

## **Full Circle Recommendations for Muller Redevelopment**

To: Mayor Wynn and Members of the Austin City Council  
From: Full Circle  
Re: Mueller Redevelopment  
Date: June 22, 2004

### **Executive Summary**

Full Circle strongly supports the Mueller Master Plan and requests City Council to adopt the following policy measures for Mueller as conditional overlays to the project's zoning or as clauses in the final contract agreement:

- 1. For major employers locating at Mueller, strong voluntary preference will be given to those that pay livable wages and benefits; demonstrate corporate social responsibility; and are most likely to provide a net economic benefit, not simply a reshuffling of existing sales tax revenues.**
- 2. Prohibit grocery use on the 51st & I-35 retail site to eliminate competition with grocery anchor planned for Mueller town center.**
- 3. Allow construction sales and service at 51st & I-35, but cap that use at 100,000 SF.**
- 4. Consider the Mueller town center as an initial IBIZ (Independent Business Investment Zone) area.**
- 5. Adopt affordable housing recommendations of Robert Mueller Affordable Housing Working Group.**

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Dear Mayor Wynn and Members of the Austin City Council:

Full Circle strongly supports the community vision expressed in the Mueller Master Plan and believes it will result in a project that is a lasting example of sustainable development principles and outstanding community planning.

To further strengthen the economic viability of Mueller, we ask that City Council adopt the following policy measures and direct staff to incorporate them where most appropriate, either as conditional overlays to the project's zoning or as clauses in the final contract agreement. We have met with representatives from Catellus and the Mueller Neighborhoods group regarding these issues and plan to continue our discussions with them on these topics.

***(1) In selecting major business tenants for the Mueller site, Catellus - or future Mueller developers - will voluntarily agree to give strong preference to those that:***

***(a) pay a livable wage and benefit rate to both full- and part-time employees;***

***(b) generally demonstrate corporate social responsibility;***

***(c) are most likely to produce a net economic benefit, not simply a reshuffling of existing sales tax revenues.***

**Regarding (1)(a) above:** In the Austin area, livable wage is currently defined as between **\$13 to \$17 per hour**, depending on variables, and we would expect a prospective tenant to meet this range. Benefits should, at a minimum, match the current national average. Under current averages, this would mean at **least 66 percent of employees are insured through the company health plan** (source: Commonwealth Fund) with an **individual employee payment of no more than 25 percent** (source: Kaiser Family Foundation).

To provide strong jobs for Austin families, we believe major employers locating at Mueller should be prepared to meet or exceed the above standards. Many large employers already do, including a number in the

retail sector such as Costco and Ikea. We believe such responsible corporations should be given a strong preference in selecting business tenants for this model project.

**Please note that this preference is intended to apply to major employers only.** Much as we support a livable wage, we do not believe it is fair or realistic to apply the same standard to small mom-and-pop operations. Major employers locating at Mueller can and should provide livable jobs for Austin workers.

**Regarding (1)(b) above:** In addition to paying livable wages, other factors in determining general corporate social responsibility include, but are not limited to, the following:

- **Community Track Record for Prospective Tenants.** Has a prospective tenant demonstrated consideration for our community or for other cities where it has located? Has it been, or is it currently, involved in any lawsuits against the city of Austin? What is the prospective tenant's environmental record? Are there other issues in its corporate history that raise a red flag?

- **Charitable Donations and Community Involvement.** What percentage of a corporation's pre-tax income goes to charity? Does the corporation have a history of active community involvement?

- **Design Standards.** Is a prospective tenant willing to work with the community to arrive at appropriate design standards, including parking? In the case of very large tenants, will they be willing to build attractive and appropriate buffers or transitional spaces between their structures and the neighborhood?

**Regarding (1)(c) above:** Strong preference should be given to prospective business tenants that are most likely to provide a **true net economic benefit** for the city, not simply a reshuffling of existing sales tax revenues by draining sales from nearby businesses. **Prospective business tenants should not undermine businesses planned for, or likely to be included in, Mueller's future town center.**

***(2) Prohibit grocery use on the 51st & I-35 commercial site.***

We believe this provision is key to the success of Mueller's future town center, which is to be anchored by a grocery store. Though a general provision related to this issue is included in our voluntary standards, we believe the grocery category is so potentially damaging to the town center that it must be reinforced with a specific zoning provision.

***(3) Allow construction sales and service, but cap that use at 100,000 square feet.***

This compromise would eliminate the specter of a certain large unwanted construction retailer, but leave the door open to smaller retailers in that category.

***(4) Consider the Mueller town center as a site for the emerging Independent Business Investment Zone (IBIZ) policies, with Catellus actively involved in the creative thinking that will help the IBIZ concept thrive.***

In contrast to the highway frontage area, the "town center" at Mueller is widely assumed to be more oriented to local and independent business. Yet no details have been spelled out to support this assumption and no standards or programs are currently in place to make it a reality.

The Austin Independent Business Alliance has recently pioneered the IBIZ concept (Independent Business Investment Zones) to identify and implement best practices for incubating and maintaining successful local business areas, such as South Congress. Full Circle strongly supports the IBIZ concept and believes the Mueller town center would be an ideal candidate for this kind of vibrant mix. We encourage City Council to designate the Mueller town center as an initial IBIZ area and to enlist Catellus as an active partner in the creative thinking that will help the IBIZ concept thrive, both at Mueller and in Austin generally.

***(5) Support the goal of achieving meaningful affordable housing at Mueller by adopting the recommendations of the Robert Mueller Affordable Housing Working Group.***

Full Circle encourages City Council to adopt the recommendations of the Robert Mueller Affordable Housing Working Group, including the recommended numbers of houses for purchase and rent, and the mix of percentages for Median Family Income (MFI).

The Full Circle board urges the Austin City Council to move forward with a sense of purpose in approving the Mueller Master Plan and to incorporate the above policy measures as part of the approval process. We believe these measures are critical to the economic strength of the project and our community, and we are prepared to help in any way we can to meet the current timeline for approving Mueller. Please do not hesitate to contact us if you have questions or would like to discuss any of these points.

As always, thank you for your hard work on behalf of our city and for your consideration of these important issues.