

A U S T I N C I T Y C O U N C I L

AGENDA

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Thursday, August 10, 2006

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**Neighborhood Housing and Community
Development
RECOMMENDATION FOR COUNCIL ACTION**

ITEM No. 15

Subject: Approve ratification, negotiation and execution of an agreement with the Urban Renewal Agency of the City of Austin and the Austin Revitalization Authority in an amount not to exceed \$900,000, for a three year term beginning October 1, 2004, for acquisition and development of property in the East 11th and 12th Streets Urban Renewal Area.

Amount and Source of Funding: There is no unanticipated fiscal impact.

Fiscal Note: A fiscal note is not required.

Additional Backup Material
(click to open)
 Ratification Memo

For More Information: Paul Hilgers, Director, Neighborhood Housing and Community Development, 974-3108.

Boards and Commission Action: Recommended by the Urban Renewal Board.

Prior Council Action: May 25, 2006, by Resolution No. 20060525-051

This action authorizes a three-year agreement between the City, the Urban Renewal Agency of the City of Austin and the Austin Revitalization Authority effective October 1, 2004, on substantially the same terms and conditions, as the amended Acquisition, Development and Loan Agreement entered into by the parties on 12 October 1999 (Original Development Agreement).

The Original Development Agreement for the implementation of the East 11th and 12th Streets Urban Renewal Plan (Plan) was part of the financing package for the \$9,035,000 Section 108 Loan Guarantee Assistance Program from the U.S. Department of Housing and Urban Development and identifies the three parties' roles and responsibilities related to the implementation of the East 11th and 12th Streets Plan. Three amendments to the Original Development Agreement were administratively approved. Amendment No. 1 amended the general terms and provisions to clarify HUD's guarantee; Amendments No. 2 and 3 clarified the roles and responsibilities regarding the acquisition of property in the redevelopment area.

The Development Agreement expired on October 1, 2004. However, the parties have continued the Development Agreement as an implied agreement through today. This action will authorize a new agreement on the same terms as the Original Development Agreement with an extended term of the agreement through September 30, 2007.



City of Austin

MEMO

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Neighborhood Housing and Community Development

Paul Hilgers, Director

(512) 974-3108; Fax: (512) 974-1063; paulhilgers@austintx.us

Date: August 1, 2006

To: Mayor and Council Members
Toby Hammett-Futrell, City Manager

From: Paul Hilgers, Director, Neighborhood Housing and Community Development

Subject: Critical Business Need: URB and ARA Agreement

ACTION:

This action authorizes the negotiation, ratification and execution of an agreement between the City, the Urban Renewal Agency of the City of Austin (URB) and the Austin Revitalization Authority (ARA) effective October 1, 2004, substantially on the same terms and conditions, except for an extended term, as the Acquisition, Development and Loan Agreement entered into by the parties on October 12, 1999 (Original Development Agreement), as previously amended.

BACKGROUND:

The Original Development Agreement between the parties expired on October 1, 2004. The parties, however, have continued the Development Agreement as an implied agreement through today and the URB and ARA have taken numerous actions under the contract. The Section 108 HUD Loan Guarantee (108 Loan) for the East 11th and 12th Streets Revitalization Project expiration date coincided with the expiration date of the Development Agreement. Although an extension was granted for the 108 Loan, we failed to extend the Development Agreement's expiration date. We had therefore always anticipated renewing the agreement; however, the expiration of the agreement was overlooked. Measures have been adopted to ensure the contract and agreement dates are properly tracked. While none of the actions involved expenditures (all expenditures were under separate agreements), many of these planning actions were significant and need to be ratified. It is a critical business need that a new agreement on the same terms as the Original Development Agreement with an extended term of the agreement be authorized through September 30, 2007.

Please let me know if you have any questions or if I can provide additional information.

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