

ORDINANCE NO. 20120607-009

AN ORDINANCE AUTHORIZING NEGOTIATION AND EXECUTION OF THE FIRST AMENDMENT TO MASTER DEVELOPMENT AGREEMENT WITH SEAHOLM POWER DEVELOPMENT, LLC FOR THE SEAHOLM PROJECT.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Findings. The City Council finds that:

- (A) On August 27, 2004, the City issued a Request for Qualifications for an entity to redevelop the property currently known as the Seaholm Power Plant on West Cesar Chavez Street, Austin, Texas.
- (B) On April 28, 2005, Seaholm Development LLC was selected by the City Council of the City of Austin from a pool of bidders as the master developer in satisfaction of Texas law requiring competitive bidding for certain sales or conveyances of public property.
- (C) The City and Seaholm Development LLC entered into an Exclusive Negotiation Agreement dated effective November 14, 2005.
- (D) In Ordinance No. 20080410-023, passed and approved by the City Council on April 10, 2008 to be effective April 21, 2008, the City Council directed and authorized the City Manager to negotiate and execute a Master Development Agreement with Seaholm Development LLC, along with all ancillary documents necessary to implement the Agreement, including an incorporated Offsite Parking Garage Management Agreement and Ground Lease; and including all terms and conditions deemed necessary, advisable or required by the City Manager or City Attorney.
- (E) The City Manager and Seaholm Power Development, LLC executed that Master Development Agreement effective June 17, 2008.
- (F) Seaholm Power Development, LLC has represented that it is duly organized and legally existing under the laws of its state of organization, and that it is duly qualified to do business in the State of Texas.

PART 2. Authorized Amendments.

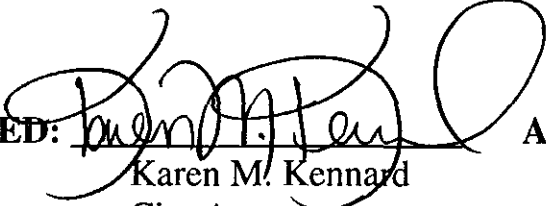
- (A) To the extent necessary to implement the objectives listed in Subsection (B), below, the City Manager is directed and authorized to negotiate and execute a First Amendment to Master Development Agreement with Seaholm Power Development, LLC, along with all ancillary documents necessary to implement the amendment and containing all terms and conditions deemed necessary, advisable, or required by the City Manager or City Attorney.
- (B) The authorization in Subsection (A) is limited to those amendments necessary to:
 - (1) allow a change of use from Condo/Hotel to Multi-unit Residential;
 - (2) to modify the incentives and the scope of the Streets and Streetscape Improvements to include additional streetscape work and parking along 3rd Street, a retaining wall on the west side of the site, thickened roadway sections to protect utilities, an additional water line, and festival street amenities for West Avenue;
 - (3) for the portion of the Property utilized as a “for rent” residential multi-unit facility, to require a 40 year Affordable Housing Period for 5% of the “for rent” units;
 - (4) to allow the modification of the retail only use restriction to allow Office or Service Uses of the Power Plant ground Floor (“Ground Level”) upon the following conditions:
 - (a) the Ground Level includes space for a public space of at least 1,000 gross square feet providing views into the turbine hall volume (including clerestory windows and ceiling), focused on promoting sustainable building design and educating the public regarding the history of the Property as a power plant and containing a coffee and/or juice bar or comparable public type use; and
 - (b) the Ground Level includes space for a public restaurant or comparable public type use of at least 5,000 gross square feet facing the plaza and containing at least 1,000 square feet of dining space overlooking the turbine hall

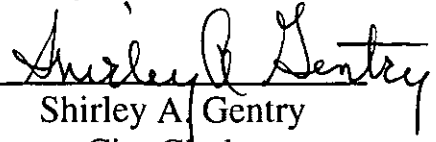
from the mezzanine level of the power plant near a historic boiler of the power plant; and

- (c) the Ground Level includes space for a public space of at least 1,000 gross square feet at the main entry of the power plant providing views into the turbine hall volume and containing a continuous public art display. The public art display will be provided by and, with owner's reasonable cooperation, managed by the City.
- (d) The uses and square footage described in (a), (b) and (c) above may be reasonably allocated by owner among the spaces described in those sections.
- (e) Twenty-four (24) months prior to the end of each office or service uses lease (total term not to exceed 20 years) of the Ground Level, the owner shall submit to the City manager (to be distributed to the City Council) a report from a mutually acceptable independent research publication or an independent commissioned study indicating whether the retail leasing market supports leasing of the power plant for retail uses (the initial lease of the Ground Level for office and service uses is allowed). If the report supports leasing the power plant (including the Ground Level) for retail uses then owner must lease the Ground Level for retail uses; otherwise the owner may continue to lease the Ground Level for office or service uses.
- (f) If the current proposed lease is not executed and at the end of each lease (total term not to exceed 20 years) of the basement of the power plant, the City will have the continuing, exclusive 60 day right to negotiate a civic and/or public lease of up to 45,000 square feet in the basement of the power plant building upon market terms.

PART 3. This ordinance takes effect on June 18, 2012.

PASSED AND APPROVED

June 7, 2012 §
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APPROVED:  Karen M. Kennard
 City Attorney

ATTEST:  Shirley A. Gentry
 City Clerk

Lee LaFlingwell
Mayor