

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: October 18, 2018

Item Number: 030

Purchasing Office

Authorize negotiation and execution of an exclusive negotiation agreement with Catellus Development Corporation for terms governing a master developer contract for the development of approximately 208 acres of City-owned land, known as Colony Park Sustainable Community. (Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9B Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, no subcontracting goals were established in this solicitation phase, but will be negotiated in the contracting phase).

Lead Department	Purchasing Office.
Fiscal Note	This item has no fiscal impact.
Purchasing Language	The Purchasing Office issued a Request for Qualifications (RFQS) 5500 CDL4001 for these services on October 23, 2017, and it closed on December 21, 2017. The Purchasing Office issued a Request for Proposals (RFP) on February 27, 2018, and it closed on May 8, 2018. The recommended contractor submitted the only responsive offer. A complete solicitation package, including a log of offer received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: Solicitation Documents < https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=122128 >.
Prior Council Action	December 15, 2011- Council approved item 14 on a 7-0 vote. Item 14 was Ordinance No. 20111215-014, authorizing acceptance of up to \$3,000,000 in grant funds from the Community Challenge Grant Program of the United States Department of Housing and Urban Development; and amended the Fiscal Year 2011-2012 Neighborhood

	<p>Housing and Community Development Office Operating Budget.</p> <p>December 11, 2014- Council approved item 120 on a 7-0 vote. Item 120 was Resolution No. 20141211-120 directing the City Manager to evaluate all possible funding sources to implement the Colony Park Master Plan.</p> <p>December 11, 2014- Council approved item 150 on a 7-0 vote. Item 150 was Ordinance No. 20141211-150 amending City Code Chapter 25-2 by rezoning the 208-acre Colony Park site from single family residence-standard lot (SF-2) district zoning, family residence (SF-3) district zoning, and multi-family residence low density (MF-2) district zoning to planned unit development (PUD) district zoning.</p> <p>October 6, 2016- Council approved item 56 on a 9-0 vote, with Council Member Zimmerman abstaining and Council Member Troxclair absent. Item 56 was Ordinance No. 20161006-056, which amended the Imagine Austin Comprehensive Plan Map and Attachments for the Colony Park Sustainable Community Initiative Master Plan.</p>
For More Information	<p>Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <mailto:AgendaOffice@austintexas.gov>.</p> <p>NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Jonathan Dalchau, at 512-974-2938 or Jonathan.Dalchau@austintexas.gov <mailto:Jonathan.Dalchau@austintexas.gov>.</p>
Client Department(s)	Economic Development Department.

Additional Backup Information:

The contract is for a master developer to partner with the City to create a new, vibrant, sustainable, and mixed-use neighborhood on 208 acres of city-owned land, known as the Colony Park Sustainable Community, located at the terminus of Colony Loop Drive, north of Loyola Lane, between Johnny Morris Road and Decker Lane. The City and master developer will partner to implement the Colony Park Master Plan, which was guided by several years of work by the City, community members, business leaders, and

community organizations.

The process began in 2012 as the Colony Park Sustainable Community Initiative, a three year master planning process supported by a \$3,000,000 U.S. Department of Housing and Urban Development (HUD) Sustainable Communities Challenge Grant. The effort was led by the Neighborhood Housing and Community Development (NHCD) department, who engaged experts in urban design, planning, engineering, and community engagement. NHCD hosted numerous community meetings and workshops over the three year planning period. A requirement of the HUD grant was to include residents from five census tracts; therefore, planning efforts involved Colony Park, Lakeside, LBJ, Agave, Woodland Hills, and other nearby neighborhoods. Additionally, a Community Advisory Committee comprised of representatives from adjacent neighborhood associations, educational institutions, and civic organizations was formed to advise and inform the City and consultants on issues related to the development of the Colony Park Master Plan. The culmination of this planning process was a clear community vision for the 208-acre parcel as reflected in the Council adopted Colony Park Master Plan and Planned Unit Development zoning district.

With the adoption of the Colony Park Master Plan and Planned Unit Development zoning district, the City began working towards selecting a master developer partner to realize the Colony Park vision for a complete community. Because of the strong community involvement in the prior processes, the Purchasing Office worked with the Economic Development department, Law, and community stakeholders to develop a unique procurement process to allow continued community involvement.

On October 23, 2017, the City issued a Request for Qualifications (RFQS) to provide an opportunity for qualified master developer's to demonstrate their experience in developing large-scale, master-planned communities through public-private partnerships utilizing development characteristics and entitlements similar to those in the Colony Park Master Plan, to reach social, economic, and environmental goals. The City received two RFQS responses; however, one developer requested to be removed from consideration, resulting in Catellus Development Corporation (Catellus) submitting the sole offer. An evaluation team comprised of City staff and a community representative reviewed and evaluated Catellus on the following criteria:

- Relevant Development Experience,
- Experience Developing Projects in Similar Context,
- Development Entity, and
- Experience Developing Projects with Community Benefits.

Catellus was announced as the sole qualified and shortlisted developer on February 20, 2018.

On February 27, 2018, the City issued a Request for Proposals (RFP) inviting Catellus to submit a proposal offer. Catellus submitted a proposal offer to the City on May 8, 2018, and on May 11, 2018 recorded a community presentation video. On May 24, 2018, the City hosted a Colony Park Public Open House, where nearly 300 attendees were given the opportunity to view and score Catellus's pre-recorded community presentation video. Over 100 attendees scored the video and provided questions and comments. Following the Public Open House, an evaluation team comprised of City staff and a community representative reviewed and evaluated Catellus on the following criteria:

- Financial Proposal,
- Project Development Concept and Strategy,
- Strategy for Community Benefits,
- Management Proposal, and

- Pre-Recorded Community Video Presentation.

The final score encompasses the score from the evaluation team along with the community score from the Pre-Recorded Community Video Presentation.

On September 8, 2018, the Purchasing Office held a “Meet and Greet” at the Turner-Roberts Recreational Center as an opportunity for the Colony Park residents and Austin community members to meet Catellus. It included a presentation from City staff and Catellus as well as a question and answer session during which Catellus answered community questions.

Catellus is a major, private development subsidiary of TPG Capital, a global private equity firm with over \$70 billion in assets that brings decades of local and national master development experience to the Colony Park site. During the Exclusive Negotiation Agreement (ENA) phase, financing terms, project phasing, M/WBE participation goals, affordable housing and a process for assuring ongoing citizen participation, among other terms, will be negotiated. The resulting terms and conditions developed through the ENA will then be brought to Council in a proposed Master Development Agreement for Council approval.