group. More than \$48 million of the speculated \$95 million will go to Precourt's "MLS Academy", which would cherry-pick the best players and coaches from select, local soccer clubs to effectively serve as Precourt's farm-team. In other words, fully half of Precourt's alleged benefits to others will go, first and foremost, to Precourt affiliates.
- Precourt is minimizing significant market factors that call into doubt its financial projections. For example, a United Soccer League team will soon begin playing in Austin at the Circuit of the Americas and will compete directly with Precourt for fans and their disposable income. Yes, soccer has great potential in Austin, but Precourt's self-serving "deal" is a disservice to Austin. The Precourt deal puts millions of dollars of risks on the City of Austin while asking the city to forgo billions of dollars in community benefits. Austin obviously deserves better.

1. B. Ritholtz, *Four Reasons Taxpayers Should Never Subsidize Stadiums*, Bloomberg.com 7/16/18.

2. When 100+ year-old iconic outliers Fenway Park and Wrigley Field are excluded, that figure drops to 23.8.

3. Three major stadium demolitions from 2000 to 2010 cost \$10 million, \$13 million and \$22 million. The City's only alternatives, if Precourt left this venue, would be cost-prohibitive renovations (e.g., New York state is still paying for renovations made in the 1970s to a stadium that was demolished 10 years ago) or significant "place-holder" costs (e.g., Washington D.C. pays \$2 million per year to maintain and secure a district-owned soccer stadium left empty in 2017 after DC United left).

4. See the MLS Stadium Preliminary Transportation Review at p. 129 of Precourt's publicly filed proposal ("The proposed site is expected to include 1,000 parking spaces for essential personnel and VIP guests").





**Soccer = Democracy**  
**“a game to be enjoyed across the globe despite economic status, locale or ability.”**

Prepared by Land Design Studio and Forge Craft Architecture+Design  
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22 Appendices