



TO: Mayor and Council

FROM: Sue Edwards, Assistant City Manager
Bert Lumbreras, Assistant City Manager

DATE: August 24, 2015

SUBJECT: August 25, 2015 Council Meeting Agenda Item #1

On August 25, 2015, Council will consider an item to negotiate and execute 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, to authorize the dedication of a portion of 64 Rainey Street as right-of-way, and to 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).

There have been previous Council and Commissions actions regarding this property. The following is a chronological timeline regarding 64 Rainey:

- **May 2012:** COA issued a released Request For Offers (RFO) for the purchase 64 Rainey Street
 - an independent third-party appraisal of the property which concluded a market value opinion of \$1,176,000.
- **June 2012:** MACC Board voted to recommend that the City Council not sell 64 Rainey Street.
- **Sept. 2012:** Item for Council consideration on the sale of 64 Rainey Street to 70 Rainey Street LP.
 - Council voted to postpone the item until October 11, 2012
- **Oct. 2012:** Council approved Resolution 20121011-117, directing the City Manager to
 - (1) remove the parcel for sale;
 - (2) develop a range of development options that would address the needs of the MACC; and incorporate the land into the ESBMACC master plan; and

- (3) return to Council w/ options for consideration and action no later than December 1, 2012.
- **February 2013:** Staff memo distributed to the Council sharing the feedback collected from the community as directed by Resolution 20121011-117 (attached)
- **June 2013:** MACC Board Resolution to Council recommending the establishment of a pocket park on 64 Rainey recognizing the historical Rainey St. community including artwork and assembly space for programming by the center.
- **July 2013- Summer 2014:** Public Works was still utilizing 64 Rainey as a construction staging area for the Waller Creek Tunnel Project.
- **Oct. 2014:** PARD staff works with COA Real Estate and the Law Dept. of PARD's desire to expressly dedicate MACC property, 58 Rainey Street and 64 Rainey Street as parkland.
- **Dec. 2014:** PARD orders survey of the MACC property.
- **February 2015:** Survey is completed.
- **March 2015:** Sackman Enterprises approaches PARD about development of a pocket park at 64 Rainey.
- **April 2015:** Sackman briefs the MACC Board and requests its support for the proposal to use 64 Rainey Street for temporary staging and other uses in return for developing a pocket park, with a total budget of \$300K, and maintaining the park in perpetuity.
 - Board establishes a working group to continue discussions on the request.
- **June 2015:** MACC Board considers and supports the request by Sackman to use 64 Rainey Street as a construction staging area for two years.

Staff has met with the Freemont Holdings LLC to continue negotiations and have agreed on the following terms:

- 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; and
- The construction of a green wall.

There is currently a masterplan in place for the ESBMACC. The current masterplan was completed by Casabella Architects in 2000 and the plan has a 3 phase approach for buildout that had an original

cost of \$45 million. The masterplan is very lengthy and a hardcopy of the plan will be delivered to your offices. There were two community workshops and community feedback period before the master planning design began. The goals for the ESBMACC masterplan include the following:

- Convey a strong image with strong iconic building forms (pyramid).
- Reflect the history of the Mexican American Community.
- Connect the whole community. Become a central meeting space.
- Provide visual arts exhibition and learning.
- Provide performing arts space.
- Provide educational space.
- Community Outreach for arts and education.

Along with the agreement item for 64 Rainey Street, staff is bringing a companion item that would designate the ESBMACC, 58 Rainey, and 64 Rainey as dedicated parkland. 64 Rainey would become parkland subject to the agreement with Fremont being complete.

If Council were to move forward with both items, staff will work toward getting the process moving for a revised masterplan of the MACC to ensure that the two new adjacent parcels are now included. We will provide updates regarding the masterplan process to the full Council on a periodic basis. We will also ensure this masterplan has a robust community engagement element that will include meetings with community stakeholders, various boards and commissions and Council committees before ultimately going to the full Council for adoption.

Should you have any questions, please let us know.

CC: Marc A. Ott, City Manager
Lauraine Rizer, Director, Office of Real Estates Services
Sara Hensley, Director, Parks and Recreation