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Upscale development on Riverside takes step toward council approval

5-2 vote is first of 3 approvals required for project to go forward.

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AMERICAN-STATESMAN STAFF
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The Austin City Council gave preliminary approval Thursday to a proposed development on East Riverside Drive. The 5-2 vote was the first of three approvals required for the project to go forward.

Grayco Partners, a Houston-based developer, wants to build four towers, three up to 90 feet high, on 30 acres at Riverside and South Lakeshore Boulevard, about 300 feet from Lady Bird Lake. The buildings would house up to 1,200 apartment units.

As part of the vote, the council required Grayco to return with a list of options for how it could provide affordable housing to offset the loss of 600 relatively low-rent apartments that would be demolished.

Grayco has offered \$3.2 million for that purpose. The city's legal department concluded this week that the developer would need to contribute \$7.8 million for low-income housing, according to guidelines the council passed this year.

The project has been a test case for new city development rules and priorities. The debate has pitted Grayco and advocates of a denser urban core against neighborhood activists who say the buildings are too tall to be built near Lady Bird Lake, where height is limited by existing zoning and new regulations.

Grayco wants the property rezoned to accommodate the height and in exchange is offering what it considers several concessions, including: a retention pond that will annually capture 22,000 pounds of pollutants flowing from other properties and into Lady Bird Lake; enhanced public access to the waterfront; and \$3.2 million the city would use to build low-income housing or pay property owners to offer it.

Council Member Mike Martinez, who voted in favor, said those benefits were worth varying from the height limits.

"There is no one-size-fits-all case" along the waterfront, Martinez said.

Mayor Lee Leffingwell and Council Member Laura Morrison voted against it.

Leffingwell said protecting Austin's waterfront is one of his highest priorities, and that to vote for such a project, "an overwhelming case would need to be made."

Courtesy of JB Goodwin