

AGENDA



Thursday, June 7, 2007

**Financial and Administrative Services
RECOMMENDATION FOR COUNCIL ACTION****Item No. 9**

Subject: Authorize negotiation and execution of an agreement with the Film Society of Austin, Inc., a Texas non-profit organization, for the City to reimburse costs in an amount not to exceed \$5,000,000 for improvements and renovations to the Austin Studios; and authorizing the City Manager to establish best value selection criteria for contract awards using the best value competitive bidding process.

Amount and Source of Funding: Funding in the amount of \$650,000 is included in the Financial and Administrative Services amended Fiscal Year 2006- 2007 Capital Budget. Funding for future appropriation of \$4,350,000 is contingent upon approval in future budgets and will come from Proposition four of the 2006 Bond Program.

Fiscal Note: A fiscal note is attached.

For More Information: Shelley Kilday, Bond Program Coordinator, 974-7922.

Boards and Commission Action: Reviewed by Council Committee for Emerging Technology and Telecommunications.

Prior Council Action: On March 8, 2007, City Council amended the Fiscal Year 2006-2007 Financial and Administrative Services Department Capital Budget to increase appropriation by \$650,000 for the Austin Studios project.

On October 12, 2000, City Council approved execution of a Lease and Management Agreement with the Austin Film Society for approximately 18 acres of the former Robert Mueller Municipal Airport for use as a studio complex for the production of films, television programs, commercials, and multi-media productions and for educational and job-training purposes.

On November 7, 2006, Austin voters approved 7 propositions authorizing \$567.4 million of General Obligation Bond-funded capital improvement projects and programs. Among those propositions, Proposition 4 included \$5 million for improvements to Austin Studios, City-owned facilities adjacent to the Mueller redevelopment site that are leased and operated by the Film Society of Austin, Inc. as part of a public/private venture.

This agreement will allow the City of Austin to provide funding for capital improvements such as digital convergence, technology infrastructure, soundproofing, security, and fire suppression systems at Austin Studios. These improvements will help Austin retain its favorable position in the film industry.

The Film Society of Austin, Inc. will solicit, manage, and pay for the capital improvements in accordance with City policy and procedure; the improvements will be City property.

"Best Value" competitive bidding will provide more flexibility than "low bid" and is appropriate for complex projects such as digital convergence and technology infrastructure. AFS will consider a number of factors other than cost in selecting a contractor. These additional considerations will allow AFS to select the most qualified contractor.

AFS will notify the MBE/WBE community regarding the project through pre-bid conference and will place plans in minority plan rooms for access during bidding. AFS considers this project conducive to MBE/WBE participation due to its small size and potential for small bid packages. Film Society of Austin, Inc.

Austin Film Society (AFS) was founded in 1985 to bring rarely seen films to a larger audience. Today its Essential Cinema series, Texas Documentary Tour, AFS@Dobie program and other special screenings encourage the appreciation of film and filmmaking. Gala film premieres and AFS' annual Texas Film Hall of Fame Awards raise funds as well as awareness about the impact of film.

AFS supports independent filmmakers and creative filmmaking by giving grants, advice, referrals and discounted space at Austin Studios. AFS' Texas Filmmakers Production Fund has awarded \$675,000 in cash, goods and services to 222 independent filmmakers since 1996. AFS also provides outreach and education through after-school classes and youth summer film camps, guest lectures, workshops, studio tours, ticket donations, and volunteer and membership programs. In addition, AFS offers internships, apprenticeships and entrance into its Film Referral Program.

Finally, AFS attracts film development and production to Austin and to Texas through Austin Studios. In 2000, AFS opened Austin Studios to provide more than 100,000 square feet of production space in five former airplane hangars. Austin Studios has brought \$800 million in direct expenditure to Austin from more than 40 feature films and has hosted dozens of commercials, music videos, industrials and still shoots.