

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	47221	Agenda Number	23.
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Meeting Date:	6/18/2015	Department:	Legal
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Subject

Authorize the negotiation and execution of an amendment to the legal services agreement with Denton, Navarro, Rocha, Bernal, Hyde & Zech, for legal counsel provided to the Austin Urban Renewal Agency, by increasing funding in the amount of \$50,000 for a total contract amount not to exceed \$122,500.

Amount and Source of Funding

Fiscal Note

Purchasing Language:

Prior Council Action:

For More Information: David Sorola, Assistant City Attorney, (512) 974-2175

Council Committee,
Boards and
Commission Action:

MBE / WBE:

Related Items:

Additional Backup Information

The law firm of Denton, Navarro, Rocha, Bernal, Hyde & Zech provides legal advice to the Austin Urban Renewal Agency regarding the East 11th and East 12th Streets Urban Renewal Project. This action will allow the Austin Urban Renewal Agency to continue to receive legal advice related to its work on urban renewal and urban redevelopment by increasing the current contract amount by \$50,000 for a total contract amount of \$122,500.

The Texas Urban Renewal Law, codified as Texas Local Government Code Chapter 374, authorizes cities to exercise urban renewal powers and also authorizes cities to create urban renewal agencies through which urban renewal powers may be exercised. The voters of the City of Austin, pursuant to the Urban Renewal Law, in an election held December 5, 1959, authorized the City Council to create the Urban Renewal Agency of the City of Austin.

Until the 1970's, the Urban Renewal Agency operated separately from the City and received federal grant funding. As a result of changes to grant funding by the federal government at that time, the operations of the Urban Renewal Agency were transferred to City control and its operations were downsized. In 1999, the Urban Renewal Agency was

re-activated to manage the implementation of the East 11th and 12th Streets project. The City enters into an annual agreement with the Urban Renewal Agency to provide staff assistance and other resources to manage the administrative operations of the Urban Renewal Agency.

Pursuant to Texas Local Government Code Chapter 374, the Urban Renewal Agency is a sovereign body. State law recognizes such an entity as having its own business and corporate identity. The Urban Renewal Agency may exercise many of the same essential governmental powers that a municipality does. Although state law prohibits an urban renewal agency from levying taxes or issuing general obligation bonds, the agency may, independently of the municipality that created it, exercise essential governmental powers and may enter into contracts, acquire real property, conduct renewal projects within its area of operation, and hire its own staff and provide for their compensation. Because of the Urban Renewal Agency's sovereign status, the Agency and the City do not always agree on issues. To avoid conflicts of interests that may occur if the Law Department were to represent both the City and the Agency, the City provides outside legal counsel for the Agency.