



**Outside Counsel
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 15
AGENDA DATE: Thu 01/26/2006
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SUBJECT: Authorize execution and execution of an amendment to a legal service agreement with HUGHES & LUCE, L.L.P., Austin, TX, relating to negotiation of the terms of the sale of Block 21, generally located at 2nd Street, Lavaca Street, 3rd Street, and Guadalupe, in an amount not to exceed \$150,000, for a total contract amount not to exceed \$250,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$150,000 is available in the Fiscal Year 2005-2006 Approved Operating Budget of Economic Growth and Redevelopment Services Office.

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

**REQUESTING Law
DEPARTMENT:**

**DIRECTOR'S
AUTHORIZATION: Karen Kennard**

FOR MORE INFORMATION CONTACT: David Smith, City Attorney, 974-2268

PRIOR COUNCIL ACTION: Council approved \$100,000 on June 9, 2005

BOARD AND COMMISSION ACTION: N/A

On April 28, 2005, Council approved entering into negotiations with Stratus Properties, Inc., Trammell Crow Company, and Gables Residential Trust, Austin, TX to redevelop Block 21.

The Project includes negotiating, with a City team and its legal consultants, the details of a Purchase Contract with Stratus Properties, Inc., Trammell Crow Company, and Gables Residential Trust, which include the Council's concerns, the Request for Proposal requirements, a date to start construction, a date upon which a certificate of occupancy must be issued, among others. The Purchase Contract will set out the details of those obligations, together with all relevant measures of performance and default, and how to proceed in the event of default.

On June 9, 2005, Council authorized a legal service agreement with Watson Bishop London Brophy, P.C. in the amount of \$100,000. The agreement was transferred on August 16, 2005 to Hughes & Luce, L.L.P. This amendment will increase the total amount of the agreement in an amount not to exceed \$250,000.