



MEMORANDUM

TO: Mayor and City Council

FROM: Rebecca Giello, Interim Director 
Economic Development Department

DATE: November 6, 2018

SUBJECT: Update on Resolution 20181004-042: Former Health South property, 1215 Red River and 606 East 12th Streets

The purpose of this memorandum is to provide an update to Resolution 20181004-042, which directs the City Manager to initiate a solicitation regarding the development of City-owned property at 1215 Red River and 606 East 12th Street and report to Council on its status by November 1, 2018.

In addition, this memo provides an update on the activities the Economic Development Department (EDD) Redevelopment Services Division is prioritizing in its program of work for Fiscal Year 2018-2019, in alignment with funding made available in the FY 2019 budget. Due to the number of redevelopment projects EDD has assumed, the department is analyzing a diversified approach to most effectively address the number of prioritized projects underway.

Redevelopment Activities Underway

In May 2018, the Economic Development Department (EDD) assumed the lead role in the redevelopment of City owned tracts identified as a part of the redevelopment portfolio, which was presented to City Council in March 2018. EDD identified its FY 2019 redevelopment services program of work in a memo to Council last August. These projects included the following:

- **6909 Ryan Drive (District 7):** Staff is finalizing a Request for Proposal (RFP) in order to contract with a consultant team, which will comprise experts in community engagement, market and financial analysis and site planning and design. It is anticipated this RFP for services will be issued by end of year. Working with the community, this work will then lead to crafting a future RFP for the development partner to deliver on the concept plan.
- **906 E. St. Johns in conjunction with 7211 N. I-35 (District 4):** As noted above, the consulting services acquired through an RFP will be assigned to both the Ryan Drive and St. Johns tracts.
- **4800 Bolm Road (District 3):** EDD will initiate a community engagement process that will assist in identifying the appropriate procurement strategy. This engagement process is anticipated to be initiated by end of year. EDD staff is working to procure an entity to assist with community engagement activities related to the redevelopment of tracts.

In addition, the department has dedicated staff time for the redevelopment services for the McKalla Place tract as well as has dedicated multiple staff to address the next steps for implementation of Colony Park, which will focus on the negotiations with Catellus, with the objective of a final Master Development Agreement.

Update on Health South Property/Solicitation

On October 4, the City Council directed the City Manager to also initiate a solicitation for the former Health South property, 1215 Red River and 606 East 12th Streets. To be responsive, EDD staff has included this solicitation activity in its Fiscal Year 2019 program of work. In preparation for the release of a “Request for Information” (RFI) prior to the end of the year, staff will be conducting additional site and building analysis that will be necessary to include in the RFI.

Additionally, in order to address the number of redevelopment project priorities, but at the same time keep projects progressing, EDD is diversifying its approach to efficiently position tracts for market response. Staff will be using the resources and expertise of an outside development advisor to assist in the RFI process for the Health South property. This will ensure we are reaching as many potentially interested parties as possible, which will help to maximize our ability to achieve the desired policy objectives for this site.

Staff has developed a project profile and Web page for projects underway, which will be updated regularly for each project. This information can be accessed at www.austintexas.gov/redevelopment.

Please contact me at 512-974-3045 should you have questions or Christine Maguire, Redevelopment Services Manager, at 512-974-7131.

xc: Spencer Cronk, City Manager
 Elaine Hart, Chief Financial Officer
 Sara Hensley, Assistant City Manager
 Greg Canally, Deputy Chief Financial Officer