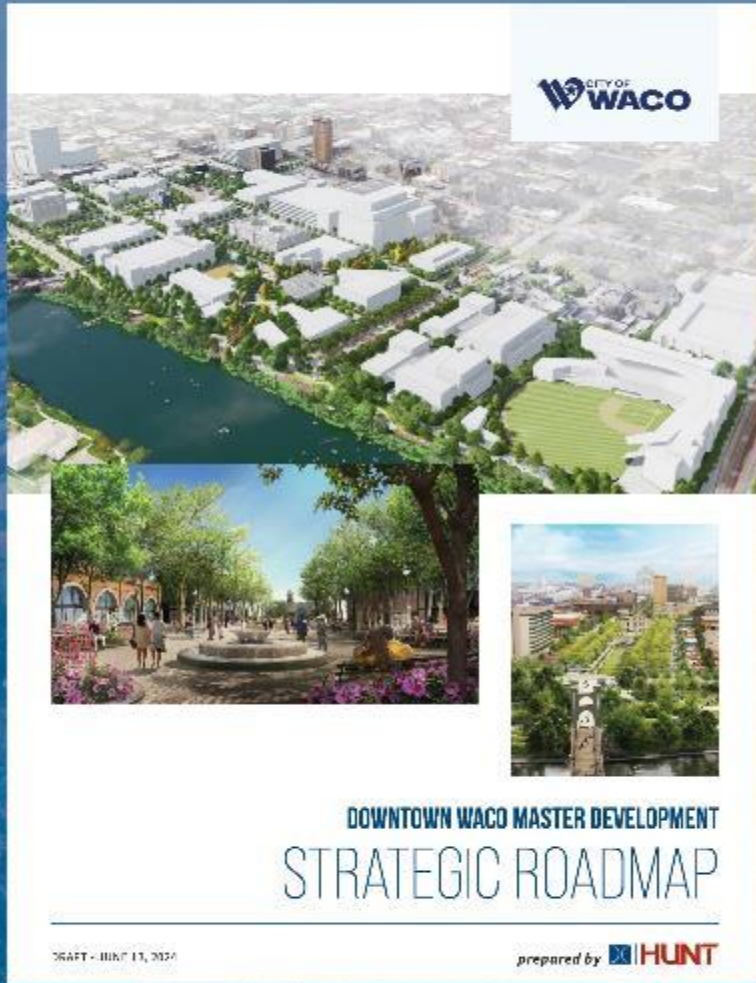




DOWNTOWN WACO MASTER DEVELOPMENT STRATEGIC ROADMAP

JUNE 18, 2024 • CITY COUNCIL PRESENTATION



TODAY'S REQUEST

**Request for Adoption of the
Strategic Roadmap**

INTRODUCTIONS



 **HUNT**



OVERLAND



EBF
ENVIRONMENTAL
ENGINEERING GROUP



 Walker Partners
engineers | surveyors



hunden
partners



hunden
partners

BACKGROUND

● 2022

CITY'S EFFORT BEGAN IN 2022 WITH GENSLER

- To study coordinated approach for a new municipal campus that can help advance a shift from persistent vacancy to generational prosperity and vibrancy.
- The process identified key partnerships, additional land, potential anchor facilities, and the need for placemaking as a core strategy, to deliver a City Hall as part of a wider solution, and presented in 2023.

● 2023

♦ OCTOBER 2023

- ISSUANCE OF RFQ TO RECRUIT TOP-TIER MASTER DEVELOPERS
- INITIATED MARKET RESEARCH AND LAND SURVEY

● 2024

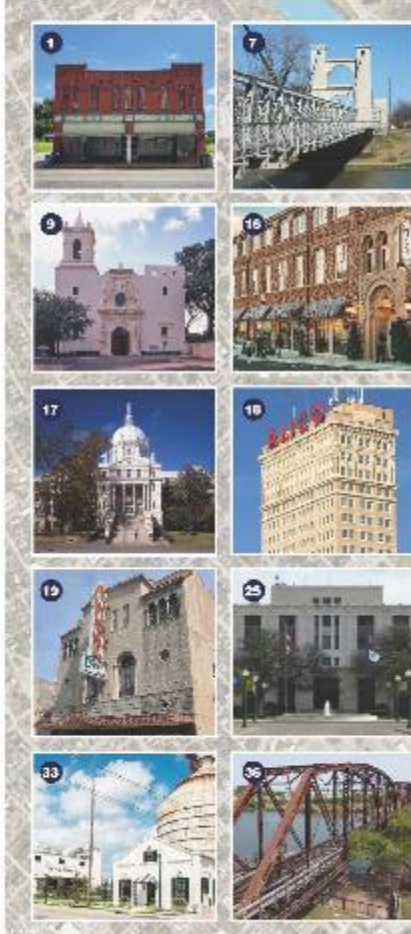
♦ MARCH 2024

- SELECTED HUNT DEVELOPMENT GROUP AS MASTER DEVELOPER

CITY STAKEHOLDER OUTREACH



UPDATED VISION FOUNDED IN RESEARCH



UPDATED VISION

ROOTED IN PLACEMAKING

How does that work with what's already great about Waco?



PALMSPRINT
BELT DEVELOPMENT



PALMSPRINT
CULTURAL NARRATIVE



UNIQUE VOICES



PIONEERING SPIRIT



GREAT PLACEMAKING
*authentically celebrates
and amplifies*

UPDATED VISION

MEASURED AGAINST PURPOSE & PRINCIPLES

Downtown Waco...

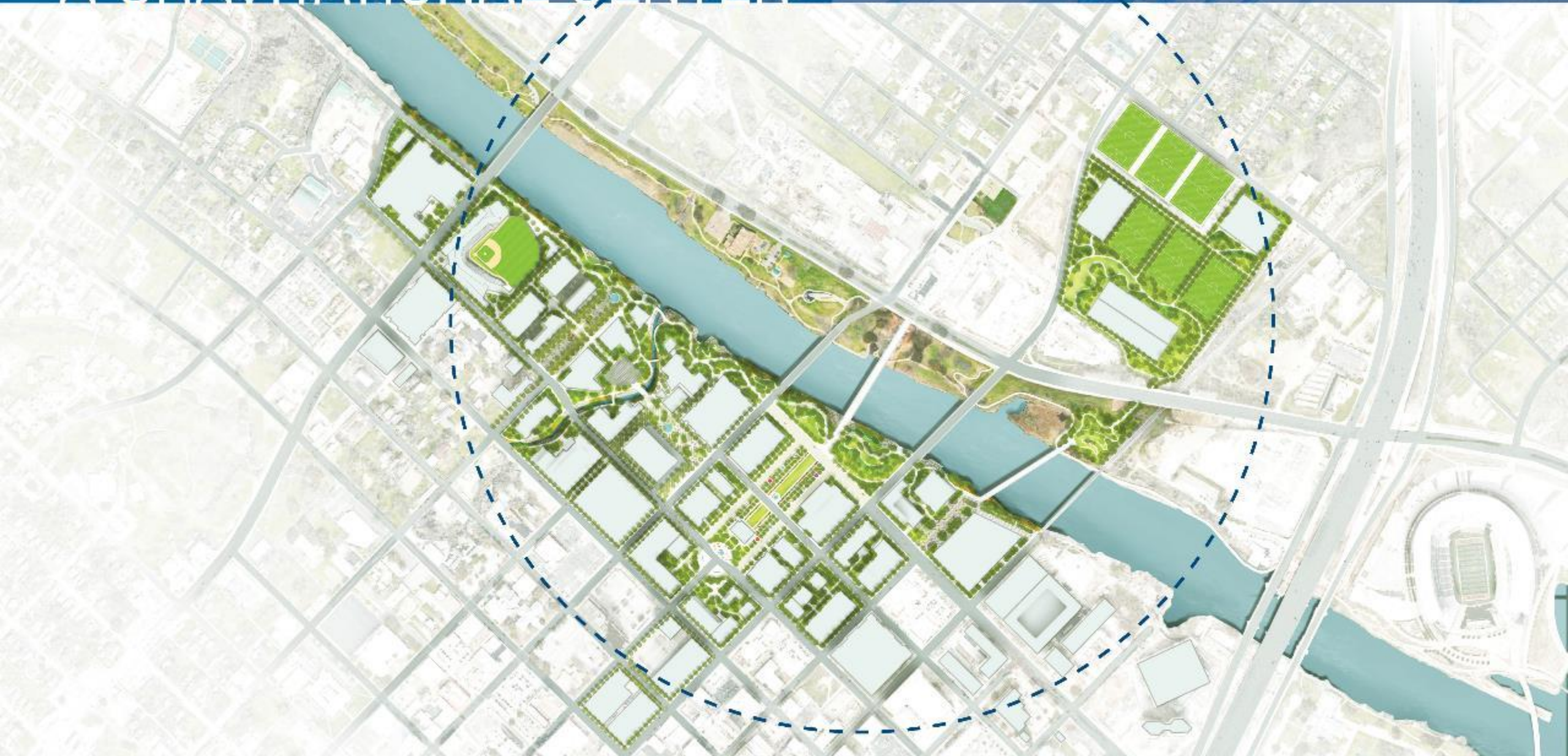
1. Activates the Brazos River as the heart of the City
2. Makes visible the City's unique stories
3. Invites and connects the entire community
4. Generates purposeful economic growth
5. Enriches the public realm through creative expression and exchange
6. Demonstrates environmental stewardship
7. Has an activated ground plane that is walkable and consistent with existing downtown scale and character
8. Is inspired by the intrinsic character of each downtown neighborhood
9. Is a place to gather for generations of residents

“

Downtown Waco is the City's **gravitational center** with the **Brazos River at its heart.**

It reveals and **celebrates Waco's distinct identity** to create an **abundant future for generations to come.**”

A GRAVITATIONAL CENTER





CELEBRATING WACO'S STORIES





**PREPARING AN
ABUNDANT FUTURE**

BALLPARK GREEN

Event Lawn?
Restaurants & Bars
Retail
Residential
Structured Garage

**MINOR LEAGUE
 BASEBALL STADIUM**

6,000 Seats¹

Historic Waco Teams
 The Waco Pirates
 Navigators
 Taborians
 The Yellow Jackets
 Cardinals

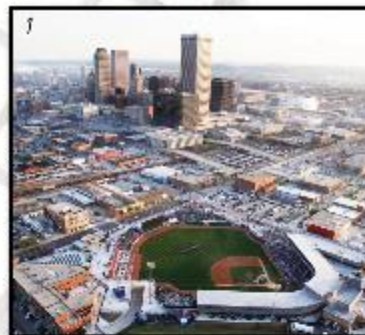
Historic Waco Players
 Crush Halloway
 Andrew Lewis Cooper
 Andrew Rube Foster

**OUTFIELD
 DEVELOPMENT**

Texas Live²
Restaurants & Bars
Retail
Ballpark Hotel
Premier Residential³
Premier Office

**INFIELD
 DEVELOPMENT**

Restaurants & Bars
Retail
Commercial Office
Residential
Structured Garage



ONEOK FIELD Tulsa, OK



PEARL PARKITO San Antonio, TX



TEXAS LIVE! Arlington, TX



VIEW RESIDENCES Tulsa, OK

Master plan elements in italics represent new development

BARRON'S BRANCH DISTRICT

ST. FRANCIS ON THE BRAZOS

*La Pila Fountain⁴
St. Francis Plaza
St. Francis Church⁵*

CALLE DOS PLAZA

*Public Plaza¹
Shade Pavilion²*

BARRON'S BRANCH CREEK

*Creek restoration³
Creekside trails³*

WEST MIXED-USE DEVELOPMENT

*Restaurants & Bars
Retail
Commercial Office
Structured Garage*

CENTRAL MIXED-USE DEVELOPMENT

*Restaurants & Bars
Retail
Commercial Office*

MUTUALISTA HALL & DANCE PLATFORM

SOUTH MIXED-USE DEVELOPMENT

*Restaurants & Bars
Retail
Residential
Structured Garage*

CALLE DOS

BARRON'S BRANCH



PEARL PARK San Antonio, TX



KYLDE WARREN PAVILION Dallas, TX



WATERLOO GREENWAY Austin, TX



LA PILA FOUNTAIN



ST. FRANCIS ON THE BRAZOS

Master plan elements in italics represent new development

WACO SQUARE DISTRICT



SOUTHLAKE TOWN SQUARE Southlake, TX



FREEDOM FOUNTAIN



HISTORIC CITY HALL

Master plan elements in italics represent new development

NORTH MIXED-USE DEVELOPMENT^{1,5}

*Restaurants & Bars
Retail
Residential*

BRAZOS PLAZA DRIVE

FREEDOM FOUNTAIN²

HISTORIC CITY HALL³

*Adaptive Reuse Retail
Museum*

STURGIS FOUNTAIN

HERITAGE SQUARE

*Restoration &
Improvements*

WACO SQUARE

CITY HALL PARK

HILTON WACO HOTEL

*Renovated Hotel
Meeting Spaces
Restaurants & Bars*

SOUTH MIXED-USE DEVELOPMENT^{1,5}

*Restaurants & Bars
Retail
Commercial Office
Residential*

WEST MIXED-USE DEVELOPMENT

*Affordable Housing
Retail
Structured Garage*

BRIDGE ST. PLAZA⁴

WACO SUSPENSION BRIDGE



BRIDGE STREET PLAZA



GEORGETOWN SQUARE Georgetown, TX

MARY AVENUE DISTRICT



SPOKANE CC Spokane, WA



VANCOUVER CC Vancouver, BC



AUSTIN CITY LIMITS Austin, TX



WINSPEAR PLAZA Dallas, TX



TOBIN CENTER San Antonio, TX



COTTON BELT BRIDGE

Master plan elements in italics represent new development



BRAZOS RIVERFRONT DISTRICT



VIETNAM VETERANS MEMORIAL

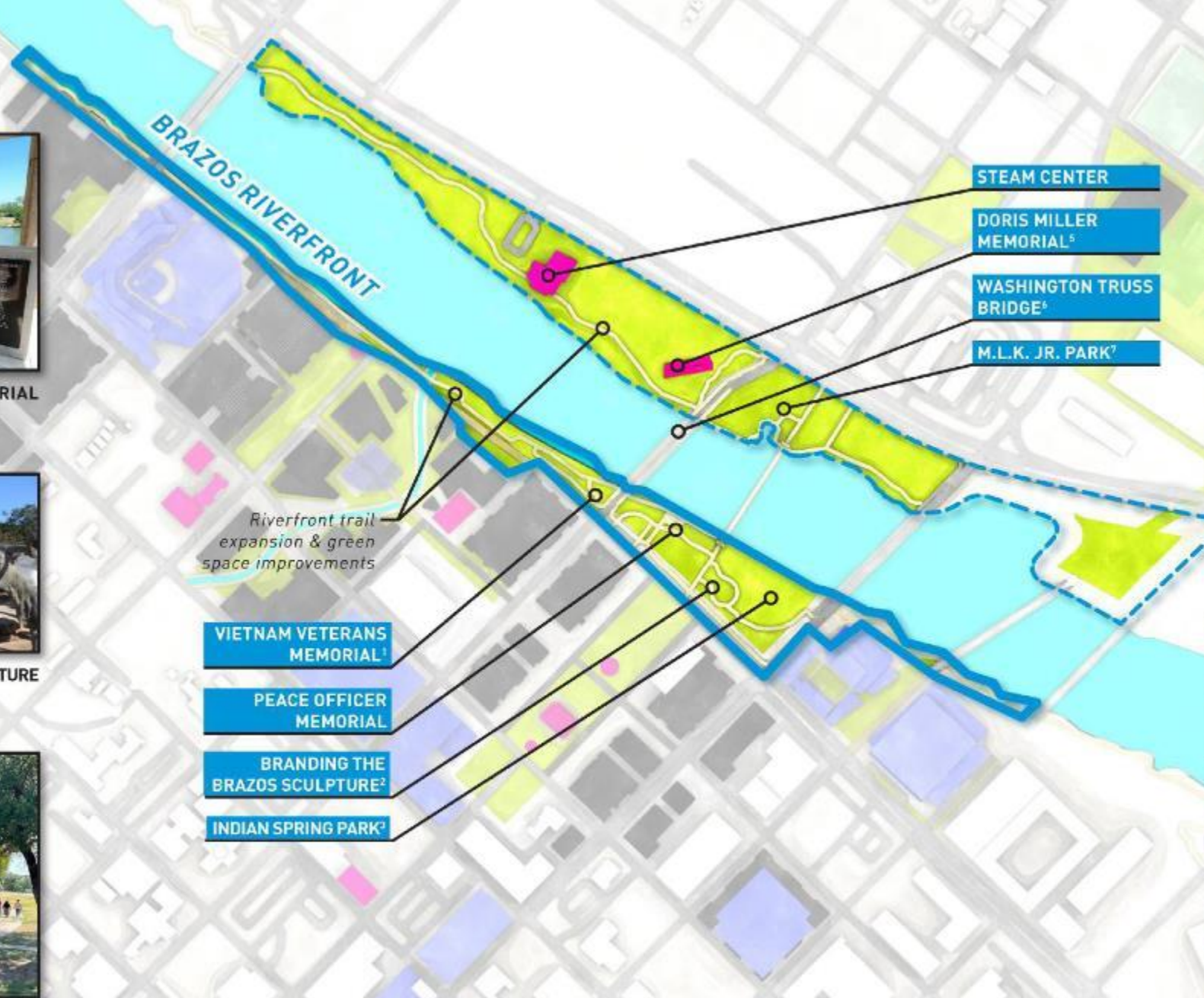


BRANDING THE BRAZOS SCULPTURE



INDIAN SPRING PARK

Master plan elements in italics represent new development



DORIS MILLER MEMORIAL

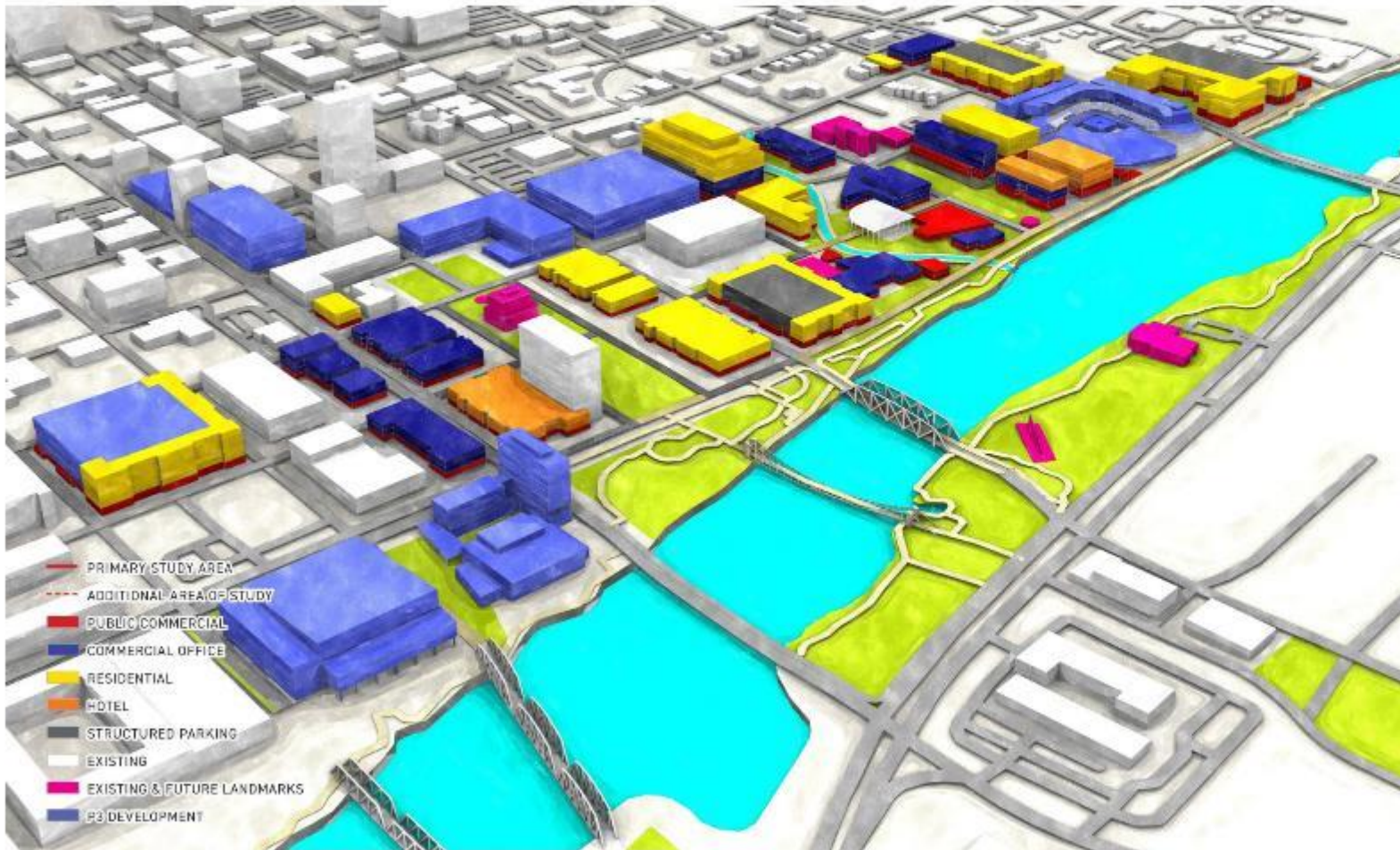


WASHINGTON TRUSS BRIDGE



M.L.K. JR. PARK

What did the RESEARCH SAY?



Timing for large scale reorganization makes sense for Waco:

- Aging infrastructure
- Expansion of workforce
- I-35 corridor growth
- National spotlight
- Stage set by City's other Economic development investments

The City is positioned well:

- Key partnerships
- Land for coordinated development
- Time to carefully sequence and deploy the key public/P3 economic drivers:
 - City Hall
 - Convention Center
 - Performing Arts
 - Baseball
 - Youth Sports
 - Abundant and Connected Green Spaces



Financial Feasibility and Impact Study:

Waco Convention Center, Stadium, and Mixed-Use District

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partners

Contents of Study

Minor League
Baseball Stadium
Analysis

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Mixed-Use District
Analysis

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Convention Center &
Headquarter Hotel
Analysis

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Summary
Recommendations
& Economic Impact

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Destination Youth
Sports Analysis
(future)

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An aerial architectural rendering of a city development project. The scene shows a dense urban environment with various building footprints, some with detailed textures. A prominent feature is a large, circular baseball stadium with a green field and a distinctive roof structure. The stadium is surrounded by other buildings, some with flat roofs and others with more complex shapes. A river or canal flows through the lower-left portion of the image, with a bridge visible in the distance. The overall color palette is muted, with a blue tint over the entire scene, and a bright green border on the left and bottom edges.

1. Minor League Baseball Stadium Analysis

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Situational Overview

Current Challenges

Three basic approaches to securing a minor league baseball team in Waco.

- A. Relocation of a Current MiLB Team** - Several teams currently in Texas minor league baseball market in Double-A and Triple-A.
- B. Wait on MLB Expansion and the corresponding MiLB teams** - MLB is projected to expand in the next five years, creating opportunities for new affiliated minor league teams.
- C. Secure an Independent League Team** - Fewer requirements and lower barrier to entry for a team to join an independent league as compared to joining an affiliated league.



MiLB Mixed-Use Stadium Case Studies

Tulsa Arts District Deep Dive

OneOK Field Highlights:

Owner/Operator: Publicly Owned - Leased to Team

Development Timeline: 2008 - 2010

Capacity: 7,833

Project Cost: \$60 million (~\$110 million in 2024)

Funding: \$30 million in private donations, \$25 in public funding, \$5 million in multi-year team lease payments

Tulsa Arts District Highlights:

413	219	619,000	182,000
Multifamily Units	Hotel Keys	SF of Office	SF of Retail



MiLB & Baseball Stadium Headlines & Key Takeaways

✓ Securing an **affiliated minor league** team offers the best stability and return, but requires a long-term approach, often with no guarantee up front. A stadium in Waco, built to Professional Development League standards, puts the City in the best position to attract an affiliated MiLB baseball franchise.

✓ Affiliated and independent league teams have expressed interest in a stadium with an adjacent mixed-use district in Waco.

✓ Building a stadium in Waco puts the City in the best position to attract an affiliated MiLB baseball franchise. Securing an Independent League franchise can serve as a viable interim, or long-term option.

✓ To land an affiliated minor league team, the City and development team need to continue negotiating with ownership groups. **Buy-in from elected officials is needed to continue these efforts.**

2. Mixed-Use District Analysis

Situational Overview

Current Challenges

No existing adjacent retail, dining, and entertainment District

- Limited walkable compelling dining and entertainment options in the project area
- Limited connectivity to existing attractions
- Lack of walkable live-work-play development on the riverfront to elevate Waco as a destination

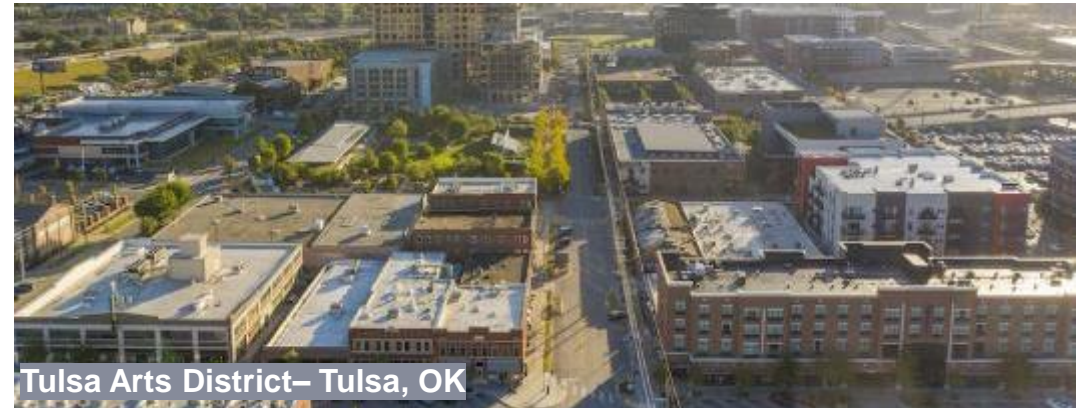


Mixed-Use District Overview

Case Studies

Hunden has detailed several districts to serve as inspiration for Waco. Key elements of a mixed-use district include:

- **Density** - Live-work-play offerings, including restaurants, bars, entertainment spaces, multifamily units, office spaces, hotels and public space.
- **Design** - Districts that infuse local culture into their design, landscaping, art and tenancy tend to result in more authentic and unique destinations.
- **Walkability** - create a space where visitors can truly spend an entire day without the need to walk far distances or hop in a car.
- **Gathering** - Public spaces contribute to placemaking - dedicated outdoor plazas or event spaces are often central to the district and an activated streetscape is important to the success of the district.



Commercial Market Findings



Legacy West - Plano, TX



The Battery - Atlanta, GA



The Domain - Austin, TX

Retail/Restaurant Demand: High

- **District Best Practices:** Dynamic bars and “Eatertainment” facilities focused on the consumer experience and immersive sport-centered and lifestyle retail. Make it local.
- **Waco Insights:** High demand for urban, specialty-oriented grocery stores and entertainment-based restaurants for all demographics.

Office Demand: Moderate

- **District Best Practices:** Office spaces infuse activity into the districts during non-event hours and help support the retail and restaurants in the district.
- **Waco Insights:** Waco currently lacks quality office inventory needed to attract corporations into the downtown core. Hunden does not recommend building office on spec, but the district is likely to attract interest in office space over time, as seen in comparable case studies across the country.
- **Financing Challenges:** Construction costs and interest rates pose challenges for the private sector.

Multifamily Demand: High

- **District Best Practices:** Amenity-driven studio, 1, and 2-bedroom units with street-level commercial
- **Waco Insights:** Brokers and developers indicated the demand for downtown quality products, but the lack of downtown demand drivers has been viewed as a barrier for tenants paying their rental rates without walkable entertainment assets.
- **Financing Challenges:** Construction costs and interest rates pose challenges for the private sector.

Phase 1A Programming & Model Assumptions

The table on the right provides the program upon which the economic, fiscal and employment impacts are based.




Waco Mixed-Use District - Initial Market Programming

Use	Phase 1A	Unit
Multifamily	300	Units
Retail & Restaurants	105,000	Square Feet
Office	125,000	Square Feet
Small Entertainment Venue (Non-PAC)	1,000	Ticketed Capacity

Source: Hunden Partners



3. Convention Center & Headquarter Hotel Analysis

An aerial architectural rendering of a city development project. The scene shows a dense cluster of modern buildings, including a large convention center and a headquarter hotel. The buildings are rendered in a semi-transparent blue color, allowing the underlying city grid and surrounding urban environment to be visible. A river or canal flows through the lower-left portion of the image, with a bridge crossing it. The overall atmosphere is professional and futuristic, typical of urban planning presentations.

Recipe for a Successful Convention Destination

- **Modern convention center sized for the market**
- **Quality walkable hotel rooms**
- **Strong demand drivers**
- **Modern connected headquarters hotel**
- **Walkable retail, dining, and entertainment district**
- **Professionally managed convention center**

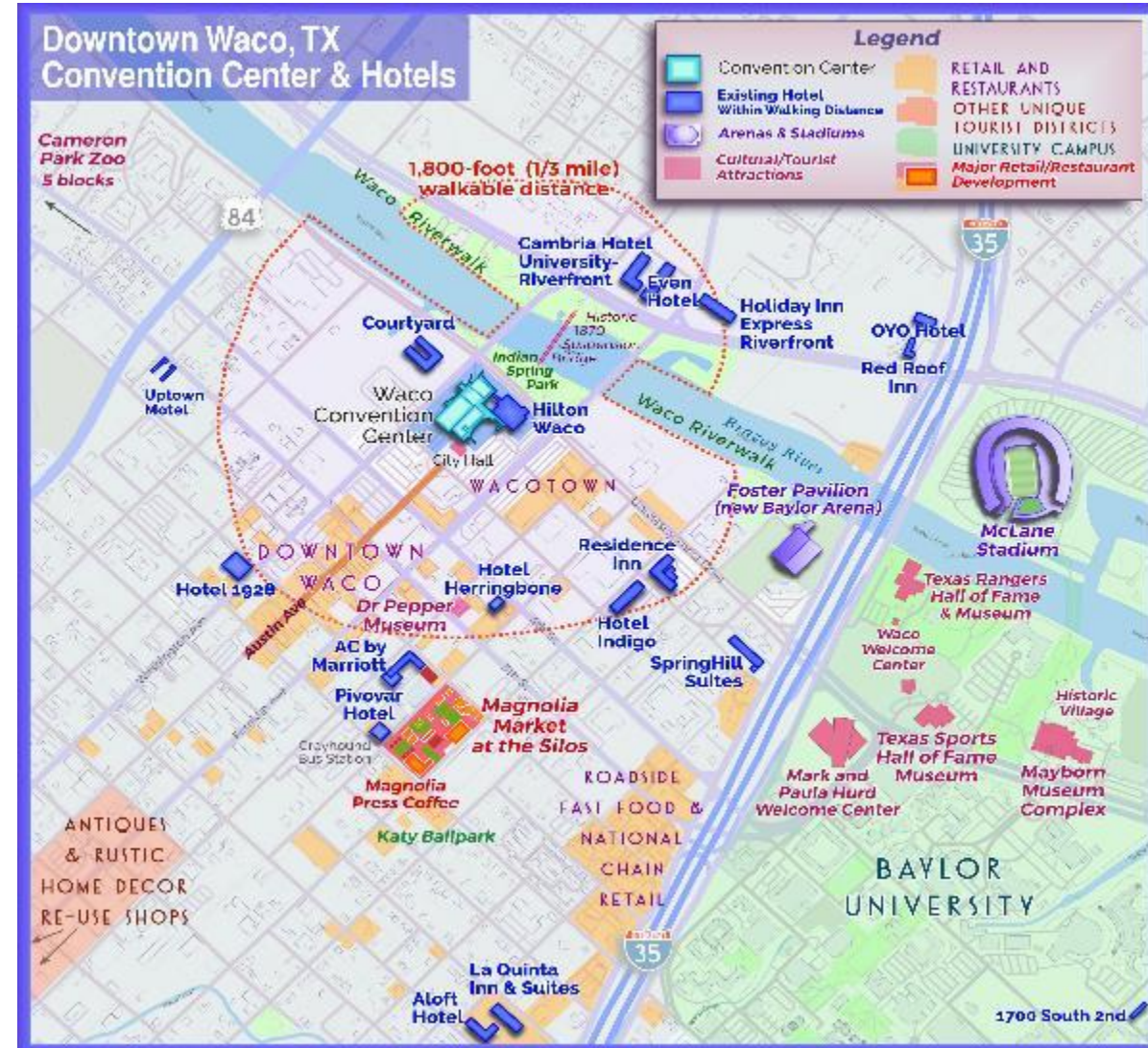


Situational Overview

Current Challenges

Meeting planners seek cities with large, connected hotels and a strong walkable amenity package. Challenges include:

- Undersized convention center - lacking ample exhibit, ballroom and breakout meeting space
- Market analysis and interviews with regional meeting planners established need for a larger convention center
- Significant lost business - configuration of existing convention center and limited hotel capacity
- No connected modern headquarter hotel with necessary room blocks and function space
- The existing Hilton Waco is connected but only has 195 rooms, insufficient function space and dated amenities
- Eight walkable hotels with more under construction but still underbuilt compared to competitive destinations



Headquarter Hotel Industry Trends

Design and brand are important components and can make a destination more competitive

- Strong push towards “urban resorts” with high-end amenities
- Newer hotels want to appeal to the leisure and convention visitors

Construction costs are high and can vary significantly

- \$550K - \$600K+ per key but highly dependent on site and program

Virtually all Headquarter Hotels are publicly subsidized

- The national average is about 40% of the capital cost of the hotel
- Hunden projects that the Waco hotel will require a ~35% subsidy
- Team has developed a strategy using available tools to create a path forward

Market wide lift of all hotel rates when HQ Hotel introduced



Waco Headquarter Hotel Recommendations

- **Room Count:** 350 Rooms
- **Strong Brand.** Omni, Marriott, Hilton, or Hyatt. These brands have a proven track record of convention headquarter hotels.
- **Food and Beverage.**
 - Primary full-service lunch/dinner restaurant \$\$\$ or \$\$\$\$
 - Three-meal casual restaurant
 - Coffee bar/shop and breakfast grab/go area
 - Lobby bar and lounge area
- **Function Space.** 28,000 square feet of total function space
- **Amenities.** Spa and pool, fitness center, and services that cater to the business traveler like complimentary Wi-Fi and a business center.



Headquarter Hotel & Convention Center Key Takeaways

- **A publicly financed convention center** - commonly financed through public bond offering or other public funding tools.
 - *Projected Facility Construction Cost: **\$285 million***
- The convention center and HQ hotel should be opened at about the same time - important to the success of each
- **A Public-Private Partnership for the HQ Hotel** - A private developer is responsible for financing a significant portion of the project with equity and debt.
 - *Projected Facility Construction Cost: **\$202 million** with a **\$69 million funding gap***
- The public sector contributes capital to the project using financing tools available to it
 - TIF/TIRZ funds
 - HB 4347
 - PFZ
 - 380 Agreements



The OKC Convention Center was 100-percent publicly financed through MAPS 3, which included a one percent increase in sales tax.

The Omni Oklahoma City was financed with \$156 from the private sector and \$85 from the public sector – 605 keys.

Phase Two Programming & Model Assumptions

The table on the right provides the program upon which the economic, fiscal and employment impacts are based and includes the addition of the convention center, headquarter hotel, and additional commercial development.



Waco Mixed-Use District - Phase Two Market Programming

Use	Phase 2	Unit
HQ Hotel	350	Keys
Convention Center	160,800	Leaseable Square Feet
Multifamily	300	Units

Source: Hunden Partners



Waco Convention Center Recommendations

Based on analysis of the regional competitive set, lost business reports and interviews, Hunden recommends the Waco Convention Center to increase to roughly 161,000 square feet of net function space.



Waco Convention Center Recommended Program

Current Footprint

Convention Center	SF	Divisions
Exhibit Hall	47,976	3
Ballroom	13,818	6
Meeting	18,515	18
Total Function Space	80,309	24

New Recommended Footprint

Convention Center	SF	Divisions
Exhibit Hall	90,000	3
Grand Ballroom	30,000	6
Junior Ballroom	12,000	4
Meeting	28,800	18
Total Function Space	160,800	28
Total Function Space	160,800	-
Gross SF	357,000	-
Est. Cost	\$ 285,600,000	-

Source: Hunden Partners

An aerial architectural rendering of a city development project. The scene shows a river in the foreground with several boats. The middle ground is filled with various building footprints, some with green roofs, and a large green field. The background shows a dense urban grid with taller buildings. The entire image has a blue tint.

4. Summary Recommendations & Economic Impact

Economic Impact Summary

Projected State Taxes:

Sales Tax (6.25%)
Hotel Occupancy Tax (6.0%)
Mixed Beverage Tax (14.75%)

Projected City Taxes:

Sales Tax (1.50%)
Hotel Occupancy Tax (7.0%)
Mixed Beverage Tax
Property Taxes - City Portion

Minor League Baseball Stadium

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partners

- **\$588 million** in net new spending
- **\$297 million** in net new earnings
- **347+** net new permanent jobs
- ***\$6.6 million** in local taxes generated (over 30 years)

Baseball Stadium Impact Analysis is based on high-level assumptions from various performance metrics of MiLB and unaffiliated franchises/stadiums.

In addition, if the stadium is developed within a 10-year window of the convention center, state taxes on spending within the stadium can be captured within the corresponding timeframe.

Mixed-Use District (Phase 1A)

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- **\$1.06 billion** in net new spending
- **\$1.02 billion** in net new earnings
- **1,268+** net new permanent jobs
- **\$24.2 million** in local taxes generated (over 30 years)

Convention Center & Headquarter Hotel

hunden
partners

- **\$1.44 billion** in net new spending
- **\$763 million** in net new earnings
- **703+** net new permanent jobs
- **\$56.8 million** in state taxes generated (over 10 years after Phase Two)
- **\$60.5 million** in local taxes generated (over 30 years)

Note: Projections shown in net present value

FINANCIAL INVENTORY AND MODELING

Informs recommendations about what can be achieved and how soon

Existing sources for strategic deployment:

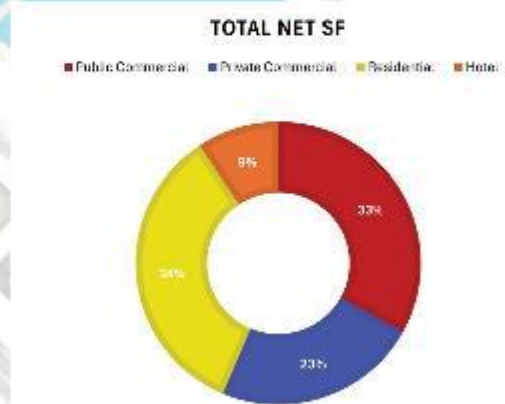
- Water/Wastewater/Drainage Funds where applicable
- TIF/TIRZ funds
- HB 4347
- QHP Resources
- Capital Improvement Program

Additional sources to bring into the project:

- Project Finance Zone Designation
- Floodplain, Park, and Transportation Grants
- 380 Agreements



- PRIMARY STUDY AREA
- ADDITIONAL AREA OF STUDY
- PUBLIC COMMERCIAL
- COMMERCIAL OFFICE
- RESIDENTIAL
- HOTEL
- STRUCTURED PARKING
- EXISTING
- EXISTING & FUTURE LANDMARKS
- P3 DEVELOPMENT



PHASING STRATEGY

Council Approvals at Each Step Within (Design, Bidding, Construction)



PHASING STRATEGY

Council Approvals at Each Step Within (Design, Bidding, Construction)



Council Approvals at Each Step Within (Design, Bidding, Construction)



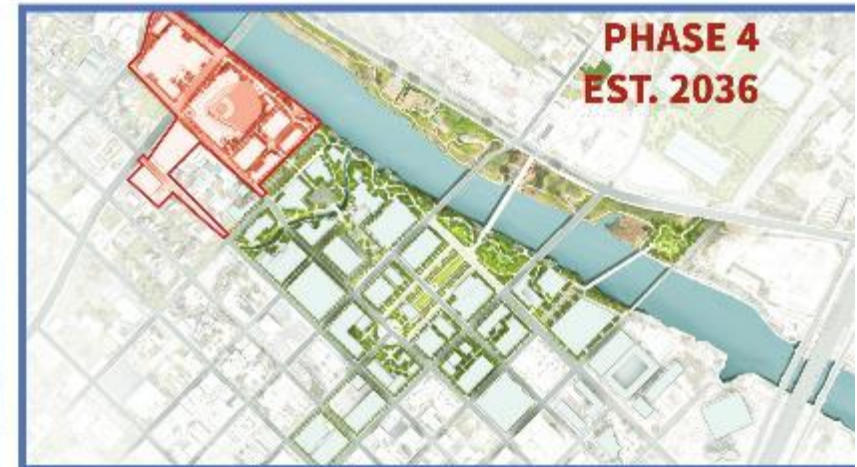
PHASING STRATEGY

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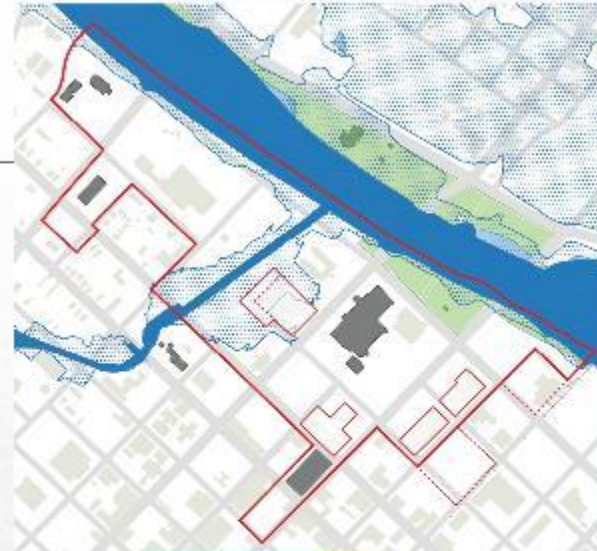
PHASING STRATEGY

Council Approvals at Each Step Within (Design, Bidding, Construction)



GETTING STARTED

- **Phase 1A enabling infrastructure is critical to starting the project in a way that can fuel itself to keep going.**
- Moving into:
 - Updated design/cost deliverables
 - Utility and street capacity to enable development
 - Early placemaking and community space
 - Private development marketing and due diligence
 - Continuous public engagement
 - Council updates at least quarterly



An aerial photograph of a city development project. A large, irregularly shaped area in the center is highlighted with a red outline and labeled 'PHASE 1A'. This area contains several large, interconnected building footprints and green spaces. To the north of this area is a baseball field. A river or canal flows through the center of the site, separating the red-outlined area from the rest of the development. The surrounding city is shown in a light, semi-transparent style, with streets and other buildings visible.

PHASE 1A

\$167M

DESIGN START
June 2024

CONSTRUCTION START
June 2025

TARGET OPEN
November 2027

\$167M total city investment for phase

- 40% directly ties to DIP recommendations
- \$68M is funded by the associated enterprise funds
- \$99M is developer financing offset by TIF1 funds already forecasted for 2028

New revenues unlocked by this investment

- TIRZ: \$368M (NPV) over 50 years in taxes (2.2.x return)
 - 63% (\$230M) contributed by City of Waco
- School district: \$312M (NPV) over 50 years in taxes

BREAKDOWN OF PHASE 1A

Fundamental Improvements (% of Cost):

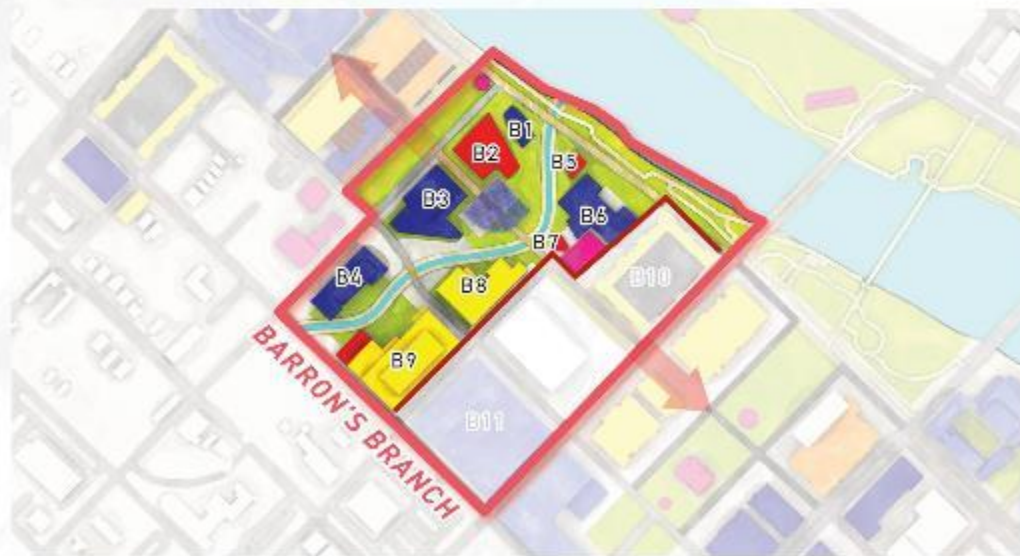
- Floodplain & Drainage (11%)
- Water Utilities (14%)
- Waste Water Utilities (14%)
- Streets (22%)
- Parks Investments (39%)

La Pila Plaza/Calle Dos/Barron's Branch Amenities



Unlocking New Resources:

- Sites B1 – B9 (1.25M sf) unlocked for private investment along Barron's Branch and riverfront to enliven public space





WHAT IT MEANS FOR WACO'S FUTURE

Preparing for Phase 1A:

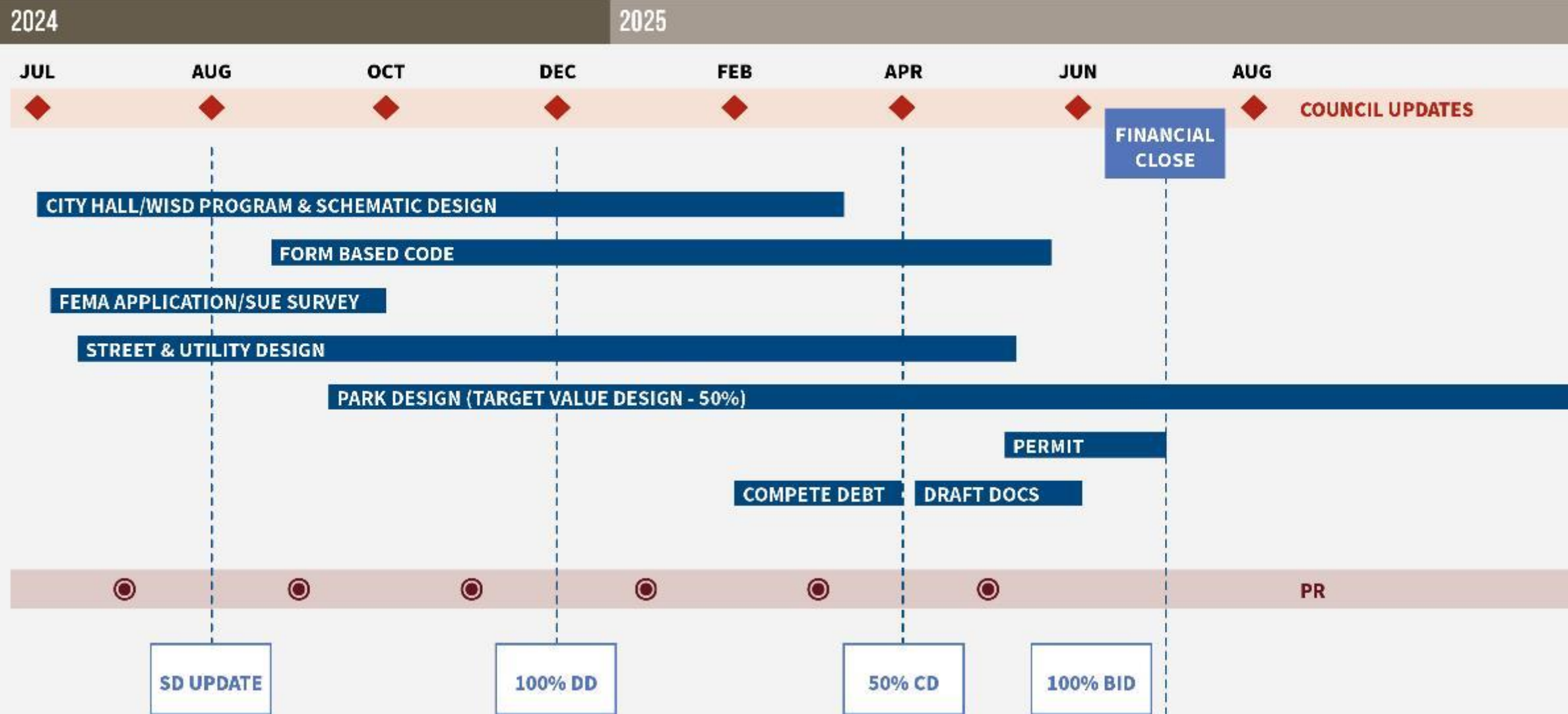
- Design Cost: \$11.75M
- Overall City Cost to Develop 1A: \$167M

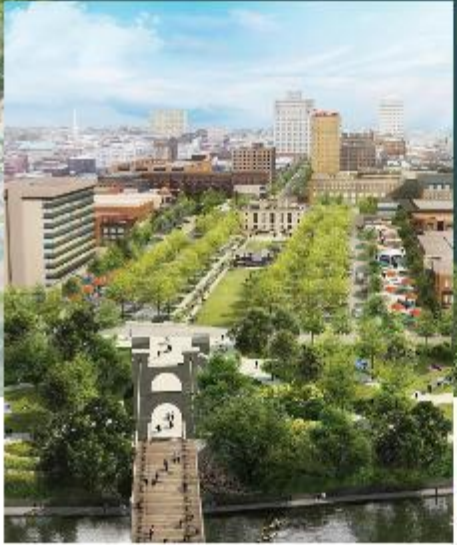
Benefits:

- \$368M to TIF 1 and \$312M to WISD in new Tax revenues over 50 years
- Calle Dos, Barron's Branch Creek Walk, La Pila Fountain
- Unlocks other phases, including City Hall
- Attracts private investment to riverfront parcels



PHASE 1 A TIMELINE





DOWNTOWN WACO MASTER DEVELOPMENT QUESTIONS & ANSWERS