

A G E N D A



Recommendation for Council Action

Austin City Council Special Called	Item ID	49503	Agenda Number	1.
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Meeting Date:	8/25/2015	Department:	Office of Real Estate Services
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Subject

Authorize negotiation and execution of an agreement with FREMONT HOLDINGS, LLC for a two-year temporary staging and construction workspace on City-owned land located at 64 Rainey Street, Austin, Texas, for \$400,000 with a nine-month extension option at fair market rate; authorize the dedication of a portion of 64 Rainey Street as right-of-way; and authorize the initiation of the process for vacation of a portion of alley right-of-way between 64 Rainey Street and 600 River Street. (District 9) (Related to Item # 2)

Amount and Source of Funding

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Lauraine Rizer (512) 974-7078, Office of Real Estate Services; Mashell Smith, (512) 974-7149 Office of Real Estate Services; Amanda Glasscock, (512) 974-7173, Office of Real Estate Services.
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

64 Rainey Street is an 11,760 square foot vacant lot owned by the City, located in the Rainey Street District in proximity to the Emma S. Barrientos Mexican American Cultural Center (ESB-MACC). Fremont Holdings, LLC (Fremont) owns the adjacent property to the north of 64 Rainey Street, 68-74 Rainey Street, and has plans to develop a 35-story condominium tower with garage on that property (70 Rainey). The developer, Sackman Enterprises, has requested Fremont's use of the entirety of 64 Rainey Street to stage construction of 70 Rainey for 24 months, for compensation to the City of \$400,000 cash, with an option to extend the agreement at the fair market rate for up to nine (9) additional months. This is above the independent, third-party appraisal of \$336,277 for this 24-month use of 64 Rainey Street.

Without the use of 64 Rainey Street as a staging area, the developer plans to use City right-of-way and shut down use

of one lane of the adjacent portion of Rainey Street for the duration of construction. The Public Works Department (PWD) recommends the use of 64 Rainey Street for staging as an alternative due to concerns of traffic congestion and public safety. Should Fremont not use 64 Rainey Street as a staging area, the fees to use City right-of-way would be \$299,520 per Austin Transportation Department (ATD) figures.

The use of 64 Rainey Street as a staging area will be contingent on the following:

- The payment of \$400,000 at execution.
- The engineering, design, and construction of new public right-of-way between 64 Rainey Street and 70 Rainey, connecting Rainey Street with the remaining alley right-of-way west of the 70 Rainey.

Additionally, PWD requests the dedication of approximately 30 feet along the northern boundary of 64 Rainey Street as right-of-way, subject to the temporary staging by Fremont, and requests authority to initiate the process to vacate a portion of alley right-of-way between 64 Rainey Street and 600 River Street to create contiguity between 64 Rainey Street and the ESB-MACC to enhance the entry to the ESB-MACC.