



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 4
AGENDA DATE: Thu 05/19/2005
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SUBJECT: Approve a resolution authorizing the negotiation of all documents related to the sale and development of Block 21 of the Original City of Austin, bounded by Guadalupe, 2nd Street, Lavaca, and 3rd Street, to Stratus in an amount of \$15,000,000.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Economic Growth and **DIRECTOR'S**
DEPARTMENT:Redevelopment Services **AUTHORIZATION:** Sue Edwards

FOR MORE INFORMATION CONTACT: Alison Gallaway, Assistant City Attorney, 974-2671; Sue Edwards, Director, EGRSO, 974-7820

PRIOR COUNCIL ACTION: April 28, 2005 - Council approved the sale of Block 21 to Stratus Properties.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

This resolution gives the City Manager further direction in negotiating the Purchase Contract for the sale and disposition of Block 21, including review of the schematic architectural drawings and approval of execution when the contract has been fully negotiated.

RESOLUTION NO.

WHEREAS, the City of Austin initiated a Request for Proposal (RFP) to sell Block 21; and

WHEREAS, the goals of the RFP include: a positive economic and financial impact to the City; enhancement of the 2nd Street Retail District; possible inclusion of a cultural entity; and a design that complements the existing neighborhood and the new City Hall; and

WHEREAS, the requirements of the RFP include: a prohibition of office and service uses in the ground floor retail space; a minimum of 42,000 square feet of ground floor retail space; limiting the parking entrance to 3rd Street; 150 on-site parking spaces for the retail portion of the proposed project; and a requirement to build within Downtown Design Guidelines; and

WHEREAS, during this process, council added the following considerations to the evaluation of the proposals: the quality of the building design and materials; siting on the block; inclusion of an open space or a plaza; and inclusion of affordable housing; and

WHEREAS, the proposal submitted by Stratus Properties, Inc. and Trammell Crow Company (Stratus) was deemed to be the best proposal; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The council authorizes the city manager, or designee, to negotiate all documents related to selling and developing Block 21 of the Original City of Austin, bounded by Guadalupe Street, 2nd Street, Lavaca Street, and 3rd Street, to Stratus, for \$15,000,000, subject to addition of the following council interests to the sales contract:

- (1) Require that council review the architectural schematic drawings, including siting on the block, prior to authorization by Stratus of construction drawings;
- (2) Investigate maximizing the size of the plaza on coordination with HSM/Urban Partners, the city's retail consultants for the 2nd Street Retail District;
- (3) Investigate acquiring an option for a non-profit entity to purchase an interest in approximately 40,000 square feet for cultural public space, at a cost not to exceed \$4,950,000.
- (4) Require Stratus to provide affordable housing in accordance with the City's guidelines in the S.M.A.R.T. HousingTM program for the multi-family rental units.

ADOPTED: _____, 2005

ATTEST: _____
Shirley A. Brown
City Clerk

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