“Five years after the frontier was settled, Mueller has turned from an idea into a community.”

— Austin Chronicle, August 9, 2013
Dear Friends,

If you live, work, shop, play or visit Mueller, then you’re probably aware that much is happening here.

• Hundreds of homes including new home types are under way.
• The Mueller Market District anchored by a brand new H-E-B now serves northeast Austin.
• The Thinkery children’s museum and our flourishing parks system welcome families from across the city.
• New businesses, shops and eateries bring great selection and new jobs to the area.

That’s what you can see, but there’s even more going on behind the scenes to make Mueller a diverse, sustainable community envisioned by Austin citizens over decades of input.

Mueller is a 700-acre, mixed-use development—a public/private joint project between Catellus and the City of Austin to redevelop the former municipal airport. As the master developer of Mueller, Catellus has a tremendous responsibility to the City and its citizens, ensuring we balance the social and economic goals for Mueller while inviting them to engage with the development in multiple ways.

Our role is to serve as stewards of the vision for Mueller. Therefore, we’ve prepared this report to share Mueller’s progress. So, take a look at where we’ve been and where we’re headed. And, if you haven’t been to Mueller lately, you’re sure to be surprised by the momentum happening here.

Greg Weaver
Executive Vice President
Catellus Development Corporation

“What’s been created at Mueller is a direct result of the neighbors, the City and Catellus working so hard together over these many years to further the community’s goals and extend the processes to achieve them. The strong interest now by so many to move to Mueller and play in Mueller is a reflection of this continued commitment. And it’s a reminder for us all that innovative ideas can be developed in this innovative City when we work together and take the appropriate time to build consensus.”

– Austin Mayor, Lee Leffingwell
While the development of Mueller is officially overseen by the City of Austin, the citizens of Austin have also played a vital role in shaping the entire project. The open exchange of information and ideas with neighborhood groups, community leaders and others has been a hallmark of Mueller since the start. Lively discussions between citizens and the City about the possibilities for Mueller began many years before the municipal airport vacated the site. The conversations continue today between citizens, the City and Catellus ensuring everyone with a stake in the future of Mueller, from longtime neighbor to current business owner or future resident, has the opportunity for input as it is developed.

Community involvement in Mueller is a give-and-take process in which Catellus reaches out to keep the community informed about activities at Mueller and to actively solicit opinions on how to proceed in key areas. Information-sharing opportunities include:

- Public meetings to get citizen input about how to meet community needs, as well as to share information about the plans that result
- Attendance at regular meetings of neighborhood associations, business organizations and other community groups
- Engagement with the City’s Mueller Plan Implementation Advisory Commission, which advises the City Council on the implementation of the redevelopment plan
- “Town hall”-style meetings to get input from residents and others about the continuing new aspects of Mueller as it unfolds
- Information updates posted on www.MuellerAustin.com and social media forums
- The newsletter “LiveWire” emailed to nearly 9,000 registrants

Although the initial planning for Mueller is complete, there are still many opportunities to stay engaged and share feedback. The following is a partial list of topics for the outreach efforts conducted by the Mueller Team over the past few years:

- Parking
- Public Schools
- H-E-B
- Market District
- Town Center
- Affordable Homes
- Master Plan
- Developer Updates
- Transportation

“As a resident of one of the surrounding neighborhoods, I’m privileged to have participated in the process of shaping the vision for Mueller.”

- Ken Ronsonette, Delwood II Neighborhood Association
As stated in the vision, Mueller is intended to be “a model for responsible urban development.” The City of Austin’s commitment to green building, compact development patterns and multi-modal transportation laid the groundwork for a progressive plan that has gained national recognition.

The Mueller Central information center is widely visited by international tour groups, urban planning organizations, chambers of commerce and civic leaders, as well as students from wide-ranging disciplines, including health, affordable housing, landscaping and design. Interest is high in the successes achieved at Mueller and in the opportunity to replicate that success for other communities worldwide.

**Awards**

Mueller has earned more than 40 accolades for its innovation, most notably:

- Congress for the New Urbanism’s Charter Award for the Mueller Master Plan
- Urban Land Institute’s J. Ronald Terwilliger Award for Workforce Housing Models of Excellence (finalist)
- National League of Cities’ James C. Howland Award for Municipal Enrichment for Mueller’s innovative financial structure
- Urban Land Institute Austin Chapter’s Public Impact Award for Mueller Lake Park
- Liveable City’s Liveable Vision Award, Esthetics Category for the “SunFlowers” public art project

The give-and-take between Mueller and the community has included interaction with dozens of different groups from all over Austin and the world, representing many diverse points of view. Here are some examples:

**Local Austin Groups:**

- ADAPT
- American Institute of Architects
- American Society of Landscape Architects
- Austin Area Urban League
- Austin Board of Realtors
- Austin ISD
- BigAustin
- Congress for the New Urbanism
- Envision Central Texas
- Greater Austin Black Chamber
- Leadership Austin
- NAACP
- Urban Land Institute

**City Planners and Chambers of Commerce:**

- Oklahoma City, OK
- San Benito, TX
- San Francisco, CA
- Seattle, WA
- Little Rock, AR
- St. Paul, MN
- Lexington, KY

**Educational Institutions:**

- The University of Texas at Austin
- The University of Texas at San Antonio
- The University of Texas at Arlington
- Texas State University
- Texas A&M University
- Austin Community College
- Texas Tech University
- Central Texas College

**International Groups:**

- French Delegation
- BILD Toronto
- Japan’s Osaka Gas Delegation
- Austrian Students
- Netherlands
- Chengdu, China
- City of Edmonton, Canada
- Costa Rica
- Finland
- Brisbane, Australia
- Russia
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There’s green almost everywhere you look in Mueller – and not just in the oaks that were retained from the old airport site, or the pecan trees that were rescued from an about-to-be-demolished orchard, or even the native plants in the endangered ecosystem that’s been restored in the Southwest Greenway.

Mueller is green in virtually every way. Mueller homes, offices and retail buildings meet stringent local and national energy-efficiency standards. Mueller parks are designed with water quality ponds to help keep the creeks clean. And all of the public green spaces throughout Mueller will be irrigated with reclaimed water.

Mueller was built to be green from the ground up – literally. A construction best practices program that combines materials recycling, noise control and pollution control governs all construction and sets benchmarks for everyone involved in developing the Mueller infrastructure.

On the commercial side, Mueller is home to the first shopping center in Austin to pursue a three-star rating from Austin Energy for all of its retail stores – not just the two-star rating required of Mueller, and not just for stores over 25,000 square feet, as the City also requires.

The Mueller community has been designated as a Stage 2 LEED Silver Certified Plan from the U.S. Green Building Council (USGBC) through its LEED for Neighborhood Development pilot program, making Mueller the first community in Texas to achieve this status.

Mueller’s Green Houses as of February 2014

<table>
<thead>
<tr>
<th>Number of homes</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>★★★★★</td>
</tr>
<tr>
<td>45</td>
<td>★★★★</td>
</tr>
<tr>
<td>747</td>
<td>★★★</td>
</tr>
</tbody>
</table>

All Mueller homes are required to earn a minimum three-star rating from the Austin Energy Green Building program or LEED certification.

Learn more at www.MuellerAustin.com/thinking-green

All of the commercial buildings at Mueller are Austin Energy Green Building program-rated and most are certified by the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) program, well exceeding Mueller’s sustainability goals:

• Dell Children’s Medical Center: LEED Platinum (first hospital in the world)
• Ronald McDonald House: LEED Platinum (first building in Austin)
• Mueller Central: LEED Gold
• Seton Healthcare Family Administrative Offices: LEED Gold
• Frost Bank: LEED Gold
• University of Texas Dell Pediatric Research Institute: LEED Gold
• SEDL Offices: LEED Silver
• Starbucks: LEED Silver
• Wildflower Terrace: LEED Silver
• Thinkery: LEED Silver
• EMS Station: LEED Silver

Green building practices have helped homes, apartments and commercial buildings save approximately 15 million kilowatt hours of energy per year, and saved nearly 54,000 tons of construction waste from going into area landfills.
The H-E-B at Mueller is a model of sustainability, becoming the greenest store in the company. Among its green elements, this H-E-B features:

- An iconic sloping roof made from a ceramic coating that was used on the space shuttle to manage our hot Texas sun
- 600 rooftop solar panels that produce enough power to light the store and chill the glass cases
- French-style doors on all chilled cases that use 95% less refrigerant
- A 65% reduction of potable water
- Sixty bicycle spaces and two electric car vehicle charging stations
- The use of greener cleaning products
- Interior & exterior LED lighting
- Recycling stations both for employees and customers
- More natural light
- Native landscaping sourced from less than 100 miles away

“Mueller has demonstrated a commitment to environmental sustainability that’s quite remarkable for a project of this scale. There is a constant striving for continuous improvement rather than settling for what’s required.”

- Gail Vittori, Co-Director, Center for Maximum Potential Building Systems
Homebuilders, retailers, professionals – everybody’s going to work at Mueller. Drive down Airport Boulevard east of IH-35 on any given day and you’ll see dozens of construction workers on the job, completing homes, parks and offices at Mueller and building the roadways and infrastructure for more. Over by the intersection of IH-35 and 51st Street, people are headed to work in retail stores, restaurants and small, local businesses. Nearly 2,000 healthcare workers are on the job at Dell Children’s Medical Center of Central Texas, and hundreds more work at nearby office buildings.

**Built by Austin for Austin**

Working with local industry alliances, reaching out through contractor fairs, and taking other opportunities to connect with the construction business in Austin, Mueller has recruited a diverse base of local contractors and subcontractors to build the roads, homes, stores and offices that make up our new community. It’s anticipated that over the course of the development, 11,000 construction jobs will have been created by Mueller.

Making sure that minority- and women-owned business enterprises (MWBEs) are a major part of Mueller is a priority for Catellus and the City. An outreach program to business owners has been successful in attracting MWBE participation. To further Catellus’ impact in this area, sales and lease contracts with third-party developers, builders and commercial/retail tenants also have requirements for MWBE inclusion.

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Found at Austin for Austin

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**Minority- and Women-Owned Business Enterprises (MWBE)* to date**

- 62 MWBE contractors have participated in building Mueller’s infrastructure
- 25% of all master development contracts are MWBE
- $26 million has been awarded to MWBE contractors
  - 33% to Hispanic owned
  - 29% to African-American owned
  - 3% to Asian Pacific owned
  - 35% to Women owned
- The Mueller Market District’s development had MWBE participation of more than 28%

*figures as of November 2013

**Working at Mueller**

- 300+ businesses have been involved in Mueller’s development
- 67 employers are now established at Mueller
- 4,850 people work at Mueller today
- 13,000+ people are anticipated to work at Mueller upon completion
Verts, a kebab sandwich concept, expanded this year from its smart car location at Mueller’s Browning Hangar to a brick and mortar restaurant in the Market District. Verts is one of the first restaurants to bring authentic Döner Kebap to the United States. German-native owners Michael Heyne and Dominik Stein created the concept while in grad school at the University of Texas at Austin. Their ingenuity has prompted six other Austin locations and popular demand for the European street food.

### People at Work at Mueller

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Number of Employees*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Healthcare and Related Services</strong></td>
<td></td>
</tr>
<tr>
<td>Dell Children’s Medical Center of Central Texas</td>
<td>1,900</td>
</tr>
<tr>
<td>Ronald McDonald House</td>
<td>15</td>
</tr>
<tr>
<td>Strictly Pediatrics</td>
<td>300</td>
</tr>
<tr>
<td>University of Texas Dell Pediatric Research Institute</td>
<td>350</td>
</tr>
<tr>
<td><strong>Corporate and Professional</strong></td>
<td></td>
</tr>
<tr>
<td>Austin Film Society</td>
<td>12</td>
</tr>
<tr>
<td>Seton Healthcare Family</td>
<td>900</td>
</tr>
<tr>
<td>SEDL</td>
<td>88</td>
</tr>
<tr>
<td>Catellus</td>
<td>13</td>
</tr>
<tr>
<td>The Thinkery</td>
<td>140</td>
</tr>
<tr>
<td>Retail Center</td>
<td>732</td>
</tr>
<tr>
<td>H-E-B</td>
<td>335</td>
</tr>
<tr>
<td>Other commercial</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,850</td>
</tr>
</tbody>
</table>

*all figures approximate
Many planned communities around the country pride themselves on being exclusive. But at Mueller, it’s all about being inclusive. That means actively working to attract a diverse and vibrant population of people representing many different backgrounds and incomes. To that end, at least 25% (or approximately 1,475) of all the homes for sale and for rent at Mueller will be offered as part of the Mueller Affordable Homes Program. That’s a lot, according to Frances Ferguson, an affordable housing expert who helped Mueller create its program. “Based on other developments, the number you’d expect to be set aside for affordable housing might be 10%,” she says. “To have 25% of homes at that level is really visionary.”

### About the Program

The Mueller Affordable Homes Program that Catellus and the City of Austin developed with the support of national housing experts and participating homebuilders is the culmination of two decades of community-driven effort.

- Affordable homes are generally priced from the $150,000s to approximately $190,000.
- Households earning 80% or less of the median family income for Austin qualify for the opportunity to buy an affordable home at Mueller; households earning 60% or less of the median family income qualify for the opportunity to rent an affordable apartment.
- To inform the community of the opportunity, Catellus and its partners continue to conduct outreach sessions for people interested in the program. Orientation sessions and counseling for prospective homebuyers provide them with extensive education on financing and other topics.

Learn more at www.MuellerAustin.com/homes/

### Just the Facts

As of November 2013:

- **215** Affordable homes were completed and sold
- **135** homes were pending sale and construction
- **216** affordable apartment units were leased
- **71** affordable apartment units were under construction

### Median Family Income (MFI) levels served by Mueller’s Affordable Homes Program

#### For Rent

- 12% 30% or below MFI
- 28% 31-50%
- 59% 51-60%
- 1% 61-80%

#### For Sale

- 3% 50% or below MFI
- 8% 51-60%
- 23% 61-70%
- 59% 71-80%
- 7% 81-120% – Resale program only

15 homes in the Mueller Affordable Homes Program facing resale were retained in the program by the Mueller Foundation, which successfully re-sold the homes to households earning between 55% and 106% MFI.

Affordable homes at Mueller are among the 1,900+ homes, or estimated 4,750 individuals, who to date call Mueller home. At completion, 13,000+ residents are projected to live at Mueller.
The Mueller Foundation is a nonprofit organization that was created to fund and support long-term community goals, including the long-term viability of affordable housing at Mueller. As part of this effort, the foundation is involved in a program of shared appreciation that enables homebuyers to enjoy the financial benefits of home ownership and creates a way to sustain this shared-appreciation program into the future.

In the shared-appreciation program, families who qualify for affordable housing enter into an agreement with the foundation, which provides an interest-free second lien for 30 years that offsets the actual market value of a Mueller affordable home. The second lien is, in effect, making up the difference between the sales price and the market value of the home. No payments are due on the second lien until it matures or the home is resold. Proceeds generated from the program can be used by the Mueller Foundation to support long-term affordability and other community goals.

The Mueller Foundation: Making it Work for the Future

Diana McIver & Associates and Carlton Residential Properties developed Wildflower Terrace, a rental community for residents aged 55 or better with 85% of the units available through the Mueller Affordable Homes Program for renters earning between 30% and 60% of Austin’s median family income (MFI). The community features 201 fully accessible rental units with a fitness center, artist studio, activity rooms, a library and first-floor retail.
Catellus is committed to building a strong, sustainable community in every way, through community outreach, economic development, and – not least – support for groups and causes that are making Mueller and the Austin area a better place for all to live and work. At Mueller, building community is about much more than building the stores, offices and homes that make up the community in the physical sense.

In keeping with the “I Live Here, I Give Here” campaign in support of Central Texas nonprofit organizations, Catellus and Mueller are proud to support fundraising activities conducted by Mueller citizens such as Dell Children’s Medical Center of Central Texas, the Thinkery, Ronald McDonald House and Austin Children’s Shelter.

Catellus and Mueller are also committed to supporting organizations beyond Mueller’s borders that share the company’s core values, such as Leadership Austin, the Austin Independent Business Association, the Austin Area Urban League, NAACP, Town Lake Links and neighborhood schools, including Maplewood Elementary, Blanton Elementary, Kealing Middle, Pearce Middle, Reagan High and McCallum High. The Lady Bird Johnson Wildflower Center, for example, with its mission of environmental sustainability, has been an important partner with Mueller in restoring the endangered blackland prairie ecosystem in the area’s Southwest Greenway.

“SunFlowers – An Electric Garden” sculptures that grace the trail along IH-35 near the retail center are a series of public art pieces that collect solar energy during the day to light up at night. Any additional solar energy captured is returned to the Austin Energy grid.

Generating Tax Revenue
Philanthropic giving isn’t the only way of giving back to the community at large. Another is by generating tax revenue. At completion, Mueller is expected to:

- Add more than $1.3 billion in property value to the tax rolls
- And an estimated $200 million in annual taxable sales
Celebrations abound at Mueller. Mueller has quickly become a popular destination for annual community events and fundraisers, including the Leukemia & Lymphoma Society’s Light the Night Walk, the Thinkery’s Imaginarium Gala, Ronald McDonald House Lights of Love 5K, the YMCA Camp Play Day and the citywide Austin Earth Day Festival.
Thank you for this opportunity to share with you what’s happening at Mueller—it won’t be the last. We’ll issue reports from time to time over the course of the development to keep you updated on the progress of this unique, unprecedented public-private project.

Watch for announcements on a number of new initiatives, including:

- Completion of the Austin ISD district-wide Performing Arts Center and AMLI’s Mueller apartments
- A movie theater, hotel, retailers and new residences for Aldrich Street, the future town center
- Additional office space
- Community dialog about a school for northeast Austin
- New residential neighborhoods east of Berkman Drive
- Extending Mueller’s parks network with the Southeast Greenway
- Mueller Foundation’s expanded support of community goals beyond affordable housing, such as education and public open space
Milestones and Momentum

Mueller is the result of foresight and collaboration among inspired citizens, the City of Austin and Catellus. The importance of the City of Austin’s leadership to engage in unprecedented, community-driven planning, along with the patience to deliver long-term social and economic results, is evident as Mueller’s vision comes to life.

In the 10 years since the City of Austin and Catellus signed the groundbreaking Master Development Agreement this joint project has achieved much more than simply meets the eye. Today, Mueller is:

- A successful financial model, funding its infrastructure and an important addition to the City’s tax base to benefit all of Austin;
- Offering jobs and contracting opportunities, including many minority- and women-owned businesses;
- Home to significant, high-quality affordable housing close to Austin’s core;
- A vibrant destination with retail, restaurants, parks and trails;
- Pedestrian-oriented and multi-modal, connecting nearby neighborhoods; and
- An unparalleled showcase of green building and sustainable features.

At this 10-year milestone, Mueller’s exceptional public-private partnership clearly demonstrates extraordinary momentum and is fulfilling its vision as a model for responsible urban development.