TEXAS HISTORICAL COMMISSION
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TOWN SQUARE INIT
ESTD. 2014

Bastrop, TEXAS | 921 Main St. | October 2016

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The Town Square Initiative

About TSI

The Town Square Initiative (TSI) is a new approach by the Texas Historical Commission to holistically address the challenge of vacant and underutilized historic properties. The TSI team provides services to spur preservation-based projects so that local, small-scale and high-quality development becomes more achievable in Texas downtowns. TSI's work is guided by a place-driven and market-informed philosophy meaning that we focus on supporting viable redevelopment projects in communities that are strongly motivated by enhancing the quality of place in their downtowns.

TSI operates as an affiliate of the Texas Main Street Program, a preservation-based downtown revitalization effort with a 35-year history of success. An interdisciplinary team with expertise in architecture, planning, and economic development provides specialized project assistance with a focus on:

- Conceptual design and financial feasibility studies for vacant and underutilized historic properties that are place-driven and market-informed.
- Coordinated downtown planning strategies to address development barriers in order to make it easier for local property owners and entrepreneurs to invest in their downtowns.
- Increasing and influencing the market exposure of available properties in downtowns across Texas including attracting investors who value historic architecture and the special qualities of each community.
- Providing information, education, and resources on best practices that have a positive impact on local policy and decision-making.

Intended Use

The feasibility study for 921 Main Street in Bastrop, TX, was prepared by the Texas Historical Commission's Town Square Initiative team at the request of the Bastrop Main Street Program and the property owner, the Bastrop Economic Development Corporation (BEDC). This is a preliminary study and is not intended for permitting or regulatory approvals. It should be used as a suggested direction and superceded by recommendations made by licensed design professionals employed by the owner or potential owners of the subject property. No guarantees are implied as to the existing nor proposed conditions and configurations of the parcel, the economic viability of the suggested course of action and funding possibilities, nor any explicit nor implied regulatory approvals.

TSI team members:
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October 17, 2016

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TOWN SQUARE INIT
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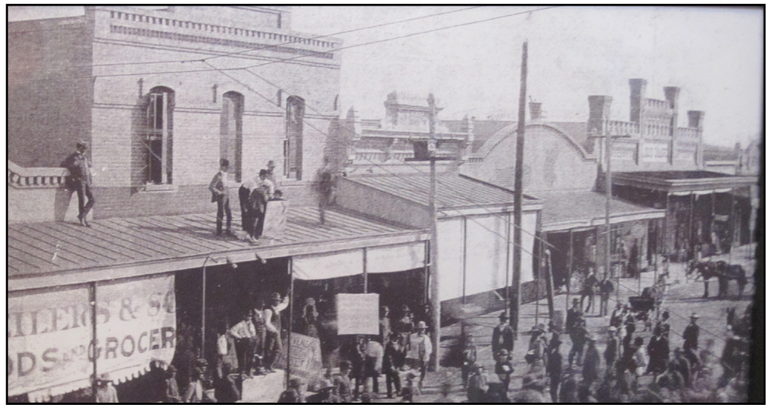


C. 1900

C. 1976

2016

Overview

An application for a feasibility study was submitted to the Town Square Initiative team on June 17, 2016, for the vacant lot at 921 Main Street by the Bastrop Main Street Program. Working in collaboration with the Bastrop Economic Development Corporation (BEDC), the entities are interested in seeing potential re-use options for the vacant lot which holds significant historic meaning in downtown. Its future has been the source of debate for the community with some believing the lot should remain public space while others would prefer to see the site redeveloped.

TSI was directed to explore opportunities for both a public gathering space and infill redevelopment on the site. After examining both, the study proposes a mixed use building with four residences and two ground floor retail spaces. Ultimately the decision is the community's, but the TSI team recommends pursuing infill construction for several reasons:

1. This site historically always had a building. Appropriate redevelopment of the lot completes the urban pattern on Bastrop's most historic commercial street.
2. Downtown urban style residential is needed and encouraged by city policy. This is an opportunity to implement the vision for "alternative mixed housing" in downtown.
3. While a public plaza can draw people and increase activity, it requires consistent programming and maintenance to be successful. The national non-profit, Project for Public Spaces, attributes the success of public spaces to programming and management. In fact, they state, "management contributes as much as 80% to the success of a public space, and is key to ensure that a space is safe, comfortable, and well-used."[1] For Bastrop to pursue 921 Main as a public space, some entity would need to be committed to providing both programming and management in order for it to be successful in consistently drawing large numbers of people and activity. This is an ongoing expense and requires staff time. Conversely, infill construction offers two additional opportunities for new retailers on Main Street and four new urban residences, which will provide street activation, energy around the clock and an additional $500,000+ in property tax valuation. Private reinvestment along with new retailers and residents in the core outweighs the impact from a minimally programmed public space.

1 Project for Public Spaces, Public Space Services, http://www.pps.org/services/multi-use-destination/.

Site History

1866—Cayton Erhard relocates Texas' first drugstore, C. Erhard and Son Drug Store, from San Marcos to this location in 1866. Early photos show a plain arched façade with a metal pole-supported canopy.

1980—The store remained in operation until January 26, 1980, when an early morning fire began in the adjacent meat market and spread to the drug store. Both buildings were gutted; the Italianate façade of the meat market remained standing while the entire drug store, including its Spanish colonial façade was consumed. Both buildings were restored: the meat market now home to Baxter's on Main looks much the same as it did at the time of the fire. The drug store was rebuilt.

2003—The building continued in use until May 13, 2003, when an early morning fire again caused extensive damage to the building. After several years in which no effort was made to demolish/rebuild, the City requested and the owner undertook demolition. The then-stable back wall was left standing and a concrete slab was poured at sidewalk level over the old foundation.

2009—The site remained in that condition until 2009 when the City acquired the entire tract, running full depth from Main Street to Water Street, with the intention of expanding the City parking lot on Water Street. No plans were made for the use of the western portion, the site of the demolished building.

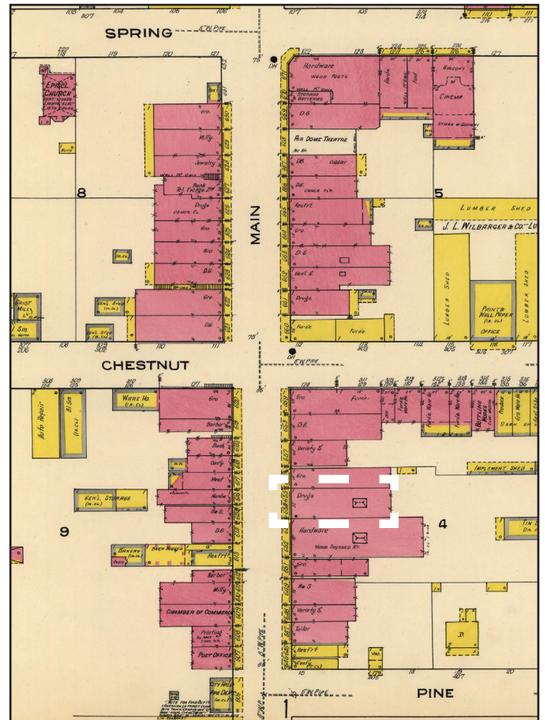
2010—The Bastrop Main Street Program proposed the building site be repurposed for a public gathering space as well as a gateway from the heart of Main Street to Water Street parking. The Main Street Program proposed a site development plan that included construction of a stylized metal framework resembling the earliest façade. At the same time, the Bastrop Economic Development Corporation proposed that the site be sold for commercial development. City Council took no action on either request.

2013—The Bastrop Downtown Business Alliance was permitted to use the vacant lot for public events. A lease agreement was signed and, for a time, the site saw several instances of such use. Electrical service was upgraded; a stage was set up; metal uprights on the were installed on the perimeter to support lighting and possible sail shades and a movable iron decorative fencing was added to the Main Street side of the lot to close access to the lot when not in use.

2016—Progressive deterioration of the rear wall and the discovery of site drainage issues negatively affecting the structures on both sides of the lot prompted the City to rescind the use contract and bar access. The BEDC purchased the lot from the city in summer 2016 and the Main Street Program and the Downtown Business Alliance are both pressing for mitigation of issues and redevelopment.

Center. The land valuation is shown for 921 in comparison to its neighbor, 919 Main, the popular Baxter's location.

Far Right. Sanborn map from 1921 illustrates the prominence of this site historically.



Code Considerations

In 2014, the Bastrop City Council adopted a clear and vibrant vision for downtown that takes advantage of its regional location and historic fabric to transform it into a true "urban neighborhood." In 2015, the Council adopted the *Downtown Bastrop Form-Based Code* to implement the vision for a more "walkable, vibrant, mixed use neighborhood." The Historic Main Street corridor is a core part of the code, largely setting the tone for the urban design and development standards throughout the greater downtown area. 921 Main Street is an important infill site and, while the Main Street corridor is part of the local historic district and regulated by the historic preservation overlay, infill construction is largely shaped by the new form-based code. Essential code requirements for infill construction include:

Character Zone

The site lies in the Historic Main Street (HMS) character zone which is intended to preserve and enhance the existing historic character. Infill is required to be consistent with the historic character as outlined in the specific developed standards in the form-based code which include a 2-story maximum height, 12' first floor height minimum, and 80% minimum frontage build-out.

Parking

- In the HMS zone, all non-residential and ground floor commercial ready spaces require 1 per 500 sf of building area. Residential uses require .5 spaces per each dwelling unit.
- An administrative modification may be requested to reduce the number of required spaces based on a shared parking plan within 1,320', a parking study or availability of on-street space.

Commercial Ready Standards

Ground floors of all new construction buildings with a Primary Frontage designation in the HMS zone are required to be built to Commercial Ready standards in Section 7.0. which include:

- An entrance that opens directly onto the sidewalk;
- A height of not less than 12 feet measured from the entry level finished floor to the bottom of the structural members of the ceiling;
- Minimum leasable width of 20 feet wide;
- A front façade that meets minimum glazing requirements; and,
- No off-street surface parking between the sidewalk and the building along Primary frontages.

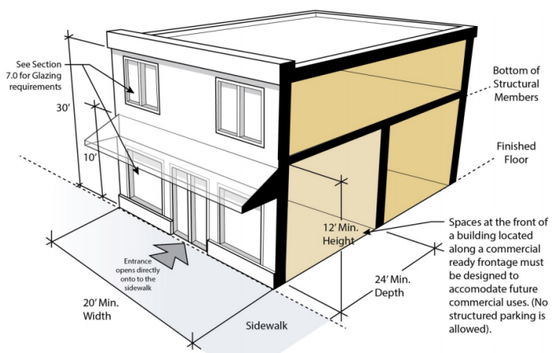
Façade Composition

- Buildings are required to maintain the traditionally prevalent façade rhythm of 20'-30' and must be designed with a distinct base, middle and top.
- Infill buildings are required to maintain the alignment of horizontal elements along the block.
- The ground floor is required to have a minimum facade transparency of 40%.
- At least 75% of each street facing façade (except alleys) of all new buildings (excluding doors and windows) shall be externally finished with the traditionally used material of masonry (brick, stone, marble, granite, etc.).

Shading

- Shaded sidewalks shall be provided alongside at least 50% of building facades on the Historic Main Street corridor. Shading can be provided through any combination of canopies, awnings, street trees and other similar devices.

March 24, 2015



Above: Details from Bastrop's Form-Based Code *illustrating commercial ready requirements and distinct base, middle, top design requirements.*

Preliminary Code Analysis

Verify with local building official before taking any action.

Zoning: Historic Main Street

Building codes:
2009 International Building Code
2009 International Mechanical Code
2009 International Plumbing Code
2011 National Electric Code

Assumed construction: Type III-A, sprinklered

Lot Size (assumed): 5600 sf (.1286 acres)

Floor area ratio: 1.85

Total square footage: 10,384 sf

Parking required: Commercial: 1 per 500 sf = 8
Residential: .5 per unit = 2

Occupancy: B or M and R-2

Occupancy Load:

Occupancy	Rate	SF	Occupant Load
M	60 gross	3854	64
R-2	200 gross	6530	33
		Total	97
or			
B	100 gross	3854	39
R-2	200 gross	6530	33
		Total	72

Feasibility Analysis

The Opportunity

The vision for downtown Bastrop articulated in the 2015 *Form Based Code* is a "true urban neighborhood" that is compact, mixed use and pedestrian-friendly while maintaining the historic character and scale. Integrating new housing options that are compatible with and enhance the existing downtown urban feel is a key strategy. The code encourages a variety of housing types including small-scale mixed use, live/work units, townhomes and single family detached.

A market analysis completed as part of the form-based code process in July 2014 included a detailed housing demand study which provides some guidance on the number of units, square footage and rental rates that the Bastrop area market can support annually.[1] The study finds an annual potential demand of 119 new single family homes and 171 rental units. In terms of rent, the average rent for non-owner occupied residential across the study area was $767.11 with an average square footage of 926. While the study shows the greatest demand in the $500-$750/unit range, there is a need for additional units across all income levels. The study also finds high levels of occupancy in the study area. It concludes that there is likely not demand for traditional multi-family development in Bastrop, but there is demand for alternative mixed housing that can be integrated into the historic downtown fabric. Given Bastrop's close proximity to Austin and lower rental costs, mixed residential in Bastrop would be an attractive alternative to the creative class and young families considering relocating to the Austin region.

921 Main Street is an opportunity to demonstrate the vision that is desired for the downtown—to add small-scale alternative mixed housing that can strengthen the urban neighborhood feel. TSI's conceptual plan features a 10,384 sf mixed use building. The ground floor is comprised of what can be divided into two commercial spaces totaling 3,874 sf and one ground floor residential unit in the rear (1080 sf). The second floor features three residences (1080-1280 sf) organized around an exterior courtyard. The second floor is accessed from a side stairwell opening to Main Street and the rear alley. At around $120 sf, the interiors are planned to be middle to higher end finishes.

Putting the Best Project Together

There are many ways an infill project could be structured for this desirable lot in downtown. It will be up to the local community, the Main Street program and the BEDC to determine how they want to seek development proposals and how to ensure performance standards are met so that the project contributes to downtown's quality of place over the long-term. The Town Square Initiative has analyzed the development potential using two scenarios:

1.) A mixed use program that includes the assessed value of the land ($170,240) and remediation (up to $120,000) as a cost to a developer[2]; and,
2.) A mixed use program that uses the value of the land and cost of remediation as a performance-based incentive.

Both scenarios make the following assumptions in determining the financial feasibility:

- Residential rents are set at approximately $13/sf annually, about 10% higher than the current average lease rate. This is because these will be a high quality finish-out in a premium downtown setting.
- Commercial rents are set at $18/sf annually which is consistent with current average lease rates.
- A 25-year construction loan with a interest rate of 5% can be utilized at 75% loan-to-cost (LTC) ratio.
- The down payment is estimated at 25%.
- Construction is masonry Type III-A; walk-up building without elevators.
- Refinancing is available in year three and assumes a 30-year loan at 4.5%.
- The project anticipates 100% occupancy because of existing demonstrated demand for urban style residential and premium retail space.
- Developer fees are deferred and used as equity.

The project will barely cash flow as mixed use new construction when incorporating the market value of the land and the remediation expenses into the total project costs. However, this means that these expenses, which are normally the responsbility of the private sector, become an attractive incentive tool for the BEDC. It is recommended the BEDC and Main Street program consider using the value of the land plus remediation as a performance-based financial incentive to ensure a commitment on the part of the future developer to a project that contributes to the vision for downtown Bastrop. Page 8 provides the cost, revenue, debt service and financing details for this second scenario (it is also summarized in the sidebar). TSI's analysis finds a comfortable debt service ratio (1.7, where 1.25 is generally the accepted minimum for financing), as well as the ability to quickly recoup the initial equity investment and pay deferred development fees.

Because the project cash flows and the BEDC has the land as an incentive, TSI recommends creating a request for proposal to solicit interest from a development partnership where at least one of the partners is interested in long-term ownership of property, especially as owner-occupant—such as a local business owner who would occupy commercial space on the ground floor and live upstairs. This ensures a commitment to the quality of the project as well as a commitment to doing the right thing for downtown Bastrop.

921 Main Street Development Cost Summary

(Using the land value and remediation costs as an incentive, estimated at $270,244.)

Project Costs	
Hard Costs	$925,593
Soft Costs	$290,752
Total	**$1,216,345**
Sources of Funds	
Developer Equity	$152,044
Investor Equity	$152,044
Debt (75%)	$912,259
Total	**$1,216,345**
Income (Years 1-3)	
Gross Income	$129,600
Operating Expenses	($38,880)
Net Operating Income	$90,720
Debt Service	($63,996)
Cash Flow After Debt Service	**$26,724**
Investor/Developer Distributions (year 3+)	
At refinance (yr 3)	$150,000
Cash flow (yr 4+)	$41,717

1 Marketing Analysis for Downtown Bastrop by Catalyst Commercial and Gateway Planning, 2014. http://www.cityofbastrop.org/upload/page/0105/docs/Bastrop_MarketAnalysis%20Final%20Edited%207%2021%2014%20(LQ).pdf

2 The BEDC has estimated the cost of remediation between $80,000 and $120,000. This scenario uses $100,000 as an estimate.

Feasibility Analysis: Scenario 1 (Includes Land Value + Remediation)

Scenario 1 will cash flow during the construction loan financing and after year three, when refinanced at a lower rate. However, the more equity is needed upfront and investment partners would see very modest returns in the first few years. It could take more than eight years to recover the initial investment.

A. Project Costs

	$/Project	$/Land sf	$/Bldg sf
Land Cost (assessed BCAD tax value)	$170,244	*$30.40*	
Site Remediation (estimate from BEDC)*	$100,000	*$7.14*	
Land Costs Sub Total	**$270,244**	*$48.26*	***$26***
Hard Construction Costs - Commercial Conditioned	$327,870		*$105*
Hard Construction Costs - Residential Conditioned	$450,463		*$123*
Hard Construction Costs - Unconditioned	$147,260		*$74*
Hard Costs Sub Total	**$925,593**		***$89***
Soft Costs Sub Total	**$290,752**		***$28***
Total Project Costs	***$1,486,589***		***$143***

B. Gross Operating Income

	Rate (per SF)	Cond. SF	Monthly Rent	Annual Rent
Commercial Unit # 1	$1.50	1,400	$2,100	$27,000
Commercial Unit # 2	$1.50	2,474	$3,700	$27,000
Ground Floor 2 Bed/1 Bath	$1.10	1,080	$1,200	$14,400
FL 2 2 Bed/1 Bath + Courtyard	$1.10	1,080	$1,200	$14,400
FL 2 2 Bed/2 Bath + Courtyard	$1.10	1,280	$1,400	$16,800
FL 2 2 Bed/1 Bath + Courtyard/Main Street	$1.10	1,080	$1,200	$14,400
Building Total		***8,394***	***$9,600***	***$129,600***

C. Net Operating Income in Year 1

Gross Potential Income	$129,600
Occupancy Rate	95%+
Gross Operating Income	$129,600
Operating Expenses (30% GOI)	($38,808)
Net Operating Income	***$90,720***

D. Cash Flow and Debt Service on Construction Financing

Sources of Funds		
Down Payment/Equity	30%	$445,977
Debt	70%	$1,040,612
	100%	$1,486,589
Monthly Payment (P&I) on Debt		($6,083)
Annual NOI		$90,720
Annual Debt Service		($73,000)
Year 1 Cash Flow		***$17,720***

Construction Loan: Short-term/25 Yr Amortization
Interest Rate: 5%
Debt Service Coverage Ratio*: 1.24
Developer's Equity (Cash or Dev Fees): $150,000
Investor Equity: $295,977
*Note: Typically 1.25 minimum

E. Cash Flow and Debt Service At Refinance in Year 3

New Project Value (7% CAP)	$1,391,957
New Debt (70% LTV)	$974,375
Retirement of original debt	($974,915)
Net Operating Income	$97,437
Annual Debt Service	($73,000)
Year 3 Cash Flow	***$23,898***

Permanent Loan: 30 Years
Interest Rate: 4.5%
Debt Service Coverage Ratio: 1.7
Distribution to Equity Partners: $23,898

F. Projected Annual Debt Service After Refinance In Year 4

New Project Value (7% CAP)	$1,391,957
Gross Operating Income	$141,617
Operating Expenses	($40,656)
Net Operating Income	$100,961
Annual Debt Service	($59,244)
Year 4+ Cash Flow	***$41,747***

Distributions: $40,000+ annually

Feasibility Analysis: Scenario 2 (excludes Land Value + Remediation)

Scenario 2 will cash flow during the construction loan financing and performs well after year three, when refinanced at a lower rate. There is the potential for $150,000 distribution at the time of refinancing and additional distributions of more than $40,000+ in year four and after. This provides the opportunity for a development agreement where a partner with a long-term commitment to downtown (entrepreneur/owner-occupant) would be able to buy out the developer.

G. Project Costs

	$/Project	$/Land sf	$/Bldg sf
Land Cost (assessed value)	$0	*$0*	*$0*
Site Remediation (estimate)	$0	*$0*	*$0*
Land Costs Sub Total	**$0**	***$0***	**$0**
Hard Construction Costs - Commercial Conditioned	$327,870		*$105*
Hard Construction Costs - Residential Conditioned	$450,463		*$123*
Hard Construction Costs - Unconditioned	$147,260		*$74*
Hard Costs Sub Total	**$925,593**		***$89***
Soft Costs Sub Total	**$290,752**		***$28***
Total Project Costs	***$1,216,345***		***$117***

H. Gross Operating Income

	Rate (per SF)	Cond. SF	Monthly Rent	Annual Rent
Commercial Unit # 1	$1.50	1,400	$2,100	$25,200
Commercial Unit # 2	$1.50	2,474	$3,700	$44,400
Ground Floor 2 Bed/1 Bath	$1.10	1,080	$1,200	$14,400
FL 2 2 Bed/2 Bath + Rear Balcony	$1.10	1,080	$1,200	$14,400
FL 2 2 Bed/2 Bath + Courtyard	$1.10	1,280	$1,400	$16,800
FL 2 2 Bed/2 Bath + Courtyard/Main Street	$1.10	1,080	$1,200	$14,400
Building Income Total		***8,394***	***$9,600***	***$129,600***

I. Net Operating Income in Year 1

Gross Potential Income	$129,600
Occupancy Rate	95%+
Gross Operating Income	$129,600
Operating Expenses (30% GOI)	($38,880)
Net Operating Income	***$90,720***

J. Cash Flow and Debt Service on Construction Financing

Sources of Funds		
Down Payment/Equity	25%	$304,086
Debt	75%	$912,259
	100%	$1,216,345
Monthly Payment (P&I) on Debt		($5,333)
Annual NOI		$90,720
Annual Debt Service		($63,996)
Year 1 Cash Flow		***$26,724***

Construction Loan: Short term/25 Yr Amortization
Interest Rate: 5%
Debt Service Coverage Ratio: 1.42
Developer's Equity (Cash/Dev Fees): $152,043
Entrepreneur/Owner-Occupant Equity: $152,043
*Note: Typically 1.25 minimum

K. Cash Flow and Debt Service At Refinance in Year 3

New Project Value (7% CAP)	$1,391,957
New Debt (70% LTV)	$974,375
Retirement of original debt	($854,664)
Net Operating Income	$97,437
Annual Debt Service	($63,869)
Year 3 Cash Flow	***$153,152***

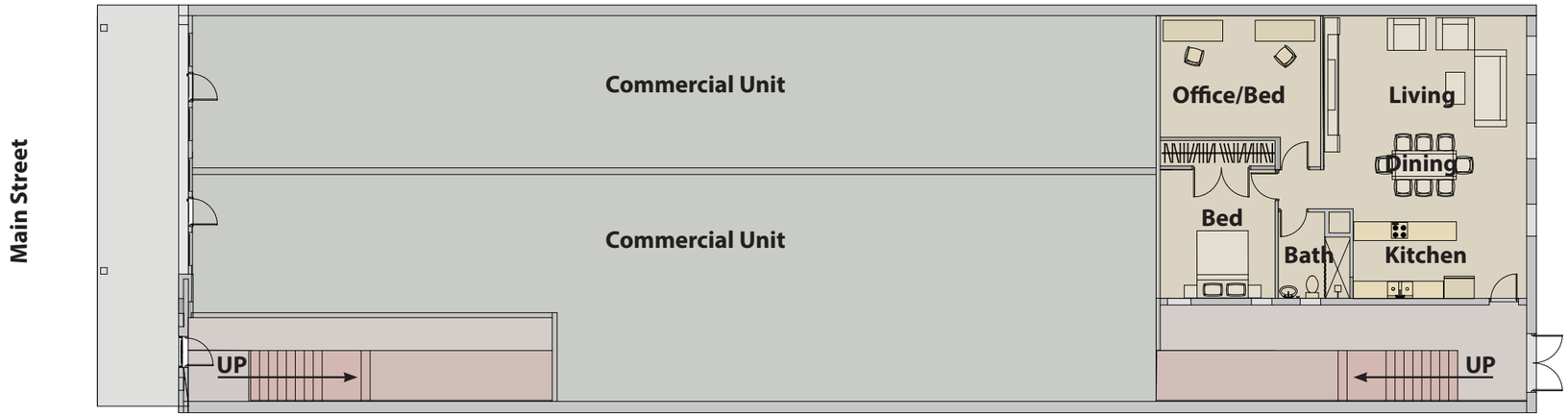
Loan Term: 30 Years
Interest Rate: 4.5%
Debt Service Coverage Ratio: 1.7
Distribution to Equity Investors: $150,000+

L. Projected Annual Debt Service After Refinance In Year 4

New Project Value (7% CAP)	$1,391,957
Gross Operating Income	$141,617
Operating Expenses	($40,656)
Net Operating Income	$100,961
Annual Debt Service	($59,244)
Year 4+ Cash Flow	***$41,717***

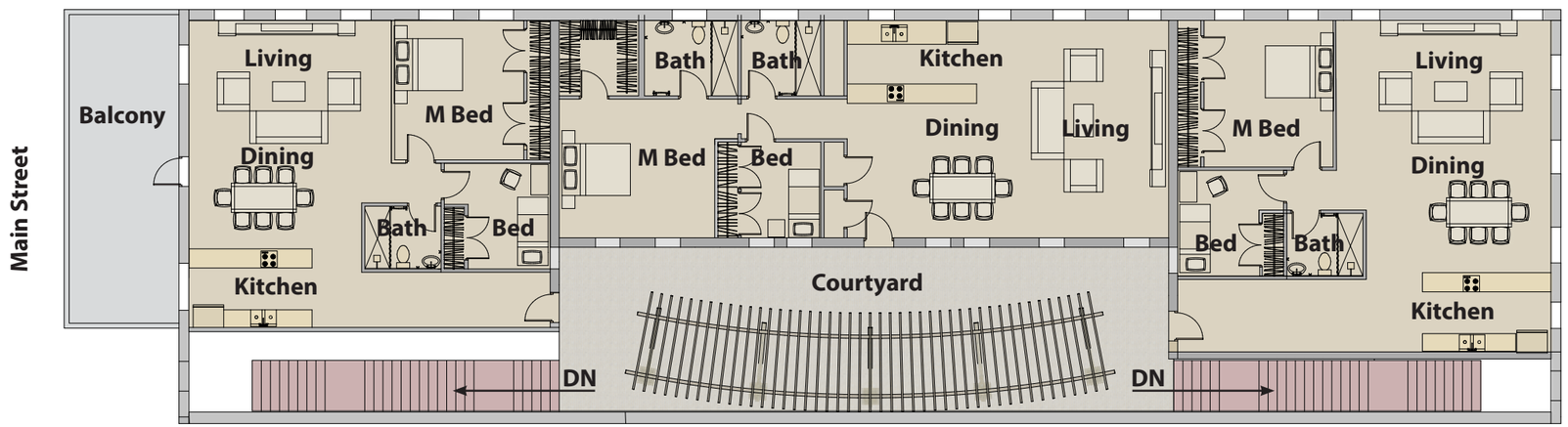
Distributions: $40,000+ annually

Proposed Conceptual Design: Floor Plans



Building Total: 10,384 sf

Floor 1	
Commercial Unit # 1	1,400 sf
Commercial Unit # 2	2,474 sf
2 Bed/1 Bath Residence	1,080 sf
Total	**4,954 sf**



Floor 2	
2 Bed/1 Bath Residence	1,080 sf
2 Bed/2 Bath Residence	1,280 sf
2 Bed/1 Bath + Main Street Balcony	1,080 sf
Total	**3,440 sf**

Proposed Conceptual Design: Architectural Style and Features

Traditional style infill construction.

Contemporary style infill construction.

Architectural Style

The two schematic design examples illustrate that Bastrop's form based code is flexible enough to allow for both a traditional (above left) and contemporary design (above right) while maintaining the sensibilities of placemaking the code intends. Bastrop's comprehensive plan crafts a vision for downtown to be a "true urban neighborhood" that is compact, mixed use and pedestrian-friendly while maintaining the historic character and scale, and the integration of new housing options is an essential strategy. Since both designs are possible under the Bastrop code, and given the community importance of the historic Main Street, the style of the building should be considered by the BEDC and Bastrop Main Street as part of any possible development agreement.

The existing historic character of the district is traditional with arched window and door openings, cast iron facade detailing, decorative ironwork, single and double galleries and a mix of one and story buildings. This is reflected in the traditional rendering, many of these same features are illustrated including the double gallery, arched window openings, iron detailing and decorative cornice. The contemporary design maintains the historic scale and traditional materials, but interprets the character defining features in a more inventive way.

There are four possible positions that fit the Secretary of the Interiors Standards[1] which call for "differentiated", yet "compatible" additions and infill construction in historic settings: *literal replication*, i*nvention within the same or related style*, *abstract reference*, and *intentional opposition*. Each have their advantages and disadvantages depending on the sensibilities of the community.

Literal replication ensures compatibility, but is generally viewed as being contrary to being respectful of the historic nature of the existing buildings because it is seen as being deceptive in trying to look authentically historic. This can lead to a 'Disneyland' character of the place overall because of the disconnect of a new thing trying to look old, and that inauthenticity can be sensed by the general public. While intentions are good and the place sensibilities are rigorously upheld, it actually lessens the value of the actual historic properties and is not generally supported as a viable option.

Invention within a style or related style sustains the architectural continuity and leans towards the compatibility end, and it is what most architect's favor. The idea is to maintain the same spirit of the buildings by using the same tools and design techniques, but allowing for new creative approaches while being respectful of the existing structures. This is represented in the proposed traditional design, which calls upon the existing context for inspiration, but is obviously a contemporary design.

The *abstract reference* approach seeks to recall the historic forms without literal resemblance to the historic style. This is the approach of the contemporary proposed design for this project. Also seeking a balance between differentiated and compatible but leaning towards the differentiated, this approach allows for a city to evolve and respond to the times while enhancing and not disturbing the already established sensibility of the place. Similar proportions, forms and massing are employed that reinforce the present placeness of a neighborhood while maintain-

1 "The Secretary of the Interior's Standards for the Treatment of Historic Properties," National Park Service, Department of the Interior. Accessed: https://www.nps.gov/tps/standards.htm.

Proposed Conceptual Design: Architectural Style and Features

ing authenticity and trueness to current ideals, materials and technologies. The challenge is to maintain the amount and quality of architectural detailing that is appropriate to the existing context, which is much more important than the style in determining the character of place.

In the proposed contemporary design, similar massing and sensibilities are employed with new materials and contemporary aesthetics. For instance, the double gallery appears in both proposals, but the contemporary version uses steel and flat roof lines to achieve the same spatial enclosure and language of place as the traditional proposal.

The last of the approaches is *intentional opposition* where a new structure is conspicuously in contrast to the existing fabric of a neighborhood. This is not a new approach as Andrea Palladio employed it to wrap Gothic architecture with new elegant arcades to highlight geometric irregularities of older buildings. This approach should only be used in select situations, which does not apply to this project.

The TSI team is ready and willing to be a part of the discussion about appropriate stylistic approaches for this and future infill projects to help the citizens of Bastrop realize their own vision of the identity of downtown. The recommendation of the team is for Bastrop to think about the downtown as a living organism that needs to evolve and grow in order to be its healthiest, and not to try to replicate historic buildings. For that reason, the path of *abstract reference i*s the preferred approach in this particular case.

Building Features

The residences at 921 Main are market rate with quality finishes and features that will particularly appeal to those looking for urban residential style living. The conceptual plans include a covered two-story gallery on Main Street, an exterior second floor courtyard and a one suggested reserved parking space per unit in the rear of the building. Some of the key features are a result of code requirements,

Architect's rendering of exterior courtyard (above) and interior view of second floor unit facing Main Street (below).

but they also illustrate how a well-designed building can blend and enhance the existing historic streetscape.

For example, the exterior courtyard on the second floor provides private outdoor space for all the units and serves as a welcoming oasis for gatherings, gardening and other activities not always available in a downtown setting. While an attractive feature for tenants, it also serves the practical purpose of providing the necessary fire ingress/egress for the second floor units. Furthermore, by providing a ground floor residential unit, the building does not need an elevator, which helps keep the construction costs affordable. The proposed schematic design options not only represent an

Aerial view of the proposed design of 921 Main illustrating scale and compatibility along the street.

outcome from the form based code, but they offer two ways of thinking about infill projects in Bastrop.

921 Main Highlights

- Two-story covered gallery
- Exterior 2nd floor courtyard access for all units
- Bedrooms with walls (this is not a loft style project)
- Private, secure entrance to 2nd floor
- Off-street reserved parking for residential

Existing character in downtown Bastrop.

Future View

As discussed previously, the vision for downtown Bastrop is a “true urban neighborhood” that is compact, mixed use and pedestrian-friendly while maintaining the historic character and scale. The integration of new housing options is an essential strategy. This project should set the standard for future infill in all of downtown and prove that is financially viable to do so.

This is an important parcel in downtown and careful consideration should be given to its future. It is one of two undeveloped lots in the two-block core between Spring Street and Pine Street. Historically, there has always been a building on this site, while the other lot, on North Main featured an outdoor theater. Infill construction on this site will complete the historic pattern of Bastrop’s core and is arguably the more historically appropriate use for the land. While the desired use for the site in the past has been a public plaza, which is even illustrated in the concept plans developed during the form-based code process, this analysis demonstrates that infill construction on the site is not only possible, but also financially sustainable. A plaza may have been considered as the only option before Bastrop’s market could sustain more premium lease rates and attract downtown residents, but now there is market demand for such a project and a community vision that states this is the type of development desired.

The feasibility analysis is only an initial step in demonstrating the potential for this project. The BEDC and the Bastrop Main Street program will want to proceed strategically with attracting the right developer. Even though a small-scale project, the amount of equity needed and the real estate sophistication necessary for such a project requires a certain level of development experience. It is recommended that the BEDC find a developer/investor who is not singularly motivated by the cash flow of their properties. It is imperative that this project be executed by someone committed to the community who understands the vision for the downtown neighborhood.

The BEDC and Main Street should consider:

- Using the land value an a performance-based incentive to draft a request for proposal (RFP) and eventually structure a development agreement with someone who understands and appreciates Bastrop’s historic core and the greater downtown vision.
- Drafting criteria in the RFP that would reward an investor/developer who has experience “curating” or matching businesses with particular spaces in their buildings and presents a plan that would bring a desired business type to this building; or,
- Criteria that would pair an interested entrepreneur with an experienced investor/developer where the entrepreneur would take over long-term operation and ownership of the building while the developer provides the necessary development/construction expertise.

In such a scenario, the entrepreneur contributes part of the equity, and the developer contributes the rest, along with securing financing. The development partner manages construction and agrees to be bought out. The cash flow from this project appears significant enough to allow that to happen quickly depending on the amount initially invested by both partners. Owner-operators are more likely to maintain and improve the value of their properties over time because they are typically more invested in the community than absent owner-investors.

This is an exciting opportunity for Bastrop to continue its excellent tradition of actively cultivating a rich sense of place and to demonstrate its long-term commitment to a quality downtown experience.

M. Schedule of Equity Distribution

	Year 0	Year 1	Year 2	Year 3 (Refinance)	Year 4	Year 5	Year 6	Total Distributed by Year 6
Annual Operating Cash Flow after Debt Service		$26,724	$30,029	$153,152	$41,717	$45,356	$49,113	
Operating Partner (Owner-Occupant) Distributions	($152,044)	$0	$0	$25,000	$20,859	$22,678	$24,556	**$92,967**
Developer’s Distributions	($152,044)	$20,000	$20,000	$140,000	$20,859	$22,678	$24,556	**$247,967**
Cumulative Cash Flow at Year End		$6,724	$16,753	$4,906	$4,906	$4,906	$4,906	

This table illustrates the potential distributions from Scenario 2 (detailed on page 8) where a development agreement would be structured in such a way that an entrepreneur/owner-occupant could buy out the development partner. This particular graph assumes an equal amount of equity invested ($152,044 per partner) with about $250,000 distributed to the development partner by year six and nearly $100,000 distributed to the owner-occupant as operating partner.