

AGENDA



Thursday, January 31, 2008

Public Works

Item No. 47

RECOMMENDATION FOR COUNCIL ACTION

Subject: Authorize negotiation and execution of an Amended and Restated Restrictive Covenant with the Austin Museum of Art, Inc. (AMOA) for the “Old Courthouse and Jail Block” on the official map of the City of Austin and being the city block bounded by West 3rd and 4th Streets and Guadalupe and San Antonio Streets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Lauraine Rizer 974-7078, Fred Evins 974-7131, Robin Field 974-7064.

Prior Council Action: 08/03/2000 – Authorized negotiation and execution of Real Estate Contract with Austin Museum of Art, Inc. (AMOA) for the sale of the “Old Courthouse and Jail Block”; 05/12/2005 – Authorized negotiation and execution of First Amendment to Real Estate Contract.

The City and the Austin Museum of Art, Inc. (AMOA) entered into a Real Estate Contract August 2000 and amended the contract May 2005.

AMOA intends to sell a portion of the block to fund construction of the art museum. To enable the contemplated transaction between AMOA and another party, an amendment to the Restrictive Covenant is needed to release that part of the property being sold (the “Other Land”) from the public parking obligation. The public parking obligation would remain in force on that portion of the property retained by AMOA (the “Museum Land”).

The proposed Amended and Restated Restrictive Covenant includes the following key terms and provisions:

- If an art museum of at least 25,000 square feet is constructed on the Property, 25% of any parking spaces allocated to the museum will be made available for parking by members of the general public.
- Upon conveyance of the Other Land (not more than 47,000 square feet of the Property) and commencement of construction of other structures on the Other Land, the Other Land will be released of any public parking obligations arising from the Restrictive Covenant.
- If construction of the museum shell is not completed by Dec. 31, 2011, or if prior thereto AMOA conveys the Museum Land to another party, the number of required public parking spaces shall be 25% of the total number of parking spaces required to be provided for the entire Property.

The placement of such public parking spaces would be limited to the Museum Land if the Other Land has been conveyed and construction of other structures on the Other Land has commenced.

- If the museum does not open to the public by Dec. 31, 2014, AMOA will pay the City \$2,000,000, and, upon such payment, the Museum Land will be released from the Restrictive Covenant.

In addition to the Amended and Restated Restrictive Covenant, it is contemplated that a Confirmation Agreement will be executed between AMOA and the City to confirm which provisions of the Real Estate

Contract, and the First Amendment thereto, survive execution of the Amended and Restated Restrictive Covenant.