

Resolution of the Austin Neighborhoods Council in support of a New Approach to Redevelopment of the East 11th and 12th Street Corridors

WHEREAS, the City of Austin (City), the URA and Austin Revitalization Authority (ARA) undertook the East 11th and 12th Street Redevelopment Project as an Urban Renewal project and entered into an Acquisition, Development and Loan Agreement (Tri-Party Agreement), effective 12 October 1999, to foster acquisition and development of parcels in the Redevelopment Area and to satisfy the requirements of HUD documents providing \$9 million in funding for the Project; and

WHEREAS, the Tri-Party Agreement and other subsequent agreements between the City and ARA have conveyed and continue to convey to ARA an exclusive status in the project via annual operational funding from the City, exclusive development rights to a substantial sector of the project, the power to vet and shepherd all proposed development and make recommendations regarding proposed amendments to the Urban Renewal Plan (URP), and the opportunity to collect fees from private entities endeavoring to develop in the Urban Renewal area; and

WHEREAS, these exclusive powers are at odds with the spirit and intent of Chapter 374 of the Texas Local Government Code (Texas Urban Renewal Law), which mandates that a municipality exercising Urban Renewal project powers shall use public resources to "afford the maximum opportunity...for the rehabilitation or redevelopment of the urban renewal area by private enterprise;" and

WHEREAS, the execution of these arrangements has resulted in \$38 million expended, a 27:1 debt-to-net asset ratio for ARA, \$4.9 million in ARA debt service due in December 2012, a compromised city investment in East 11th Street, should ARA default in its obligations, major blocks of East 11th Street still vacant and the majority of the project, the East 12th Street corridor, hardly begun; and

WHEREAS, an audit report on the E. 11th and E. 12th Street Redevelopment Project, issued by the Office of the City Auditor and released on November 3, 2009, concludes that all parties share responsibility for the lack of progress and the precarious financial position of the project; and

WHEREAS, resolutions prescribing curative measures have been passed by Swede Hill, Robertson Hill and Guadalupe Neighborhoods, and affirmed by O.C.E.A.N., the Central East Austin Neighborhood contact team; and

WHEREAS, ARA removed and refused to seat representatives of stakeholder neighborhoods for composing, signing and circulating these resolutions;

Therefore, the Austin Neighborhoods Council urges the City Council to bring City Urban Renewal efforts into line with the spirit, intent and letter of Texas Urban Renewal Law: by not renewing the Tri-Party Agreement or entering into any new, similar arrangement; by adopting more fiscally sound, timely and transparent use of City taxpayer dollars in the 11th and 12th Street revitalization, such as the curative measures articulated in neighborhood resolutions; and by setting a new model for future City Urban Renewal efforts that precludes exclusive or other special status to any development entity in any project.